Abstract
Risk Tolerance refers to an investor’s attitude towards risk, the amount of uncertainty or investment returns volatility that an investor is willing to accept when making a financial decision. The risk tolerance of an investor varies according to age, financial goals, income requirements, etc. Understanding the risk tolerance level of the investor is an important concept that has implications for both financial service providers (asset management institution or other financial planner) and consumers (investors themselves). The study was conducted with the objective to know the investment behavior of the equity investors, their investment motive, to assess the risk tolerance level of equity investors during the stock market volatility and to identify the factors associated with the risk tolerance level of equity investors. The study revealed that more number of respondents belong to the Medium Risk Tolerance Level. It is also revealed from the study that the demographic factors such as Age, Occupation, Annual income, and Portion of income invested in equity are few of the factors associated with the Risk Tolerance Level of Equity investors.

Keywords
Risk Tolerance Level, Cross-tabulation, Risk scores, WAM

I. Introduction
Stock Market volatility is a measure of how far and fast stock prices move. Stock Market volatility is significant and understanding it is imperative for investing in stocks that suit investor’s investment or trading style and risk tolerance Level. Stock prices rarely move in a linear line. Most of the time they swing and, some of the time, they trend higher or lower. More volatile stocks tend to hack more intensively and have a larger high-low range than their less-volatile trends. Some short-term traders prefer to trade volatile stocks because they can make an impressive profit quickly, while conservative long-term investors usually like to stay away from volatile securities.

An investor with a high risk tolerance is likely to invest in securities, such as stocks of new listed companies, and is willing to take up the possibility that the value of his/her portfolio will decline, at least in the short-term. An investor with a low risk tolerance, on the other hand, tends to invest predominantly in stable stocks and/or highly-graded bonds.

A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take on, the greater the potential return. The reason for this is that investors need to be compensated for taking on additional risk. There are chances that an investment’s actual return will be different than expected. Risk includes the possibility of losing some or all of the original investment. Financial risk may be market-dependent, determined by numerous market factors, or operational, resulting from fraudulent behavior. Different versions of risk are usually measured by calculating the standard deviation of the historical returns or average returns of a specific investment. A high standard deviation indicates a high degree of risk. A review of literature is done with the objective to consider the critical points of substantive findings of empirical studies, as well as, theoretical and methodological contributions to a particular topic. The following articles have been analyzed and used in the research for better understanding of the topic.

Ulla Y Yip (2000) examined the robustness of financial risk tolerance as a psychological trait. Generally males were found to be more risk tolerant than females, this was also reflected in their trading strategies. However, this had no impact on their ability to obtain desired outcomes. It was concluded that financial risk tolerance is better considered as a trait and not a state. Terrence A. Hallahan et al., (2003) analyzed a large data base of psychometrically derived financially Risk Tolerance Scores (RTS) and associated demographic information. They found that people’s self assessed risk tolerance generally accords with RTS. Furthermore, it was found that Gender, Age, Number of dependents, Marital status, Income and Wealth is significantly related to the RTS. Notably, the relationship between age and risk tolerance exhibited a significant non linear structure. Finke et al. (2003) explored the relationship between net worth and net financial assets and risk tolerance using data from the 1998 Survey of Consumer Finances. Willingness to take financial risk is associated with a significantly higher net worth for the whole sample, and for samples within age groups. Risk tolerance among those over 65 is among the strongest predictors of a higher net worth. Corter et al. (2006) investigated a new instrument designed to assess investment risk tolerance, the Risk Tolerance Questionnaire (RTQ). RTQ scores were positively correlated with scores on investment risk measures, but were not correlated with a measure of sensation-seeking, suggesting that investment risk tolerance is not explainable by a general cross-domain appetite for risk. Adem Anbar and Melek Eker (2008) investigated the relationship between financial risk tolerance and demographic characteristics such as age, gender, marital status, number of children, income and total net assets. In the analysis of data from nearly 1,100 university students, logistic regression analysis, and t-test and ANOVA analysis were used. Logistic regression analysis indicated that Gender, Department and Working in a job were significant predictors of financial risk tolerance.

II. Methodology
Considering the nature of the problem and the data required for the study, the researcher has decided to adopt survey method of collecting data. A sample survey design has been employed to evaluate the study on the Equity investors Risk Tolerance Level during the volatility of Indian Stock Market. The study was conducted in Coimbatore, Tamilnadu. A total of 170 respondents participated in the study. The respondents are the equity investors who does either online trading or offline trading or both. The present study has adopted convenience sampling method. The questionnaire was distributed to the respondents and was asked to complete it in a convenient location.

III. Analysis
Demographic survey is the first part of the questionnaire. The
analysis of the demographic factors has been provided in the following table. Age was included in demographic questionnaire to identify the risk taking capacity at different age groups.

Table 1: Demographic Factors

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Respondents</th>
<th>Occupation</th>
<th>Respondents</th>
<th>Annual Income</th>
<th>Respondents</th>
<th>Portion of Income</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>48</td>
<td>Business</td>
<td>52</td>
<td>Less than Rs. 3 lakh</td>
<td>82</td>
<td>&lt;10%</td>
<td>88</td>
</tr>
<tr>
<td>25-35</td>
<td>70</td>
<td>Profession</td>
<td>52</td>
<td>Rs. 3 lakh - Rs. 6 lakh</td>
<td>68</td>
<td>10-15%</td>
<td>52</td>
</tr>
<tr>
<td>35-45</td>
<td>28</td>
<td>Service</td>
<td>17</td>
<td>Rs. 4 lakh - Rs. 6 lakh</td>
<td>18</td>
<td>&gt;15-20%</td>
<td>15</td>
</tr>
<tr>
<td>45-55</td>
<td>12</td>
<td>Student</td>
<td>15</td>
<td>Rs. 6 lakh - Rs. 8 lakh</td>
<td>0</td>
<td>25-35%</td>
<td>6</td>
</tr>
<tr>
<td>&gt;55</td>
<td>12</td>
<td>Others</td>
<td>32</td>
<td>Rs. 8 lakh and above</td>
<td>2</td>
<td>&gt;25%</td>
<td>8</td>
</tr>
</tbody>
</table>

Investment objectives vary from one investor to other due to several reasons. The following table shows the ranking of the investment objectives.

Table 2: Investment Objectives

<table>
<thead>
<tr>
<th>Investment Objectives</th>
<th>No. of Respondents</th>
<th>Rank 1</th>
<th>Rank 2</th>
<th>Rank 3</th>
<th>Rank 4</th>
<th>Rank 5</th>
<th>Mean (WAM)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Income</td>
<td>52</td>
<td>29</td>
<td>27</td>
<td>32</td>
<td>28</td>
<td>32</td>
<td>2.72</td>
<td>151</td>
</tr>
<tr>
<td>Liquidity</td>
<td>16</td>
<td>26</td>
<td>76</td>
<td>38</td>
<td>14</td>
<td>3.05</td>
<td>1.04</td>
<td>2.95</td>
</tr>
<tr>
<td>Growth</td>
<td>60</td>
<td>62</td>
<td>44</td>
<td>4</td>
<td>0</td>
<td>1.95</td>
<td>0.84</td>
<td>4.05</td>
</tr>
<tr>
<td>Accumulation of funds for future use</td>
<td>32</td>
<td>34</td>
<td>12</td>
<td>76</td>
<td>16</td>
<td>3.06</td>
<td>1.33</td>
<td>2.04</td>
</tr>
<tr>
<td>Retirement planning, financing education</td>
<td>10</td>
<td>12</td>
<td>16</td>
<td>24</td>
<td>8</td>
<td>4.22</td>
<td>1.36</td>
<td>1.78</td>
</tr>
</tbody>
</table>

Highest rank is given to the variable which has highest Weighted Average Mean and vice versa. The above table reveals that more number of respondents have given Rank 1 to the Growth objective (WAM, 4.05) followed by Current Income (WAM, 3.28).

Investors knowledge about investment, the reason behind Profit/loss in trading, Role of emotions while investing and their opinion on if the big companies stocks are less risky have been analyzed in the following table.

A. Risk Tolerance Level

An individual should have a realistic understanding of his or her ability and willingness to stomach large swings in the value of his or her investments. Investors who take on too much risk may panic and sell at the wrong time, on the other hand, the investor who is unwilling to take risk will also lose the momentum of making money. The questions were structured to analyze the Risk Tolerance Level of equity investors and for each of the questions given in the following Table no.4 the Scores were assigned in such a way that low score is given for Low Risk Tolerance Level of the investor and vice versa.
Table 4: Risk Tolerance scores of Equity Investors

<table>
<thead>
<tr>
<th>Question</th>
<th>Opinion</th>
<th>Scores Assigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>The statement that reflects the action with the volatility of the Stock Market.</td>
<td>Cannot live with the volatility of the Stock Market</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Can live with the volatility of the Market</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Will be willing to experience any reduction in the value of stock investments</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Can tolerate limited declines less than 10% Stock Market cycle.</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Can tolerate limited declines between 10%-20%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Can tolerate periods of significant negative returns greater than 35%.</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>&lt; 3 months</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3-6 months</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>6 months-1 year</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>1-2 year</td>
<td>4</td>
</tr>
<tr>
<td>Given the fluctuations in the Stock Market. How long will the investor be willing to wait for the investments to regain any lost value.</td>
<td>Stock A - Average annual return of 6%</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Stock A - Average annual return of 10%</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Stock A - Average annual return of 12%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Would immediately pull out of the portfolio and cut recent losses.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Would endure the current loss and hope for higher future returns.</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 5: Risk Tolerance Level of Equity Investors

<table>
<thead>
<tr>
<th>Risk Scores</th>
<th>Frequency</th>
<th>Percent</th>
<th>Risk Tolerance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>2</td>
<td>1.176471</td>
<td>Low Risk Tolerance Level</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>1.176471</td>
<td>Low Risk Tolerance Level</td>
</tr>
<tr>
<td>8</td>
<td>14</td>
<td>8.235294</td>
<td>Low Risk Tolerance Level</td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>4.705882</td>
<td>Low Risk Tolerance Level</td>
</tr>
<tr>
<td></td>
<td>26</td>
<td>15.29%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Scores</th>
<th>Frequency</th>
<th>Percent</th>
<th>Risk Tolerance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>18</td>
<td>10.58824</td>
<td>Medium Risk Tolerance Level</td>
</tr>
<tr>
<td>11</td>
<td>21</td>
<td>12.35294</td>
<td>Medium Risk Tolerance Level</td>
</tr>
<tr>
<td>12</td>
<td>18</td>
<td>10.58824</td>
<td>Medium Risk Tolerance Level</td>
</tr>
<tr>
<td>13</td>
<td>21</td>
<td>12.35294</td>
<td>Medium Risk Tolerance Level</td>
</tr>
<tr>
<td></td>
<td>78</td>
<td>45.88%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Scores</th>
<th>Frequency</th>
<th>Percent</th>
<th>Risk Tolerance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>28</td>
<td>16.47059</td>
<td>High Risk Tolerance Level</td>
</tr>
<tr>
<td>15</td>
<td>21</td>
<td>12.35294</td>
<td>High Risk Tolerance Level</td>
</tr>
<tr>
<td>16</td>
<td>11</td>
<td>6.470588</td>
<td>High Risk Tolerance Level</td>
</tr>
<tr>
<td>17</td>
<td>6</td>
<td>3.529412</td>
<td>High Risk Tolerance Level</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>38.82%</td>
<td></td>
</tr>
</tbody>
</table>

Based on the scores assigned to the opinion of the respondents, the Risk Tolerance Levels of the respondents were classified into Low, Medium and High as given in the following table.
The above table reveals that more number of respondents belong to the Medium Risk Tolerance Level.

Table 6: Cross-Tabulation of Demographic Factors of the Respondents and Their Risk Tolerance Level

<table>
<thead>
<tr>
<th>Age of the respondents</th>
<th>Risk Tolerance Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Below 25</td>
<td>4 (15.4%)</td>
<td>30 (58.5%)</td>
</tr>
<tr>
<td>25-55</td>
<td>16 (61.5%)</td>
<td>32 (41.0%)</td>
</tr>
<tr>
<td>35-45</td>
<td>2 (7.7%)</td>
<td>8 (10.3%)</td>
</tr>
<tr>
<td>45-55</td>
<td>0 (0.0%)</td>
<td>4 (5.1%)</td>
</tr>
<tr>
<td>&gt;55</td>
<td>4 (15.4%)</td>
<td>4 (5.1%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Income of the respondents (Amount in Rs.)</th>
<th>Risk Tolerance Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 lakh</td>
<td>12 (46.2%)</td>
<td>39 (48.7%)</td>
</tr>
<tr>
<td>2 lakh - 4 lakh</td>
<td>12 (46.2%)</td>
<td>34 (45.6%)</td>
</tr>
<tr>
<td>4 lakh - 6 lakh</td>
<td>0 (0.0%)</td>
<td>6 (7.7%)</td>
</tr>
<tr>
<td>6 lakh - 8 lakh</td>
<td>0 (0.0%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>8 lakh and above</td>
<td>2 (7.7%)</td>
<td>0 (0.0%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation of the Respondents</th>
<th>Risk Tolerance Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>12 (27.3%)</td>
<td>22 (50.0%)</td>
</tr>
<tr>
<td>Profession</td>
<td>12 (27.3%)</td>
<td>36 (40.9%)</td>
</tr>
<tr>
<td>Service</td>
<td>2 (4.5%)</td>
<td>10 (11.4%)</td>
</tr>
<tr>
<td>Student</td>
<td>8 (18.2%)</td>
<td>2 (2.3%)</td>
</tr>
<tr>
<td>Others</td>
<td>10 (22.7%)</td>
<td>18 (20.5%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portion of income invested in equity</th>
<th>Risk Tolerance Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>16 (61.5%)</td>
<td>46 (59.0%)</td>
</tr>
<tr>
<td>10-15%</td>
<td>4 (15.4%)</td>
<td>24 (30.8%)</td>
</tr>
<tr>
<td>15-20%</td>
<td>4 (15.4%)</td>
<td>4 (5.1%)</td>
</tr>
<tr>
<td>20-25%</td>
<td>0 (0.0%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>&gt;25%</td>
<td>2 (7.7%)</td>
<td>4 (5.1%)</td>
</tr>
</tbody>
</table>

Thus the above table reveals that the factors like Age, Annual income, Occupation and Portion of income invested has significant association with the risk tolerance level of the investors.

Equity investors opinion on the short term fluctuation of the stock market has also been analysed and their result is exhibited in the following table.

Table 8: Investors Opinion on Short Term Fluctuations

<table>
<thead>
<tr>
<th>S. No</th>
<th>Opinion</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I would be extremely uneasy about any fluctuations in the value of the investment portfolio</td>
<td>8 (4.7%)</td>
</tr>
<tr>
<td>2</td>
<td>I would be very concerned about short term fluctuations in the value of the investment portfolio, but not</td>
<td>74 (43.5%)</td>
</tr>
<tr>
<td>3</td>
<td>I would have some concern about short term fluctuations in the value of the investment portfolio</td>
<td>58 (34.1%)</td>
</tr>
<tr>
<td>4</td>
<td>I would have very little concern about short term fluctuations in the value of the investment portfolio</td>
<td>30 (17.6%)</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>170</td>
</tr>
</tbody>
</table>

Chi-square test was employed to test the following hypothesis

- $H_0(1)$: There is no association between age of the respondents and their risk tolerance level.
- $H_0(2)$: There is no association between annual income of the respondents and their risk tolerance level.
Table 9: Investors Opinion on Indian Stock Market and Inflation

<table>
<thead>
<tr>
<th>Opinion on Indian stock market</th>
<th>Frequency</th>
<th>Opinion on Inflation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive (will yield positive return)</td>
<td>82 (48.2%)</td>
<td>It will increase</td>
<td>118 (69.4%)</td>
</tr>
<tr>
<td>Neutral (will yield average return)</td>
<td>68 (40.0%)</td>
<td>It will be steady</td>
<td>40 (23.5%)</td>
</tr>
<tr>
<td>Negative (will yield negative return)</td>
<td>20 (11.8%)</td>
<td>It will decrease</td>
<td>12 (7.1%)</td>
</tr>
</tbody>
</table>

From the above table it is found that most of the respondents outlook about inflation is that it will increase in the future years.

IV. Findings

- It is found that equity investors belonging to the age group of 25-35 and business people and professionals are more willing to invest their money in equity than people from other occupation.
- It is revealed in the study that investors with the annual income group of Rs 2 lakh and Rs 2 lakh - 4 lakh are more willing to invest in equity which means that they are mobilizing part of their income to investing in equity.
- It is found that majority of the equity investors are willing to invest small portion of their income in equity. The reason behind it could be that the investors are unwilling to tolerate the risk, lack of knowledge or experience in equity trading.
- Majority of the investors are investing in equity for the objective of growth. Around 60 respondents have given first rank to the growth objective. The major reason behind is that investors have to appreciate the value of their shares. They need to get a higher value of shares on the time of sale of shares. Growth of the investment leads to higher profit when they sell their investment. This explains that majority of the investors are not speculators.
- It is found that most of the investors have fair amount of knowledge about stock market.
- Most of the respondents (31.8) are trading their stocks based on the recommendation from the broker/ banker. Thus the brokers help them for efficient trading of their stock and help them to make wise decision.
- Nearly 42.4 percent respondents have stated that the role of emotions at the time of trading depends on the situation. It means that emotions have little importance while investing in equity and stock trading.

V. Conclusion

The study is undertaken to find out risk tolerance level of equity investors during the time of stock market volatility. It seems unlikely that changes in individual risk tolerance could have led to the stock market gain. As shown in this and other studies, risk tolerance is related to relatively static Bio-psychosocial and environmental variables that served as the control variables. It is found from the study that more number of equity investors fall in the age group of 25-35. Majority of the equity investors invest small portion of their income in equity, and most of them are investing in equity with the objective of growth of the value of their investment. The study revealed that majority of the equity investors belong to the medium risk tolerance level. The demographic factors such as age, occupation, annual income, and portion of income invested in equity are few of the major determinants of the risk tolerance level of equity investors.

References

3. Hanna, S. D., Chen, P., “Subjective and objective risk tolerance:


Appendix

1. Name: -----------------------------------------------

2. Age (in years)
   • <25
   • 25-35
   • 35-45
   • 45- 55
   • >55

3. Occupation
   Business Profession Service Student Others

4. Annual Income (in Rs)
   • <2,00,000
   • 2,00,000-4, 00,000
   • 4,00,000-6, 00,000
   • 6,00,000-8, 00,000
   • 8, 00,000 and above

5. What portion of your income is invested in Equity?
   • <10%
   • 10-15%
   • 15-20%
   • 20-25% more than 25%

6. Most of us have several objectives relating to our investments, please rank the following objectives in order of importance to you, with “1” being the most important.
   • Current income
   • Liquidity
   • Growth
   • Accumulation of funds for future use
   • Retirement planning, financing education etc. ....

7. When it comes to understanding your investment, how would you rate your knowledge?
   • Very limited (little knowledge)
   • Basic knowledge (considerable amount of knowledge)
   • Fair amount of knowledge (aware of the risks)
   • Considerable knowledge (understand different philosophies)
   • Extensive knowledge (complete understanding of the market and trading tactics)

8. If you have realized profit/loss in trading, whom/what could be the reason behind it.
   • Recommendation from broker/ analyst/banker
   • Advice from family/ friends
   • General performance of the market
   • Own prudence/ errors
   • Sheer luck.

9. What do you think is the role of your emotions when it comes to investing in equity?
   • They are little effective
   • They are effective
   • They are very effective
   • They are not effective
   • It depends on the situation
   • Can’t say

10. The stock of big companies are less risky than the stocks of small companies.
   • I strongly agree
   • I agree
   • I disagree
   • I strongly disagree
   • I have no opinion

11. In a period of uncertainty in the stock market, if you are to sell stocks, which group of stocks would you give the priority to sell?
   • The one which yielded a profit
   • The one which yielded a loss lity of the stock marke

12. Please choose the statement that best reflects the action with the volatility of the stock marke
   • I Would rather be in the stock market when it goes down than out of the market when it goes up (ie, I can live with the volatility of the stock market in order to earn market returns in the long run.)
   • I Would rather be out of the stock market when it goes down than in the market when it goes up (ie, I cannot live with the volatility of the stock market)

13. Which statement best reflects your attitude about investing in the equity market?
   • Can tolerate periods of significant negative returns greater than 35%.
   • Can tolerate limited declines less than 10% stock market cycle.
   • Can tolerate limited declines between 10- 20%
   • I will be willing to experience any reduction in the value of stock investments

14. Which of the following would best describe your reaction to short- term fluctuations in the following investment portfolio?
   • I would be extremely uneasy about any fluctuations in the value of the investment portfolio.
   • I would be very concerned about shortterm fluctuations in the value of the investment portfolio, but not the extreme.
   • I would have some concern about shortterm fluctuations in the value of the investment portfolio.
   • I would have very little concern about short-term fluctuations in the value of the investment portfolio.

15. Given the fluctuations in the stock market, how long will you be willing to wait for your investments to regain any lost value?
   • < 3 months
   • 3-6 months
   • 6 months-1 year
16. The following graphs show the historical returns of three hypothetical investments. Given the fluctuations in the returns of each investment, if your time horizon was long term (greater than 10 years) which stock would you choose?

- Stock A- Average annual return of 6%
- Stock B- Average annual return of 10%
- Stock C- Average annual return of 12%

18. If you could increase your chance of achieving all of your goals by taking more risk, would you…

- Be unwilling to take much more risk
- Be willing to take a little more risk with some of my money
- Be willing to take a lot more risk with all my money

19(a). In general, how would you describe your own outlook on the Indian stock market for the time periods listed?

1 year
- Positive (will yield positive return)
- Neutral (will yield average return)
- Negative (will yield negative return)

5 year
- Positive (will yield positive return)
- Neutral (will yield average return)
- Negative (will yield negative return)

17. The graph below shows the returns of a hypothetical portfolio over time. If you owned this portfolio, given its historical and current volatility which answer would describe your action?

- I would immediately pull out of the portfolio and cut my recent losses.
- I would endure the current loss and hope for higher future returns.

19(b). What is your outlook on inflation for the time periods listed?

1 Year
- It will increase
- It will be steady
- It will decrease

5 Year
- It will increase
- It will be steady
- It will decrease