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## **Decision Making in Indian Stock Markets**

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Abstract: It aims to explore the perception, apprehensions, and decision marking processes of young investors in the Indian stock market. With the rise of digital platforms and increased accessibility to financial information, understanding how young investors navigate the complexities of stock market investments becomes crucial. The study employs a qualitative approach, utilizing interviews and surveys to gather insights into the factors influencing the investment behaviour of young individuals. The findings of this research are expected to shed light on the unique challenges and opportunities faced by young investors, contributing to the development of tailored investment strategies and educational initiatives. The report contains the methods and techniques adopted by me while doing this research project under the head 'Research Methodology'. A structured questionnaire was designed and it consisted of close ended and rating scale. Date is presented with the help of self-explanatory charts. Interpretations have been made together and the most crucial, the findings section bears my personal comments this report is written account of what learnt and experienced during training and I have tried to complete this report with as much perfection as possible to make it more meaningful and purposeful.

#### I. INTRODUCTION

An important part of the Indian economy is the stock market which is primarily represented by the national stock exchange (NSE)and the Bombay stock exchange (BSE)The number of young investors in the Indian stock market has increased significantly in recent years. This group of people who are primarily in their 20s and 30s is becoming more and more interested in stock investing as a way to build wealth and achieve financial independence this trend is influenced by a number of factors such as the democratization of the potential returns provided by the stock market understanding the perceptions and behaviours of these young investors is crucial for a variety of stakeholders including policy markers financial advisors and the investors themselves.

Young investors feel the Indian stock market as a lucrative avenue for wealth generation the Indian investment landscape has seen a significant change in recent years, primarily due to the influx of young, tech-savvy investors who are keen to use digital solutions to boost their wealth. Because of their adeptness with digital technology, they can easily navigate complicated investment environments, which makes investing in stocks a more appealing and approachable option.

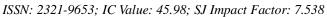
These youthful investors gain a great deal from previously unheard-of access to information in addition to their technical proficiency. Access to vital information and analyses about stock markets, investing strategies, and economic trends has become more widely available due to the growth of financial news portals, social media platforms, and different online investment forums. Their ability to quickly adapt to shifting market dynamics, stay up to date on market developments, and make well-informed decisions is enhanced by their easy access to information.

In addition, younger Indian investors are becoming more positive about the Indian stock markets potential for long-term growth. Many people in this group are optimistic about the future economic of the nation and the growth prospects of Indian rapidly expanding economy, growing global presence, and progressive reforms aimed at improving business friendliness and market robustness all contribute to their positive long-term outlook.

Furthermore, in the current economic environment, where historically low interest rates mean that traditional savings plans like savings accounts and fixed deposits offer reduced returns, the stock markets stand out as an attractive substitute. As a result, young investors are more likely to allocate their savings to stock than to conventional low-yield investments they are willing to accept a certain amount of risk because they understand the possibility for higher returns provided by the stock market and see it as an essential component of longterm wealth accumulation and financial security.

It is impossible to overstate the impact of social influence on young investors investing behaviours. Their perceptions and investment choices are greatly influenced by the influence of peer networks, prominent figures in the finance industry, and successful role models. Observing successful stock market transactions by their idolized and peer investors serves as a source of inspiration and a model for imitation. Shared among their networks, anecdotes of profitable investments and astute observations inspire greater assiduity and self-assurance in the stock market.

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#### II. **OBJECTIVES**

- 1) To study the expectations and apprehension of Young Investors and Traders and also their way of working in Indian stock
- 2) To study the decision-making criterions of those investing in stock markets.
- 3) To determine the most preferred investment avenues of those dealing in stock markets.

#### III. REVIEW OF LITERATURE

(Imen and Omri, 2024) The primary goal of this study is to examine how the white precious metals market reacts to shifts in the unpredictability of crypto currencies. It offers fresh perspectives on the changing dynamics between these two asset types. The research makes use of forecast error variance decomposition estimation, impulse response functions analysis, and quantile regression technique. The primary conclusions of this study imply that returns for silver, platinum, and palladium are not significantly impacted by the two innovative uncertainty measures, UCRY policy and UCRY pricing uncertainty indexes. This suggests that they have no disruptive effects on the market for precious metals. As a result, white precious metals are not thought of as a crypto currency's stand-in and are not affected by fluctuations in the market.

(Jinesh, 2023) The last 20 years have seen a significant increase in behavioral bias research due to growing scholarly interest and a publishing frenzy. The current study investigates how risk perception influences the link between heuristic biases and the decisionmaking of individual equities investors. The survey data from 432 individual equities investors who trade at the National Stock Exchange (NSE) in India are examined in the study using partial least square structural equation modelling (PLS-SEM). It is discovered that risk perception fully mediates the relationship between representativeness bias and investment decision-making, but it only partially mediates the relationship between overconfidence bias and investment decision-making, availability bias and investment decision-making, gamblers' fallacy bias and investment decision-making, and anchoring bias and investment decision-

(Sivasubramania, 2014) In today's global investment market, investors reign supreme. They can invest anywhere, but their daily patterns of investment are always shifting. On the other hand, this study examines how investor behavior affects investor decisionmaking. The purpose of this study is to look into how investor behavior affects investors' choices in the Jaffna Peninsula is home to a huge number of investors. However, the majority of them lack the ability to make wise financial decisions. Thus, the behavior and decision-making of investors were examined in this study. Using a straightforward random selection technique, 100 investors in the Jaffna district were chosen as a sample for this purpose, and questionnaires from the investors were used to gather primary data.

#### RESEARCH METHODOLOGY IV.

Research Methodology is a systemic way to solve the research problem. It may be understood as a science of studying how research is done scientifically.

The present study was undertaken for the study of Indian Stock Markets. This chapter gives us the Research Design, Sampling Plan, Method of Data Collection and Tools used for Data Analysis and Interpretation.

The study was conducted by designing a questionnaire. Before going for the research, I conducted a pivot Run with 25 respondents which threw light on few aspects which needed improvement. This pilot run also gave me few things which I took care off while doing the research. Then I personally contacted 200 respondents to get the questionnaires filled.

#### DATA ANALYSIS AND INTERPRETATION

Table: 1 Distribution of respondents according to their nature

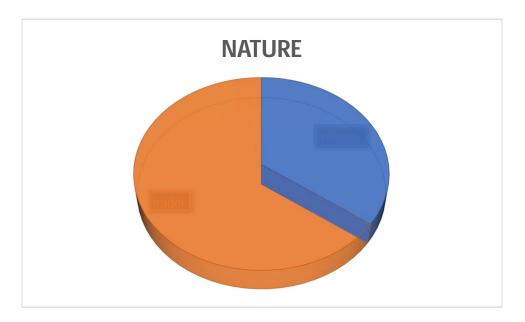
NATURE	NUMBER	PERCENTAGE
Investor	70	35%
Trader	130	65%





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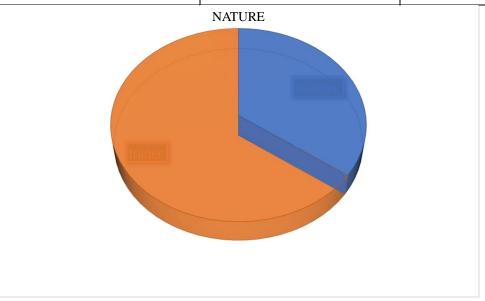
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Interpretation: 35% of the respondents were investors and 65% were traders. Thus, most of the respondents covered during the course of survey were investors who invested their funds for certain period of time.

Table: 2 Distribution of respondents who were investors according to their tenure of investment

TERM	NUMBER	PERCENTAGE
Short Term	20	28.57
Medium Term	33	47.14
Long Term	17	24.29



Interpretation: The study showed that around 29% of the respondents were short term investors, around 47% medium term investors and only 24% were long term investors. Thus, it can be concluded that most investors in share markets are either short- or medium-term investors.

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Table:3 Distribution of respondents who were traders according to their type of trading

TYPE OF TRADING	NUMBER	PERCENTAGE
Intraday	76	58 46
Cash/Delivery	23	17.70
Futures and Ontions	31	23.84



Interpretation: The study showed that around 58% of traders do intraday trading, 18% do cash or delivery-based trading and rest 24% trade in futures and options. Therefore, it can be clearly concluded that intraday trading is the most preferred type of trading by traders, followed by futures and options.

Table:4 Distribution of respondents according to their preferred mode of trading

MODE OF TRADING	NUMBER	PERCENTAGE
Online and trade	86	43
Online trading	40	20
Software	22	11
Broker house	52	26



Interpretation: The above table shows that 43% of the respondents preferred dial and trade, 20% preferred online trading, only 11% preferred by software loaded on their PCs and 26% preferred to trade at the broker's house. Can be concluded that dial and trade and trading at brokers place are the two most preferred mode of trading of respondent.

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#### VI. FINDINGS

- 1) Few people in a Country of over 1.1 people make stock Market Investment.
- 2) Its place for everyone who dreams of a better or more comfortable financial future because of Stock markets.
- 3) It was also clear from the study the most of people current investing in Stock Markets is quite comfortable investing in it.
- 4) Young Investors perceives the Indian Stock Market as Incrative opportunity for Building wealth.
- 5) The study also made it clear that most people still are not much risk takers when it comes to investing most part of their savings.
- 6) They prefer to invest in one of the safest investment instruments called fixed deposits followed by mutual funds, Stock markets and insurance.

#### VII. SUGGESTIONS

The study provides a comprehensive overview of the investment avenues available in precious metals and stones, particularly focusing on gold, silver, platinum, and gemstones such as diamonds, emeralds, rubies, pearls, and sapphires. It delves into the various aspects that investors need should take into account prior to entering these markets, such as the historical significance of these assets, risk concerns, investing techniques, and market dynamics. Still, there are a number of places where the study could be further developed and enhanced to provide more practical insights and guidance for investors.

- Management and Risk Management: While the study acknowledges the inherent risks connected to investing in gemstones and precious metals, it might offer more thorough instructions on risk assessment and mitigation techniques. Talks on hedging strategies, diversification, and the contribution of alternative investments to reducing portfolio risk as a whole may fall under this category.
- 2) Market Analysis and forecasting: The study briefly touches upon market trends and seasonal patterns in demand for precious metals and gemstones especially while considering India. It might, however, benefit from a more thorough examination of market dynamics, including variables affecting supply and demand, price swings, and long-term projections. To assist investors in making well-informed judgements, forecasting techniques and tools should also be investigated.
- 3) Investment Strategies and Asset Allocation: While the study outlines the investment potential of precious metals and gemstones, it could provide more guidance on developing tailored investment strategies and asset allocation models. This could involve discussions on investment objectives, time horizons, liquidity considerations, and the integration of precious metals and stones into diversified investment portfolios.

#### VIII. CONCLUSION

We can infer from this research that the broker or the business channels have a greater influence on investors. A small percentage of investors purchase mega cap shares, while the majority of investors purchase mid cap shares. The foreign stock exchange is not the basis for the investors' investments. The ability to make significant gains from their shares is the main advantage of investing in the stock market for investors. It is clear from this that investors of all genders have similar preferences when it comes to investment avenues, and they make similar decisions about different investment avenues when it comes to investment aspects like gold. Investors of all ages have similar preferences when it comes to sectors like real estate and insurance, but they have different preferences when it comes to stock markets, gold, bank savings, and post office savings. The current study also finds that investor's perceptions of the order in which to make to make investments vary depending on their income level and how they view post-office savings. The study ultimately comes to the conclusion that investors made their investments in a variety of investment avenues with the hope of receiving returns over both short- and long-term periods, as well as capital appreciation.

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