

# AWARENESS OF CAPITAL MARKET IN POLONNARUWA DISTRICT

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## ABSTRACT

The purpose of the study is to examine the level to which investor awareness, and perceived risk attitudes affected stock market investor behavior on the Colombo Stock Exchange (CSE). The study is initiated because although the Colombo Stock Exchange opened in 1896, only 292 companies are currently listed with relatively a growing number of investors whose trading patterns are uncertain and not clear yet the securities market has potential to grow bigger than it currently. Data were collected using questionnaire within the 86 investors was selected from CSE. Data were analyzed by using correlation and regression analysis. The research instrument was a self administered questionnaire which sought responses on investor awareness, perceived risk attitudes and stock market investor behavior on the CSE.

Investor awareness was found to significantly predict 23.7% percent of the variance in stock market investor behavior on the CSE and perceived risk attitudes was found to significantly predict 94% percent of the variance in stock market investor behavior.

The results on the relationship indicated that the investor awareness and perceived risk attitudes are negatively related to stock market investor behavior. In light of the findings, various recommendations are suggested on how best investors can make use of available information to make objective investment decisions on the CSE. This will help in encouraging potential investors in investing on the securities market.

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