

PROJECT REPORT

ON

A STUDY ON PUBLIC AWARENESS ABOUT EQUITY AND ROLE OF SEBI IN INDIAN STOCK MARKET

**SUBMITTED IN PARTIAL FULFILLMENT FOR THE
AWARD OF THE**

**DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION 2017-20**

UNDER THE GUIDANCE OF

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STUDENT UNDERTAKING

This is to certify that I have completed the Project titled “A STUDY ON PUBLIC AWARENESS ABOUT EQUITY AND ROLE OF SEBI IN INDIAN STOCK MARKET ” under the guidance of “Ms. NUPUR ARORA” in partial fulfillment of the requirement for the award of degree of Bachelor of Commerce (BCOM [H]) at Vivekananda Institute of Professional Studies, Vivekananda School of Business Studies, New Delhi. This is an original piece of work and has not been submitted elsewhere.

AYUSH GOEL

CERTIFICATE

This is to certify that the project titled “A STUDY ON PUBLIC AWARENESS ABOUT EQUITY AND ROLE OF SEBI IN INDIAN STOCK MARKET” is an academic work done by “AYUSH GOEL” submitted in the partial fulfillment of the requirement for the award of the degree of Bachelor Of Commerce (BCOM [H]) from Vivekananda Institute of Professional Studies, Vivekananda School of Business Studies, New Delhi., under my guidance & direction. To the best of my knowledge and belief the data & information presented by him/her in the project has not been submitted earlier.

Ms. NUPUR ARORA

ACKNOWLEDGEMENT

I express my sincere gratitude and thanks to Ms. NUPUR ARORA for giving me an opportunity to enhance my skill in my project. I am thankful for her guidance, patience and consummate support. I extend my heartiest thanks to her for enlightening my path. Without her sincere advice, this project has been impossible.

Moreover, I would also like to thank the various people who were involved with this project and gave me invaluable guidance in this regard. Without their help, this project would not have been as comprehensive and detailed as it is.

I also feel grateful and elated in expressing my indebtedness to all those who have directly or indirectly helped me in accomplishing this research.

CHAPTER -1

INTRODUCTION

A BRIEF

A STUDY ON PUBLIC AWARENESS ABOUT EQUITY AND ROLE OF SEBI IN REGULATING STOCK MARKET.

A **stock market**, **equity market** or **share market** is the aggregation of buyers and sellers (a loose network of economic transactions, not a physical facility or discrete entity) of stocks (also called shares), which represent ownership claims on businesses; these may include *securities* listed on a public stock exchange as well as those only traded privately. Examples of the latter include shares of private companies which are sold to investors through equity crowdfunding platforms. Stock exchanges list shares of common equity as well as other security types, e.g. corporate bonds and convertible bonds.

The stock market works as investors buy shares (making them part owners) in publicly traded companies and then sell those shares back (relinquishing their part ownership). There are many different strategies for investing, but the basic function of the stock market comes down to investors purchasing and selling previously existing shares.

RATIONALE FOR CHOOSING THIS TOPIC :

WHENEVER A PERSON HEARS THE WORD “SHARE”, ONE THING POPS UP IN HIS MIND WHICH IS SHAREHOLDER i.e OWNER OF THE COMPANY IRRESPECTIVE OF THE STAKE.

SHARES ARE SOMETHING WHICH CAN CHANGE THE STATUS OF A PERSON OVERNIGHT AND I ALWAYS WANTED TO UNDERSTAND THE PROCESS INVOLVED IN STOCK MARKET. SO CHOOSING THIS TOPIC ACTUALLY MADE ME FULFILL MY WISH.

OBJECTIVES OF THE STUDY

1. TO STUDY THE SIZE OF PUBLIC WHO ACTUALLY INVESTS IN STOCK EXCHANGE.
2. TO FIND OUT THAT THE PEOPLE WHO ACTUALLY TRADE IN THE STOCK MARKET PREFERS WHICH TYPE OF TRADING. (INTRADAY TRADING , SWING TRADING , POSITIONAL TRADING)
3. TO STUDY THE MOST COMMONLY PURCHASED INSTRUMENTS OF MARKETS. (EQUITY SHARES , DEBENTURES , FLEXI BONDS OR MUTUAL FUNDS)
4. TO FIND OUT THAT WHICH AGE-GROUP PEOPLE OF OUR NATION PERFORMS TRADING .
5. TO STUDY WHICH MODE OF TRADING DO PEOPLE PREFER WHO TRADES IN THE MARKET. (CASH , FUTURES OR SOME OTHER)
6. TO STUDY THE ROLE OF SEBI IN REGULATING THE STOCK MARKET FROM INVESTOR'S POINT OF VIEW.

Research Methodology of the study

The study is an exercise involving estimation of parameters as regard to organizational requirements- Research was designed so as to get the relevant information that can be used for various organizational purposes.

DATA SOURCE:

Research included collecting both primary and secondary data.

PRIMARY DATA is the first hand data, new data gathered to help solve the problem at hand. Data is collected personally for the specific project through research. Questionnaire was prepared to gather information on the company marketing and services.

SECONDARY DATA is the is the second hand data collected by someone else with is gathered through internet, publications, articles, company books, etc.

DATA COLLECTION:

The data collection method used was none other than survey method which is usually incorporated for collection of raw information. The survey method is advantageous because it helps to collect a great deal of information about an individual respondent.

Survey:

The type of survey undertaken was that of sample type keeping in consideration the time constraint and paraphimotic, besides the viability of census survey. The sample survey thus being taken to the right path to reach the desired destination was carefully planned to convert of the operation by using selected samples.

Statistical Tool:

The tool for obtaining the information was questionnaire. A structured questionnaire was administered. The questionnaire was designed in the view both major and minor objective of study.

Sampling: With the customer being unknown and given the time and resource constraints random sample was obtained from different people.

Data completion and analysis:

After the data was collected, it was tabulated and findings of the project were presented followed by analysis and interpretation to reach certain conclusions.

LIMITATIONS:

- The sample was collected using sampling techniques. As such result may not give an exact representation of the population
- Most of the data being secondary can be biased towards the company.
- Shortage of time is also a reason for incomprehensiveness.
- Most of the information was taken from secondary sources being based on previously printed data.

CHAPTER -2

ABOUT THE TOPIC

&

SEBI PROFILE

ABOUT THE TOPIC

A STUDY ON PUBLIC AWARENESS ABOUT EQUITY AND ROLE OF SEBI IN INDIAN STOCK MARKET.

INTRODUCTION / CONCEPT

STOCK MARKET

A **stock market**, **equity market** or **share market** is the aggregation of buyers and sellers (a loose network of economic transactions, not a physical facility or discrete entity) of stocks (also called shares), which represent ownership claims on businesses; these may include *securities* listed on a public stock exchange as well as those only traded privately. Examples of the latter include shares of private companies which are sold to investors through equity crowd funding platforms. Stock exchanges list shares of common equity as well as other security types, e.g. corporate bonds and convertible bonds.

STOCK EXCHANGE

A stock exchange is an exchange (or bourse) where stock brokers and traders can buy and sell shares of stock, bonds, and other securities. Many large companies have their stocks listed on a stock exchange. This makes the stock more liquid and thus more attractive to many investors. The exchange may also act as a guarantor of settlement. Other stocks may be traded "over the counter" (OTC), that is, through a dealer. Some large companies will have their stock listed on more than one exchange in different countries, so as to attract international investors.

Stock exchanges may also cover other types of securities, such as fixed interest securities (bonds) or (less frequently) derivatives which are more likely to be traded OTC.

TRADE

Trade in stock markets means the transfer for money of a stock or security from a seller to a buyer. This requires these two parties to agree on a price. Equities (stocks or shares) confer an ownership interest in a particular company.

Participants in the stock market range from small individual stock investors to larger trader investors, who can be based anywhere in the world, and may include banks, insurance companies, pension funds and hedge funds. Their buy or sell orders may be executed on their behalf by a stock exchange trader.

Some exchanges are physical locations where transactions are carried out on a trading floor, by a method known as open outcry. This method is used in some stock exchanges and commodity exchanges, and involves traders shouting bid and offer prices. The other type of stock exchange has a network of computers where trades are made electronically. An example of such an exchange is the NASDAQ.

A potential buyer *bids* a specific price for a stock, and a potential seller *asks* a specific price for the same stock. Buying or selling *at the market* means you will accept *any* ask price or bid price for the stock. When the bid and ask prices match, a sale takes place, on a first-come, first-served basis if there are multiple bidders or askers at a given price.

EQUITY

In financial markets, a share is a unit of account for various investments. It often means the stock of a corporation, but is also used for collective investments such as mutual funds, limited partnerships, and real estate investment trusts. Corporations issue shares which are offered for sale to raise share capital. The owner of shares in the corporation is a shareholder (or stockholder) of the corporation. A share is an indivisible unit of capital, expressing the ownership relationship between the company and the shareholder. The denominated value of a share is its face value, and the total of the face value of issued shares represent the capital of a company which may not reflect the market value of those shares.

HISTORY

In 12th-century France, the *courretiers de change* were concerned with managing and regulating the debts of agricultural communities on behalf of the banks. Because these men also traded with debts, they could be called the first brokers. A common misbelieve is that, in late 13th-century Bruges, commodity traders gathered inside the house of a man called *Van der Beurze* , and in 1409 they became the "Brugse Beurse", institutionalizing what had been, until then, an informal meeting, but actually, the family Van der Beurze had a building in Antwerp where those gatherings occurred; the Van der Beurze had Antwerp, as most of the merchants of that period, as their primary place for trading. The idea quickly spread around Flanders and neighboring countries and "Beurzen" soon opened in Ghent and Rotterdam.

In the middle of the 13th century, Venetian bankers began to trade in government securities. In 1351 the Venetian government outlawed spreading rumors intended to lower the price of government funds. Bankers in Pisa, Verona, Genoa and Florence also began trading in government securities during the 14th century. This was only possible because these were independent city-states not ruled by a duke but a council of influential citizens. Italian companies were also the first to issue shares. Companies in England and the Low Countries followed in the 16th century.

FUNCTIONS AND PURPOSE

The stock market is one of the most important ways for companies to raise money, along with debt markets which are generally more imposing but do not trade publicly. This allows businesses to be publicly traded, and raise additional financial capital for expansion by selling shares of ownership of the company in a public market. The liquidity that an exchange affords the investors enables their holders to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as property and other immoveable assets. Some companies actively increase liquidity by trading in their own shares.

History has shown that the price of stocks and other assets is an important part of the dynamics of economic activity, and can influence or be an indicator of social mood. An economy where the stock market is on the rise is considered to be an up-and-coming economy. The stock market is often considered the primary indicator of a country's economic strength and development.

Rising share prices, for instance, tend to be associated with increased business investment and vice versa. Share prices also affect the wealth of households and their consumption. Therefore, central banks tend to keep an eye on the control and behavior of the stock market and, in general, on the smooth operation of financial system functions. Financial stability is the raison d'être of central banks.

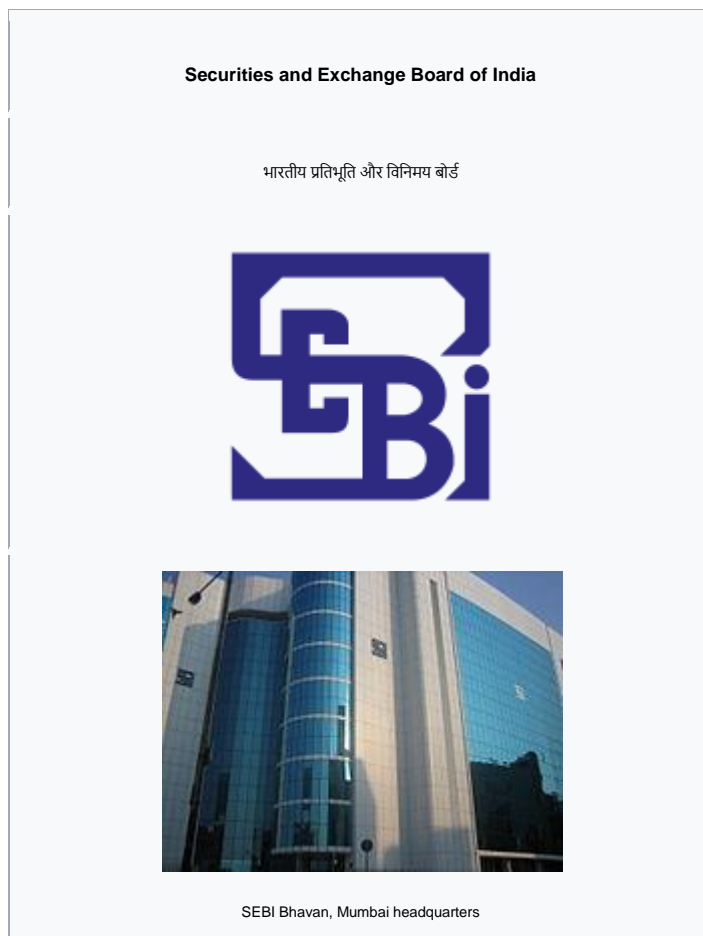
Exchanges also act as the clearinghouse for each transaction, meaning that they collect and deliver the shares, and guarantee payment to the seller of a security. This eliminates the risk to an individual buyer or seller that the counterparty could default on the transaction.

The smooth functioning of all these activities facilitates economic growth in that lower costs and enterprise risks promote the production of goods and services as well as possibly employment. In this way the financial system is assumed to contribute to increased prosperity, although some controversy exists as to whether the optimal financial system is bank-based or market-based.

Recent events such as the Global Financial Crisis have prompted a heightened degree of scrutiny of the impact of the structure of stock market (called market microstructure), in particular to the stability of the financial system and the transmission of systemic risk.

ABOUT SEBI

The **Securities and Exchange Board of India (SEBI)** is the regulator for the securities market in India. It was established in the year 1988 and given statutory powers on 30 January 1992 through the SEBI Act, 1992.



Agency overview	
Formed	12 April 1988 ^u
Jurisdiction	Government of India
Headquarters	Mumbai, Maharashtra
Employees	643+(2012) ^u
Agency executives	Ajay Tyagi , Chairman Anand Rajeshwar Baiwar (Indian Revenue Service), Executive Director
Website	www.sebi.gov.in

HISTORY

Securities and exchange Board of India (SEBI) was first established in the year 1988 AQF as a non-statutory body for regulating the, securities market. It became an autonomous body by The Government of India on 12 April 1992 and given statutory powers in 1992 with SEBI Act 1992 being passed by the Indian Parliament. SEBI has its headquarters at the business district of Bandra Kurla Complex in Mumbai, and has Northern, Eastern, Southern and Western Regional Offices in New Delhi, Kolkata, Chennai and Ahmedabad respectively. It has opened local offices at Jaipur and Bangalore and is planning to open offices at Guwahati, Bhubaneswar, Patna, Kochi and Chandigarh in Financial Year 2013 - 2014.

Controller of Capital Issues was the regulatory authority before SEBI came into existence; it derived authority from the Capital Issues (Control) Act, 1947.

Initially SEBI was a non statutory body without any statutory power. However, in 1992, the SEBI was given additional statutory power by the Government of India through an amendment to the Securities and Exchange Board of India Act, 1992. In April 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India. The SEBI is managed by its members, which consists of following:

The chairman who is nominated by Union Government of India. Two members, i.e., Officers from Union Finance Ministry. One member from the Reserve Bank of India. The remaining five members are nominated by Union Government of India, out of them at least three shall be whole-time members.

After amendment of 1999, collective investment scheme brought under SEBI except NIDHI, chit fund and cooperatives.

FUNCTIONS AND RESPONSIBILITIES

The Preamble of the Securities and Exchange Board of India describes the basic functions of the Securities and Exchange Board of India as "...to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected there with or incidental there to".

SEBI has to be responsive to the needs of three groups, which constitute the market: ● the issuers of securities ● the investors ● the market intermediaries.

SEBI has three functions rolled into one body: quasi-legislative, quasi-judicial and quasi-executive. It drafts regulations in its legislative capacity, it conducts investigation and enforcement action in its executive function and it passes rulings and orders in its judicial capacity. Though this makes it very powerful, there is an appeal process to create accountability. There is a Securities Appellate Tribunal which is a three-member tribunal and is headed by Mr. Justice J P Devadhar, a former judge of the Bombay High Court. A second appeal lies directly to the Supreme Court. SEBI has taken a very proactive role in streamlining disclosure requirements to international standards.

POWERS

For the discharge of its functions efficiently, SEBI has been vested with the following powers:

1. to approve by-laws of Securities exchanges.
2. to require the Securities exchange to amend their by-laws.
3. inspect the books of accounts and call for periodical returns from recognized Securities exchanges.
4. inspect the books of accounts of financial intermediaries.
5. compel certain companies to list their shares in one or more Securities exchanges.
6. registration broke

There are two types of brokers:

1. Discount Brokers
2. Merchant Brokers

SEBI committees

1. Technical Advisory Committee
2. Committee for review of structure of market infrastructure institutions
3. Advisory Committee for the SEBI Investor Protection and Education Fund
4. Takeover Regulations Advisory Committee

5. Primary Market Advisory Committee (PMAC)
6. Secondary Market Advisory Committee (SMAC)
7. Mutual Fund Advisory Committee
8. Corporate Bonds & Securitization Advisory Committee

MAJOR ACHIEVEMENTS

SEBI has enjoyed success as a regulator by pushing systematic reforms aggressively and successively. SEBI is credited for quick movement towards making the markets electronic and paperless by introducing T+5 rolling cycle from July 2001 and T+3 in April 2002 and further to T+2 in April 2003. The rolling cycle of T+2 means, Settlement is done in 2 days after Trade date. SEBI has been active in setting up the regulations as required under law. SEBI did away with physical certificates that were prone to postal delays, theft and forgery, apart from making the settlement process slow and cumbersome by passing Depositories Act, 1996.

SEBI has also been instrumental in taking quick and effective steps in light of the global meltdown and the Satyam fiasco. In October 2011, it increased the extent and quantity of disclosures to be made by Indian corporate promoters.^[11] In light of the global meltdown, it liberalised the takeover code to facilitate investments by removing regulatory structures. In one such move, SEBI has increased the application limit for retail investors to ₹ 2 lakh, from ₹ 1 lakh at present.

CHAPTER -3

FINDINGS

&

ANALYSIS

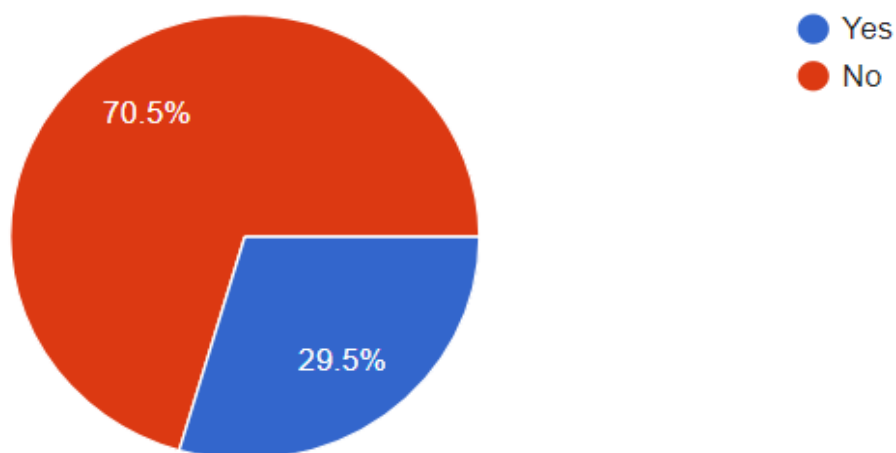
FINDINGS

1. DO YOU TRADE IN STOCK MARKET ?

a) YES

b) NO

Options	Yes	No	Total
Responses	18	43	61
Percentage	70.5	29.5	100



INTERPRETATION :

IT HAS BEEN FOUND THAT OUT OF THE TOTAL RESPONSES RECEIVED ,ONLY 29.5% OF THE RESPONDANTS TRADE IN STOCK MARKET.

2. FROM HOW MANY YEARS ARE YOU TRADING IN STOCK MARKET ?

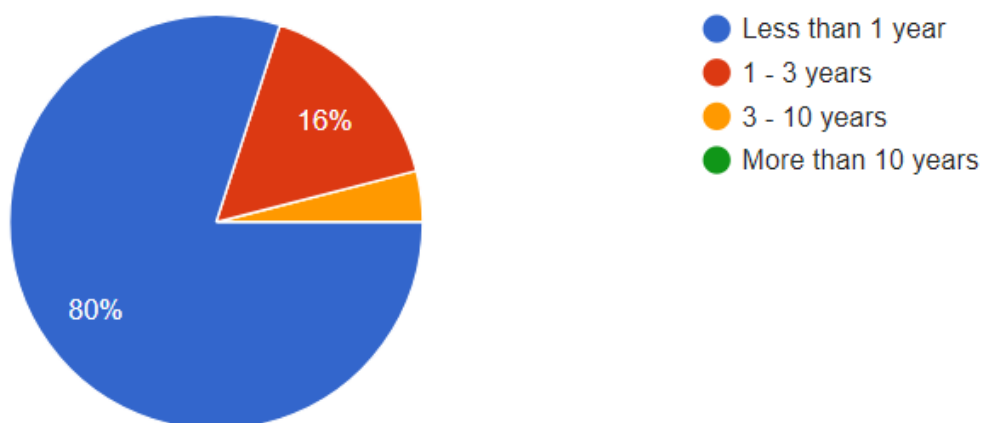
a) Less than one year

b) 1 – 3 Years

b) 3 – 10 Years

d) More than 10 years

Options	Less than 1 year	1 – 3 years	3 – 10 years	More than 10 years
Responses	20	4	1	0
Percentage	80%	16%	4%	0



INTERPRETATION :

IT HAS BEEN FOUND THAT OUT OF THE 29.5% OF THE RESPONDANTS WHO ACTUALLY TRADE IN THE MARKET, 80% OF THEM HAVE BEEN TRADING FROM LESS THAN 1 YEAR, 16% HAVE BEEN TRADING FROM 1-3 YEARS AND 4% HAVE BEEN TRADING FOR 3-10 YEARS.

3. WHAT KIND OF STOCK TRADING OR INVESTING DO YOU PREFER?

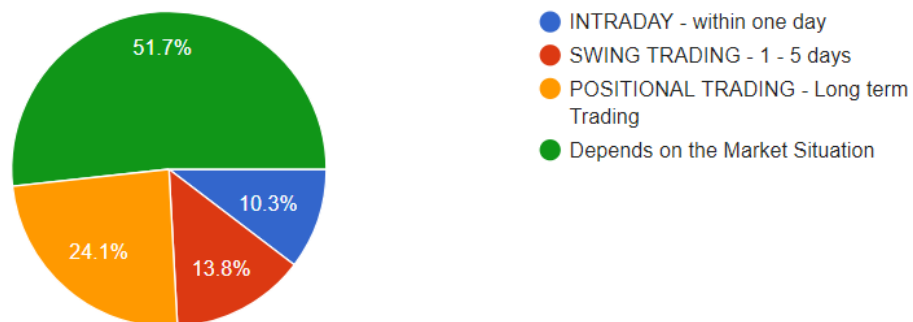
a) INTRADAY

b) SWING TRADING

c) POSITIONAL TRADING

d) DEPENDS ON MARKET

OPTIONS	RESPONSES	PERCENTAGE
INTRADAY	3	10.3%
SWING TRADING	4	13.8%
POSITIONAL TRADING	7	24.1%
DEPENDS ON MARKET SITUATIONS	15	51.7%



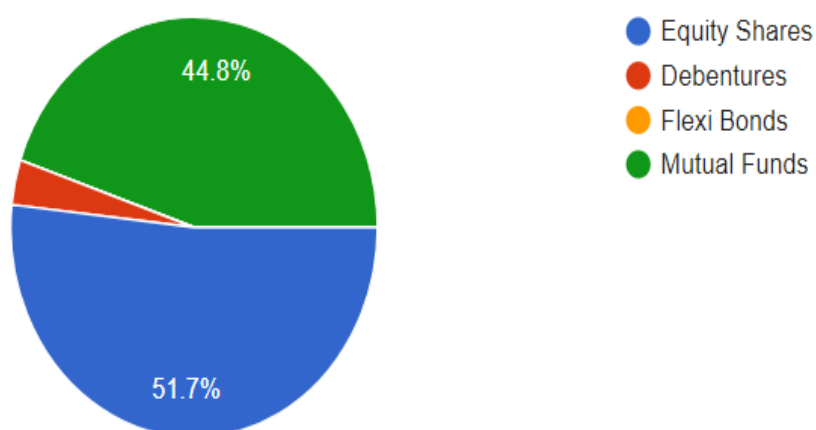
INTERPRETATION :

IT HAS BEEN FOUND OUT THAT ONLY 10.3% ARE INDULGED IN INTRADAY TRADING, 13.8% IN SWING TRADING , 24.1 % IN POSITIONAL TRADING WHEREAS 51.7% TRADES KEEPING IN CONCERN THE MARKET SITUATION.

4. WHAT DO YOU PREFER THE MOST?

- a) EQUITY SHARES
- b) DEBENTURES
- c) FLEXI BONDS
- d) MUTUAL FUNDS

OPTIONS	RESPONSES	PERCENTAGE
EQUITY SHARES	15	51.7%
DEBETURES	1	3.4%
FLEXI BONDS	0	0
MUTUAL FUNDS	13	44.8%



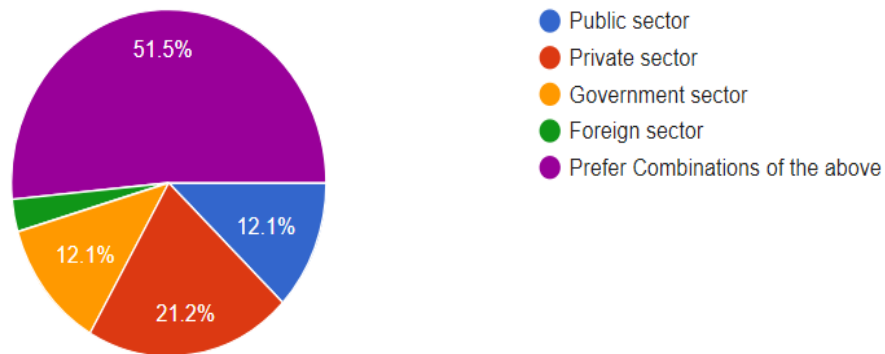
INTERPRETATION :

IT HAS BEEN FOUND OUT THAT MAJORITY THAT IS 51.7% OF RESPONDERS PREFER TRADING IN EQUITY SHARES, 3.5% PREFER DEBENTURES AND 44.8% PREFER TRADING IN MUTUAL FUNDS.

5. IN WHICH SECTOR DO YOU PREFER TO INVEST YOUR MONEY?

- a) PUBLIC SECTOR
- b) PRIVATE SECTOR
- c) GOVERNMENT SECTOR
- d) FOREIGN SECTOR
- e) PREFER COMBINATIONS OF THE ABOVE

OPTIONS	RESPONSES	PERCENTAGE
PUBLIC SECTOR	4	12.1%
PRIVATE SECTOR	7	21.2%
GOVERNMENT SECTOR	4	12.1%
FOREIGN SECTOR	1	3%
PREFER COMBINATIONS OF THE ABOVE	17	51.5%



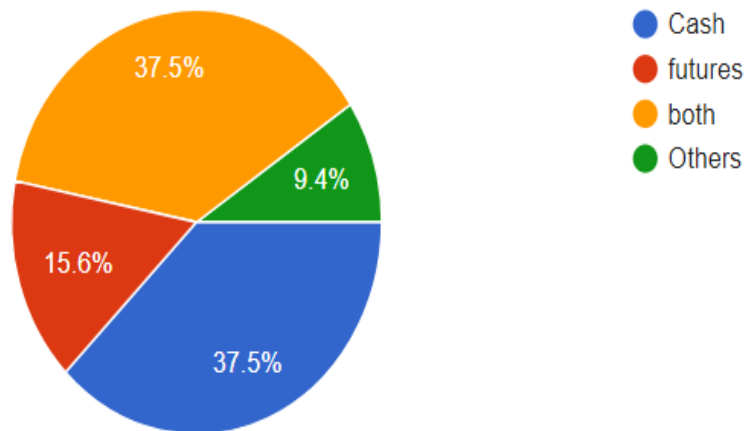
INTERPRETATION:

IT HAS BEEN FOUND OUT THAT AROUND 12.1% RESPONDANTS INVEST IN PUBLIC SECTOR, 21.2% IN PRIVATE SECTOR, 12.1% IN GOVERNMENT SECTOR , 3.1% IN FOREIGN SECTOR WHEREAS 51.5% OF THEM PREFER COMBINATIONS OF THE ABOVE SECTORS.

6. WHAT MODE DO YOU PREFER WHILE TRADING?

- a) CASH
- b) FUTURE
- c) BOTH
- d) OTHERS

OPTIONS	RESPONSES	PERCENTAGE
CASH	12	37.5%
FUTURES	5	15.6%
BOTH	12	37.5%
OTHERS	3	9.4%



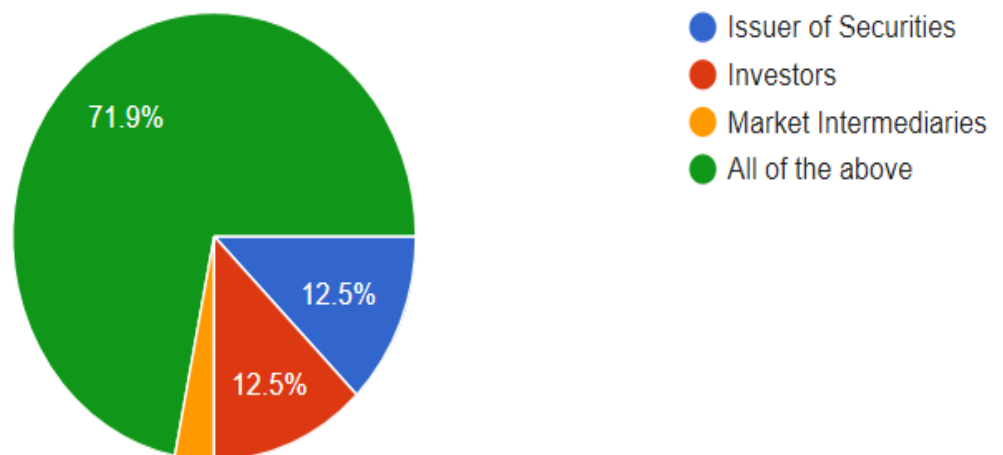
INTERPRETATION:

IT HAS BEEN FOUND OUT THAT 37.5% PREFER CASH AS THEIR PRIMARY MODE OF TRADING, 15.6% AS FUTURES, 37.5% PREFER BOTH AND 9.4% PREFER SOME OTHER MODE.

7. ACCORDING TO YOU SEBI HAS TO BE RESPONSIVE TO THE NEEDS OF WHICH GROUPS?

- a) ISSUER OF SECURITIES
- b) THE INVESTORS
- c) MARKET INTERMEDIARIES
- d) ALL OF THE ABOVE

OPTIONS	RESPONSES	PERCENTAGE
ISSUER OF SECURITIES	4	12.5%
THE INVESTORS	4	12.5%
MARKET INTERMEDIARIES	1	3.1%
ALL OF THE ABOVE	23	71.9%



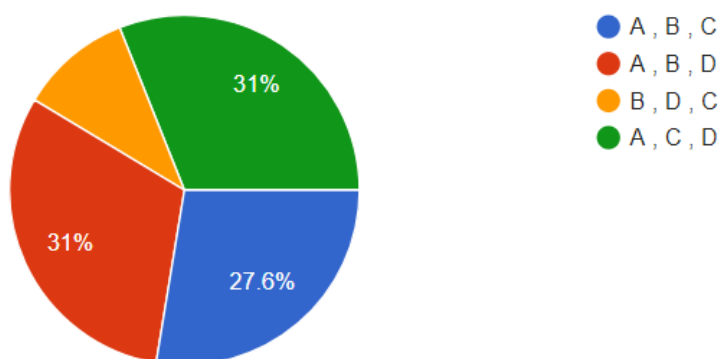
INTERPRETATION :

IT HAS BEEN FOUND OUT THAT 12.5% OF RESPONDANTS TINK THAT SEBI SHOULD BE RESPONSIVE TO THE NEEDS OF ONLY ISSUER OF SECURITIES , 12.5% SAYS INVESTORS , 3.1% SAYS MARKET INTERMEDIARIES AND 71.9% SAYS ALL OFF THE ABOVE.

8. SEBI has 3 functions rolled into one body. According to you what are those ? a) Quasi-legislative b) quasi-judicial c) quasi-executive d) quasi-monitoring

- a) A,B,C
- b) A,B,D
- c) B,D,C
- d) A,C,D

OPTIONS	RESPONSES	PERCENTAGE
A,B,C	8	27.6%
A,B,D	9	31%
B,D,C	3	10.3%
A,C,D	9	31%



INTERPRETATION :

IT HAS BEEN FOUND OUT THAT 27.6% SAYS A,B,C ARE THE RIGHT FUNCTIONS OF SEBI, 31% SAYS A,B,D , 10.4% SAYS B,D,C AND 31% SAYS A,C,D SHOULD BE THE 3 FUNCTIONS OF SEBI.

CHAPTER -4

SUGGESTIONS & CONCLUSIONS

CONCLUSIONS :

The stock market works as investors buy shares (making them part owners) in publicly traded companies and then sell those shares back (relinquishing their part ownership). There are many different strategies for investing, but the basic function of the stock market comes down to investors purchasing and selling previously existing shares.

However after carrying out this survey , we can conclude some of the results, some of them are quite shocking while some of them are quite obvious.

Lets start from the basic , first most important question in the survey was whether the respondant trade in stock market or not. Its revelation was very shocking as nearly 70.5% of the respondants don't even trade in the stock market. But what could be the reason for that? In our country, a layman associates trading in stock exchange similar to gambling. Either they don't want to loose their money or either they don't want develop any addiction to it. This might be the reason that out of 100% respondants only 29.5% respondants trade in stock exchange.

The second question asks the time since they are trading. And around 80% of the 29.5% respondants who trade in the stock market have started trading from less than a year. This may conclude that people are keen to explore this field and they have started taking initiatives for the same. I am able to arrive at the preceeding statement as that 80% belong to the age group of 10-20 and 20-30.

On being asked about what kind of stock trading or investing do they prefer out of intraday , swing , positional or according to market situation 51.7% said according to market situation which is absolutely a nice pick. After that the option which got the majority votes was Positional trading which means LONG TERM TRADING. Well, a simple reason could be the basis for selecting positional trading which is, longer the time the money is invested more fruits it will give.

Next question asked about the respondant's preference in shares and around 51.7% of them favoured EQUITY shares. The reason behind that is quite obvious , Equity shares is that source which can provide you with abnormal profits.

The next question was a very crucial one , it asked the investor's favourite sector of investing out of government , public, private , foreign or combinations of them. 51.5% preferred combinations of them but 21.2% preferred PRIVATE sector. Reason behind making such a choice is that private companies give you more returns , instill more confidence in you , chances of frauding is less.

The next question wanted to reveal the respondant's approach towards SEBI. It asked whether SEBI should be responsive to the needs of the issuing securities , the investors , market intermediaries or all of them. The result so achieved was very surprising for me as nearly 72% said ALL OF THEM and only 12.5% said INVESTORS . I was surprised as I was expecting the reverse , technically if I was an investor then I would want that the regulation body that is the SEBI to take all the measures in my interest that in favour of the INVESTORS.

SUGGESTIONS:

1. The importance of discipline in share trading cannot be overstressed. That is because in most cases, when people are making money, greed makes them wait for more, and so they don't book profits. When prices fall, fear makes them sell fast. These situations can be avoided if they know when to book profit/loss.

2. The key to success is a stop-loss order. Stop loss helps a trader sell a stock when it slides to a certain price. Suppose you buy shares of company A at Rs 100 and set a stop loss at Rs 95. When the price falls to Rs 95, the shares will be sold automatically. This means you have limited your loss to Rs 5. While entering a trade, you should be clear about how much loss you are willing to accept.

3. Trading is a skill. "You have to learn what not to do along with what you should do. You should also know how to spot amateurs and trap them and how to take positions. Also, you should be quick to get in and very quick to get out," he says. A lot of amateurs in the market buy at a wrong point. A skilled trader identifies such people and takes an opposite position to trap them.

4. One should identify a few stocks and focus on them.

5. Only those with a capital of at least Rs 2 lakh can trade for a meaningful gain. However, this capital should not be borrowed and should not be part of your core savings. People can also trade with less, but volumes are important. So, a certain minimum capital is a must.

6. A stock should have enough volumes for it to be tradable. According to Zelek, it should have a minimum daily average volume of 500,000 shares. For those just starting, trading Nifty-50 stocks is a good idea

7. What should you do with a share which has high volumes but not much price movement? You should prefer shares with a minimum price range of Rs 10. This means the average difference between a stock's intra-day high and intra-day low should be at least Rs 10.

8. One has to know the supply and demand of individual stocks. If the number of shares up for sale is more, one should not buy the stock, and vice versa. To know if the sell quantity is more or the buy quantity is more, one cannot rely on the bid and ask numbers available on the screen. Only a technical analysis can help identify the supply and demand in individual stocks

9. Never trade on news which is out in the market. It takes a few minutes for a stock price to adjust to any news.

10. When the price of a stock starts falling, people buy more to average out. In trading, it's a strict 'No'. "As a professional trader, I would never average out. It's a losing trade. The trade is going bad. I would rather wait for the right time to enter again

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