

Name	INDIA'S STOCK MARKET & HOUSEHOLD INVESTORS 2001-04
Authors	Dr. L.C. Gupta , Naveen Jain, and Utpal Choudhury
Year	2004

CONTENTS

- 1 **INTRODUCTION**
 The main issue for study
 The layout of the study

- 2 **HOUSEHOLD INVESTORS' WORRIES ABOUT STOCK MARKET**
 The background
 Insights into investors' worries
 Price volatility and manipulation
 Company promoters / managements
 Other sources of investors' worry
 Concluding comments

- 3 **HOUSEHOLDS' INVESTMENT PREFERENCES**
 Object
 Capital market instruments vis-à-vis non-market ones
 Preferences among mutual fund schemes
 Direct holding vis-a-vis mutual funds
 Investors' satisfaction with capital market instruments
 Public's unfamiliarity with many instruments
 Concluding comments

- 4 **HOUSEHOLD INVESTORS' TRATEGIES, EQUITY MARKET, DEMAT SYSTEM, STOCKBROKER SERVICES AND SOURCES OF ADVICE**

Investors' strategies
Investors' strategies
Demat uneconomical for small investors
Stock brokers' services
Brokerage rate
Sources of investment advice
Why small investors' role needs
greater support?
Concluding comments

5 **CORPORATE GOVERNANCE IN INDIA: A
REALITY CHECK**

Method of empirical analysis
How many companies paid dividends?
How many companies caused capital
loss to shareholders?
Concluding comments

6 **WHY THE BADLA SYSTEM HAD TO GO?
INSIGHTS AND REGULATORY LESSONS**

The reality of the Indian badla system
Stock market delinked from
real economy
Artificial prop to specified shares
Empirical proof
Badla's adverse effects on
economic growth
Badla system added to volatility
Ending the mixing of cash and
futures-type trades
Concluding comments

7 **THE FUTURE: REFLECTIONS ON THE EMERGING
SCENARIO AND POLICIES**

The reform package
The rise of day trading in India
Day trading in U.S.
Day traders are noise traders
Impact of single stock futures
Why not physical settlement?
Are goals of stock market reform
Defined correctly?
The challenge before financial markets

regulatory authorities
Concluding comments