Impact of Stock Market on Seed Capital Accumulation: Experience from Tanzania

[1]Stephen Mnyawi; [2]Tafuteni Chusi and [3] Nyamatari Tengecha
[1&2] *Institute of Rural Development Planning, Dodoma*
[3]*Dalian Maritime University, School of Navigation Science, Maritime Intelligent Transportation Group 116026, Dalian, China*

Abstract: *This paper empirically examines the impact of invested shares, retained dividends, and capital gain on seed capital accumulation (SCA). Quantitative data were collected through quarterly reports and related publications for the period of 2013-2021 on a sample consisting of four listed companies at DSE using 32 observations. The econometric results indicated that many of the factors commonly believed to be critical determinants of SCA in DSE may be true, in fact, are relevant. In this case, eight factors; nmbdiva, nmbcaga, crdbdiva, crdbcaga, tblnis, tbldiva, tblcaga, and tangadiva gave statistically significant results showing that they are positively impacting on SCA. When compared, Tanzania Breweries Limited (TBL) parameters showed a greater impact on SCA. This implies that the company is performing well. It is essential to educate investors, especially new investors on the possibility of forming capital through buying shares of listed companies rather than depending on bank loans which most of them lacks collateral; investors need to understand buying shares of the listed companies is profitable, especially shares from profitable companies like TBL, NMB, and CRDB this is because once an investor purchase shares of the company increases the capital investment to the company and by so doing the money invested will be working for an investor. Lastly, an investor needs to be aware of the importance of investing in shares, since an investor earns profits by selling shares invested in the company, this again adds to seed capital accumulation.*
Key Terms: Invested Shares, Retained Dividend, capital gain, and Seed Capital Accumulation

I.   INTRODUCTION

Stock markets in Tanzania are a new phenomenon and only a few people are aware of their impacts on the economy (Alliy, A. A. 2015). The Dar es Salaam Stock Exchange (DSE) market was established by the capital markets and security authority under the Capital Markets and Securities (CMS) Act of 1994. The main objective for which the Dar es Salaam Stock Exchange (DSE) was established is to raise capital that would be used by local investors to spur economic growth. Since its establishment, DSE has been presumed to be operating successfully with a steady increase of listed companies, mobilization of substantial seed capital, and has provided seed capital to local investors, especially small and medium enterprises (SMEs).

In 2015 the Dar es Salaam Stock Exchange in conjunction with the capital market regulator introduced a new segment known as the "Enterprise Growth Market" (EGM) whose key objective is to enable small and mid-sized companies and startups to access long term capital from the public by the issuance of shares (DSE Annual report 2020). The introduction of the "Enterprise Growth Market" was considered to be one of the key solutions towards addressing the long-term capital need of small and mid-sized enterprises and solution to youth unemployment for those graduating in large numbers from the country's expanded higher learning institutions. But despite the good and well-meaning intentions of introducing the "Enterprise Growth Market", the availability of seed capital to small and medium enterprises and start-ups is yet to be realized. The annual report from the Bank of Tanzania for 2019 to 2020 and the recent World Bank report for 2019 to 2020 show that local investors have had difficulties in accessing seed capital from the DSE because of the DSE's inability to accumulate enough capital. This situation calls for a study to empirically explore the impact of the stock market on the accumulation of seed capital in Tanzania. It is not clearly explained how individuals through listed companies may come up with accumulated seed capital.

II.   MATERIAL AND METHODS

2.1 Research design and sampling procedure

This study adopts a causal relationship research design that seeks to explore the impact of the stock market on seed capital accumulation in Tanzania with a specific focus on the short-run and long-run dynamics of the stock market. This design enabled the researcher to understand and thereby explain how the transactions

within the stock markets contribute to seed capital accumulation and economic growth (Mishra, P Et al, 2010). Quantitative data was collected through quarterly, annual reports, and related publications for the period of 2013-2021 on a sample consisting of four companies listed companies in DSE using 32 observations.

2.2 Data collection and Analysis

Quantitative data were collected from the DSE quarterly reports and related publications. These sources provide the latest trend in major sectors by tracking the change in market-cap of individual sectors quarterly and year-to-date. Data collected were regressed dependent variables against independent variables using STATA software. The result is presented in the table for further clarification.

2.3 Model specification

To measure how seed capital is accumulated through stock market investment, a multi-regression model was applied. The model presented the relationship between two or more explanatory variables and a response variable by fitting a linear equation to observed data. Every value of the independent variable x is associated with a value of the dependent variable y. This model is extended in order to incorporate stock market variables as follows;

$$Y (SCA) = \beta_0 + \beta_1 NIS_{1+n} + \beta_2 DIVA_{2+n} + \beta_3 CAGA_{3+n} + \mu$$

Whereby:
SCA = Seed Capital Accumulation represented by Market Capitalization.
NIS = Number of Invested Shares
DIVA = Dividend Accumulated
CAGA = Capital Gain Accumulated

The theoretical expectations about the signs of the coefficients of the parameters are as follow: b1>0, b2>0, b3>0, b4>0.

III.   DISCUSSION OF FINDINGS
3.1 Correlation Matrix of variables for all selected listed Companies

With reference to table 3-1, the findings confirm that the variables with positive correlation matrix such as tblnis, tbldiva, tblcaga, nmbdiva, nmbcaga, crdbdiva, crdbcaga, and tangadiva are positively impacted on seed capital accumulation from DSE with correlation coefficient (r) between seed capital accumulation and tblnis, tbldiva, tblcaga, nmbdiva, nmbcaga, crdbdiva, crdbcaga, and tangadiva are 0.2996, 0.6481, 0.7488, 0.5970, 0.7684, 0.6034, 0.7004, and 0.2360 respectively. This implies that these variables are highly impacted on the seed capital accumulation in the DSE because as parameters increases with their respective values also seed capital accumulation increase by 1 and hence tblnis, tbldiva, tblcaga, nmbdiva, nmbcaga, crdbdiva, crdbcaga, and tangadiva affects the seed capital accumulation in the DSE by 29.96%, 64.81%, 74.88%, 59.70%, 76.84%, 60.34%, 70.04%, and 23.60% respectively.

Table 3-1: Correlation Matrix of the variables for the selected listed Companies

	sca	tblnis	tbldiva	tblcaga	nmbnis	nmbdiva	nmbcaga
sca	1.0000						
tblnis	0.2996	1.0000					
	0.0958						
tbldiva	0.6481	0.1211	1.0000				
	0.0001	0.5092					
tblcaga	0.7488	0.3848	0.7393	1.0000			
	0.0000	0.0297	0.0000				
nmbnis	.	.	.	.	.		
	.	.	.	.			
nmbdiva	0.5970	0.1978	0.3360	0.4467	.	1.0000	
	0.0005	0.2946	0.0695	0.0133	.		
nmbcaga	0.7684	0.3475	0.6734	0.8974	.	0.4779	1.0000
	0.0000	0.0513	0.0000	0.0000	.	0.0076	
crdbnis	.	.	.	.	.	.	.
	.	.	.	.	.	.	.

```
crdbdiva |  0.6034  0.6511  0.5621  0.8546    .  0.2678  0.8133
         |  0.0003  0.0001  0.0008  0.0000    .  0.1525  0.0000
crdbcaga |  0.7004  0.2795  0.7906  0.8724    .  0.5091  0.9044
         |  0.0000  0.1214  0.0000  0.0000    .  0.0041  0.0000
tanganis | -0.2531  0.0553 -0.2683 -0.3697    . -0.1524 -0.3440
         |  0.1623  0.7636  0.1377  0.0373    .  0.4214  0.0539
         |
tangadiva |  0.2360  0.1277  0.3849  0.1597   . -0.3130  0.0687
          |  0.1934  0.4863  0.0296  0.3827   .  0.0921  0.7088
tangacaga | -0.1922  0.0475 -0.0326 -0.0119   . -0.5029 -0.0325
          |  0.2919  0.7963  0.8592  0.9485   .  0.0046  0.8600


          |    crdbnis crdbdiva crdbcaga tanganis tangad~a tangac~a
-------------+----------------------------------------------------
   crdbnis |      .
           |
  crdbdiva |      .  1.0000
           |      .
  crdbcaga |      .  0.7814  1.0000
           |      .  0.0000
  tanganis |      . -0.4029 -0.3299  1.0000
           |      .  0.0222  0.0652
 tangadiva |      .  0.1595  0.2627 -0.1105  1.0000
           |      .  0.3833  0.1463  0.5471
 tangacaga |      .  0.0213  0.0428  0.0750  0.6384  1.0000
           |      .  0.9078  0.8161  0.6831  0.0001
  Source: Field data
```

Key: nmbnis = Number of invested shares in NMB
nmbdiva = Dividend accumulated in NMB
nmbcaga = Capital gain for invested shares in NMB
tanganis = Number of invested shares in Tanga Cement
tangadiva = Dividend accumulated in Tanga Cement
tangacaga = Capital gain for invested shares in Tanga Cement
crdbnis = Number of invested shares in CRDB
crdbdiva = Dividend accumulated in CRDB
crdbcaga = Capital gain for invested shares in CRDB
tblnis = Number of invested shares in TBL
tbldiva = Dividend accumulated in TBL
tblcaga = Capital gain for invested shares in TBL

3.2. Regression results
3.2.1 Regression results for a combination of all parameters for all selected listed companies at DSE
Table 3-2 below shows the econometric regression results of the selected parameters for all selected listed companies at DSE. The results show that the independent variables explain the dependent variable by 81.73% as evidenced by the R-square value of 0.8173. This implies that the parameters such as tblnis, tbldiva, tblcaga, nmbdiva, nmbcaga, crdbdiva, crdbcaga, and tangadiva define the independent value of seed capital accumulation.

Table 3-2: Econometric results for the factors impacting seed capital accumulation for the selected listed companies
Regress sca- tangacaga
Note: nmbnis omitted because of collinearity
Note: crdbnis omitted because of collinearity

```
   Source |     SS        df      MS              Number of obs = 30
-------------+------------------------------      F( 10,   19) =  8.50
    Model | 548496191     10   54849619.1        Prob > F   = 0.0000
  Residual | 122611630    19   6453243.69        R-squared = 0.8173
-------------+------------------------------      Adj R-squared = 0.7211
```

```
   Total |  671107821   29   23141649              Root MSE    = 2540.3
------------------------------------------------------------------------------
     sca |    Coef.      Std.      Err.      t     P>|t|   [95% Conf. Interval]
-------------+----------------------------------------------------------------
   tblnis |  -2.99e-07   .0000184    -0.02   0.987   -.0000387    .0000381
  tbldiva |  -.0114068   .0259755    -0.44   0.666   -.0657741    .0429605
  tblcaga |   .0275865   .020004      1.38   0.184   -.0142825    .0694554
   nmbnis |  (omitted)
  nmbdiva |   .0476858   .0489465     0.97   0.342   -.0547603    .1501319
  nmbcaga |   .0807378   .0230055     3.51   0.002    .0325867    .1288889
   crdbnis | (omitted)
  crdbdiva | -.2134404   .3274467    -0.65   0.522   -.8987943    . 4719135
  crdbcaga | -.022176    .0641498    -0.35   0.733   -.1564431    .1120912
  tanganis | -.0000112   .0000492    -0.23   0.822   -.0001142    .0000917
 tangadiva |  .5101633   .3436268     1.48   0.154   -.2090558    1.229382
 tangacaga | -.1154586   .0982888    -1.17   0.255   -.3211794    .0902622
    _cons  |  5416.314   7721.227     0.70   0.492   -10744.4     21577.03
------------------------------------------------------------------------------
```

Key: nmbnis = Number of invested shares in NMB
nmbdiva = Dividend accumulated in NMB
nmbcaga = Capital gain for invested shares in NMB
tanganis = Number of invested shares in Tanga Cement
tangadiva = Dividend accumulated in Tanga Cement
tangacaga = Capital gain for invested shares in Tanga Cement
crdbnis = Number of invested shares in CRDB
crdbdiva = Dividend accumulated in CRDB
crdbcaga = Capital gain for invested shares in CRDB
tblnis = Number of invested shares in TBL
tbldiva = Dividend accumulated in TBL
tblcaga = Capital gain for invested shares in TBL

3.2.2 Regression results for individual listed Companies.
3.2.2.1 Regression results of the variables for NMB
From table 3-3 below, the selected determinants of SCA at DSE from nmb are nmbdiva and nmbcaga whose regression results with SCA are positive. The other parameter, nmbnis negatively impacts the SCA and nmbnis omitted because of the collinearity problem. Based on the results above, the key determinants of SCA for NMB are nmbdiva and nmbcaga at a standard deviation of 0.042404 and .0106757 respectively.

Table 3-3. Regression results of the variables for NMB
Reg sca nmbnis nmbdiva nmbcaga
Note: nmbnis omitted because of collinearity

```
   Source |   SS      df      MS            Number of obs = 30
-------------+------------------------------    F( 2,   27) =  22.33
    Model |  418238242   2   209119121      Prob > F    = 0.0000
  Residual |  252869578  27  9365539.94     R-squared =  0.6232
-------------+------------------------------    Adj R-squared = 0.5953
   Total |  671107821   29   23141649       Root MSE    = 3060.3
------------------------------------------------------------------------------
     sca |    Coef.     Std.     Err.      t    P>|t|   [95% Conf. Interval]
-------------+----------------------------------------------------------------
   nmbnis |  (omitted)
  nmbdiva |  .0996532   .042404    2.35   0.026   .0126472   .1866591
  nmbcaga |  .0466733   .0106757   4.37   0.000   .0247686   .068578
    _cons  | 5708.447   1398.358   4.08   0.000   2839.254   8577.639
------------------------------------------------------------------------------
```

Key: nmbnis = Number of invested shares in NMB
nmbdiva = Dividend accumulated in NMB
nmbcaga = Capital gain for invested shares in NMB

From **table 3-4** below, the econometric results show that nmbdiva and nmbcaga with p-values of 0.026 and 0.000 are positive and statistically significant in impacting the SCA. Furthermore, the independent variables explain the dependent variable by 62.32 % as evidenced by the value of Adj R-squared value of 59.53%. Again, nmbnis is omitted because of collinearity, this implies that the independent variables are good predictors of the dependent variable while nmbnis does not show any impact on seed capital accumulation this is because nmbnis omitted because of collinearity.

Table 3-4: Coefficient estimate for the selected parameters from NMB on SCA
Reg sca nmbnis nmbdiva nmbcaga
Note: nmbnis omitted because of collinearity

Source	SS	df	MS		Number of obs = 30
					F(2, 27) = 22.33
Model	418238242	2	209119121		Prob > F = 0.0000
Residual	252869578	27	9365539.94		R-squared = 0.6232
					Adj R-squared = 0.5953
Total	671107821	29	23141649		Root MSE = 3060.3

sca	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
nmbnis	(omitted)					
nmbdiva	.0996532	.042404	2.35	0.026	.0126472	.1866591
nmbcaga	.0466733	.0106757	4.37	0.000	.0247686	.068578
_cons	5708.447	1398.358	4.08	0.000	2839.254	8577.639

Key: nmbnis = Number of invested shares in NMB
nmbdiva = Dividend accumulated in NMB
nmbcaga = Capital gain for invested shares in NMB

3.2.2.2 Regression results of the variables for TBL
From table 3-5 below, all the selected determinants of SCA of the DSE from TBL are positively correlated with SCA. Basing on the results above, there key determinants of SCA for TBL are tbldiva and tblcaga with p-value of 0.233 and 0.010 while R-squared 0.5831 and Adj R-squared 0.5384 respectively. This signifies that both parameters are good predictor for seed capital accumulation from TBL.

Table 3-5. TBL Regression results of the variables for TBL
Regressing sca tblnis tbldiva and tblcaga

Source	SS	df	MS	Number of obs = 32
				F(3, 28) = 13.05
Model	447067484	3	149022495	Prob > F = 0.0000
Residual	319699536	28	11417840.6	R-squared = 0.5831
				Adj R-squared = 0.5384
Total	766767020	31	24734420	Root MSE = 3379

sca	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
tblnis	4.82e-06	.0000115	0.42	0.679	-.0000188	.0000284
tbldiva	.0294986	.024188	1.22	0.233	-.0200482	.0790454
tblcaga	.0366765	.0132911	2.76	0.010	.009451	.0639021
_cons	3923.24	3006.93	1.30	0.203	-2236.176	10082.66

Key: *tblnis = Number of invested shares in TBL*
tbldiva = Dividend accumulated in TBL
tblcaga = Capital gain for invested shares in TBL

From **table 3-6** below, the econometric results show three parameters from TBL which determines the DSE seed capital accumulation such as tbldiva and tblcaga Coef.0.0294986 and 0.0366765 respectively. As well they processed a P-Value of 0.679; 0.233 and 0.010 respectively. This implies that the parameters are positively significant impacting on seed capital accumulation.

Table 3-6: Coefficient estimate for the selected parameters from TBL on SCA
   Regression sca tblnis tbldiva tblcaga

```
  Source |    SS        df     MS              Number of obs = 32
---------+------------------------------         F( 3,   28) =  13.05
   Model | 447067484    3  149022495          Prob > F    = 0.0000
Residual | 319699536   28  11417840.6         R-squared   = 0.5831
---------+------------------------------       Adj R-squared = 0.5384
   Total | 766767020   31   24734420          Root MSE    = 3379
```

```
-----------------------------------------------------------------------
    sca |    Coef.    Std.     Err.    t     P>|t|    [95% Conf. Interval]
--------+--------------------------------------------------------------
  tblnis |  4.82e-06  .0000115   0.42  0.679  -.0000188   .0000284
 tbldiva |  .0294986  .024188    1.22  0.233  -.0200482   .0790454
 tblcaga |  .0366765  .0132911   2.76  0.010   .009451    .0639021
   _cons |  3923.24   3006.93    1.30  0.203  -2236.176   10082.66
```

Key: *tblnis = Number of invested shares in TBL*
       tbldiva = Dividend accumulated in TBL
       tblcaga = Capital gain for invested shares in TBL

3.2.2.3 Regression results of the variables for CRDB
     Table 3-7 below shows the correlation matrix of the impact of variables from the CRDB listed company selected parameters on DSE seed capital accumulation. Findings indicate that, there is positive correlations between the selected determinants of SCA of the DSE from CRDB. This is because, the determinants give positive coefficient implying that it affects the SCA positively by crdbdiva and crdbcaga respectively. However, crdbnis is omitted because of collinearity.

Table 3-7: Regression results of the variables for CRDB
   Regression sca crdbnis crdbdiva and crdbcaga
   Note: crdbnis omitted because of collinearity

```
  Source |    SS          df     MS            Number of obs = 32
---------+-------------------------------        F( 2,   29) =  14.42
   Model | 382381448      2  191190724        Prob > F    = 0.0000
Residual | 384385572     29  13254674.9       R-squared   = 0.4987
---------+-------------------------------      Adj R-squared = 0.4641
   Total | 766767020     31   24734420        Root MSE    = 3640.7
```

```
-----------------------------------------------------------------------
    sca |   Coef.     Std.     Err.    t     P>|t|    [95% Conf. Interval]
--------+--------------------------------------------------------------
  crdbnis | (omitted)
 crdbdiva | .0845448  .1237605   0.68  0.500  -.1685737   .3376634
 crdbcaga | .0647195  .0231919   2.79  0.009   .0172866   .1121524
    _cons | 6513.153  1770.744   3.68  0.001   2891.575   10134.73
--------+--------------------------------------------------------------
```

Key: *crdbnis = Number of invested shares in CRDB*
     crdbdiva = Dividend accumulated in CRDB
     crdbcaga = Capital gain for invested shares in CRDB

     From table 3-8 below, the econometric results shows that only crdbdiva and crdbcaga with p-values of 0.500 and 0.009 respectively are statistically significant in impacting the SCA. Furthermore, the independent variables explain the dependent variable by 49.87% as evidenced by the value of Adj R-squared value of 46.41%. This implies that the independent variables are weak predictors of the dependent variable. But crdbnis is omitted because of collinearity.

Table 3-8: Coefficient estimate for the selected parameters from CRDB on SCA
  Regression sca crdbnis crdbdiva and crdbcaga

Note: crdbnis omitted because of collinearity

Source	SS	df	MS			
				Number of obs = 32		
				F(2, 29) = 14.42		
Model	382381448	2	191190724	Prob > F = 0.0000		
Residual	384385572	29	13254674.9	R-squared = 0.4987		
				Adj R-squared = 0.4641		
Total	766767020	31	24734420	Root MSE = 3640.7		

sca	Coef.	Std.	Err.	t	P>|t|	[95% Conf. Interval]
crdbnis	(omitted)					
crdbdiva	.0845448	.1237605		0.68	0.500	-.1685737 .3376634
crdbcaga	.0647195	.0231919		2.79	0.009	.0172866 .1121524
_cons	6513.153	1770.744		3.68	0.001	2891.575 10134.73

Key: *crdbnis = Number of invested shares in CRDB*
        crdbdiva = Dividend accumulated in CRDB
        crdbcaga = Capital gain for invested shares in CRDB

3.2.2.4 Regression results of the variables for Tanga cement

From table 3-9 below, there are positive correlations between the selected determinants of SCA of the DSE from Tanga Cement. The most impacting parameter is tangadiva as evidenced by a correlation coefficient of 0.242685 or 24.2685%. The other parameters indicated a negative correlation with SCA hence they give a negative coefficient such as tanganis and tangacaga with coefficients of -0.0000239 and -0.1878106 respectively. This means the parameters tanganis and tangacaga are weak contributors of seed capital accumulation.

Table 3-9. Regression results of the variables for Tanga Cement
. **Regression sca tanganis tangadiva and tangacaga**

Source	SS	df	MS			
				Number of obs = 32		
				F(3, 28) = 3.55		
Model	211288441	3	70429480.5	Prob > F = 0.0270		
Residual	555478579	28	19838520.7	R-squared = 0.2756		
				Adj R-squared = 0.1979		
Total	766767020	31	24734420	Root MSE = 4454		

sca	Coef.	Std.	Err.	t	P>|t|	[95% Conf. Interval]
tanganis	-.0000239	.0000263		-0.91	0.371	-.0000777 .0000299
tangadiva	.242685	.0916673		2.65	0.013	.0549131 .4304569
tangacaga	-.1878106	.0737694		-2.55	0.017	-.3389205 -.0367008
_cons	21887.03	3159.442		6.93	0.000	15415.21 28358.85

Key: tanga*nis = Number of invested shares in* Tanga Cement
       tanga*diva = Dividend accumulated in* Tanga Cement
       tanga*caga = Capital gain for invested shares in* Tanga Cement

From **table 3-9** above, the econometric results show that only tangadiva with p-values of 0.013 hence is statistically significant in impacting the SCA. Furthermore, the independent variables explain the dependent variable by 27.56% as evidenced by the value of R-Squared value of 19.79% as evidenced by adjusted R-Squared. This implies that the independent variables are strong predictors of the dependent variable.

Table 3-10: Coefficient estimate for the selected parameters from Tanga Cement on SCA
 Regression sca tanganis tangadiva and tangacaga

```
   Source |      SS        df      MS               Number of obs =    32
----------+----------------------------             F( 3,   28) =   3.55
    Model | 211288441     3   70429480.5            Prob > F     = 0.0270
 Residual | 555478579    28   19838520.7            R-squared    = 0.2756
----------+----------------------------             Adj R-squared = 0.1979
    Total | 766767020    31   24734420              Root MSE     =   4454
--------------------------------------------------------------------------
      sca |    Coef.   Std.     Err.    t      P>|t|   [95% Conf. Interval]
----------+---------------------------------------------------------------
 tanganis | -.0000239 .0000263  -0.91  0.371   -.0000777   .0000299
 tangadiva |  .242685  .0916673  2.65  0.013    .0549131   .4304569
 tangacaga | -.1878106 .0737694  -2.55  0.017   -.3389205  -.0367008
    _cons |  21887.03  3159.442  6.93  0.000    15415.21   28358.85
```

Key: tanga*nis = Number of invested shares in* Tanga Cement
 tanga*diva = Dividend accumulated in* Tanga Cement
 tanga*caga = Capital gain for invested shares in* Tanga Cement

From **table 3-10** above, the econometric results shows that only tangadiva with p-values of 0.013 hence is statistically significant in impacting the SCA. Furthermore, the independent variables explain the dependent variable by 27.56% as evidenced by the value of R-Squared and 19.79% as evidenced by adjusted R-Squared value. This implies that the independent variables are strong predictors of the dependent variable.

IV. CONCLUSIONS AND RECOMMENDATION

Investing in shares regularly from listed companies, the dividend accumulated and capital gains per share are significantly impacting on seed capital accumulation. It is important to educate investors on the possibility of forming capital through buying shares of listed companies rather depending on bank loans which most of them lacks collateral, investors need to understand that buying shares of the listed companies is profitable especially shares from profitable companies like TBL, CRDB, and NMB this is because once an investor buys shares of the company increases the capital investment to the company and by so doing the money invested will be working for an investor and then investors need to understand investing in shares of listed companies is profitable since an investor earns profits by selling shares invested in the company, this again contributes to seed capital accumulation.

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