Conclusion:

Financial literacy is the ability of the individual to make appropriate financial decisions personally. The ability includes understanding the investment products, financial concepts, discussing the financial problems, making choices between managing, spending and saving money and responding to the current reforms in financial market. The sophisticated financial markets offer continuously new investment products in the market. The increase in the level of financial literacy will also result in the financial inclusion which is the need of the present Indian economy.

Apart from looking at the lucrative promises on return, the investor should analyse the basic function, mechanism of the product and satisfy that the product has met the mandatory compliances. The investor should also self justify that his personal factors are weighed while investing in an investment product. It is also necessary for investors to know the risk associated with their investment avenue during the different phases of economic situation.

The preferences made by the investors among the six avenues and the opinion of the experts are compared. The avenues are ranked in their order of importance based on security of principal, liquidity, stability of return, capital appreciation, inflation resistant factor, tax benefit and concealability. The result shows that the experts and the individual investors prefer the six investment avenues comparatively in same position.