

Investors' Perception of Stock Market: Evidence from Sikkim

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Abstract

Stock market possesses a dynamic nature and is influenced by many variables. Among them, one of the most prominent is investors' perception. This paper seeks to investigate the investors' perception of the stock market in the state of Sikkim. Subsequently, the study will also establish an association between various socio-economic variables and Investors' perception. For the purpose of this study, data collection has been conducted by utilizing purposive sampling from 50 individual retail investors from across all six districts of Sikkim. Perception along with knowledge, familiarity and awareness of the individual investor have been analyzed in the study. It was found that 58% of the total respondents indicated a positive outlook towards the Stock market, however they considered it as a risky investment avenue as 88% indicated huge risk towards the stock market. It was analyzed that investors had a moderate risk-taking ability as 48% of the total respondents prefer to invest in banking instruments rather than investing in the Stock market. It has been found that there is a difference in the familiarity and perceived knowledge scores amongst various socio-economic variables. However, on the basis of hypothesis testing it was analyzed that when it comes to familiarity of the stock market only stream of education played a crucial role and other socio-economic variables had no significant impact. Similarly, only education and income level had a significant impact on determining the knowledge base with regard to the stock market.

Keywords: Awareness, Familiarity, Investors' Perception, Perceived Knowledge, Stock Market, Sikkim.

Introduction

Stock market plays a pivotal role in the development of an economy as it provides an avenue for capital formation, resource allocation and

acts as an investment platform for Individual investors. Earlier the Investors had to physically visit stock exchanges and brokers in order to trade. However, due to the rapid growth in technology trading stocks and other financial instruments can be made through the convenience of the home with a registered broker, in recent times app-based trading has become a staple in the stock market. In India, namely two largest stock exchanges are National Stock Exchange and Bombay Stock Exchange, National Stock Exchange is the larger of the two and stands 8th in overall market capitalization in the world. (World Federation of Exchanges, 2023)¹. Stock market provides a platform for firms to finance their funds through public funding and provides potential investors with reliable investment avenues. National Stock Exchange has 2379 companies registered with a market capitalization of Rs. 3,581,291,532. (NSE,2024) similarly Bombay Stock Exchange 5471 companies registered Rs. 37,636,886.59. (BSE, 2024). There are two different markets that exist within the stock market namely the primary and the secondary market. The primary market acts as a platform for the corporations to issue and sell their shares directly to the general public for the first time and this is known as initial public offering (IPO). In the secondary market the stock market acts as a platform to buy or sell already issued stocks in the market, in this market the corporates have to deal with the dealings amongst the traders who have already bought the shares and want to sell it. In this market the capital is not raised for the firms. The Securities and exchange board of India (SEBI) is responsible for the overall supervision, development, and regulation of the stock market. SEBI was established in 1992, and its headquarters is in Mumbai, India.

Sikkim is a small Himalayan state which is the least populated among all other states in India and has the lowest population in India. Sikkim, although small, has economic potential as it has one of the highest per capita GDP amounting to 5,41,544 which is growing at a CAGR of 18.5%.² Sikkim currently has 54,114 individual investors in BSE, the rate of growth of individual investors in Sikkim is quite high at 44.89% between 2023 and 2024. (BSE,2024)³

Literature Review

Koenen et.al (2021) Their study focused on understanding and predicting the probability of respondents knowing correct answers with regard to financial literacy. They found that women respondents in general tend

to avoid responding to any questions and responded neutrally to the majority of the questions that measure financial literacy. However, whenever the neutral stance in a question is not made available to them, they answer correctly. They concluded that almost one third of the lower financial literacy can be attributed to the lower confidence level of women and their lower willingness to participate. It was further concluded that both financial knowledge and confidence level attributed to the participation of stock market in both men and female respondents.

Sivaramakrishnan et.al. (2017) aimed to study the impact on participation and investment decisions caused by financial literacy. For the purpose of the study, they used theory of planned behaviour for understanding the relationship between the variables. The study focused on the two aspects of financial literacy i.e. Objective and subjective financial literacy where it was found that both aspects affected the intention to participate in the stock market whereas only objective financial literacy affected the behavior.

Kukreja (2021) his study was based on the NCR region of India with the aim to study the investors' perception. 120 samples were used for the study by using systematic sampling technique. For the purpose of his study 119 functional variables were used to measure investors' perception. It was found that benefits and influence of investment had the highest relevance with regard to investors' perception. Variables such as liquidity, charges in trading, attributes of investment act as arbitrate factors. As a whole functional variable had a high impact as it impacted about 72% on measuring investors' perception.

Sowmya, Reddy (2016) had sought to investigate the perception of investors on various investment opportunities. It was found that majority investors preferred investments ranging from 2 to 10 years and majority of the investors only invested less than 30% of their total income. The most preferred investment opportunity was fixed deposit and the least preferred was bonds and debentures. It was found that stable income had the most impact on the intention to participate in the stock market followed by profit in investment, increase in the value of investment and safety in the investment respectively.

Mouna, Jarboui (2015) they focused on studying how human sentiments affect the decision making process with regard to examining the investment portfolio's return and risk. They also aimed to study the

impact of stock market experience on reducing errors and bias. Findings indicate that behavioral biases of small investors influenced the portfolio returns. They found that variables such as age, familiarity, experience and anchoring are important factors that contribute towards the decision-making process of investment in the stock market. It was concluded that a small investors' experience level can reduce various biases and risks while making decisions with regard to investments.

Seetha,Nithya (2016) they aimed to study the level of awareness among investors and identify the preferred investment avenues of investors along with the perception of Investors on these investments. They also aimed to understand the relationship of various socio-economic variables with investment. A primary study of 250 samples was carried out to achieve the objectives of their study. They used descriptive statistics along with factor analysis for the purpose of the study. It was found that making earnings is the primary objective of the investors along with having flow of income and purchase of assets also motivated the investors. Investors preferred mutual funds and investing in equity was also preferred. The study indicated 5 factors that affected the perception of investors.

Velmurugan.et.al (2015) their study focused on identifying the relationship of various socio-economic variables along with the investment decisions of investors. It also established the impact Investment decisions on the various avenues with respect to gender. It was found that the preference on all across various investment avenues were similar except gold and post office deposits. With respect to differences in age groups it was found that stock market, gold, post office and bank savings had significant differences whereas all avenues remained the same.

Sharma (2019) She analyzed 100 respondents to analyse the level of awareness and perception of investors towards mutual funds. Along with it her study aimed to analyze the various factors that affected the investors' perception. It was found that lower income investors preferred the mutual funds over equity investment and also the majority of investors recommended mutual funds to their peer groups as a safe investment platform. It was also indicated that there were 5 basic factors that affected the perception of investors which were fund characteristics, credibility, convenience, success factors and fund family. It was also

concluded that there are numerous socio-economic variables which impact perception particularly the female and low-income population has not been fully penetrated.

Objectives of the Study:

- To investigate the perception of investors in the stock market in Sikkim.
- To identify the association between socioeconomic variables and familiarity towards stock market
- To identify the association between socioeconomic variables and Knowledge base on the stock market.

Research Methodology

The nature of the study is analytical and descriptive. For the purpose of the study, data collection has been conducted by using convenience sampling method as the study population is not known precisely. The collection of the data was done with the help of self-structured questionnaires from 50 individual Investors investing in the stock market at a regular interval from the state of Sikkim. The sample size is limited because of the limited active investors in the state who make their own independent decisions. The first part of the questionnaire contains measures with regard to socioeconomic variables of the respondents namely Age, Gender, Education, Nature of Educational Background, Marital Status, Income, Occupation, and Geographical Locations. The second part of the questionnaire contained various questions pertaining to risk assessment, thinking, familiarity, perceived knowledge, preference awareness of Stock market. The sample for the study was collected in the month of Mar-Oct,2023. The average time taken to administer the structured questionnaire was around 15 minutes. For analyzing the research data, the Descriptive Statistics tools such as standard deviation, weighted mean, percentage were utilized to draw inferences from the data and Hypothesis testing was conducted to analyze significant differences among various socio-economic groups.

Data Analysis

Individual Investors' Perception towards Stock Market

Table 1: Perception towards stock market.

Perception towards the stock market.	Frequency	Percentage
Very Positive	4	8%
Positive	22	44%
Neutral	23	46%
Negative Very Negative	1	2%
	6	12%
Total	50	100%

The study highlights that majority of the respondents (52%) or 5 in 10 people have a positive perception towards the stock market, in which 8% have very positive and 44% have a positive perception, 46% or 4 in 10 people have a neutral perception which is neither positive or negative perception about the stock market they have been ambiguous which means they don't have any definite image and thinking in relation to stock market. Only 2% which is a very small percentage of the respondents have a negative perception about the stock market.

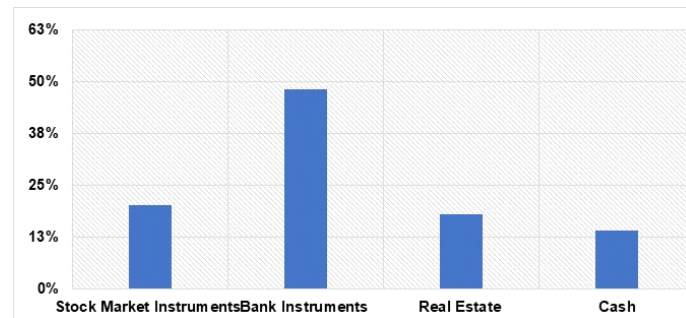
Table 2: Sources of information for Investments

Sources of information for Investments	Frequency	Percentage
Family & Friends	19	38%
Schools/Colleges	6	12%
By Research	11	22%
By social media	7	14%
News/Articles	7	14%
Total	50	100%

It was found that majority of the respondents (38%) or almost 4 in 10 people have indicated that they got introduced to stock market via their friends and family, while 22.2% people got introduced to stock market by themselves, while 14% each have indicated that social media and news article, the least only 12% of the respondents have indicated that school and colleges introduced them to stock market.

Table 3: Preference of Investment opportunity

Investment Opportunity	Respondents	Percentage
Stock Market Instruments	10	0.2
Bank Instruments	24	0.48
Real Estate	9	0.18
Cash	7	0.14

**Figure 1: Preference of Investment Opportunity**

As we can clearly see that majority of the respondents (48%) or almost 5 in 10 people have indicated that they have invested their savings in bank instruments like savings schemes, fixed deposits, while 20% people or almost 2 in 10 people have invested in stock market instruments like shares, mutual funds etc., have indicated that they have invested in real estate, the least 14% of the respondents have indicated that have kept their savings in the form of cash.

Table 4: Perception of Risk related to Stock market

Perception of Risk related to Stock market	Frequency	Percentage
Very Good Opportunity with no risk	0	0%
Mostly an Opportunity with Risk	30	60%
Opportunity with huge Risk	14	28%
Very Risky	6	12%
Total	50	100%

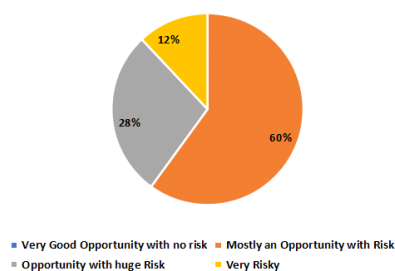
**Figure 2: Perception of Risk Related to Stock market**

Table 4 revealed that 60% of respondents, which is 6 in ten people, think that investing in the stock market is mostly an opportunity with risk, although 28% of respondents think that it is an opportunity with huge risk and 12% of respondents think that investing in stock market is very risky.

Table 5: Knowledge Classification with regard to Stock Market

Knowledge Classification	Frequency	Percentage
More than Adequate	4	8%
Adequate	12	24%
Lot to learn about it	24	48%
No Knowledge	10	20%
Total	50	100%

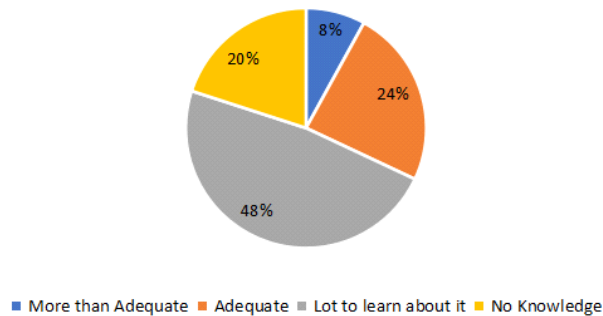


Figure 3: Knowledge Classification with regard to Stock Market

Table 5 highlights that majority of respondent 48% which is 5 in ten people has classify their knowledge about the stock market that they have to learn a lot about it, where as 32% of respondent has said that they have an adequate knowledge about the stock market out of which 8% of respondent has stated that they have more than adequate knowledge about stock market and we can see that 20% has absolutely no knowledge about investing in stock market.

Table 6: Perception on Stock Market being similar to Gambling

Perception on Stock Market being similar to Gambling	Frequency	Percentage
Strongly Agree	0	0.00%
Agree	6	12.00%
Neutral	25	50.00%
Disagree	15	30.00%
Strongly disagree	4	8.00%
Total	50	100%

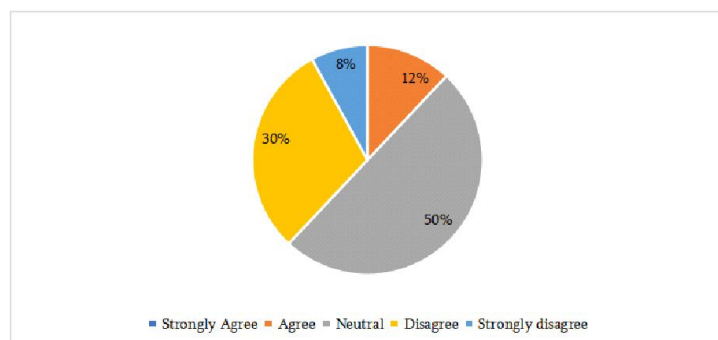


Figure 4: Perception on Stock Market being similar to Gambling

The study found that majority 52.1% respondent which is 5 in ten people neither agree or disagree that the investment in stock market is similar to gambling, where as 27.1% respondent which is 3 in ten people and 8.3% respondent which is 1 in ten people has strongly disagree in this thought and more overly 12.1% respondent has agreed that investing in stock market is similar to gambling.

Analysis of the familiarity of Stock Market

To Ascertain the familiarity of the individual investors with regard to the Stock Market. A scale has been structured ranging from 1 to 5 where 1 indicates “Not at all Familiar”, 2 “Not familiar”, 3 “Neutral”, 4 “Familiar” and 5 “Very Familiar”. To study the familiarity of the respondents an average of their indicated familiarity score was calculated from a scale of 1 to 5. When we studied the familiarity of the whole sample base of the individual investors it was found that the average familiarity score of all respondents stood at 2.17 which indicates unfamiliarity with regard to stock market among the samples.

Table 7: Comparing Familiarity score on the basis of Educational Qualification and Stream of Education

Comparing Familiarity Score on the basis of Stream and Educational Qualification		
Educational Qualification	Ph.D.	4
	Post Graduation	2.7
	Graduation	1.89
	Higher Secondary	1.66
	Matriculate	1
Stream of Education	Commerce/Finance/Economics	3.5
	Humanities and Related Subjects	1.65
	Science and Related Subjects	2

Familiarity score on the basis of Education Qualification indicates that highly educated investors have shown more familiarity than less educated investors as the investors with a Ph.D. degree have the highest familiarity score of 4 followed by Post graduate investors 2.7, Graduate investor 1.89, Higher Secondary 1.66 and lastly Matriculate investors had the lowest familiarity of 1 among all samples. It can be noted that higher education can indicate a higher familiarity to the stock market as a whole.

When we compare the various-stream of education among the investors with regard to familiarity it was found that Commerce/Finance/Economic background investors had the highest familiarity score of 3.5 followed by science and related subjects with a score of 2 and lastly humanities and related subjects scored the lowest among all other subjects with a score of 1.65. Thus, it can be said that investors with a background of studying the stock market at some level had a higher familiarity score as Commerce/Finance/Economics had more familiarity than other streams.

Table 8: Comparing Familiarity score on the basis of Age and Income levels

Familiarity Score on the Basis of Age and Income of Investors		
Age of Investors	20-30	2.31
	30-40	2.45
	40-50	1.44
	Above 50	2
Income level of Investors	Less than 25,000	1.866
	25,000 to 35,000	2.42
	35,000 to 50,000	2.06
	50,000 to 75,000	3
	Above 75,000	2

It can be clearly stated that younger investors have slightly more familiarity than older investors. It was found that adults ranging from 30-40 years had the most familiarity followed by young adults aged 20-30 scoring 2.31 followed by older investors with age more than 50 scoring an average familiarity score of 2. Lastly, investors ranging from 40-50 years of age had the lowest score of 1.44.

It was found that investors with investors belonging from middle income groups have higher familiarity scores than either low earning or high earning investors. Highest familiarity score of 3 was found in the income group 50,000 to 75,000 followed by 25,000 to 35,000 scoring 2.42, 35,000 to 50,000 scoring 2.06, High income group scoring 2 and lastly the least familiarity was found in the lowest income group which scored an average of 1.866.

Table 9: Comparing Familiarity score on the basis of Gender and Nature of Employment

Familiarity Score on the basis of Gender and Nature of Employment		
Gender	Male	2.7
	Female	1.94
Nature of Employment	Private	2.7
	Government	1.84

When we compare the average similarity score on the basis of Gender it can be clearly noted that Male respondents have a higher score of 2.7 than the Female respondents who have scored an average familiarity score of 1.94. Therefore, it can be said that Male respondents are more familiar than Female respondents with regard to Stock Market workings.

On the basis of Nature of Employment, it can be concluded that investors engaged in the private sector have scored 2.7 which is more than government employees who have scored 1.84 thus, it can be said that private employees have a higher familiarity with the stock market than those engaged in government sector.

Comparative Analysis of Knowledge on Stock Market

To Investigate the knowledge of the respondents on Stock Market a self-structured questionnaire containing 11 basic questions on Stock Market was administered to the individual investors. The respondents were then marked on these 11 questions whether they answered correctly or not, then an average of the marks scored was taken to calculate the perceived knowledge they had on the stock market.

Table 10: Comparing Knowledge score on the basis of Educational Qualification and Stream of Education

Comparing Knowledge Score on the basis of Stream and Educational Qualification		
Educational Qualification	Ph.D.	74%
	Post Graduation	62%
	Graduation	40%
	Higher Secondary	24%
	Matriculate	18%
Stream of Education	Commerce/Finance/Economics	72%
	Humanities and Related Subjects	29%
	Science and Related Subjects	51%

On the basis of the Knowledge score of respondents it was found that higher education levels led to higher scores. Ph.D. respondents had the highest score of 74% correct answers, followed by postgraduate score of 62%, Graduate scored 40%, Higher Secondary 24% Lastly matriculate respondents only scored 18% correct answers indicating a low knowledge base on stock market.

When it comes to the stream of education it can be clearly stated that respondents from commerce/finance/economics had the highest score of 72% correct answers followed by Science 51% and lastly Humanities scored only 29% correct answers. It can be stated that respondents who have a history of some level of learning on the stock market performed better than other streams.

Table 11: Comparing Knowledge score on the basis of Gender and Nature of Employment

Knowledge Score on the basis of Gender and Nature of Employment		
Gender	Male	55%
	Female	40%
Nature of Employment	Private	47%
	Government	43%

On the basis of Gender, it is noted that male respondents scored slightly better than female respondents as male respondents answered 55% of the total questions correctly whereas female respondents scored 40% of the total questions correctly. It can be said that males have a better knowledge base on the stock market than females.

On Comparing the respondents on the basis of their nature of employment it was found that private sector employees scored 47% of the total questions correctly whereas Government employees scored 43% of the total questions correctly. It can be stated that private employees had a slightly better knowledge base on the stock market than government employees.

Table 12: Comparing Knowledge score on the basis of Age and Income levels

Knowledge Score on the Basis of Age and Income of Investors		
Age of Investors	20-30	49%
	30-40	40%
	40-50	39%
	Above 50	42%
Income level of Investors	Less than 25,000	35%
	25,000 to 35,000	45%
	35,000 to 50,000	40%
	50,000 to 75,000	89%
	Above 75,000	55%

It was found that the youngest age group ranging from 20-30 had the highest knowledge score of 49% correct answers followed by the oldest age group scoring 42% correct answers, Middle age groups ranging from 30-40 and 40-50 scored 40% and 39% respectively. It can be said that young adults have a stronger knowledge base than other age groups.

Comparing the respondents on the basis of income level it was found that higher income earning respondents had the higher score compared to lower income earning respondents, The income level ranging from 50,000 to 75,000 had the highest score of 89% followed by Above 75,000 scoring 55% correct answers, then 25,000 to 35,000 scoring 45% and lastly 35,000 to 50,000 scored 40% followed by less than 25,000 income group scoring the lowest score of 35%. We can conclude that a higher income level led to a higher knowledge base on the stock market.

Hypothesis Testing

In order to ascertain the association between familiarity scores and socio-economic variables along with the association between knowledge base and socio-economic variables hypothesis test namely Mann-Whitney U test for association and chi square test of association has been conducted to accept or reject the null hypothesis.

Mann-Whitney U test between familiarity of stock market on the basis of gender

H_{01} : There is no significant difference in the familiarity of the stock market among male and females.

For the hypothesis testing the level of significance is 0.05.

Table 13: Mann-Whitney U Test

Particulars	Value
n1	19
n2	31
$n1(n1+1)/2$	190
$n2(n2+1)/2$	496
U.Stat. Value	207.5.
Critical Value	149

U.Stat (207.5) > Critical Value (149) at significance level of 0.05 we have failed to reject the null hypothesis therefore we have to conclude that the difference between males and females in terms of their score is likely to be caused by chance and there is no significant difference between the familiarity of the stock market among males and females therefore we failed to reject our null hypothesis or we have to accept our alternate hypothesis.

It is therefore implied that the familiarity of the stock market among males and females are not statically different or they are statically same.

Mann-Whitney U test between knowledge perceived of stock market on the basis of Gender

H_{02} : There is no significant difference in the knowledge perceived of the stock market among male and females.

For the hypothesis testing the level of significance is 0.05.

Table 14: Mann-Whitney U test

Particulars	Value
n1	19
n2	31
$n1(n1+1)/2$	190
$n2(n2+1)/2$	496
U.Stat. Value	212
Critical Value	149

U. Stat (212) > Critical Value (149) at significance level of 0.05 we have failed to reject the null hypothesis therefore we have to conclude that the difference between males and females in terms of their score is likely to be caused by chance and there is no significant difference between the perceived knowledge of the stock market among males and females therefore we failed to reject our null hypothesis or we have to accept our alternate hypothesis.

It is therefore implied that the perceived knowledge of stock market among males and females are not statically different or they are statically same.

Chi Square Analysis between Familiarity Score and Socio-Economic Variables

Table 15: Chi Square Scores of Familiarity Scores

Test Variables	Value	df	p value	Significance level	Remarks
Age	5.88	8	0.66	0.05	Failed to reject null hypothesis
Income	13.41	12	0.34	0.05	Failed to reject null hypothesis
Educational Qualification	18.86	16	0.286	0.05	Failed to reject null hypothesis
Stream of Education	23.22	8	0.003	0.05	Reject Null Hypothesis
Nature of Employment	5.98	4	0.201	0.05	Failed to reject null hypothesis

H₀₃: There is no significant difference in Familiarity score among different educational backgrounds.

In accordance with the chi square test conducted at significance level of 0.05 the respective p value for different educational background was found to be 0.66 which is more than the level of significance

0.05 therefore, we have failed to reject the null hypothesis. It can be definitively said that there is no significant difference between familiarity score and educational background.

H₀₄: There is no significant difference in Familiarity score among different stream of education

The p value between familiarity score and stream of education was found to be 0.003 which is less than the level of significance of 0.05 therefore, we have rejected the null hypothesis. It can be concluded that there is a significant difference between familiarity score and stream of education.

H₀₅: There is no significant difference in Familiarity score among different age groups

Comparing familiarity score and age groups using chi square the p value was found to be 0.66 which is greater than the level of significance of 0.05 therefore, we have failed to reject the null hypothesis hence there is no significant difference between familiarity score and different age groups.

H₀₆: There is no significant difference in Familiarity score among different income groups

In accordance with the chi square test conducted at level of significance of 0.05 the respective p value for different income groups was found to be 0.201 which is greater than the significance level 0.05 therefore, we have failed to reject the null hypothesis. It can be definitively concluded there is no significance difference between familiarity score and income level.

H₀₇: There is no significant difference in Familiarity score between private and government employees.

Analysing the familiarity score between private and government employees using chi square the p value was found to be 0.66 which is more than the level of significance of 0.05 therefore, we have failed to reject the null hypothesis hence there is no significant difference between private and government employees on the basis of familiarity score.

Chi Square Analysis between Knowledge Score and Socio-Economic Variables

Table 16: Chi Squares Scores of Knowledge Scores.

Test Variables	Value	df	p value	Significance level	Remarks
Age	15.33	20	0.757	0.05	Failed to reject null hypothesis
Income	47.16	30	0.024	0.05	Reject null hypothesis
Educational Qualification	53.58	40	0.074	0.05	Failed to reject null hypothesis
Stream of Education	45.16	20	0.001	0.05	Reject Null Hypothesis
Nature of Employment	7.99	10	0.630	0.05	Failed to reject null hypothesis

H₀₈: There is no significant difference in Knowledge score among different age groups

Comparing knowledge score and age groups using chi square the p value was found to be 0.757 which is greater than the level of significance of 0.05 therefore, we have failed to reject the null hypothesis hence there is no significant difference between knowledge score and different age groups.

H₀₉: There is no significant difference in Knowledge score among different income groups

In accordance to the chi square test conducted at level of significance of 0.05 the respective p value for different income groups was found to be 0.024 which is lesser than level of significance of 0.05 therefore, we have to reject the null hypothesis hence, it can be definitively concluded there is a significance difference between familiarity score and income level and income plays a significant role in determining the knowledge base for stock market.

H₁₀: There is no significant difference in Knowledge score among different stream of education

The p value between familiarity score and stream of education was found to be 0.003 which is less than the level of significance of 0.05 therefore, we have rejected the null hypothesis. It can be concluded that there is a significant difference between Knowledge score and stream of education. It can be further said that the stream of education plays an important role in determining the knowledge base of the stock market.

H₁₁: There is no significant difference in Knowledge score among different stream of education

The p value between knowledge score and stream of education was found to be 0.001 which is less than the level of significance of 0.05 therefore, we have rejected the null hypothesis. It can be concluded that there is a significant difference between knowledge score and stream of education. It can be further said that the stream of education plays an important role in determining the knowledge base of the stock market.

H₁₂: There is no significant difference in Knowledge score between private and government employees.

Analysing the Knowledge score between private and government employees using chi square the p value was found to be 0.630 which is greater than the level of significance of 0.05 therefore, we have failed to reject the null hypothesis hence there is no significant difference between private and government employees on the basis of knowledge base.

Discussion and Results

Comparing the familiarity score with regard to stock market among the respondents it was found that Commerce is the best performing stream so it can be concluded that people with commerce stream of education have better familiarity about the stock market Males are more familiar in stock market then women it has been observed that the respondents with higher education background have a better familiarity in stock market.

Analysis of the perceived knowledge of stock market among the respondents it was found that Commerce is the best performing stream and investors with commerce background in education have better perceived knowledge about the stock market Males are more familiar in stock market then women the respondents with higher education background have a scored better in terms of perceived knowledge in stock market.

With the help of the Mann-Whitney U test we have found that there is no statistical difference between male and female when it comes to familiarity and knowledge base of the stock market.

In accordance to the chi square analysis between various socio-economic variables and familiarity it was found that only stream of education had a significant impact on the respondent's familiarity to stock market and other socio-economic variables such as age, income level, educational qualification, nature of employment did not have any significant difference with regard to the familiarity of stock market among respondents.

Similarly, when association between various socio-economic variables and knowledge base was analyzed, it was found that only stream of education and income had a significant impact on the respondent's knowledge base with regard to stock market and other socio-economic variables such as age, educational qualification, nature of employment did not have any significant difference with regard to the knowledge base of stock market among respondent. The lack of impact of socio-economic variables such as gender may be indicative of the lack of divide on the basis of gender where 58.5% of women in Sikkim work alongside the men (PLFS, 2022)⁴ which means that they also participate in financial activities of the family. Employment in Sikkim is mostly focused around the service sector which may explain the lack of significance in the study. The lack of overall awareness which was indicated in the study alongside the lack of prevalence of credible sources as information avenues for the stock market may contribute to the lack of significance of various socio-economic variables as all groups may be equally exposed to these shortcomings.

Conclusion

It can be concluded that the majority of respondents have a positive perception towards the stock market and view the stock market as an opportunity for investment with moderate risk. Most of the respondents have heard about the stock market from their friends and family and credible sources such as schools and colleges articles and newspapers have less access to people in terms of stock market which can contribute towards misinformation. The lack of respondents indicating credible sources suggests the under utilisation of these sources which showcases the lack of prevalence of schools, colleges and newspapers in providing Investment information in the state of Sikkim. The respondent has indicated the majority of their investment in banking instruments like saving schemes, fixed deposits and would prefer banking instruments over other financial instruments like stocks, mutual funds etc. thus, it

can further be concluded that stock market is not the first choice of investment for investors. The reason for the preference in banking instruments may be attributed to the lack of investment culture along with the risk averse nature of Sikkimese Investors.

It was found that among all socio-economic variables, streams of education made a significant impact when it comes to both familiarity and knowledge base as streams which taught stock market literacy in some manner performed better. Therefore, some level of stock market basics should be taught in order to increase the participation of individual investors. Lastly, it can be concluded that although perception towards the stock market is positive among investors in Sikkim, they lack adequate familiarity and knowledge base towards stock market which has hindered participation. Hence, Stock Market awareness programs along with training workshops should be implemented in the state to enhance perception and participation with regard to the stock market. Further studies can also include institutional investors as well as increase the sample base for further advancements to the study.

Endnotes

- 1 <https://focus.world-exchanges.org/issue/march-2023/market-statistics>
- 2 <https://www.investindia.gov.in/state/sikkim>
- 3 https://www.bseindia.com/markets/keystatics/KeyStat_ClientStat.aspx?expandable%20=4
- 4 <https://pib.gov.in/PressReleasePage.aspx?PRID=1805783>

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