



TO STUDY THE INVESTOR MINDSET AND THEIR APPROACH TOWARDS INDIAN STOCK MARKET BASED ON STATISTICAL METHODS

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ABSTRACT

Stock market has become an attractive investment avenue for most of the investors, and stock market has enormously grown over the years. But lot of investors fear to invest in stock market due to the volatility often seen in share market. The risk often undertaken by the investors in share market huge and there exist fear among the investors of losing their hard-earned income. Even though the return, the investors receive in stock market is high, the investors need to bear an equal amount of risk as well as moreover the investors must sure of which investment avenue, they are selecting in order to ensure high returns. Considering any trading day, loss or gain is absolutely inconsistent. The demand to predict stock prices are extremely high, hence is the need for stock market analysis. This study was undertaken to understand the different personal factors affecting their investment decision and the different factors influencing various categories of investment. Questionnaire was conducted to understand the view point, behavior and attitude of the investors as well as their level of awareness. Most of the people are attracted towards stock market high returns and speculations among the observation people prefer to invest in IT, Pharma, Banking and Automobile sectors mostly. A lot of peoples came in contact with share market because of friends, neighbors and relatives. People having higher income prefer to take risk. People having less income don't take risk. Analysis and Emotions plays key role in profit and loss of peoples. Experience persons in data say that future of Indian stock market is growing and inexperienced persons are opposite to it.

Keywords: *Parametric Test, Nonparametric Test, Graphical Representation, Level of Significance,*

1. INTRODUCTION

In this world people know various options to earn money. But generally people interested in earn money in short time and their this wish is fulfilled in Share Market where we can earn money without so much efforts but proper knowledge. Nowadays banks interest rates has reduced so people prefer to invest their in stock market. A lot of employees, businessmen and people from various occupation invest their some part of money in Share Market. This covid-19 Pandemic has massive effect over stock market. A lot people lost their jobs and they had no more option to earn money. Stock Market turned out to be boon for this people to generate money. Benjamin Graham, best known for his book *The Intelligent Investor*, is lauded as a top guru of finance and investment. Known as the father of value investing, *The Intelligent Investor: The Definitive Book on Value Investing* is considered one of the most important books on the topic. By evaluating companies with surgical precision, Graham excelled at making money in the stock market without taking big risks. Thus, according to Graham, investors should always aim to profit from the whims of the stock market, rather than participate in it. His principles of investing safely and successfully continue to influence investors today. Burton Malkiel in his book *A Random Walk Down Wall Street* is a classic guide that blends history, economics, market theory, and behavioral finance to offer practical and actionable advice for investing and achieving financial freedom. Malkiel's central message is abundantly clear – begin a consistent savings plan as early as possible and invest the core of your portfolio in low-cost, broad-based index funds.

AnjuBala (2013) evaluated that stock market is one of the most vibrant sectors in the financial system, marketing an important contribution to economic development. Stock market is a place where buyers and sellers of securities can enter into transaction to purchase and sell shares, bonds, debentures etc. In other words, stock market is a platform for trading various securities and derivatives. Further, it performs an important role of enabling corporate, entrepreneurs to raise resource for their companies and business venture through public issues. Today long-term investors are interested to invest in the stock market rather than invest anywhere. Investors mainly chosen by the short-term investment in capital market, who are forced to join by the guidance of the investors. He conducted a study with a main intention to determine the behavior and attitude of the investors belonging to north eastern region to the Investment Portfolio about mutual fund (Rajagopalan, P., &Gurusamy, S. 2015; Arathy, B 2015; Trang, P. T. M., &Tho, N. H. 2017; Muthumeenakshi, M. 2017; Manimozhy, N., & Borah, N. 2018). The study is published an output that the salaried persons and businessmen created the demand for mutual fund because of tax allowances. Derivative trading introduced in India 200 years ago. Various study states self-conscious is the most dominating trait in among the demographic variables. The study justified the regulatory authorities to increase disclosure of financial information and to take action with the aim of increasing investors and their financial literacy to mitigate the psychological bias. In case of mutual fund, in India it has