REVIEW OF RESEARCH

INVESTORS ATTITUDE TOWARDS INVESTMENT EVALUATION AND DECISION MAKING IN TIRUNELVELI CITY

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ABSTRACT:

The researcher carried out the study to find out investors' attitude towards investment evaluation and decision making in Tirunelveli city. The researcher is interested in identifying the major factors that influence investment evaluation and decision. The researcher used the descriptive type of research design in her study. The researcher used the Primary data collection method in her study by framing a structured Questionnaire. The researcher performed with the convenient type of sampling method in her study. The sample is taken as 361 by the researcher. For analysis and interpretation, the researcher has used the statistical tools namely simple percentage analysis, Cronbach's alpha and t-test. Based on the analysis and interpretation, the researcher arrived out with the major suggestions in her study and conclusions are given in such a way so that the investors can attain the wealth maximization.

KEYWORDS*: Attitude; Investment Decision; Investment Evaluation; Tirunelveli City.*

INTRODUCTION

It is only natural that any investment is a personal decision of the investor keeping in mind various factors such as experience based on feedback, the expectation of profit in comparison with other options and so on. This yardstick applies for the investors in online share trading also. However, one cannot expect the same response from all such investors concerning the various in-built aspects of online share trading. Opinion regarding the awareness about the functions and regulations of SEBI, types of investment to be made in future, investments objective and so on. The attitude of investors refers to a behavioral sequence of actions or events followed by the investors in investment decision-making. A study on the investment attitude is based on the general nature and investment practices of the investors. Investment evaluation and decisions are based on the assessment of various factors in online share trading.

OBJECTIVES OF THE STUDY

- To find out the factors influencing the investment evaluation and decision.

RESEARCH METHODOLOGY

Designing a suitable methodology and selection of analytical tools is important for a meaningful analysis of any research problem. An attempt has been made to describe the methodology which includes sampling procedures, the period of study, and collection of data and tools of analysis. The topic of the research requires both primary and secondary data. The secondary data has been collected from web sites, reports, journals, and theses. The primary data was collected using a pre-tested interview schedule. From 2017 to 2018, the data so collected has been arranged in such a way that adequate interpretation could be carried out by preparing a required number of tables.

DATA ANALYSIS AND INTERPRETATION

The attitude of investors also influences the level of influences in investment evaluation and decision-making and it is very difficult to assess. It is also treated as a complicated process. The decision-making also has influences in online trading. The investment decision-making may be taken by the investors themselves or the decision may be taken either by their family members or with the consultation of their brokers, friends, and relatives. Table 1 show the classification based on the attitude investors towards the level of influences in investment evaluation and decision-making.

Table 1
Level of Influences in Investment Evaluation and Decision-making Factors

SI. NO.	Level of Influences	V.H.	H.	M.	L.	V.L.	Total
1.	Stock Exchange Information	150 (41.55)	133 (36.84)	68 (18.84)	7 (1.94)	3 (0.83)	361 (100)
2.	Risk factors	45 (12.47)	154 (42.66)	121 (33.52)	30 (8.31)	11 (3.05)	361 (100)
3.	Lead manages	72 (19.94)	112 (31.02)	110 (30.47)	49 (13.57)	18 (4.99)	361 (100)
4.	Credit rating	69 (19.11)	96 (26.59)	115 (31.86)	38 (10.53)	43 (11.90)	361 (100)
5.	Brokers advice/media effect	148 (41.00)	120 (33.24)	120 (33.24)	120 (33.24)	1 (0.28)	361 (100)
6.	History of the Company	150 (41.55)	128 (35.46)	72 (19.94)	7 (1.94)	4 (1.11)	361 (100)
7.	About Promoters	64 (17.73)	111 (30.75)	104 (28.81)	59 (16.34)	23 (6.37)	361 (100)
8.	Policies of the Company	68 (18.84)	99 (27.42)	111 (30.75)	58 (16.07)	25 (6.93)	361 (100)
9.	Companies under the Same Management	67 (18.56)	111 (30.75)	100 (27.70)	49 (13.57)	34 (9.42)	361 (100)
10.	Authorized and Paid-up capital	97 (26.87)	99 (27.42)	102 (28.25)	52 (14.40)	11 (3.05)	361 (100)
11.	Size of Present Issue	77 (21.33)	122 (33.80)	82 (22.71)	56 (15.51)	24 (6.65)	361 (100)
12.	Objectives of Present Issue	90 (24.93)	75 (20.78)	122 (33.80)	51 (14.13)	23 (6.37)	361 (100)
13.	Terms of Issue	71 (19.67)	101 (27.98)	91 (25.21)	64 (17.73)	34 (9.42)	361 (100)
14.	Cost of the project	85 (23.55)	97 (26.87	105 (29.09)	50 (13.85)	24 (6.65)	361 (100)
15.	Product Strength	71 (19.67)	106 (29.36)	99 (27.42)	55 (15.24)	30 (8.31)	361 (100)
16.	Existing and Future Demand	70	98	114	49	30	361

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		(19.39)	(27.15)	(31.58)	(13.57)	(8.31)	(100)
17.	Future Prospects	82 (22.71)	83 (22.99)	112 (31.02)	58 (16.07)	26 (7.20)	361 (100)
18.	EPS/PE Ratio	67 (18.56)	89 (24.65)	99 (27.42)	68 (18.84)	38 (10.54)	361 (100)
19.	Dividend Policy	63 (17.45)	106 (29.36	99 (27.42)	51 (1413)	42 (11.63)	361 (100)
20.	Book Building Methods	85 (23.55)	115 (31.86)	91 (25.21)	43 (11.91)	27 (7.48)	361 (100)
21.	Market Volume Traded	84 (23.27)	77 (21.33)	103 (28.53)	58 (16.07)	39 (10.80)	361 (100)

Source: Primary Data. Note: (Figures in brackets denotes as a percentage to total)

It is observed from Table 1 that out of the twenty-one variables listed for this study, 'Very High ' responses of members range from 12.47 (45) percent to 41.55 (150) percent, 'High' responses range from 20.78 (75) percent to 36.84 (133) percent, 'Moderate opinion' responses range from 18.84 (68) per cent of them to 31.02 (122) per cent of them, 'Low' responses range from 1.94 (5) per cent of them to 18.84 (68) per cent and 'Very Low' responses range from 0.28 (1) percent of the investors to 11.91(43) percent. It indicates that a majority of the investors opined that the attitude of investors influences the level of influences in investment evaluation and decision-making in online share trading. To analyze the reliability for the attitude of investors towards the level of influences in investment evaluation and decision-making in online share trading, Cronbach's Alpha Test has been applied by using SPSS and the results have been shown in Table 2.

Table 2
Reliability Statistics for Attitude of Investors

Particulars	Cronbach's Alpha Score
The attitude of Investors towards the level of influence in investment evaluation and decision-making	0.717

Source: Computed Primary Data.

Table 2 shows the calculated value of Cronbach's Alpha score of investors to invest the investment in online share trading which is more than 0.7; therefore, it is concluded that the attitude of investors towards the level of influences in investment evaluation and decision-making in online share trading could be relied upon.

't' – test is based on 't' – distribution and is considered an appropriate test for judging the significance of a sample mean or for judging the significant difference between the means of two samples in case of small samples when the population variance is not known. In case two samples are related, we use paired't' test for judging the significance of the means of the difference between two related samples. It can also be used for judging the significance of the co-efficient of simple and partial correlations. The relevant test statistic, 't', is calculated from the sample data and then compared with its probable value based on 't' – distribution at a specified level of significance for concerning degrees of freedom for accepting or rejecting the null hypothesis. It may be noted that 't' test applies only in the case of small samples when the population variance is unknown.

For effective research, the researcher has framed and tested the hypothesis that "the favorable attitude of investors and the unfavorable attitude of investors regarding the level of influences in investment evaluation and decision-making do not differ significantly".

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To test the above hypothesis, the researcher has used the t-test. The five variances are grouped into two variances. One variance consists of favorable opinion and another variance consists of unfavorable opinion. Very high and high come under the heading favourable opinion, low and very low come under the heading unfavourable opinion. Table 3 shows the calculation of *t* test statistics.

Table 3
The attitude of Investors towards the Level of Influences

Sl. No.	Attitude of Investors	Favourable Opinion (1)	Unfavourable Opinion (2)	d $2 - 1$	d^2
1.	Stock Exchange information	433	13	-420	176400
2.	Risk factors	244	52	-192	36864
3.	Lead managers	256	85	-171	29241
4.	Credit rating	234	124	-110	12100
5.	Brokers advice/ media effect	416	12	-404	163216
6.	History of the Company	428	15	-413	170569
7.	About Promoters	239	105	-134	17956
8	Policies of the Company	235	108	-127	16129
9.	Companies under the Same Management	245	117	-128	16384
10.	Authorized and Paid-up Capital	293	74	-219	47961
11.	Size of Present Issue	276	104	-172	29584
12.	Objectives of Present Issue	255	97	-158	24964
13.	Terms of Issue	243	132	-111	12321
14.	Cost of the Project	267	112	-155	24025
15.	Product Strength	248	115	-133	17689
16	Existing and Future Demand	238	109	-129	16641
17	Future Prospects	247	110	-137	18769
18	EPS/PE Ratio	223	144	-79	6241
19	Dividend Policy	232	135	-97	9409
20	Book Building Methods	285	97	-188	35344
21.	Market Volume Traded	245	136	-109	11881
				Σd -3786	Σd^2 14333796

Source: Computed Primary Data.
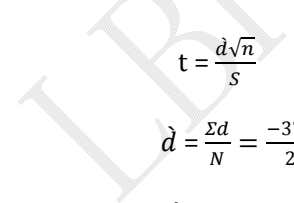
$$t = \frac{\bar{d}\sqrt{n}}{S}$$

$$\bar{d} = \frac{\Sigma d}{N} = \frac{-3786}{21} = -- 180.29$$

$$\bar{d} = -180.29$$

$$S = \sqrt{\frac{14333796 - 21 X 32504.48}{20}}$$

$$= \sqrt{\frac{14333796 - 682594.08}{20}}$$

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$$= \sqrt{\frac{751201.92}{20}} = \sqrt{37560.096}$$

S = 193.80

$$t = \frac{180.29\sqrt{21}}{193.08} = \frac{180.29 X 4.58}{193.08} = \frac{825.73}{193.08}$$

t = 4.28

Table value 't' 0.05 = 1.761

The calculated value of "t" test (4.28) is more than the table value at 0.05 percent level of significance and the null hypothesis is rejected. Therefore, in the hypothesis, the favorable opinion of investors and the unfavorable opinion of investors' attitude towards the level of influence in investment evaluation and decision-making differ significantly.

SUGGESTIONS
- A Majority of the investors rely on brokers for information. The investors should rely on brokers for every information. They should get relevant information from other sources also.
- the favorable opinion of investors and the unfavorable opinion of investors' attitude towards the level of influence in investment evaluation and decision-making differ significantly.
- The result of the sign test shows that the investors do not have awareness of the functions and regulations of SEBI. This is not good to the investors and they should update themselves and should know about the functions, regulations, and powers of SEBI.

CONCLUSION
Online trading is being preferred by customers rather than Offline trading. The major reason for customers to invest in online trading is its convenience and user-friendly nature. The Stock Exchanges in India, under the overall supervision of the regulatory authority, the Securities and Exchange Board of India (SEBI), provide a trading platform where buyers and sellers can meet to transact in securities. The trading platform provided by the stock market is an electronic one and there is no need for buyers and sellers to meet at a physical location to trade. They can trade through the computerized trading screens available with the stock market. Online trading empowers educated investors to make their own decision with a close watch on market sensitivity by browsing through various sites.

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