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A STUDY ON RISK TOLERANCE LEVEL OF EQUITY INVESTORS

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ABSTRACT

This study influences the trading behavior of the investor relating to the personality trait and investment decision. Based on the risk tolerance level, investors are classified in to aggressive, moderate and conservative. The main objective of the study to find the percentage of aggressive, moderately conservative, moderately aggressive and conservative investors in Trichy and Tanjore. The study consists of collection of primary data alone. About 200 samples are collected from the stock broking firms in Trichy and Tanjore. The collected data have been analyzed through the statistical tools such as descriptive analysis.

Keywords: Risk tolerance, aggressive investor, moderate investor, conservative investor

1. INTRODUCTION

Stock market is the aggregation of buyers and sellers of stocks these may include securities listed on a stock exchange as well as those only traded privately. The transaction between the buyer and seller under the guidelines of SEBI. Risk tolerance is the amount of risk that an investor is comfortable taking, or the degree of uncertainty that an investor is able to handle. Risk tolerance often varies from the age, income and financial goals. Here are some of the methods used to evaluate the risk tolerance level based on the questionnaire, upon which investors are classified into aggressive, moderately aggressive, moderately conservative and conservative investor.

2. STUDY VARIABLES

The researchers have chosen the demographic variables such as age, gender, income, educational qualification, religion, occupation, place and marital status and the independent variables such as personality traits apply to the investment decision and investment perception to the investment decision.

3. STATEMENT OF PROBLEM

The investors are not having clear direction towards where to their investment and their lack of investment decision.

4. OBJECTIVE OF THE RESEARCH

- To study about the equity investors and mutual funds
- To determine the risk tolerance level of investors in Trichy and Thanjavur
- To understand the investors perception about the equities.
- To know about knowledge of investors and experience to invest in equities.

5. LIMITATION OF THE STUDY

The study is based on 210 samples from the equity investors in Trichy and Thanjavur. The results may vary as per the opinions of various respondents.

6. RESEARCH METHODOLOGY

This study is mainly out of the analysis made from the data collected. The data were primary in nature with sample of 210 collected from the equity investors in Trichy and Thanjavur. Some of the tools used for the analysis are ANOVA, Chi-Square, Multiple regression, correlation and Friedman Test.

7. HYPOTHESIS STATEMENTS

There is no Relationship between the Age Group and Classified the investor based on the Risk

8. LITERATURE REVIEW

D.Suganya and Dr. S.Parvathi, (2014), The study revealed that majority of the equity investors belong to the medium risk tolerance level. The demographic factors such as age, occupation, annual income, and portion of income invested in equity are few of the major determinants of the risk tolerance level of equity investors.

Dr. B. Vijayakumar, (2015), This study is an attempt to find what plays an important role in the minds of the investors before deciding on investment. After collecting questionnaires from 200 respondents in the Chennai city it was found that the nine factors namely security, risk tolerance, lucrative returns, investment duration, periodic returns, share performance, long-term

investment, futuristic returns and investment dynamics influence the investors' perception at various level and ultimately leads them to satisfaction.

John E. Grable and Ruth H. Lytton, (1998), Findings from this study indicate that some demographic characteristics do work in helping investment managers differentiate and classify. However, results also suggest that some demographic characteristics work better than others. Assuming that financial planners and counselors will continue to use demographic factors in the future, clarification of which ones work the most effectively is needed. Based on the results of this study, the following two demographics, presented in a heuristic form, are offered as the most effective differentiating factors: individuals with greater levels of attained education are proportionately more likely to have higher risk tolerances than individuals with lower attained educational levels, and men tend to be proportionately more risk tolerant than women.

Rakesh H M, (2014), The study reveals that the respondents assimilate the objectives of saving, the factors influencing the saving and the sources of information for decision making. The annual income and the annual saving are given importance of consideration by the respondents, because the level of income decides the level of savings. The investors are fully aware about the stock market and they feel that market movements affect the investment pattern of investors in the stock market.

AjmiJy. A, (2008), It used to a questionnaire and know the determinants of risk tolerance of individual investors and collected responses from 1500 respondents. He concluded that the men are less risk averse than women, less educated investors are less likely to take risk and age factor is also important in risk tolerance and also investors are more risk tolerance than the less wealthy investors.

Rui Yao, Deanna L. Sharpe and Feifei Wang, (2011), Results supported the hypothesis that age has a negative effect on the willingness to take financial risks. There may be more than one reason for this result. Risk means exposure to losses. Age has a pragmatic relationship with financial risk. Each additional year of life represents a shortened time horizon for recouping market losses. In addition, individuals approaching or in retirement may shift focus from asset accumulation to asset preservation. These individuals may become relatively more concerned about potential loss of assets needed to fund future desired consumption after labor income ceases.

K.Prabhakaran and P.Karthika, (2011), The study reveals that the investors in Coimbatore city are not aware of portfolio which would minimize risk and maximize the return. And also it is clear that the investors in Coimbatore city have low level of understanding about risk and the importance of portfolio management as they are not aware these factors. Hence proper should to be taken in order to improve the awareness level in the minds of the investors.

Puneet Bhushan, (2014), The Respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Majority of the respondents park their money in traditional and safe investment avenues. Overall results suggest that people must be made more aware about new investment opportunities available in the market. They must be properly educated about new financial products available in the market, so that they can get advantage of earning higher returns.

Alex Wang, (2009), The goal of this study is to extend theoretical and practical knowledge of how different male and female investors 'Using survey data focusing on investing in mutual funds as tested knowledge domain and measured behavior, this study demonstrates that, at least for investors, their objective knowledge, subjective knowledge, and risk taking are highly correlated. Since the male investors have higher subjective knowledge and objective knowledge than female investors, they often take more risks because of the mediation effect of subjective knowledge.

Michael J. Roszkowski and John Grable, (2005), This study was recommended and that future research develops the concept of paramorphic representation as it relates to the way in which financial advisors make all types of judgments. This research should then be followed by attempts to identify how financial advisors actually arrive at judgments when using holistic models of decision making. Determining if judgments based on a combination of experience, knowledge, and temperament are reliable and valid will help fill a wide gap in the existing literature, namely, are financial advisors effective in evaluating the attitudes and preferences of their clients.

9. DATA ANALYSIS AND DISCUSSION

Table No: 1 CLASSIFICATION BASED ON THE AGE

AGE OF THE RESPONDENT			
S.NO	**AGE**	**FREQUENCY**	**PERCENT**
1	Below 25 Years	30	14.3
2	26-35 Years	67	31.9
3	36-45 Years	38	18.1
4	46-55 Years	25	11.9
5	Above 56 Years	50	23.8
Total		210	100.0

Source: *Primary data*

From the above table the researchers infer that 14.3 percent of Respondents are in the age group of below 25 Years, 31.9 percent are in the age group of 26-35 Years, 18.1 Percent in the age group of 36-45 Years, 11.9 Percent are in the age group of 46-55 Years, 23.8 Percent are in the age group of Above 56 Years. Hence it is interpreted that majority of the Respondents are in the age group of 26-35 Years.

Table No: 2 CLASSIFICATION BASED ON THE GENDER

GENDER OF THE RESPONDENT			
S.No	**GENDER**	**FREQUENCY**	**PERCENT**
1	Male	148	70.5
2	Female	62	29.5
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 70.5 percent of the Respondents are Male and 29.5 percent of the Respondents are Female. Hence it is interpreted that majority of the Respondents are male.

Table No: 3 CLASSIFICATION BASED ON THE EDUCATION

CLASSIFICATION BASED ON THE EDUCATION			
S.No	**EDUCATION**	**FREQUENCY**	**PERCENT**
1	X Std	18	8.6
2	XII Std	31	14.8
3	UG	90	42.9
4	PG	42	20.0
5	Professional	29	13.8
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 8.6 percent of the respondents have studied X Standard, 14.8 percent of the respondents have Studied XII Standard, 42.9 percent are UG, 20 percent are PG and 13.8 percent are professional course. Hence it is interpreted that majority of the respondents are Under Graduates.

Table No: .4 CLASSIFICATION BASED ON THE RELIGION

RELIGION OF THE RESPONDENT			
S.No	**RELIGION**	**FREQUENCY**	**PERCENT**
1	Hindu	139	66.2
2	Islam	32	15.2
3	Christian	39	18.6
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 66.2 percent of the respondents have a Hindu, 15.2 percent of the respondents have a Islam and 18.6 percent of the respondents have a Christian. Hence it is interpreted that majority of the respondents are Hindus.

Table No: 5 CLASSIFICATION BASED ON THE OCCUPATION

OCCUPATION OF THE RESPONDENT			
S.No	**OCCUPATION**	**FREQUENCY**	**PERCENT**
1	Self-Employed	83	39.5
2	Private	64	30.5
3	Public	63	30.0
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 39.5 percent of the Respondents are working in Self Employed, 30.5 percent of the Respondents are working in Private sector and 30 percent of the Respondents are working in public sector. Hence it is interpreted that majority of the respondents are doing their self-employed.

Table No: 6 CLASSIFICATION BASED ON THE RESIDENTIAL PLACE

PLACE OF THE RESPONDENT			
S.No	**PLACE**	**FREQUENCY**	**PERCENT**
1	Rural	50	23.8
2	Urban	113	53.8
3	Semi-Urban	47	22.4
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 23.8 percent of the Respondents are living in Rural Place, 53.8 Percent of the Respondents are living in Urban Place and 22.4 Percent of the Respondents are living in Semi-Urban Place. Hence it is interpreted that majority of the respondents are living their Urban place.

Table No: 7 CLASSIFICATION BASED ON RESPONDENT'S ANNUAL INCOME

Income of the Respondent			
S.No	**Income**	**Frequency**	**Percent**
1	Below 3 Lakhs	94	44.8
2	4-6 Lakhs	89	42.4
3	7-9 Lakhs	8	3.8
4	10-12 Lakhs	18	8.6
5	Above 12 Lakhs	1	0.5
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 44.8 Percent of the respondents are earning Below 3 Lakhs, 42.4 are earning 4-6 Lakhs, 3.8 Percent are earning 7-9 Lakhs, 8.6 Percent are earning 10-12 Lakhs and 0.5 Percent is earning Above 12 Lakhs. Hence it is interpreted that majority of the respondents are earning Below 3 Lakhs annually.

Table No: 8 CLASSIFICATION BASED ON THE MARITAL STATUS

MARITAL STATUS OF THE RESPONDENT			
S.No	**MARITAL STATUS**	**FREQUENCY**	**PERCENT**
1	Single	61	29.0
2	Married	149	71.0
Total		210	100.0

Source: *Primary data*

From the above table the researcher infers that 29 Percent of the Respondents are unmarried and 71 Percent of the Respondents are married. Hence it is interpreted that majority of the respondents are married.

Table No: 9 DESCRIPTIVE STATISTICS AN INVESTMENT PERCEPTION

DESCRIPTIVE STATISTICS				
PARTICULARS	**MEAN**	**MEAN RANK**	**RANK**	**STD. DEVIATION**
Short-term	2.8952	7.53	18	1.66256
Long-term	3.0667	8.43	17	1.70710
Dividend	3.3095	8.79	16	1.61761
Risk	4.5571	13.17	8	.91195
Family	2.3143	5.80	20	1.53626
Friends	2.4905	6.54	19	1.58111
Brokers	2.2333	5.62	21	1.40329
Newspaper	3.5143	9.35	15	1.56892
Annual report	3.9810	10.75	14	1.23336
Internet	4.1667	11.27	13	2.51042
Stock market	4.6143	13.38	7	.89056
Other market	4.3238	12.29	9	1.03983
Company size	4.1810	11.57	12	1.27381
Company reputation	4.2333	11.82	11	1.20915
Market Price	4.6714	13.79	3	.82523
Earning Price	4.6714	13.76	4	.75877
Price Earnings Ratio	4.7238	14.03	1	.67767
Dividend payout ratio	4.1381	12.10	10	1.40572
Debt Equity Ratio	4.6524	13.70	5	.78753
Return on Equity	4.6810	13.84	2	.78143
Volatility of Stock	4.5905	13.48	6	.89331

Source: *Primary data*

From the above table using the Friedman Test mean rank of investment perception is observed. The first Rank is occupied by Price Earnings Ratio, Second Rank is occupied by Return on Equity and the third rank is occupied by Market price.

Table No: 10 PLAN TO INVEST THE STOCK IN FUTURE

DO YOU PLAN TO INVEST IN STOCK IN THE FUTURE		
PARTICULARS	**FREQUENCY**	**PERCENT**
I Never Think	12	5.7
I Rarely Think	20	9.5
Sometimes I Think	16	7.6
I Often Think	19	9.0
I Always Think	78	37.1
Not Applicable	65	31.0
Total	210	100.0

Source: *Primary data*

From the above table the researcher infers that the 5.7 Percent of the Respondents never think invest to stock market, 9.5 Percent of the respondents rarely think to investing stock market, 7.6 Percent of the respondents partially think to invest the stock market, 9 Percent of the respondents often to invest the stock market, 37.1Percent of the Respondents always think to investing the stock market and 31 Percent of the respondents already involved in the stock market. Hence it is interpreted that majority of the respondents are always think to investing the stock market.

Table No: 11 RELATIONSHIP BETWEEN PERSONALITY TRAITS AND INVESTMENT PERCEPTION

CORRELATIONS			
			RELATIONSHIP
Investment Objective	Pearson Correlation	.087	Not Significant
	Sig. (2-tailed)	.209	
	N	210	
Source of information-++-	Pearson Correlation	.060	Not Significant
	Sig. (2-tailed)	.384	
	N	210	
Market factors	Pearson Correlation	.306	Significant Positive Correlation

	Sig. (2-tailed)	.000	
	N	210	
Company factors	Pearson Correlation	.338	Significant Positive Correlation
	Sig. (2-tailed)	.000	
	N	210	
Stock factors	Pearson Correlation	.291	Significant Positive Correlation
	Sig. (2-tailed)	.000	
	N	210	

Source: *Primary data*

There is a no statistically significant relationship between the Personality traits and Source of information since r = 0.060 and P = 0.384. There is a statistically significant Positive Correlation between the personality and Market factors since r = 0.306 and P = 0.000.There is a statistically significant Positive Correlation between the personality and Company factors since r = 0.338 and P = 0.000. There is a statistically significant Positive Correlation between the personality and Stock factors since r = 0.291 and P = 0.000.

Table No: 12 THERE IS A RELATIONSHIP BETWEEN THE AGE GROUP AND CLASSIFIED THE INVESTOR BASED ON THE RISK

Significance at 5% level

ANOVA						
CLASSIFIED THE INVESTOR BASED ON THE RISK						
	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**	**Result**
Between Groups	2.600	4	.650	.477	.753	Null Hypothesis Accepted
Within Groups	279.500	205	1.363			
Total	282.100	209				

Null Hypothesis (H_0): There is no Relationship between the Age Group and Classified the investor based on the Risk

From the above table is concluded that the Null Hypothesis is accepted Since F = 0.477 and P = 0.753 and hence there is no Relationship between the Age Group and Classified the Investor based on the Risk.

Table No: 13 THERE IS RELATIONSHIP BETWEEN THE PERSONALITY TRAITS AND INVESTMENT PERCEPTION

Particulars		R value	R^2 value	Adjusted R^2	Beta coefficient	Standard error	T value	F value	Significant
Dependent	**Independent**								
Investment Objective	Personality traits	0.087	0.008	0.003	0.028	0.022	1.261	1.590	0.209
Source of Information	Personality traits	0.060	0.004	-0.001	0.032	0.037	0.872	0.761	0.384
Market Factors	Personality traits	0.306	0.094	0.089	0.068	0.015	4.637	21.505	0.000
Company Factors	Personality traits	0.338	0.114	0.110	0.108	0.021	5.184	26.878	0.000
Stock Factors	Personality traits	0.291	0.084	0.080	0.170	0.039	4.380	19.181	0.000

Significance at 5% level

Correlation value R = 0.087 states that there is correlation between Personality Traits and Investment Objective and R square value = 0.008 which means that the total variation in the dependent variable Investment Objective which can be explained by the independent variable Personality Traits by 0.8%. The P value = 0.209 which indicates that the model is not significant. Correlation value R = 0.060 states that there is correlation between Personality Traits and Source of Information and R square value = 0.004 which means that the total variation in the dependent variable Source of Information which can be explained by the independent variable Personality Traits by 0.4%. The P value = 0.384 which indicates that the model is not significant. Correlation value R = 0.306 states that there is correlation between Personality Traits and Market Factors and R square value = 0.094 which means that the total variation in the dependent variable Market Factors which can be explained by the independent variable Personality Traits by 9.4%. The P value = 0.000 which indicates that the model is significant. Correlation value R = 0.338 states that there is correlation between Personality Traits and Company Factors and R square value = 0.114 which means that the total variation in the dependent variable Company Factors which can be

explained by the independent variable Personality Traits by 1.14%. The P value = 0.000 which indicates that the model is significant. Correlation value R = 0.291 states that there is correlation between Personality Traits and Stock Factors and R square value = 0.084 which means that the total variation in the dependent variable Stock Factors which can be explained by the independent variable Personality Traits by 8.4%. The P value = 0.000 which indicates that the model is significant.

Table No: 15 CLASSIFIED THE BEHAVIOR OF INVESTOR OF DIFFERENT AGE GROUPS

AGE	CLASSIFIED THE INVESTOR BASED ON THE RISK							
	Aggressive		Moderately Aggressive		Moderately Conservative		Conservative	
	N	%	N	%	N	%	N	%
Below 25 Years	11	36.7	7	23.3	3	10	9	30
26-35 Years	21	31.3	16	23.9	14	20.9	16	13.9
36-45 Years	13	34.2	13	34.2	6	15.8	6	15.8
46-55 Years	8	32	3	12	8	32	6	24
Above 56 Years	20	40	8	16	13	26	9	18

Source: *Primary data*

From the above table the researcher infers that the Behavior of investors of different age groups. It was found out of 30 respondents from the group of below 25 years, the number of aggressive, moderately aggressive, moderately conservative and conservative investors are 36.7%, 23.3%, 10% and 30% respectively. Similarly, for the age group of 26-35 years the numbers of aggressive, moderately aggressive, moderately conservative and conservative investors are 31.3%, 23.9%, 20.9% and 23.9% respectively out of 67 respondents. For the age group of 36-45 the above results are 34.2%, 34.2%, 15.8% and 15.8% respectively out of 38 respondents. Regarding the age group of 46-55 years the results are 32%, 12%, 32% and 24% respectively out of 25 respondents. Regarding the age group of above 56 years the results are 40%, 16%, 26% and 18% respectively out of 50 respondents.

Table No: 16 RELATIONSHIP BETWEEN THE AGE GROUP AND CLASSIFIED THE INVESTOR BASED ON THE RISK

CHI-SQUARE TESTS				
	VALUE	**DF**	**ASYMP. SIG. (2-SIDED)**	**RESULT**
Pearson Chi-Square	11.607[a]	12	0.478	Null Hypothesis Accepted

Significance at 5% level

Null Hypothesis (H_0): There is no Relationship between the Age Group and Classified the investor based on the Risk

P value is greater than 0.05. Hence the null hypothesis is accepted. There is no Relationship between the Age Group and Classified the investor based on the Risk

10. FINDINGS

From the above table the researchers infer that 14.3 percent of Respondents are in the age group of below 25 Years, 31.9 percent are in the age group of 26-35 Years, 18.1 Percent in the age group of 36-45 Years, 11.9 Percent are in the age group of 46-55 Years, 23.8 Percent are in the age group of Above 56 Years. Majority of the Respondents are in the age group of 26-35 Years.

From the above table the researcher infers that 70.5 percent of the Respondents are Male and 29.5 percent of the Respondents are Female. Majority of the Respondents are male.

From the above table the researcher infers that 8.6 percent of the respondents have studied X Standard, 14.8 percent of the respondents have Studied XII Standard, 42.9 percent are UG, 20 percent are PG and 13.8 percent are professional course. Majority of the respondents are Under Graduates.

From the above table the researcher infers that 66.2 percent of the respondents have a Hindu, 15.2 percent of the respondents have a Islam and 18.6 percent of the respondents have a Christian. Majority of the respondents are Hindu.

From the above table the researcher infers that 39.5 percent of the Respondents are working in Self Employed, 30.5 percent of the Respondents are working in Private sector and 30 percent

of the Respondents are working in public sector. Majority of the respondents are doing their self-employed.

From the above table the researcher infers that 23.8 percent of the Respondents are living in Rural Place, 53.8 Percent of the Respondents are living in Urban Place and 22.4 Percent of the Respondents are living in Semi-Urban Place. Majority of the respondents are living their urban place.

From the above table the researcher infers that 44.8 Percent of the respondents are earning Below 3 Lakhs, 42.4 are earning 4-6 Lakhs, 3.8 Percent are earning 7-9 Lakhs, 8.6 Percent are earning 10-12 Lakhs and 0.5 Percent is earning Above 12 Lakhs. Majority of the respondents are earning Below 3 Lakhs annually.

From the above table the researcher infers that 29 Percent of the Respondents are unmarried and 71 Percent of the Respondents are married. Majority of the respondents are married.

There is a no statistically significant relationship between the Personality traits and Investment Objective since r = 0.087 and P = 0.209. There is a no significant relationship between the Personality traits and Source of information since r = 0.060 and P = 0.384. There is a statistically significant Positive Correlation between the personality and Market factors since r = 0.306 and P = 0.000. There is a statistically significant Positive Correlation between the personality and Company factors since r = 0.338 and P = 0.000. There is a statistically significant Positive Correlation between the personality and Stock factors since r = 0.291 and P = 0.000.

From the above table is concluded that the Null Hypothesis is accepted Since F = 0.477 and P = 0.753 and hence there is no Relationship between the Age Group and Classified the Investor based on the Risk.

Correlation value R = 0.087 states that there is correlation between Personality Traits and Investment Objective and R square value = 0.008 which means that the total variation in the dependent variable Investment Objective which can be explained by the independent variable Personality Traits by 0.8%. The P value = 0.209 which indicates that the model is not significant. Correlation value R = 0.060 states that there is correlation between Personality Traits and Source of Information and R square value = 0.004 which means that the total variation in the dependent variable Source of Information which can be explained by the independent variable Personality

Traits by 0.4%. The P value = 0.384 which indicates that the model is not significant. Correlation value R = 0.306 states that there is correlation between Personality Traits and Market Factors and R square value = 0.094 which means that the total variation in the dependent variable Market Factors which can be explained by the independent variable Personality Traits by 9.4%. The P value = 0.000 which indicates that the model is significant. Correlation value R = 0.338 states that there is correlation between Personality Traits and Company Factors and R square value = 0.114 which means that the total variation in the dependent variable Company Factors which can be explained by the independent variable Personality Traits by 1.14%. The P value = 0.000 which indicates that the model is significant. Correlation value R = 0.291 states that there is correlation between Personality Traits and Stock Factors and R square value = 0.084 which means that the total variation in the dependent variable Stock Factors which can be explained by the independent variable Personality Traits by 8.4%. The P value = 0.000 which indicates that the model is significant.

From the above table the researcher infers that the Behavior of investors of different age groups. It was found out of 30 respondents from the group of below 25 years, the number of aggressive, moderately aggressive, moderately conservative and conservative investors are 36.7%, 23.3%, 10% and 30% respectively. Similarly, for the age group of 26-35 years the numbers of aggressive, moderately aggressive, moderately conservative and conservative investors are 31.3%, 23.9%, 20.9% and 23.9% respectively out of 67 respondents. For the age group of 36-45 the above results are 34.2%, 34.2%, 15.8% and 15.8% respectively out of 38 respondents. Regarding the age group of 46-55 years the results are 32%, 12%, 32% and 24% respectively out of 25 respondents. Regarding the age group of above 56 years the results are 40%, 16%, 26% and 18% respectively out of 50 respondents.

P value is greater than 0.05. Hence the null hypothesis is accepted. There is no Relationship between the Age Group and Classified the investor based on the Risk

From the above table the researcher infers that the 5.7 Percent of the Respondents never think invest to stock market, 9.5 Percent of the respondents rarely think to investing stock market, 7.6 Percent of the respondents partially think to invest the stock market, 9 Percent of the respondents often to invest the stock market, 37.1Percent of the Respondents always think to

investing the stock market and 31 Percent of the respondents already involved in the stock market. Majority of the respondents are always think to investing the stock market.

Using the Friedman Test mean rank of investment perception is observed. The first Rank is occupied by Price Earnings Ratio, Second Rank is occupied by Return on Equity and the third rank is occupied by Market price.

11. RECOMMENDATION

- Creating awareness to the people about the stock market and the sources where they can get information about the market.
- As the age increases the people not showing interest in stock market because of the risk.
- Educative initiatives to manage the risks and generate returns in the stock market should be stepped up.

12. CONCLUSION

Through it is very risky to invest money in stock market but a wise investor can expect maximum return. Before selecting the sector and stocks the investors should analyze the economic condition and philosophy of management. The investor can hold the stock for long term or short term perspective. The study indicates that risk avoidance is less among young investors and as the age profile increases, the risk avoidance also increases. Company factors, stock factors and market factors mainly influence the investment decisions.

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