

A Study on Perception of College Students Towards Investments And Financial Markets With Reference To Coimbatore District

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Abstract- *A certain level of financial literacy is required for managing finances, borrowing money, saving, and investing. For today's young, a lack of personal finance understanding has led to numerous problems. They have little knowledge about money, market trends, or how to make wise investments. The study aims to determine if students are ready to manage their own finances. Are they sufficiently educated and knowledgeable about money? The target audience, students, is under-represented in the studies on this topic.*

This study sheds light on a number of factors that influence students' views towards the financial market through discussion, the reasons why students choose not to invest in the stock market, and the effects of inadequate stock market knowledge. The study also found that without knowledge of the financial markets, no one can make wise financial decisions. It is carried out on a number of aspects using a methodology that takes a numerous amount factors and identifies various reasons why and how students choose to invest in the stock market.

I. INTRODUCTION

The stock market is a crucial tool for assessing a nation's economic health. It is the secondary market where investors can purchase or sell shares openly and is known as the "economic mirror" or "heartbeat of the economy," reflecting the status of a country's economy. Investors are regarded as the central and crucial component of the securities market. Understanding money and financial services in all of their forms, functions, and applications requires a strong foundation in financial literacy and information needs. People who want to manage banking in today's world and select the best payment option need to be financially educated.

Investment is, all things considered, a crucial instrument for reaching long-term financial objectives and gradually increasing wealth. People can increase their future savings and possibly receive returns that exceed inflation by making prudent investments. People who are unfamiliar with

the financial markets are unable to make wise financial decisions, according to research. Given that students are exposed to multiple financial markets on a daily basis, this study must investigate how they view the market's power.

In recent years, financial education has gained more attention due to the financial market's evolution as well as shifts in the economy, politics, and demographics. Financial markets are becoming more sophisticated, and new products are being introduced more often. Numerous companies have made a range of lending and savings products widely accessible to consumers, such as internet banks, broking houses, and community-based organisations.

Raising people's understanding of stock market investing is essential to spreading knowledge about share and other investment ventures. In addition to being aware of the different financial products on the market, investors' awareness also helps them make decisions, especially those who are less educated and those who are dedicated to making long-term financial decisions.

- Financial markets play a vital role in the economy by facilitating the flow of funds between borrowers and lenders.
- They provide a platform for businesses to raise capital, enable investors to diversify their portfolios, and facilitate risk management. Efficient financial markets contribute to economic growth and stability.
- The financial market in India is a complex and dynamic ecosystem that plays a crucial role in the country's economic development.
- Understanding the components, types, instruments, and functions of the financial market is essential for individuals and businesses involved in financial transactions.

II. REVIEW OF LITRATURE

Sharan (2021), this study investigated how individuals with a variety of educational backgrounds, including those in science, business, and the arts, could begin a career in the stock market if they were aware of it. Not many students are aware of stock market investing. Students may not be aware of or invest in the stock market for a number of reasons. The most frequent justification is that numerous investments are being made because the stock market is dangerous, however this is untrue. It gauges students' opinions about the stock market, the reasons they don't invest in it, and how satisfied they are with stock investing.

Rodney Danise (2020), the study's main was to produce marketing and economic facts regarding Utah State University student income and spending income. This report measures the amount and type of economic activity of Utah State University students in Cache Country. Additionally, it provided empirical data that aided in the development of student income and expenditure theory and additional analytical investigations of consumer economic behaviour. Major sources of investment were revealed by the study's cross-tabulation analysis of the data, which is the same format that would be used in the project.

A Manorselvi & Ulchi (2019), in this study it is referred, in order to give students enough information before making an investment in the stock market, researchers have elucidated the necessity of stock market efficiency. Students invest in the greatest investment proposals and comprehend market volatility. Furthermore, the road to return on investment is paved following careful study. In order to evaluate the necessity of this technology in the distribution of listed commodities and stock market news, the study aims to quantify the relationship between age and finances.

Altaf (2014), In the research "University Students' Level of Financial Literacy." The results indicated that the students' level of financial literacy was generally insufficient. The author claims that lack of cash, time constraints, lack of interest, lack of information sources, poor information presentation by financial institutions, and lack of government initiatives are the main barriers keeping students from becoming financially literate.

Ford and Kent (2009), assert that compared to their male counterparts, female college students are less informed, less involved with, and more afraid of markets. Generally speaking, women are less knowledgeable than males about markets and investing.

Research has shown that, on average, female college students are less knowledgeable about investments than their male counterparts. This discrepancy has been observed at the university level.

III. STATEMENT OF THE PROBLEM

There is still a large disparity in college students' financial literacy and investing awareness, even with the growing popularity of new investment opportunities. This ignorance prevents them from making wise investment choices and producing the best possible financial results. The only conventional investing options that many college students are aware of are stocks, bonds, fixed deposits, etc.

Few people are aware of new investment options including ETFs, mutual funds, cryptocurrency, and other contemporary investments. Examining and quantifying college students' knowledge of these investment possibilities as well as tracking their comprehension and attitude toward financial markets and investments was the challenge at hand.

IV. OBJECTIVES OF THE STUDY

- To study the Student's Level of Comprehension on Investment and Stock Market.
- To analyze the opinion of Student's about Financial Markets and Investments in India.
- To examine how Student's approach Investment during this phase of life as active learners.
- To determine the Distinct Investment Options available and preferred by students for investment purposes.
- To find out how a Degree Level Student is well-informed about Investment amid their Formative Years.

V. NEED FOR THE STUDY

Over the past three decades, the Indian financial system has experienced several changes. Since the economy opened in 1991, a new type of investment pattern has been developing in the nation. New programs were introduced to draw in investments in various economic areas. The way that investors viewed investment decisions was altered by these government initiatives. They began to seek for fresh investment opportunities. People are learning about the newest investment schemes and their potential returns.

Foreign direct investment completely altered the situation, and the government introduced alluring programs to draw in more investors. One of the most significant programs during this time was the emergence of traditional investing options. Although some of them preferred to float a few

investment patterns, nearly all banks and financial institutions began looking into the prospect of moving investments towards it.

The current study aims to investigate how college students view and understand financial market investing, as well as the many aspects that influence their choice to invest.

VI. SCOPE OF THE STUDY

Investing is a key component of economic expansion. Investment patterns are unavoidable in the current economic climate. A habit that is specifically conveyed to the pupil is called an investment. Students have the practice of investing to safeguard emergency funds and future expenses, even if they were useless in the past. The different difficulties were unknown to the students. The situation has changed a great deal. They invest in a range of financial outlets, including equities, mutual funds, and post office savings, and they are well-versed in many facets of investing. The students have a lot of options when it comes to selecting an investment plan.

These elements include peer-to-peer influence, investing platform accessibility, and socioeconomic background. The impact on the student's academic year and their capacity to evaluate and select suitable investment opportunities will be given particular attention. It will paint a fuller picture of how college students approach investing in the rapidly evolving financial world by concentrating on students from a variety of academic and demographic backgrounds.

The scope of this study is to investigate the investing awareness and behaviour of college students in Coimbatore City, who are enrolled in a variety of programs and streams. The study will also look at a number of variables that affect students' knowledge of new investing opportunities.

V. LIMITATION OF THE STUDY

- This research reflects the perception of college students in Coimbatore District only. So, findings and suggestions in this research cannot be extrapolated to the entire population.
- Sample size is 70 which is very small that is not enough to study the awareness and opinions in a broad view
- As sampling technique is convenient sampling so it may result in personal bias. So perfect result cannot be achieved.
- The study might also consist of false financial information's of the respondent's, based on their interest in revealing it.

VI. RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In research it is the responsibility of the researcher has to expose the research decisions to evaluate before they are implemented. The researcher has to specify very clearly and precisely what decisions he selects and why he selects them, so that others can evaluate on it. So, the adoption of proper methodology is an essential step in conducting a research study.

Research in common parlance refers to a search of knowledge. It can be defined as a scientific and systematic search for pertinent information on a specified task. In fact, research is an art of scientific investigation. The advanced learners Dictionary of current English lays down the meaning of research as "a careful investigation or inquiry especially through search for new facts in any branch of knowledge". Research is thus a "systematized effort to gain new knowledge".

This study adopts a descriptive research design to gather quantifiable information that can be statistically analysed. The design is suited for understanding the patterns, opinions, and behaviours of a defined group of college students regarding investment knowledge and practices.

VII. SOURCE OF DATA

- Primary Data
- Secondary Data

PRIMARY DATA

Primary data is a type of data that is collected by researchers directly from main sources through interviews, surveys, experiments, etc. In this study, the responses have been directly taken from the respondents through a structured questionnaire via google forms.

SECONDARY DATA

Secondary data is research data that has previously been gathered and can be accessed by researchers. The secondary data for this study is gathered from pre-conducted researches and studies.

DATA COLLECTION

This Study was based on primary data, which was collected through structured questionnaire from the students in

Coimbatore district pursuing variety of programs and streams at various colleges.

The Research applied stratified sampling on the responses from students of different education backgrounds – Commerce, Science, Management and Engineering, etc.

AREA OF THE STUDY

The area of the study is Coimbatore District. Coimbatore, popularly known as Manchester of South India, is situated in western Part of the state of Tamil Nadu. Coimbatore is an education hub where there are various colleges and educational institutions in and around the city.

SAMPLING TECHNIQUE

Convenience sampling technique is used here. When population elements are selected for inclusion in the sample based on the ease of access, it can be called as convenience sampling.

SAMPLE SIZE

In this study, 70 respondents are taken as sampling data for the interpretation of data in the research through questionnaire.

VIII. RESEARCH FINDINGS

SIMPLE PERCENTAGE ANALYSIS

INTERROGATIONS	RESPONSES	FREQUENCY	PERCENTAGE
Gender	Male	39	55.7%
	Female	31	44.3%
	Total	70	100%
Age	Below 18	4	5.7%
	18-21	35	50%
	22-25	31	44.3%
	Above 25	0	0%
	Total	70	100%
Graduating Program	UG	40	57.1%
	PG	30	42.9%
	Total	70	100%
Domain of Study	Commerce	33	47.1%
	Science	20	28.6%
	Management	10	14.3%
	Humanities	0	0%
	Engineering	7	10%

Year of Study	g		
	Total	70	100%
	1 st Year	12	17.1%
	2 nd Year	29	41.1%
	3 rd Year	28	40%
Knowledge about Financial Market	4 th Year	1	1.4%
	Total	70	100%
	Excellent	7	10%
	Good	45	64.3%
	Fair	17	24.3%
	Poor	1	1.4%
Ever invested in the Stock Market	Very Poor	0	0%
	Total	70	100%
	Yes	42	60%
	No	28	40%
	Total	70	100%
	Level of Confidence in Investment decisions	Very Strong	4
Strong		29	41.1%
Neutral		33	47.1%
Weak		4	5.7%
Very Weak		0	0%
Total		70	100%
Awareness on Risk involved in Financial Markets	Aware	33	47.1%
	Partially Aware	37	52.9%
	Unaware	0	0%
	Total	70	100%
Risk and Return Expectations	Low	12	17.1%
	Moderate	45	64.3%
	High	13	18.6%
	Total	70	100%
Knowledge about Indian Stock Market	Very Knowledgeable	7	10%
	Fairly Knowledgeable	37	52.9%
	Moderate Knowledge	19	27.1%
	Somewhat Knowledge	4	5.7%
	Very Less Knowledge	3	4.3%
	Total	70	100%
Performance of Indian Stock Market in abroad	Very Good	4	5.7%
	Good	52	74.3%
	Neutral	13	18.6%

view	Poor	1	1.4%		More Than 7 Years	18	25.7%
	Very Poor	0	0%		Total	70	100%
	Total	70	100%		Preferred investment strategy	Long Term Buy & Hold	25
Preference	Investment	47	67.1%	Value Investing		24	34.3%
	Trading	23	32.9%	Growth Investing		12	17.1%
	Total	70	100%	Trading	9	12.9%	
➤ “Investment is very essential, especially for youngsters”	Strongly Agree	21	30%	Total	70	100%	Currently holding any Demat/Trading Account
	Agree	40	57.1%	Yes	48	68.6%	
	Neutral	8	11.4%	No	22	31.4%	
	Disagree	1	1.4%	Total	70	100%	Preferred term for investment contribution
	Strongly Disagree	0	0%	Monthly	46	65.7%	
	Total	70	100%	Quarterly	22	31.4%	
Expected level of returns from investments	High Returns	11	15.7%	Annually	2	2.9%	Money from savings is enough to make investments
	Fair Returns	43	61.4%	Total	70	100%	
	Moderate Returns	16	22.9%	Yes	50	71.4%	
	Low Returns	0	0%	No	20	28.6%	
	Total	70	100%	Total	70	100%	
Approaching Investment	Direct	39	55.7%	Agree to invest a portion of savings or income	Strongly Agree	15	21.4%
	Financial Advisor	25	35.7%		Agree	43	61.4%
	Agents	5	7.1%		Neutral	9	12.9%
	Others	1	1.4%		Disagree	3	4.3%
	Total	70	100%		Strongly Disagree	0	0%
Time spent/willing to spend on investment study and analysis	Less Than 1hr/Week	26	37.1%		Total	70	100%
	1-3 Hrs/Week	25	35.7%	Less Than 1,000	20	28.6%	
	3-5 Hrs/Week	17	24.3%	1,000 – 5,000	31	44.3%	
	More Than 5 Hrs/Week	2	2.9%	5,000 – 10,000	19	27.1%	
	Total	70	100%	More Than 10,000	0	0%	
Knowledge on different investment options	Very High	3	4.3%	Total	70	100%	
	High	34	48.6%	Duration of holding investments	Less Than 1 Year	16	22.9%
	Moderate	31	44.3%		1-3 Years	13	18.6%
	Low	2	2.9%		3-5 Years	8	11.4%
	Very Low	0	0%		5-7 Years	15	21.4%
Total	70	100%					

Source: Primary Data

IX. SUGGESTIONS

In order to help student’s fill in knowledge gaps and learn about other investment possibilities, such as mutual funds and cryptocurrencies, the study suggests to concentrate on teaching financial literacy in colleges and basics from school levels. Investment knowledge can be raised through workshops, seminars and events, etc. It can also examine the

ways in which social media and risk-taking influence students' decisions.

Lessons may be made enjoyable and useful by monitoring changes over time and using simple learning resources like trading and investment apps. Students can gain real-life experience through exercises like small investment initiatives or simulation trading. The study on investments, trading and financial markets must be taken into the knowledge of students in their college level itself to create more awareness about the benefits and the power of investing at early age.

X. CONCLUSION

In conclusion, improving college students' financial literacy is crucial to provide them the information and abilities they need to safeguard their future and make wise financial decisions. Students can get a more comprehensive understanding of the financial landscape by filling up knowledge gaps, particularly with regard to contemporary investment possibilities such hybrid mutual funds and cryptocurrencies along with investment plans and strategies which suits them. The learning process can be made more efficient and relatable by including customized programs, interesting resources like apps and workshops, and hands-on activities like investing through apps, etc.

Additionally, adding behavioural insights to the research—like examining the influence of social media, various investment options and risk tolerance—allows for a more thorough comprehension of the ways in which students make financial decisions. Finally, highlighting the significance of long-term tactics like compounding investing patterns can assist in determining the long-term effects of financial education during college, ultimately fostering a generation that is financially empowered and responsible.

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