

A research Study on Impact of Covid-19 on Investors Perception

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Abstract

This paper gives proof from funding experiments carried out with monetary specialists in December 2019 and March 2021. Our experimental technique permits us to govern loads of disruptive elements that arise throughout an actual monetary disaster or inventory marketplace crash. Financial specialists have located that funding in experiments throughout an inventory marketplace crash is 12% much less than before. The fundamental motive of this paper is to locate investor consciousness in COVID 19. For this, we used sample-sized from 50 traders. We located that gender and ordinary earner of traders performed a crucial function throughout covid19.

Key Words: Covid-19, Investors' Perceptions, Financial Management

INTRODUCTION

Human desires are limitless and to fulfil those limitless desires, finances are required which can be restrained in nature. Besides, destiny is unsure and to dispose of such uncertainties related to the destiny in economic terms, one has to make investments part of their profits in exclusive funding alternatives to be had within side the market, thinking about their economic goals. As Robbins L. (1932) outline economics as "Economics is a observe of the allocation of scare means, able to opportunity uses, amongst competing ends for the attainment of a most bring about the fulfillment of those ends." This definition rightly highlights that the sources at our disposal are very restrained in nature and feature opportunity uses. Funds are one of the maximum critical useful resources without which no economic pastime may be carried out. It is consequently required now no longer best to fulfill modern-day intake requirement of an man or woman however additionally to fulfill destiny contingencies and economic objectives.

In order to fulfill destiny contingencies and economic objectives, man or woman's should

store part of their profits, with the aid of using sacrificing their current intake requirement for reinforcing their destiny economic protection with the aid of using making an investment their surplus finances. It is profitable to mention, the citation of Graham and Qadd's (Bhatt, 2008) here, "An funding operation is one which, upon thorough evaluation guarantees protection of major and an good enough return. Operation now no longer assembly this requirement is speculative."

For the reason of creating investments, one has to put together economic plan thinking about the funding options to be had within side the market. These funding options includes- financial institution constant deposits, NSC, lifestyles insurance, public provident finances, treasured metals, actual estate, publish workplace certificates, stocks, debentures, etc. (Kevin, 2011) (Sasidharan & Mathews, 2011) (Pandian, 2012).

A well-evolved economic device is critical for the improvement of an economic system because it will channelize finances from the excess zone to the deficit sectors thereby making

sure powerful usage of finances (Khan, 2011) (Pathak, 2003). However, with the intention to efficaciously mobilize finances the lifestyles of economic establishments and economic markets supplying a number of funding options as in step with the necessities of the traders could be very essential.

In the Indian economic market, there are some of funding options. The Economic Survey Report (2012-2013) well-known shows that family financial savings accounted for 3/4th of the gross financial savings with important percentage of financial savings being made in bodily belongings over economic belongings. Further, the document states that among the economic belongings, the maximum favored funding alternative is financial institution deposit at the same time as the least favored being stocks and debentures. This suggests that traders in India favor to spend money on much less unstable and secure funding alternatives for making an investment their finances. In addition to this, the SEBI-NCAER (Securities Exchange Board of India-National Council of Applied Economic Research) survey document on "How Households Save and Invest: Evidence from NCAER Household Survey (2011)", well-known shows that the funding in exclusive alternatives throughout asset training isn't uniform and funding in securities withinside the North-jap vicinity could be very negligible in comparison to the alternative elements of the country.

Over the years, monetary markets, especially the inventory marketplace, have advanced via From the Great Depression of 1929 to the recent Covid-19 pandemic, it unleashed political and financial turmoil. The Great Depression lasted 10 years and turned into a recession that started out with a inventory marketplace plunge. At this point, its miles essential to understand the essential function of stocks. The first 19 tremendous COVID instances in India had been enrolled on January 30, 2020 (India Today). Since then, instances have improved often and significantly.

Beginning March 25, 2020, the Government of India has imposed a three-week blockade national to restrict the quantity of instances because of the fast unfold of the virus. During this time, all instructional institutions, offices, public and traveler facilities, public facilities, non-secular facilities, and non-critical shops and

services (such as retail shops) had been closed. Transportation turned into additionally restrained. The suspension duration turned into prolonged from April 15, 2020, to May 3, 2020, after which from May 4, 2020, to May 17, 2020.

In fact, the outage lasted till May 31, and then provider turned into progressively restored. With the protracted lockdown and restrained financial interest, the economic system witnessed an prolonged duration of slowdown; tens of thousands and thousands of jobs had been lost, and organizations had been seriously hit.

At the time of crisis, buyers are liable to sensational and unexpected news. An statistics overload might also additionally restrict clever decision-making and cut down person investor buying and selling interest at some point of a crisis.

LITERATURE REVIEW

Bert (Doctor) K.A. (2013) in the study area, investors are concerned about the safety and reliability of their investments, and while investing in the stock market is popular with investors due to their high returns, uncertainty and knowledge. Insufficient. However, shareholders who have the right knowledge and are willing to take some danger invest in the stock market. Bank interest rates have also fallen in recent years, moving investors to other means such as investment trusts, bonds and stock markets, as well as other means such as land, gold and real estate.

Investor is an investor who invests funds over a longer period of time at a moderate risk that is expected to benefit from assessing the performance of the company (Pandian, 2012). Today's investors need information to determine their investment outlook in order to decide whether to buy, hold or sell stock. On the other hand, future investors need to collect information about the company's future outlook to decide whether to purchase the shares of the company or not (Tulsian, 2012) (Porwal, 2003).

Arora and Khurana (2011) investigated the psychological aspects of gender in money issues and found that female investors dislike risk more than male investors and are less confident in their investment decisions. Bhunia and Das

(2012) studied the relationship between capital market development and total domestic development in order to predict India's capital market investment behavior, and although there is a long-term relationship between the two, the market is investing behavior. I found that I lacked the predictive power of. India.

Maditinos, Sevic & Theriou (2007) stated that "Investors of Athens stock exchange make their investment decision primarily based on fundamental and technical analysis and their investment decision are based less on portfolio analysis". Investors' investment decisions are influenced by investment biases of the investors like – reluctance to realize losses, performance chasing, and home biases. Investors are born with these biases and have a significant impact on their investment decisions (Cornqvist and Siegel, 2012).

Cash is the lazy way to save money. Therefore, maintaining savings in the form of financial assets is essential for a country's economic growth. Based on an analysis of the household sector's financial asset portfolio, Indian households hold most of their savings in the form of deposits (both bank and non-bank deposits), followed by contractual savings (provider funds, pensions, etc.). Life Insurance Fund), followed by investments in stocks and debt securities (Pathak, 2003).

Mobilizing funds from savers to investors is critical to economic development and growth. Capital markets play an important role in mobilizing funds in India's financial system. The Capital Markets provides a platform for companies to raise capital in newly issued markets and provide shareholders with liquidity to trade issued / existing securities (Gurusamy, 2008).

In order to study investor behavior, it is essential to know the different categories of investors. Bhatt (2008) categorized stock market investors into three categories: contrarian, trend followers, hedgers and holders. Contrarians oppose the market. He buys when others are selling. Trend followers tend to move in line with market trends, are conservative in nature, and invest in safe investment options such as bank stocks. Private investors in India include hedgers and holders who want low risk and preferably high returns guaranteed by the government. Researchers in this area have also

observed that investor personalities vary by class and that more familiar categories can carry greater risk.

Investors actively participating in capital markets are looking for investment strategies that can generate returns that exceed market returns. They use both fundamental and technical analysis to build investment strategies while investing in the Indian capital markets. As the volatility of Indian capital markets increased, investors' investment terms became shorter (Tripathi, 2009).

"Financial status and investor profile determine the investor's investment method. Individual investors can win or lose depending on the company in which they invest. Investors manage their equity investment. You need to have a basic knowledge of the financial and market system. Stock market trends are reflected in stock index movements and trading volumes. To promote and protect the interests of investors, the Investor Education and Protection Fund was established by the Companies Act 1999 (Revised Investor Guide) under Section 250C of the Companies Act 1956.

Savings: It is very important to bring stability to the investment process. To achieve this and run the savings investment process smoothly, regulators need to consider three aspects. A mechanism for obtaining desirable information about capital markets. Systematic risk mitigation (Ghosh, 2014). The domestic savings rate as a percentage of financial assets was fairly constant. However, as the capital markets grew, the composition of domestic financial savings changed from bank deposits to stocks and bonds (Nagaraj, 1996).

"Foreign Institutional Investors (FII) manipulate the stock market by price fixing. They have played an important role in shaping stock price trends in India since 1991. So even if the company is doing well, the price of the company's stock will go down. In such a situation, domestic investors may withdraw from the stock market, narrowing the investment base and adversely affecting the economy. Therefore, the stock market development policy is not aimed at attracting FII portfolio investment, but allows small domestic investors from the market to participate in the stock market (by channelizing savings).

The purpose is to be. It should be for encouragement. Destabilize emerging markets with huge resources”(SamalCK, 1997). The stock market impacts savings in three ways: risk-sharing mechanisms, impact on consumer demand, and impact on interest rates. The stock market provides households with additional tools for parking savings by meeting their needs by providing tools that require risk-taking and liquidity (Pal, 1998).

The estimated savings rate has declined since 1991. Various interpretations have been proposed for this. The Government of India states that this may not reflect the methodological practices of. However, some critics interpreted this as a result of increased use of durable consumer goods, which led to a decrease in savings (Balakrishnan, 1996).

Individual investors have a gamut of information which they have to consider for investing in the share market. But still, people follow their inner feelings while investing instead of using the information available to analyze their investment decision. There are a number of theories and empirical studies which supports that individual investor investment decisions are driven by psychological factors (Mardyla & Wada, 2009).

Saikumar & Punniyaseelam (2012) have carried out a study whereby they have analysed the employees saving and investment behaviour of chemical industries in Cuddalore district. In their study they have observed that there was considerable difference amongst married and unmarried employees with respect to their mode of savings.

Menakadevi and Kumaravel (2012) found that taxes have a significant impact on investment channel choices and thus on investment decisions. Kumar T.V.V.P (2010) conducted a survey investigating the perspectives of individual investors in the capital markets of Visakhapatnam. Factors that influence the socio-economic profile of individual investors, factors that influence the investment behavior of individual investors, trading practices of individual investors in the stock market, factors that influence the risk appetite of individual investors, and investment by individual investors. It sheds light on the problems you face. Capital market.

“Investor investment patterns in bond markets are based on investment objectives, investment timeframes, expected returns, and attitudes towards risk. Affordable amounts of money for credit market investors are their investment objectives. To decide. To achieve this financial goal, investors need to build their investment portfolio in a reasonable time frame. The expected rate of return of investors in the fixed income capital markets has a significant impact on the investment portfolio and its diversification. Successful fixed income market investors need to plan appropriate risk-reward trade-offs ”(Neelakantan P., 2011).

Priya S. (2011) conducted a survey on investor attitudes and behaviors towards investment trust investments, taking into account various aspects that affect investment trust investments. The various aspects covered in the study includes – mutual fund investment pattern in India; investment profile of the investors classifying the mutual investors into two categories large and small, the classification been made based on the volume of investment made by the investors; perception of the mutual fund investors, problems encountered by the mutual fund investors and the level of grievances and redressal mechanism.

RESEARCH METHODOLOGY

Primary and secondary data were collected during the course of the study. However, the primary data was prioritized. Respondents were asked to rate their opinions on a 5-point Likert scale in a given format. The total target population for the study is 50. For the same researcher sent questionnaire to 75 investors and received 52 responses, out of which researcher considered 50 Responses for study and removed 2 responses. For sampling researcher used random sampling techniques.

OBJECTIVES OF STUDY

- To know the impact of gender on investors perception during covid-19
- To know the impact of total family members and regular earner of family on investors perception during covid-19

RESPONDENT DETAILS**Education Qualification**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	2	4.0	4.0	4.0
	Masters	37	74.0	74.0	78.0
	Others	11	22.0	22.0	100.0
	Total	50	100.0	100.0	

[Table 1: Education Qualification of Selected Sample]

Table 1 shows the education qualification of selected sample. Researcher found that out of total sample 74% sample are masters and only 4% samples are diploma. That shows that

overall, 96% respondent are more educated and only 4% are under graduated. That's important for financial literacy and investment decision.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	29	58.0	58.0	58.0
	Female	21	42.0	42.0	100.0
	Total	50	100.0	100.0	

[Table 2: Gender of Selected Sample]

Table 2 shows the data of gender. Out of total samples 58% respondents are male where as 42% respondent are female. That shows that

male are more investing funds in investment alternatives in compare to female because it's random selection of samples.

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	18	36.0	36.0	36.0
	Married	32	64.0	64.0	100.0
	Total	50	100.0	100.0	

[Table 3: Marital Status of Selected Sample]

Table 3 shows the marital status of selected samples. It's important because during covid-19 income and family size are more important factor. In this study 64% respondent are married

and only 36% respondent are single. It shows the 64% respondents are having more responsibility in compare to others.

HYPOTHESIS

Ho1: There is a significance difference between gender of investors and Investment perception during COVID-19

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Reassess your overall investment Decision	Between Groups	.030	1	.030	.021	.885
	Within Groups	68.550	48	1.428		
	Total	68.580	49			
Assess Your Risk Bearing Level	Between Groups	.853	1	.853	.583	.449
	Within Groups	70.267	48	1.464		
	Total	71.120	49			
Determine your return objective for the investment	Between Groups	.270	1	.270	.155	.696
	Within Groups	83.750	48	1.745		
	Total	84.020	49			
Consider a Variety of Investment Options	Between Groups	.480	1	.480	.298	.588
	Within Groups	77.300	48	1.610		
	Total	77.780	49			
Liquidity	Between Groups	2.430	1	2.430	1.732	.194
	Within Groups	67.350	48	1.403		
	Total	69.780	49			
Tax Benefits	Between Groups	.480	1	.480	.318	.576
	Within Groups	72.500	48	1.510		
	Total	72.980	49			
Long Term Reliability	Between Groups	3.000	1	3.000	1.540	.221
	Within Groups	93.500	48	1.948		
	Total	96.500	49			
Market Factor	Between Groups	.003	1	.003	.003	.959
	Within Groups	59.617	48	1.242		
	Total	59.620	49			
Wealth Creation	Between Groups	3.000	1	3.000	2.087	.155
	Within Groups	69.000	48	1.438		
	Total	72.000	49			

Protection against inflation	Between Groups	.403	1	.403	.223	.639
	Within Groups	86.817	48	1.809		
	Total	87.220	49			

[Table 4: ANOVA table of hypothesis-1]

Table shows the ANOVA test results of gender and investment decision. All the values are more than 0.05 so null hypotheses are failed to accept. It shows that there is a significance difference between gender and investment perception objectives.

Ho2: There is a no significance difference between regular Earner of Family Members and Investment Perception during COVID-19.

ANOVA

Regular Earner of Family

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.895	2	2.447	4.052	.024
Within Groups	28.385	47	.604		
Total	33.280	49			

[Table 5: ANOVA table of hypothesis-2]

Table 5 shows relationship between regular earner of family members and investment influences. Sig. value is less than 0.05 shows that null hypothesis fails to reject. There is no significance difference between regular earner of family members and investment perception.

the aid of using Thomson Reuters and Investing.com the use of statistics from 2010 to 2021. The signs accumulated on this survey encompass signs from nations consisting of Brazil, Canada, Germany, Hong Kong, Japan, Mexico, Qatar, South Africa, Turkey, the United States, the UK and the United Arab Emirates.

CONCLUSION

The March 2020 experimental assets were rated lower risk than December 2019, so we focused on the impact of the stock market crash on expert risk perceptions. The experiment looked relatively benign compared to the actual volatility cluster in March 2020. In contrast, the volatility of experimental assets in December 2019 seemed more extreme compared to a year of bullish real-world execution experience. Students did not see any difference in the risk perception of the COVID-19 pandemic in the global stock market from December 2019 to March 2020. In this study, 12 stock indexes were used on behalf of the world stock indexes. The dataset used on this take a look at turned into a day-by-day time collection accumulated with

In case of first objectives, researcher found that age of investors and its impact on investment decision are significant different and in case of second objective researcher found that their total number of family members and regular earner of family members are important factors for investment decision of investors.

SUGGESTIONS

For improving financial investment awareness in youth, awareness camp relate to financial investment is required. Youngsters need to spend some time in financial system and investment alternatives analysis so that they can select proper assets for investment.

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