

Study of Role of Investment Applications in Spreading Investor Awareness in Mumbai W.R.T.18 to 23 Yrs Age Group

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ABSTRACT

An Educated Investor is a Protected Investor – The regulator of the capital market SEBI BSE, NSE, Broking companies and various APPLICATIONS are understanding this and are taking various steps to educate the individual investors in the country. The youth in Mumbai was asked and observed and their opinion and good experiences are been studied in this paper. Majority of those who have read and using the applications find them useful in taking better investment decisions. The young investors who have study these education applications want some new topics likes Derivatives, Technical Analysis, Fundamental Analysis, Investor Protection, etc. to be covered in addition to their information. However it is still to reach a very large number of them and it does not quench the knowledge thirst of those to whom it has reached.

INTRODUCTION

Famous web series producer TVF comes up with product integration concept. This year in their much popular series, Cubicles they talked about investment in Mutual funds, risk and rewards. This kind of indirect investor's education was well received by the viewers.

Indian Government permits casting of votes once a person turns 18. a citizen can choose the leader and participate in the growth of nation. But the same citizen hesitates to take decision regarding his investments. The person who can decide what is good for nation's future, cannot decide for his financial future. Presently at degree college level, the students are taught about early investment benefits, calculation of expected returns, market conditions and risk factors. But all these are at theoretical level. This research paper focuses on the problems faced by present/ prospective investors (age group 18 to 23 years who is investing money in capital market) and how to take investment decision for securing financial security.

Role of Broking firms and Applications- Role of stock brokers have evolved in a big way over the last few years. Now brokers are not just here to buy or sell stocks on behalf of their clients. They play a bigger role in helping an investor wade through whole investment process; providing research based advice on stocks to helping client to invest in alternative assets; and subscribing to IPOs and mutual funds schemes. Brokerage firms are financial institutions that help you buy and sell securities. They act as the middle man between the buyer and the seller. Depending on the brokerage firm type you choose, you can either make your buys and sales via telephone, internet, or smart phone. Brokerage firms generally charge per buy or sell order with assisted telephone orders being more expensive.

Investor education emphasis on issues related to the education, awareness and information needs of individuals who participate, or are considering participating, in the financial markets. In addition, investor education can also help investors better assess the relevance and suitability of investment advice.

- Enable investors to understand and manage risk in capital market
- Expanding outreach of financial services and products
- Participation in financial markets with confidence
- Reduce investors vulnerability to fraudulent schemes
- Informed financial and retirement planning

- Protecting investors by educating them on their rights

Benefits of education and awareness through applications

- *Applications available are online* –at the convenience of reader one can read
- *They have well designed content* – They begin with the basics and provide very practical examples. The *end-of-the-section* Quizzes help in revision.
- *Content is engaging* – To make the chapters engaging we have included real examples from the Indian markets and also some really cool illustrations. The content is highly *Layman-friendly* and *interesting*.
- *Study material is interactive and responsive* – If you have any queries after reading through the chapter, one could clarify the same by posting a comment at the end of the chapter. the query is answered quickly.– which means one can access Apps from any device
- *Apps are Free* – Like all our initiatives, Varsity comes absolutely free of cost.
- The *free certificate* in the end just acts as a motivator.

Profile of Investors between the age group of 18 years to 23 years (Mumbai).

Mumbai is the financial capital of India. It is the fourth most populous city in the world, with a total population of about 20.5 million. Mumbai has been rated among the top 10 centers for commerce and is aptly known as the commercial and the entertainment capital of India. Mumbai accounts for 25% industrial output, 5% of India's GDP and also 70% of the capital transactions in Indian economy. It is home to major financial institutions such as Reserve Bank of India, the National Stock Exchange of India, Bombay Stock Exchange etc

In spite of this glorious city and availability of resources, the youth is lagging behind in taking independent investment decisions. Students from commerce stream get introduction of financial concepts from first year in junior college. But students from faculty other than commerce hardly get exposure to such an important topic.

It is been observed that if a youth get information at early age, they get better in their investment decision making in their 30s and later life. Warren buffet has rightly said that 'if you don't find a way to make money while you sleep, you will work until you die.' This quote emphasizes on investments and making more money out of money already earned. He started his investment from the age of 11. Successful investors like Rakesh Jhunjhunwala, Vijay Kedia were to lucky to find a family where they were taught and supported for capital market decisions.

The youth youth between the age group of 18 years to 23 years includes students who are pursuing gradation studies, doing internship, have got just joined business or job, preparing for higher studies. Most of them are either dependant on their family for money or getting meager income from job and business.

LITERATURE REVIEW.

Agarwalla Sobhesh Kumar, Barua Samir, Jacob Joshy, Jayanth R. Varma (2012) conducted a study among 3000 individuals, and found that financial knowledge among Indians is very low than the International standards.

.Studies by Marcolin and Abraham (2006); Schuchardt et al., (2008); Remund (2010) and Huston (2010) found that despite the rapid growth of interest in and funding for financial literacy and financial education programs, it remains the case that the field of financial literacy has a major obstacle to overcome:

.Michael (2009) argues that a lack of financial literacy can hamper the ability of individuals to make well informed financial decisions. For people who exhibit problems with financial decision making, financial advice has the potential to serve as a substitute for financial knowledge and capability

Dr. Shetty Vijetha S. and Thomas Baby Jaison, In the opinion 62% of total students, colleges do not provide for the information and skills needed by them to manage personal finances or they believe that colleges provide only the bare minimum information ? in that area.

OBJECTIVE OF STUDY

1. Determine the level of financial knowledge of the youth
2. To understand the benefits of applications in investors' education.

RESEARCH METHODOLOGY OF THE STUDY

Research Design: Descriptive research design

Source of Data: Data required for the study is obtained from both primary and secondary sources. Survey method and observation methods are followed. Questionnaire was prepared Questionnaire was used to collect data from the respondents. Sample Description: The sampling unit is 100 students in the age group of 18 to 23 belonging to different faculties of Science Arts and Commerce of Mumbai who have investment money in capital market.

LIMITATION OF THE STUDY

1. The study is limited to the age group of 18-23 years. This includes young investors who is investing money in capital market only.
2. Data was collected among the students of Mumbai city and hence not a universally applied.
3. The study considers only youth who is already investing in capital market. Other investment is not considered in this study.
4. Sample size is too small to generalized

DATA ANALYSIS

The age groups of the students who have answered the questionnaire are as follows.

18 years-40%	20 years-14%	22 years-9%
19 years -17%	21 years-10%	23 years -12%

Out of all the respondents

STUDENT- 72%	JOB-15 %	BUSINESS-6%	PREPARING FOR HIGHERSTUDIES-7%
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44% of the students have studied about investment in capital market in college studies. 56% students have not studied anything related to investment in capital market.

17% respondents upon asking question do you feel that college syllabus studies of investing in capital market is enough to start with investment replied NO. Remaining 83% replied in YES

In the reply of question did you get help to start with your first independent investment decision, 38 % said YES, they got help when they took their first investment decision, while the rest didn't get any help.

When the question was asked Who helped in investment decision following are the responses

Family members- 57%	Applications and financial news channels- 48%	Professor at college-14%
Brokers -13%	Friends- 27%	

68% of the respondents are confident enough to invest with present education provided in college. Rest 32% needs more education.

47% respondents have their own DP account. Whereas rest 53% trade/invest through someone else's account.

Before investing for the first time, respondents learnt about following investing applications (option available to choose more than one responses)

MONEY CONTROL-82%	ET MONEY- 30%	ZERODHA VERSITY-35%
STOCK EDGE- 18%	SHAREKHAN- 30%	STOCK PATHSHALA- 13%

85% think yes, these investing applications through their investors' awareness initiative plays positive role and 13% thinks NO.

Do you find educational material on such apps promotes more trade -

Yes – 53%	No – 14%	Not always- 32%
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Respondents reply on what appeals you most on such applications' educational materials(option available to choose more than one responses)

Videos -47%	Virtual trading -48%	Claim of high returns -24%
Simple language -42%	Pictures and charts -50%	All the information at one place -47%

15% thinks these applications do not provide information to take better investment decisions whereas 85% agrees that these applications provide information to take better investment decisions.

Respondents' primary source of information for investment decision is (option available to choose more than one responses)

APPLICATIONS- 64%	DEDICATED PAGES INNEWSPAPERS- 40%	COLLEGE LECTURES- 16%
NEWS CHENNELS- 42%	FRIENDS AND RELATIVES- 44%	

The youth invest in : (option available to choose more than one responses)

Equities – 66%	Commodities 22%	IPOs- 35%
MF and SIP -47%	F & O -6%	Currencies -12%

Following responses were noted on asking- what additional features you want in applications to spread investment education (Option available to choose more than one responses)

BETTER VIRTUAL TRADING- 59%	Easy explanation of core investment concept -60%	Detailed fundamental research report- 50%
Better explanation of technical chart- 44%	Certification of passing test -27%	Better videos – 25%

CONCLUSION

The youth in Mumbai invest in capital market and for this they don't get much support from their syllabus of formal studies. The first time investors rely heavily on family members and on educational material on applications. They strongly feel that such study material is very useful in promoting trading and through applications' information one can have informed trade. Videos, simple language, virtual trade, all the information at one place are few points appeal them the most. For investing in equities, MF, IPOs, Commodities they rely on Applications followed by friends and relatives and news channels. They would appreciate if the Application makers add more information in technical and fundamental research and certificate.

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