

AN EXPLORATIVE STUDY ON FINANCIAL SKILL DEVELOPMENT THROUGH SCREENER APPLICATION

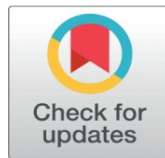
Dr. Harish H N ¹, Dr. Sumathi S ², Dr. Kiran Matapathi ³, Dr. Ramesha V ⁴ 

¹ Associate Professor, Department of Commerce, Government First Grade College for Women, Hassan, India

² Associate Professor, Department of Commerce, Government First Grade College, KGF, India

³ Associate Professor in Commerce, Government First Grade College, Bangarpet, India

⁴ Associate Professor & Co-ordinator, Department of PG Studies in Commerce, Govt. College for Women, Kolar, India



Corresponding Author

Dr. Ramesha V,
mathrushree.ramesh@gmail.com

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ABSTRACT

Financial Education is the need of the hour. So, the schools, colleges and universities must attempt still more for attaining financial skill development. In our formal education like B. Com, BBA, MBA, students are having degree certificates. But they are poor in application of education in the field of jobs. So, it is said that degrees have only fifteen percent weightage, skills have thirty five percent weightage and remaining fifty percent weightage goes to Attitude. The present study is analytical one. The data is secondary type collected from existing sources such as text books, magazines, newspapers and you tube videos. There are ample opportunities to develop financial skills with the help of open and free softwares such as screener, ticker tape, money control, investing.com etc. financial skill development is the collective responsibility of the governments, regulatory bodies, schools, colleges and universities, parents and individuals. The will must be made by individuals for financial skill development. So, it suggested to individuals to shift from Social Media (SM) to Stock Market (SM).

Keywords: Knowledge, Skills, Attitude, Sebi, NSE, BSE, Screener Etc

1. INTRODUCTION

Schools, colleges and universities are providing formal education such as general science, commerce, engineering etc. The students who got the formal education have ranks and variety of degrees. Many are suitable to industrial requirements and but degrees are not matching with the needs of the industrial requirements. There is another observation some illiterates are settled financially and many literates are not financial sound in their life. The basic reason is financial education. This financial education is attained by the illiterates by observation and experience. So, experts are opining that even literates must apply financial education and development financial skills. In olden days, the opportunities were very lessor due to lack of awareness and facilities also were lesser. But, today, due to

technological development, there are many opportunities to learn and adopt financial education to development financial skills.

How Skill Develops?

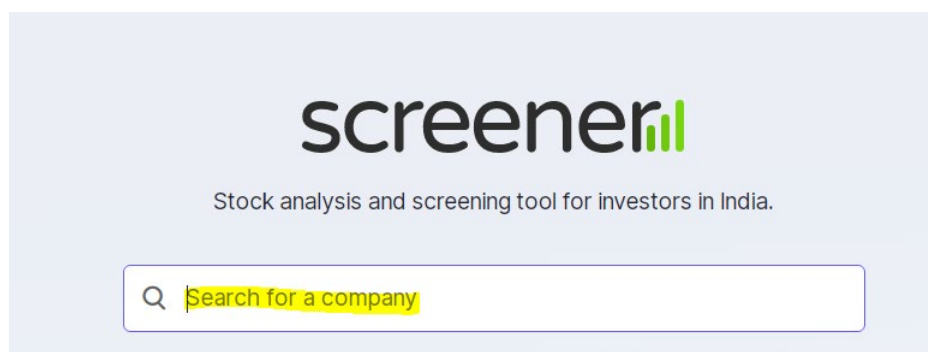
There is a gap between education and skill. Education institutions are providing general education in the form of Knowledge. The applied Knowledge is regarded as Skill. Oxford university has conducted a survey on ASK model (A = Attitude, S = Skill and K = Knowledge). It has taken respondents from 190 countries including India. The overall opinion highlights that there is fifteen percent weightage to Knowledge such degrees on commerce, arts and science. Thirty five percent weightage to Skill. This can be done by applying the present knowledge through various applications. The remaining major share fifty percent weightage goes to Attitude. It means the way how one approaches people.



2. APPLICATIONS TO DEVELOP FINANCIAL SKILLS

To compensate the lack of financial education, today, there are various applications. Some of them are screener, money control, ticker tape, investing.com, etc. The present study is focused on screener application. It helps for understanding basics of financial management. It is open software available at free of cost.

The procedure to open screener application is very simple. The user need to google browser, give screener in search bar, the opening window will be like this shown in the following figure. The required Indian company can be given in the "search for a company" place. The company fundamentals such as market capitalization, company's current market price, one year's highest and lowest price, stock PE ratio, book value of the share, dividend yield, return on capital employed of previous year, last year's return on equity, face value of the share will be displayed. This is very much helpful to retail investors for fundamental analysis of registered Indian companies in National Stock Exchange. One example of HDFC bank's basics are shown practically in following figure.



HDFC Bank Ltd ₹1,989 0.11%
04 Jul - close price

[hdfcbank.com](https://www.hdfcbank.com) [BSE: 500180](#) [NSE: HDFCBANK](#)

Market Cap	₹15,25,378 Cr.	Current Price	₹1,989	High / Low	₹2,027 / 1,588
Stock P/E	21.6	Book Value	₹677	Dividend Yield	1.11 %
ROCE	7.51 %	ROE	14.5 %	Face Value	₹1.00

The data of one month, six months, one year, three years, ten years and a maximum of twenty years share price trends available at free of cost. This helps to investors to understand future trend based on past performance of the stock.

2.1. PROS OF HDFC BANK SHARE INVESTMENT

- The bank has delivered good profit growth of 21% Cumulative Average Growth Rate over the last five years.
- The bank is maintaining a healthy dividend payout of 23.2% which is good in the banking stocks.
- The annual turnover of the bank is growing 16.4% year on year since 10 year.

2.2. CONS OF HDFC BANK SHARE INVESTMENT

- The bank's stock is trading at 2.94 times of its book value.
- The bank has low interest coverage ratio.
- There are contingent liabilities of Rs. 24,09,821 crores.
- The earnings shown in income statement includes other income of Rs. 1,34,549 crores which cannot be expected in the coming years.

Peer Comparison

Sl. No.	Name	CMP	P/E	M. Cap (Cr)	Dividend (%)	Profit growth	Sales growth	ROCE
1	HDFC Bank	1989.30	21.55	1525378	1.11	6.88%	9.25%	7.51%
2	ICICI Bank	1442.80	20.18	1029578	0.69	15.69%	13.57%	7.88%
3	Kotak Ma. Bk	2129.80	22	423472	0.09	-7.58%	10.66%	7.64%
4	Axis Bank	1177.60	13.01	365196	0.08	-1.63%	7.35%	7.11%
5	IDBI Bank	101.12	14.24	108728	2.08	25.38	-0.17%	6.78%

As per the above table, HDFC bank tops in Market capitalization. It is regarded as market leader in the private sector banks. Dividend payout is also higher compared its peer banks such as ICICI bank, Kotak Mahindra bank, Axis bank and IDBI bank. The previous year's sales growth is satisfactory to the extent of 9.25%. The price earnings ratio is 21.55 which is near to the ideal PE ratio of 25.

Years	Compounded Sales Growth (%)	Compounded Profit Growth (%)	Stock Price CAGR	Return On Equity (%)
10	21	21	14	17
5	22	22	12	16
3	35	23	13	15
TTM	19	11	21	15
Average	24.25%	19.25%	15%	15.75%

HDFC bank is giving decent returns to the investors in the form of sales (Avg – 24.25%), profit, (Avg – 19.25%), Cumulative Average Growth Rate, (Avg – 15%) and the ROE average rate is around 15.75%. This is 3 times more than

bank fixed interest rate. It also shows that 15.75% is beating Indian Inflation rate of 7%. There is surplus rate 9%. This indicates that the customers can invest directly in the stock of HDFC bank instead of keeping Fixed Deposit in the bank.

Growth of Equity Capital and Tremendous Success of Reserves

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
480	501	506	513	519	545	548	551	555	558
43,687	62,653	73,798	91,281	109,080	153,128	175,810	209,259	246,772	288,880

From the above table, it is evidenced that there is consistent growth in equity share capital over previous ten years. There is huge surge in reserves and surplus year on year from 2014 to 2023. This indicates that the bank has sustainability to long standing in spite of problems in future.

3. REVIEW OF LITERATURE

- 1) **Annamaria Lusardi (2019)**, "Financial literacy and need for financial education: evidence and implications", the author pointed out the role of need based education. This can be done by vast research on financial activities. So, the state and central governments must continuously and rigorously work together to reach financial education to everyone. The research was an empirical, stratified sampling has been done to select 250 respondents. 60 percent of respondents are male and remaining 40 percent are female. The main findings are, there should three fold attempts to achieve financial education by state, central government and individual.
- 2) **Troy Antony Anderson (2015)**, "Concept of financial education", the paper highlights that how financial education plays an important role to have financial freedom. The paper focusses on early education on financial activities to capitalize the benefit of power of compounding. The age is suggested in teenage between thirteen years to twenty years. The paper also give the reference of famous stock market guru Warren Buffet who started his savings and investment at the age of eleven years. So, both institutions and family must provide financial education at the teenage to make usefulness of power of compounding. The paper emphasizes that parents are leaders for their children in motivating for financial education.
- 3) **Securities Exchange Board of India (2022)**, "Financial Education Booklet", as a regulator the SEBI is playing a vital role in safeguarding the interest of investors, brokers and companies. It provides guidelines regularly and controls all stock exchanges. All companies must report their all activities such as issue of shares, share splitting, issue of bonus shares, and issue of dividend and appointment of managing director to look after whole company's activities. It fix upper circuit and lower circuit to maintain stability in the prices of shares, bonds, futures and options.
- 4) **Consumer Financial Protection Bureau (2019)**, "A review of youth financial education: Effects and evidence", the regulatory body explains that retail investors are lacking financial education. There are experts in the stock markets. They have the knowledge about techniques. But, the experts should not exploit the interest of the retail investors. The article explains that the earlier personal financial planning gives a strong foundation for later life financial well- being. Schools are an important channel to provide the education that can improve financial capability. Financial educators and policymakers face many decisions about whether and how to implement financial education. Strong research can provide some grounding for these decisions.
- 5) **Organization for Economic and Co-operation Development (2020)**, "Financial Education in Latin America and the Caribbean: Rationale, Overview and Way Forward", Macroeconomic stability and growth in the Latin America and the Caribbean (LAC) region have allowed governments to focus on public policies that build on the complementarities between financial education, inclusion and the development of social capital. Financial education programmers can support the needs of emerging middle classes in managing their finances and benefitting from access to more sophisticated financial markets. They can also be a valuable tool to ensure a more effective financial inclusion of the most vulnerable sectors of the population, and help fight poverty and inequality

4. BENEFITS OF SCREENER APPLICATION

- 1) Investors can customize the stocks based on filters such as market capitalization, PE Ratio, Sales growth etc.
- 2) Investors can narrow down the vast stocks more than 4,000 companies registered in NSE.

- 3) Screener application provides details of fundamentals of companies such as PE Ratio, ROE, ROCE, and CAGR.
- 4) It provides educational value – Researchers, faculty and students can invest their quality time and obtain financial education which is lacking in general education.
- 5) It provides real time data. So, investors can rely on the data available on screener application.
- 6) It saves time in selection of stocks among 4,000 plus companies.

4.1. SEBI GUIDELINES FOR SCREENER APPLICATION

- 1) Restrictions on Real Time Data Usage: SEBI's Jan 2024 circular restricts sharing live market data for educational or advisory purposes.
- 2) Cyber security and App Resilience Safety: SEBI issued a circular on Cyber security and Cyber Resilience Framework (CSCRF) for regulated entities.
- 3) Market Surveillance & Anti Manipulation Rules: SEBI's Master Circular on Surveillance (July 2024) mandates: Use of advanced technologies to detect unusual trading patterns, insider trading, and potential manipulations.
- 4) Algo Trading & Automation Framework: While primarily relevant to algorithmic traders, the following are worth noting.

5. STATEMENT OF THE PROBLEM

Formal education fails in financial education and there is lack of financial skills. There are many opportunities to real academicians to learn the financial knowledge and developing financial skills is highly possible. But, quality time must be given to attain financial education and skills.

5.1. OBJECTIVES OF THE STUDY

- To study the importance of financial skill development.
- To study the factors influencing financial education.
- To study the basics of screener application.
- To provide valuable suggestions to retail investors to make use of screener application for fundamental analysis.

5.2. SCOPE OF THE STUDY

The present study has been done in 2023 - 24 on HDFC bank.

5.3. FINDINGS AND SUGGESTIONS

- 1) Schools. Colleges and universities must include skill based activities to reach financial skill development.
- 2) Parents play a pivotal role in inculcating financial education. They should trust their children and provide opportunities in engaging in financial activities of the family.
- 3) Students should read finance related newspapers such as economic time, business line, financial express, business standard.
- 4) Universities must provide elective subjects such as financial management, banking, stock markets.
- 5) Financial models can be taught to the students to understand the financial activities and plans of the company.
- 6) There are various open source applications available at free of cost. So, individuals must make use of these facilities provided by the SEBI, NSE and BSE.
- 7) As per ASK model, there is only 15 percent weightage to our degrees like B. Com, BBA, CA, BA, MBA. Around thirty five percent weightage to skills like financial skills, communication skills, computer skills and job skills.

The remaining fifty percent weightage goes to Attitude, Behavior, Culture and Discipline. So, commerce students in addition to basic degrees have to apply to attain financial development skills.

- 8) This skill development is possible only when there is Will. So, it is rightly said it is Will Development which is near to a popular quote, "Where there is will, there is a way".
- 9) It is the responsibility of the individuals to give their quality time to attain financial development skill.
- 10) So, it suggested to shift from "Social Media (SM) to Stock Market". It is WORTH to give our quality time to enjoy financial freedom in our life.
- 11) HDFC bank tops among private sector banks since its market capitalization is larger than other private banks.
- 12) Its return on average capital employed and return on equity is also very impressive around 15%.
- 13) There is huge surge in Reserves and Surplus of HDFC bank over ten years.
- 14) Investors can customize the stocks based on filters such as market capitalization, PE Ratio, Sales growth etc.
- 15) Investors can narrow down the vast stocks more than 4,000 companies registered in NSE.
- 16) Screener application provides details of fundamentals of companies such as PE Ratio, ROE, ROCE, and CAGR.
- 17) It provides educational value – Researchers, faculty and students can invest their quality time and obtain financial education which is lacking in general education.
- 18) It provides real time data. So, investors can rely on the data available on screener application.
- 19) It saves time in selection of stocks among 4,000 plus companies.
- 20) Financial skill development must be happened at the earliest age on people to enjoy the miracles of the power of the compounding effect.
- 21) The Securities Exchange Board of India, National Stock Exchange and Bombay Stock Exchanges are providing free and all time education facilities to people.
- 22) So, retail investors must be benefited from these initiatives of the SEBI, NSE, and BSE.

6. CONCLUSION

Financial Skill Development is a team work between the governments, regulatory bodies like Securities Exchange Board India and Reserve Bank of India, stock exchanges like National Stock Exchange, Bombay Stock Exchange, Depositories like National Securities Depository Limited and Central Depository Securities Limited and family support and individual attempt. The available quality time must be invested in financial education and skill development. The schools, colleges and universities are also playing an important role in attaining financial skill development in life.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

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