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A STUDY ON INVESTMENT HABITS OF PEOPLE IN SIVAGANGAI DISTRICT

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Abstract

Savings or Investments are crucial to the human beings life. Finance management and investment awareness become the success mantra for everyone in current era, investment or financial awareness is not about earning a lot of money, saving or investing it for future. An effort is made to indenting the preference of a sample of investors selected from large population. Despite of money limitations to the study was successful is identifying some investment patterns. There is some commonness in these investors and many of them respond positively to the study. This study concentrated identifying the needs of present and future investors. Investors preference towards various investment avenues are identified based on their income. Investors risk in selecting particulars avenues is dependent on the age of these investors.

Key Words: *Savings, Investments, financial awareness, risk-return, trade-offs.*

Introduction

Savings and Investments form an integral part of one's life. Investments refer to the employment of funds with an objective of earning a favorable return on it. In other words, investment is a process, where money is being utilized with a hope of making more money. Investment is the commitment of money that have been saved by deferring the consumption and purchasing an asset, either real or financial with an expectation that it could yield some positive future returns. There is a plethora of investment avenues, each associated with varied risk-return trade-offs. Every investment avenue is distinct in its characteristic, which makes the investment decision fascinating. The investor thus needs

to carefully analyze complies with his objectives and goals.

Statement of Problem

Savings or investments are acknowledged as power full tools in the alleviation of poverty. Investing even a small amount can produce considerable rewards over the long-term period. But we need to make the decision of how much to invest and where to invest. To choose wisely we need to know the investment options thoroughly. But there will be confusion among the people for the selection of best investment avenues and this is the Major problem of the investors. While investing money the investors are having a lack of awareness about the investment alternatives. When they take investment

decisions they have to play more attention to safety, liquidity, returns, risks, tax benefits and so on in addition to the investment option. The above factors will confuse the investors while investing the money.

The investors should be careful in selecting the investment avenue. She should exercise her skill, knowledge and experience in choosing the investment opportunity.

The study will also throw a light on the awareness of the investment avenues available in India. The research paper will become the helping hand to the research scholars as well as students for their further studies in respective area.

Objectives of the Study

1. To study socio economic conditions of the investors.
2. To examine the investment preferences and styles of peoples.
3. To inquire into the awareness of investment schemes among Investment.
4. To analyze the impact of savings and investment policies on economic, social and quality of life of Investment.
5. To offer suggestions based as finding of the study.

Methodology

The validity of any research is based on the systematic method of data collection and analysis of the data collected. The data is collected through primary data as well as secondary data. The study is based on the data collected from individual women investors in Sivagangai District. The sampling technique followed in this study is non- probability convenient sampling techniques are used to select the respondent from the available data base. Accordingly, the researcher has selected 120 respondents in the data study data.

Hypothesis of the Study

In this study, they following hypothesis has been to analyse the opinion of the respondents.

There is no significant difference between age of the respondents and ability of the investment decision.

Demographic factors of the Respondent

Demographic Factors	F	%
Age		
Upto 20 Years	40	33.3
20-30 Years	60	50.00
30- 40Years	14	11.67
Above 40 Years	6	5.00
Gender		

Male	56	46.67
Female	64	53.33
Educational Qualification		
SSLC	36	30.00
H.S.C	44	36.67
Graduate	26	21.67
Post Graduate	14	11.67
Size of Family		
<i>Below 3 Members</i>	28	23.33
<i>3 - 4 Members</i>	30	25.00
<i>4 - 5 Members</i>	46	38.33
<i>Above 5 Members</i>	16	13.33
Occupation		
<i>Farmer</i>	54	45
<i>Private Employee</i>	54	45
<i>Government Employee</i>	8	6.7
<i>Business man</i>	4	3.3
Monthly Income		
<i>5000 - 10000</i>	34	28.3
<i>10000 - 20000</i>	68	56.7
<i>20000 - 30000</i>	16	13.3
<i>30000 - 40000</i>	2	1.7
Type of house		
<i>Thatched</i>	14	11.7
<i>Tiles</i>	68	56.7
<i>Concrete House</i>	38	31.6
Source of investment		
<i>Advertisement</i>	30	25
<i>Friends</i>	78	65
<i>Other's</i>	12	10

1. A considerable number (36.7%) of the respondents are studied H.S.C level.
2. A sizable number (38.3%) of the respondents belonging the family size of 4-5 persons.
3. Most of (45.00%) of the respondents are going to private job and farmers same level.
4. It is inferred that a majority (56.7%) of the respondent's income level is ₹10000 – ₹20000.
5. A majority (56.7% of the respondents are living in Tiled house.
6. It is found that 65 per cent of the respondent's source of investment is through friends.
7. Investment habits of people is Sivagangai District
8. It is inferred that 50.00 per cent of the respondents are investing for the objective of Children Education.
9. It is known that 45.00 per cent of the respondent's investment objective is short-term growth.

10. It is shown that 43.00 per cent of the respondent's monthly commitment is for Family Expenses.
11. It is found that 58.00 per cent of the respondents are having target for each year.
12. A majority (56.7%) of the respondents Role of investment is At an average rate.
13. It is found that 40 per cent of the respondents are considering as Safety of principal to their investment.
14. It is known that 43.3 per cent of the respondents are getting 0-5% as percentage of return.
15. A majority (63.3%) of the respondents are Reinvested their return.
16. A considerable number (40.00%) of the respondents are opted for Bank for their investment.
17. Most (36.7%) of the respondents are invested in SBI BhagyaRekha Deposits schemes.
18. A majority (66.7%) of the respondents are New generation Investor.
19. Most (48.3%) of the respondents are invested in offering additional Bonus.

Purpose of Investment Garret Score

The Garret ranks are calculated by using appropriate Garret ranks, the Garret value is ascertained. The Garret table values and scores of each rank is Table 4.13.

Purpose of investment:

	I	II	III	IV	V	Total
To earn more Return	36	12	64	6	2	120
To life style	50	28	22	20	-	120
To get regular monthly income	32	50	20	14	4	120
To improve the financial position	2	28	10	76	4	120
To met the social obligation	-	2	4	4	110	120
Purpose of Investment			Total	Avg	Rank	
To earn more Return			6902	60.01	I	
To life style			7310	58.68	II	
To get regular monthly income			7042	57.51	III	
To improve the financial position			5390	44.91	IV	
To met the social obligation			3116	25.96	V	

It is observed from the Table 4.16 that 'To earn more Return' has been ranked as the first factor to influence the investment investor, 'To life style' has been ranked

second, 'To get regular monthly income' third position, followed by 'To improve the financial position' the fourth rank and 'to met the social obligation' ranked as the fifth rank factor to influence the investor to invest money in the study area.

Awareness of investment schemes:

Sign Test:

It is one of the non-parametric methods in statistical work. This can be used with either nominal or ordinal data. It requires less restrictive assumptions concerning the level of data measurement. For recording the responses of sample investment habits, a sign is recorded if the workers responses is "yes" for each statement framed for the study or a '-' is recorded if the respondents is 'no' for that statement.

Using this procedure the responses of all sample workers are recorded in terms of '+' or '-' sign. The response of 'no opinion' is ignored while applying sign test. The purpose of this study is to determine whether or not the 'yes' and 'no' responses of workers for each statement is equal.

This test can be applied for the small sample case (n<9) and for large of sample case (n>9).Hence n refers to number of respondents who responded to each statement as 'yes' and 'no'. Due to large sample, for all a statement framed for this study the number of 'yes' and 'no' responses of sample workers is greater than 9.

The null hypothesis is that there is no significant difference between the responses of the respondents in each of the facilities provided.

It is inferred from that the z value is not within the acceptance region of null hypothesis (z =-1.96 to +1.96) for all 9 statement. This indicates that these are significant differences' is the responses. Theses significant differences are due to a large number of yes responses. Hence, it is concluded that they aware of saving and investment schemes.

Level of Opinion of Ability of Investment Decision

The chi-square is one of the simplest and most widely used non-parametric test in statistical analysis. The symbol of the Greek Chi is x². The x² test was first used by Karl person in the year 1900. The quantity x² describe magnitude of the discrepancy between theory and observation. The data in

chi-square tests is often in terms of count or frequencies. The actual survey data may be on a nominal or higher scale of measurement. If it is on a higher scale of measurement, it can always be converted into categories.

It is observed from Table 4.32 that out of 120 investors with medium level opinion, 66 investors, 46.67 per cent of the respondents belong to the age group below 30 years, 10.00 per cent of the respondents belong to the age group of above 30 years. Out of 18 investors having low level opinion, 6.67 per cent belong to the age group of below 30 years and the remaining 10.00 per cent belong to the age group of above 30 years. Further, with high level opinion, out of 36 respondents 13.33 per cent belong to the age group of below 30 years and the rest 20.00 per cent belong to the age group of above 30 years.

Since the calculated value of 21.82 is more than the table value both at five per cent of significance, the null hypothesis is rejected. Hence, it is concluded that there is a significant difference between the age of the respondents and their level of opinion on investment decision of the investors in the study area.

Social and Economic Impact of the Investors

Age	Level of Opinion			Total
	Low	Medium	High	
Below 30 Years	46 (38.33%)	20 (16.67%)	14 (11.67%)	80 (66.67%)
Above 30 Years	28 (23.33%)	8 (6.67%)	4 (3.33%)	40 (33.33%)
Total	74 (61.67%)	28 (23.33%)	18 (15.00%)	120 (100.00%)

Source: Calculated Primary Data.

It is observed from Table 4.34 that out of 120 investors with medium level opinion, 28 investors, 16.67 per cent of the respondents belong to the age group below 30 years, 6.67 per cent of the respondents belong to the age group of above 30 years. Out of 74 investors having low level opinion, 38.33 per cent belong to the age group of below 30 years and the remaining 23.33 per cent belong to the age group of above 30 years. Further, with high level opinion, out of 18 respondents 11.67 per cent belong to the age group of below 30 years and the rest 3.33 per cent belong to the age group of above 30 years.

Age and their Social and Economic Impact on Investment Decision of the Investors – Chi-square Test

Cell	O	E	O-E	(O-E) ²	(O-E) ² /E
R ₁ C ₁	20	18.67	1.33	1.78	0.10
R ₂ C ₁	14	12.00	2.00	4.00	0.33
R ₁ C ₂	28	24.67	3.33	11.11	0.45
R ₂ C ₂	8	9.33	-1.33	1.78	0.19
R ₁ C ₃	4	6.00	-2.00	4.00	0.67
R ₂ C ₃					

Since the calculated value of 1.96 is less than the table value both at five per cent of significance, the null hypothesis is accepted. Hence, it is concluded that there is no significant difference between the age of the respondents and their social and economic impact of investment decision of the investors in the study area.

Suggestions

- The Government should take more steps to increase the awareness of the investors.
- The investors are asked to invest more in long term investments.
- The Government should create awareness to aim for saving and investment target.
- The district administration should conduct more awareness meeting to for the future.
- The Government should create more awareness to do the business through online.

Conclusion

This report is a reflection of the behavior of various categories of investment selection of a perfect investment avenue is a difficult task to any investors. An effort is made to identify the preference of a sample of investors selected from large population. Despite of many limitation to the study was successful in identifying some investment patterns. There is some commonness in these investors and many of them respond positively to the study. This report concentrated in identifying the needs of present and future investors. Investors preference towards various investment avenues are identified based on their income. Investors risk in selecting particular avenues is dependent on the age of those investors.

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