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## **The Appeal of Stock Investment for Future Profit Generation with Minimal Capital**

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### **ABSTRACT**

This service addresses the misconception that stock investment necessitates substantial cash and is inherently risky, despite the fact that fractional stock innovation has removed these financial hurdles. The primary issue encountered is the inadequate comprehension of basic fundamental analysis, leading to apprehension about investing and susceptibility to trends devoid of a robust base. The objective of this program is to enhance stock investment literacy, particularly the participants' capacity to analyze blue-chip stocks through fundamental ratios (PER and PBV), and to promote initial investments with minimal cash. This service's innovation is the Stock Micro-Investment Module (MIS), which emphasizes long-term investment (buy and hold) methods rather than day trading. The findings indicated a 45% rise in the average fundamental analytical literacy score among participants, with 80% successfully executing their initial fractional share purchase from a blue-chip issuer, thereby establishing a secure and quantifiable avenue for stock ownership.

**Keywords: Equity Investment, Accessible Capital, Fractional Shares, Fundamental Analysis**

### **INTRODUCTION**

Amid economic challenges like inflation and future demands (e.g., pension funds and education), investment vehicles capable of delivering superior returns are essential. Stocks, categorized as high-risk investments, have the opportunity for substantial returns when managed with appropriate expertise and strategy. stock market persists in its growth trajectory, propelled by enhanced transparency and accessibility via digital platforms, rendering it an

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appealing avenue for individuals to preserve the value of their capital over time (Viktorovich, 2024).

Notwithstanding the possibility for substantial stock holdings, a significant issue entrenched in society is the stigma equating stocks with gambling, speculation, or perilous day trading. This fallacy is exacerbated by the persistent belief that stock investment necessitates a minimum amount of tens of millions of Rupiah to purchase a full lot (100 shares). Consequently, some individuals, particularly the youth with constrained financial resources, opt to eschew these tools or, paradoxically, succumb to fraudulent investment schemes that guarantee rapid wealth accumulation (Abuselidze & Slobodanyk, 2021).

The primary disparity today lies not in access but in analytics. Technological improvements, particularly the capability to purchase fractional shares and the convenience of digitally forming customer fund accounts, have eradicated capital obstacles. Nevertheless, the public is lacking in fundamental analysis literacy (Nti et al., 2020). They struggle to differentiate between sound stocks (stable companies) and poor stocks (speculative) based purely on nomenclature or social media trends, resulting in the neglect of secure investment prospects with minimal cash (Edan, 2023).

The innovative aspect of this service program is the development of the Micro-Investment Module (MIS) to reconcile access and analysis disparities. This module concentrates on the education of investment fundamentals, specifically (1) Long-Term Investment (Dollar Cost Averaging and Buy and Hold), (2) Practical Fundamental Analysis (interpreting the PER and PBV ratios to evaluate fair valuation), and (3) Simulation of Fractional Stock Transactions with a defined capital limit. The MIS module seeks to cultivate informed retail investors, emphasizing the company's intrinsic value rather than daily price fluctuations.

According to the preceding analysis, this service program aims to (a) transform public perception of stocks from speculation to long-term investments, (b) enhance participants' capacity to perform basic fundamental analysis, and (c) motivate at least 80% of participants to acquire their initial shares in blue-chip companies with sound fundamentals. This program aims to enhance the participation of regular investors in a knowledgeable and sustainable manner on the Stock Exchange.

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## **RESEARCH ELABORATIONS**

The service project was conducted over a three-month period within the youth/student community in City Y, engaging 40 participants. The employed methodology is Participatory Action Research (PAR), which integrates interactive lectures, simulation workshops, and practical mentorship.

Phase 1: Preliminary Evaluation and Pre-Test (Month 1) A preliminary survey was administered to assess participants' investment literacy scores, specifically emphasizing comprehension of fundamental financial measures (PER, PBV, and ROE). This data is utilized to identify specific requirements and modify the MIS Module curriculum.

Phase 2: Implementation of the MIS Module (Months 1-2) Intensive training for the MIS module was delivered in three primary workshop sessions.

Phase 3: Mentorship and Post-Assessment (Month 3) Mentoring occurred online via a discussion group for four weeks to assess participants' initial portfolios and address inquiries regarding business news. Upon completion of the phase, a post-test was administered to assess score enhancement, and a subsequent survey of the transaction was conducted.

## **RESULTS AND DISCUSSIONS**

The trainees are entirely inexperienced investors (100% have never engaged in stock trading) and predominantly belong to the younger demographic (ages 18-25). The pre-test findings indicated that the average score for basic analysis literacy was merely 38 out of 100, signifying that fundamental ratios such as PER and PBV were entirely unfamiliar to most participants. This data highlights the necessity of training that emphasizes not only purchasing methods but also product selection. Table 1 encapsulates the preliminary comprehension score.

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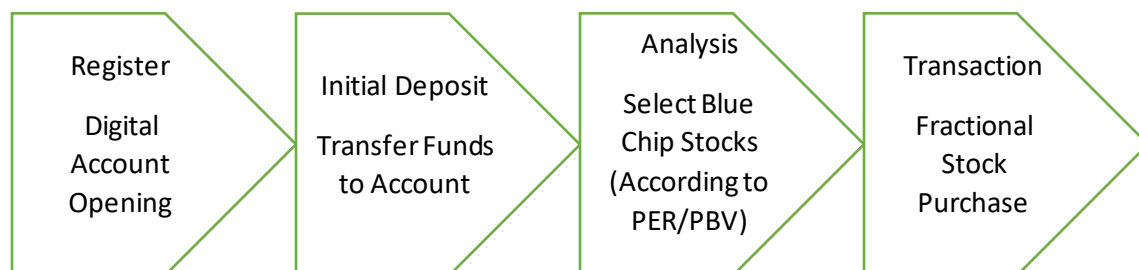
Table 1: Mean Score of Fundamental Analysis Understanding Prior to Training

Indicators of Knowledge	Mean Score (out of 100)	Types of Understanding
Definition of Price-to-Earnings (P/E) Ratio	35	Very Low
Definition of Price-to-Book Value Ratio	40	Very Low
Basic Proficiency in Annual Report Comprehension	42	Low
Aggregate Mean	39	Very Low

Following the installation of the MIS Module, which emphasizes the practice of reading ratios, post-test scores significantly rose to 56/100, reflecting an average gain of 45%. The most significant enhancement is participants' capacity to analyze PERs and PBVs to ascertain equitable valuations. Training utilizing data visualization and blue-chip stock case studies has demonstrated efficacy in altering risk perceptions and equipping participants with a robust foundational analytical tool.

The practical aspect of establishing an account and acquiring fractional shares marked a pivotal moment in this curriculum. This support resulted in 95% of participants successfully opening an account, subsequently followed by the initial deposit of monies.

Figure 1 depicts a straightforward flow demonstrating how accessible capital facilitates direct investment in blue-chip equities.



The primary benefit of this service is the transformation of involvement into genuine quality transactions. Subsequent polls indicated that 80% of participants had executed their initial share acquisition. It is crucial to note that all initial transactions are allocated to companies that are part of the index or possess strong fundamentals, as determined by a

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straightforward ratio analysis that has been instructed. This demonstrates the efficacy of the MIS module in guiding novices towards secure and sustainable investments, rather than speculative ventures.

The initiative has successfully established a cohort of motivated rookie investors. An active online stock learning community was established to promote sustainability. This community serves as a platform for disseminating issuer updates and supervising the established Dollar Cost Averaging (DCA) method. The advanced concept recommends supplying the community with a straightforward spreadsheet-based fundamental analysis template to enable self-sufficiency in monitoring the future performance of their portfolios.

## CONCLUSIONS

The service initiative "The Attractiveness of Stock Investment in Generating Future Profits with Affordable Capital" effectively addressed the knowledge deficit in fundamental analysis and removed capital constraints using the Stock Micro-Investment Module (MIS). The program's success was marked by (1) a 45% rise in participants' fundamental analysis literacy scores; (2) 80% of participants successfully executing their initial fractional share transactions; and (3) all initial transactions concentrating on stocks with robust fundamentals. The innovation of the MIS Module has demonstrated efficacy in transforming the view of stocks from speculation to a secure and accessible long-term investment vehicle for all societal strata.

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