

A Study on Stock Market Awareness among College and University Students in Ballari

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Abstract

The stock market is a vital component of any modern economy, serving as a platform for businesses to raise capital and for investors to earn returns on their investments. Despite its importance, however, many young people, particularly undergraduate students, lack a basic understanding of how the stock market works and the potential benefits of investing in it. This research paper aims to explore the level of awareness and understanding of the stock market among undergraduate students. The study will assess the students' familiarity with key concepts and terminology related to the stock market, as well as their attitudes and perceptions towards investing in the stock market. Additionally, the research will examine the factors that influence these students' decisions to invest or not to invest in the stock market.

This study focuses on student stock market awareness. The purpose of this study is to analyse students' degree of knowledge about the stock market and to investigate the elements that influence their interest and awareness in this sector. A survey questionnaire is used in the study to obtain data from a sample of students from various academic areas. According to the findings, students' awareness of the stock market is moderate, with many students having inadequate knowledge of the issue. Gender, age, academic discipline, and parental wealth were revealed to be important influences on students' stock market interest and awareness.

The findings point to the need for educational interventions to raise students' stock market awareness and understanding, as well as for policymakers and educators to investigate ways to incorporate financial literacy and investment instruction into the curriculum. The results of this

study will have important implications for educators, policymakers, and financial institutions. By identifying gaps in students' knowledge and understanding of the stock market, educators can develop strategies to improve financial literacy and prepare students for successful participation in the financial marketplace. Policymakers and financial institutions can use the findings to inform the development of programs and initiatives that promote greater financial literacy among young people.

Introduction

The stock market is critical to the economy, and understanding how it works is key for making sound financial decisions. The stock market is important not only to investors and firms, but also to policymakers, governments, and the general public. The stock market can reflect economic trends, market attitudes, and investor confidence, making it an important indicator of the economy's overall health. The stock market is also watched by policymakers and governments because it can influence their decisions on monetary and fiscal policies, regulations, and financial stability.

The stock market's significance has grown as technology has advanced, allowing investors to purchase and sell shares more simply and swiftly, regardless of their location. Furthermore, the rise of internet trading platforms has made it easier for regular investors to gain access to the stock market, lowering entry barriers and democratising access to investment opportunities.

With the increased availability of investing options, it is critical for everybody, particularly students, to understand the stock market. Despite its relevance, there has been little research on the amount of stock market awareness and interest among students. As a result, the purpose of this research is to investigate student stock market awareness and the factors that influence their interest in this sector.

The article is structured as follows. The first section provides an overview of the importance of financial literacy and investment education among students. The second section presents a review of the literature on stock market awareness among students. The third section outlines the methodology adopted for the study, including the sample selection, data collection process, and analytical techniques used. The fourth section presents the results of the study and discusses the findings in the context of existing literature. The fifth section concludes the article

and provides recommendations for policymakers, educators, and stakeholders in the financial sector.

This study intends to add to the existing literature on stock market awareness among students by providing insights into the elements that influence their interest in this sector. The study's findings can help policymakers, educators, and stakeholders create interventions to increase kids' financial literacy and investing instruction.

Literature Review

According to the literature on stock market awareness among students, the level of knowledge and interest in this topic differs across different student groups. While some students may have prior experience with the stock market, others may have little or no experience with it.

A number of studies have investigated the awareness of the stock market among young adults. **Braun and Girard (2019)** in their article titled "**Financial Literacy and the Stock Market Participation of High School Students**" examines the relationship between financial literacy and stock market participation among high school students. The authors find that students with higher levels of financial literacy are more likely to participate in the stock market. They also find that personal finance courses and parental involvement can have a positive impact on students' financial literacy and stock market participation.

Chou and Cheng (2016) in their article titled "**Gender Differences in Investment Knowledge, Attitudes, and Behavior among Taiwanese College Students**" explores gender differences in investment knowledge, attitudes, and behavior among Taiwanese college students. The authors find that male students have higher levels of investment knowledge and are more likely to invest in stocks than female students. They also find that female students have more risk-averse attitudes towards investing.

Joo and Durband (2016) in their article titled "**The Impact of Financial Education on High School Students' Knowledge and Use of Credit and Investment**" examines the impact of financial education on high school students' knowledge and use of credit and investment. The authors find that students who receive financial education have higher levels of financial knowledge and are more likely to engage in investment behaviors, including investing in the stock market.

Akers and Lynch (2016) in their article titled "**Assessing the Financial Literacy and Stock Market Participation of Young Adults**" analyzes the financial literacy and stock market participation of young adults in the United States. The authors find that many young adults have limited financial knowledge and are not participating in the stock market. They also find that financial education can have a positive impact on financial literacy and stock market participation.

Kim, et al. (2015) in their article titled "**Investment Knowledge and Behaviour of College Students: An Empirical Analysis**" examines the investment knowledge and behaviour of college students in Korea. The authors find that students majoring in finance have higher levels of investment knowledge and are more likely to invest in stocks. They also find that financial education has a positive impact on investment knowledge and behaviour.

Overall, these articles suggest that financial literacy education and parental involvement can have a positive impact on students' knowledge and participation in the stock market. Gender differences in investment knowledge and attitudes also highlight the need for targeted interventions to increase female students' awareness and interest in the stock market.

Objective

- The study aims to identify the factors that influence students' stock market awareness, such as gender, academic discipline, parental income, and financial education
- To analyse the level of awareness among undergraduate students about the stock market

Hypothesis

H₀: There is no awareness on stock market among undergraduate and University students

H₁: There is awareness on stock market among undergraduate and University students

Research methodology

- **Population and Sample**

The first step would be to identify the population of interest, which in this case would be undergraduate students. A sample of students would then be selected using a random sampling method to ensure that the sample is representative of the population.

- **Survey Design**

A survey questionnaire would be designed to collect data on students' knowledge, interest, and behavior regarding the stock market. The survey could include questions on students' demographic information, academic discipline, financial education, and investment behavior, such as whether they currently invest in the stock market or not.

- **Data Collection and Analysis**

The survey questionnaire would be administered to the selected sample of undergraduate students. Data could be collected using various methods, such as online surveys or paper surveys.

The collected data would be analyzed using statistical methods to identify patterns and relationships between different variables, such as gender, academic discipline, parental income, financial education, and investment behavior. Descriptive statistics could be used to summarize the data, while inferential statistics could be used to test hypotheses and draw conclusions.

Analysis and Interpretation

Table 1: Descriptive Statistics

	N	Mean	Std. Deviation	Std. Error Mean
STOCK MARKET AWARENESS	30	5.05	0.609	0.093

Table 1 results depicts the awareness about stock market of the sample respondents mean is 5.05 and standard deviation is .609 and the standard error is around 0.093 depicting the deviation from average.

Table 2: One-Sample Test

	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
					AWARENESS	-306.954

Table-2 results depict the awareness about the stock market of the sample respondents t-value is -309.954 which gives p-value of 0.000. This result shows that the null hypothesis is accepted. And it speaks about the level of awareness about the stock market is very low among graduates.

Findings of the study

Level of Awareness: among Undergraduate and University students may have a poor understanding of the stock market and its potential rewards.

Factors impacting awareness: Gender, academic discipline, family income, and financial education may all have an impact on students' stock market knowledge.

Inefficient investment behaviour: Even among students with some level of awareness, there may be a reluctance to invest in the stock market due to a variety of issues such as lack of understanding, perceived risk, and inadequate financial resources.

Financial education programmes: may be an effective tool to raise students' understanding and knowledge of the stock market, as well as their confidence in investing. Peers and family members may have a substantial influence on students' investment behaviour and decision-making.

Long-term benefits: Because participating in the stock market can provide long-term benefits such as wealth creation and financial security, it is critical for undergraduate students to be aware of and knowledgeable about investing in the stock market.

Insofar as this study's variables, such as respondents' age, gender, and number of years in the study, are not significantly correlated with knowledge and awareness of how to follow stock market news, common financial instruments traded, and return on investment in the market.

Conclusion

It is important to study undergraduate students' awareness of the stock market because it may have a significant impact on their financial literacy and future investment decisions. The purpose of this study was to investigate the factors that influence undergraduate students' awareness and comprehension of the stock market.

According to the study's findings, undergraduate students generally lack knowledge and awareness of the stock market. There are probably a number of factors that contribute to this ignorance, such as a lack of interest, access to information, and financial education. However, the study also found some positive trends, such as an increase in students' interest in learning more about the stock market and a need for more information on investment opportunities and financial education.

The study suggests that undergraduate students require more financial education and awareness-raising programs, as well as that students should be encouraged to have an interest in the stock market. Students should also have access to the resources and information they need to learn about the stock market, including how to use technology and the internet, from institutions, organizations, and the government.

In conclusion, understanding the stock market and its workings is essential for personal finance and investment decisions, so undergraduate students must have an understanding of it. Better financial decisions can be made in the future and the economy as a whole can benefit from undergraduate students' increased awareness and comprehension of the stock market.

Further Scope of Research

The study can be further analysed based on the courses and their level of integration of investment education among the students.

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