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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio," Ohio State University.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

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- Garg Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITE

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Economic and Political Weekly, Viewed on July 05, 2011 http://epw.in/user/viewabstract.jsp

FACTORS INFLUENCING INVESTOR BEHAVIOUR: AN EMPERICAL STUDY IN PUNJAB

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ABSTRACT

The Indian capital market has been one of the most preferable areas of investment during the last decade for investors both retail & wholesale. This paper aims at identifying the most affecting and the least affecting factors influencing investor behavior in Punjab with the help of modified questionnaire. The questionnaire included thirty-five items that belong to five categories: self-image/firm-image, accounting information, neutral information, advocate recommendations and personal financial needs. Also an attempt has been made to identify the sector which have outperformed in comparison to benchmark SENSEX for the period of 1999 to 2008. The result of the survey concluded that the behavior male and female investing in stock market in Punjab have almost the same set of factor that influence their behavior.

KEYWORDS
Self image, firm image, neutral information, Investor behavior, Behavior finance, Independent sample T - Test.

INTRODUCTION: BEHAVIORAL FINANCE

It is area of finance that proposes psychology-based theories to explain stock market anomaly. In behavioral finance, it is assumed that the information structure and the characteristics of market participants systematically influence individuals' investment decisions as well as market outcomes.

In addition, behavioral finance places an emphasis upon investor behavior leading to various market anomalies. Investor finance also helps in answering certain questions: Why, when all the evidence shows investors cannot beat the market on any systematic basis; how can we explain the stock market "bubbles"; why do investment analysts have so much difficulty in identifying under- and over-valued stocks; why do stock prices appear to under-react to bad news; why do acquisitions on average turn out to be unsuccessful etc. A better understanding of behavioral processes and outcomes is important for financial planners because an understanding of how investors generally respond to market movements should help investment advisors devise appropriate asset allocation strategies for their clients.

Indian capital market (Bombay Stock Exchange) was established in the year 1875. The number of companies keeps on changing from time to time and all statistics are published in www.bseindia.com. For Jan, Feb and Mar 2009 Total numbers of companies (Excluding Permitted Companies) were 4925, 4924 and 4929. Also the market capitalization has also increased to Rs 10950.43 cr in Oct 2010.

The trading volume of shares has fluctuated strongly at national Stock Exchange.

TABLE 1: VOLUME OF SHARES TRADED IN NIFTY

Date	Volume of Shares Traded at NIFTY
2-Jan-08	81305366
1-Feb-08	106716699
3-Mar-08	150762989
1-Apr-08	119878713
2-May-08	131260266
2-Jun-08	118396812
1-Jul-08	164469220
1-Aug-08	178077599
1-Sep-08	82996531
1-Oct-08	149863209
3-Nov-08	240443755
1-Dec-08	257834565
2-Jan-09	226681072
2-Feb-09	235281717
2-Mar-09	194233262
1-Apr-09	319442080
4-May-09	363866099
1-Jun-09	464256409
1-Jul-09	289982752
3-Aug-09	277002677
1-Sep-09	332639046
1-Oct-09	224761213
3-Nov-09	319392344
1-Dec-09	301878674
4-Jan-10	148652424
1-Feb-10	226819473
2-Mar-10	233127111

Source: www.nseindia.com

CHART 1

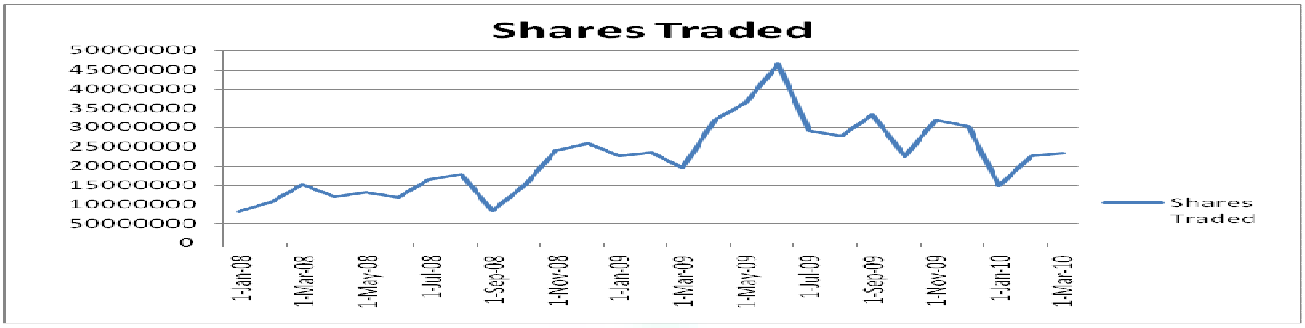
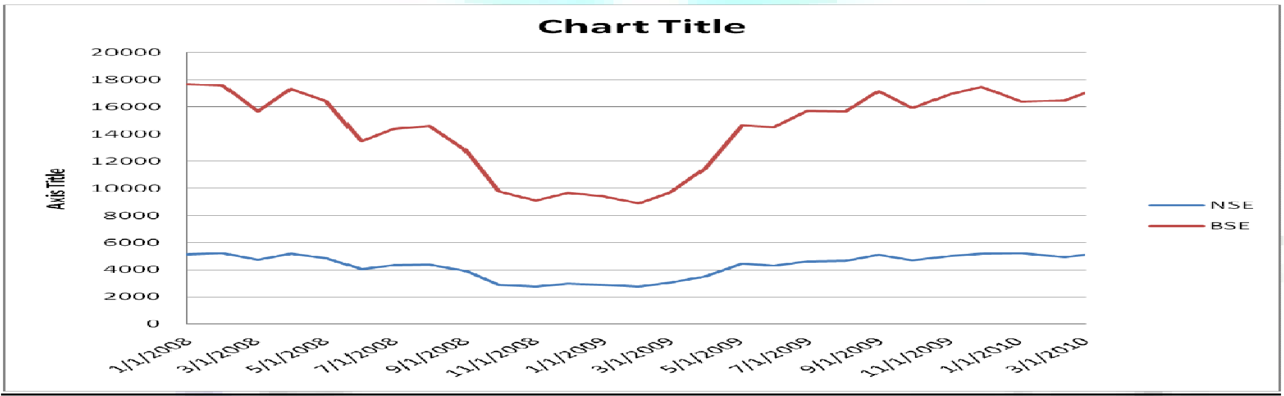


TABLE 2: NIFTY AND SENSEX SINCE JAN 2008 TO MARCH 2010

Date	NSE	BSE
1/1/2008	5137.45	17648.71
2/1/2008	5223.5	17578.72
3/3/2008	4734.5	15644.44
4/1/2008	5165.9	17287.31
5/2/2008	4870.1	16415.57
6/2/2008	4040.55	13461.6
7/1/2008	4332.95	14355.75
8/1/2008	4360	14564.53
9/1/2008	3921.2	12860.43
10/1/2008	2885.6	9788.06
11/3/2008	2755.1	9092.72
12/1/2008	2959.15	9647.31
1/1/2009	2874.8	9424.24
2/2/2009	2763.65	8891.61
3/2/2009	3020.95	9708.5
4/1/2009	3473.95	11403.25
5/4/2009	4448.95	14625.25
6/1/2009	4291.1	14493.84
7/1/2009	4636.45	15670.31
8/3/2009	4662.1	15666.64
9/1/2009	5083.95	17126.84
10/1/2009	4711.7	15896.28
11/3/2009	5032.7	16926.22
12/1/2009	5201.05	17464.81
1/4/2010	5225.65	16357.96
2/11/2010	4922.3	16429.55
3/2/2010	5088.7	16994.49

CHART 2



REVIEW OF LITERATURE

Economics and Finance (2005) the objective of this paper was to identify significant personal and environmental factors that influence investment behavior and to specify the investment decision-making process, particularly with respect to female investors. It was expected that the results presented here will help readers to consider new approaches to investment education. Specifically, this chapter aims to: (a) explore differences between men and women in a variety of financial behaviors, investment decision-making process; (b) identify patterns of investment involvement and learning preferences; and (c) determine socio-economic and behavior factors that explain gender differences in specific investment behavior (portfolio diversification).

Hassan (2004) aimed at identifying the most and the least influencing factors on the UAE investor behavior. It developed a modified questionnaire. The questionnaire included thirty-four items that belonged to five categories. The main findings: (i) accounting information or the classical wealth–maximization criteria is the most influencing group on the UAE investor behavior; (ii) neutral information is the least influencing group on the UAE investor behavior; (iii) two factors unexpectedly had the least influence on the behavior of the UAE investors' behavior, namely religious reasons and the factor of family member opinions.

Love Inness (2003) this study has identified and characterized segments of individual investors based on their shared investing attitudes and behavior. A behavioral finance literature review reveals five main constructs that drive investor behavior: investment horizon, confidence, control, risk attitude, and personalization of loss. Ninety individual investors were surveyed via questionnaire on these constructs. A cluster segmentation analysis identified four main segments of individual investors: 1) risk-intolerant traders; 2) confident traders; 3) loss-averse young traders; conservative long-term investors. Each segment purchased different types of stocks, used different information sources, and had different levels of trading behavior.

Mc adam Anna (2009) has examined the simultaneous trading behavior for eighteen investor classes in target and bidder firm shares around a takeover proposal. These eighteen investor classes constitute all of the investors in the trading environment. Using a buy-sell imbalance indicator and a buy-to-sell ratio for the analysis, it was expected that observable behavioral differences would manifest themselves on the basis of informedness, and in turn the informed investor class under a takeover event identified. The empirical results find that fourteen investor classes do not trade however in the target and bidder firm shares. For the remaining investor classes which do trade; these comprise the domestic domiciled investor categories (1) nominees, (2) superannuation funds, (3) incorporated companies, and (4) individuals. It was found that with the exception of the nominee investor class, the investors demonstrate trading behavior which is consistent with their being uninformed; the trading behavior was found to reflect a general buying activity which was unrelated to the takeover event. The nominee investor class on the other hand, trade in a manner which closely resembles the takeover firm share price movements. This trading behavior by the nominees in light of a profit maximizing motivation, leads this paper to conclude that it is this investor class who for a takeover event, were the informed.

Sahu, Jaisawal and pandey (2009) to studied the buying behavior of the consumer towards the life insurance policies in India. Before the opening of indian market for Multinational Insurance Companies, Life Insurance Corporation (LIC) was the only company which dealt in Life Insurance and after opening of this sector to other private companies, all the world leaders of life insurance have started their operation in india. With their world market experience and network, these companies have offered many good schemes to lure all type of Indian consumers but unfortunately failed to get the major share of market. Z-test was applied to find out the significant differences between male and female investors in context to life insurance. The result concluded that the perception of the male and female investors were same.

After studying the review of literature scope of the study is to know about various aspects of stock market and its performance in India. Researcher has conducted a survey to know the views of investors about the stock market and factors affecting their behavior. Our study is confined only to Lovely Professional University in Jalandhar, Punjab.

An attempt has been made to examine the sectoral indices like Metal, Oil & Gas, Consumer Durable, Auto, PSU, I.T, Health Care and FMCG indices of Indian stock market so as to know whether they out performed or underperformed during the last few years. Also to identify the factors that affects the investors' behavior investing in the Indian stock market. As a part of the study we have surveyed both and male and female so as to know whether they are affected by the factors identified by the researcher i.e. Selfimage, accounting information, neutral information, advocate recommendation and personal financial needs.

RESEARCH METHODOLOGY

The present study being conducted follows a descriptive research design as the data would be responses from a sample containing a large no. of sources. It is a cross section of the situation design of the descriptive studies including the nature and the analytical method. The questionnaire Method is used for collection of primary data by getting the questionnaires filled up by the people living at jalandhar who invest in stock market.

The secondary data includes material collected from: Magazines and Bulletins: - NSE News Bulletin, LSE Bulletin Etc, Internet:- www.nseindia.com, www.bseindia.com and others.

The study is been conducted in Jalandhar, so due to certain constraints the sample size chosen for the research is 300. But 25 questionnaires out of the total was rejected as they were not been filled properly. The selection of investors who invest in the stock market was done on the basis of random sampling. The time period of the study is between May 2010 to August 2010.

Independent Sample T - test has been applied to check the behavior aspect of the investors.

TOOL USED FOR DATA ANALYSIS

Independent Sample T – Test - Statistic used to compare means of two sets of scores, each set collected from a different set of people or collected about a different set of stimuli.

From the research conducted earlier in Dubai and other countries following are the factors that have been influencing the behavior of investors. So the same factors has been taken to study their applicability in Indian context

TABLE 3

Self Image/Firm Image	Product and Service
	Reputation in Industry
	Get Rich
	Firm Status
	Community Development

Accounting Information	Stock Merchantability
	Expected Corporate Earnings
	Financial Position
	Dividend Paid
	Expected Dividend
	Past Performance

Neutral Information	Government Holders
	Information from Internet
	Fluctuations in the stock market
	Coverage in press
	Recent price movements
	Statement by government officials
	Economic Indicators

Advocate Recommendation	Broker Recommendation
	Family member recommendation
	Friend recommendation
	Stock holder recommendation
Personal Financial Needs	Diversification
	Availability of funds
	Minimizing risk
	Expectations of loss
	Highest return

HYPOTHESIS TESTING

Hypothesis- The Hypothesis for testing the significance of the test are following:

H0 There is no significant difference between the behavior of male and female towards investment in stock market.

H1 There is significant difference between the behavior of male and female towards investment in stock market.

This paper developed a questionnaire to examine the behavior of the investor. The questionnaire represents five different items self image, accounting information, neutral information, advocate recommendation and personal financial needs. The Respondents are asked to indicate their degree of agreement on a five point rating scale and based on this questionnaire the most important category will be identified.

The reliability of the questionnaire was assessed with Cranach's alpha. As a general rule the coefficient should be greater than or equal to 0.5 is considered acceptable and a good indication of construct reliability. The Cronbach's Alpha for questionnaire is 0.820.

RESULTS & DISCUSSION

ANALYZING THE SECTORAL INDICES WITH RESPECT TO SENSEX

In this analysis, researcher are analyzing the broader Sensex index with the major sectoral indices Of the Indian stock market like Auto index, Banking index, Consumer Durable, FMCG, Health Care, I.T, Metal, PSU and Oil & Gas index.

The key Purpose behind analyzing this is to know that which sector had outperformed, underperformed and had remain in line with the Sensex benchmark.

YEAR 1999-2000

In the year 1999-00, the benchmark Sensex had provided the negative returns to the investors to the extent of 21 percent. Almost all the indices that we had evaluated provided the negative returns. The major contribution came from the indices like Auto, Consumer durable, HealthCare, I.T, Metal, Oil & Gas and PSU which provided negative returns such as 44 percent, 38 percent, 35 percent, 33 percent, 25 percent, 34 percent, 33 percent respectively. These above stated indices had really underperformed the broader index as their negative returns are much more comparing to the benchmark. The only sector that outperform was the FMCG index, though it also provided the negative returns.

YEAR 2000-01

In the year 2000-01, the benchmark Sensex had again provided the negative returns to the investors to the extent of 18 percent. The major sectoral laggards to this negative sensex returns were the Consumer durable index (down 31 percent), I.T index (down 39 percent). These sectoral indices had really dominated in this bear rally in the Indian stock market. The indices which outperform but with negative returns were the FMCG, Health care, Metal, Oil & Gas and the PSU index. Among the shining star in the market which outperformed with the positive returns for the investors was the Auto Sector, which gained about 5 percent.

YEAR 2001-02

In the year 2001-02, the benchmark Sensex had provided the positive returns to the investors with the gain of about 4 percent (Y-Y basis). Almost all the sectoral indices participated in this bullish phase, with key contributions coming from PSU index (Up 74 percent), Oil & Gas (climbing 72 percent), Metal (climbing 62 percent) and Auto index (Up 35 percent) and also marginal gains coming from the indices like Consumer durables, Health care and the I.T where the returns ranges from 5-20 percent. The only negative surprise was the FMCG sector which clearly underperformed the market with index taking a knock of about 12 percent.

YEAR 2002-03

In the year 2002-03, the benchmark Sensex had provided the biggest positive returns to the investors in its history of trading with the gain of about 73 percent (Y-Y basis). Every sector participated in this massive bull market with all the sectors proving huge returns to the investors. The huge returns came from the indices like Metal index (up 212 percent), Auto index (up 150 percent), PSU index (up 144 percent), Oil & Gas index (up 127 percent), Banking index (up 109 percent), Health care index (up 96 percent) and Consumer durable index (up 93 percent) and also the marginal gains coming from the indices like FMCG and the I.T. The year 2002-03 was the year of broad based rally where every sector made positive returns.

YEAR 2003-04

In the year 2003-04, The benchmark Sensex had again provided the positive returns to the investors with the gain of about 13 percent (Y-Y basis). This year gain the sectoral indices ended up with positive gains and among them there were outperformers, The major being the Banking index (gained 33 percent), I.T (up 26 percent) and Health care index (up 23 percent). The growth in the Auto and the Consumer durable was modest to the extent of 12 percent and 8 percent respectively. The FMCG index closed with the negative return of 5 percent. Really the clear outperformer was the banking index among the indices evaluated.

YEAR 2004-05

The bullish trend continues in the Indian market yet again this year, with the sensex taking a move up by 42 percent (Y-Y basis). No matter it be the FII's, FDI's, domestic institutions or the retail investors, all were pouring huge money into the Indian stock markets with all the growth prospects making India's way. All most every sector participated in this bull run again, with Consumer durable index be the clear outperformer this year with gain of about massive 115 percent, followed by the gains in the FMCG and the Auto sector of about 56 percent and 50 percent respectively.. Banking moved up by 37 percent and the other sector indices gains were just mere about 2-5 percent only. But yet again this year remained for the bulls as the benchmark along with the sectoral indices provided happy trading for the investors by providing positive returns for their investments.

YEAR 2005-06

The year 2005-06 remained bullish for the Indian stock market as the sensex moved north ways, providing the positive returns to the investors with the gain of about 47 percent (Y-Y basis). The bullish trend was taken up by all the other sectoral indices with the maximum gain allotted to I.T, Metal, Oil & Gas index and the banking sector with approx. range of 40 percent. The other sector also made the gains with the range of about 5-25 percent.

This year clearly saw no really outperformance in the sectoral indices compared to the gains made by the broader sensex, but the gains were almost equally distributed among most of the sectors.

YEAR 2006-07

The bullish trend in the Indian market had continued yet again this year with the benchmark Sensex again moving up by about 47 percent (Y-Y basis) with huge selected sectoral indices gain with even more than 10 percent gain in few indices. The metal and the Oil & Gas index shined yet again and being an outperformer with about 121 percent and 115 percent gain respectively. Consumer durable and the banking index, the other key drivers to Indian market with gains of about 95 percent and 61 percent respectively. Other sectors like Auto, FMCG and Health care index made growth which ranges between 2-20 percent. The only sector with the negative returns was the I.T index, which eventually fell about 14 percent.

So, Yet again, another year of bullish trend in the Indian stock market, with gains almost in every index and sector of the market, providing yet another year of happy trading for the investors.

YEAR 2007-08

Finally, the continues bullish trend in the Indian stock market eventually ended in 2007-08. The weak global cues and almost all the developed economies fearing recession the Indian benchmark Sensex fell about 19 percent (Y-Y basis). The negative returns were majorly attributed to the second half of this year with the negative news coming from the world over. This year saw all the negative returns to the sectoral indices with just two shining star with the positive returns be the Oil & Gas with 13 percent and the FMCG only 2 percent. The major key indices contributing the negative trend were the Auto, Consumer durable, Metal, PSU and the Banking Indices with returns (negative) 57 percent, 38 percent, 25 percent and 25 percent respectively.

So, This year provided with the surprise to the investors on the negative side, with the bearish trend emerging in the market with almost all the indices in the deep red making the investors fearing about the future uncertainty with the downward bias.

A SNAP SHOT ON SECTORAL INDICES PERFORMANCES

TABLE 4: CHART INDICATING THE PERFORMANCE OF SECTOR INDICES TO BENCHMARK SENSEX

Indices/Time Period	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Auto	Under performer	Under performer	Out performer	Out performer	Under performer	Out performer	Under performer	Under performer	Under performer
Consumer Durable	Under performer	Under performer	Out performer	Out performer	Under performer	Out performer	Under performer	Out performer	Under performer
FMCG	Out performer	Out performer	Under performer	Under performer	Under performer	Out performer	Under performer	Under performer	Out performer
Health Care	Under performer	Out performer	Under performer	Out performer	Out performer	Under performer	Under performer	Under performer	Out performer
I.T	Under performer	Under performer	Stable	Under performer	Out performer	Out performer	Under performer	Under performer	Out performer
Metal	Under performer	Out performer	Out performer	Out performer	Out performer	Under performer	Under performer	Out performer	Under performer
Oil & Gas	Under performer	Out performer	Out performer	Out performer	Under performer	Under performer	Under performer	Out performer	Out performer
PSU	Under performer	Out performer	Out performer	Out performer	Out performer	Under performer	Under performer	Out performer	Under performer

ANALYSIS

TABLE 5: CROSS – CORRELATION AMONG VARIABLES

		selfimage	Accountinginfo	neutralinfo	advocaterecm	personalfincialneeds
Self image	Pearson Correlation	1	.336*	.427**	.319*	.518**
	Sig. (2-tailed)		.017	.002	.024	.000
	N	50	50	50	50	50
Accounting info	Pearson Correlation	.336*	1	.381**	.477**	.465**
	Sig. (2-tailed)	.017		.006	.000	.001
	N	50	50	50	50	50
Neutral info	Pearson Correlation	.427**	.381**	1	.452**	.480**
	Sig. (2-tailed)	.002	.006		.001	.000
	N	50	50	50	50	50
Advocate recomm	Pearson Correlation	.319*	.477**	.452**	1	.430**
	Sig. (2-tailed)	.024	.000	.001		.002
	N	50	50	50	50	50
Personal fincial needs	Pearson Correlation	.518**	.465**	.480**	.430**	1
	Sig. (2-tailed)	.000	.001	.000	.002	
	N	50	50	50	50	50

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation has been calculated to find out the degree of correlation between the variables. The "rule of thumb" test says that any correlation greater than (0.7) suggests that there is a strong correlation between the variables. From the above table it can be concluded that all the factors selected are independent of each other and there is no strong correlation among them. So it can be said that the factors are not interrelated and hence study can be conducted so as know the behavior of investor.

INDEPENDENT SAMPLE T – TEST

TABLE NO 6: INDEPENDENT SAMPLE T-TEST TO TEST HYPOTHESIS

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Self image	Equal variances assumed	.131	.719	1.313	48	.195	-1.24932	.95142	-3.16229	.66365
	Equal variances not assumed			-1.389	12.544	.189	-1.24932	.89962	-3.20004	.70140
Accounting info	Equal variances assumed	.397	.532	-.733	48	.467	-.95122	1.29700	-3.55901	1.65657
	Equal variances not assumed			-.694	11.168	.502	-.95122	1.37010	-3.96127	2.05883
Neutral info	Equal variances assumed	.134	.716	.355	48	.724	.50136	1.41038	-2.33441	3.33712
	Equal variances not assumed			.354	11.725	.730	.50136	1.41718	-2.59446	3.59717
Advocate recomm	Equal variances assumed	.005	.942	-.606	48	.547	-.70732	1.16706	-3.05385	1.63922
	Equal variances not assumed			-.613	11.934	.551	-.70732	1.15324	-3.22157	1.80694
Personal fincial needs	Equal variances assumed	.964	.331	-1.094	48	.279	-1.24119	1.13427	-3.52179	1.03940
	Equal variances not assumed			-.909	10.067	.385	-1.24119	1.36583	-4.28173	1.79934

FINDING & INTERPRETATION

The key finding from the survey conducted by the researchers is that majority of the male respondents are serviceman, belongs to the age group of 30-35 & have an annual income of 3.5 – 4.5 lakhs p.a. whereas majority of females respondents are doing service , belongs to the age group of 30-35 & have an annual income of 3.5 – 4.5 lakhs p.a. Researcher found that majority of the female respondents prefer stock market for investment and least preferable are banks as an option for investment, whereas majority of male respondents prefer stock market as a best option for investment and least preferable is post office as an option for investment. Researcher found in the survey that majority of respondents (both male & female) investing in stock market from last 2-4 years and also majority of the investors (both male & female) prefer secondary market for investment and aiming for the short term gain through investment.

Mean shows the relationship between the perceive value of male & female, which is shown in the table 6:

- **Self image:** The result shows that the average of females for selfimage is slightly greater than male. But the significance value is greater than .05, so we can conclude that there is no difference between the behavior of male and female.
- **Accounting Information:** The result shows that the average of females for accounting information is slightly greater than male. But the significance value is greater than .05, so we can conclude that there is no difference between the behavior of male and female.
- **Neutral information:** The result shows that the average of males for Neutral information is slightly greater than female. But the significance value is greater than .05, so we can conclude that there is no difference between the behavior of male and female.
- **Advocate Recommendation:** The result shows that the average of females for advocate recommendation is slightly greater than male. But the significance value is greater than .05 so we can conclude that there is no difference between the behavior of male and female.
- **Personal Financial needs:** The result shows that the average of females for personal financial needs is slightly greater than male. But the significance value is greater than .05, so we can conclude that there is no difference between the behavior of male and female.

CONCLUSION

In the present Economic conditions it can be said that the Indian economy has survived the slow down and in a position to achieve the growth target of 8% for GDP in the coming fiscal, the future of the stock market is quiet bright and from the study we can conclude that the majority of the sectors have outperformed in context to SENSEX in the past. The Investors both male and female investing in the stock market at Jalandhar almost have the same behavior towards investment.

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