present prevailing macroeconomic situation. But still this life insurance industry needs to be made more prominent among the income earning households where large untapped resources could be garnered to flow in this channel of investment.

Sashi Krishnan, had felt that there is a lot of scope for the sector to grow in a country with a population of 1.2 billion," The insurance penetration was a mere 4.6 per cent here while it was 10 per cent in developed countries'. Krishnan also said though a major chunk of 48 percent household savings went into financial savings, only a meager portion was invested in insurance. Totally, 52 percent of household income was invested in physical investments like property and that only an abysmally low percent of money went into insurance, a sector that had fully ensured protection and provided risk against loss of life. He also had stated the total wealth of the country held by individuals was estimated at Rs. 73 lakh crores, of which about Rs. 22.73 lakh crores went into direct equity and Rs. 22.16 crores into fixed deposits, with only Rs. 10.46 lakh crore going to the insurance sector.[48]

Chapter-IV

Profile of the Respondents of the Study

4.1 Introduction

In this chapter the profile of the respondents of the study is presented. The personal criteria had a lot of influence in the investment decision of the individual investors. These factors are the age, income, marital status, educational qualification, motive behind savings. They have a greater or smaller role to play in the investment decision of the people. In order assess the various categories of investment and also measure accurately the impact of personal factors that influence in the investment

[48] Sasi Krishnan, Chief Insurance Officer, Bajaj Allianz Life , Speech at the Institute of Management Technology,

pattern of the respondents, statistical tools like frequency, percentage, one way ANOVA test, standard deviation and mean scores were made use of. The analyzed results that emanate from the analysis were further discussed through tables and interpretation.

4.2 Socio Economic Profile

4.2.1 Age

Age is considered to be one of the significant factors that influences the investor to plan his financial stability for his own future and of his dependents. It is a component which decides the risk taking ability of the individuals. Most of the investment avenues promise high returns and growth if they are made at an early age. Moreover the young investors are always willing to take risk and grab the best opportunities which are available.

The classification of the respondents on the basis of their age is shown in Table 4.1

Table 4.1

Age

S. No	Age	No of Respondents	Percentage
1	Upto 35	221	63.1
2	35-55	97	27.8
3	Above 55	32	9.1
Total		350	100.0

Source: Primary Data

It could be observed from Table 4.1 that 221(63.1%) of respondents belonged to the age group of up to 35 years .The respondents who belonged to this age group of the study were more eager to invest and seek for opportunities to find out various means to invest. They were aware that this was the age at which they had to make

crucial investment decisions to create wealth for their future needs. Some 97(27.7%) respondents belonged to the age group were cognizance of the different investment options. Some of them had invested in these investment schemes and might have had the beneficial and non-beneficial aspects of these scheme first hand. .It was also found that only 32((9.1%) respondents belonged to the age group of above 55 years and these investors were more risk averse as they would be planning for their future security post retirement. But it is found that majority of the respondents of the study belonged to the category of young and middle age group and they needed to have the right kind of ample awareness to formulate systematic planning about their savings and investment.

4.2.2 Gender

Generally the male member of the family holds the financial responsibility in Indian society. They have to make investment decisions to fulfill the financial obligations which have a greater impact on the family's financial strength. But recently quite a lot female members have also taken up keen interest in participating in the financial decisions as they had become educated, knowledgeable and economically independent.

The distribution of the respondents on the basis of gender was shown in Table 4.2

Table 4.2

Gender

S. No	Gender	No of respondents	Percentage
1	Male	206	58.9
2	Female	144	41.1
Total		350	100.0

Source: Primary Data

It is understood from the Table 3.2 that 206 (58.9%) among the respondents were males and 144 (41.1 %) respondents were females. Sizable numbers of female respondents were chosen for the study as female members in the family also played a vital role in investment decision. Therefore their perception along with their views was also highly valuable for the study.

4.2.3 Marital Status

Marriage brings responsibility and a commitment among the individuals to look forward towards the family welfare and attain a status in the society. After marriage people begin to bestow more importance to savings and investment as they are very much essential for future long term planning. They are more cautious and consider all options before venturing any money into the investment options.

The distribution of the respondents on the basis of their marital status is shown in Table 4.3

Table 4.3

Marital Status

S. No	Marital Status	No of respondents	Percentage
1	Married	312	89.1
2	Unmarried	38	10.9
Total		350	100.0

Source: Primary Data

It can be observed from the Table 3.3 that 312(89.1 %) of the respondents were married and only 38 (10.9%) they were unmarried. Majority of the respondents of the study were married. The element of savings and investment to meet the financial needs of their family was highly crucial for this group The avenues which they chose for selecting a particular investment option was also highly important in order to

augment the family income to fulfill the requirements of the family at different life stages.

4.2.4 Family Structure

In Indian culture the elders in the family contribute and guide the financial planning and decision making aspect with regard to the investment pattern. The individuals in some families might be independent in selecting certain type of investment alternatives as they were willing to take the consequences which may arise due to their decision. In most cases the joint family culture had disappeared and there a nuclear family set up had arisen due to urbanization.

The allocation of the respondents on the basis of their family structure is shown in Table 4.4

Table 4.4

Family Structure

S. No	Family	No of Respondents	Percentage
1	Joint	60	17.2
2	Nuclear	209	59.7
3	Extended	81	23.1
Total		350	100.0

Source: Primary Data

It can be understood from the Table 4.4 that only 60 respondents (17.2%) lived in a joint family dispensation and majority of the respondents 209 (59.7 %) lived in nuclear family form. Among the respondents nearly 81 (23.1%) lived in an extended family either with single or both the parents. The table indicates that most of them lived in nuclear family set up.

4.2.5 Number of Members in a Family

The investment decision and the pattern of investment is also influenced by the number of members in the family as the elders and grown up children will be having a say while planning to invest surplus. The distribution of the respondents on the basis of number of members in their family was shown in Table 4.5

Table 4.5

Size of Members in the Family

S. No	Members in Family	No of Respondents	Percentage
1	2 to 4	156	44.6
2	4 to 6	153	43.7
3	Above 6	41	11.7
Total		350	100.0

Source: Primary Data

It is seen from Table 3.5 that majority 156(44.6%) of the respondents had a family of two to four members. It was also noted 153 (43.7%) respondents had said they had four to six members and only 41 (11.7 %) of them had reported that they had above six members in the family. This implied that most of the respondents took decisions either individually or in consultation with their spouses.

4.2.6 Educational Qualification

Education is considered to be an important criterion for investment purposes as every investment avenue requires careful analysis and clear understanding before the investing. The investors needed to know about the pros and cons of investment scheme looking into the viable factors of investment before committing funds. For this educational background with minimum financial knowledge will be helpful.

The distribution of the respondents on the basis of their Educational qualification is shown in Table 4.6

Table 4.6

Educational qualification

S. No	Educational Qualification	No of respondents	Percentage
1	Post graduates	93	26.5
2	Masters of Philosophy	205	58.6
3	Doctorates	52	14.9
	Total	350	100.0

Source: Primary Data

From the above Table 4.6 it can be seen that 205 (58.6 %) of the respondents were qualified up to M.Phil degree. Majority of the respondents were M. Phil degree holders as the study undertaken is among the college teachers where the required minimum qualification is M. Phil degree. Moreover 52 (14.9%) respondents had completed their doctorates in their own field of study.

4.2.7 Designation of the respondents

The University Grants Commission had categorized the college teachers the as Assistant Professors, Associate Professors and Professors based on their years of service.

The classification of the respondents on the basis of designation is shown in Table 4.7

Table 4.7

Designation

S. No	Designation	No of Respondents	Percentage
1	Assistant professor	221	63.1
2	Associate professor	97	27.7
3	Professor	32	9.2
Total		350	100.0

Source: Primary Data

It is evident from Table 4.7 that 63.1 % of the respondents belonged to category of assistant professor and 27.1 % belong to the associate professor category. Only a few 32(9%) of them were professors. Majority of the respondents belonged to middle age group.

4.2.8 Years of Experience

The factor regarding the years of experience was also a significant aspect because the working experience would have given them a lot of awareness with regard to their financial decisions, selection of investment options available and their attitude towards investment etc. It could also be added that discussion with peers and following their investment strategy would also have helped them formulate a proper investment strategy.

The allocation of the respondents on the basis of years of experience is shown in Table 4.8

Table 4.8

Years of Experience

S. No	Years of Experience	No Respondents	Percentage
1	5-10 years	105	30.0
2	10 to 20 years	175	50.0
3	More than 20 years	70	20.0
Total		350	100.0

Source: Primary Data

From the Table 4.8 it is evident that nearly 105 (30 %) of the respondents had experience between five to 10 years and majority 175 (50 %) of them had experience between 10 to 20 years and only70(20 %) of them were experienced above 20 years. This phenomenon indicates that maximum number of respondents were good income earners with long experience in the teaching field. They were aware they ought to deploy their hard earned money in different gainful investment options. For this they had to formulate an investment pattern based on their attitude and perceptions.

4.2.9 Earning Members in the Family

Earning members in the family determined the level of savings and investment. It is also one of the factors which influence the investment pattern of the individuals. If two or more persons were employed in a family the amount of surplus after meeting the living expenses will be larger compared to single earning member in another family. The surplus factor tends to be an important aspect as the investment consideration is based on it.

The distribution of the respondents on the basis number of earnings members in their family is shown in Table 4.9

Table 4.9

Number of earning members in the family

S. No	Earning Members	No of Respondents	Percentage
1	One	63	18.0
2	Two	259	74.0
3	Three	16	4.6
4	Above Three	12	3.4
Total		350	100.0

Source: Primary Data

From the Table 4.9 it is observed that nearly 63(18 %) respondents had only single income and with regard to majority 259(74 %) respondent they had two earning members in the family. It is observed that only 12 respondents had more than three persons earning in the family.

4.2.10 Occupational income of the respondents

Income is basis for overall investment activity. The financial institution launches new schemes taking into consideration the income level of the people. It could also be said that the whole financial system in the country focus on channelizing surplus to deficit sectors. Therefore the income factor is prioritized as the focal aspect in the financial system of the country. . The higher the income of the people, the greater would be the desire for purchasing assets which would result in a favorable investment climate.

Nextly, the range of occupational income of the respondents is shown in Table 4.10

Table 4.10

Income Level

S.No	Income Level	No of Respondents	Percentage
1	Up to Rs 30,000	113	32.3
2	Rs 30,001-60,000	169	48.3
3	Rs 60,001-90,000	37	10.5
4	Above Rs 90,000	31	8.9
Total		350	100.0

Source: Primary Data

It is observed from the Table 4.10, 113 (32.3%) respondents earned a monthly income of up to Rs 30,000 and 169 (48.3%) earned an income ranging from Rs 30,001 to 60,000 per month.. From the data the individuals who belonged to the higher income category were 31 (8.9%) respondents. Their income was above Rs 90,000.The difference in the range of income existed because the respondents were employed in the government, aided and self finance colleges.

4.2.11 Income from other Sources

Nowadays people do not depend on single source of income from their employment. They try to earn additional income using their professional expertise and skill. This is also highly relevant for the study because college professionals had wider opportunities to earn income using their subject knowledge and work experience. On the other hand extra income was also generated through financial or physical assets by way of rental income, dividend received and interest income.

The distribution of the respondents on the basis of income from other sources was shown in Table 4.11

Table 4.11

Income from other sources

S. NO	Income from Other Sources	No of Respondents	Percentage
1	Yes	79	22.6
2	No	271	77.4
Total		350	100.0

Source: Primary Data

It could be observed from the Table 4.11 that 271(77.4%) respondents reported that they did not have any income from other sources and only 79 (22.6 %) respondents had income from other sources apart from their regular income. The respondents had earlier allocated funds for investment out of their income. And also they were induced to invest in different investment options which promised them higher returns and capital appreciation.

4.2.12 Type of Employment

The study is undertaken in Madurai city where there is a cluster of Government colleges, State Government aided colleges with self financed courses and purely self finance colleges with their own management. Each college had a significant number of teachers working full time as professors. The selection of the sample respondents from these institutions had been done with careful consideration to get valid representations and results through the study.

The distribution of the respondents on the basis of Type of their employment was shown in Table 4.12

Table 4.12

Type of Employment

S. No	Type of Employment	No of Respondents	Percentage
1	Government	20	5.7
2	Aided	197	56.3
3	Self financed	133	38.0
Total		350	100.0

Source: Primary Data

It is evident from Table 4.12 that 197 (6.29 %) respondents were employed in aided colleges and 133 (38.0%) worked in self financed stream. Only a few viz., 20 (5.71%) worked in government colleges.

4.2.13 Classification of Humanities and Science Professors

The study had been undertaken from the respondents working both in sciences and humanities departments in the colleges. It is assumed that people working in both the streams had prima facie knowledge of the investment sector.

The Classification of the respondents on the basis of nature of department of their working is shown in Table 4.13.

Table 4.13

Classification into Humanities and Science Faculty

S. No	Nature Of Department	No of Respondents	Percentage
1	Humanities	187	53.4
2	Sciences	163	46.6
Total		350	100.0

Source: Primary Data

It could be observed from the Table 4.13 that 187 respondents (53.4 %) were from humanities and 163 (46.5%) were science faculty. Equal weightage was given to both the faculties in order to find out whether there is any remarkable difference existed in the awareness on financial matters based on the discipline they belonged to.

4.2.14 Reasons for Saving

Investors are savers but all savers cannot be good investors. Investment is a science and an art. Savings are sometimes autonomous and sometime induced by the incentives like fiscal concessions, income and capital appreciation. The investors should make a careful analysis while planning and taking investment decisions

The household savings in India had undergone a variety of changes over the past decades. The changes in lifestyles and consumption modes in a developing country like India had also contributed towards those variations. Indian economy had noticed a lot of fluctuations in the household savings rate. This might have resulted due to the variable composition of savings over the passage of time. At present, the Indian economic infrastructure is passing through structural reforms and this is also reflected in the changing pattern of Indian household savings.

But bulk of the savings arose out of specific objectives focusing on interest income, future needs, contingencies, precautionary purposes, or growth in future wealth, leading to rise in the standard of living, etc. There were various reasons for people to save but one investment with proper planning and thinking in terms of long term Investment Goals resulted in meaningful savings and productive investment both for the country and investors.

The distribution of the respondents on the basis of opinion relating to their reasons of saving was shown in Table 4.14.

Table 4.14

Reasons for Saving

S. No	Reasons for Saving	No of Respondents	Percentage
1	Saving for Emergencies	226	64.6
2	Old Age Cushion	145	41.4
3	Gifts, Donations and Pilgrimages	27	7.7
4	Wedding of Children	69	19.7
5	To Purchase Consumer Goods	114	32.6
6	Education of Children	220	62.9
7	To Own An House Property /Land	150	42.9
8	To Earn an Extra Return From Surplus Income	55	15.7
9	Accumulate Wealth	67	19.1
10	Reduce Tax Liability	175	50.0

11	Compulsory Savings	133	38.0
12	Overcome Inflationary Pressures	32	9.1

Source: Primary Data

From the Table 4.14 it is seen that the major reason which induces people to save was to meet emergencies. This was corroborated by 226 (64.6%) of the respondents and 220(62.9%) had said that they had saved to meet the future educational needs of the children. The third highest percentage (50.0 %) was for reduction in the tax liability. As the salary package for the college professionals had increased they need to do a good tax planning to avoid paying higher amount of taxes. A fare percentage of 41.4 and 42.9 had considered that they had to save for the old age and to own a house or land respectively. The least import reason for saving was to give gifts, donations and go on pilgrimages.

4.2.15 Investment Objective

Any activity without a goal or a target would be a futile exercise. So also savings and investment have to be undertaken with a purpose. Every person who invested money out of the savings should have a concrete investment objective which would be consciously working in his mind either in a planned or unplanned manner. It is highly essential for the individual to prioritize this objective as weightage has to be given to various objectives and this highly depends on the mindset of the person. The clear demarcation and comprehensive understanding regarding the manifold objectives helped them to select the securities and frame a best mix of assets in their portfolio. When the investment objective is contrasted with the uncertainty involved with amount of return, the fulfillment of the objectives through the chosen investment

avenue could become uncertain. The Table given below makes clear the priorities the investors had to fulfill their objectives in investment pattern.

The distribution of the respondents on the basis of their opinion towards investment objectives is shown in Table 4.15 a and b using weighted Average and Garett ranking scores.

Table 4.15 (a)

Investment Objectives (Garrett Ranking)

FACTORS	Rank	1	2	3	4	5	6	7	Total Score	Mean Score	Rank
	Scores	78	66	57	50	43	34	32			
Meeting Emergencies		8814	1782	3135	2300	1204	1836	864	19935	56.9	I
Educational needs		5928	2244	2793	2300	4214	850	704	19033	54.4	II
Tax Savings		2028	5610	4275	1250	3139	1802	416	18520	52.9	III
Capital Appreciation		3822	3234	2736	4350	1505	1360	1344	18351	52.4	IV
Long term wealth accumulation		1794	5280	2793	3250	989	986	2592	17684	50.5	V
Retirement planning		1950	3300	2052	2000	2709	2414	2080	16505	47.2	VI
Short term gain		3042	1650	2166	2050	1247	2652	3200	16007	45.7	VII

Source: Primary data

The Table 4.15 (b) presented below was drawn from the calculation of the Garrett ranking scores shown above. The results of the weighted average scores are confirmed.

From the Table 4.15 below it is observed that the respondents had given primary importance to meeting emergencies as an objective at all times and the next priority was given to the meeting their children's educational needs and the tax savings objective was given the third rank by the respondents. These forms of ranking analysis helped to understand the key objectives which were borne in the minds of the respondents when they saved and formulated their investment pattern by assigning funds to different investment alternatives.

Table 4.15 (b)

Investment Objectives (weighted Average scores)

Category	I	II	III	IV	V	VI	VII	Overall scores	Rank order
Meeting Emergencies	113	27	55	46	28	54	27	1631	I
Educational Needs	76	34	49	46	98	25	22	1531	II
Tax Savings	26	85	75	25	73	53	13	1505	III
Capital Appreciation	49	49	48	87	35	40	42	1452	IV
Long Term Wealth Accumulation	23	80	49	65	23	29	81	1354	V
Retirement Planning	25	50	36	40	63	71	65	1211	VI
Short Term Gain	39	25	38	41	29	78	100	1120	VII

Source: Primary Data

4.2.16. Investors' Description towards their Financial Needs

Savings and investment are always planned having in mind some financial need which arises due to various circumstances in life of an individual person. The

commitment of savings in an investment option depends on various perspectives such as expecting a capital growth, income generation, planned investment for future expectations or meeting some emergency situation and also to meet financial challenges arising in different stages of life .The table below explains the probable financial needs which are likely to occur and the investors' reaction in those circumstances is assessed to find out the implication likely to arise in their investment pattern in such situations.

The distribution of the respondents on the basis of their reaction towards dependency on investment while facing the financial needs was shown in Table 4.16.

Table 4.16

Investment for Meeting Financial Needs

S. No	Dependence on Investment for Meeting the Financial Needs	No of Respondents	Percentage
1	Depend totally on investment	31	8.9
2	Depend on investment for income and emergency needs only	31	8.9
3	Depend somewhat on investments for income and emergency needs	170	48.6
4	Depend on investment to serve only for an emergency	23	6.6
5	Devote investment to long term savings	88	25.0
6	Do not depend on investment at all	7	2.0
Total		350	100.0

Source: Primary Data

From the Table 4.16 it is seen that a majority 170 (48.6%) of the respondents depended on the investments to generate income and help to meet emergency needs. Investments are made with an objective to fulfill any deficit as an when the need arises Eighty eight (25.0%) respondents had realized that they earmark the

investments as a long term savings with an expectation that the investment would grow in terms of value and provide capital appreciation for the sacrifice they had made by postponing the current consumption. It is also found that only 7 (2.0%) of the total sample size had said that they did not depend on investment for their financial needs. Their monetary requirement would be met from some other source and they did not tend to link their investment towards any financial need.

4.2.17 Willingness to Face Risks on Investment decisions

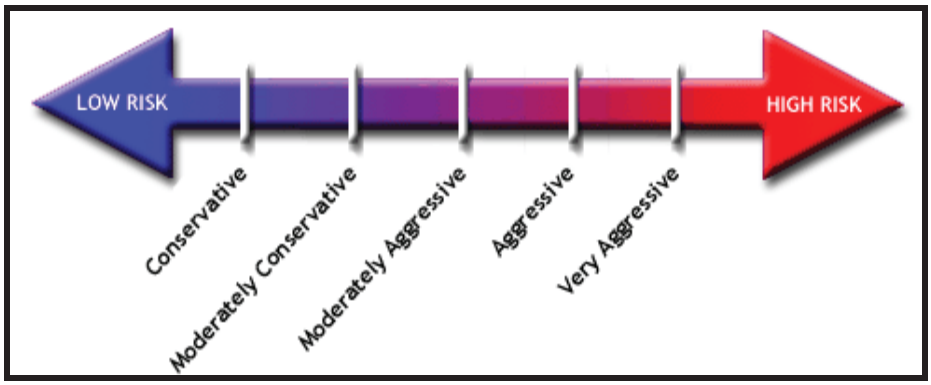
The concept of risk may also be explained as the possibility of unfavorable results occurring following any occurrence. Risks arise due to uncertainties although many a time the term uncertainty is confused with risk. Uncertainty refers to a situation where the outcome or result can only be estimated but not predicted with precision. Decisions under uncertain situations thus are obviously very difficult and depend not only upon an individual's skills, power and judgment but to a great extent upon luck too. Human beings are quick to react and capable of distinguishing between good and bad situations although the reaction often depends on an individual's own perception. However all the human beings constantly desire and strive for the emergence of situations that would match their expectations and want to avoid the adverse ones giving rise to risk

It is important for investors to understand the idea of risk and how it applied to each one of them because not all the investors were of the same mind set. The investor should understand their own risk taking capacity which helps them to choose investment options according to their ability. Making them informed of investment decisions entails not only researching individual securities but also understanding one's own finances and risk profile. To know about the risk involvement of the securities deciding on suitable limits of risk tolerance for certain levels and to maximize returns of the investors, they should have an idea of how much time and

money they are required to invest and achieve the returns they expect on their investment exercise. Figure 4.1 classifies the types of investor according to their risk taking ability.

Figure 4.1

Types of Investors based on their Risk Taking Ability



The distribution of the respondents on the basis of their risk taking ability while making investment decisions is shown in Table 4.17

Table 4.17

Willingness to Face Risk on Investment Decisions

S. No	Willingness to Face Risk	No of Respondents	Percentage
1	Willing to take as much risk as possible.	102	29.1
2	Willing to take modest risk.	175	50.0
3	Avoid taking risk.	73	20.9
Total		350	100.0

Source: Primary Data

From the Table 4.17 it can be seen that the majority of the investors 175 (50.0%) were willing to take acceptable risk but they would like to be cautious and

conservative as they would lose their hard earned money if they were not able to manage the risk. Nearly 102 (29.1%) had said that they were willing to take risk to any extent for earning high capital appreciation and income. And 73 (20.9%) of them had stated they are risk averse and always they would avoid taking risks before making any investment decision and choose only such investment options which bears no risk.

4.2.18 Acceptance to fluctuations in the value of Portfolio

Fluctuations in investment refers to the change in the value of investment during the post investment period and this highly influences the investment pattern of the investors and depends on the sustaining ability of the investors to the volatility of the market. If the investor were panicky in nature or if they responded to the temporary market swings, it would affect the pattern of investment and sometimes eliminate certain investment options from the investment portfolio itself. The attitude of the investor highly influenced the stay back exercise or move away. But concrete analyzed action without hasty decision making is necessary to respond to the aspects of capital appreciation and income generation. An environment of sustained low and stable inflation is conducive for financial savings and investment.

The distribution of the respondents on the basis of attitude towards fluctuations in investment value is shown in Table 4.18

Table 4.18

Acceptance of Fluctuations in the Value of Portfolio

S. No	Attitude towards Fluctuations In Investment Value	No Of Respondents	Percent
1	Accept lower long run returns with maximum stability.	7	2.0
2	Accept little volatility for higher returns.	86	24.6
3	Take average amount of volatility for average returns.	148	42.3
4	Accept higher volatility as growth is the goal.	80	22.8
5	Accept substantial volatility, as maximum appreciation is the goal	29	8.3
	Total	350	100.0

Source: Primary Data

From the Table 4.18 it can be seen that 148 (42.3%) of the respondents were taking average amount of volatility for average return on their investment. And 86(24.6%) had stated they accepted higher volatility in their investment for higher returns and only seven of the respondents who accounts for only two percent had said that they would accept lower long term returns with maximum stability

4.2.19 Awareness of Different Investment Options and Pattern

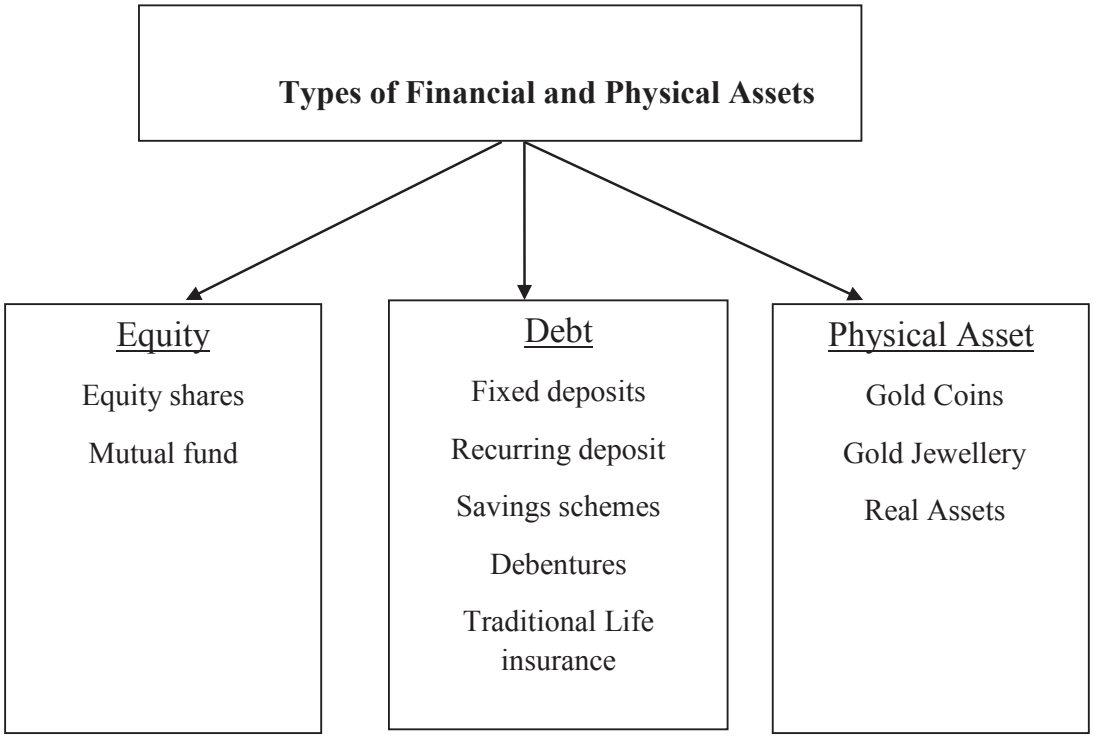
Investment pattern refers to the distribution of asset class by which an individual has made the portfolio. The distribution of assets may not be seen similar in everyone's portfolio. This highly depended on the awareness level, attitude and perception of the investor. There were wide array of investment avenues which were available and mainly these assets could be classified as

- Equity

- Debt
- Physical

The distribution in the asset class may be categorized as shown in the figure

Figure 4.2



The investment pattern is an intricate area which needs deep insight in designing a basket of securities after taking into account vast number of factors which will determine the financial benefits of the investor for the sacrifice they make from present consumption. The individuals may adopt one which is framed by them or they depend upon an expert advice given by a person named as portfolio manager. In financial connotation it is commonly called as portfolio management services. These services enable the investors to do their financial planning in a sequential order thorough technical frame work. The Table 4.19 given below makes us understands the investment pattern of the college teachers.

The distribution of the respondents on the basis of their awareness and current investment pattern was shown in Table 4.19

Table 4.19

Awareness of Investment Options and Current Patterns

S. No	Asset class	Awareness of Investment options	%	Current Investment	%
1.	Equity shares	122	34.85	58	16.57
2	Mutual funds	101	28.85	68	19.43
3	Bank deposits	198	56.57	193	55.14
4	Post office Savings schemes	260	74.28	146	41.71
5	Gold investment	231	66.0	192	54.86
6	Real estate	257	73.43	205	58.57
7	Life Insurance policies	191	54.57	184	52.57

Source: Primary Data

From the Table 4.19 it is evident that more no of respondents were aware of the various investment options like post office savings schemes, bank deposits, real estate and gold. .Nearly 50 per cent of the respondents were aware of these schemes had also invested in these asset classes. It is observed from the table that respondents who knew about the investment like equity investment (34.85%) and mutual funds (28.85%) had not invested in them to their level of awareness. Since the percentage of investment in these types of assets tends to be lower on comparison with the with the bank deposits. There existed moderate relationship with the awareness and investment level of investors. . Chart 4.1 explains this concept.

Chart 4.1

Comparison between Awareness level and Actual investment

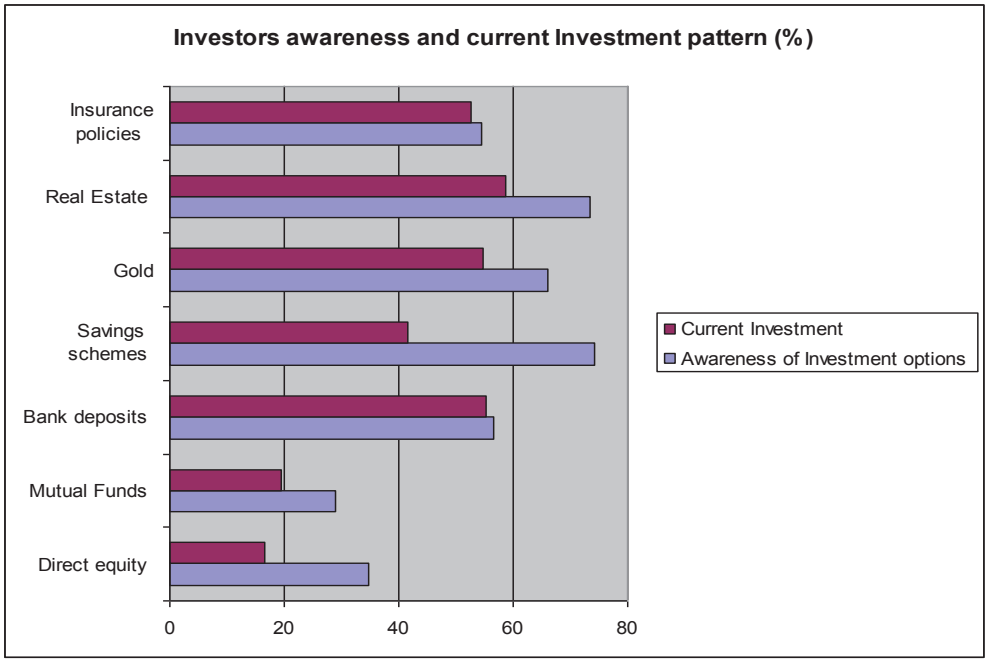


Chart 4.2 shows that the awareness level and investment pattern coincides highly with the bank deposits and moderately with the other investment option like gold, real estate and insurance policies. It is also evident from the chart that even though many of the respondent in the sample size were aware of the small savings schemes they have

not invested in them but vast variations were found between Equity investment and mutual funds proving awareness level not compatible with actual investment.

4.2.20 Order of Preference on Investment Options

Every investment options would be rated by the respondents in their own opinion accordingly the seven investment options are ranked by the investors based on their rating.

The distribution of the respondents on the basis of their preference for investment options through ranking order is shown in Table 4.20 a and b using Garrett Ranking and weighted Average ranking scores.

Table 4.20 (A)

Preference for Investment Options through Ranking Order

(Garrett Ranking)

Factors	Rank	1	2	3	4	5	6	7	Total Score	Mean Score	Rank
	Scores	78	66	57	50	43	34	32			
Post office Savings Schemes		8970	7458	5871	800	129	0	0	23228	66.3	I
Bank Deposits		9048	3696	4617	2350	1032	306	544	21593	61.6	II
Gold Investment		5538	3498	7752	1350	559	1428	256	20381	58.2	III
Real Estate		1716	5214	969	6450	2924	850	320	18443	52.6	IV
Insurance policies		2964	2508	1482	5200	3139	1088	1248	17629	50.3	V
Mutual Fund		0	0	456	650	3956	6800	1184	13046	37.2	VI
Equity shares		0	0	513	1050	2795	1666	6592	12616	36.04	VII

Source: Primary Data

The Table 4.20(B) below was drawn from the calculation of the Garrett ranking scores shown above. The results of the weighted average scores are confirmed.

Table 4.20 (B)

Preference for Investment Options through Ranking Order (weighted average scores)

Types Of Investment options	I	II	III	IV	V	VI	VII	Overall scores	Rank order
Post office Savings schemes	115	113	103	16	3	0	0	2071	I
Bank Deposits	116	56	81	47	24	9	17	1848	II
Gold investment	71	53	136	27	13	42	8	1734	III
Real estate	22	78	17	129	68	25	10	1487	IV
Insurance	38	38	26	104	72	32	39	1359	V
Mutual Funds	0	0	8	15	92	200	37	805	VI
Equity	0	0	9	21	65	49	206	628	VII

Source: Primary Data

From the Table 4.20 it is found that the respondents had given their highest preference to the post office savings schemes and considered it to be a good financial asset and they had given their second highest ranking to bank deposits as both these asset classifications belonged to the low risk category. Moreover it fetched a fair decent return on the investment without any kind of psychological botheration to the investors. Next to this the investment in gold had got the third ranking order which is

followed by the real estate and insurance schemes. It was observed from the table that the lowest ranking was given to the mutual fund and equity shares investment.

4.3 Factors Influencing the Investment Pattern

This Section analyses the factors that influence the investment decision and every investor considers these factors for evaluating any investment alternatives. In this study, the most important aspects like goodwill, the volume of business, the sectors which the company represent, the investor services provided by the organization, the infrastructure of the firm, the suggestions which they get from outside people, the investment Goals and the philosophy which they draw for themselves are discussed. These yardsticks have high impact on the individual decision making and enable the investor to formulate their investment pattern .The level of significance, personal variables and their relationship on these factors were arrived at using the Kruskal Wallis test.

i. Factors for Investment Decisions

Any investment option is rated and measured with certain factors associated with it. This normally embraces the economy, corporate image and nature of the financial instruments. It depends upon the mindset of individual investors who believe that these factors signify the attributes ranging between very important to insignificant ones. The scores obtained by these factors were consolidated to know as to which factor was given top most importance. This was attempted to before choosing the investment option and to enable the investment option to be qualified to form part in the portfolio. A brief explanation regarding the factors considered while investing would be helpful to have a clear understanding.

The distribution of the respondents on the basis of attitude towards different factors considered while making investment decisions is shown in Table 4.21

Table 4.21

Attitude towards Significant Factors Considered in Investment Decisions

S. No	Factors of Investment	Not At All Important	Not Important	Moderate Important	Important	Very Important	Overall Scores
1	Goodwill	88 (25.14%)	109 (31.14%)	85 (24.28%)	45 (12.85%)	23 (6.57%)	856
2	Volume of business	62 (17.71%)	91 (26%)	116 (33.14%)	46 (13.14%)	35 (10%)	951
3	Sectors represented	83 (23.71%)	48 (13.71%)	267 (25.42%)	324 (23.14%)	245 (14%)	1015
4	Investor services	59 (16.85%)	80 (22.85%)	309 (29.42%)	216 (15.42%)	270 (15.42%)	1014
5	Past performance	62 (17.71%)	85 (24.28%)	366 (34.85%)	184 (13.14%)	175 (10%)	957
6	Infrastructure	61 (17.42%)	79 (22.57%)	318 (30.28%)	200 (14.28%)	270 (15.42%)	1007
7	Sources of information	63 (18%)	83 (23.71%)	384 (36.57%)	164 (11.71%)	175 (10%)	952
8	Investment goals	64 (18.28%)	82 (23.42%)	369 (35.14%)	184 (13.14%)	175 (10%)	956
9	Investment philosophy	62 (17.71%)	82 (46.85%)	363 (34.57%)	200 (14.28%)	175 (10%)	964

Source: Primary Data

From the Table 4.21 it can be seen that the investor had accorded top most priority and had given maximum scores to the sectors represented by the investment option and to the value the investor service with a negligible difference. They had given the next rank of importance to the factor infrastructure. These were followed by the other components like investment philosophy, past performance, background, and volume of business with very meager difference.

4.4 Relationship between Personal Variables and Attitude towards Significant Factors Considered

In order to explore the relationship between personal variables and the opinion towards factors considered in the choice of selecting investment alternatives Kruskal Wallis one way ANOVA was used. The Kruskal-Wallis Test is the nonparametric test equivalent to the one-way ANOVA and an extension of the Mann-Whitney Test to allow the comparison of more than two independent groups. It is used when we wish to compare three or more sets of scores that come from different groups.

4.4.1 Age and Opinion towards Factors Considered for Investment Decision

To test the null hypothesis that there was no significant difference in the opinion scores among the respondents based on the age, the Kruskal Wallis Test had been applied. The result of the test is presented in Table 4.22

Table 4.22

Age and other Factors–Kruskal Wallis Test

S. No.	Factors considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	0.622	0.891	NS
2.	Volume of business	4.29	0.232	NS
3.	Sectors represented	23.01	0.000	Significant

4.	Investor services	2.68	0.444	NS
5.	Past performance	2.58	0.461	NS
6	Infrastructure	0.192	0.979	NS
7	Source of information	0.652	0.884	NS
8	Investment Goals	3.79	0.286	NS
9	Investment philosophy	1.70	0.636	NS
10	Overall	3.11	0.375	NS

Source: Primary Data
Note: NS – Not significant

It is observed from the Table 4.22 that there was no significant difference between all the factors considered while choosing the varied investment options except sectors represented by the organization. It was found that with their knowledge and experience the investors found the sectors to be significant for their investment to fetch higher returns and grow in value. Moreover, the value additions in investment were mainly determined by the sectors in which the funds were invested by the company. In totality, if the value of level of significance was greater than 0.05, the null hypothesis was accepted. Hence it was concluded that age had no influence on the opinion of investors towards factors considered at the time of investment decisions.

4.4.2 Gender and Opinion towards Different Factors while Choosing Investment Options

To test the null hypothesis that there was no significant difference in the opinion scores among different groups of members classified according to their gender, the Kruskal Wallis Test had been applied. The result of the test is presented in Table 4.23

Table 4.23

Gender and other Factors–Kruskal Wallis Test

S. No.	Factors Considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	0.907	0.341	NS

2.	Volume of business	0.029	0.866	NS
3.	Sectors represented	0.696	0.404	NS
4.	Investor services	0.820	0.365	NS
5.	Past performance	0.010	0.922	NS
6	Infrastructure	0.277	0.599	NS
7	Source of Information	1.43	0.232	NS
8	Investment Goals	0.194	0.660	NS
9	Investment philosophy	0.105	0.745	NS
10	Overall score	0.425	0.515	NS

Source: Primary Data
Note: NS – Not significant

From the above Table 4.23 it is observed there is no overall significance between the gender and factors considered while choosing varied investment options. The factor, gender considered every aspect of the investment to be significant. This was so because these aspects helped the investors to see the results of their investment decisions. With regard to overall the value of the level of significance if it was greater than 0.05, the null hypothesis was accepted. Hence it was concluded that gender had no influence on opinion of investors towards the factors considered at the time of investment decisions.

4.4.3 Marital Status and Factors Considered for the Investment Options

To test the null hypothesis that there was no significant difference in the opinion scores among different groups of investors classified according to marital status, the Kruskal Wallis Test had been applied. The result of the test can be seen in Table 4.24

Table 4.24

Marital Status and other Factors – Kruskal Wallis Test

Sl. No.	Factors considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	1.633	0.201	NS

2.	Volume of business	0.341	0.559	NS
3.	Sectors represented	0.011	0.916	NS
4.	Investor services	13.215	0.000	Significant
5.	Past performance	0.860	0.354	NS
6	Infrastructure	2.913	0.088	NS
7	Source of information	0.571	0.450	NS
8	Investment Goals	0.058	0.809	NS
9	Investment philosophy	0.296	0.586	NS
10	Overall score	0.702	0.402	NS

Source: Primary Data
Note: NS – Not significant

From the above Table 4.24 it is observed that there was no significant difference for all the factors except investor services. With regard to overall the value of level of significance if it was greater than 0.05, the null hypothesis was accepted. Hence it is concluded that marital status had no influence on the opinion of investors towards factors considered at the time of investment decisions

4.4.4 Educational Qualification and Factors Considered For Investment Option

To test the null hypothesis that there was no significant difference in the opinion scores among the respondents based on their educational qualification, the Kruskal Wallis Test had been applied. The result of the test is shown in Table 4.25.

Table 4.25
Educational Qualification and other Factors -Kruskal Wallis Test

S. No	Factors Considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	13.87	0.001	Significant
2.	Volume of business	5.08	0.079	NS
3.	Sectors represented	2.86	0.239	NS
4.	Investor services	4.15	0.126	NS
5.	Past performance	1.16	0.561	NS
6	Infrastructure	3.97	0.137	NS

7	Source of information	2.92	0.232	NS
8	Investment Goals	5.94	0.049	Significant
9	Investment philosophy	1.22	0.544	NS
10	Overall score	2.75	0.253	NS

Source: Primary Data
Note: NS – Not significant

From the Table 4.25 it is observed there was no significant difference between the educational qualification and factors considered while choosing of different investment options except for goodwill and investment Goals. This makes clear that the educational background helped the investor to understand the importance of goodwill of the companies in which they had invested and also to realize their investment Goals. With regard to the overall analysis, if the value of level of significance was greater than 0.05, the null hypothesis was accepted for different factors. It was concluded that the nature of institution had no influence on opinion of investors towards factors considered at the time of investment decision.

4.4.5 Designation and Factors Considered for the Selecting Investment Option

To test the null hypothesis that there was no significant difference in the opinion scores among the respondents based on their designation, the Kruskal Wallis Test had been applied. The result of the test is presented in Table 4.26.

Table 4.26

Designation and other Factors –Kruskal Wallis Test

Sl. No.	Factors considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	0.880	0.644	NS
2.	Volume of business	6.56	0.038	Significant
3.	Sectors represented	18.90	0.000	Significant
4.	Investor services	1.26	0.534	NS
5.	Past performance	2.98	0.225	NS
6	Infrastructure	3.82	0.148	NS
7	Source of information	1.98	0.371	NS
8	Investment Goals	2.29	0.319	NS
9	Investment philosophy	0.82	0.664	NS
10	Overall	1.44	0.487	NS

Source: Primary Data
Note: NS – Not significant

From the table 4.26 it is observed there was no significant difference between the designation and factors acknowledged while choosing the investment options except for volume of business and sectors represented by the investing institution. With regard to the overall analysis, if the value of level of significance was greater than 0.05, the null hypothesis was accepted for different factors This showed that the designated positions which could be in other ways related to the years of experience might have helped the investor to understand the importance of the volume of business and sectors represented.

4.4.6 Type of Employment and the Opinion towards Factors Considered for Investment Choices

To test the null hypothesis that there was no significant difference in the opinion scores among the respondents based on the type of employment where they worked, the Kruskal Wallis Test had been applied. The result of the test is presented in Table 4.27.

Table 4.27

Type of Employment and other Factors - Kruskal Wallis Test

Sl. No.	Factors Considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	3.19	0.148	NS
2.	Volume of business	0.478	0.788	NS
3.	Sectors represented	0.708	0.702	NS
4.	Investor services	1.00	0.606	NS
5.	Past performance	0.832	0.660	NS
6	Infrastructure	0.338	0.845	NS
7	Source of information	0.817	0.665	NS
8	Investment Goals	0.058	0.971	NS
9	Investment philosophy	0.024	0.988	NS
10	Overall	0.185	0.912	NS

Source: Primary Data
Note: NS – Not significant

It is observed that there was no significant relationship between the type of employment and factors considered while choosing among different investment options. With regard to the overall analysis, if the value of level of significance was greater than 0.05, the null hypothesis would be accepted for different factors. In this case, the null hypothesis was accepted. It is concluded that the type of employment had no influence on the opinion of investors towards factors considered for an investment decision

4.4.8 Nature of Discipline and Opinion towards Investment Options

To test the null hypothesis that there was no significant difference in the opinion scores among the respondents based on the discipline in which they worked, the Kruskal Wallis Test had been applied. The results of the test can be seen in Table 4.28

Table 4.28

Discipline and other Factors - Kruskal Wallis Test

Sl. No.	Factors considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	0.004	0.948	NS
2.	Volume of business	1.06	0.304	NS
3.	Sectors represented	1.23	0.268	NS
4.	Investor services	0.483	0.487	NS
5.	Past performance	0.227	0.634	NS
6	Infrastructure	0.117	0.732	NS
7	Source of information	0.226	0.634	NS
8	Investment Goals	0.976	0.323	NS
9	Investment philosophy	1.53	0.216	NS
10	Overall	0.081	0.775	NS

Source: Primary Data
Note: NS – Not significant

From the above table 4.28 it is observed there is no overall significance between the nature of department and factors influenced while choosing different investment options. With regard to the overall analysis, if the value of level of significance was greater than 0.05, the null hypothesis would be accepted for different factors. Hence it was concluded that the nature of the discipline had no influence on the opinion of the respondents towards factors considered at the time of investment decision. Among the investors in both the disciplines which were categorized as humanities and sciences there was no noticeable difference with regard to the factors considered while making investment decisions.

4.4.9 Years of Experience in the Institution and Factors Considered in Choosing Investment Options

To test the null hypothesis that there was no significant difference in the opinion scores among the respondents based on the years of experience, the Kruskal Wallis Test had been applied. The result of the test is shown in Table 4.29.

Table 4.29

Years of Experience and other –Kruskal Wallis Test

Sl. No.	Factors considered for Investment	H Value	Level of Significance	Result
1.	Goodwill	0.682	0.711	NS
2.	Volume of business	0.694	0.707	NS
3.	Sectors represented	4.37	0.112	NS
4.	Investor services	0.507	0.776	NS
5.	Past performance	0.035	0.983	NS
6	Infrastructure	0.133	0.936	NS
7	Source of information	0.034	0.983	NS
8	Investment Goals	1.08	0.584	NS
9	Investment philosophy	0.093	0.955	NS
10	Overall	0.027	0.987	NS

Source: Primary Data
Note: NS – Not significant

It is observed there was no significant difference found between the years of experience and the factors which helped to choose different investment options. In all categories with high, medium and low level of experience, no noticeable difference was traced. With regard to the overall conclusion, if the value of level of significance was greater than 0.05, the null hypothesis was accepted for different factors. Hence it was concluded that years of experience had no influence on the opinion of the investors towards factors considered at the time of investment decision.

4.5 Conclusion

Every individual is bound to circulate within the social and economic factors and any act of them embraces these aspects. It could be concluded from this chapter that the personal attributes like age, marital status, gender of the respondents had much influence on deciding the investment pattern. Apart from these aspects monetary factors like income plays a vital role as it is the base for savings and investment on the one hand and on other hand the attitude and perceptions of the respondents influenced them in investing the funds in various investment options deciding the investment pattern of the respondents in a strong manner. In the latter part of the chapter various factors influencing the attitude on investment decision of the respondents and the role of personal variables in recognizing such factors at the time of decision making are discussed.

It could be concluded from that the main factors which were considered before making an investment decision played a key role in the socio economic mind set of the investors. Even though there was no overall significance between the factors and the personal variables, factors like investors services, sectors represented, investment

philosophy, goodwill of the organization and investment goals did have an impact in the investment decisions partially. Hence it is understood that the investor respondents considered the different factors while deciding on the investment options. The organization offering financial services were required to have clarity while formulating investment plans and offering products. They should consider the welfare of the investors and try to attract them towards more productive investment exercises.

Chapter - V

Choice of Different Investment Alternatives

5.1 Introduction

In this chapter, a critical review of various investment alternatives prevailing in the economy is presented. The rate of savings in India was fairly high during the last five years and therefore the rate of investment was also increasing as well. People had started to realize the ebb and flow of the financial market. Not all investors are the same in nature. Each one of them has different opinion abou the investment portfolio which he should be having. The present study attempts to evaluate selected significant attributes of the very many investment alternatives before the investor. The major focus is given to the period of investment, the amount of investment, awareness relating to different investment options and the purpose for which the investment is done. The major determinants of investment decision are analyzed in this chapter. It comprises of reasons for selecting an investment option, the size of companies, sectors represented by the business, time horizon for investment and percentage allocated for the specific investment options.

5.2 Equity Investment