



A Study On The Individual Investors Behaviours In Various Investment Avenue (With Special Reference To Coimbatore District)

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ABSTRACT

Investment is saving money and engaging them with the expectation of earning profit in future. Investment behavior of an investor depends on his/her risk perception and risk attitude. As per modern portfolio theory risk taking of an investor depends on his risk attitudes. The main objectives of the study is to examine the level of awareness of investors towards select investment avenues. Primary data have been collected through issue the questionnaire. The study is based on a convenience sample of 100 working professionals in the city of Coimbatore District. Percentage Analysis, ChiSquare test and weighted average rank method have been used to analyze the data. The study revealed that bank deposit still remains the most preferred investment avenues of the households. The results also highlight that certain factors like education level, age of investors, number of family members etc make significant impact and deciding on the avenues for investment.

Keywords: Investment,money,bank and avenues

INTRODUCTION OF THE STUDY

Investment behavior of an investor depends on his/her risk perception and risk attitude. As Investment is saving money and engaging them with the expectation of earning profit in per modern portfolio theory risk taking of an investor depends on his risk attitudes. His/her decision to invest or not will depend on his risk/return expectations and his/her risk attitude. Perception is the first step in decision-making followed by considering various avenues and making choice out of them and then taking the action, which is behavior of the investor.

There are different motives for investment. The most prominent among all is to earn a return on investment. However, selecting investments on the basis of return is not enough. The fact is that most

investors invest their funds in more than one security suggest that there are other factors, besides return, and they must be considered. The investors not only like return but also dislike risk.

The investor behaviour represents the financial behavior of the individual. As a sign of dynamic financial system, innovations in financial technology is taking place, increasing use of finance instruments and reliance on the financial institutions by different investors is becoming wide and sophisticated. The clever investors have widely diverse taste for different wealth forms. All investment offer in general uncertain future returns and asset holders may be distinguished according to the degree of utility or disutility they expect to receive from bearing risks. The investors can be grouped into risk neutrals, risk averters and risk lowers. Each investor tries to build good portfolio. A good portfolio is more than a long list of good stocks and bonds.

STATEMENT OF THE PROBLEM

The focus of this study is on the individual salaried class investors. In the Indian context, savings from all quarters are the need of the hour. The savings of agriculturists, business men, and the self employed are not stable and not assured because it is subject to the conditions of business and many other factors. The salaried class investors with assured monthly income supplemented by additional income from other sources could be regular savers. Various studies at macro level confirm the role of the salaried class investors in providing the financial resources to the industrial sector. Keeping in view the potential savings of the salaried class investors, this study is prompted to understand the attitude and behaviour of the salaried class investors.

REVIEW OF LITERATURE

Prasanna Prakash (2024), Analyzed on various avenues available in Indian capital market to potential investors with special reference to Bangalore". The main objectives of the study is to know the preferences given by the retail investor among the various avenues. The methodology is both descriptive and analytical in nature. Primary data is collected by questionnaire method from 200 respondents in Bangalore city. Percentage analysis and chi-square test have been used to analyze the data. The study reveals that Most of the people are not aware of all the investment avenues available in the Indian Capital markets. However, all of them are aware of at least one avenue.

K.V. Ramanathan and K.S. Meenakshisundaram (2016), Investigated on Investment Behaviour and Level of Satisfaction of Bank Employees". This study aims to analyse the expected return and level of satisfaction and investment evaluation decision. The researcher has used the primary data obtained from 160 respondents working in banking sector. The descriptive research is used to the study. The convenient sampling method have been used. Mean, Standard Deviation, Skewness, Kurtosis, Regression Analysis, ANOVA and Multivariate Analysis (MANOVA). The study concluded that may be pursued to help the middle income group in making best investments clubbed with higher return and satisfaction to the investors. Investment procedures must be simple and clear to attract more investors.

B. Umakalyani and Dr. N.Kannan (2016), Analyzed on Various Investment Avenues for Investors towards Gold Investment”. The main objectives of the study is to identify the various options available for investors in gold investment. The purpose of study data has been collected from 50 respondents in Bangalore and the convenience sampling has been used. Percentage analysis and Chi-square test have been used. The study concluded that 70% of respondents prefer to invest in gold coin due to easily available and 20% feels moderate loss value and available in lesser denomination. 48% feels gold coins are not safe involves some making charges and storage charges.

Dr. E.Apparao and N. Kishore Babu (2015), Examined on Investors Perception towards Investment Avenues in Godavari Districts of Andhra Pradesh”. The main objectives of the study is to the perceptions of the Investors towards various Investment Alternatives. The primary data is collected through structured questionnaires. Total sample size 576. Percentaga analysis and chi-square test have been analysed to the data. The study recommended that the perception of most investors on the safety and liquidity of different investment avenues is unfavourable. Hence there is need to create the environment to instil confidence on investing public with regard to the liquidity and safety of their investment schemes.

OBJECTIVES OF THE STUDY

The study is undertaken with the following objectives:

- To examine the level of awareness of investors towards select investment avenues.
- To identify the reasons for choosing investment pattern.
- The perception of investors towards the select investment avenues
- To assess the level of satisfaction of investors towards the select investment avenues

RESEARCH METHODOLOGY

The validity of any research depends on the systematic method of collecting the data and analyzing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data was made.

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

The Research design used in this study was descriptive research design. It includes surveys and fact-finding enquiries of different kinds. The main characteristic of this method is that the researcher has no control over the variables, the researcher can report only what has happened or what is happening. The researcher used this research design to find out the fact of respondents attitude and opinion about satisfaction of customers

SAMPLING METHOD

The sampling used for the study is convenient sampling. This sampling is selected by the researcher for the purpose of convenience to access. A pilot study is conducted to validate the questionnaire and to confirm the feasibility of the study. Based on the pilot study, the questionnaire is modified suitably to elicit response from the sample group.

METHOD OF DATA COLLECTION

The data for this study are of two types: -

- Primary data
- Secondary data

PRIMARY DATA

Primary data is the data is collected from the respondent for the first time, it is original in nature. For the purpose of collection of primary data, a well structured questionnaire was framed and filled by the respondents. The questionnaire comprises of close ended as well as open ended questions. In close ended questions, checklist questions and multiple choice questions are used.

SECONDARY DATA

Secondary data are collected from books, magazines, web sites etc, and both open ended & close-ended questions are incorporated in the questionnaire for the collection of data.

STATISTICAL TOOLS

The following statistical tools are used in the study

- Percentage Analysis
- Chi – square test

LIMITATIONS OF THE STUDY

The present study is subject to the following limitation.

The data collected for the study are primary in nature which is based on the questionnaire and hence the result would bear all the limitations of primary data.

The data collected from the respondents residing in Coimbatore.the study is based on only 100 respondents.

The findings are applicable only to the respondents of the area under study.

While the study uses percentage analysis and chi-square test tools could provide deeper insights into investor behaviour.

ANALYSIS and INTREPRETATION**PERCENTAGE ANALYSIS**

Table:1

Demographic Profile	Particulars	No .of Respondents	Percentage
Age	Below 30 years	61	61
	31-40 years	26	26
	41-50 years	13	13
Gender	Male	29	29
	Female	71	71
Educational Qualifications	Under graduate	50	50
	Post graduate	42	42
	Professional	8	8
Occupation	Teachers	16	16
	Public employess	9	9
	Business man	47	47
	Others	28	28
Marital Status	Married	38	38
	Unmarried	62	62
Monthly Income	Less than Rs.20,000	28	28
	Rs.20,001-30,000	25	25
	Rs.30,001-40,000	8	8
	More than Rs.40000	39	39
Size of Family	Less than 3 members	16	16
	3 to 4 members	33	33
	4 to 5 members	38	38
	Above 5 members	13	13
Place of Residence	Urban	46	46
	Semi urban	54	54
Monthly Savings	Less than Rs.10,000	53	53
	Rs.20,001-30,000	8	8
	Above Rs.30,001	39	39

INTERPRETATION

A significant portion of the respondents (61%) is below 30 years, followed by those aged 31-40 years (26%) and 41-50 years (13%). The gender distribution is predominantly female, with 71% of respondents identifying as female and 29% as male. The respondents are mainly undergraduates (50%), followed by postgraduates (42%) and professionals (8%). The majority of respondents are businessmen (47%), with 28% in other occupations, 16% being teachers, and 9% working in public employment. Most of the respondents are unmarried (62%), while 38% are married. Most of the respondents are unmarried (62%), while 38% are married. Income distribution shows a variety of ranges, with the largest proportion (39%) earning more than Rs. 40,000, followed by 28% earning less than Rs. 20,000, 25% earning between Rs. 20,001-30,000, and 8% earning between Rs. 30,001-40,000. The majority (38%) have families of 4-5 members, followed by 33% with 3-4 members. A nearly equal distribution of respondents live in urban areas (46%) and semi-urban areas (54%).

CHI-SQUARE ANALYSIS

Table no:2

Gender and Factors affecting the investment avenue

H_0 = There is no significant association between gender of the respondents and factors affecting the investment avenue.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * Level of Satisfaction	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests			
	Value	d	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.509 ^a	2	.000
Likelihood Ratio	28.658	2	.000
Linear-by-Linear Association	24.719	1	.000
N of Valid Cases	100		

Chi-square Tests

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 2.32.

Calculated χ^2 Value: 27.509

Degree of freedom: 2

Table Value: Five per cent level: 5.991

INTERPRETATION

Since the calculated χ^2 value (27.509) is greater than the table value (5.991). Therefore it is concluded that there is a significant association between gender of the respondents and factors affecting the investment avenue. Hence, Null hypothesis is rejected.

Table no:3

Monthly income and Factors affecting the investment avenue

H_0 = There is no significant association between monthly income of the respondents and factors affecting the investment avenue.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Monthly income * Level of Satisfaction	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	78.286 ^a	6	.000
Likelihood Ratio	93.808	6	.000
Linear-by-Linear Association	49.681	1	.000
N of Valid Cases	100		

Chi-Square Tests

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .64.

Calculated χ^2 Value: 78.286

Degree of freedom: 6

Table Value: Five per cent level: 12.592

INTERPRETATION

Since the calculated χ^2 value (78.286) is greater than the table value (12.592). Therefore it is concluded that there is a significant association between monthly income of the respondents and factors affecting the investment avenue. Hence, Null hypothesis is rejected.

FINDINGS OF THE STUDY

PERCENTAGE ANALYSIS:

- 1) The majority, 61 (61%) of the respondents belongs to the age group of 30 years.
- 2) The majority 71 (71%) of the respondents are female.
- 3) The majority, 50 (50%) of the respondents are under Graduate of educational qualification.
- 4) The majority, 47 (47%) of the respondents are doing a business.
- 5) The majority, 62 (62%) of the respondents are unmarried.
- 6) The majority, 39 (39%) of the respondents are more than Rs 40,000 of monthly income.
- 7) The majority 53 (53%) of the respondents monthly savings is less than Rs.10,000.
- 8) The majority 38 (38%) of the respondents have 4 to 5 members in the family.
- 9) The majority 54 (54%) of the respondents are residing in semi-urban area.

CHI-SQUARE ANALYSIS:

- There is a significant association between gender of the respondents and factors affecting the investment avenue. Hence, Null hypothesis is rejected.
- There is a significant association between monthly income of the respondents and factors affecting the investment avenue. Hence, Null hypothesis is rejected.

SUGGESTIONS OF THE STUDY

Suggestions to Investors

Investors who are in need of secured investment should invest in government securities and government bonds which are less risk securities and good way for salaried individuals to utilize their savings. There are no chances of default in these securities. The investors need to understand their risk tolerance level because everywhere there are many investments alternatives. It was found that the instruments of the capital market like equity shares, debentures, and mutual fund units have not influenced the employees. Hence, the policy should be to spread these and other financial instruments.

Financial Institution

Company shall make the investors aware about all the latest Investment opportunities available, which are less risky. Investor those who invested in post office, fixed Deposit and insurance does not seems to invest in shares, mutual funds and bonds and other investment avenues. The main reason is that investors are not much aware about the latest investment avenues. So, company shall make the investors aware about it.

CONCLUSION

Salaried class investors are investing the future benefits. They allocate their savings in various aspects of investment avenues. Most of them will look after the safety of their investment rather than high returns. The study reveals that bank deposit still remains the most preferred investment avenues of the households. The results also highlight that certain factors like education level, age of investors, number of family members etc make significant impact and deciding on the avenues for investment. The present study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analyzed using chi-square test. The research shows that majority of the respondents are saving money as Bank deposits for the safety of an unpredictable future. The main avenues of investment are Bank deposits and the main purpose of investment is for children education, marriage, and security after retirement.

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