

A STUDY OF IMPACT OF CORONA LOCKDOWN ON INVESTMENT PERCEPTION OF PEOPLE OF GUJARAT STATE

Kalpesh P. Gandhi, Dr. Manish B. Raval

(M.Com., M.Phil., UGC-NET, GSET, MBA, CA (IPCC), Ph. D. Pursuing)
Assistant Professor
Government Arts and Commerce College-Jafrabad
Opp. ITI, vapaliya,
Jafrabad-365540, Dist. Amreli
Mobile No.: 9909898126
Email: kpsgandhi@gmail.com

(M. Com., M. Phil., Ph.D., UGC-NET, GSET)
Assistant Professor
SDRB Mahila Home Sci. Lt. M. J. Kundaliya
Eng. Med. Mahila Commerce College, Kasturba Road, Opp. Jain Dearsar,
Near Chaudhari High School,
Rajkot – 360001 Mobile No. : 9824294341
Email: manishrava1810@gmail.com

Abstract

Pandemic affects the life of human being in very badly in terms of economically, physically, mentally and socially. In the year of 2020, world has faced the pandemic in the form of corona virus. Generally people react differently in pandemic conditions towards economic affairs as there are three options to keep higher cash to face situation, to make higher investment because of lower price opportunities or moderate both. The present study focuses on the perception or belief of the people for what should do with liquidity and investment during this type of pandemic conditions specifically when government had imposed lockdown and incomes have been affected deficiently. In case of uncertainties, people should work cautiously and specifically with the money. Present study collects data from 277 respondents of the different zones of Gujarat state through close ended questionnaire and used Chi-square test for data analysis. Various results have been found from the present study.

Key Words: Investment Perception, Lockdown, Corona

INTRODUCTION

Covid-19 has changed the routine operations of the world and severely affects the life of people. Major parts on the earth have been affected drastically and it has created medical emergency situations. Majority of the people have faced first time this type of pandemic in their lives. Governments of many countries have taken steps to reduce the spreading of the viruses and to make easier the life of people as it was before the pandemic. One of the common steps was lockdown which prevents the movement of the people and economic activities of the people, which had adverse impact on the incomes of people as well as government but spreading of the virus can be controlled upto some extent. In India, first lockdown had been imposed from 25th March 2020 and onwards different phases had been made. As incomes of the people have been reduced at unexpected speed, the perception of people towards investment also changes. At a same time, the financial market of the world have faced crisis which has also generated the opportunities for investment for higher return. Thus people have mainly three options available with their capital, to keep more cash with them for fulfilling medical emergency if arise or to make fresh or new investment with new opportunities available during that period or to make mixture of both i.e. to keep some cash and to make some investment proportionately. The present study did not ask to respondents that what they have done but asked as what should do during this type of situation which highlights their perceptions towards investment during pandemic like corona and lockdown imposed for that.

LITERATURE REVIEW

Dhall R. and Singh B. (2020) have conducted a study on the Covid-19 pandemic and herding behaviour evidence from Indian stock market. They have mentioned that whether herd behaviour have been formed or not during Covid-19 pandemic in Indian stock market specifically at industry level. Researchers have concluded that herding behaviour failed to provide general evidence before pandemic of Covid-19 but post-Covid-19 period herding behaviour have been observed in many industries stock.

Hawaladar I. and Rahiman H. (2019) have performed research on investors' perception towards stock market: an exploratory approach. Researchers have collected data through questionnaire and personal interview method and Chi-square method has been used to check the hypotheses. Researchers have concluded that the views and perception relating to investment often differ from person to person.

Thomas T. et. al. (2020) have made a research on impact of Covid-19 announcements on Nifty stocks. Researchers have mentioned that the initial period of Covid-19 was very much uncertain and extreme fluctuations have been observed. Researchers have considered two main events for their study as Covid-19 declare as pandemic by WHO and first lockdown imposed in India. Researchers have found and concluded that Covid-19 announcements on Nifty stocks have been varied among different sectors; the most affected was banking compared to pharmaceuticals and then after market has been recovered due to stimulus package declared by the government.

Velmurgan G. et. al. (2015) have carried out an empirical analysis on perception of investors' towards various investment avenues. Researchers have stated the research objectives as to understand the effect of demographic factors affecting the choice of investment instruments, to find out the perception of investors relating to safety, liquidity and high returns dimensions. Researchers have collected 100 responses from the respondents of Vellore city. Researchers have found that except gold and post office preferences towards various investment avenues are same across the gender and perception of order of investment towards post office are different among different income level of the respondents.

RESEARCH METHODOLOGY

1. Research Objective

Researchers have formed primary objective for the study is to analyse the perception of the respondents during pandemic towards cash and investment. It also includes finding the association between perceptions and different demographic variables. This objective clarifies the need for the study as what people think towards available money with them whether to keep with them or to invest or proportionately use.

2. Hypotheses

Null Hypotheses:

H₀: There is no significant association between perception that during pandemic instead of investment cash should be on hand among different demographic factors (Gender, Zones of Gujarat State, and Income).

3. Scope of the Study.

Scope of the study has been divided into two segments geographical and functional. Geographical scope indicates the region or area where the study has been applied and functional scope mentioned the concepts which have been covered. The present study covers Gujarat state as its geographical scope and investment perception during pandemic as functional scope. More precisely Gujarat state has been considered as the geographical area of the study and bifurcated in four zones as North Gujarat, South Gujarat, Saurashtra-Kutch and Central Gujarat. In the case of investment perception, the opinions of the people towards investment during pandemic conditions as lockdown due to corona have been covered.

4. Tools and Techniques

Researchers have executed Chi-square test for testing the hypotheses of the study. The purpose of use this statistical tool and technique is to check the association between the perception towards investment and different demographic variables as gender, age, location and occupation.

5. Data collection

The data for the study have been collected through questionnaire as the research is based on perception, primary data have been considered as the base for the study. The data have been collected from 2nd May 2020 to 5th May 2020.

6 Analyses and Interpretation:

6.1. H₀ There is no significant association between perception that during pandemic instead of investment cash should be on hand and Gender of the respondents

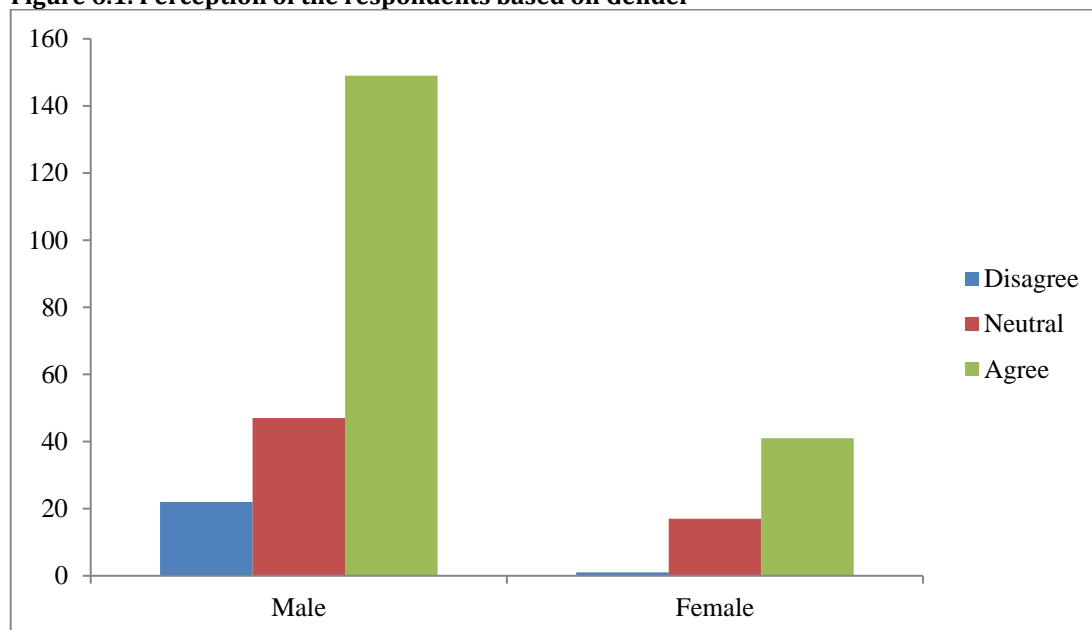
6.1.1. Cross Tabulation of Perception and Gender of the respondents

Row Labels	Disagree	Neutral	Agree	Grand Total
Male	22	47	149	218
Female	1	17	41	59
Grand Total	23	64	190	277

6.1.2. Computation of Chi-Square

Degree of Freedom	Level of Significance	Calculated Value of Chi - Square	Table Value of Chi- Square	Hypotheses accepted
2	5%	5.00	5.991	Null hypotheses is Accepted

Figure 6.1. Perception of the respondents based on Gender



The Table No. 6.1.1 and 6.1.2. show the analysis of Chi-Square test conducted between the perception and gender of the respondents. In the said case null hypothesis has been set as there is no significant association between perception that during pandemic instead of investment cash should be on hand and gender of the respondents. The calculated value at 5% level of significance is 5.00 while table value is 5.99 which shows that calculated value is lower than table value which indicates that null hypothesis is accepted means there is no significant association between perception and gender of the respondents. The analysis indicates that whether male or female all have more or less same perception that during pandemic instead of investment cash should be on hand.

6.2. H_0 There is no significant association between perception that during pandemic instead of investment cash should be on hand and Location of the respondents

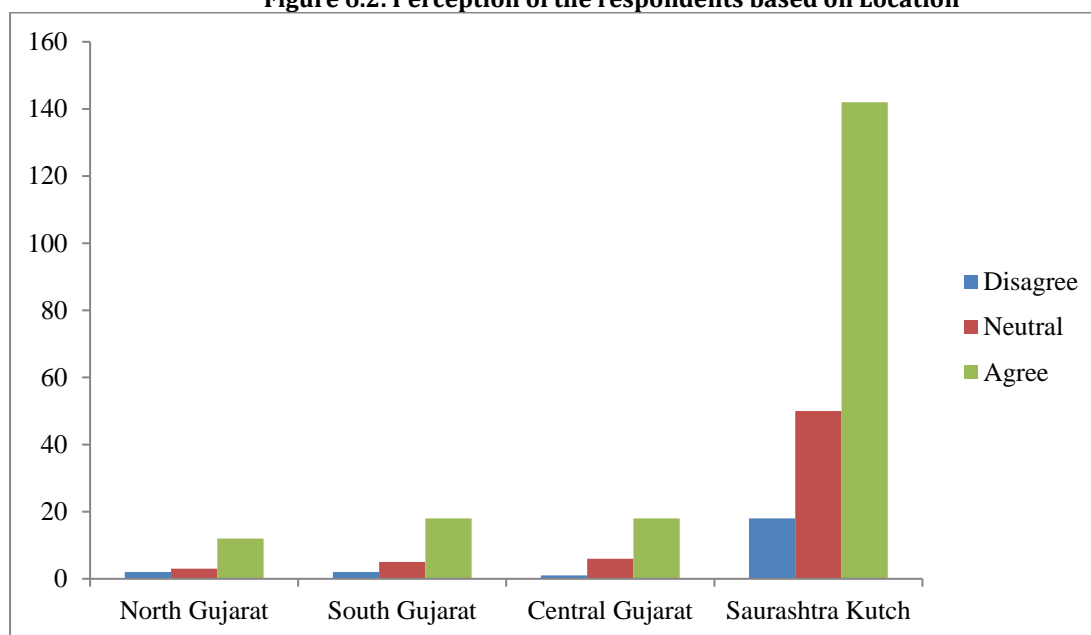
6.2.1. Cross Tabulation of Perception and Location of the respondents

Row Labels	Disagree	Neutral	Agree	Grand Total
North Gujarat	2	3	12	17
South Gujarat	2	5	18	25
Central Gujarat	1	6	18	25
Saurashtra Kutch	18	50	142	210
Grand Total	23	64	190	277

6.2.2. Computation of Chi-Square

Degree of Freedom	Level of Significance	Calculated Value of Chi - Square	Table Value of Chi- Square	Hypotheses accepted
6	5%	1.00	12.592	Null hypotheses is Accepted

Figure 6.2. Perception of the respondents based on Location



The Table No. 6.2.1. and 6.2.2. indicate the result of the analysis if Chi-Square test where null hypothesis has been set as there is no significant association between perception that during pandemic instead of investment cash should be on hand and location of the respondents. the calculated value of the test at 5% level of significance is 1 and on the other hand table value is 12.592. As per standard statistical parameters, where calculated value is lower than table value then null hypothesis will be accepted. In the present case, same is happened which interprets as there is no significant association between perception and location of the respondents. Whatever be the location of the respondents, perception towards investment have same. There is not any significant association between the location which reveals that respondents of one region has no difference with respondents of other regions in terms of perception towards investment and cash during pandemic.

6.3. H_0 There is no significant association between perception that during pandemic instead of investment cash should be on hand and Income of the respondents

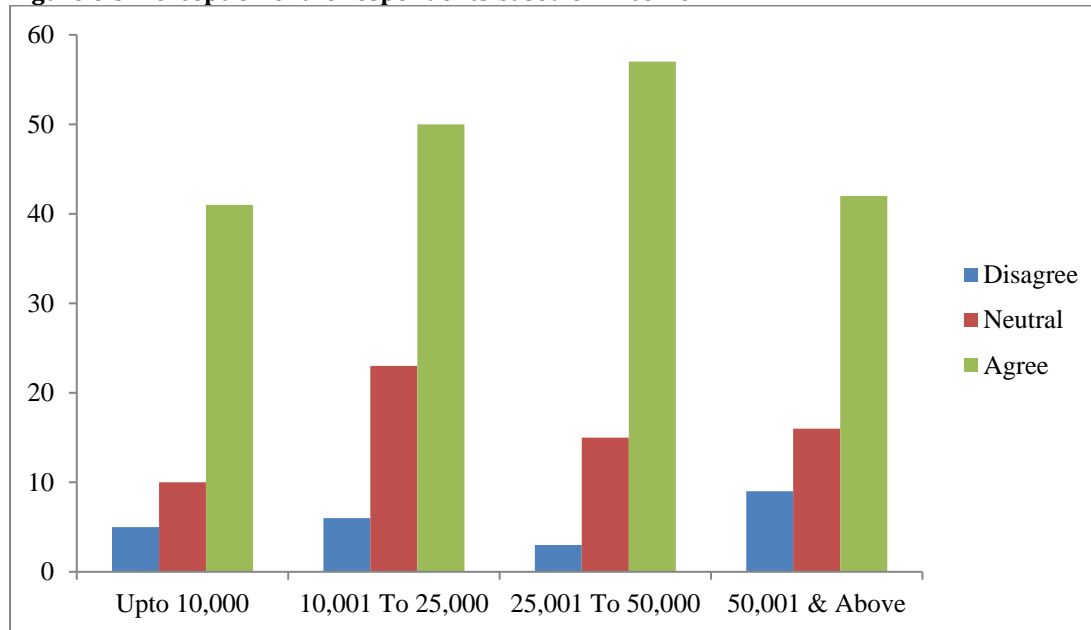
6.3.1. Cross Tabulation of Perception and Income of the respondents

Row Labels	Disagree	Neutral	Agree	Grand Total
Upto 10,000	5	10	41	56
10,001 To 25,000	6	23	50	79
25,001 To 50,000	3	15	57	75
50,001 & Above	9	16	42	67
Grand Total	23	64	190	277

6.3.2. Computation of Chi-Square

Degree of Freedom	Level Significance of	Calculated Value of Chi -Square	Table Value of Chi-Square	Hypotheses accepted
6	5%	7.54	12.592	Null hypotheses is Accepted

Figure 6.3. Perception of the respondents based on Income



The table No. 6.3.1 and 6.3.2 disclose the result of the null hypothesis test of using Chi-Square. For the purpose of the test null hypothesis has been formulated as there is no significant association between perception that during pandemic instead of investment cash should be on hand and Income of the respondents. The calculated value of Chi-Square is 7.54 while table value is 12.59 at 5% level of significance. The result indicates that calculated value is lower than table value which understood as null hypothesis has been accepted and it verifies that there is no significant association between perception towards cash and investment and income of the respondents. When there is no association between two variables then it is discussed as perception has not been changed with the change in income group.

8. CONCLUSION

Perception plays vital role in the life of the people that how they perceive or viewing the things or situations exist around them. There are various categories and sub categories of perception are present. During pandemic time, perception of the people may have been observed as different with normal situation and this time entire world have faced severe pandemic which affects the perception of the people drastically. The present study focuses on the perception towards dilemma during pandemic condition like corona lockdown what to do with their capital whether to keep more cash with them or to invest more because of opportunity for investment or to act moderately with moderate cash and moderate investment. The result shows that there is increasing trend in responses from disagree to agree which discloses that majority of the respondents have perception to keep more cash on hand instead of investment even though opportunities for investment exist. The results of the hypotheses have shown that people have no differences with their perception or opinion whether talked about gender, zone or income. The association have not been observed in any case which indicates that majority of the people have more or less same thinking or belief and no demographic factors in any case pointed differences.

9. REFERENCES

- [1] Dhall R. and Singh B. (2020), "The COVID-19 pandemic and herding behaviour: evidence from India's stock market", *Millennial Asia*, 11(3), 2020, pp 366–390.
- [2] Fallahgoul H., 2020, *Inside the Mind of Investors During the COVID-19 Pandemic: Evidence from the StockTwits Data*, <https://ssrn.com/abstract=3583462>
- [3] Hawaldar I. and Rahiman H. (2019), "Investors perception towards stock market: an exploratory approach, *International Journal of Scientific & Technology Research* Volume 8, Issue 12, December 2019, pp 2567-2574.
- [4] Kumthakar S. and Nerlekar V. (2020), "Analytical Study of Investment Patterns and Investment Preferences of Retail Investors Post COVID 19" , *Journal of Seybold Report*, Volume 15, Issue 8, 2020, pp 2253-2269.

- [5] Thomas T., Sankararaman G. and Suresh S. (2020), "Impact of covid-19 announcements on nifty stocks", Journal of critical reviews, Vol. 7, Issue 13, 2020, pp 471-475.
- [6] Velmurugan G., Selvam V. and Abdul Nazar N. (2015), "An empirical analysis on perception of investors' towards various investment avenues", Mediterranean Journal of Social Sciences MC SER Publishing, Rome-Italy, Vol 6 No 4, July 2015, pp 427-435.