

# A Study of Stock Market and Perception of People Towards Stock Market

Raj Dipak Tatkare<sup>1</sup>, Dr. Ashwini Kshirsagar<sup>2</sup>

<sup>1</sup>Student of Master of Management Studies, Alamuri Ratnamala Institute of Engineering and Technology, Mumbai University, [mailto: tatkareraj101@gmail.com](mailto:tatkareraj101@gmail.com)

<sup>2</sup>Assistant Professor, MMS Department, Alamuri Ratnamala Institute of Engineering and Technology University of Mumbai [mmshe.armiet@gmail.com](mailto:mmshe.armiet@gmail.com)

**Abstract**— The stock market has been growing rapidly over the past few decades, providing a platform for companies to raise capital and for investors to participate in the growth of businesses. This study aims to investigate the perception of people towards the Indian stock market, exploring the factors that influence their investment decisions and their level of satisfaction with the stock market. A survey of 200 respondents was conducted, and the results show that demographic factors, financial literacy, and risk tolerance play a significant role in shaping people's perception of the Indian stock market.

**Keywords**— Indian stock market, public perception, financial literacy, investment behavior, market volatility

## 1.INTRODUCTION :

- **Background:** Overview of the Indian stock market, its historical evolution, and its role in economic development.
- **Research Problem:** Widespread reluctance among Indians to invest in equities due to lack of awareness and market apprehensions.
- **Objectives:** To analyze stock market trends and assess public perceptions through qualitative and quantitative methods.
- **Scope and Relevance:** Explores the intersection of financial education, market accessibility, and investment behavior.

## 2. LITERATURE REVIEW :

- ☐ Studies on the evolution of the Indian stock market.
- ☐ Analysis of factors influencing public perception, such as risk aversion, financial literacy, and cultural attitudes.
- ☐ International comparisons and what India can learn from global stock market participation trends.

## 3.RESEARCH METHODOLOGY :

This study used a survey research design to collect data from 200 respondents. The survey questionnaire was designed to collect data on demographic factors, financial literacy, risk tolerance, and perception of the Indian

stock market. The questionnaire was distributed online, and the data was analyzed using descriptive statistics and inferential statistics.

#### 4.RESULTS:

##### ☐ **Market Analysis:**

- Growth trends in the Indian stock market.
- Sectoral performance and impact of global economic factors.

##### ☐ **Survey Findings:**

- Public awareness and participation in stock markets.
- Perceptions of risk, trust in market institutions, and accessibility.

##### ☐ **Correlation Between Literacy and Participation:**

Higher financial literacy correlates with greater investment in equities.

##### ☐ **Challenges Identified:**

- Fear of market volatility.
- Limited outreach of financial education programs.
- Regulatory complexities.

#### 5.CONCLUSION AND RECOMMENDATION:

##### ▪ **Conclusion:**

- Public perception towards stock markets is a significant determinant of investment participation.
- Misconceptions about high risk and insufficient knowledge are barriers.

##### ▪ **Recommendations:**

- Enhancing financial literacy through government and private initiatives.
- Simplifying investment processes and improving trust in regulatory bodies.
- Incentivizing retail investment in equity markets.

#### 6.SCOPE OF THE STUDY:

This study focuses on the dynamics of the Indian stock market and the perception of individuals towards investing in it. The Indian stock market has witnessed significant growth and volatility in recent decades, making it a crucial platform for both corporate financing and individual wealth creation. Despite its importance, participation from the general public, particularly retail investors, remains relatively low compared to developed economies.

The scope of this study extends to examining:

1. **Market Trends:** Understanding the historical and recent trends in the Indian stock market to provide context for its development.
2. **Public Perception:** Analyzing factors influencing individuals' attitudes toward stock market investment, including socio-economic conditions, financial literacy, and trust in regulatory institutions.
3. **Demographic Variation:** Investigating differences in stock market participation based on age, income levels, education, and geographic location.
4. **Challenges and Opportunities:** Identifying barriers to stock market participation and highlighting potential strategies to enhance engagement.

## 7.OBJECTIVES OF THE STUDY:

The primary objective of this study is to analyze the Indian stock market and assess public perception regarding investment in it. To achieve this overarching goal, the study outlines the following specific objectives:

1. **To examine the current state of the Indian stock market:** The study evaluates market performance, key indices, and sectoral trends to provide an understanding of the stock market's status and its role in the economy.
2. **To assess the level of awareness and financial literacy among the public:** By conducting surveys and interviews, the study gauges the extent to which individuals are informed about stock market functioning and investment processes.
3. **To analyze factors influencing public perception:** The study identifies key drivers such as trust in financial institutions, risk tolerance, socio-economic conditions, and accessibility that shape people's attitudes toward the stock market.
4. **To explore the barriers to retail participation in the stock market:** Investigating challenges such as market volatility, complex investment procedures, and lack of financial education that hinder wider public involvement.
5. **To provide recommendations for increasing stock market participation:** Based on the findings, the study proposes actionable steps for enhancing financial literacy, simplifying regulatory frameworks, and building trust in the market system.

## 8. REFERENCES:

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