



# Awareness Of people Towards Different Types of Investment Avenues

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## **Abstract:**

Investment involves making of a sacrifice in the present with the hope of deriving future benefits. Two most important features of an investment are current sacrifice and future benefit. Investment is the sacrifice of certain present values for the uncertain future reward. When a person has more money than he requires for current consumption, he would be coined as potential investor. Knowledge about the different avenues enables the investors to choose investment intelligently. The required level of return and the risk tolerance decide the choice of the investor. Generally investment process starts with an understanding of the investment objectives and then framing out the investment policy. This will depend upon the investor's perception. But the perception of investors differs around on the basis of different factors like age, gender, occupation, qualification and income levels. Main aim of this study is to analyse the impact of demographical factors on the investment selection decision and the satisfaction level of different investment avenues among investors. The primary data is collected through questionnaires. Sample size is 60. Chi square, ANOVA and percentage analysis used for data analysis

**Keywords:** Awareness, Investors, Investment Avenues, Perceptions

## **Introduction:**

The economic development of any country depends upon the well-organized financial system. The financial system is a broader term which brings under two fold the financial markets and the financial institutions which support the system. The system main objective is to mobilized the savings in the form of money and monetary assets and invest them effectively to productive ventures. It promotes investments and savings which help faster economic development of any country.

In this modern era, money plays an important role in one's life. In order to overcome the problems in future they have to invest their money. Investment of hard earned money is a crucial activity of every human being. Investment is the commitment of funds which have been saved from current consumption with the hope that some benefits will be received in future. Thus, it is a reward for waiting for money. Savings of the people are invested in assets depending on their risk and return demands, Safety of money, Liquidity, the available avenues for investment, various financial institutions, etc. Investment is a purchase of a financial product or other item of value with an expectation of favorable future returns. Investing is a serious subject that can have a major impact on investor's future well-being. Investors have a lot of investment avenues to park their

savings. The risk and returns available from each of these investment avenues differ from one avenue to another.

In this current scenario there has been a major reform i.e., economic prosperity and growth all over the world. The whole world is talking about the sturdy growth rates. Continuous growth in the income levels and booming stock markets have led to increase the High-Net-worth Investors (HNIs). It means the availability of huge surplus for investment. The higher risk taker investors want to experiment and try new and hybrid instruments in the name of diversification. This has resulted in creation of new options within the same or different asset classes. The Investment can be done in various investment avenues such as Share market, precious object like gold, silver and stones like diamond, Mutual Funds, Post office Deposits, Bank Deposits, National Pension System, Public Provident Fund, Senior Citizen Savings Scheme, Real estates, Bonds. Etc.

Financial investment is the purchase of a financial security such as stock, bond or mortgage. As a woman & an investor, shaping of financial future is as the many other roles they play in life. Women today, have more earning potential & more influence over financial decisions than ever before. Women represent almost half of the workforce & many businesses are owned or managed by women. Many women influence or control the majority of all consumer decisions. As a result, it becomes important for women to focus on finances now more than ever.

### **Review of literature:**

Joseph et al. [16] found that mutual fund retail investors in Kerala as a result sense to found the perceptual factors and to find out whether there is any significant relationship between demographic and perceptual factors towards mutual fund investments. It analyzed the performance that investors' perception is dependent on the demographic profile and accesses that the investor's age, and annual savings has direct impact on the investors' choice of investment and mostly the small investors have positive approach towards investing in mutual funds. Anil nagtilak et al. [17] accessed behaviour of saving and investment in first public offering this to used convinces sampling method and evaluated the complex IPO process and included to the legal requirements of an IPO, SEBI rule and plan, to find out the investors' confidence level and their favorite while investing money. Conclude that IPO is no more risky investment as SEBI is playing very important role in regulating the risk and financial aspects of the investors. Aboah et al. [18] analyzed with this based on purposive sampling method and primary data. It observed that investor perception towards important country characteristics in their result to invest in African SMES. The classified and rank investors' perception towards important venture characteristics in their decision to invested in African SMES. The author conducted inter-African investment in various business sectors, in particular the three highest sectors to give more motivational for regional integration and investment. Velmurugan et al. [19] record that small team investors focused on value this study used convenience sampling method, percentage analysis, mean Whitney and kurshallwallis tested then there large number of small investors, who have the skill to save and an investment in share market, gold, real estate, insurance and post office. Among these factors the researcher found that perception of order of investment towards post office are different between the various income level so the investors analyzed the market carefully and then make investment decision. Sathiyamoorthy et al. [20] stated that the main factors influence the salaried class investors it identified the level of investors used random sampling method highlight that certain factors like education level, age of investors, number of family members make significant impact while deciding on the avenues for investment. To conclude that the researches showed that common of the respondents are saving money as bank deposits for the safety of an irregular future. The main avenues of investment are the bank deposits and the main purpose of investment is for children education, marriage, and security after retirement. Parimalakanthi et al. [22] carried out examination with list the of Investment avenues available. Find out the information seeking behaviour of Investors and their effectiveness. Investors assess the risk exposure, factors affecting the Investment decision to find out the risk tolerance level of each investor with respect to demographic variables. The author concluded that security was also a leading preferred feature in fixed income and

investment for safety. The capital approval was the prime favoured aspect in long-term investment. Extra income was the most chosen part on liquidity investments. Lekshmi et al. [23] indicated that there is an important variation between socioeconomic profile of Government employees and attitude towards investments. In addition, the outcome exposed that there is an important difference between socioeconomic profile of Government employees and investment decision. Author suggested that the Government employees must alter investment plan if the market is very explosive based on their risk way skill and estimated returns and it is important that Government employees should keep up-to-date on the investment information. Sonali Patil et al. [24] found that the studies based on personal interviews with salaried people, using a structured questionnaire actually, the present study identified the preferred investment avenues among the person investors using self-assessment test. The researcher has analyzed that salaried employees measured the safety as well as good return on investment on regular basis. Respondents are aware about the investment avenues available in India except female investors. Jayasatha et al. [25] attempted to show the key demand that the major investors hide of an investment are safety of principal amount, liquidity, income stability, appreciation and easy transferability. This study based on percentage analyses and chi-square. A variety of investment avenues are available such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. Author concluded that most of the investors preferred mutual fund investment followed by Life Insurance Corporations. Javed Iqbal Bhabha et al. [26] explored that working people investors an important role in the economic growth of nation savings attitude and investment behaviour influenced by past and future act of special kinds of investment options. Women typically have lower earnings than men, which created lower total wealth. This study concludes the factors, which are controlling the attitude of working-women towards saving-investment behaviour in developing countries like, Pakistan, and explained the key critical factors like, income, financial security and returns on investment.

### **Objectives:**

1. To measure the impact of demographical factors on the selection of investment avenues
2. To analyse the level of satisfaction with investment objectives

### **Research methodology:**

The study is based on both primary and secondary data. However as the study is primarily evaluative in nature and mainly deals with psychology and behaviour of the investors, primary data provides information and foundation for the present study. The primary data is collected through questionnaires. Sample size is 60. Chi square, ANOVA and percentage analysis used for data analysis

**Data analysis:**

First objective is to analyse the impact of demographical factors on the selection of investment avenues

Table 1: Analysis of Investment Pattern with different variables

No	Hypothesis	Test Used	Sig Value	Value	Inference
H <sub>1</sub>	THERE IS Significant association between choice of investment pattern among various age group	Chai-Square	0.028	14.193	Accepted
H <sub>2</sub>	There is Significant association between choice of investment pattern among various gender group	Chai-Square	0.199	3.227	Rejected
H <sub>3</sub>	There is Significant association between choice of investment pattern among various educational level group	Chai-Square	0.585	4.683	Rejected
H <sub>4</sub>	There is Significant association between choice of investment pattern among various occupational area	One way ANOVA	0.003	4.055	Accepted
H <sub>5</sub>	There is significant difference between income of the respondents and pattern of	One way ANOVA & Post-hoc	0.000	15.989	Accepted

	Investment.				
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It can be observed from the above table, by using Chi-square test, we inference that the p value of (Age- Investment pattern) is  $<0.05$  (I.e., 0.028) which implies that there is an association between age and investment pattern. Thus, the alternative hypothesis accepted for Age. But there is no association between gender & education qualification with investment pattern because the p value is higher than 0.05 or  $<0.05$ .

The significance value of Occupation and income is (0.003) and (0.000), which are less than 0.05 which indicates that there is a significant difference between (occupation-Investment pattern) and (income- Investment pattern). Hence the alternative hypothesis is accepted.

Second objective is to analyses the level of satisfaction with investment objectives

**Table 2: Level of satisfaction with investment**

INVESTMENT OBJECTIVE	LEVEL OF SATISFACTION									
	DIVIDEND		CAPITAL GAIN		CAPITAL APPRECIATION		TAX BENIFITS		SAFETY	
	NO	%	NO	%	NO	%	NO	%	NO	%
Highly satisfied	10	17	10	17	22	37	10	17	15	25
Satisfied	15	25	20	33	13	22	25	10	20	33
Neutral	20	33	18	30	17	28	15	25	14	23
Dissatisfied	10	17	5	8.3	5	8.3	5	8.3	8	13
Highly dissatisfied	5	8.3	7	12	3	5	5	8.3	3	5

Out of 60 respondents 33.33% are neither satisfied nor dissatisfied with the investment objective – dividend their satisfaction level is neutral.32 % of the respondents are satisfied with wit capital gains from investments. only 5% of the respondents are highly dissatisfied with the objective of safety, 33.33% of them are satisfied with safety.

### Findings:

There is Significant association between choice of investment pattern among various age. Occupation and income level group. Out of 60 respondents 33.33% are neither satisfied nor dissatisfied with the investment objective – dividend their satisfaction level is neutral.32 % of the respondents are satisfied with wit capital gains from investments. only 5% of the respondents are highly dissatisfied with the objective of safety, 33.33% of them are satisfied with safety.

### Conclusion:

The study reveals that the Investors' investment preference reasons are differ in the investment avenues. The Investors' Avenue preference reason is depending upon nature of the avenues' benefits and safety returns. Walk around the past studies conclude that after a decade the Bank and Post office investors' preference reasons change from tax benefit to stable return and safety/security. Risk aversion investors like to invest Insurance Avenue for safe and well return. Investors take risk and gain more for periodic return and regular income. Most of the investors

enter bond and mutual fund investments for Tax benefits and future need.

The study concludes that investor's investment objectives priority may differ in Investment Avenue wisethough their objectives fully focused on a liquidity, wealth creation and safety. The past researcher also identified the significant results.

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