

# Stock Market as an Investment Avenue: A Study on the Home Maker Perception with Special Reference to Cuttack District of Odisha

**Sanjay Kumar Satapathy**  
Associate Professor,  
Deptt. of Commerce,  
Ravenshaw University,  
Cuttack, Odisha

**Sarita Supkar**  
Reader,  
Deptt. of Economics,  
Ramadevi Women's University,  
Bhubaneswar, Odisha

## Abstract

The objective of this paper is to find out whether the common perception of lack of financial awareness among women holds true in India. A study was conducted among women in Cuttack. Women have traditionally been considered home makers and their role has been home management rather than money managers. A study of women suggests that majority seemed to face challenges like -- finding the time to dedicate to their investment needs. Numerous studies also pointed to lack of overall financial awareness among women. The respondents showed significant awareness in matters concerning investment and personal financial planning. Contrary to popular perception, the sample population showed awareness about financial planning and willingness to take investment decisions relating to personal finance.

**Keywords:** Perception, Awareness, Investment, Finance, Planning.

## Introduction

In recent years financial literacy has gained the interest of various groups including governments, bankers, employers, community interest groups, financial markets, and other organizations, especially in developed countries. Earlier financial literacy was thought to be the domain of men. However with more and more women entering the workforce, women have also started showing interest in understanding finance and their money. Factors like access to education, social sanction for women's education and the phenomenon of "women" have brought about a perceptible change in the attitudes of both men and women towards money. This paper seeks to understand the perceptions of women towards their personal finance and investment decisions. There are studies that suggest that even financially empowered women consider money management as a man's job. Women tend to have different attitudes about money and decision making. Many women take longer than men to reach decisions, ask lots of questions and like to involve family or friends in the process. In the wake of the increasing tendency of gender based role reversals, it needs to be understood whether these results still hold good.

Women and financial independence appears to be a recent phenomenon, as the increasing number of women seems to suggest. Women tend to take a longer break from working life, leaving them with lesser retirement benefits than their male counterparts. In the olden days, women generally had a habit of saving money in containers in their kitchen, but Women in Share Market "Gone are the days when online investing was completely dominated by men," 30 - 40% of its user base is female. Ten years ago, just 17% of the investors who used the online broker Self trade were women. This year, it is 34%.

## Review of Literature

Bajpai (2006) concludes that the capital market in India has gone through various stages of liberalization, bringing about fundamental and structural changes in the market design and operation, resulting in broader investment choices, drastic reduction in transaction costs, and efficiency, transparency and safety as also increased integration with the global markets. The opening up of the economy for investment and trade, the dismantling of administered interest and exchange rates regimes and setting up of sound regulatory institutions have enabled time.

Gupta and Singh (2006) also made an attempt to investigate the price discovery efficiency of the Nifty futures by considering lengthy time

frame and their results showed the evidences that futures market has been an efficient price discovery Bandivadekar and Ghosh (2003), and Sah and Omkarnath (2005) also investigated the behaviour of volatility in cash market in futures trading era. They also found that futures trading have led to reduction in volatility in the underlying asset market but they attributed the degree of decline in volatility in the underlying market to the trading volume in futures market. They inferred that as the trade volume in the Futures and Options segment of BSE is very low, the volatility in BSE has not significantly declined; whereas in the case of NSE (where the trade volume is at the peak), the volatility in NIFTY has reduced significantly Mallikarjunappa and Afsal (2007) studied the vol.

Ghosh (1993) tested the applicability of the Cointegration and error correction models between S&P 500 index and its index future prices and concluded that there exist Cointegration relationship between the index and its future prices.

**Objectives of the Study**

1. To examine the highly preferred avenues of investment among home-maker.
2. To ascertain the investment pattern of the women investors'.
3. To identify the factors influencing the investors in making investment.
4. To measure the level of awareness among women investors' about various aspects regarding investment.

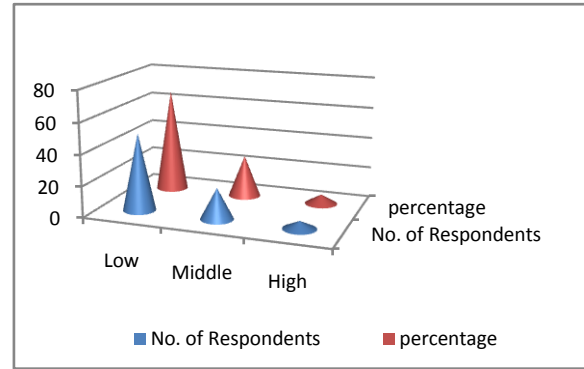
**Research Methodology**

The scope of the research was the city of Cuttack. The participants were adult women in the age group of 21 to 55 years. The participants were selected without any specific preference towards income or salary limits. The method used for the data collection was a face-to-face interview, using a structured questionnaire, with closed-ended questions, conducted at the residence of the respondents and directed to the working woman. The sample was probabilistic where area sampling was used. The sample was drawn from Cuttack and it represented women with different economic, social and geographical characteristics. A total of 100 interviews were conducted in Cuttack of which 75 questionnaires were completed and validated (response rate close to 90%). type of Research – Descriptive Sample, respondents Sampling technique - Convenient sampling, Period of study - The data was collected during the month of September 2013. Tools used - Simple percentage method . The secondary data collected with help of various manuals, internet, journal, books etc

**Data Analysis and Interpretation**

**Monthly Income of Respondents**

Monthly Income	No. of Respondents	Percentage
Low	50	67
Middle	20	27
High	5	6
Total	75	100

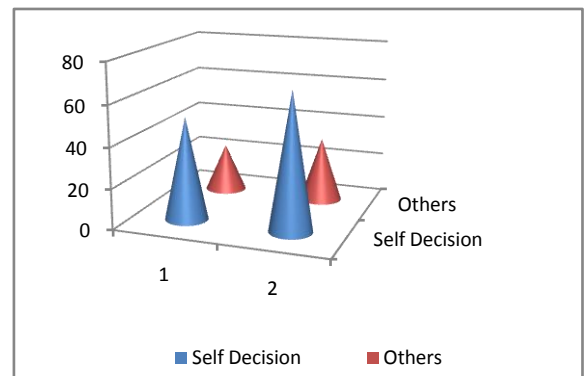


**Data Interpretation**

Most of the respondents are belongs to the low income group followed by middle and higher income group people.

**Influence of Investment Decision**

Mode of Influence	No. of Respondents	Percentage
Self Decision	51	68
Others	24	32
Total	75	100

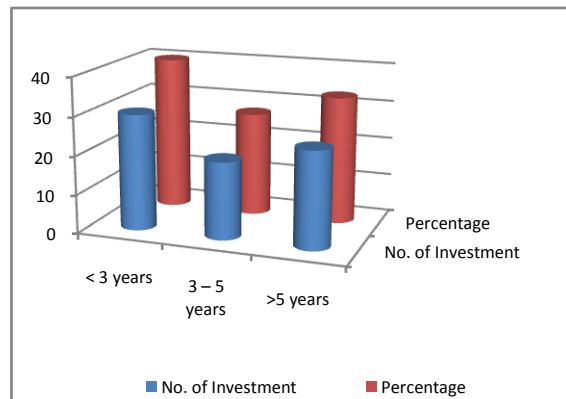


**Data Interpretation**

Lion portion of the respondent parking their hard earn money as per their own decision where as the rest as per the decision of either their broker or fund manager.

**Period of Investment**

Period	No. of Investment	Percentage
< 3 years	30	40
3 – 5 years	20	27
>5 years	25	33
Total	75	100

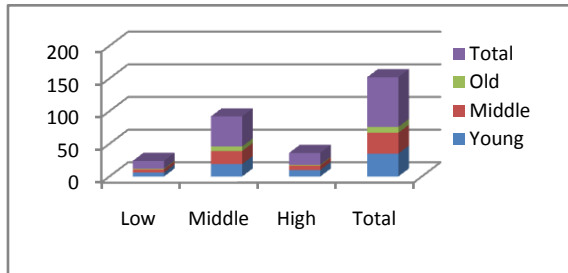


**Data Interpretation**

Most of the respondent go for short term investment, a few investor invest for more than five years term.

**Age and Level of Awareness on Investment**

Age/Level of awareness	Low	Middle	High	Total
Young	6	19	10	35
Middle	5	20	07	32
Old	1	07	01	09
Total	12	46	18	76

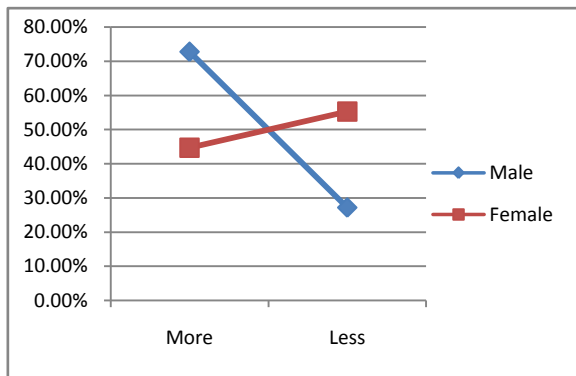


**Data Interpretation**

Young Investor Has More Awareness As Compare to Old One about the Etc of Share Market Investment.

**Level of Knowledge in Comparison to Average Investor**

Sex/Level of Knowledge	More	Less
Male	72.8%	27.2%
Female	44.7%	55.3%

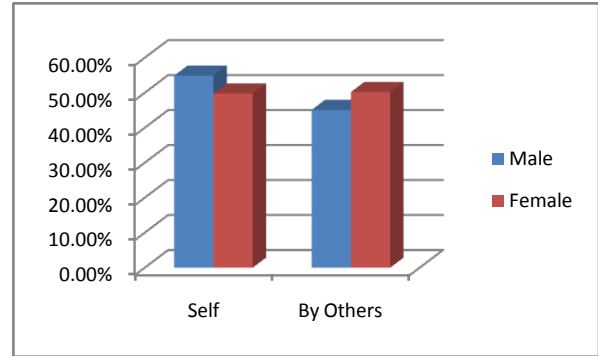


**Data Interpretation**

As per the knowledge is concern Female investor are far behind than their counterpart in comparison to average investor in share market.

**Managing Portfolio**

Sex/Managing person	Self	By Others
Male	54.9%	45.1%
Female	49.8%	50.2%



**Data Interpretation**

Half of the female investor managing their port folio by others and the rest by their own decision. Table shows male investors are little bit less dependent on the others.

**Conclusion**

Gold and Bank FD are still one of the most popular investment options among women because they are still not aware of the benefits of holding stock. Thus creating awareness among people on stock market is necessary to remove fear of investments in shares. Most of the respondents invest to meet a long term goal and thus share market is relatively a right place for Long – term Investments when compared with the returns from various assets like bank deposits. Over long terms, equities have consistently delivered higher returns. When we stay invested in a stock for longer than one year, the taxman won't come knocking for his share of the profit. Income from stocks held for more than one year is a long-term capital gain, which does not attract any tax. • The major advantage is that the investor is protected from the eyes of the public. • 54% of the respondents are not willing to invest in share market because they feel that it is highly risky but actually it is not risky unless one becomes greedy. • 15% of the respondents are willing to invest but do not know how and from where they have to start.

**References**

1. Bandivadekar, S. & Ghosh, S. (2003), "Derivatives and Volatility on Indian Stock Markets", RBI Occasional Papers, Vol. 24 (3), pp. 12-28.
2. Ghosh, A. (1993), "Cointegration and Error Correction Models: Inter Temporal Causality between Index and Future Price", The Journal of Future markets, Vol.2, pp.193-198.
3. Gupta L C (1992), "Stock Exchange Trading in India: Agenda for Reform", Society for Capital Market Research and Development, Delhi, pp. 123
4. Bajpai (2006), "Developments of Capital Market in India", Conference Proceeding at London School Of Business, 2nd Oct. 2006