

Investment In Equity Shares by Educated Working Women with Special Reference to Mumbai City

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Abstract

There are different investment avenues available in India. Returns, tax benefits and levels of risk associated with these avenues are varied in nature. Direct investment in equity shares is considered to be highly risky due to the volatile nature of stock market. Without proper fundamental and technical analysis or proper guidance from experts, direct investment in equity shares becomes even more riskier. Through this research paper, an attempt has been made to analyze direct investment made in equity shares by educated working women of different marital status with special reference to Mumbai city.

Keywords: Educated working women, investment in equity shares

INTRODUCTION

In the 21st century, Indian women are playing an important role in the progress of the nation. Their contribution is commendable in all the sectors of the economy such as education, health, industry, information technology, agriculture, banking, insurance and others. Higher levels of education, developments in science and technology, better means of transport and communication, urbanization and the changing attitude of people has made all this possible. Today's women are adept at managing both the household and professional responsibilities in an efficient manner. Along with personal satisfaction and growth, women are also contributing towards the income and savings of their families to attain higher standards of living. It is necessary that women are involved in decision making, especially in the investment of savings made from their incomes. For this purpose, women should have adequate knowledge of the various investment avenues available so that they can make informed decisions to gain financial independence. Some of the investment avenues like Government bonds, bank fixed deposits and post office savings schemes are safer as compared to investment in equity shares and mutual funds.

REVIEW OF LITERATURE

Rao Durga et al (2013) made a study of the influence of demographic factors on investing money in the shares and securities of the stock market. The experiences of many investors were not very satisfactory and hence they were unwilling to invest in the stock market. The regulatory bodies and financial organizations should organize programmes on a regular basis to make people aware about the advantages and risks of investing the stock market. **Rajeshwari Jain (2014)** made a survey of working women in Ahmadabad City. The main objectives for investment by women were high returns, tax benefits, emergency need, retirement plans, security for family and education and marriage of children. Members of family and especially the husband influenced the investment decisions of a married woman. The study revealed that women preferred to invest in Bank fixed deposits followed by other avenues such as gold jewellery, insurance schemes, post office schemes, PPF and real estate. Younger women were willing to take risks and invest in shares and mutual funds as compared to older women. **K.P Sindhu, Dr. Kalidas M.G and Anil Chandran S. (2014)** studied the various factors affecting investor sentiments in the Indian stock market. The attitude and opinion of investors

regarding various investment avenues affects their investment pattern. It was found that there was significant relation between gender and factors such as risk, confidence, herd-behavior and performance evaluation. The stock prices were highly influenced by investor sentiments. Hence, it was necessary to study investor sentiments to predict the stock market movements.

Investment in Equity Shares

Equity shares are also called as ordinary shares. From the investor's point of view, they are riskier than bonds and preference shares. However, they offer greater advantage to the equity shareholders as compared to bond holders and preference shareholders. Equity shares give many rights to their holders. An equity shareholder has the right to vote, the right of being offered right shares, the right to bonus issues and certain tax benefits. Return is provided to such shareholders in the form of dividend. However, the declaration of dividend and the rate of dividend provided to the shareholders are based on the profits made by the company and the decision of the Board of Directors. The investor can also hope for a price appreciation and rise in the value of equity shares. The rate of dividend provided on equity shares is variable in nature and is based on the resolution passed by the Board of Directors of the company. Hence, equity shares are also known as variable income security.

Investment in equity shares of Public Limited Companies can be made by subscribing to the IPOs or by buying shares from the Stock market. Investment in equity shares is quite risky. All the risks should be carefully considered before making investment in equity shares. While profit potential is maximum in equity shares, the risk

of loss and the danger of having minus value is even greater. An analysis of the Company's net worth, financial position, managerial competency and earnings per share should be carefully analyzed before investing in a company's equity share.

OBJECTIVE OF THE RESEARCH

To study the impact of marital status of educated working women on the investment of their savings in equity shares with special reference to Mumbai city.

RESEARCH METHODOLOGY

For research work, primary as well as secondary data was collected. A questionnaire was used to collect data from respondents. A sample size of 100 educated (at least graduates or having vocational or professional qualifications) working women employed in both public and private sectors covering different marital status from Mumbai City and its suburbs was considered. Non-probability Sampling method was used. Under this, Convenience and judgmental sampling method was used. The hypothesis was tested using non-Parametric test like Chi-square test. Secondary data was collected from reference books, research papers/articles published in journals and literature from websites.

HYPOTHESES

Null Hypothesis (H_0): Marital status of educated working women does not have an impact on investment of their savings in Equity shares.

Alternative Hypothesis (H_1): Marital status of educated working women has an impact on investment of their savings in Equity shares.

DATA ANALYSIS AND FINDINGS

Table: Showing investment in Equity shares by Educated working women

Marital Status	No. of women investing in Equity shares	No. of women not investing in Equity shares	Total
Married	24	31	55
Unmarried	33	12	45
Total	57	43	100

Hypothesis testing was done using Chi-square test at 5% Significance level. The chi-square statistic was 8.9055. The p -value was .002843. The result is significant at $p < .05$. Hence, Null

Hypothesis is rejected and Alternative Hypothesis is accepted. So, it may be said that marital status of educated working women

influences their decision to invest in equity shares.

One of the reasons for not investing in equity shares by married women could be their preference for safer investment avenues like Bank deposits and Government bonds. Investing in equity shares is considered to be risky and married women in general have a risk-averse attitude.

SUGGESTIONS

Due to higher responsibilities, married women prefer to invest in safe investment avenues like Bank deposits. However, they should increase their knowledge regarding equity shares, take proper advice from consultants and invest in equity shares which can give them higher returns in the long run.

CONCLUSION

In the past few decades, women have been playing an increasing and important role in the progress of our nation. The Indian Government has also introduced various programs for women empowerment. True women empowerment can be achieved through their education and their active participation in decision-making and the implementation of these decisions in all walks of life. For this purpose, financial independence is needed which comes from earning, saving and investment of such savings in a prudent manner. For this purpose, women must have good awareness about all the investment avenues, should be willing to take risk and should manage their portfolios in a rational manner.

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