CHAPTER -II
REVIEW OF LITERATURE

2.1. Introduction

Review of literature is a systematic survey of the facts and major findings of previous researches on a particular topic. The results of the researches may guide to peruse the present research, the literature reflects like a mirror of the research path to identify the growth of the particular field and domain. The secondary source in the data collection aims to review the critical points of the current research.

Mostly, review of literature is associated with academic oriented literature; usually it precedes a research proposal and result section. Aim of the literature review is to bring the reader up to date with current literature on a topic and form the basis for another goal. A well-structured literature review formed by a logical flow of ideas, current and relevant references. With consistent, appropriate reference style; and proper use of terminology and an unbiased and comprehensive view of the previous research on the topic. Literature on the Investors’ Investment Behaviour in various Investment Avenues and other related issues are furnished below.

2.2. Literature Review of Investors’ Investment in various Avenue

Tamulkodi, A.P.P (1983), “Small Savings Schemes in Tamil Nadu: A Trend Study (1970-80)” concluded that small savings schemes have a psychological appeal and it provides an opportunity for ordinary men, women, and even children to park their savings. It reaches a large number of people and covers a wide range of areas. The study also suggested that the efforts have taken to simplify the procedure of small savings schemes to suit the needs of illiterate and socially downtrodden people. Further, she suggested an increase in the rate of interest of small savings schemes to meet the challenges of commercial banks.
Jayaraman, R (1987), “A Study of Small Savings Schemes in North Arcot District-1976-86” stated that instead of issue special bonds for unearthing black money, the Government of India could encourage investment of black money in various small savings schemes. He further stressed the need to draft the assistance of voluntary agencies at the school and college level for further mobilization of savings.

Mukhi, M.D (1989), “NSCs. A Saving Grace” NSC bond has been one of the most popular tax savings instruments in this country, contractor and others who have to provide security while bidding for contracts finds it extremely convenient to buy NSC and pledge these to the appropriate authorities while earning 12 per cent per annum on the pledged securities. He also stated that the major attraction of NSC is its simplicity. Even, the average investor does not have to scratch his head to understand the scheme.

Arangasami, A (1992), “A Study of Small Savings Schemes in Tamil Nadu with Special Reference to Madras District During 1981-82 To 1990-91” he explored that more and more dependence on mobilization of resources through small savings will ensure and promote self-reliance. Central Government should give proper assistance and encouragement to the small savings agencies, which could be useful not only in mobilization of funds but also for the economic development.

Karthikeyan (2001), “Small Investors, Perception on Post Office Small Savings Schemes” the researcher found that there was significant difference among the four age groups, in the level of awareness for Kisan Vikas Patra (KVP), National Savings Scheme (NSS), and Deposit Scheme for Retired Employees (DSRE). The overall score confirmed that the level of awareness among the four age groups investors, the old age group was higher than in those of younger age group and same time no differences has been observed among male and female investors.
Banerjee, et.al (2007), “The Economic Lives of the Poor” their study explores in rural Udaipur (Rajasthan) and in the city of Hyderabad (Andhra Pradesh). The qualitative interviews also revealed that most of the poor women feel intimidated by the banks and find the required paper work too difficult to comprehend. Their illiteracy compels them to shun the banks. Post office savings schemes have been find to be more popular in the urban areas 40 % as compared to rural 12 % areas. Post office savings accounts seemed slightly more popular than the traditional savings accounts with banks. The wide outreach of the post offices and their local touch are the main reasons for their popularity.

Das, B., et.al (2008), in their study entitled “Mutual Fund vs. Life Insurance : Behavioral Analysis of Retail Investors” the study reviles 100 interviews were made from two metros of Orissa Viz.; Cuttack and Bhubaneswar. This research finds that, although the investment patterns provide more or less the same services, there exist differences depending on the education level of investors. Furthermore, the male investors are more compared to female investors for investment patterns and service facilities. Maximum investors like to invest in life insurance (LIC) especially the Government servants followed by mutual fund and government saving schemes.

Akhilesh Mishra (2008), ‘Mutual funds is the better investment plan’ the study explores that many of the people have the fear of Mutual Funds, because of the non-security. He also suggested that the investors need the knowledge of Mutual Funds and its related terms. Many of the people have not invested in Mutual funds due to lack of Awareness though they have money to invest. The “Brand” plays an important role in the Mutual Fund investment. The investment vehicle captures the attention of various segments of the society, like academicians, industrialists, financial intermediaries, investors and regulators.
Hari Sunder (2009), “Post Office Savings and its Relevance in Rural Areas - A Study on the Impetus for Rural Investment with Reference to Kumbalangi in Cochin” his objectives of the Study were saving habit of individuals, awareness of people towards Post office saving scheme and investors perception towards Post office for their investment. The findings of the study were the majority 51.2 % of the respondents recommended that the interest rate should increase. 26.8 % of the respondents felt that the prevailing interest rate was good, 14.8 % of the respondents felt that there was too much reduction as their prime motive was savings.

The researcher has observed that out of 180 respondents who invested their money in Post office, 55 % of the respondents preferred postal savings for the security available scheme. 16.7% of the respondents had preferred postal savings, as they had to save little of their income for savings. 15.6 % of the respondents had invested in postal saving for the interest rate and 12.8% of the respondents had invested in postal saving reason for friendly transaction. Furthermore, the maximum 38.7 % of respondents reported that they were not aware of the Post office schemes. 24.3 % of respondents felt that the schemes were less attractive, 1.8% of respondents felt that because of late service, there was no easy deposit and withdrawal as provided by the bank, 0.9 % of the respondents did not invest in post office because of less advertisement and no guarantee for return of money.

The majority 28.3 % of the respondents felt that Kisan Vikas Patra was providing high return with interest rate of 8.41%, Next preference was Monthly income scheme (MIS) by 23.3 % of the respondents. MIS with its handsome 8 percent returns proved to be a major draw. 15 % of the respondents felt that Recurring deposit was giving more return on investment. 11.1 % of respondents preferred Postal life insurance scheme, 8.9 % felt that Time deposit was giving high return, 5 % felt that Public provident fund was providing high return on investment, only 2.9 % felt that Post office savings A/c and 4.4% felt National
savings certificate provides high return on their investment respectively. The majority of respondents preferred reasons for post office investment, 77.9% of respondents felt that there was 100% safety for their investment. 10.3% had invested in Post office as a small saving as they do consider the interest rate. 2.9% were availing tax benefits.

**Parihar, B.B.S, et.al (2009),** “Analyzing Investors’ Attitude towards Mutual Funds as an Investment Option” concluded their study the majority of investors have still not formed any attitude towards mutual fund investments. The main reason behind to lack of awareness of investors about the concept and working of the mutual funds. Further, concluded those demographic variables are concerned; age, gender and income influencing the attitude of investors towards mutual funds significantly. Whereas, amazingly, the other two demographic variables education and occupation have not been find influencing the attitude of investors towards mutual funds. They also analyzed that benefits delivered by the mutual funds are concerned; return potential and liquidity most attractive to the investors, followed by flexibility, affordability and transparency.

**Sanjay Kanti Das (2011),** “An Empirical Analysis on Preferred Investment Avenues among Rural and Semi-Urban Households” the objectives of the study was household preferred investment avenues; the level of income also influences the investment decisions. Higher income group shows relatively high preference towards investment in share market, conversely lower and average income group shows keen preference towards insurance and banks investment avenues.

**Gaur Arti, et.al, (2011),** “Difference in Gender Attitude in Investment Decision Making in India” this research found difference in gender attitude in investment decision making in India, as women play a more active role in their investment they also want to get the same attention, advice and terms. However, men deals that they get information from their wealth
managers and advisers. Traditionally, the right to make investment decisions normally belongs to men. However, women today are making a bigger share of the decision over whether to invest in stocks, bonds or real estate. Specifically, in 2009, women decided to allocate about $20 trillion in investments about 27% of the world's wealth, which is up by 16% from 2008. Further the objective of this study focus to differences in the Investment Decision Making (IDM) process between female and male investors. The findings of this study explores higher level of awareness for males than females for different investment avenues and female investors tend to display less confidence in their investment decisions and hence have lower satisfaction levels.

Geetha, N., et.al, (2011), “A Study on People Preference in Investor Behaviour” the objectives of their study focus the factors influenced in investment behaviour of the respondents and attitude of the respondents in different investment choices. The respondents are medium aware about various investment choices but, the respondents are not aware about stock market, equity, bound and debentures. Further, all age groups are more important to invest in Insurance, NSC, PPF and Bank deposit. Respondent’s income level affects the portfolio that is lower income level groups are preferred to invest in Insurance, NSC, PPF and Bank deposit rather than other investment avenues. The researchers concluded that awareness programmes may conducted by Stock Brokering firms because most of the respondents are unaware about the new service of stock market.

Sanjay Das (2011), “Small Investor’s Perceptions on Mutual Funds in Assam: An Empirical Analysis” the study reveals that the investors’ perception is dependent on the demographic profile and assesses that the investor’s age, marital status and occupation has direct impact on the investors’ choice of investment. The study further reveals that female and higher income group segments not fully tapped in Mutual Funds Investment. Hence, the researcher suggest
the fund managers should take steps to tap the female segment and higher income group segment to enhance more investment in MF Investment Avenue which would really help the industry to flourish.

**Haruna Issahaku (2011),** “Determinants of Saving and Investment in Deprived District Capitals in Ghana - A Case Study of Nadowli in the Upper West Region of Ghana”, Continental” the study found that there is the propensity to save and invest in spite of low income. Whereas the levels of income, educational status, occupation, have positive influence on saving, the number of dependants exerts a negative influence on saving; the age composition and assets do not have a significant effect on saving.

Further finding of his study explores more than three-fourth 86.67% sampled practice saving and the rest 13.33% do not save at all due mainly to lack or insufficient funds. A slightly lower 76.67 % of sampled households practice investment in diverse ways. The remaining 23.33% do not undertake any form of investment. The deliberate decision on the part of the households to save in order to meet future needs.

**Singh, D. (2011),** “Factors affecting customers’ preferences for Life Insurers” the study determines the important factors influencing the customers for selecting an insurance company. The study carried out to identify the weak areas, which need improvement in order to enhance the quality of services in Insurance companies.

The study reveals that product features, accessibility, low premiums, advertising, proper redressal of complaints & better claim settlement are factors that drastically influence the choice of a company. The weak areas, which need improvement, were agent’s knowledge & their ethical behaviour, low accessibility of private insurance companies & claim settlement system.
Gaurav Dawar, et.al, (2011) “Factors Influencing Investor Behaviour: An Empirical Study in Punjab” the research found that majority of female respondents’ investment preference as a best option are stock market and least preference are banks. Whereas, majority of male respondents’ investment preference as a best option are stock market and least preference is post office. Majority of respondents (both male & female) investing in stock market from last 2-4 years and also majority of the investors (both male & female) prefer secondary market for investment and aiming for the short term gain through investment.

Jain Dhiraj, et.al (2012), “Investor’s Attitude towards Post Office Deposits Schemes – Empirical Study in Udaipur District, Rajasthan” they described about Post office savings. More than 150 years, the Department of Posts (DoP) has been the backbone of the country's communication, has played a vital role to connect the whole of the country, and has provided banking facilities in the absence of banks. However, over time, its role has changed and it has grown to become one of the best avenues to channel investment from even the wealthy investor and use them fruitfully in nation building activities.

There has been introduction of several types of deposit schemes that cater to the differing needs of different classes of investors in which person has an option to invest even a minimal amount of Rs.500 per month. Investment in Post Office Savings account for a maximum investment of Rs.110, 000, per financial year is very exempt from tax under section 80C of the Income Tax Act, 1961.

The interest income exempted from tax under section 10 of Income Tax Act, 1961 in some cases. This has enabled them to compete successfully with the other avenues of investment available to investor like commercial and co-operative bank, non-banking financial institutions, public sector companies, etc.
Murugan (2012), “Investors attitude towards investment option in Nellore region” the research explore that the investment awareness, preferences, and experiences of small and household investors in respect of various investment avenues. The research observed that majority of the respondents are quite unaware of the corporate investment avenues like equity and preference shares, mutual funds, corporate debt securities and deposits. At the same time, they are highly aware of traditional investment avenues like real estate, bullion, bank deposits, life insurance schemes, and small savings schemes. Further, the economic independence females are very low participation in investment decisions.

Sarita Bahl (2012), “Investment Behaviour of Working Women of Punjab” the study explored the following important areas like working women disciplined in savings, handle on their finances, they enjoy investment planning, willing to take risk to attain gain and comfortable investment. Most of respondents agreed on that the statements the mean scores are 3.59, 2.25, 3.43, 3.52 and 3.59 respectively. Respondents take too much time and efforts to plan for investment.

Radhika, S., et.al (2012), “A Study on Investment Pattern in Mutual Funds and Preference of Retail Investors in Chennai City for Karvy Consultants Limited Chennai.” The study focused on the Investors preference reasons in various investment avenues, purpose of investment, frequency of investment, investors risk profile, approximate percentage of investing in mutual funds and preference choice of mutual fund sector. This study concluded that 32.5% of people reasons of invest for plans and 26% of people reasons of invest for wealth creation. In 62% of the respondents are invested on a monthly basis.

In 29% of the respondents are investing 20-30% of their income and 24% of the respondents invest 10-20% of their income. Around 87% of respondents are aware of mutual funds and 65% among them have invested in mutual funds. 75% of them those who invested
in mutual funds invest 5-10% of their savings. 37% of respondents are prefer private mutual funds, 32% of respondents are public mutual funds and 32% of respondents are prefer both public & private sector mutual funds 57% of those who have invested in mutual funds have opted for equity scheme. The rank of factors in the choice of mutual funds the rank obtained, Better annual dividends is first, Capital Appreciation is second, High return compared to other investment is third, Better portfolio management is fourth, previous year performance is fifth. More than 90% of the respondents are satisfied with the all kinds of service provided by mutual fund agents.

**Murugan, V.G (2012), “Evaluation of Investors Behaviour in Mutual Funds”** his study reviles the impact of various demographic variables on investors' attitude towards mutual funds; and rank the factors responsible for the selection of mutual funds as an investment option. Concluded from this study, that out of 300 respondents surveyed, 28.3% of respondents have a positive attitude towards mutual funds, 47.7% of respondents have a neutral attitude and 24% of respondents have a negative attitude towards it. The age of respondents and their attitude towards mutual funds are significantly associated, i.e., the respondents' age significantly influences their attitude towards mutual funds.

Moreover, 31.16% of respondents are below 25- age group, 30.84% of respondents are 26-45 age groups, and 16.36% of respondent are above 45 age group have a positive attitude towards mutual funds. The gender of respondents and their attitude towards mutual funds are significantly associated i.e., the respondents' gender influences their attitude towards mutual funds significantly. Moreover, 34.62% of male respondents and 14.51% of female respondents have a positive attitude towards mutual funds.

The income of respondents and their attitude towards mutual funds are significantly associated i.e., the respondents' income influences their attitude towards mutual funds.
significantly. Moreover, 11.76% of respondents Below 10,000 income group, 24.78% of respondents 10,000-25,000 income group and 59.65% of respondents above 25,000-income group have a positive attitude towards mutual funds. The education of respondents and their attitude towards mutual funds are independent of each other i.e., the respondents' education does not influenced their attitude towards mutual funds significantly. The occupation of respondents and their attitude towards mutual funds are significantly associated i.e., the respondents' occupation influences their attitude towards mutual funds significantly. As far as the factors responsible for investment in mutual funds are concerned, 'return potential' has got first rank, 'liquidity' has got second rank, and 'flexibility', 'affordability' and 'transparency' have been ranked third, fourth and fifth, respectively.

**Vennila, A., et.al (2012),** “Investors’ Preference towards Mutual Funds in Coimbatore City” the Study focused the factors influencing the respondents to prefer mutual funds and attitude of the investors towards investment on mutual funds. The study reviles that, out of the 250 respondents, 44% of the respondents are satisfied with the investment in mutual funds. 52.8% of the respondents are satisfied with the earnings. 57.6% of the respondents are satisfied with the capital gain. 42.4% of the respondents are satisfied with the liquidity. 40.8% of the respondents are satisfied with the maturity. 46.4% are satisfied with the diversification of risk and 39.20% of the respondents are satisfied with the range of schemes.

**Ravi Vyas (2012),** “Mutual Fund Investor’s Behaviour and Perception in Indore City” the study focused factors that highlights investors’ perception about mutual funds. The study reviles investors’ most likely investment avenues are gold investment it has fist rank out of nine rank. Then second preference bank deposits and fixed deposits. Mutual fund comes under sixth rank. The rank reflects that investors’ primarily preference a safe and returns comes destination for investment.
Sanjay Kanti Das (2012), “Middle Class Household’s Investment Behaviour: An Empirical Analysis” his study determined that the investment behaviour of middle class household investors and investment preferences. The study summarized that the bank deposits (35.33%) is most popular instrument of investment followed by insurance (34.67%) and small saving scheme (28.67%), the maximum number of respondents are investing in these fixed income bearing option.

Sidharthul Munthaga, J.(2013), “Investment Pattern of Rural Investors in Nagappattinam District of Tamilnadu” the analysis represents the male and female respondents are giving most preference to insurance, NSC, PPF and bank deposit etc.

All the age groups are given more preference on investing insurance, Post Office Savings (NSC), Public Provident Fund (PPF) and Bank Deposit (BD) except those who are more than fifty years. Moreover, the second preferable investment avenue is gold, others like SHG, equity, mutual funds and real estates. However, the age group, which is, more than fifty one to sixty years gives more preference to invest in Life Insurance.

Further concluded that respondents are medium aware about various investment choices but they do not know aware about stock market, equity, bound and debentures. Middle age group and Lower income level groups respondents are preferred to invest in Insurance, NSC, PPF and bank deposit rather than any other investment avenues.

The respondents are more aware about various investment avenues like Insurance, PPF, bank deposits, small savings like post office savings etc. the researcher suggested that awareness program has to be conducted by Stock Brokering firms because most of the respondents unaware about this new service and about stock market.
Ramprasath, S., et.al, (2013), “A Study with Reference to Kattumannar Koil Taluk, Cuddalore District, Tamil Nadu, India”, the study reviles that behaviour of individual investors while selecting their investment avenues and factors influencing the investment. The study describes that Majority of the individual investors have preferred Bank Deposits, LIC policies and Bullion. Individual investors who have preferred post office small savings schemes, Bank deposits, LIC policies, Government bonds, Real estate have invested for Above 5 years.46% of the individual investors are ‘Risk Averters’.

A considerable number of risk takers have given much weight age to corporate securities (Shares, Bond, and Debenture), Risk Moderates have given much weight age to Mutual Funds and Risk Averters have given much weight age to Chit Fund, Post Office Savings Schemes and Real Estate. Sources are influencing investment decision not affected by educational qualification and annual income. Majority of the individual investors have motivated by the factor “Safety” while preferring a particular form of investment.

Majority of the individual investors (86%) are preserving their investment related documents. Majority of the individual investors (57%) do not have the habit of evaluating the performance of their investment choice. The above study confirms that majority of the investors are giving much importance for the factor “Safety.” Similarly, investment avenues such as Bank deposits, LIC polices and the individual investors have preferred Bullion. Similarly, the majority of the investors are periodically evaluating the performance of their investment avenues.

Sidharathul Munthaga,J., et.al (2014), “A Study on the Attitude of the Respondent towards Investment Choices in Thanjavur District” the analysis were interpret that nearly 55 % of the respondents have invested in bank deposits, post office savings schemes and insurance. About 15 % of the respondents have invested in bank deposits, post office savings schemes,
Insurance and mutual funds. Nearly 14% of respondents have invested in bank deposits only and 16% of the respondents have invested in bank deposits, post office savings schemes, Insurance, mutual funds and shares.

The problems faced by the rural investors, the respondents have asked to rank their problems. The ranks given by them have quantified by using the Garrett Ranking Technique. The poor financial literacy has ranked first by the respondents with a score of 95 Garrett points. Low level of awareness and poor return are second and third problems of the respondents in the study area with a mean score of 93 and 89 Garrett points respectively.

Poor liquidity, high risk in mutual funds and shares, a few bank branches and post office in the locality and limited access to formal institutions are fourth, fifth, sixth and seventh problems of the rural investors respectively. The analysis conclusion of the investment pattern of the rural investors reveals that the preferred investment avenue is traditional form of investments such as bank deposits, post office savings schemes and insurance in the study area. A few respondents invested in the mutual funds and equity shares.
2.3. Literature Review of Investors’ Investment Preference and Objectives

Powell, et.al (1997), “Gender differences in risk behaviour in financial decision making: An experimental analysis” the study explores that gender is the most important explanatory factor affecting confidence in investment decisions. Females are less confident about their decisions after controlling for factors such as age, experience, education, knowledge, and asset holdings. Further, the study reviles that different investment strategies as men and women are motivated by different “needs”. They put forward the idea that these different “needs” and therefore strategies, may be that women are looking more for security whereas men are looking for returns.

Gavini, et.al (1999), “Small Saving Schemes of Post Office Need to be Known More” the study found that the social considerations, tax benefits for saving in urban and rural areas. Among investment avenues especially the post office schemes like Indira Vikas Patra (IVP), KVP and Post Office Recurring Deposit Account (PORD) were the most popular for tax benefits in both urban and rural areas.

Karthikeyan (2001), “Small Investors, Perception on Post Office Small Savings Schemes” the researcher found in his article necessity of life and tax benefits play a vital role in motivating the small investors in urban and semi-urban areas to invest in post office small savings schemes.

Singh, et.al (2004), “Performance of Mutual Funds in India” the study reviles that the middle class salaried investors and professionals perfected to have disclosure of net asset value on a day today basis. Moreover, they wanted to invest in MFs in order to get higher tax rebates. Further, the small investors perceived MFs to be better investment alternative and public sector investments to be less risky.
Kabra, et.al (2010,) “Factors Influencing Investment Decision of Generations in India- An Econometric Study” the study concluded that investor key factors impact on investment behaviour is risk aversion people choose safe investment options like Life Insurance Policies, Fixed Deposits with banks and post office, PPF and NSC.

Ganapathi,R (2010), “Investors attitude towards post office deposits schemes” the study focused various Small Saving Schemes were mainly meant to help the small investors. The study concluded that proper advertisements must be made for Post office savings schemes, so that even a layman could know about these Schemes and deposits can be increased. The investors stated that investing their amount in Post office deposits its, provides safety and security for the amount and tax benefit.

Sanjay Kanti Das (2011), “An Empirical Analysis on Preferred Investment Avenues among Rural and Semi-Urban Households” objectives of the study about household preferred investment avenues. Conclusion of his study reveals that in most of the investors across all categories found them to be safer with taking up the insurance policies. Especially they are keen preference towards unit-linked insurance policies to get short-term gains. Further, the researcher observed that most of the respondents show their keen interest towards the insurance products to get tax benefits, life protection.

Arifur Rehman Shaikh, et.al (2011), “Analysis of Retail Investor’s Behaviour in Belgaum District, Karnataka State” objectives of their Study wear to understand the retail investors awareness, investments alternatives available, objectives of investments, time horizon of investment and expected rate of return on investment. The result, that the economic liberalization there is an increase in number of investment avenues available for retail investors, depending upon their risk appetite they can chose between bank deposits, government / private bonds, shares and stocks, exchange traded funds (ETF), mutual funds,
insurance, derivatives, gold, silver, currencies, real estate, etc. Most of the retail investors’ primary objective of investment is to earn regular income and expected rate of return differs from individual to individual based on their level of market knowledge and risk taking ability.

Mohanta, et.al (2011), “A Study on Investment Preferences among Urban Investors in Orissa” the study explores that the investors invest in different investment avenues for fulfilling their financial, social and psychological need. While selecting any financial avenue they also expect other type of benefits like, safety and security, getting periodic return or dividends, high capital gain, secured future, liquidity, easy purchase, tax benefit, meeting future contingency etc.

Sanjay Das (2011), “Small Investor’s Perceptions on Mutual Funds in Assam: An Empirical Analysis” the findings of the research is the factors influencing investor’s perception on public private MF’s. It reveals that liquidity, flexibility, tax savings, service quality and transparency are higher impact factors on perception of investors. These factors give them the required boosting to the investment process. Therefore, it becomes imperative on part of the fund managers to enhance these features for attracting more investors and also to retain the trust.

Harikanth, D., et.at (2012), “Role of Behavioural Finance in Investment Decision Making - A Study on Select Districts of Andhra Pradesh, India” objectives of their study focused factors influenced in Individual Investors’ investment behaviour. The study concluded that investors are investing in different investment avenues for fulfilling financial, social and psychological need. While investors selecting any financial avenue they also expect other type of benefits like, safety and security, getting periodic return or dividends, high capital gain, secured future, liquidity, easy purchase, tax benefit, meeting future contingency etc. The
result of hypothesis concluded that there is a significant relationship between income and occupation on investment avenues in order to satisfy safety, periodic return, liquidity, better future and future contingency needs, etc.

**Radhika.S., et.al (2012),** “A Study on Investment Pattern in Mutual Funds and Preference of Retail Investors in Chennai City” the study objectives is investors’ preference towards various investment avenues. Finding of their study were the main reason people invest for future plans (32.5%) and wealth creation (26%), the main objectives claimed by the respondents for investing are tax benefits (22%) and safety (23%).

**Santhiyavalli,G. et.al (2012)** “A Study on Investment Avenues with Particular Reference to Mutual Fund” the study reviles that assessing investors’ saving objectives, preferred savings avenue and identify their preferred mutual scheme. Major Findings from study is 50% of the respondents resort to savings in order to have a comfortable living. 39% of the investors prefer to invest in mutual fund, followed by banks and life insurance policy.

Majority of the respondents prefer growth scheme and income scheme, which satisfies the respondents as it gives regular return and high capital appreciation. Their Suggestion of the study Mutual fund Procedures must be clear and simple to attract more investors. The industry should introduce more innovative schemes to suit them, and concluded that the investors always prefer to invest in financial products which give risk free returns. It confirms that the investors prefer to play safe in the market. Thus, the mutual fund industry has to bring many innovative concepts and should frame distinct marketing strategies to satisfy the need of investors.

**Vennila.A, et.al (2012)** “Investors’ Preference Towards Mutual Funds in Coimbatore City” the Study focuses the factors influencing the respondents to prefer mutual and the attitude of the investors towards investment on mutual funds. Out of the 250 respondents, 40% of the
respondents are satisfied with tax benefits. 30.40% of the respondents are satisfied with the brokerage or sales commission. 44.80%, of the respondents were satisfied with the investors’ safety and protection in the investment of mutual funds. 41.60%, of the respondents were satisfied with the market information and 60.80%, of the respondents were satisfied with the reliability of investment in mutual funds.

**Ravi Vyas, (2012)** ‘Mutual Fund Investor’s Behaviour and Perception in Indore City’ the study reviles that respondents’ preference in different investment windows on the basis of Safety, Liquidity, Reliability, Tax benefit and high return. It is found that the mutual fund has got average in all parameters like safety, liquidity, reliability, tax benefits and high returns, amongst all popular investment avenues. Huge number of investors thinks that mutual fund is a safe medium to invest in share market as compared to direct investment and mutual fund investment is a profitable mode of investment.

**Sanjay Kanti Das (2012)** “Middle Class Household’s Investment Behaviour: An Empirical Analysis” this study determined that the investment behaviour of middle class household investors and investment. The researcher observed that all age groups marked highest preference towards bank deposits and insurance investment so as to provide the benefit of safety and security of their life and investment. All the respondents with different income slabs also observe similar feeling of preference towards the investment in Bank deposits and insurance.

It was found that majority of the respondents said that they look for tax advantage and high returns while investing in any instrument. Slight variations are also observed when respondents are classified on age and income groups. The study reveals that in most cases investors across all categories found them to be safer with taking up the insurance policies. It is also observed that most of the respondents show their keen interest towards the insurance
products so as to get tax benefits, life protection and average profitable investment avenues. This is perhaps the most striking features of general investors and the most important factor that influences the investment decisions. Further, it is observed that the level of income also influences the investment decisions. Higher income group shows relatively high preference towards investment in share market, conversely lower and average income group shows keen preference towards insurance and banks as the most preferred investment avenues.

Further, it is observed that all the respondents marked interest towards medium term investment. Only some respondents of high income group show keen interest to build huge financial corpus. The study results brought out the fact that 71.33% of the respondents have recorded that their savings have increased in past five years. 31% of the households said that their savings have increased because of increase in their income which supports the hypothesis that the income & savings are directly related.

Gaurav Agrawal, et.al (2013), “Investor’s Preference towards Mutual Fund in Comparison to other Investment Avenues” The research describes the findings 100% investors are aware about Banks & LIC. 96% are aware about Mutual Funds. 95% for the Real Estate, NSC 80%, and Gold & KVP are 78% each, PPF 76%, Equity Shares & Bonds 68% are each, MIS 64%, and Commodity Market 44%.

The investors objectives of their investment is 46% of Return followed by Tax Planning 26% and Safety at 22%. 70% of the investors prefer Banks for Safety followed by Convenience at 16%. 52% of the investors prefer LIC for Safety followed by Tax Planning at 36%. 37% of the investors prefer Public Provident Fund (PPF) for Safety followed by Tax Planning and Return at 26% each. 34% of the investors prefer Bonds for Safety while 30% for Tax Planning. 35% of the investors prefer Mutual Fund for Return followed by 32% for Tax Planning. 66% of the investors prefer Real Estate for Return, 46% of the investors prefer
Commodity Market for Return followed by 36% for Liquidity. 49% of the investors prefer Gold for Safety followed by 32% for Return. 58% of the investors prefer Equity Shares for Return followed by 18% for Liquidity. 46% of the investors prefer Investment in National Saving Certificates NSC for Tax Planning followed by 36% for Safety. 41% of the investors prefer KVP for Safety followed by 30% for Tax Planning. 53% of the investors prefer MIS for Safety followed by 18% for Return.

The research concluded that the maximum investors are aware about Banks & LIC investment avenues only. More than 80% investors are aware about Mutual Funds, Real Estate, and NSC investment avenues. Following are the main bases of different investment modes, an investor thinks before investing: Looking from different perspective, it is also evident that the overall and main criterion of the investors regarding their investments is Return. Therefore on the basis of Safety. Bank & LIC are the most preferred avenues of investment as it provides maximum safety on the basis of Return. Real Estate & Mutual Funds are the most preferred avenues of investment as it provides maximum return and Tax Planning.

Palanivelu, et.al (2013), “A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India” the study explores that the 30% of respondents are like to invest in bank deposits and 18% are like to invest in Gold /Real-estate. 24% of respondents’ investment objective is safety and 23% of respondents investment objective is tax saving. 36% of respondents’ investment behaviour is frequency in nature like investment in quarterly and 24% frequency investment in half yearly. 42% of respondents’ saving purpose is for future needs and 6% of respondents’ saving purpose is for house building.
Bhawana Bhardwaj, et.al (2013), “Income, Saving and Investment Pattern of Employees of Bahra University, Solan” the study reviles that majority of the employees are investing in jewellery, gold, land and buildings because they feel it is a safe investment. Apart from this, the employees have been largely investing especially in bank deposits and post office schemes.

The next interpretation of stability of return; most of the employees opinion are bank deposits, post office deposits and LIC funds gives them high and stable return followed by investments in gold, jewellery, land and buildings which gives moderate returns. Most of the employees prefer to invest with banks, post offices, life insurance companies and in provident funds. A part from such investments many of the employees felt land, building, Jewellery is safer investment. Gold is taken as a reasonably safe investment. Investment in stock market is considered highly unsafe due to the high degree of risk involved.

Ketan Prajapati, et.al (2013), “To Study the Investors’ Behavior towards Life Insurance Products” findings of this study, among the various investments avenues life insurance investment is second priority after bank deposits. The investors’ main purpose of life insurance is risk coverage and tax benefits followed by retirement planning and children’s education.

Saloni Raheja, et.al (2013), “Behaviour of Investors towards Investment” the study described that investors’ objectives of their investment is earn income in the form of interest, dividend and their invested funds should be secure and safety. Then the investors should prefer those investments, which are liquid in nature and tax considerations. The investor who wants to earn more return should be ready to take more risk. The study concluded the different people prefer to invest in different avenues according to their choice and the life cycle stages and investment objectives are dependent on each other.
Jyotishna Jairath (2013), “Piggy Bank Money Management- A Primary Analysis of Students” the study reviles that investors preference for various investment options were Life Insurance, Bank Deposits and valuable metals like Gold, Silver were ranked first for the investment followed by Post Office Saving Schemes third rank. Mutual Funds has forth rank, Stock Market Products has sixth rank, Debentures has seventh rank, but Shares and art objects were least preferred with rank nine. Reasons for making investment by the respondents were 38% of respondents make investment for the safety of their money, 24% of respondents to get return, 21% of respondents for capital appreciation, 9% of respondents for future requirements and others for unexplained reasons.
2.4. Literature Review of Investors’ Investment Sources

Jambodekar (1996), “Marketing Strategies of Mutual Funds – Current Practices and Future Directions” the study conducted the information sources are influencing the buying decision and the choice of a particular fund. Further, the study reveals Income Schemes and Open Ended Schemes are more preferred than Growth Schemes and Close Ended Schemes during the prevalent market conditions. Investors look for safety of Principal, Liquidity and Capital appreciation in the order of importance. Further the information sources influencing the buying decision and the factors influencing the choice of a particular fund. Newspapers and Magazines are the first source of information through which investors get to know about MFs/Schemes and investor service is a major differentiating factor in the selection of MF Schemes.

Raghunathan, P. N. (2010), “Behavior pertaining to Mutual Fund Investments among consumers in Coimbatore” the study carried out who influences the investors to their mutual fund investment decisions. The result of the study explores influencer of investors for their investments, investment Brokers & colleagues were the important influencers of investment decision. Most of the investors considered ‘fund performance’ as important criteria for choice of funds.

Syed Tabassum Sultana (2010), “An Empirical study of Indian investors” the study explores the profile of investors and know their characteristics in order to understand their preferences with respect to their investments. The investor’s decisions are based on their self-decision. Most of them preferred investment in fixed income avenues like PPF, Bonds & Bank FD followed by Equities & Mutual Fund.
Bennet, et al (2011), “Investors’ Attitude on Stock Selection Decision” the study concluded that the average value of the five factors, namely, Return on Equity, Quality of Management, Return on Investment, Price to Earnings Ratio and various ratios of the company influenced the decision makers. Further, other five factors, namely, recommendation by analysts, Broker and Study Reports, Recommended by Friend, Family and Peer, Geographical location of the Company and Social Responsibility were given the lowest priority or which had low influence on the stock selection decision by the retail investors.


Shanmugasundaram,V., et.al (2012), “Influential Factors in Investment Decision Making” the study explores various factors influences investors’ investment decision making process. Investors get investment information from financial magazine ratings, media impact, tips from share brokers, friends and others, but the sources of information not adequately tapped to investors.

Radhika, S., et.al (2012), “A Study on Investment Pattern in Mutual Funds and Preference of Retail Investors in Chennai City” the study explores the information while making a mutual fund investment, the result is 45% of respondents preferred to get advice from family members and friends, 26% of respondents from auditors & consultants.

Ravi Vyas (2012), Mutual Fund Investor’s Behaviour and Perception in Indore City’ the study describes the preferable information mode among the investment like, friends/relatives, TV/radio, mails, Newspapers/Magazines, Brokers and agents and self decision. The conclusion of the study were describing that 38.6% of investors took help of Brokers and
agents and 28.4% of investors invest in mutual funds as per the suggestions and information received from friends and relatives.

**Brahmabhatt, et.al (2012),** “A Study of Investor Behavior on Investment Avenues in Mumbai Fenil” the findings of the study people like to invest in Stock market as compared to any other markets, even if they face huge losses, because they are unaware about investment opportunities. Most of the investors discuss with their family and friend before making an investment decisions, some investor’s decisions are based on their own initiative and most of the investors are financial illiterates.

**Jain Dhiraj, et.al (2012),** “Investor’s Attitude towards Post office Deposits Schemes” study inferred that majority of the respondents are aware about Post office Deposits Schemes through Friends & relatives and agents.

**Palanivelu, et.al (2013),** “A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India” the study reflects 29% of respondents are self decision makers in choosing investment option and 21% are referring the advertisement.

**Ketan Prajapati, et.al (2013),** “To Study the Investors’ Behavior towards Life Insurance Products” their study explored factors influencing investors’ decision in life insurance, the agents’ advise plays major important role in the investment decision making of an investors followed by company’s image and advisor’s knowledge. The company’s performance and the advertisements least influence the investors in their decision-making. The major problem, which is being faced by the investor by the advisors, they do not show transparency during the explanations of policy. Agent advisors lack the ethical behaviour on their part and misguide the investor to satisfy their personal objective.
**Deep Kantilal Thakkar (2013),** “Investor’s Behavior towards Share Investment in Kolhapur City” the study reviles that the investors have known the investment information from their friends about the returns of shares. Half of the investors read Newspapers for information on stock market, few investors (one-third) watch TV channels related to stock market. Very few investors (only one fifth) refer websites related to stock market.

Few investors are having proper knowledge of the Stock Market. They are depending more on broker and friends. Very few investors are going through the details of the company in which they wish to invest. Few investors (only one-third) attend workshops/seminars related to share investment. Most investors are not fully satisfied with the broker’s services because, the brokers are not informing the investors about the changes in their charges. Conclusions of his study were investors are too much dependent on broker for investment decision. Suggestion of his study, they should give some time for going through various articles in newspaper, attend various seminars and workshops on stock market and consult.

**Ujwala bairagi, et.al (2013),** “An empirical study of saving pattern and investment Preferences of individual household with reference to Pune city” findings and suggestions of the study may help to improve the investment pattern and investor preferences among the small household. There is an explosion in the growth of middle class families due to double income and increase in number of working women. Hence, effort should be made to attract women investors by providing right information and knowledge about the market through advertisement.

**Jyotishna Jairath (2013),** “Piggy Bank Money Management- A Primary Analysis of Students” the study reviles that investors source for investment decision that 38% of respondents are follow their friends’ advice to take investment decision. 23% of respondents
were relying on internet, 22% of respondents were on agents, 9% of respondents were on newspaper and 8% of respondents were on other sources while taking investment decisions.

Dhimen Jani, et.al (2014), “A Comparative Analysis of Buying behaviour of Urban and Rural Investors for Insurance” The objective of the study is to find out the relative importance of advice of insurance advisor while making selection of product of insurance. A conclusion of their study is in the insurance sector, the urban investor gives more priority to financial advisor while rural investors used to invest with brokers advice.
2.5. Literature Review of Investors’ Knowledge and Risk Taking Ability

Peggy D. Dwyer., et.al (2002), “Gender differences in revealed risk taking: evidence from mutual fund investors” in this study reviles that using data from a national survey of nearly 2000 mutual fund investors, they investigate whether investor gender is related to risk taking as revealed in mutual fund investment decisions.

Consonant with the received literature, they find that the women investors comparatively exhibit less risk-taking measure than men investors in their most recent, largest, and riskiest mutual fund investment decisions. More importantly, they find that the impact of gender on risk taking is significantly weakened when investor knowledge of financial markets and investments. This result suggests that the greater level of risk aversion among women, which frequently documented.

Desigan., et al. (2006), “Women Investor’s Perception towards Investment: An empirical Study” the study found that women investor’s basically they are indecisive in investing in MFs due to various reasons like lack of knowledge about the investment protection, investment procedures, market fluctuations, risks associated with investment, assessment of investment and redressal of grievances in various investments.

Raghunathan, P. N. (2010) “Behavior pertaining to Mutual Fund Investments among consumers in Coimbatore” the study carried out the relationship between investor’s knowledge and family income for investment, and investor’s knowledge and educational qualification for investment. The study concluded that the significant relationship between investor’s level of knowledge and family income, as well as investor’s knowledge and educational qualification for investment.
Sultana, S. T. (2010), “An Empirical study of Indian investors” the study also attempts to know the risk tolerance level of investors. It reveals that most of the investors preferred investment in fixed income avenues like PPF, Bonds & Banks FD followed by Equities & Mutual Fund for risk averse; further, there was no relationship between gender & risk tolerance level of investors.

Kandavel, D. (2011), “Perception of Retail Investors Towards Investment in Mutual Funds in Puducherry: An Empirical Study” the study reveals that the small investor purchase behaviour does not have a high level of coherence due to the influence of different purchase factors. The buying intent of a mutual fund product by small investor can be due to multiple reasons depending upon customers’ risk return trade off.

Harikanth, D., et.al (2012), “Role of Behavioural Finance In Investment Decision Making - A Study on Select Districts of Andhra Pradesh, India” their study explores investors’ savings and risk attitude towards different investment avenues. The study found that males are more interested than female investors to invest in risky avenues like share market. Female investors not more exposed with shares and mutual funds. The age group of 31-40 Educated male investors falling under the risky avenue. Having more income employee and businesspersons are more interested with the risky avenues like share and mutual fund, their objective of investment get high capital gain. Male urban investors are more participative to select the investment avenues as against their female counterparts, as they are more exposure with the Investment environment and market knowledge.

Radhika, S., et.al (2012), “A Study on Investment Pattern in Mutual Funds and Preference of Retail Investors in Chennai City For Karvy Consultants Limited, Chennai” the study explores investors risk profile. It concluded most of the respondents (42%) preferred to take a moderate risk.
Ravi Vyas (2012), Mutual Fund Investor’s Behaviour and Perception in Indore City’ the study reviles that investors’ Knowledge of risk and risk analysis in mutual fund and scheme. The study Concluded 73% of investors know about risk factors in their investment. It means investor is risk aware. Investors whether they analyse risk in their mutual fund investment, the result shows the surprising, that nearly 53% investors analyse the risk in their mutual fund investment. It means most of the investor know about risk in investment but not have sufficient knowledge to analyse the risk in their mutual fund investment.

Sanjay Kanti Das (2012) “Middle Class Household’s Investment Behaviour: An Empirical Analysis” The study confirmed the individual investor still prefers to invest in financial products, which give risk free returns. Further confirmed that Indian investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe. The investment product designers can design products, which can cater to the investors who are low risk tolerant and use safe channel as a marketing avenues.

Bhatt, K.A, et.al (2012), “Effects of Investor Occupation and Education on Choice of Investment: An Empirical Study in India” their study found that the majority of investors, specially who are less educated and low income earner, prefer bank deposits, post office deposits and insurance because of easy to understand and less risky.

Brahmabhatt, et.al (2012), “A Study of Investor Behavior on Investment Avenues in Mumbai Fenil” the findings of the study people give more preference to savings and safety, but at the same time, they want higher interest at low risk in shorter span. People are having less knowledge of managing their income and assets even though the investors possess higher education like graduation and above.
Deep Kantilal Thakkar (2013), “Investor’s Behavior towards Share Investment in Kolhapur City” finding of this study is most investors are first preferring fixed income, low risk investment avenues like Bank Deposits, Life Insurance, PPF, etc. and then opt for risky investments like Shares even main reason for investing in shares is high return.

Rathnamani, V. (2013), “Investor’s Preferences towards Mutual Fund Industry in Trichy” the study reviles that the investors’ age range and level of willing to take risk for invest in mutual fund. The study concluded willing to take risk for invests in mutual fund, less than 30 years age Investors, 7% of Investors are extremely high risk and 2 % of Investors are high risk. 31 to 40 years age Investors, 13% of Investors are high-level risk and 26% of Investors are moderate level risk. 41 to 54 years age Investors, only 22% of Investors are moderate level risk. Investors above 55 years age Investors, 1% of Investors are moderate risk, 16% of Investors are low risk and 13% of Investors are extremely low risk.

Out of 90 respondents, 22% of respondents belong to urban area have full knowledge about mutual fund, and 10% of respondents are rural that respondents have full knowledge about mutual fund, and conclude that no significant relationship between respondents’ residential area and knowledge level.

Jyotishna Jairath (2013), “Piggy Bank Money Management- A Primary Analysis of Students” the study reviles that investors Risk bearing capacity of the investment were 48% of respondents take medium risk, 13% of respondents take low risk and only 1% of respondent take high risk.
2.6. Literature Review of Investors Behavioural Theories

Behavioural finance attempts to explain and increase the understanding of reasoning patterns of investors, including the emotional processes involved and the degree to which they influence the decision-making process. Essentially, the behavioural finance attempts to explain “what”, “why”, and “how” of finance and investment, from a human perspective.


Mittal, M., et.al (2008), “Personality Type and Investment Choice: An empirical Study” their study explores the relationship between various demographic factors and the investment personality exhibited by the investors. The Empirical evidence suggested that factors such as income, education and marital status affect an individual’s investment decision. Further, the study reveals that investors in India could be classified into four dominant investment personalities namely Casual, Technical, Informed and Cautious.

Harikanth,D., et.at (2012), “Role of Behavioural Finance In Investment Decision Making - A Study on Select Districts of Andhra Pradesh, India” this research reviews part described about Behavioural Finance. The researchers walk around Tversky and Kahneman research theory of Behavioural Finance, they were derived basic traditional behavioural finance theory. In 1973 they were introduced judgmental heuristic theory, the theory describe “a person evaluates the frequency of classes or the probability of events by availability i.e., by the ease with which relevant instances comes to mind.” The reliance on the availability
heuristic leads to systematic biases. In 1974 they were introduced another heuristics theory i.e., the person while making judgments under uncertainty, representativeness, availability, anchoring and adjustment.

In 1981, Tversky and Kahneman introduced the concept of psychological principles that govern the perception of decision problems and the evaluation of probabilities and outcomes produced for preference. Further, they were described about the Behavioural finance; it is the application of scientific research on the psychological, social, and emotional contributions to market participants and market price trends. It also studies the psychological and sociological factors that influence the financial decision-making process of individuals and groups. The human decisions are subject to several cognitive illusions.

The Cognitive Psychology is the study of all knowledge related (mental) behaviours i.e., Attention, Perception, Memory/Comprehension, and Decision Making; it is playing an important role in investment behaviour of investors, then it also explain the individuals’ personality, attitudes, motivations, and behaviours of the individual influence and influences by social groups. It can be grouped into two theories i.e., Heuristics Theory and Prospect Theory. Heuristics Theory refers to rules of thumb which investor’s exercise to make decisions in complex, uncertain environments.

The certainty, the investor’s decision-making processes are not strictly rational one. Thought the investors have collected the relevant information and objectively evaluated, in which the mental and emotional factors are involved. It is very difficult to split. Sometimes it may be good, but many times, it may result in inferior decision outcomes. It includes: Representativeness, Over Confidence, Anchoring, Gamblers Fallacy etc., Prospect Theory refers to Loss Aversion, Regret Aversion, Mental Accounting, and Self Control etc.,
Murthy, P. G. K., et.al (2012), “A Study on Retail Investors’ Behavior”, his objectives of the study were understand the behaviour of investors with the help of different financial behaviour theories like (i) Overconfidence, (ii) Disposition effect, (iii) Conservatism, (iv) Cognitive dissonance, (v) Rationality and (vi) Regret theory. These theories used to understand the investors’ behaviour. (i) Overconfidence defines as “an over estimation of the probabilities for a set of events by operationally”, it is reflected by comparing whether the specific probability assigned is greater than the portion that is correct for all assessments assigned that given probability. (ii) Disposition Effect defines as the common behaviour of investors to hold looser stocks too long and sell the winner stock too early is called disposition effect.

Investors may rationally, or irrationally, believe that their current losers in future will outperform their current winners. They may sell winners to rebalance their portfolios or they may refrain from selling losers due to the higher transactions costs of trading at lower prices. (iii) Conservatism is simply means traditional. Conservatism as psychological attitude means human being has some excess attachment to the things, which they have already with them.

Moreover, something new offer to them then they are not ready to accept that new thing or slowly and gradually they are accept that new thing. (iv) Financial Cognitive Dissonance defines as individuals, we attempt to reduce our inner conflict (decrease our dissonance) in one of two ways: 1) we change our past values, feelings, or opinions, or, 2) we attempt to justify or rationalize our choice. (v) Rationality defines as people is not just reasoned, but is also optimal for achieving a goal or solving a problem. (vi) Regret theory deals with the emotional reaction people experience after realizing they have made an error in judgment. Authors concluded their study the Indian investors’ behaviour in six main cognitive biases namely Rationality, over confidence, Disposition Effect, Conservatism,
Cognitive Dissonance and Regret Theory were used to check the investors’ behaviour. The results support the rationality, disposition and regret theories. But the overconfident, conservatism and cognitive dissonance concepts do not support.

**Shanmugasundaram, V., et.al (2012),** “Influential Factors in Investment Decision Making” their study reviles that the technological factors have impact on investors’ decision making process. Investor behaviour is characterised by over excitement and over reaction in a volatile market. The investor behaviour is analysed whether they behave rationally or irrationally towards various capital market information like bonus issue, rights issue, dividend declaration etc., and the result show that investors behave rationally towards specific capital market information.

**Hayat, M., et.al (2012),** ‘Factors Valued by Investors while Investing in Mutual Funds-A Behavioral Context’, the study explores the factors that investors value while making investment decisions regarding mutual funds and type of behaviour they exhibit. Findings of this study were Investment in mutual funds is somewhat not very much risky as investment in stock market. Mutual fund schemes are designed for smaller investors. Major findings are that investor age groups and cities have different impact on fund selection schemes but income, education level and occupation has no effect. Attributes like past performance of fund, reputation of company, withdrawal facility, Company services towards investor have greater impact on decision making.

Investors are overconfident in term that they have selected best scheme. Investors are risk adverse exhibit representativeness, status quo bias, and are conservative. Investors consider that losses in investment are due to incorrect recommendations of family and friends and gains are due to better result of investing companies. Image conscious investors are more inclined towards sponsor related services than professional investors.
Rathnamani, V. (2013), “Investor’s Preferences towards Mutual Fund Industry in Trichy” the study reviles that out of 90 respondents that the 17% of respondents belong to aggressive investment style, and they notice only about the company’s reputation for their investment avenue. 50% of respondents belong to moderate investment style would like to invest to receive high return at low level of risk. 33% of respondents belong to conservative investment style will see only the liquidity and low level of risk.

Further conclusion of this study explores the age range of respondents and their investment styles. In 9% of respondents belong to under 30 years of age and 24% of respondents belong to 31 to 40 years of age has conservative investment style.14% of respondents belong to 31-40 years of age, 22% of respondents belong to 41 -54 years of age and 13% of respondents belong to 55 years of age & above has moderate investment style. In aggressive investment style, only 17% of respondents belong to 55 years of age & above. Conclusion of his study there is a significant relationship between age and investment style.

Furthermore, conclusion of his study explored investment style and the educational qualification of the investor. In conservative style of investment there were 23% of respondents belong to school level and 10% of respondents belong to U.G level. In moderate investment style, they have 18% of respondents in U.G level 22% of respondents were in P.G level and 10% of respondents in professional level. In aggressive investment style, they have 6% of respondents have professional level and rest of 11% of respondents belong to other category of educational level.