A PROJECT REPORT ON

'AN UNDERSTANDING OF AWARENESS OF INVESTMENTS IN EQUITY SHARES AMONG DEGREE COLLEGE STUDENTS OF THANE CITY.'

A Project submitted to

University of Mumbai for Partial Completion of the Degree

Of Bachelor in Commerce (Accounting and Finance)

Under the Faculty of Commerce

By

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Under the Guidance of

ASST. PROF. DR. KISHOR CHAUHAN

JNAN VIKAS MANDAL'S
Mohanlal Raichand Mehta College of Commerce
Diwali Maa College of Science
Amritlal Raichand Mehta College of Arts
Dr. R. T. Doshi college of Computer Science
NAAC Re-Accredited Grade 'A+ (CGPA : 3.31) (3rd Cycle)
Sector_19, Airoli, Navi Mumbai, Maharashtraa 400708

ACADEMIC YEAR 2023-24

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CERTIFICATE

This is to certify that **MS. Rutika Santosh Sanas** has worked and duly completed his Project work for the degree of Bachelor in Commerce (Accounting and Finance) under the Faculty of Commerce in the subject of Management control and his project is entitled, **"An Understanding Of Awareness Of Investments In Equity Share Among Degree College Students Of Thane City."** Under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and fact reported by her personal finding and investigations.

Guiding Teacher,
ASST.PROF. DR. KISHOR CHAUHAN

Date of submission:

DECLARATION BY LEARNER

I the undersigned **MS RUTIKA SANTOSH SANAS** here by, declare that the work embodied in this project work titled **"An Understanding Of Awareness Of Investments In Equity Share Among Degree College Students Of Thane City."** forms my own contribution to the research work carried out underthe guidance of **ASST. PROF. DR. KISHOR CHAUHAN** is a result of my own research workand has not been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearlyindicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

MS RUTIKA SANTOSH SANAS

Certified by
ASST. PROF. DR. KISHOR CHAUHAN

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LIST OF TABLES AND DIAGRAMS

CHAPTER 1 : INTRODUCATION

What Is an Investment ?

An investment is an asset or item acquired with the goal of generating income or appreciation. Appreciation refers to an increase in the value of an asset over time. When an individual purchases a good as an investment, the intent is not to consume the good but rather to use it in the future to create wealth.

An investment always concerns the outlay of some resource today—time, effort, money, or an asset—in hopes of a greater payoff in the future than what was originally put in. For example, an investor may purchase a monetary asset now with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.

An investment involves putting capital to use today in order to increase its value over time. An investment requires putting capital to work, in the form of time, money, effort, etc., in hopes of a greater payoff in the future than what was originally put in. An investment can refer to any medium or mechanism used for generating future income, including bonds, stocks, real estate property, or alternative investments.

Investments usually do not come with guarantees of appreciation; it is possible to end up with less money than with what you started. Investments can be diversified to reduce risk, though this may reduce the amount of earning potential.

1.1 Why Invest?

First, why should you be investing versus simply saving money? Or why not just earn more and more, and use that higher earnings to live on?

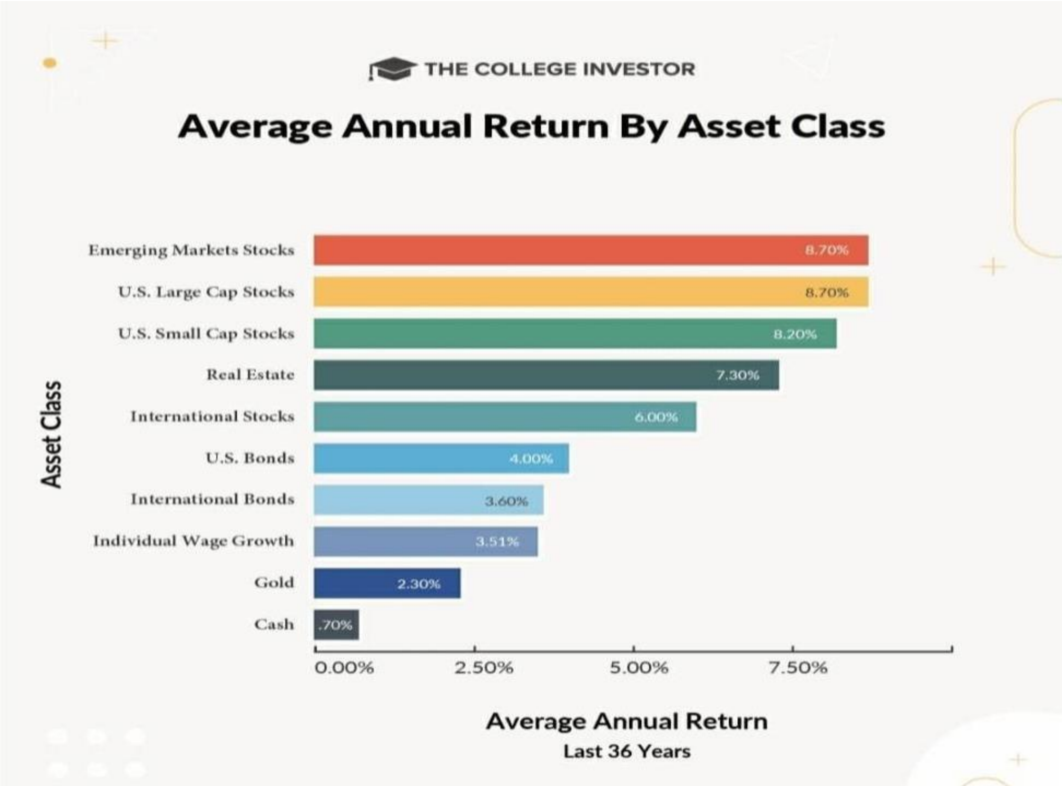
Let's start with the second thought first - at some point in time, you're going to want to stop working. Most people call this retirement - but it's important to remember that retirement is an amount of money, not an age. You might have heard of the FIRE Movement - Financial Independent, Retire Early. These are people that want to retire early, but focusing more on hitting their number.

Here's how investing should work - you put aside money from your working bucket into other buckets - stocks, bonds, real estate, etc. Then, when you stop working, those buckets pay you!

Okay, so now that you understand how it works, why not simply earn more money or simply save? Why do you have to invest?

The reason is simple: your wage growth rate and savings account rates are too LOW. You won't grow your money enough over time.

Sadly, wage growth over the last 30+ years has only averaged about 3.5% per year. And savings rates have average 0.70% per year. That's terrible! You need to invest to keep ahead!



1.2 Types of investments

Investing can intimidate a lot of people because there are many options and it can be hard to figure out which investments are right for your portfolio. This guide walks you through ten of the most common types of investments, from stocks to commodities and explains why you may want to consider including each in your portfolio. If you're serious about investing it might make sense to find a financial advisor who can guide you and help you figure out which investments will help you reach your goals.

1.2.1. Stocks

Stocks, also known as shares or equities, might be the most well-known and simple type of investment. When you buy stock, you're buying an ownership stake in a publicly-traded company. Many of the biggest companies in the country are publicly traded, meaning you can buy stock in them. Some examples include Exxon, Apple and Microsoft.

How you can make money: When you buy a stock, you're hoping that the price will go up so you can then sell it for a profit. The risk, of course, is that the price of the stock could go down, in which case you'd lose money.

1.2.2. Bonds

When you buy a bond, you're essentially lending money to an entity. Generally, this is a business or a government entity. Companies issue corporate bonds, whereas local governments issue municipal bonds. The U.S. Treasury issues Treasury bonds, notes and bills, all of which are debt instruments that investors buy.

How you can make money: While the money is being lent, the lender or investor gets interest payments. After the bond matures, meaning you've held it for the contractually determined amount of time, you get your principal back.

The rate of return for bonds is typically much lower than it is for stocks, but bonds also tend to be a lower risk. There is still some risk involved, of course. The company you buy a bond from could fold or the government could default. Treasury bonds, notes and bills, however, are considered very safe investments.

1.2.3. Mutual Funds

A mutual fund is a pool of many investors' money that is invested broadly in a number of companies. Mutual funds can be actively managed or passively managed. An actively managed fund has a fund manager who picks securities in which to put investors' money. Fund managers often try to beat a designated market index by choosing investments that will outperform such an index. A passively managed fund, also known as an index fund, simply tracks a major stock market index like the Dow Jones Industrial Average or the S&P 500. Mutual funds can invest in a broad array of securities: equities, bonds, commodities, currencies and derivatives.

Mutual funds carry many of the same risks as stocks and bonds, depending on what they are invested in. The risk is often lesser, though, because the investments are inherently diversified.

How you can make money: Investors make money off mutual funds when the value of stocks, bonds and other bundled securities that the fund invests in go up. You can buy them directly through the managing firm and discount brokerages. But note there is typically a minimum investment and you'll pay an annual fee.

1.2.4. Exchange-Traded Funds (ETFs)

Exchange-traded funds (ETFs) are similar to mutual funds in that they are a collection of investments that tracks a market index. Unlike mutual funds, which are purchased through a fund company, shares of ETFs are bought and sold on the stock markets.

Their price fluctuates throughout the trading day, whereas mutual funds' value is simply the net asset value of your investments, which is calculated at the end of each trading session.

How you can make money: ETFs make money from the collection of a return amongst all of their investments. ETFs are often recommended to new investors because they're more diversified than individual stocks. You can further minimize risk by choosing an ETF that tracks a broad index. And just like mutual funds, you can make money from an ETF by selling it as it gains value.

1.2.5. Certificates of Deposit (CDs)

A certificate of deposit (CD) is considered to be a very low-risk investment. You give a bank a certain amount of money for a predetermined amount of time and earn interest on that money. When that time period is over, you get your principal back, plus the predetermined amount of interest. The longer the loan period, the higher your interest rate is likely to be. While the risk is low, so is the potential return.

How you can make money: With a CD, you make money from the interest that you earn during the term of the deposit. CDs are good long-term investments for saving money. There are no major risks because they are FDIC-insure koond up to $250,000, which would cover your money even if your bank were to collapse. That said, you have to make sure you won't need the money during the term of the CD, as there are major penalties for early withdrawals.

1.2.6. Retirement Plans

A retirement plan is an investment account, with certain tax benefits, where investors invest their money for retirement. There are a number of types of retirement plans such as workplace retirement plans, sponsored by your employer, including 401(k) plans and 403(b) plans. If you don't have access to an employer-sponsored retirement plan, you could get an individual retirement plan (IRA) or a Roth IRA.

How you can make money: Retirement plans aren't a separate category of investment, per se, but a vehicle to buy stocks, bonds and funds in two tax-advantaged ways. The first, lets you invest pre tax dollars (as with a traditional IRA). The second, allows you to withdraw money without paying taxes on that money. The risks for the investments are the same as if you were buying the investments outside of a retirement plan.

1.2.7. Options

An option is a somewhat more advanced or complex way to buy a stock. When you buy an option, you're purchasing the ability to buy or sell an asset at a certain price at a given time. There are two types of options: call options, for buying assets and put options, for selling options.

How you can make money: As an investor, you lock in the price of a stock with the hope that it will go up in value. However, the risk of an option is that the stock could also lose money. So if the stock decreases from its initial price, you lose the money of the contract. Options are an advanced investing technique and retail should exercise caution before using them.

1.2.8. Annuities

When you buy an annuity, you purchase an insurance policy and, in return, you get periodic payments. These payments generally come down the road in retirement but are often purchased years in advance. This is why many people use annuities as part of their retirement savings plan.

Annuities come in numerous varieties. They may last until death or only for a predetermined period of time. They may require periodic premium payments or just one up-front payment. They may link partially to the stock market or they may simply be an insurance policy with no direct link to the markets. Payments may be immediate or deferred to a specified date. They may be fixed or variable.

How you can make money: Annuities can guarantee an additional stream of income for retirement. But while they are fairly low risk, they aren't high-growth. So investors tend to make them a good supplement for their retirement savings, rather than an integral source of funding.

1.2.9. Derivatives

A derivative is a financial instrument that drives its value from another asset. Similar to an annuity, it is a contract between two parties. In this case, though, the contract is an agreement to sell an asset at a specific price in the future. If the investor agrees to purchase the derivative then they are betting that the value won't decrease. Derivatives are considered to be a more advanced investment and are typically purchased by institutional investors.

The three most common types of derivatives are:

- Options Contracts: The options contract gives the investor the opportunity to buy or sell an asset at a specific price at a specific time in the future. Call options provide you the opportunity to buy the asset at that price and put options allow you to sell that asset.
- Futures Contracts: Futures are contracts that commit to a sale to being made at a specified time and on a specified date. A futures contract is a legal agreement to buy or sell a particular commodity asset, or security at a predetermined price at a specified time in the future. Futures contracts are standardized for quality and quantity to facilitate trading on a futures exchange.
- Swaps: This is an agreement between two parties to exchange cash flows in the future. A swap is a derivative contract where one party exchanges or "swaps" the cash flows or value of one asset for another. For example, a company paying a variable rate of interest may swap its interest payments with another company that will then pay the first company a fixed rate.

- How you can make money: You can make money investing in derivatives if you are on the right side of price fluctuations. For example, if you agree to buy copper at $1,000 in nine months but the market price at that time is $2,000 then you've essentially doubled your investment.

1.2.10. Commodities

Commodities are physical products that you can invest in. They are common in futures markets where producers and commercial buyers – in other words, professionals – seek to hedge their financial stake in the commodities.

Retail investors should make sure they thoroughly understand futures before investing in them. Partly, that's because commodities investing runs the risk that the price of a commodity will move sharply and abruptly in either direction due to sudden events. For instance, political actions can greatly change the value of something like oil, while the weather can impact the value of agricultural products.

How you can make money: The primary way that investors make money with commodities is by trading commodity futures. Investors sometimes buy commodities as a hedge for their portfolios during inflation. You can buy commodities indirectly through stocks and mutual funds or ETFs and futures contracts.

1.4. What Are The Features Of Investment?

Real estate, gold, bonds, stocks, and cryptocurrency are all investments, the only difference being that they are different types of instruments. They are all bought/acquired hoping that it creates wealth in the future. Wealth generation is one of the features of investment. Read ahead for more features.

1.4.1. Return And Risk

Return on Investment (ROI) is the primary reason for buying investments. Higher the return, the higher the risk. Every investment instrument carries a certain amount of risk to it. If you're comfortable with lower risk, then conservative methods of investing are always available. Higher risk instruments can either wipe away your wealth or multiply your investment.

1.4.2. Liquidity And Collateral

An investment is said to be liquid when it can quickly be converted into cash without having to lose money. Liquidity refers to how quickly and easily the asset can be converted into cash. Stocks and gold can be easily converted into cash whereas fixed assets like real estate take a lot of time to get converted into cash.

If you're not comfortable with selling off your assets, then investments can also be used as collateral, allowing you to borrow funds by offering them as security.

1.4.3. Safety

In times of cash crunches, recession, and high inflation, investments can act as a safety net to avoid using your savings for emergencies and expenses. They also serve the purpose of storing surplus capital.

1.4.4. Plan For Retirement

Traditionally, the only way retired personnel could retire would be to depend on their pension or their children to take care of them.

Investments allow you to plan for the future and also invest in other instruments besides your pension scheme.

1.4.5. Tax Implications

Certain investments can allow you to claim deductions on taxes. These instruments are mostly government issued such as sovereign gold bonds, Post Office Savings Schemes, etc. Even insurances have certain tax benefits.

All investments are subject to taxation and are exempt to a certain limit set by the government as per the Income Tax Act.

1.5. Advantages Of Investment

Now that we've taken a look at the features of investment, let's take a look at why they generate so much wealth.

1.5.1. You Stay Ahead of Inflation

If you don't invest and grow your money, you'll actually end up losing money over time. This is all thanks to inflation.

Inflation is the general increase in prices that happens every year and the decline in purchasing power of your money. The rate of inflation can vary widely but historically inflation has averaged to around 3%.

If you invest your money and say, earn a rate of return of 7% on average, then you'll stay way ahead of inflation and will be to increase the value of your money.

But if you don't invest - both your wage rate and your savings return rate wouldn't keep up. Basically, the cost of goods you buy (like food, gas, housing) would rise and any additional money you make would simply be offset by these higher prices.

1.5.2. Investing Will Help You Build Wealth

I think this should go without saying, but I'm going to say it anyway: Investing is how you build wealth.

There are a hundred and one ways to invest and grow your money. If you're serious about building wealth then you need to create an investing plan that suits you and your goals.

The wealthy invest, the broke do not.

It can be hard to put money away in investments when you don't have a lot of money to begin with. But here are some ways that you can start investing with little money. My favorite: take advantage of free money like a 401k or HSA match.

1.5.3. Investing Will Get You To Retirement (Or Early Retirement)

In order to have enough money to retire you need to make your money work for you. Like we illustrated above, leaving your money sitting in savings will actually work against you!

The more you invest the more you'll be able to take advantage of the power of compound interest.

Compound interest is what happens when your interest starts earning interest.

Here's a super simple example:

You invest $100.

In one year that $100 earns $10 in interest, now you have $110 sitting in your brokerage account.

The next year that $110 earns you $11 in interest. You now have $121 without ever putting any extra money in your account.

The next year your $121 earns $12 in interest. You now have a total of $133.

This cycle keeps repeating itself as long as your investments do well.

1.5.4. Investing Can Help You Save on Taxes

Another HUGE advantage of investing is your ability to save on taxes!

For example, the money you put into a 401k, SEP IRA, or Traditional IRA is not taxed the year you earn it. Instead you pay taxes on it when you withdraw during retirement. This saves you a lot tax dollars the year that you contributed.

If you'd rather pay tax now you can elect to use a retirement account like the ROTH IRA. With this option you pay tax now and don't pay any tax when you withdraw.

Even in a taxable account, capital gains tax rates are much lower than ordinary income tax rates that you'd pay for working at a normal 9-5 job!

These are just basic examples. There are tons of loopholes in the tax code that favor investors. This is how the rich stay rich and pay so little in taxes!

If you need to lower your tax burden I'd highly suggest you speak with your CPA or Financial Advisor to come up with a custom investing plan that will meet your specific needs.

Fun Fact: Investing in your retirement accounts can lower your student loan payments. By lowering your Adjusted Gross Income (AGI), your income-driven repayment plan amount will also be lowered.

1.5.5. Invest To Meet Other Financial Goals

You can also consider investing to help grow your money to meet other financial goals. For instance, investing in your child's college fund.

When you have a long term goal of ten or more years it may make sense to invest that money to help you reach your goal faster!

There are many benefits of investing. If you want to create financial stability, grow your wealth, and stay on track for retirement you need to come up with an investing plan that suits your needs.

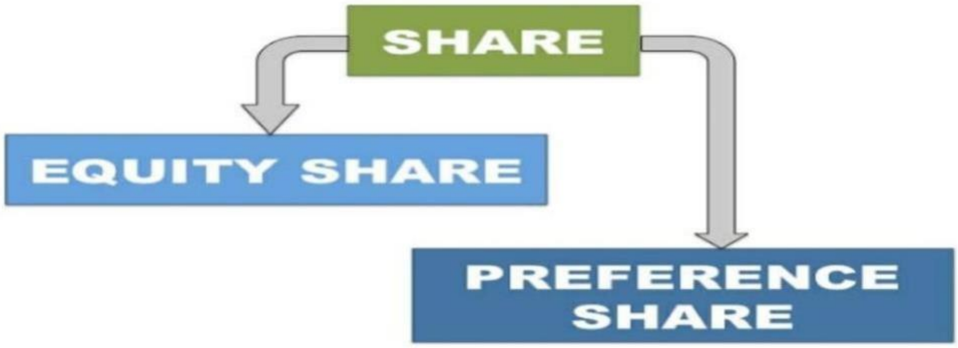
1.6. What is shares?

In financial markets, a share is a unit of equity ownership in the capital stock of a corporation, and can refer to units of mutual funds, limited partnerships, and real estate investment trusts. Share capital refers to all of the shares of an enterprise. The owner of shares in a company is a shareholder (or stockholder) of the corporation. A share is an indivisible unit of capital, expressing the ownership relationship between the company and the shareholder. The denominated value of a share is its face value, and the total of the face value of issued shares represent the capital of a company, which may not reflect the market value of those shares.

A share certificate from 1936 entitling the holder to shares in Greyhound Lines.The income received from the ownership of shares is a dividend. Thare are different typs of shares such as equity shares, preference shares, deferred shares, redeemable shares, bonus shares, right shares, and employee stock option plan shares.

1.7. Types of shares

There are majorly two kinds of shares i.e. equity shares and preference shares.



1.7.1. Equity share

Equities refer to small pieces of a company's worth, considering all pending liabilities. If you are investing in a company by purchasing equities, you become an owner of the company in the same ratio as the equities bought. If you're looking to turn a profit, the best way to do so is to sell the equities you've purchased when they grow in value. In some cases, depending on the percentage of equity shares owned, the shareholder can also have a right to vote on important decisions that are made by the Board of Directors.

A company, while looking to raise capital, has two basic sources of capital it can consider. It could take on debt, wherein it borrows money from lenders through a variety of debt instruments such as debentures that allows them to raise money from the public; or, it could raise money through equity i.e. by issuing shares. Here, the firm trades part ownership of the firm with investors in exchange for their capital. There are a number of types of shares, from preference shares to equity shares. In this article, we will aim to better understand equity shares, how they function, pros and cons of acquiring equity shares as well as some equity share strategies.

1.7.2. Preference share

Preference shares also commonly known as preferred stock, is a special type of share where dividends are paid to shareholders prior to the issuance of common stock dividends. Ergo, preference shareholders hold preferential rights over common shareholders when it comes to sharing profits. Consequently, if a company lands into bankruptcy, preference shareholders are issued dividends first or have the first right to the company's assets before common stock investors. For preference shareholders, the dividend is fixed however, they don't hold voting rights as opposed to common shareholders.

Investors who have been in the stock market for longer than most go after preference share types. The dividends earned on these shares are significantly higher than ordinary shares. Their popularity can be established by the fact that many preference shareholders do not own any other stock except for this variety. It has been observed that more and more companies are coming out with different types of preference shares. In essence, they have traces of both equity and debt shares. From this angle, these shares are also categorised as hybrid financing instruments.

1.8. What is equity share?

The term "equity" refers to fairness and justice and is distinguished from equality: Whereas equality means providing the same to all, equity means recognizing that we do not all start from the same place and must acknowledge and make adjustments to imbalances. Common stock is a form of corporate equity ownership, a type of security. The terms voting share and ordinary share are also used frequently outside of the United States. They are known as equity shares or ordinary shares in the UK and other Commonwealth realms. This type of share gives the stockholder the right to share in the profits of the company, and to vote on matters of corporate policy and the composition of the members of the board of directors.

The owners of common stock do not own any particular assets of the company, which belong to all the shareholders in common. A corporation may issue both ordinary and preference shares, in which case the preference shareholders have priority to receive dividends. In the event of liquidation, ordinary shareholders receive any remaining funds after bondholders, creditors (including employees), and preference shareholders are paid. When the liquidation happens through bankruptcy, the ordinary shareholders typically receive nothing.

Since common stock is more exposed to the risks of the business than bonds or preferred stock, it offers a greater potential for capital appreciation. Over the long term, common stocks tend to outperform more secure investments, despite their short-term volatility.

1.9. Definition of equity share

There are different sources of financing for companies. Some are short-term, and some are long-term. One of the essential sources of long-term financing for companies is equity shares. The difference between equity shares and other forms of debt is that they are not redeemable. The general public can subscribe to equity shares through the stock exchange and sell them through the stock exchange.

When you buy equity shares, you become the owner or shareholder of the company. You are eligible for voting rights during the annual general meeting (AGM) when you own equity shares and enjoy a share of the company's profits.

Now that the meaning of equity shares is clear to you let's find out about the different types of equity shares available in the next section.

1.10. History of equity share

Equity markets come with long-entrenched histories, with debt issuances dating back to the 1300s. The first stock market was established in Belgium in 1531. The exchange dealt primarily with promissory notes and bonds, but not with actual stocks.

Throughout the 1600s, the British, Dutch, and French governments gave charters to companies that included 'East India' in their monikers. The countries would take stakes in the profits from India and Asia by funding sea voyages that would bring back goods – although it was risky due to the abundance of pirates, poor weather, and faulty navigation.

Instead of bearing all the risk for themselves, ship owners would seek out investors to help fund voyages, and in return, provide investors with a percentage of the profits should the voyage be successful. They were the earliest forms of limited liability companies (LLCs) that would last a single voyage. Shipowners could send their ships without bearing the risk for themselves, and investors could diversify their risk by investing in multiple different ships and voyages.

The East India companies eventually began paying dividends from the proceeds collected from multiple voyages instead of creating single-time LLCs for each voyage. It was the first form of joint-stock companies in which the companies could demand more capital, build larger fleets, and provide larger returns for investors.

Top Equity Exchanges

Some of the most well-known and largest equity markets are:

New York Stock Exchange (NYSE) – United States

Nasdaq (NASDAQ) – United States

Japan Exchange Group (JPX) – Japan

London Stock Exchange (LSE) – United Kingdom

Shanghai Stock Exchange (SSE) – China

Hong Kong Stock Exchange (HKEX) – Hong Kong

Euronext – European Union

Toronto Stock Exchange – Canada

Bombay Stock Exchange – India

1.11. Issue of share

A company can issue its shares either at par, at a premium or even at a discount. The shares will be at par is when the shares are sold at their nominal value. Shares sold at a premium cost more than their nominal value, and the amount in excess of the face value is the premium. And of course, shares sold at discount cost less than the face/nominal value.

Under Section 78 of the Act, the amount of securities premium can be used wholly or in part for:

(i) Paying up unissued shares of the company to be issued to members of the company as bonus shares

(ii) Writing off the preliminary expenses of the company

(iii) Writing off the expenses of or the commission paid or discount allowed on shares or debentures of the company

(iv) Providing for the premium payable on the redemption of redeemable preference shares or debentures of the company. **1.11.1. Shares Issued at Par**

On Application Money Received

Application of shares does not guarantee allotment of shares. Some applications will be rejected. So, when the application money is received, we do not credit the share capital account. For the sake of convenience, we open a new account- share application account.

This money collected on the application must be deposited in the bank account in a Schedule Bank according to the Companies Act. This account is exclusively opened to deal with the application money.

Section 78 of the companies Act, as amended by the Companies Amendment Act 1999 provides that the amount of premium on the securities issued by the company shall be transferred to securities Premium Account. Generally, premium money is received along-with allotment money.

1.11.2. Issue of Shares at Premium

A company issues its shares at a premium when the price at which it sells the shares is higher than their par value. This is quite common, since the par value is typically set at a minimal value, such as $0.01 per share. The amount of the premium is the difference between the par value and the selling price. If shares do not have a par value, then there is no premium. In this case, the entire amount paid is recorded in the common stock account (if the payment is for common stock, rather than for some form of preferred stock). For example, if ABC Company sells a share of common stock to an investor for $10, and the stock has a par value of $0.01, then it has issued the share at a premium of $9.99.

The Public Company invites the public to apply for and subscribe to its share capital. For this purpose, it also issues a Prospectus. The company generally issues its shares at par i.e., at its face value. However, a company may choose to bring an Issue of Shares at Premium.

According to Section 78 of the Companies Act, securities premium may be applied by the company for:

(i) Issuing to members of the company fully paid bonus shares.

(ii) Writing off the preliminary expenses of the company.

(iii) Writing off the expenses of, or the commission paid or discount allowed on issue of shares or debentures of the company.

(iv) Providing for the premium payable on the redemption of any redeemable preference shares or debentures.

Accounting treatment of Securities Premium

The company needs to credit the amount of Premium in a separate account i.e. Securities Premium A/c, as it is not a part of the Share Capital. It is actually a gain for the company. As per the Companies Act, 2013 the company shows the credit balance of the Securities Premium A/c under the heading 'Reserves and Surplus' on the liabilities side of the Balance Sheet.

Also, section 52 of the Companies Act, 2013 states how a company can use the Securities Premium. The following are the provisions regarding this:

- The company can use the amount towards the issue of un-issued shares to the shareholders or members of the company as fully paid bonus shares.

- It can use this amount to write off the preliminary expenses.

- The company may use it to pay the premium on the redemption of debentures or redeemable preference shares.

It can also use this amount to write off the expenses incurred, commission paid or discount allowed on the issue of any securities or debentures. It can also use it for buyback of own shares or any other securities.

1.11.3. Issue of Shares at Discount

A company may have to raise additional capital for its growth or preservation or whatever the reason might be. It is allowed for such further issue of share capital as u/s. 62 of the Companies Act 2013

In the rights issue, the company may choose to issue shares to its existing shareholders instead of resorting to issue of shares to the public. Such shares are issued at a discount given in the market price. It also helps to increase the stake of the existing shareholders.

"The basic idea is to raise fresh capital. A rights issue is not a common practise that a corporate organisation resort to. Ideally, such an issue occurs when a company needs funds for corporate expansion or a large takeover. At the same time, however, companies also use rights issue to prevent themselves from being conked out.

Since a rights issue results in higher equity base for the organisation, it also provides it with better leveraging opportunities. The company becomes more comfortable when it comes to raising debt in the future as its debt-to-equity ratio reduces."

Conditions for Issue of Shares at Discount

In order to issue the shares at a price less than the face value, the company has to get permission from the relevant authority. For seeking permission, they should call and upon a general meeting and discuss and authorize the matter in that meeting.

There is a cap on the rate of discount. A company cannot issue any shares at more than 10% discount.

The company should issue the shares within 60 days of receiving permission from the relevant authority. In certain cases, the company can extend this time frame after getting permission in the permission.

The company cannot issue these shares before passing of 1 year from the date of commencement of business.

The shares must belong to the same class of shares which are already available in the market. For example, if the has previously issued Equity shares then this time also, the company has to issue Equity shares only.

Also, the company has to acquire the sanction by the Central Government after getting approval from the general meeting.

Following conditions as laid down in Sec. 79 of the Companies Act:

(a) The shares to be issued at a discount must be of a class already issued.

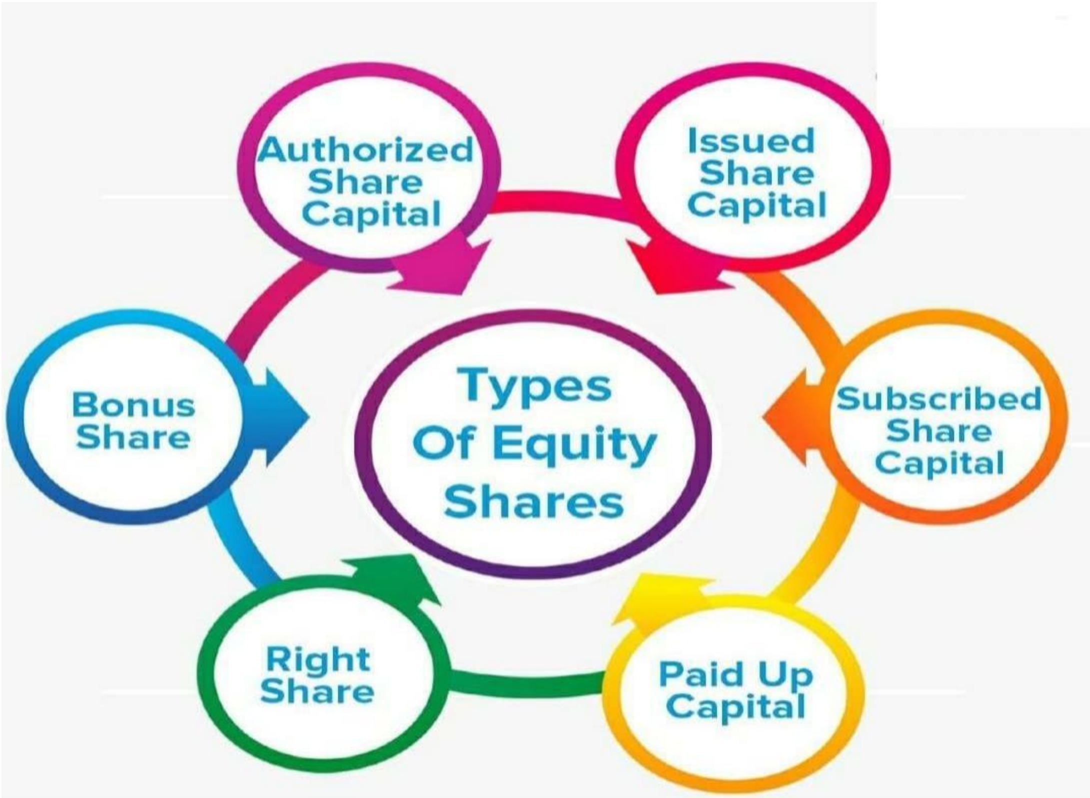
(b) The issue must be authorised by a resolution passed by the company in General Meeting and sanctioned by the Company Law Board.

(c) Rate of discount should not be more than 10%.

(d) One year must have passed since the date at which the Company was allowed to commence business.

(e) The issue of such shares must take place within two months after the date of court's sanction or within such extended time as the Court may allow.

1.12. Types of equity share



1.12.1. Authorized Share Capital-

This amount is the highest amount an organization can issue. This amount can be changed time as per the companies recommendation and with the help of few formalities. The authorised capital of a company sometimes referred to as the authorised share capital, registered capital or nominal capital, particularly in the United States) is the maximum amount of share capital that the company is authorised by its constitutional documents to issue (allocate) to shareholders. Part of the authorised capital can (and frequently does) remain unissued. The authorised capital can be changed with shareholders' approval. The part of the authorised capital which has been issued to shareholders is referred to as the issued share capital of the company.

1.12.2. Issued Share Capital-

This is the approved capital which an organization gives to the investors. Issued share capital is simply the monetary value of the shares of stock a company actually offers for sale to investors. The number of issued shares generally corresponds to the amount of subscribed share capital, though neither amount can exceed the authorized amount.

1.12.3. Subscribed Share Capital-

This is a portion of the issued capital which an investor accepts and agrees upon. Subscribed share capital refers to any capital raised through subscribed shares. Put simply, it's the value of all the shares that investors agree to purchase during a new issuance. Subscribed shares are a certain amount of stock that investors promise to purchase during an offering, usually through an IPO.

1.12.4. Paid Up Capital-

This is a section of the subscribed capital, that the investors give. Paid-up capital is the money that an organization really invests in the company’s operation. Paid-up capital is the amount of money a company has received from shareholders in exchange for shares of stock. Paid-up capital is created when a company sells its shares on the primary market directly to investors, usually through an initial public offering (IPO).

1.12.5. Right Share-

These are those type of share that an organization issue to their existing stockholders. This type of share is issued by the company to preserve the proprietary rights of old investors. The Right Shares refers to those issues of shares which a company offers to their existing shareholders at a discounted price. The company's shareholders have rights to accept or reject the proposal and also there are minimum criteria for subscriptions of the share if the shareholder accepts the proposal.

1.12.6. Bonus Share-

When a business split the stock to its stockholders in the dividend form, we call it a bonus share. Bonus shares are additional shares given to the current shareholders without any additional cost, based upon the number of shares that a shareholder owns. These are company's accumulated earnings which are not given out in the form of dividends, but are converted into free shares.

1.12.7. Sweat Equity Share-

This type of share is allocated only to the outstanding workers or executives of an organization for their excellent work on providing intellectual property rights to an organization.

1.12.8. Ordinary shares-

These shares are issued with a motive to generate capital that can meet long-term expenses. Shareholders get the right to participate in management segments and other company operations. Investors with the majority of such shares gain substantial voting rights.

1.12.9. Preference equity shares-

Preference equity shares are generally issued to an investor as a guarantee of the payment of cumulative dividends before returns are distributed among ordinary shareholders. Shareholders with preference equity shares have limited voting rights. If the shareholders have participating capacity they can gain from the stipulated amount of profits, as well as bonus returns. But if the shares are classified as non-participating equity shares, they can’t avail of such benefits.

1.13. Features and advantages of equity shares

Unlike saving, investing has higher risk, but gives higher returns and if done properly, takes a shorter time to reach financial goals. Equity shares are considered to be a longterm financing option for companies looking to fund their business operations. For holders of preference shares, there are a number of perks/advantages they can enjoy.

1.13.1. Voting rights:

Arguably the biggest plus point for possessing equity shares is those holders of equity shares are handed voting rights in the form of a say in the election of GMs etc, as well as having a voice in business decisions of the company, since the operations of the company will have a direct effect on the returns they gain from the company. If you possess a large amount of equity shares, you are also granted substantial voting rights.

1.13.2. Admission to meetings:

Those holding equity shares are allowed a seat at any annual and/or general body meetings the company has, alongside a say in the business functions of the family granted to them by their voting rights. To hold Board meeting for Right Issue of Equity Shares.

In the Rights Issue of Equity share the shares will be offered to the equity shareholders of the Company, as on the date of the offer, in proportion to the capital paid up on their shares.

1.13.3. Dividend payments:

Holders of equity shares also qualify for dividend shares. However, here is where there is a difference between the benefits holders of common stock receive when compared to those holding preference shares. Dividend payments to equity shareholders are not fixed and can vary based on the performance of the firm an contingent on it meeting certain goals. Thus, while equity shareholders are eligible to receive dividend payments, these payments are not guaranteed. For preference shareholders, however, dividend payments are fixed.

1.13.4. Equity shares are irredeemable:

The money raised from equity shares is not refunded to investors during the lifetime of the company. Equity shareholders can either redeem this capital by selling their equity shares, or will receive it when the company winds up, based on what their equity shares are worth at the time.

Many companies only issue common stocks, and there are more common stocks sold in the exchanges than preferred stocks. However, when a company fails, the common stockholders have the lowest priority when it comes to getting back any of their money. Creditors who have lent money to the company get paid back with top priority. Even if some money is left after paying the creditors, the holders of preferred stocks get paid next. This is subject to a maximum amount. Only if money is left even after that, common stockholders get paid.

1.13.5. Limited liability for the investor

Indeed, equity owners are not responsible for paying back a company's debts in the event of bankruptcy or insolvency, but this doesn't absolve you of responsibility for your investment choices. Always choose businesses whose potential for growth outweighs their risks, and be prepared to lose money on your investment.

1.13.6. Right shares

Companies frequently issue "rights shares" when they need more funding for expansion. By issuing these shares, the investor gains investment preference over other investors while preserving ownership and control of the current shareholders. Right Shares are issued for less money than the equity share's current market value. To obtain the value of a right, an existing investor might use that advantage or relinquish it in someone else's favor.

1.13.7. Bonus shares

Companies may opt to give their shareholders bonus shares. It is a different kind of dividend. Existing shareholders may get free bonus shares instead of dividends. Bonus shares are additional shares given to the current shareholders without any additional cost, based upon the number of shares that a shareholder owns. These are company's accumulated earnings which are not given out in the form of dividends, but are converted into free shares. Bonus shares are additional shares given to the current shareholders without any additional cost, based upon the number of shares that a shareholder owns.

1.13.8. Hedge against Inflation :

The equity share is a good hedge against inflation though it does not fully compensate for the declining purchasing power as it is subject to the money-rate risk. But, when interest rates are high, shares tend to be less attractive, and prices tend to be depressed. Inflation is a continuous phenomenon and the prices of various goods and services keep on rising. Equity shares act as a good hedge against inflation and even has the potential to give you huge profits even after protecting against inflation.

1.14. Disadvantages Of Equity Share

1.14.1. High Risk:

Investing in equity shares is riskier than other investments, such as loans. Funding decisions are made based on an investor's trust in the business. Any collateral does not secure it. Such shares hold no interest for investors seeking safe, fixed-income investments.

1.14.2. Price fluctuations in the market:

Any equity share's market price might vary enormously. Booking market profits is always challenging. On the other hand, the chances of losing are equal.The market price of any equity share has a wide variation. It is always very difficult to book profits from the market. On the contrary, there are equal chances of losses.

1.14.3. Limited control:

As a small shareholder in the firm, an equity investor has little opportunity to use their voting rights to influence the company's policies.An equity investor is a small investor in the company, therefore, it is hardly possible to impact the decision of the company using the voting rights.

1.14.4. If you stop investing, you lose your ownership interest in the firm:

A shareholder will stop getting dividends if they cannot keep purchasing equity shares for whatever reason, such as financial constraints or personal issues. These investors may eventually be forced to sell their assets. Investors may suffer significant losses if this occurs before a liquidity event (like an IPO).

1.14.5. Loss of investment:

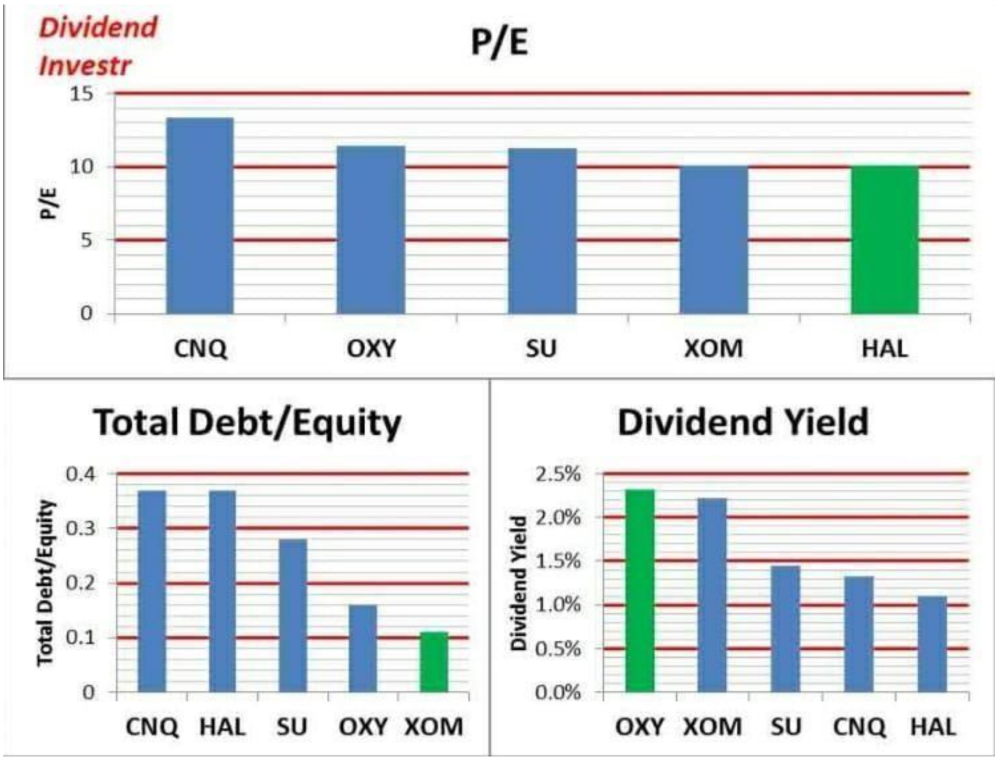
You might lose money if you invested in an equity share. This occurs when shareholders are compelled to sell their shares before they can find a buyer, meaning whoever purchased those shares would then possess a portion of the company and be eligible to receive the assets. If this occurs, you risk losing your money and any future dividend payments and profit-sharing from the company.

1.14.6. Residual Claim

An equity shareholder has a residual claim over both the assets and the income. Income that is available to equity shareholders is after the payment of all other stakeholders' viz., debenture holders, etc.

1.15. Natures of Equity Shares are given below:

Equity shares represent an ownership of a corporation. It is true that the equity shares must bear first impact of any adversity, but it is also true that the equity shares is the only class of securities privileged to enjoy the maximum participation in an extensive growth of the company.



The risk of the one may be regarded as commensurate with the opportunity of the other. There is nothing certain about earnings on equity shares, and the investor can lose as well as earn a profit.

1.15.1. Evidence of Ownership :

When investors buy equity shares, they receive certificates of ownership as proof of their part as owners of the company. The certificate states the number of shares purchased their par value, if any, and usually the transfer agent.

When equity shares are purchased on the market (that is, when it is not a new issue which is purchased from the company), the new owner and the number of shares bought are noted in the record book of the transfer agent.

1.15.2. Maturity of Equity Shares :

Equity Shares have no maturity date. Their life is limited by the length of time stated in the corporate charter known as 'Memorandum of Association'. The corporate life might be for a stated or limited period, or it might be perpetual. Most corporations have a perpetual charter.

For investment purposes, equity shares can be purchased and sold at any time. The date on which the equity is sold by the investor is the maturity date, and the price at which the equity is sold is the maturity price.

In fact, the investor is vitally concerned with the yield earned over the period that the equity is owned, since the yield for the holding period represents the total earnings to the investor and is a measure of performance to be compared to those of other securities investments.

1.15.3. Par Value :

Par value is the face value of a share. Equity shares have a par value, a nominal stated value. The par value of an equity share indicates the amount of capital originally subscribed by the shareholders. New shares cannot be sold for less than par value. If the equity shares are sold for more than par, the excess is transferred to 'Share Premium Account'.

1.15.4. Not Asset Value and Book Value :

Distrust of present value formulae, the quest for objectivity and perhaps even nontalgia lead some analysts to place greater emphasis on the asset value factor when evaluating the investment worth of a company's equity shares. Net assets or net worth can be calculated from either the asset or liability side of the balance sheet.

For example, Company X has a net worth of Rs. 13,15,94,000 which we got by deducting the total liabilities worth Rs. 30,29,99,000 from the total assets of Rs. 43,45,93,000 for the same year. And since the annual report for that year indicates that 5,44,072 shares of shares were outstanding at the end of the year, net assets per share can readily be calculated by dividing the number of shares into total net assets (net worth):

What significance can be attributed to the figure 241.86 per share? Does it represent the "value" of the share in some objective sense? In particular, if a share is selling for more than Rs.241.86, are we justified in concluding that it is overpriced? On the other hand, what if the price of the equity is significantly below the book value; does it then represent a "bargain"?

Unfortunately, an unequivocal answer cannot be given to either of these questions. In general, a systematic relationship between book value and market price can be established.

The estimate of net assets per share reflects the accounting conventions used in drawing up the balance sheet and this accounting practice deviates significantly from economic theory, so that there is little reason to suppose that an accounting valuation will have a meaningful relationship to an economic valuation of the same property.

It is sufficient for this purpose to consider the use of historical costs in accounting. A plant which was erected five years ago might be worth double the amount on the open market today, owing to inflation, rises in property values, changes in local taxes, etc. But at the same time there is no guarantee that it is not worth half of its book value, owing to innovations, a fall in property values, of the like.

Furthermore, the possibility of converting into more profitable assets (or liquidating) may be very small because of regulatory constraints. Manufacturing concerns that have substantial assets that produce little cash flow frequently cannot liquidate these assets, except at distress prices. Hence, for all practical purposes, their asset "values" have no real significance.

Shares of some companies sell at too low a price because their cash assets are too large. This sounds like a paradox, but moment's thought will show that the statement can be true. Market price depends chiefly on earnings; cash assets bring in no or very little earnings.

A company with nothing but cash in bank could not possibly earn to support a market price equal to its cash-asset value. It has been by no means unusual to find companies that are so rich in cash that they are necessarily poor in earning power as related to book value.

Thus, the net book value of a firm does not measure its value as a growing concern, but neither does it measure its "break-up" value, or the realizable value of the assets in case of liquidation.

Of course, there are exceptions to the rule and some companies have a high correlation between the current market values and book values of their assets. But in such cases, one must recall that the growing concern value may well be higher. All of the firm's valuable assets do not always appear on the balance sheet.

For example, the productivity of assets and a specific combination of assets and entrepreneurial ability often create greater earnings and greater values than the book value of the assets suggests.

1.15.5. Financial Analysis and Accounting Data :

The historical numbers that analyst uses to prepare rates and forecasting equations are generally based on figures that have been taken from the published financial statements of the firm being analysed. Although these statements may have been prepared “according to generally accept accounting principles”, there may be significant variation in the real economic meaning of financial reports.

Obvious inconsistencies in the methodology of preparation (for example, when a firm switches from LIFO to FIFO inventory valuation or from accelerated depreciation to straight line) require adjustments to the documents pre-pared by the accounting community. More subtle problems may exist, however, which cannot easily be handled by making simple adjustments.

One of the more plaguing diffi-culties with financial statements is that they are prepared on the assumption of stable prices. To the extent that price changes over time, the reported asset value on the firm’s balance sheet (and perhaps the liability values as well) will be inaccurate.

Further, because accounting costs are usually based on historical prices, a misstatement about the value of an asset may well result in an inaccurate depiction of net income. Moreover, net income in one period may not be equivalent to an identical net income in another if the value aggregate level of prices has changed.

Another problem is that the market values of a firm’s assets have no relationship to their book values. Price-level changes, variances from depreciation estimates, and the insistence of accountants upon valuing assets at the lower of cost or market (an example of doctrine of ‘conservatism’) make the balance sheet an unreliable statement about the value of the enterprise.

Of course, the accountants themselves beg off, claiming that financial analysts expect too much from published statements. One respected practitioner has observed:

“Accountants in their most solemn pronouncements have made it quite clear that the financial statements they prepare do not even purport to provide, information about solvency and profitability.

For instance, anyone might be pardoned for thinking that a conventional balance sheet is prepared to show the financial strength of a company by listing its obligations against its resources and to establish its net value. But this is not at all how a balance sheet is defined in accounting texts.

Thus, when the analyst finds that return on total investment has increased from 20 per cent to 21 per cent, it is not clear that an improvement has taken place. Earnings figures from one year to the next (and across firms for any given year) are not strictly comparable, and total investment can become completely incomparable over time.

What should the unfortunate analyst do under such circumstances? The answer, of course, is to make the best of the situation. Adjustments to published statements should be made whenever there is good justification to do so. Otherwise, the analyst should bear in mind always the limitations of the data that he has used in making his appraisal.

A report based on less-than-perfect data is better than no report at all. Security analysis has always been a tentative undertaking. It is perhaps less so today that it was a few years ago. Nevertheless, all the powerful statistical tools that the analyst now has at his disposal have not reduced the process to a scientific procedure. Analysis is an artful endeavour. It has been in the past and will always be a matter of rational guess work.

1.15.6. Pre-emptive Right :

A pre-emptive right simply means the inherent right of the shareholder, to maintain his proportionate share of the assets, earnings, and control of the corporation. It is a common- law right. In other words, the corporation offers new shares to its own shareholders before offering it to the public.

This is to prevent the company from offering shares to the public at a price substantially below its worth, thus lessening the interest of the old shareholders in the corporate pie. When a company offers new shares to its old shareholders, its price to them is usually set below the current market.

A shareholder has a right to subscribe for new shares, proportionately for each share held. A letter of offer is sent to the shareholder stating the number of rights owned which corresponds to the number of shares held. It will also specify the number of new shares to which the shareholder is entitled to subscribe and the per share price of such subscription. This privilege to subscribe is of short-term nature, usually expiring in few weeks.

(a) Mechanics of Rights Offering :

The mechanics of a rights offering are quite simple. The company announces a rights offering to shareholders listed on the books as of the record date. These shareholders will receive rights to buy additional shares that may be exercised any time between the date of the rights distribution and the expiration date. In the period between the announcement and the last date one may purchase the equity to become a shareholder by the record date

Till such time, the equity is said to be selling "rights-on" or "cum-rights". This means that any purchase of the equity shares between those days carries with it the right to buy additional new shares. After the record date, the equity shares sell "rights-off' or "ex-rights".

Exhibit-1 and the following example will make more clear the mechanics of a equity share rights offering.

At their meeting on September 1, the board of directors of a corporation announces that investors owning shares on September 15 (the record day) will be eligible to participate in a forthcoming distribution of new equity shares.

The period between the announcement day and the record day is the 'rights-on' period between September 1 and September 15. The period between the record day and the day the rights expire is the 'rights-off' period – September 15 to September 30. In this latter period, the rights may be exercised.

Many a perplexed shareholder in a company making a rights issue wonders what to do about 'rights' – whether to take up the rights or not? For this, the following points are noteworthy:

(b) Why Rights Issue?

Essentially companies make rights issues to shareholders in order to raise finance with which to underpin an investment programme (money for new plant etc.) or to reduce the burden of company debt. Alternatively a company could be hard-pressed for cash and have to come to its shareholders to put more cash because the necessary finance cannot be raised elsewhere.

This latter case could be termed as 'involuntary' rights issues because the company has no alternative open to it of raising the ready cash. The former case is basically voluntary' rights issue because the company has the other options open to it of raising the necessary cash by selling equity to the investing public, or by arranging a term loan.

(c) What about the Shareholders :

Normally, rights issues are bad news for shareholders and tend to have been disliked. A its issue can (and most probably will) dilute the shareholders' return from the company which he has invested because the rise in net profit on the new capital raised will usually less than the increase in shareholders' capital.

It is first necessary to clear up a popular misconception which has probably been caused by the cosmetic effect of the new rights issues. There are still many investors o believe that a rights issue by the company in which they hold shares offers them opportunity of subscribing capital on preferential terms in other words the shareholder is getting something for nothing.

What is not fully understood, or perhaps understood at all, is that the apparent discount between the prices of new shares being issued by way of rights, as against the price of the old shares, is eliminated when shares go 'ex-rights'.

The rights will only have a value if the market believes that the new capital being used will earn a rate of return which is the same as, or greater than, the existing share capital. In order to evaluate a rights issue, it is necessary for the shareholder to know to what purpose the capital being raised by the company's rights issue is to be put, and what sort of return will be earned from it.

Having made the case for the commonsense approach to a rights issue – remember that it is rare that rights issue capital will earn the same rate of return as the shareholders' existing capital in a company, particularly if the new money is only being used to fund existing debt.

Calculating the Value of a Right :

To calculate the theoretical value of rights in 'on' and 'off' period, following formulae have been developed:

(i) The Value for the 'Rights-on' Period:

Anyone acquiring shares after the meeting day and before the record day receives the privilege of subscribing to new shares. Consequently, the privilege represented by a right has value in the 'rights-on' period.

This value, furthermore, is reflected in the market price of an equity share. The theoretical value of one equity share right in the right-on period can be described by the following formula:

V = Theoretical value of one equity share right.

M, = Market value of one share of equity in the 'right- on period.

S = Subscription price of one share of new equity.

R = Ratio of old to new equity; that is, the number of shares an investor must own to receive one new share.

To illustrate, assume that XYZ Corporation intends to raise Rs. one crore through preemptive rights. The equity shares of the XYZ Corporation have been selling at Rs.30 a share so the subscription price is expected to be Rs.25 a share. In addition, the shareholders of record will be able to purchase one new share for every four shares owned. What is the theoretical value of one right in the rights-on period

(ii) The value in the 'Rights-off Period: The subscription right issues to shareholders following the record day have a value completely divorced from its equity share during the 'rights-off' period. And this value is determined by supply and demand in the stock market during the life of the rights issue.

(iii) The theoretical value of the Equity: In planning investment strategies, investors are concerned with the theoretical value of the equity share after the rights issue has expired. With such information available, they can estimate the worth of their holdings ex-rights.

1.15.7. Share Prices and Issuance of New Shares:

When a firm goes to the market to sell additional shares, the obvious short-run consequence is a reduction of current earnings per share. Dilution' is the term applied to this phenomenon, and many analysts feel that the effect of issuing new shares (and the consequent dilution) will depress share prices.

Thus, if XYZ has issued 10 lakh shares outstanding selling at Rs.20 per share and it issues another 10 lakh shares; one might suppose that the price per share would fall. Suppose XYZ earned Re. 1 per share (Rs.10 lakh). If another one lakh shares were issued, the adjusted earnings per share would be 100000/110000 = Re.0.91.

If a multiple of 20 x were applied to the adjusted earnings, a price of (20) (.91) = Rs.18.20 would prevail. Thus the shift in the XYZ share supply curve from S to S1 would tend to depress the stock's price.

Of course, only part of the story has been told. It is usually the case that the secondary effects of selling new shares are very positive, and the real position of the firm may improve rather than deteriorate as a result of the issue.

The sale of new shares may allow the firm to rise needed capital to expand facilities, improve sales, and increase long-run profits. If long-run earnings per share increase by an amount larger than the short-run dilution produced by the creation of new shares, the price of the firm's stock should rise rather than fall.

Suppose XYZ earnings increased to a long-run EPS of Rs.1.05 as a result of the new share issue. It might be expected here that demanders would bid up share prices given these improved expectations

Although it cannot be argued that every new issue of share will produce increase in long-run earnings sufficient to offset the dilution effect, one should not merely assume that a new issue will always depress prices. Rather, one should attempt to assess the long-run impact on earnings resulting from raising new capital.

1.15.8. Voting Rights :

The shareholders have the right to select the board of directors, as well as vote on any fundamental changes in the corporation such as dissolution, consolidation, or amendments to the chapter or bylaws. But this right is largely theoretical. In most cases, the management determines the board of directors, and the basic changes to be made at annual or other meetings.

In advance of the meetings, the shareholders are sent notices of the meeting, statements setting forth the directors to be elected, other business to be approved, and proxies who they are asked to sign.

The proxy is a document by which the shareholder authorises another person to attend and to vote at the meeting. In short, a proxy is a power of attorney granted by a shareholder authorising another person to act as per his instructions.

The board of directors is elected either under a majority voting system or under a cumulative voting system depending upon the corporate charter. Under majority voting system, each shareholder has one vote against each share that he owns and he must vote for each director position that is open.

For example, if a shareholder owns 100 shares then he can cast 100 votes for each director's position open. This system precludes minority interests from electing directors as each person seeking a position on the board must win a majority of the total votes cast for that position. The management can elect the entire board in case they have votes or can obtain proxies, for over 50 per cent of the shares voted.

However, the cumulative voting system takes into account the minority interest as under this system the shareholder is able to accumulate his votes. For example, if a shareholder owns 100 shares and 10 directors are to be elected then he will be entitled to cast 1000 votes. He can cast these votes in whatever way he likes to choose the directors. The minimum number of shares to elect a specific number of directors is determined by:

Even with cumulative voting, however, management sometimes can preclude minority interests for obtaining a seat on the board of directors by reducing the number of directors or by staggering the terms of the directors so that only a portion is elected each year.

1.16. Types of Investors in Equity Market

1.16.1. The Bull Market

A bull market is when everything in the economy is great, people are finding jobs, gross domestic product (GDP) is growing, and stocks are rising. Picking stocks during a bull market is easier because everything is going up. Bull markets cannot last forever though, and sometimes they can lead to dangerous situations if stocks become overvalued. If a person is optimistic and believes that stocks will go up, he or she is called a "bull" and is said to have a "bullish outlook".

1.16.2. The Bear Market

A bear market is when the economy is bad, recession is looming and stock prices are falling. Bear markets make it tough for investors to pick profitable stocks. One solution to this is to make money when stocks are falling using a technique called short selling. Another strategy is to wait on the sidelines until you feel that the bear market is nearing its end, only starting to buy in anticipation of a bull market. If a person is pessimistic, believing that stocks are going to drop, he or she is called a "bear" and said to have a "hearish outlook".

Investment Styles

Different investor invests differently. Two most common ways of investment style in equity are- Value Investing:

Value investing is wherein fund managers or investors tend to look for companies trading below their intrinsic value, but whose true worth they believe will eventually be recognized. These securities typically have low prices relative to earnings or book value and a higher dividend yield.

Growth Investing

Growth investing is wherein fun managers or investors look for companies with above average earnings growth and profits, which they believe will he even more valuable in the future.

Derivatives Markets:

Derivatives markets can broadly be classified as commodity derivatives market and financial derivatives markets. As the name suggest, commodity derivatives markets trade contracts are those for which the underlying asset is a commodity. It can be an agricultural commodity like wheat, soybeans, rapeseed, cotton, etc. or precious metals like gold, silver, etc. or energy products like crude oil, natural gas, coal, electricity etc. Financial derivatives marke contracts have a financial asset or variable as the underlying. The more popular derivatives are those which have equity, interest rates and exchange rates as the under.

1.17. How to Buy Equity Shares?

To invest in the equity market, you need the following accounts –

1.17.1. Demat account

A Demat Account contains the details of the shares and other securities in your name. To purchase and sell shares, you need to open a Trading Account. Many banks and brokers offer Trading Accounts with online trading facilities, which makes it easier for ordinary investors to participate in the stock market. To hold the shares or securities in electronic form.

1.17.2. Trading account

A trading account is used to place buy or sell orders in the stock market. The demat account is used as a bank where shares bought are deposited in, and where shares sold are taken from. Trading account with Kotak Securities helps you trade seamlessly in the stock market. To buy or sell shares and place orders you need a trading account registered with a stock brokerage firm.

1.17.3. Linked Bank account

A linked bank account is an account connected to another financial institution in some way. This can be a checking account that's linked to your savings account, for example, or it can be a bank account that's linked to a credit card or to a payment app, such as PayPal or Venmo. You can invest in the equity market via IPO or from the secondary stock market.

1.17.4. Through IPO

Before the company gets listed on the exchanges it launches its IPO. IPO is a way to make the company equities available to public investors. You can place bids for an IPO through stock exchanges or apply to buy specific shares through your net banking account.

1.17.5. Stock Market

If you missed buying shares through IPO you can always purchase them once they get listed on the stock exchanges. You can use the below steps to invest in the equity market using your trading account –

Open all the necessary accounts you need for stock market investment. Investors should have a Demat account, trading account, and a linked bank account.

Research about the company you want to invest in. Once you decide which shares to buy log into your trading account and select the shares you want to buy Place an order once the transaction is completed shares will be credited to your Demat account.

Investing in the equity market requires a lot of time and effort, never make any investment decision without incomplete knowledge about the company.

CHAPTER 2：RESEARCH METHODOLOGY

2.1 Introduction

Equity investment is buying shares directly from companies or other individual investors with the expectation of earning dividends or reselling the same to make gains when the prices are high. Investors can increase their profits as the value of equity investment rises.

An investor buys the shares on a stock exchange market while trading at a lower price. They monitor the shares' performance at the stock market, and when the share price goes up, they sell them at a profit. Equities bring about more diversification in the asset allocation of a portfolio.

Equity investment allows investors to make huge profits in a frequently changing market. Though the profits are generated faster, the risk element is also quite high. Once an investor decides to make an equity investment, they must approach a broker or a financial advisor who helps facilitate smooth trading. Trading is the process of buying and selling shares at the stock money market.

The stock market allows investors to buy and sell stock securities. The existence of these markets is a guarantee to investors that their interest in stocks payout when need be.

The rising and falling of share prices regulate when to buy or sell your shares. When the prices are low, one should purchase the shares and sell them when the price goes up. When the investor invests, they will hold part of the company's ownership. The investment helps the company to expand and create a more profitable business.

Keeping in mind the background of companies one wants to invest in helps the investor understand their performance and make an informed decision without risking their money to non-performing companies.

There are ups and downs of equity investments, and availing the service of a financial advisor can keep one safe. Therefore, it is important to analyze the company of interest's performance in stocks in the past few years. In addition, holding shares for different companies helps cushion the investor against risk.

2.2 Objectives of the study

- To study the investors preferences and satisfaction towards various financial products and services offered by Angel Broking Private Limited.
- To find out the awareness of the investors about entire range of products and services provided by the company.

- To analyze the preference and satisfaction level of investors to the quality of services provided, charges levied and the factors influencing choice of products and services.

2.3 MEANING OF HYPOTHESIS:

Hypothesis is a tentative suggestion or assumption made to explain scientifically some facts. In science, a hypothesis is an idea or explanation that you then test through study and experimentation. Outside science, a theory or guess can also be called a hypothesis. A hypothesis is something more than a wild guess but less than a well-established theory. According to George. A. "A Hypothesis is a tentative generalization, the validity of which remains to be tested". According to Goode and Hat "Hypothesis is a preposition which can be put to test to determine validity".

TYPES OF HYPOTHESIS:

1. **DESCRIPTIVE HYPOTHESIS:** A Descriptive Hypothesis is a statement about the existence, size, form or distribution of a variable. Example- The rate of unemployment among arts graduates is higher than that of commerce graduate.

2. **RELATIONAL HYPOTHESIS:** A Relational Hypothesis is a statement about the relationship between two variables with respect to some case. Example- Families with higher income spending habits is more on recreation or entertainment.

3. **CASUAL HYPOTHESIS:** A Casual Hypothesis is a statement that describes a relationship between two variables in which one variable leads to a specified effect on the other variable. Example- Raising gas prices causes an increase in the number of people who carpool to work.

4. **WORKING HYPOTHESIS:** A Working Hypothesis is a hypothesis that is provisionally accepted as a basis for further research in the hope that a tenable theory will be produced, even if the hypothesis ultimately fails. Example- Population influences the number of bank branches in town.

5. **NULL HYPOTHESIS:** A Null Hypothesis is a hypothesis that says there is no statistical significance between the two variables in the hypothesis. It attempts to show that no variation exists between variables or that a single variable is no different than its mean. It is written as H0 i.e. H(zero), which stands for Negative or No or Rejected. Example- There is no relationship between family's income level and expenditure on recreation.

6. **ALTERNATIVE HYPOTHESIS:** The alternative hypothesis is the hypothesis used in hypothesis testing that is contrary to the null hypothesis. It is usually taken to be that the observations are the result of a real effect. It is written as H1, which stands for Positive or Yes or accepted. Example- There is relationship between family's income level and expenditure on recreation.

7. **ANALYTICAL HYPOTHESIS:** Analytical hypotheses are used when trying to translate a new language. They are formed by the linguist attempting the translation

to gain a primitive understanding. It is in this sense that the linguist is said to have created the hypotheses. Example- Examining the fluctuations of international trade balance and explaining why and how trade balance move in a particular way over a time is an example of analytical research.

8. COMPLEX HYPOTHESIS: Complex Hypothesis a prediction of the relationship between two or more independent variables and two or more dependent variables. Directional hypothesis a statement of the specific nature of the relationship between two or more variables. Example- The concentrate growth circles characterised a city. **Hypothesis of the study**

1) HO: There is a no significance difference in the level of investors satisfaction for the products and services provided to them.

2) H1: There is a significance difference in the level of investors satisification for the products and services provided to them.

2.4 SCOPE OF THE STUDY

The study focuses on investor's satisfaction towards the products and services provided by Angel Broking. It includes the range of services offered, quality of the services provided, investor relations, facilities at the office, charges levied for the services, expectations about other services, problems faced by investor if any at Angel Broking. It focuses in understanding the salient behavior patterns, beliefs and opinions of investors. It helps in understanding the attitude changes of the investors/ towards the services provided. their expectations about the service aspects, products/ services expected etc.

Further scope of the study can be extended to studying the satisfaction of the investors in detail as to each and every service provided, the specifics of each service offered, investor expectations about the same etc. A comparative study of Angel Broking's services against the service range, quality offered by the competitors can also be conducted.

2.5 Limitation of the study

1) As the data was collected through questionnaire, there might be chances of biased information being provided by the respondents.

2) Small sample size of the study could not have been able to decipher some important dimension of the study due to time constraints.

3) The study is confined to only to students and the existing investors of Angel Broking Private Limited.

4) Area of the study was limited only to Mumbai city of Maharashtra.

2.6 Research Methodology

Research is an art of scientific investigation. In other word research methodology is thespecific techniques used to identify, select, process and analyze information about a topic. Itis the path through which researchers need to conduct their research. The logic behind takingresearch methodology into consideration is that one can have knowledge about the methodand procedure adopted for achievement of objectives of the project. Its main aim to keep theresearchers on the right track. The methodology adopted for studying the objectives wassurveying the study on customer behavior towards online shopping during covid in thaneregion. Questionnaire method was adopted for the collection of primary data. Secondary datahas been collected through the e-books and by surfing on internet.

2.6.1. Universe of the region:

The research universe was thane region. The responses were collected by the buyers and sellers of thane region only

2.6.2. Method of sampling:

Simple random sampling method is a sampling technique where every item in the population has an even chance and likelihood of being selected in the sample. Here the selection of items completely depends on chance or by probability and therefore this sampling technique is also sometimes known as a method of chance.

2.6.3. Sample Size:

Keeping in mind all the constraints the size of the sample of my study was selected as 100. The sample size was classified on the basis of age, gender, education qualification, occupation of the respondents.

2.6.4. Method of data collection:

Data was collected by using two main methods i.e., primary data and secondary data.

2.6.4.1. Primary Data:

There are number of sources of primary data from which the information can be collected. I choose the following resources for my research.

Questionnaire: I researched using a set of some simple questions and requested the respondents to answer these Questions with correct information. The questionnaire was uploaded on Survey Heart. This questionnaire was sent to the respondents through various social networking apps i.e., WhatsApp, mail, messaging app, etc.

2.6.4.2. Secondary Data:

The secondary data was collected by referring various research papers, e-books, journals, articles and surfing on internet. The secondary data collected is aimed just for reference purpose.

2.6.5. Method of data analysis:

The data analyzing techniques used were bar graphs, pie charts, percentage method

CHAPTER 3 – REVIEW OF LITERATURE

Several studies have been conducted on the various aspects of the capital markets in the past. These studies mainly relate to various instruments of capital market, shareholding pattern, new issue market and scope, market efficiency, risk and return, performance and regulation of mutual funds. However, not much of research work has been done on investment patterns amongst the young age group of the working population and investor's perceptions.

Abhijeet Birari & Umesh Patil (2014)

the spending and savings habit of youth in the city of Aurangabad. The study finds that significant difference exists in the spending habits of students belonging to different education levels. The study finds that most of the youth in the sample spend a large portion of the money on consumable goods and that due to lack of awareness, the amount of money saved or invested is very little.

Gina Chowa, Mat Despard & Isaac Osei-Akoto (2012)

In their paper 'Youth saving patterns and performance in Ghana' attempted to find whether the youth will participate in savings via formal financial services if given the opportunity. The study found that most youth in the sample, set aside money regularly, hold onto their set aside money for short periods of time and use it mostly for shortterm consumptive purposes. The study concluded that, youth of a developing country have a high propensity to save but, lack of proper knowledge and information restricted the youth from venturing out into the area formal savings and investments.

Patel & Patel (2012)

the investment perspective of salaried people. The paper aimed at studying the behavioural pattern & difference in perception of an individual related to various investment alternatives. The study finds that the youth that was surveyed preferred investments over savings. The study also discovers that, rather than safe and secure investments, the youth prefer investments that are high risk but also yield high returns.

Murithi Suriya, Narayanan and Arivazhagan (2012),

In their study reveal that female investors dominate the investment market in India. According to their survey, majority of the investors are found to be considering two or more sources of information to make investment decisions. Most of the investors discuss with their family and friends before making an investment decision.

Houriyah Alnakhli & Shabir (2021),

In this research, the researcher has studied that investor plays an very important in the growth of the economy. Investors, therefore, need to have the necessary awareness of the risk-reward trade-offs of this security, as they must be able to properly plan their investments, save for the future, and know how to distribute this wealth. must have I feel it is important to understand awareness, especially among students, to increase their knowledge and concepts for saving money in the market. In this study, we tested this using regression analysis a hypothetical relationship between perception and availability of information, barriers, and channels to address markets.

Oskari Koivunen (2021),

In this study, researchers examined "awareness and family impact as determinants of stock market participation." This study examines the determinants of stock market participation, particularly perceptions of family education and investment skills. Data collection was done through a non-representative online survey that yielded 224 observations. Two research hypotheses are tested using nine cross-sectional logistic regressions. The results show that a parent's master's degree is not important for participating in trading., and perceptions of one's own investability are positively correlated with participation even when controlling for various socioeconomic factors, including financial literacy.

N. Selvaraj (2021),

In this paper, the researcher has explained derivatives to traders who want to make money with the least amount of risk. One innovation in the financial markets, derivatives, aims to boost returns while lowering risk. A "derivative" is a financial instrument that is derived from another financial instrument. If there is no underlying instrument or market, derivatives cannot exist independently. Contracts for readily marketable assets are called derivatives when they are entered into between two parties. The importance of derivatives is growing as the capital and foreign exchange markets are becoming more volatile. Although the RBI has worked to promote the use of derivative products and has taken steps to spread information about them, awareness of these products and their use is still relatively low.

Sharan (2021),

In this research, the researcher explored how people with all educational backgrounds, including science, commerce, and the arts, could start a career in the stock market if they knew about it. Few students know about investing in the stock market. There are several reasons why students may not know about or invest in the stock market. The most common reason is that the stock market is risky, and many investments are being made, but this is incorrect. It measures student attitudes towards the stock market, reasons why students do not invest in the stock market, and student satisfaction with investing in stocks.

A Manorselvi & Ulchi (2019),

Researcher has explained the need for efficiency in the stock market to provide students with sufficient knowledge before investing money in the stock market. Students understand market volatility and invest in the best investment propositions. Moreover, after thorough analysis, the path to return on investment is paved. The purpose of this study is to measure the relationship between age and finances to assess the need of this technology in the dissemination of listed commodities and stock market news.

Wangmo Chimmi, Shelly Daly & Rinchen Dorji (2018),

The researcher briefly described the topic of "stock market awareness and obstacles" in this study. To assess the potential for development in this growing economy, researchers look at the public's degree of knowledge and the difficulties they experience when it comes to stock markets and brokers. Both quantitative and qualitative methods, predominantly primary, were used to conduct this study. A semi-structured questionnaire was created to gather information from members of the general public and university students who were enrolled at the time. According to the data source, the study also revealed that respondents were interested in stock market investing but were unaware of available investment alternatives. The outcomes also showed problems and restrictions. According to the research, it is important to inform the people about the advantages of stock market investing.

Bhattacharjee Jayashree, & Ranjit Singh (2017),

In this research, the researcher explained About "Individual Investors' Equity Investment Attitudes. The purpose of this paper is to systematically review the published literature on various aspects of equity investment attitudes. This paper highlights key issues and aspects related to equity investment awareness. It is also intended to raise specific issues for future research. Demographic, socioeconomic, and psychological factors were found to be the most important determinants of a sense of justice. Financial well-being is primarily due to financial awareness. Growth in financial markets can be attributed to stock awareness. Equity awareness helps investors make better financial decisions, be aware of their rights and responsibilities, and understand and manage their risks as investors.

Dharani Munusamy (2016),

In this study, the researcher has explained that how many people knew about investing in India at the time. Through an online survey, researchers created questionnaires and conducted interviews with participants. The researcher deliberately chose ethical investors for this Through an online survey, researchers created questionnaires and conducted interviews with participants. The researcher deliberately chose ethical investors for this study. Only 159 of the 250 respondents whom the researcher surveyed responded to the questionnaire during the research period.Aabida.

Akhter Mohiuddin Sangmi (2015),

In this research, the researcher has explained very well that the backbone of the securities market is investors. The education and awareness decide their interest in the stock market and whether they will invest in it or not. As the stock market awareness comes under the bigger concept of financial literacy. The study attempts to measure young people's awareness of various aspects in the stock market, which includes concepts, products, processes, and institutions. As the results of this study signify that the young people in the sample had low to moderate levels of knowledge and awareness regarding the stock market, with no significant differences between different sample groups based on the areas the researcher studied.

Dr Makarand S. Wazal, Sudesh Kumar Sharma (2017)

Number of investors in Indian equity market is dismally low when compared with other leading economies. However, over the time period, the numbers have increased since the investor confidence is being maintained. The researchers that have investigated the influence of changes in oil prices on stock market returns have determined that changes in oil prices are associated with the fluctuations of stock prices (Sadorsky, 1999; Hamilton, 2009; Killian, 2009; Kang & Ratti)

Kousalya P R and Gurusamy P (2012)

observed in their study on Women Investors Perception onwards Investments that there is no significant relationship between age of the women investors and level of awareness on investment. They have also concluded that the educational level of women investors does not influence the level of awareness.

Meenakshi Chaturvedi, Shruti Khare (2012)

proclaimed that the age of investor cannot be taken to influence their level of awareness and it is very clear from the results that the gender of the investor has no effect or influence on his/her level of awareness about any investment channel.

Odoemenem, et. Alabama. (2013)

The investment is generating money now for the return in the future. The study reveals that legislators do not make integral and adequate savings plans for a rural area. Which leads to inadequate savings and investments of small farmers. The study analyzes the socio-economic status of the respondents. The objective of saving is to take care of families and not to invest.

S. Prasanna Kumar (2014)

Investment and saving are two different things. Investment means saving with a jump that some benefit will arise in the future. Investment options are available, such as bank deposits, NRO funds, real estate, stocks and bonds, etc. The respondent reveals that the majority of the respondents selected the deposit as an investment mode.

Priyanka Jain (2012)

The study analyzes the various investment routes available to investors. It declares that Equity shares have low performance but high capital appreciation, risk liquidity, Marketability, tax benefit, Debentures have high profitability but low-risk liquidity and marketability. Bank deposits have moderate returns but a low appreciation of capital and liquidity risk.

Rajeshwari Jain (2014)

Investment is the opportunity for consumption and savings in the future expressed in monetary terms. Two kinds of investments, such as fixed income statements, that is, preferential shares, bonds, fixed deposits and variable income investments, that is equity capital, property ownership. The data show that respondents between the age group of 26 years to 35 years are involved in investment activities.

T. N. Murty, P.V. S. H Sastry (2014)

The choice of investors with the aim of optimizing performance is an investment in securities or securities. Securities market values are affected by various internal and external factors. The study examines investors' perception of small investments towards the return on investment.

N. Srividhya, S. Visalakshi (2013)

The study analyzes several investment avenues such as government deposits, bonds, real estate, postal savings certificates, life insurance policies, mutual funds, etc. The study covers government universities, private universities and assisted universities, which indicates that the maximum number of teachers saves less than one lakh. The maximum number of respondents invests in fixed deposits.

S. Umamaheswari and M. Ashok Kumar (2014)

the priority of investment of the investor is dependent on factors like their awareness, level of exposure, intension, environment, beliefs, responsibilities etc. The study aims to function as a bridge to the requirement of a holistic understanding of the financial ambitions of the investors from 234of the fin salaried middle-class with that of their ambitions for the percentage of return on investment.

Tarujyoti Buragohain (2009)

the trend and form of savings in general rjo determi and household sector savings in particular. The study also evaluated the main determinants of household sector savings based on fundamental theory. The study of income elasticity of savings offers an adequate inspiring image. The study specifies that a healthier element of household savings is household disposable income and it increases with increase in income.

Mohan (1991)

A comparative study in order to find out the more beneficial schemes under specific circumstances. He stated that NSS 1987 and PPF are the two famous investment avenues enjoying concessions under the Income Tax Act, 1961. However, both the schemes vary in many aspects including the rate of return provided. The findings of the study disclose that PPF is advantageous under certain circumstances and NSS in certain other circumstances but returns from investment in both the schemes are more or less the same.

There is need to study investment awareness among the people from the Konkan region as the study about investment awareness among the people from the Konkan region is not available. In order to fill the research gap by studying the investment ment d awareness among the people from the Konkan region, the present study is carried out

Review of books

The Intelligent Investor

The key lesson from Benjamin Graham's much-lauded tome: "Don't lose." Easier said than done, of course. So read on. The reason why this book, originally published in 1949, is still in print is that it offers investors—be they beginners, those with some knowledge and success, or old hands—the nuts and bolts of value investing, which is buying stocks of quality companies whose worth is undervalued. The practice is akin to buying a finely made piece of furniture at a discount. It was most recently updated in 2006.

Graham largely shuns the practice of analyzing securities in favor of expanding on investment principles and investors' attitudes. He notes that the intelligence of any investor has nothing to do with IQ or SAT scores. "It simply means being patient, disciplined, and eager to learn; you must also be able to harness your emotions and think for yourself," he writes.

Chapters cover investment vs. speculation, the investor and inflation, general portfolio strategy, stock selection for both the enterprising and defensive investors, comparisons of companies, and many other subjects. To bolster the book's relevance, Wall Street Journal columnist Jason Zweig added commentary after each chapter with recent examples. In the preface to the fourth edition, Warren Buffett, chairman and CEO of Berkshire Hathaway, wrote: "I read the first edition of this book in early 1950, when I was 19. I thought then that it was by far the best book on investing. I still think it is."

"Many of society's most intractable problems—from addressing the environment, to revitalizing decaying infrastructure in developed and developing nations alike to national security, to the hunger for innovation to stimulate economic growth—resist easy solutions. Rather, they can only be addressed with the thoughtful application of time and money," write Victoria Ivashina and Josh Lerner, both Harvard Business School professors.

The authors cite the Rockefeller family's wealth as an example of the use of patient capital. The patriarch, John D. Rockefeller, turned a $4,000 investment in the oil refinery Standard Oil into the initial source of the family's vast holdings. Two generations later—led by his grandchildren, especially Laurance—long-term capital brought about the development of Eastern Air Lines, a carve-out from General Motors; military contractor McDonnell Aircraft Corp., which eventually was folded into Boeing Co.; the unfolding of tourism and conservation in the U.S. Virgin Islands, including building the exclusive and environmentally friendly Caneel Bay resort on St. John Island; and providing critical funding for the expansion of national parks in the United States.

The Only Investment Guide You'll Ever Need

"Lives up to its brash title" is how the Los Angeles Times described Andrew Tobias's investment book, which debuted in 1978 and has been revised several times, including in 2022.

In the latest revision, this best-selling author covers the economic effects of the COVID-19 epidemic and how investors and taxpayers fared during the Trump administration and others prior. With knowledge and wit, Tobias takes readers through the basics of investment vehicles—stocks, bonds (savings, municipal, corporate, convertible, zero-coupon), mutual funds, U.S. Treasury bills, exchange-traded funds (ETFs), and the various retirement accounts. He also delves into tax strategies and discusses finding and dealing with brokers. Tobias suggests a stock market strategy of putting the bulk of your savings in mutual funds and ETFs, and no more than 20% into funds you direct.

Throughout, he assumes the role of the wise, well-off uncle, especially in the chapter "A Penny Saved is Two Pennies Earned," in which he dispenses commonsense money advice on everything from credit cards to saving on vacations, monitoring your bank accounts, and buying cubic zirconium jewelry instead of diamonds ("ridiculous," he writes). In the appendices, Tobias tackles Social Security, life insurance, saving money by buying wine by the case, the national debt, and selected discount brokers. About the book, Dallas Mavericks owner and billionaire entrepreneur Mark Cuban wrote: "This is the only investment book I've read that truly made sense."

CHAPTER 4

ANALYSIS AND INTERPRETATION OF DATA

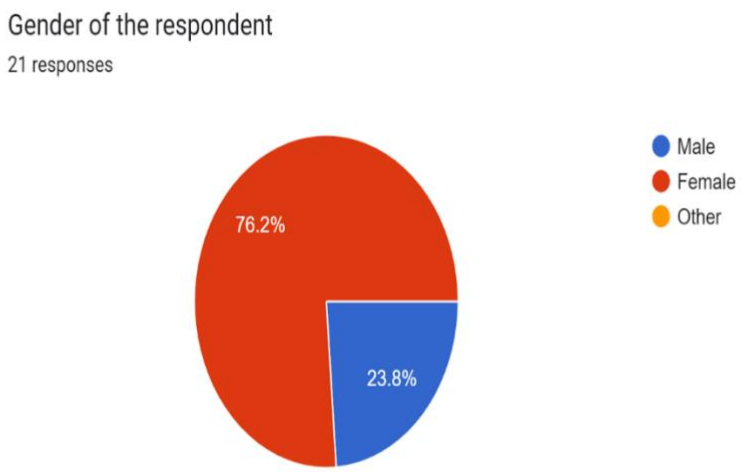
Data analysis and interpretation is the process of assigning meaning to the collected information and determining the conclusions, significance, and implications of the findings. The steps involved in data analysis are a function of the type of information collected, however, returning to the purpose of the assessment and the assessment questions will provide a structure for the organization of the data and a focus for the analysis.Data analysis is the most crucial part of any research. Data analysis summarizes collected data. It involves the interpretation of data gathered through the use of analytical and logical reasoning to determine patterns, relationships or trends. In this chapter. The data collected were systemically processed, tabulated and made suitable for analysis and interpretations, it was a study on Investment behaviour of youth towards online and offline education in accounting subject w.r.t. Thane region through data collected by questionnaire. The results obtained were classified, tabulated and the following analysis were performed in fulfilling the objectives of the stud

1.Gender wise analysis

Table 4.1. Gender of the respondent

Gender	Frequency	Percentage
Male	23	23%
Female	77	77%
Other	0	0%
Total	**100**	**100%**

BY PRIMARY DATA:



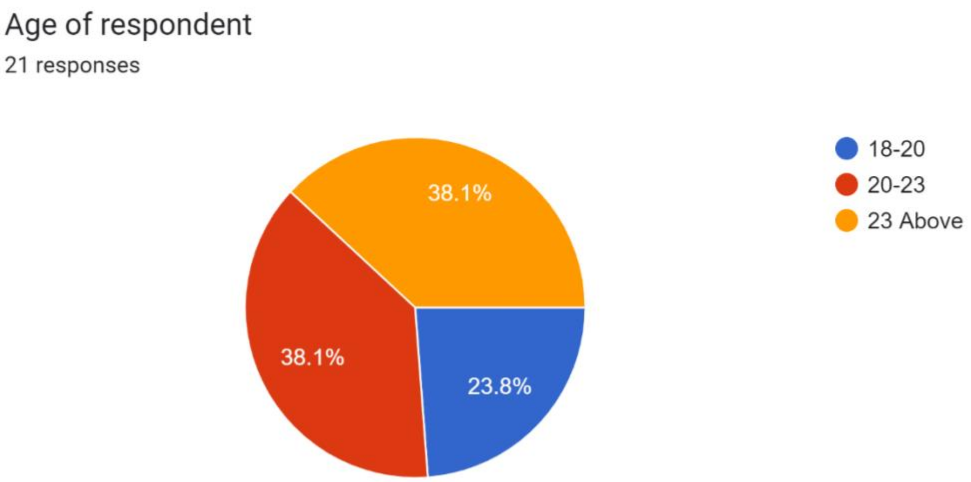
As the table shows that 76.2% respondents were female and 23.8% respondents were male out of total 100 respondents. We can say that female are more aware about investing in equity shares in accounting subject.

2.Age wise analysis table

4.2 Age of the respondent

Age of respondent	Frequency	Percentage
Between 18-20	23	23.8%
Between 21-23	38	38.1%
Above 23	38	38.1%
Total	**100**	**100%**

Source : By Primary Data



Interpretation:

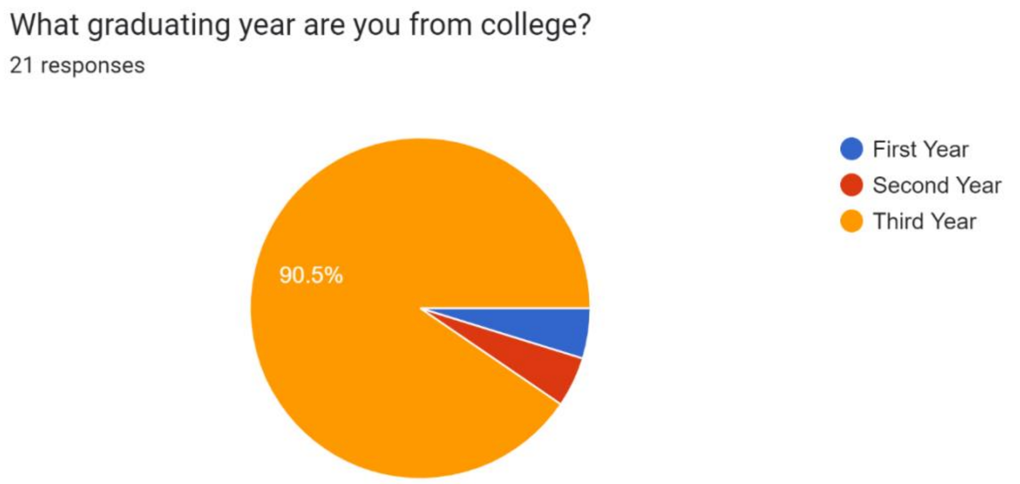
The above table represents age wise analysis maximum responses were from the age group 21 to 23 is 38.1%. Thereafter minimum responses were from age group below 23 is 38.1%. As the study was conducted to awareness of investment in equity shares and 18 to 20 age group respondent is 23.8%.

1. Education wise classification of respondents

Table 4.3 Education wise analysis

Education Qualification	Frequency	Percentage
FIRST YEAR	5	5%
SECOND YEAR	5	5%
THIRD YEAR	90	90%
TOTAL	**100**	**100%**

Source : By Primary Data



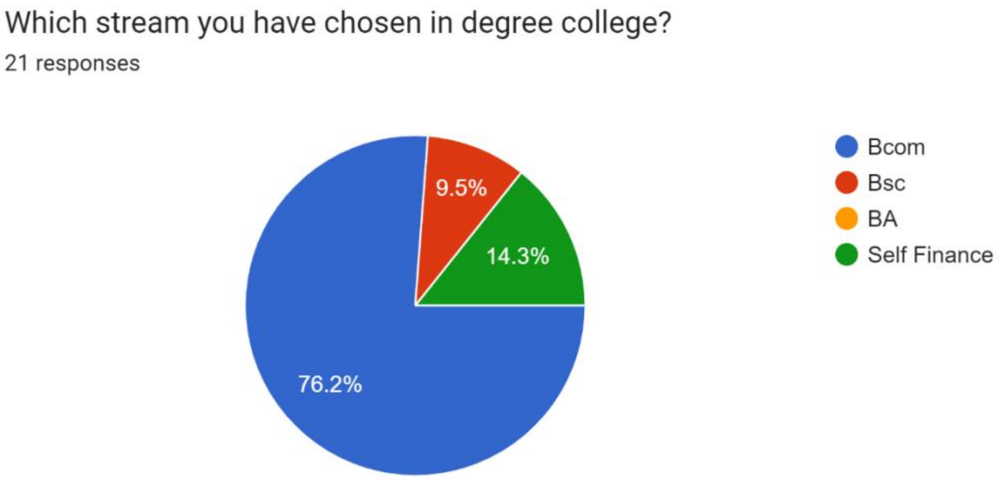
Interpretation: The above table shows the education wise qualification of the respondents. respondents included undergraduate graduate. The survey included 5% First year, Second year, 5% Third year,90% out of total 100 respondents.We can say that third year student are more aware about investing in equity shares

Which stream you have chosen in degree college?

4Table 4.4 Which stream student have chosen in degree college

Stream	Respondent	Percentage
BSC	1	9.5%
B.COM	15	76.2%
BA	0	0%
Total`	100	100%

Source : By Primary Data



Interpretation:

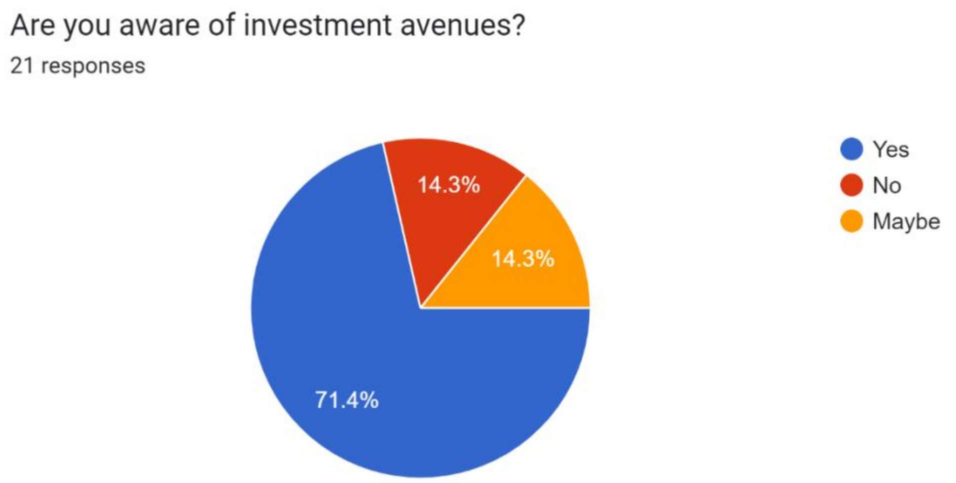
The above table shows the stream of the respondents**.** The survey included 9.5% BSC, 76.2% B.COM, 0% BA, 14.3% Self-Finance, out of 100%. We can say that Self finance students are more aware about investing in equity shares.

Are you aware of investment avenues?

Table 4.5 how many students aware of investment avenues?

Answers	Respondents	Percentage
Yes	71.4	71.4%
No	14.3	14.3%
Maybe	14.3	14.3%
Total	**100**	**100%**

Source : By Primary Data



Interpretation:

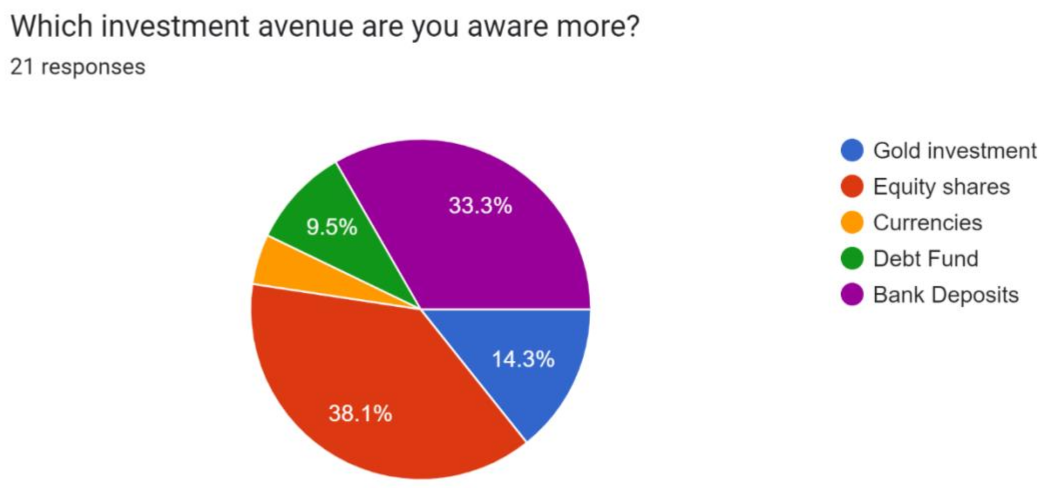
The above table shows how many student aware of investment avenues. The survey included 71.4% student are aware, 14.3% students are not aware, 14.3 students are maybe aware or maybe not aware out of 100%.. Maximum students are aware of investment avenues.

Which investment avenue are you aware more?

Table 4.6 Which investment avenue are student aware more?

Types of investment	Respondent	Percentage
Gold investment	14	14.3%
Equity shares	38	38.1%
Curriencies	6	6%
Bank Deposits	33	33.3%
Debt fund	9	9.5%

Source : By Primary Data



Interpretation:

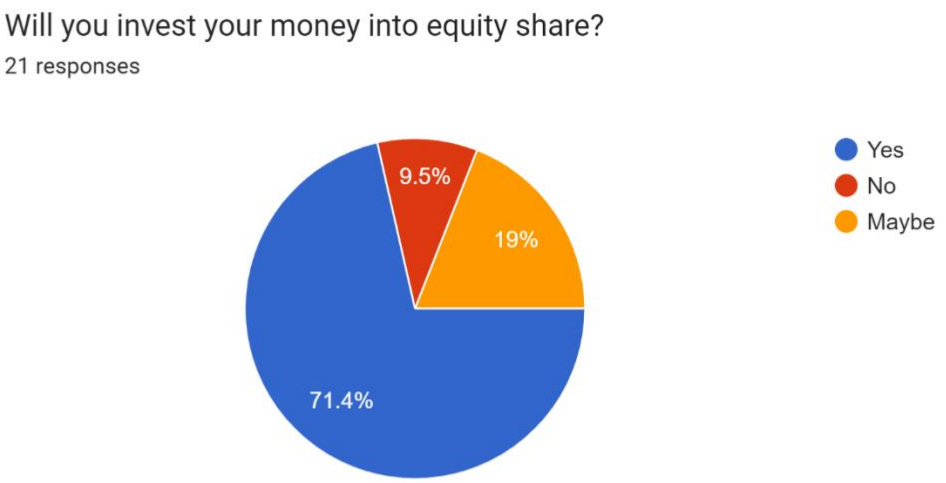
The above table shows which investment avenue are students aware more. The survey included 14.3% students aware the gold investment, 38.1% students aware the equity share 9.5% students aware the debt fund, , 6% students are aware the currencies, 33.3% students are aware the bank deposit out of 100%. Maximum students are aware the equity shares.

Will you invest your money into equity share?

Table 4,7 how many students invest their money into equity share?

Particulars	Respondent	Percentage
Yes	71	71.4%
No	9	9.5%
Maybe	19	19%
Total	**100**	**100%**

Source : By Primary Data



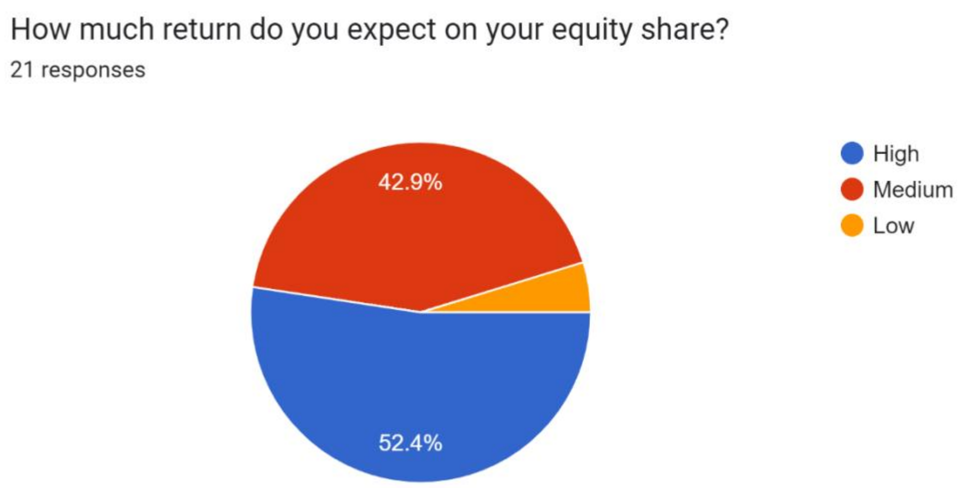
Interpretation:

The above table shows how many students are invest their money into equity share. The survey included 71.4% students invest in equity shares, 9.5% students are not invest in equity shares, 19% students are maybe invest in equity shares or not invest in equity shares out of 100%. Maximum students are invest in equity shares.

Table 4.8 How much return do students expect on their equity share?

Particulars	Respondent	Percentage
High	52	52.4%
Medium	42	42.9%
Low	6	6%
Total	**100**	**100%**

Source : By Primary Data



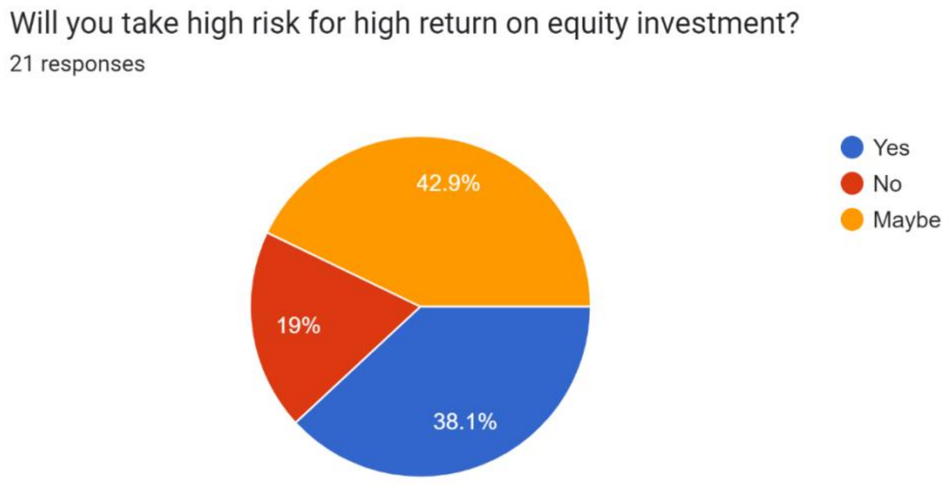
Interpretation:

The above table shows how much return students expect on equity share. The survey included 52.4% students expect high return, 42.9% students expect medium return, 6% students expect low return out of 100%. Maximum students expect high return on equity share.

Will you take high risk for high return on equity investment?

Table 4.9 how many students will take high risk for high return on equity investment?

Particulars	**Respondent**	**Percentage**
Yes	38	38.1%
No	19	19%
Maybe	42	42.9%
Total	**100**	**100%**



Interpretation:

The above table shows how many students are take high risk for high return on equity investment. The survey included 42.9% students are take high risk for high return, 19% students are not taking high risk for high return, 38.1% students are maybe taking high risk for high return or maybe not take high risk for high return out of 100%. Maximum students are taking high risk for high return on equity shares.

For how long will you invest your money in equity share?

SOURCE : BY PRIMARY DATA

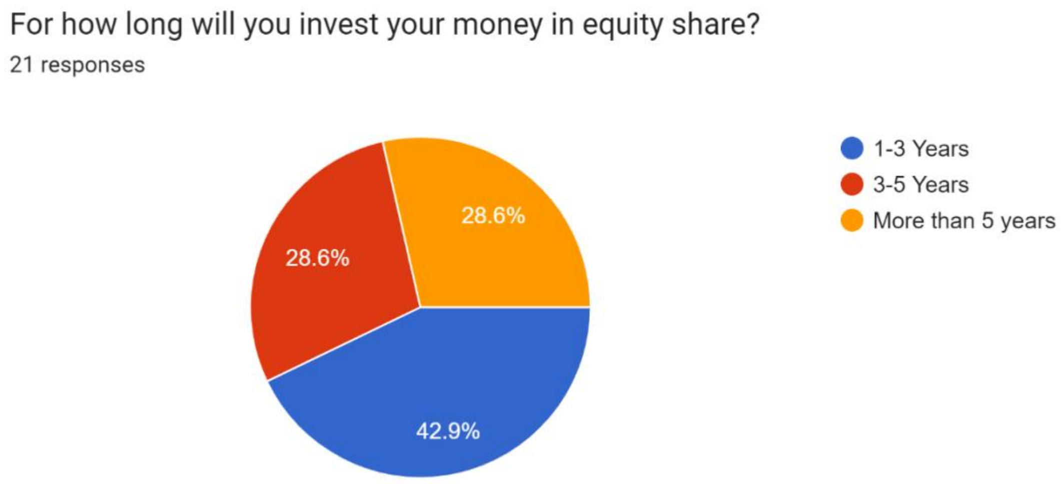


Table 4.10 For how long will students invest their money in equity share?

Years	Respondent	Percentage
1-3 year	42	42.9%
3-5 year	28	28.6%
More than 5 years	28	28.6%
Total	**100**	**100%**

Interpretation:

The above table shows for how long will students invest their money in equity share. The survey included 42.9% students are invest 1-3 years, 28.6% students are investing 3-5 years, 28.6% students are investing more than 5 years out of 100%. So, the maximum students are investing 3-5 years in equity shares.

Will you use equity share for intra-day trading to earn income?

Table 4,11 how many students will use equity share for intra-day trading to earn income?

Source : By Primary Data

Particulars	Respondent	Percentage
Yes	38	38.1%
No	19	19%
Maybe	42	42.9%
Total	**100**	**100%**

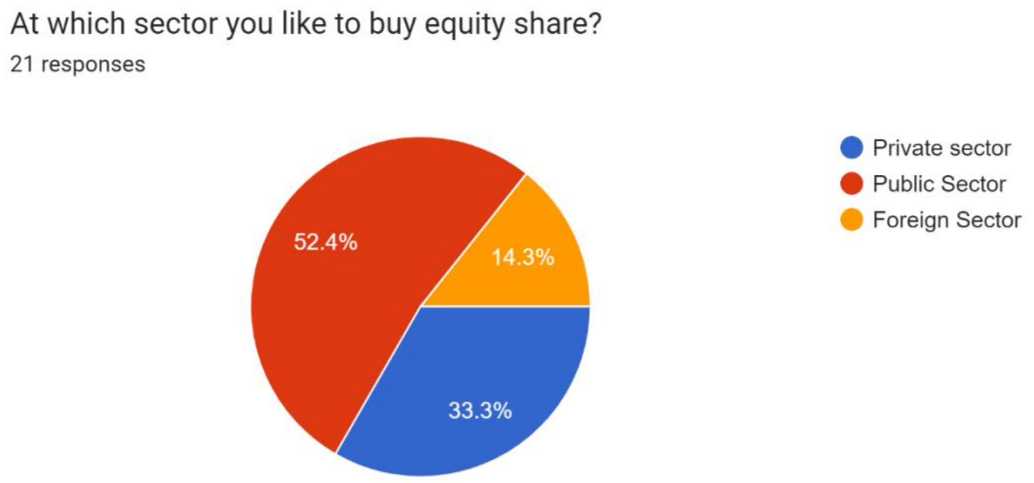
Interpretation:

The above table shows how many students use equity share for intra-day trading to earn income. The survey included 38.1% students are use intra-day trading, 19% students are not using intra-day trading, 42.9% students are maybe use intra-day trading or maybe not use intra-day trading out of 100%. So, maximum students are use equity shares for intra-day trading to earn income

At which sector you like to buy equity shares?

Table 4.12 At which sector students like to buy equity shares?

Source : By Primary Data



Sectors	Respondent	Percentage
Private sector	33	33.3%
Public sector	52	52.4%
Foreign sector	14	14.3%
Total	**100**	**100%**

Source : By Primary Data

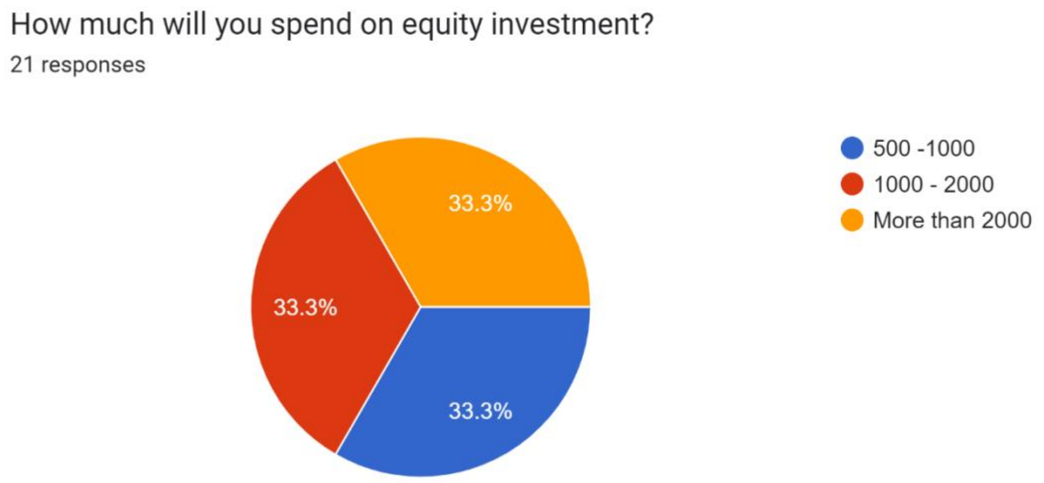
Interpretation:

The above table shows at which sector students like to buy equity shares. The survey included 33.3% students are like private sector to buy equity shares, 52.4% students are like public sector to buy equity shares, 14.3% students are like foreign sector to buy equity shares out of 100%. So, maximum students are like public sector to buy equity shares.

How much will you spend on equity investment?

Table 4.13 How much will students spend on equity investment?

By Using Primary data:



Amount	Respondent	Percentage
500-1000	33	33.3%
1000-2000	33	33.3%
More than 2000	33	33.3%
Total	**100**	**100%**

Interpretation:

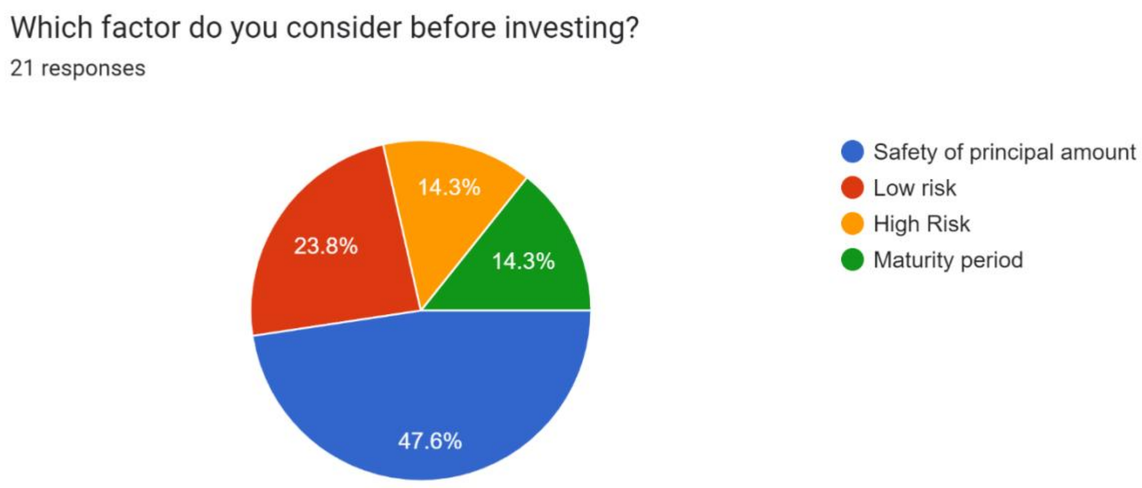
The above table shows how many students spend on equity investment. The survey included 33.3% students are spend rs.500-1000, 33.3% students are spending rs.10002000, 33.3% students are spend more than rs.2000 out of 100%. So, maximum students are spending rs.1000-2000.

Which factor do you consider before investing?

Table 4.14 Which factor do you consider before investing?

Particulars	Respondent	Percentage
Safety of principal amount	47	47.6%
Low risk	23	23.8%
High risk	14	14.3%
Maturity period	14	14.3%
Total	**100**	**100%**

Source : By Primary Data



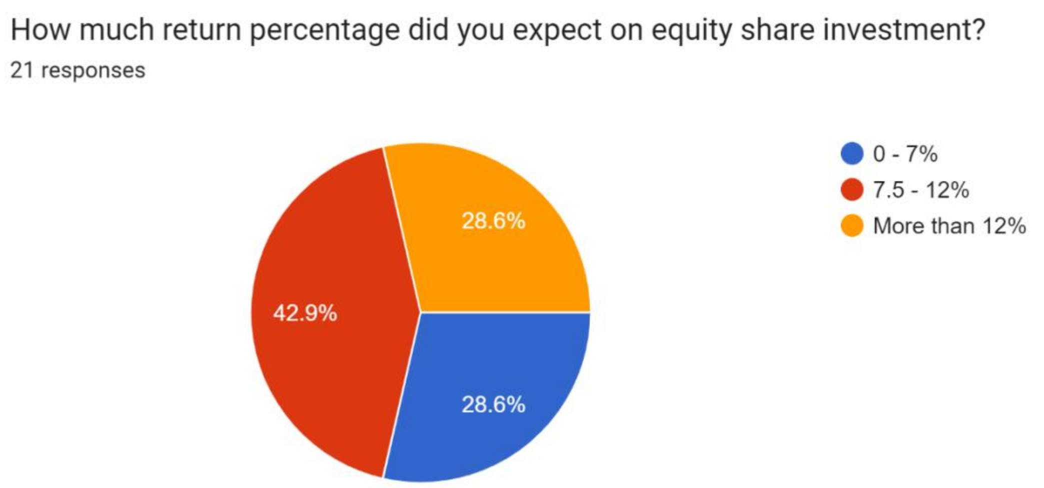
Interpretation:

The above table shows Which factor do students consider before investing. The survey included 47.6% students consider safety of principal amount before investing, 23.8% students consider low risk before investing, 14.3% students consider high risk before investing, 14.3% students consider maturity period before investing out of 100%. So, maximum students are considering safety of principal amount before investing.

How much return percentage did you expect on equity share investing?

Table 4.15 How much return percentage did students expect on equity share investing?

Source : By Primary Data



Particulars	Respondent	Percentage
0-7%	28	28.6%
7.5%-12%	42	42.9%
More than 12%	28	28.6%
Total	100	100%

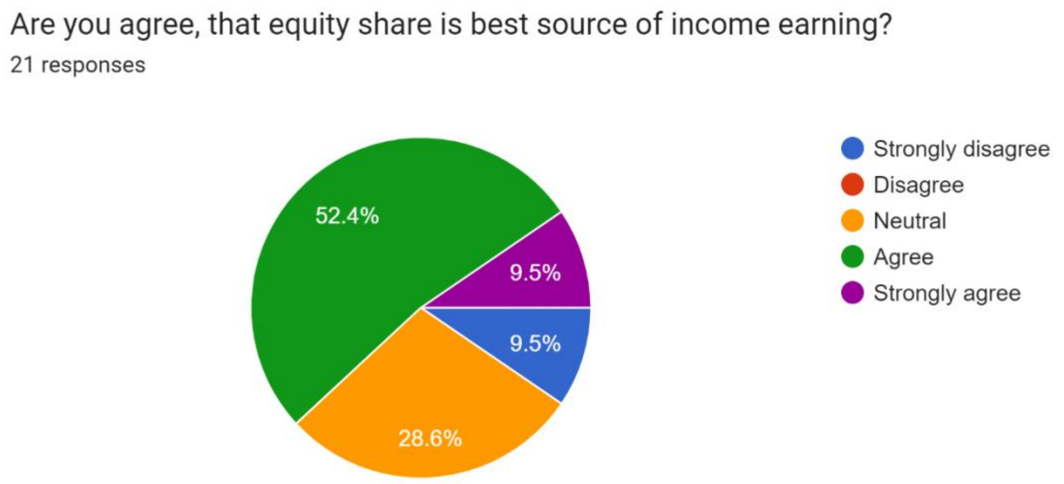
Interpretation:

The above table shows how much return percentage did students expect on equity share investing. The survey included 28.6% students are expecting 0-7%, 42.9% students are expecting 7.5%-12%, 28.6% students are expecting more than 12% out of 100%. So, maximum students are expecting 7.5%-12%.

Are you agree, that equity share is best source of income earning?

Table 4.16 how many students think that equity share is best source of income earning?

Source : By Primary Data



Particulars	Respondent	Percentage
Neutral	28	28.6%
Agree	52	52.4%
Disagree	0	0%
Strongly disagree	9	9.5%
Strongly agree	9	9.5%
Total	**100**	**100%**

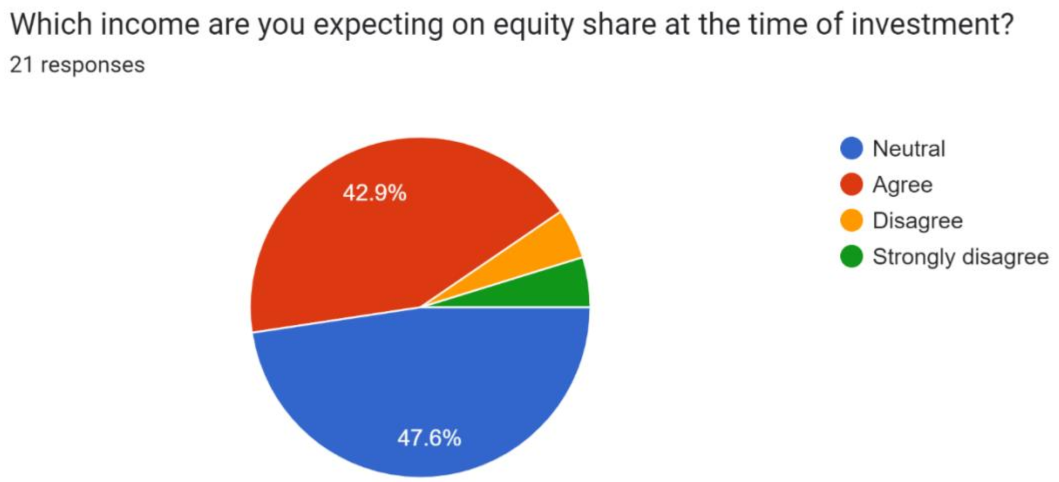
Interpretation:

The above table shows how many students agree that equity share are best source of income earning. The survey included 28.6% students are neutral that equity share are best source of income earning, 52.4% students are agree that equity share are best source of income earning, 0% students are disagree that equity share are best source of income earning, 9.5% students are strongly disagree that equity share are best source of income earning, 9.5 students are strongly agree that equity share are best source of income earning out of 100%. So, maximum students are agreeing that equity share are best .

Which income are you expecting on equity share at the time of investment?

Table 4.17 Which income are student expecting on equity share at the time of investment?

Source : By Primary Data

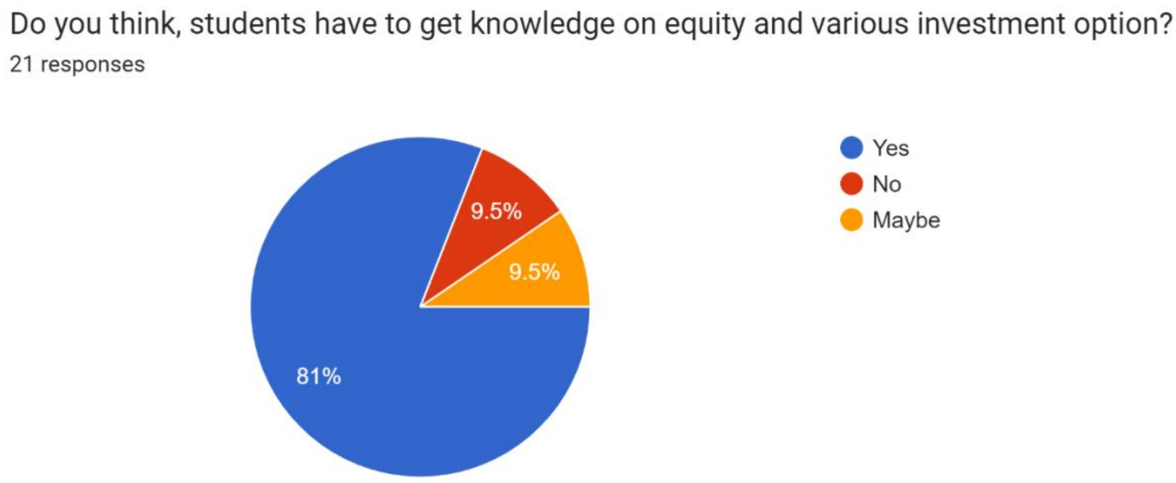


Particulars	Respondent	Percentage
Yes	56	55.6%
No	28	28.3%
Maybe	16	16.2%
Total	**100**	**100%**

Interpretation:

The above table shows how many students has to get knowledge on equity and various investment option. The survey included 81% students have knowledge on equity and various investment option, 9.5% students have not to get knowledge on equity and various investment option, 9.5% students have maybe to get knowledge on equity and various investment option out of 100%. So, maximum students must get knowledge on equity and various investment option.

Is college need to provide training on investment option to earn money? Table 4,19 how many students think that college need to provide training on investment option to earn money?



Particulars	Respondent	Percentage
Yes	81	81%
No	9	9.5%
May be	9	9.5%
Total	**100**	**100%**

Interpretation:

The above table shows how many students has to get knowledge on equity and various investment option. The survey included 81% students have knowledge on equity and various investment option, 9.5% students have not to get knowledge on equity and various investment option, 9.5% students have maybe to get knowledge on equity and various investment option out of 100%. So, maximum students must get knowledge on equity and various investment option.

CHAPTER 5

FINDING AND CONCLUSION

Findings

The analysis of the data collected from the respondents reveals the following summary of facts and findings:

- The analysis revels that the majority of the respondents are female (77.8%) the reason for the proportion of male (23%).
- It is found that the majority of the respondents having awareness pf equity shares are under the age group 20-30 years.
- Further , it indicates that the respondents of third year are the largest (67%).
- The occupational status of the respondents reveals that the majority (90.5%) of the respondents were of students.
- Most of the respondents (76.2%) have choosen BCOM as their stream in degree.
- Most of the respondents (71.6%) are aware about investment avenues , further it is found that (14.3%) are not aware about investment avenue

Most of the respondents (38.1%) are aware of equity shares as an investment avenue.

- Most of the respondents (71.4%) are ready to invest their money in equity share.
- Most of the respondents (50.5%) are expecting medium rate of return from their investments.
- Most of the respondents (42.9%) are ready to take higher risk in their investment.
- The analysis revels that the majority of the respondents (42.9%) expect a return of 12% of return
- Most of the respondents (52.4%) agree that equity shares are best Source of income earning.
- Most of the respondents (81%) agree that students have to get knowledge of equity and investment options..
- Most of the respondents (50.5%) are expecting medium rate of return from their investments.
- Most of the respondents (65.7%) agrees that colleges needs to provide training on investment option to earn profit.

5.2 Conclusion

The economy is growing, the job market has been doing well and there has been a rise in the graph for salaries. The new generation of youth in India will have money in its pockets and ample opportunity to put it to good use, if they can shift from the traditional bank account savings to the capital market. They understand the importance and benefits of investing and know how they want to use their money now and in the future. They need lucrative options to put their money in for days to come but are understandably afraid or confused due to lack of practical understanding.

Traditional saving options like post office schemes and fixed deposits are now passé. Options like post office schemes and fixed deposits are not very popular with the youth as the rate of interest on them is lower as compared to other investment options available. But somehow savings accounts are still seen widely. Safety and security which were always important reasons for investment are still influential in determining the direction of investment. However their hold is loosening. With money in hand and age on their side, the young investors are becoming more inclined towards taking risk. Fixed deposits are not a very attractive investment option for youngsters these days.

Tax saving is one of the reasons behind investment by the youth. Traditional saving schemes do not provide any tax benefits and are, therefore, keeping the youngsters away from them. There seems no rationale for investing in fixed deposits and post office schemes when they provide no tax rebates and the rate of return on them is fixed and also lower than other investment options. There is exemption for capital gains arising out of Equity Shares and Equity Oriented Mutual Fund units subject to certain conditions under the Income Tax Act.

Equity shares has gained the favor of the youngsters today. Investment in equity share through the good return amount is a favored investment option for the youngsters. This is especially true of the young salaried class which has just started earning and does not have a fat bank balance as yet. In case of Systematic Investment Plans, instead of bulk payment, a small amount is to be paid every month. This makes them very popular with the salaried class who find it difficult to shell out a large amount at one-go. Equity share also have the benefit of requiring lesser financial competence as they are managed by experts while providing higher returns and better prospects than Bank Accounts.

Other traditional investment options like the Fixed Deposit or the Post Office schemes (PPF/ NSC / NSS/ KVP/IVP) are losing their way due to blocking of funds and lower returns. Gold is still preferred to some extent especially when it comes to females. Due to rise in price of gold from somewhere around 17000 in 2010 to around 60000 in 2023, gold is still shining as an investment option. However it is also an expensive investment and requires a fat purse to start with in the hope of having a fatter purse. Youngsters today are aware of what is happening around them and are intelligent enough to decide what is best for them. Every option is considered and the pros and cons of each weighed carefully before the decision to invest the hard-earned money is taken.

Youngsters today do know about the options available to them due to the rapid spread of information in recent times; they are not always sure about how to go about investing in newer ways actively. An informed investor is a good investor; there is opportunity for providing them with guidance and information but it has to be done in a way that is in accordance with their lifestyle – seminars and workshops are no longer the kind of options to peruse. Podcasts, online videos, forums and tutorials are the way of learning of the young generation. The social media platforms specially Face Book, Twitter, LinkedIn along with egroups and websites can be a medium to spread awareness about various options available for the young investors. Thus, investor education can play a vital role in improving the active participation of the investors in the market, which can help them in the informed investment and in getting good returns. Media too can highlight young investors through newspaper columns, which would encourage more participation in the capital market from the young generatio

SUGGESTION

- Investing in stock market is a good way for making more money but at the same time it is very risky too.

- Even common man should be made to understand stocks as stocks is not understood by everyone.

- More of the people should invest in derivatives, commodities and currencies market.

- Measures should be taken to create better awareness about the various producand services provided by Angel broking in newspaper.

- Most of the respondents are expecting more services from Angel Broking, so they should concentrate to fulfil their expectation of their investor.

- Facilities at the office like waiting hall, seating arrangement for on- line trading, and drinking water/ washroom facility need to be improved.

- The problem faced regarding the technicalities like on-line trading. speed of the services provided etc, need to be improved.

- More improvement should be done in services like improvement should be made in email and telephone interactions.

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ANNEXURE

Name - _________

Email id - _________

Gender of the respondent

- Male
- Female
- Other

Age of respondent

- 18-20
- 21-23
- 23 above

What graduating year are you from college?

- First year
- Second year
- Third year

Which stream you have chosen in degree college?

- BSC
- B.COM
- BA
- Self-finance

Are you aware of investment avenues?

- Yes
- No
- Maybe

Which investment avenue are you aware more?

- Gold investment
- Equity share

- Debt fund
- Commodities
- Currencies
- Bank deposit

Will you invest your money into equity share?

- Yes
- No
- Maybe

How much return do you expect on your equity share?

- High
- Medium
- Low

Will you take high risk for high return on equity investment?

- Yes
- No
- Maybe

For how long will you invest your money in equity share?

- 1-3 years
- 3-5 years
- More than 5 years

Will you use equity share for intra-day trading to earn income?

- Yes
- No
- Maybe

At which sector you like to buy equity share?

- Private sector
- Public sector
- Foreign sector

How much will you spend on equity investment?

- 500-1000
- 1000-2000

- More than 2000

Which factor do you consider before investing?

- Safety of principal amount
- Low risk
- High risk
- Maturity period

How much return percentage did you expect on equity share investment?

- 0-7%
- 7.5%-12%
- More than 12%

Are you agree, that equity share is best source of income earning?

- Neutral
- Agree
- Disagree
- Strongly disagree
- Strongly agree

Which income are you expecting on equity share at the time of investment?

- Profit
- Dividend
- Bonus
- Right issue

Do you think, students have to get knowledge on equity and various investment option?

- Yes
- No
- Maybe

Is college need to provide training on investment option to earn money?

- Yes
- No
- maybe