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INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self-explained, and the **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. *It should be ensured that the tables/figures are referred to from the main text.*
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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

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- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

A STUDY ON PERCEPTION OF INVESTORS REGARDING IMPACT OF MONETARY POLICY ON EQUITY MARKET

V. PRASHANTH KUMAR
ASSOCIATE PROFESSOR
MBA DEPARTMENT
MLR INSTITUTE OF TECHNOLOGY
HYDERABAD

Dr. ILYAS UR RAHMAN
PROFESSOR
DEPARTMENT OF BUSINESS MANAGEMENT
SHADAN INSTITUTE OF MANAGEMENT
HYDERABAD

ABSTRACT

The present study has been emphasized on the investor's perception on the monetary policy impact on the equity markets. The study has collected the primary data by using the simple random technique for the determination of sample size. The study has framed a questionnaire in the form of likert scale relating to perception and investor's protection measures form the adverse effects of the monetary policy on the equity investments. The reliability of the collected primary data has been confirmed with the Cronbach's alpha (i.e. 0.82 > 0.7) and applied the various other statistical methods for the examination of investors perception on the impact of Reserve bank of India monetary policy announcement on the equity markets. The study examined the investor's demographic factors association with the parameters of perception level on monetary policy with the help statistical methods of Chi –Square. The study also applied T test to identify the mean difference between the parameters. The discriminate score will reflect the investor's perception level on the impact of monetary policy on equity markets. The study states that there is a difference of investor's perception level on the impact of monetary policy on the Indian stock markets.

KEYWORDS

monetary policy, perception, equity market.

JEL CODES

E52, G11.

INTRODUCTION

Monetary policy it is a policy which is framed by the central bank of a country to know how much of money is circulating in the economy. The main objective of the monetary policy is to economic growth and price stability of the economy. The central bank of a country will use the Expansionary and Contractionary strategy to control the economy Expansionary means the increase in the supply of money in the economy to overcome the unemployment situations in the economy. Contractionary means the decrease in the supply of the money in the economy to overcome the inflation Investors should have a basic idea about the monetary policy, as it can impact their portfolio and net worth. This study has been emphasized on the investors' perception on the Monetary Policy impact on the equity markets. This analysis is a perfect guideline for investors. This will show the right way to take decisions regarding investment in stock market for the investors.

OBJECTIVES OF THE STUDY

1. To study the Demographic factors association with the parameters of investors' perception.
2. To study the investors' perception on the impact of monetary policy on equity markets.
3. To suggests the measures to protect the investments of investors from the adverse impact off monetary policy on equity markets.

LIMITATIONS

1. The study has considered the primary market equity investors perception from the Hyderabad region.
2. The present study has not considered the economic factors impact on the equity market.

REVIEW OF LITERATURE

1. **Dr. M. Malathy, Saranya.J, (2017)** The study was conducted to understand the factors that influence Investors perception as well as to analyze the investor behavior with respect to various factors that influence an investment decision. The main factors influencing investments are the return on investment and for the short-term profitability.
2. **Sudha Rani*(2018)** The elements influencing investor's perception are actually returning on risk, market trend, or investment, short term profitability, cost of the share, dividend policy, past economic performance, company reputation, the standing of the board, present earnings of the business as well as an expert opinion. The results certainly suggest that there's a tremendous connection between the investors" perceptions as well as stock market investments.
3. **Arup Kumar Sarkar, Dr. Tarak Nath Sahu, (2018)** This paper shows investors preference on stock market of Nepal Stock Exchange (NEPSE). The major conclusion of the study is that investor's preference for investment in listed companies of shares was the liquidity and high rate of return and the influencing factors of investment decision was brokers advice rather than the investors sole decision.
4. **Vijay. S*, Dr. Ch. Balanageswara Rao (2018)** This study focuses the main factors influencing investor's perception. The study find that the investment decision of investors is influenced by their own decision and through friends & relatives. Majority of investors invest 15-20% of their annual income. The most important factor is Return which influenced the decision regarding investment.
5. **Dish (n.d.). (2018)** The present research study aims to compare the perception of investors towards derivatives and equity. The analysis suggests that equity is better option for the investors as compared to that of the derivatives. It is also analyzed that there is no difference in the perception of the investors towards equity and derivatives.
6. **U M Gopal Krishna, Aliya Sultana, T Naraya Reddy (2019)** In this study an attempt has been made to find out the investors perception in primary and popular investment avenues in Kurnool District of Andhra Pradesh. From the respondents all Demographic variables and investors objectives have been collected and computing the relationship between these variables and objectives of the investment.

7. **Alexander Y1and Dr. A. Xavier Mahimairaj (2019)** The research conducted to find out the investor's perception and satisfaction in stock market investment in Chennai City. The findings clearly indicate that the young investors in stock market are highly satisfied with their investment, returns, awareness level, up to- date information and intermediaries support.
8. **Mr. C. Boobalan, Dr. K. Selvavinayagam (2019)** These studies have taken from stock market in India. This study shows very clearly that investor's attitude towards risk and returns are different in cash and derivatives market. Another important principle is diversification. The result there is a positive relationship between investor age and investors' attitude about risk.
9. **R. Vinodha (2020)** In her study an attempt has been made to analyze investor's perception towards investment avenues from the respondents of kumba-konam town. The study concludes the various factors like age, gender, income, occupation, have major impact on investment decision of the investor.

NEED OF THE STUDY
There is close relationship between monetary policy and Stock market. This analysis is a perfect guideline for investors. This will show the right way to take decisions regarding investment in stock market for the investors.

SCOPE OF THE STUDY
The study is limited to the Hyderabad region only and the for the data collection purpose the equity investors who are active traders and investors in the market has been considered**.**

RESEARCH AND METHODOLOGY
The study is based on the descriptive research study by considering the existing review of literature. By doing a survey to collect the data for the analysis from the equity investors in Hyderabad region.

SOURCE OF DATA

The study is based on the primary data. Primary data were collected from the various investor who are active traders and investors in the stock market.

STATISTICAL TOOLS

Different accounting and statistical tools were used to analyze the study. Following techniques were used:

Chi-square test

The **Chi Square** statistic is commonly used for testing relationships between categorical variables. The null hypothesis of the Chi-Square test is that no relationship exists on the categorical variables in the population; they are independent. An example research question that could be answered using a

The calculation of the Chi-Square statistic is quite straight-forward and intuitive:

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where f_o = the observed frequency (the observed counts in the cells)

and f_e = the expected frequency if NO relationship existed between the variables

As depicted in the formula, the Chi-Square statistic is based on the difference between what is actually observed in the data and what would be expected if there was truly no relationship between the variables.

T-test

It is most commonly applied when the test statistic would follow a normal distribution if the value of a scaling term in the test statistic were known. When the scaling term is unknown and is replaced by an estimate based on the data, the test statistics.

Discriminate analysis

Discriminate analysis is a technique that is used by the researcher to analyze the research data when the criterion or the dependent variable is categorical and the predictor or the independent variable is interval in nature. The term categorical variable means that the dependent variable is divided into a number of categories.

Primary data: Primary data has been collected 600 respondents from the equity investors who are active traders and investors in the market. The data is collected through the questionnaires**.**

Sampling: The sample investors were drawn from the population using a simple random sampling technique. Simple Random Method is a subset of a statistical population in which each subset member has an equal chance of being selected. The following formulation determined the size of the sample.

Where, N= 80, 00,000 (Size of population) p= 0.5 (Probability value)

q= 0.5

d= 0.05 (Confident level)

= (3.7727*80, 00,000*0.5*0.5) / ((80, 00,000*0.0016) + (3.7727*0.5*0.5))

= 588.275 approximate 600

Thus, a total of 600 respondents (sample size) have been taken into consideration of research from the population of 80, 00,000 belongs to equity markets.

Reliability test

The Cronbach's alpha of reliability test has been applied on the sample data, which has been collected through the respondents and the average result is found to be greater than the base value.

Reliability Test

TABLE A

No.		Attributes	Reliability Crone Bach Alpha
1	**Segment**	Perception	0.794
2	**Segment**	Suggestive measures	0.846
	Average Reliability		**0.82**

The reliability test has been applied and the result reveals that the 0.82 > 0.7 i.e., the collected samples in likert form is observed to be reliable for the study.

HYPOTHESIS

$H0_1$: There is no association of Demographic factors with the parameters of investor's perception.

$H1_1$: There is an association of Demographic factors with the parameters of investor's perception.

H0: There is no difference of investor's Perception on the Impact of Monetary Policy on the stock markets.

H1: There is a difference of investor's Perception on the Impact of Monetary Policy on the stock markets.

DATA ANALYSIS AND INTERPRETATION

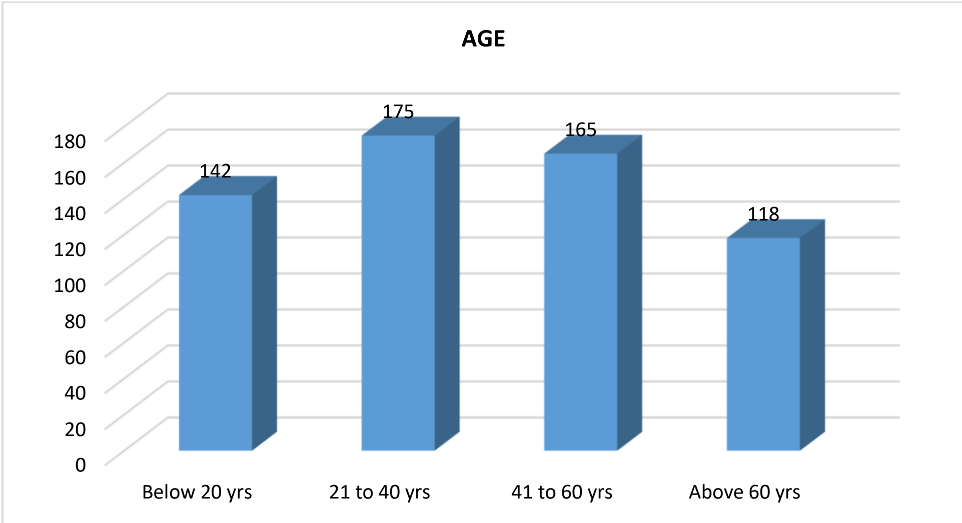
TABULATION OF FREQUENCY DISTRIBUTION WITH CHI-SQUARE

TABLE 1: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "AGE"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 yrs	142	23.7	23.7	23.7
	21 to 40 yrs	175	29.2	29.2	80.3
	41 to 60 yrs	165	27.5	27.5	51.2
	Above 60 yrs	118	19.7	19.7	100.0
	Total	600	100.0	100.0	

Source: Primary Data

FIGURE 1: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "AGE"



Source: Primary Data

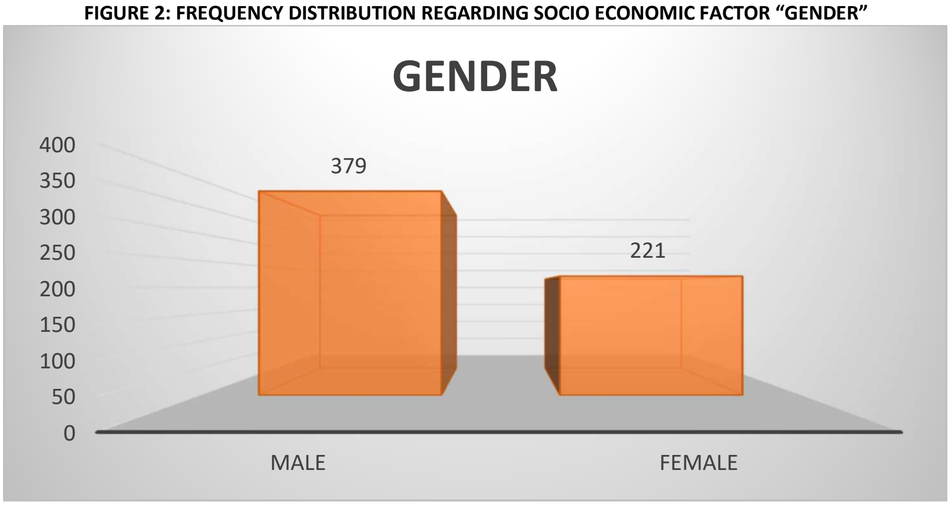
The above graph depicts the Frequency Distribution Regarding Socio Economic Factor "Age" and the result indicates that out of 600 respondents 175 of them under the age group of 21 to 40 years belief that there is an effect of monetary policy on stock market with reference to equity market.

TABLE 2: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "GENDER"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	379	63.2	63.2	63.2
	Female	221	36.8	36.8	100.0
	Total	600	100.0	100.0	

Source: Primary Data

FIGURE 2: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "GENDER"



Source: Primary Data

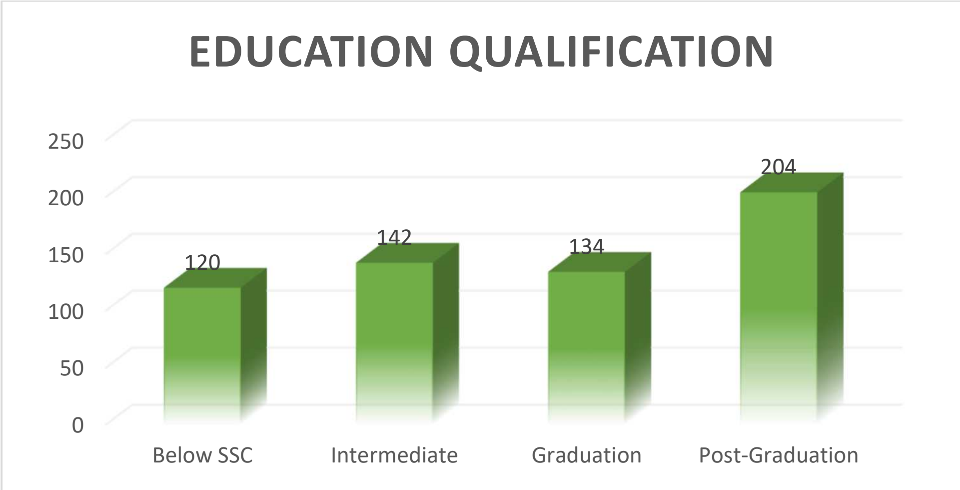
From the above graph it indicates the frequency distribution of respondents in terms of "Gender" and it has observed that out of total respondents Males (379) have highly responded compared to Female (221).

TABLE 3: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "EDUCATION QUALIFICATION"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below SSC	120	20.0	20.0	20.0
	Intermediate	142	23.7	23.7	43.7
	Graduation	134	22.3	22.3	66.0
	Post-Graduation	204	34.0	34.0	100.0
	Total	600	100.0	100.0	

Source: Primary Data

FIGURE 3: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "EDUCATION QUALIFICATION"



Source: Primary Data

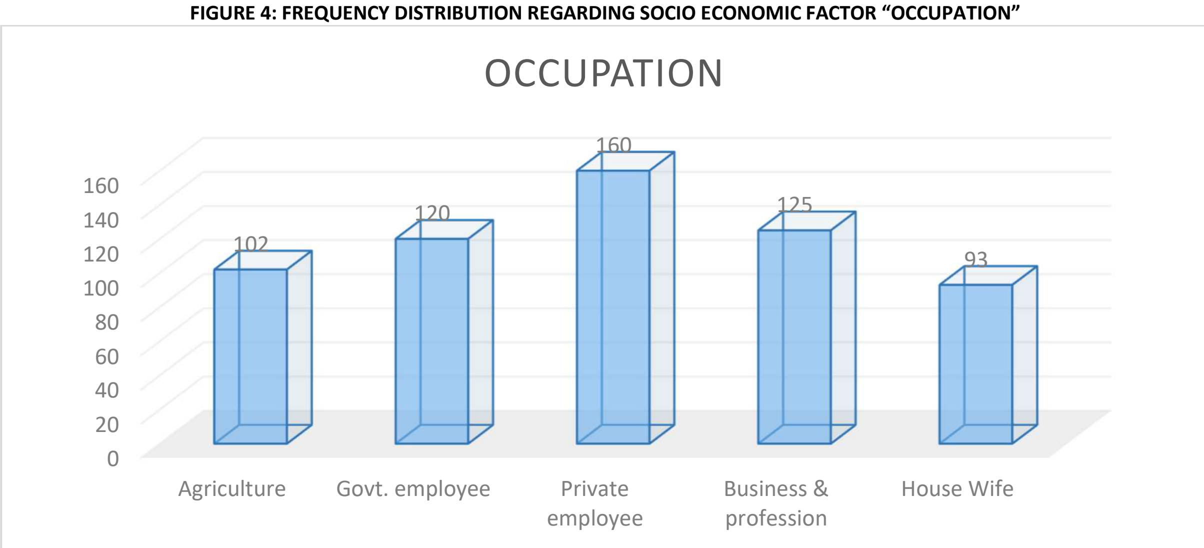
The bar graph shown the frequency distribution under socio economic factor "Education Qualification" and the result reveals that respondents who qualified post-graduation has highly responded (204) towards the monetary policy influence on equity market.

TABLE 4: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "OCCUPATION"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture	102	17.0	17.0	17.0
	Govt. employee	120	20.0	20.0	53.3
	Private employee	160	26.7	26.7	80.0
	Business & profession	125	20.8	20.8	37.8
	House Wife	93	15.5	15.5	100.0
	Total	600	100.0	100.0	

Source: Primary Data

FIGURE 4: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "OCCUPATION"



Source: Primary Data

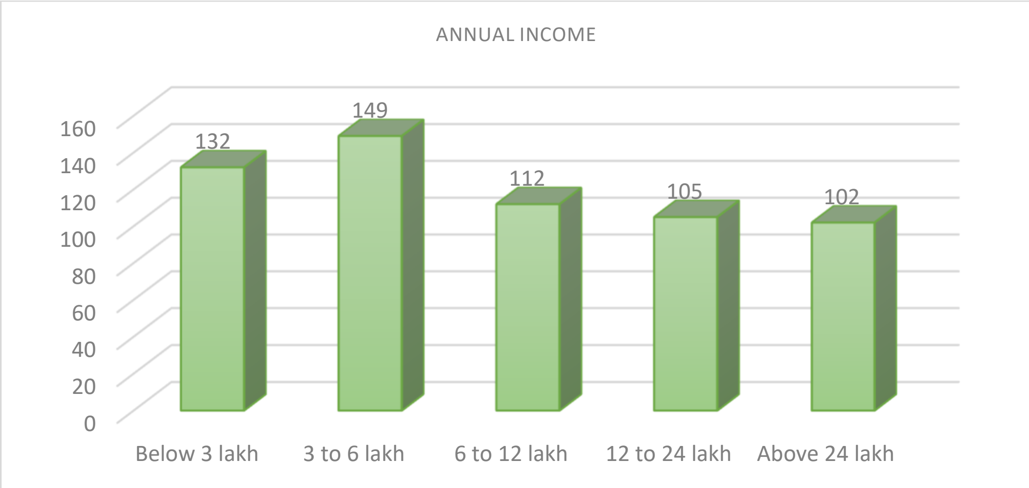
The above frequency graph of respondents under the socio economic factor "occupation" has given the result that private employees (160) high response towards the monetary policy impact on equity market.

TABLE 5: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "ANNUAL INCOME"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 3 lakh	132	22.0	22.0	22.0
	3 to 6 lakh	149	24.8	24.8	46.8
	6 to 12 lakh	112	18.7	18.7	65.5
	12 to 24 lakh	105	17.5	17.5	83.0
	Above 24 lakh	102	17.0	17.0	100.0
	Total	600	100.0	100.0	

Source: Primary Data

FIGURE 5: FREQUENCY DISTRIBUTION REGARDING SOCIO ECONOMIC FACTOR "ANNUAL INCOME"



Source: Primary Data

The above graph depicts the Frequency Distribution Regarding Socio Economic Factor "Annual Income" and the result indicates that out of 600 respondents 149 of them under the income group of 3 to 6 lakh i.e. high among an impact on stock market in equity.

TABLE 6: T-TEST RELATED TO INVESTORS PERCEPTION ON MONETARY POLICY CHANGE

	Test Value = 1					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
To control the inflation, change of monetary policy will have the positive impact on equity markets	33.278	599	.000	1.86333	1.7534	1.9733
Strengthening IIP with monetary policy will affect market motion.	37.601	599	.000	2.10500	1.9951	2.2149
Business motion will be to stabilize GDP development with the change in monetary policy	36.881	599	.000	2.07500	1.9645	2.1855
Changing key rates will have an effect on equity market returns	36.598	599	.000	2.09167	1.9794	2.2039
Monetary policy will alter the liquidity of the equity market	35.808	599	.000	2.07000	1.9565	2.1835
Changing interest rates will affect stock volatility in the banking sector.	32.860	599	.000	1.89333	1.7802	2.0065
Decreasing SLR will boost the economy's liquidity, which will have a beneficial impact on equity markets.	34.355	599	.000	1.98000	1.8668	2.0932
Change in CRR will affect stocks in the banking sector.	35.874	599	.000	1.99000	1.8811	2.0989
Change of Monetary policy will have short to long term effect on the multiple sectors of equity markets.	32.398	599	.000	1.90667	1.7911	2.0222
Increasing the short-term interest rate, market volatility will be affected	35.597	599	.000	2.14167	2.0235	2.2598
Announcement of monetary policy will affect the long-term investment strategy	32.580	599	.000	1.84500	1.7338	1.9562
Short-term interest rate change will affect the trading pattern of Intraday traders	35.132	599	.000	1.92167	1.8142	2.0291
Monetary policy shock will have a strong effect on bearish market	33.156	599	.000	1.90333	1.7906	2.0161

Source: Primary Data

Tables illustrate the investors' perception on monetary policy. The result indicates that the highest mean difference is observed to attributes "Increasing the short-term interest rate, market volatility will be affected" with 2.1416 followed by the attributes "Strengthening IIP with monetary policy will affect market motion" (2.10500) and "Changing key rates will have an effect on equity market returns" (2.09167). 2.07500 is the difference found for the attributes "Monetary policy will alter the liquidity of the equity market" and 2.0700 to "Business motion will be to stabilize GDP development with the change in monetary policy". The lowest mean difference had shown to the attribute "Announcement of monetary policy will affect the long-term investment strategy" (1.84500) and to control the inflation, change of monetary policy will have the positive impact on equity markets had shown next least mean difference attribute (1.86333) and followed by the attributes "Changing interest rates will affect stock volatility in the banking sector" (1.89333).P-value for each of the attributes are seems to be statistically significant, hence it is concluded Reject the H0 and Accept H1 i.e., Significant mean difference exist among the investors perception on monetary policy.

TABLE 7: DISCRIMINANT SCORE RELATED TO INVESTORS PERCEPTION ON MONETARY POLICY CHANGE

	Discriminant Score	Mean difference	Relative TDS
Monetary policy shock will have a strong effect on bearish market	0.785	1.90333	12.151
Strengthening IIP with monetary policy will affect market motion.	0.638	2.105	9.041
Changing interest rates will affect stock volatility in the banking sector.	0.211	1.89333	3.008
Monetary policy will alter the liquidity of the equity market	0.58	2.07	8.498
Increasing the short-term interest rate, market volatility will be affected	0.709	2.14167	9.678
Short-term interest rate change will affect the trading pattern of Intraday traders	0.229	1.92167	3.181
Decreasing SLR will boost the economy's liquidity, which will have a beneficial impact on equity markets.	0.745	1.98	11.065
Change in CRR will affect stocks in the banking sector.	0.563	1.99	8.002
Change of Monetary policy will have short to long term effect on the multiple sectors of equity markets.	0.558	1.90667	7.897
Business motion will be to stabilize GDP development with the change in monetary policy	0.700	2.075	9.547
Changing key rates will have an effect on equity market returns	0.624	2.09167	8.678
To control the inflation, change of monetary policy will have the positive impact on equity markets	0.248	1.86333	3.689
Announcement of monetary policy will affect the long-term investment strategy	0.548	1.845	5.565
			100

Source: Primary data

FINDINGS

- From the study it is find that the age group of 21-40 years,379 of male,204 of post-graduation,160 of private employee and 149 of income between 3-6 lakh are saying that there is an impact of monetary policy on equity market.
- The largest mean difference is 2.1416 which is observed to attribute "Increasing the short-term interest rate, market volatility will be affected" and lowest mean difference is found to the attribute "Announcement of monetary policy will affect the long-term investment strategy" (1.8500)
- "Strengthening IIP with monetary policy will affect market motion", "Changing key rates will have an effect on equity market returns" are the attributes that had showed significant mean difference as 2.10500 & 2.09167 respectively.
- "To control the inflation, change of monetary policy will have the positive impact on equity markets" and "Changing interest rates will affect stock volatility in the banking sector" that had found significant low mean difference as 1.8633 and 1.8933 respectively.
- Investors perception had observed to be high satisfied on the statement "Monetary policy shock will have a strong effect on bearish market" as compare with other statement.
- The study estimated that, Investors are high satisfied with the statements such as "Decreasing SLR will boost the economy's liquidity, which will have a beneficial impact on equity markets', "Increasing the short-term interest rate, market volatility will be affected" which are scored 0.745 and 0.709 respectively.
- The lowest Discriminant score had observed to the statement "Changing interest rates will affect stock volatility in the banking sector" and stated that investor not much satisfied with this statement.
- Investors perception on these statements like "Strengthening IIP with monetary policy will affect market motion" and "Changing key rates will have an effect on equity market returns" are satisfied, which are Discriminant respectively 0.638 and 0.624.
- Investor's perception towards the statement "change in CRR will affect stocks in the banking sector" is observed to be moderately satisfied and obtained Discriminant score has 0.563.
- The study found that, Perception level of Investors is moderate regarding the statements "Change of Monetary policy will have short to long term effect on the multiple sectors of equity markets" and "Announcement of monetary policy will affect the long-term investment strategy".
- Investor perception found to be low and dissatisfied towards the statements "Short-term interest rate change will affect the trading pattern of intraday traders" and "To control the inflation, change of monetary policy will have the positive impact on equity markets".

SUGGESTIONS

- The study observed that the decrease of SLR without increase of Repo rate will increase the liquidity flow of the banking sector. Hence the study suggests the equity investor should go for long positions, as the banks' lending power will improve significantly.
- The study observed that the perception of short term interest changes will not affect the equity markets. Hence the study suggests that the long term investors should ignore the short-term effects of the interest rate changes but intraday traders should focus on the monetary policy announcement effect on the market to take the advantage for the short term.
- The fund flows of the foreign institutional investors are having the major role in growth of Indian equity markets. The study suggests the investors to monitor the FII funds movement with the changes of key rates by the monetary policy, so that the investors can take inform decision.
- Reserve bank of India will announce the monetary policy bi-monthly but sometimes un-time monetary policy will be announced. Investors are advised to be cautious with untimed monetary policy changes.

CONCLUSION

The study emphasized to examine the investors perception of the monetary policy effect on the stock market. The study applied the simple random methodology to determine the sample size and collected the primary data with the help of framed questionnaire. The study applied the statistical method of discriminate analysis and the result stated that the Changing interest rates will affect stock volatility in the banking sector. Investors reflected their perception that "Strengthening IIP with monetary policy will affect market motion" and "Changing key rates will have an effect on equity market returns". The study depicts that the investors are having a strong perception on the impact of monetary policy to the equity markets investment decision especially banking sector.

FURTHER RESEARCH

The present study is based on the perception of investors regarding the impact of monetary policy on equity market. The study recommends examining the effect of US fed rate change impact on the Indian Equity markets.

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