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A STUDY ON INVESTORS PREFERENCE TOWARDS EQUITY WITH REFERENCE TO INDIA BULLS

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Abstract
The aim of this paper is to find out how profitable it would be for an investor if he invest in securities market and to find out which product in securities market is mostly preferred by the investors and the reason for selecting that product, and what advantages it has over other products. A lot of innovation goes into developing financial products centered on these two factors i.e., ideas and innovations. The different securities market product such as Equity, Derivatives, and IPO's and Bonds are compared to know the investors preference towards these products whether it satisfies their objectives of high return and low risk.

Keywords:Equity,Investment,Dividend,Mutual Funds,Stocks,Shares,Wealth,Strategic Finance Decision ,Investor Demand,Securities Market.

Introduction

An **investor** is a party that makes an investment into one or more categories of assets --- equity, debt securities , real estate, currency, commodity, derivatives such as put and call options, etc. --- with the objective of making a profit. The term "investor protection" defines the entity of efforts and activities to observe, safeguard and enforce the rights and claims of a person in his role as an investor. This includes advice and legal action. The assumption of a need of protection is based on the experience that financial investors are usually structurally inferior to providers of financial services and products due to lack of professional knowledge, information and/or experience.

A **stock trader** or a **stock investor** is an individual or firm who sells stocks in the markets. The stock trader is usually a professional. Persons can call themselves full or part-time stock traders/investors while maintaining other professions. When a stock trader/investor has clients, and acts as a money manager or adviser with the intention of adding value to their clients finances, he is also called a financial advisor or manager. In this case, the financial manager could be an independent professional or a large bank corporation employee. This may include managers dealing with investment funds, hedge funds, mutual funds, and pension funds, or other professionals in equity investment, fund management, and wealth management. Several different types of stock trading exist including day trading, trend following, market making, scalping (trading), momentum trading, trading the news, and arbitrage. On the other hand, stock investors are firms or individuals who purchase stocks with the intention of holding them for an extended period of time, usually several months to years. They rely primarily on fundamental analysis for their investment decisions and fully recognize stock shares as part-ownership in the company. Many investors believe in the buy and hold strategy, which as the name suggests, implies that investors will buy stock ownership in a corporation and hold onto those stocks for the very long term, generally measured in years. This strategy was made popular in the equity bull market of the 1980s and 90s where buy-and-hold investors rode out short-term market declines and continued to hold as the market returned to its previous highs and beyond.

Objectives

1. To compare the returns given by various investment decisions.
2. To cater the different needs of investor, these options are also compared on the basis of various parameters like safety, liquidity, risk, entry/exit barriers, etc.
3. To know Investor's demographics influence choice of investment in **India bulls Securities**.
4. To study the impact of investors risk preferences in **India bulls Securities**.
5. To find out the reasons for investing in equities.

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About India Bulls

India bulls Housing Finance Limited, jointly with its subsidiaries, functions as a housing finance company. The company presents secured mortgage-backed housing loans to salaried and self-employed individuals; proprietorships, loans against property to self-employed individuals, and businesses for working capital or business development needs; and housing construction finance and lease rental discounting loans to real estate developers

Review of Literature

These days almost everyone is investing in something… even if it's a savings account at the local bank or a checking account the earns interest or the home they bought to live in.

However, many people are overwhelmed when they being to consider the concept of investing, let alone the laundry list of choices for investment vehicles. Even though it may seem the everyone and their brothers knows exactly who, what and when to invest in so they can make killing, please don't be fooled. Majorities of investor typically jump on the latest investment bandwagon and probably don't know as much about what's out there as you think. Before you can confidently choose an investment path that will help you achieve your personal goals and objectives, it's vitally important that you understand the basics about the types of investments available. Knowledge is your strongest ally when it comes to weeding out bad investment advice and is crucial to successful investing whether you go at it alone or use a professional.

The investment options before you are many. Pick the right investment tool based on the risk profile, circumstance, time available etc. if you feel the market volatility is something, which you can live with then buy stocks. If you do not want risk, the volatility and simply desire some income, then you should consider fixed income securities. However, remember that risk and returns are directly proportional to each other. Higher the risk, higher the returns.

Methodology

Primary Data: The study conducted by **India bulls Securities**. Official only subjective evaluation of indication of indication of investors risk preferences among the various investors. The ground for this study is Hyderabad. Information about the demographics of investors and risk preferences of investment among various investors collected through primary sources using a questionnaire collects the investor's responses and their investment behaviors.

Secondary Data: Secondary data taken by through net and books.

Sample size: 100 Investors of **India bulls Securities**. Has been taken time period is 45 days. Pie charts, Bar charts have been used to show the investor preference.

Then the averages of returns over a period of 10 years are considered for the purpose of comparison of investment options. Then, critical analysis is made on certain parameters like returns, safety, liquidity, etc. Giving weightage to the different type of needs of the investors and then multiplying the same with the values assigned does this.

Data Analysis

1. In which investment avenue have you invested?

Table1

Type of respondents	No. of respondents	Percentage
Equity	44	44
Debt instruments	12	12
Insurances	24	24
others	20	20

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Data Interpretation

The above table shows denoting that investors are giving priority to investment in equity funds 22 followed by insurance, 12 and debt instruments them are preferring insurance .

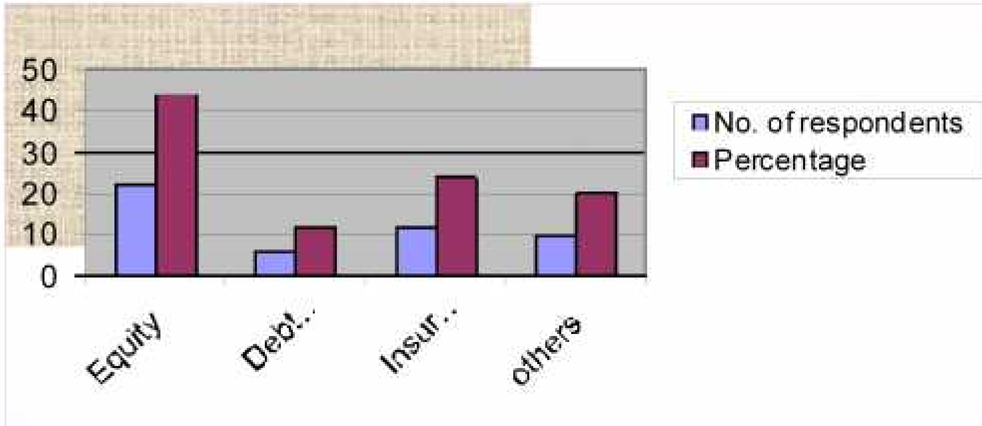


Chart 1

This chart shows no. of dependents of respondents and percentages of different types of respondents.

Data Interpretation: The above chart denoting that investors giving most preference to equity i.e. 44%, 12% of them debt instruments apart from these 24% of them are preferring insurance, 78% of them prefer others

2. Which type of stock have you invested in?

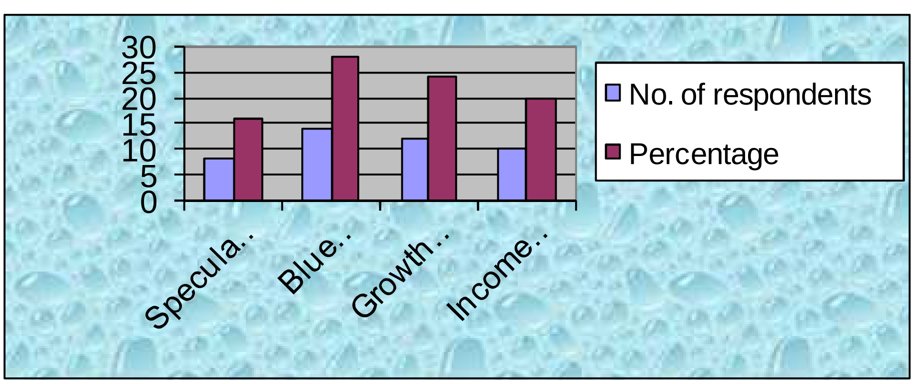
Table2

Preferred stock of respondents	No. of respondents	Percentage
Speculative stocks	16	16
Blue chip stocks	28	28
Growth stocks	24	24
Income stocks	20	20

Data Interpretation: The above table shows that reveals that 08 respondents re preferring speculative stocks, 14 of the investors preferring blue chip stocks, 12 of them preferring growth stock and rest them preferring income stocks.

Chart 2

This chart shows preferred stock of respondents and percentages of different types of Respondent



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Data Interpretation

The above chart reveals that 16% of them preferring speculative stocks,28% of the investors preferring blue chip stocks , 24% of them preferring growth stocks and 20% of them preferring income stocks.

8. Which statement best describes you approach as an investor?
   a) I am cautious about taking risks and I want to avoid losses.
   b) I am somewhat caution about taking risks, and I can handle relatively small losses.
   c) I can take some risk that is generally associated with greater account growth potential but I wish to minimize short term losses in my account.
   d) I am open to taking risk for growth potential. I am less concerned about short term losses or gains; I am more invested in long term growth.

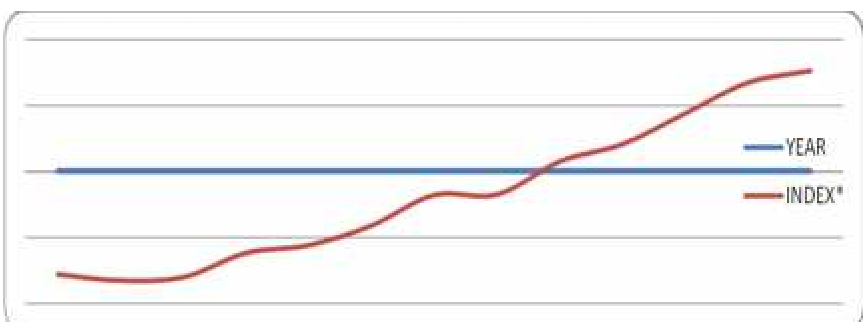
Performance Analysis of Returns

Equity returns at a glance

If we have a look at equity returns of the past 13 years it is like this:

Sensex

Year	Indiex*	Absolute Change	Percentage Change (%)
2005	3972	0	0
2006	3262	-710	-17.88
2007	3377	115	3.52
2008	5838	2461	72.88
2009	6602	764	13.08
2010	9397	2795	42.34
2011	13786	4389	46.70
2012	13908	122	0.88
2013	20323	6415	31.57
2014	19426.71	-896.29	-33.01
2015	21064	1637.29	08.42
2016	26508.21	5444.21	02.58
2017	25658.22	-849.99	-3.312



Interpretation

The growth of the equity market in India has been phenomenal in the present decade. Right from early nineties, the stock market witnessed heightened activity in terms of various bull and bear runs. In the late nineties, the Indian market witnessed huge sectors. More recently, real estate caught the fancy of the investors. BSE SENSEX has captured all these happenings in the most judicious manner. One can identify the booms and busts of the Indian equity market through BSE SENSEX. As the oldest index in the country, it provides the time series data over a fairly long period of time (from 2004 onwards). Small wonder, the BSE SENSEX has become one of the most prominent brands in the country.

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Discussion and Conclusion

Discussion

1. When you buy a share of stock, you are taking a share of ownership in a company. Collectively, the company is owned by all the shareholders, and each share represents a claim on assets and earnings.
2. The most common ways to divide the market are by company size (measured by market capitalization), sector, and types of growth patterns. Investors may talk about large-cap vs. small-cap stocks, energy vs. technology stocks, or growth vs. value stocks, for example.
3. Over the short term, the behavior of the market is based on enthusiasm, fear, rumors and news. Over the long term, though, it is mainly company earnings that determine whether a stock's price will go up, down or sideways.
4. This is strongly recommended that the investor should have a proper guidance of well experienced Broker.
5. The SEBI has to provide some tax benefits in order to attract investments in Equities.

Conclusion

The study and analysis of the report deals with the different investment decisions made by different people.It explains about the investor preference towards Equities and their risk preferences. It explains the trading mode utilized by the people, preferable investment time, preferable data source and category of investment to invest in different market of the Equities.

There are several investments to choose from these include equities, debt, real estate and gold. Each class of assets has its peculiarities. At any instant, some of those assets will offer good returns, while others will be losers. Most investors in search of extraordinary investments try hard to find a single asset. Some look for the next infosys, other buys real estate or gold. Many of them deposit their savings in the Public Provident Fund (PPF) or post office deposits, others plump for debt mutual funds. Very few buy across all asset classes or diversify within an asset class. Therefore it has been widely said that “Don’t put all your eggs in one basket”. The idea is to create a portfolio that includes multiple investments in order to reduce risk.

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