

PERCEPTION AND AWARENESS OF AN ETHICAL INVESTOR'S ABOUT THE SHARIAH INVESTMENT IN INDIA

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***Abstract:** The present study examined the awareness about Shariah investment in India during the study period. The researcher prepared a questionnaire and surveyed the respondents through an online survey. The study purposely selected ethical investors in the Ethical wealth city group in Chennai. The researcher sent the questionnaire to 250 respondents and receives only 159 respondents during the study period. The study uses Cronbach's Alpha test and examined the internal consistency of the variables and find that there is a reliability and an internal consistency in the variables. The study also employs the Chi-Square test, Kolmogorov-Smirnov Test, simple regression and multiple regression to test the hypotheses. The study found that an 80 percent of the respondents have gained awareness about Shariah investment. The results of the Kruskal-Wallis Test indicates that there is a significant difference between personal profile groups and awareness variables such as awareness factors, motivational factors, risk & return perception and trading perception of the respondents about Shariah investment in India. The study also found that there is a significant difference between awareness factors and other factors such as motivational factors and trading perception. Finally, the study reveals that there is impact of awareness, motivation and risk & return perception on the trading perception of respondents of Shariah Investment. The overall study concludes that the awareness of respondents has been increasing and ethical investors are participating in the stock market activity keenly.*

***Key Words:** Shariah Investment, Behavioral Finance, Islamic Finance*

***JEL:** G02, G10, G20*

1. INTRODUCTION

Shariah Compliant Shariah stocks are one of the recently emerging financial instruments widely traded in the capital market at global level. It has been introduced in the Indian capital market only in 2006. It is the time to assess whether the new instruments has growing popularity among the investor community. The present study

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analyses the investors' awareness and the perception about Shariah investment in India. The researcher prepared questionnaire to examine awareness about Shariah Compliant investment on different aspects such as the factors creating awareness, impact of awareness on Shariah investment, the risk and return perception and trading perception of the respondents towards Shariah Compliant shares in the Indian capital market. The study has checked whether the respondents have enough knowledge about Shariah principles, Shariah Investment principles and Shariah Compliant shares in India. The researcher further asked the respondents to what extent media, Shariah scholar and others are creating awareness about the Shariah investment in India.

Since Shariah investment is a new concept in the stock market, the researcher has made an attempt to ascertain to what extent the investors are motivated to participate in the Shariah capital market. National Stock Exchange (NSE) and Bombay Stock exchange (BSE) has introduced Shariah indices such as a Nifty Shariah index, S&P Shariah Index and BSE Tasis Shariah Index in the Indian stock market in the year 2006 and 2010 respectively. The Shariah stock broking firms like Ethical Wealthcity (Chennai), Idafa Investment Pvt. Ltd (Mumbai), Taqwaa Advisory and Shariah Investment Solutions (P) Ltd. (TASIS), Parsoli Corporation (Mumbai) and etc., have identified the Shariah compliant stocks and work in promoting this form of ethical investment in Indian share market. Then, the study further examines the risk & return perception and trading perception of the respondents about Shariah Compliant shares and indices during the study period. In a nutshell, this study helps to derive the outreaching ability of this ethical investment medium and how it can be promoted further.

The rest of the paper is prepared as follows. Section 2 reviews the various literatures on Shariah investment and Shariah stock analysis. Section 3 and 4 explain the objectives and hypotheses of the study. Section 5 highlights data and the empirical methodology for analysis the perception of Shariah investors about the Shariah investment in India. Section 6 discusses the empirical results. Section 7 summarizes and concludes the paper.

2. REVIEW OF LITERATURE

The study reviews the available research works on Shariah investment from a different perception in order to justify the objective of the paper. The research work in the field of perception of investors about Shariah compliant shares and indices is very limited. However, the studies such as Abdullah and Bacha (2001), Ahamad and Ibrahim (2002), Hussein (2004), Hussein (2005), Hussein and Omran (2005), Girard and Hassan (2006), Albaity and Ahamad (2008), Sadegi (2008), Dharani and Natarajan (2011a, 2011b), Natarajan and Dharani (2012), Jawadi *et al.* (2014), Canepa and Ibnrubbian (2014), Al-Khazali *et al.*, (2014) were examined the performance of the Shariah index and common index in global and Indian markets.. Hakim and Rashidian (2004), Albaity and Ahamad (2008), Biek and Wardhana (2011), Ahmad (2005), Dania and Malhotra (2013), Mansour

(2014), Hammoudeh *et al.*, (2014) were investigated the relationship between Islamic index and common index. Yusof and Majid (2007) and Dharani and Vijayakumar were studied the volatility estimation of the Islamic index and common index. Sadegi (2008) has investigated the impact of the Islamic principles on the underlying stocks. The studies reviewed were carried out in developed countries like USA, UK, Malaysia, gulf countries and developing countries.

Research in this area was seldom taken place in developing country like India. However, Dharani and Natarajan (2011a, 2011b) carried out comparison between of the seasonal anomalies and performance of the Shariah index and common index in India. Natarajan and Dharani (2012) examined risk and return of the Shariah compliant stocks in India. Dharani and Vijayakumar (2013) investigated the impact of Ramadan effect on the return and volatility of the Shariah index in India. The present study examines analysis the perception of Shariah investors about the Shariah investment in India. Most of the studies in the Shariah investment have been based on secondary data. The present study uses primary data and tries to analyze the perception of Shariah investors in India.

3. OBJECTIVES OF THE STUDY

The specific objectives of this study are

1. To find out the awareness and perception about Shariah investment in the Indian Capital market.
2. To investigate the effect of awareness, motivational factors and risk & return on the trading perception of the investors towards Shariah Compliant shares in Indian capital market.

4. HYPOTHESES OF THE STUDY

The following null hypotheses were formulated and tested to substantiate the above objectives.

- 1H₀ = There is no awareness of the investors towards Shariah Compliant investment in Indian capital market.
- 2H₀ = There is no significant difference between awareness and unawareness investors about Shariah investment, Shariah principles, Shariah Compliant shares and index in Indian capital market.
- 3H₀ = There is no impact of awareness on motivational factors, risk & return perception and trading perception about Shariah compliant Investment in Indian share market.
- 4H₀ = There is no impact of awareness, motivational factors, risk & return perception on trading perception towards Shariah Compliant shares in Indian capital market.

5. DATA AND METHODOLOGY

Survey method has been used to elicit the views of Shariah stock investors. The primary data were collected by mailing questionnaires to ethical investors residing at Chennai. As on 31st March 2012, there are 927 people are joined in the ethical wealth city group which is Shariah based broking firm in Chennai. The researcher has sent the questionnaires to 250 ethical investors through online surveys and received 159 respondents. The close ended questionnaire was prepared with one or two open ended questions to examine the awareness about Shariah investment. The study has adopted a judgment sampling technique and elicited the views of 159 ethical respondents as sample size for this study. Having collected data, the researcher has edited and consolidated the response. Initially, Cronbach's Alpha test was done to test the validity and consistency of the questionnaire.

Cronbach's Alpha test (1951)

The respondent's answers are entered in SPSS and tested the internal consistency and Reliability of the questionnaires by using Cronbach's Alpha test (1951)¹. The formula for standardized Cronbach's Alpha is as follow.

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Here, N is an equal to the number of items, c-bar is the average inter-item covariance among the items and v-bar equals the average variance. The researcher can see from this formula that if we increase the number of items, we increase Cronbach's alpha. Additionally, if the average inter-item correlation is low, the alpha will be low. As the average inter-item correlation increases, Cronbach's alpha increase as well. A commonly accepted rule of thumb for describing internal consistency using Cronbach's alpha is as follows:

<i>Cronbach's alpha</i>	<i>Internal consistency</i>
$\alpha \geq .9$	Excellent
$.9 > \alpha \geq .8$	Good
$.8 > \alpha \geq .7$	Acceptable
$.7 > \alpha \geq .6$	Questionable
$.6 > \alpha \geq .5$	Poor
$.5 > \alpha$	Unacceptable

Source: http://en.wikipedia.org/wiki/Cronbach%27s_alpha

First, the study examines the internal consistency of the questionnaires by using Cronbach's Alpha test. Table 1 discloses the result of the Cronbach Alpha test.

Table 1
Reliability Statistics

<i>Cronbach's Alpha</i>	<i>N of Items</i>
0.845	29

The alpha coefficient for the 29 items is 0.845, suggesting that the items have relatively high internal consistency.

Tools for Analysis

The compiled and tested data were analyzed further to deduce the awareness level of respondents, aspiration between awareness factors and personal data of the respondents by using the Chi - square test. Factors influencing investors' perception were also studied with the help of regression.

6. EMPIRICAL RESULTS AND DISCUSSION

Opinion about the awareness of this new equity instrument, the principles underlying on it, and the indices of Shariah stocks are elicited from the Shariah stock investors. Investor's awareness about Shariah investment, principles and Shariah Compliant shares and indices are presented in the table 2.

Table 2
Awareness about Shariah Compliant Investment

S.No	Parameters	Aware		Unaware		Total	
		Yes	%	No	%	Total	%
1.	Shariah Investment	141	88.7	18	11.3	159	100.0
2.	Shariah Principles	147	92.5	12	7.5	159	100.0
2.1.	Primary Business	159	100.0	0	0	159	100.0
2.2.	Debt to MVE	123	77.4	36	22.6	159	100.0
2.3.	Account Receivable to MVE	111	69.8	48	30.2	159	100.0
2.4.	Cash to MVE	111	69.8	48	30.2	159	100.0
2.5.	Non permissible Income	105	66.0	54	34.0	159	100.0
3.	Shariah shares & Index	141	88.7	18	11.3	159	100.0

Source: Primary data collected through interview schedule

Table 2 shows that 141 (88.7%) respondents are having awareness about Shariah investment. While considering the Shariah principles, 147 (92.2%) respondents know about Shariah principles. In case of Shariah investment principles, all the respondents are having right awareness about primary business principles than Shariah accounting principle, 77.4%, 69.8%, 69.8% and 66% of the respondents aware about debt to market value of equity, account receivable for the market value of equity, cash to the market value of the equity and non permissible income respectively. The overall results of table 2 reveal that the ethical investors are well known about Shariah investment, Shariah principles and Shariah shares in India.

Difference between Awareness and Unawareness of the Respondents

Next, the study tries to test the significant difference between awareness and unawareness about Shariah Investment in Indian Share market. The Chi Square (X^2)² test is undoubtedly the most important and most used member of the nonparametric

family of statistical tests. Chi Square is employed to test the difference between an actual sample and another hypothetical or previously established distribution, such as that which may be expected due to chance or probability. Chi Square can also be used to test differences between two or more actual samples. The study used Chi-Square test to examine the goodness of fit between awareness and unawareness about Shariah Investment in India. The formula for the Chi - Square test is as follows.

$$X^2 = \sum_{i=1}^n \frac{(O_i - E_i)^2}{E_i}$$

Where

- X^2 = Pearson's cumulative test statistic, which asymptotically approaches a χ^2 distribution.
- O_i = an observed frequency;
- E_i = an expected (theoretical) frequency, asserted by the null hypothesis;
- n = the number of cells in the table.

Table 3
Results of Chi-Square test about awareness and unawareness about Shariah investment

<i>Variables</i>	<i>Test stat</i>	<i>P value</i>
Aware of Shariah Principles	114.623	0.00
Aware of Shariah Investment	95.151	0.00
Debt to MVE	47.604	0.00
Account Receivable to MVE	24.962	0.00
Cash to MVE	24.962	0.00
Non permissible Income	16.358	0.00
Shariah Index	95.151	0.00

Source: Primary data collected through online survey

Table 3 reveals the test statistics and p-value of the Chi-square test. According to the table, the values of both the test statistics and p-values are highly significant at the 1 % level. The study rejects the null hypothesis that there is no difference between awareness and unawareness about Shariah investment in India stock market. It shows that there is a significant number of respondents have awareness about Shariah investment. Only a small portion of respondents is unaware about Shariah investment.

Difference between Awareness and Personal Profile of the Respondents

Next, the study investigates the awareness and unawareness about Shariah investment with regard to the personal profile of the respondents. Table 4 shows that 141 male respondents have awareness about Shariah investment. There is no female respondent in this study. While considering age group, maximum of 60 respondents is having

awareness under the age group of 35 to 25 years and a minimum of 6 respondents have awareness about Shariah investment under the age group of more than 50.

Table 4
Association between Awareness about Shariah Investment and Personal Profile of the respondents

Groups	Parameters	Aware	Non-Aware	Total	Test
Sex	Male	141	18	159	0.000
	Female	0	0	0	
	Total	141	18	159	
Age	> 50	6	0	6	.015
	50 to 35	48	0	48	
	35 to 25	60	12	72	
	<25	27	6	33	
	Total	141	18	159	
Education	School	6	0	6	.018
	UG	42	12	54	
	PG	57	6	63	
	M.Phil/Ph.D	30	0	30	
	Others	6	0	6	
	Total	141	18	159	
Occupation	Business	42	0	42	.000
	Govt	12	0	12	
	Private	54	18	72	
	Others	33	0	33	
	Total	141	18	159	
Income	<3 lakh	57	12	69	.015
	3 to 5 lakh	30	0	30	
	5 to 10 lakh	30	6	36	
	>10 lakh	24	0	24	
	Total	141	18	159	

Source: Primary data collected through online survey

In the case of educational qualification, maximum of 57 respondents is having an awareness under PG level and a minimum of 6 respondents have awareness under school level about Shariah investment. Most of the private employees such as 54 employees have awareness about Shariah investment. Maximum of 57 respondents under the income level of less than 3 lakh are having awareness about Shariah investment during the study period. There are 135 ethical investors and 6 other respondents have awareness about Shariah investment. Further, the table 4 reveals that the test statistics for all personal profiles are highly significant. Hence, the study rejects the null hypothesis that there is no association between personal groups and awareness & unawareness of the respondents about Shariah investment.

Next, the study tests associations between Shariah principles and personal profile of the respondents. Table 5 represents that the 147 male respondents have awareness about Shariah principles. While considering age group, maximum of 72 respondents is having awareness under the age group of 35 to 25 years and a minimum of 6

respondents have awareness about Shariah principles under the age group of more than 50 years.

In the case of educational qualification, maximum of 63 respondents is having an awareness under PG level and a minimum of 6 respondents have awareness under school level about Shariah principles. Most of the private employers such as 60 employees have awareness about Shariah principles. Maximum of 63 respondents under the income level of less than 3 lakh are having awareness about Shariah principles during the study period. There are 141 ethical respondents and 6 unethical respondents have awareness about Shariah principles.

Table 5
Association between Awareness about Shariah Principles and Personal Profile of the Respondents

	<i>Parameters</i>	<i>Aware</i>	<i>Non-Aware</i>	<i>Total</i>	<i>Test</i>
Sex	Male	147	12	159	0.000
	Female	0	0	0	
	Total	147	12	159	
Age	> 50	6	0	6	.004
	50 to 35	42	6	48	
	35 to 25	72	0	72	
	<25	27	6	33	
	Total	147	12	159	
Education	School	6	0	6	.000
	UG	42	12	54	
	PG	63	0	63	
	M.Phil/Ph.D	30	0	30	
	Others	6	0	6	
	Total	147	12	159	
Occupation	Business	42	0	42	.001
	Govt	12	0	12	
	Private	60	12	72	
	Others	33	0	33	
	Total	147	12	159	
Income	<3 lakh	63	6	69	.032
	3 to 5 lakh	30	0	30	
	5 to 10 lakh	30	6	36	
	>10 lakh	24	0	24	
	Total	147	12	159	

Source: Primary data collected through online survey

Further, table 5 test association between awareness about Shariah principles and personal profile of the respondents. The test statistics reveal that the p-value for all personal profiles is highly significant. Therefore, the study rejects the null hypothesis that there is no association between personal profile and awareness of the respondents about Shariah Principles. The Shariah investment principles are classified into following.

- Primary business must be halal (permissible according to Islamic law — Shariah), therefore companies engaged in gambling, alcohol, armaments, tobacco, pornography or pork are excluded,
- The company, which has total Debt to Market Value of Equity (12 Month average) greater than or equal to 33%, is not considered as a Shariah Compliant stock.
- The company, which has an Accounts Receivables / Market value of Equity (12 Month average) greater than or equal to 49%, is excluded from the Shariah indices.
- The company, which has (Cash + Interest Bearing Securities) / Market value of Equity (12 Month average) greater than or equal to 33%, is not eligible to involve in Shariah Index.
- In certain cases, revenues from noncompliant activities are permissible, if they comply with the following threshold: (Non-Permissible Income other than Interest Income) / Revenue less than 5%.

Next, the study tests associations between above Shariah principles and personal profile of the respondents. Table 6 represents the results of association between different Shariah investment principles and personal profile of the respondents. The results show that the test statistics is highly significant for all different Shariah investment principles and personal profile of the respondents during the study period. Hence, the study rejects the null hypothesis that there is no association between different Shariah investment principles and personal profile of the respondents.

Table 7 reveals that 141 male respondents have awareness about Shariah complaint shares and index. While considering age group, maximum of 66 respondents is having awareness under the age group of 35 to 25 years and a minimum of 6 respondents have awareness about Shariah principles under the age group of more than 50 years. In the case of educational qualification, maximum of 63 respondents is having an awareness under PG level and a minimum of 6 respondents have awareness under school level about Shariah Complaint shares and index. Most of the private employees such as 60 employees have awareness about Shariah complaint shares and index. Maximum of 57 respondents under the income level of less than 3 lakh are having awareness about Shariah complaint shares and index during the study period. There are 135 ethical respondents and 6 unethical respondents have awareness about Shariah compliant Shares and Shariah index. The test statistics reveal that the p-value for all personal profiles is highly significant. Therefore, the study rejects the null hypothesis that there is no association between personal profile and awareness of the respondents about Shariah compliant shares and index.

Next, the study tested the significant difference between the personal profile of the respondents and Shariah investment criteria viz awareness Factor, Motivational factors, Risk & return perception and trading perception by using Kruskal-Wallis Test.

Table 6
Association between Awareness of the Shariah Sectoral and Accounting Principles and personal profile

Parameters	Primary Business			Debt to MVE			AR to MVE			Cash to MVE			NPI to Revenue			
	A	NA	To	t	A	NA	To	t	A	NA	To	t	A	NA	To	t
Sex	Male	159	0	159	123	36	159	0.000	111	48	159	0.000	105	54	159	0.000
	Female	0	0	0	0	0	0	0.000	0	0	0	0.000	0	0	0	0.000
Age	Total	159	0	159	123	36	159	0.000	111	48	159	0.000	105	54	159	0.000
	>50	6	0	6	6	0	6	0.74	6	0	6	0.993	6	0	6	0.001
Education	50 to 35	48	0	48	36	12	48	0.000	30	18	48	0.001	36	12	48	0.003
	35 to 25	72	0	72	60	12	72	0.000	48	24	72	0.001	42	30	72	0.003
Occupation	<25	33	0	33	21	12	33	0.000	27	6	33	0.000	27	6	33	0.000
	Total	159	0	159	123	36	159	0.000	111	48	159	0.000	105	54	159	0.000
Income	School	6	0	6	6	0	6	0.000	6	0	6	0.001	6	0	6	0.003
	UG	54	0	54	36	18	54	0.000	36	18	54	0.001	42	12	54	0.003
Income	PG	63	0	63	57	6	63	0.000	45	18	63	0.001	45	18	63	0.003
	M.Phil/Ph.D	30	0	30	24	6	30	0.000	24	6	30	0.001	18	12	30	0.003
Income	Others	6	0	6	0	6	6	0.000	0	6	6	0.001	0	6	6	0.003
	Total	159	0	159	123	36	159	0.000	111	48	159	0.000	105	54	159	0.000
Income	Business	42	0	42	36	6	42	0.000	24	18	42	0.001	30	12	42	0.003
	Govt.	12	0	12	6	6	12	0.000	6	6	12	0.001	6	6	12	0.003
Income	Private	72	0	72	54	18	72	0.000	60	12	72	0.001	54	18	72	0.003
	Others	33	0	33	27	6	33	0.000	21	12	33	0.001	15	18	33	0.003
Income	Total	159	0	159	123	36	159	0.000	111	48	159	0.000	105	54	159	0.000
	<3 lakh	69	0	69	51	18	69	0.019	39	30	69	0.000	39	30	69	0.001
Income	3 to 5 lakh	30	0	30	24	6	30	0.000	24	6	30	0.001	18	12	30	0.003
	5 to 10 lakh	36	0	36	24	12	36	0.000	24	12	36	0.001	24	12	36	0.003
Income	>10 lakh	24	0	24	24	0	24	0.000	24	0	24	0.001	24	0	24	0.003
	Total	159	0	159	123	36	159	0.000	111	48	159	0.000	105	54	159	0.000

Source: Primary data collected through online survey

Note: A- awareness, NA- unawareness, to- total, t- test, MVE- market value of equity, AR- Account Receivable, NPI- Non permissible income

Table 7
Awareness about Shariah Compliant Shares and Index with respect Personal data

<i>Parameters</i>		<i>Aware</i>	<i>Non-Aware</i>	<i>Total</i>	<i>Test</i>
Sex	Male	141	18	159	0.000
	Female	0	0	0	
	Total	141	18	159	
Age	> 50	6	0	6	.389
	50 to 35	42	6	48	
	35 to 25	66	6	72	
	<25	27	6	33	
	Total	141	18	159	
Education	School	6	0	6	.000
	UG	42	12	54	
	PG	63	0	63	
	M.Phil/Ph.D	30	0	30	
	Others	0	6	6	
	Total	141	18	159	
Occupation	Business	42	0	42	.015
	Govt	12	0	12	
	Private	60	12	72	
	Others	27	6	33	
	Total	141	18	159	
Income	<3 lakh	57	12	69	.015
	3 to 5 lakh	30	0	30	
	5 to 10 lakh	30	6	36	
	>10 lakh	24	0	24	
	Total	141	18	159	

Source: Primary data collected through online survey

The study tries to test the significant difference between personal profile and influencing factors, motivational factors, risk & return perception and trading perception about Shariah investment. The personal profile such as sex, age, income, educational qualification, occupation and religion are taken into consideration. The researcher used Kolmogorov-Smirnov test which is a non-parametric test equivalent to one way ANOVA, to test statistically significant difference between personal profile and other awareness factors. The results of the Kolmogorov-Smirnov Test are presented in the table 8.

Table 8
Results of the Kolmogorov-Smirnov Test for composite score

<i>Personal Groups</i>	<i>Influencing Factors</i>		<i>Motivating factors</i>		<i>Risk & return perception</i>		<i>Trading perception</i>	
	<i>Test</i>	<i>P</i>	<i>Test</i>	<i>P</i>	<i>Test</i>	<i>P</i>	<i>Test</i>	<i>P</i>
Age	14.719	.002	38.743	.000	33.586	.000	21.600	.000
Education	19.842	.001	40.749	.000	20.596	.000	24.261	.000
Occupation	7.741	.052	2.627	.453	23.776	.000	13.072	.004
Income	16.468	.001	31.137	.000	12.245	.007	29.143	.000
Religion	11.161	.001	12.319	.000	17.577	.000	17.424	.000

Source: Primary data collected through online survey

Table 8 represents the results of Kruskal-Wallis Test examined the significant difference between personal profile groups and Shariah investment criteria in this study. The results reveal that p-values of all variables are highly significant except occupation groups and motivational factors. The study rejects the null hypothesis that there is no difference between personal profile groups and four awareness factors. For example, the study tests that there is no difference between different age groups of respondents and influencing factors. The test statistics for age group and influencing factors is 14.719 which are highly significant at the 1% level. The study rejects the null hypothesis that there is no difference between different age groups of respondents and influencing factors. The same way is followed for different personal groups and different Shariah investment criteria in this study.

Next, the researcher examined the impact of awareness on motivation, risk & return perception and trading perception by using simple regression. Simple regression tool was used to examine the impact of influencing factors on motivation, risk & return perception and trading perception about Shariah investment.

$$\text{Motivation} = \alpha_i + \beta_i \text{ Influencing factors in } + \varepsilon_i$$

Where,

α = Alpha constant

β = Beta coefficient

ε = error term

i = respondents

The above formula says that to what extent motivation increase if influencing factors increase 1 unit. The same formula used to test the impact of influencing factors on risk & return perception and impact of influencing factors on trading perception about the Shariah investment in India. The results of the simple regression are presented in the table 9.

Table 9
Impact of awareness on motivation, risk & return perception and trading perception

<i>Parameters</i>	<i>Motivation</i>	<i>Risk & return perception</i>	<i>Trading perception</i>
Constant	2.296	3.115	2.537
Beta	.224	.053	.197
S.E	.102	.052	.057
T value	2.199	1.019	3.482
P-value	.029	.310	.001
F sat	4.836	1.038	12.124
P value for F-stat	.029	.310	.001

Source: Primary data collected through an online survey

Table 9 shows that if the awareness creating factors increase 1 percent, the motivation of the respondents about Shariah investment will increase 0.224 percent. The value of the beta coefficient is also highly significant at the 5 % level and it rejects that null hypothesis that there is no impact of awareness creating factors on motivation of the respondents about Shariah Investment in India. The F-statistics are also significant and indicates that the overall model is good in this study.

Further, table 9 discloses the result of the relationship between awareness creating factors and risk & return perception of the respondents during the study period. The result shows that the beta coefficient is insignificant and overall model is poor. The study fails to reject the null hypothesis that there is no relationship between awareness creating factors and risk & return perception of the respondents about Shariah investment in India.

Finally, table 9 reveals that the beta co-efficient of the trading perception with respect to awareness creating factors is significant at the 1 % level. It indicates that if awareness increases 1 percent, the trading perception about Shariah investment will increase at 0.197 percent. The result rejects the null hypothesis that there is no relationship between awareness and trading perception of the respondents about Shariah investment in India. The F-statistics are significant and indicates that the overall model is good. The overall results reveal that the awareness about Shariah investment has increased in India.

Finally, the study tests the Impact of awareness, motivation and risk & return perception on the trading perception of respondents about Shariah Investment by using Multiple Regression. To examine this objective, the following multiple regression model has been developed.

$$TP_i = \alpha_i + \beta_i IF_i + \beta_i MF_i + \beta_i RRP_i + \varepsilon_i$$

Where

TP = trading perception

IF = awareness influencing factors

MF = Motivational factors

RRP = risk & return perception

α = constant

ε = error term

Through this equation, the study examined the extent of increase in trading perception if the awareness, emotional factors and risk & return perception increase 1 unit respectively. The results of the multiple regression are presented in table 10.

Table 10
Impact of awareness, motivation and risk & return perception on trading perception of respondents about Shariah Investment

<i>Parameters</i>	<i>Co efficient</i>	<i>S.E</i>	<i>t-value</i>	<i>p-value</i>
Constant	0.623	0.273	2.282	0.024
Influencing Factors	0.144	0.047	3.049	0.003
Motivation	0.111	0.038	2.925	0.004
Risk & return perception	0.533	0.074	7.174	0.000
R square = .382, R= .618, F Stat=31.881 (0.000)				

Source: Primary data collected through an online survey

Table 10 reveals that the beta coefficient of the influencing factors is 0.144 and highly significant at 1%. It indicates that if the influencing factors increase at 1 percent, the trading perception of the respondents will increase at 0.144 percent. The beta coefficient of motivational factors and risk & return perception is 0.111 and 0.533 respectively, and indicates that these values are highly significant. If the motivational factors increase at 1 percent, the trading perception of the respondents will increase at 0.144 percent. Likewise, if the risk & return perception increase at 1 percent, the trading perception of the respondents will increase at 0.533 percent. The results reject the null hypothesis that there is no impact of awareness, motivation and risk & return perception on the trading perception of respondents about Shariah Investment. The F-statistics are 31.88 and indicates that the overall model is good.

7. SUMMARY AND CONCLUSION

Thus, the present study examined the awareness about Shariah investment in India during the study period. The researcher prepared questionnaire and surveyed the respondents through an online survey. The study purposely selected ethical investors in the Ethical wealth city group in Chennai. The researcher sent the questionnaire to 250 respondents and receives only 159 respondents during the study period. The study uses Cronbach's Alpha test and examined the internal consistency of the variables and find that there is a reliability and internal consistency in the variables. The study also employs the Chi-Square test, Kolmogorov-Smirnov Test, simple regression and multiple regression to test the hypotheses. The study found that 80 percent of the respondents have gained awareness about Shariah investment. The results of the Kruskal-Wallis Test indicates that there is a significant difference between personal profile groups and awareness variables such as awareness factors, motivational factors, risk & return perception and trading perception of the respondents about Shariah investment in India. The study also found that there is a significant difference between awareness factors and other factors such as motivational factors and trading perception except risk & return perception. Finally, the study reveals that there is impact of awareness, motivation and risk & return perception on the trading perception of respondents of Shariah Investment. The overall study reveals that awareness of respondents has been increasing and ethical investors are participating in the stock market activity keenly.

Notes

1. Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297-334.
2. Karl Pearson (1900). "On the criterion that a given system of deviations from the probable in the case of a correlated system of variables is such that it can be reasonably supposed to have arisen from random sampling". *Philosophical Magazine, Series 5* 50 (302): 157-175.

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