Chapter – I

INTRODUCTION

1.1. Introduction
1.2. Statement of the problem
1.3. Significance of the study
1.4. Objectives of the study
1.5. Period of the study
1.6. Area of the study
1.7. Hypotheses
1.8. Scope of the study
1.9. Operational definitions
1.10. Limitations of the study
1.11. Methodology and research design
1.12 Preliminary survey and pre-testing
1.13 Sampling design
1.14 Data collection
1.15 Frame work of analysis
1.16 Chapter scheme.
1.1 INTRODUCTION

Industry and agriculture - the two key sectors of the economy have become more capital intensive. There is need to improve productivity and this calls for application of modern technology. Modern technology in turn calls for heavy dose of capital investment in these areas. But the capital formation is a difficult task and depends upon the people's willingness and their capacity to save. Thus prosperity of the economy is closely linked with the ability of the public to save and invest in productive assets for an uninterrupted supply of capital. Dearth of capital is not felt if the much needed capital is available within. To survive and develop in this competitive business world, capital must be made available at a reasonable rate without conditions attached to it. Investment climate must attract the people to save from their income at times even by foregoing the enjoyment of comforts and luxuries.

According to David Ricardo "there are two ways in which capital may be accumulated; it may be saved either in consequence of increased revenue or of diminished consumption"1 Whether it is individual savings or corporate savings, it must be available for development purposes. Adequate savings and its deployment in industrial sector is the need of the hour. Estimates of International funding agencies and earlier studies confirm that countries can never sustain development unless they have adequate savings.

---

1 David Ricardo; The Principles of Political Economy and Taxation, Dent & sons, London, 1973 p.79
In India, the level of income, which is an important determinant of savings, is marginally less. Though, the propensity to save is higher than that of some of the advanced countries, India's savings rate is not at an encouraging level. While South Korea saves 35 percent of its Gross Domestic Product (GDP), it is 47 percent in Singapore, 38 percent in Indonesia, 35 percent in Malasiya, 40 percent in China but it is only 22-25 percent in India.\textsuperscript{2} There is a school of thought that a developing country like India cannot provide resources for investment out of its domestic savings. The low rate of capital formation in developing countries is the \textit{prima facie} evidence that there is a deficiency of savings.\textsuperscript{3}

It was once estimated that if the population increases by one percent per year, savings and investment must increase by at least four percent in the developing countries to maintain the existing standard of living. The annual population was reported at a growth rate of 2.5 percent and hence our domestic savings and investment must increase by about 10 percent just to maintain the \textit{status quo}.\textsuperscript{4} But to achieve further progress, it is imperative to raise the income level and thereby the standard of living.

If enough savings are accumulated, the next important thing is to invest them in constructive assets so as to generate further value. Actually, financial intermediaries undertake the work of channalising the savings of public into productive assets. Banks, non-banking finance companies, post-offices, share markets and governments are some of the important financial intermediaries. Despite the effort of all these intermediaries, current savings is not up to the


\textsuperscript{3} Narayana D.L; Income, Saving and Investment of Household sector in Chittoor District, S.Chand & Co.Ltd, New Delhi, 1979, p.4

\textsuperscript{4} Narayana D.L; Employment and Economic Growth in India -I.L.O Fiftieth anniversary lectures, Madurai University, 1970, p.13
required level. Further, the entire savings are not at all fully diverted into industry for productive purposes. Therefore, monetary assistance from international agencies has become *sine que non* for the developing countries for their industrial development. However, the domestic savings and investment cannot be substituted by any other sources.

Three major sources namely households, corporate and government sector savings constitute the domestic savings. The contribution of household sector is more than three fourth of total savings. The estimation of National Council of Applied Economic Research for 12 years period from 1950-51 to 1961-65 shows that household sector contributes as much as 80 percent of savings. The Central Statistical Organisation's estimates show that both government and private sector's savings accounted for only 27.1 percent whereas the household sector contributed nearly 72.9 percent of the total savings in our country. Likewise, the estimates of Reserve Bank of India also reveal that the household sector alone accounted for 74.8 percent of the total savings in the country in 1960-61. Further more, urban households' share amounted to 78 percent among the total household sector. The data available from National Accounts Aggregates for a period of 9 years from 1986-87 to 1995-96 confirm that the household sector savings constitute three fourths of gross domestic savings and the rest one fourths are from government and corporate sector.

Federation of Indian Chamber of Commerce and Industry in its study report has indicated that the ratio of gross domestic investment to gross domestic

---


7 Selvam M. op.cit., p.43.
product (GDP) should be enhanced from the present level of 27.4 percent (1995-96) to around 32 percent in order to achieve at least 8 percent growth rate.\(^8\) It is also advised that the foreign capital flows need to be augmented to achieve the investment growth of 32 percent of GDP.

Though it is common practice in almost all the countries to borrow from external sources to fill up the investment gap, India's external borrowings have already mounted. In 1980, the external borrowings stood at Rs.60,000 crores and the same was Rs.50,000 crores in 1989 but it rose to Rs.3,50,000 crores in 1992.\(^9\) There is not much scope for further exploitation of external borrowings because of two reasons. Firstly, governmental expenditure increases by 2 percent if revenue increases by one percent (between 1991 and 1995) and secondly the rate of interest payable on the external loan borrowed has risen sharply from 7 percent to 9 percent recently.

With the above prevailing conditions, countries like India could prosper well if internal sources are best exploited. In the wake of paucity of funds, the process of industrial development has not been activated. Mainly due to the financial crunch, industrial sector has stagnated its activities. Supply of fund would normalise the process and the supply mainly depends on individual investors. In recent times, the contribution of savings of individuals to the total capital formation is increasing. During 1992-96, individuals alone have contributed to about two-third of total capital.\(^10\) Personal savings or savings of

---

\(^8\) Behaviour of Gross Domestic Savings - Investment gap, study report, Federation of Indian Chambers of Commerce and Industry, The Hindu Business Line, 29.1.98, p.3.

\(^9\) Vanigamani, supplement to Dinamani (Tamil daily), 15.12.97, p,1

\(^10\) The Hindu Business Line, 29.1.98, p.3
individuals are called household sector’s savings.\textsuperscript{11} If properly guided and motivated, an active and vibrant participation of individuals will lend financial support internally to the industrial enterprises. In any country, the investment climate should not encourage public to hoard cash and postpone investments. On the other hand, government and other institutions must evolve new systems to induce more and more public savings.

1.2 STATEMENT OF THE PROBLEM

Man works to earn income to meet his own needs. Everyman has unlimited wants and to satisfy these wants, he works and continues to work for a long time. Income earning is the predominant and prime motive in everybody’s life. Individuals normally take their own time to settle down in a job and to become successful investors.

Though the prime objective of income earning is to pay for his demands, still income has got a different role to play. The desire to earn and save for future needs dominates the minds of the income earners. Further, there is no guarantee that surplus will be resulting into savings. Willingness to save is more important than capacity to save. It is true to say that when there is willingness, the capacity to save can be created.

Savings by itself do not provide any return. It merely provides safety. Man would like to see that this saving yields some return. Further, an increment in the savings is always preferred and it has reached a stage where the returns decide the investment.

The practice of savings and investment differs from person to person and place to place as the savers have varying objectives embracing safety, profitability and liquidity. Similarly, the motive behind such practice equally varies due to the influence of internal and external factors of savers. As such, there is no single motivating factor applicable to all investors on all occasions.

In the Indian context, savings from all quarters are the need of the hour. Though 70 percent of our population lives in villages and mainly depend on agriculture, the savings from agricultural sector is not enough due to uneconomic operations of the farms and same is the situation of public sector undertakings. Further, the savings of businessmen and the self-employed are not stable and not assured because it is subject to the conditions of business.

The salaried class has a fixed source of income and supplemented by additional income from other sources. The salaried class investors with assured monthly income 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. But the level of savings can still be augmented from salaried class if the financial system is made more attractive to them. Keeping in view of the potential savings of salaried class investors, this study is prompted to understand the behaviour of salaried class investors.

1.3 SIGNIFICANCE OF THE STUDY

A major challenge facing financial academics is to bridge the gap between theory and practice. One way of filling the gap is to undertake potentially important research issues in corporate finance.\textsuperscript{12} Earlier studies in the area of

current research had been undertaken particularly on one or two investment avenues. Hence, these studies contributed to the understanding of a particular choice of investment. The present study is distinguished from the previous works as it is undertaken to analyse the savings and investment pattern of a section of investors namely salaried class.

1.4 OBJECTIVES OF THE STUDY.

The overall aim of the study is to evaluate the awareness level and the attitude of the investors and explore the savings and investment pattern and behaviour of salaried class investors. Keeping the broad objective in mind, the following specific objectives are framed.

1. To examine the awareness level and to understand the attitude of investors towards savings and investment practices.
2. To analyse the motives for savings and investment that prompt the investors' behaviour in the study area.
3. To study the savings pattern and practices of investors.
4. To understand the investment pattern of investors.
5. To identify the expectations and problems of sample investors with reference to their savings and investment practices.
6. To suggest a model for investment decision-making to the salaried class investors.

1.5 PERIOD OF THE STUDY

The study covers a period of 3 years i.e. 1994-95 to 1996-97. The data collected, opinion and expectations revealed pertain to the same period.
1.6 AREA OF THE STUDY

It was decided to select Coimbatore district\textsuperscript{13} as the area of the study. The district is located on the north-western part of Tamil Nadu State. On the north Nilgris district, Erode, Dindigul districts on the east and Kerala State on the west are the boundaries. The district occupies a pivotal position in the industrial map of the country by virtue of its multifarious industrial activities such as textile goods, engineering products, automobile spares and components and foundries.

While Tamil Nadu State gets the first position\textsuperscript{14} in establishing factories at the national level, Coimbatore district stands first in Tamil Nadu having 17 percent of factories of the State.\textsuperscript{15} Coimbatore was aptly described as the industrial city even during the British rule and finds a coveted place in the international industrial scenario through export of textile goods, plantation crops, machineries, engineering goods and foundry products. Coimbatore is also known as Manchester of South India due to the concentration of textile mills.

The industrial growth of the district has been propelled by untiring efforts of entrepreneurs and thus naturally plenty of employment opportunity has been created. Other distinctive features of the study area is depicted in table 1.1 The striking features of the district coupled with number of salaried class investors prompted the researcher to choose the district for the present research work. Geographical location of the study area and area wise selection of sample are also shown in the following exhibits:

\textsuperscript{13} In India, a district is an administrative territory of a State consisting of cities, towns and villages.

\textsuperscript{14} Annual Survey of Industries, 1992-93, p.50

### TABLE 1.1
DISTINCTIVE FEATURES OF THE STUDY AREA

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Description</th>
<th>Coimbatore District</th>
<th>Tamil Nadu State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Land area (Sq.Km)</td>
<td>7,469</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Population (1991 census)</td>
<td>35,31,078</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Nature of the district</td>
<td>Cosmopolitan</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Referred Name</td>
<td>Manchester of</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>South India</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>No. of motor vehicles (per lakh population)</td>
<td>5000</td>
<td>2,500 (Avg.)</td>
</tr>
<tr>
<td>6.</td>
<td>Employment position (per lakh population)</td>
<td>6,137</td>
<td>4115 (Avg.)</td>
</tr>
<tr>
<td>7.</td>
<td>Average earning of workers in textile sector (per month)</td>
<td>Rs.3,000 plus</td>
<td>-</td>
</tr>
<tr>
<td>8.</td>
<td>Women employment in textile sector</td>
<td>14 %</td>
<td>4 %</td>
</tr>
<tr>
<td>9.</td>
<td>Birth rate (per thousand)</td>
<td>15.6</td>
<td>18.5</td>
</tr>
<tr>
<td>10.</td>
<td>Industrial performance –</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>State level</td>
<td>No. 1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>National level</td>
<td>One among top 10</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>districts</td>
<td></td>
</tr>
</tbody>
</table>

---

EXHIBIT - 1
Geographical Location of the Study Area
(Coimbatore District)

Location of Tamil Nadu in India

Location of Coimbatore District in Tamil Nadu

- Chennai
- Pondicherry
- Kerala
- Tamil Nadu
- Coimbatore District
- Bay of Bengal
- Indian Ocean

Kanniya
Kumari

Kerala State

Coimbatore District

Indian Ocean
EXHIBIT - 2
Area-wise Coverage of Sample Respondents
(R.venue Block-wise distribution)

- Nilgris District
- Mettupalayam: 32
- Avinashi: 14
- Coimbatore North: 143
- Coimbatore South: 121
- Palladam: 13
- Tiruppur: 94
- Pollachi: 49
- Udumelpet: 24
- Valparai: 10
- Kerala State
- Erode District
- Dindigul District
Area (revenue block) wise distribution of respondents are shown in table 1.2 below

**TABLE 1.2**

AREA-WISE COVERAGE OF SAMPLE RESPONDENTS
(Revenue block-wise distribution)

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Revenue Blocks</th>
<th>No.of respondents</th>
<th>Sl. No</th>
<th>Revenue Blocks</th>
<th>No.of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mettupalayam</td>
<td>32</td>
<td>6</td>
<td>Palladam</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Avinashi</td>
<td>14</td>
<td>7</td>
<td>Pollachi</td>
<td>49</td>
</tr>
<tr>
<td>3</td>
<td>Coimbatore North</td>
<td>143</td>
<td>8</td>
<td>Udumelpet</td>
<td>24</td>
</tr>
<tr>
<td>4</td>
<td>Coimbatore South</td>
<td>121</td>
<td>9</td>
<td>Valparai</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Tiruppur</td>
<td>94</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>500</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.7 HYPOTHESES:

In line with the objectives of the study, null hypotheses are framed and tested for their validity. The following are some of the selective null hypotheses.

1. Awareness of different schemes of savings and investment does not depend on education, income, age, location of residence and employment status of investors.

2. Educational level and employment status of the investor do not have any association with their period of subscription of periodicals.

3. Family size and expenses do not influence the level of satisfaction over savings of investors.

4. Savings pattern of investors is not influenced by income, age, education, location of residence, employment status and annual savings of investors.
5. Income, family expenses, employment of spouse, annual savings, employment status, location of residence, sex of investors do not influence their investment pattern.

6. The expected rate of return on investment is not influenced by income, employment of spouse, education, annual savings, employment status, location of residence, sex of investors.

1.9 SCOPE OF THE STUDY

This study is concerned with the evaluation of savings and investment practices of salaried class investors. The in-depth analysis of the behavioural pattern of the investors would help the government to work out various schemes to mobilise finance from the salaried class investors by bringing out tax saving schemes, retirement benefit schemes and the like. It will also help organisations which are engaged in educating the investors by understanding attitude of the investors about various schemes. The study will help the individuals concerned i.e. salaried class to plan savings and investments towards maximising the returns.

1.9 OPERATIONAL DEFINITIONS

In the present study, the researcher has made use of certain terms that connote the same meaning as explained below and they are used in the context relating to the current research problem.

Salaried class represents those working in non-manual position essentially having salary income.

Investors refer to that salaried class having the habit of saving a portion of current income and invest them in other avenues.
Government organisation includes both Central, State Government departments and offices and statutory corporations.

Private organisations include those organisations whose capital base is not less than Rs.25 lakhs and comprising of all kinds of establishments i.e. manufacturing, service and charitable institutions.

Savings refer to the habit of setting aside of a portion of income for future out of salary and other sources. Savings may be kept in any form with the idea of investing it.

Investment refers to the activity of deploying the saved money in one or more avenues of investment to get additional income or capital appreciation or both.

Urban investors refer to those who normally live in the corporation or municipal limits. Whereas, an investor hailed from rural area but having his work place in urban area is also treated as urban investor.

1.10 LIMITATIONS OF THE STUDY

Due to paucity of time and fund, the size of the sample was restricted to five hundred. Existence of numerous government and private sector offices/institutions compelled the researcher to select the institution at his convenience. Though number of independent variables have been identified for analysis, only selected variables have been considered for analysis in each segment. Since, the study is confined to the salaried class investors only the outcome could not be generalised to other category investors. Findings will hold good only under similar conditions.

1.11 METHODOLOGY AND RESEARCH DESIGN

The present study is an empirical one mainly based on primary data collected from respondents having salary income as a prime source of income.
To elicit the views of investors, a well-structured questionnaire has been prepared after consulting the experts in the field. The methodology and research design of the present study are described below.

1.12 PRELIMINARY SURVEY AND PRE-TESTING

A preliminary survey was conducted with 30 investors in Coimbatore and Tiruppur to evolve the investment background such as awareness, attitude and savings and investment practices. Keeping in mind the objectives of the study, information gathered from the investors was analysed and the questionnaire was suitably modified.

The questionnaire was pretested with 25 investors covering almost all categories of investors. The comments and suggestions from respondents necessitated some alterations and hence the questionnaire was suitably amended incorporating the views of investors.

1.13 SAMPLING DESIGN

The study area consists of one city (Coimbatore) 4 municipalities (Tiruppur, Mettupalayam, Pollachi, Udumelpet) 60 town panchayats and 388 village panchayats. Out of the total population of 35,08,374 (as per 1991 census) 3,00,000\(^{17}\) are estimated to be the salaried class. Among the salaried class, five hundred were selected as sample of the study. A list of industrial undertakings, offices (Central, State Governments, Corporations and private sector) was prepared. At the same time, it was ensured that the list consists of banks, educational institutions, service organisations etc.,

\(^{17}\) National Sample Survey Organization, Government of India, Coimbatore
From the list, representative institutions were selected by adopting judgement-sampling technique. Then the sample investors were randomly chosen. Care was taken to give representation to all the areas and all types of employment. Location of residence and employment status wise break up of sample is presented in the following table.

**TABLE 1.3**

**TABLE SHOWING SELECTION OF SAMPLE RESPONDENTS**
(EMPLOYMENT STATUS, LOCATION OF RESIDENCE AND SEX WISE)

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Location of residence</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Town</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Clerical</td>
<td>76</td>
<td>18</td>
</tr>
<tr>
<td>Technical</td>
<td>32</td>
<td>4</td>
</tr>
<tr>
<td>Managerial</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>Professional</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Teaching</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>146</td>
<td>77</td>
</tr>
</tbody>
</table>

1.14 DATA COLLECTION

The questionnaires were distributed to the investors at their work places. Adequate time was given to them to get the questionnaires filled and completed in all aspects. Though 630 questionnaires were issued, the researcher was able to collect only 500.

1.15 FRAME WORK OF ANALYSIS

The study on savings and investments pattern of salaried class investors has been carried out with reference to savings objectives, savings pattern,
different modes of investment based on identified independent variables. The identified variables are age, educational status, employment status, annual income, annual savings, and location of residence, employment of spouse, number of earning members in the family and size of the family.

Awareness level of investors and their attitude towards savings and investment have been measured. This analysis has been done to find out whether the investors of different groups actually differ in their savings and investment pattern or not. The analysis further aims to find out the investors' success in investment activities and to identify the reasons for the success.

### 5.15.1 INFERENTIAL ANALYSIS

There are situations where two qualities are considered at a time. They are called attributes. It would be purposeful to find the association between the two qualities. When the qualities are divided into more number of classes, chi-square test is used to find out whether there is significant association between the qualities. The test statistic is defined by

\[
\chi^2 = \sum_{i=1}^{n} \frac{(O_i - E_i)^2}{E_i}
\]

The statistic is defined under the assumption that the two attributes are independent. Number of null hypotheses were framed and they are tested for their validity by applying chi-square test.

### 5.15.2 FACTOR ANALYSIS

Attitude statements in connection with savings and investment practices are framed and Likert's Internationalism Scaling (5 point scale) technique has
been used. Factor analysis has been used to summarise the information into a smaller set of new composite dimensions called factors.

5.15.3 BI-SERIAL CORRELATION

This technique is applied when there is one variable and two attributes that are taken for finding relationship. The following formula is used.

\[
\text{Bi-serial Correlation} = r = \frac{M_p - M_q}{\sigma} \frac{PQ}{u}
\]

\[
Z_o = \frac{|r|}{SE(n)}
\]

\[
\text{Standard Error} = \sigma_{rbis} = \sqrt{\frac{pq}{u} - \frac{\sigma^2_{rbis}}{N}}
\]

1.15.4 DESCRIPTIVE STATISTICS

Frequencies, percentages and arithmetic mean of variables have been calculated. The mean scores and standard deviation techniques are used to assess the nature of distribution of variables. In the case of selected variables, income range of investors is taken as the base and correlation of the grouped data have been calculated to point out the degree of relationship between income of investors and the other variables. On the basis of scores given by sample of investors, ranking technique is applied to find out the level of significance in select items. In addition, descriptive tables, percentage diagrams and graphs are also used for interpreting the data.
1.15.5 CONCORDANCE TEST

To find out the consistency of opinion among the responses from the two or more different groups, Kendall’s coefficient of concordance method is used. Generally, the range is fixed as 0.86 – 1.05 and if the computed value falls within this range, the survey results indicate a strong similarity of opinion between the selected groups. Kendall has developed a technique which helps to determine the relationship between two or more sets of ranks. The test statistic is defined as below

\[ W = \frac{12\sum D^2}{M^2(N)(N^2 - 1)} \]

Where \( M \) = No. of judges \( N \) = No. of factors \( D \) = Deviation between the ranks

1.16 CHAPTER SCHEME:

The study is presented in various chapters as shown below:

The dissertation consists of five chapters. The first chapter deals with Introduction and Research design of the study. The various aspects like introduction, statement of the problem, scope of the study, objectives of the study, reference period, area of the study, hypotheses, limitations of the study, methodology - preliminary survey and pre-testing, sampling design, data collection, frame work of analysis and chapter schemes are discussed here.

The Second chapter deals with the present scenario in the world of savings and investment. A theoretical analysis with reference to the need and importance of savings and investments, effect of individual saving is made here.

---

The present position in stock market, non-banking finance company sector, mutual funds, investment in gold and silver, plantation schemes, credit rating organisations, investor education programmes are also analysed. Review of related literature is also presented in this chapter.

The Third chapter is concerned with the profile of investors. Personal data of investors such as age, educational status, employment status, income, savings, location of residence, employment of spouse, number of earning members in the family and size of the family have been used to discuss the profile.

The Fourth chapter deals with factorial analysis. It consists of three parts. First part is about the awareness and attitude of investors towards savings and investment practices. Firstly awareness of investors on various savings and investment avenues is discussed. Further, their opinion on advertisements and spending habit towards investment information, awareness about Investors' Association are presented. Then the attitude towards the savings and investment practices are measured. For this purpose, attitude statements are identified and categorised by using factor analysis.

The second part of the chapter deals with savings pattern of investors. Influencing factors of savings, reasons of low savings, rate of savings of investors, regular modes of savings, pattern of committed savings are dealt with here.

Third part of the chapter deals with the investment pattern of investors. In this part, rate of savings conversion into investment objectives, pattern of investments, sources of fund for investment, preferential factors while investing, post investment behaviour, investors choice over return, tax benefits and incentives, Investors' bad experiences in investment practices and future
investment options are discussed. The problems of the investors are also discussed.

For the purpose of analysis and interpretation of data, bi-serial correlation, chi-square test, frequency and percentage analysis, correlation techniques are used. Pie and bar diagrammes are also used to enable the clear interpretation.

The Fifth chapter is devoted to present expectations of investors, summary of findings, and suggestions for improving the habit of savings of investors, investment pattern of investors. A model is also suggested to the salaried class to enable them to practise a better savings and investment.