

EMERGING INNOVATION IN SOCIAL SCIENCE

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A DESCRIPTIVE STUDY ON PROBLEMS FACED BY INVESTORS IN INVESTMENT AVENUES

Dr Somanchi Hari Krishna

*Associate Professor, Department of Business Management
Vignana Bharathi Institute of Technology,
Medichal Malkajigiri Dist, Telangana.*

Dr. R. Sangeetha

*Assistant Professor
Department of Commerce Business Applications
Sri Krishna Arts and Science College.*

M. Rajakrishnan

*Assistant Professor in Commerce,
PSG College of Arts & Science
Coimbatore.*

Abstract

The use of money with the intention of earning a profit from such use is known as investment. With a broad sense, the term "investment" refers to the act of spending money in the expectation of generating further funds. With the world of finance, the term "investment" refers to the practice of allocating monies that have been set aside for uses other than immediate consumption in the expectation that those funds would provide profits in the future. The investment of choosing which investment avenues to pursue can be extremely difficult for investors. One of the main reasons for this is that investors first have to determine the characteristics of each of the available investment avenues before being able to match those characteristics with their own specific requirements and preferences. The following are the objectives of the present study to analyze the nature of the investors in the study area and to study the investor's preference in different source of investment. In the course of this investigation, a descriptive research approach was taken. The primary purpose of the study is to get an understanding of the behaviours of investors in relation to their respective investments. A samples from 200 different investors in the city of Chennai was been considered for the study. A technique known as non-probability convenient sampling was utilised in order to pick the sample respondents from the area being investigated. The researcher concluded that the majority of investors are not fully aware of the investment opportunities that are available, such as shares, mutual funds, etc., and investments need to be promoted among the younger generation, also known as the millennial generation, so that they may save more money for the future.

Keywords: *Saving Pattern, Investors, investment avenues and source of investment*

Introduction

An investor has a variety of options to choose from when it comes to parking their funds due to the fact that there are so many different investment vehicles accessible nowadays. The investor choose the mode of investment that affords them the most

possible benefit. Some of them are marketable and liquid, while others are not; some of them take a significant risk, while others take absolutely no risk at all. In addition, some of them are nonmarketable. The Investors are required to choose the path forward based on their individual requirements, levels of risk tolerance, and desired returns. Therefore, in order to select the most common and successful investment routes for the study, it is necessary for the research to first gain an understanding of the benefits and drawbacks associated with the various investment routes. This can be accomplished through the use of financial advertisements, newspapers, investment journals, research reviews, and the advice of industry professionals and other investors. Investment is something that everyone should do as economic backdrop. Everyone has the goal of increasing the amount of investment they earn from their investments. The proper administration of a portfolio requires the direction or understanding of an expert. The investor's capacity for accepting risks will play a significant role in determining their investment selection. There are a variety of investment opportunities accessible, each of which has a unique level of both risk and potential reward. The investor will make a choice at the point when he feels comfortable with both his risk and his reward. The moment at which an individual will decide to make an investment will differ from person to person. This article provides an analysis of the actions taken by the investors. Investors are not the same as one another in any way, shape, or form because of the different elements that influence them, such as demographic characteristics, socio-economic background, life style, and so on, despite the fact that investors invest with the intention of accomplishing certain goals.

Behaviour of Investor

The conduct of the investors is very difficult to comprehend and forecast accurately. It varies from person to person and scenario to situation. The research was more concerned with human behaviour than with the state of the economy. The only reason why the price of shares or commodities is shifting is because different people have different goals and needs. However, the choice was made solely on the basis of their actions. There are a lot of different things that might impact the actions of investors. Investors' economic standing, their propensity for accepting risks, the many investment opportunities now accessible, etc. This report is an effort to investigate the behaviour of investors in the region under investigation.

Review of Literature:

In India, investors often consider every possible channel for investment accumulation to be high-risk. The security of the original amount, liquidity, the consistency of the income, approval, and the ease of transferability are the primary characteristics of investments. There is a wide variety of opportunities for investment, including stocks, banks, businesses, precious metals like gold and silver, properties, life insurance, postal savings, and so on. The choice of investor is determined by the desired rate of return as

well as their degree of comfort with risk. The investment may be one of many different options, including national savings certificates, provident funds, mutual fund schemes, insurance schemes, chit funds, bank fixed deposits, and company fixed deposits, company shares, bonds / debentures, government securities, postal savings schemes, or real estate. It is reasonable to draw the conclusion that in this rapidly changing environment, we should make an effort to save money. More danger usually results in a larger payoff.

Geetha and.Ramesh (2019) in their study “A study on People’s Preferences in Investment Behaviour” The authors have studied the factors that influence investment behaviour patterns of the people and the attitude of the respondents towards different investment choices. From the study it was found that the lower income level respondents give more preference to invest in insurance, bank deposits. Lower income level groups have more awareness about the investment avenues compared to that of the high income level respondents. Mark and WH (2017) investigated an exploratory study of investment behaviour of investors. This exploratory study intends to address the highlighted research vacuum by presenting linear regression models of the financial investment behaviour of Mainland Chinese and Hong Kong investors. These models will be compared and contrasted in terms of their similarities and differences. According to the findings of regression analyses, I there are discernible distinctions in the manner in which Mainland Chinese and Hong Kong investors approach their financial investments, and (ii) investors' psychological, sociological, and demographic factors are significant predictors of their investment and preferences. PritiMane (2016) discussed the customer perception with regard to the mutual funds that the schemes they preferred, the plans they are opting, the reasons behind such selections. This study focused on alternative investment vehicles, in addition to and apart from mutual funds that are preferred by individuals. These vehicles include postal savings programmes, recurring deposits, bonds, and share investments. Conclude that mutual funds are linked with the share market, and since investors do not seek advice from authority advisors to guide them through the investment of investing in mutual funds, it is difficult for them to choose the mutual fund plan that is most suitable for their needs because of this..Awais et al. (2016) explored that the factors which influence the decision-making process of investors. According to the findings of their investigation, the level of risk factors has a direct bearing on the choices made by investors. In conclusion, they came to the conclusion that investors could improve their capacity to jump into risky investments for the purpose of earning high returns by managing investment more effectively if they had a higher level of knowledge about financial information and an increased ability to analyze that information.

Vaidehi et al. (2016), argued that investment methods as well as styles are driven by a variety of distinct demands. It investigates the necessity of more widespread acceptance of behavioral patterns among paper investors. Such a pattern would assist investment advisors in visualizing how investors react to market schedules and would enable them to

develop appropriate allotment strategies for their clients. The research was carried out to answer these questions. Among the identified elements, the investment motivations, which accomplished the long-term gain, which established to be a vital factor pursued by dividend and growth possibilities and the balance of short-term and long-term gain, were among the considerations. The manner in which an investor chooses to invest their money is significantly influenced by factors such as their age, employment, level of income, and total equity holdings. Claudia Nicoleta Borsan (2009) investigated the behaviour of the stock market on the same day that the information about the environment was made public, we found some conclusions that were contentious. This means that as of the proper publishing date, high polluter firms have majorly abnormally low returns, but low polluter companies have returns that are statistically indistinguishable from zero on average. The study came to the conclusion that investors have been slow to properly evaluate future increases in firm value associated with current good firm environmental performance. However, on the other hand, investors have properly low-cost future negative financial effects matching to high-polluter companies.

Statement of the Problem

Investment is that everyone should do if they want to live a life that is highly pleasant. However, finding the correct investment path as well as their point of entrance or departure is not always simple. When you want to earn a greater return while taking on less risk, portfolio management becomes vital. As a result, the purpose of this research is to find out how well individuals understand the various investment opportunities and the outcomes of those opportunities. It is important to follow the correct procedure while making an investment. There is a chance to struggle with making a decision about the time investment.. The following questions are raised relating to the above:

- ❖ Which investment avenue is mostly preferred by the investor?
- ❖ What are the problems faced by the investors in managing their portfolio?

Objectives of the Study

The following are the objectives of this study

1. To analyze the nature of the investors in the study area
2. To study the investors preference in different source of investment.

Research Design

In the course of this investigation, a descriptive research approach was taken. The primary purpose of the study is to get an understanding of the behaviours of investors in relation to their respective investments. We took samples from 200 different investors in the city of Chennai. A technique known as non-probability convenient sampling was utilised in order to pick the sample respondents from the area being investigated.

Findings, Discussion and Results

1. Profile of the investors

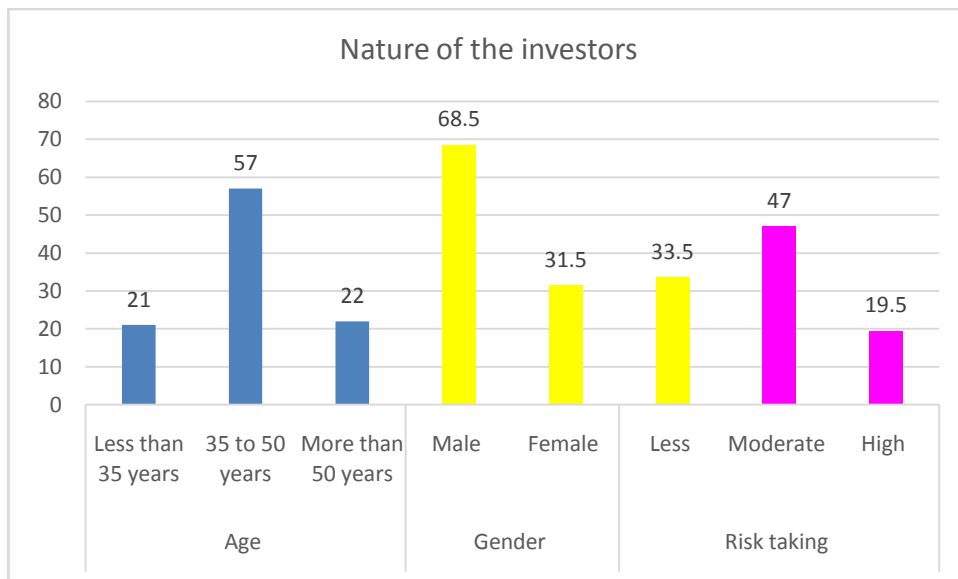
The investors are from different nature of demographic, economical and behavioral aspects. This study observes the age, gender, risk taking ability of the investors, their objectives and major source of information they get related to investment decisions. They are given below.

Table 1
Nature of the investors

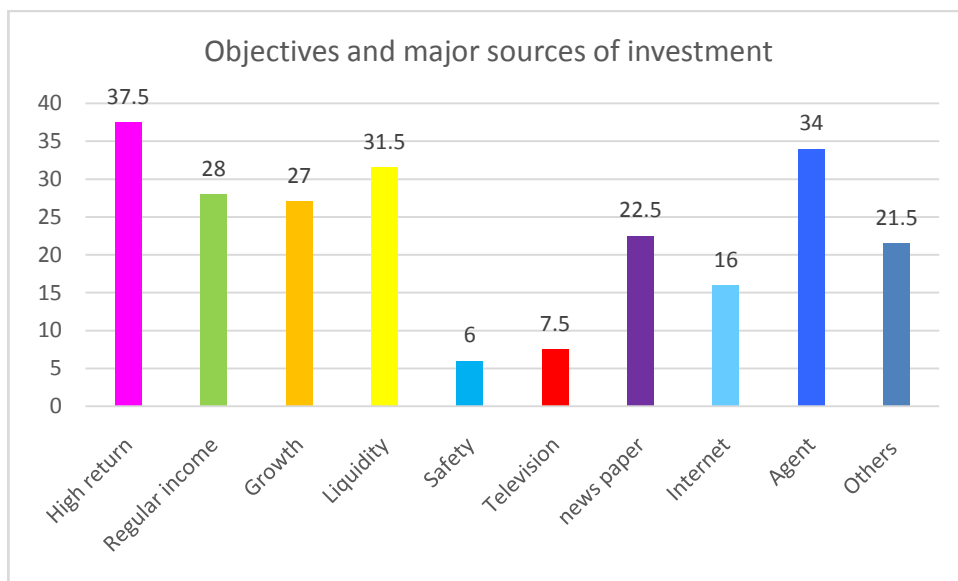
Nature		Number of respondents	Percentage
Age	Less than 35 years	42	21.0
	35 to 50 years	114	57.0
	More than 50 years	44	22.0
Gender	Male	137	68.5
	Female	63	31.5
Risk taking	Less	67	33.5
	Moderate	94	47.0
	High	39	19.5
Objectives of investment	High return	77	37.5
	Regular income	56	28.0
	Growth	54	27.0
	Liquidity	63	31.5
	Safety	12	6.0
Major source of investment	Television	15	7.5
	news paper	45	22.5
	Internet	32	16.0
	Agent	68	34.0
	Others	43	21.5
Total		200	100.0

The Table 1 indicates that 42 (21.0%) respondents are aged below 35 years, majority (57.0%) of the respondents are aged from 35 to 50 years and 44 (22.0%) respondents are from old age group more than 50 years. 137 (68.5%) are male and 63 (31.5%) are female.

77 (37.5%) respondents wish to take less risk, 94 (47.0%) are ready to take moderate risk and 39 (19.5%) respondents are willing to take more risk. According to their purpose of investment, 77 (37.5%) respondents prefer high return yielding investments, 56 (28.0%) respondents choose regular income choices, 54 (27.0%) respondents like growth oriented investments, 63 (31.5%) respondents prefer liquidity and 12 (6.0%) respondents give importance to safety.



The respondents are also asked to mention about their major source of information which helps for their investment decision making. Most of the respondents (34.0%) respondents are get information and knowledge through their broking houses or agents. 45 (22.5%) read and use the newspapers, 43 (21.5%) respondents get information from other persons like friends, relatives and family members. 32 (16.0%) respondents have the ability to access and get information in the internet and 15 (7.5%) give importance to the television to get information.



2. Investors' preference

This paper is also trying to study the investors' preferred investment avenue. The choices of investments are majorly classified reality sector, securities market, bank deposits, mutual funds, insurance, post office saving schemes, gold and other bullion market and other investment options in different sources including local chit companies, finances, etc. The result is given below in Table 2.

Table 2
Preferred Investment Avenue

Preference	Number of respondents	Percentage
Real estate	46	23.0
Securities	58	29.0
Bank deposit	28	14.0
Mutual fund	12	6.0
Insurance	8	4.0
Post office	8	4.0
Gold	37	18.5
Others	3	1.5

The respondents are asked to mention their most preferred investment avenue. Though they opt multiple choices, they have given about the most preferred to invest their saving. 58 (29.0%) respondents prefer to invest in the security market (most of the male respondents prefer). 46 (23.0%) respondents like to invest in real estates, 37 (18.5%) respondents invest in gold and other bullion market sources. Bank deposit is preferred by 6% of the respondents. Further, influence of the gender on the decision on selecting the investment avenue is analyzed as below.

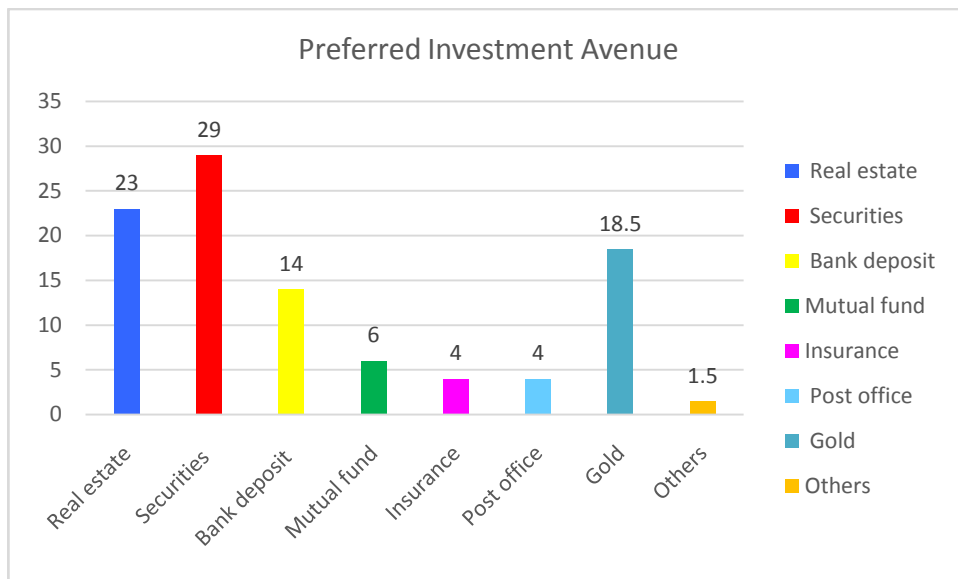


Table 3
Preference of investors according to their age

Gender	Preferred investment								Total
	Reality	Security	Bank	Mutual fund	Insurance	Post Office	Gold	Others	
Male	37	55	15	10	6	5	7	2	137
	27.0%	40.1%	10.9%	7.3%	4.4%	3.6%	5.1%	1.5%	100.0%
Female	9	3	13	2	2	3	30	1	63
	14.3%	4.8%	20.6%	3.2%	3.2%	4.8%	47.6%	1.6%	100.0%
Total	46	58	28	12	8	8	37	3	200
	23.0%	29.0%	14.0%	6.0%	4.0%	4.0%	18.5%	1.5%	100.0%

The cross table depicts that out of 137 male respondents, 55 (40.1%) prefer security market, 37 (27.0%) opt to invest in the real estate market, 15 (10.9%) respondents go with bank deposits. Among 63 female respondents, 30 (47.6%) respondents like to buy gold as investment, 13 (20.6%) like bank deposits and 9 (14.3%) respondents prefer to invest in land and other properties. Among top three preferences in both male and female, bank deposits is the only choice. Further, the significance difference in the preference between male and female is terse with the help of Chi-Square test. It is given in the following table.

Table 4
Chi-Square test

Particulars	Result
Chi-Square value	68.232
Degree of freedom	7
Significance (p)	0.000

The result of the Chi-Square test shows that the calculated value is 68.232 for the degree of freedom 7. It is greater than the expected value. Hence, it is concluded that the selection of the investment avenue is significantly change according to their gender. It is understood from the findings that male investors prefer security market and real estate, female investors consider gold and the bank as their most likely area of investment.

Conclusion

The purpose of this research was to investigate the attitudes of investors toward different types of investment opportunities, as well as the patterns of saving that investors follow and the variables that influence the investment choices they make. As a result of the current research including intriguing information about individual investors, the study has vital consequences for investment counsellors and investment managers, as well as for the government and other financial organizations. The most well-liked ways to put investment to work include investments in things like gold and silver, as well as deposits in banks and insurance policies. The investors still prefer to put their money into financial assets that guarantee a return with no downside risk. This helps to infer that investors with a moderate income are cautious investors who want to keep their investment activities on the safe side. The investor's primary goal has been to get a satisfactory rate of return, and they favour making investments with a medium-term time horizon. The majority of investors are not fully aware of the investment opportunities that are available, such as shares, mutual funds, etc., and investments need to be promoted among the younger generation, also known as the millennial generation, so that they may save more money for the future. The designers of investment avenues are able to create financial products in such a way that they can cater to the needs and preferences of investors regarding the safety of principal, diversification, low risk, high steady returns, maturity period, or any other factor in their preferred investment avenues.

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