

“A Study On The Impact Of College Students Share Market Awareness On Their Ability To Analyse Economic Issues In Mumbai”

Mrs. Sangeeta Mangesh Bhosale^{1*}, Dr. Bharati Makhijani²

¹Research Scholar, Department of Commerce and Business Studies, Dr. Shantilal K Somaiya School of Commerce and Business Studies, Somaiya Vidyavihar University, Mumbai, Maharashtra, India

²Research Guide, Department of Commerce and Business Studies, Dr. Shantilal K Somaiya School of Commerce and Business Studies- Somaiya Vidyavihar University, Mumbai

Abstract:

The stock market is regarded as the beating heart of the emerging economy, reflecting the state of the economy. The share market is expanding daily, and there are a rising number of options within it. Putting money into the stock market also helps the nation's economy grow and thrive. Few millennials think that only those with a solid education in finance or business may pursue a career in the stock market. However, students can begin their careers in the stock market regardless of their educational background, including those in the arts, sciences, commerce, and management.

Some student may still be unaware of the stock market. And few students are still ignorant of stock market investments, even if they are aware of the stock market as a lay man. Students may choose not to invest in the stock market for several reasons. The most frequent justification is that there is more risk and investment in the stock market, which is untrue. To ascertain students' attitudes on the stock market, the reasons for their lack of stock market investment, and the degree of happiness they have with their share investment, the current study is undertaken.

Keywords: Share market, economic issues, financial judgment, stock market, portfolio, investor awareness, risk perception

1. Introduction

The stock market is the pulse of the economy, and investors are always the backbone of the securities market. The success of the stock market reflects the country's financial strength (Akhter & Sangmi, 2015). Information about the stock market should be known to all those involved in it. Students at business colleges are closely related to the stock market, so they must be aware of this important investment platform to consider investing in the stock market if they are interested (Gupta, 2023). Financial intermediation plays an important role in people's understanding about the financial sector and its connection to economic growth (Bekaert, 2001). Indians have a reputation for having sound financial judgment; however, there is a severe lack of awareness and education regarding investments and other financial matters. The stock market has grown substantially over the

last few years, and it has also become very competitive and challenging. The dynamic nature of the stock market is gradually becoming more active, posing a challenge for investors (**Jain & Thakur, 2012**).

The millennial generation has always taught that investing in the stock market is the riskiest and that we will lose money. Less than 10% of Indian households choose to invest in alternative assets, such as stocks or mutual funds, while the rest prefer to save their money in gold, bank deposits, post-office savings, and real estate. Students should know that investing allows them to have a broad financial portfolio, and it is all about not placing all of their eggs in one basket. Students are generally influenced by their parents to invest in the stock market (**Thapa & Nepal, 2015**). Thus, teaching students the fundamentals of stocks, the NSE, the BSE, mutual funds, equities, and other topics is crucial. To get college students interested in trading, it is crucial to teach them the fundamentals of share prices, including how they rise and fall and how they affect their assets. Socially and economically, the younger generation is more inventive and tech-savvy than the older generation. The younger generation's awareness of investments will be examined with the aid of this study. More financially literate people and communities will exhibit planned and prudent financial behaviour and be able to use their financial knowledge and abilities to take suitable financial activities. Stock market awareness is financial literacy of a person.

Big businesses use it to raise investment capital for expansion and growth through the stock market. Household investments are directed towards more productive assets in an economy by the stock market, which provides individual investors with limitless choices to invest in various securities.

Despite this, there are many reasons why people don't participate as much in the stock market, these are :

- Income risk
- Personal attitude towards risk
- Unfavourable peer and neighbour impact
- Ignorance of the stock market
- Lack of comprehension of how the stock market operates
- Problems with trust and culture

Studies show that even among the educated population, stock market awareness is extremely low, which is evidence of the impact of these issues. This underlines the significance of stock market knowledge.

Although Indian investors are good savers, their ignorance of financial goods and markets frequently causes them to lose hard-earned money. Financial literacy is the best approach to raise investor awareness, which is the best strategy to safeguard investors. Investor awareness refers to the understanding of investments and significant market updates. Numerous scholars have studied this topic; for instance, (**Guiso and Japelli 2005**) claimed that an investor's awareness can be ascertained by their wealth, age, income, and level of education. A coordinated approach is required to turn awareness into knowledge, but first, it is crucial to determine the level of awareness among undergraduate students.

To increase knowledge of the share market and other investments, undergraduate and graduate students must be made aware of stock market investing. In addition to being aware of the various financial products available on the market, student awareness also helps them to make informed decisions, especially those who are committed

to long-term financial planning. Students from several colleges in Mumbai who were between the ages of 17 and 25 have participated in this study.

2. Objectives

1. To study the extent of the share market perception of the students regarding the share market.
2. To understand the awareness of college students about investment in the share market.
3. To find major sources of financial information available to college students.
4. To find out the general financial behaviour and attitude of college students.

The hypotheses developed to achieve the stated objectives are:

H₀₁: There is no significant relationship between age and sources of information available.

H_{A1}: There is a significant relation between age and sources of information available.

H₀₂: There is no association between gender and awareness of the Share Market regarding investment.

H_{A2}: There is an association between gender and awareness of the Share Market regarding investment.

3. Methods

Research Design: Quantitative Method

Sampling Area: church gate, Parel, Mahalaxmi, Vidya Vihar in Mumbai

Sampling Method: Convenient Sampling Approach

Sample Size: 71 Statistical Tool Used: SPSS

Data Collection: Questionnaire Method

Hypothesis Testing: SPSS, Chi-Square Test, correlation, regression

Quantitative methodologies were employed in this study to collect and provide as much information as possible for a relative evaluation. Questionnaires were used as part of this approach. Personal contacts were used to send the questionnaire. The quiz and the profile were its two primary sections. The questionnaire included parameters influencing our study, and the profile included the sociodemographic details of the respondents, including age, gender, email address, and educational background. The responses were analyzed using statistical techniques such as the chi-square test, independent sample test, and ANOVA.

4. Results

4.1 . Demographics tables:

Table 1.1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	45	63.4	63.4	63.4
	Female	26	36.6	36.6	100.0
	Total	71	100.0	100.0	

Comment: The Majority of the respondents (63.4%) are males, and the remaining (36.6%) are females.

Table 1.2 Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17-19 years	46	64.8	64.8	64.8
	20-22 years	16	22.5	22.5	87.3
	23-25 years	9	12.7	12.7	100.0
	Total	71	100.0	100.0	

Comment: Majority of the respondents (64.8%) are in the age group of 17-19 years, 22.5% are in the age group of 20-22 years, and the remaining 12.7% are in the age group of 23-25 years.

Table 1.3 Studying in which year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 st yr. PG	15	21.1	21.1	21.1
	2 nd yr. PG	2	2.8	2.8	23.9
	1 st yr. UG	29	40.8	40.8	64.8
	2 ⁿ yr. UG	17	23.9	23.9	88.7
	3 rd yr. UG	8	11.3	11.3	100.0
	Total	71	100.0	100.0	

Comment: 21.1% respondents belong to first year PG, 2.8% belong to second year PG, 40.8% belong to first year UG, 23.9% belong to second year UG and 11.3% belong to third year UG.

Table 1.4 Stream

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Management	11	15.5	15.5	15.5
	Commerce	21	29.6	29.6	45.1
	Arts	5	7.0	7.0	52.1
	Science	34	47.9	47.9	100.0
	Total	71	100.0	100.0	

Comment: 15.5% respondents belong to the management stream, 29.6% belong to the Commerce stream, 7% belong to the Arts stream, and 47.9% belong to the science stream.

4.2. Tests of Normality:

Table 2: Kolmogorov-Smirnov & Shapiro-Wilk Tests

	Gender	KolmogorovSmirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
On a scale of 1-5, how would you rate the importance of the Share Market in an individual's life?	Male	.245	45	.000	.867	45	.000
	Female	.271	26	.000	.878	26	.005
Do you think the Share Market plays a very important role in the country's economy?	Male	.242	45	.000	.798	45	.000
	Female	.292	26	.000	.783	26	.000
a. Lilliefors Significance Correction							

Tests of Normality

	Age group	KolmogorovSmirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
On a scale of 1-5, how would you rate the importance of the Share Market in an individual's life?	17-19 years	.214	46	.000	.889	46	.000
	20-22 years	.215	16	.047	.894	16	.065
	23-25 years	.269	9	.059	.808	9	.025
Do you think the Share Market plays a very important role in the country's economy?	17-19 years	.229	46	.000	.810	46	.000
	20-22 years	.257	16	.006	.814	16	.004
	23-25 years	.223	9	.200*	.838	9	.055
*. This is a lower bound of the true significance.							
a. Lilliefors Significance Correction							

Comment: Since the significance value is $0.000 < 0.05$, we conclude that the data is not normal.

4.3. Reliability Test of the Questionnaire

Table 3: Reliability Statistics

Cronbach's Alpha	N of Items
.734	4

Item Statistics			
On a scale of 1-5, how would you rate the importance of the Share Market in an individual's life?	3.46	.983	71
Do you think the Share Market plays a very important role in the country's economy?	4.03	.736	71
What is your opinion on the saying "Investing in the share market is just like gambling"?	2.92	.982	71
In the upcoming decade, the share market will be the largest sector in which people will prefer investing their money.	4.03	.676	71

Comment: Since the value of Cronbach's alpha is > 0.7, the questionnaire has high reliability.

4.4. Testing of hypotheses

H_{01} : There is no significant relationship between Age and sources of information available.

H_{A1} : There is a significant relationship between age and sources of information available.

Table 4.1 Age group * Where did you learn about the Share Market? Cross tabulation

Count							
		Where did you learn about the Share Market?					Total
		Media	Internet	Friends	Family	Teachers	
Age group	17-19 years	9	21	4	9	3	46
	20-22 years	0	3	5	5	3	16
	23-25 years	1	6	2	0	0	9
Total		10	30	11	14	6	71

Table 4.2 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.803 ^a	8	.032

Likelihood Ratio	20.819	8	.008
Linear-by-Linear Association	.239	1	.625
N of Valid Cases	71		
a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .76.			

Comment: Since the significance value is $0.032 < 0.05$, we reject H_0 and conclude that there is a significant relationship between age group and sources of information. Friends and family have been a greater source of learning for the age group of 20-22 years as compared to 17-19 and 23-25 years, where the internet is the major source.

H_{02} : There is no association between gender and sources of information available.

H_{A2} : There is an association between gender and sources of information.

Table 4.3 Gender * Where did you learn about the Share Market? Cross tabulation

Count							
		Where did you learn about Share Market?					Total
		Media	Internet	Friends	Family	Teachers	
Gender	Male	6	23	5	7	4	45
	Female	4	7	6	7	2	26
Total		10	30	11	14	6	71

Table 4.4 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.962 ^a	4	.291
Likelihood Ratio	5.019	4	.285
Linear-by-Linear Association	.975	1	.323
N of Valid Cases	71		
a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 2.20.			

Comment: Since the significance value is $0.291 > 0.05$, we accept H_0 and conclude that there is no significant association between gender and sources of information.

Overall Findings:

- Students are aware of the importance of the share market but cautious in actual investment.

- The Internet is the most influential medium for awareness, though academic inclusion is strongly demanded.
- Risk perception, preference for assured returns, and limited investment appetite show a conservative approach among youth.
- Awareness and attitudes vary significantly across academic streams, but not across gender or age.

This study examines the impact of college students' share market awareness on their ability to analyze economic issues in Mumbai. The association between age and sources of information, and gender and sources of information examined. Among 71 respondents 63.4% of respondents were male and 36.6% were female. This showed that male students dominated the sample. In this study significant association was found between age and sources of information ($p = 0.032$), whereas no significant association was found between gender and sources of information ($p = 0.291$). In which the largest age group was 17-19 years, followed by 20-22 years and 23-25 years. Around 67.7% of students are aware of the share market, and the rest are unaware. The most trusted sources for this young generation are no doubt but internet (45.1%), followed by media and friends.

Though 49.3% rated the share market's importance high (4–5 on a 5-point scale) and 74.7% agreed or strongly agreed that the share market plays an important role in the economy, among the total respondents, only 2.8% were willing to invest 30% or more in the share market. Most students feel that investment in the share market is riskier; they consider it a gamble rather than a subject of study. This demands that to create more awareness about share market among young people, the share market awareness curriculum should be framed and included step by step in undergraduate and majorly in post graduate syllabus.

5. Discussion

According to the report, SEBI and the Indian stock exchanges, which have been tasked with promoting financial literacy, should employ a variety of information-dissemination strategies to increase the number of people involved in the financial market. Investors are not given unfettered access to all information; they must choose which information to obtain before trading, and they wind up surviving in a sea of ambiguity, which lowers their awareness level. According to this study, most management students are pickier about how they follow stock market news, preferring newspapers and internet services over financial news on television. Additionally, it has been disclosed that they are aware of the financial instruments that are traded, the returns on investments made in the market, and that the stock market is one of the simplest ways to raise money for businesses to operate, even though they find it difficult to keep up with stock market news because of prohibitive costs. Nonetheless, the general degree of awareness is strong, albeit specifically influenced by the respondents' years of study, gender, and college or university mean; age did not significantly influence this. Thus, the study shows that management students understand the idea of stock market efficiency.

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