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3.1: Introduction:

The choice of Pune district for the present study is not very arbitrary. It appears that no study at the district level has been seriously attempted so far, with regard to the different investment schemes. Pune district and more especially Pune city, which is an old city, has witnessed at various times, stages of rapid as well as slow growth; stagnation and also retardation.

This thesis is based on the survey method of research, which tries to find out the savings habit, growth rate of savings and its progress in Pune district during the decade 1991 to 2000. To start with, the historical and geographical background of the district and the progress of savings and the growth rate are being examined.

3.2: Historical and Geographical Background:

As far as the origin of the name ‘Pune’, there are many views and explanations, but there is greater evidence in favour of the town having been named after the temple “Poonshwar”. In the 10th century the town itself is mentioned as Punakwadi. Punaka is therefore the name by which Pune was known in the ancient times.

In 1817 the British force occupied Pune and made it as the seasonal capital of the Bombay Presidency. It was made the headquarters of Pune district and Pune division. During the British period a number of educational institutions came up and Pune and Kirkee Cantonments were established.
After Independence, Pune continued to be the head quarters of the Pune division and the Pune district. During this period a University, Pune Municipal Corporation, Pimpri and Chinchwad Municipal Corporation, and a number of Central Government Institutions and Industries came up around Pune. Pune district is one of the most important districts of Maharashtra State. The geographical area of Pune district is 15642 Sq. Km. having in all 14 Taluka’s namely, Junnar, Ambegaon, Rajgurunagar, Shirur, Maval, Pune City, Daund, Bhor, Haveli, Mulashi, Velhe, Purandar, Baramati and Indapur.

The Pune District, especially Pune city is known for education, culture, agriculture and industrial production. According to the census of 2001, the population of Pune district is 72,24,224. Pune city Taluka and Haveli Taluka are the main Taluka’s of Pune district. Some of the well-known cotton markets are situated in Pune District at Chakan, Rajgurunagar, Baramati, Shirur, Pune, and Bhor etc. Pune district is also famous for MIDC Industrial estates located at Bhosari, Pimpri-Chinchwad, Jejuri, Baramati, and Alephata. Pune city is especially well known for education and cultural heritage. It witnessed an all-sided development in the fields of arts, learning and religion. The people of Pune district are very much interested in financial matters and aware about the savings and investments. Agriculture is one of the major sources of income of Pune District people.
3.3: Personal Information about the Individual Investors:

The primary data for the purpose of the study was collected through questionnaire. The questionnaire for the investors and depositors was prepared with a view of collecting the data and information relating to the different saving schemes.

The first part of the questionnaire includes the personal information. The questions are framed in such a manner that the data provided by the respondents can be used for study purpose. The respondents can answer the questions by ticking the appropriate alternative. It contains the information on investors sex and age, his educational qualification, professional qualification, place of residence, number of family members, occupation, annual income, approximate annual savings, and tax status. The sex and age-wise question was included to know the data relating to the investors according to their ages and to know the age-wise investors class.

The questionnaire also contains the qualifications and occupation of the investors to find out whether their qualification and occupation affects their savings and investment. The question on number of family members and earning members will show the income of the family, its consumption and saving. They were also asked to tick their approximate annual savings to find out whether investors have the habit of savings or not and to know the quantum of saving. An attempt is also made to find out whether the investors are tax-payers or not.
3.4: Information relating to different savings schemes:

The section II of the questionnaire includes 25 questions on the savings and investment of the investors in Pune district. The first question was included in the questionnaire with the objective of knowing the awareness and adeptness of the investors in the different savings schemes. The second question was asked on the savings schemes in which the investors invested their money.

The very next question was based on ranking the motives and reasons of the investment and ranking the answers from 1 to 14 i.e. from the best to the worst as per the investor's personal preference. An attempt was also made to study the investor's satisfaction with liquidity, safety, profitability and innovations of the different saving schemes. The respondents were also asked to rate the level of satisfaction with the performance of organizations, staff and agents/brokers. The investors were also asked to express views on the various services provided by the saving schemes organization. It was also asked whether the investors are satisfied or dis-satisfied with the services provided by the agents and brokers relating to the different savings schemes.

The respondents were also advised to mention the probable future plan for saving by mentioning the ranking of the different savings schemes. An attempt was also made to find out the source of information for investment. The questionnaire also includes the views
and opinions regarding the behaviour and attitude of the managers and staff of the organizations and agents.

The investors were also asked if they enjoyed any additional services from the saving schemes. The investors were also asked to state the problems faced by them, after investing in different schemes and to know whether the problem had been solved or not.

The respondents were requested to indicate the present approximate savings in the different schemes of banks, small savings, LIC, UTI and provident fund etc.

An attempt was also made on the technical part of the investment like open-ended schemes, close-ended schemes and role of the SEBI. The respondents were also requested to express their views on the reduction of interest rates.

Questions were asked orally to the investors from the rural area, because they were not familiar with the different saving schemes of the government. The ideas on investment of the rural area investors are totally different. They are more interested in investment in agricultural land, agricultural equipments and other related things. Also their investments are made through chit funds and bhishi schemes, which are unofficial schemes.

Primary data was also collected from the various financial institutions, like the LIC and UTI regional offices in Pune city, the head offices of the banks and small savings office and the Collectorate, Pune division. With the help of oral discussions, an attempt was also
made to find out the views and opinions of the government officials and policy makers and the investors in general.

3.5: Sampling size and sampling technique:

The urban and rural “Different Saving Schemes Survey” covered the area of Pune city, Haveli taluka and twelve other talukas of Pune district. It was based on a probability sample of 220 investors of Pune district. The survey covers the area as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pune City</td>
<td>50</td>
</tr>
<tr>
<td>Haveli taluka</td>
<td>50</td>
</tr>
<tr>
<td>Junnar</td>
<td>10</td>
</tr>
<tr>
<td>Ambegaon</td>
<td>10</td>
</tr>
<tr>
<td>Rajgurunagar</td>
<td>10</td>
</tr>
<tr>
<td>Shirur</td>
<td>10</td>
</tr>
<tr>
<td>Maval</td>
<td>10</td>
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<tr>
<td>Daund</td>
<td>10</td>
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<tr>
<td>Bhor</td>
<td>10</td>
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<tr>
<td>Mulashi</td>
<td>10</td>
</tr>
<tr>
<td>Velhe</td>
<td>10</td>
</tr>
<tr>
<td>Purandar</td>
<td>10</td>
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<tr>
<td>Baramati</td>
<td>10</td>
</tr>
<tr>
<td>Indapur</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
</tr>
</tbody>
</table>
With the objectives mentioned in Chapter II in mind, a survey of 220 investors was undertaken in different parts of the Pune district. A questionnaire was prepared and the 220 investors were supposed to respond to it. The survey covered the urban and rural areas of Pune district.

For the investors of towns from the talukas, 10 questionnaires were distributed of which 7 were at random. The investors covered were from the category of farmers, workers, professionals, teachers, businessmen, lawyers and housewives, which covered a wide spectrum of the income groups.

The sample was clustered in 36 towns and cities including the two largest cities in Pune district. The remaining 184 sample towns and cities were selected by using a simple random imposed in order to assure selection of sample, from the Pune district. The sample was found to contain at least one town or city from each of the 14 talukas of Pune district.

3.6: Middle class :

For the purpose of the study a middle-class of Pune district has been taken. The term middle-class has not been clearly defined so far. However, the various authorities have defined a middle class in the different manner. For the purpose of the study, the researcher covers the middle class as the lower, middle and upper level of income group earners in Pune district.
**Lower-Middle Class:** Income between Rs.50000 to Rs.150000 p.a.

**Middle-Middle Class:** Income between Rs.150001 to Rs.350000 p.a.

**Upper-Middle Class:** Income between Rs.350001 to Rs.500000 p.a.

The middle class investors need to take a fresh look at life to come. Inflation will keep increasing the cost of living every year. It will necessary to generate more income to maintain the current standard of life. No human being can forecast the gravity of contingencies with respect to health, accident, etc. To counter these funds will be needed at short notice. To meet future events demanding substantial expenditure like children’s education and marriage etc. will need saving planning from now. It is better to put away small sums over a long period. Knowledge of savings motives can be useful in framing appeals to middle class for a greater savings effort. And an understanding of savings performances can be useful in designing savings instruments to stimulate savings of the middle class.

The middle-class is the only and only class of the society, which is now a day adversely, affected by the different savings schemes. This is the only class for whom the different savings and investment schemes are prepared and launched by the government and by the policy makers. A middle class saves out of his income through savings schemes. A lower-middle class cannot save money due to less income and a high or upper class spend more on luxurious goods and items and hence “a middle class” is chosen for the purpose of the study. All the quantitative classificatory factors such as income, savings etc.
refers to the investor as an individual. Similarly certain characteristics used such as occupation, age, education etc. refer by necessity to the head of the household alone. The attitudinal and motivational data also relates to the individual investors.

3.7: Time Span:

For the purpose of the study a time span of 10 years of Pune district has been considered and the financial year i.e. March ending is taken as the base. The study covers the investment of the middle class in the form of different investment avenues, especially small savings schemes, LIC schemes and the deposits in the nationalized banks for a period from 31\(^{st}\) March 1991 to 31\(^{st}\) March 2000, in the Pune district. The overall investments made by the investors in the different schemes of savings and investment for the above mentioned period was taken to know and to assess the saving habits among the investors in Pune district. The time span of 10 years could also show the amount of investments made by the investors in bank deposits, small savings schemes as well as LIC policies. It could be possible to assess whether an average middle class in Pune district was able to save part of his income.
3.8: Information from the Government and Non-Government Finance Officials:

The study also covers the data and the information, collected from the government and non-government officials. The researcher has collected the data relating to the different savings schemes, the progress of the different saving schemes, satisfaction with the various saving schemes and the future saving plans through the questionnaire. The small savings organization provides the printed materials and broachers in which the details relating to their savings schemes are mentioned. The LIC branch of Pune city also provided the details relating to their latest policies. However the nationalized banks were unable to provide the broachers due to the changes made by the RBI from time to time.

Ten questionnaires were distributed among the authorities of government and non-government financial agencies and information was collected by personal visits and interviews.

Summary: The important points that were discussed in this chapter are the historical and geographical background of Pune district, the data collection for the study, the sampling size and sampling technique, the term middle class, the time span of the study and the information from the Government and non-govt. finance officials.