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# Study on Factors Influencing Women Investors in Capital Market

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**Abstract**

We have seen a positive shift in women's empowerment and financial progress in recent years. Women's personal interests in taking up occupations to achieve pen career objectives and economic development changed over this time period. Traditionally, women have preferred to invest in assets that provide a higher rate of return. By this time, women were attempting to alter traditional investing methods and the nature of investing. This study aims to discover the elements that influence women's investment behavior. The study's goals are to learn about women investors' risk preferences and awareness of capital market goods, as well as their trading and investment tactics. This is an analytical study in which we used primary data. Using easy sampling, primary data was acquired from 113 samples from the Thrissur Corporation. According to the findings of the research, the majority of respondents is unaware of the various capital market products and is still attempting to learn about the market by attending webinars and other events.

**Keywords: Investment Behavior, Pen Career, Risk Preferences****Introduction**

Every individual's essential necessity for financial well-being is investment. It means the commitment of funds with the aim of earning additional income or growth in values. Almost everyone invests in various investment channels based on their requirements and ambitions. Every investment avenue has unique features that influence its risk and return while also assisting investors in accomplishing their various investing goals. The safety of the principle invested, capital growth, the creation of monthly income, tax savings, the requirement for liquidity, and speedy returns are only a few of the important investing objectives. There has been a shift in women's economic standing throughout time. It necessitates a shift in their financial understanding and awareness. It necessitates

a shift in their financial understanding and awareness. According to studies, women spend more time investigating their financial options than men. When it comes to investing, women take on less risk than males, but it doesn't imply they're risk averse. Rather, they're just more inclined than males to take proper risks with their assets.

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### **Statement of the Problem**

Women's investment profiles are evolving throughout time. However, they trail behind in a number of areas, including investing awareness and investment choice. As a result, the researcher has attempted to identify the elements that influence investors' behavior, assess the degree of knowledge among women investors, and analyze investors' preferences for various capital market instruments.

### **Objectives of the Study**

- To know about women's capital market knowledge;
- To identify women's risk perceptions;
- To analyze women's trading techniques.
- To know whether women prefer trading or investing

### **Scope of the Study**

Men and women buy in stocks differently, making gender a very important aspect when analyzing personal investment behavior. Women's investment behaviors in comparison to men's have primarily been compared for comparison's sake. Women's contributions to the stock market and their impact on overall performance have not yet been studied. The goal of this study is to advance our knowledge of women's investment behaviors, including their herding tendencies, risk tolerance, level of confidence, financial literacy, and methods they employ. The current study looks at how women in Thrissur corporation participate in capital market.

### **Significance of the Study**

The growth of an economy depends heavily on investment. Every human being needs to engage in it. The process of investing entails transforming cash into claims on cash and using that cash to buy useful assets that generate income. It is the use of money for useful purposes in order to achieve certain goals like income, capital growth, or the expansion of goods and services with the intention of making a profit. Women, according to studies, take more time to consider their financial options. Despite the fact that they do invest with less risk than men do, this does not imply that women are risk-averse. Instead, ladies just have a higher propensity than males to invest in areas with suitable amounts of risk. In order to apply their knowledge and experience to economic progress, it is crucial to examine women's investing behavior.

## Research Methodology

The study is analytical in nature and discusses women investors' awareness, trading tactics, and risk perception. The current research makes use of both primary and secondary data.

Primary data was collected from 117 individual samples from the Thrissur Corporation using a structured questionnaire and a purposive sampling approach.

## Review of Literature

Kathirvel and Mekala (2010) made an effort to look into how investors behave when making investments. 150 women from the Tamil Nadu district of Coimbatore participated in the study. According to the findings, women are discouraged from engaging in the stock market due to their ignorance of the many investment possibilities and the stock market. The authors came to the conclusion that women investors should be concerned about insecurity and excessive stock market volatility.

Bhabha et al. (2014) made an effort to research the variables influencing investors' investment behaviour. The research showed that women's investments play a big part in a country's economic growth. It was discovered that the previous and projected performance of various investment channels has an impact on investor behaviour and attitude toward saving. The research came to the conclusion that the three most important criteria influencing how investors behave while making investment decisions are income, returns on investment, and financial security.

Kumar and Kumar (2020) analyzed the risk appetite of women investors. The study concluded that women were influenced by their own instinct & mostly selected safety option as their investment avenue. Age & monthly income was found to be negatively correlated with total awareness for Investment Avenue and it can be concluded that there is a significant association between age, monthly income & total awareness for Investment Avenue in working women. There was no significant association found between marital status, occupation and awareness level of working women.

## Data Analysis and Interpretation

**Table 1 Demographic Profile**

Characteristics	Categories	No. of responses	Percentage
Age group	Below 30	18	15
	30-40	45	39
	Above 40	54	46
	Total	117	100
Educational qualification	SSLC	0	0
	Plus two	11	9
	UG	57	49
	PG	49	42
	Total	117	100

Source: Primary Data

## Interpretation

From the demographic table it is clear that 46% of the respondents belongs to the age group of above 40 and 39% of the respondents are in the age group of 30-40. 49% of the respondents are UG qualified and 42% of respondents are PG qualified.

**Table II Constraints While Trading**

Constraints	Level of Agreeableness					Mean	Rank
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree		
Lack of Strategies	24	53	11	13	16	3.47	II
Problems related Mechanism to settlement	13	41	28	17	18	3.11	III
Insider Trading	17	26	36	30	13	2.99	IV
Lack of Transparency	15	18	27	44	13	2.81	V
Inadequate Disclosure of Information	31	38	17	20	11	3.49	I

**Interpretation**

From the above table it is clear that lack of strategies and inadequate disclosure of information are the main constraints faced by women investors. Problems relating settlement mechanism is also a concern for them.

**Table III Personal Motivation to Trade in Market**

Factors	Level of Agreeableness					Mean	Rank
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree		
To Get Financial Freedom	27	41	17	14	18	3.38	III
Safety For Future	37	52	11	8	9	3.85	II
To Beat Inflation	18	37	12	26	24	2.99	V
Increase value of investment	33	68	9	6	2	4.08	I
Tax Benefits	35	49	21	7	5	3.27	IV

**Interpretation**

From the table it is clear that the main motivation to trade in market is to increase the value of investment. They give importance to capital appreciation. Another objective is to gain financial freedom and to enjoy tax benefits.

**Table IV Satisfaction Relating to Trading Strategies**

Strategies	Completely Satisfied	Very Satisfied	Moderately Satisfied	Slightly Satisfied	Not satisfied	Mean
Intraday	12	19	34	35	27	2.86
Swing	24	31	27	21	14	3.25
Position	27	29	31	19	11	3.36
Trend	17	19	27	37	17	2.84
News Trading	14	12	21	49	21	2.56

## Interpretation

The most preferred strategies of the respondents are position trading. Swing trading is the next strategy followed by the respondents. They also use intraday, trend trading and news trading strategies.

**Table V Risk Appetite of Women Investors**

Risk Appetite	Frequency	Percentage
High risk takers	11	9
Conservative risk takers	18	15
Moderate risk takers	23	20
Slight risk takers	22	19
Risk averse	43	37

## Interpretation

37% of the respondents are reluctant to take risk. At the same time 9% of the respondents are highly risk takers and 20% of them are conservative regarding risk.

## Testing of Hypothesis

### One Sample 't' Test

$H_0$ : There is no significant increase in income by doing share trading

**Respondent's Satisfaction Regarding Earnings through Share Trading**

Satisfaction Level	No of respondents	Test statistics	Table value at 5%	Accept/ Reject
Highly satisfied	31	3.8248	2.015	Reject
Satisfied	37			
Neutral	22			
Dissatisfied	11			
Highly dissatisfied	12			
Total	113			

Test Distribution: Normal Test: One tailed

## Interpretation

The calculated value is greater than the table value, hence rejecting the null hypothesis. Thus there is a significant increase in income by doing share trading.

### Two Sample 't' Test

$H_0$ : There is no significant difference between trading and investing relating to factors affecting economy.

Factors	Trading	Investing	P value at 5%	Accept/ Reject
Interest rates and Inflation	59	54		
Gold Prices and Bonds	39	74	0.16636	Reject
Exchange rates	49	64		

Government Policies	53	60		
Foreign Institutional investors and Domestic Institutional Investors	47	66		

Test distribution: Normal

Test: Two tailed

### Interpretation

The calculated p value at 0.5 significance level is less than 0.5 so we reject the null hypothesis as there is significant difference between trading and investing relating to factors affecting economy.

### Findings & Suggestions

#### Findings

- The majority of responses are over 40 years old.
- The majority of respondents had UG degrees.
- The greatest obstacles facing female investors are a lack of strategy and inadequate information disclosure. Concerns about settlement mechanisms are another issue for them.
- Increasing the value of an investment is the primary driver of market trading. They place priority on capital gains. Another goal is to become financially independent and profit from tax advantages.
- Position trading is the strategy that responders use the most. The respondents’ second tactic of choice is swing trading. Additionally, they employ intraday, trend, and news trading tactics.
- The majority of responders are fearful of taking chances.
- The calculated value exceeds the table value, rejecting the null hypothesis according to the one-tailed t test. Trading shares results in a large boost in revenue.
- We reject the null hypothesis because there is a significant difference between trading and investing in terms of the factors affecting the economy, as determined by the two- tailed t test, where the computed p value at the 0.5 significance threshold is less than 0.5.

#### Suggestions

- Continue attending workshops to learn more about the market.
- Put more emphasis on investing than investing.
- Women encounter numerous challenges while making investment decisions, which are necessary due to both individual and market circumstances. Therefore, cultivate and reinforce their willingness to make decisions at all levels.
- The majority of respondents express a fear of losing, which they generally believe can be overcome with the right tactics.
- Women should experiment with a variety of derivative items.

### Conclusion

The study demonstrates the patterns of trading and investing used by women in the present. Gaining financial advantages is the fundamental goal of all investments. Some of them view it as a way to save money for unexpected expenses or future requirements. Risk and unpredictability are present in every investment. Therefore, an investor needs to be equipped to deal with them. An investor should focus on long-term objectives rather than short-term predictions. It is obvious that the women are motivated to invest their money. The majority of them preferred investing to

trading. They were hesitant to take risks, but some of them are willing to accept returns that are less than ideal. Thus, it may be said that the woman has begun to realize

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