

## IMPACT OF SOURCE OF INFORMATION AND MODE OF TRADING ON EQUITY INVESTMENT IN INDIAN CAPITAL MARKET

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Indian corporate raises its capital mainly through capital market. There are two types of capital viz. equity and debt for any business concern. The capital raised through equity is important to that of debt for both the firm and the investor in several angles. It can be noted that the investors are the backbone of the capital market and they are not alike. Therefore, it is essential to know the source of information for both the investor and investee to have a better option.

In this paper, an attempt was made to study the sources of information for the small equity investors' in the Indian capital market. Besides, it is also important to know the mode of trading of investment, which also affects the return on investment. The present study is an empirical in nature based on primary data. The source of data considered for the analysis are company prospectus and brochures, journals and magazines, news channels; websites, brokers/analyst forecast, investors' forum, company announcements, stock exchange announcements, etc. All these sources are helpful for the investors in identifying the best avenues where and when to invest.

The analysis reveals that the investors felt that there is a significant insider trading in equity markets. It was also found that investors irrespective of their age, income and educational level, still have a strong belief that investment in equity is just like gambling and so they desist from investing in equity. If at all they invest, they invest only a minimum of their savings into it. Even most of the educated, middle class people are familiar only with simple form of conventional investments, like fixed deposits and government savings schemes. Their awareness on shares and mutual funds remain very low and they do not have much knowledge on the risk mitigating derivative instruments.

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