CONTRIBUTION OF INVESTORS IN STOCK EXCHANGE DEVELOPMENT IN TANZANIA: A CASE OF DAR ES SALAAM STOCK EXCHANGE

DANFORD PHINIAS GAMBALIKO

A DISSERTATION SUBMITTED FOR THE PARTIAL FULFILLMENTS OF THE REQUIREMENTS OF MASTERS DEGREE OF BUSINESS ADMINISTRATION OF THE OPEN UNIVERSITY OF TANZANIA

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CERTIFICATION

The undersigned, certifies that he has read and hereby recommend for acceptance by The Open University of Tanzania, a dissertation titled*: "Contribution of Investors in Stock Exchange Development in Tanzania: A Case of Dar es Salaam Stock Exchange"* in partial fulfillment of the requirements for the degree of Business Administration of The Open University of Tanzania.

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Dr. I. Mnzava

Supervisor

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Date

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DECLARATION

I, Danford Phinias Gambaliko, do hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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ABSTRACT

This study aimed to assess the contribution of investors to stock market development in Tanzania using DSE as a case study. Specifically, the study aimed to analyze the growth of the market value of equity share listed in Dar es Salaam Stock Exchange by the investors, to analyse the increase of market value of equity share traded in Dar es salaam stock Exchange, to identify and examine efforts being made by stock exchanges to attract participation in the market place and to analyze the extent to which DSE has been successful in achieving its objectives. The methodology used to conduct this study was case study research method and used both primary and secondary data. The study found that equity share was growing year after year at DSE as market value of shares listed have been growing at the annual average rate of 52.3% for the last eight years (2007-2014). Compared to the Nairobi and Uganda Stock exchanges, DSE was found to have the highest percentage change of market value of share listed followed by Uganda Stock Exchange (USE). In terms of market value to equity share traded, the value at DSE has been increasing at the annual average rate of 12.6% for the last eight years. Likewise, DSE was ahead of Nairobi Stock Exchange (NSE) and Uganda Stock Exchange (USE) in terms of percentage change of market value of equity share traded. The study noted that DSE was effective in attracting investors. According to the calculation made, it was interpreted that DSE has made big efforts in attracting investors. Lastly, it was recommended that DSE should make more efforts to attract more investors since it was found that stock exchange performance depended much on the value of equity share traded.

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ABBREVIATIONS AND ACRONYMS

DSE	Dar es Salaam Sock Exchange
GDP	Gross Domestic Product
IT	Information Technology
MC	Market Capitalization
TZS	Tanzania Shilling
WAN	Wide Ares Network
TVL	Value Traded
VESL	Value of Equity Share Listed
VEST	Value of Equity Share Traded

CHAPTER ONE

OVERVIEW OF THE STUDY

1.1   Introduction and Background to the Study

Stock exchange is a corporation or mutual organization which provides facilities for stock brokers and traders to trade company stocks and other securities. Stock exchange also provides facilities for the issue and redemption of securities, as well as other financial instruments and capital events such as the payment of income and dividends. The securities traded on a stock exchange include: shares issued by companies, unit trusts and other pooled investment products and bonds. To be able to trade a security on a certain stock exchange, it has to be listed there (Zouari *et al*., 2014).

Stock exchange market offers the most important components such as mobilizing savings for investment, facilitating company growth, redistribution of wealth, corporate governance, creation of investment opportunities for small investors, raising capital for Government - development projects; and is also the barometer of the economy (Soet, and Ngugi, 2012).

This means that, when people invest in shares, it leads to a more rational allocation of resources because funds - which could have been consumed or kept in idle deposits with banks, are mobilized and redirected to promote profitable business activity for several economic sectors such as agriculture, commerce and industry. This will result in stronger economic growth and higher productivity levels. People who chance to buy shares, ultimately become part-owners (shareholders) of

profitable enterprises. Companies generally tend to improve their management standards and efficiency in order to satisfy the demands of these shareholders.

As opposed to other businesses that require huge capital outlays, investing in shares is open to both large and small stock investors because they buy a number of shares they can afford. Therefore the Stock Exchange provides the opportunity for small investors to own shares in the same companies as large investors and to enjoy similar rates of return. By having a wide and varied scope of rates of return to owners, it is alleged public companies tend to have better management records than privately-held companies (Huang and Levich, 2003).

The Dar es Salaam Stock Exchange (DSE) market was incorporated in 1996 and it opened its doors to business in March 1998 and began its first day of trading in April 1998, attracting four trades in the only listed company on the bourse - Tanzania Oxygen Ltd (TOL). Total market capitalization at Dar es Salaam Stock Exchange (DSE) market was reported to be 7.1 billion shillings (US$10.15 million) at the end of the first day in April 1998, making it one of the smallest stock exchanges in the world. As at July 21, 2014, the total market capitalization was 20,264.60 bn shillings (USD 12,235.97millions) (http://www.dse.co.tz/, 21th July, 2014).

The Dar es Salaam Stock Exchange (DSE) market is normally open from 10.00am to 12.00 noon from Monday to Friday except on public holidays. The securities currently being traded are Ordinary Shares of 18 listed companies, 5 corporate bonds and 8 Government of Tanzania bonds. Clearing occurs on a transaction-by-transaction basis. Settlement is electronic and there is an electronic depositary.

The development of Dar es Salaam Stock Exchange (DSE) market has been hampered by the low level of contribution by foreign investors and by a local investor community, which lacks significant surplus funds and is not yet fully convinced of the value of investing in the stock market.

1.2   Statement of the Problem

The stock market has become an essential market playing a vital role in economic prosperity thus fostering capital formation and sustaining economic growth. Stock markets are more than a place to trade securities; they operate as a facilitator between savers and users of capital by means of pooling of funds, sharing risk, and transferring wealth. Stock markets are essential for economic growth as they facilitate the flow of resources to the most productive investment opportunities in other words; they help in terms of efficient allocation of credit in the economy. Demirguc-Kunt and Levine (1996), Singh (1997) and Levine and Zervos (1998) find that stock market growth plays an important role in predicating future economic growth in situations where the stock markets are active. The arguments of Demirguc-Kunt et al. (1996) indicate that economies without well-functioning stock markets may suffer from three types of imperfections: first, opportunities for risk diversification are limited for investors and entrepreneurs, second, firms are unable to optimally structure their financing packages and third, countries without well functioning markets lack information about the prospects of firms whose shares are traded, thereby restricting the promotion of investment and its" efficiency. The proponents of stock markets emphasize the importance of having a developed stock market in enhancing the efficiency of investment.

A study done on the Ghana Stock Exchange (GSE) finds that, institutional factors particularly the legal and regulatory framework that ensure the protection and security of investors are important in the development of the stock market. Additionally, the study analysed the impact of the listing of Ashanti Goldfields Corporation (AGC) on the development of GSE. In addition capital flows by investors from Europe, America and the Far East have boosted the market capitalization. Financing pattern in emerging markets indicate that, contrary to expectation, emerging market corporations rely heavily on external finance and new equity issues to finance long term investment. This result indicates that stock markets have been successful in providing considerable funds to the top 100 corporations in emerging markets (Singh, 1997).

There is a general view that the level of contribution of local investors to the growth of Dar es Salaam Stock Exchange in terms of share traded is low. However, few firms have been listed and volume of shares traded is still low. Whenever opportunities arise in accessing financial resources - through the capital markets, local investors have failed to seize such opportunities.

The volume of trade is still relatively low although the DSE has been in operation since 1998. It has also been argued that many local investors are not in position to meet the regulatory requirements of the stock exchange, yet the regulations are perceived to be more supportive to boast investor confidence. Further, the potential investors have not taken advantage of the incentives on the stock exchange. Therefore, this study intended to find out if there is any contribution made by

investor's trading on the listed shares in stock markets on the development of Dar es Salaam stock exchange.

1.3   Research Objectives

1.3.1   General Objective

The general objective of this research was to assess if the trading of the investors has the contribution on the stock market development in Tanzania a case of DSE.

1.3.2   Specific Objectives

The following specific objectives were considered in accomplishment of the main objective.

(i)   To analyze the growth of the market value of equity shares listed at Dar es Salaam stock Exchange by the investors

(ii)   To analyze the increase in market value of equity shares traded at Dar es Salaam stock Exchange by the investors

(iii) To identify and examine efforts being made by stock exchange to attract participation in   the market place.

(iv)   To analyze the extent to which DSE has been successful in achieving its objectives

1.4   Research Questions

1.4.1   General Question

What is the contribution of investors on stock market development in Tanzania focusing on the Dar es Salaam Stock Exchange market?

1.4.2   Specific Questions

The study sought to answer the following questions:

(i)   To what extents the market value of equity shares listed at the DSE is growing?

(ii)   To what extents the market value of equity shares traded at the DSE is increasing?

(iii)   What efforts have been made by the stock exchange to attract participation in the market place?

(iv)   To what extent does DSE has been successful in achieving its objectives?

1.5   Rationale of the study

This study sought to assess the contribution of private investors on stock market development in Tanzania and further to that:

(i)   It will draw decision and recommendation for remedial action of improving the existing situations in stock market especially at DSE market

(ii)   The findings of the study will provide guidelines which the private investors will utilize in future assessments of their investment in DSE

(iii)   The findings of the study will assist the investors to operate on efficient and cost effective manner in DSE, which will ensure profit maximization of their investment.

1.6   Organization of the Study Report

This study is organized into five chapters. Chapter one introduces the study. It provides the background of the study, statement of the problem, objectives of the

study, research questions, scope of the study, significance of the study as well as organization of the study.

Chapter two provides the literature review related to the topic under study. It first defines key terms used in the study. It further presents the theoretical review, empirical review, knowledge gap and the conceptual framework of the study.

Chapter three describes the design and methodology used in the study. It explains the concept of research paradigm, the population of the study, area of the study, sampling design, data collection methods, data analysis procedures, ethical considerations as well as validity and reliability of the study.

The fourth chapter is the heart of the study. It presents the findings of the study. It also analyses and discusses the findings of the study as per the objectives of the study. Chapter five concludes the study. It offers the summary and the general conclusion. The chapter also provides the recommendations including areas for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This Chapter presents theoretical overview and states the literatures on which this study focused. The literature review aimed to expose the researcher to the problem being addressed. Literature review provided profound insight into the topic and facilitated the interpretation of the findings. The researcher became more familiarized about the history of the problem, how it began, consequences related to the problem, how other researchers had addressed the problem, the theories that have been formulated relating to the problem and the conceptual framework of the study.

2.2   Definition of Key Terms

Conceptual definitions give meaning to keywords that are expected to feature more frequently in the research. Conceptual definitions are common in scientific contexts, where theories tend to be precisely explained and results are more widely accepted to be correct.

2.2.1   Investor

An investor is any party that makes an investment. The term which has taken a specific meaning in finance, describes particular types of people and companies that regularly purchase equity or debt securities for financial gain in exchange for funding an expanding company (Ngare et al., 2014). Less frequently, the term has applied to parties who purchase real estate, currency, commodity derivatives, personal property,

or other assets. The term implies that a party purchases and holds assets in hoping to achieve capital gain or cash flow.

2.2.2 Stock Exchange

Stock Exchange is an important constituent of capital market. Stock Exchange is an organized market for the purchase and sale of industrial and financial security (Akran 2010). Akran maintains that Stock Market Exchange is a convenient place where trading in securities is conducted in systematic manner - as per certain rules and regulations. It performs various functions and offers useful services to investors and borrowing companies. It is an investment intermediary and facilitates economic and industrial development of a country. This study adopted Akran's definition of Stock market exchange.

2.2.3   Development

In this study, development is defined as the process in which market share grows or changes and becomes more   advanced in comparables from year to year.

2.3   Theoretical Review

According to Kenneth (2005), theoretical review can be defined as a collection of ideas and assumptions, which direct the way of doing research and are constantly redefined during the research process. The framework of the proposed study is embedded in the underlying theoretical argument of Dow Theory and Efficiency Hypothesis Theory.

2.3.1   Dow Theory

The Dow Theory was developed by Charles Dow (1900). The Dow Theory addresses -not only technical analysis and price action, but also market philosophy. The Dow Theory attests that the stock market behaves the same today as it did almost 100 years ago. This means that characteristics of stock market have been the same over the years. The goal of Dow and Hamilton was to identify the primary trend and catch the big moves. They understood that the market was influenced by emotion and prone to over-reaction both up and down. With this in mind, they concentrated on identification and following: identify the trend and then follow the trend. The trend is in place until proved otherwise. That is when the trend will end, when it is proved otherwise.

Dow Theory helps investors to identify facts, and not to make assumptions or forecast. It can be dangerous when investors and traders begin to assume. Predicting the market is a difficult, if not impossible, game. Hamilton readily admitted that the Dow Theory was not infallible. While Dow Theory may be able to form the foundation for analysis, it is meant as a starting point for investors and traders to develop analysis guidelines that they are comfortable with and they understand.

Reading the markets is an empirical science. As such there will be exceptions to the theorems put forth by Hamilton and Dow. They believed that success in the markets required serious study and analysis that would be fraught with successes and failures. Success is a great thing, but don't get too smug about it. Failures, while painful, should be looked upon as learning experiences. Technical analysis is an art form and the eye grows keener with practice.

With this study the theory shows that both successes and failures on investors in stock market depend most on sufficient trend analysis, but the stock market behavior is not affected with time or period changes, consequently the development of stock market will depend on other factors other than time change.

2.3.2   Efficiency Market Hypothesis Theory

The efficient-market hypothesis (EMH) states that it is impossible to "beat the market" because stock market efficiency causes existing share prices to always incorporate and reflect all relevant information. Fama (1970), in his definitive paper on the efficient markets hypothesis, defines "efficient Market." is a market in which prices always fully reflects available information.

According to the EMH, stocks always trade at their fair value on stock exchanges, making it impossible for investors to either purchase undervalued stocks or sell stocks for inflated prices. As such, it should be impossible to outperform the overall market through expert stock selection or market timing, and that the only way an investor can possibly obtain higher returns is by purchasing riskier investments.

With this theory, the main assumptions for a market to be efficient is as a large number of investors to analyze and value securities for profit, also the new information comes to the market independent from other news and in a random fashion as well as the stock prices adjust quickly to new information, furthermore the stock prices should reflect all available information.

There are three major versions of the hypothesis: "weak", "semi-strong", and "strong". The weak form of the EMH claims that prices on

traded assets (*e.g.,* stocks, bonds, or property) already reflect all past publicly available information. The semi-strong form of the EMH claims both that prices reflect all publicly available information and that prices instantly change to reflect new public information. The strong form of the EMH additionally claims that prices instantly reflect even hidden or "insider" information. Critics have blamed the belief in rational markets for much of the late-2000s financial crisis. In response, proponents of the hypothesis have stated that market efficiency does not mean having no uncertainty about the future, that market efficiency is a simplification of the world which may not always hold true, and that the market is practically efficient for investment purposes for most individuals.

With this theory, it has been revealed that information plays a big role on investors to participate in stock market exchange, the investor will trade more if they have sufficient information about the stock market, this give an idea that the information has a role to play on exchange market development.

2.4   Empirical Review

This section discusses what have been done by other researchers concerning the contribution of investors in stock market development. It reviews the previous research and studies which has relation with specific objectives of this research. The following are some of them.

2.4.1   The growth of Value of Equity Share Listed and Traded in Stock Exchange

Agyeman (2010) conducted a study in order to explore how to improve the Ghana Stock Exchange (GSE) by identifying the challenges impeding the development of

the GSE and finding ways to deal with such challenges. The method used was to survey investors on the GSE and also interview the key players in the industry. It was found that the GSE is generally illiquid and not efficient. The number of listed securities on the Exchange is woefully inadequate. Also, most of the listed companies had very limited float of shares available for trading and their financial performance has been abysmal over the years. Generally, the study noted that the cost of listing was very expensive. Analyzing the results, massive education, incentives for listing, government use of the GSE for divestiture and bond issue for infrastructure were discussed as possible solutions.

Yartey and Adjasi (2007) argued that Africa has made considerable use of the stock market to finance their growth. Stock market development has assumed a developmental role in global economics and finance following the impact stock markets have exerted in corporate finance and economic activity. For instance, due to their liquidity, stock markets enable firms acquire much needed capital quickly, hence facilitating capital allocation, investment and growth. Stock markets also help to reduce investment risk due to the ease with which equities are traded. Stock market activity is thus rapidly playing an important role in helping to determine the level of economic activities in most economies.

Aduda et al (2012) investigated determinant of the stock market development in Kenya while focusing on the Nairobi Stock Exchange (NSE). The study used secondary data for the period 2005-2009. Regression analysis was used in analysis of the findings and noted that macro-economic factors such as stock market liquidity, institutional quality, income per capita, domestic savings and bank development are

important determinants of stock market development in the NSE. Apart from that the results also indicated that the volume of equity share traded was also reported to play important part in the development of the NSE. The study concluded and recommended that resolution of the both political and economical risks can be a virtual factor for more investors to engage in the stock market, which in turn, development of the NSE.

Ariyo and Adelegan (2005) asserted that the capital market deregulation contributes to the growth of the Nigeria capital market, yet its impact at the macro-economy is quite negligible. Ewah et al. (2009) appraised the effect of the efficiency of the capital market on the economic growth of Nigeria. They discovered that the capital market in Nigeria has the potential of growth-inducing effect but it has not contributed significantly to the economic growth of Nigeria because of low market capitalization, low absorptive capitalization, illiquidity, misappropriation of funds among others.

Donwa and Odia (2011), analysed the effect of the Nigerian capital market on her socio-economic development from 1981 to 2008, using the ordinary least square. It was found that the capital market indices have not impacted significantly on the GDP. However, Levine (1991) postulated that a developed capital market reduces the fear of risk of investors to invest their funds thereby fostering economic growth. This view was supported Levine and Zervos (1996) that a strong positive relationship between stock market development and long-run economic growth.

Demiurgic-Kunt and Levine (1996) using pooled cross-country time series data from 44 countries covering the period of 1986 to 1993 found that different performance

parameters of stock market are strongly related to other indicators of activity levels of financial, banking, non-banking institutions as well as to insurance companies and pension funds. They concluded that countries with well-developed stock markets tend to also have well-developed financial intermediaries.

2.4.2 Efforts made by Stock Exchanges to Attract Investors

Bryant (2003) posits that Stock Exchange has modern electronic and satellite communications equipment, which has enabled it to maintain performance. Again, he continues to argue that, the under-developed communications infrastructure in the individual countries comprising the Stock exchange, Integration in the East African Countries of Kenya, Uganda and Tanzania which are currently in the process of integrating their stock markets into a regional East African stock market. The majority of the countries establishing new exchanges in Africa have established new legal and regulatory regimes. That is, the African markets are not closely linked to other international markets as is the case in Asia. While this may be a disadvantage to their growth, it has made them attractive to investors who are looking for markets that will not be significantly affected by stocks to major world markets.

Mark (2002) emphasis that, the development of African stock exchanges is growing in importance because of the important role they play in facilitating the higher savings rate of the working population, offering of a variety of securities to as many people as possible, flow of foreign direct investment into long-established or recently introduced companies;, distribution on capital in the most productive sectors of the economy, redistribution of wealth in the economy and improved corporate governance through increased transparency and access.

Irving (2005) assessed whether regional corporation and integration of stock exchanges in east and southern Africa could offer a way of overcoming impediments to the exchange development, he concluded that regional corporation and at a letter stage, integration if carried out at the right place in pragmatic way could improve the liquidity efficiency and competitiveness of these exchanges.

Yartey and Adjasi (2007) examined the economic importance of stock markets in Africa. It discusses policy options for promoting the development of the stock market in Africa. They commented that the stock markets have contributed to the financing of the growth of large corporations in certain African countries. An econometric investigation of the impact of stock markets on growth in selected African countries, however, finds inconclusive evidence even though stock market value traded seem to be positively and significantly associated with growth.

2.4.3 Stock Market development and Economic growth

Literature onthis aspect has mixed findings depending on the country and country group. Some studies such as Ikikii and Nzomoi (2013), Rahman and Salahuddin (2010), Enisan and Olufisayo (2009), Agrawalla and Tuteja (2007), Buelens et al. (2006), Adjasi and Biekpe (2006), Arestis et al. (2001) and Levine and Zervos (1998) found that stock markets development have had positive effect on economic growth while Haque (2013) and Ake and Ognaligui (2010) found that stock markets development have not had any significant effect on economic growth.

Ikikii and Nzomoi (2013) argue that stock market trade volume and capitalization affect economic growth positively while Osamwonyi and Kasimu (2013) revealed

that there was no causality between stock market development and economic growth in Ghana and Nigeria, while there was bidirectional causality between stock market development and economic growth in Kenya.Tang (2013) recommended that there was a unidirectional causality from stock prices to economic growth. While Haque (2013) considered taht Stock market did not have any effect on growth of GDP per capita. Kagochi et al. (2013) also commented that there was two-way causality between stock market development and economic growth.

Ngare et al. (2014) investigated the role of stock market development on economic growth in Africa. Annual data from a panel of 36 countries were used, of which 18 had stock markets, in Africa over the period 1980–2010. Their main findings of this investigation revealed that countries with stock markets tend to grow faster compared to countries without stock markets, it also give an idea about the countries which are relatively developed and have stock markets tend to grow less faster compared to small countries with stock markets, also demonstrated that Stock market development has a positive effect on economic growth, the investigation also evidenced that Investment, human capital formation and openness positively influence economic growth in the Africa region, as well macroeconomic instability (inflation) and government consumption impact economic growth negatively, in addition to that it proved that countries that are politically stable and less corrupt tend to grow faster.

Ali (2013) argued - in his paper for stock market development and economic growth, that there is an overwhelming consensus that vibrant stock markets exceedingly affect countries' economic progress. he examined the complex linkages between

stock market development and economic growth employing market capitalization ratio, turnover ratio and total value of shares traded as percent of GDP as proxies to stock market development while GDP per capita and FDI as a percentage of GDP to gauge economic development of BRICS (Brazil, Russia, India, China and South Africa) and Turkey. Significant positive links were revealed by VAR results, indicating that stock market development positively and significantly affects the economic growth of Russia, India and China.

The Ganger causality test model uncovers that stock market development significantly and robustly influences economic growth for Russia, India, Turkey and South Africa whereas for Brazil and China, it is the economic growth which promotes stock market progress through enhancing liquidity. The complexities of stock markets and their relationship with economic growth prevented us from generalizing their positive link. Accordingly, the need of further research is apparent in order to obtain more evidence about their interaction.

Ho and Odhiambo (2012) observed that there was a unidirectional causal flow from stock market capitalization to economic growth, and a causal flow from economic growth to stock market turnover in the short and long run and a casual from stock market turnover to economic growth in the short term, and a causality flow from economic growth to stock market traded value in the short term. Rahman and Salahuddin (2010) argued that the efficient stock markets and stock market liquidity had positive effects on economic growth. Stock market development Granger causes economic growth in Egypt and South Africa while there is a bidirectional

relationship between stock market development and economic growth for Cote D'Ivoire, Kenya,Morocco and Zimbabwe, whereas Ake and Ognaligui (2010) argued that Stock market did not affect economic growth. Marinkovic et al. (2013) commented that Turnover Ratio and Stock Turnover to GDP was a cause of real GDP growth.

2.5   Conceptual Framework

The main objective of this study was to analyze the contribution of investors in Dar es Salaam Stock Market development. The specific objectives were; to analyze the growth of the value of equity share listed at Dar es Salaam stock Exchange by the investors, also to analyze the value of equity shares traded, identifying and examine efforts being made by stock exchanges to attract participation in   the market place, and analyzing the extent to which DSE has been successful in achieving its objectives.
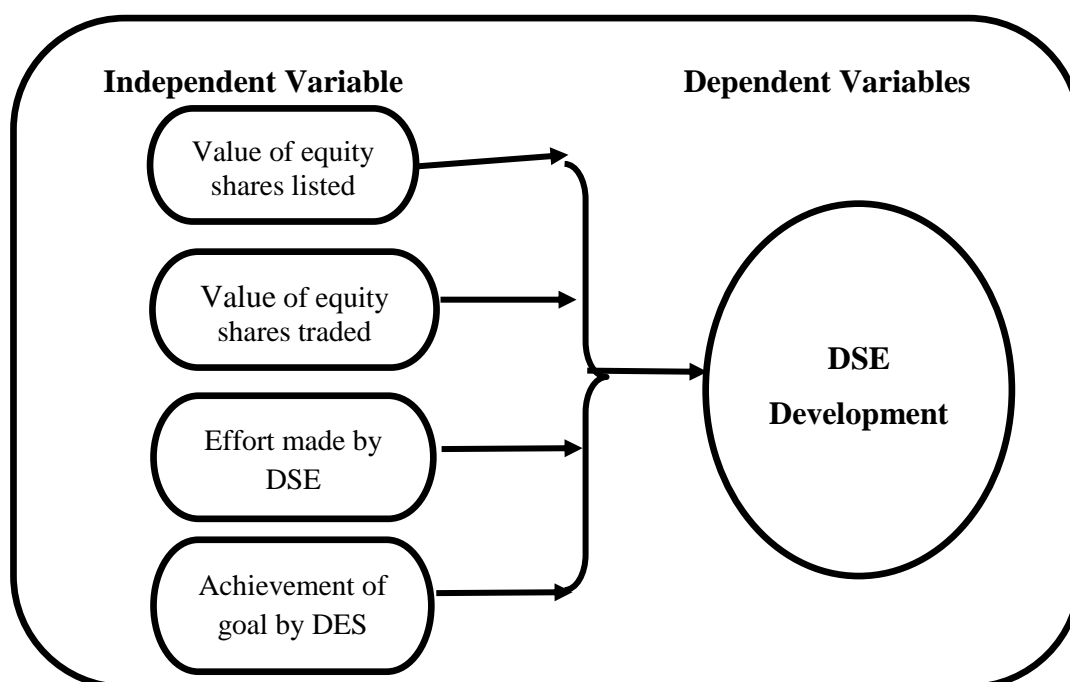
Figure 2.1: Conceptual Framework
Source: Researcher's own development model, 2015

This section presents a conceptual model for the studying development of DSE as the dependent variable value of equity share listed at DSE, value of the shares traded at DSE, efforts of DSE in attracting investors together with goal achievement of DSE as the independent variables.

2.6   Research Gap

Various studies have presented mixed results with respect to share equity, investor participation on exchange market development, and economic growth. While others showing the negative relationship between exchange market and the economic growth,, others showed positive relationship. Some studies showed a statistically significant relationship while others were insignificant. DSE, being at a maturing stage of development, is assumed to also be characterized by significant degree of limited geographical security brokers causing limited volume of trade from regions. This characteristic makes DSE yet another emerging market fit for the study of the investor's participation on its development. Therefore, this study was designed to contribute further empirical evidence - not only on the share equity growth, but also on the transaction value of equity shares and attainment of stock exchange objectives

CHAPTER THREE

METHODOLOGY OF THE STUDY

3.1   Introduction

This chapter describes the design and methodology used in the study. It first explains the research design employed in the study. It then presents the methodology of the study detailing the study area, study population, study sample, sampling techniques, data collection methods, data analysis procedure, the reliability and validity of data while taking into consideration ethical issues.

3.2   Research Design

This research used Case Study design (i.e. Dar es Salaam Stock Exchange) in data collection process through questionnaires, interviews and observation method because the validity of the findings of the case study was found to be significant to the study.

3.3   Research Techniques

This research concerned with both qualitative and quantitative techniques during the study. The researcher used quantitative technique to a greater extent since the problem under review was more quantitative by nature, although qualitative technique was used as necessary. Data were presented in description and tabular form and where applicable.

3.4   Population

According to Ruane (2005), research population refers to the individuals, events or objectives that have common observable characteristics and meet certain criteria for

inclusion in a given universe. In conducting a study, it is not possible, practical and even sometimes expensive to gather data by considering entire population. Therefore, smaller chunks of a unit sample are chosen to represent the relevant attributes of the whole units (Leedy and Ormrod 2005). The study comprised of officers of Dar es Salaam Stock Exchange, and brokers and investors of DSE.

3.5   Sampling Techniques

Since the study was a case study, non-probability sampling were employed, Convenience sampling techniques were used to obtain the respondents based on the merits that these types of sampling techniques are simple and cheap to use. It is the technique which select the respondent according to his or her willing.

3.6   Sample Size

The sample size was 68 respondents, and these were 5 officers of DSE, the study also selected 5 DSE-brokers' offices where in each broker's office the study chose 3 officers-hence a total of 15 officers of DSE-brokers were selected for the study. Furthermore 48 investors (entrepreneurs who have invested their fund through DSE).

3.7   Methods of Data Collection

The study utilized both primary data and secondary data collection methods. Data collection efforts were categorized by the understanding of issues relating to DSE. Primary data were collected using interviews and questionnaires while documentary review was used to collect secondary data and primary data.

3.7.1   Interviews

Interviews were used to collect data from responding officers of DSE as well as Brokers who were selected as sample size in the population. This aimed at obtaining

primary information, which was essential for the study. The respondents' views enabled collection of relevant information for researchers' use.

3.7.2 Questionnaire

The questionnaires were both open ended and closed. These were used to collect information from investors of Dar es Salaam Stock Exchange (DSE) on analyzing the effort made by stock exchange to attract participation in market place.

3.7.3 Documentation

This involved the collection of data from organizations' documents such as past reports, manuals, and other printed documents relating to the organization depending on their accessibility.

3.8 Types of Data Collected

3.8.1 Primary Data

Primary data are those which was collected through interview and questionnaire method. This involved collection of opinions from different respondents i.e. managers, staffs at DSE and all participants such as investors, Brokers dealing with Dar es Salaam Stock Exchange (DSE).

3.8.2 Secondary Data

Secondary data are those data which have been collected by other researchers and reused in another research. This includes literatures such as magazine, newspapers and textbooks, are related to the case study.

In this study, secondary data were used to analyze the following variables; value of equity share listed (market capitalization), share volume traded, Investors and economic growth of the country. These data were obtained from a sample of eight (8) years trend from 2007 to 2014 collected from DSE annual reports, and transaction advisors (brokers) as well as Tanzania Bureau of Statistics. Secondary data collected were then transferred to SPSS for analysis.

3.9 Data Analysis Techniques

According to Zikmund (2003), data analysis is the application of reasoning to understand and interpret the data that have been collected. In this study the process of data analysis depended on the nature of the data whether it was qualitative or quantitative.

3.9.1 Qualitative Data Analysis

Qualitative data which was obtained through the use of interview method of collecting data was analysed following the approach explained by Leedy and Ormond (2005). The approach is known as thematic approach and consists of three concurrent activities: data reduction, data display and finally conclusion drawing and verification. Data reduction was concerned with the process of selecting, simplifying, abstracting and transforming the data so they can be made intelligible in terms of the issue being investigated. Data display went a step beyond data reduction to provide an organized, compressed assembly of information that permits conclusion drawing and action. Drawing conclusions involved stepping back to consider what the analyzed data means and assessing the implications of data for the research

questions. Verification is the process of ensuring that conclusions are valid and justified.

3.9.2   Quantitative Data Analysis

All statistical procedures were conducted using Statistical Package for Social Science (SPSS) version 16.0. The SPSS was used because it has the incredible capabilities and flexibilities of analyzing huge data within seconds and generating an unlimited scale of simple and sophisticated statistical results including simple frequency distribution tables, polygons, graphs, pie charts, percentages, cumulative frequencies, binomial and other distributions.

In analyzing quantitative data, data was coded, investigated for integrity, analyzed and presented in useful outputs, such as tables and figures for easily drawing of conclusions and to make recommendations regarding specific objectives of the study. Descriptive analysis was used in calculations of percentages and arithmetic mean of the collected data in order to come up with valid conclusions while regression analysis was used to show relationship between dependent and independent variables.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1   Introduction

This chapter presents and discusses the findings obtained from both primary and secondary data sources concerning the contribution of investors in Dar es Salaam stock market. In order to deal with general objective the study had three specific objectives which were to: (i) to analyze the growth of the market value of equity share listed at Dar es Salaam stock Exchange by the investors. (ii) To analyse the increase in market value of equity shares traded at Dar es salaam stock Exchange by the investors (iii) To identify and examine efforts being made by stock exchanges to attract participation in   the market place, and (iv) To analyze the extent to which DSE has been successful in achieving its objectives. Now, in this chapter results have been presented in two groups which are general results and study specific results.

General Results

The descriptive statistic/results include general findings on the respondents including demographic characteristic like gender of respondents, age, and highest level of education as well as employment status of respondents.

Demographic Characteristics of Respondents

In this subsection, respondents' demographic characteristics were analyzed. Respondents were asked to indicate their gender, age and highest level of education as well as experience with DSE in term of the years one has being dealing with DSE either as a staff or a broker or as an investor. The reason why gender of respondents

was recorded is to show distribution the responses came gender wise, while education qualification was recorded because reliability of the result in this kind of study depend on respondents' level of education, which reflect the know-how on issues related to the capital market.

Table 4.1: Demographic of Respondents

		Category of respondent			Total
		DSE Officers	DSE Brokers	DSE Investors	
Gender of respondent	Male	3 (60%)	9(60%)	31(65%)	43 (63%)
	Female	2 (40%)	6(40%)	17 (35%)	25(37%)
	Total	5 (100%)	15(100%)	48 (100%)	68 (100%)
Age of respondent	20-29 years	-	3(20%)	12 (25%)	15 (22%)
	30-39 years	2 (40%)	7(47%)	19 (40%)	28 (41%)
	40-49 years	2 (40%)	5(33%)	12(25%)	19(28%)
	50 years and above	1 (20%)	-	5 (10%)	6(9%)
	Total	5(100%)	15(100%)	48(100%)	68(100%)
Education qualification of respondent	Diploma	-	1(7%)	11(23%)	12(18%)
	Bachelor	3 (60%)	9(60%)	30(63%)	42 (62%)
	Master	2 (40%)	5(33%)	7(14%)	14(20%)
	Total	5(100%)	15(100%)	48 (100%)	68(100%)
Experience of respondents	2-5 years	2 (40%)	13(93%)	45(94%)	61(89%)
	6-10 years	3 (60%)	1(7%)	3 (6%)	7(11%)
	Total	5(100%)	14(100%)	48 (100%)	67(100%)

Source: Field Data, 2014

Table 4.1 shows that in all groups of respondents the number of males outnumbered that of females, in which malew represented 60%, 60% and 65% of all responding DSE Officers, brokers and investors respectively. This signifies that males play bigger part in DSE compared to females. With respect to the age of respondents, 69% of respondents were people aged between 30 to 49 years. These are the enterprising group with enough knowledge and experience in the financial sector and who are willing to invest in stock markets. The composition in the age group

between 30-39 years was DSE officers (40%); DSE brokers (47%) and DSE investors (40%).

Results on the level of education shows that more than three quarters were people with bachelors (62%) and masters degrees (20%). Therefore, it can be said that the results in this study were from educated people who have knowledge on financial markets and are able to give reliable answers. Results on the experience show that the majority (89%) of the respondents dealt/worked with DSE for a period of 2 to 5 years.

This is because DSE is still at its infant stage; it was established in 1998, therefore investors and brokers are still testing the fruits of the stock exchange. Only a few of the respondents had worked with DSE for more than five years. With these statistics it can shows that the study collected data from almost all potential individuals who could give some information regarding operations of the DSE. As a result of this, the findings of this study are undoubtedly reliable.

4.2   Study Findings versus the Objectives of the Study

After presenting demographic data in the pervious section, this section presents the analysis of main findings as per specific objectives of the study. The collected quantitative data were presented in tables while qualitative data were presented in summary of propositions. However, much of the data from this research were quantitative and therefore tables as well as figures were used to present the results for easy interpretation and for drawing conclusions of the study.

4.2.1   Growth of the Market Value of Equity Shares Listed in Stock Exchange

The study first analysed market value of equity shares listed in Dar es Salaam Stock Exchange before making a comparison between DSE and other stock exchanges in East Africa.

4.2.1.1 Market Value of Equity Shares in Dar es Salaam Stock Exchange

The first objective of the study was to analyze the growth of the market value of equity shares listed in DSE. Data regarding listed equity shares in DSE, from 2007 to 2014 were used to get to the conclusion of this first specific objective of the study. Descriptive analysis and graph plot for equity share listed was generated by using SPSS. The result of this analysis has been presented in Table 4.2.

Table 4.2: Statistics of the Market Value of Equity Share listed at DSE

Year	Shares Listed (Tsh Billion)	Change of Shares Listed (Tsh Billion)	% Change of Shares Listed
2007	653.55		
2008	2,427.96	1,774.41	271.50
2009	2,524.69	96.73	3.98
2010	3,443.85	919.16	36.40
2011	4,203.54	759.69	22.05
2012	4,273.37	69.83	1.66
2013	17,069.57	12,796.20	299.44
2014	18,902.00	1,832.43	10.73
Minimum Value	654	69.83	1.66
Maximum Value	18,902	12,796.20	299.44
Mean	6,687.32	2,606.92	92.26

Source: DSE Annual Reports (2007-2014)

Table 4.2 shows that the mean values of shares listed in DSE within the last 8 years under review was Tshs 6,687.32bn while the minimum and maximum values of share listed were Tshs 654 bn and Tsh 18,902 bn which occurred in the year of 2007 and 2014 respectively. Table 4.2 also reveals that throughout the period under

review, DSE enjoyed increase of value of share listed and market capitalization. This can be witnessed by positive percentage changes of value share listed year after year. The percentage change of value of shares listed in the year 2008 was 271.5%, in the followed year of 2009 percentage change was small at 3.98% due to the small increase of market capitalization. The percentage change increased to 36.40% in the year of 2010 before decreases to 22.05% (2011) and to 1.66% (2012). It again increased sharply to 299.44% in 2013 and fall to 10.73 in (2014). The mean increase of percentage change of market capitalization has been found to be 92.26%. Thus it can be assumed that within the last period of 8 years change of market value of share listed in DSE have been growing by 92.26 % each year. However, the study calculated annual compound growth (geometric average) rate of market value of equity share listed in DSE and found to be about 52.3% as shown shown below.

$$653.55(1+g)^8 = 18902$$

$$(1+g)^8 = \frac{18902}{653.55}$$

$$(1+g) = \left(\frac{18902}{653.55}\right)^{1/8} = 1.5228$$

$$g = 52.3\%$$

The results of the Table 4.2 continued to show that the values of the equity shares listed in DSE have been increasing since the beginning of the period under review. The values have been increasing gradually from TSH 653.55 Bn (in 2007) to TSH 4,273.37 Bn (in 2012). In the year 2013 DSE experienced huge increase of the value of equity share listed to TSH 17,069.57 Bn. This huge increase of the value of listed shares can be connected with the increase of the public awareness regarding the

importance of investing through stock market. However, the increase con be connected with the growing connotation of opening DSE to the foreigners, the phenomenon which became effective in the 2014. The values of shares listed again slightly increased to 18,902.00 in the year 2014. Therefore, this statistics shows clearly that there is the persistence increase of the value of equity share listed in DSE.

After illustrating all that the study went ahead and drew a scatter plot for the values of the equity shares listed in DSE in order to figure out percentage increase of these values in DSE for the last eight years. From the scatter plot (Figure 4.1) it can be observed that from the year 2007 to 2014 there is an upward trend in market value of equity share listed in DSE. This has been indicated with the observed high value of coefficient of determination (R Squire) which is at 0.725 which indicate a sharp increase of market value of shares listed in DSE. However, the equation for this increase which can be used to predict the increase of value of share listed in DSE in the future years (average wise) have been given as:

$$y = 2463X - (5 \times 10^6)$$

Whereby: "y" is the value of equity share listed in DSE (in billions) and "*X*" is the number of the year.

Study findings show that, the Tanzania's stock market is experiencing growth of market value of equity share listed since 2007. However, this researcher believes that the fundamental forces which have led to rise of value of equity shares listed from

year to year since 2007 might once again lead to positive development of the economy of this country.
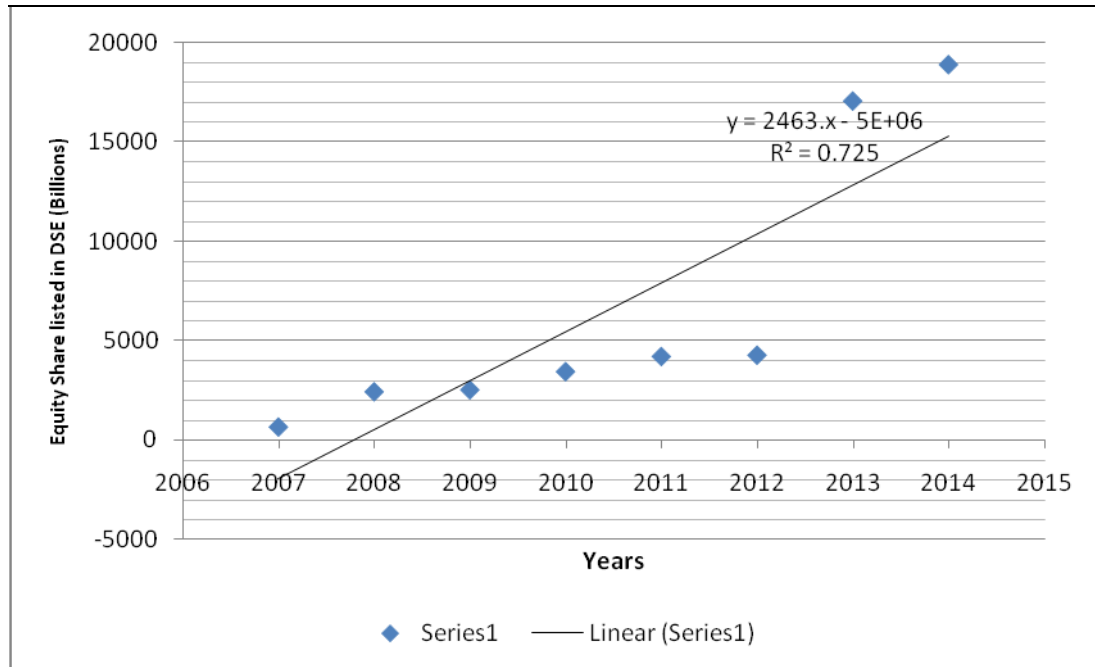
Figure 4.1: Scatter Plot of Growth of the Value of Equity Share Listed at DSE
Source: DSE Annual Reports

Theoretical research works show that stock exchange development might boost economic growth and empirical evidence tends to provide some support to this assertion. Levine and Zervos (1998), for instance, found that stock market development in term of value of equity share plays an important role in predicting future economic growth. They also noted that countries with well-developed stock markets tend to have well-developed banking sector.

4.2.1.2 Comparison of Change in Market Value of Equity Shares Listed Across East Africa

The study went ahead to compare percentage changes of the Value of Equity Shares Listed (VESL) of Dar es Salaam Stock Exchange (DSE) and that of its two East

African Stock Markets - namely Nairobi Stock Exchange (NSE) and Uganda Stock Exchange (USE). All these stock exchanges (DSE, NSE and USE) are operating in the east African market. The comparison is shown in Figure 4.2.

Figure 4.2 clearly shows that DSE had experienced greatest percentage change of its VESL followed by USE in 2008. But in 2009 the DSE had smallest percentage change of VESL compare to its rivals. Therefore, performance of DSE in term of VESL was weaker in 2009 compare to USE and NSE. But there was a slightly increase of this percentage in 2010 wherein DSE performed better than NSE but poor thank USE.
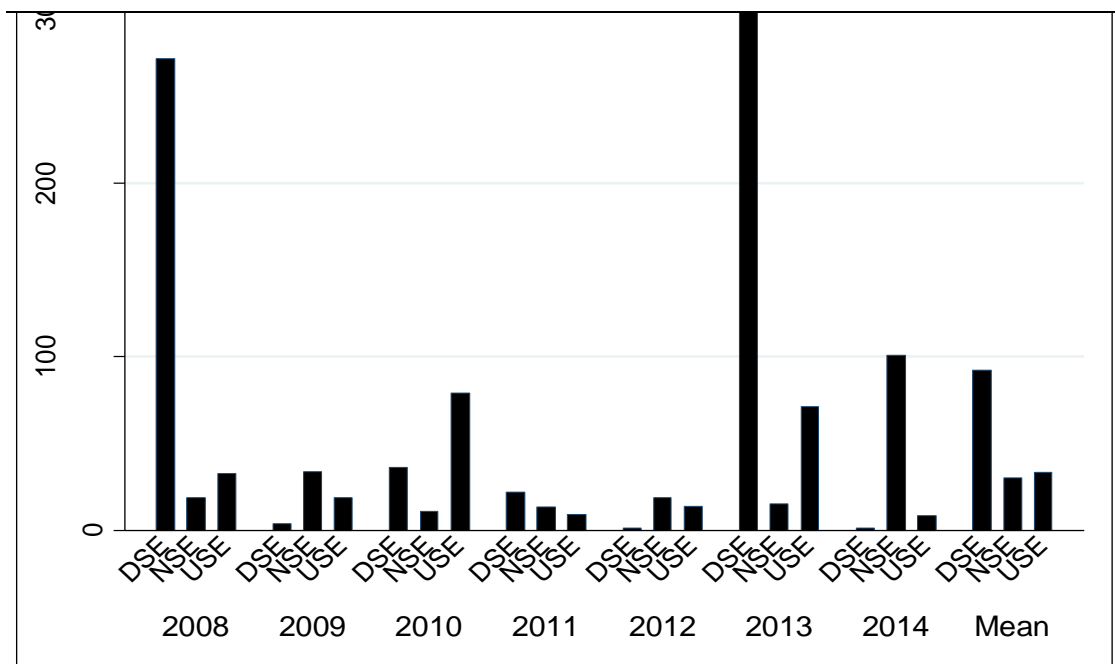
Figure 4.2: Percentage Changes of VESL of DSE, NSE and USE

Source: Researcher Computation, (2015)

Although all three stock exchanges experienced very small increase of their VESL in 2011, DSE was ahead of the rest while in 2012 it was the least stock exchange in

term of increasing VESL. In 2013 the increase of VESL in DSE was exceptionally higher compared to NSE and USE in which its percentage change of VESL was 299.44% the phenomenon which had not experienced by USE and NSE within the period under review. On the average, percentage changes of VESL for DSE, NSE and USE from 2008 to 2014 were 92.26%, 30.43% and 33.56%. Hence, regarding increase of VESL, DSE has performed better compare to USE and NSE within the last seven years. The second is USE.

4.2.2 Growth of the Market Value of Equity Shares Traded at Stock Exchanges

The study also analysed market value of equity shares traded in Dar es Salaam Stock Exchange followed by a comparison of equity shares traded between DSE and other stock exchanges in East Africa.

4.2.2.1 Market Value of Equity Shares Traded in Dar es Salaam Stock Exchange

The second objective was to analyze the growth of value of equity shares traded at DSE within the fore mentioned period of the last eight years (2007-2014). These values were also obtained from the annual reports of DSE. Similarly, descriptive analysis and graphs were conducted with the help of the SPSS soft ware to meet the aim of this objective.

Table 4.3 shows that the value of shares traded in DSE for the last 8 years has the minimum value of Tshs 43.45 bn and maximum value of Tshs 272.45 bn which

occurred at the begin and at the end of period under review. The average of this value of the shares traded was TSH 82.24 Bn.

Table 4.3: Statistics of Value of Equity Shares Traded

Year	Value of Shares Traded (Tshs, billion)	Change of Value of Shares Traded (Tshs, billion)	% Change of Value of Shares Traded
2007	43.45		
2008	50.09	6.64	15.28
2009	47.55	-2.54	-5.07
2010	53.98	6.43	13.52
2011	44.45	-9.53	-17.65
2012	73.00	28.55	64.23
2013	73.00	0	0
2014	272.45	199.45	273.23
Minimum Value	43.45	-9.53	-17.65
Maximum Value	272.45	199.45	273.23
Mean	82.24	32.71429	49.07

Source: DSE Annual Reports, 2007-2014

Moreover, it has been observed that in 2007 the shares traded were equal to TSH 43.45 Bn; it can be observed that value of shares traded was waving up and down with small changes since 2007 before raised to TSH 73.00 Bn in the year 2012. It then remained at the same level in 2013 but in 2014 it increased to reach TSH 272.45 Bn. This huge increase was due to the liberalization of the market under which the restriction on trading by foreigners was lifted. Nevertheless, when the value of shares traded declined, as witnessed in 2009 and 2011, at the operational level the market is said to be inefficient. The inefficiency can be mainly caused by: inadequate number

of traders to ensure competition, insufficient securities to enable traders to hold shares from different companies listed in the stock exchange, inadequate market regulation and standards of disclosure by companies.

Other factors that can be the reason for the inefficient stock exchange according to (Evans, 2010) and (Dryden, 1999) are poor communications so that some investors have an advantage over others, significant costs of obtaining investment information, a lack of competent analysts and professional advisers-resulting in differing expectations about the performance of stock exchange to the potential traders.

Regarding changes of value of shares traded, DSE has experienced both positive and negative changes of value of shares traded whereby in 2008 the change of value of shares traded was 15.28% and in 2009 was -5.07%. In the year of 2010 change in value of shares traded was 13.52% which decreases to -17.65 before raise to 64.23 in 2012. In 2014 change of value of share traded reached to 273.23%. Additionally, the study calculated annual compound growth (geometric average) rate of market value of equity share traded in DSE and found to be about 12.6%. The calculation is as shown below:

$$43.45(1+g)^8 = 272.45$$

$$(1+g)^8 = \frac{272.45}{43.45}$$

$$(1+g) = \left(\frac{272.45}{43.45}\right)^{1/8} = 1.257$$

$$g = 12.6\%$$
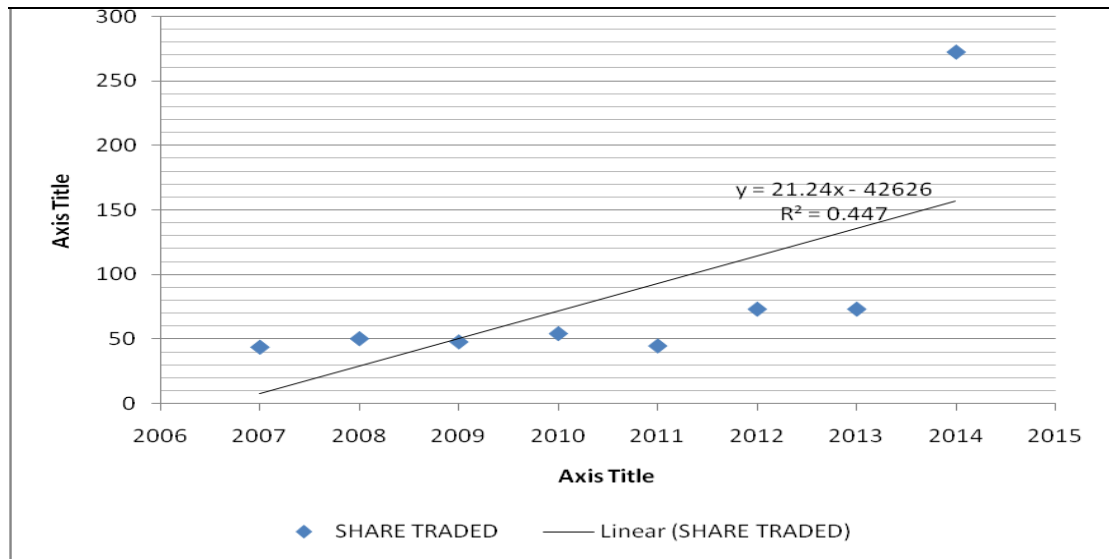
Figure 4.3: Scatter Plot of Growth of Equity Shares Traded in DSE

Source: DSE Annual Report, 2007-2014)

From the scatter plot in Figure 4.3- it can be observed that from 2007 to 2014 the value of equity shares traded had slightly increased. The observed coefficient of determination (R-squire) was 0.447 which elaborates that market value of equity shares traded at DSE had slightly increased within the last eight years. However, the study has established an equation which can be used to predict the growth of value of equity shares traded in DSE. But it should be noted that the values in the equation are in billions.

$$y = 21.24X - 42626$$

Whereby: "y" is the value of equity shares traded in DSE (in billions) and "X" is the number of the year.

4.2.2.2 Comparison of Change in Market Value of Equity Shares Traded Across East Africa

Next was the comparison between DSE, NSE and USE where the percentage changes of Value of Equity Share Traded (VEST), of these three stock exchanges

from 2008 to 2014 were used to prepare a graph (Figure 4.4) to simplify this comparison.
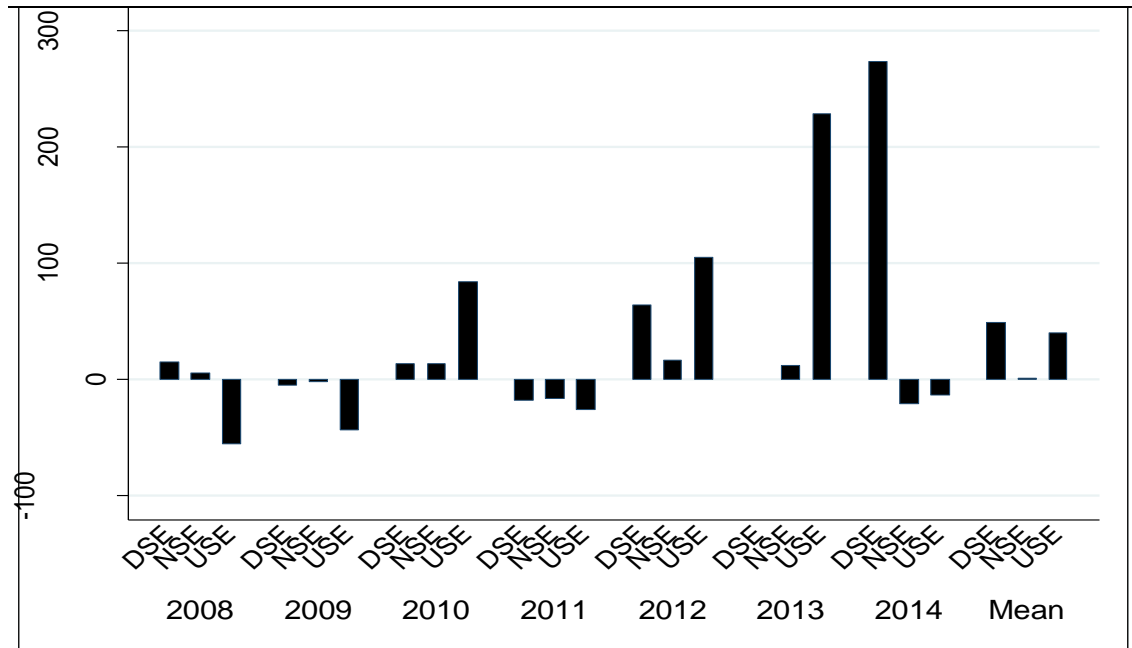
Figure 4.4: Percentage Change of VEST of DSE, NSE and USE
Source: Researcher Computation (2015)

It can be observed that at the beginning of the period under review, DSE was the best in terms of VEST increase whereby it had higher percentage change of VEST compared to NSE and USE. At the same time USE had experienced a great decrease in its VEST which caused negative percentage change of VEST to USE. In 2009 all three stock exchanges performed poorly in terms of VEST increase - especially USE. Nevertheless, NSE had a fair better negative percentage change of VEST compare to DSE and USE in 2009. This decrease of VEST in all three stock exchanges can be connected to the global economic crises occurred in 2008/2009 which affected investors' sales revenue by increasing the cost of production. In the year of 2010 USE had the best increase of VEST compared to DSE and NSE. Once again, in 2011 all three stock exchanges had experienced decrease of VEST in which the

decrease was worse to USE followed by DSE. In 2012, USE performed better with the highest positive percentage changes of VEST followed closely by DSE while NSE was the last. USE continued to remain the best in 2013 followed by NSE wherein DSE was the last.

However, in 2014 DSE had experienced a greatest increase of VEST which made its percentage change of VEST very high while its rivals became very ineffective with negative percentage changes of VEST. The graph continues to indicate that in average from 2008 to 2014 DSE performed slightly better in term of increase of VEST compare to NSE and USE. The second run-up is USE. The mean increase of percentage changes of VEST in DSE, NSE and USE are 49.07, 1.20, 39.94 respectively.

4.2.3   Efforts of DSE to attract Investors

The third objective was to identify and examine efforts being made by DSE to attract investors' participation in   the market place. Accordingly, the respondents in this study (the responded entrepreneurs and officers of DSE) were asked to respond to the questions in the questionnaire with the aim of analysing efforts of DSE to attract investors. Some questions were presented to both entrepreneurs and officers while some were presented only in a particular group, either entrepreneurs or officers. In analysis of these results all questions were combined together and mean score as well as standard deviation were recorded.

The questions were in the Likert scale ranging from (1) strongly disagree to (5) strongly agree and respondents were told to rate their views concern with how DSE

has used the given constructs/variables in attracting investors. In the same line interpretation of the results ranged from (1) very low efforts to (5) denoting very high efforts.

The strategy with the highest mean is that which most respondents thought was practiced mostly with DSE to attract investors. In the same vein the strategy with the smallest mean is the least practiced in the view of respondents. Therefore, to interpret the obtained data, the following numerical values and interpretations were used.

Range	Mean Range	Response Mode	Interpretation
5	4.21-5.00	Strongly Agree	Very high effort
4	3.41-4.20	Agree	High effort
3	2.61-3.40	Neutral	Normal effort
2	1.81-2.60	Disagree	Low effort
1	1.00-1.80	Strongly Disagree	Very low effort

Table 4.4: Efforts of DSE to Attract Investors

Strategies	N	Mean	Std.	Interpretation
Employ professional workers	20	4.91	0.18	Very high efforts
Use simple terms and conditions	48	4.54	2.01	Very high efforts
Available to all potential investors	48	4.49	1.42	Very high efforts
Reasonable low initial capital	48	4.42	1.61	Very high efforts
Lower investment cost incurred by investor	48	4.32	1.30	Very high efforts
Accessible to all potential investors	48	4.21	1.97	Very high efforts
Provide investment news	48	3.95	1.62	High efforts
Proper management of investment contract	68	3.94	0.29	High efforts
Social Responsibility	20	3.92	0.57	High efforts
Use of team advisors	68	3.65	0.34	High efforts
High level of advertisement	68	3.24	1.23	Normal efforts
Regular communication to the investors	48	3.21	1.58	Normal efforts
Promotion of investment promotion agency	20	3.20	0.93	Normal efforts
Disclose financial condition	48	3.20	1.35	Normal efforts
Invest in technology to simplify transfer of investment information	68	3.11	2.09	Normal efforts
Assurance of financial security to the investors	48	2.78	1.63	Normal efforts
Competent in financial market	48	2.51	0.73	Normal efforts
Bonus pack and coupons to investors	68	2.18	1.72	Low efforts
Assurance of the profit to reasonable investors	48	2.10	1.07	Low efforts
Expansion of assets	20	2.06	0.33	Low efforts
MEAN OF THE MEANS		3.49		High efforts

Source: Field Data (2015)

Table 4.4 indicate that DSE has made considerable efforts (on the basis of respondents opinions) to attract investor participation. Most of the respondents agree that DSE's effort was on the basis of employing professional workers, where the mean score is 4.54. On the other hand respondents are of the view that overall DSE is not doing relatively well as part of the financial market as supported by the mean score of 2.51. Other strategies that DSE adopted as part of the effort to attract investors participations are making DSE accessible to all investors (mean score 4.49) and setting reasonable low initial capital (mean score 4.42). In general, the mean of the means (Average mean) was 3.49, interpreted as high efforts. So it can be accepted that Dar es Salaam Stock Exchange deployed much effort in attracting investors.

Employ professional workers: it was found that top management of DSE is comprised by highly educated personnel. This can be exemplified by the viewing education qualification of some managers in this institution. The Chief Executive Officer of DSE holds a masters degree in microfinance. Corporate affairs and legal counsel manager holds masters degrees in law and human resource management. Operation manager and Research and market development manager are the holders of doctorial degrees. Finance and administration manger and project programs manager have masters degrees. The findings of this study indicated that, amidst of the factors could enhance the effectiveness of DSE, the factor that has the greatest effect is employing of professional workers or high skilled workers coupled with proper designed motivation strategies to retain these skilled workers in DSE. This supports the study done by Adcock et al., (2001), who asserts that when a purchase

decision is made, the actual purchase can be affected by unanticipated situational factors. Some of these situational factors according to one of DSE staff could be business skills of the seller, self motivation of the seller in conducting business and environments in which the transaction are curried out.

*Use simple terms and conditions***:** it was discovered that terms and conditions for accessing DSE services are simple and friendly to whoever need to join the services. The use of friendly and clear terms can be connected to the consumers' perception that stock market services are profitable.

*Accessable to all potential investors***:** DSE has improved their customers care system for the purpose of making it possible for those who invested or want to invest their money in DSE to get answers about the stock market services and financial transactions in which they provide to clients. By doing so, stock market services have been brought very closer to the potential investors. This is through establishments of the customer care call centre within DSE where investors/customers can call and ask questions and be provided with the answers about the stock market services. Also in the DSE-brokers who are found in different areas in Dar es salaam city, the investors can be able to get assistance from different DSE-brokers.

*Proper management of investment contract***:** In stock market, investors are both companies registered with stock market exchange (publicly traded companies) and peoples or companies buying shares from these companies through stock market. Managing investors for the success of the stock market need very high strategies,

especially in these days of serious capital market competition in both international and national markets. Customer relationship management (CRM) in DSE has been used as one way of acquiring competitive opportunities and its effects has been realized in the following area: improve investors' retention, branding DSE, repeat purchases and expansion of the business networks.

Customer Relationship Management (CRM) focuses on exploiting interactions with customers to maximize customers/investors' satisfaction, ensure return in the business, and ultimately enhance customer profitability. For the DSE, CRM is a part of marketing efforts which has been attained through visiting companies registered in DSE, forming investors' communities and delivering investment related information to all investors and DSE-brokers via innovated technology for managing customer relationships. According to Anderson (2006) CRM systems can also help organizations maximize their abilities to interact with their customers. This not only leads to improved quality, but will also enhance the rapid response to customers' needs.

***Regular communication to the investors*:** It was argued that DSE has been frequently communicating investors through different ways as the one way of impressing investors and ensures there is the repeated sale and purchase of shares from the loyal investors. Frequent communication with investors is an essential way of creating investors' faith in the operation of DSE. One of the respondents - a DSE-officer, said that in the process of ensuring communication with investors is effective at DSE the phone calls are answered timely; transactions are performed perfectly and on time, and complaints are handled correctly and fairly. According to Kagotho

(2011) sending feedback to the customer increases customer loyalty, improves retention, inspires sales and even builds relationships that last a lifetime. According to Subramania (2004) reaching out to customers is also an opportunity to remind them that the business still exists.

*Social responsibilities***:** customer relationship management which takes form of corporate social responsibilities (CSRs) such as construction of schools, roads, and supporting other community development activities assist in creating social ties between an organization and community members and government at large. Based on the important of CSR in the reduction legal risks as well as at inventors/consumers, DSE has been supporting treatment of women with breast cancers and donating foods and other stuffs to the orphanage centers. These CSRs have helped to create a good image of DSE to the society so that it can get support from both community members and government.

*Quality advertisements***:** DSE uses advertisement as a main tool to reach potential consumers. It was argued that through advertisement on the radio, TV and social networks DSE has created big awareness of its business in the capital market - both within and outside the country. According to Kagotho (2011) advertising as a marketing tool tends to remind, reassure and influence the decisions of the consumers because an advertisement itself enlightens, educates, and persuades consumers on their acceptability of the product offering. However, other researchers have found that advertising is a successful factor for providing brand equity, particularly where the sale promotion is failed (Lee and Staelin, 1994; Chay and Tellis, 1991). Simon and Sullivan (1993) identified positive effects of advertising

efforts and expansion of stock market capitalization. Spending on advertising and promotion has positive effect on brand equity and its dimensions. Advertising and promotions are an external signal to show the quality of products (Simon and Sullivan, *op. cit.*). The study calls for heavy investment in advertisement and promotion strategies at DSE. This is related with the idea that heavy investing in advertising and promotion indicates that company/institution is of high quality. One of the investors said that she joined DSE after being influenced with several investment advertisements pertain to DSE.

Disclose financial condition: As the one way of ensuring transparence together with revealing financial position of the stock market to the investors, management of DSE has been always disclose daily, weekly, monthly and annual financial performance of the DSE. In the discussion with experts in this matter it was highlighted that sound fiscal condition is imperative to ensuring the effective operation of any institution. However, important way of guarantee healthy fiscal condition is to conduct accountability, auditing financial reports and make them known to all stakeholders. One of the DSE broker who was interviewed by the researcher managed to interview, who put out that

> *" .....true recently DSE has got so very many customers but this*
> *achievement is because of frequently good news of fiscal performance*
> *of DSE and coupons which have been offered to the investors"*

Invest in technology to simplify transfer of investment information: service institutions especially financial institutions (FIs) rely on a variety of technologies, which make the institution activities possible. It was highlighted that it is impossible

for the FI with too low technological investment to flourish in today's financial sectors. Therefore, technological investment is the greatest factor for the achievement of the FI such as stock market institution. This being the fact, DSE has discovered the need of investing into new technology for effective delivery of the services and management of the institution activities as well as cost reductions that may result from the use of cost effective service which is the most important driver in the sustainable growth of the business and assurance of the supply of quality services at lower cost to customers. It was argued that adoption of new technologies can facilitate operations such that online purchasing of the share, online information accessing as well as online transaction can be done without necessarily visit DSE office or DSE. brokers have attract many investors in DSE. It was said by one of the DSE interviewer that

> *"In ordered to win competition in East Africa stock market industry as well as in the whole world at large, DSE always strive to adopt cost saving technologies and automation of processes so that investors or consumers can access and perform various transactions anywhere without incurring any other costs like transport to the DSE-brokers' office."*

***Bonus pack and coupons to investors*:** the various strategies identified in the DSE industry by investors, DSE-Brokers and officers of DSE in this study supports the most frequently used investment strategies in the world stock market - especially in development counties, as identified by Darko (2012) who found that in Ghana, among events influencing actual investment in the stock market exchange included

timing of sales promotions, bonus pack and coupons, displays of treasury bonds, increase in trading activities, and free gifts accompanied with the investments.

4.2.4 Achievement of DSE

The last objective of this study was to analyze the extent to which DSE has been successful in achieving its objectives. It is difficult to test the achievement of stock exchange although one may look at features which seem to support its existence. Accordingly, to find out whether DSE has achieved its goals, the study had to analysis the degree to which DSE has attained it vision and mission. Its "vision" is to be a sustainable securities exchange that is an engine of economic growth for Tanzania. While "mission" is to provide a responsive securities exchange that promotes economic empowerment and contributes to the country's economic development through offering a range of attractive and cost-effective products and services. Therefore, it can be assumed that the main objective of Dar es Salaam stock exchange is to support economic growth. Evidence shows that there is the significance relationship between stock exchange and economic growth. Beaver (1981:168) cited in (Evans, 2010) argued that there is direct or simple relationship between the "greater" stock market efficiency and "improved" economy. This is supported by a tremendous amount of research evidence (Fama, 2005; Fuller and Kling, 2010). This study analyzed the effect of DSE on the economic growth of the country in term of GDP. Analysis of this objective involved adoption of model from different author of past studies (Ariyo and Adelegan, 2005; Osamwonyi, 2005; Ewah *et al* 2009; Donwa and Odia (2010) who have investigated the linkage between stock market development and economic growth. The model is as follows:

GDP = f (VESL, VEST)

The model can be expanded to

$$GDP_t = \beta_0 + \beta_1 GDP_{t-1} + \beta_2 VESL_t + \beta_3 VEST_t + e$$

Where:

GDP = Real Gross Domestic Product,

VESL = Value of Equity Share listed Capital (or Stock Market Capitalization)

VEST = Value of Equity Shares traded

$\beta_0 \ldots \beta_3$ = Parameters

t = Current Period

First the study analysed trend of the economic growth of Tanzania in term of the GDP. Table 4.5 shows that GDP has been gradually growing since 2007 when it was Tsh 16,825.54 bn till 2014 when the GDP become Tsh 35,550.78 bn. The minimum and maximum values are observed at the beginning (2007) and at the end (2014) of the period under review.

Table 4.5: Trend of Tanzania GDP

Year	Gdp (Tsh, billion)	Change of Gdp (Tsh, billion)	% Change of Gdp
2007	16,825.54		
2008	20,715.08	3,889.54	23.12
2009	21,368.16	653.08	3.15
2010	22,915.00	1,546.84	7.24
2011	23,874.16	959.16	4.19
2012	28,248.63	4,374.47	18.32
2013	33,225.03	4,976.40	17.62
2014	35,550.78	2,325.75	6.99
Mean	25,340.29	2,675.03	11.52
Max. Value	35,550.78	653.08	3.15
Min. Value	16,825.54	4,976.40	23.12

Source: BOT Reports and DSE Annual Reports, 2007-2014

Before conducting regression analysis to determine influence of the VEST and VESL (elements of stock exchange) on the GDP correlation analysis was performed to indicate how closely the relative positions of two or more variables agree with one another. In other words correlation test is conducted to better understand the relationship between variables. The result of correlation analysis between economic growth in term of GPD and variables of stock market development that are Value of the Equity Shares Traded (VEST) and Value of Equity Share listed (VESL) are given in the Table 4.6.

Table 4.6: Correlation Test between Stock Market Development and Economic Growth

		VESL	VEST	GDP
VESL	Pearson Correlation	1		
	Sig. (2-tailed)			
VEST	Pearson Correlation	-.181	1	
	Sig. (2-tailed)	.668		
GDP	Pearson Correlation	-.509	.734[*]	1
	Sig. (2-tailed)	.198	.038	

*. *Correlation is significant at the 0.05 level (2-tailed).*

Source: Researcher Computation, 2015

Table 4.6 shows that there is a positive significant correlation between economic growth (GDP) and VEST (p= 0.038) but not with the VESL (p= 0.198). This implies that value of equity shares traded (VEST) at Dar es Salaam Stock Exchange is significantly related to GDP and can be used to determine achievement of the stock exchange. In other side of coin it can be assumed that VEST can be used to make predictions on the economic growth (GDP) of the country. Besides that there is the

negative relationship between VESL and GDP since the observed value of Pearson correlation is negative (-0.509). This also implies that VESL decrease GDP.

This test was followed by regression analysis to indicate the extent to which stock market have contributed in economic growth. In performing the aforementioned regression analysis researcher first agreed with the view that the stock markets are at present one of the best barometers for indicating changes in economic activity (Joutz, 2008). For that reason, other things were held constant, that the imperfections in the economy are reflected by imperfections in the stock exchange. Also, the stock exchange does not respond in an instantaneous and unbiased manner to changes in economic activity. The result of regression analysis has been given in the Table 4.7.

Table 4.7: Regression Analysis between Variables of Stock Market Development (VESL and VEST) and Economic Growth (GDP)

Model	Unstandardized Coefficients		Standardized Coefficients		
	Coefficient	Std. Error	Coefficient	t	Sig.
(Constant)	21767.956	2479.756		8.778	.000
VESL	-10.997	7.214	-.389	-1.524	.188
VEST	55.194	21.213	.664	2.602	.048
R= 0.828 $R^2 = 0.685$ Adj $R^2 = 0.559$ Sig= 0.056					

a. Dependent Variable: GDP

The results of regression analysis show that there is a small negative slope of 10.997 between VESL and GDP with sound positive t-value of -1.524. The observed small negative slope indicate a week negative relationship between VESL and GDP thereby one unit increase in VESL lead to a decrease in GDP by 10.997 units.

However p-value of 0.188 was greater than recommended upper limit of 0.05, this signifies that VESL at DSE is not a good predictor of GDP in the country and therefore there is no significant relationship between VEST and GDP. VEST has large positive slope of 55.194 with GPD with A t-value of 2.602. This indicated that one unit increase in VEST lead to an increase in GDP by 55.196 units. Also VEST has been found to be significant predictor of economic growth since p-value (p=0.048) which is less than 0.05 at 5% level of significant. The study concluded that VEST at DSE is good predictor of GDP.

The regression (prediction) equation on the above model is as follows: The regression equation of the best-fit line is given in the format $Y = \beta 0 + \beta i\ Xi + S.E$, where $\beta 0$ is the intercept and β is the slope of the line for the predicted linear relationship between Y(dependent variable) and X (Independent variable).

$Xi = X_1 + X_2 \ldots$
$\beta i = \beta_1 + \beta_2 \ldots$
If S.E=0 then $Y = \beta_0 + \beta_1\ X_1 + \beta_2\ X_2$
Let GDP= Y, VESL =X_1, and VEST = X_2. Let B_1 coefficient of X_1, and B_2 coefficient of X. From Table 4.7 above, letting Y be function of X_1, X_2, and substituting the coefficients, now the equation become $Y = B_0 + B_1\ X_1 + B_2\ X_2$ Therefore;

GDP= 21767.956 - 10.99VESL + 55.19VEST

The implication is that the above model can be used to predict achievement of DSE in term of economic growth in the country in terms of stock market development. In

general, the model was not statistical significant as its p-value was 0.056, which is very high than 0.05. The observed correlation coefficient (R^2) of 0.685 indicates a strong relationship between stock exchange development indicators (VESL and VEST) and economic growth (GDP) in Tanzania. Coefficient of determinant (Adj R^2) was 0.559, assuming that 55.9% of GDP was contributed by development of Dar es Salaam Stock Exchange.

The remaining 45.1% of GDP was contributed by other sectors such as agriculture, miming, fishery and so on. But this statistics are doubtable since it is hard for only one institution to contributed more than half (55.9%) of the GDP in the country. However, the observed negative relationship between VESL and GDP is also problematic and needs to be investigated. Therefore, it can be said that the above regression equation is suffering from spurious regression problems such as multicollinearity and non-stationarity of the data. Thus, the equation is misleading but it is the good starting point for the formation of unbiased regression model.

From the results, it can be argued that DSE has achieved its goal of supporting economic growth in the country since the VEST was found to have large positive slope with GDP meanwhile VEST was noted to be a good predictor of GDP. Unlike VESL which has small negative slope with GDP with unreasonable levels of significance hence it is not a good predictor of GDP. This study is supported by the results of Olweny and Kimani (2011) who conducted time series analysis and found significance relationship between Nairobi Stock Market performance and country's economy growth. However, some authors have highlighted that there is a strong

relationship between stock market activity and economic growth for higher income countries, but not in lower income countries (Fuller, and Kling 2010). Also, Mehr (2005) indicated a negative correlation between stock market development and country economy in Iraqi.

On the other hand, there are theories which argue that development of the stock market affects economic growth. For example, Johansen (1988) argues that a functioning stock market affects liquidity, risk diversification, corporate control and saving mobilizations. By altering the quality of these services, stock market is able to affect economic growth. Khan and Senhadji (2000) argue that stock market liquidity is important for economic growth, and stock market liquidity is inversely related to level of transaction cost. While Levine (1997) and Holmstrom and Tirole (1993) argue that liquid stock markets can increase incentive for investors to acquire information about firms and improve corporate governance which in turn lead to the development of economy.

Granger (2012) conducted an empirical review and highlighted that some studies claim to have found no evidence that stock exchange help in the growth of economy despite the believe that primary objective of all stock exchanges in the world is to support development of respective country economy. Granger (*ibid*) argued that these studies have, either through self-criticism or critical evaluation by other researchers, been found to be deficient in methodology and their conclusions have therefore been suspect. However, the overwhelming evidence available in support of the relationship between stock exchange and economic has persuaded some researchers to conclude that stock exchange holds for economic development in

developed countries - especially the New York, London and Tokyo market. Likewise, based on the findings of this study, the study concluded that DSE has met it objective of supporting economic growth of the country significantly.

Nevertheless there are areas which need some more improvement for the DSE to effectively contribute in economic growth which include the increase of dealer/ Stock Broking Firm or brokers all over the country, improving IT systems for better operations and increase of treasury bonds and trading activities.

It was reported that during in 2012 DSE had successfully completed implementation of Wide Area Network (WAN) and the reduction of settlement cycle from T+5 to T+3 for equities and from T+3 to T+1 for bonds. The implementation of WAN has enabled DSE Licensed Dealing Members (stock brokers) to conduct their trading activities on listed shares and bonds from their offices (remote). One staff of DSE who was interviewe said:

> *"During the year 2012/2013, we also extended our trading hours from the previous two hours to four hours. This initiative is expected to virtually enable the DSE's trading activities to be accessible though-out the country and hence make it accessible to more market players."*

4.3   Chapter Summary

The chapter analysed statistical information of DSE and economic growth of Tanzania in terms of GDP. The results generated indicated that for the last eight years (2007-2014) DSE has been growing. This has been indicated by analysing development variables of stock exchange – namely: the value of equity share listed

(market capitalization) and the value of equity shares traded. The analyses shown that both VESL and VEST, from 2007-2014, have grown at the rate of 72.5% and 44.7% respectively. On the other hand, analysis shown that VEST has significant positive correlation with GDP hence the VEST in DSE helps in the development of the country economy.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1   Introduction

This chapter presents the conclusions of the study and recommendations from the researcher to the DSE management, investors of DSE, economic policy makers and the whole government at large.

5.2   Conclusion

The study was carried out to assess the contribution of investors on stock market development in Tanzania using DSE. Four specific research questions were imposed and these were: to what extents the value of equity share invested at the DSE is growing? To what extent the value of equity shares traded at the DSE is growing? What efforts have been made by the stock exchanges and government to promote capital markets? What are the successes obtained by DSE in achieving its objectives?

The study revealed further that within the period under review the value of equity share listed have increased by 72.5%. The study asserted that the increase in the market value of equity shares listed reflected the good the performance of DSE. Likewise the study results show the increase of the value of equity shares traded in DSE within this period of 8 year. Equity share traded was found to have increased by an annual average of 44.7% and was skewed in positive direction. Therefore, the study concluded that value of the equity shares traded was becoming better as years going on.

Using mean score methods of interpreting data the study found DSE was effective in attracting investors. The average means score obtained was high and was interpreted as *high efforts* have been used by DSE to attract investors. According to the order of priority the areas in which DSE have been performing better in the ground of attracting investors were employing professional workers, uses of simple investment terms and conditions, making DSE available to all potential investors, setting of reasonable low initial capital, ensuring investors incur very lower investment cost as possible and making DSE accessible to all potential investors as well as providing investment news, proper management of investment contract, event sponsorship and use of team advisors.

Lastly, it was obtained that DSE have contributed in economic growth of the country. The coefficient of determinant was 0.559 meaning that DSE have contributed 55.9% of GDP of the county in the economic term. However, the results continued to show that there is the positive relationship between stock market development and economic growth since slope and t-value of VEST versus GDP were positive with small probability value of 0.048 at 5% level of significant. This indicated that VEST is the good predictor of economic growth.

5.3   Recommendation

Since the study has discovered stock market exchange is profitable for the development of the country and investors at large. The recommendations have been made about measures that should be taken to improve performance of stock market exchange through influencing potential sellers and buyers to join DSE. The following may be noted:

(i)   The DSE should use more and more strategies to attract investors since it was reviewed that the performance/profit of stock market exchange was depending of the size of equity share.

(ii)   It should be know that promotion and advertisement help to have a powerful brand loyalty. Therefore, DSE should invest on increasing brand equity in promoting and advertising with clear objectives.

(iii)   It should be understood that one of the most important service institutions with a crucial importance in a modern economy is the stock exchange market. It is one of the trademarks and facilitators of entrepreneurial progress. With the development and progress of the DSE, the sizes of industrial enterprises will grow.

(iv)   Policy makers and other stock market stakeholders should come up with more policies and ideas whenever needed so as to improve economic of the country through stock market.

(v)   Last the study recommend for the extension of the research by examining the time series relationship between stock market development and economic growth

5.4   Study Limitation

Researcher had identified various study limitations and acknowledges them. These included:

As the sample was not fully representative of the population, a sampling or systematic error may have resulted in a finding that is not representative of the

population. Therefore it would be better to conduct another additional study in order to clear picture of the study results.

However, the limited expertise on the subject matter was another constraint. The researcher has realized that error and biases might exist due to limited information with the researcher. The researcher made an effort to eliminate errors and biases by asking further questions where addition information was needed.

5.5   Area for Further Studies

The researcher recommends for more studies on the issue concern with stock market performance in the country as well as examines investors' satisfaction with the services of Dar es Salaam Stock Exchange.

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APPENDICES

Appendix 1: Study Variables

Statistics of Dar es Salaam Stock Exchange from 2007 to 2014

Years	Value of Equity Share Listed (US$ Mn)	Value of Equity Shares Traded (US$ Mn)	GDP (US$ Mn)
2007	569.62	37.870	16.82
2008	1,896,39	39.123	20.72
2009	1,902.79	35.837	21.37
2010	2,342.99	36.724	22.92
2011	2,656.29	28.088	23.87
2012	2,704.69	46.203	24.86
2013	10,818.79	46.267	28.24
2014	10,914.52	157.32	31.04

Source: DSE Database (2015)

Exchange Rates

Year	Rate
2007	1147.33
2008	1280.30
2009	1326.83
2010	1469.85
2011	1582.48
2012	1579.98
2013	1577.77
2014	1731.82

Source: BOT (2015)

Value of Shares Listed and Traded in Nairobi Stock Exchange (NSE) from 2007-2014 (KSH Billion)

Year	Value of Shares Listed	Change of Value of Shares Listed	% Change of Value of Shares Listed	Value of Shares Traded	Change of Value of Shares Traded	% Change of Value of Shares Traded
2007	1,784.26		0	11.97		
2008	2,123.85	339.59	19.03	12.64	0.67	5.60
2009	2,848.77	724.92	34.13	12.41	-0.23	-1.82
2010	3,165.42	316.65	11.12	14.11	1.7	13.70
2011	3,594.17	428.75	13.54	11.74	-2.37	-16.80
2012	4,272.09	677.92	18.86	13.71	1.97	16.78
2013	4,928.54	656.45	15.37	15.36	1.65	12.04
2014	9,903.72	4,975.18	100.95	12.12	-3.24	-21.09
Mean	4,077.60	1,159.92	30.43	13.01	0.02	1.20
Minimum Value	1,784.26	316.65	11.12	11.74	-3.24	-21.09
Maximum Value	9,903.72	677.92	100.95	15.36	1.97	12.04

Source: NSE Database (2015)

Value of Shares Listed and Traded in Uganda Stock Exchange (NSE) from 2007-2014 (USH Billion)

Year	Value of Shares Listed	Change of Value of Shares Listed	% Change of Value of Shares Listed	Value of Shares Traded	Change of Value of Shares Traded	% Change of Value of Shares Traded
2007	4,501.62			48.40		
2008	5,983.31	1,481.69	32.91	21.69	-26.71	-55.19
2009	7,120.45	1,137.14	19.01	12.32	-9.37	-43.20
2010	12,769.17	5,648.72	79.33	22.65	10.33	83.85
2011	13,971.40	1,202.23	9.42	16.82	-5.83	-25.74
2012	15,948.00	1,976.60	14.15	34.5	17.68	105.11
2013	27,347.87	11,399.87	71.48	113.38	78.88	228.64
2014	29,711.00	2,363.13	8.64	97.66	-15.72	-13.86
Mean	14,669.10	3,601.34	33.56	45.9275	7.04	39.94
Minimum Value	4,501.62	1,202.23	9.42	12.32	-26.71	-55.19
Maximum Value	29,711.00	11,399.87	71.48	113.38	78.88	228.64

Source: USE Database (2015)

Appendix 2: Questionnaire to the Respondents

Dear Sir/Madam,

The questionnaire is aiming at understanding the efforts being made by DSE to attract participation of investors in the market place. In order to meet this objective, you have been duly selected as a member of the sample to provide relevant and objective data needed to satisfy the quest for this knowledge. I wish to appeal to you to assist by kindly sparing a few minutes to complete this questionnaire. You may either disclose your identity or not. I also wish to assure you that your answers will be treated in strict confidence and used for academic purpose only.

 SECTION A: Respondent Profile

1. Gender: M_____ F _____

2. Category of Respondent

DSE Officers	DSE Brokers	DSE Investors (purchaser of share)

3. Age group of respondent

20-29 years	30-39 years	40-49 years	50-59 years	50 years and above

4. Education qualification of respondent

Certificate	Diploma	Bachelor degree	Master degree	PHD

5. Your years of experience in DSE

>1 year	2-5 years	6-10 years	11 years and above

SECTION B: Study Question

6. The study wants to understand the strategies used by DSE to attract investors or share buyers. Therefore, you have been given some of the variables which have been found to be used by other stock market in the worlds to attract investors. Therefore you are duly requested to show how you would accept that DSE have applied the following strategies in its operation

S/N	Strategies	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
i	High level of advertisement					
ii	Bonus pack and coupons to investors					
iii	Available to all potential investors					
iv	Reasonable low initial capital					
v	Lower investment cost incurred by investor					
vi	Expansion of assets					
vii	Provide investment news					
viii	Proper management of investment contract					
ix	Social Responsibility					
x	Competent in financial market					
xi	Employ professional workers					
xii	Regular communication to the investors					
xiii	Promotion of investment promotion agency					
xiv	Disclose financial condition					
xv	Invest in technology to simplify transfer of investment information					
xvi	Assurance of financial security to the investors					
xvii	Use of team advisors					
xviii	Use simple terms and conditions					
xix	Assurance of the profit to reasonable investors					
xx	Accessible to all potential investors					

Thank for your Time