

# **Impact of media developed perception towards investment in stock market**



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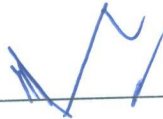
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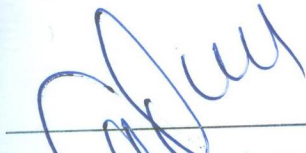


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## ***DEDICATIONS***

*To my Parents and Teachers*

*The reason of what I become today. Thanks for your great support and continuous  
care.*

*To my family and friends*

*Whose affection, love, and encouragement make me able to get such success and  
honor.*

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## TABLE OF CONTENTS

<b>LIST OF TABLES</b> .....	<b>i</b>
<b>ABSTRACT</b> .....	<b>iii</b>
<b>LIST OF ACRONYMS</b> .....	<b>iv</b>
<b>CHAPTER 1</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the Study .....	1
1.2 Stock Market Definition .....	2
1.3 History of Stock Market .....	2
1.4 Pakistan Stock Exchange (PSX) .....	3
1.5 Dividend Paying Companies (2016) .....	4
1.5 Statement of Financial Literacy .....	5
1.6 Benefits of Enhance Financial Awareness: .....	6
1.7 Role of Media in Promoting Financial Literacy .....	7
1.8 Importance of Stock Market in Economy .....	8
1.9 Role of Media in Stock Market Performance .....	8
1.10 Relationship of Stock Market with Media .....	9
1.11 Rationale of the Study .....	11
1.12 Statement of the Problem .....	11
1.13 Objectives of the Study .....	11
<b>CHAPTER 2</b> .....	<b>13</b>
<b>LITERATURE REVIEW</b> .....	<b>13</b>
2.1 Review of Literature .....	13
2.2 Research Hypothesis .....	28
<b>CHAPTER 3</b> .....	<b>29</b>
<b>THEORETICAL FRAMEWORK</b> .....	<b>29</b>
3.1 Introduction .....	29
3.2 The KAP Survey Theory / Model (Knowledge, Attitudes, and Practices) .....	30
3.3 Knowledge Gap Theory .....	32
3.4 The Relation of KAP Model with Stock Market Perception.....	32
3.5 Magic Bullet Theory .....	33
3.6 Magic Bullet Theory and Stock Market .....	34

<b>CHAPTER 4</b> .....	<b>35</b>
<b>METHODOLOGY</b> .....	<b>35</b>
4.1 Method and Type of Research.....	35
4.2 Quantitative Methodology.....	35
4.3 Data Collection.....	36
4.5 Survey Model .....	36
4.6 Research Design .....	37
4.7 Population of the Study .....	37
4.8 The Sample.....	38
4.9 Sampling Instrument .....	38
<b>CHAPTER 5</b> .....	<b>39</b>
<b>RESULT AND DISCUSSION</b> .....	<b>39</b>
5.1 Sample Characteristics .....	39
5.2 Results and Finding for Objective no. 1 .....	41
5.3 Results and Finding for Objective No. 2.....	43
5.4 Results and Finding for Objective No. 3.....	45
5.5 Results and Finding for Objective No. 4.....	46
5.6 Results and Finding for Objective No. 5.....	49
5.7 Results and Finding for Objective No. 6.....	50
<b>CHAPTER 6</b> .....	<b>53</b>
<b>RECOMMENDATIONS And CONCLUSION</b> .....	<b>53</b>
6.1 Conclusion and Recommendation Based on Study.....	53
6.2 Recommendation Based on study findings .....	55
<b>REFERENCES</b> .....	<b>57</b>



## LIST OF TABLES

Table 1: Sources of AIDS Information Men/Women.....	20
Table 2: Genders Ratio .....	39
Table 3: Age.....	39
Table 4: How many years' experience in stock market? .....	39
Table 5: Levels of Investors Education .....	40
Table 6: Profession of Investors .....	40
Table 7: Which source of medium you used for daily news?.....	41
Table 8: For how much duration you watched daily media?.....	41
Table 9: Do you think media can play there vital role regarding financial literacy?...41	
Table 10: Do you think that media develop stock market literacy in our society?.....41	
Table 11: In which way of media create positive perception about stock market regarding investment? .....	42
Table 12: Which source of medium you used for daily stock market updates? .....	43
Table 13: PSX recently became the member of MSCI Emerging Markers. How do you get information about MSCI Emerging Markets?? .....	43
Table 14: What do you think Govt. should launch a channel for the coverage of stock market regarding its daily performance?.....	44
Table 15: Do you feel the important Stock market performance effected by the various negative and positive news on media? .....	44
Table 16: If yes what types of news can affect the performance of Stock market? ....	44
Table 17: How media can create advertisements by follow regulations for stock market awareness and information which welcome new investors?.....	45
Table 18: What was your perception which was media towards stock market before joining Stock Market? .....	46
Table 19: Do you think media can create any perception regarding stock market? ....	46
Table 20: How do you come to know about Investment in Stock Market?.....	46
Table 21: Which factor created your interest towards investment in stock market? ...	46
Table 22: What's your experience from your friends and family regarding investment in stock market?.....	47
Table 23: What's the perception about stock market of friends and family who are still unaware from stock market? .....	47

Table 24: Do you think Media creating negative perception towards investment in stock market?.....	47
Table 25: International Media like Bloomberg and Reuter’s ranked Pakistan stock market best from Asia in 2016 do you think this international media coverage will welcome new foreigner’s investment in Pakistan?.....	49
Table 26: A consortium of Chinese companies has bought out 40 % ownership of Pakistan's only stock exchange. Do you think it will help our economy and especially for stock market to perform better? .....	49
Table 27: MSCI included to Pakistan Stock Market in Emerging Stocks markets of world; do you think Pakistani media should highlight such good news for foreigner’s investment attention? .....	49
Table 28: Do you think Brokers playing there important role for stock market literacy? .....	50
Table 29: Do you think SECP playing there important role for stock market literacy? .....	50
Table 30: Do you think PSX administration playing there important role for stock market literacy? .....	50
Table 31: Have you undergone any training in derivatives from PSX, SECP or brokerage House before starting trading in equity derivatives?.....	51
Table 32: Do you think only investors who had undergone some training in derivatives should be allowed to trade in the derivatives market?.....	51

## **ABSTRACT**

In these days, media has become the key factor for creating awareness, mobilization of interests, change in thinking process and decision making patterns of the individual. Financial markets are the key indicators of the country's economic growth, stability and development. Awareness through media regarding the importance of the financial market is the fundamental product for enhancing the investments and securities in stocks. This study determines the impact of media-developed perception towards investment in the stock market. It also examines the demographic, behavioral, and educational role of media along with economic determinants affecting decision making towards investment in stock market. The study also evaluates the level of awareness through media, role of media, stock markets and government for promoting the effectiveness and profitability of the stock markets. Hypothesis of study Media is forth pillar of society, Find out how media can play its vital role towards stock market literacy? Does Media coverage regarding daily stock market performance is enough for investors to get information? How media can create the advertisements for stock market awareness? What's the perception of our society regarding stock market which is developed by media? How media can become a useful tool to welcome new local and foreigner institutions' investment in stock market? The conclusion of the study is that the stock market has low interaction with the media. that reason very few peoples of population investment in the stock market. Because they don't have knowledge about how to invest in the market. Through this study. I found that people want to invest in the stock market but they have no means of information. The purpose of the study finds the gap between the media and the stock market. The purpose of the study is to fulfil the space between media and the stock market. Does Brokers, SECP & PSX Administration playing there important role for stock market literacy along media? The primary data was collected through a well-structured questionnaire from a set of 150 respondents taken by using simple random sampling technique. The data analyzed through a suitable statistical technique and results are presented as the final thesis.

**Keyword:** Media perception, Stock market investment, Hypothesis, simple random sampling technique.

## **LIST OF ACRONYMS**

1.	BBC	British Broadcasting Corporation
2.	SECP	Securities & Exchange Commission of Pakistan
3.	CDC	Central Depository Company
4.	NCCPL	National Clearing Company of Pakistan Limited
5.	S&P	Standard & Poor
6.	KSE	Karachi Stock Exchange
7.	PSX	Pakistan Stock Exchange
8.	LE	Lahore Stock Exchange
9.	ISE	Islamabad Stock Exchange
10.	EPS	Earn per Share
11.	ABC	American Broadcasting Company
12.	PTV	Pakistan Television
13.	MTS	Margin Trading System
14.	MF	Margin Financing
15.	MSCI	Morgan Stanley Capital International
16.	FTSE	Financial Times Stock Exchange
17.	CD	Certificate of Depository
18.	CEA	Commodities Exchange Authority
19.	IPO	Initial Public Offer
20.	US	United States
21.	SEC	Securities & Exchange Commission
22.	MOF	Ministry of Finance
23.	BKB	Book Building
24.	NEFE	National Endowment for Financial Education
25.	OECD	Organization for Economic Co-operation and Development
26.	NASDAQ	National Association of Securities Dealers Automated Quotation

# CHAPTER 1

## INTRODUCTION

In this chapter, we have discussed the impact of media developed perception toward investment in the stock market. Media is the fourth pillar of democracy. The stock market is the backbone of every country's economy. It has a very important role in the developed and developing countries. In this study, we have found that, how the media affects the stock market. It is very important to stock market conduct various program for the public awareness campaign. Media is strong weapon in modern era. The stock market is the only institution that can increase their company revenue with the help of media. The stock market is the only institution that can increase the company revenue with the help of media. Many people invest in the stock market and get profit from them. In this study, we used simple random technique for the getting results. In this study, we have applied a survey model. It is based on quantitative methodology. This research is a purposive descriptive study of primary data..

### 1.1 Background of the Study

According to Wan (2006) "Media literacy refers to the understanding of media and the use of it as a source of information, entertainment, and enrichment, growth in economy, empowerment, and communication" Media has become a market leader by having the factors of awareness creation, acquaintance, changing decision making, and providing the facts regarding the current scenario of choices among the individuals at a global level. Purchase of financial assets is termed as an investment. Investment goods are referred as the goods which are further used in the production processes. Investment is a rational and conscious process which starts from the growth of money properties or securities issued by the financial institutions with the purpose of getting higher returns in a definite slot of time (Ikhar, 2014). The stock exchange is a market that refers to buying and selling of securities. Previously there were three Stock Exchange operating in Pakistan, which were Karachi Stock Exchange KSE, LSE, and ISE. KSE was an oldest stock exchange of Pakistan; it was established in 1947 while stock exchanges in Lahore and Islamabad were established in 1970 and 1992 respectively (GOP, 2016). In Jan 2016 all the markets merged with one named Pakistan Stock Exchange (PSX). A well-developed stock market of a country leads to the economic growth of the country. Cash, capital and credit are the sources to make the availability of financial inputs to

human resources with proper coordination and excelling growth process. The flow of capital leads to an increase in production and consumption of goods and services. The flow of funds through the channels of production and consumption determine the efficiency of the financial system. By having a huge number of listed companies, the country has great potential for achieving higher growth levels (Chawla, 2014).

Stock exchanges in Pakistan have been attractive and preferred spots for investment in view of the local and foreign investors. Understanding regarding the working, principles, operational setup and profitability of the stocks was found limited among most of the country's population. Most of the diaspora working in foreign countries have invested their saving into stock market of the country. Investments made in stocks by the middle class of the country are preferred in comparison to traditional financing options like banks, gold and real estate businesses (Shankar, 2014).

It is a high priority for the individual to invest in stocks and get involved in the decision-making process and find the results regarding the set of choices. It is not necessary that every investment made by individual results in a profitable investment. Rationality in making conscious investments leads to enhance the chances for profitable return. Investment is regarded as a serious subject instead of taking it as a game of money making (Joo, 2000; Zheng, 1999; Lawson and Hershey 2005; Gupta and Jain, 2008).

## **1.2 Stock Market Definition**

Commonly, the term capital/stock market is abstract for a structure which provides different companies' shares trading for buying and selling. Stock Market provides the platform for the companies to sell their shares to the public. Stock market provides the process of buying shares with two methods electronically and physically but now the ratio of buying shares physically is low due to the lengthy process. The stock market acts as a bridge between buyers and sellers.

## **1.3 History of Stock Market**

In France during 12<sup>th</sup> century, the Courier-de-change was deal with management and regulators arrears for the agricultural societies in favor of the banking sector. Because it was also trading with arrears, it was the first brokerage service in the world. In 13<sup>th</sup> century Bruges commodities traders met inside the house of a man called Van-der-bourse, and later in 1309, they declared this as an institutionalized trade and gave it a

name Bruges Bourse. This idea rapidly spread in that era and neighboring nations started adopting the idea and soon opened in Ghent and Amsterdam. In century 13<sup>th</sup> Venetian bankers started to trade in government securities. During 14<sup>th</sup>-Century Bankers in Genoa, Pisa Florence and Verona also start trading in government securities. It was only possible in that era because these all were independent city states. Later on Dutch opened combined companies stock which allowed investors to invest in ventures business to earn profit or loss of shares. In 1602-03, the Dutch EIC issued first ever shares in Stock Exchange of Euronext Amsterdam for the public and it was the 1<sup>st</sup> company which issued bonds and stocks.

The 1<sup>st</sup> Stock Exchange for frequently trading was the Euronext Amsterdam Beurs in 17<sup>th</sup> Century. The Dutch had developed a short selling, various different trading options, and banking merchant. Later every developed country opened its own stock market and now more than 180 countries have their own stock market.

#### **1.4 Pakistan Stock Exchange (PSX)**

Pakistan Stock Exchange (PSX) was established on eleventh January 2016 in the after effect of the merger between individual stock trades of Karachi, Lahore, and Islamabad. Country's First Stock exchange "KSE" was established in 1947, LSE in 1970 and the ISE in 1992. As of January 26<sup>th</sup>, 2016, there were 573 listed companies in PSX and the total market capitalization was \$96 billion. Pakistan Stock Market has been recognized as Asia's best and world 5th stock market in 2016 on a remarkable increase of 47% in one year. Pakistan economy is on the radar of the world now due to the emerging economy and bright future. CPEC is playing the role of the game changer in the country and various foreign investments are already being done in the country. Due to such a remarkable performance, China bought Pakistan stock exchange's 40% shares at Rs28 per share for 320 million shares on offer. The value of the deal is calculated to be Rs 8.98 billion (\$85.10 million).

Pakistan Stock Market also got back Morgan Stanly Composite Index (MSCI) status back from 1st June 2017 which was withdrawal by MSCI in 2008 due to the temporary closing of Karachi Stock Exchange. This positive impact has injected \$ 500 M to 800 M capital within next year from international investors and funds. According to the World Bank, Pakistan's economy is improving in the market of stock exchange which is always considered as a backbone for any country's economy. There are various

mutual funds among insurance companies and banks of Pakistan and the world, which are investing in Pakistan stock market and now more than 100 mutual funds are working in Pakistan stock market. After Chinese participation in PSX, more investors from China are interested in PSX and the administration already has 40% shares. After Chinese investment, world's biggest multinational companies are showing interest in investment in Pakistan and various institutions have submitted the applications to PSX administration. Pakistan stock market has given more than 45% return to investors in 2016 and in PSX more than 40% of companies are giving properly dividend to their investors. Few of them are as below:

### 1.5 Dividend Paying Companies (2016)

<b>Name of Company</b>	<b>Dividend Per Year</b>
Al Ghazi Tractor	40.00
OrixModaraba	14.56
Siemens Pakistan Engineer	14.17
Nishat Power Ltd.	13.05
Kohinoor Energy Limited	12.62
Pakistan Hotels Develop	11.70
KotAddu Power	11.67
Engro Fertilizers Ltd	11.63
Saif Power Ltd	11.59
MCB-Arif Habib Savings	11.58
National Bank Of Pakistan	11.23
Dawood Hercules Corp.	10.58
Habib Insurance Co. Ltd.	10.54
Pakistan State Oil	10.53
MCB Bank	16.00
HBL Bank	16.00
Nishat Mills Limited	10.00
Pakistan Suzuki Motor Company	25.00
Honda Car	20.00
Millat Tractors	30.00
Engro Pakistan	15.00



## **1.5 Statement of Financial Literacy**

Financial literacy is the know-how of efficient utilization of money in the world. Its earning source and management are using various modern and advance methods. More particularly, it is set of abilities which refer to knowledge that allows someone to make informed and helpful decisions with all of their financial resources. In the developed countries various organizations are working on financial literacy and in such countries every 1/3 person adopts such practice to earn. In developing countries, people use advance methods for investments like Stock Market, Mutual Funds, Commodities, Insurance and many others. Due to financial illiteracy in developing countries people are still adopting the old method and are resultantly failing to earn more to fulfill their requirements which directly cause poverty. Well, financial literate society may help countries economy in expanding capital.

The Organization for Economic Co-operation and Development (OECD) began their setup in 2003-04 with the purpose of devising ways to develop financial literacy and educational values through the growth of similar literacy of financial principles. In March 2008, the OECD launched an International Financial Education which targeted clearing house for financial literacy, information, and research worldwide.

Since Pakistan is portrayed as having low rates of savings and investments, low infiltration of budgetary items, poor administrations, and generally remiss requirement principles to secure the customers, in this manner a battle for the money related proficiency is regarded as the need of great importance. It's highly required to encourage financial skills and sensible economic decision-making capabilities in all segments of nation.

The basic benefits for financial literacy are:-

To generate basic awareness in the public about various financial market, how they work and their products.

To promote the perceptive of the risk-return relationship in financial decisions.

To generate responsible financial attitude.

To create the habits of saving.

To change spending pattern

To give power to consumers of financial of products.

To boost financial safety and stability in the publics

## 1.6 Benefits of Enhance Financial Awareness:

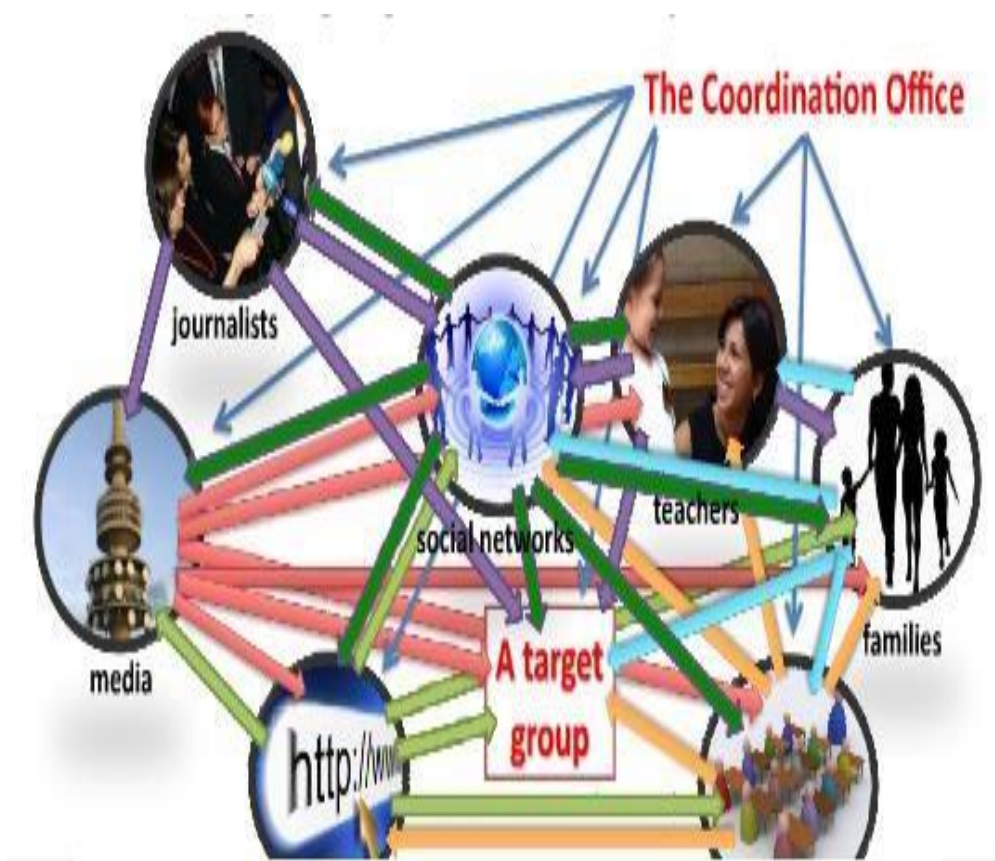
- Financially educated customers will probably spare their cash, think about monetary items and administrations, and look for and give counsel on cash matters.
- Access to funding is known to make impetuses and situations that advance craved budgetary practices, for example, sparing, planning, or utilizing credit shrewdly.
- Financial education enables people to have proper planning for extreme monetary circumstances, by advancing procedures that moderate hazard, for example, amassing investment funds, expanding resources, and buying insurance.
- For poor and rich alike, Financial Literacy gives more noteworthy control of one's monetary future, more powerful utilization of money related items and benefits, and diminished powerlessness to overeager retailers or deceitful plans.
- Financial literacy also reinforces responsible behaviors such as careful tax payments, well-timed clear



## 1.7 Role of Media in Promoting Financial Literacy

“In a world of escalating financial complexity, there is an increasing need for financial knowledge and at least basic financial skills (Morris L Wang 2001)”

(MEDIA IS NOW SOURCE OF INFORMATION FOR GLOBAL AND HAS BECOME A TOOL FOR INSTILLING CONFIDENCE)



Recently the role of media in the revolutions in Egypt, Libya and other nations of the Middle East has been prominent. Recent research by the National Endowment for Financial Education (USA) found that only 8 to 10 hours of financial education programs will drive most teens to start saving. An OECD survey conducted in several countries has confirmed that people want to learn finance and economics from the mass media or new media. The main cause is that they have access to mass media channels, using them regularly does not require more effort on their part. Since media has become strong and viewership increased in the world, the ratio of insurance policies has increased. Advertisement of insurance policies and their packages catches viewer's

interest. In a recent study, USA reveals that insurance companies are spreading fear in society by using media and they are getting record business since media development. However, it may be useful somehow for both sides.

### **1.8 Importance of Stock Market in Economy**

Stock Market is the most vital part for economy of any nation and it reflects the power of any country's economy in the world. The Capital Markets play a vital role in the growth of commerce and for the industry sector, the stock market affects the country economy to a greater extent. It was the only reason that the government and central bank of country had an eye on the behaviors of capital market. The Stock Market always remains important for investors for following important reasons:

- Raising the capital for business
- Mobilizing savings for investment
- To highly facilitate company growth
- Redistribution of wealth
- Corporate governance

Nowadays the world is shrinking and everyone has access to reach everywhere with in few minutes. Every investor can invest anywhere in the world and stock market is the best tool for investment in many multinational companies. The stock market always welcomes foreign institutions and investors to invest in a country's developed economy for a good return which has an impact on country's economy. Every country gives high priority to its capital markets for foreigner's investment. Stock market acts as a backbone for any country economy.

### **1.9 Role of Media in Stock Market Performance**

Media has strong influence on stock market performance. Every news has created positive and negative impact on stock market. We are in the modern era now and media has become important for our daily needs. The media of today has an important role in the creation and configuration of public opinion and in the change of thought. The media is declared as the arm of the sword for democracy. The media acts as vigilante to protect the public importance by awareness programs. The media has a strong influence in our society as it can start cold war and various countries use media as a weapon. Various theories exist regarding media's influence and powers. Magic

bullet theory by Warren Commission said that the media is gun and message is bullet and he further elaborated that media is an injection, the liquid in the injection is message and media injects the message to their followers directly. Media can easily create any propaganda for any target in the country and the best example of this propaganda is witnessed during elections. The political parties use media for their message and mostly it works.

### **1.10 Relationship of Stock Market with Media**

Relationship of media and the stock market always remains important; the stock market is very sensitive as it always takes immediate effects from local and global news. The media drives financial news and investors pick up the pieces.



Google news posted a 7 years old Chicago Tribune story regarding United's 2002 bankruptcy. United's stock fell 76% within minutes. American newspaper daily covers the news for S&P 500 & NASDAQ trader activities. It gives various examples from media, which left a strong influence of media on the stock market. In 2002, United Airlines filed for bankruptcy and two published studies of the market reactions to this event. United bankruptcy story news cause decline of 100% stock share prices. In 2006 the firm exited bankruptcy. Prof Paul Tetlock said that the amount of news and ability for processing it had increased links between media and markets and were regularly evolving.

By increase in listed companies, technological improvement, education regarding the better financial understanding and media, low-risk factors, and high returns individual tend to increase their investment behavior and prefer to invest against the saving. Unfortunately, the situation is against the scenario because there is no awareness among the public regarding investing in the stock exchange and take it as a productive way of investment. Although a lot of work has been done by the media in creating awareness and highlighting the importance of various significant sectors and its contribution in GDP, the media does not proves its excellency in highlighting the importance of financial markets. Educational institutes have a leading role for the inclusion of financial skills among youth but sadly there is no subject or curriculum taught at college or university level for the creation of familiarity with financial markets. Role of media is the greatest tool for highlighting the importance of productive activities and generating awareness regarding the financial markets, but in Pakistan, the situation is not alike. It is bitter fact that government, media, and officials of the stock exchange were not found interested for generating public awareness regarding the effectiveness of stock markets and pursuing individual's intentions to take stock markets as the alternate profitable market and a better way of investment with rational decision making. The SECP introduced recently 'JammaPunji', an investors educating program which is a good step but unfortunately, it's the first step and still a pioneer. Still, the common people don't know about this program due to no media campaign.

In these days Americans are putting resources into the share trading system. One of each three individuals in American household invest resources into the stock market. In 1980, that number was one out of 18. But in Pakistan, there is only 1.6% of the total population that is attached to the capital market which is even less than Bangladesh. In Pakistan the financial illiteracy is on peak and people are only aware of few old investment methods like real estate business, buying gold, banks fixed amount percentage etc. The banks further invest investors' amount in the stock market and get higher profit. In Pakistan, the professors from universities with various departments except for finance, doctors, engineers, and youth are mostly unaware of capital markets and they have superstitious negative perception regarding stock market without knowing its reality. In developed countries the government and organizations are working on financial literacy with high scale and in Pakistan we only find few multinational financial literacy firms working on the said issue.

### **1.11 Rationale of the Study**

“In a world of escalating financial complexity, there is an increasing need for financial knowledge and at least basic financial skills (Morris L Wang 2001)” Well modified media satisfy this need and decrease the complexity in understanding the financial landscape. The present study has a great deal in sense of highlighting the hidden factors which need to be taken at priority for changing the individual's perception regarding investing in the stock market and the role of media for creating awareness. Media shape behaviour of the investor about investment. Media give proper guideline those people who want to invest in the stock market. The study underlines the role of media in creating awareness regarding financial literacy that how this media can be useful for our common people by getting financial literacy. By providing the set of applicable policy measures as recommendations, this study helps especially the media and the general public, government and financial sector institutions for making a better understanding of the stock markets and the way of its climax.

### **1.12 Statement of the Problem**

The capital market is known as the backbone for the country's economy and media is its fourth pillar. Media can develop financial literacy and awareness towards investment in the stock market which helps the people to earn profit from the stock market by making investment. This study is focusing on how media uses its excellency in highlighting the importance of financial markets and creates awareness towards investment in the stock market.

### **1.13 Objectives of the Study**

According to Wan (2006) “Media literacy refers to the understanding of media and the use of it as a source of information, entertainment, and enrichment, growth in economy, empowerment, and communication”

#### **Present study is based on the following objectives;**

- 1.11.1 To find out how media can play its *vital* role towards stock market literacy.
- 1.11.2 To explore whether the media coverage regarding daily stock market performance is enough for investors to get information.
- 1.11.3 To find out how media can create the advertisements for stock market awareness.

- 1.11.4 What is perception of our society regarding investment in the stock market which is created by media.
- 1.11.5 To explore how media can become a useful tool to welcome new local and foreigner institutions' investment in stock market.
- 1.11.6 To find out whether Brokers, SECP & PSX Administration playing their important role for stock market literacy along media.



## CHAPTER 2

### LITERATURE REVIEW

In this chapter, an attempt is made to review the literature on earlier research on the present investigation about the impact of media's developed perception towards investment in stock market. It is found that the research on "Impact of media developed perception towards investment in stock market" is very rare and most of the research is done regarding work on individual perception about investment in the stock market and has found that most researchers belonged to economics field. However in this study, various earlier researches from the field of economics and media used to find that how researchers check the individuals' perception towards investment in stock market and how media is playing its role in creating awareness.

#### 2.1 Review of Literature

(Wahlberg & Sjoberg, 2000) conducted a research survey to measure how the media affects risk perception. Media content is different and often does not have a bias in (news) reporting as is commonly believed. Although many people think that the influence of the media is taken for granted, the evidence points to another way: even for heavy media users, the media may not be a strong causal factor of risk perception (especially not personal). Risk perception may be affected by media availability (more information has a stronger impact). The impact is diminished by non-personal influences: general risk perception is more likely to change than individual risk perception. Risk perception is often thought to lead to behavior, but it is still uncertain and requires caution for this possible connection. In this research, they examine four parts. First is media content, second is psychological theoretical concepts, third is risk communicate via media, and fourth is media effect on risk perception.

Formally Karachi Stock Market (KSE) management conducted research in 2013 to check people perception for the stock market which was sponsored by brokerage houses and mutual funds alike. KSE management used the help of a private research firm "BR Research" and Business Recorder, the only finance Television news channel in Pakistan. In a research survey, 55 percent said they don't have enough information about the stock market. Another 15 percent of the respondents said they had misunderstandings or they were confused. In another survey, 55 percent said they thought a stock market is a place of the gambling market. One another interesting

research finding revealed that 70 percent of the respondents said they wish to invest in the stock market but they do not know to do it, 83 percent said they were never approached by any stock market representative for account opening ever.

In another awareness program in 2015, the seminars were conducted and the basic themes of this awareness program were to give knowledge to investors regarding risk factor, profitability factors of KSE, and various rewards and opportunities of investing in the stock market. The approach's targeted audiences were professionals, doctors, jewelers as well as businessmen, government servants, and school owners. For the intentions of common people, the advertisement campaign was planned and this successful advertisement campaign brought enough numbers for registration from all over the country. The impact of this program was seen in the form of increase in the number of new account openings by 50%.

In March 2016, Dr. Paul Tetlock did studies on "The media role in the capital market" in News and finance conference. He said in his article that media has direct and strong influence on capital markets. He found that in 2002, Google news posted a 7 years old Chicago Tribune story regarding United's 2002 bankruptcy. United's stock fell 76% within a minutes later on, however, market recovered but the stock market took the pressure of media news immediately. Stock market players also used market for their own benefit and telecast false news for profit through manipulation. American newspaper daily covers the news for S&P 500 & NASDAQ but the reader only read there on willingness news. Media should first literate about this news also. He gives various examples from media which left a strong influence of media on the stock market. In 2002 united airlines filed for bankruptcy and two published studies of the market reacted to this event. United bankruptcy story was new and 100% stock share prices declined; no rebound eye witnessed. In 2006, the firm exited bankruptcy on September 7<sup>th</sup>. 2008's United stock market cap is 1.63B. Prof Paul Tetlock said the amount of news and ability to processing it has increased links between media and markets and are regularly evolving.

In April 1999, US Securities & Exchange Commission Chairman Arthur did studies on financial literacy and role of media. The media as of now assumes a main part in giving Americans the realities about sparing and contributing. Today, there are more Americans putting resources into the share trading system than any time in recent

memory about a portion of every single American family unit. One of each three individuals in America puts resources into the stock market. In 1980, that number was one out of 18. Be that as it may, these numbers have a flip side. We realize that the energy of the media can help change conduct. In America, the media really helps towards financial literacy especially for the stock market and now not only American institutions are investing in our capital markets but we have witnessed the world famous biggest financial institution also investing in world's best American stock market NASDAQ. The image of American economy built by media is very strong and the world is focusing to invest more in American stock markets.

(Pineiro & Marcos Vizcaíno-Gonz, 2010) performed the studies for analyzed investors activity through social media and the media's influence over the Chicago Board Options Exchange Market. They used in their research Volatility Index (VIX) which is a logit model and a fuzzy-set qualitative comparative analysis (fsQCA). Result of the logit shows that "social media sentiment influences stock markets". Meanwhile, the results show that the investors' profile is important for explaining how social media influence the stock market. They concluded that the result of studies holding period combined with experience in technical investors contributes to avoiding a rise in market risk, whereas for nontechnical investors message sentiment and experience form the combination that contributes toward avoiding a rise in market risk.

Padole (2016) performed a study for assessment of individual's perception toward investing in the stock market. Indian stock market is the world second (Pineiro & Marcos Vizcaíno-Gonz, 2010) biggest stock market in term of number of registered companies after the US. It is the place where Indian investors invest their savings and pool their money in the vehicle of the financial market and seek their profits on the rationality of the decisions. The study was carried out on the well aware 80 respondents who were well known about the stock markets and investing in the stocks. Convenient sampling technique was adopted for data collection with the help of well-prepared questionnaire. Results of the study suggested that gender, risk, behavioral and choice factors were contributing significantly in line to decision making for investment in stocks market.

Rao et al. (2013) executed a study to evaluate the demographic characteristics of small investors in the Indian stock markets. Development of industrial and service sector

relies on the investments made by the individuals in the financial markets and particularly in stock markets. The study was aimed to highlight the factors affecting demographic characteristics of the small investor's decision making toward investing in the stock markets. The study consisted of 102 respondents which were taken by using simple random sampling technique. Results of the study suggested that age, gender, education, exposure to financial markets and risk-taking awareness factors were contributing significantly toward small investor's decision making for investing in the stock markets.

In a survey conducted by (Lakshmi C.N 2003), it is observed that media is playing a vital role than any other source of information that is creating the influenced consumer buying decision- making practice. She stated the role of media in helping the investors on the decisions making process and most of the people get the awareness about any new product through media. This point is further supported by Kim, K.A., and John R.

(Nofsinger2007) had done research in Japan to recognize investor behavior. They found that Electronic media in Japan is telecasting various investor education programmes that are creating investor decision-making process quickly.

A study has been conducted by a student of Bayero University, KANO Department of Mass Communication on “Role of media in creating awareness during general elections”. The study's objectives were to find the role of media on voters and awareness towards casting votes. The researcher highlights the importance and power of the media. The researcher found how media change the perception for voting to their liked politician and how to give awareness to voters for the importance of votes. The researcher used survey research methodology and their sample was 300 respondents. Researcher checked the results in SPSS and found that the media left strong effects on society and media had strong power in society. The researcher also found that social media tools like Facebook and Twitter also have a very strong influence on our society. Monica Nogara did case studies in 2009 from Uganda on Role of media in curbing corruption. The scholar did research that how media curbed the high ratio of corruption from Uganda. The studies explore the media role from 1986 to 2006 and media won the battle of creating high accountability trend in the country due to high media literacy efforts the people in Uganda took stand against corruption. Qualitative independent media reporting without any fear created pressure on government towards acting into

an interest of the public. By creating attention to behavior that generally seems acceptable and revealing corrupt behavior, the media can increase public awareness, activate anti-corruption values and create external pressure from the public against corruption. Role of media regarding corruption was highly successful and the government also did legislation towards corruption and the ratio became very rare also.

Security Exchange Board of India (SEBI) alongside National Council of Applied Economic Research (NCAER) in (2007) conducted a survey of the Indian household entitled "Study of Indian Investors", keeping in mind the end goal to concentrate the effect of the development of the securities showcase on the family units and to break down the nature of its development. 25,000 speculators were drawn from locations across India and the information was collected by monitoring surveys and through individual meetings. The study was completed with the significant target of drawing a profile of the family units and speculators and to depict the socioeconomics, monetary, and value proprietorship qualities. The review additionally centered to comprehend the financial specialist's speculation inclination for value and in addition different reserve funds instrument, their recognition about market chance, their desires, grievances of their nature, and challenges, gauge the quantity of family unit which had abstained from putting resources into the value showcase and the purposes behind their hesitance. The survey uncovered that age, training, occupation, and pay was found to impact the state of mind of a financial specialist towards the venture. The urban speculator families had a higher extent of interest in value offers, debenture and shared finances when contrasted with the provincial family units. The speculation of the family and Salary stages units in the stock market were observed to be related. The dominant part of the value financial specialists had long haul rationale of speculation. Speculators uncovered that they had various dealer-related issues than the guarantor related issues.

(Verma.P2012) in his study explores that Indian Investors on capital Market found that acquaintance with different value arranged securities among Indian financial experts is increasing because of different awareness seminar programs directed by Securities and Exchange Board of India (SEBI) and Association of Mutual Funds in India (AMFI). He said that due to the increased awareness of securities, the quantity of new financial experts is developing at a good rate in India. He further stated that increased awareness also motivates investors to gain knowledge of different investment strategies and risk minimization techniques.

(Arun Lawrence and Dr. Zajo Joseph 2013) in their study entitled “Factor-Leading Stock Investment: An Empirical Tests” concluded that peers and the media play a key role in influencing speculators' stock exchange options. Financial markets provide enough opportunities for speculators and individual investors play an important role in the stock market because of their large share of domestic savings. The study sought not only to understand the behavior of individual speculators in the money market but also to achieve goals. Analysts focus on distributed work and the purchasing behavior of individual financial experts is influenced by different variables such as social, monetary, psychological, and statistical factors/elements. The investment of individual speculators is supported by advantages and cash. Bizarre speculators still want to invest resources in money-related items, allowing non-hazardous returns to nanoseconds. The commentary also affirms Indian speculators, whether they are high-paying, knowledgeable, paid or free, and moderate financial experts who like to play safely in the market. Money-related controllers need to organize courses, projects, and meetings to provide mindfulness among individual financial experts and to increase certainty between them.

(Reckers and Stagliano, 1980), conducted a survey entitled, “How Good are Investor’s Data Sources In the study”, investors were asked to establish the types of data they thought were most useful when making investment decisions. The following three major findings are:

- a) Investors highlight that they go careful reading of the report, but 1/2 of the respondents ostensibly disagree from the annual reports.
- b) Investors also highlight that media news and publish stories help investors regarding data source for major companies’ progress.
- c) The quality of regulatory assessments and operational credits appears to be the most unreachable or unavailable major item in decision-making data, even if investors use this information.
- d) Forecasts, for the most part, were thought to have some positive utilization of basic leadership.

Data was utilized by financial specialists.

In 2006 Sherice Martine Perry did studies on HIV/AIDS prevention in Ghana and how media create awareness. The research survey done from 3000 men and women

respectively. Analysis showed that information in the mass media raised awareness regarding HIV/AIDS. Nearly 99% of men reached to news of AIDS, compared to 95% of women. When exploratory where individuals receive information on AIDS the 80.55% men & 72.57% women get information by using Radio and 47.96% men and 41.35% women by using television. The print media also play vital role and 19.12% men and 7.32% women come to know about AIDS from news papers or magazines.

In this studies the researcher observe that other awareness tools are not as successful as like media and he published result that Clinical and health care workers and institutes only contributed 17.35% & 23.06% on men and women respectively. The other strongest medium was found other then media is interactivity with each other. The following pictures are indicating the ratio for the source of information tool which used most by men and women for getting information on AIDS.

(YigitcanKarabulut, 2013) examines the study of: “Can Facebook Predict Stock Market Activity?”. They selected way through a novel and direct measure of investor sentiment. He where individuals received information on AIDS the 80.55% men & 72.57% women got information by using Radio and 47.96% men and 41.35% women by using television. The print media also play a vital role and 19.12% men and 7.32% of women came to know about AIDS from newspapers or magazines. In this studies the researcher observes that other awareness tools are not as successful like media and he published a result that Clinical and health care workers and institutes only contributed 17.35% & 23.06% on men and women respectively. The strongest medium found other than media was interactivity with each other. The following pictures are indicating the ratio for the source of information tool which was used mostly by men and women for getting information on AIDS.

**Table 1: Sources of AIDS Information Men/Women**

	<b>Men</b>	<b>Women</b>
Radio	80.55%	72.57%
Television	47.96%	41.35%
New/Magazines	19.12%	7.32%
Pamphlets/Posters	7.82%	3.83
Clinic/Health care Workers	17.35%	23.06%
Church/Mosque	7.36%	7.73%
Schools/Teacher	10.25%	6.79%
Community Meetings	10.25%	9.73%
Friends/Relatives	52.23%	54.78%
Work Place	4.99%	3.68%

(Shobana V.K. and Jayalakshmi, 2009) in conducted a study entitled "Investors and Preference". They researched investor preferences for the level of investor awareness among 100 respondents in the Salem area and factors affecting investor awareness. The study uncovered that real estate, bank deposits and jewelry, time deposits, and bonus bonds were preferred investment for society. Investors and professionals over the age of 50 had a high reputation. Age and education had no significant impact on investor awareness, but professional status led to differences in the awareness levels of peoples.

(Levine and Ross 1996) found that a well-working stock market is helpful for the maintained monetary development of any nation on the planet. There exists an immediate connection between the improvement in the securities advertise and financial development of a nation. The stock market provides bridge gives an extension between extreme savers and extreme financial specialists and makes the chance to put the reserve funds of the mindful at the transfer of the determined, in this manner promising to raise the collective level of speculation and development. It distributes rare reserve funds to the endeavors and constrains them to concentrate on their execution, which is persistently assessed through offer costs in the market. It along these lines changes over a given load of investible assets to a substantial stream of merchandise and ventures.

(MaruthuPandian P, Benjamin Christopher 2007) conducted a study entitled "Equity Investor Awareness Research" to study investor stock market literacy for financial knowledge, corporate knowledge, stock exchanges, and capital market regulators. The data collection was conducted using a survey method and 43 investors were randomly selected in the Coimbatore area and collected using questionnaires. Studies have shown



that in the process of the capital market, the urban quality ratio is higher, the ratio of female investors is lower, the ratio of young investors is higher, and the ratio of the wage stratum is also better. The study also found that different investor groups have different awareness levels. The reasons for this are socio-economic, lack of awareness, information seeking behavior and investment behavior characteristics. If there should be young male speculators, graduate students, experts, financial experts reading a larger number of magazines and reviewing risk-related projects on television and online, speculators discussing individuals, assisting the market, then the mindfulness list is high and vital Speculators associated with the capital markets have been contributing for more than 11 years, and speculators have the intentions here and now that they maintain the most extreme measure of wealth in their offices.

In 1998 Ghana Demographic and Health Survey (GDHS) did survey research on awareness regarding HIV/AIDS and the role of media in creating awareness. The GDHS is part of the worldwide Measure DHS plus Project. The survey was done and the cross-sectional data was collected on family planning, maternal and child health indicators, fertility, demographic trends and information on knowledge of HIV/AIDS and other sexually transmitted diseases. The research survey was funded by USAID. It was the third survey of this kind in Ghana conducted by the Ghana Statistical Service. The collection started on 01-11-1998 and ended 01-02-1999. The Ghana Demographic and Health survey used a sample of women ages 15-48 and men ages 15-60 to assess mass media power regarding spreading knowledge of HIV/AIDS prevention and risk behaviors. This data was collected five years after the establishment of Ghana instituted AIDS Information, Education and Communication (IE&C).

The analysis showed in their results that information in the mass media raised awareness of condom use to avoid HIV. It also showed that these behaviors came to be seen as reasonable. In findings and in result it was observed that 95% of people reached to awareness campaign done by media regarding AIDS.

David H. Solomon, Eugene F. Soltes and Denis Sosyura in August 2012 did examinations on Media Coverage of Fund Holdings as a Driver of Flows. In their studies, they demonstrated how media projects and news influencing speculators who are putting resources into shared assets or in capital markets. Speculator's motivation finances hold stocks with high past returns, however just if these stocks as of late gotten media inclusion. They contend that media inclusion for the recorded organizations of

securities exchange increment the striking nature of their stocks return and furthermore pull in the intention of speculators. At the point when financial specialists requested long haul interest in securities exchange, speculators turn out to react just to those organizations which were as of late canvassed in the news. In this respects see that media inclusion furnishes financial specialists with valuable data, they discover proof that paper news and articles are related to better speculator basic leadership. Despite the fact that financial specialists respond to media secured property, they don't separate finances that exchanging the correct way in media secured stocks from those that exchanged the other way. They moreover react correspondingly immovably to assets past returns notwithstanding when these benefits don't correctly reflect the recognized return of the hold. Finally, this arrangement of capital bits does not envision future returns and likely makes basic trade costs. Also, this money related expert directly makes driving forces for resources for window dress their portfolios by holding media verified victors. They find affirmation of window dressing among resources with delicate execution records, yet find no verification that this system is rebuffed by theorists. All things considered, their results recommend that on any occasion a couple of monetary pros are assigning income to shared sponsors in a conventional structure.

The World Health Organization led the exploration of TB Literacy and mindfulness in Sindh Pakistan. The investigation was done on Pakistan's Sindh area on the grounds that Pakistan is the world sixth biggest nation experiencing TB. The analyst found that Knowledge of TB was commonly poor, particularly among provincial ladies, and country ladies were not permitted to openly visit wellbeing offices unaccompanied. The scientists utilized a KAP review to think about an issue from the explicit populace to gather data on what they know, what they accept and what they did in connection to a specific issue. The examination presumed that endeavors to bring issues to light and to make education are essential in the public eye to battle against the issues. The study/analysts group inferred that a profound exertion is required by the media extraordinarily to make mindfulness in the public arena since media is as of now commanding in the public eye by being the forward mainstay of social orders and specialists and wellbeing laborers to address misguided judgments about TB and reduce stigma.

Assistant Professor C. Kavitha made research in 2015 that he was concerned about the absence of local investors in the National Stock Exchange (NSE). He studied national

financial knowledge due to the knowledge gap between the wealthy people in the investment capital market. The poor continue to lose money in actual state investment. The study is guided by goals and aims to understand investors' attitudes and perceptions of investment in the capital market. A sample of 125 respondents was used and the results were analyzed using SPSS. The study used survey design and applied quantitative and qualitative data. The study also used descriptive methods to establish relationships between research variables. The study summarized various recommendations that increase investor interest in investing in the capital market. Regulators should improve their responsibilities and performance to enhance the confidence of local investors. In addition, the researchers believe that regulators should introduce investor incentives and investors' more capital investment in the capital markets. The final results and results of the study clearly show that there is an important relationship between investor attitudes and stock market investments. In order to increase more local investment, regulators need to raise awareness of the stock market by using a variety of awareness tools (such as academic research, media participation in research articles). The researchers gave a positive attitude and helped to increase the interest of local investors in investing in the stock market.

(PerramonAyza, 2014) conducted studies entitled "How the information in the financial media affects the specifics of investment decisions and economic bubbles". They found different factors in his studies: they found that the information market had considerable defects: demand called the advantage and supply of "irrational investors" (flocks).they raise the problem of biased and feedback of information sources. The financial bubble refers to the deviation between the actual value of financial assets and its continuing market price. This is also the speculative origin of the illusions of the owners of these financial values. They will profit from future prices and must be higher than before. In this case, the economic information in the media raises three questions. First of all, it is the information generated by the company. Second, the information circuit is fed back. The problem of information independence has been created, especially in the case of banks that are also creditors. Third, some information biases are reflected in companies in regulated companies that star in economic information in the media.

(Nguyen & Shirai, 2015) conducted a study to examine: "Social Media Emotional Analysis Based on Topic Modeling for Stock Market Forecasting" The purpose of this

study was to create a model that used emotions on social media to predict stock price movements. A new feature that captures both the theme and its emotions was introduced in the predictive model. In addition, a new topic model TSLDA was proposed to obtain this functionality. Our method uses only a historical price of about 6.07% in accuracy over the model. In addition, our method is also more accurate than other methods based on LDA and JST, 6.43% and 6.07%. The results show that emotional information integrated into social media can help improve stock forecasts. They ended their study based on results and experiments, showing the effectiveness of their TSLDA method. The accuracy was no more than 56%. The strength of the study was assessed by large-scale experiments (five-inventory, three-month trading dates in the test set) found that Facebook's Gross National Happiness (GNH) can predict changes in daily yields and trading volumes in the US stock market. He gave examples in his research, a standard deviation of GNH is associated with an increase of 11.23 basis points in the next day's market return. Consistent with the noise trader model, GNH's impact on market returns was temporary and reversed during the subsequent trading week. He also verified the empirical validity of GNH by conducting multiple tests in a different natural setting. In this topic, he discussed that the Investor sentiment, social media, behavioral finance, Facebook, and other social networks. He examined the relationship between this measure of sentiment, GNH, and daily stock market activity using vector autoregressive models. He proposed a new measure of investor sentiment that was based on the linguistic tone of the status updates posted by millions of people on Facebook. He showed that GNH had the ability to predict statistically significant and economically meaningful changes in aggregate market returns.

(Strycharz, Strauss, & Trilling, 2018) investigated the correlation between the closing price volatility of the three companies listed on the Amsterdam Exchange Index (i.e. ING, Philips, and Shell) and the online media coverage of these companies for two years (2014-2015). Automated content analysis methods are used to analyze emotions and identify company themes related to the company. Shell and Philips detected a positive correlation between coverage, sentiment and stock price volatility. In addition, corporate themes were found to be positive for Granger, causing stock price volatility, especially for Philips. The study presents past research showing that stock price volatility forecasts based on media coverage can be improved by including emotions and corporate themes. These findings provide information for strategic communication,

especially investor relations, indicating that media concerns, emotions, and certain corporate themes are critical in managing media relations and ensuring a fair assessment of listed companies. In addition, innovative research methods are useful to both researchers and practitioners, demonstrating how to identify and analyze media reports related to the company and its stock volatility in a repeatable, hands-on, and effective manner.

(Siikanen et al., 2018) conducted a study titled “Facebook drives the behavior of passive households in stock markets”, social media and stock market data has focused on predicting stock returns. Instead of predicting stock price movements, they tested the relationship between Facebook data and investors' decisions in the stock market through investor-specific data on Nokia transactions. They concluded that buying and selling decisions are related to Facebook data, especially for passive home and non-profit organizations. At the same time, it seems that more mature investors - financial and insurance institutions - are independent of Facebook activities.

(Li, Wang, & Gong, n.d.) conducted a study titled “The impact of financial news and public mood on stock movements” in which they said that in the internet age, investors can quickly get more valuable and timely information. With the rapid influx of information, investors' decisions are often influenced by peers and public sentiment. In this paper, we present a quantitative media-aware trading strategy to investigate the impact of media on the stock market. Our main findings are: (1) The basic information of company-specific news articles can enrich investors' knowledge and influence their trading activities; (2) The sentiment of the masses leads to investor sentiment fluctuations and interferes with their decision-making; (3) The company's impact varies based on company characteristics and article content.

(Danbolt, Siganos, & Vagenas-Nanos, 2015) conducted a study to examine “Investor Sentiment and Bidder Announcement Abnormal Returns” of direct emotional agents as explanatory variables for bidders to announce returns. We believe that emotions subconsciously influence investors' perceptions of potential merger synergies and risks, and therefore are related to the bidder's abnormal returns. We represent daily sentiment based on Facebook status updates in 17 international markets and indicate a positive correlation between sentiment and bidder announcement returns. Consistent with the behavioral literature, it shows that sentiment affects more uninformed traders. This

relationship is more obvious in the acquisition; the shareholding ratio is lower, the acquisition of US public goals, and the larger target relative to the size of the bidder. Acquisition it research goes beyond traditional sentiment and stock market returns literature, revealing a significant relationship between sentiment and company-specific income company abnormal returns.

(Nguyen & Shirai, 2015) conducted studies entitled “The Influence of Social Media Investment on Relational Outcomes: A Relationship Marketing Perspective”. They said most companies were using social media as a marketing tool. This study has investigated whether social media really helps to establish and maintain relationships with consumers or not. Specifically, social media is conceptualized as part of a relationship investment, and its impact on satisfaction, loyalty, and word-of-mouth behavior is tested through an intermediary of relationship quality. The results show that social media followers believe that the relationship investment level is higher, the relationship quality is higher, and the organization's customer satisfaction, loyalty and positive word of mouth will be higher than non-followers. Together, these findings suggest that social media does seem to influence key relationship marketing variables that lead to more connected consumers.

(Bukovina, 2016) conducted a study to examine “social media and capital market” research and practical applications use social media data as a proxy for complex social behavior. This article outlines academic research related to the links between social media and capital markets. Its theoretical basis is mainly defined by behavioral finance. Behavioral Financial Demonstration is Standard Model. The effective market treats irrational factors such as investor sentiment or public sentiment as influential asset pricing or capital market volatility. In this case, social media is a novel tool that collects data on this unreasonable factor at the social level. This article introduces social media data from a technical and economic perspective. In addition, it helps to theoretically construct a communication mechanism between the social media and capital markets that are currently missing in the literature. Subsequently, this paper summarizes the main findings in the field and outlines its future prospects.

(Joseph Engelberg, 2011) conducted a study to examine “The Causal Impact of Media in Financial Markets” challenge to distinguish the causal effects of media reports from the impact of the reported event. They solved this problem by comparing the behavior

of investors and access to different media reports of the same information event. They used postal codes to identify 19 mutually exclusive traded areas, corresponding to 19 large cities and local newspapers in the United States (such as the Houston Chronicle) for all earnings announcements from the Standard & Poor's 500 Index. They found local media reports strongly predicting local transactions after controlling for profit surprises, corporate, local investors and reporting newspaper characteristics. In addition, local transactions - local coverage effects: 1) just depend on the specific time of the local report (for example, one day after the announcement of earnings, two days later, etc.) and 2) disappear completely during extreme weather events, the media content remains the same, but disturbed the spread of investors.

(Hayo&Neuenkirch, 2012) conducted a study to examine “Bank of Canada Communication, Media Coverage, and Financial Market Reactions” that central bank communications are identified by (i) written content of the original communication or (ii) newswire report. They studied (i) Bank of Canada Communications and (ii) Media Reports on how to use the GARCH model during 1998-2006 to influence Canadian bond and stock market returns. Official communications have a relatively large impact on the bond market, while media reports are more important to the stock market. Often, media filtering does not seem to play a prominent role.

(Dougal, Engelberg, García, & Parsons, 2012) this study found that a small number of financial columnists have a causal relationship with the short-term total stock market price. For some journalists ("bulls"), the market response is always positive, while for others ("bears") it is negative. As the bull and bear markets rotate outward in our environment, we can make a causal inference about the impact of the media on total market returns. After the extreme return, the reporter's influence is stronger, which indicates that the enlargement or weakening existing emotions is a mechanism for financial media influence. This research used two main sources of data: the Wall Street Journal's "Market Sideways" (ATOM) column, the Dow Jones Industrial Average (DJIA) price and dividend series. They concluded their study and said that widespread speculation that the news media had the power to influence financial markets, apart from simply reporting events. Yet, such claims are often based on anecdotal associations that make causal inferences difficult. For example, times of negative financial reporting frequently coincide with bad economic news and vice versa.

(Wahlberg & Sjöberg, 2000) conducted a study to examine the impact of media coverage on corporate governance by focusing on Russia from 1999 to 2002. They found that the lobbying of investment funds had increased the coverage of corporate governance violations by the Anglo-American media. They also found that reports in the Anglo-American newspapers increased the possibility of corporate governance violations being reversed. This effect occurred even if they used external determinants (the fund's portfolio at the beginning of the portfolio) to cover it. The fund's strategy seemed to be partly through influencing the reputation of Russian companies abroad and in part by forcing regulators to take action.

(Kukreja 2012) conducted a study to examine the investor's behaviors towards investing in stock markets in India. The study was aimed to investigate the determinants of decision making in financial capital markets. Firstly, a survey was conducted to examine the validity of the questionnaire and sampling technique of the study. Finally desired changes were incorporated in the questionnaire and study was laid down on 120 respondents. Findings of the study suggested that age and education of the individuals play a significant role in investor's behaviors toward investing in stock markets. The study consisted of 119 functional variables in which 72 percent variables were on the investor's perception. The study concluded that charges, liquidity, and investment attributes were acting as mediating factors for the investors. They drew their results through Chi-square test.

## **2.2 Research Hypothesis**

- H1. Media is forth pillar of society, Find out how media can play its vital role towards stock market literacy?
- H2. Does Media coverage regarding daily stock market performance is enough for investors to get information?
- H3. How media can create the advertisements for stock market awareness?
- H4. What's the perception of our society regarding stock market which is developed by media?
- H5. How media can become a useful tool to welcome new local and foreigner institutions' investment in stock market?
- H6. Does Brokers, SECP & PSX Administration playing there important role for stock market literacy along media?



## **CHAPTER 3**

### **THEORETICAL FRAMEWORK**

#### **3.1 Introduction**

Theories are planned to clarify, anticipate, and comprehend marvels and by and large to challenge and amplify existing information inside the breaking points of basic jumping suspicions. The theoretical framework is the structure that can hold or bolster a hypothesis of an examination study. It presents and depicts the theory that clarifies why the exploration issue under review exists.

The theoretical framework reinforces the review in the following ways:

- a. A clear public statement of theoretical assumptions allows the reader to assess them critically.
- b. The theoretical framework interfaces the researcher to existing information guided by an applicable theory, and a reason for your speculations and decision of research strategies.
- c. Articulating the theoretical presumptions of an examination think about compels you to address inquiries of why and how. It licenses you to mentally move from essentially depicting a wonder you have seen to making speculations regarding different parts of that marvel.
- d. Having a theory helps you recognize the breaking points to those speculations. A theoretical framework determines which key factors impact a wonder of intrigue and highlights the need to look at how those key factors may contrast and under what conditions.

By ideals of its handy nature, good theory in the social sciences is of esteem correctly in light of the fact that it satisfies one main role: to clarify the importance, nature, and difficulties related with a marvel, regularly experienced however unexplained on the planet in which we live, so we may utilize that learning and comprehension to act in more educated and viable ways.

### **3.2 The KAP Survey Theory / Model (Knowledge, Attitudes, and Practices)**

During literature various studies have been found on the literacy and lack of knowledge on various issues of the societies. In this regard, the World Health Organization conducted research studies on TB Literacy and awareness in Sindh Pakistan. The researcher used a KAP survey to study a problem from a specific population to collect information on what they know, what they believe and what they have done in relation to a particular problem. The study concluded that efforts to raise awareness and to create literacy are important in society to fight against issues. The survey/researchers team concluded that a high effort is required by the media specialist to create awareness in society because media is already dominating in society by being the fourth pillar of societies and doctors and health workers to address misconceptions about TB and reduce stigma.

A KAP survey is a representative study of a specific population to collect information on what they know what they believe and what they have done in relation to a particular topic. In this study, KAP survey collects information about what respondents know about the stock market, what they think about stock market what are their perceptions and what they actually do with regard to seeking information or taking other action related to the stock market. KAP surveys can highlight knowledge gaps, cultural beliefs, or behavioral patterns that may facilitate understanding and action, as well as pose problems or create barriers for financial literacy.

A Knowledge, Attitude, and Practices (KAP) theory is an overview of a quantitative strategy (predefined questions designed in institutionalized polls) that gives access to quantitative and subjective data. KAP studies uncover misguided judgments or misconceptions that may speak to impediments to the exercises that we might want to execute and potential hindrances to conduct change. Take note that a KAP study basically records a "sentiment" and depends on the "explanatory" (i.e., proclamations). At the end of the day, the KAP review uncovers information exchanged, yet there might be significant differences between what is said and what is done.

Utilizing a KAP study Can:

1. Measure the degree of a known circumstance; affirm or disprove a hypothesis; give new digressions of a circumstance's reality.
2. Upgrade the learning, demeanor, and practices of particular topics; recognize what is known and done about different wellbeing related

subjects.

3. Build up the gauge (reference esteem) for use in future evaluations and help measure the viability of wellbeing training exercises capacity to change wellbeing related practices.

4. Propose a mediation procedure that reflects particular neighborhood conditions and the social elements that impact them; arrange exercises that are suited to the individual populace included.

Total Components:

1. Developing the overview convention
2. Setting up the study
3. The course of the KAP study in the field
4. Information investigation and introduction of the overview report
5. Conclusion, references, and truncations

During the research, I study the number of theories that produced a lot of research work. Most people in our society are totally unaware of stock market concept and they are illiterate towards stock markets. Unfortunately in Pakistan, the ratio is very rare towards investment in the stock market. In the background of this illiteracy, the perception of the stock market is negative and another reason is the lack of information and knowledge. The above-mentioned theory clearly reveals the said issue i.e. in Pakistan people don't have knowledge about the capital markets and it's the main reason their attitudes are not in practice regarding the stock market. The media can play its positive role towards awareness regarding stock market because nowadays media is playing the role of watchdogs and institutions in our society. The media has power and various theories of mass communication have already justified it. The knowledge of media towards stock market builds positive attitude which causes the practice of investing in the stock market for the returns.

### **3.3 Knowledge Gap Theory**

The knowledge gap theory was first proposed by Tichenor, Donohue, and Olien in the 70s. They thought that the increase of information in society was not evenly adopted by members of society; people from high socioeconomic status likely had better ability to obtain information (Weng, S.C. 2000). It caused a separation of two groups: the first group of better-educated people who knew better about most things and those with less education who knew less. Lower socioeconomic status citizens, defined partially by educational point, had less or no knowledge about public affairs issues, were cut off from news actions and important innovation, and frequently were not worried about their lack of knowledge.

Xi Chen Iowa from State University China used Knowledge Gap theory in his study, “The influence of media on knowledge gaps about science and technology among Chinese audiences”. If we relate it from the study in developed countries, the more people invest in the stock market, the higher are the chances of getting good return due to high financial literacy programs. The Organization for Economic Co-operation and Development (OECD) started a project in 2003-04 with the purpose of providing ways to develop financial education and literacy values through the growth of common financial literacy principles. In March 2008, the OECD launched the International Financial Education which aimed to provide a clearinghouse for financial literacy, information and research worldwide but unfortunately still Pakistan is not a member developing countries. This gap caused the difference in rehabilitation in various fields.

The developed countries have more knowledge and they know more about financial literacy and capital markets due to various mega financial literacy programs and with the help of media advance campaigns, In Pakistan we never find such practice which caused illiteracy and this reveals to above knowledge gap theory phenomena clearly the gap between developed countries and under developing countries causing the gap towards financial literacy.

### **3.4 The Relation of KAP Model with Stock Market Perception**

Everyone appreciates the need to save whether for the house, for children’s education, weddings for children, medical expenses or for use after retirement. All these goals may be successful by having good wealth and everyone can increase wealth by investing somewhere and this all comes with good financial literacy, unfortunately in

Pakistan only 1.5 Million people are investing in the stock market due to high illiteracy ratio, people don't know how to invest and where to invest.

When it comes to Pakistan, the people consider gold, real estate, and foreign currencies as investments. Some investors who are slightly more sophisticated may consider government bonds. Just a couple set out to put their money in stocks. Be that as it may, the reality remains stocks are the best long term investment and offer a portion of the best opportunities for increasing one's personal wealth. People don't have knowledge regarding the stock market they have a negative perception for the stock market and it reveals with media famous model KAP called (Knowledge, Attitudes, and Practices). Everyone appreciates the need to save whether for the house, for children education, weddings for children, medical expenses or for use after retirement. All these goals may be successful by having good financial literacy. This illiteracy reveals the KAP Model that basically when you don't have knowledge regarding anything, your attitude remains passive or negative perception due to lack of knowledge and this process creates zero practices due to above all steps empty. The people don't have knowledge regarding financial literacy and due to this lack of knowledge, they don't decide to invest in the stock market and do not get any return in practice.

### **3.5 Magic Bullet Theory**

In mid-1930s, media researchers found the theory on Media Effects and the Media Behaviors. During the Second World War, media assumed a crucial part in both the United States and Germany to make an impact in the general population's brain. Germany Hitler's Nazi used film industry for Propaganda and they delivered loads of motion pictures about their accomplishments which had an incredible effect in Germans' mind. Later the United States likewise used its own Hollywood and delivered movies like "Its Happened one night", "It's a brilliant life" and "Mr. Smith goes to Washington" to picture Germany as Evil drive which likewise had effect in Americans Mind. Here media gathering of people acknowledged the messages specifically with no dismissal.

The media fired the message directly into the audience/viewers head without their own knowledge. The message created by speedy reaction from the viewer/audience's mind without any uncertainty is called Magic Bullet Theory. The media (needle) injects the message into viewers mind and it creates changes in the viewer's attitude and psyche

towards the message. Both theories represent the impact of media messages on viewers/audience mind that viewers/ audience respond towards the message without any hesitation.

### **3.6 Magic Bullet Theory and Stock Market**

Although in current era magic bullet theory is rejected if we relate magic bullet theory for stock market, it is still working and hitting targets to marks. Google news posted a 7 years old Chicago Tribune story regarding United's 2002 bankruptcy. United's stock falls 76% within a minutes. American newspaper daily covers the news for S&P 500 & NASDAQ trader activities the role of media. He gives various examples from media which left a strong influence of media on the stock market. In 2002, United Airlines filed for bankruptcy and two published studies of the market reactions to this event. United bankruptcy story was new and 100% stock share prices declined and no rebound eye witnessed. In 2006, the firm exited bankruptcy on September 7<sup>th</sup>. Prof Paul Tetlock said the amount of news and ability to processing it had increased links between media and markets and were regularly evolving.

Recently Pakistan's media posted premature news regarding Pakistan stock market inclusion in MSCI and Pakistan Stock Market raised more than 7% in 3 trading sessions. Magic bullet theory applies but only for market behavior and has a strong influence on market behavior but it's not working for the new illiterate investor for creating investment towards investment in the stock market.

## **CHAPTER 4**

### **METHODOLOGY**

The research methodology is the crucial stage in a study because it highlights the way by which a study will be carried out (Hvidkjaer, 2008; Mittal and Vyas, 2008; Annaert et al. 2005; Lovric et al. 2008).

In this chapter, we have covered different research method for finding the results for the productive. We discussed which way using to collect data for this study. Different have used techniques and model for collect data with investor.

#### **4.1 Method and Type of Research**

This study is quantitative research based on personally administered questioners to collect information by using a survey research method from sample of the population. The results have been analyzed systematically and presented in the data analyses chapter with findings and recommendation in the last chapter of this study. The reliability and validity of questioners were pre-tested before go through for this study.

#### **4.2 Quantitative Methodology**

This study is based on quantitative methodology by using a survey model for data collection by creating questioners with an open-ended and close-ended question and later data was analyzed for findings and recommendations. During the literature review, We found that various researchers used quantitative methodology. The Quantitative method highlights various objective measurements and the numerical analysis also in statistical, mathematical, or of data collection through questionnaires and surveys. Quantitative research focuses on gathering numerical data and generalizing it across groups of people or to explain particular phenomena. The researchers adopted survey model techniques to collect data from respondents to explain the particular phenomena in detail with reliable data. Assistant Professor C.Kavitha(2015) from Bhakta vatsalam Memorial College for women in his study “Investors Attitudes towards Stock Market Investment” used quantitative methodology by following survey model. The review population was comprised of 125 respondents made out of 100 locally known speculators, 10 visionary business people, and 11 authorities from the current brokerage firms in the nation. The components canvassed in the review included Investor standpoint, the stock exchange, advertise introduction, merchant services, securities

industry and dispositions towards money related ventures.

### **4.3 Data Collection**

Data collection is the process of collecting and measuring the information on targeted variables on the defined systematic process, which then enables one to answer relevant questions and evaluate their outcomes. There are different methods to collect data which researchers used for these studies. In these studies, the data collection process is done by using a survey model.

### **4.5 Survey Model**

The survey model is very suitable data collection approach, especially for the current study. The area of applied statistics of human research survey, study approach concentrates the testing of individual units from a population and the related study information gathering procedures, for example, Questions development and strategies for enhancing the number and accuracy of reactions to reviews. Review strategy incorporates instruments or systems that put forth or more inquiries that may, or may not, be replied. A single survey is made for at least a sample In case of the census it may be full population, Method of Data collecting for example questioners and individual's questions or items become data that can be statistically analyzed. The single survey focuses on various types of topics like preferences e,g (for a presidential candidate) answers, should abortion be in the state is legal? Behavior like smoking and drinking of alcohol by using realistic information e.g. income. Since survey research is depending on a sample of the population, the research success is dependent on the participation by the sample with respect to a target population of interest to the researcher. The target population or sample may be selected from the general population. The persons answering to a survey are called respondents. The most important methodological difficulties of a review methodologist incorporate settling on choices on the most proficient method to:

- a. Recognize and select potential sample members.
- b. Get in touch with sampled individuals and accumulate data from those who are hard to reach.
- c. Appraise and test questions.
- d. Choose the approach for posing questions and collecting responses.
- e. Check data for accuracy and consistency.
- f. For identification of errors check data accuracy and consistency.



In present study, survey model is used for the data collection from the individuals investing in the stock market. The investors contact record is obtained from Brokers for questioners filling / response. The survey questioners were sent to investors by email and by using social media and recorded their response from the sample. Now in the modern era the stock market investor's physical appearance is not compulsory in the stock market for any buying or selling. They can do it by sitting anywhere or any place in the world by using PC software and Mobile applications. So by using this technology this research survey conducted through an electronic system for quick and reliable action.

#### **4.6 Research Design**

This study is based on quantitative methodology by using a survey model for data collection by creating questioners with the open-ended and close-ended questions and later data was analyzed for findings and recommendations. The research design function is to ensure that the data obtained enables you to successfully address the research problem logically and as unambiguously as possible. In social science research, getting data significant to the exploration issue, for the most part, involves indicating the kind of confirmation expected to test a theory, to assess a program, or to precisely depict and evaluate importance identified with a recognizable phenomenon.

The present study has been carried out on the primary data. The study consists of the individuals investing in the stock markets. Data has been collected through a well-structured questionnaire. Pre-testing has been done on the 10 respondents for checking the validity of the questionnaire. Data has been analyzed through a suitable statistical technique by using Excel. Results of the study are presented as final thesis findings and recommendations.

#### **4.7 Population of the Study**

Individual investing in the stock markets are the potential respondents of the study. The study has been carried out on the unit of analysis individual who are investing in the stock markets and have a familiarity with the investment made in stock markets. There are more than 1.5 Million investors in Pakistan and they are connected with PSX via various brokers and their access has been taken from brokers on request and also used social media to approach stock investors because in the modern era the people approach the social media for news and stories regarding the stock market. The social

media became a strong tool in the current era and now every organization has its own social media page or group for feedback and interactivity with investors and also for advertisement purpose. Due to quick response from investors the world capital markets administrations also use social media like Facebook and Twitter for interactivity with investors.

#### **4.8 The Sample**

The sample is the instrument used by researchers to draw the perception of the whole society by taking a representative group consisting of a minor population of the society. The present study has been carried out by taking 150 respondents as the sample set of the study from the population. It purposive study for check the behavior of stock market investor.

#### **4.9 Sampling Instrument**

Simple random sampling technique has been used for primary data collection from the potential population of the study. Data has been collected by a survey method with the help of a well- structured questionnaire. The questionnaires were sent to individuals by using email address, by personnel meeting and by using social media.

## CHAPTER 5

### RESULT AND DISCUSSION

In this chapter, the results of the data analysis of this study are presented. The data were collected and then processed in response to the problems highlighted in chapter 1 of this study. Various elementary goals drove the collection of the data and the succeeding data analysis. Those goals were to develop literacy, awareness & knowledge regarding financial literacy, uses of media for news regarding capital markets and media roles towards perception for stock market literacy, to determine the perception of investors regarding investment in the stock market and role of media. These objectives were accomplished. The results & findings presented in this chapter of data analyses to display the potential for merging theory and practice.

#### 5.1 Sample Characteristics

**Table 2: Genders Ratio**

Serial	Group	Results	
		Frequency	Relative frequency%
1	Male	120	80
	Female	30	20

**Table 3: Age**

Serial	Age	Results	
		Frequency	Relative frequency%
2	18-25	9	6
	26-35	27	18
	36-45	42	28
	46-60	38	25
	Above 60	34	23

**Table 4: How many years' experience in stock market?**

Serial	Group	Results	
		Frequency	Relative frequency%
3	Less than 5 years	32	21
	Above 5 years	118	79

**Table 5: Levels of Investors Education**

Serial	Group	Results	
		Frequency	Relative frequency%
4	Matriculation	12	8
	Intermediate	32	21
	Graduation	78	52
	MS/M.Phill	24	16
	PhD Doctors	4	3

**Table 6: Profession of Investors**

Serial	Group	Results	
		Frequency	Relative frequency%
5	Lawyer	18	12
	Doctor	26	17
	Engineer	37	25
	Other	69	46

From the first three initial introductory steps, it has been observed from studies that the female investors in Pakistan stock exchange ratio are very questionable the total female ratio of investors is just 20% which is very alarming. It reveals the education standard also in Pakistan that very few females are familiar with financial literacy and they are not participating in the country economy. The Other step of Age limits reveals a good sign that maximum youths are participating in the country economy and they are literate from financial literacy and they have well motivation towards improvement for country capital markets along with experience person whose ratio is also available among them. No one can earn from capital markets without education and knowledge because it's the business which needs the education to search and research about the company where he or she are going to invest because blindly investment without study the fundamentals of any company will be harmful. The education levels found in studies is that more than 52% of people are graduated. The alarming sign is that the ratio of doctors 17%, lawyers 12%, engineers 25% among other highly qualified people who are attached to other advanced fields is very low its ratio. Peoples belong to other field ratio is 46% only. The respondents have more than five years' experience in this psx the ratio is 79%.

## 5.2 Results and Finding for Objective no. 1

**Table 7: Which source of medium you used for daily news?**

Seril	Group	Results	
		Frequency	Relative frequency%
1	Media	119	79
	Social Gathering	18	12
	Family	9	6
	Friends	3	2
	Misc	1	1

**Table 8: For how much duration you watched daily media?**

Serial	Group	Results	
		Frequency	Relative frequency%
2	<1 Hours	27	18
	02 – 03 Hours	74	49.3
	04- 06 Hours	38	25.3
	07 Hours or Above	11	7.3

**Table 9: Do you think media can play there vital role regarding financial literacy?**

Serial	Group	Results	
		Frequency	Relative frequency%
3	Yes	110	73
	No	37	25
	May Be	3	02

**Table 10: Do you think that media develop stock market literacy in our society?**

Serial	Group	Results	
		Frequency	Relative frequency%
4	Yes	95	63.3
	No	50	33.3
	May Be	5	3.33

**Table 11: In which way of media create positive perception about stock market regarding investment?**

Serial	Group	Results	
		Frequency	Relative frequency%
5	By Creating Stock Market Literacy Programs	29	19.3
	By Using Advertisement with help of SECP, Brokers & PSX	51	34
	Covering Stock Market in Daily News	18	12
	By covering Stock Market awareness Seminars	11	7.3
	Above All	41	27.3

Media has a strong influence and dominating in societies since long in the Second World War the states used media for their propaganda. Media has helped the countries for raising the economy and now the world is shrinking with the help of media. In this studies for the objective 1 findings table no 7 reveals that 79% investors from stock market used media for access to daily news and only 12% used social gathering for the news access which is clearly limit or they also provide the said information by getting from media. This result cleared that media has strong influence but unfortunately media priorities based on their hierarchy and media is now selling screen for the business and the ratio of giving awareness towards various society issue is very less. Table no.8 reveals the situation that how much time these investors watch media were they unable to find the news and the ratio is 49.3% watched media for 02 -03 hours and 25.3% watched for 04-06 Hours which is quite enough duration. Now we are looking for the solution of the problem the result of table no 9 reveals that 73.00% investors agree with the statement that media can play their vital role towards promoting financial literacy and table no 10 reveal that media can create stock market literacy our society is 63.3. Table no 11 asking about the solution of problem via survey that how media can develop the stock market literacy the 34.00% investors suggested that Advertisement campaign on media can create stock market literacy and this advertisement should be funded and supported by PSX administration, Brokers and SECP 19.3% suggested that media may produce stock market literacy programs and 12.00% suggested that media should cover stock market in daily news for awareness and 07.3% suggested that media may also cover stock market seminars for awareness and 27.30% ratio agree with that all above suggestion need to be done by media for proper awareness and literacy. All

result reveals that media has a strong influence in society and the strong media can built any perception in society we are eye witnessed that media in the world promote and highlight various issues like health, elections, education, and voice against corruption. While the study of literature found that media campaign against corruption and AIDS help the society a lot and rectified the issues on a large scale. Media has the potential to create the stock market literacy by using programs regarding the stock market, creating advertisements, covering stock market in news but for this above all tasks the role of brokers, PSX administration and SECP is important because the funded is required for advertisement and all the brokers and PSX Administrations are profitable departments and they will get direct benefit from this promotion. SECP the government department funded by the government also required to do necessary action for promotion because the stock market generating highly return in term of taxes to Pakistan.

### 5.3 Results and Finding for Objective No. 2

**Table 12: Which source of medium you used for daily stock market updates?**

Serial	Group	Results	
		Frequency	Relative frequency%
01	Internet	77	53.3
	Electronic Media	47	31.3
	Print Media	9	6
	Broker	12	8
	Telephonic Calls	5	3.3

**Table 13: PSX recently became the member of MSCI Emerging Markets. How do you get information about MSCI Emerging Markets??**

Serial	Grou	Results	
		Frequency	Relative frequency%
02	Internet	74	49
	Media	34	21
	Broker	18	12
	Friends or Family	16	11
	PSX Administration	10	7

**Table 14: What do you think Govt. should launch a channel for the coverage of stock market regarding its daily performance?**

Serial	Frequency	Results	
		Total Numbers	Percentage
3	Yes	116	77
	No	25	17
	May Be	9	6

**Table 15: Do you feel the important Stock market performance effected by the various negative and positive news on media?**

Serial	Group	Results	
		Frequency	Relative frequency%
4	Yes	125	83
	No	25	17

**Table 16: If yes what types of news can affect the performance of Stock market?**

Serial	Group	Results	
		Frequency	Relative frequency%
05	Political instability	108	54.00%
	Law and order situation	56	28.00%

The news is necessary for human now to be aware of societies and it's become compulsory for human now. Every field required proper news and information to be aware from various fields especially the investors from the stock market they invested their capital in the stock market and they required to be updated with the country and word situation for this they contact to the various source of medium. Now day's media is the biggest source of medium for information and news. Reference this study investors are always looking for world and Pakistan economy news and for current affairs news because stock market took immediate pressure of current affairs. This objective is to understand does our media covering the stock market to facilitate the investors. Table 12 result reveals that 53.3% people used internet for the stock market news and 31.3% people used media previous question result already reveals that there is no such news for the stock market in media so, therefore, this is the reason people using the internet this result are alarming for media also. The old tradition of getting stock market news from brokers and on the telephone is very less now result reveals that only 08% of people getting news from brokers and only 03.3% from telephones.



Table 13 PSX recently became the member of MSCI emerging markets after 08 years which is historic day for PSX on asking question from investors that from where you get to know about MSCI 49% investors replied that they contact the internet and only 21% said that they get from media whereas 12%, 11%, and 7% ratio are brokers, Friends and family, and PSX Administration respectively. Table 14 results reveal that 77.00% of investors relied upon “yes” that Govt should start a media channel is covering the stock market. Only one business channel in Pakistan known as “Business plus” but most of the peoples don’t know the reason is why because it does not work properly. Table 15 reveals that investor performance of Stock market affected by the various negative and positive news on media. The 83% respondents suggested that Yes and 17 % suggested that No. Table 16 reveals that when I asked the respondent which type of new affected the performance of the market they reply political instability 54% and another thing affects the performance that is law and order is 46%.

#### 5.4 Results and Finding for Objective No. 3

**Table 17: How media can create advertisements by follow regulations for stock market awareness and information which welcome new investors?**

Serial	Group	Results	
		Frequency	Relative frequency%
1	With the help of Brokers	15	10
	With the help PSX Administration	17	11.3
	With the Help SECP	12	8
	SECP along Brokers and PSX Administration Mutually (Funded by Brokers & PSX due to Profitable	92	61.3
	With help of NGO's & Educational Institutes	14	9.3

Table 17 result reveals that 61.3% respondent suggested that brokers, PSX administration and SECP can play their vital role towards advertisement creation and it should be funded by brokers and PSX Administrations because they are profitable departments and they will get direct benefit from this promotion. However SECP the government department funded by the government also required to do necessary action for promotion because the stock market generating highly return in term of taxes to the government of Pakistan.

## 5.5 Results and Finding for Objective No. 4

**Table 18: What was your perception which was media towards stock market before joining Stock Market?**

Serial	Group	Results	
		Frequency	Relative frequency%
1	Positive	42	28
	Negative	76	51
	Neutral	32	21

**Table 19: Do you think media can create any perception regarding stock market?**

Serial	Group	Results	
		Frequency	Relative frequency%
02	Yes	122	82
	No	27	18
	May Be	1	1

**Table 20: How do you come to know about Investment in Stock Market?**

Serial	Group	Results	
		Frequency	Relative frequency%
03	Media	60	40
	Family, Friends	72	48
	Educational Institutes	10	7
	Misc	8	5

**Table 21: Which factor created your interest towards investment in stock market?**

Serial	Group	Results	
		Frequency	Relative frequency%
04	Media	36	24
	Family, Friends	98	65
	Educational Institutes	12	8
	Misc	4	3

**Table 22: What's your experience from your friends and family regarding investment in stock market?**

Serial	Group	Results	
		Frequency	Relative frequency %
05	Positive	85	57
	Negative	48	32
	Neutral	17	11

**Table 23: What's the perception about stock market of friends and family who are still unaware from stock market?**

Serial	Group	Results	
		Frequency	Relative frequency%
06	Stock market is Gambling	24	16
	Stock Market is Business for Elite class	19	13
	Stock market is Haram Business	39	26
	Stock Market is very Risky and Drown There Money	57	38
	Stock Market is Profitable Business	11	7

**Table 24: Do you think Media creating negative perception towards investment in stock market?**

Serial	Group	Results	
		Frequency	Relative frequency %
07	Yes	96	64
	No	52	35
	Maybe	2	1

Table 18 result reveals that 52% investor's respondent replied that they had negative perception regarding stock market before they joined stock market which was created by media whereas 21% respondents said they are neutral and only 28% people replied they had a positive perception. To elaborate more table 19 result reveals that 82% agree with this statement that media can any perception for stock market easily or even media can also create any perception for any issue. On asking about how they came to know

about stock market who build there positive perception for stock market for investment which factor created there positive perception and table 20 results give us the number that 48% investors replied that they by using the internet media they were inspired from stock market and 40% respondent replied that family build there positive perception. Table 21 results give us the number that 24% of investors replied that they by using the internet media they were inspired by the stock market and 65% respondent replied that family creates their positive interest. Table 22 reveals that when I asked question investor experience from his friends and family regarding investment in the stock market so they replied unbelievable respond is 57 positive, 37 negative and 11 neutral.

On asking about what the perception which respondent observed from their surroundings about stock market in Table 23 the 16% results reveals that people thought stock market is place of gambling, 13% believed that Stock Market is the business of elite class only, 26% believed that the stock market is haram business, 38% maximum ratio believed that the stock market is very risky and their investment drown. In a final question from the respondent in table 24 do you think media can create negative perception or media is responsible for the above negative perception 64% respondent replies that Yes media creating negative perception regarding stock by covering half stories without explanation and without actual face whereas only 35% result is no and 1% maybe.

From above all results its reveals that media creating a negative perception for the stock market and media not using proper professionals for stock market coverage and untrained officials not covered proper stories and media created that mind of the public that stock market is a very risky place where they only can play gambling and their money will drown. However maximum respondents agree with the statement that only media can create a positive perception for the stock market because media already creating various positive perception towards various issues in societies.

## 5.6 Results and Finding for Objective No. 5

**Table 25: International Media like Bloomberg and Reuter's ranked Pakistan stock market best from Asia in 2016 do you think this international media coverage will welcome new foreigner's investment in Pakistan?**

Serial	Group	Results	
		Frequency	Relative frequency%
01	Yes	95	63
	No	21	14
	May Be	9	6
	Don't know	25	17

**Table 26: A consortium of Chinese companies has bought out 40 % ownership of Pakistan's only stock exchange. Do you think it will help our economy and especially for stock market to perform better?**

Serial	Group	Results	
		Frequency	Relative frequency%
02	Yes	98	65.3
	No	20	13.3
	May Be	27	18
	Don't know	5	3.3

**Table 27: MSCI included to Pakistan Stock Market in Emerging Stocks markets of world; do you think Pakistani media should highlight such good news for foreigner's investment attention?**

Serial	Group	Results	
		Frequency	Relative frequency%
03	Yes	137	91
	No	6	4
	May Be	3	2
	Don't know	4	3

International Media like Bloomberg and Reuter's ranked Pakistan stock market best from Asia in 2016 and international media also covered Pakistan stock market. On asking a question about does this international media coverage along Pakistan media coverage will create a positive perception for international and local investors to invest in Pakistan table 25 result reveals that 63% respondent agrees with said statement whereas only 14% disagrees. Chinese consortium companies have bought 40% ownership of Pakistan stock market which created Pakistan positive image in front of

world and respondents in table 26 agree with 65.30% ratio that Pakistan will maintain its extraordinary performance in future due to Chinese investment. To further more continue PSX success MSCI also included PSX in Emerging Markets after 8 years due to good performance and 91% respondent in table 27 replied that media should cash this all positive news to create Pakistan positive image in front of the world for foreigner's investment in Pakistan.

### 5.7 Results and Finding for Objective No. 6

**Table 28: Do you think Brokers playing there important role for stock market literacy?**

Serial	Group	Results	
		Frequency	Relative frequency%
01	Yes	58	39
	No	63	42
	May Be	28	19

**Table 29: Do you think SECP playing there important role for stock market literacy?**

Serial	Group	Results	
		Frequency	Relative frequency%
02	Yes	47	31
	No	70	47
	May Be	33	22

**Table 30: Do you think PSX administration playing there important role for stock market literacy?**

Serial	Group	Results	
		Frequency	Relative frequency%
03	Yes	47	31.3
	No	98	65.3
	May Be	5	3.3

**Table 31: Have you undergone any training in derivatives from PSX, SECP or brokerage House before starting trading in equity derivatives?**

Serial	Group	Results	
		Frequency	Relative frequency%
04	Yes	13	9
	No	137	91

**Table 32: Do you think only investors who had undergone some training in derivatives should be allowed to trade in the derivatives market?**

Serial	Group	Results	
		Frequency	Relative frequency%
05	Yes	128	85
	No	12	8
	Maybe	10	7

Media is not singly responsible for financial literacy in Pakistan the brokers, PSX administration and SECP are the main department which are running this all business on asking about the performance credibility and of these departments from respondents in Table 28, 29, 30 and the 42%, 47% , 65.3% respondents reply that all these three departments along media are not playing their role towards stock market literacy whereas 39%,31,31.3% also said they are feeling okay with these department performances. To check more validity in table 31 when asked about the question from the respondent that have they gone from any training session from PSX, Brokers & SECP before entering in the stock market and 91% respondent replied no due to no such courses offering by said departments. The stock market is very risky and without training and understanding it's difficult for the new investor to understand and in developed countries, investors are bound to get a certificate before opening an account but unfortunately in Pakistan such practice not being in practice. Respondents replied in table 32 result that in Pakistan the account should be open after proper training to avoid from losses and brokers and PSX along SECP should take the step and 85% respondent agree in results. The Capital Market always remains risky without the knowledge and said departments should for positive solutions. Well, the brokers and PSX administration along government are the profitable department and they are earning from the stock market. The broker is charging from investors the fee on buying and selling of shares whereas PSX administration charging fee from Broker and

registered companies in reference to registration and government are charging 20% CGT taxes 1.5% FED & 2% CVT from investors and also from broker but unfortunately all the departments are failed to provide the latest facilities which helped the investors to avoid any losses and remain in silent without huge profits from stock market.



## **CHAPTER 6**

### **RECOMMENDATIONS AND CONCLUSION**

#### **6.1 Conclusion and Recommendation Based on Study**

Stock market is known as a backbone for any country's economy and it represents the country's economy state in front of the world. In the stock market all companies from the country are listed and their share value and performance highlight the country economy's performance in front of the world. Pakistan economy is rising and the world bank accepts that Pakistan economy is growing and Pakistan GDP is improved. Pakistan is the radar of the world economy and everyone's eyes are on Pakistan. China invested \$47 Billion in Pakistan from 2016 to date and they are still investing in Pakistan. This economic growth signs also observed in Pakistan Stock Exchange and Chinese bought 40% shares of Pakistan stock exchange and became a partner. MSCI world leading index composite also accepts that Pakistan is stable now and they have included Pakistan into emerging markets after 8 years which is the biggest success for Pakistan which will welcome billion dollar investment from global world in Pakistan stock market. Pakistan stock market became the Asian best stock market in 2016 and world 6th best which reveals its success stories converted in reality.

The conclusion of the study is that the stock market has low interaction with the media. that reason very few peoples of population investment in the stock market. Because they don't have knowledge about how to invest in the market. Through this study, we found that people want to invest in the stock market but they have no means of information. The purpose of the study finds the gap between the media and the stock market. The motive of the study is to fulfil the space between media and the stock market. PSX administration, SECP, Brokers has no role in the financial literacy of investors according to the result of study. People strongly demanded govt should launch a channel for the coverage of stock market regarding its daily performance. Stock market conduct awareness program for the public they give fully guideline those people who really want to invest their money in productive way to get earn profit. Govt should launch business channel for new investor of the stock market. With the help of media stock market easily target the new investor and give guideline under shelter of media. Because the media effect the performance of stock market in positive and negative way

Unfortunately with all these positive factors Pakistan has a minute number of investors due to high financial illiteracy in the country. This study recommends a various solution to the problem based on research that media can play their vital role in financial literacy whereas media is already playing the role of watchdog in society. The media creates awareness for various problems like health issues, awareness against corruption, education awareness and various. Media can also play its vital role in stock market literacy which helps the country economy to become stable and welcome foreigner's investment. Media can produce financial literacy programs and may also create an advertisement with the help of PSX, Brokers, and SECP regarding stock market awareness which gives benefit for common people.

Brokers, PSX management and SECP are the main departments. They all are running this setup and business but this study reveals that all departments unfortunately not playing their 100% role towards positive perception for the stock market in Pakistan.

Brokers and PSX administration along with government department 'SECP' are the profitable department and they are earning from the stock market. The broker is charging from investors like fee on buying and selling of shares whereas PSX administration charging a fee from Brokers and from registered companies in reference to registration and SECP government department are charging 20% CGT taxes 1.5% FED & 2% CVT from investors and also from the broker. All these departments are earning from Pakistan stock exchange but unfortunately, all these departments have failed to provide latest facilities which can help the investors to avoid from any losses and remain in silent without huge profits from the stock market and these all departments are not playing their role along with media for stock market awareness.

The brokers SECP and PSX should work together and used media for financial literacy campaign and create programs and advertisement and also MOC session for new investors to understand the basics of the stock market. These all departments are earning from the stock market and they provide funds to a third party also for said activity and use media whereas media should also need to play its role which has no financial issue to gain awareness in societies. In Pakistan people still use the old method of saving and investment like buying gold prize bonds etc. whereas now in developed era same investors can buy gold from capital market electronically not physically with all same features. Old methods have created various issues of safety selling and buying.

Whereas prize bond only depends on luck it's not an investment if you cannot win prize money will remain the same till you do not sell again.

Not only the media PSX departments, but educational institutes also need to literate people regarding Stock Market importance in the country economy while this study also reveals that educational institutes are also very far away from this approach whereas in developed countries special degrees are available to study only capital markets. Pakistan institutes and universities should include a course for stock market awareness and to participate in arranging the seminars and workshop for students to get more knowledge and literacy towards investment in the stock market.

## **6.2 Recommendation Based on study findings**

I observed there is no advance and enough system for stock market literary for new investors and also for old investors as well whenever the new investor comes to invest in the Stock Market after being part of the stock market, they are always looking for the procedure for investment in the stock market.

For said problem brokers, PXS Management, SECP, and media are equally responsible for this. In the developed countries there is a system that the investor first take the risks and cause certificate along stock market literacy education and after this training certificate the investors are able to open the account in stock market, but in Pakistan, unfortunately, the investors after the investment in the stock market are totally blind to this all set up and the investor learned themselves but doing various losses. There is not a single institute in Pakistan where investor learns about capital markets even no rules and regulation by SECP for institution registration. The SECP is promoting stock market and doing various awareness programs but unfortunately, the SECP awareness programs have a very minor following due to no advertisement. This study highlights that the maximum ratio of investors from the stock market is illiterate and blind from SECP campaigns. The SECP should use the power of the media along with PXS management, brokers and mutual funds. The media has the power of influence in our society from the last few eras; we have observed that media play its amazing role in the field of health sciences, education, political awareness, women rights and various social issues.

The financial markets help to boost the country's economy and welcome foreigners investment and nowadays the world is shrinking and the dollar is global economy and world's media is in the hand of few conglomerates and the content of the media in the whole world is almost same and we have eye witnessed that how media played its role in cold war. Pakistan's economy is in the eyes of world radar and the Pakistan GDP has improved that is also reported by World Bank and the various foreigner investments are already occurring in Pakistan. To continue this momentum and progress the media should play its role to promote country's economy and create a positive perception which also helps to increase local / foreigner's investment in the country in various fields like the stock market, business.

Pakistan Stock Market has a good potential and already giving a good return on investments to investors and we found in 2016 stock market gave returns of almost 46%. The Chinese already bought 40% shares of our stock market and they are working hard as like their style to promote our stock market for new goals and challenges but without the mutual understanding and progress, this job will look difficult

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