

A STUDY ON INVESTORS AWARENESS ON ONLINE TRADING AND DEMAT ACCOUNT AT SHAREKHAN LIMITED

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I. INTRODUCTION

Demat account is also known as a Dematerialized account. The primary use of Demat account is to hold shares and securities in an electronic format. It helps you in online trading like buying or selling shares, or converting physical shares into electronic form. All the shares, mutual funds, bonds, government securities, and other investments are saved in a dematerialized account. Also, through it investors can perform intraday trades.

II. NEED OF THE STUDY

The need of the study arises because of the reason that a trainee must understand the company, its achievements and tasks, products and services and also to collect information about its competitors, its products and services offered. So that, after understanding and collecting information about the organization and its competitors, a trainee will be able to work well for the organization.

From the study I have learned very much, about the company as well as the strategy of the customers, which helps me a lot at my working days.

III. OBJECTIVE OF THE STUDY

1. To find the market potential and market penetration of angel broking product offerings in SHAREKHAN, and local area nearby them.
2. To collect the real time information about preference level of customers using Demat account and their inclination towards various other brokerage firms e.g. Sharekhan,
3. To expand the market penetration of SHAREKHAN.
4. To provide pricing strategy of competitors to fight cut throat competition.
5. To increase the product awareness of SHAREKHAN as single window shop for investment solutions.

IV. HYPOTHESIS

H0 (null hypothesis): preference for online trading is independent of awareness of demat accounts.

H1 (alternative hypothesis): preference for online trading is dependent on awareness of demat accounts.

V. SCOPE OF THE STUDY

A demat account is necessary to purchase and store financial securities. It holds all the investments in electronic form. Two depositories in India maintain a demat account. They are the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The first step to selecting a demat account is to choose a depository. Investors can choose either the NSDL and CDSL. After choosing a depository, the investor must choose a Demat account. Unlike depositories, there are many financial institutions that offer demat accounts. It is often confusing for the investors as to which one to choose. Hence, we have curated a list of things to keep in mind before choosing a demat account.

VI. RESEARCH METHODOLOGY

INTRODUCTION

Research Methodology refers to search of knowledge .one can also define research methodology as a scientific and systematic search for required information on a specific topic.

METHODS OF DATA COLLECTION

In the project work Primary data secondary data (both) sources of data has been used.

1. Primary data collection:

In dealing with real life problem, it is often found that data at hand are inadequate, and hence, it becomes necessary to collect data that is appropriate.

2. Secondary sources of data:

In the secondary sources of data is used. (Internet, Magazine, Books, Journals)

a. LIMITATION

1. The time constraint was one of the major problems.
2. The study is limited to the different schemes available under the Demat account selected.
3. The lack of information sources for the analysis part.
4. Geographical locations.
5. Extreme variability in MARKET.

VII. REVIEW OF LITERATURE

Bhatt & Bhatt (2012) entitled “Financial Performance Evaluation of depositories in India (A comparative study of NSDL & CDSL)” explores the fact that the trend of automation especially, Dematerialization, has enabled the Indian capital market to take the world center stage & scale to unprecedented heights. of last six financial years.

Chaudhary & Malik (2011) in their paper “Depository system in India: An appraisal” states that majority of the participants are resided with NSDL with stake of 55 percent. Thus, it acts as the primary organization with the majority of participants in the system.

George (1996) in his article “Towards a paperless settlement system” explains about the role of the NSDL in revolutionizing the paperless stock settlement system in the country.

Jeyanthi (2007) in his research work “A study on National Stock Exchange of India Limited” has highlighted that the NSE has created a niche for itself not only in the national arena but also in the international market with the adaptation of required structural changes. Therefore there is no doubt that NSE will be an attractive destination for the national & international investors to park their funds in the years to come.

Javaid (2003) in his thesis “A study of operations of stock exchanges with the special reference to Delhi Stock Exchange” discussed that Indian stock market has emerged as a major source of finance for the corporate sector. It is an institution evolved in the industrial developed capitalistic economies with free market mechanism. Stock exchange was termed as institutional allocator of resources par excellence.

Kaur (2013) in her paper “Investors preference between DEMAT & REMAT and awareness regarding depository & its various laws” explains the depository system in India, focusing on the reasons for investors preference between REMAT & DEMAT.

Olekar&Talwar (2013)in their paper “Online trading & DEMAT account in India – Some issues” observed that the banks normally levy a lower service charges compared to other depository participants. He also found that when the numbers of users are more online, the speed of transactions is affected.

DATAANALYSIS&INTERPRETATION

1. Gender ratio:

Particulars	Number of respondents	Percentage (%)
Male	60	60
Female	40	40
Total	100	100

❖ **Interpretation:** The above states that male respondents are 60%, followed by female respondents with 40%.

2. Age:

Particulars	Number of respondents	Percentage (%)
20-30 years	20	20
30-40 years	38	38
40-50 years	20	20
Above 50	22	22
Total	100	100

❖ **Interpretation:** From the analysis it is clear that 20% of respondents fall in the age group of 20-30 years, 30-40 years are with 38%, 40-50 years are with 20% and respondents above 50 years are 22%, majority of investors are in the age group of 30-40.

3. OCCUPATION:

Particulars	Number of respondents	Percentage (%)
Student	12	12
Employment	46	46
Business	24	24
Other	18	18
Total	100	100

❖ **Interpretation:** The above graph depicts that 12% of respondents are students, 46% of them are employed people, 24% of respondents are in business and 18% fall under other categories.

- ❖ **Interpretation:** By observing the above table it is understood that 20% of respondents use online trading from 0-2 years, 22% of them from 3 years, with the recent growth in market and I.T sector there is a drastic hike in usage by 48% and 10% of total respondents are non-users/ non-investors.

VIII. HYPOTHESIS TEST:

H0 (null hypothesis): preference for online trading is independent of awareness of demat accounts.

H1 (alternative hypothesis): preference for online trading is dependent on awareness of demat accounts.

SERIAL NO	YES/NO	AWARNESS OF DEMAT	AWARNESS OF ONLINE TRADING
1	YES	48	12
2	NO	32	8
3	AVERAGE	40	10

INTERPRETATION:

NULL HYPOTHESIS (H0)

The above analysis, Null Hypothesis (H0) there is no significant relation between Demat and Online trading. The averages of Demat 40 and Online trading is 10 so the difference is 30.

Hence Null Hypothesis is Rejected

Alternative Hypothesis (H1)

The above analysis, Alternative Hypothesis (H1) there is a significant relation between Demat and Online trading. The averages of Demat 40 and Online trading is 10 so the difference is 30.

Hence Alternative Hypothesis is Accepted

FINDINGS

1. The major finding of project is 100 individuals were aware of stock market. So it can also be possible that investors will rise in near future.
2. The study reveals that online trading is becoming popular in the Indian market as it is very simple to operate and easy to understand.
3. Most of the investors are male when compared to female investors, young Indian's are the major participants with 38%.

4. Majority of people don't invest money in the share market because there is a great risk involved while doing the trading.
5. Mostly people are aware about the online trading and risk involved because of this reason they are not in favor of online trading.

IX. SUGGESTIONS

1. Awareness programs must be conducted, to increase the participants in Indian financial market.
2. The economic development of the country in particularly a developing country like India must have more number of investors. This can be achieved only through initiations of government and safeguarding the existing investors by providing sufficient technical and analytical knowledge to the participants.
3. There is as difference between the people who believe and don't believe the online trading the reason behind this is lack of adequate knowledge so there is a need for proper training on online trading.

X. CONCLUSION

From the above analysis we have come to this conclusion that most of the people are aware of D-MAT ACCOUNT and online trading and very much interested in screen based trading. Online trading is the new concept in the stock market. In India, Online trading is still at its infancy stage. Online trading has made it easy to trade in the stock market as new people can trade while sitting at their home. Now, stock market is easily accessible by the people. There are some problems while doing the trade through internet. Major problem faced by online trader is that the investor are loyal to their traditional brokers, they rely upon the suggestions given by their brokers.

Bibliography:

Books

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2. Jack c. Bogle "The Little Book of Common-Sense Investing" United States 2007

Journals:

1. ["Sharekhan hopes to double customer base in next five years"](#). *The Hindu Business Line*
2. ["BNP To Invest Euro 70 Million In Sharekhan, Not To Exit Geojit"](#). *NDTV Profit*.

Websites

1. www.sharekhan.com
2. www.bseindia.com/

3. Sharekhan App (available for Android and IOS devices)