

A Study on the Awareness of Stock Market Investment Among College Students

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Abstract

This research aims at investigating the level of awareness, knowledge and perceptions of Indian college students regarding stock market investing based on the fact that there is an increase in financial markets and more attention to individual financial planning. The research design is descriptive and entirely relies on secondary data on stock market investing and financial literacy which was collected based on reputable journals, published research articles, textbooks, financial reports and other reliable online materials. The research determines the level of awareness among college student depending on such factors as knowledge of stock market, knowledge of various investment opportunities, risk and return perception, information sources on ownership and overall attitude towards stock markets investment. Findings of the previous studies reveal that most college students have a fundamental knowledge of the stock market, but only a small percentage have been practically exposed to stock market investments and are also not actively involved in investing in the stock market. Some of the major causes identified are lack of proper financial education, fear of market volatility, low disposable income and inadequate institutional guidance. It also underlines the importance of educating the students in terms of attitude and knowledge towards investing through the educational institutions, digital platforms, social media, and financial awareness programs. All in all, the study points out the fact that well-organized financial literacy programs and investor education should be implemented in order to maximize the level of awareness, minimize the number of myths, and promote informed and rational decisions regarding investing in the stock market among the representatives of colleges.

Keywords: Investment Behaviour, Risk and Return, Stock Market, Investment Awareness, College Goers.

1. Introduction

Investment in the stock market is crucial in the development of the economy in mobilizing savings and investing them in productive activities. It serves as an intermediary between business and investors, which promotes capital formation, industrial growth, and entrepreneurship. In India, stock markets such as Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) have become efficient technology-driven to guarantee transparency, liquidity and accessibility. Stock market participation has also been facilitated by the emergence of digital trading and financial awareness and this has been particularly easy among college students. But with the rising awareness, there has been little in-depth knowledge. Risk management, diversification and investment strategies are other concepts that many students do not comprehend clearly which usually causes a misconception and reluctance.

1.1 Need for the Study

The reason of the necessity of the study is the increasing availability of stock market investment and insufficient financial literacy among students that can create the possibility of making uninformed decisions and risks with finances.

1.2 Statement of the Problem

Although there is rising awareness, students do not have a practical knowledge and are guided by untrustworthy materials, which results in misconceptions, fear of taking a risk, and not investing in the stock market.

1.3 Theoretical Framework

The research is premised on the financial literacy theory, behavioural finance theory and risk perception. It combines the education about the principles of investment, decision-making behaviour and psychological elements affecting investors. The framework outlines awareness, attitudes and external factors as important determinants of investment behaviour between students.

1.4 Significance of the Study

The study demonstrates the significance of financial education, assists in outlining the knowledge gaps among different groups of students, and assists the policymakers and educators in developing effective awareness programs.

1.5 Objectives of the Study

- To locate the sources of financial knowledge.
- To study perceptions and attitude towards investment.
- To identify variables that affect awareness.

1.6 Scope of the Study

This paper is based on secondary data, involving awareness of the stock market in college students to give a general picture of what to do in the future researches and policies.

2. SCHOLARLY REVIEW

It has also been found that a number of studies have highlighted the increasing relevance of financial literacy and consciousness in influencing the stock market involvement of college students. **Sindambiwe P. (2014)** emphasized that financial literacy has a backbone contribution in enhancing awareness and engagement in new capital market. Likewise, **Thapa B. K. (2018)** emphasized that basic stock market education is needed by undergraduate students to make informed decisions. Studies by **Aye N. M. (2020)** and **Guni G. et al. (2020)** determined that financial knowledge and capital market literacy have a strong impact on students in their intention to invest. In line with this, **Aisa N. N. (2022)** deduced that financial literacy and access to technology influence investment intention in the youth positively. Moreover, **Latif R. A. et al. (2021)** and **Manik E. (2021)** have found motivation, knowledge, and technological advancement as the determinants affecting the investment behaviour of students. Besides this, **Patil S. & Jadhav P. (2022)** found out that despite the growing levels of awareness among the students, the actual participation is comparatively lower based on the risk perception and lack of practical exposure.

Recent research like **Arena J. et al. (2023)** and **Lama S. et al. (2024)** confirm once again that awareness, attitude, and financial literacy are closely interrelated, though still there are gaps in the knowledge and actual investment behaviour. Further, **Sambell J. S. et al. (2024)** supported the mediating value of financial literacy in the process of changing awareness into real investment choices. In general, the literature shows that the awareness of college students

has become much better, but the lack of practical knowledge, aversion to risk, and a lack of financial confidence still limit active involvement in stock market investment.

3. RESEARCH METHODOLOGY

3.1 Research Design

The research design used in the study is descriptive research design to examine the awareness of the stock market investments among college students. It is concerned with learning the knowledge, perception, and attitude of students based on the systematic review of the secondary data. The design is appropriate because it allows the structured analysis and summary of data on the available studies, journals and financial publications.

3.2 Sources of Data

The entire research is founded on secondary data that is obtained or gathered using trustworthy sources, such as academic publications, peer-reviewed articles, financial magazines, business publications, books on financial literacy and investor behaviour, and credible online databases. The sources offer information on the level of awareness, perception, and investment behaviour of the students.

3.3 Period of the Study

The research paper takes into account the study and data published within the past ten years, which guarantees the topicality and timeliness of the study on the level of stock market awareness among college students.

3.4 Variables of the Study

The major variables under analysis are: The level of awareness of stock market investment. Core concepts (shares, diversification, risk) knowledge. Sources of information in stock market. Risk and return perception. Attitude towards participation in the stock market.

3.5 Analysis Tools and Techniques

The research employs the descriptive analysis to analyze the secondary data. It entails an analysis of previous studies, comparison of results, and outlining the themes that were significant over the subject of student awareness and behaviour.

3.6 Method of Data Analysis

The secondary data was interpreted, analysed and organised. Critical literature review was used to comprehend the awareness and perception of stock market investment level amongst the students. The conclusion was made based on the findings and recommendations were made towards improving financial awareness and participation.

4. DATA ANALYSIS AND INTERPRETATION

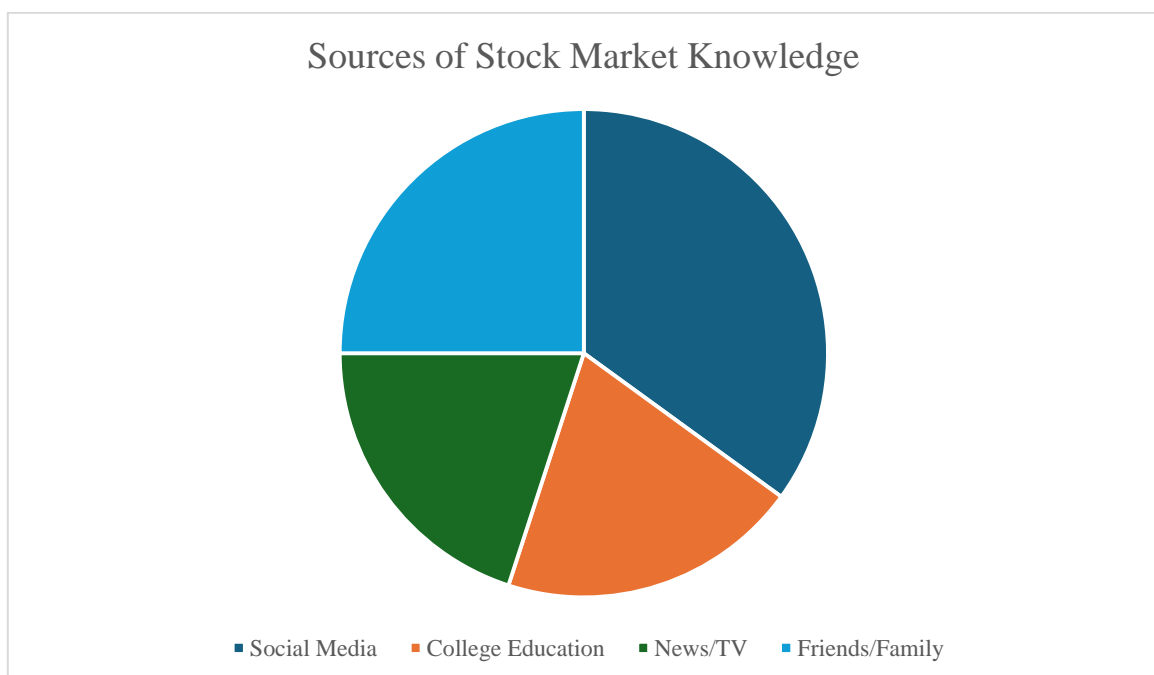
The chapter offers a methodical discussion of the stock market awareness among college students according to the research objectives. It dwells on comprehending the origin of knowledge, perceptions of students and the determinants of their awareness.

Objective 1: Sources of Stock Market Knowledge

Table 4.1: Sources of Stock Market Knowledge

S. No	Factors	Percentage (%)
1	Financial Literacy	30%
2	Income Level	20%
3	Risk Perception	25%
4	Access to Apps/Technology	25%

Fig 4.1: Sources of Stock Market Knowledge



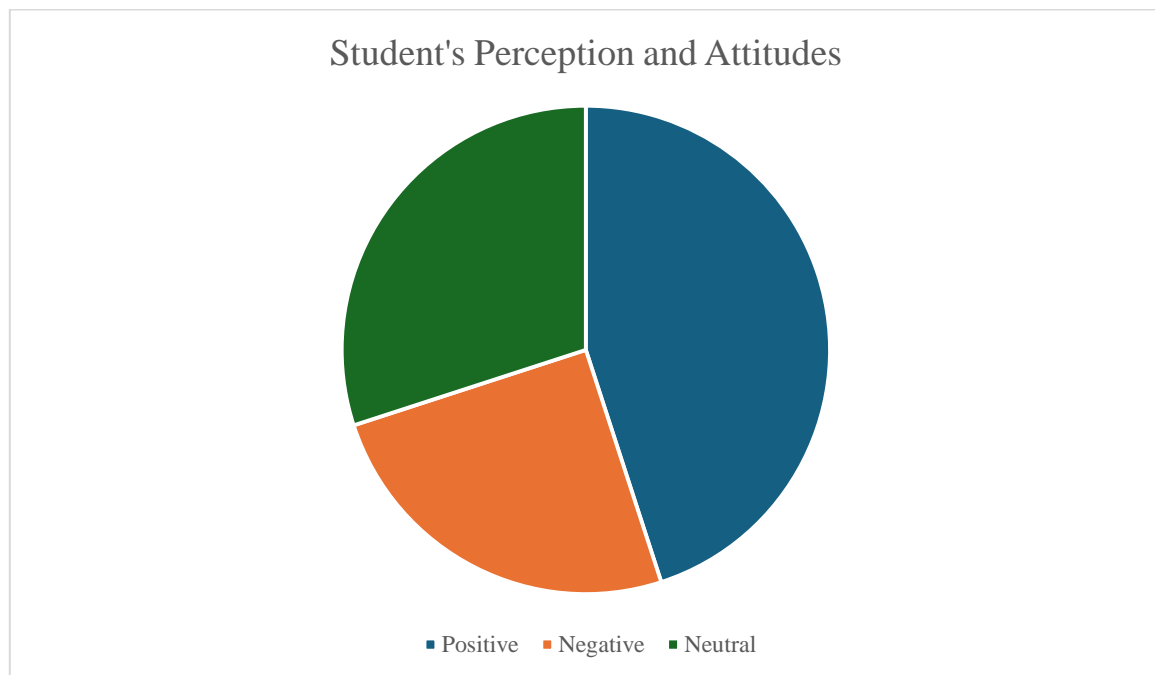
The table and chart above indicate that most students (35) acquire knowledge about the stock market through the social media, and this is the most influential tool. Friends and family (25) are the next followed and this shows the contribution of personal networks in disseminating financial awareness. The 20 percent of the knowledge that is attributed to news and television leads to the same result, with college education also representing 20 percent, indicating that exposure to the concepts of the stock market is still uncommon in the formal academic study. All in all, the research indicates that unstructured and online sources prevail over formal means of education in influencing students in their perception of stock market investment.

Objective 2: Students' Perceptions & Attitudes

Table 4.2: Students' Perceptions and Attitudes

S. No	Perception Type	Percentage (%)
1	Positive	45%
2	Neutral	30%
3	Negative	25%

Fig 4.2: Students' Perceptions and Attitudes



This data shows that a considerable students of percentage 45 is positively oriented towards the stock market investment, which means that more students are interested and do

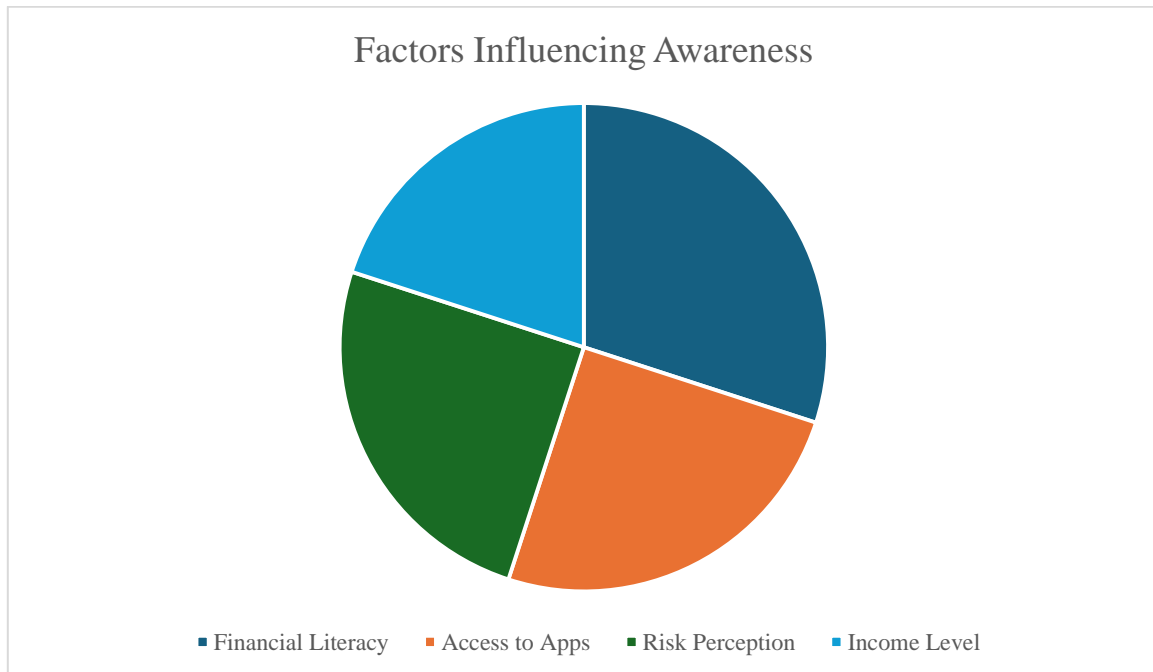
not reject it. Nonetheless, one-third of the students do not take any position, which is potentially explained by a lack of adequate knowledge or practical experience. In the meantime, a quarter of the students have a negative attitude, which can be caused by amphibian fear of risk, fluctuations in the market, and financial illiteracy. This implies that the attitudes may be favourable, but it is also necessary to raise the awareness and confidence levels of the students to motivate them to engage in the stock market.

Objective 3: Factors Influencing Awareness

Table 4.3: Factors Influencing Awareness

S. No	Factors	Percentage (%)
1	Financial Literacy	30%
2	Income Level	20%
3	Risk Perception	25%
4	Access to Apps/Technology	25%

Fig 4.3: Factors Influencing Awareness



The analysis shows that financial literacy is the most significant factor influencing stock market awareness among students, accounting for 30%. Risk perception and access to

technology each contribute 25%, indicating that both understanding of risk and availability of digital platforms play a major role in shaping awareness levels. Income level accounts for 20%, suggesting that financial capacity has a relatively lower influence compared to knowledge and accessibility. Overall, the findings emphasize that improving financial education and digital access can significantly enhance stock market awareness among college students.

5. Findings and Conclusions

5.1 Major Findings of the Study

The analysis shows that the awareness of stock market in college students has grown remarkably over the years with the level of awareness expanding to 55 percent in 2020 and 70 percent in 2025. This has increased mostly because of the digital platforms, social media and efforts by regulatory authorities like SEBI. Nevertheless, with this breakthrough, the participation levels are still low with a range between 8-12 percent which still leaves the gap between awareness and participation. This observation conforms to the past researches. As an example, **Cimambwe (2014)** and **Tek Chand (2022)** note that the level of awareness is relatively high, but there are few participants in capital markets, as they do not have confidence and practical experience. In the same line, **Wang (2020)** also discovered that the majority of students have the simplest or weakest knowledge of stock market principles that limits their capability to invest actively.

--The research also concludes that learners mostly rely on informal channels (social media, peers and internet) to possess knowledge on the stock market. Although these sources can be effective in increasing exposure, these resources frequently result into wrong assumptions and inaccurate knowledge. This coincides with the results of **Gupta et al. (2023)** that show that students are knowledgeable of the concept of the stock market, but they do not know real investment tools. The other important discovery is that the most influential factors that affect awareness and participation are financial literacy, risk perception, and access to technology. The research by **Latif et al. (2021)** and **Malkan et al. (2022)** validates that the financial literacy is an important factor in the determination of investment intentions, whereas risk perception serves as a hinder to participation.

5.2 Suggestions / Recommendations

Government and Regulatory Authorities (SEBI, RBI, etc.).

Strong efforts should be made by the government and other regulatory agencies like SEBI and RBI to enhance financial literacy among college students. This may be achieved by workshops, awareness, and online platforms of learning. They ought also to implement obligatory basic investment education at school and college levels. Also, close monitoring and control of misguiding financial information on the social media is vital in mitigating misinformation and ensure the young investors do not make an uninformed decision.

Educational Institutions

Schools have a major role in the financial enlightenment of students. They ought to incorporate financial literacy and stock market subjects in the academic curriculum. Practical exposure can be improved by setting up investment clubs, stock market laboratories and simulation based learning environments. Seminars, guest lectures, and training will also enhance real-life knowledge.

Financial Institutions / Companies

Banking institutions ought to come up with trading platforms that are easy to use by the novice traders. Students can be given instructions on how to use investment tools and given demo accounts to get confidence. They should also create awareness on long term investment and risk management.

5.3 Limitations of the Study

The research has a number of limitations which must be put in mind when analyzing its results. First, it is founded fully on secondary data, which is not necessarily complete, reliable, and current. This may influence the general validity of the results and conclusions made. Secondly, the research limits itself to college students and does not cover the other types of investors including professionals at work or those who are experienced in the market hence restricting the breadth of the research. Moreover, having no primary data implies that no real-time opinion, attitudes and patterns of behaviour are directly observed among the students. This limits the inference of their real investment behaviour and decision making process. Moreover, the results are only a general picture and might not represent personal differences in awareness, risk perception, and investment preferences. Therefore, these conclusions must be taken with caution and these limitations should be remembered.

5.4 Overall Conclusion

In conclusion, the paper has shown that, although stock market awareness is increasingly gaining relevance among college students, it is not enough to become active. There is also a wide divide between knowledge and actual investment behaviour, still of concern. Even though most students have been exposed to basic awareness on investment, most of them have been reluctant to invest because of the fear of losing money, not having any practical experience and not being sure about their decision-making ability. This means that theoretical learning without practice is not sufficient to spur on actual involvement. Hence, the level of awareness should be converted into the action by promoting better financial literacy programs, effective training, and confidence-building efforts. Financial advisers, mock trading platforms, workshops, and internships can be used to help students to get a hands-on experience and eliminate the fear of hesitation. Another important point mentioned in the study is that college students are one of the key groups of future investors, and they should be provided with the necessary financial skills to achieve economic stability in the long-term.

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