CHAPTER: 1
INTRODUCTION

1.1 Background of the study

Investment is a process of investing present saving money in different assets for earning positive return in future. In other word investment is an action in which investing the money for generating profit in future. Investment is an assets or item acquired with the goal of generating income or appreciation. Appreciation refers to an increase in the value of an asset over time. When an individual purchase a goods as an investment, the intent is not to consume the goods but rather to use it in the future to create wealth. An investment always concerns the outlay of some assets today (time, money or effort) in hopes of a greater payoff in the future than what was originally investing (Hayes 2021). For example, an investor may purchase a financial asset now with the idea that the assets will provide income in the future or will be sell at higher price for a profit.

Investor is backbone for any economic system. Investor are those persons who invest his/ her saving amount of money in different assets for future positive return. While taking investing decision, investors should consider different aspect of investment, which are essential for selecting best alternative of investment. They should choose the alternative considering objective of investing fund, time horizon of investment, risk factors of investment, future cash flow, investment environment etc. Therefore, every investor's perception towards investment may not alike. Investors' perception means thought, attitude, foresee style toward investment.

Security Board of Nepal (SEBON) has established as supreme entity to develop, expand and regulate the securities market in Nepal. SEBONs effort has focused on to make competitive, modern, IT friendly and international level securities market. SEBON has make the mechanism with law, act, and provision to regulate, evaluate, and supervise to security market, which is essential aspect to make Rule of low.

The outbreak of highly infectious COVID 19 significantly disrupted human life. This pandemic had outbreak in Wuhan city of China on 32 December 2019 for the first time in the world. Then it expanded rapidly in all part of the world. No one's countries could be protected from terrible infection of COVID 19. Due to infection of COVID 19, most of the people had lost their life. On 11 march 2020 the WHO declare the COVID 19

pandemic. It has badly influence the economy of the world. At the same time, Nepal was also terrible influence from COVID 19. Nepal government has taken different kinds of protective measures to be safe from pandemic.

To be protected the Nepal government has adopted depend measure to fight the pandemic included; social distancing, self-isolation, shutting down of institution, restriction modes of transportation and nationwide lockdown were followed. During the pandemic period, economies of almost countries were badly affected and it has created panic situation all over the world.

In the same time, Nepal's also could not save from the COVID pandemic. In Nepal it had been completely destroyed each and every sectors but it has brought some extend positive sign in stock market of Nepal during COVID 19 pandemc. At that time, all the sectors of investment were remain closed, because of protective lockdown. People were compelled to stay inside their home. Then they thought that they took a decision to invest their saving amount in primary market. Hence, they were going to open their DMAT account for investing on IPO. The trend of opening DMAT account were increased gradually. Due to this trend, few times later the data of CDSC shows that the number of DMAT account has increase in sudden than expectation. During the COVID 19 lockdown, most of the people wanted to invest their saving amount in productive sectors. So the investor of IPO were comparatively more than before during COVID 19 lockdown.

According to the data of NEPSE 2021, the number of DMAT account holder have reached up to 35, 00,000 so far. However, in previous year there were comparatively less number of DMAT account holder than pandemic period. It shows that during the COVID 19, almost, all sectors of investment badly influence or completely collapsed. However, in the stock market, it is seen that the number of IPO investor had increased rather than before pandemic period. In the same way, the NEPSE index has in bullish stage in Nepal.

As know that in the period of crisis, definitely the recession occur in economy and the stock market, which represent the economy, would had decreased as well due to the recession. However, in the context of Nepal it was not happens the same. It has found just opposite condition in Nepal. Before COVID pandemic, the share market of Nepal

was in bearish trend but during COVID lockdown, it has converted into bullish market in sudden even in terrible crisis. Therefore, this matter has become a new issue of research in context of Nepal.

1.2 Problem statement

Sekaran and Bougie (2013) A problem does not necessarily mean that something is seriously wrong with a current situation or with organization under study. A problem simply indicates an interest in an issue where finding the right answers might help to improve an existing situation.

COVID19 created the situation to stay at home. All the government offices, schools, colleges, cinema halls, hotels are remains closed during that time. So all creative people involve in online investment in IPO in primary market. During pandemic more than 200000 new investor opened DMAT account to apply the share in primary market. There are several types of investors like graduate students, businesspersons, shopkeepers, and teachers and so on. Before the COVID 19, there were small number of investors interested in investing in primary market. However, during the lockdown period many people apply for IPO.

There are many reason of increasing the number of investor, such as closed all investing sectors, to utilize the free time, to utilize the theoretical knowledge in practicable way, to secure the investment and so on. Many financial student have the little about financial system, but other investor who have not sufficient knowledge about the IPO.

Therefore, this research mainly focused on factors that influence to investors to involve in IPO during pandemic period, the changing investing trend of Nepalese investor during COVID 19 and condition of stock market during COVID 19. In addition, find out the motivating factor of investment. This study is conducting to answering the following questions.

   i. What is the condition of stock market during COVID 19 pandemic period?

  ii. What are the influencing factors that influence to investors involve in IPO investment during COVID 19 lockdown?

 iii. Does level of investing trend of investors change during COVID 19 pandemic?

1.3. Objectives of the study

It is no doubt that the role of IPO is significant in such a developing country like Nepal in collecting economic fund for investing in the different sectors to develop country economic as whole. We know IPO is cheapest way to collect money. It provide the opportunity to the public to invest money in easy way. It is secure investment than other investing alternative for investors. However, due to some reasons many general people unknown about IPO. Due to lack of financial literacy, they invest their money in unsecure (traditional) sectors. Therefore, this research is conduct to find out investor's changing behavior towards IPO in context of Nepal during COVID 19. The specific objective of the study are as follow:-

i   To analyze the condition of stock market during COVID 19 lockdown,

ii To identify the influencing factors of investing on IPO during COVID 19 pandemic and,

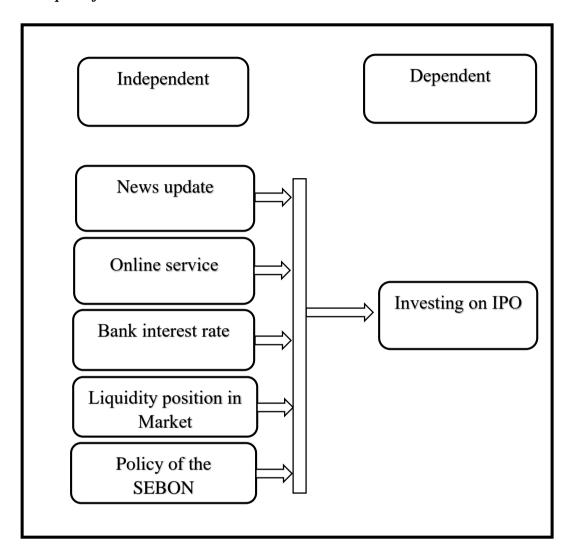iii To assess the changing trend of investors during COVID 19 regarding to IPO.

1.4 Conceptual framework

Conceptual framework or theoretical framework is a conceptual model, which show the relation between theories and related influencing factors (Debraj Adhikari & Dhrublal Panday). In simple word, it show the relationship between dependent variable and independent variables in research work. Theoretical framework is the foundation upon which the study is established. It is within the framework of this theory that the entire study proceeds (Prem Raj Pant).

In this research, theoretical framework is create by five independent variables and one independent variable. For this research, independent variables are news update, online service, bank interest rate, liquidity position in market and policy of SEBON. In addition, it has one dependent variable that is investing on IPO. So the conceptual framework has prepared by mentioning above factors that is presenting as below:-

Figure 1.1

Conceptual framework

News update

It is the latest source of information. It has played the vital role to make the people aware about different things in their daily life. The source of news update like Radio, T.V., Social media, Website of SEBON, NEPSE etc. help to inform about capital market.

Online service

It is the modern as well as latest way of delivering service to customer in easy way. During COVID pandemic NEPSE provide the platform to all stakeholder to perform all the activities related to IPO investment through online. Like opening DMAT account, fill up the IPO, trading of securities from smart phone staying at home.

Bank interest rate

Bank interest rate is the essential element of overall economy of any country. It influences to economic indicator like saving, deposit, investment, trade, business, capital market and so on.

Liquidity position in market

Liquidity is the amount of cash and cash equivalent, which can be easily converted into ready cash without affecting its market price. Liquidity position in market, it means the amount of money, which remaining with public, firms, business house in an economy.

Policy of SEBON

SEBON has been adopting updated policy to make it competitive, modern, and adopt international practice. During COVID lockdown, SEBON updated the many policies, like T+2, lower broker commission, online practices and so on. It helps to all Nepalese investors to involve in capital market in easy way.

1.5 Significance of the study

This study will be mainly focus to the desirable investors, shareholders and other public who are willing to invest to get the productivity of their fund in the IPO, likewise other financial institutions e.g. Bank, Insurance Company, Micro financial institutions etc. are also interested in the performance of IPO. Besides them, the study will also help the management of IPO to analyze the effectiveness of its output. The significance of the study presented as below:-

  i. Students
 ii. Investors
iii. Shareholders
 iv. Financial institution
  v. Investment banker
 vi. NEPSE as well as SEBON
vii. NRB

1.6 Limitations of the study

Limitations are some constraints that the generalizability and applicability of the research. Almost every research is limited within the certain boundary and this study cannot be exception. This study also does have the following limitations

i. The sample has not a big one compared to the population size, which may not represent to entire population.

ii. The study concentrated only on current investing trends of investors regarding to IPO rather than other thing are excluded like leisure time in lockdown, monitory policy, inflation, closing all business sectors and cyclical nature of stock market.

iii. The reliability of the primary data depends on the response of respondent.

1.7 Chapter plan

The research has organized into five chapters, which has presented in such a way that the research objective has easily meet and research questions has answered properly. The results and findings of the study has depict systematic manner. Each chapter's content has further described as follows:-

Chapter 1: Introduction

This chapter includes background of the study, statement of the problems, objectives of the study, conceptual framework, and significance of the study, limitation of the study and organization of the study.

Chapter 2: Review of literature

This chapter includes the relevant previous writing and studies to find the existing gap; review of textbook, articles, journals, dissertation is included in this chapter.

Chapter 3: Methodology

This chapter contains research design, population and sample size, data collection procedure and tools used for analysis.

Chapter 4: Results and discussion

This chapter consists of systematic presentation and analysis of statistical tools. It also includes major findings and discussion.

Chapter 5: Summary and conclusion

This chapter states summary and conclusion of the study. Finally depending upon the summary and conclusion, implication has given.

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CHAPTER: 2

LITERATURE REVIEW
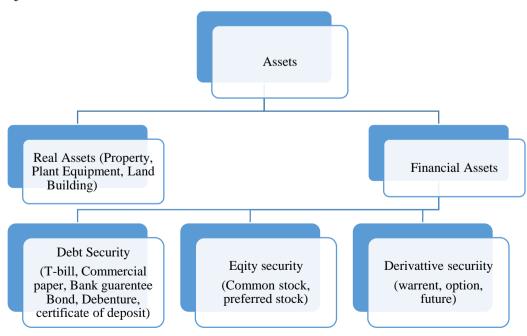
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2.1 Conceptual review

Investment environment or financial environment refers to the surroundings in which investment decisions are making. A broad framework for investment environment includes Securities, securities market, financial intermediaries or institution and financial market regulation. Before invest the money investors should know about these element.

Instrument of investment or assets

Investors' have many alternatives to invest their money. It categorized into two types: Financial assets and non-financial assets. Non-financial assets (Real assets) are mostly tangible and they possess productive capacity. They are using to produce goods or services. The examples of real assets are property, plant and equipment, human capital etc. Financial assets are those assets that represent right of claims on assets, which cannot be seen and touch. The examples of financial assets are equity securities (equity share, preference share), debt securities (money market and capital market debt) and derivative securities (option, warrants and futures).
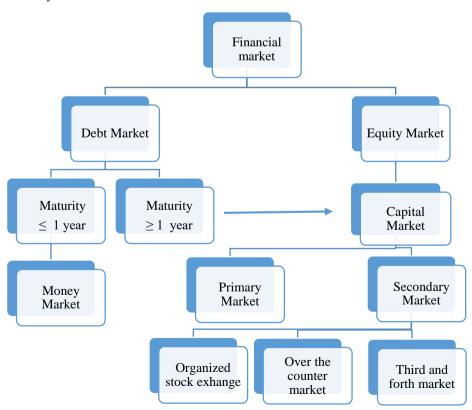
Figure 2.1

Types of Assets

Securities market

Securities market or financial market is most valuable element of financial environment because it provide the platform investing or trading securities. Financial market is a place where financial instrument are trading. In the context of Nepal, according to maturity period there are two types of financial market, these are money market and capital market. Money market is the segment of financial market where short term nature securities are trading. In this market, only short-term debt instruments are trading. Capital market is also the segment of financial market where long term nature securities are trading. Normally having more than one year maturity period instrument are trading. Further capital market divided into primary market and secondary market. Primary market is a segment of capital market where issuing securities first time. IPO (Initial public offering) issued by any public company is the example of primary market. Secondary market is a platform or mechanism where listed companies securities are trading. In the context of Nepal, Nepal Stock Exchange (NEPSE) is single institution, which play the role of secondary market. NEPSE provide the facility of liquidity to investors.

Figure 2.2

Structure of security market

Financial regulator

Financial regulator are those entities, which play the vital role to monitoring, evaluating, controlling and regulating to the financial system. Financial regulators make the act, law, provision for regulating and make the sound health of financial system. In the context of Nepal SEBON, NRB, BEEMA SAMITI are regulatory bodies of financial system.

Capital market serves as an intermediary between individuals, governments and businesses with excess funds to those individuals, governments and businesses who have shortage of funds. It promote economic efficiency by directing funds from those who do not have immediate use for these funds to those who are in need of funds. It also channels money provided by savers and depository institutions to borrowers and investees through a verity of financial instrument like stocks and bonds called securities An IPO refers to the first issue of share of a company make available to the public. It is one time transaction between a company and its shareholders. It is a way to collect funds from public first time. It is the milestone for any company for going public. This sale of new shares take place in a market called primary market. Company that want to list their shares on an exchange must meet stringent financial public distribution and management standard set by the exchange. After these standards are meet, companies are listing on the exchange and share are available to the public. After a company launches IPO, shares are buying and selling in security market, which called secondary market.

Nepal is potential land for investment. There are lots of chances or opportunity for developing mega project like hydropower, natural resources and many more. However, there has problem of lack of investable fund. Nepalese financial system or economic system is unable to create sufficient level of investing fund for these sectors. Nepalese government depends upon foreign investment or donation to collect the investable fund. However, in current scenarios Nepal has also been trying to create fund through different sectors. Nepalese financial system and other sectors helps to create investment fund through saving account, insurance policy, mutual fund and other financial instrument as well as IPO process.

IPO is the latest, effective, suitable and cheapest way to collect funds from public, which helps to business to raise the fund and provide the opportunity to investors earn higher return at short period. Some people says that IPO is speculation or gambling. However, in reality it is legal, formal and modern way of colleting fund, which help to promote economic activity in a country. Now days it take as the medium of producing goods or services, generating the employment, utilize the non-financial resources, improving the well-being of citizen, earn the foreign currency and developing the economic growth. Therefore, we can say it is the index of happiness.

Reason for Coming to Public as Fund Collection

There are lots of reason behind coming to public as fund collection. The first and foremost reason for coming to public to enroll public and remote area people to connect with country economy for uplift of socio economic status and financial assess in banking sector and second that is through IPO active participation in economy which is the cheap source of fund collection in long run. Recently Government of Nepal have declared that every citizen should be connected with one account one financial institution this means direct enrollment in economy. This is how Nations GDP is directly connect with grassroots economy of the country. The reasons of why IPO is going and issuing because of following reasons:-

   i. To involve public into capital formation process,
  ii. To use public money as investable fund,
 iii. To collect cheap fund from general public,
  iv. To save the money from unnecessary spending behavior,
   v. To remove the barrier of collecting fund from other financial institution or big investors.

In Nepal, the first public issue of ordinary shares took place more than 86 years back with the public issue of Biratnagar Jute Mills and Nepal Bank Ltd. in 1973 A.D. However, the development of capital market started in 1976 A.D. after the establishment of Securities Exchange Centre with the objective of facilitating and promoting the capital market in Nepal. It was the only capital market institution, which undertook the job of brokering, underwriting and managing public issue, market making for government bonds and other financial services. Securities Exchange Center dealt in the securities as 14 a broker as well as a regulatory body. The Centre used to take; buy and sale only on orders from interested investors and confirm them if a price

and quantity matched. There was no time limit which a deal would take place. It would normally take one day to three weeks. Due to this, public faced problems while buying and selling shares. The Securities Exchange Center issued 62 companies from the year of its inception to 1999 AD. Among these 23 companies were undersubscribe including Nirmod Pharmaceuticals Ltd, Harisiddi Brick & Tile Ltd, Himgari Textile Ltd, Bansbari Leather and Shoes factory Ltd, Nepal Awas Biksah Bitta Company Ltd, and Yeti Finance Company Ltd. etc. Although the secondary market was non-functional and public were not fully aware of on the working of the capital market. The public response to the new issue of shares of selected companies like bank and finance companies were overwhelming. Security Exchange Centre converted into Stock Exchange Limited in 1993, and under its support, the broker system of secondary market was establishes. Nepal Stock Exchange Limited is a non-profit organization it operates under Security Exchange Act 1983. The basic objective of the Nepal Stock Exchange Limited is to impart free marketability and liquidity to the government bonds and corporate securities. With the establishment of full-fledged Stock Exchange, the shares, which the public had held for decades, become liquid. Capital market is gaining business attention since last few years. The NEPSE index, which shows the stock price trend of all the listed securities in the stock market, has been increasing in the recent fiscal years. Hence, the general investors are very keen to make investment in the securities of the companies, through both primary and secondary markets. In primary market, the investment made through public issues of ordinary shares, preference shares, debentures and right shares as well as mutual fund and Units scheme.

Introduction of financial markets

Financial markets is a marketplace, where creation and trading of financial assets like shares, debentures, bonds, derivatives, currencies and so forth takes place. It plays very important role in allocating scarce resources in the economy of the country. The financial markets can be broadly classified into:

    (i)   Money markets and

    (ii)   Capital markets

Money markets

Money markets is a market for debt securities that pay off in the short-term usually less than one year. For instance, the market for 90-days treasury bills. This market

encompasses the issuance and trading of short-term, non-equity debt instruments including treasury bills, commercial papers, bankers' acceptance, certificates of deposits, etc.

Capital markets

Capital markets is a market for long-term debt and equity shares usually for more than one year. In this market, the capital funds comprising both equity and debt are issued and traded. This includes both private placement sources of debt and equity as well as organized markets like stock exchanges.

Securities markets

It is composed of two terms "Securities" and "Markets" referring financial instruments issued to raise funds and a place or places where securities are bought and sold respectively. It provides facilities and people engaged in such transactions, the demand for and availability of securities to be traded, and the willingness of buyers and sellers to reach agreement on sales. Secondary markets include over-the counter markets and stock exchange. The primary function of the securities markets is to enable to flow of capital from those that have it to those that need it. Securities market helps in transfer of resources from those with idle resources to others who have a productive need for them. Securities markets provide channels for allocation of savings to investments and thereby decouple these two activities. As a result, the savers and investors are not constrained by their individual abilities, but by the economy's abilities to invest and save respectively, which inevitably enhances savings and investment in the economy. Securities markets can be further divided into the

- (i) Primary market and
- (ii) Secondary market.

Primary market

A market where securities are directly offered to the general public by a company or issuer with the help of merchant bank as an intermediary who acts as an expert of issue management on behalf of the issuer. The issue management is done by issue manager under merchant banking function licensed by the (SEBON).

Secondary market

A market where securities, both equity and debt, are traded after being initially offered to the public in the primary market and listed at the stock exchanges. Trading of listed securities take place in the secondary market. For a company, secondary equity markets serve as a monitoring and control channel by facilitating value-enhancing control activities, enabling implementation of incentive based management contracts, and aggregating information (via price discovery) that guides the management decisions. For an investor, the secondary market provides an efficient platform for trading as well as liquidity of his investment made in securities. Over the counter market is one of segments of secondary market. None listed along with delisted securities of public limited companies can be traded on OTC market platform provided by the NEPSE normally without the involvement of market intermediaries. It is off-exchange trading of shares.
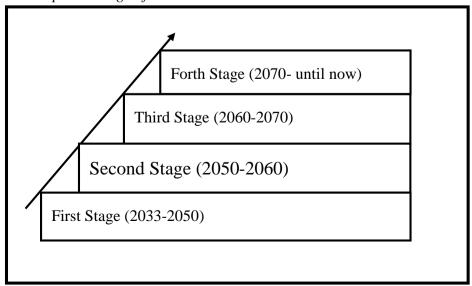
History of capital market in Nepal

In Nepal, the culture of collection of funds through issuing ordinary share was start from 86 years back with the first public issue of Biratnagar Jute Mills and Nepal Bank Ltd. in 1993 B.S. However, the development of capital market started in 2033 BS with established the Securities Exchange Centre.

As well as organized development of securities market started with establishment of Securities Board of Nepal (SEBON) as regulatory body and Nepal Stock Exchange (NEPSE) as market operator.

The development stage of securities market are dividing into four step. Which are as below:

Figure 2.3

Development Stage of Securities Market

Forth Stage (2070- until now)

Third Stage (2060-2070)

Second Stage (2050-2060)

First Stage (2033-2050)

First stage

i.   In Nepal, formal establishment of securities market was start with established of securities marketing Centre in 2033 Ashad 22.

ii. To provide regularity and systematize the securities market, the Trading Securities Act 2040 was issue in 2040 BS. Based on this act Securities Marketing Centre changed into Securities Exchange Centre.

iii. Then, Securities Exchange Centre doing all activities related with security market (to manage and regulate the securities market, issuing, listing and trading the securities of organized institution).

iv. According to first amended of securities trading act 2040, Securities Board of Nepal (SEBON) was establish in 2050 Jestha 25. In addition, Securities Exchange Centre has changed into Nepal Stock Exchange Ltd. at same year.

v.   As result until now SEBON has established as regulator and supervisor of securities market and NEPSE has established as manager and operator of securities market.

Second Stage

i.   To regulate and supervise to the securities market SEBON has established in 2050 Jestha 25 as sovereignty organization.

ii. In 2050, Paush 23 provide the license to NEPSE for operate the securities market.

iii. In 2050 Magh 29 formation of open cry out system to operate the securities market.

iv. In 2050 Magh 30 formation of NEPSE Index to measure the velocity of securities market. Where base rate of NEPSE Index was 100. Therefore, 2050 is the base year of NEPSE Index.

v.   At the end of the fiscal year 2059/60, condition of service provider in securities market has as below:

Table 2.1

List of service provider

Service provider	Number
Stock Exchange	1
Broker firm	27
Merchant banker	9
Broker member	2
Listed company	108

Some provision of this stage

i.   Establishment of NEPSE,

ii.   Entrance of securities broker,

iii.   Development of information system,

iv.   Provision related with investors complaint resolution,

v.   Provision of supervision and inspection

vi.   Development of infrastructure for act or law

Third stage

i.   The securities trading act 2040 has substituted by Dhitopatra Sambandhi Adyadhesh 2062. Based on this ordinance the name of Securities Board has changed into Securities Board of Nepal (SEBON).

ii.   The Dhitopatra Sambandhi Adyadhesh 2062 has cancelled and issued the Securities Related Act 2063.

Some important improvement, changing and developments are:

i.   Improvement in secondary market

a.   Changing open cry out system into automated computerized trading system,

b.   Increase in number of broker firm (Dhitopatra Dalal Byawasayi),

c.   Formation of circuit breaker system,

d. Formation of different index to measure the velocity of secondary market (NEPSE Sensitive Index, NEPSE Float Index, NEPSE Sensitive Float Index and Group wise Index),

e. Development of Over The Counter (OTC) market for trading non listed securities,

f. Converted to NEPSE into profit organization,

g. Make the name of NEPSE combining English and Nepali word,

ii. Development of real time surveillance system

iii. Changing in settlement period of securities trading (t+5 to t+3)

iv. Formation of trading of promoters' share

v. Listed company has divide into Nine group (Bank, Development bank, Finance company, Insurance, hydropower, production and refined, Hotel, Business and Others)

vi. Improvement in Broker firm

vii. Improvement in public issue

viii. Formation of CDS and clearing ltd. (CDSC)

ix. Formation of ECRA Nepal ltd. as credit rating agency in 2068 Ashoj 17

x. Improvement in legal structure (17 act are established to regulate, promote, improve, supervise to secondary market)

Fourth stage

This is modern stage for securities market. Some improvement and new provision of this stage are:

i. Improvement in primary market

a. DMET account is compulsory for public issue

b. Implementation of ASBA system (2073)

c. To attract real sectors company, issued Dhitoptra Darta Tatha Niyamawali 2073

d. Implementation Dhitopatra Niskasan Tatha Badfnad Nirdeshika 2074

e. Improvement in the provision of merchant banking

f. Provision of transfer the right share and bonus share in DMAT account and cash dividend in bank account of investors.

g. Implementation of Criteria of price determination of FPO

h. New provision in issue of right share

i. Circular related with effectively implementation of C-ASBA service

j. Updated KYC

ii. **Improvement in secondary market**

a. Full automation of secondary market from Magh 2072,

b. Deduction in service cost or brokerage commission of broker firm,

c. Improvement in transaction settlement duration,

T+2 pay-in

T+2 full settlement

d. Provision of increasing Clearing bank,

e. Provision of inspection of market depth,

f. Simplification to enter NRN in capital market,

g. Decision to established new stock exchange,

h. Improvement in arrangement of communication of information,

i. Provision related with margin trading,

j. Provision related with use of internet for trading.

iii. **Other provision**

a. Membership provided by IOSCO,

b. Membership provided by ANNA,

c. Operation of OTC market,

2.2 Empirical review

Scientific research must be based on past knowledge. The previous studies cannot be ignored because they provide the foundation to the resent study and provide a handy guide to a particular topic. The purpose of literature review is, thus, to find out what research studies have been conducted in chosen field of the study, and what remains to be done. Hence, it helps to avoid needless duplication of efforts.

The study area of this research is perception of investors towards IPO investment in Nepal with COVID perspective. There are many study has been conducted in the area of IPO investment. Hence this chapter has include some previous researches or articles which provide the foundation for this study and helpful to finding the gap for this study. The study give explanation about changing perception of investors before and during

COVID 19. It includes the citations from various book, journals, thesis relevant to this topic.

2.2.1 Review of journal articles

Achyut Gnawali (2020) Perception of investors towards IPO in Nepal: with reference to Kathmandu district. This research was conducted to analyze the relationship between different factors and investment decision, to examine the perception of investors towards IPO and to examine the impact of such factors on investment decision in IPO. To fulfill the objective of research work, data were collected from 290 respondent using questionnaire technique. To conduct the study, researcher adopted two types of research design, descriptive and explanatory research. In this study convenience sampling method was adopted to select the sample size for this study. It is totally based on primary data. To examine and analyze the objective the research work was conducted based on five independent and one dependent variable. The independent variables are Quality of management, Goodwill of company, Company performance, Company sectors and Market information and dependent variable is investment decision. In this, research inferential as well as descriptive analysis tools are used to analyze and finding the results.

Cronbachs alpha coefficient was used for scaled item to test the reliability. Regression, correlation and hypothesis have been used for inferential analysis. Cronbachs alpha coefficient less than 0.6 is considered as 'poor', greater than 0.6 but less than 0.8 considered 'acceptable' and greater than 0.8 is considered 'good'. Here Cronbachs alpha of all variables is "between" 0.6 to 0.8 and above so, they are acceptable. Therefore instrument used in this research are considered to be reliable. In this research according to correlation analysis, the Pearson correlation coefficient of dependent variable with its independent variables is positively correlated, which implies that the independent variables are significantly positive correlated with dependent variable. Similarly, according to regression analysis, the value of R square is 0.698, which indicate that the model explains that 69.8% of independent variables are responsible for investment decision in IPO and Model summary indicate the standard error of the estimate of 0.48407, which show the variability of the absorbed value of investment decision from regression line, is 0.48407 units. Again, according to the ANOVA test the value of p (p-value) is 0.00, which is lesser than alpha value 0.01. Therefore, the

model is good predictor of relationship between dependent and independent variables. In this research according to hypothesis test the alternative hypothesis is accepted which indicate that there is positive relationship between dependent and independent variables.

Nagtilak, and Kulkarni (2015) A study on investors perception towards initial public offering in Mumbai. The main purpose of this research is to investigate the perception of Indian investors towards IPO, as well as to find out the level of awareness about IPO, to find out investors' confidence level and their preference while investing money, to analyze complex IPO process and to study the legal requirement of an IPO, SEBI norms and guidelines. For conducting the research, researcher used primary as well as secondary data for collecting the data. Questionnaire has used to collect the primary data and secondary data were collected from various journal, libraries and books. Descriptive research design has been used to conduct the study. Researcher used convenience-sampling method to select the sample size, 100 respondent were selected for this study. The data has been analyzed by using statistical tools and data has been presented with the help of pie chart, bar graph and line graph. To fulfill the purpose of the research researcher used hypothesis, to test the perception of investors towards IPO. In this study, there has not exact consider the variables to support the study but demographic variables like age, occupation, income has shown to analyze the study. As well as in the research seven factors; Goodwill of the company, Market share of the company, Corporate profile, Current financial position, Size of IPO issued, Brokers advice and Comment of media were shown which are considerable by the investors when investing in an IPO. The finding of this research has shown below:

IPO can be consider good option for investment,

IPO is not risky investment,

Large number of investors have shown confidence in IPO, they prefer to investment in IPO,

According to the investors, IPO is one of the good option for investment and

Despite of too much price, volatility, price manipulation and corporate fraud investors still have confidence in IPO investment.

2.2.2 Review of previous theses

Youraj Roka (2011) Public response to IPO in Nepal. This thesis was conducted to identify the dealing process of IPO, to analyze the pace of IPO and to analyze the public response to the IPO. This research is conducted based primary as well as secondary data. For study of the research explanatory or descriptive as well as analytical research design has been used. In this research the variables has taken related with Performance of the company, Market information and relevant subject. In this research, random sampling method was used to select the sample size for the study. To analyze the data researcher used statistical tools. As well as table, bar graph and other statistical tools were used for the study. Like multiple bar diagram, pie diagram, percentage, sample arithmetic mean.

The major finding of this study has been summarized below. Public response to the financial institutions and insurance sectors is higher than non-financial sectors. This shows the public response to development banks was greater or more than commercial banks. Which shows the most responded sector was insurance sector. It shows non-financial sector has also got cheering response from the public. Last few years' experience shows that there are limited non-financial sectors available in the country that satisfied the investors. The major source of information of public offering is media. Majority investors are seemed to read the prospects of the company before investment as now people are well educated. People are getting aware to primary market to choose the right sector for investment. Investors are making portfolio of their investment, 70% investor invests their money in two to four companies. People use personal fund as they have money rather than taking loan for investment in the primary market. Future return is the encouragement factor for investment. The investors think that those companies who are performing well in the market will give better return in the future. People are more conscious about future. Most of the investors invest money in the primary market by lending from others. Most of the people want bonus share/ stock dividend as a return. Out of total respondent 30% investors think that the companies do not like to go to public because of the reality of sharing profit. And 20% people regard less chance of business failure as their confidence factor to invest their money in stocks of particular company. People think that the present environment is not suitable for investment. Out of 100 respondent 90%, people prefer to invest their money in the financial institutions and insurance sector and 60% people think due to the lack of knowledge, limited

number of people invests in primary market. This study has found that public response to the primary market is highly positive due to lack of opportunities for investment in other sector and people feel more secure to invest in primary market. Pace of initial public offering in Nepal can be considered to be good. In the year 2007/08, the number of companies whose issue was approved by SEBON was 72. This was the highest number of companies whose issue approved in a single year by the SEBON. According to SEBON, the total numbers of listed companies are increasing day by day as investors are investing in financial and non-financial sector.

2.3 Research gap

After review the above articles about the perception of investor towards an IPO. This research study mainly differ than previous study due to the following reason

a. This research cover the current position of stock market during COVID pandemic,

b. This study is mainly focused on investing trend of investors towards IPO during COVID pandemic.

c. The using independent variables of this research work are totally new than previous research work

CHAPTER: 3
METHODOLOGY

3. Introduction

Present chapter contains research design, population, sample, sample design, nature and source of data, the instrument of data collection, method of analysis and research framework and definition of variables. In this study, researcher has used descriptive research design. To fulfill the objective of the study researcher follow the step of descriptive research design. The researcher has conducted quantitative as well as qualitative data collection methods based on primary data. This chapter will explain the research design, data collection and analysis procedure adopted by this study. These are as follow,

3.1 Research design

This study has based on descriptive research design to achieve the objective of the research. Follow by review of past journals books and annual reports as well as related schedules and consultation from qualitative and quantitative information of the stated objective.

3.2 Population and sample

For this study, all those Nepalese investors who are involved in IPO investment are total population. Among the population size, 250 investors has been taken as sample size based on thumb rule, which represent the characteristic of all investor involving in IPO. Convenience sampling method has used to select number of respondent. CDM students and other investors of IPO investment has selected as respondents who are involving in IPO investment that has represent to all provinces of Nepal. Out of the 250 respondents, only 169 respondents filled up the questionnaire.

3.3 Sources of data

This study has based on qualitative and quantitative data collection method based on primary data collection. As well as secondary data has also used to support the research work. In this study, researcher has obtained primary data from online questionnaire. Researcher used online data collection technique due to COVID pandemic. As well as related website, journal, articles, news and TU library were used for collect relevant information, which was essential for this study.

3.4 Data collection procedure

After the identification of sample, the sources of data required for the study are also identified and collected through following procedures

  i.   At first, nature of data has identified.

 ii.   Then, topic related sites has viewed and researcher has collected secondary data.

iii.   To collect primary data, questionnaire has prepared by using Google form and send to respondent to collect necessary information.

3.5 Data processing procedure

Data obtained from questionnaire are in raw form. The raw data is processed and converted into required form excel. For this study, required data are taking from questionnaire as well as annual reports, journals, news published by SEBON. For data presentation different tables, charts, graph are used. Computation or analysis has done with the help of SPSS 23 version software.

3.6 Data analysis tools and techniques

The collected data from questionnaire and various sources has recorded systematically and presented in appropriate from of tables and charts; and appropriate statistical, inferential, graphical tools has applied to analyze the data. In addition, data collected from respondent has used to meet the objective of the study. Following tools has used for the purpose of this study:-

i. Frequency table with percentage

Frequency table is the milestone for statistical analysis. It is use to show the frequent of variables. With the help of the frequency table we can evaluate the data, find the mean, SD, CV and other statistical measure. In this research, researcher used frequency table with percentage to analyze demographic variables.

ii. Statistical tools

To show the condition of stock market researcher used graphical tools. These are Bar graph, Line graph and tables. Following statistical tools has been also used to analyze the collected data through questionnaire.

Mean

Mean is the average value of data that represent the combine value of all sample size. It simply involves taking the sum of a group of numbers, then dividing that sum by the count of the numbers used in the series. Mean is calculated by using following formula.

$$\overline{X} = \frac{\sum X}{N}$$

$\overline{X}$ = Mean value of data

X = individual value of data

N = Size of data

Standard deviation

Standard deviation is the statistical tools, which is use to find the variation of data. In statistics, the standard deviation is a measure of the amount of variation or dispersion of a set of values. A low standard deviation indicates that the values tend to be close to the mean of the set, while a high standard deviation indicates that the values are spread out over a wider range. Standard deviation is calculate by

$$\sigma = \sqrt{\frac{\left(X - \overline{X}\right)^2}{N}}$$

Where

σ = Standard deviation of sample

X = Each value of sample

$\overline{X}$ = Mean value of sample

N = Sample Size

Correlation analysis

Correlation is a statistical measure, which determines the co-relationship or association of two variables. It helps to investigate the relationship between two variables. It use to represent linear relationship between two variables. The main objective of correlation is to find a numerical value expressing the relationship between variables. Value of correlation coefficient are always between -1 to +1. In correlation, it does not matter of dependent and independent variable.

$$r_{xy} = \frac{\sum \left(x_i - \overline{x}\right)\left(y_i - \overline{y}\right)}{\sqrt{\sum \left(x_i - \overline{x}\right)^2 \sum \left(y_i - \overline{y}\right)^2}}$$

Or

$$r_{xy} = \frac{n(\sum xy) - \sum x \sum y}{\sqrt{\left[n\sum x^2 - (\sum x)^2\right]\left[n\sum y^2 - (\sum y)^2\right]}}$$

Where

r_{xy} = Correlation coefficient between variable x and y

n= Sample size

Regression analysis

Regression describes how an independent variable is numerically related to dependent variable. It helps to consider the relationship between dependent variable and one or more independent variables. Regression is use to fit a best line and estimate one variable on the basis of another variable. The main objective of regression is to estimate value of random variable on the basis of the value of fixed variables. Linear regression determine goodness of fit with R square .Cause and effect relationship can be established through regression. In regression analysis, it should be clear on, to determine which is dependent variable and which is the independent variables. We can express linear line of regression by:

When one dependent and one independent variables

$$Y = \alpha + \beta X + \varepsilon i$$

Where

Y = Dependent variable

α = Alpha, Intercept, or constant value

β = Beta or Slope

X = Independent variable

εi = Error term or Residual value

Again

Value of beta

$$\beta = \frac{N\sum XY - \sum X \sum Y}{N\sum X^2 - (\sum X)^2}$$

Value of alpha

$$\alpha = \frac{\sum Y - \beta \sum X}{N}$$

Where

N= Sample size

ANOVA table

ANOVA table has used to show the goodness of fit of model. It shows the dependency of dependent variables on independent variable.

CHAPTER: 4
RESULTS AND DISCUSSION

The purpose of data analysis is to extract as much information as possible that is pertinent to the subject under consideration. In this chapter, the findings are analyzed after processing the collected data as explained in the methodology. This chapter has also presents the findings that emerged from the data that was acquired from 169 respondent, those are involve in IPO investment in Nepal. Tables and pie chart has used to analyze the demographic profile of the respondents whereas correlation and regression analysis has been used to measure the variables.

4.1 Data presentation and analysis
4.1.1   Condition of stock market
In this part, researcher, present and analyze the data to show the current situation of Stock market in Nepal. Which helps to fulfill the objective of the study.

i. NEPSE index before COVID 19

The table no 4.1 shows the NEPSE index of previous years (before COVID lockdown).

Table 4.1

NEPSE index before COVID 19
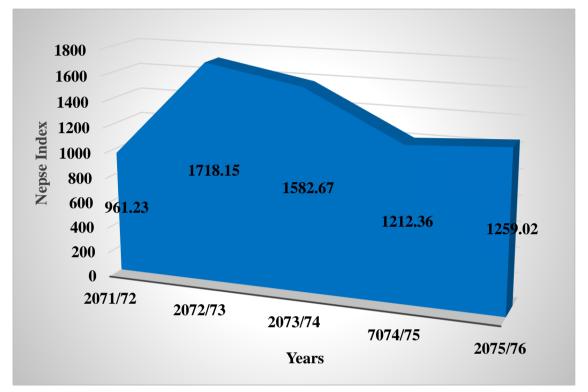
Years (B.S.)	NEPSE Index
2071/72	961.23
2072/73	1718.15
2073/74	1582.67
7074/75	1212.36
2075/76	1259.02

Source: Annual report of SEBON (2075/76)

Table number 4.1 shows the NEPSE index before COVID 19. According to table number 4.1, the NEPSE index has changed randomly. Four years ago, the NEPSE index

was very less that is only 961.23 in 2071/72. Then it has rapidly reached up to 1718.15 in 2072/73. After that, it has moved in slow pace until 2075/76. The last year NEPSE index has reached up to only 1259.02.

Figure: 4.1

NEPSE index before COVID 19

Source: Annual report of SEBON (2075/76)

ii. NEPSE index during COVID pandemic

The table no. 4.2 shows the NEPSE index during COVID pandemic.

Table 4.2

NEPSE index during COVID pandemic
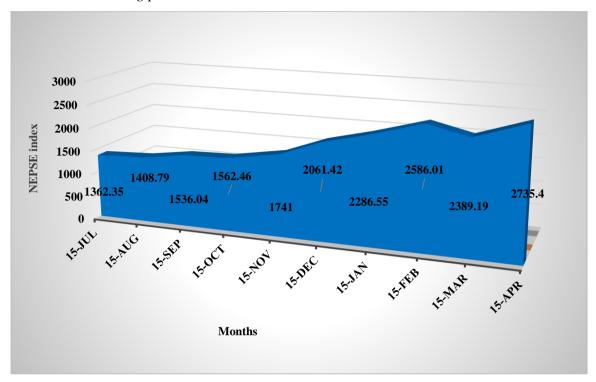
Months	NEPSE Index
15 Jul 2020	1362.35
18 Aug 2020	1408.79
15 Sep 2020	1536.04
15 Oct 2020	1562.46
18 Nov 2020	1741.00
15 Dec 2020	2061.42
13 Jan 2021	2286.55
15 Feb 2021	2586.01
13 Mar 2021	2389.19
15 Apr 2021	2735.40

Source: Website of NEPSE

The table number 4.2 shows that, the NEPSE index during COVID pandemic. According to the table number 4.2, the stock market has increased unexpectedly in rapid pace during COVID 19. Table shows that the index of NEPSE was only 1362.35 on 15 July 2020. But it has increased a lot and reached up to 2735.40 on 15 April 2021.

Figure: 4.2

NEPSE Index during pandemic

Source: Website of NEPSE

iii. Beneficiary owner DMAT account

The table no. 4.3 shows the number of DMAT account holders.

Table 4.3

Beneficiary owner DMAT account
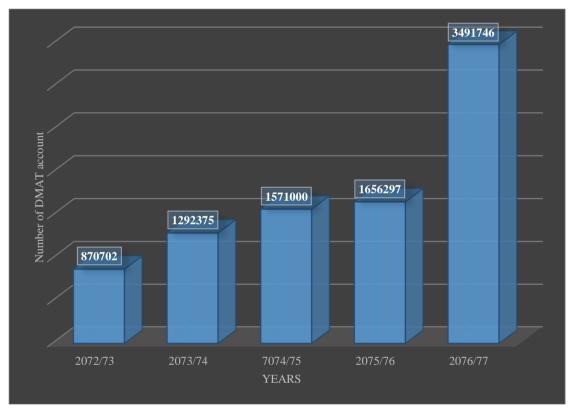
Years (B.S.)	Number of account
2072/73	870702
2073/74	1292375
7074/75	1571000
2075/76	1656297
2076/77	3491746[*]

Source: Annual report of SEBON (2075/76) and website of CDSC

Note:*only 10 month's data

The table number 4.3 displays the number of DMAT account holders. According to table number 4.3, there were less participation of people on IPO before COVID 19. Only few people has opened their DMAT account (870702) until 2072/73. After the later year, the number of DMAT account holders have been increased gradually until 2075/76 but during the COVID pandemic, it has been increased rapidly up to 3491746 in 2076/77.

Figure: 4.3

Benificiary owner DMAT account

Source: Annual report of SEBON (2075/76) and website of CDS and clearing house

iv. Overall market parameters of Nepal stock market

The table no 4.4 shows the Overall market parameters of Nepal stock market.

Table 4.4

Overall market parameters of Nepal stock market

Particulars	2074/75	2075/76	2076/77	During pandemic time
Primary Issue (RS in Million)	8300	7350	3990	*
Bond and Debenture(in number)	1	12	12	39**
Mutual Fund (in number)	4	6	2	23**
Registered Company (in number)	196	215	212	208**
Market capitalization (RS in Million)	143,513.77	156,750	153,642	3,620,828**
NEPSE index	1,212.36	1,259.02	1,362.70	2,735.40**
Transaction day (Days)	233	246	182	*
Beneficiary owner DMAT Account	1,292,375	1,571,000	1,656,297	3,491,746**
Licensed depository Participants	*	*	*	78**
Registered Clearing Member	*	*	*	50**
Credit Rating Agency	*	*	*	2**
Registered DPs in MEROSHARE	*	*	*	77**
Registered Bank in C-ASBA	*	*	*	65**

Source: Annual report of SEBON (2075/76), journal of SEBON (2077) and website of CDS and clearing house

Note: * Data has not found, ** Data only 10 months
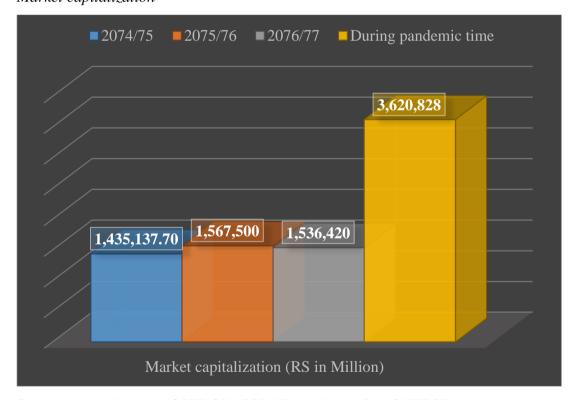
The table number 4.4 shows the parameter of stock market in the context of Nepal. According to the table, the condition of Nepalese stock market is on moderately improving stage because of all parameter of stock market are in satisfactory condition. The table no 4.4 shows that the number of bond and debenture and the number of mutual funds has increased up to 39 and 23 respectively comparatively than previous years. Similarly market capitalization value and NEPSE index has been increased and reached up to RS 3,620,828 million and 2,735.40 respectively. Likewise, the number of beneficiary owner DMAT account has been also increased during COVID pandemic, which has been reached up to 3,491,746. That is the rapidly increased number of DMAT account holder on history of Nepalese stock market.

v. Value of market capitalization

Following table show the value of market capitalization.

Figure: 4.4

Market capitalization

Source: Annual report of SEBON (2075/76) and website of NEPSE

4.1.2 Frequency Table for demographic variables

Frequency refers to the number of times an event or a value occurs. A frequency table is a table that lists items and shows the number of times the items occur. We represent the frequency by the English alphabet 'f'. We make the table by arranging collected

data values and their corresponding frequencies. The purpose of constructing this table is to show the number of times a value occurs. In this study researcher used percentage frequency table to explain the demographic variables.

A. Age of respondents

Table No 4.5

Age of respondents

Variables	Categories	Frequency	Percent
Age	20-30 years	135	79.9
	30-40 years	16	9.5
	40-50 years	5	3.0
	Below 20 years	13	7.7
	Total	169	100.0

Source: Field survey 2021

According to table No 4.5, out of the 169 respondents 7.7% respondents are of the age group below 20 years. Where 79.9% respondents are aged between 20-30 years. Similarly, out of the total respondents, 9.5% and 3.0% of the respondents are aged between 30-40 and 40-50 years respectively. In this research, shows that most of the investors' respondent lies in the age between 20-30 years are actively participate on IPO investment during pandemic period.

B. Gender of respondents

Table No 4.6

Gender of respondents

Variables	Categories	Frequency	Percent
Gender	Female	58	34.3
	Male	111	65.7
	Total	169	100.0

Source: Field survey 2021

Table No 4.6 shows that out of the 169 respondents, 34.3% respondents are female and remaining (65.7%) respondents are male respondents. In the research we analyzed that male investors are actively, participate on IPO investment rather than female investors during COVID lockdown.

province of respondents

Table No 4.7.

Province of respondents

Variables	Categories	Frequency	Percent
Province	Bagmati	23	13.6
	Gandaki	10	5.9
	Karnali	9	5.3
	Lumbini	17	10.1
	Province 1	13	7.7
	Province 2	10	5.9
	Sudurpashchim	87	51.5
	Total	169	100.0

Source: Field survey 2021

According to table No 4.7 out of the 169 respondents 7.7%, 5.9%, 13.6%, 5.9%, 10.1%, 5.3% and 51.5% respondents are belongs to Province 1, province 2, Bagmati, Gandaki, Lumbini, Karnali and Sudurpashchim Province respectively. In the research most of the respondents were belongs to Sudurpashchim province and least respondents were belongs to Karnali province.

C. Marital status of respondents

Table No 4.8

Marital status of respondents

Variables	Categories	Frequency	Percent
Marital status	Married	51	30.2
	Single	118	69.8
	Total	169	100.0

Source: Field survey 2021

Table No 4.8 shows the marital status of respondents. Among total number of 169 respondents, 30.2% investors have been involved on IPO who are Married and other 69.8% investors are single. According to above analysis it can be said that, there is higher involvement of single investors' rather than married.

D. Qualification of respondents

Table No. 4.9

Qualification of respondents

Variables	Categories	Frequency	Percent
Qualification	10+2	18	10.7
	Graduation	79	46.7
	Post-Graduation	67	39.6
	SEE or below	5	3.0
	Total	169	100.0

Source: Field survey 2021

Table No 4.9 shows the qualification of respondents. Above data tells that, there is active involvement of graduate investors during pandemic rather than other investors. Out of the total number of 169 respondents, 5% investors having SEE or below, 10.7% investors having 10+2, 46.7% investors having graduation, 39.6% investors having post-graduate qualification.

E. Profession of respondents

Table No 4.10

Profession of respondents

Variables	Categories	Frequency	Percent
Profession	Government job	18	10.7
	Others	1	.6
	Private job	36	21.3
	Self employed	14	8.3
	Student	100	59.2
	Total	169	100.0

Source: Field survey 2021

Table No 4.10 shows the profession of respondents. According to table it is clearly shows that higher involvement of student on IPO rather than other investors who involve in other sectors. Out of 169 respondents only 10.7%, investors are government jobholder. Likewise, 21.3% investors are private jobholders and 8.3% investors have

invested on IPO who are self-employment. But, there is the least participation of others profession investors on IPO who are only 0.6%.

F. Monthly income of respondents

Table No 4.11

Monthly income of respondents

Variables	Categories	Frequency	Percent
Monthly income	Less than Rs. 10000	87	51.5
	More than Rs 75000	8	4.7
	Rs 10000- Rs 25000	36	21.3
	Rs 25000- Rs 50000	32	18.9
	Rs 50000-Rs 75000	6	3.6
	Total	169	100.0

Source: Field survey 2021

Table No 4.11 shows the involvement of investors on IPO based on monthly income. Out of the 169 respondents, 51.05% investors have invest on IPO whose monthly income is less than RS 10000. Likewise, 21.3% investors have participate on IPO whose monthly income is between RS 10000- RS 25000. In the same way 18.9% ,4.7% and 3.6% investors have invest on IPO whose monthly income is between 25000-50000, more than 75000 and RS 50000- RS 75000 respectively.

G. Purpose of respondents

Table No 4.12

Purpose of respondents

Variables	Categories	Frequency	Percent
Purpose	For earning short-term profit	80	47.3
	For experience	35	20.7
	For holding investment	54	32.0
	Total	169	100.0

Source: Field survey 2021

Table No 4.12 shows the purpose of investors involving on IPO. Out of 169 respondents 47.3% investors involved in IPO for earning short-term profit. Likewise, 20.7% and 32% investors have involved on IPO for experience and for holding investment respectively. In this research most of the respondents involved on IPO with the purpose of earning short-term profit.

H. **Time horizon of investment of respondents**

Table No 4.13

Time horizon of investment of respondents

Variables	Categories	Frequency	Percent
Time horizon	1 - 3 years	49	29.0
	3 - 5 years	11	6.5
	Less than 1 year	87	51.5
	More than 5 years	22	13.0
	Total	169	100.0

Source: Field survey 2021

Table No 4.13 tells that the time horizon of investment on IPO. Out of 169 respondents 51.5%, people invest on IPO for less than one year. Similarly 29% investors involved on IPO for 1-3 years. In the same way 6.5% investors involved in IPO for 3-5 years but only 13% respondents hold investment on IPO for More than 5 years.

I. **Sectors of investment of respondents**

Table No 4.14

Sectors of investment of respondents

Variables	Categories	Frequency	Percent
Sectors	As public issue of IPO	49	29.0
	Bank	38	22.5
	Business	2	1.2
	Development bank	10	5.9
	Finance company	9	5.3
	Hotel	3	1.8
	hydropower	26	15.4
	Insurance	24	14.2
	Others	7	4.1
	production and refined	1	.6
	Total	169	100.0

Source: Field survey 2021

This table No 4.14 shows the sectors of IPO investment of investors. Among 169 respondents, most of the respondents select the sector as public issue of IPO. Out of the different sectors, only few investors select the production and refined sectors for investment and others 29%, 22.5%, 1.2%, 5.9%, 5.3% 1.8%, 15.4$, 4.1% and 0.6% investors select the different sectors like as public issue of IPO, bank, business development bank, finance company, hotel, hydropower, insurance, other and production and refined sectors respectively.

J. Investing amount of respondents

Table No 4.15

Investing amount of respondents

Variables	Categories	Frequency	Percent
Investing amount of IPO	Less than Rs. 10000	123	72.8
	More than Rs 75000	3	1.8
	Rs 10000- Rs 25000	30	17.8
	Rs 25000- Rs 50000	12	7.1
	Rs 50000-Rs 75000	1	.6
	Total	169	100.0

Source: Field survey 2021

According to table no 4.15 shows the investing amount of investors on IPO. Out of the 169 respondents 72.8% investors investing less than RS 10000 on IPO. Likewise 1.8%,17.8%, 7.1% and 0.6% people investing more than 75000, between RS 10000- RS 25000, between RS 25000- 50000 and RS 50000- RS75000 respectively.

K. Securities for investment of respondents

Table No 4.16

Securities for investment of respondents

Variables	Categories	Frequency	Percent
Investing securities	Other	3	1.8
	Debenture	3	1.8
	Ordinary Share	133	78.7
	Preference share	20	11.8
	T-bill	10	5.9
	Total	169	100.0

Source: Field survey 2021

Table no 4.16 show the investing securities of IPO investment. In this research out of 169 respondents, most of the investors choose ordinary share that is 78.7%. Similarly, 1.8%, 118%, 5.9 % and 1.8% respondents choose debenture, preference share, T-bill and others securities for IPO investment respectively.

4.1.3 Correlation analysis

Correlation is a statistical device designed to measure the degree of association between two or more variables. It is generally denoted by 'r'. Correlation coefficient is a measure of linear association or clustering around a line.

Types of correlation

1 Positive correlation

Positive correlation indicate that variables value are deviated in same direction. Like if one variables value tend to increase, the other variables value also tend to increase or if one variables value tend to decrease the other variables value also tend to decrease. The value of positive correlation coefficient lies between 0< to >1.

2   Negative correlation

Negative correlation indicate that variables value are deviated in opposite direction. Like if one variables value tend to increase, the other variables value tend to decrease or if one variables value tend to decrease the other variables value tend to increase. The value of negative correlation coefficient lies between -1< to >0.

3   Linear correlation

The correlation is said to be linear if the values of two variables are proportional to each other i.e. the values of two variables are in a constant ratio within the value of the variables.

4   Non-linear correlation

The correlation is said to be non-linear if the values of two variables are not proportional to each other i.e. the values of two variables are not in a constant ratio within the value of the variables.

5   Partial correlation

It is the degree of association between the dependent variable and only one particular independent variable amongst many independent variables, keeping the effect of other independent variables constant.

6   Multiple correlation

It is the degree of association between three or more variable at a time.

Level of correlation

For analyze the result of this study, researcher categorized the correlation coefficient in six level.

1. Perfect positive correlation	if r = 1,
2. Highly positive correlation	if r is closer to +1,
3. Lower positive or negative correlation	if r is closer to 0,
4. No correlation	if r = 0,
5. Perfect negative correlation	if r = -1,
6. Highly negative correlation	if r is closer to-1.

(Tamang, et al., 2018)

4.1.3.1 Bivariate Correlations with two variable

A. Mean and SD of News update and Investing on IPO

Table 4.17

Descriptive Statistics

Variables	Mean	Std. Deviation	N
News update	2.14	0.70	169
Investing on IPO	2.33	1.09	169

Source: Field survey 2021

Table No 4.17 shows that mean and standard deviation of news update, these are 2.14 and 0.70. Similarly, mean and standard value of investing on IPO are 2.33 and 1.09. It shows the average value of variables and variation on mean value of variables.

Table 4.18

Pearson correlation between News update and Investing on IPO

Variables		Investing on IPO
News update	Pearson Correlation	.303[**]
	Sig. (2-tailed)	.000
	N	169
Investing on IPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	169
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Field survey 2021

In this table 4.18 shows the correlation between news update and investing on IPO. Here Pearson correlation between news update and investing on IPO is 0.303 and significance level is 0.000. It indicate that correlation between news update and investing on IPO is lower positive and it is significant for this model. In addition, we have known that the correlation with self is always 1, so Pearson correlation of investing on IPO is 1.

B. Mean and SD of Online service and Investing on IPO

Table 4.19

Descriptive Statistics

Variables	Mean	Std. Deviation	N
Investing on IPO	2.33	1.09	169
Online service	2.40	.90	169

Source: Field survey 2021

Table no 4.19 shows that mean and standard deviation value of online service, these are 2.40 and 0.90. Similarly, mean and standard value of investing on IPO are 2.33 and 1.09. It shows the average value of variables and variation on mean value of variables.

Table 4.20

Pearson correlation between Online service and Investing on IPO

Variables		Investing on IPO
Investing on IPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	169
Online service	Pearson Correlation	.344[**]
	Sig. (2-tailed)	.000
	N	169
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Field survey 2021

In this table 4.20 shows the correlation between online service and investing on IPO. Here Pearson correlation between online service and investing on IPO is 0.344 and significance level is 0.00. It indicates that correlation between online service and investing on IPO is lower positive and it is significant for this model.

C. Mean and SD of Bank interest rate and Investing on IPO

Table 4.21

Descriptive Statistics

Variables	Mean	Std. Deviation	N
Investing on IPO	2.33	1.09	169
Bank interest rate	2.33	0.80	169

Source: Field survey 2021

Table no 4.21 shows that mean and standard deviation value of bank interest rate, these are 2.3381 and 0.80. Similarly, mean and standard value of investing on IPO are 2.33 and 1.09. It shows the average value of variables and variation on mean value of variables.

Table 4.22

Pearson correlation between Bank interest rate and Investing on IPO

Variables		Investing on IPO
Investing on IPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	169
Bank interest rate	Pearson Correlation	.345[**]
	Sig. (2-tailed)	.000
	N	169
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Field survey 2021

In table, No 4.22 shows the correlation between bank interest rate and investing on IPO. Here Pearson correlation between bank interest rate and investing on IPO is 0.345 and significance level is 0.00. It indicate that correlation between online service and investing on IPO is lower positive and it is significant for this model.

D. Mean and SD of Liquidity position and Investing on IPO

Table 4.23

Descriptive Statistics

Variables	Mean	Std. Deviation	N
Investing on IPO	2.33	1.09	169
Liquidity position	2.16	0.87	169

Source: Field survey 2021

Table No 4.23 shows that mean and standard deviation value of liquidity position, these are 2.16 and 0.87. Similarly, mean and standard value of investing on IPO are 2.33 and 1.09. It shows the average value of variables and variation on mean value of variables.

Table 4.24

Pearson correlation between Liquidity position and Investing on IPO

Variables		Investing on IPO
Investing on IPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	169
Liquidity position	Pearson Correlation	.402[**]
	Sig. (2-tailed)	.000
	N	169
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Field survey 2021

In this table 4.24 shows the correlation between liquidity position and investing on IPO. Here Pearson correlation between liquidity position and investing on IPO is 0.402 and significance level is 0.000. It indicate that correlation between liquidity position and investing on IPO is lower positive and it is significant for this model.

E. Mean and SD of Updated policy and Investing on IPO

Table 4.25

Descriptive Statistics

Variables	Mean	Std. Deviation	N
Investing on IPO	2.33	1.09	169
Updated policy	2.13	0.84	169

Source: Field survey 2021

Table no 4.25 shows that mean and standard deviation value of updated policy, these are 2.13 and 0.84. Similarly, mean and standard value of investing on IPO are 2.33 and 1.09. It shows the average value of variables and variation on mean value of variables.

Table 4.26

Pearson correlation between Updated policy and Investing on IPO

Variables		Investing on IPO
Investing on IPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	169
Updated policy	Pearson Correlation	.435[**]
	Sig. (2-tailed)	.000
	N	169
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Field survey 2021

This table 4.26 shows the correlation between updated policy and investing on IPO. Here Pearson correlation between updated policy and investing on IPO is 0.435and significance level is 0.000. It indicate that correlation between liquidity position and investing on IPO is lower positive and it is significant for this model.

4.1.3.2 Multivariate Correlations

Mean and SD of News update, Online service, Bank interest rate, Liquidity position, Updated policy and Investing on IPO.

Table 4.27

Descriptive Statistics

Variables	Mean	Std. Deviation	N
Investing on IPO	2.33	1.09	169
News update	2.14	0.70	169
Online service	2.40	0.90	169
Bank interest rate	2.33	0.80	169
Liquidity position	2.16	0.87	169
Updated policy	2.13	0.84	169

Source: Field survey 2021

Table 4.28

Pearson correlation among News update, Online service, Bank interest rate, Liquidity position, Updated policy and Investing on IPO

Variables		Investing on IPO
Investing on IPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	169
News update	Pearson Correlation	.303**
	Sig. (2-tailed)	.000
	N	169
Online service	Pearson Correlation	.344**
	Sig. (2-tailed)	.000
	N	169
Bank interest rate	Pearson Correlation	.345**
	Sig. (2-tailed)	.000
	N	169
Liquidity position	Pearson Correlation	.402**
	Sig. (2-tailed)	.000
	N	169
Updated policy	Pearson Correlation	.435**
	Sig. (2-tailed)	.000
	N	169
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Field survey 2021

4.1.4 Regression analysis

Generally, regression analysis is used to predicting one variable using another variable. Regression analysis is a statistical device, which establish the cause an effect relationship between variables. In regression analysis, R square is use to determine goodness of fit. Normally two types regression model are used to analyze the finding. These are:

1 Simple linear regression model

Simple linear regression model is the model in which we studied the linear relationship between only two variable of which one is dependent variable and another is independent variable.

Simple linear regression equation expressed by

$$Y = \alpha + \beta X + \varepsilon i$$

Where

$Y =$ Dependent variable

$\alpha =$ Alpha, Intercept, or constant value

$\beta =$ Beta or Slope

$X =$ Independent variable

$\varepsilon i =$ Error term or Residual value

2 Multiple linear regression model

Multiple linear regression model is the model in which we studied the linear relationship between many variable at time, in which one is dependent variable and remaining are multi independent variables.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + ... + \beta_n X_n + \varepsilon i$$

Where

$Y =$ Dependent variable

$\alpha =$ Alpha, Intercept, or constant value

$\beta_1, \beta_2, \beta_3... =$ Regression coefficients of variable 1, 2 and so on

$X_1, X_2, X_3.... =$ Independent variable 1, 2 and so on

$\varepsilon i =$ Error term or Residual value

In this research, researcher used multiple linear regression model to achieved the target of the study.

A. Variables table

Table 4.29

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Updated policy, News update, Bank interest rate, Online service Liquidity position[b]	.	Enter
a. Dependent Variable: Investing on IPO			
b. All requested variables entered.			

Source: Field survey 2021

For the study of this research, there are one dependent variables and five independent variables. These are Investing on IPO is dependent variable and Updated policy, News update, Bank interest rate, Online service, Liquidity position are independent variables. For the regression analysis, enter methods is used.

B. Model summary

Table 4.30

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.530[a]	.281	.259	.94441
a. Predictors: (Constant), Updated policy, News update Bank interest rate, Online service, Liquidity position				

Source: Field survey 2021

Table number 4.30 shows the model summary. In model summary shows the value of R- square. It also known as **coefficient of determination**, which help to explain the responsibility of independent variables to dependent variable for fit on the model. In this table the value of R^2 is 0.281 which indicates the model explains 28.1% of independent variables are responsible for investment decision in IPO. However, the

remaining 71.9 % is still unexplained in this research. Model summary also indicates the standard error of the estimate of 0.94441which shows the variability of the observed value of investment decision from regression line is 0.94441 units.

C. ANOVA Table

Table 4.31

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.729	5	11.346	12.721	.000^b
	Residual	145.381	163	.892		
	Total	202.110	168			
a. Dependent Variable: Investing on IPO						
b. Predictors: (Constant), Updated policy, News update, Bank interest rate, Online service, Liquidity position						

Source: Field survey 2021

The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Updated policy, News update, Bank interest rate, Online service, Liquidity position) are significant in explaining the variance in investment decision in IPO. Similarly, F value indicate that fitness of model that is 12.721.

D. Beta coefficient

Table 4.32

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.200	.296		.675	.500
	News update	.192	.117	.123	1.633	.104
	Online service	.171	.100	.142	1.707	.090
	Bank interest rate	.067	.118	.049	.566	.572
	Liquidity position	.157	.113	.125	1.392	.166
	Updated policy	.381	.102	.293	3.747	.000
a. Dependent Variable: Investing on IPO						

Source: Field survey 2021

Based on table No 4.32, the following model has been developed.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon i$$

Now multiple regression model for this study is:-

$$Y = \mathbf{0.200 + 0.192}\, X_1 + \mathbf{0.171}\, X_2 + \mathbf{0.067}\, X_3 + \mathbf{.157}\, X_4 + \mathbf{0.381}\, X_5 + \varepsilon i$$

Where

$Y =$ Investing on IPO (Dependent variable)

$\alpha =$ Alpha, Intercept, or constant value

$\beta_1, \beta_2, ..\beta_5 =$ Regression coefficients of variable 1 to 5

$X_1 =$ News update

$X_2 =$ Online service

$X_3 =$ Bank interest rate

X_4 = Liquidity position

X_5 = Updated policy

εi = Error term or Residual value

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in table 4.32, shows that updated policy ($\beta5=0.381$, p=0.000) carries the heaviest weight for investing on IPO, followed by News update ($\beta1=0.192$, p=0.104), Online service ($\beta2=0.$ 171, p=0. 090), Bank interest rate ($\beta3=0.$ 067, p=0. 572), Liquidity position ($\beta5=0.$ 157, p=0.166). The results showed that a one-unit increase in updated policy would lead to a 0.381 unit increase in investing on IPO keeping other variables constant. Similarly, one unit increase in news update factor would lead to a 0.192 unit increase in investing on IPO, one unit increase in online service factor lead to a 0.171unit increase in investing on IPO and so on. In conclusion, Updated policy, News update, Bank interest rate, Online service, Liquidity position dimensions are significant. Thus, the result of multiple regression analysis that there is positive relationship between independent variables and dependent variable in investing on IPO.

4.2 Findings

From the data presentation and analysis, the researcher has come up with the different findings, which further aided for drawing conclusion of the research. This section points out the key findings of the current research, which are listed as below:

    i.   During COVID pandemic, the NEPSE index has increased rapidly from 1362.35 to 2735.40 until 15 April 2021.

    ii.   During previous year, the number of DMAT account holders have been increased gradually until 2075/76 but during the COVID pandemic, it has been increased rapidly up to 3491746 in 2076/77.

    iii.   The result show that the number of bond and debenture and the number of mutual funds has increased up to 39 and 23 respectively comparatively than previous years.

    iv.   Market capitalization value and NEPSE index has been increased and reached up to RS 3,620,828 million and 2,735.40 respectively.

v.   The result shows that number of beneficiary owner DMAT account has been also increased during COVID pandemic, which has been reached up to 3,491,746.

vi.   In this research, the data shows that most of the investors' respondents are in aged between 20-30 years who actively participate on IPO investment during pandemic period, which is 79.9% of total number of respondents.

vii.   The data shows that out of the 169 respondents, 34.3% respondents are female and remaining (65.7%) respondents are male respondents.

viii.   In the research most of the respondents are belongs to Sudurpashchim province (51.5%) and least respondents are belongs to Karnali province (5.3%).

ix.   According to the data, there is higher involvement of single investor (69.8%) rather than married.

x.   The data tells that, there have been active involvement of graduate investors during pandemic rather than other investors, which is 46.7% of total respondents.

xi.   According to data, it shows that involvement of student on IPO is higher than other that is 59.2 % of 169.

xii.   Among 169 respondents 51.05% investors have invest on IPO whose monthly income is less than RS 10000.

xiii.   According to data, most of the investors involved in IPO for earning short-term profit which is 47.3% of total respondents.

xiv.   Among 169 respondents 29% of the respondents has invest as public issue of IPO.

xv.   Out of the 169 respondents 72.8% investors investing less than RS 10000 on IPO.

xvi.   After analyze the data the Pearson correlation between news update and investing on IPO is 0.303 and significance level is 0.000. It indicate that correlation between news update and investing on IPO is positive and it is significant for this model.

xvii.   The Pearson correlation between online service and investing on IPO is 0.344 and significance level is 0.00. It indicate that correlation between online service and investing on IPO is positive and it is significant for this model.

xviii. According to the result, the Pearson correlation between bank interest rate and investing on IPO is 0.345 and significance level is 0.00. It indicate that correlation between online service and investing on IPO is positive and it is significant for this model.

xix. Here Pearson correlation between liquidity position and investing on IPO is 0.402 and significance level is 0.000. It indicate that correlation between liquidity position and investing on IPO is positive and it is significant for this model.

xx. The Pearson correlation between updated policy and investing on IPO is 0.435and significance level is 0.000. It indicate that correlation between liquidity position and investing on IPO is lower positive and it is significant for this model.

xxi. According to model summary, the R^2 value is 0.281, which indicates that the model explains that 28.1% of independent variables are responsible for investment decision in IPO. However, the remaining 71.9 % is still unexplained in this research. Model summary also indicates the standard error of the estimate of 0.94441which shows the variability of the observed value of investment decision from regression line is 0.94441 units.

xxii. The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables.

4.3 Discussion

The main theme of this study is the investors' perception towards IPO investment during COVID pandemic. The main objective of this study is to identify, analyze and examine the influencing factors, which influence to investors for investing on IPO.

After analyzing the current scenario of stock market during pandemic, researcher has, construct a model, which is very new framework to investigate the issue related with IPO investment in COVID scenario in the context of Nepal. Basically this model has construct based on one (investing on IPO) dependent variable and five (News update, Online service, Bank interest rate, Liquidity position in the market and Updated policy of SEBON) independent variables. Due to identical research framework, it is difficult to compare it's finding with previous research work.

However after analyze the data; it can be evaluate that the condition of stock market has in bullish trend. The participation of Nepalese investors on IPO during COVID pandemic has increased rapidly than expectation. Most of the student has involve on IPO investment. To earn short term profit people involve in IPO.

According to Pearson correlation analysis, the News update, online service, bank interest rate, Liquidity position and Updated policy of SEBON are significantly positive correlated with IPO investment by 30.3%, 34.4%, 34.5%, 40.2% and 43.5% respectively. Among of them updated policy of SEBON is highly positive correlated with investing on IPO than other variables.

According to regression analysis, beta coefficient of News update, online service, bank interest rate, Liquidity position and Updated policy of SEBON has 0.192, 0.171, 0.067, 0.157, and 0.381 respectively, which indicate that one units increase in independent variables would lead to a respective units increase in investing on IPO keeping other variables constant.

CHAPTER 5:
SUMMARY AND CONCLUSIONS

5.1 Summary

In pandemic time, most of the investors involve in IPO investment, rather than previous year. During COVID 19 lockdown, most of the Nepalese people open the DMET account for applying IPO. Therefore, this research was conduct to identify, examine and evaluate the reason of involving on IPO investment. As well as in this study it also studied the changing perception of investors and stock market condition during pandemic time.

Thus, the fulfillment of these raising issue or question researcher, define or create the objective of the study. These are:

To assess the changing perception of investors during COVID 19 regarding to IPO,

To identify the influencing factors of investing on IPO during COVID 19,

To analyze the stock market condition during COVID 19,

To achieve the predefined objective of research, researcher conducted descriptive research design. Especially primary data were used for this study. As well as secondary data were also used for supporting the dissertation. For fulfill the objective of the research, researcher used online questionnaire technique to collect the relevant data from respondent for this study. The target population for this study were all the Nepalese investors who invested in Initial Public Offering (IPO) in Nepal and for selecting the sample size, researcher used convenience-sampling method based on thumb rule.

In this study researcher used statistical tools to analyze the data and finding the conclusion.

These are frequency table, arithmetic mean, standard deviation, correlation analysis and regression analysis.

After the analyze the data, research found that influencing factors of IPO investment positively correlated with independent variables and regression model is best fit for this study. As well as according to analysis the stock market condition has in bullish trend.

5.2 Conclusion

During the COVID 19, most of the people involved on IPO investment rather than previous years. The research shows that the number of investors increase in rapid pace even during pandemic period because of nationwide lockdown. In this time there is no other option to invest their saving money except IPO. All the investing sectors are completely closed and peoples are remained inside their own house. Due to this, it is found that the behaviors of investors' is positive toward IPO investment in Nepal.

As per the study, there are various factors, which influence investors a lot for investing on IPO. Due to the significant influencing role of different factors, (News update, Online service, Bank interest rate, liquidity level of money, Updated policy of SEBON) the number of IPO investment increased rapidly during COVID 19. Among the various factors updated policy of SEBON has played the wonderful role of increasing the involvement of large number of investor on IPO.

On the basis of research it is found that during the COVID 19 the condition of stock market is comparatively better than normal years. In pandemic time, large number of people have opened DMAT account for investing their saving money on IPO investment, which is comparatively higher than previous year. Stock market moving much toward right direction even during COVID 19.

5.3 Implications

Implications is the final output of the research work. Which helps to provide positive information to stakeholder, make the roadmap for further study, improve and make the policy, taking right the decision. Therefore, it is the also essential part of the study.

In this research, various analysis tools were used to examine or assess the data. The research is Clearly indicate that there is still need of improvement in primary market in terms of awareness level of stakeholders, policy of SEBON, online service of NEPSE. On the basis analysis and finding of the study, following suggestion and recommendation can be provide to overcome the weakness and improving the strengthening point of IPO or stock market.

5.3.1 General implication and specific action plan

The news regarding stock market are not fully trustable. Due to insufficient market information, it can create the problem related with adverse selection and moral hazard in stock market. So overcome such type of problem SEBONs should make the effective mechanism or it seems to be need of form effective tools to prevent from such types of problems.

The policy of SEBON has not still in the favors of individual investors. Most of the policy or provision of SEBON has been made for addressing interest of institutional investors rather than one. Therefore, the SEBON should bring the policy, which can address the interest of individual investors as well.

Online service of SEBON or NEPSE is essential for all stakeholder, to conduct the stock market efficiently. But online infrastructure has not developed in national wide. Due to this reason, investors those stay on underdeveloped area could not take the benefit from online service. Therefore, NEPSE should make the environment to easy access the online service with the help or co-ordination of other government bodies.
The service of NEPSE limited only in the urban area. However, it could not be reached in the village area. Due to which the people of remote areas could not get the much benefit of the investing money in IPO. Hence, the service of NEPSE should be accessible to all territory.

5.3.2 Implication for future studies

This research is conducted based on only five influencing factors of IPO investment; these are news update, bank interest rate, liquidity position of market, online service and updated policy of SEBON, which is not enough area to conclude the results. Therefore, in upcoming days another researcher can conduct the research taking remaining influencing variables like leisure time in lockdown, monitory policy, inflation, closing all business sectors and cyclical nature of stock market.

This is the purely academic based research, conducted to partial fulfillment of the requirement for degree of MBS. Due to lack of time and other constraint resource, researcher selected small size of sample. Due to small size of sample, error can occur on the study. For the professional research purpose, in order to reduce the error and to make the result more pervasive sample size should be increased.

Due to COVID pandemic, it create the difficulty situation to collect the data through physical distribution of questionnaire from real market. Therefore, researcher used online medium to collect the data from respondent, which is not sufficient area to collect the relevant data. Therefore, to collect the near reliable information data should be collect from real market.

This research is conducted based on only the perception of respondent. Still relevant data are not published by SEBON or NEPSE. Therefore, future research should be conducting based on published data to analyze, examine and assess the cause and effect of the COVID in IPO market.

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me

Annex

Questionnaire for academic research, investors' perception towards IPO investment in Nepal: A COVID prospective

Dear Sir/ Mam,

I am Kamala Bhatt, student of MBS (Master of Business Studies) with finance specialization from Central Department of Management, Tribhuvan University. As a part of my academic research, I am conducting this research on "NEPALESE INVESTORS' PERCEPTION TOWARDS IPO INVESTMENT IN NEPAL: A COVID PERSPECTIVE". I am very pleased to have you as a respondent and really appreciate your contribution to this academic research. Your inputs will provide the most valuable information in disseminating finding for my research project. I assure you that all your information will be kept secretly confidential and used for academic research purposes only.

Sincerely yours,

Kamala Bhatt

Please fill up the following questionnaire by using (√) in your response.

Coding of Demographic variables

Age Value Level		Gender		Province		Marital Status	
Below 20 years	1	Female	1	Province 1	1	Single	1
20 - 30 years	2	Male	2	Province 2	2	Married	2
30 - 40 years	3			Bagmati	3		
40 – 50 years	4			Gandaki	4		
50 Years above	5			Lumbini	5		
				Karnali	6		
				Sudurpashchim	7		

Qualification		Profession		Monthly income		Purpose	
Post-graduation	1	Student	1	Less than RS 10000	1	For experience	1
Gradation	2	Private Job	2	RS10000 - RS25000	2	For earning short	
10 + 2	3	Government		RS25000 - RS50000	3	term profit	2
SEE or below	4	job	3	RS50000 - RS75000	4	For holding	
		Self-employed	4	More than RS 75000	5	investment	3
		Other	5				

Sector	Time horizon	Investment	Securities
Bank 1	Less than 1 years 1	Less than RS 10000 1	Ordinary share 1
Development 2	1-3 years 2	RS10000 - RS25000 2	Preference Share 2
Finance company 3	3-5 years 3	RS25000 - RS50000 3	Debenture 3
Insurance 4	More than 5 years4	RS50000 - RS75000 4	T-bills 4
Hydropower 5		More than RS 75000 5	Others 5
Production and refined 6			
Hotel 7			
Business 8			
Others 9			
As public issue of IPO 10			
Likert scale			
Strongly agree 1			
Agree 2			
Neutral 3			
Disagree 4			
Strongly Disagree 5			

Please read each statement carefully then indicate your reaction to each of the following statements by ticking (√) in an appropriate choice for the statements, which represents your level of agreement or disagreement with it. Here, notify that Strongly Agree 1, Agree 2, Neutral 3, Disagree 4, Strongly Disagree 5

Variables	Questions	1	2	3	4	5
1.News update	1. I get the information of stock market through my friends.					
	2. I get the information of stock market through my broker firm.					
	3. I use the MEROSHARE, MEROLAGANI APPs to get the information related with stock market.					
	4. Social media information related with stock market are helpful.					
	5. I use social media news or information to take decision of trading securities.					
	6. I follow specialist or Official website of listed companies, SEBON and NEPSE.					
	7. NEPSE lunched the different APPS to provide the information to the investors.					
	8. I am aware of the news the news regarding IPO issue of different company in the market.					
2.Online service	1. During COVID lockdown, SEBON start to provide all service through online or SEBON improved in online service.					

	2. I can open my DMAT account myself using my smartphone or computer by staying at home.					
	3. I can apply for IPO myself through MEROSHARE APP.					
	4. I can take all related information about share market using my smartphone or computer.					
	5. I can buy or sell securities in the market using smartphone or computer staying at home					
3.Bank interest rate	1. Bank interest rate on deposit is lower than previous years.					
	2. Stock market return is higher than bank interest rate of deposit.					
	3. Lower interest rate of deposit is the cause of shift money into stock market.					
	4. Bank interest rate on loan is relatively lower than previous year.					
	5. I take the loan from bank for invest in stock market.					
	6. I can repay interest of bank loan by using same amount of loan to investing in stock market.					
	7. Lower interest rate of loan is the causes of shift money into stock market.					
4.Liquidity position in the market	1. Liquidity level of money in market is higher than same duration of time of previous years.					

	2. Provision of NRB related with keeping certain amount of deposit in NRB vault is the causes of the increasing level of liquidity.					
	3. Higher-level liquidity provide the opportunity to invest in stock market.					
	4. COVID pandemic is the reason of increasing liquidity level in the market.					
5.Policy of SEBON	1. Policy related to T+ 2 is helpful to quick settlement of transaction.					
	2. Updated policy of SEBON are favorable for stock market.					
	3. Broker commission is decrease during COVID period.					
	4. I increased my investing volume due to lower broker commission.					
6.Investing in IPO	1. I am curious about investing in IPO.					
	2. I am regular investors of IPO (Securities market).					
	3. I recommend to my friends/peers to invest in IPO.					
	4. I am optimistic in future towards IPO investment.					