

**A STUDY ON MARKET FEASIBILITY FOR AN
ESTABLISHMENT OF STOCK EXCHANGE IN
BATTICALOA DISTRICT**



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ABSTRACT

As we close the first decade and going into the 2010s of the 21st century. The new world order is positively shaped by globalization. Adapting the customer's viewpoints is the essence of success in today's business world, because of the continuous and rapid change environment and dramatic innovation are impact on the information technology.

The Capital Market is the market for trading in assets for maturities of greater than one year, such as Treasury bonds, private debt securities (bonds and debentures) and equities (shares). The main purpose of the Capital Market is to facilitate the raising of long-term funds. The Colombo stock exchange is the main stock exchange in Sri Lanka, which was commenced in 1896. According to the Bloomberg news services; in 2009 the Colombo stock exchange was the second best performing stock market in world. The Colombo stock exchange branches are already operated in several areas such as Matara, Kandy, Kurunakela, Negambo and Jaffna but still now, did not located in the Eastern province. If the stock exchange will be established in Batticaloa district, it is great investment opportunity to the public and lead to economic development.

The main objective of this research is to study the market feasibility for an establishment of stock exchange in Batticaloa district, for these research purpose five variables has to be used such as psychological environment, information and technological, social culture, legal and economical environment. This study was considering relating to 200 samples elected 10 D.S divisions in Batticaloa district. Here the proportionate stratified random sampling method was used to select sample size. Out of the 200 sample 180 people have responded. Collected data were analyzed and presented by univariate analysis (mean and standard deviation) using SPSS -11 version computer packages.

The results were found according to the study it reveals that the psychological environment, information and technological, social culture, legal environment are moderate level supportive while economical environment is high conducive for an establishment of stock exchange. Finally study concludes that the market feasibility has identified moderate level of feasible for an establishment of stock exchange in Batticaloa district.

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