

**YANGON UNIVERSITY OF ECONOMICS
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**ENTREPRENEURIAL TRAITS AND RISK TOLERANCE
LEVEL OF INVESTOR
IN MYANMAR SECURITIES MARKET
(A CASE STUDY OF MYANMAR SECURITIES
EXCHANGE CENTRE)**

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(MBF DAY 1ST BATCH)**

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OF INVESTORIN MYANMAR SECURITIES MARKET
(A CASE STYDY OF MYANMAR SECURITIES EXCHANGE CENTRE)**

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ABSTRACT

This study is aim to analyze entrepreneurial traits and risk tolerance of investors in Myanmar based on the primary data from Myanmar Securities Exchange Centre Co.,Ltd which is one of the securities companies in Myanmar and the first securities company in Myanmar. Descriptive Method is used base on primary data. For research purpose, 60 investors of active 400 investors from Myanmar Securities Exchange Centre the rest securities companies are used for data collection. Myanmar investors have to invest in not only stock market but also Government Treasury Bond and Government Treasury Bill but some investor did not want to investor in securities because of risk taking. To understand personality characteristics of investor in Myanmar, investors from Stock market, Treasury Government Bond and Treasury Government Bill market are included in this study. The questionnaire was prepared with 5 points Linkert scales. For finding to understand the investor perspective view upon the risk tolerance level for making investment is the most important to analyze Entrepreneurial Traits and Risk Tolerance Level of Investors in Myanmar. A growing literature examines the relationship between personality traits and entrepreneurship, but no previous studies explore whether personality or psychological traits predispose individuals to benefit more from entrepreneurship training. To address selection issues, using novel data from the largest-ever randomized control experiment providing entrepreneurship training in the United States. Finding that evidence indicating that individuals who are more risk tolerant benefit more from entrepreneurship training than less risk-tolerant individuals. Finding some limited evidence that individuals who have a preference for autonomy benefit more from entrepreneurship training in the short run, but no evidence of longer-term effects and no evidence of differential effects of entrepreneurship training for individuals who are more innovative.

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CHAPTER 1

INTRODUCTION

Securities market is not new market for Myanmar People but most of Myanmar people made the investment in other kinds of investment such as saving in local banks, gold trading, real estate and other. Some people liked taking risk to get high return. In 1996, Myanmar Economic Bank and Daiwa Institute of Research Ltd. (DIR) formed the Myanmar Securities Exchange Centre Co., Ltd. (MSEC) with the final goal of establishing a stock exchange. In 2012, The Central Bank of Myanmar (CBM), under the Ministry of Finance and Revenue (MOFR), Daiwa Institute of Research Ltd. (DIR) and Japan Exchange Group, Inc. (JPX) signed an MOU to develop human resources and provide technical assistance for the development of financial and capital market in Myanmar. The Securities and Exchange Law was enacted in 2013. The Securities and Exchange Commission of Myanmar (SECM) was formed under MOF in 2014. Yangon Stock Exchange Joint-Venture Company Limited (YSX) obtained permission of foreign investment from the Myanmar Investment Committee (MIC) with Permit No. 877/2014. YSX was incorporated and registered by the Directorate of Investment and Company Administration (DICA) with Registration No. 3 JV/2014-2015. Myanmar Economic Bank, DIR and JPX entered into a Joint-Venture Agreement of YSX. YSX started the first trading and FMI listed on YSX on 25th March in 2016. Myanmar Thilawa SEZ Holdings Public Ltd. (MTSH) listed on YSX on 20th May 2016. Nowadays there has 5 listed companies in Myanmar Stock Market. These are FMI, MTSH, MCB, FPB and TMH. Among them MCB and FPB are banking industry and MTSH based on lending the land to the industry at Thilawa Economic Zone and FMI have many different sector. TMH is a telecom company. So investor in Myanmar can choose depend upon their desire investments based on their risk tolerance.

1.1 Rationale of Study

In Myanmar Securities Market, most of the investors did not think about the required facts before they make trading. This is the point for losing their money in their investment. But some have good knowledges for trading those kinds of investment to get high return with taking high risks. But they high risk tolerance level in trading such as time management (Long and short term investment), Manage the nature of listed that they had invested. In Myanmar, telecommunication and internet are rally improved in these days. But most of the people in Myanmar could not use well so this is also the point of missing the information for making investment. The importance of stock market and its linkage to economy is explained by (Demirgüç-Kunt and Levine, 1996) that countries with better developed stock markets also have better-developed banks and nonbank financial intermediaries such as finance companies, mutual funds, investment companies, brokerage houses, and pension funds, while countries with weak stock markets tend to have weak financial intermediaries. This suggests that stock market development goes hand-in-hand with other aspects of financial development. Stock investors, on the other hand, are market participants who utilize fundamental analysis to make informed investment decisions. They tend to treat stock shares as part ownership in a company, rather than an opportunity to make money based on price fluctuations alone. It's common for investors to subscribe to the "buy and hold" strategy, which entails purchasing stock ownership in a company and holding onto those shares for a long time (typically years). A stock market can be said to be a key component of a market economy. In August, 2014, Myanmar government set up Securities and Exchange Commission of Myanmar (SECM) to regulate the capital market. After that, Yangon Stock Exchange celebrated grand opening ceremony on 9th December, 2015. The first stock trading took place on 25th March, 2016 with the trading of shares of First Myanmar Investment Company Ltd. (FMI). Then, four more public companies, namely Myanmar Thilawa SEZ Holdings Public Co., Ltd. (MTSH), Myanmar Citizens Bank (MCB), First Private Bank (FPB) and TMH Telecom Public Company Ltd. (TMH) became listed on the Yangon Stock Exchange.

In Myanmar, investment of most of the people goes into real estate, foreign currencies, precious metals and bank's deposits. The wider scope of the population can have the possibility to take part in the economic growth of the country

by channeling money into the corporate sector with the initiation of the stock market. Besides, foreign capital inflow channel can be raised in the capital market with the emergence of stock market. The investment decision of the investors depends upon fundamental analysis i.e. Security Analysis by Graham and Dodd (1934) is used to decide intrinsic value of stocks based on studying factors of economy situations, industry trend and sales revenues of those companies and technical analysis i.e. examine the price behavior of the securities the past behavior shows the present trend. Investor market behavior derives from psychological principles of decision making to explain why people buy or sell stocks. For measuring the risks tolerance level of Myanmar investor this is also the main point that needed to measure.

1.2 Objectives of the Study

The objectives of the study are as follows;

1. To identify the entrepreneurial traits of investors in myanmar securities market
2. To analyze the entrepreneurial trait and risk tolerance of investor in myanmar securities market

1.3 Method of study

Descriptive Static is used based on primary and secondary data. Primary Data were collected from Myanmar Securities Exchange Centre and other five securities companies and the secondary data were collected form the Yangon Stock Exchange. The secondary data are taken from relevant textbooks, Yangon Stock Exchange records, Yangon Stock Exchange's websites, MBF, theses of Yangon University of Economics, publications, research papers, and internet websites. Sixty respondents were selected by sampling method.

The structures of questionnaire were be included five parts. These questionnaires will be prepared with five points Linkert scale categories. (i.e., -4 Strongly disagree, -2 Disagree, 0 = Neutral , 2 = Agree , 4 = Strongly Agree)

1.4 Scope and Limitation of the study

The scope of study is mainly about Myanmar Securities Market and it included the investor nature, type of investment, risk tolerance level for their

investment. The main data is mostly used from Myanmar Securities Exchange Centre which is the long history in Myanmar Capital Market. This company is chosen for a case study because it has not only stock investor but also bond and bill investor. The total 60 investors out of active 400 investors of MSEC and other investors from other securities company are interview to collect the data questionnaires.

1.5 Organization of the Study

This study is organized in to five chapters. The chapter one is the introduction including the rationale, objectives, scope, method and organization of the study. Chapter two includes the methodologies of investment in capital market, stock trading, long term and short term investment , risk tolerance of Myanmar investor. Chapter three is the chosen the company- Myanmar Securities Exchange Centre. Chapter four is the data collection and analysis of finding data. Chapter five is mentioned for conclusion and recommendation of the study.

CHAPTER (2)

THEORETICAL BACKGROUND OF THE STUDY

This study studied 60 people who can be determined as investors to compare their entrepreneurial personality scale by measuring their level between them. Therefore, the underlying assumption is that entrepreneurs are a special class of people possessing special personality traits that enable them dare to take advantage of opportunities or risks and meet the challenges of their existing business environment. This study will explore where the selected investors stand in the context of current trends in concepts relating to entrepreneurial personalities and whether they possess fair chances of growing and playing significant roles in the developing and growing economy.

2.1 Definition of Stock Market

The stock market refers to the collection of markets and exchanges where regular activities of buying, selling, and issuance of shares of publicly-held companies take place. Such financial activities are conducted through institutionalized formal exchanges or over-the-counter (OTC) marketplaces which operate under a defined set of regulations. There can be multiple stock trading venues in a country or a region which allow transactions in stocks and other forms of securities. While both terms - stock market and stock exchange - are used interchangeably, the latter term is generally a subset of the former. If one says that she trades in the stock market, it means that she buys and sells shares/equities on one (or more) of the stock exchange(s) that are part of the overall stock market. The leading stock exchanges in the U.S. include the New York Stock Exchange (NYSE), Nasdaq, the Better Alternative Trading System (BATS), and the Chicago Board Options Exchange (CBOE). These leading national exchanges, along with several other exchanges operating in the country, form the stock market of the U.S. Though it is called a stock market or equity market and is primarily known for trading stocks/equities, other financial securities - like exchange traded funds (ETF), corporate bonds and derivatives based on stocks, commodities, currencies, and bonds - are also traded in

the stock markets. (For related reading, see "What's the Difference Between the Equity Market and the Stock Market?")

2.1.1 Understanding the Stock Market

While today it is possible to purchase almost everything online, there is usually a designated market for every commodity. For instance, people drive to city outskirts and farmlands to purchase Christmas trees, visit the local timber market to buy wood and other necessary material for home furniture and renovations, and go to stores like Walmart for their regular grocery supplies. Such dedicated markets serve as a platform where numerous buyers and sellers meet, interact and transact. Since the number of market participants is huge, one is assured of a fair price. For example, if there is only one seller of Christmas trees in the entire city, he will have the liberty to charge any price he pleases as the buyers won't have anywhere else to go. If the number of tree sellers is large in a common marketplace, they will have to compete against each other to attract buyers. The buyers will be spoiled for choice with low- or optimum-pricing making it a fair market with price transparency. Even while shopping online, buyers compare prices offered by different sellers on the same shopping portal or across different portals to get the best deals, forcing the various online sellers to offer the best price. A stock market is a similar designated market for trading various kinds of securities in a controlled, secure and managed environment. Since the stock market brings together hundreds of thousands of market participants who wish to buy and sell shares, it ensures fair pricing practices and transparency in transactions. While earlier stock markets used to issue and deal in paper-based physical share certificates, the modern day computer-aided stock markets operate electronically.

In a nutshell, stock markets provide a secure and regulated environment where market participants can transact in shares and other eligible financial instruments with confidence with zero- to low-operational risk. Operating under the defined rules as stated by the regulator, the stock markets act as primary markets and as secondary markets. As a primary market, the stock market allows companies to issue and sell their shares to the common public for the first time through the process of initial public offerings (IPO). This activity helps companies raise necessary capital from investors. It essentially means that a company divides itself into a number of shares

(say, 20 million shares) and sells a part of those shares (say, 5 million shares) to common public at a price (say, \$10 per share). To facilitate this process, a company needs a marketplace where these shares can be sold. This marketplace is provided by the stock market. If everything goes as per the plans, the company will successfully sell the 5 million shares at a price of \$10 per share and collect \$50 million worth of funds. Investors will get the company shares which they can expect to hold for their preferred duration, in anticipation of rising in share price and any potential income in the form of dividend payments. The stock exchange acts as a facilitator for this capital raising process and receives a fee for its services from the company and its financial partners.

Following the first-time share issuance IPO exercise called the listing process, the stock exchange also serves as the trading platform that facilitates regular buying and selling of the listed shares. This constitutes the secondary market. The stock exchange earns a fee for every trade that occurs on its platform during the secondary market activity. The stock exchange shoulders the responsibility of ensuring price transparency, liquidity, price discovery and fair dealings in such trading activities. As almost all major stock markets across the globe now operate electronically, the exchange maintains trading systems that efficiently manage the buy and sell orders from various market participants. They perform the price matching function to facilitate trade execution at a price fair to both buyers and sellers. A listed company may also offer new, additional shares through other offerings at a later stage, like through rights issue or through follow-on offers. They may even buyback or delist their shares. The stock exchange facilitates such transactions. The stock exchange often creates and maintains various market-level and sector-specific indicators, like the S&P 500 index or Nasdaq 100 index, which provide a measure to track the movement of the overall market. Other methods include the Stochastic Oscillator and Stochastic Momentum Index. The stock exchanges also maintain all company news, announcements, and financial reporting, which can be usually accessed on their official websites. A stock exchange also supports various other corporate-level, transaction-related activities.

2.1.2 Functions of a Stock Market

A stock market primarily serves the following functions:

Depending on the standard rules of demand and supply, the stock exchange needs to ensure that all interested market participants have instant access to data for all buy and sell orders thereby helping in the fair and transparent pricing of securities. Additionally, it should also perform efficient matching of appropriate buy and sell orders. For example, there may be three buyers who have placed orders for buying Microsoft shares at \$100, \$105 and \$110, and there may be four sellers who are willing to sell Microsoft shares at \$110, \$112, \$115 and \$120. The exchange (through their computer operated automated trading systems) needs to ensure that the best buy and best sell are matched, which in this case is at \$110 for the given quantity of trade.

2.1.3 Regulating the Stock Market

A local financial regulator or competent monetary authority or institute is assigned the task of regulating the stock market of a country. The Securities and Exchange Commission (SEC) is the regulatory body charged with overseeing the U.S. stock markets. The SEC is a federal agency that works independently of the government and political pressure. The mission of the SEC is stated as: "to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation."

2.1.4 Stock Market Participants

Along with long-term investors and short term traders, there are many different types of players associated with the stock market. Each has a unique role, but many of the roles are intertwined and depend on each other to make the market run effectively. Stockbrokers, also known as registered representatives in the U.S., are the licensed professionals who buy and sell securities on behalf of investors. The brokers act as intermediaries between the stock exchanges and the investors by buying and selling stocks on the investors' behalf. An account with a retail broker is needed to gain access to the markets. Portfolio is professionals who invest portfolios, or collections of securities, for clients. These managers get recommendations from analysts and make the buy or sell decisions for the portfolio. Mutual fund companies, hedge funds, and pension plans use portfolio managers to make decisions and set the investment strategies for the money they hold. Investment represent companies in various capacities, such as private companies that want to go public via an IPO or

companies that are involved in pending mergers and acquisitions. They take care of the listing process in compliance with the regulatory requirements of the stock market.

Custodian and depot service providers, which are institution holding customers' securities for safekeeping so as to minimize the risk of their theft or loss, also operate in sync with the exchange to transfer shares to/from the respective accounts of transacting parties based on trading on the stock market. Market maker: A market maker is a broker-dealer who facilitates the trading of shares by posting bid and ask prices along with maintaining an inventory of shares. He ensures sufficient liquidity in the market for a particular (set of) share(s), and profits from the difference between the bid and the ask price he quotes.

2.2 Definition of Bond Market and Bill Market

The bond market (also debt market or credit market) is a financial market where participants can issue new debt, known as the primary market, or buy and sell debt securities, known as the secondary market. This is usually in the form of bonds, but it may include notes, bills, and so on. Its primary goal is to provide long-term funding for public and private expenditures. The bond market has largely been dominated by the United States, which accounts for about 39% of the market. As of 2017, the size of the worldwide bond market (total debt outstanding) is estimated at \$100.13 trillion, according to Securities Industry and Financial Markets Association (SIFMA). The bond market is part of the credit market, with bank loans forming the other main component. The global credit market in aggregate is about 3 times the size of the global equity market. Bank loans are not securities under the Securities and Exchange Act, but bonds typically are and are therefore more highly regulated.

Bonds are typically not secured by collateral (although they can be), and are sold in relatively small denominations of around \$1,000 to \$10,000. Unlike bank loans, bonds may be held by retail investors. Bonds are more frequently traded than loans, although not as often as equity. Nearly all of the average daily trading in the U.S. bond market takes place between broker-dealers and large institutions in a decentralized over-the-counter (OTC) market. However, a small number of bonds,

primarily corporate ones, are listed on exchanges. Bond trading prices and volumes are reported on FINRA's Trade Reporting and Compliance Engine, or TRACE.

An important part of the bond market is the government bond market, because of its size and liquidity. Government bonds are often used to compare other bonds to measure credit risk. Because of the inverse relationship between bond valuation and interest rates (or yields), the bond market is often used to indicate changes in interest rates or the shape of the yield curve, the measure of "cost of funding". The yield on government bonds in low risk countries such as the United States or Germany is thought to indicate a risk-free rate of default. Other bonds denominated in the same currencies (U.S. Dollars or Euros) will typically have higher yields, in large part because other borrowers are more likely than the U.S. or German Central Governments to default, and the losses to investors in the case of default are expected to be higher. The primary way to default is to not pay in full or not pay on time.

Bill Market refers to the market for short-term bills generally of three months maturity. A bill is a promise to pay a specified amount by the borrower (drawer) to the creditor (drawee). Bills are of three types- (a) bills of exchange or commercial bills used to finance trade; (b) finance bills or promissory notes; and (c) treasury bills used to meet temporary financial needs to the government. These bills may be bought and sold in the discount market which consists of commercial banks, discount houses and other institutions. Same as holding company; a company which owns the securities of other companies and depends for its income upon the interest and dividends yielded by these securities. It usually issues bonds as well as stock itself. Its bonds are collateral trust bonds, being secured by bonds or stocks of other companies owned by it. A securities company is not necessarily a controlling company it is not necessary that it should possess a majority of the stocks of the companies whose securities constitute or are included in its assets.

2.3 Definition of Investor

An investor is any person or other entity (such as a firm or mutual fund) who commits capital with the expectation of receiving financial returns. Investors utilize investments in order to grow their money and/or provide an income during retirement, such as with an annuity. A wide variety of investment vehicles exist including (but not limited to) stocks, bonds, commodities, mutual funds, exchange-traded funds (ETFs), options, futures, foreign exchange, gold, silver, retirement plans and

real estate. Investors typically perform technical and/or fundamental analysis to determine favorable investment opportunities, and generally prefer to minimize risk while maximizing returns. An investor typically is made distinct from a trader. An investor puts capital to use for long-term gain, while a trader seeks to generate short-term profits by buying and selling securities over and over again. Investors typically generate returns by deploying capital as either equity or debt investments. Equity investments entail ownership stakes in the form of company stock that may pay dividends in addition to capital gains. Debt investments may be as loans extended to other individuals or firms, or in the form of purchasing bonds issued by governments or corporations which pay interest in the form of coupons.

Investors are not a uniform bunch. They have varying risk tolerances, capital, styles, preferences and time frames. For instance, some investors may prefer very low-risk investments that will lead to conservative gains, such as certificates of deposits and certain bond products. Other investors, however, are more inclined to take on additional risk in an attempt to make a larger profit. These investors might invest in currencies, emerging markets or stocks, all while dealing with a roller coaster of different factors on a daily basis. A distinction can be made between the terms "investor" and "trader" in that investors typically hold positions for years to decades (also called a "position trader" or "buy and hold investor") while traders generally hold positions for shorter periods. Scalp traders, for example, hold positions for as little as a few seconds.

Swing traders, on the other hand, seek positions that are held from several days to several weeks. Institutional investors are organizations such as financial firms or mutual funds that invest in stocks and other financial instruments and build sizable portfolios. Often, they are able to accumulate and pool money from several smaller investors (individuals and/or firms) in order to take larger investments. Because of this, institutional investors often have far greater market power and influence than individual retail investors.

2.4 Definition of Entrepreneur

Entrepreneur is the person who gives reality to his visionary aspects. He can be any person who works on his own terms and assumes risk to perceive profit in near future.

2.4.1 Entrepreneurship

Entrepreneurship is the process of executing the concepts and ideas of an entrepreneur in the market through proper planning,

There are some skills possessed by entrepreneurs to make their venture successful, which are cited below-

- Entrepreneurs are **innovative**, because of which they think out of the box by continuous learning, questioning, and brainstorming their ideas.
- **Hard work** is the most common trait found in entrepreneurs. They work day in and day out to give a platform to their concept. They do not get distracted from their target whatever is the circumstance.
- **Positivity** is that trait in entrepreneurs which doesn't let them disheartened from the initial setbacks of their venture. A true entrepreneur does not see money as the motivation, instead takes success as a motivation and money as the reward.
- Entrepreneurs are **practical** enough to judge market demands, that they can even modify their product to customer satisfaction. Market requirement is their main focus to achieve success.
- Entrepreneurs are always good at **resource management** be it personnel or monetary. They know how to motivate their team to extract maximum productivity out of them by properly communicating their vision and goals to them.
- Entrepreneurs are always **enthusiastic** about their ideas or plans in a way that they can convince others to listen or look at their plan.
- **Self-confidence** is the most important aspect of entrepreneurs' life, which comes through the expertise and proper research in their work.
- Entrepreneurs possess **risk taking capacity** or **risk tolerance** without which they cannot step forward in the market, and the risk taking capacity comes from the confidence and know-how of the mechanism which they are going to execute

2.4.2 Entrepreneur Traits and Entrepreneurial Personality

- i. **Motivation:** Hard-working business owners are incredibly motivated to succeed. Adopting this mindset—and being able to demonstrate your motivation to an employer—is crucial, says Karen Litzinger, a career coach in Pittsburgh. “You need to bring enthusiasm to everything you do at your job,” Litzinger says. Fortunately, showing you’re highly motivated is simple: “You have to show up to work every day with a positive attitude,” Plutz says. “Employers want to see you’re passionate.”
- ii. **Creativity/Innovation:** No matter what industry you’re in, employers want workers with out-of-the-box ideas, Litzinger says. “They want employees to be able to not only carry out assignments, but also come up with better ways of doing things,” she says. That’s why it’s important to be creative—to always be thinking of new ways you can improve your company’s workflow, productivity, and bottom line.
- iii. **Persuasiveness:** Persuasiveness can make you a better negotiator, which gives you an edge when going after a plum assignment, raise, or promotion, says career coach Phyllis Mufson. “There are times when you are going to need to convince a client, a co-worker, or your boss to take certain actions, so you need to be persuasive” when presenting your ideas, Litzinger says.
- iv. **Vision:** Successful entrepreneurs always keep one eye on the big picture, and this ability can make you a better employee. “Vision is about strategic planning,” Litzinger says. Can you see what direction the industry is going? Can you identify challenges for your company? Can you tackle your day-to-day job responsibilities, while staying focused on long-term goals and initiatives?
- v. **Versatility:** You have to be able to adapt to changes in the workforce. “You may be hired for a specific set of skills, but it’s important to be able to shift as needed,” Litzinger says. You want to be someone that your boss can go to in a pinch, so be prepared to tackle work that’s outside your job description. It’s also important to be an early adopter of new technology and keep your skills current, Litzinger says.

- vi. **Risk Taker:** A risk is an integral part of any new business. But it is an especially important factor in entrepreneurship because here the entrepreneur bears the entire risk of the business. So it is necessary that the entrepreneur has an adventurous and risk-taking personality.
- vii. **Flexibility:** Like an entrepreneur, you have to be able to adapt to change and solve problems as they arise, Mufson says. A good team player can shift their priorities to help out whenever the team needs assistance. Thus, flexibility means being receptive to other people’s needs, opinions, and ideas and being open-minded to feedback from your manager.
- viii. **Decisiveness:** Do you exercise sound judgment under pressure? When you’re an entrepreneur, you don’t have room to procrastinate—and the same is true for employees. “You have to be able to take action when needed,” Litzinger explains. You must know how to prioritize tasks and make decisions quickly. (It helps to be organized.)
- ix. **Collaboration:** Savvy entrepreneurs are not only brilliant leaders, but also great collaborators, Plutz says, so you have to be an effective team player. Unsurprising, 78% of hiring managers seek job candidates who demonstrate strong teamwork skills, according to the National Association of Colleges and Employers Job Outlook 2017 survey. Ultimately, using entrepreneurial skills at work entails adjusting to other people’s work styles, avoiding office politics, celebrating your peers’ successes, meeting your deadlines, and putting your company’s goals first.

2.5 Risk Tolerance

Risk Tolerance is defined as the amount of risk the investor can tolerate before deciding to exit the market and usually depends on investor’s financial situation, type, preference of asset class, time horizon, and purpose of investments. An investor needs to have an understanding of risk tolerance, otherwise, they may see a large movement in the value of investment and panic which might cause to sell at the wrong time.

2.5.1 Types of Risk Tolerance

- i. **Aggressive:** Aggressive risk investors are the ones that are well versed with the market. They are able to take on large amounts of risk and see large downward movements in their portfolio. Their characteristics usually include wealthy, long time horizons, and experience in the market. Aggressive risk tolerance investors usually go for riskier asset classes such as equities and reap superior returns when the market performs well. they are immune to panic selling at times of crisis in the market.
- ii. **Moderate:** Moderate risk investors are relatively less risk-tolerant. They are able to take on some risk and usually have a set percentage up to which they can see their portfolio in losses. They invest some of their money in riskier assets such as equities and the remaining in safer assets such as debt or gold. They usually take on a 50/50 asset allocation between risky and safe assets. If the market performs well, they take home a lesser return than aggressive investors, but during downturns in the market, their portfolio suffers lower losses as well.
- iii. **Conservative:** Conservative investors are the lowest risk-taking investors in the market. They are hardly able to take any risk and go for the safest assets that they can find. They are not concerned with the fact that low risk would mean lower return. They are more concerned with avoiding losses than getting superior returns. Such investors usually go for assets such as bank FDs, PPF etc. where they think they can guarantee capital protection.

CHAPTER 3

PROFILE OF RESPONDENTS AND THE MOTIVATED FACTORS FOR STARTING INVESTMENT

This study focuses on the stock trading competency scale of 60 investors in Myanmar stock market. There are two parts in the chapter, the first one presents about the profile of selected traders in terms of gender, race, age, education level and investment amount. The last part examines what factors are motivated on the selected respondent who dares to start making investment and take risks in Myanmar securities market.

3.1 History of Myanmar Securities Exchange Centre

The Myanmar Securities Exchange Centre (MSEC), located in Yangon, Myanmar, is the country's only stock exchange. The exchange, a 50-50 joint venture between the state-owned Myanma Economic Bank and the Daiwa Securities Group, currently lists only two securities, both of which are rarely traded. This over-the-counter (OTC) market is planned to be replaced by the Yangon Stock Exchange by 2015. The MSEC is the country's second stock exchange after the Rangoon Stock Exchange, which traded shares of a few British and American stocks in the 1930s. The fledgling exchange, operated by seven European firms, was a secondary OTC market with most of the quotes sourced from Calcutta and Bombay exchanges. It closed down at the outbreak of World War II. The RSE was revived in the late 1950s to trade shares of nine public-private joint-venture corporations. But this OTC market too died in the 1960s when all the firms were nationalized by the military government that seized power in 1962. Another military government came to power in 1988, and it allowed the state-owned Myanma Economic Bank to form a 50-50 joint-venture with Daiwa Securities in April 1996. The Myanmar Securities Exchange Centre was formed with an authorized capital of 17 million USD and paid-up capital of 3.4 million USD in June 1996. It listed two public-private joint-venture firms: Forest Products Joint Venture Corporation and Myanmar Citizens Bank. The exchange began its trading operations in December 1996. Currently, the Myanmar exchange is dormant considering that no new companies are listing in the

bourse. Instead, the government plans to set up another bourse. No new companies have signed up beyond the first two, and there is little trading. A 2011 Reuters report states that the exchange had no trading floor, and had eight employees who handled over-the-counter transactions and manually updated share prices, using a whiteboard, a marker pen and a stencil whenever a customer dropped by. Indeed, most people do not even know that the market exists at all. State-owned and private enterprises alike have chosen not to list. Their reasons include the firm's fear of tax liability, fear of loss of control and unfamiliarity with the corporate culture.

3.2 Financial Condition of Respondents before Starting Investment

There are five levels of financial condition before starting this stock investment. Poor, Average, Enough, Rich, Sound. In this study, poor condition includes people who have very little money. And they are casual workers. They are not having enough money for basic needs. They are mostly workers and farmers. The rich condition includes respondents who have a lot of money or property to make trading in stock market. Their income level is high.

Table (3.1) **Financial Condition of Respondents before Starting Investment**

| Sr No | Financial Condition or Regular Income Level | Investor | |
|-------|---|----------|------------|
| | | Number | Percentage |
| 1 | Poor (Less than 10 million kyats) | 20 | 33% |
| 2 | Average (Between 10 and 30 million kyats) | 16 | 27% |
| 3 | Enough (Between 30 and 50 million kyats) | 18 | 30% |
| 4 | Rich (Between 50 and 100 million kyats) | 6 | 10% |
| 5 | Sound (Above 100 million kyats) | - | |
| Total | | 60 | 100% |

Source: Survey data (2018) MSEC Data

In the table 3.1, there are different levels of financing except of sound condition. 33% of the investors have poor financial condition and it is highest

percentage. The second high percentage is 30 % and this is enough condition. Third high percentage is 27% in investor in average condition and rich condition is 10%. From this study, it can be concluded that mostly respondents start their investment in stock market when they have average financial resources and some of them start their stock investment from either income or low income.

3.3 Profile of Respondents

Analysis of prior occupation of the investor before starting stock investment can be divided into four groups such as student, business owner, employee and dependent.

Table (3.2) **Profile of Respondents**

| Sr No | Source of Income | Investor | |
|-------|------------------|----------|------------|
| | | Number | Percentage |
| 1 | Student | 8 | 13% |
| 2 | Own Business | 22 | 37% |
| 3 | Employee | 24 | 40% |
| 4 | Dependent | 6 | 10% |
| Total | | 60 | 100% |

Survey Data 2018 (MSEC data)

According to the table 3.2 mentioned above, the most of investor were starting stock investment after finishing their education. 13% of investor are students so their level of incomes are lower than other people. They could not spend a lot of money on stock trading. Business owner group and employee are the highest percentage of investors. They have lots of money for trading in stock market. The rest are the dependent group which included house wife and high level community.

3.4 Kinds of investment according to the investor demand

Table (3.3) Kinds of investment according to the investor demand

| Sr No | Kinds of investment | Investor | |
|-------|--------------------------|----------|------------|
| | | Number | Percentage |
| 1 | Primary Stock | 15 | 25% |
| 2 | Secondary Stock | 30 | 50% |
| 3 | Treasury Government Bond | 10 | 17% |
| 4 | Treasury Government Bill | 5 | 8% |
| Total | | 60 | 100% |

Source : Survey Data 2018 (MSEC data)

According to the table 3.3 mentioned above, there are four types of products in the Myanmar Capital Market. They would like to invest in the secondary stock market through Yangon Stock Exchange so their percentage is the highest percentage than any other market. Percentage level of Treasury Government Bond and Treasury Government Bill Market are last than the other two markets because the required amount for investment in these markets is higher.

3.5 Factors that enable to start the stock investment in Myanmar

Table (3.4) Factors to notice about the stock investment in Myanmar

| Sr No | Factors to notice about stock market | Investor | |
|----------|---|----------|------------|
| | | Number | Percentage |
| 1 | Newspapers & Journals | 6 | 10% |
| 2 | Education posts at social media of Securities Companies | 30 | 60% |
| 3 | Education seminars held by Securities Companies | 12 | 20% |
| 4 | Education seminars held by Regulator (Eg. YSX Expo) | 12 | 20% |
| Total | | 60 | 100% |

Survey Data 2018 (MSEC data)

According to this table, it was found 60% of investor noticed about stock market by using social media. Nowadays, most of the people use the social media other than mass media such as newspaper and journals. So advertising and investor awareness program should be announced on social media rather than newspaper and journal. Only 10% of investors are using newspapers and journals to know about stock market. Some people would like to go to the seminar and they prefer to get the knowledges and information about stock market by the seminar.

CHAPTER (4)
**ANALYSIS OF ENTREPRENEURIAL TRAITS AND RISK
TOLERANCE OF INVESTORS IN MYANMAR SECURITIES
MARKET**

The perception of 60 investors from Myanmar Securities Exchange Center and other 5 securities companies in Myanmar regarding their scale in entrepreneurial trait such as risk tolerance, motivation were investigated by using “Jackson Personality Inventory JPI”. Stewart et al.(1999) investigated the entrepreneurial personality scale of a sample 430 entrepreneurs in United States and 130 entrepreneurs in Russia using by the “Jackson Personality Inventory-JPI” method.

4.1 Entrepreneurial Traits

4.1.1 Entrepreneurial Traits on Achievement Motivation Scale

According to the method of “ Jackson Personality Inventory- JPI” used in this survey, the following scoring scale was used to test their Entrepreneurial Personality Scale by their work nature of investment of 60 investors from Myanmar Stock Market. The perceived scales are (Strongly Disagree=-4, Disagree=-, Null=0, Agree =+2 , Strongly Agree=+4). If the respondent strongly disagree on a given statement, he or she will reply as -4, If the respondent disagree on a given statement, he or she will reply as -2, If the respondent null on a given statement, he or she will reply as 0 , If the respondent agree on a given statement, he or she will reply as +2 and If the respondent strongly agree on a given statement, he or she will reply as+4.

Table 4.1 Entrepreneurial Traits on Achievement Motivation Scale

| Sr. No | Attitudes in Achievement Motivation | Mean |
|---------------|---|-------|
| 1 | I always strive to complete my work even when it is very close. | 2.68 |
| 2 | I am exacting in my work. | 2.7 |
| 3 | I am persistent in my work | 2.55 |
| 4 | I always strive to do better. | 2.56 |
| 5 | I often set goals for myself. | 2.08 |
| 6 | I continue until everything is perfect | 2.08 |
| 7 | I have to surpass the successful my parents | 1.68 |
| 8 | I am always prepare | 1.78 |
| 9 | I hope to be more successful than my peer in 10 years | 1.55 |
| 10 | I am full of ideas | 1.6 |
| Over all Mean | | 2.126 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “they always strive to complete their work even when it is very close”; “they are exacting in my work”; “they are persistent in my work”; “they always strive to do better”, “they often set goals for myself.”; “they continue until everything is perfect”. They also slightly agreed these statements such as “they have to surpass the successful my parents”; “they am always prepare”; “they hope to be more successful than my peer in 10 years” and “they are full of ideas”. As conclusion in paring the achievement motivation scale of the investors, generally they have some extent of achievement motivation. According to the overall mean of the finding, most of the investors have achievement of motivation on their entrepreneurial traits.

4.1.2 Entrepreneurial Traits on Risk Taking Propensity

Table 4.2 Entrepreneurial Traits on Risk Taking Propensity

| Sr. No. | Attitudes in Risk Taking Propensity | Mean |
|---------------|--|-------|
| 1 | I avoid situations of personal risk even though I can have great rewards | 2.65 |
| 2 | I am always cautious about unpredictable situations | 2.2 |
| 3 | I take chances | 1.85 |
| 4 | I am unlikely to bet | 1.67 |
| 5 | I never concerned with danger | 1.6 |
| 6 | I enjoy gambling and taking a chance | -0.65 |
| 7 | I willingly expose self to situations with uncertain outcomes | -0.5 |
| Over all Mean | | 1.26 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “they avoid situations of personal risk even though they can have great rewards” and “they are always cautious about unpredictable situations”. And the rest statement they are slightly agree and finding that they were not taking the risks for uncertain situations according to their overall mean.

4.1.3 Entrepreneurial Traits on Innovation Scales of Respondents

Table 4.3 Entrepreneurial Traits on Innovation Scales of Respondents

| Sr. No. | Innovation scale of the investor | Mean |
|---------------|--|-------|
| 1 | I like to improvise | 2.79 |
| 2 | I always value new ideas | 2.6 |
| 3 | I am capable if originality of through | 2.24 |
| 4 | I am a creative and inventive individual | 1.5 |
| 5 | I prefer routine activities | -0.65 |
| 6 | I am conservative thinker | -1.92 |
| Over all Mean | | 1.09 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “they like to improvise”; “they always value new ideas”; “they are capable if originality of through” And the rest statement they did not agree. According to the finding factors, overall mean for innovation scale of investor is 1.09. Thus, the entrepreneurial traits on the innovation of the investors were lower in the Myanmar investor.

4.1.4 Summary for entrepreneurial traits of investor in Myanmar Securities

Market

There are 9 traits of entrepreneur such as;

1. Motivation
2. Creativity / Innovation
3. Persuasiveness
4. Vision
5. Versatility
6. Risk Taker

- 7. Flexibility
- 8. Decisiveness
- 9. Collaboration

In this study, to analyze the entrepreneurial traits of the investor in Myanmar securities market, the variable such as 1. Motivation, 2. Creativity / Innovation 3. Risk Taker were used.

Summary

Table (4.4) Summary for entrepreneurial traits of investor in Myanmar Securities Market

| Entrepreneurial Trait | Research Outcomes |
|---|--|
| 1. Motivation of the investor | Investors of the Myanmar Securities Market have the motivation scale on the entrepreneurial trait. |
| 2. Innovation of the investor | They have innovation scale on the entrepreneurial traits |
| 3. Risk taking propensity of the investor | They do not want to take high risks to return |

Source : Survey Data , 2019

4.2 Risk tolerance

4.2.1 Risk taking according to their spending amount for investment

The spending amount for stock investment of selected 60 respondents was analyzed according to their perception of respondent in this study. These scales of each respondent perceived are relatively compared by the mean value and in the table 4.1.

Table (4.5) Risk taking according to their spending amount for investment

| Sr No | Spending Amount for investment | Mean |
|-------|--------------------------------|------|
|-------|--------------------------------|------|

| | | |
|--------------|--|-------|
| 1 | I would like to invest between 10 and 50 million kyats | 2.72 |
| 2 | I would like to invest between 50 and 100 million kyats | 1.23 |
| 3 | I would like to invest between 100 and 500 million kyats | 1.56 |
| 4 | I would like to invest more than 500 million kyats | -1 |
| 5 | I would like to invest less than 10% of my financial worth | 2.35 |
| 6 | I would like to invest between 10% and 25% of my financial worth | 2.58 |
| 7 | I would like to invest between 25% and 50% of my financial worth | 0.96 |
| 8 | I would like to invest between 50% and 75% of my financial worth | -0.22 |
| 9 | I would like to invest more than 75% of my financial worth | -0.68 |
| Overall Mean | | 1.06 |

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “they would like to invest between 10 and 50 million kyats”, “they would like to invest between 50 and 100 million kyats”, “they would like to invest between 100 and 500 million kyats”, so most of the investors they can invest on stock trading between 10 million kyat to 500 million kyats: at the same time they also agree “they would like to invest less than 10% of my financial worth”, “they would like to invest between 10% and 25% of my financial worth”, “they would like to invest between 25% and 50% of my financial worth” for these statements. According to the overall mean, most of the investor they can invest between 10% to 25% of their financial worths and they

slightly agree to take high risk such as 25% and 50% of their financial worth. They would not agree to the higher risk such as 50% and above of their financial worth.

4.2.2 Decision making opinions before investment

The **decision making opinions** for investment of selected 60 respondents was analyzed according to their perception of respondent in this study. These scales of each respondent perceived are relatively compared by the mean value and in the table 4.2.

Table (4.6) Decision Making opinions before investment

| Sr No | Decision Making opinions before stock trading | Mean |
|--------------|---|-------------|
| 1 | Before I make investment, I ask the opinion of other person who have experience in the stock investment | 2.58 |
| 2 | Before I make investment, I check the financial condition of the company that I would like to invest | 2.32 |
| 3 | Before I make investment, I check the future prospect of the industry that I would like to invest | 1.58 |
| 4 | I check the market condition and invest in the company which have much trade transaction than others | 1.68 |
| Overall Mean | | 2.04 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “Before they make investment, they ask the opinion of other person who have experience in the stock investment”, “Before they make investment, they check the financial condition of the company that they would like to invest”, “Before they make investment, they check the future prospect of the industry that they would like to

invest”, so most of the investors they ask the opinion of other person who have experience in the stock market before they make invest and they check the financial condition and prospect of the induct that they would like to invest. They also agree the statement “they check the market condition and invest in the company which have much trade transaction than others”. According to the overall mean on finding factors most of the investor used these decision making opinions before they make investment.

4.2.3 Risk taking based on loss amount before investment

Risk Taking based on loss amount for investment of selected 60 respondents was analyzed according to their perception of respondent in this study. These scales of each respondent perceived are relatively compared by the mean value and in the table 4.7.

Table (4.7) Risk taking based on loss amount before investment

| Sr No | Risk Taking based on loss amount | Mean |
|--------------|--|-------|
| 1 | The maximum loss that I can take/tolerate is less than 10% of investment | 2.87 |
| 2 | The maximum loss that I can take/tolerate is between 10% and 25% of investment | 2.5 |
| 3 | The maximum loss that I can take/tolerate is between 25% and 50% of investment | 1.89 |
| 4 | The maximum loss that I can take/tolerate is between 50% and 75% of investment | -2.1 |
| 5 | The maximum loss that I can take/tolerate is more than 75% of investment | -2.36 |
| Overall Mean | | 0.56 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “The maximum loss that they can take/tolerate is less than 10% of investment”, “The maximum loss that they can take/tolerate is between 10% and 25% of investment”, they can tolerance 10% to 25% of investment and they slightly agreed the statement of “The maximum loss that they can take/tolerate is between 25% and 50% of investment”. They were not agree these statement such as “The maximum loss that they can take/tolerate is between 50% and 75% of investment”, “The maximum loss that they can take/tolerate is more than 75% of investment”, they could not want to lose more than 50% and above of investment. According to the finding overall mean for taking risk base on loss amount is 0.56. Finding factor is the investors do not want to lose their money on investment and their risk tolerance according to their loss amount is less than 20% of their capital.

4.2.4 Risk taking based on terms of investment

Risk taking based on based on terms of investment for investment of selected 60 respondents was analyzed according to their perception of respondent in this study. These scales of each respondent perceived are relatively compared by the mean value and in the table 4.8.

Table 4.8 Risk taking based on terms of investment

| Sr No | Risk taking based on terms of investment | Mean |
|-------|---|------|
| 1 | The investment period that I prefer is less than 1 year | 2.98 |

| | | |
|--------------|---|------|
| 2 | The investment period that I prefer is between 1 and 2 years | 2.67 |
| 3 | The investment period that I prefer is between 2 and 5 years | 2.55 |
| 4 | The investment period that I prefer is between 5 and 10 years | 1.68 |
| 5 | The investment period that I prefer is above 10 years | 1.78 |
| Overall Mean | | 2.33 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they agreed with the following statement: “The investment period that they prefer were less than 1 year”, “The investment period that they prefer were between 1 and 2 years”, “The investment period that they prefer were between 2 and 5 years” they preferred less than 1 year of investment and they also preferred between 1 year to 5 years of investment period to make investment. Few people liked the long term investment between 5 year and above 10 years to make investment. According to the finding overall mean most of the investor in myanmar securities market preferred short-term investment than long term investment.

4.2.5 Risk taking based on return of investment

Risk taking based return of investment for investment of selected 60 respondents was analyzed according to their perception of respondent in this study. These scales of each respondent perceived are relatively compared by the mean value and in the table

4.9. Table (4.9) Risk taking based on return of investment

| Sr No | Risk Taking Level based on return | Mean |
|--------------|--|------|
| 1 | I would like to make investment which could earn stable income(dividend) with no volatile in investment value (no capital gain) | 2.34 |
| 2 | I would like to make investment which could earn stable income (dividend) with volatile slightly in investment value which cause a little capital gain | 2.58 |
| 3 | I would like to make investment which could volatile at both income (maybe no dividend sometime) and investment value which cause huge capital gain | 1.58 |
| 4 | The expected return (per annum) from investment is more than 8% | 1.68 |
| 5 | The expected return (per annum) from investment is more than 10% | 1.78 |
| 6 | The expected return (per annum) from investment is more than 12% | 2.8 |
| 7 | The expected return (per annum) from investment is more than 15% | 2.89 |
| Overall Mean | | 2.24 |

Source : Survey Data , 2019

In this study, according to the mean value calculated for each statement perceived by 60 selected investors, they preferred to get not only dividend but also capital gains. Their expected return is over 10 % of their investment. Overall mean for expected return is 2.24 so they wanted to get back profit on investing in the securities market was high.

4.2.6 Summary for risk tolerance of investors in Myanmar Securities Market

In this study, risk tolerance of investors is measured by five factors such as

1. Risk taking according to their spending amount for investment
2. Decision making opinion before investment
3. Risk taking based on loss amount before investment
4. Risk taking based on terms of investment
5. Risk taking based on return of investment

Table (4.10) Summary for risk tolerance of investors in Myanmar Securities

Market

| Risk Tolerance | Research Outcomes |
|---|--|
| Risk taking according to their spending amount for investment | The investors wanted to spend less than 25% of their financial worth on investment |
| Decision making opinions before investment | Most of the investors used the decision making opinions before they make investment. |
| Risk taking based on loss amount before investment | Investors do not want to lose their money on investment and their risk tolerance according to their loss amount is less than 20% of their capital. |
| Risk taking based on terms of investment | The investors preferred short-term investment than long-term investment. |
| Risk taking based on return of investment | They preferred to get not only dividend but also capital gains. Their expected return is over 10 % of their investment. |

Source : Survey Data , 2019

CHAPTER 5

CONCLUSION

5.1 Findings

The basic objective of the study is to compare whether the factors of entrepreneurial traits and risk tolerance level of investor. The work is concerned about how about the nature of Myanmar investors who are currently made trading through Yangon Stock Exchange. The descriptive research design has been employed and the primary data is used for the analysis. In this study, data was analyzed using mean .In this paper, we study 60 investors of Myanmar Securities Market for investigating their 3 traits of entrepreneurial personality such as Achievement Motivation, Risk Taking Propensity and Innovation Scale and investigating their risk tolerance according to their nature of investment such as Amount, Risk taking scale on expected return, term of investment, expected loss amount etc. Concerning achievement motivation of selected investor, we can conclude that they always strive to complete my work even when it is very close and they are exacting in their work. Besides they are persistent in completing tasks. In addition, they always strive to do better. So we observed that they always strive to best and complete their work. Moreover, we concluded that showing their disagreement with those attitudes "they will give up if they cannot complete a task however they can easily distract". This means that the investor might possess an active, energetic and achievement oriented mindset in doing business.

In the studying about risk- taking propensity of selected investor, they avoid situations of personal risk, even though they can have great rewards. They focused on caution about unpredictable situations. So they are risk takers for their works as they are entrepreneurs. In comparing the risk taking propensity scales in trading sector, they focused on some extent of risk taking propensity.

5.2 Suggestion

In studying on the personality traits and risk tolerance level of investor from Myanmar Securities Market they must have special personality traits and also special competencies that enable them to take advantage to opportunities and meet the challenges of investment. Risk tolerance is highest for investments you have chosen to meet faraway goals, such as retirement, because your investments have more time to potentially recover from drops in value. Conversely, tolerance is lowest for investments to meet short-term goals, such as saving up for educational costs, vacations and other instances where you will need the money sooner. Those who do not want to constantly reassess their investments to ensure they match their risk tolerance as life progresses may want to look into target retirement funds.

5.3 Needs for Future Research

This study is based on the investor from Myanmar Securities Exchange Centre and the Myanmar Securities Market. Only 60 responses from MSEC are taken for the study which is difficult to generalize. A replication of this study should be conducted using a larger sample to determine if the findings of this study remain consistent. The study was conducted within a certain time-frame; a broader study conducted under a longer period of time would give more realistic results. This study is based on only three independent variables and ignores other variables that may affect investment decision making in stock market. A replication of this study should be conducted using other related variables and a different survey instrument.

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APPENDIXES

A questionnaire

“Entrepreneurial Traits and Risk Tolerance of Investors in Myanmar Securities Market”

Dear Sir/Madam

I am a student of MBF Programme at Yangon University of Economics. You are kindly requested to cooperate by filling up the questionnaire. This questionnaire will be used to identify entrepreneurial traits and risk tolerance of investors in Myanmar Securities Market. Your cooperation is expected to add academic value and the information provided will be kept quite confidential.

PART I: Demographic Questionnaire for Investors at MSEC

Section (1) – Investor Profile

1.1 Basic Profile

Name

Male

Female

Education (a) Under Graduate
(b) Graduated
(c) Post Graduate
(d) Other [Please specify]

Age (a) Less than 30
(b) Between 30 – 39
(c) Between 40 – 49
(d) Between 50 – 59
(e) 60 and above

Religion

1.2 Source of Income

Own Business Business Type
.....

Employee Position
.....

Dependent Source of Income
.....

1.3 Level of Income per annum

- (a) Less than 10 million kyats
- (b) Between 10 and 30 million kyats
- (c) Between 30 and 50 million kyats
- (d) Between 50 and 100 million kyats
- (e) Above 100 million kyats

1.4 Financial strength of investor

- (a) Less than 10 million kyats
- (b) Between 10 and 50 million kyats
- (c) Between 50 and 100 million kyats
- (d) Between 100 and 500 million kyats
- (e) Above 500 million kyats

Section (2) – Factors that enable to start the stock investment in Myanmar

- 2.1 Where do you notice about the stock investment in Myanmar?
- (a) Newspapers & Journals
 - (b) Education posts at social media of Securities Companies
 - (c) Education seminars held by Securities Companies
 - (d) Education seminars held by Regulator (Eg. YSX Expo)
- 2.2 Why you interest to invest in stock market at Myanmar?
- (a) To receive the new experience
 - (b) To receive the income in the long term
 - (c) To receive the capital gain in the short term
 - (d) To receive both income and capital gain
 - (e) To hold the sufficient numbers of share that entitles to be a director
 - (f) To pay for their inheritors

Section (3) Risk appetite of the investor

- 3.1 Type of investment that you would like to make
- (a) Stable income with no volatile in investment value (no capital gain)
 - (b) Stable income with volatile slightly in investment value which cause a little capital gain
 - (c) Volatile at both income and investment value which cause huge capital gain
- 3.2 How long you would like to invest in the Myanmar stock market
- (a) Less than 1 year
 - (b) Between 1 and 2 years
 - (c) Between 2 and 5 years
 - (d) Between 5 and 10 years
 - (e) Above 10 years

- 3.3 Amount of investment that you would like to make
- (a) Less than 10 million kyats
 - (b) Between 10 and 50 million kyats
 - (c) Between 50 and 100 million kyats
 - (d) Between 100 and 500 million kyats
 - (e) Above 500 million kyats
- 3.4 How much percentage of your financial strength that you would like to invest?
- (a) Less than 10%
 - (b) Between 10% and 25%
 - (c) Between 25% and 50%
 - (d) Between 50% and 75%
 - (e) More than 75%
- 3.5 How much percentage of investment that you can loss?
- (a) Less than 10%
 - (b) Between 10% and 25%
 - (c) Between 25% and 50%
 - (d) Between 50% and 75%
 - (e) More than 75%

Section (3) Entrepreneurial Traits and Risk Tolerance of Investor in Myanmar Securities Market

Please rate your entrepreneurial traits and risk tolerance on the following scoring scale.

(Strongly Disagree =-4, Disagree = -2, Null = 0, Agree= +2, Strongly Agree = +4)

| Sr No | Question | -4 | -2 | 0 | 2 | 4 |
|-------|--|----|----|---|---|---|
| 1 | I would like to make investment which could earn stable income (dividend) with no volatile in investment value (no capital gain) | | | | | |
| 2 | I would like to make investment which could earn stable income (dividend) with volatile slightly in investment value which cause a little capital gain | | | | | |
| 3 | I would like to make investment which could volatile at both income (may be no dividend sometime) and investment value which cause huge capital gain | | | | | |
| 4 | The investment period that I prefer is less than 1 year | | | | | |
| 5 | The investment period that I prefer is between 1 and 2 years | | | | | |
| 6 | The investment period that I prefer is between 2 and 5 years | | | | | |
| 7 | The investment period that I prefer is between 5 and 10 years | | | | | |
| 8 | The investment period that I prefer is above 10 years | | | | | |
| 9 | I would like to invest between 10 and 50 million kyats | | | | | |
| 10 | I would like to invest between 50 and 100 million kyats | | | | | |
| 11 | I would like to invest between 100 and 500 million kyats | | | | | |
| 12 | I would like to invest more than 500 million kyats | | | | | |
| 13 | I would like to invest less than 10% of my financial worth | | | | | |
| 14 | I would like to invest between 10% and 25% of my financial worth | | | | | |
| 15 | I would like to invest between 25% and 50% of my financial worth | | | | | |

| | | | | | | |
|----|---|--|--|--|--|--|
| 16 | I would like to invest between 50% and 75% of my financial worth | | | | | |
| 17 | I would like to invest more than 75% of my financial worth | | | | | |
| 18 | The maximum loss that I can take/tolerate is less than 10% of investment | | | | | |
| 19 | The maximum loss that I can take/tolerate is between 10% and 25% of investment | | | | | |
| 20 | The maximum loss that I can take/tolerate is between 25% and 50% of investment | | | | | |
| 21 | The maximum loss that I can take/tolerate is between 50% and 75% of investment | | | | | |
| 22 | The maximum loss that I can take/tolerate is more than 75% of investment | | | | | |
| 23 | Before I make investment, I ask the opinion of other person who have experience in the stock investment | | | | | |
| 24 | Before I make investment, I check the financial condition of the company that I would like to invest | | | | | |
| 25 | Before I make investment, I check the future prospect of the industry that I would like to invest | | | | | |
| 26 | I check the maket condition and invest in the company which have much trade transaction than others | | | | | |

