



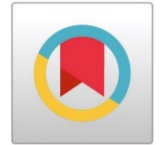
# INSIGNIFICANCE OF STOCK MARKET INVESTMENT AMONG COLLEGE TEACHERS WORKING IN THE JURISDICTION OF MANGALORE UNIVERSITY



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DOI: <https://doi.org/10.29121/granthaalayah.v9.i2.2021.3242>

**Article Type:** Research Article

**Article Citation:** Dr. Yathish Kumar, and Mr. Abhinandan. (2021). INSIGNIFICANCE OF STOCK MARKET INVESTMENT AMONG COLLEGE TEACHERS WORKING IN THE JURISDICTION OF MANGALORE UNIVERSITY. International Journal of Research - GRANTHAALAYAH, 9(2), 38-45. <https://doi.org/10.29121/granthaalayah.v9.i2.2021.3242>

**Received Date:** 20 January 2021

**Accepted Date:** 19 February 2021

**Keywords:**

Investment Behaviour  
Insignificance  
Capital Market

## ABSTRACT

The competency of a teacher is a major determinant of the quality of the education. Teacher's professional advancement is decided by many factors. One of the main factors which strongly influence the efficiency of teacher is his quality of life. The quality of one's life is closely related to the level consumption, savings and investment. Investments in stock market indicate high quality of life. But many research found that most of the teachers not investing in stock market. Much research done related to investment pattern of teaching faculty and investment behaviour of teaching faculty. These researches found out that teachers preferred to invest in banking investment avenues. But a less number of researches did to identify the reason for not investing in stock market avenues. Therefore this paper tries to identify the reasons for insignificance of stock market among teaching faculty. To this paper both primary data and secondary data were used. Primary data were collected through structured questionnaire and for secondary data referred various online journals and websites.

## 1. INTRODUCTION

"Anyone who is not investing now is missing a tremendous opportunity."-

Carlos Slim

The stock market in India is more efficient than banking system on account of the enabling government policies and that stock market development has a key role to play in the reforms of system by generating competition for funds mobilization and allocation. Hence, an efficient capital market would contribute to long term growth. According to RBI the flow of funds in the private corporate sector shows that there is growing reliance of the private corporate sector on external financing. The equity market in developing countries until the mid-1980s generally suffered from the classical defects of bank-dominated economies, that is, shortage of equity capital, lack of liquidity, absence of foreign institutional investors, and lack of investor's confidence in the stock market. Since 1986, the capital markets of the developing countries started developing with financial liberalization and the easing of legislative and administrative barriers and the adoption of tougher regulations to boost investor's confidence.

In the history of International Finance, the year 1992- 1993 may be seen as a watershed year in which emerging markets came into their own as capital raising mechanisms and became firmly established as a distinct asset class for the world's investment community with financial liberalization. Recent days there is much scope to capital Market investment. Indian Equity Market is making its mark on the global scenario. It is one of the most sought after securities market around the world. Very recently the two stock exchanges, the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) scaled new heights when their benchmark indices BSE Sensex and NSE Nifty respectively touched highest record levels to date. The experts are upbeat about the indices and anticipate closing fiscal year on yet new record level in March 2018. Of course the reason for this scenario could be many, but how does it translate to retail investors. This paper tries to identify the reasons for insignificance of stock market among teaching faculty.

### Why Teachers

Teaching is the one of oldest, noble profession across the globe. Teachers are an important driving force and backbone of our society. By indulging in the teaching profession, teachers are able to earn handsomely, at the same time,. Now a day's Teachers and professors of schools, colleges are enjoying convenient working hours, weekly off and also twice in year vacation. In addition to this implementation of 7th pay, gives higher packages to them. Therefore the person those who wants to have career without sacrificing family life with higher salaries prefers this job. In this field time bound promotion in terms of monetary returns is assured to them So, attitude of teachers towards consumption, savings and investment would reflect their economic behaviour, which would not only influence quality of life, but also the profession and education system as well.

## 2. OBJECTIVES OF THE STUDY

- To know the Investment area of teaching faculty.
- To know the problems faced while making investment.
- To know the reasons for not investing in stock market.

## 3. RESEARCH METHODOLOGY

The research study is based on both primary and secondary data. Primary data has been collected by conducting a survey among 100 samples of teachers of Mangalore University. The secondary data have been collected from books, journal, newspaper, periodicals, reports, internet and published and unpublished thesis.

## 4. ANALYSIS AND INTERPRETATION

Simple percentage analysis was used to analyses the collected data. It states the frequency and percentage of the profile, attitude and opinion regarding the people.

### 4.1. DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Demographic profile of the respondents means personal background of the respondents. Following table shows the personal information of teaching faculties.

		No. of Respondents	Total	Percentage %
Gender	Male	57	100	57%
	Female	43		43%
Age group	Below 25	68	100	68%
	Between 25-35	24		24%
	Between 35-50	4		4%
	Above 50	4		4%

Education Qualification	PG Only	78	100	78%
	PG with M.PHIL	4		4%
	PG with NET/SLET	12		12%
	Ph.D.	6		6%
Experience	Less than 1 year	27	100	27%
	1 to 5 years	58		58%
	5 to 10 years	5		5%
	10 years and above	9		9%
Marital Status	Married	11	100	11%
	Unmarried	89		89%
Category of College	Government College	19	100	19%
	Private College	63		63%
	Government aided college	17		17%
Annual income	Less than 3 Lakhs	82	100	82%
	3 to 5 Lakhs	14		14%
	5 to 8 Lakhs	2		2%
	Above 8 Lakhs	2		2%
Annual Savings	Less than 1 Lakh	86	100	86%
	1-2 Lakhs	9		9%
	2-3 Lakhs	5		5%
	Above 3 Lakhs	0		0%

Source: Primary Data

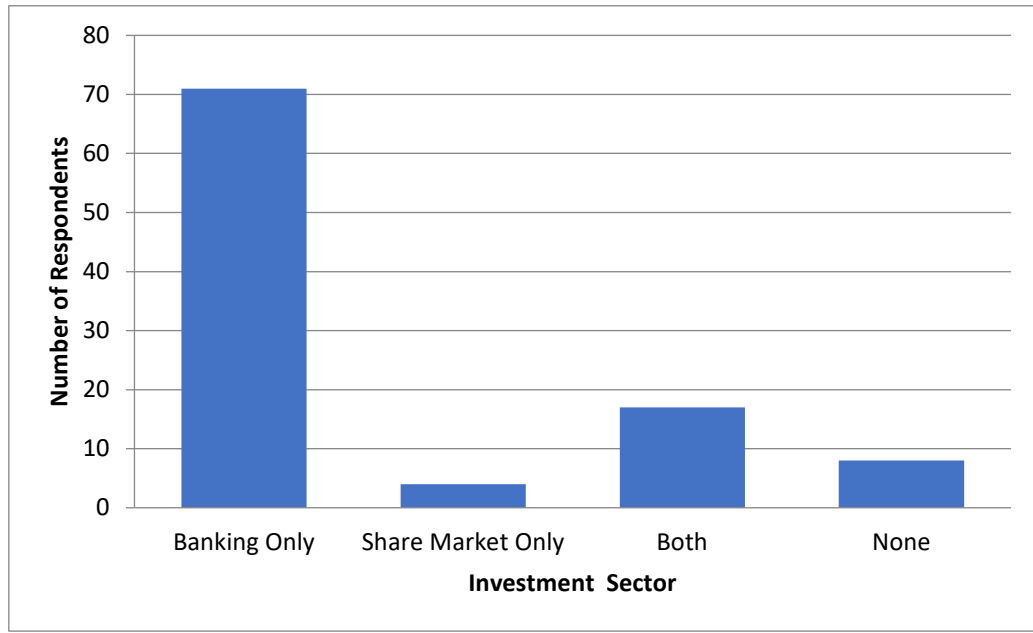
From the above table it is clearly shows that in Dakshina Kannada district majority teaching faculty come under age group below 25 years (68%) and 78% of the respondents pursued Post graduation only. For effective teaching experience is matter from the research it is found that majority of respondents have experience between 1 to 5 years (58%). Here it is clear that 11% of respondents are married and remaining 89% of respondents are unmarried. Researcher majority data collected from teaching faculties of who worked in Private colleges. As generally known teacher are paid less and expected from them is more. When we look at the table we find that majority of teaching faculties' annual income is less than 3 Lakhs. Obviously when income is low savings also become low. Majority of the respondents saves less than 1Lakh (86%) and no one saves more than 3 Lakhs.

#### 4.2. INVESTMENT AREA OF TEACHING FACULTY

Investment areas means in which field investor invest their fund. Here considered major investment area Banking and share market. It is feels that banking sector has safest investment avenues and in share market has more return investment avenues. Following Table shows that preferred invest sector.

**Table 2:** Investment Sector of Teaching faculties

Investment Area	No. of respondents	Percentage
Banking Only	71	71%
Share Market Only	4	4%
Both	17	17%
None	8	8%
Total	100	100%



**Figure 1:** Investment sector of Teaching Faculties

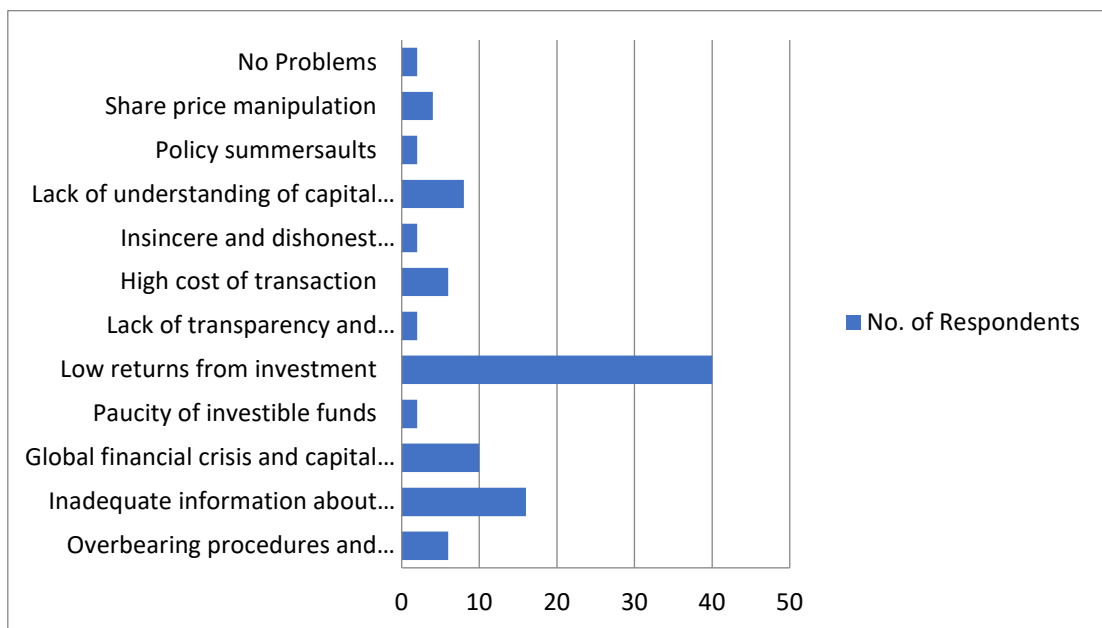
From the above table it is found that most of the teaching faculties (71%) invested only in Banking Sector and as per the research report it is again proved that people of India not much invested in stock market. So here only 4% of teaching faculties invested in stock market. 17% of the respondents invested both the sector and 8% of people invested neither in banking sector nor in Share Market avenues. They may save their earnings in home or else they spend full amount what they earned.

**4.3. PROBLEMS FACED WHILE MAKING INVESTMENT**

Everyone wants to invest in one or other investment avenues but certain factor which prevents them to investment. Therefore researcher asked the respondents what are the problems faced by respondent while they making investment. The following table and charts shows that problems faced by the respondents.

**Table 3:** Problems faced while making Investment

Problems	No. of the respondents	Percentage
Overbearing procedures and general inefficiencies of registrars	6	6%
Inadequate information about the quoted companies	16	16%
Global financial crisis and capital market crash	10	10%
Paucity of investible funds	2	2%
Low returns from investment	40	40%
Lack of transparency and inadequate supervision/regulation	2	2%
High cost of transaction	6	6%
Insincere and dishonest stockbrokers	2	2%
Lack of understanding of capital market dynamics	8	8%
Policy summersaults	2	2%
Share price manipulation	4	4%
No Problems	2	2%
Total	100	100%



**Figure 2:** Problems faced by teaching faculties while making Investment

From the above table and charts clearly shows that Majority of respondents (40) faced problems of low rate of return. Here in this table it is find that most of the investors have problems like lack of information about quoted share in stock market and their price movements. In addition to these most of the respondents don't have idea about what is stock market and their operation.6% of the people believed that cost of transaction became hurdle for investment.

#### 4.4. REASONS FOR NOT INVESTING IN STOCK MARKET

From Table No.2 it is clears that majority of teachers are investing in Banking investment avenues and very less number of teachers are investing in Stock market. Therefore in order to find out the reasons for not investing in stock market researcher asked respondents about the same.

**Table 4:** Reasons for Not Investing in Stock Market

Reasons	Level of Agreement	No. of respondents	Weighted mean	Rank
Fear of Risk	Strongly Agree	46	4.13	1
	Agree	32		
	Neutrol	14		
	Disagree	5		
	Strongly Disagree	3		
Lack of Knowledge	Strongly Agree	35	3.72	2
	Agree	31		
	Neutrol	11		
	Disagree	17		
	Strongly Disagree	6		
Less Convenience when compared to Banking	Strongly Agree	16	3.67	3
	Agree	59		
	Neutrol	8		
	Disagree	10		
	Strongly Disagree	7		
Low Income(Earning)	Strongly Agree	17	3.47	4
	Agree	49		

	Neutrol	10		
	Disagree	12		
	Strongly Disagree	12		
Fear of cheating	Strongly Agree	24	3.45	5
	Agree	35		
	Neutrol	14		
	Disagree	16		
	Strongly Disagree	11		
Low Savings(Earning-Expenses)	Strongly Agree	20	3.43	6
	Agree	39		
	Neutrol	16		
	Disagree	14		
	Strongly Disagree	11		
No time to analyze market	Strongly Agree	28	3.36	7
	Agree	31		
	Neutrol	13		
	Disagree	5		
	Strongly Disagree	23		
Lack of Motivation/No reference	Strongly Agree	15	3.31	8
	Agree	41		
	Neutrol	16		
	Disagree	16		
	Strongly Disagree	12		
Stock Market regulation	Strongly Agree	7	3.25	9
	Agree	44		
	Neutrol	26		
	Disagree	13		
	Strongly Disagree	10		
Not interested in Stock Market Investment	Strongly Agree	16	3.14	10
	Agree	32		
	Neutrol	16		
	Disagree	22		
	Strongly Disagree	14		
Less Liquidity when compared to other Investment avenues	Strongly Agree	13	3.07	11
	Agree	40		
	Neutrol	11		
	Disagree	13		
	Strongly Disagree	23		
Lack of Family Support	Strongly Agree	17	3.06	12
	Agree	24		
	Neutrol	18		
	Disagree	30		
	Strongly Disagree	11		
Age Factor	Strongly Agree	9	2.69	13
	Agree	21		
	Neutrol	27		
	Disagree	16		
	Strongly Disagree	27		
Does not provide good return	Strongly Agree	3	2.55	14
	Agree	25		

	Neutrol	26		
	Disagree	16		
	Strongly Disagree	30		
Less Tax benefits	Strongly Agree	3	2.52	15
	Agree	20		
	Neutrol	31		
	Disagree	18		
Not interested in creating wealth	Strongly Disagree	28	2.33	16
	Strongly Agree	3		
	Agree	14		
	Neutrol	29		
	Disagree	21		
	Strongly Disagree	33		

Source: Primary Data, 2018

In order to know the main reasons for most of retail investors hesitate to invest in stock market, therefore researcher asked the respondents about the same. From their response it is found that Fear of risk, lack of knowledge and Less Convenience when compared to Banking are the main three reasons.

### Major Findings

- Majority of respondents (88%) invest Banking investment avenues and only 21% of respondents invest in Share market avenues.
- A main problem faced by investor was low return given by their investment.
- Risk involved in stock market and Lack of knowledge about stock market makes investor to withdraw from stock market.
- Low Income and low saving is considered as factor influence on investment decision.
- There is no family support to get into stock market.
- Majority of the respondents' opinion that age is not a matter to get into market.
- Majority of the respondents interested in creating wealth.

### Conclusion

Why most people afraid of investing in stock market? The main reason is the people had myth of "Not many people make money in stock market" but reality is if you invest regularly for long term then anyone can make money. Many of the people are unaware towards stock investing, they do not know how much returns they can get by investing in stock market, villager doesn't know how to earn from stocks, a local retail shop owner does not know what is demat and trading account and many of them hasn't ever met an investor or trader in his entire life.

This is all because of lack of awareness; in short unawareness is one of the biggest reasons why most Indians do not invest in stocks.

The risk is always involved in stock market no matter how many studies you have done and how fundamentally strong the company is most of the conservative Indians are not willing to take a risk on their hard earned money and considers 4% return from the savings account as safe. The risks involved in the market stops these people from investing in stocks. Therefore SEBI, Stock Broking Companies and Financial Institutions have to bring awareness about stock market in urban and semi urban areas. They have to conduct seminars on stock market to bring awareness about market.

### SOURCES OF FUNDING

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

## CONFLICT OF INTEREST

The author have declared that no competing interests exist.

## ACKNOWLEDGMENT

None.

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