

## **CHAPTER – VII**

### **SUMMARY OF FINDINGS SUGGESTIONS**

#### **7.1 Introduction**

The major purpose of investment is to get a return or income on the funds invested. The savings and investment scenario in India has totally changed after liberalization and globalization. With the increasing sophistication of our economy, the variety and type of investment options available to the investors today have multiplied. Also with the economy getting more and more integrated with world economy, rapid changes in the options, instruments, rate of returns etc have become the order of the day.

Though a variety of avenues are available to individuals, it is surprising that a large majority of people still depend on the banking system to deposit their savings. Returns are usually associated with risk. The higher the risk, higher will be the returns. But a conservative investor aims for the better return with lower risk associated with it. Investors have to take a little risk for better returns.

The present study was carried out with the general objective of studying the investment behaviour of women entrepreneurs. The specific objectives of the study are to know the various investment avenues available to women entrepreneurs, to analyze the level of awareness of various investment avenues, to study the factors motivating the women entrepreneurs towards various investment avenues, to identify the problems faced by the women entrepreneurs while investing their savings and to give valuable suggestions.

The present study is an empirical study, both primary and secondary data are collected for the study. A well structured questionnaire was prepared and pre- tested for their comprehensiveness before using them for the collection of data from the respondents.

The present study has been undertaken in Coimbatore District, since it is the third largest and one of the most industrialized cities in Tamil Nadu. It is the Manchester of South India. As regards the selection of respondents, the study area was divided into two namely rural and urban areas. The rural area consists of 389 Panchayat villages under 12 administrative blocks. The urban area consists of Coimbatore Corporation and four municipalities and 52 town Panchayats. For the purpose of the study, 300 women entrepreneurs (150 from rural area and 150 from urban area) have been selected by applying stratified random sampling technique.

In accordance with the specific objectives framed, the data collected were analyzed with the help of statistical tools. The percentage analysis was carried out for the socio- economic profile of the women entrepreneurs. The mean, standard deviation, correlation and regression analysis were worked out for the asset holding possession of the respondents. Weighted average analysis was used to test the attitude towards investments, motivating factors for investments, importance given to select a particular investment and problems faced by the respondents while investing their money. Garrett scoring technique was applied for the reasons for non- payment of loan instalment, sources of awareness of investment avenues and preference for tax planning investments.

Average score analysis has been attempted to analyse the level of awareness of investment avenues, motivating factors for investment and problems faced by the respondents while investing their money. Analysis of variance (ANOVA) and T- test has been used to find out the significance of difference in the socio- economic factors towards motivating factors considered for investments. Factor analysis has been applied to analyze the interrelationship among the attitude of the respondents, problems faced by the respondents while investing the money, awareness of investment avenues and reasons for non- payment of loan instalments.

## **MAJOR FINDINGS OF THE STUDY**

- The study highlights that majority (71.67 per cent) of the respondents established their business within 10 years. There is no record found for women entrepreneurship above 30 years in rural area and one per cent of urban respondents established their business above 30 years. The dominant age group both in rural and urban was 31-40 years. The dominant levels of education among the respondents in rural and urban areas are graduation which constitutes 49.33 per cent to the total.
- The study reveals that around 88.33 per cent of the total respondents are married. The majority of the respondents i.e. 77 per cent to the total belong to the nuclear family.
- The study clearly indicates that 80.33 per cent of the respondents have a family size of upto 4 members and, 16 per cent of the rural respondents, 23.33 per cent of the urban respondents belong to the family of above 4 members. In total, 77.67 per cent of the respondents are having two earning members in their family. The number of respondents who have more than three earning members per family constitute only 3.33 per cent in urban area and 0.67 per cent in rural area.
- The dominant annual income group both in rural and urban area was Rs.50001-100000 which constitutes 57 per cent to its total. The family income revealed that 42.67 per cent of the rural respondents and 39.33 per cent of the urban respondents belong to Rs.100001-200000 family income group; it is 41 per cent to its total. The number of respondents having the family income of below Rs. 50000 alone constitutes 10.67 per cent to the total of 300 respondents.
- The study reveals that 62.34 per cent of the respondents reside in their own houses and all the 300 respondents are of the opinion that cell phone plays an important role in communication.
- Majority (76 per cent) of the rural respondents has not any attended training programme and 83.33 per cent of the urban respondents' have undergone training programme to start their business. Majority (73.60 per cent) of the urban

respondents has attended special courses and 55.60 per cent of the rural respondents' have undergone certificate courses to start their business.

- Regarding the monthly expenses, a maximum of 69.34 per cent of the rural respondents spent upto Rs. 3001-6000 per month and 55.33 per cent of the urban respondent's monthly expenses amount to Rs.6001-9000, in total 47 per cent of the respondents spent Rs. 3001-6000 per month. Majority of the rural respondents (37.33 per cent) save Rs.2001-3000 per month and 34 per cent of the urban respondents save above Rs.4000 per month.
- The study clearly indicates that 37.50 per cent of the rural respondents' fathers engaged in business are having an experience of 15-25 years and 52.63 per cent of the urban respondent's fathers are employees having an experience of upto 15years. Majority of unmarried respondents' mothers are housewives.
- A maximum of 32.09 per cent of the rural respondents' husbands are daily labourers having an experience of 11-20 years and 63 per cent of the urban respondent's husbands are employees having an experience of 11-20 years.
- It is proved from the study, that majority (76.33 per cent) of the respondents are first generation entrepreneurs. Only 18.67 per cent of the rural respondents and 28.67 per cent of the urban respondents are hereditary entrepreneurs. Nearly 76 per cent of the rural respondents are running partnership type of business and 94 per cent of the urban respondents are running sole proprietorship form of business.
- Majority (40.67 per cent) of the rural respondents are engaged in trading business and 46.67 per cent of urban respondents are engaged in service business. Most of the respondents (54.67 per cent) use their own capital to run their business. Only 14.67 per cent of rural respondents and 13.33 per cent of urban respondents availed borrowed capital to run their business.
- Among the 136 respondents who availed borrowed funds, majority 47.79 per cent of the respondents borrowed funds from Commercial banks. Only 5.48 per cent

rural respondents and 14.29 per cent of urban respondents borrowed funds from money lenders.

- The Garrett scoring technique was used to rank the reasons for non- payment of loan instalment, the rural respondents provided first rank to insufficient income and urban respondents provided first rank to more family expenses.
- The study reveals that around 94 per cent of the total respondents got support from their family members to run their business, among them 65.96 per cent of rural respondents and 53.19 per cent of urban respondents got physical help from their family members to run their business. Among the 300 sample respondents selected for the study, 74.67 per cent of the respondents are not subscribing to investment journals and only 40 per cent of the urban respondents are subscribing to investment journal.
- Of the 300 respondents selected for the study 69 per cent of the respondents' average annual turnover of their business turns upto Rs. 200000 and only 1.33 per cent of the rural respondents, 10.67 per cent of the urban respondents turnover reaches above Rs.600000. Majority (61.33) of the rural respondents market their products only in rural area and 52 per cent of the urban respondents market their products both in rural and urban area.
- The study also reveals that 92.33 per cent of the total respondents partly invest their business profit again in business only 8.67 per cent of the rural respondents and 6.67 per cent of urban respondents fully invest their business profit again in their business. Among 277 respondents who prefer to invest their business profit in other investment avenues, majority (29.20 per cent) of the rural respondents and 22.87 per cent of the urban respondents prefer to invest in banks.
- Regarding the assets possession among the respondents, majority of the respondents possess land and precious objects.

- The important sources of awareness of investment avenues among rural and urban respondents were parents since it has secured the highest mean scores of 67.29 and 63.89 respectively.
- As regards the motivational factors for investment both the rural and urban respondents provided highest scores to the factors “Higher and regular income”. Hence it is the important motivating factor for investment.
- The study clearly indicated that majority (45.33 per cent) of the respondents after consulting their husbands jointly take investment decisions and 85.33 per cent of rural respondents are not at all consulting their auditors and 37.67 per cent of the urban respondents occasionally consulting the auditors before making investments. Majority (64.33 per cent) of the respondents occasionally, monitor their investments.
- As regards the importance given to select a particular investment, the factor “Higher education of children” and “Marriage of children” secured the highest scores in that order.
- Among the preference for tax planning investment avenues, both the rural and urban respondents provided first rank to LIC schemes and second rank to Bank deposits because these avenues has secured the highest mean scores.
- As regards the problems faced by the respondents, the rural respondents provided highest score to the problem “Cumbersome procedure” and the urban respondents provided highest score to the problem “High risk”.
- As regards the attitude towards investments both the rural and urban respondents provided highest scores to “Investing today for a better tomorrow” and “Investment offers safety” in that order.

### **Investment Behaviour of Rural Women Entrepreneurs**

- Among the list of investment avenues considered for the study 95.24 per cent of the women entrepreneurs preferred savings deposits in banks because of safety and liquidity.

- The study also reveals that the rural women entrepreneurs hold an average assets worth of Rs.3.36 lakhs.
- Average score analysis was performed to identify the level of awareness of investment avenues. Bank savings deposit was identified as high level awareness compared to all avenues. It is the opinion given by the hereditary business respondents, partnership type of business respondents, agriculture nature of business respondents borrowed capital invested respondents and above 6 lakhs annual business turnover respondents.
- Factor analysis was performed to identify the level of awareness of investment avenues, savings deposits in banks has secured the highest extraction value (.815) and it was considered as the most preferred investment avenue by all the selected respondents.
- Average score analysis was performed to identify the important motivating factor for investment. Higher and regular income was identified as the important motivating factor. It is the opinion given by the first generation business respondents, partnership type of business respondents, agriculture nature of business respondents, borrowed capital invested respondents and above 6 lakhs annual business turnover respondents.
- The result of t- test analysis reveals that there was a significant difference between motivating factors and personal factors namely marital status, type of entrepreneurship and form of business. Hence, the null hypotheses framed stand accepted. There is no significant difference among the personal factors namely type of family and number of members in the family, hence, the null hypotheses framed stand rejected.
- The Analysis of Variance (ANOVA) reveals that there is a significant difference between the motivating factors and the independent variables namely, age of the respondents, educational qualification of the respondents, annual income, family income, number of earning members in the family of the respondents, nature of

business of the respondents and annual business turnover of the respondents. There is no significant difference between the motivating factors and the variables namely year of establishment of business, residence and form of capital invested by the respondents.

- Factor analysis was performed to identify the highly agreed statement towards the attitude of the respondents, the statement investing today for a better tomorrow has secured the high extraction value (.820) and it was considered as the important motive for investment.
- As regards the problems faced by the respondents the result of average score analysis reveals that cumbersome procedure was the major problem faced by the first generation entrepreneurs, Sole Proprietorship type of business respondents, agriculture nature of business respondents, borrowed capital invested respondents and above 6 lakhs annual business turnover respondents.
- The Factor Analysis confirms that almost all problems faced by the respondents are found to have influence. Among the problems considered for the study cumbersome procedure (.788) was extracted high value. Hence it was the main problem faced by all the women entrepreneurs.
- Factor analysis was performed to identify the reasons for non- payment of loan instalment. The reason insufficient income (.831) has secured the high extraction value and it was considered as the main reason for non- payment of loan instalment.

### **Investment Behaviour of Urban Women Entrepreneurs**

- Among the list of investment avenues considered for the study 88.89 per cent of the women entrepreneurs preferred savings deposits in banks because of safety and liquidity.
- The study also reveals that the urban women entrepreneurs hold an average assets worth of Rs.4.54 lakhs.
- Average score analysis was performed to identify the level of awareness of investment avenues. Bank savings deposit was identified as the highest level

awareness compared to all avenues. It is the opinion given by the first generation entrepreneurs, partnership type of business respondents, agriculture nature of business respondents, borrowed capital invested respondents and 4-6 lakhs annual business turnover respondents.

- Factor analysis was performed to identify the level of awareness of investment avenues, savings deposits in banks has secured the highest extraction value (.804) and it was considered as the most preferred investment avenue by all the selected respondents.
- Average score analysis was performed to identify the important motivating factor for investment. Higher and regular income was identified as the important motivating factor. It is the opinion given by the first generation entrepreneurs, Sole Proprietor ship type of business respondents, service nature of business respondents borrowed capital invested respondents and 4-6 lakhs annual business turnover respondents.
- The empirical study states that the result of t- test analysis does not establish significant difference between motivating factors and personal factors. Therefore, the null hypothesis framed is accepted and it is concluded that there is no significant difference among the personal factors of the respondents towards the motivating factors considered while investing money.
- The Analysis of Variance (ANOVA) reveals that there is a significant difference between the motivating factors and the independent variables namely, year of establishment of business, age of the respondents, educational qualification of the respondents, family income, residence, form of capital and annual business turnover of the respondents. There is no significant difference between the motivating factors and the variables namely number of earning members in the family of the respondents and nature of business of the respondents.
- Factor analysis was performed to identify the highly agreed statement towards the attitude of the respondents, the statement investing today for a better tomorrow has secured the high extraction value (.705) and it was considered as the important motive for investment.

- As regards the problems faced by the respondents the result of average score analysis reveals that high risk was the major problem faced by the first generation entrepreneurs, sole proprietorship type of business respondents, agriculture nature of business respondents, borrowed capital invested respondents and above 6 lakhs annual business turnover respondents.
- The Factor Analysis confirms that almost all problems faced by the respondents are found to have influence. Among the problems considered for the study high risk problem (.684) was extracted high value. Hence high risk was the main problem faced by all the women entrepreneurs.
- Factor analysis was performed to identify the reasons for non-payment of loan instalment. The reason more family expenses (.897) have secured the high extraction value and it was considered as the main reason for non-payment of loan instalment.