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Preface

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Investment Behaviour among Indian Youth Investors in Stock Market During COVID 19 Pandemic



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Indian youth invest at greater risk since they have extra disposable income and have fewer responsibilities for their families. The COVID-19 pandemic caused risk and uncertainty among investors in the early 2020s. The present study is intended to study the behaviour of Indian youth investors during the COVID 19 pandemic and impact on their investment decisions in stock market. The study will help the financial institutions in developing their own communication strategy that will appeal to young investors. A sample survey was conducted over 240 investors in PMRDA, Maharashtra. The study shows that COVID-19 pandemic has impacted investment decisions.

Keywords: Indian Youth Investors, Investment Behaviour, COVID-19 Pandemic, Indian Stock Market, Portfolio Management

1. Introduction

The unheard-of COVID-19 pandemic's quick spread has abruptly altered the world's outlook and put the entire planet in danger. This pandemic has caused a serious worldwide economic downturn in addition to becoming a global health emergency. Human deaths, increased human suffering, and upheaval in people's lives are all results of this catastrophe. A form of societal, economic, and human catastrophe may be description of this pandemic (Mishra, 2020). Georgieva (2020) emphasised that the COVID-19 pandemic placed the world dangerously close to financial problems greater than the Global Crises of 2007–08. The development of panic among consumers and businesses, together with resulting market irregularity, has most critically stopped them from engaging in their customary purchasing habits. Because of the uncertainty and danger this pandemic has produced, both international and Indian investors have been significantly impacted (Bora & Babistha, 2021). Due to the risk and uncertainty created by the pandemic, investors have suffered enough losses (Ozili & Arun, 2020). Due to the widespread dread and concern among them, there have been pressure to sell-offs the equity stocks as everyone seeks out safer investments avenues like gold and 10-year government bonds. The Covid 19 situation in India has thus far been unable to cause a significant stock sell-off similar to that of March 2020. Similar to the MSCI AC Asia Pacific index, the S&P BSE sensex has down 6.6% since its mid-February top. When the global corona virus pandemic first broke out in March of last year, the India Sensex fell by 23%. (Business Standard, 14th May 2021).

Surprisingly little has been bothered about the COVID-19 situation in the Indian stock market. The financial market has responded in this environment with a spectacular movement and has been negatively impacted. Due to the pandemic, the risk in the world's financial markets has significantly increased (Zhang et al., 2020). Despite the slump in the Indian economy, the stock market there is still increasing. We may infer from the incidents and data that COVID-19 has a detrimental impact on the Indian stock market. The multitude of initiatives the administration has launched to boost the economy is the cause of this confidence. As a result, the price of these assets skyrockets, increasing the Sensex and Nifty. As a result, the stock markets were soaring solely due to investor emotion and hopes for the future. The rapid rise in stock prices and the availability of easy money encourage consumers to participate in the stock market (Shah & Verma, 2011). In the stock market, there are many instances where some shares are actually performing well while others are losing money. It is nearly difficult for average investors to forecast the behaviour of the stock market due to its dynamic character.

Stock prices are influenced by the sentiment of the investors. Studies on investor behaviour and empirical research have demonstrated the presence of irrational thinking in investor decision-making. The stock market's responses to large systemic occurrences are empirically supported by the past literature. The study revealed the cyclical nature of stock market movements and the variables that had an impact on the stock markets (Keating, 2001). The importance of demography was emphasised by Parkins and Jones (2007), who also proposed that various demographic groups often have varied perspectives on the finances and expenditures of the sample respondents. While these variables are taken into account when building a portfolio, they translate into market dynamics. The research emphasised the need for investors to develop a regular savings and investment schedule. Studies emphasise that rather than being logical and wealth-maximizing, people are impacted by psychological variables such cognitive biases in their decision-making (Forbes, 2009). According to academicians, the previous pandemics sparked brittle stock markets (Chen et al., 2018), which hindered stock market participants' ability to make decisions by lowering their level of active stock market trading (Dong & Heo, 2014). The impetus for continuing this study is the fact that

investors make judgments throughout the stock market's recovery period, using criteria for portfolio selection and hitherto unstudied investor perception and behaviour.

The objective is to study the demographic and/or behavioural characteristics of young stock market participants in India. As per the statista website, the median age of the people in India is about 26.8 years. The earning population is largely composed of people between the ages of 25 and 35, and Indian youth's average disposable income is steadily rising. The research examines the various information sources used by Indian youth regarding the investment options, the impact of demographics factors on the stock market portfolio during the COVID-19 pandemic. The study also looks at the key elements affecting the choice of an investment. These elements could assist businesses and financial institutions in selecting the best communication strategy to draw in new investors. Based on demographics and other variables, the research distinguishes between distinct categories of young investors. The sections of this paper are organised as follows: The first section discusses the issue of youth investors' problematic investing behaviour during the pandemic period. A review of the literature identifying the research gap is then presented. The research methodology adopted is explained in the third section. The fourth section contains the findings, which are then followed by conclusions.

2. Review of Literature

Researchers in behavioural finance have used their understanding of human behaviour to explain the causes of market fluctuations. Studies on behavioural finance focus on the characteristics of investors and portfolio elements. Contrarily, behavioural finance is seen to include a collection of ideas that concentrate on the irrationality of investors. Behavioural finance is built on the premise that investors are irrational. Investors are irrational, which compels them to ignore their own information and follow the judgement of other investors. Studies on stock market bubbles and feedback by De Bondt and Thaler (1985) and Shiller (2000) have greatly advanced our understanding of cognitive biases and how they affect financial decision-making. According to Warren et al. (1990) active and passive investors are distinguished by their amount and kind of investment assets, as well as small and big investors. According to Shanmugam (2000) investors are easily swayed by magazine ratings, rumours, and opportunistic advice from brokers, friends, and other people. Additionally, Kirshnudu et. al (2005) have shown that social and psychological aspects outweighed economic ones when it came to share investing. Family members are the main source of influence for investors while making investing decisions. Sitlani (2011) found no correlation between demographic factors and the investing preferences of those working in the financial services sector. According to Suman & Warne (2012) Market fluctuations have an impact on stock market participants' investing behaviour. In the study of Shukla (2010) shows that chief earners in the Indian house in the age group of 56 to 65 years. Rajarajan (2003) identified investor's lifestyles-based characteristics. Individual investors were the most affected by the financial crisis of 2007-09. Funfgeld & Wang (2009) was undertaken research on the financial attitudes and behaviours of the German-speaking region of Switzerland in regards to daily financial matters. The findings indicate that there are five underlying components of financial attitudes and behaviour, including spending tendencies, financial interests, anxiety, and decision-making styles. Additionally, it was shown that gender, age, and education had a big influence. According to Graham et al. (2009), overconfidence among investors in their ability to invest their hard-earned money is a result of perceived knowledge. Investor perception and attitude may have changed as a result of the decline in investor wealth and market volatility (Hudomiet & Willis 2011). Saikia (2018) looks at the financial behaviour of a sample of Mumbai-based college-bound students (Age 17–25) who have recently started working. The study also examines the youth's fundamental understanding of finance, including how they educate themselves, how they evaluate risk, returns, and different investing strategies, as well as what factors those factors into their decisions. A survey-based approach was used to gather primary data. The newly-employed young salaried class, which does not yet have a large bank account. Young people nowadays are aware of the possibilities accessible to them thanks to the recent quick diffusion of knowledge, but they are occasionally unsure of how to go about actively investing in modern methods.

The earlier research also emphasised how various economic crises and pandemic conditions had an effect on investors' choices regarding stock market investing. Ichev & Marin (2018) discover that the Ebola outbreak had an impact on the stock of the companies that were geographically closer to the financial markets and the outbreak's source. The economy and public health of China have both been severely impacted by pandemics like SARS and H7N9. Both the H7N9 virus and SARS posed a threat of a worldwide pandemic, although H7N9's impacts on the economy and society were less severe than those of SARS (Qiu, Chu, Mao & Wu 2018). Ahmar & Del (2020); Al-Awadhi et al. (2020); Liu et al. (2020); Zhang et al., (2020) have highlighted the performance of global stock markets which are affected by the COVID-19. The pandemic have lower the investors' self-confidence in the stock market as the uncertainty in the market was at high level (Liu et al., 2020). Liu et al (2020) evaluated the impact of the coronavirus pandemic on 21 stock market indexes in severely afflicted nations, such as Korea, Singapore, Japan, and the USA, Germany, the UK, Italy, etc. They found, with the use of an event investigation, that these nations' stock markets collapsed precipitously following the COVID-19 epidemic. The negative anomalous returns were higher in Asian nations than in other regions. Azimili (2020) used quantile regression to do more study on the effects of the coronavirus on the structure and degree of risk-return dependency in the US. According to the findings, the degree of reliance between returns and market portfolio has increased in the upper quantiles after the COVID-19 outbreak, which has decreased the advantages of diversification. Investors trust other investors' judgement in this situation because they believe that others may have greater informational abilities (Jabeen & Rizavi, 2021).

There is not a significant amount of literature that focuses on how investors' perceptions in the Indian setting affect their investment behaviour. No research relating to the investment habits of Indian youth after COVID 19 has been uncovered since the Indian stock market is still recuperating from the global recession. Literature is mute on the behavioural issue, particularly

in the Indian setting. The earning population is largely composed of people between the ages of 25 and 35, and Indian youth's average discretionary income is steadily rising. The purpose behind continuing this research is how investment decisions are made throughout the stock market's recovery period, portfolio selection criteria, and investors' perception and behaviour, which have not previously been explored.

3. Methodology

In this study, the major source of data was primary data which collected from individual investors ranging in the age bracket of 25 to 35 years from Pune Metropolitan Regional Development Authority (PMRDA), Maharashtra over ten-month ranging from May 2021 to February 2022, when the Indian stock market was going through the phase of the COVID-19 pandemic. Initially the questionnaire was sent to 300 investors, but due to indirect way adopted by the investors or disinterest to participate in the survey. Convenience Sampling is used and the final sample freeze to 240. This study is cross sectional, the study uses a survey research method, using a questionnaire.

In order to analyse relationship between sector performance and demographic profile a Chi squared test is used. A confirmatory factor analysis was performed to recognise the variable influencing the investment decision of the youth investor. A Cluster analysis was applied to distinguish the investors as a proportionate to the disposable income that is invested, the significance the perception for source of information, these influencers were considered before the actual investment.

4. Analysis and Results

The demographic profile of the respondents is shown in the Table 1. The Majority of the respondents are male while only 15.83% are females. Married and unmarried respondents are nearly the equal proportion. The youth investors having 2 years to 5 years are 48.33 percent while only 13.75 percent are having more than 5-year experience. The maximum respondents are salaried employee. 75 percent respondents have annual income in the range of 3 lacs to 9 lacs. The annual disposal income is in between 2 lacs to 4 lacs (53.75%). The demographic profile of the respondents shows that high disposal income and less family responsibility makes the youth as high-risk taker investors.

Table 1 Demographic Factors

Gender	N	%	Marital Status	N	%	Experience in Stock Market Investment	N	%
Male	202	84.17	Married	126	52.5	Less than 2 years	91	37.92
Female	38	15.83	Unmarried	114	47.5	2 years to 5 years	116	48.33
	240	100.00		240		Above 5 years	33	13.75
	240	100.00		240	100.00		240	100.00

Occupation	N	%	Annual Income	N	%	Annual Disposal	N	%
Employed	166	69.17	Below 300000	22	9.16	Below 200000	51	21.25
Business	38	15.83	300001 to 600000	76	31.67	200001 to 400000	129	53.75
Profession	14	5.83	600001 to 900000	104	43.33	400001 to 600000	47	19.58
Student	9	3.75	900001 to 1200000	26	10.83	600001 and above	13	5.41
Unemployed	14	5.83	120001 and above	12	5			
	240	100.00		240	100.00		240	100.00

Influence of demographic characteristics of investors on sources of information

Before making a decision to invest in a certain equity share, the respondents were questioned about their informational sources. The respondents' demographics, including their gender, marital status, work status, time since investment, and average disposable income, determine whether the information is reliable. Regarding the information sources and the demographic component, a Chi squared test was carried out. The test results shown in Table 2 which provides sufficient proof that gender influences the information sources. But the decision to seek family advice is depends on their marital status. The opinions of the married and single investors differ when it comes to seeking family advice. Before making an investment, gathering information from websites is also dependent on one's marital status, but not for the other information sources.

Table 2 Analysis of Demographic Factors and Sources of Information

Sources of	Marital Status		Gender		Occupation		Years of Investment		% of Disposal Income invested in	
	Chi	Sig.	Chi	Sig.	Chi	Sig.	Chi Square	Sig.	Chi	Sig.
Family advice	8.2680	0.0162	4.1420	0.235	3.564	0.140	9.987	0.632	10.253	0.735
Friends' advice	2.362	0.286	1.147	0.492	2.552	0.298	6.325	0.571	9.59	0.476
Websites	7.256	0.029	3.001	0.412	0.742	0.682	12.020	0.001	16.210	0.210
Experts' advice	0.023	0.982	0.695	0.632	3.339	0.145	11.893	0.085	10.328	0.421
Agents' advice	3.652	0.291	3.412	0.215	2.652	0.421	12.510	0.235	9.452	0.792
Stock volatility	6.123	0.270	2.452	0.562	4.125	0.462	20.129	0.321	23.561	0.518
Market Trend	9.514	0.097	6.245	0.210	4.655	0.675	29.108	0.187	23.214	0.441
Annual Report	3.541	0.347	2.985	0.715	4.314	0.539	18.235	0.324	16.230	0.409
News (TV/Paper)	9.235	0.021	4.253	0.125	4.236	0.163	19.536	0.622	14.267	0.504

Investors that conduct in-depth research on the company's websites and financial statements are discovered to have varying average stock investment holding durations. As a result, the degree of learning about firms' businesses varies based on the length of time an investor has invested in equities. Investment made based on the financial statements of a company, mostly be contingent on the proportionate to the total disposable income invested in shares (Table 2). Krishna Reddy, et al. (2005) found that while making investing decisions, investors are typically influenced by their family members. This suggests that the young investors' educated choices result in varying degrees of exposure to equities.

Factor analysis: Factors influencing investment decision

Factor analysis was done in order to identify the most crucial determining factor for the investment decision. KMO test measure the sample adequacy, and Bartlett's tests measure the relationship among the attributes. Table 3.1 represents the tests' statistics; in the study it is 0.858 which is a good score to continue the analysis of data. Furthermore, the Bartlett's test of sphericity results shows the chi-square (χ^2) statistics is 509.815 with 239 degrees of freedom. This value is significant at 0.05 level i.e. $p < 0.05$. Thus, the results of the both the tests indicates that factor analysis may be considered an appropriate technique for analysing the further data.

Table 3.1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.858
Approx. Chi-Square		509.815
Df		239
Sig.		0.000

Table 3.2 Communalities

	Initial	Extraction
Past movement	1.000	0.974
Govt regulations	1.000	0.997
EPS	1.000	0.981
P/E Ratio	1.000	0.970
Risk factor	1.000	0.981
Market capitalization	1.000	0.799
Growth value	1.000	0.942
Dividend	1.000	0.619
Dividend payout	1.000	0.769
Bonus issue	1.000	0.662
Market sentiment	1.000	0.526

Extraction Method: Principal Component Analysis.

Table 3.2 represents the results of initial and extracted communalities. The communalities describe the amount of variance a variable share with all other variables. That means it evaluate the degree of an attributes to correlates with all other attributes of the study. From the above results, Government regulations (0.997) has highest communalities followed by EPS (0.981) and Risk factor (0.981). However, Market sentiment (0.526) has the lowest communalities, The relatively small Communality value recommends that the variable concerned in the study is inappropriate and can be excluded from the factor analysis. To simplify the analysis, in this study only the variables with the communalities value are 0.6 or greater are reported and below this communality value were dropped. In this, Market sentiment was dropped for further analysis.

In addition, the attributes were analysed for Eigen Value, which is total variance explained by each factor. In this study, we have taken the factors whose eigen value is greater than 1.0. Table 3.3 represents the total variance explained by the factor and the eigen value.

Table 3.3 Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.227	62.847	62.847	3.227	62.847	62.847	3.227	62.847	62.847
2	1.499	19.327	82.174	1.499	19.327	82.174	1.499	19.327	82.174
3	0.927	4.847	87.021						
4	0.889	3.960	90.981						
5	0.856	3.707	94.688						
6	0.703	2.687	97.375						
7	0.68	1.033	98.408						
8	0.31	0.967	99.375						
9	0.104	0.512	99.887						
10	0.037	0.113	100						
11	0.009	0.010	100						

Extraction Method: Principal Component Analysis.

Table 3.4 Rotated Component Matrix^a

	Components	
	1	2
Past movement	0.901	0.083
Govt regulations	0.894	0.135
EPS	0.818	0.125
P/E Ratio	0.760	0.129
Risk factor	0.742	0.086
Market capitalization	0.664	0.056
Growth value	0.618	0.253
Dividend	0.592	0.854
Dividend payout	0.159	0.712
Bonus issue	0.458	0.689
Market sentiments	0.325	0.520

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 7 iterations.

Consequently, table 3.4 represents, Varimax rotated components. The results show that out of the 11 variables selected for the study, 10 variables presented factor loading value above 0.6 and these variables were retained in the input vector with Kaiser Normalization criteria, the remaining variables were eliminated based on the factor loading value below 0.6. Therefore, according to the above analysis, the dimension reduction of various indicators used to form two principal components as an indicator of company fundamental and capital gain. So, based on the results, these are factors which influence the investment decision of the youth investors.

The first factor company fundamental indicates past movement of shares, government regulations related with industry, EPS, P/E ratio, growth or value of stock, and the second factor capital gain consist of dividend, dividend payout or bonus shares issued by the company.

Hypothesis: There is no difference in amount invested by investors in stocks prior to and during the COVID-19 outbreak
 Respondents were asked to disclose the amounts they invested in stocks before and during the COVID-19 pandemic i.e. before February 2020 and during February 2022. Tests related to determine the association between the amount invested, a paired sample t-test was used. Results of the test are provided in Tables 4 and 5.

Table 4 Paired Sample Statistics

		Mean	N	Std. Deviation	S.E. Mean
Pair 1	Investment in Stocks before COVID 19	7390.00	240	4257.692	352.591
	Investment in stocks during COVID 19	3495.00	240	3250.858	252.046

Table 5 Paired Sample t Test

		Paired Difference					T	Df	Sig. (2)
		Mean	Std. Deviation	Std. Error Mean	95 % Confidence Interval of the				
					Lower	Upper			
Pair 1	Investment in Stocks before Investment in Stocks during	1995	2308.19	312.99	1356.89	3222.21	9.562	239	0.002

The significant value of the two-tailed test, which has a p value of .002, is less than 0.05. There is strong evidence against the null hypothesis when the p-value is less than 0.05, meaning that there is a less than 5% chance that the null hypothesis is true (and that the results are random). We thus reject the null hypothesis and favour the alternative one. It can be concluded that the amounts invested by the youth investor in stock market before the COVID-19 pandemic is differed from those amounts which is invested during the pandemic. The pandemic has significant impact on the investments of the youth investors.

Identification of Characteristics of youth Investors Cluster Analysis

In order to explore the features of varied investors group, we have followed the study of Shah and Verma, (2011). In the study, Hierarchical clustering is used to identify categories of the youth investors (Shah and Verma, 2011). The youth investors were classified using four criteria. These criteria, includes the weightage specified to the fundamentals of share and expert’s opinions, the proportion of disposable income invested in the stocks market, the length of time that fund was invested in a specific shares, and the number with which sources of information were investigated for a given stock.

The table 7 shows that, out of 240 respondents 45 are in cluster one and 68 are in two, only 16 respondents are in cluster 3 and 111 respondents fall under cluster 4 (table 6 and 7). Table 8 shows the cluster and their membership in final cluster groups.

Table 6 Distance between Cluster Centre

Cluster	1	2	3	4
1		9.392	9.515	11.124
2	12.030		8.698	3.262
3	7.963	7.625		7.985
4	10.363	5.235	7.987	

Table 7 Cluster Wise Number of Cases

Cluster	1	45
	2	68
	3	16
	4	111
Valid		240
Missing		0

Table 8 Cluster of Young Investors based on Investment Behaviour

	Traditional Investor	Impulsive Investor	Long-term Investor	Informed Investor
Importance of Stock Volatility	3	1	0	4
Expert's advice	4	2	4	4
Importance of Market Trends	3	2	1	4
Importance of Annual Reports	3	2	4	4
% of Disposable income in market	1	2	1	3
Dividends	1	3	4	3
Risk factor	1	3	4	4
Government regulations	1	3	2	4
Past movement	0	4	2	4
P/E Ratio	0	3	2	4
Dividend payout	0	3	4	4
Market Capitalization	0	4	0	3
EPS	0	3	2	4
Bonus issue	0	4	4	4
Growth or value stock	1	4	4	4
Average period of investment	1	3	4	3

1. Investors' perceptions of stock behaviour, including stock volatility, expert opinions, market trends, and corporate annual reports.
2. The percentage of income that is devoted in the stock market.
3. The duration of time devoted by the investor to the particular stock.
4. The investors use the information before investment, includes dividend paid, risk factor, government regulations related to a specific sector, historical share price movement, P/E ratio, dividend pay-out ratio, EPS, bonus shares issued by the company, and whether the stock is a growth or value stock.

The first category consists of respondents who invest 0 to 15 percent of their disposable income in the stock market; they think expert opinions are significant than stock volatility, market trend, and annual reports are unimportant. The youth don't consider time horizon for investment in a specific stock. Before buying shares of a specific firm, they might mention any requirements they have. This type of demographic appears in the investors who invest more in traditional investments and considerably less in the stock market.

The second cluster of respondents includes those who put between 0 and 15 percent of their disposable income into the stock market. Even experts' opinions, market trends, and yearly reports, in their opinion, are not noteworthy. Stock volatility, they claim, is the least significant factor. This group gives these particulars and prior behaviour the least consideration. Their typical investment time is one to two years for every given stock. This group frequently keeps tabs on the stock's historical movement, market capitalization, bonus stock issued, and growth or value stock status. The said group of investors occasionally also considers other factors, such as the company's dividend pay-out, the risk factor, and government regulations that apply to that sector. P/E ratio, and the EPS of the shares in the last quarter. This group tends to focus on long-term investment value rather than information sources, which they do not like to trust much. More "impulsive investors" make up this cluster.

The third group of investors invests 0 to 15 percent of their disposable income in the stock market, but they are called "long-term investors" who hold their investments for more than two years. They believe that a company's annual report is crucial for tracking historical performance, expert opinions are also significant, but market trends are not as significant, and stock volatility is irrelevant to them. The type of recent global recession the stock market experienced may be the most frequent excuse for

ignoring market trends and stock volatility. This group invests with a long-term perspective; thus far, their yearly report and the opinions of experts are more important. They act in the same way even after buying a stake. Before investing, they took the dividend and growth value of the shares in to consideration. Additionally, they frequently think about a stock's risk component and dividend pay-out, but they hardly ever check recent movement or government regulations for a certain industry's unusual P/E ratio. They do not apply to market capitalization, EPS from the previous quarter, or bonus shares given by the corporation. Given that these are long-term investors, the relatively small size of this market is understandable during recovery times. In the long run, they want expansion and gain. The market is rather stable throughout the COVID-19 phase thanks to these "long-term investors."

The majority of responders, who make up the fourth grouping, are extremely knowledgeable and vigilant young investors. To follow the historical behaviour of this stock, they place a lot of importance on stock volatility, expert opinions, yearly reports, and market trends. They invest 10 to 20 percent of their discretionary income in the stock market, and the average period to invest is 1-2 years. They frequently take into account the stock's risk factor, government regulations pertaining to that specific industry, the stock's historical movement, the P/E ratio, the EPS of the shares in the most recent quarter, bonus shares allotted by the company, and the growth or value of the share before investing in a identified stock. These knowledgeable and observant young individuals challenge the widespread perception that young people invest impulsively in the stock market by taking into account market capitalization and dividends given by the firm. This group of extremely knowledgeable investors—the largest by a margin of roughly 60%—considers all available information before making actual stock market investments.

5. Conclusion

The second biggest earning demographic in India is comprised of young people between the ages of 25 and 35. The younger generation is said to participate in the stock market sporadically. Before investing in a certain company, the youth gather the information from the websites or the recommendations they obtain from family members. The marital status of the youth investors influences the sources of information and its collection. Due to their commitment to their families, married individuals prefer to seek out family counsel and information in person rather than online. Depending on the company's financials, the amount of money invested and the proportion of disposable income allocated to the stock market are chosen. The factor analysis shows that two kinds of factors which are playing very crucial role in the youth investors investment decision making. The first factor is the company fundamentals and the second one is capital gain. The fundamental factor pertains to the data of the stock, which is gathered from the stock's historical movement, PE ratio, risk factor, and government regulations pertaining to the industry. Capital gains are quantified in terms of dividends, dividend pay-out ratios, increasing share values, and bonus shares issued by the company.

The study highlights that there is difference in the amount invested in the stock market during and before the COVID-19 pandemic. The difference is due to the uncertainty and risk created by the pandemic among the investors. The fear of loss or the risk aversion is significant influencer of the investment behaviour.

A further finding of the study was the identification of four different categories of investors: conventional mode investors, casual investors, long-term investors, and knowledgeable investors. A relatively small fraction of the first segment's investments are made directly in the stock market; they prefer to use more conventional methods of investing. Casual investors invest a significant portion (20%) of their discretionary income in the stock market, but they seldom pay attention to analyst opinions, EPS share, PE ratio, market size, or dividends. Schedule young investors is how this category is referred called. The third sector consists of long-term investors who take capital gains into consideration and place a high value on stock price movement in the past. This segment made up just 3.5% of all respondents during the COVID phase. Because this sector is primarily concerned with financial gains, it makes sense that they played a less active part in COVID-19 phase. With approximately 65% of all responders falling into the fourth sector, it is the largest in size. This investor is extremely knowledgeable and observant; he or she pays close attention to the market, reads the opinions of industry professionals, often monitors stock risk factors, and makes medium-term investments.

This study is helpful to the market and the financial institutions to develop strategies to attract the right kind of investors in the stock market. Based on the study, the financial institutions must focus on the fourth segment of the investors. Though the COVID-19 have affected the investment amount and investors behaviour, but when the situation stabilizes the same investors will invest more in the stock market. This study will help the firms or the financial institutions to diverge exact information to the equity investors.

6. References

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