

# Review and explanation of the ways to boost the stock market and attract investors

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**Abstract :** Today, Achieving the economic goals of the country without public participation, it is inconceivable . One way of participation in economic development, investing in the stock market and, in particular, is the stock exchange, because the people wandering through small savings towards productive activities and production have been extended and wheels Production and economy driven . The main purpose of this study was to investigate the factors influencing investment real persons on the stock exchange and the exchange of regional case study in Semnan . The method through observation and interviews with actors, agents, research papers and reports are selected.

**Keywords:** Stock Exchange, Stock, Economy

## Introduction

The idea of creating the exchange took place when a group of European businessmen loss of their business activities, so the solution were thought up by it to prevent the loss or take it to minimize . The result is that a number of businessmen in some of their activities to partner with them in this way would split the profit or loss. This experience was a success so gradually every businessman is trying to work your business will continue with this approach, especially as the procedure for people who conduct economic activities was much more favorable. Gradually, this experience became law and the formation of joint stock companies. The first experience related to the formation of a joint venture in Russia, which was decided in 1353 that Africa's commodities without the bypass, from Northern Europe to East Asia and China win and that's what it was at risk of harm. To do this a number of merchants to provide the necessary capital, and everyone in proportion to their capital gains and losses was a partner and do this successfully. Then with development of the capital trade in Europe more and more partners were needed. To do this requires the centers to be established between investors and investment relationship. Such centers were established and exchange were called. The first stock exchange in Amsterdam was founded in the seventeenth century world Today, most countries have their stock. In Iran, the 1345 law was passed, the 15 January 1346 exchange began (1).

## What is a stock?

To learn more about knowledge exchange and it is better to "market" and its definition to begin. In a simple definition, we can say that, in the market place where buying and selling takes place, the easier it That is to say, whenever circumstances between the buyer and seller relationships and transactions carried out at the market. This can be a particular place or a communication network such as the Internet (2).

The markets are generally two types of assets, real assets and financial assets, are traded. Real assets are the physical assets such as land, buildings and all kinds of goods such as cars, appliances. ... but rather documents and paper assets are financial assets, such as stocks and bonds. stock market in which the various assets of the transaction. For this reason, a variety of scholarships can be divided into three general categories: commodity exchange, stock exchange and the stock exchange classified (3).

### **Commodity Exchange**

A market where sales of certain goods takes place regularly and is permanently active commodity exchange. The exchange of goods, usually raw materials and raw materials for the transaction. The exchange of commodities with the commodity that the transaction would not name. For example, oil and stock exchange wheat.

### **Exchange**

The stock exchange, as the name implies, buying and selling foreign currency is carried out. This stock is not active in our country but significant activity in developing countries (3)..

### **Stock Exchange**

The Stock Exchange of financial assets such as stocks, bonds and ..... about the transaction. In Iran, the market purchase and sale of securities that are officially and permanently in a certain place at the "Stock Exchange" We have written to say but for brevity it is called a stock or a stock exchange.

### **Stock Exchange**

The main task of the stock exchange is that it provides a background to groups of people, legally, in an economic activity needs of each partner and, in addition, benefit from the benefit of this activity. The Group of investors and investment requirements.

Basically, in a simple division, members of the community can be divided into two groups; one group of people that money, capital or savings, but can not work with the second group of those capable of work Economic capital and money, but not enough. In addition to these two groups do not know each other and they do not skimp on features are different. For example, all investors are equally so not size. Some are small and some of the large cash sums are invested for their taste is different, for example, people tend to have low profits in the short term and some are looking for more profit but in the long run, and dozens of other features (5).

Investment also have different characteristics, for example, each group in a particular field work, according to their activities pay a different interest in managing its production centers taste ..... Now, it's all different and have different characteristics between the two groups how they relate to all the terms are each willing to share? One of the basic tasks of this exchange is to create a good atmosphere and provide a legal basis through which satisfy all the legal requirements to protect the rights of the parties technology. Solved stock exchange a very big problem other , so that we can claim the problem has increased investment and thus faster development and progress of the world. Its problem is that if different people with different capital into stock and economic activities are a great partner, want, anytime they decide, their share capital and the right price to sell, what to do? For example, if a 100 shares from 125 million shares a cement factory to meet and decide to sell it today, how can you determine your share price? How can calculate the price of the plant to determine the basis of its share price? How much time, how many people and how much it costs to do this? And analyze the problem and has designed a mechanism that any person with any amount of shares per day decided to sell its shares to be aware of your stock price or even if you decide not to sell a price Know your shares (4).

### **Benefits for stock investors**

#### **Money**

The most important goal of every person of investment income. Investing in stock can fulfill this demand in two ways. First, through the payment of dividends of factories and companies, thus which, factories or companies in which shares in the exchange offer has been part of the profits from sales of goods and services obtained divided between shareholders. Thus, those who buy shares in companies or factories The centers have been listed in this way earn their partner. The second shareholder money exchange, useful and effective management of the activities of the respective companies to increase the Company's share price This means that the addition of the assets of shareholders (5).

#### **Liquidity**

Those who invest in a stock if the money they need much more quickly than many other investments can turn your portfolio into cash. To do this is to first stockbroker refer the application to sell shares to

deliver. ease the sale of shares such that even in the most difficult conditions, if the person your stocks slightly lower than the market price, in the shortest amount of time its capital will be critical. However, many other investments are lacking this feature. For example, suppose you buy a car, land or house and are now in need of money has been invested. becomes clear that any of the listed cash to buy shares of listed companies will be far more difficult.

### **Participation in decision-making**

Decisions for the management of listed companies carried by the equity. People who buy the company's shares are listed according to the law can attend meetings related companies and Hearing Report on the activities of the company are aware workflow as well as their voting rights to elect the board, the projects and the amount of dividends to shareholders their opinion. The advantage is that the shareholders of listed companies because they can The company's activities are informed and involved in decision-making.

### **Ensure investment location**

Stock very safe place for investment. To prove this it is sufficient to note that the law governing the exchange. Exchange established in accordance with the Securities Market Act and acts accordingly. In addition to all the law and any active activity is identified stock Tranquility is a supervisory authority with legal permission to name "the exchange" is also intended to monitor all activities that are carried out.'s The other information that listed companies are obliged by law authorized to regularly provide their buyers and sellers. This market is transparent, so everyone that information to buy and sales at its disposal can proceed to deal with confidence. As a result, the law governing the exchange mechanisms predicted provides a safe place for investment.

### **Psychological factors influence investors' decisions**

In general, the studies were conducted empirical evidence to capital markets, reflects the fact that their behavior is very complex decision-making process of investors were offered the possibility of a single model to predict their behavior in the market, will not be easily achieved. In general it can be said that psychological factors influence people to invest dance Drbvrs securities include (4):

Factors Medicine

The power of nature

Earn the prestige (prestige) of shareholders

Adapt image and video of the actual purchase

Degree of risk

The confidence

Overall, based on the following Vmal studies of the dynamics and Tdam reasons to invest in exchange-stage (5):

### **Terms of political factors**

Political factors are of great importance for investors. This is especially the Third World countries is crucial to the investment. Because the law changes and regulations in these countries is very high speed. It can be said that political stability will continue to be . when the political situation has a negative impact on the stock market, usually the greatest impact on the stock's intrinsic worth less, so if you see long-term investors Achieve have their share makes the stock a higher intrinsic value of the Vkhzyz hay drop out and less concern for them to have. Of course, the existence of political instability changes, long-term decisions for investors difficult. For example, the impact of political factors on the stock market It is positive that the nuclear talks in Tehran Stock Exchange index increased.

### **Transparent financial information**

The financial information that the company delivers the right blend of great importance for investors. Some companies provide investors provided false information to mislead and cause wrong choice they are.

In addition, the transparency of the notification by the Company, one of the very important factors for the stock market performance of intelligence is necessary, of course, it can also be useful in reducing investment risk. If companies providing transparent information for financial or any other news about the status of the company to the shareholders to do their utmost, shareholders with sufficient information to be

able to buy better and sell their stock. In general, according to the results we can say that investors are willing to buy shares of companies that accurate financial information and sound more than others have said.

### **Types**

Certain industrial space of any single company working with them to grow, expand and will eventually decline. Check the type of special status Hrsnt Drqymt stock companies under the industry, thus investors to buy or sell shares effective decisions. There Asrvaml crisis in the industry in a variety of imports, demand reduction, etc. can also affect successful companies. Investors prefer industries that were developing the addition of the rate of profit is higher than other industries .

### **The volume of transactions of a share**

The trading volume increases, prices become more reasonable indeed it can be said fairly efficiency gets closer to the market and this will help investors make better decisions.

### **Type of property companies**

Ownership of listed companies in the stock exchange for private, public, or shared (private companies - State) is. The importance of this factor to investors located in the sixth. The study found that most investors tend to invest in shares of private companies are buying the things.

### **Risk ratio**

Risk is an integral part of the activities of the financial markets and for profit to need. Investors are aware or not, there are different levels of risk in their investments. There are different types Azrysk its importance for the various stakeholders, is different. Investors When the purchase or sale of shares, must try to appropriate analysis, to reduce the impact risk. Of course, this also depends on the degree of risk appetite or risk aversion (6).

### **Role Management**

The role of management is an important factor that affects many areas. Dividend policy, the company's performance, accurate and timely information, and many other factors all affect management partnership. It also reflects the company's success is the stability of management. Although all Company administration staff involved, Amatsmym final receiver managers of the company. For more than half of respondents in terms of their importance and were tenth.

### **The volatility of stock price**

According to the result of the fluctuation of the stock price has been in twelfth place. In fact, it is important for investors is moderate. When investors buy shares Hazrbashnd that its price is volatile, it can be said that they accept the risk.

### **Delay dividend payments**

Most companies pay dividends not fulfilled its obligations on time usually delayed the benefits to be paid. The dividend was paid to shareholders are subject to inflation and reduce the value of money is not useful because their funds and other stakeholders can not reinvested .

### **The capital raising by companies**

Any single company to run the program development plan, based on existing conditions can increase its capital, based on the percentage of the capital increase, the number of shares of company stock Nyzafzaysh will Vdarndgan. Inspection investors, the importance of the decisions of investors located Tissue XIV (7) .

### **The interest rate on bank earnings**

Tghyyrdr interest rate change will follow the outcome of securities. These changes are typically located opposite direction. This means that in terms of constant prices of securities moves opposite direction of interest rates or anything bad interest rate increase or decrease in the price of securities is. The importance of this factor for investors has been ranked fifteenth.

### **Inflation**

Expected rate of return shareholder value rates also affected by inflation. The inflation rate rise expected rate of return will also increase. Because of inflation and reduce the value of money, investors are expected to invest more Azsvd. The importance of this factor was also the sixteenth Tissue (6).

### **Conclusions**

The current situation suggests exchange of spatial governance boring The overall atmosphere of trading this market. So that even positive or negative news will not have any impact on the trend in prices in this market is now stagnant in the areas of sustainability trends affecting the market has caused the freshness of the stock market is have . Consequences of domestic inflation and recessions hidden in previous years has led to the deterioration of the capital markets continue at the same time no significant changes in the country's macroeconomic and economic impressionable other institutions of the recession by the reaction of face . Therefore, addressing the factors that can lead to happiness and prosperity and the stock market is very important. As mentioned above, the reasons for the boom in exchange for activists factors such as inflation, investment firms, financial transparency and risk, which indicates the importance of this Factors contributing to the stock and financial markets.

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