INVESTMENT PATTERN OF SALARIED CLASS IN TIRUNELVELI DISTRICT

Thesis submitted to Manonmaniam Sundaranar University
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DOCTOR OF PHILOSOPHY IN COMMERCE

By

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I hereby declare that the thesis entitled **"INVESTMENT PATTERN OF SALARIED CLASS IN TIRUNELVELI DISTRICT"** is submitted by me for the award of the degree of **Doctor of Philosophy in Commerce** is the result of my original and independent research work carried out under the guidance of **Dr. C. EUGINE FRANCO**, Head, Department of Commerce, St. Xavier's College (Autonomous) Palayamkottai and it has not been submitted for the award of any degree, diploma, associateship, fellowship of any University or Institution.

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(PRINCE JEBARAJ. S)

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ATM	- Automatic Teller Machine
CARE	- Credit Analysis and Research Ltd
CRISIL	- Credit Rating Information Services of India Limited
FMCG	- Fast-Moving Consumer Goods
GDP	- Gross Domestic Product
IPOs	- Initial Public Offerings
MFS	- Mutual Fund Scheme
NSC	- National Savings Certificate
NSS	- National Savings Scheme
OECD	- Organization for Economic Co-operation and Development
PORDA	- Post Office Recurring Deposit Account
PPF	- Public Provident Fund
PSUs	- Public Sector Undertakings
RBI	- Reserve Bank of India
SEBI	- Security Exchange Board of India
TDS	- Tax Deductible Source
ULIPs	- Unit Linked Insurance Policies
UTI	- Unit Trust of India
TCCB	-Tiruchirapalli City Coop Bank Ltd
TIIC	- Tamil Nadu Industrial Investment Corporation Ltd
TICO	- Tamil Nadu Industrial Cooperative Bank Ltd

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INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Savings and Investments are activities important and integral to men and women. Every individual has a tendency to save for various reasons. They may be for short term purposes like paying for a holding or for buying a car or they may be made for long term purposes such as constructing a house or providing for retirement. Sometimes savings are made simply to meet unknown contingencies. Apart from the above, there are two types of organization namely manufacturing industry and service industry, which are existing in our country to cater to the needs and wants of the people and which helps on the economic growth of the nation. Whatever may be the type of the organization, they need capital to carry their business activity. At the same time, the capital available is not sufficient to run their organization. Modern technology and growing expectations of the people call for a heavy dose of capital investments in these areas. But the capital formation is a difficult task and depends upon the people's willingness and their capacity to save.

According to David Ricardo "there are two ways in which capital may be accumulated; it may be saved either in consequence of increased revenue or of diminished consumption"[1]. Whether it is individual savings or corporate savings, it must be available for development purposes. Adequate savings and its deployment in manufacturing and service sector is the need of the hour. Estimates of international funding agencies and earlier studies confirm that countries can never sustain development unless they have adequate savings. Actually, financial intermediaries

[1] David Ricardo, Principles of Political economy & Taxation, London: John murray p. 56

undertake the work of channelizing the savings of public into productive assets. Banks, non-banking finance companies, post-offices, share markets and governments are some of the important intermediaries. If enough savings are accumulated, the next important thing is to invest them in constructive assets so as to generate further value. All savings are not an investment. Savings only become investment if a person makes decision to forego the use of the money saved for a period of time, in the hope of earning a return. At the same time, these investments do not always originate from savings. There are many people who sometimes quite unexpectedly receive lump sums which are surplus to their immediate requirement. This investment is more important than savings to create further value and achieve the economic development of individual and nation.

Thus, prosperity of the economy is closely linked with the ability of the public to save and invest in productive assets for an uninterrupted supply of capital. To survive and develop in this competitive business world, capital must be made available at a reasonable rate without conditions attached to it.

In India, the level of income, which is an important determinant of savings, is marginally less. Though, the propensity to save is higher than that of some of the advanced countries, India's savings rate is not at an encouraging level. While Norway saves 37 per cent of its Gross Domestic Product (GDP), it is 47 per cent in Singapore, 47 per cent in Saudi Arabia, 35 per cent in Malasiya, 53 per cent in China, but it is only 31 per cent in India during the year 2011.[2] There is a school of thought that a developing country like India cannot provide resources for investment out of its

[2] http://data.worldbank.org/indicator/NY.GNS.ICTR.ZS

domestic savings. The low rate of capital formation in developing countries is the prima facie evidence that there is a deficiency of savings.[3]

It was once estimated that, if the population increases by one per cent per year, savings and investment must increase by at least four per cent in the developing countries to maintain the existing standard of living. The annual population was reported at a growth rate of 1.31% per cent and hence our domestic savings and investment must increase by about 5 per cent just to maintain the status quo. But to achieve further progress, it is imperative to raise the income level and thereby the standard of living.

Three major sources namely individual (households), corporate and government sector savings constitute the domestic savings. The contribution of household sector is around three fourth of total savings. The central statistical organization's estimates show that both government and private sector's savings accounted for only 29.52 per cent whereas the household sector contributed 70.48 per cent of the total savings in our country during the year 2011[4]. Likewise, The Reserve Bank of India reveals that the household sector alone accounted for 73.09 per cent of the total savings in the country during the year 2008 to 2011.[5]

Though it is common practice in almost all the countries to borrow from external sources to fill up the investment gap, India's external borrowings have already mounted. In 2001, the external borrowings stood at 99.6 billion US dollar and the same was 221.3 billion US dollar in 2010 but it rose to 289.7 billion US dollar in 2012.[6] There is not much scope for further exploitation of external borrowing because of two reasons. Firstly, government expenditure increases during the recent past years

[3] http://www.levyinstitute.org/pubs/wp_518.pdf
[4] Www. Cso.gov.af//
[5] www.rbi.org.in
[6] https://webmail.worldbank.org/

and secondly the rate of interest payable on the external loan borrowed has risen sharply.

With the above prevailing conditions, countries like India could prosper well if internal sources are best exploited. In the wake of paucity of funds, the process of industrial development has not been activated. Mainly due to the financial crunch, industrial sector has stagnated. Supply of fund would normalize the process and the supply mainly depends on individual investors. Personal savings or savings of individuals are called household sector's savings. If Individuals are properly guided and motivated, an active and vibrant participation of individuals will lend financial support internally to the industrial enterprises. In any country, the investment climate should not encourage public to hoard cash and postpone investments. On the other hand, government and other institutions must evolve new systems to induce more and more public savings.

1.2 STATEMENT OF THE PROBLEM

Man works to earn income to meet his own needs. Everyman has unlimited wants and to satisfy these wants, he works and continues to work for a long time. Income earning is the predominant and prime motive in every body's life. Individuals normally take their own time to settle down in a job and to become successful investors.

Though the prime objective of income earning is to pay for his demands, still income has got a different role to play. The desire to earn and save for future needs dominates the minds of the income earners. Further, there is no guarantee that surplus will result into savings. Willingness to save is more important than capacity to save. It is true to say that when there is willingness to save, the capacity to save can be created.

Savings by itself do not provide any return. It merely provides safety. Man would like to see that this savings yields some return. Further, he has reached a stage where the rate of returns decides the investment.

In the Indian context, savings from all quarters are the need of the hour. Though 70 per cent of our population lives in villages and mainly depends on agriculture, the savings from agriculture sector is not enough due to uneconomic operations of the farms and same is the situation of public sector undertakings. Further, savings of businessmen and the self-employed are not stable and unassured because it is subject to the conditions of business.

The salaried class has a fixed source of income and supplemented by additional income from other sources. The salaried class investors with assured monthly income could be regular savers. Various studies at micro level confirm the role of salaried class investors in providing the financial resources to the industrial sector. But the level of savings can be still being augmented from salaried class if the financial system is made more attractive to them. Keeping in view of the potential savings of salaried class investors, this study is prompted to understand the behaviour of salaried class investors.

1.3 IMPORTANCE OF THE STUDY

Savings rate is a crucial factor to obtain high growth rate. Savings rate and long term growth both together suggest a cycle in which high rate of growth leads to greater prosperity, which in turn leads to even higher rates of savings. Countries with low savings may be caught in a poverty trap. The mobilization of savings is another factor to accelerate the economic development of the nation. There has been a phenomenal growth in all sectors especially household sector by increase in per capita income. The financial market plays its own vital role in the economic development of

a country. Industrial securities market, an important constituent of capital market, consists of both new issue market and secondary market. The new issue market gained importance due to rapid raise in quantum of funds raised by the issue of such instruments. The savings and investments are two main pillars of the economy. The developments can be achieved through both money and capital market.

The importance of understanding the savings and investment behaviour is as important as it forms the base for the development of the economy. If the savings and investment behaviour among the people is good, it is a good symptom for the development of both money and capital market and also the economy. The aim of savings and investment by any household or corporate is to maximize the return from their savings and investment with minimum risk. So that they trade off between risks and return before they make the investment. Savings are made with a lot of expectations. If the expectations of the saving community and the investors are properly fulfilled by the institutions, the capital accumulation of the country will be at peak which is essential for economic development. Otherwise, the people would save money but utilize it only in physical assets like buildings, gold and silver like which sustain undue development.

The institutions in money and capital market should understand the service dimension expected by the investors then only they can mobilize the savings from the people. The Indian banking system has crossed into the second phase of development, wherein the bank deposits, facing stiff competition from non-banking financial institutions and the mutual funds industry has now been able to bring about the change in the pattern of house hold investment in favour of financial assets and induced growth of a new class of investors looking competitive rates of return. This

is the time for changing strategies of the financial institutions to mobilize the savings from the house hold.

In this study, an attempt has been made to assess the investment pattern and behavior of the Government salaried class investors. Since the range of investments spread from physical to financial assets, the investment pattern among the Government salaried class investors is studied. In addition, evaluation of the determinants of investments is also focused. Understanding the attitude of the investors has another major implication on the mobilization strategies of the banking and non-banking institutions. The attitude of the investors towards various investments is measured to help the corporate, banks and government to design and position their new product at right time and at right place.

1.4 OBJECTIVES OF THE STUDY

The study has the following objectives:

(i) To study the relationship between the personal factors and investment pattern

(ii) To examine the awareness level and sources of awareness towards investment avenues

(iii) To know the purpose of investments and motivating factors which influence investment decisions

(iv) To understand the attitude and behaviour of investors towards investment

(v) To identify the preferred investment avenue and the level of satisfaction of investors in their investment

(vi) To bring out the problems faced by the investors and to offer suggestions to improve the investment pattern.

1.5 SCOPE OF THE STUDY

This study is concerned with the evaluation of investment pattern of the Government salaried class investors in Tirunelveli district. The in-depth analysis of the behavioural pattern of investors would help the government to work out various schemes to mobilize finance from the Government salaried class investors by bringing out tax saving schemes, retirement benefit schemes and the like. It will also help organizations which are engaged in educating the investors by understanding attitude of the investors about various investment avenues.

1.6 GEOGRAPHICAL AREA

The study covers investment pattern of the Government salaried class in Tirunelveli District. It is located on the southern part of Tamilnadu. Tirunelveli is the headquarters of the district. A unique feature of this district is that it consists of all five geographical traditions of Tamil Literature. Kurunji(mountains), Mullai (forest), Marudham (paddy fields), Neithal (coastal land) and Palai (desert).

1.6.1 AREA PROFILE

Tirunelveli, the penultimate southern most district of Tamil Nadu, is described as a microcosm of the State, owing to its mosaic and diverse geographical and physical features such as lofty mountains and low plains, rivers and cascades, seacoast and thick inland forest, sandy soils and fertile alluvium, a variety of flora, fauna, and protected wild life. Thenpandiyanadu of the early Pandyas, Mudikonda Cholamandalam of the Imperial Cholas, Tirunelveli Seemai of the Nayaks, Tinnevelly district of the East India Company and the British administration and Tirunelveli district of Independent India was bifurcated on 20th October 1986. The divide d districts are called Nellai-Kattabomman district and

Chidambaranar (Tuticorin) district. Subsequently the district name was christened as Tirunelveli-Kattabomman district. As per the decision of the Government of Tamil Nadu to call all the districts by the name of the headquarter town, Tirunelveli-Kattabomman district is now Tirunelveli district. Chidambaranar district is now called Thoothukudi district.

The Tirunelveli Sthalapurana prescribes a tradition for the origin of the name Tirunelveli. The puranic version goes that one Vedasarma, a staunch devotee of Shiva, on his pilgrimage from the North to the South was invited by Lord Shiva in his dream to his abode on the banks of the sacred river Tamiraparani. The delighted devotee came to Sindupoondhurai on the banks of the river and stayed there with his family. Once there was a famine which forced Vedasarma to collect paddy by way of begging and continuing his daily prayers. One day he spread out the paddy to dry under the sun before the Lord, and went for his ablutions in Tamiraparani. He prayed to the Lord for rain which he thought could be a remedy for the famine. His prayer was answered and when he was bathing, a thunder storm broke-out and it rained heavily. Vedasarma rushed to the place where he had spread the paddy. He witnessed a miracle. Despite rain around the area, the paddy that he had spread did not get eve n a single drop of rain and did not get soaked. Since then according to the purana the town is called as “Tiru-nel-veli” (Sacred hedged paddy).

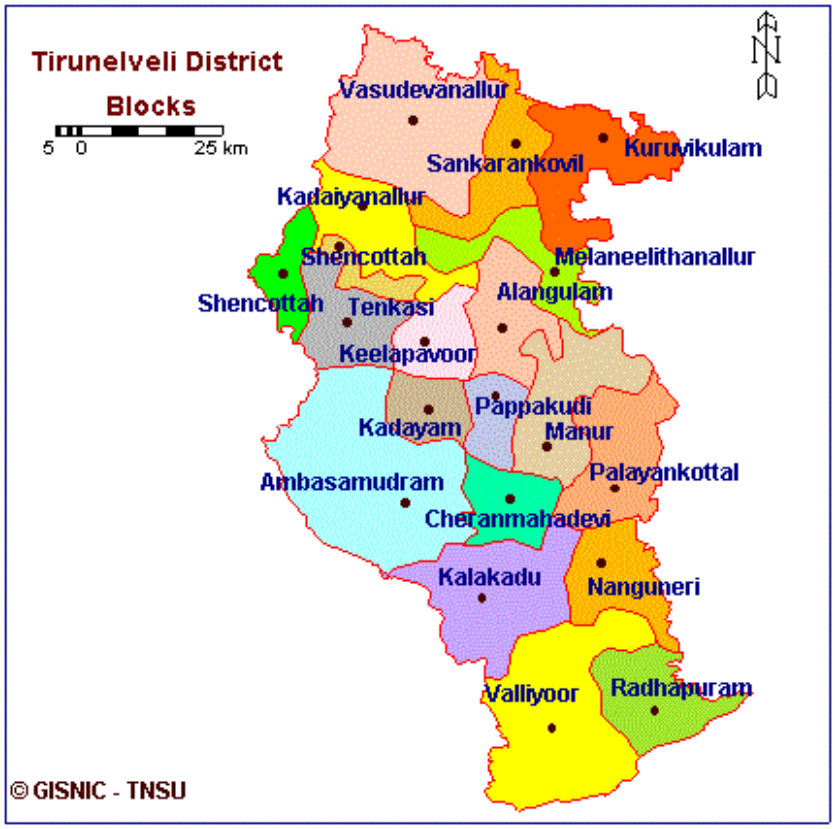
1.6.2 GEOGRAPHICAL LOCATION

Tirunelveli has its own individuality from rice to culture. The lofty legendary life-line of this district is the River Tamiraparani that flows across the District. It caters to the various spheres of activities like Agriculture, Industry and in providing

main source of drinking water. It covers an area of 6,823 sq.km and lies between 8.05˚ and 9.30˚ of the Northern latitude and 77.05˚ and 78.25˚ of Eastern longitude. The district is surrounded by the State of Kerala, Gulf of Mannar and the districts of Virudhunagar, Thoothukudi and Kanyakumari.

FIGURE

1.1 DISTRICT MAP



1.6.3 ADMINISTRATIVE SETUP OF TIRUNELVELI DISTRICT

1.6.3.1DISTRICT ADMINISTRATION

The district administration is headed by the District Collector with his office at the district collectorate. The responsibilities of the District Collector include maintenance of law and order, coordinating various development and welfare activities in the district. A detail of other administrative set up in Tirunelveli District is given in Table 1.1.

Table 1.1
ADMINISTRATIVE SETUP OF TIRUNELVELI DISTRICT

Number of Firkas	61
Number of Villages	628
Number of Village Panchayats	425
Number of Town Panchayats	38
Number of Municipalities	05
Number of Municipal Corporation	01
Number of Taluks	11
Panchayat Unions	19
Revenue Divisions	03

Source: District Collectorate Office, Tirunelveli.

1.6.3.2 REVENUE DIVISIONS

At the divisional level, the Sub Collectors/Revenue Divisional Officers assist the Collector in running the administration. In Tirunelveli district, there are three Revenue Divisions. They are namely, Tirunelveli, Cheranmahadevi and Tenkasi.

1.6.3.3 TALUKS

Tahsildars are in charge of revenue administration at taluk level. He is assisted by Head Quarters Deputy Tahsildar, Taluk Supply Officer and Zonal Deputy Tahsildars. Each taluk is divided into a number of firkas which comprises a number of revenue villages. Revenue Inspector at firka level and Village Administrative Officer at village level assist the Tahsildar. In Tirunelveli, there are 11 taluks namely Tirunelveli, Palayamkottai, Sankarankovil, Ambasamudram, Nanguneri, Radhapuram, Tenkasi, Shenkottai, Alangulam, Veerakeralapudur and Sivagiri.

1.6.3.4 PANCHAYAT UNIONS (BLOCKS)

Panchayat Union Commissioners at block level are the Officers in-charge for implementing all the developmental activities recommended by the Government at the Block level. There are 19 Panchayat Unions (Blocks) namely Palayamkottai, Manur, Melaneelithanallur, Sankarankovil, Kuruvikulam, Cheranmahadevi, Ambasamudram, Pappakudi, Kadayam, Kalakadu, Nanguneri, Vallioor, Radhapuram, Alangulam, Keelapavoor, Tenkasi, Shencottai, Kadayanallur and Vasudevanallur.

1.6.4 POPULATION OF TIRUNELVELI DISTRICT

Tirunelveli district is populated with 30, 72,880 people which includes 15, 18,595 males and 15, 54,285 females.

1.6.6 FINANCIAL INSTITUTIONS IN TIRUNELVELI DISTRICT

The district is having a well developed banking system with a network of 288 branches of various banks as detailed below.

Table 1.2
Banking sector in Tirunelveli district

Sl. No	Banking Sector	No. of Banks	No. of Branches
1	Public Sector	16	155
2	Private Sector	10	36
3	Pandiyan Grama Bank	01	50
4	TCCB Ltd.,	01	26
5	TNCSARD (L.D. Bank)	01	08
6	Urban Co-operative Bank	01	11
7	TIIC	01	01
8	TAICO	01	01
	Total	**32**	**288**

Tirunelveli district Central Co-operative Bank is having 26 branches with 162 Primary Agriculture Co-operative Societies affiliated to it. The average population per branch office in the district is less than 9500 branch which compares favourable with the national average of 13000 and state average of 12000/branch. After the

introduction of the new concept of Service Area Approach since 1.4.89 all the villages in the 19 blocks have been allocated to 288 banks branches operating in rural and semi-urban areas in the District. Since many new bank branches have been opened since then, the villages have been re-allocated periodically taking into account the proximity to the village as well as easy access.

1.7 OPERATIONAL DEFINITIONS

In the present study, the researcher has made use of certain terms that connote the same meaning as explained below and they are used in the context relating to the current research problem.

1.7.1 SALARIED CLASS

Salaried class represents those working in non-manual position essentially having salary income from the Government and/or Government aided organization.

1.7.2 INVESTORS

Investors refer to that salaried class having the habit of saving a portion of current income and invest them in one or other investment avenues.

1.7.3 GOVERNMENT AND GOVERNMENT AIDED ORGANIZATION

Government organization includes both central, state government departments and offices and statutory corporations.

1.7.4 SAVINGS

Savings refers to the habit of setting aside of a portion of income for future out of salary and other sources. Savings may be kept in any form with the idea of investing it.

1.7.5 INVESTMENT

Investment refers to the activity of deploying the saved money in one or more avenues of investment to get additional income or capital appreciation or both.

1.7.6 URBAN INVESTORS

Urban Investors refer to those who normally live in the corporation or municipal limits. Whereas, an investor hailed from rural area but having his work place in urban area is also treated as urban investor.

1.8 PERIOD OF THE STUDY

The entire study has been conducted for a period of 3 years from August 2010 to July 2013. Nevertheless, the required primary data were collected between March 2012 and November 2012.

1.9 HYPOTHESES

In line with the objectives of the study, null hypotheses are framed and tested for the validity. The following hypotheses have been formulated and tested:

1.9.1 There is no significant relationship between level of awareness in investment avenues and socio economic background such as age, gender, marital status, educational qualification, nature of work, place of residence, number of family members, number of earning members, number of dependents and monthly income.

1.9.2 There is no significant relationship between level of satisfaction in investment and socio economic background such as age, gender, marital status, educational qualification, nature of work, place of residence, number of family members, number of earning members, number of dependents and monthly income.

1.9.3 There is no significant difference in attitude towards investment and socio economic background such as age, gender, marital status, educational qualification, nature of work, place of residence, number of family members, number of earning members, number of dependents and monthly income.

1.9.4 There is no significant difference in investment behaviour and socio economic background such as age, gender, marital status, educational qualification, nature of work, place of residence, number of family members, number of earning members, number of dependents and monthly income.

1.10 METHODOLOGY AND RESEARCH DESIGN

The present study is an empirical and mainly based on primary data collected from respondents having salary income as a prime source of income from the Government organization. To elicit the views of investors, a well-structured interview schedule has been prepared after consulting the experts in the field. The methodology and research design of the present study are described below:

1.11 PRELIMINARY SURVEY AND PRE-TESTING

A preliminary survey was conducted with 50 investors in Palayamkottai and Tenkasi to evolve the investment back ground such as awareness, attitude and savings and investment practices keeping in mind the objectives of the study, information gathered from the investors was analyzed and the interview schedule was suitably modified.

The interview schedule was pretested with 30 investors covering almost all categories of investors. The comments and suggestions from respondents necessitated some alterations and thus the interview schedule was suitably amended incorporating the views of investors.

1.12 SAMPLING

As the study attempts to assess the investment pattern of the Government salaried class investors, the sample respondents for the study were drawn from the employees of the Governmental organizations in Tirunelveli district. A three stage random sampling method was adopted to draw the sample respondents meant for the study. In the first stage, all the 11 taluks of Tirunelveli district were taken into account. In the second stage, the list of the Governmental organizations found in these 11 taluks was obtained from relevant sources. In the third stage, as more number of employees is found, respondents belonging to the following 5 categories of work were selected as given below:

Teaching	– 196
Clerical	– 140
Technical	– 88
Professional	– 64
Managerial	- 62
Total	550

1.13 COLLECTION OF DATA

The required primary data were collected through the well structured interview schedule. The respondents were met at their respective work places and they were interviewed by the researcher during the leisure hours.

1.14 FRAME WORK OF ANALYSIS

The study on investment pattern of the Government salaried class investors has been carried out with reference to investment objectives, investment pattern and different modes of investment.

The identified personal variables are age, educational status, employment status, annual income, annual savings, and location of residence, employment of spouse, number of earning members in the family and size of the family.

Awareness level of investors and their attitude towards savings and investment have been measured. This analysis has been done to find out whether the investors of different groups actually differ in their savings and investment pattern or not. The analysis further aims to find out the investor's success in investment activities and to identify the reasons for the success.

The various statistical tools applied to analyze the primary data are percentage analysis, factor analysis, correlation analysis, chi-square test, ANOVA test, inferential analysis and Garrett's ranking technique to interpret the data for the purpose of analysis. For effective analysis and easy understanding, the data were tabulated.

1.14.1 ANOVA

ANOVA test is used by the researcher to find the significant differences existing among the three or more sample groups in relation to a variable. The total variance in a set of data is divided into variation within groups and variation between groups.

The ANOVA technique is based on the concept of sum of squared deviations from a mean. Corresponding to the total variance and its two components, we have the total sum of squares (SS), between groups sum of squares (SS_b), within groups of squares (SS_w) is obtained by combining the sum squares i.e., the squared deviations of every raw score from its sample mean. The formula used is

$$SS_w = \sum_1 d^2 + \sum_2 d^2 + \sum_3 d^2 + \sum_4 d^2 + \sum_5 d^2 + \ldots\ldots\ldots\ldots\ldots \sum_n d^2$$

Where d = a deviation of every raw score of a category from its sample mean.

The between groups sum of squares (SS_b)is by calculating the difference between each sample mean and the total mean. The squared difference is multiplied by the sample size in the concerned category and these quantities. The formula is

$$SS_b = \sum[(x-x_1)^2 \times n]$$

Where,

X = any sample mean
X_1= the total mean
n = the number of scores in any sample
SS_b = the between groups sum of squares

The total sum of squares (SS_1) is equal to a sum of within and between groups sum of squares.

$$SS_1 = SS_b + SS_w$$

1.14.2 GARRETT'S RANKING TECHNIQUE

To find out the purpose of investment, preference towards investment avenues and reasons for satisfaction in investment decision, Garrett's ranking technique was used. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = \frac{100(Rij-0.5)}{Nj}$$

Where,

Rij = Rank given for the ith variable by jth respondents

Nj = Number of variable ranked by jth respondents

With the help of Garrett's Table, the percent position estimated is converted into scores. Then for each factor, the scores of each individual are added and then total value of scores and mean values of score is calculated. The factors having highest mean value is considered to be the most important factor.

1.14.3 INFERENTIAL ANALYSIS

There are situations where two qualities are considered at a time. They are called attributes. It would be purposeful to find the association between the two qualities. When the qualities are divided into more number of classes, chi-square test is used to find out whether there is a significant association between the qualities.

The statistic is defined under the assumption that the two attributes are independent. Numbers of null hypotheses were framed and they were tested for their validity by applying chi-square test.

1.14.4 FACTOR ANALYSIS

Attitude statements in connection with savings and investment practices are framed and Likert's Internationalism scaling (5 point scale) technique has been used. Factor analysis has been used to summarise the information into a smaller set of new composite dimensions called factors.

1.14.5 CORRELATION ANALYSIS

The correlation analysis is a statistical tool with the help of which the intensity of relationship between two variables can be computed. The result may be positive or negative. When two variables move in the same direction, their association is termed as positive correlation. If they move in the opposite direction, their association is termed as negative correlation.

Karl Pearson's Co-efficient of correlation (r) is the prominent method of calculating correlation. The formula used is

$$r = \frac{N\sum xy - (\sum x)\,(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y2 - (\sum y)2}}$$

where,

r = the Pearson's correlation co-efficient

N = the total number of pairs of x and y

X = raw score on the x variable

Y = raw score on the y variable.

1.15 LIMITATIONS OF THE STUDY

Due to paucity of time and fund, the size of the sample was restricted to 550 respondents. Existence of numerous government offices/institutions compelled the researcher to select the institutions at his convenience. Though numbers of independent variables have been identified for analysis, only selected variables have been considered for analysis in each segment. Since the study is confined to the Government salaried class investors only, the outcome could not be generalized to investors of other categories. Findings will hold good only under similar conditions.

1.16 CHAPTER SCHEME

The study is presented in various chapters as shown below:

The thesis consists of six chapters. The first chapter deals with introduction and research design of the study. The various aspects like introduction, statement of the problem, importance of the study, scope of the study, objectives of the study, reference period, area of the study, hypotheses, operational definition, methodology – preliminary survey and pre-testing, sampling design, collection of data, frame work of analysis, limitations of the study and chapter scheme are discussed here.

The second chapter deals with past literature related to the world of investment. This literature of the study area is presented into two categories namely Indian literature and foreign literature.

The third chapter is concerned with conceptual framework of the study. It deals with the concept of investment, characteristics, need for investment, objectives

of and constraints in investment, factors affecting investment decisions, factors peculiar to individual investors, investment decision process and different forms of investment.

The fourth chapter consists of two parts. First part deals with the profile of investors such as age, gender, marital status, educational status, nature of work, place of residence, number of family members, number of earning members, number of dependents, monthly income, monthly expenses, monthly savings, monthly investment, ideal period of investment, etc .

Second part is about the awareness level of the Government salaried class with different socio economic factors, sources of awareness, purpose investment and motivating factors towards various investment avenues.

The fifth chapter deals with attitude and behavior of the Government salaries class investors, the satisfaction level towards various investment avenues and the problems faced by the investors.

The final chapter deals with summary of findings, suggestions and conclusion.

CHAPTER II

REVIEW OF LITERATURE

2.1 REVIEW OF PREVIOUS INDIAN LITERATURE

Some institutions and individuals have conducted various studies relating to investment pattern. Such studies have enabled the researcher to get an understanding of the concept of this study. The previous studies in this area have enabled the researcher to identify the variables for his study.

Shantilal Sarupia[1] (1963) in the study captioned 'Individual savings in an undeveloped Economy-India: A case study' had made an attempt to disprove certain widely held views about the individual's saving behavior in an undeveloped economy like India and suggested the ways of potential savings which could be mobilized for investment. It was regrettably contented that a large section of our population held its savings in the form of gold hoards, landed property and other unproductive assets. This view was supported by estimates of National Council of Applied Economic Research and Reserve Bank of India during the period between 1957 and 1959.

- Productive assets like shares and securities, insurance policies, bank deposits and small savings were held by investor with around 25 per cent of the total household savings.
- Unproductive assets like gold, currency and durables (including housing) attracted the rest 75 per cent of savings.

It was also found in the study that the act of saving in Indian families was the duty of women, who are largely more tradition bound than the men. The

[1] Shantial sarupria "Individual savings in undeveloped Economy in India – A case study" The Economic weekly, June 22,1963 p. 995-1001

prestige was the main reason for accumulation of wealth in Indian society. The study gave an opposite view to Keynesian equation on saving and investment which stood as Savings = Investment (S=I)

The conclusion was that propensity to save in India was higher than in some of the advanced countries in spite of the wide difference in per capita income. In India, the very uncertain economic, political, social conditions, monsoon dominated agriculture provide a strong incentive for large mass of the people to save. The study also confirmed the share of household sector in total national savings is large.

The National Council of Applied Economic Research, New Delhi, 1964- conducted a survey on "Attitude of Investors towards savings"[2]. It was devoted to studying the attitudes of the population towards saving. It was found that the strongest motive for savings was the desire to make provision for emergencies, for old age and for children's education. The ability to save increased with income, occupation and education. The regularity of saving habits was directly correlated to education. People in the age group of 35 to 44 years saved regularly.

The National Council of Research, 1964, New Delhi conducted a survey on "Attitude towards various kinds of investment"[3]. The survey examined the forms in which households preferred to hold or invest their savings and reasons for their preferences. The survey revealed that 50% of households expressed a preference for investing their savings in physical assets and 30% in financial assets. An estimation of investment preferences within income groups indicated that the proportion of households, which considered it advisable to invest their savings in securities and business, increased with the level of income. The proportion of

2. National Council of Research, 1964 "Attitude of investors towards savings", New Delhi

3. National Council of Research, 1964, "Attitude towards various kinds of investment, New Delhi

households' preferences for financial assets increased with the level of education. Profitability ranked first and safety next for determining the saving preferences. Seventy per cent preferred to keep money in banks and 30% preferred national saving certificates as they were safe and yielded high interest.

Fama[4] (1972) in her study titled, components of investment performance, analyzed investment and he introduced two terms "selectivity" and "timing" which were more important compared with risk and return.

Mikesell and Zinser (1973)[5] have defined saving as the income that is not consumed. According to them, determinants of consumption become indirectly the determinants of savings also. However, savings being regarded as the key performance indicator of any economy, knowledge of determinants of saving behaviour in any economy is critically important.

Anator Murad (1975)[6] stated that investment is an essential requirement for full employment and the key to prosperity in a capitalist economy. This is widely and generally recognized by all economic schools and sects that it may be regarded as an axiom of modern economics. Not only net investment but also an increasing rate of net investment is necessary to assure continued full employment.

Amlingferderic (1978)[7] stated that investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality

4. Fama, "Components of Investment Performance", The Journal of Finance, 1972
5. Mikesell, R.F. and Zinser, J.E. (1973). The Nature of Savings Function in Developing Countries: A Survey of the Theoretical and Empirical Literature, Journal of Economic Literature, March 1973, Pp. 1-26
6. Anatarmurad, "The post keynesion economics". Kenneth k kunichara, 1975, p.227.
7. Amlingfredric, 'The Investment,' prentice hall, emglewood chifts N.J 1978, p.20.

of investment is that it involves 'waiting' for a reward. There are number of investment possibilities that prospective investors can think of.

Surjit S. Bhalla (1978)[8] investigated the effect of sources of income and investment opportunities have on the savings behaviour of farm households in rural India. The panel nature of the data (agricultural years 1968-1969, 1969-1970 and 1970-1971) allowed for the identification of the permanent and transitory components of a household's income. It is shown that income variability (rather than investment opportunities) can account for observed differences in the propensity to save out of different sources (agricultural/non-agricultural). A direct test of the effect of investment opportunities on savings is offered in the second part of the paper. It is observed that capital market conditions have an important effect on this relationship; poor households save more and rich households save less, in response to an increase in investment opportunities.

In another household saving and investment study, **Gothoskar and Venkatachalam (1979)**[9] pointed out that, first official estimates of saving in the Indian economy were prepared and published by the Reserve Bank of India in March 1960 that covered the period 1950 to 1957. The household sector was eventually given special consideration by several other studies (and report) including the one by National Council of Applied Economic Research (NCAER). After carrying out a review of existing literature in the first few sections the study, analyzes saving behaviour up to 1977.

8. Surjit S. Bhalla (1978). The role of sources of income and investment opportunities in rural savings. Journal of Development Economics, Volume: 5, Issue: 3, September 1978, Pp. 259-281.

9. Gothoskar, S.P. and Venkatachalam, T.R. (1979). Household Saving and Investment in India, Margin, Vol. 12(1), Oct. 1979, Pp. 28-39.

Narayana D.L[10] (1979) in his major research work titled 'Income, Saving and Investment of household sector in Chittoor District' has attempted to review the economy of a select district. He examined the asset structure of households classifying the entire range of assets in to physical assets and financial assets. He found that the average investment in case of self-employed former households was Rs.1387 as against Rs.473 for the self-employed group in business. At the same time, the average investment of salaried persons was Rs.261. He also noticed that average investment in farm assets decreases with an increase in the level of education of the head of the family, whereas investment in consumer durables appeared to increase. The data showed that the average investment of three or more earner households was Rs.583 as against the investment of Rs.339 by two earner households and a negative (disinvestment) investment of Rs.344 by single earner households. Average investment in farm assets increased with the number of earner in the households.

The net increase in financial assets of the rural households including currency amounts was Rs.833.58 lakhs during the reference period. Of this amount, rural households made a net investment of Rs.355.63 lakhs in gold and silver. Hence, he found that rural households were still attaching primary importance to the precious metals. They also had bank deposits, shares and securities amounting to Rs.121.64 lakhs. Their chit fund amounted to Rs.43.59 lakhs.

The survey further revealed that the most important forms of urban financial investments were bank deposits, shares and securities, which accounted for about 28 per cent and next in importance was currency which accounted for about 22 per cent.

10. Narayana D.L, "Income, savings and Investment of Household sector in Chittoor District", S. Chand & co.ltd, New Delhi, 1979

The average net financial investment of urban households was Rs.712 lakhs as against Rs.402 lakhs in case of rural households.

According to his findings, the gross and net savings of rural households amounted to Rs.2, 987.5 lakhs and Rs.1, 861.1 lakhs respectively. The average net savings per rural households were Rs.898. He viewed that the savings of rural households were not low, as they were generally believed to be. The gross and net savings of urban households amounted to Rs.564.1 lakhs and Rs.332.8 lakhs respectively. The average net saving per urban household was Rs.1, 105. He noticed that more than 35 per cent of rural households were practicing dissavings and about 65 per cent effected positive savings. In urban areas, nearly 28 per cent were dissaving and the rest 72 percent had positive savings. The average saving income ratio of total rural household was 15 per cent and in urban households it was 16 per cent.

Further, it was noticed that the average saving income ratio was 20 per cent in Rs.6, 501-7500 income class and decreased to 13 per cent in Rs.7, 501-10000 income group. A simple linear least square regression indicated that the marginal propensity to save for rural households was 41.8 per cent and the same was 33.1 per cent in case of urban households. This implied that with an increase in income the proportion of income saved by these households also increased.

Mujumdar, Venkatachalam and Raghavachari (1980)[11] have done an important study of savings behaviour in India, because in the late 1970's the saving in India witnessed a dramatic change. The savings income ratio which was consistently lower than 15 per cent for 24 years rose to 17 per cent in 1974, and then suddenly

11. Mujumdar, N.A., Venkatachalam, T.R. and Ragahvachari, M.V (1980). The High Saving Phase of the Indian Economy: 1976-1979: An Exploratory Interpretation, The Reserve Bank of India, Occational Paper, Vol. 1(1). June 1980, Pp. 1-32.

jumped to 21 per cent in 1977. Taking a broader view MVR attempted to analyze the saving behaviour of 29 years from 1950 to 1979. Their main purpose is to throw some light on the factors which could have presumably rendered the attainment of the high saving ratio possible.

Concentrating on the rural sector, **Mody (1983)**[12] studies saving generation on deployment. He further discusses the level and determinants of investment, flow of resources to and from the rural sector in the form of financial liabilities and assets. The overall picture of rural savings is dominated by household sector that has been experiencing an increased share year by year. Hence, to achieve the investment targets of the seventh five year plan, the behaviour of household savings was significant.

"Introduction to stock exchange investment" by Janette Rutterford[13],(1983) is an initiation study to the world of investments. She described the principles underlying stock exchange works. It was of immense use for a proper understanding of the intricacies of the stock exchange.

Hemant R. Dain, in his article "The purpose of investment" (1984)[14] mentioned the ways in which savings could be invested to earn income. The various avenues were compared and the advantage of investing in equities was brought to light.

Hemant R. Dain in his article "Principle of Diversification"[15] (1985) said that if investments are to be gainful one had to assume risk. The investment

12. Mody, Ashoka (1983). Rural Resources Generation and Mobilization, annual Number, Economic and Political Weekly, Pp. 789-815.

13. Janette Rutterford, Introduction to Stock Exchange Investment, London: Macmillan Press 1983

14. Hemant R. Dain, "The purpose of Investment", Investment Today, Oct. 1984, P.16

15 Hemant R. Dain, "Principle of Diversification", Investment Today, Feb. 1985, P.33

programme had to be made so as to protect against risk or minimize risk. Diversification of funds among different investment avenues for varying periods was the best method suggested for investors. This is a balanced fund approach or portfolio management. Diversification properly applied should embrace differences according to types of risks according to the nature of the organization and geographical location. Frequently, diversification between different classes of securities would offer a means of hedging against certain risks or accomplishing certain purposes of the individual investor.

Grewaland Navgot Grewal (1987)[16] stated that the art of successful investments rests on the foundation of certain basic principles, which generally hold good for all times and places. Moreover, these principles are also readily applicable to all types of investment media whether it is real estate, share, Government securities, bonds, gold, silver, jewellary or collectibles like paintings, stamps and antiques.

Lede Reich and Siegel[17] **(**1988) emphasized the role of factors like age and health, marital status, family status, objectives, risk tolerance, investment preferences, liquidity, employment stability and tax rate in personal financial planning. This paper, though not an empirical one, explained the need for accountant's involvement in personal financial planning of their clients. It provides a background of the variables to be analyzed in a research concerned with individual investors.

16. Grewel and novjot Grewels. S, "Successful stock market Investings", vision book private limited, 1987,p.15.

17. Ledereich. Leonard and Joel G Siegel "Planning your Portfolio Today and Tomorrow", The Management Accountant June 1988

Kolasa Blair. J (1988)[18] made an attempt to study the behavioural pattern of investment of 200 investors belonging to different categories (i.e) employees, professionals, and businessmen and household sectors. They stated that 70 of the investors preferred to investment their money in real estate followed by mutual funds, gold, bank deposits and postal savings schemes.

He also pointed that majority of investors are much interested to take the investment benefit rather than regular dividend and the employees who are in monthly income group preferred their investment in return accumulated schemes as they expect their investment to grow manyfold.

Warren et al[19] (1990) attempted to study the lifestyle and demographic profiles of investors based on the value and types of investment holdings. The authors pointed out that in a diversified market, demographic characteristics alone may not be sufficient to serve as a basis for segmenting individual investors. This study was based on mailed questionnaire to 600 households. Only 152 usable responses were obtained. Multiple Discriminant Analysis was used to determine whether investment patterns differed according to demographic and life style dimensions. The results indicated that life style dimensions not only helped to differentiate between investor behaviour types (active/passive), but was also useful in differentiating between light and heavy investors in particular investments i.e., stocks and bonds.

18. Kolasa blair.j 1988 "Introduction to behavioural science for business"; Wiley Eastern Limited; New Delhi 1988

19. Warren William. E. Robert, Stevens and C. William Mc carkey "Using Demographic and life style Anaysis to segment Individual Investors", Financial Analysts Journal, March-April, 1990 p. 74-77

A study, "Trend of domestic savings and investment in India"[20] (1992) was conducted by Pyare Lal Singh. It was disclosed that the economic development of any country was generally measured in terms of national income, determined by savings and investment. In this paper the author analysed the trend of domestic savings and Investments in India. He revealed that sector-wise savings showed that during 1981-91 there witnessed a considerable increment from 6.95% to 30.99%. The household savings increased from 90.05% in 1981-82 to 122.99% in 1990-91. The financial assets contributed 56.08% of the total household savings in 1981-82.

Jawaharlal's (1992)[21] studies on "Understanding Indian Investors" examined Indian investors' background and their behaviour in investment decisions. Totally, 1200 individual shareholders and debenture holders have been consulted for this study. The study reveals that the investment market in India is dominated by male investors and most investors belong to a group whose level of education is at the higher level. In addition, most of the investors read two or more sources of information to make their investment decisions, and most of them tended to make investment decisions on their own.

S. Mahalati, V. Chari and Niketa Singh Dikhit presented a paper on "Investment patterns of Retired Army- A case study"[22] (1993). This paper was an attempt to find out how far an army officer planned for his future by his own savings and investments. His savings should give him a return to maintain his life style and support his children. It was found that the sources of saving from salary, provident

20. Pyarelal, "Trend of Domestic savings and investment in India", 1992, Banaras Hindu University, Varanasi: Southern Economist, March 1994

21. Jawaharlal, "Under Standing Indian Investors," Global Business press, New Delhi, 1992.

22. S. Mahalati, V. Chari and Niketa singh Dikhit, "Investment Pattern of Retired Army Officers", A case study, Southern Economist, Nov 1993, P. 13-15

fund, insurance schemes, government securities, shares and gold. The reasons given were the financial security given by government and the need for basic need such as shelter. Gold was purchased for fulfilling social customs. It was found that investments provided them with additional income.

A Trend Analysis on "Household sector savings in India"[23](1993) was conducted by G. Raju. It was pointed out that the household sector savings made a significant contribution to the gross domestic savings in India. He revealed that 82.2% of net savings was contributed by the household sector in 1988-89. The corporation of household sector savings in the form of financial savings increased from 8.6% in 1950-51 to 42.5% in 1988-89. The reason was mainly due to development of banking, capital market, insurance and the then prevailing economic policy.

David Bence, Kevin Hapeshi and Ropger Hussey[24] (1994) in their study titled 'Examining Investment Information sources of sophisticated investors using Cluster Analysis' focused on Investment information used by financially sophisticated institutional investors and financial analysis. The main sources of information were provided by annual report and accounts, personal interviews with officials, company literature, trade journals and Government statistics.

Ganti Subramanyan, Swami S. B and Chanks O. P[25] (1994) in their paper on 'Disintermediation in India's household sector financial portfolio' based on their research project explored the fact that the flow of household savings into bank deposits declined markedly as more and more market instruments attracted savings.

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23. G. Raju, "Household sector savings in India", Southern Economist, March 1993

24. David Bence, Kevin Hapeschi, Roger Hussey, Examining Investment Information sources for sophisticated Investors Using cluster Analysis, Accounting and Business research, winter 1995, p. 19-25

25. Ganti Subramanyam Swami S.B and O.P Chawks, "Disintermediation in India's Household Sector Financial Portfolios", Savings and Development No: 3, 1994 XVIIP.

This decline posed a biggest threat to the business of banks. This study also led to an econometric investigation of household preferences of deposit form of saving vis-à-vis the forms of financial saving. They found the household sector's saving patterns during the last two decades were encouraging. Gross domestic saving ratio was reported to have increased from 10.1 per cent in 1951-52 to per cent in 1980-81.

An article on "Investment - mind the risk"[26] (1995) highlighted the relationship of risk and return. Investors desired perfect income and highest and quickest capital appreciation. But risks were inevitable and were of four basic types such as business risks, valuation risks, political risks and risk associated with error of judgment. So, the investor should be cautious in all cases.

E. Meera[27], (1995) in her thesis 'Equity Investment Strategy and Portfolio Selection' formulated strategies for equity investment and portfolio selection and portfolio evaluation.

Radha V.[28] in her study titled 'A study of investment behaviour of Investment of corporate securities' (1995) has examined the investment plan of corporate security investors in Tamil Nadu. The analysis revealed that the largest segment of the sample was constituted by gang generation investors. They were generally better educated and male investors were reported to dominate the investment scene. Salaried group investors were reported to dominate the share ownership position. Also, major part of the samples was found having saving but their capacity of saving was very limited.

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26. Hemant R. Dain, "Investment mind the risks", Investment Today; Jan.1995, P.32

27. Meera. E, "Equity Investment Strategy and Portfolio Selection", Ph.D. thesis submitted to Bharathiar University, 1995

28. Radha V. 'A Study on investment behaviour of Investors of Corporate Securities, Doctoral Thesis, 1995, Alagappa university, Karaikudi, India

While probing the pre-investment behavior and investment objectives, it was found that investors formed certain primary objectives and gave importance to them while making investment plans. Capital appreciation was considered as the most important objective. It was seen that the investors depending upon their occupation, income and type differed in respect of pre-investment objectives. The success of the investment decision made by the investors was entirely dependent upon the successful performance of industry. Hence, all the information relating to industry was helpful for making investment decisions. However, employment status of investors, type of the organization in which they were employed also provided them with some additional information.

Most of the investors intended to divert a part of the savings in fixed income securities so that they could make use of the balance in speculative activities. Of the various means of evaluation, the contribution of magazines and journals were very important and helped the investors to grow.

V. Pattabhi Ram, in his article "Investment Portfolio"[29] (1996) explained how-Indian investors were confused in making investment decisions. He suggested how investors should rank their investments by taking into consideration the effect of tax laws on the income. He pointed out that Sec.10, Sec.80c and Sec.88 provided tax exemptions and rebates which were to be considered by an investor before making decisions.

29. V. Pattabhi Ram, "Investment Potpouri", Chartered Financial Analyst, Jan 1996, p.88

Srinivasan. R.[30] (1996) in his study titled 'Investors 'protection'- A study on legal aspects' attempted to point out lapses in the various legal provisions which all meant for safeguarding the interest of investors in corporate segment. He has examined the present state of capital and stock operations. It had been observed that the capital market has emerged as a major source of finance for Indian corporate sector and also served as a gateway to the investors to employ their savings.

He has indicated that despite the expectations of investors and even with the presence of regulatory organizations like SEBI, the investors' grievances and complaints thereof have increased manifold. His study was to identify the avenues available to the investing community and examine the adequacy of various protective measures in the existing statutes and conducted the survey to elicit investors' opinion.

The study reveals the fact that investors were relatively scared of investing in companies due to the impact of stock market scam in 1992. Moreover, the problems of investors, who have outside the controlling group, were getting aggravated without any effective remedy. He has listed a range of acts and hundreds of sections meant for investors' protection but they did not serve the purpose. It was insisted that it was the need of the hour for the promotion of investors' confidence in their investment to create a sound investment environment. Review of abridged prospectus, implementation of Sachar committee's recommendations, stringent conditions to new entrant companies were a few suggestions made in the study.

Chandra Sekar.K and Geetha K.T[31] (1996) in their paper entitled 'National Savings and Economic Growth' confirmed that there was a strong association

30. Srinivasan R. Investors' Protection: A study on legal Aspects, Published Doctoral Thesis, 1996, Alagappa university, Karaikudi, India

31. Chandra Sekar K and K.T.Geetha, "National Savings and Economic Growth", Southern Economist, 1996 P. 13

between a nation's saving rate and the rate of growth of per capita income. It was found that the gross saving rate was just 18.7 percent in 1986-87, but started increasing after wards mainly because of household savings. In 1994-95, the gross domestic saving touched an all-time-high level of 24.2 percent.

Pulapre Balakrishnan[32] (1996) in his study 'Savings Rate in Indian Economy since 1991' explained the latest trend in savings behavior in India. At the national level, three institutions published the estimated figures of savings. It was found that total savings during the study were around 22 per cent and household sector alone contributed 19 per cent of the total savings, financial assets accounted for 15 per cent and the rest 7 per cent were in physical asset.

Dash R.K and Panda J[33] (1996) in their paper titled 'Investors' Protection: An analysis' had critically examined the need for investors' protection. They found that unincorporated bodies and Nidhis (Mutual benefit funds) whose deposit acceptance activities did not come under the guidelines of Reserve Bank of India shook the investors' confidence for the past several years. They stated that the poor growth level, dearth of investor servicing, etc., were the reasons of the low level of confidence. They strongly emphasized the importance of instilling the confidence in the minds of the investors.

Krishnamurthy (1997)[34] defined savings as investment in financial assets like deposits in banks and post offices and investment in joint stock companies mostly in the form of deposits and shares. According to him, amount of savings rural

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32. Pulpre Balakrishnan, 'Savings Rate in Indian Economy Since 1991, Economic and political weekly, special number September 1996. P. 2527-2529.

33. Dash R.K. and Panda J. Investors' Protection: An Analysis, Southern Economist- September 1, 1996

34. Krishnamurthy, N.S., (1997). Financial Assets of Rural Households, Occasional Papers, Reserve Bank of India, Vol 2(1), 1977, Pp. 84-133.

households are willing to make in shape of financial assets is dependent upon the (a) surplus available with the households; (b) willingness to save in these assets; and (c) awareness about and easy accessibility to the various types of financial investment avenues. The survey conducted by Krishnamurthy revealed that in 1971-72 the households' savings from rural areas amounted to Rs. 930 crores of which Rs. 638 crores were brought by cultivators groups. Among deposits, commercial Bank deposits were Rs. 136 crores, Rs. 95 crores in post office and Rs. 30 crores with others. The study concluded that financial assets have increasingly become an important way to save the surplus income over consumption.

An All-India survey[35], (1998) titled 'Household Investor's problems, Needs and Attitudes' conducted by society for capital market research and development revealed a fact that majority of the retail investors lost confidence in various agencies like SEBI, credit rating agencies, etc; A cross section analysis shared that 79 per cent of investors had low confidence or no confidence in company management, 55 per cent in SEBI, 64 per cent in auditors and 78 per cent in share brokers.

The study noticed a significant shift of investors from equity shares towards high quality of domestic financial institutions. However, bonds were still far behind shares in term of market penetration. An important note was that a majority of retail investors were not influenced by credit ratings and expressed their 'no confidence' in these agencies.

On a question about future investment strategies, 57 per cent investors indicated their intention to invest in UTI units in the next 12 months. At the same time, many of the retail investors intended to reduce their holdings in equity

35. Investors lose faith in capital markets: Study, Indian Express 22.10.1998, p.15

investment. This study was the third in the series from the society and earlier surveys of such types were conducted in 1990 and 1992 respectively.

A survey was conducted by Intelligent Investor[36] (A fortnightly magazine 1998) about the home instincts of investors. The survey was intended to disclose the average Indian's attitude to housing, living space and real estate.

It was found that 40 per cent of male category opted for 500-800 square feet spacious house to a family of 4 members. Whereas 50 per cent of female respondents needed 801-1200 square feet house. Sixty per cent of Chennai based respondents (being the maximum) preferred even small space (500-800 square feet) for a family of 4. Thirty four per cent of male and 28 per cent of female respondents expressed their willingness to have a house of their own before marriage. But among the total respondents, 34 per cent wanted to own house after having children. 58 per cent of Calcutta based respondents and 48 per cent of Chennai-based respondents were willing to own a house at least before retirement.

More females aspired (42 per cent) to own a second house than the males (34 per cent). But on an overall basis, 54 per cent did not consider buying a second house. A strong exception was found among Calcutta- based respondents that 96 per cent of them disliked the purchase of a second house. To a question of 'would you invest in a house in today's market' 64 per cent of the males and 65 per cent of the females had responded positively. Sixty seven percent of Chennai- based respondents preferred to invest in house property today and 84 per cent of Chennai respondents had stated future gains' as a reason for investing in a house property.

36. Intelligent Investor – 7th October 98, Fortnightly magazine, Mumbai

Kulkarni and Talele (1999)[37] have put forth the importance of saving in an interesting way. Household, public (government) and private corporate sectors are three pillars of Indian economy. Of these three, the last two are generally in deficit. The household sector is a surplus sector which finances the deficit of the other two sectors. The extent to which the household sector can perform the job of financing is given by the 'pattern' or 'portfolio' of saving i.e., the distribution of saving in to claims on government, private corporate or financial institutions. In a stimulating finding, Gupta (1970) criticizes the tendency of aggregating the household saving, and to study it as one variable. In fact, in a country like India, the saving behaviour of the urban and rural households is different, and to disregard this difference is likely to invite an aggregation bias. This essentially means that predictions based on the aggregate savings function will either 'over-estimate' or 'under-estimate' the true volume of household saving. Hence, Gupta proposes to examine the saving functions of the two sectors separately. Assuming the behaviour of the saving function as characterized by the behaviour in terms of simple Keynesian formulation, he estimates the saving function for the data of Indian economy. He concludes that (a) the simple aggregation of the saving behaviour among sectors is not desirable, (b) the marginal propensities to save are very different and the relative effect of various factor on the two sectors is different, (c) urban saving behaviour is not satisfactorily explained by the Keynesian formulation, (d) the permanent income hypothesis is relevant to both sectors and improves results for the urban sector, and (e) particularly in the urban sector there is evidence that despite low levels of per capita income, incentives in the form of higher yields can lead to greater saving. Even if this study

37. Kulkarni, K. G and Talele, C., (1999): Survey of Saving, Investment Behaviour Studies in India. International Journal of Development Banking, Vol. 17 (1), Pp. 13-25.

concentrates on the period 1950-1966, there are several lessons to be learned. The main finding of necessity to divide the analysis for urban and rural sectors is certainly interesting. There is a scope in carrying out saving behaviour analysis in the similar fashion for the recent years.

In a survey conducted by ORG – Marg[38], (1999) a research organization, investor's choices over the investment avenues had been elicited. The study revealed that majority of investors' favored fixed deposits in banks, post office savings schemes, insurance schemes, bonds issued by governmental organizations, equity shares were preferred by investors in the order. Mutual fund schemes mainly meant for small investors were the least preferred.

The survey was conducted to know the important factor which influences one to prefer one investment avenue to another. Seven parameters namely capital appreciation, safety, liquidity, rate of return, guaranteed return, manageability and tax shelter were incorporated in the interview schedule to identify the preferences of investors. Guaranteed return coupled with capital appreciation was expected by most of the investors.

Though the survey was mainly focused on mutual fund preferences, all investment channels had been given a touch. Of the sample investors, only 67 per cent stated that they knew about the mutual funds. Out of that, 11 per cent were of opinion to invest in it. A further analysis clarified that investors though very less in number in mutual funds liked government owned mutual funds than private sector funds. The survey report concluded with a remark that awareness was still lacking towards mutual funds and even those who knew mutual funds had only wrong notion about it. The survey suggested to promoting awareness in this field.

38. Org Marg, "Investors choices over the Investment Advances", Survey Report, 1999

A survey was conducted by the Ananda Vikatan[39] (a Tamil weekly magazine) during January 1999. The public were interviewed on the asset of savings and their saving habits. One salaried class investor told that he was in the habit of allocating 20 per cent of salary for savings every month in the form of either a fixed deposit or a recurring deposit. In addition, he would earmark a certain amount and deposit it in a bank or a non- banking finance company. In the event of his getting substantial pay arrears, he would deposit the entire amount in banks keeping in mind his children's future. He admitted that he had never fallen into debt so far due to proper savings plan.

An investor being a house wife said that she had invested in real estate and gold and rarely did she save in non-banking finance companies. Another interviewee admitted that he was a large family comprising four daughters and two sons and that she had to manage their education and family expenses resulting in a lack of savings. Now that her children were well-settled in life and so they could save a sizable amount.

Another investor had opinion that it was easier to tame a bull – fighting than to manage expenses in a family. Immediately after the pay day he would settle the routine commitments like school fees, house rent, electricity charges, telephone bill and keep the required amount for monthly provisions, etc., Since he felt that it was not possible to resist the temptation of spending money, when he had, he had made arrangements for the deduction of certain amount from salary through the company welfare society. He felt it is wise to save with a lot of difficulty to add one by one of such assets like land, vehicles, etc.

39. Ananda vikatan, Tamil Weekly, 7.2.99

Another investor felt that the habit of saving should start from one's early part of life. Later, she could not imagine saving much in view of children's education and marriages. She also held the view that one could lead a happy and peaceful life in later years.

Somasundaram V.K.[40] in his major research work (1999) titled "A study on the savings and investment pattern of salaried class in Coimbatore District" has found the following:

Nearly 28 per cent of families in the study areas have an annual income between Rs. 120000 and 160000, With regard to income, sample investors are uniformly distributed except for Rs. 200000 – 240000 income categories, where only 4 per cent represented the sample. As maximum, 38 per cent of investors' families annual expenses range from Rs. 48000 to 60000 only 8 per cent of families spend between Rs. 60000 and 72000 p.a. The average annual expense of families is Rs. 46900 and 47 per cent of families have such expenses below the average.

Among the identified 13 investment avenues, all the investors know about the bank deposits, 96 per cent are aware of chit funds as a saving medium, 95 per cent know about gold and silver as a saving vehicle. UTI Schemes, plantation schemes are not popular, as most of the investors are not aware of them. With regard to overall awareness level 25 per cent have high awareness and the rest 29 per cent are with low awareness.

More than two-thirds of investors are very much satisfied with their level of savings. High income investors are more satisfied than the low income investors. About 60 per cent of investors prefer to save first and purchase necessary household

40. Somasundaram V.K "A study on the savings and Investment Pattern of salaried class in Coimbatore District"

items. While 56 per cent of city investors aspire so, 80 per cent of female investors wish to save first as against 49 per cent of male investors. 40 per cent of investors are able to save up to 20 per cent of their annual income and 31 per cent save between 21 and 40 per cent.

While investing, majority investors consider the safety aspect as the most important factor. Regular return from investment was the other motive next to safety. Capital appreciation is also preferred by investors. The prominent mode of investment among all category investors is the bank deposits, as it is preferred by 82 per cent followed by the provident fund schemes, which are preferred by 78 per cent. 73 per cent of investors invest in gold and silver. 67 per cent invest in chit funds. Only 8 per cent have invested in plantation schemes and 7 per cent in manual funds. 95 per cent investors with the income range between Rs. 40000-80000 convert only a part of their savings and in case of investors with the income range between Rs. 200000 to 240000, 33 per cent effect partial conversion.

Rohini Jayakar [41] (1999) suggested investment avenues and tips to investors. As the budget 1999 provided tax concessions for mutual funds of sectors Kike Infotech, Pharmaceutical and FMCG, investments could be beneficial. The launch of gold denominated funds and schemes could make the outlook brighter. With income-tax rates falling steadily, investment in an insurance policy as a tax-saver was less attractive. Investors could make use of tax exempt investments under section 10 and section 80 of income tax act.

41. Roshini Jayakar, "Investing for tomorrow", Business Today, May22, 1999

An article appeared in Reserve Bank of India Bulletin January 2000, entitled "Financial savings of household sector"[42] which revealed that household financial savings in net terms was estimated at Rs. 181,119 crores in 1998-99 as against Rs. 152,890 crores in 1997-98. As a percentage of Gross Domestic Product at current market prices, financial savings formed 10.3% in 1998-99 as compared with 9.8% in 1997-98. Currency held increased from 0.8% to 1.3% on gross domestic product. Other financial assets which attracted more funds from the households in 1998-99 were life insurance funds, provident and pension funds, claims on government securities and shares and debentures, but bank deposits got reduced to 4.4% in 1998-99 from 5.1% in 1997-98.

Sunder Pal Singh, Chief Executive Engineer, Financial Focus, a Delhi based consulting and share brokerage firm in his article "Risk tolerance is a function of individual's psychological make-up"[43],(2000) described the impact of risk tolerance in investment decisions. The investment strategy should be chosen according to the risk preference of the individual. A risk average investor would choose a combination of current income and capital preservation strategy. A more risk tolerant investor would choose a combination of current income and total return strategy.

Muthu Pandi M. (2000)[44] has conducted a study on the title "Factors Influencing Investment Decisions". This reveals the various characteristics of an investor. A sample of 100 investors was selected in Madurai city. The study reveals

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42. Reserve Bank of India Bulletin, "Financial savings of the Household sector", January 2000, New Delhi

43. Surinder Pal Singh, "Risk Tolerance is a function of an individual's Psychological Make-up", Chartered Financial Analyst, Feb 2000

44. Muthupandi.M., "Factors Influencing Investment Decision", Banking finance may2000, pp.6-8.

that marital status, nature of occupation and income of investors affect the investment decision.

Rajarajan v (2000)[45] studies on "Investment Life Style and Investment Characteristics" examined the investment size, pattern and future investment preference of individual investors on the basis of their life styles. The study reveals that, active investors are dominated by the age group of below 35years and passive investors by the age group of 35-50 years. Active investors group and passive investors group have short-term perspective while making their investment decisions. And most of the investors read two or more sources of information to make investment decisions, and most of them tend to make investment decision on their own.

Premshankar (2001)[46] in his article "smart investing" stated 10 tips for tentative investors who are setting out to invest in a market that may just be working up. They are i) Investing is no gamble ii) Don't trade on news iii) Spread your portfolio wisely iv) Define your risk aptitude v) Set reasonable goods vi) Know the company you keep vii) Keep an eye on investment viii) Don't cling to loss ix) Fads are fickle and x) When in doubt, leave it out.

Kapil Malhotra, (2002)[47] in his article on "Getting an Early Grip" argues that the investor must look for the three major factors in any scheme such as Safety of the fund over a period, The fund expertise and track record and the likely requirements of the child in whose name the investment is made. The safety of the

45. Rajarajan v, "Investors Life Styles and Investment character finance India, volume xiv no.2, June 2000, pp.465-78

46. Premshankar 1HA, "Smart Investing." Business world, Journal, 8th oct 2001. Vol.120

47 kapil malhotra, "Getting an early grip", The week journal, vol.20, No.8, January 27,2002,p.48.

fund is critical since the nature of its investments will determine the returns and protection for the investments.

Shanmugham R. (2002)[48] studied a group of 201 investors to examine the factors influencing investment decisions. The objective of this study was to find out sources of information used by investors and factors influencing share investment decisions. It revealed that, financial newspaper's comments are relied upon by most of the investors. Further, the analysis also leads to the conclusion that psychological and sociological factors dominate the economic factors in investment decision making.

Vinith kumar Nair & Nisha S.[49] in their study titled "A study on Risk Appetite of Investors in Kerala" (2003) has examined the risk appetite of investors in Kerala. The analysis revealed that the people of Kerala invest in one or more than one Investment Avenue and they are generally of moderate risk taking nature.

The term risk means different to different people and the perception of different aspects of risk is dependent on age though it is not dependent on gender and occupation. It can also be concluded from the study that as people grow old, their risk perception and urge to take risk changes. The financial service companies should bring in a variation in the services/products marketed by them taking into consideration the personal variables. Age of the investors should be given utmost importance while introducing a new product, recommending an existing product and describing the benefits of the same. It has emanated out of the study that most of the people are not confident to take an investment decision on their own and they need

48. Shanmugham R, "Factors Influencing Investment Decision", Tata MLGraw Hill publishing company limited, New delhi,2000, pp.256-267.

49. Vinith Kumar Nair & Nisha S. "A study on Risk Appetite of Investors' in Kerala" (2003) in Journal of organizational Management vol. XXII NO. 3 Oct- Dec 2006 p. 4-8

someone to guide them. The financial service companies should train their executives in such a way that they give right advice to the investors, because investors are customers and in today's world the customer is not king but a God. As most of the financial products are sold using net work marketing, a disgruntled investor may affect the business of the financial service company.

Gnana Design C.[50] in his study titled "Investors' Perception Towards Equity Share Investment"- An Empirical study (2003) has examined the investment pattern of the equity investors and the problems of equity share investors in primary and secondary market. The analysis revealed that attitude and perception of the investors towards equity share investment. The study reveals the demographic profile of the investors. It can be seen that most of the equity share investors invest up to 10 per cent of their earnings to invest in equity shares. Most of them prefer balanced risk and prefer to monitor their investment daily. It is clear that the speculative value is the main factor inducing them to make investment in equity shares. The major problems faced by the equity share investors are non-receipt of share certificate and delay in payment. Investors can be induced to invest more in equities, provided measures are taken to overcome the above said problem.

Dr. D. Mulchopadhayay (2004)[51] attempted to study the preference of household investors in the city of Calcutta by taking a sample of 200 investors. The finding of the study states that life insurance policy is the most popular investment avenue, which dominates the basket of portfolio mix. The other important financial avenues selected by majority of investors are post office recurring deposits, bank

50. Gnana Desigan C. "Investors' Perception Towards Equity Share Investment – An Empirical study(2003) in Journal of Organizational Management vol XXII NO.1 April-June 2006 p. 24-30

51. Dr.D.Mulchopadhayay(2004) "household sector investor's preference Empirical study on the city of Calcutta". The management Accountant vol 3.8 No. 8 Aug 2004 pp 656 – 661

fixed deposit, etc, gold is considered as the most secured financial assets among the investors population.

The study concludes that level of literacy, educational attainment; occupational distribution and income profit are the factors, which largely determine the ability to save.

T.S. Ananatharaman (2004)[52] In his article on "The changing scenario of savings and investment" has pointed out that the two fundamental changes witnessed in recent times are the appetite for the new generation to live it up as the buying more by spending more from their income and also using credit and saving less compared to the previous generation without sufficient savings. Therefore, one should keep him very alert and up-to-date to maximize earnings and thereby increase savings and go for innovative investments under expert's advice. So that future can be made safe and secure.

Dr. V.L. Shobhanna and J. Jayalakshmi[53] in their study titled "Investors' Awareness and preferences- A study" (2005) has examined the level of investors' awareness regarding investment options and investment risks. The analysis revealed that investment in real estate/property is preferred by majority of the respondents. The second most preferred investment is bank deposits. Awareness about investment options and risks are high among old aged, highly educated and those who are professionals by occupation. Demographic variables such as age and education do not have significant influence over investor awareness whereas difference in occupational status leads to difference in the awareness level of people.

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52. T.S. Ananatharaman (2004) "The changing of savings and investments" Manorama year book, 2004, p. 26

53. Dr. V.K. Shobhana and J. Jayalakshmi "Investors' Awareness and preference – A study" in Journal of Organizational Management" vol XXII, NO. 3 Oct- Dec 2006 p. 16-18

T. R. Rajeswari & V. E. Rama Moorthy (2006)[54] made an attempt to study the investment pattern of "College teachers". The study states that there is a close relationship between frequency of investment and annual salary, family property. The study concludes that the college teachers invest their money mostly in gold and silver for safety and in LIC policies to reduce their tax burden.

Gnana Desigan, Kalai Selvi and Anusuya (2006)[55] have carried out an empirical study on the women investors' perception towards investment. The study has identified that the present women population, who are equally employed and educated have knowledge about the various aspects of investment and as a result invest in avenues such as bank deposits, shares, debentures and mutual funds. Women involve in investment activities with the motive of enjoying capital appreciation, safety, liquidity, tax benefit, stability, regular income, transferability and prestige. Women investors face difficulties of price fluctuations, liquidity, commission/brokerage, cumbersome procedure and formalities.

Srinivasan (2007)[56] conducted a study of the investment pattern of the small investors in Coimbatore. The study was conducted with the objectives to identify the needs of the small investors in the different investment avenues, to analyze the present trend in the investment pattern, to pinpoint the popularity of the various schemes of the different organizations and to determine the awareness of the investment opportunities amongst the various strata of the society. Increasing numbers are turning towards the capital market both for short as well as long term investments. It

54. T. R. Rajeswari & V. E. Rama Moorthy (2006) "Mutual know thy investors" Southern economist Vol. 39, No 23 & 24

55. Gnana Design. C. Kalai selvi and Anusuya. L, "Women investors perception towards Investment", Indian Journal of Marketing, Vol. 36 (2006), pp. 16-18

56. Srinivasan, "Investment pattern of small Investors in Coimbatore", Indian journal of marketing, vol.II, no.5, 2007, pp.23-29.

is clear that the capital market is going to play an important role in the investment scenario in future. Simultaneously, the public is aware of the pitfalls and has demanded further information about companies. A number of suggestions collected from the sample have been brought into force after completion of the study. This shows a literate society, which is of the requirements of the economy. The above study lacks in knowing about motivation, satisfaction, future plans and tax awareness of the respondents. Therefore, the researcher extended his study to identify these details from the respondents (especially from the salaried people)

Thomas and Rajesh (2008)[57] have carried out a study to identify the investment pattern of rural investors in Kerala with the objectives of identifying the impact of socio-economic background of rural investors on their investment pattern and the impact of new economic crisis on the portfolio construction and management. The study has concluded that, investment is a serious subject having a major impact on investor's future well being, regular income, capital appreciation, dilution of liquidity, provision of future security, diversification of asset holding and quick return. The present scenario has vast and drastic changes in investor's behaviour and motives of investment bringing out a new investment pattern among the rural investors in Kerala.

Bienu Vaghela (2008)[58] in her article has stated that, women investors properly plan their savings and investment activities. Women review investment decision regularly to ensure that they are in line with the overall financial objectives, time horizon and risk appetite.

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57. Thomas. S and Rajesh .M.N, "Investment pattern of Rural Investors in Kerala", Southern Economist, vol. 25, (2008), pp. 19 – 22

58. Bienu Veghela, "Women Role Reversal: Savers to Investors", from www.google.com, (2008)

The empirical study of K**asilingam and Jayabal (2008)**[59] states that, the motive of savings was to reserve a certain portion of income to meet future needs. This study attempts to find out the level of savings and motive of Indian salaried class people to save and invest. The rate of savings of house hold is affected not only by their ability to save but also their willingness to save.

Arul Stephen and Darling selvi (2009)[60] had carried out a study on the investment avenues available for senior citizens. The researchers had identified that the Government cannot assist all the elders in the form of pension and social security throughout their life. It is necessary on the part of the individuals to find out a definite source of income for themselves particularly to secure their old age. The senior citizens have various alternative avenues of investment to ensure a steady income to meet their rising cost in future. Hence, it is the need of the hour for the income earners to think and act wisely in their investment decision and secure their future.

Mathivannan and Selvakumar (2010)[61] have undertaken a study on the savings and investment pattern of school teachers. The researchers have made an attempt to study the social economic background, saving habits, investment patters and expected rate of return of school teachers. The study has concluded that, the teaching community has started to realize the importance of money and money's worth. They were motivated to prepare a budget for the proposed expenses. It is evident from the study undertaken that, most of the school teachers were saving their

59. Kasilingam.R, and Jeyabal.G, segmentation of investors based on saving motives, Indian journal of Economics and Business, vol.7, No.2, (2008), pp-267-280

60. Arul Stephen. S and Darling selvi. V, "Investment avenues available for senior citizens," Kisan world, vol.36, (2009). pp.48.

61. Mathivannan. S and selvakumar. M, "A study on the savings and Investment pattern of school Teachers," Indian journal of finance, vol.35, (2010), pp.12-15

money for the purpose of their children's education, marriage and other family welfare expenses.

Dhivya and Sekar (2010)[62] have carried out a study entitled investor's preference towards financial investments. The objective of the study was to identify the information sources influencing the choice of specific financial instruments and to examine the preferred mode of investment. The study indicates that, the respondents integrate the objectives of savings, factors influencing savings and sources of information for decision making. The annual income and the annual savings are given prime importance by the respondents, because the level of income decides the level of savings. The study concludes that, banks have to make conscious effort to meet customer's needs and requirements in the wake of competition and to fulfil the ever increasing expectations of the customers.

Ganravkabra, Prashant Kumar Mishra and Manoj Kumar Dash (2010)[63] have carried at a study to determine whether the variables such as demographic characteristics and investment patters can be used individually or in combination to both differentiate among the levels of investment decisions and risk tolerance among men and women and to develop some guidelines to the investment managers to design their investment schemes based on the views collected from individuals. The study has identified that, the modern investor is a mature and adequately groomed person. In spite of the phenomenal growth in the security market and quality initial public offerings (IPOs) in the market, the individual investors prefer investments according to their risk preference. Risk adverse people choose life insurance policies, fixed

62. Dhivya. R and sekar, C, "Investor's preference towards financial investments," Indian Journal of finance, vol38, (2010), pp.39-42.

63. Gauravkabra, prashant mishra and manoj kumar dash, "Factors Influencing Investment Decision of Generations in India." Asian Journal of management Research, (2010) pp.308-326.

deposits with banks and post office. Though they are in the trap of some kind of cognitive illusions such as over confidence and narrow framing; they consider multiple factors and seek diversified information before executing investment transaction.

A study on "Investors' Behaviour in Punjab"[64] (2011) was conducted by Monika Uppal, Faculty, Lovely School of Management, Lovely Professional University, Punjab. It is pointed out that most of the respondents save and invest 10-30% of their income in the form of different securities. The main purpose of savings is security of funds followed by tax savings. The most effective source of information is the agents & advertisements on the TV & Internet.

A study on "Investment Decisions - Influence of Behavioural Factors"[65] (2011) was conducted by V. Shanmugsundaram and Dr. V. Balakrishnan, Assistant Professors in Business Administration, DDE, Annamalai University, Annamalainagar, Tamil Nadu. It is found that meager percentage of investors willing to buy more shares. Only 36% of the investors were willing to buy in case of a bonus announcement against 46% of the investor, who were willing to buy on a dividend announcement. These investors obviously believe that the bonus announcement is a sign of good tidings for the company.

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64. Monika Uppal, Indian Journal of Fincance, January 2011 pp. 26-35.

65. V. Shanmugsundaram and Dr. V. Balakrishnan, Indian Journal of Finance, September 2011 pp. 25-34.

2.2 FOREIGN LITERATURE

Ronold Lease et al[66] (1974) studied the attributes and attitudes of individual investors. The study was based on mail questionnaire survey addressed to the clients of a large national retail brokerage house in New York. The study was intended to determine the demographic characteristics, investment strategy patterns, information sources, asset holdings, market attitudes, and perceptions of investors. The study also analyzed the record of portfolio positions and realized returns. In effect, the objective of the study was to find out who the individual is, how he makes his decisions, how he deals with his broker, what his portfolio consists of and how well, in fact, he has done as a portfolio manager.

The study reveals that 80 per cent of the investors were male and nearly one third were in the age group of 65 and above. A majority of investors were found to be employed in professional and managerial occupations. Nearly 45 per cent of investors had an annual income exceeding $ 25000. The study also observed significant positive correlation between the variables, such as a) Annual income and total wealth, b) Age and percentage of portfolio invested in 'income' securities and c) Age and rating of dividend income as a portfolio objective.

Analyzing the investment strategies of the selected group, the study found that long term capital appreciation was the prime investment concern, with dividend and intermediate term gains running second and short term gains ranking third in the list. Roughly half of the sample respondents spent less than five hours in a month for investment analysis and the money spent on collecting information was found to be $15 a year.

66. Lease. Ronald C. et.al "The Individual Investor: Attributes and Attitudes" Journal of Finance, May 1974 p. 413-433

Blume (1974)[67] studied the characteristics and trends of stock ownership in the United States. His study found a mild relationship between dividend yields of investor portfolios and investor tax brackets.

Cohn (1975)[68] examined the issue of relative risk aversion among the investors. The study found a strong evidence in support of decreasing relative risk aversion, i.e., as wealth increases, a higher proportion of the total is committed by the individual to risky assets. The study applied both parametric and non-parametric tests for the purpose of analysis. By using multiple discriminate analyses (MDA), the study concluded that the age, marital status, income and wealth indicated a difference across the different subgroups of investors. The step wise multiple discriminant analysis showed three variables namely wealth, marital status and age of investors in the order of diminishing classificatory power.

Irwin Friend and Marshall E. Blume (1975)[69] in their paper on "The Demand for Risky Assets", used cross sectional data of household asset holdings to assess the nature of households utility function. Friend and Blume viewed that the relationship between utility functions and wealth of all investors is basic to constructing an aggregate demand function for risky assets.

There is reason to believe that market segmentation may exist, because of both legal and institutional constraints and differences in investor taste and expectations. A sample of yearly 1000 individual investors with a wide range of individual

67. Blume marshall E., Jcrockett and I friend "stock Ownership in the United States. Charactersitics and trends" survey of current business No.54 (nov.1974) pp.16-40.

68. Cohn. Richard A, Wilbur G lewellen, Ronald C lease and Gary G. schlar baum, "Individual Investor Risk Aversion and Investment Portfolio Composition", The Journal of finance vol.XXX no.2 may 1978 pp.605-619.

69. Friend. Irwin and marshall E. Blume "The demand for Risky Assets" American Economic Review vol.65. no.5, December 1975 pp.900-922

investment circumstances and styles were used by **Ronald C Lease (1976)**[70] to extrapolate the observed behaviour patterns of a larger population. The study brought out the segmentation in investment strategies, trading patterns, portfolio composition and differences in investor attitude. The study used multiple discriminant analysis to bring out the differences between different groups of investors. The study found that investors do align themselves with particular investment philosophies and different market segments. It was further observed that the alignment is systematically related to their individual circumstances. The findings of the study suggested the existence of a powerful opportunity for the purveyors of financial services to be selective and persuasive in their appeals to various classes of customers.

Lewellen (1978)[71], examined the issue whether any tax induced "clientele" effect is present in the equities in the market place. For this purpose, the securities holding data for a large and diverse sample of individual share owners were used. The study focused on yields of individual securities in the portfolio of investors and concluded that tax-rate distinction among common stock dividend yield sub-groups did not exist in the case of individual segment of the market.

Arnold and Moizer (1984)[72] investigated the methods used by the U.K investment analysts to appraise the investments in the ordinary shares of companies. The respondents in this study were the investment analysts and not the investors. The study opined that investment analysts were both investors in their own right and also

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70. Lease Ronald C. Wilbur, G Lewellen and gary G. Schlarboum, "Market segmentation: Evidence on the Individual Investor," Financial Analyst Journal. Sept-oct 1976.

71. Lewellen Wilbur G. Kenneth L. Stanley, Ronald C. Lease and Gray G. schlarbaum "Some Direct Evidence on the Dividend clientele phenomenon". The Journal of Finance, volXXXIII. No.5. December, 1978 pp.1385-1399.

72. Arnold, John and peter moizer, "A survey of the methods used by UK Investment Analysts to Appraise Investments in ordinary shares". Accounting and Business Research. Summer 1984 pp.195-207.

advisers to their institutional and individual investors. Arnold and Moizer found that the principal share appraisal techniques used by investment analysis like price-earnings ratio and dividend yields were useful for appraisal. The most influential sources of information according to investment analysts perception were found to be the company's annual profit and loss account, balance sheet and its interim results.

Philip Turner (1988)[73] analyzes current account trends in the three giant economies from the perspective of savings-investment balances. Aggregate savings and investments are decomposed into their various components: corporate, household and government. Estimated equations (common to all three countries) relate these aggregates to income, the rate of interest and the rate of exchange. This approach appears to give a good explanation of medium-term movements in the current account, and provides some insights into international imbalances at the present time. The main novelty of the empirical results obtained is that excess domestic savings are negatively related to the real exchange rate, and that direct exchange rate effects are often quantitatively more important than interest rate effects. This conclusion helps to reconcile the saving-investment approach to the balance of payments with traditional trade equation approach where the real exchange rate plays a key role.

Marry G. Finn (1990)[74] constructs a stochastic, overlapping-generation, two-country model of savings and investment under conditions of perfect international capital mobility. The focus of the analysis is on the relationship between savings and investment dynamics in a small open economy in response to stochastic variations in domestic and/or foreign production technologies. The model is simulated under

73. Philip Turner (1988) Savings and investment exchange rates and international imbalances: A comparison of the United States, Japan, and Germany. Journal of the Japanese and International Economics, Volume: 2, Issue: 3, September 1988, Pp. 259-285

74. Mary G. Finn (1990) On Saving and Investment dynamics in a small open economy. Journal of International Economics, Volume 29, Issues 1-2, August 1990, Pp. 1-21.

alternation specifications of the stochastic distribution governing both technologies. This provides insight into the very complicated nature and rich diversity of possible relationships between savings and investment dynamics.

Linda L. Tesar (1991)[75] analysed the correlation between national savings and domestic investment rate and interpreted that the capital is not internationally mobile. This paper surveys the theory and evidence on the relationship between savings and investment. In a sample of 23 OECD countries a positive correlation between savings and investment rates is found in both the short and long runs, However, a wide variety of models generate such co-movements in savings and investment in response to exogenous disturbances, even under conditions of complete financial markets. Thus, the savings-investment correlation provides little evidence on the question of international capital mobility.

Riley Jr. and Chow[76] (1992) used the data of the investments of a random sample of the U.S population to derive relative risk – aversion indexes from actual asset allocations of individuals. A model of risk aversion was developed by the authors who considered the age, education, total household wealth and annual income of individuals as important variables. The analysis found that relative risk aversion decreases as one rises above the poverty level and decreases significantly for the very wealthy. It also decreases with age, but only up to a point. The model showed that after 65 years of age, risk aversion increased with age.

75. Linda L. Tesar (1991). Savings, investment and international capital flow. Journal of International Economics, Volume 31, Issues 1-2, August 1991, Pp. 55-78.

76. Riley Jr. William B and K. Victor Chow, "Asset Allocation and Individual Risk Aversion", Financial Analysts Journal, Nov-Dec 1992

While the studies cited so far have examined the relationship between economic, behavioural and demographic variables, **Nagy and Obenberger's (1994)**[77] studies examine the various utility maximization and behavioural variables underlying individual investor behaviour. The authors expressed the opinion that it provides a more comprehensive understanding of the investment decision process. They examined two specific issues: first, the relative importance of decision variables in making stock purchase decision, and secondly, the existence of any homogeneous groups of variables that investors relied upon when making investment decisions. The findings of the study suggest that classical wealth-maximization criteria are important to investors; eventhough investors employ diverse criteria when choosing stocks. Further, there appeared to be at least seven relatively homogeneous groups of variables that influence individual investor behaviour. These seven groups were labeled by Nagy and Obenberger as "neutral-information", "accounting-information", "self-image/firm image confidence", "classic", "social-relevance", "advocate recommendation" and "personal-financial needs".

Sebastian Edwards (1996)[78] presented a theoretical and empirical assessment of the determinants of savings rate, with special emphasis on Latin American savings rate. The study is based on international comparisons, using data from 36 countries for 1970-1992. A distinction is made between private and public savings. The later are endogenously determined by economic and political variables. Per capita income growth is the most important determinant of private and public savings; public savings are lower in countries with higher political instability; public savings crowed

77. Negy. Robert A and Robert W. obenberger, "Factors Influencing Individual Investor Behaviour".

78. Sebastian Edwards (1996). Why are Latin America's savings rates so low? An international comparative analysis. Journal of Devevlopment Economics, Volume: 51, Issue: 1, October 1996, Pp. 5-44.

out private savings, but less than proportionately. Low Latin American savings are due to the magnitudes of their determinants, rather than structural differences.

Jung-Chao Liu & Lilai Xu (1997)[79] analyzed post-1979 household savings in China in terms of the sources, magnitudes and trends. Using Shanghai as a case, the growth and diversification of household savings are identified statistically. The analysis of changes in saving behaviour and their effects on the pattern of investment shows a progressive decentralization of investment decisions between 1981 and 1993. A notable shift is observed in the shares of investment in favour of technical updating and transformation investment away from capital construction and its financing which had traditionally been under tight control of the government. This change is consistent with the accelerated rate of household savings in Shanghai. To view China's economic reform from the perspective of household savings and investment assists our understanding of economic reform in China.

Coakley, Hasan and Smith (1999)[80] found that the correlation between savings and investment is low in less developed countries, which could be attributed to country-specific macroeconomic policies and not high mobility.

Devita and Abott (2001)[81] found that there is high correlation between saving and investment in the U.S.A by applying Autoregressive Distributive Lag (ARDL) bounds testing. This correlation however weakened during the more liberalized floating exchange rate period.

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79. Jung-Chao Lilai Xu (1997). Household savings and investment: The case of Shanghai. Journal of Asian Economics, Volume: 8, Issue: 1, Spring 1997, Pp. 77-91.

80. Coakley, J., Hasan, F. and Smith, R. (1999): Saving, Investment, and Capital Mobility in LDCs, Review of International Economics, 7, Pp. 632-640.

81. De Vita, G. & Abott, (2001). Are saving and investment Cointegrated? An ARDL Bounds Testing Approach, Economics Letters, 77(2), Pp. 293-299.

Corbin (2001)[82] recognized the importance of controlling for the heterogeneity of countries in a cross-section analysis of the savings and investment correlation for a group of countries using panel data. And, concluded that high saving and investment correlation is more due to country specific effect than to the existence of common factors affecting all the countries in his sample.

Sinha (2002)[83] found that savings and investment rates are co-integrated for Myanmar and Thailand indicating the growth of savings rate causes the growth of investment rate. Interestingly, reverse causality between savings rate and investment rate has been observed for Hong Kong, Malaysia, Myanmar and Singapore.

Kasuga (2004)[84] employed cross-sectional analysis and concluded that the impact of domestic savings on investment dependent on financial systems and their development. Usually in developing countries with bank-based and/or relatively inefficient financial sectors, the lower saving and investment correlation is not unexpected.

Sinha and Sinha (2004)[85] used a huge sample of 123 countries to estimate the short run and long run relationship between savings and investment rates in an Error Correction Framework. The results suggest capital should be more mobile for the countries with high per capita income. They also found that the capital is mobile for 16 countries most with a low per capital income.

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82. Corbin, A. (2001). Country Specific Effects in the Feldstein-Horioka Paradox: A Panel Data Analysis, Economics Letters, 72, Pp. 297-302.

83. Sinha, D. (2002). Saving-Invesment Relationships for Japan and other Asian countries, Japan and the World Economy, 14, Pp. 1-22.

84. Kasuga H., (2004), Saving-Investment Correlations in Developing Countires. Economics Letters, 83(3), Pp. 371-376.

85. Sinha, T. and Sinha, D. (2004). The Mother of All Puzzles Would Not Go Away, Economic Letters, 82, Pp. 259-267.

Narayan (2005)[86] showed that low capital mobility also causes high saving and investment correlation in a study on china during the period of restricted capital mobility as indicated by low foreign direct investment.

Nicholas M. Odhiambo (2009)[87] takes a fresh look at the direction of causality between savings and economic growth in South Africa during the period 1950-2005. The study was motivated by the low and declining savings rate currently prevailing in South Africa, on the one hand, and the dwindling level of economic growth experienced in the country during the 1990s, on the other. Given the weakness associated with the bivariate causality framework, the current study incorporates foreign capital inflow as an intermittent variable in the bivariate model between savings and economic growth – thereby creating a simple trivariate casuality framework. Using the co-integration based error-correction mechanism; the study finds a bi-directional casuality between savings and economic growth to prevail in the short run and a distinct unidirectional casual flow from economic growth to savings to dominate in the long run. On balance, the study finds growth-led savings to predominate in South Africa. The result also shows that foreign capital inflow and savings Granger-cause each other, while economic growth Granger causes foreign capital inflow. The study, therefore, recommends that in the higher savings and economic growth in order to boost investors' confidence and to attract foreign capital inflow. However, in the long run, the country should shift its focus towards achieving higher economic growth, in order to boost the domestic savings and to sustain a steady flow of foreign capital investment.

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86. Narayan, P.K., (2005) The Saving and Investment Nexus for China: Evidence from Cointegration Tests, Applied Economics, 37(17), Pp. 1979-1990

87. Nicholas M. Odhiambo (2009). Savings and economic growth in South Africa: A multivariate causality test. Journal of Policy Modeling, Volume: 31, Issue: 5, September-October 2009, Pp. 708-718

Pradeep Agrawal, Pravakar Sahoo, Ranjan Kumar Dash (2009)[88] say savings behaviour is important because of the close relation between savings and growth. Thus this paper presents individual country analysis of the savings behaviour in five main South Asian Countries, namely India, Pakistan, Bangladesh, Sri Lanka and Nepal, using modern time series procedures. The results show savings in South Asia are mainly determined by income, access to banking institutions, foreign savings rate and dependency rate. The impact of the real interest rate on savings is minor and inconclusive.

Cheng Li (2010)[89] addresses the capital mobility among regions within China. Using a range of panel estimators which deal with the non-stationarity of time series components, individual heterogeneity and common unobserved factors, they show that the savings and investment (both expressed as ratios to GDP) are positively correlated for a sample of 28 Chinese provinces over the period of 1978 to 2006.

James S. Doran, David R. Peterson, Colby Wright (2010)[90] identified finance professors' opinions on the efficiency of the stock markets in the United States and assess whether their views on efficiency influence their investing behaviour. Employing a survey distributed to over 4,000 professors, they obtained four main results. First, most professors believe the market is weak to semi-strong efficient. Second, twice as many professors passively invest than actively invest. Third, the respondents' perceptions regarding market efficiency are almost entirely unrelated to their trading behaviour. Fourth, the investment objectives of professors

88. Pradeep Agrawal, Pravakar Sahoo, Ranjan Kumar Dash (2009). Savings behaviour in South Asia. Journal of Policy Modeling, Volume: 31, Issue: 2, March-April 2009, Pp. 208-224

89. Cheng Li (2010) Savings, investment and capital mobility within China. China Economic Review, Volume: 21, Issue: 1, March 2010, pp – 14-23

90. James S. Doran, David R. Peterson, Colby Wright (2010). Confidence, opinions of market efficiency and investment behaviour of finance professors. Journal of Financial Markets, Volume 13, Issue 1, February 2010, Pp. 174-195. January 2010, Pp. 103-115.

are, instead, largely driven by the same behavioural factor as for amateur investors namely one's confidence in his own abilities to beat the market, independent of his opinion of market efficiency.

CHAPTER III

CONCEPTUAL FRAMEWORK OF INVESTMENT

3.1 INTRODUCTION

Money is an important part of our life. People work hard to earn money to purchase house, to improve standard of living, to educate and for the marriage of children. Savings is necessary to survive, not only for individuals but also to provide scope for the growth of national economy. Economic growth depends on savings and investment of the country as a whole. The necessary element for the growth of investment is growth in savings at the individual and societal level.

Savings is the portion of amount set aside from income for the purpose of taking care of future consumption as well as for fulfilling certain specific objectives. Savings arises out of the abstinence from present consumption for the purpose of future consumption. Personal savings arises out of the excess of personal disposable income over personal consumption expenditure. Savings paves the way for increase in bank deposits, purchase of securities or increase in cash holdings. Any amount saved has to be invested promptly and wisely so as to secure a reasonable return and also capital appreciation besides ensuring purchasing power.

Investment means conversion of cash or money into monetary asset or claim in the future money for a return. It is a sacrifice of current money or other resources for future benefits. Investment is the net additions made to the nation's capital stock consisting of goods and services that are used in the growth process. Investment is the allocation of money to assets that are expected to yield some gain over a period of time. The two key aspects of any investment are time and risk. In some investments, like government bonds, the time element is the dominant attribute. In other

investments, like stock options, risk element is the dominant attribute and in investments like equity shares, both time and risk elements are dominant determinants of return on investment.

Investment can be held in physical form or financial form. Physical investments are held in the form of real estate and gold. Financial Investments are held in the form of deposits, shares and units. Investment avenues are manifold and each has its own risk return characteristics. Risk-less investments are bank deposits, government securities, government bonds, and postal savings while un approved deposit schemes are with high risk and return. For making proper investment, investor must consider the alternative avenues of investment, their risk and return characteristics and market conditions.

The well being of the society and of its individual is reflected in the standard of living of the people in the society which in turn depends on the investment and savings attitude of the individual. India being a developing country needs creation of a proper infrastructure with huge capital in frontier areas. So, savings form the most important factor of economic growth. Savings must be converted into valuable investment to fulfill the personal needs and also participate in economic development of the nation. Hence, the responsibility for investment decisions rest with the investor, who must educate himself on the fundamental aspects of employing his savings wisely and in streamline the pattern of savings and investment over the period of time.

3.2 INVESTMENT

Investment refers to acquisition of some assets. It also means the conversion of money into claims on money and use of funds for productive and income earning assets. In essence, it means the use of funds for productive purposes, for securing some objective like income, appreciation of capital or capital gains or for further production of goods and services with the objective of securing profits. Investment activity involves the use of funds or savings for further creation of assets or acquisition of existing assets.[1]

3.3 CONCEPT OF INVESTMENT

There are only two things that a person can do with his current income – consume it or save it. While what is consumed is not available for the future but what is saved is definitely available for the future consumption. However, savings, if not invested, will not grow because cash in itself is unfruitful. So, if one wants to see his money growing and thereby be better off, his savings must be invested in a manner which yields a rate of return which is greater than the rate of inflation. Thus, employment of funds (savings) with the aim of earning income or securing growth in value is normally referred to as investment.

The term investment is used to describe the process of investing money in shares, debentures, fixed deposits, gold, real estates, life policies etc. The outlets where the money is invested are known as investment assets or securities. Analysis, decision-making and processes involved in allocation of funds to these different assets and more specifically selection of one or the other asset is known as investment management. The word 'investment' has many meanings. There are basically three concepts of investments as given below:

[1] V.A. AVADHANI, INVESTMENT MANAGEMENT, Himalaya Publishing House, p. 42

3.3.1 Economic Investment

As per the economist's definition, investment means the net additions to the capital stock of the society which consists of goods and services that are used in the production of the other goods and services. A net addition to the capital stock means an increase in buildings, plants, equipments and inventories over the amount of equivalent goods that existed, say, one year ago at the same time.

3.3.2 Commitment Investment

Investment usually refers to a money commitment of some sort to the man on the street, since no rate of return is involved nor is a financial return or capital growth expected. For example, a commitment of money for some purpose e.g. purchase of a motor car, purchase of land, paying fees for computer class from an individual's point of view.

3.3.3 Financial Investment

Investment means an exchange of financial claim-stocks and bonds (collectively termed securities), real estate mortgages etc. Investment is the employment of funds with the aim of achieving additional income or growth in value. It involves the commitment of resources which have been saved or put away from current consumption in the hope that some benefits will accrue in future. Investment involves long-term commitment and 'waiting' for a reward.

Investment will generally be used in its 'financial sense' and as such investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period of time. Investment is a commitment of a person's funds to derive future income in the form of interest, dividends, rent, premiums, pension benefits or the appreciation of the value of his principal capital. Following are few definitions of investment:

- **Fischer D.E. and Jordan R.J.** defines, "An investment is a commitment of funds in the expectation of some positive rate of return. If the investment is properly undertaken, the return will be commensurate with the risk the investor assumes."
- **Anthony F.** defines, "Investment is the purchase by an individual or institutional investor of a financial or real asset that produces a return proportional to the risk assumed over some future investment period."
- **Accounting Standard issued by ICAI** defines, "Investments are assets held by an enterprise for earning income by way of dividends, interest and rentals, for capital appreciation or for other benefits to the investing enterprise. Assets held as stock-in-trade are not investments."

From the analysis of above definitions, it is clear that an investment is commitment of current funds in anticipation of receiving larger inflow of funds in future, the difference being the income. An investor hopes to be compensated for- (i) forgoing present consumption, (ii) for the effects of inflation, and (iii) for taking a risk. Investments may take form of real assets, financial assets or even antiques. Following are the three **basic features** which can be identified as common to all types of investment:

- There is commitment of present funds.
- There is an expectation of some return or benefits from such commitment in future, and
- There is always some risk involved in respect of return and the principal amount invested[2].

[2] M.R.Agrawal, Security Analysis and portfolio management, Garima publications, p.1.2-1.3

3.4 CLASSIFICATION OF INVESTMENTS

There are different methods of classifying the investment avenues. A major classification is Physical Investments and Financial investments. They are physical, if savings are used to acquire physical assets, useful for consumption or production. Some physical assets like ploughs, tractors or harvesters are useful in agricultural production. A few physical assets like lorries, cars, jeeps, etc. are useful in business. Many items of physical assets are not useful for further production of goods or creating income as in the case of consumer durables, gold, silver, etc. But most of the financial assets barring cash are used for production or consumption, or further creation of assets, useful for production of goods and services.

Among different types of investments, some are marketable and transferable and others are not. Examples of marketable assets are shares and debentures of public limited companies, particularly the listed companies on stock Exchanges, bonds of PSUs, Govt. Securities, etc. Non-marketable securities or investments are bank deposits, provident and pension funds, insurance certificates, post office deposits, national savings certificates, company deposits, private limited companies' shares etc.[3]

3.5 CHARACTERISTICS OF INVESTMENT

A. **Risk:** The risk depends on the following factors:

1. The longer the maturity period, the larger is the risk. Thus, deposits of two years carry a higher rate than one-year deposits.

2. The more the creditworthiness of the borrower or agency issuing securities, the less is the risk. Thus, the risk of loss of interest and principal is less with the Government or semi-Government bodies than with the private corporate units.

[3] V.A. AVADHANI, INVESTMENT MANAGEMENT, Himalaya Publishing House p.42

3. The nature of instrument, namely, the debt instrument or fixed deposit or ownership instrument like equity or preference share, also determines risk. The risk of loss of money is less in the case of debt instruments like debentures, as these are secured and fixed interest is payable on them. In the case of ownership instruments, the risk of loss is more due to their unsecured nature and variability of their return and ownership character which burdens them with all the risks connected with the enterprise.

4. The risk of variability of returns is more in the case of ownership capital as the return varies with the net profits after all commitments are met. As such, equity and preference shares of companies are more risky than debentures or bonds. Among the ownership instruments, equity is more risky than preference shares or other forms of ownership instruments such as partly or fully convertible debentures, convertible and cumulative preference shares, as equity holders are residual owners of the firm.

5. The nature of tax liability on the instruments- the tax provisions would influence the return as the net effective return for a tax-payer would be higher for tax-free instruments as in the case of NSS, NSC, (VI or VII series) or those whose interest income is tax-free up to a limit as in the case of UTI dividends, RBI Relief Bonds or interest on P.O.deposits. The net return on such instruments is higher by different degrees to the tax-payers, depending upon the income tax brackets into which they fall.[1]Thus, tax implications of investment decisions are based upon return, safety, liquidity, marketability, etc., which are examined below.

B. **Return:** A major factor influencing the pattern of investment is its return, which is the income plus capital appreciation if any. The difference between the purchase price and the sale price is capital appreciation and the yield is the interest or dividend

divided by its purchase price. Thus, if Rs.25 is the dividend on a share of the face value of Rs.100 but purchased at Rs. 150, then the return is 25/150 = 16.65.

C. **Safety**: The safety of capital is the certainty of return on capital without loss of money or time involved. In all cases of money lent, some transaction costs and time are involved in getting the funds back. But leaving aside such general costs like stamp duty, postal charges, etc., the time involved is also an important factor. If money is returnable not on the same day but after a lapse of time, then the loss of liquidity is involved and if the time of return of funds is not certain and if costs of selling or realization of proceeds are involved, then the safety of funds is also not perfect. Thus, if safety of capital is to be assured, then riskless return as in the case of Government bonds is to be chosen. If the return is higher, as in the case of private securities, then the degree of safety is less.

D**. Liquidity**: If a capital asset is easily realizable, saleable or marketable, then it is said to be liquid. If an investment can be encashed with a time lag as in the case of equity shares or with loss of money as in the case of corporate deposits, then they are less liquid. If, on the other hand, there is a good market for the capital asset and no risk of loss of money or capital and no uncertainty of time involved, then the liquidity of the asset is good. If liquidity is high, then the return may be low as in the case of bank saving deposits or Mutual Fund units.

An investor generally prefers liquidity for his investments, safety of his funds, a good return with a minimum risk or minimization of risk and maximization of return (dividend plus capital appreciation).

E. **Marketability:** This refers to transferability of an asset. Those listed on a stock market are more easily marketable than those that are not listed. Public limited

companies will have their shares more easily transferable than those of private limited companies.

3.6 NEED FOR INVESTMENT

Investments are both important and useful in the context of present day conditions. The following factors have made investments increasingly important:

3.6.1 Longer Life Expectancy

Investments have become significant, as working people (men and women) retire between the age of 60 and 65. Also the trend shows longer life expectancy. Savings from the current earnings must be invested in such a way that the principal and income will be adequate for a greater number of retirement years. So, increase in working population, proper planning for life span and longevity have ensured the need for balanced investments.

3.6.2 Increasing Rates of Taxation

Taxation is one of the crucial factors which bring an element of compulsion in a person's savings. There are various forms of savings outlets in our country in the form of investments in National Savings Certificates (NSC), Development Bonds, Post Office Cumulative Time Deposit Schemes, Life Insurance, and Unit Trust Certificates etc. All these help in bringing down the tax level by offering deductions in personal income.

3.6.3 Inflation

In the years of rising prices, the investor will search an outlet which gives him a high rate of return in the form of interest to cover any decrease due to inflation. Besides high rate of interest, it should not unduly increase his taxation burden. Otherwise the benefit derived from interest will be compensated by an increase in taxation.

3.6.4 Income

Another factor is the general increase in employment opportunities which gave rise to both men and women working force in India every year. More incomes and more avenues for investment have led to the ability and willingness of working population to save and invest their funds.

3.6.5 Investment channels

The growth and development of the country leading to greater economic activity has led to the introduction of a vast array of investment outlets. Some of the instruments available are corporate stock, provident fund, life insurance, fixed deposits, Unit Trust Schemes and so on. The investor in his choice of investment will have to try and achieve a proper mix between high rate of return and stability of return to reap the benefits of both.

3.7 OBJECTIVES OF AND CONSTRAINTS IN INVESTMENTS

3.7.1 OBJECTIVES OF INVESTMENT

Investments objectives are the goals to be achieved by making investment. Objectives or goals are the starting point of investment process. The main investment objectives are increasing the rate of return and reducing the risk. The other objectives like safety, liquidity and hedge against inflation can be considered as subsidiary objectives. Thus investment objectives can be stated as follows:

3.7.1.1 Return

Investors always expect a good rate of return from their investments in the form of regular income and capital appreciation. Rate of return could be defined as the total income the investor receives during the holding period stated as a percentage of the purchasing price at the beginning of the holding period.

$$\text{Return} = \frac{(\text{End period value} - \text{Beginning period value}) + \text{Dividend}}{\text{Beginning period value}} \times 100$$

3.7.1.2 Risk

Risk of holding securities is related with the probability of actual return becoming less than the expected return. The word risk is the variability of return. Investments' risk is just as important as measuring its expected rate of return because minimizing risk and maximizing the rate of return are interrelated objectives in the investment management. An investment whose rate of return varies widely from period to period is risky than whose return does not change much. Every investor likes to reduce the risk of his investment by proper combination of different securities.

3.7.1.3 Liquidity

Liquidity means how quickly an investment can be converted into cash. Marketability of the investment provides liquidity to the investment. The liquidity depends upon the marketing and trading facility. If a portion of the investment could be converted into cash without much loss of time, it would help the investor meet the emergencies. Stocks are liquid only if they command good market by providing adequate return through dividends and capital appreciation.

3.7.1.4 Safety

Safety is reasonable assurance about repayment of amount invested. An investor has to study credibility of company and reliability of market before putting his money. Every investment provides different degree of safety. Approval of the law itself adds a flavor of safety. Even though approved by law, the safety of the principal differs from one mode of investment to another. Investments done with the government assure more safety than with the private party. From the safety point of view, investments can be ranked as follows: bank deposits, government bonds, UTI

units, non-convertible debentures, convertible debentures, equity shares, and deposits with the non-banking financial companies.

3.7.1.5 Hedge against Inflation

Since there is inflation in almost all the economy, the rate of return should ensure a cover against the inflation. The return rate should be higher than the rate of inflation; other-wise the investor will have loss in real terms. Growth stocks would appreciate in their values overtime and provide a protection against inflation. The return thus earned should assure the safety of the principal amount, regular flow of income and be a hedge against inflation.

3.7.2 INVESTMENT CONSTRAINTS

Investment decision cannot be made in a situation when there will be no constraints. Identification of those constraints is crucial for the selection of sound investment. Some important constraints are:

3.7.2.1 Income needs

The income needs depends on the need for income in constant rupees and current rupees. The need for income in current rupees arises from the investor's need to meet all or part of the living expenses. At the same time inflation may erode the purchasing power. The investor may like to offset the effect of the inflation and so, needs income in constant rupees.

- **Need for current income:** The investor should establish the income which the portfolio should generate. The current income need depends upon the entire current financial plan of the investor. The expenditure required maintaining a certain level of standard of living and all the other income generating sources should be determined. Once this information is arrived at, it is decided how much income must be provided for the portfolio of securities.

- **Need for constant income:** Inflation reduces the purchasing power of the money. Hence, the investor estimates the impact of inflation on his estimated stream of income and tries to build a portfolio which could offset the effect of inflation. Funds should be invested in such securities where income from them might increase at a rate that would offset the effect of inflation. The inflation or purchasing power risk must be recognized but this does not pose a serious constraint when portfolios of growth stocks are selected.

3.7.2.2 Liquidity

Liquidity need of the investment is highly individualistic of the investor. If the investor prefers to have high liquidity, then funds should be invested in high quality short term debt maturity issues such as money funds, commercial papers and shares that are widely traded. The investor should plan his cash drain and the need for net cash inflows during the investment period.

3.7.2.3 Safety of the principal

Another serious constraint to be considered by the investor is the safety of the principal value at the time of liquidation. Investing in bonds and debentures is safer than investing in the stocks. Even among the stocks, the money should be invested in regularly traded companies of longstanding. Investing money in the unregistered finance companies may not provide adequate safety.

3.7.2.4 Time horizon

Time horizon is the investment-planning period of the individuals. This varies from individual to individual. Individual's risk and return preferences are often described in terms of his "life cycle". The stages of the life cycle determine the nature of investment. The first stage is the early career situation. At the career starting point, assets are lesser than their liabilities. More goods are purchased on credit. His house

might have been built with the help of housing loan scheme. His major asset may be the house he owns. His priority towards investments may be in the form of savings for liquidity purposes. He takes life insurance for protecting him from unforeseen events like death and accidents and then he thinks of the investments. The investor is young at this stage and has long horizon of life expectancy with possibilities of growth in income, he can invest in high-risk and growth oriented investments.

The other stage of the time horizon is the mid-career situation. At this stage, his assets are larger than his liabilities. Potential pension benefits are available to him. By this time, he establishes his investment program. The time horizon before him is not as long as the earlier stage and he wants to protect his capital investment. He may to reduce the overall risk exposure of the portfolio but, he may continue to invest in high risk and high return securities.

The final stage is the late career or the retirement stage. Here, the time horizon of the investment is very much limited. He needs stable income and once he retires, the size of income he needs from investment also increases. In this stage, most of his loans are repaid by him and his assets far exceed the liabilities. His pension and life insurance programmes are completed by him. He shifts his investment to low return and low risk category investments, because safety of the principal is given priority. Mostly, he likes to have lower risk with high interest or dividend paying component to be included in his portfolio. Thus, the time horizon puts restrictions on the investment decisions.

3.7.2.5 Tax consideration

Investors in the income tax paying group consider the tax concessions they could get from their investments. For all practical purposes, they would like to reduce the taxes. From the tax point of view, the form in which the income is received i.e.

interest, dividend, short term capital gains and long term capital gains are important. If the investor cannot avoid taxes, he can delay the taxes. Investing in government bonds and NSCs can avoid taxation. This constraint makes the investor to include the items which will reduce the tax in his portfolio.

3.7.2.6 Temperament

The temperament of the investor himself poses a constraint on framing his investment objectives. Some investors are risk lovers or takers, who would like to take up higher risk even for low return. While some investors are risk averse, they may not be willing to undertake higher level of risk even for higher level of return. The risk neutral investors match the return and the risk. Hence, the temperament of the investor plays an important role in setting the objectives of investment.

3.8 FACTORS AFFECTING INVESTMENT DECISIONS

In selecting specific investments, investors need specific ideas about the features which the investments possess. There are several features for which the investor should look into an investment. It may be needed that these features must be consistent with the objectives of the investors. Following are some of the features which an investor looks into an investment:

3.8.1 Liquidity

Liquidity, with reference to investments, means that the investment is saleable or convertible into cash without delay. In other words, liquidity refers to the speed and ease with which an investment (asset) can be sold for a fair price. Liquidity provides a chance to the investor that he can exit and get back his money. This is particularly relevant in case an emergency appears before the investor and the funds are immediately required. Different types of investments offer varying degree of liquidity.

Most of financial assets provide a high degree of liquidity. Shares and mutual fund units can be easily marketed at the prevailing prices.

3.8.2 Risk of investment

Another equally important factor that must be considered in the investment decision is the degree of risk an investor is ready to assume. Risk of an investment is to be analyzed from three different angles. These are safety of principal, stability of return and capital appreciation.

1) **Safety of principal:** An investor should take care that the amount of investment (principal) is safe. The safe of an investment depends upon several factors such as the economic conditions, organization where investment is made, earnings stability of that organization, etc. Guarantee or collateral available against the investment should also be taken care of. For example, bonds issued by the Reserve Bank of India are completely safe investments as compared with the bonds of a private sector company. With reference to investment made in a particular company, investment made in debentures of that company is safer than investment in preference shares of the same company. Further, investment in preference shares is still safer than that in the equity shares of the same company.
2) **Stability of return:** An investment is considered a good investment if it offers stable returns. The prime objective of making every investment is to earn a stable return. If returns are not stable, then the investment is termed as risky. It may be noted that riskiness of returns refers to the position that the returns may fluctuate. For example, returns (interest) from Savings Account, Fixed Deposits Account, Bonds and Debentures are stable but the expected

dividends from equity shares are not stable. The rate of dividend on equity shares may fluctuate depending upon the earnings of the company.

3) **Capital Appreciation:** Some investments such as land, buildings, equity shares provide opportunities of capital appreciation. On the other hand, there are some investments such as fixed deposits, debentures, etc., where the initial value and maturity value are the same. Investors always prefer those investments which have more chances of capital appreciation. But chance of capital appreciation implies chance of capital loss as well. Investment in equity shares is one which has chances of capital appreciation implies chance of capital loss as well. In case of debentures, capital loss may appear if the company is wound up. An investor has to consider the chances of capital appreciation in the investment decision process. Chances of capital appreciation or capital loss add to the risk of the investment.

3.8.3 Tax Aspects of Investments

Investments differ with respect to tax treatment of initial investment, return from investment and redemption proceeds. For example, investment in Public Provident Fund has tax benefits in respect of all the three characteristics noted above. However, investment in equity shares entails exemption from taxability of dividend income but the transaction of sale and purchase are subject to Securities Transaction Tax (STT) or tax on capital gains. Sometimes, the tax treatment depends upon the type of the investor. The performance of any investment decision should be measured by its after tax rate of return. For example, between 8.5% Public Provident Fund and 8.5% Debentures, former should be preferred as it is exempt from tax while the latter is subject to tax in the hands of the investor.

3.8.4 Investment Horizon

Investment horizon refers to the planned liquidation date of the investment. Investment horizon must be considered by investors while choosing and selecting investments. The maturity period of an investment (say bonds) makes it more attractive if it coincides with the date when funds would be needed.

3.8.5 Availability of funds

The amount of investible funds changes from investor to investor. An individual investor normally has very limited investible surplus after spending on personal expenses. An institutional investor has much higher amount of funds available. According to the funds available, the investor has to choose the investment e.g. for investing in asset like land, minimum amount required is very high.

It may be noted that all the factors given above must be considered simultaneously and not one-by-one. The investment decision should be based on the overall effect of all these factors.

3.9 FACTORS PECULIAR TO INDIVIDUAL INVESTORS

In addition to the above mentioned factors, there are some factors of investment which are peculiar to an individual investor. These factors are:

3.9.1 Individuals' Current Income and Expenses: This significantly influences investment activity. An investor who has sufficient current income to meet his expenses would not be keen on receiving current income from investment. He would normally invest for getting capital appreciation in long term. Whereas an investor who needs investment income to meet his current expenses, has to invest in avenues like Post office Monthly Income Scheme which can meet his immediate needs.

3.9.2 Family Background: The family background of an individual investor also affects the investment decision an explained hereunder:

1) **Number of dependents:** The number and age of dependents and their potential educational requirements can have a significant impact on investment decision and selection. Obviously, a large number of dependents on a given level of income will reduce the size of savings and investments .A study on dependency rates and saving rates reveals that rate of savings and investment are also determined by dependency rates.
2) **Number of independents:** The number of independents can also have a significant impact on investment decision and selection .Larger the number of independents higher would be the level of investments. An individual having large number of independents in his family will have less financial commitments and more invisible surplus as the financial obligations get distributed among the independents as well as there is no burden of the dependents on the individual.
3) **Future commitments:** An investor who has to provide for future commitments like housing provision, provision for children's education , provision for children's marriage, medical treatment , provision for other expenses etc. is less likely to speculate than the investors who are free from future commitments. The cost of buying a house often make the development of an investment programme difficult for an investor during the early years

3.9.3 Marital status : The investor's marital status can have a large impact on his investment goals and decision .As a married person usually has to provide for the physical and emotional needs of his family , he tends to be a more conservative investor and he is less likely to speculate .He is also required to make provision for children's education and their marriage along with the medical provision .The investment needs of a single person are less complex as his financial needs are simple.

3.9.4 Age: Major factor affecting an individual's investment objective and his decision is his age. A person advanced in age may prefer to keep his investments in a fairly liquid form emphasizing income and safety of principal instead of growth .He may not be particularly concerned about purchasing power risk. A person nearing his retirement age has to plan for a peaceful and comfortable life after retirement. He wants more safety and liquidity with modest returns .As the investors approach retirement; most of them tend to become more conservative because they feel that their past experiences are indicators of their future potential.

A young person however, may put great emphasis on growth and purchasing power protection and place less emphasis on liquidity. A person less than 40 years can afford to experiment even at the cost of loosing some money as it will not affect him in the long run. Risk taking capacity at that age is surely better than that of a person in his late forties or early fifties. The younger individual can also afford to be patient for the realization of capital gains. Young investors usually tend to be less cautious than older ones perhaps because the younger investors are willing to accept the risk and also they lack experience.

3.9.5 Personal Attitude: An individual's own attitude or views significantly affect investment.

1) **Risk taking capacity:** Individual's psychological strength to bear the risk affects his attitude towards risk. There are varieties of risks to which some or all securities are subject. Since risks are always present, the investor should understand their nature, be willing to accept them and make the necessary provisions against them. Some investors eagerly accept risk and are not alarmed even if they lose large sums of money. These people are prepared financially and emotionally to invest in more volatile securities. Others are so

security conscious that they would not risk the loss of any amount, therefore they avoid the stock market entirely.

2) **Optimist or pessimist mindset:** An investor's attitude towards life is particularly important because it has a bearing on the investment objectives. An investor who believes in optimistic future would also be an optimist while investing. An investor who is partially optimistic and partially pessimistic would invest with caution as well as weigh the pros and cons of each scheme. A pessimistic investor believes in short term income and short term gains. An optimistic investor being patient and strongly believes in long term income, buys and holds even volatile securities is less attracted to jump from one attractive flower to another.

3) **View of looking at investment:** Some investors may take investment seriously; they personally study various investment avenues and take decisions on analytical thinking. Some investors do not consider investment as an important activity. They restrict themselves to a few known avenues like bank or post office. Still other investors are very careless about safety of their investment. They may put their money in schemes like plantation schemes.

3.9.6 Level of Education: The importance of investment decision is enhanced by the fact that educated individuals consider investment as an important activity rather than the uneducated individuals. Individuals having only elementary education or non-matriculate have only bare knowledge and are less interested in investment activity and they would depend heavily on their investment counselors or consultants for investment process. Most of the educated individuals are investment conscious and depend on continuous information flow for taking investment decision. They

would like to avail themselves the benefit of tax incentives and rebates through rational investment planning.

3.9.7 Image and social status: Some investors prefer to keep a part of their wealth in physical assets like gold and land due to the sense of security, personal desire, satisfaction, pride of ownership and for maintaining their status and prestige in society. A large number of investors buy gold as a basic investment which should be given to the children at their wedding as an obligatory duty due to the social beliefs and customs. Some investors invest in certain shares because to own a few shares in a particular company may be considered to have some social status due to image of a particular company.

3.9.8 Tax benefit: Due to provisions of Income Tax Act, certain investments provide instant reduction in tax liability e.g. PPF, NSC, Tax Saving Bonds etc. A small investor has to devote a large part of his surplus to such investment to avoid his tax liability.

3.9.9 Other Factors: Factors like mother tongue, community, religion also influence investment decision, e.g. a person from business community normally has risk taking capacity while a salaried person may prefer fixed income securities.

3.10 INVESTMENT DECISION PROCESS

The investment decision process is concerned with as to how an investor should proceed in making decision about in what type of marketable securities to invest, when the investment should be made and how diversified should be the investments? It requires the investor to go through certain steps to make sound investments. These steps can be summarized as below:

3.10.1 Review of Investment Avenues

The first step in investment process is to decide about the broad classes of investments. These classes may be shares, debentures, bonds, real estate, gold, bank, mutual funds etc. These assets perform differently depending upon economic factors. So, an investor has to keep a good balance among these assets.

3.10.2 Determination of Investment Objectives and Constraints

An investor has to consider what he wants to achieve by making investment. Investment objectives would include returns on investment, safety of investment, need for retirement benefit, need for purchasing own house *etc.* He also may have to face certain constraints like lack of sufficient funds, irregular flow of income, high rates of tax. Every investor should review his own objectives and constraints before choosing a particular mode of investment.

3.10.3 Investment Analysis

After reviewing available avenues and his own objectives, investor has so analyse the available avenues. Investor has to study the nature of security, type of industry, regularity of return, chances of default, price of security etc. Investors use techniques like technical analysis and fundamental analysis to evaluate securities.

3.10.4 Portfolio Construction

Portfolio construction involves identifying specific assets for investment, and also to determine the amount to be invested in each asset. Investor will use inputs from earlier steps i.e. investment objectives and investment analysis. Investor has to take a balanced decision to accommodate various objectives. Investor should wait till suitable ‘time’ for making investment. Various strategies, theories and statistical tools are available to aid portfolio construction.

3.10.5 Portfolio Revision

Every investor has to review his investment regularly. The market conditions, securities' prices, interest rates all keep on changing. Investors' objectives may also change over a period of time. Hence, an investor has to revise his portfolio accordingly. Portfolio revision involves repetition of all earlier steps.

3.10.6 Portfolio Performance Evaluation

An investor should evaluate the performance of his investments. Performance evaluation should be done periodically and objectively. Performance evaluation provides meaningful feedback for improving the quality of investment management. An investor would like to know how far his objectives were achieved by making investments.

3.11 FORMS OR TYPES OF INVESTMENTS

Many types of alternative investments or investment media for investment are available to investors. Securities ranging from risk-free instruments to highly speculative shares are available for alternative investments. Each type of investment media has its own features while investors have varied objectives. So, an investor has to choose investment media as per suitability. The various investment media can be classified as follows:

- **Based on return or income**
    - **a)** Variable income securities such as equity shares of corporate.
    - **b)** Fixed income securities such as bonds, debentures, preference shares etc.
- **Based on source of issue**
    - **a)** Government securities issued by central or state governments.
    - **b)** Semi-government securities issued by local bodies, port trusts etc.

c) Corporate securities such as shares, debentures, bonds etc.

- **Based on transferability**

a) Security form of investments:

- Equity shares
- Preference shares
- Debentures / bonds
- Government securities

b) Non-security form of investments:

- Deposit schemes
- Tax sheltered schemes
- Life insurance
- UTI and mutual funds
- Real assets

Generally security and non-security forms of investments are more popular from investors' point of view.

Equity share

Total equity capital of a company is divided into equal units of small denominations, each called a share. The holders of such shares are members of the company and have voting rights. When company makes profit shareholder receives their share of the profit in form of dividends. In addition, when company performs well and the future expectation from the company is very high, the price of the companies share goes up in the market

Preference shares

Preference share as that part of share capital of the company which enjoys preferential right as to a) payment of dividend at a fixed rate during the lifetime of the

company: and b) the return of capital on winding up of the company. It is lie in between pure equity and debt. But preference shares cannot be traded, unlike equity shares, and are redeemed after a pre-decided period. Also, preferential shareholders do not have voting rights. These are issued to the public only after a public issue of ordinary shares.

Bonds and Debentures in India

A bond or debenture is a long term debt instrument. Bonds issued by the government or the public sector companies are generally secured. The private sector companies issue secured or unsecured debentures. In the case of bonds or debentures, the rate of interest is fixed and known to the investors. A bond is redeemable after a specific period. The key risks of corporate bonds are that the company will go out of business and you'll lose your investment, and that interest rates

Post office savings schemes

India possesses the largest postal network in the world with 1, 55,000 post office spread all over the country as on March31, 2001, of which 89 per cent are in the rural sector. There are various kinds of saving schemes e.g. National Savings Certificates (NSC), National Savings Schemes(NSS), Post Office Time Deposits, Post Office Recurring Deposit Account (PORDA), Post Office Monthly Income Scheme, Senior Citizen Scheme, Kisan Vikas Patra, RBI Relief Bonds, Public Provident Funds, etc. Almost all of them have tax relieves and exemptions u/s 80c & u/s 10. The return varies form 6-9% and involves certain lock in period. These days, schemes are not very popular and suitable for the investors who are very risk averse.

Bank Deposits in India

Bank deposits are fairly safe because banks are subject to control of the Reserve Bank of India (RBI) with regard to several policy and operational parameters. Now, most of the banks offer various facilities such as ATM card, credit card etc. through debit/ATM card, one can take money from any of the ATM centres of the particular bank which will be open 24 hours a day. Through a credit card, one can avail shopping facilities from any shop which accept the credit card. And many of the banks also give internet banking facility, with which one can avail facilities like – transactions like withdrawals, deposits, statement of account etc. Now-a-day's, different kind of accounts available such as Savings Bank Account, Bank Recurring Deposits, Bank Fixed Deposits, Current account. Bank deposits are the safest investment after Post office savings because all bank deposits are insured under the Deposit Insurance & Credit Guarantee Scheme of India. It is possible to get loans up to 75 – 90% of the deposit amount from banks against fixed receipts, though some penalty may be charged.

Provident Fund

These funds are of different types. Some of them are structured & mandatory for notified organizations to provide to their employees. In these funds, employees contribute a certain portion of their salary & an equivalent amount is required to be contributed by the employer. Post offices also provide for Public Provident Fund, popularly known as PPF. It is a savings cum tax saving instrument. It also serves as a retirement planning tool for many of those who do not have any structured pension plan covering them. Minimum deposit required in a PPF account is Rs. 500 in a financial year. Maximum deposit limit is Rs. 70,000 in a financial year. Presently, the rate of interest is 8% per annum. The numbers of investors for Provident funds were

1172 in 1950-51, which increased to 52,435 in 2001 – 2002 which accounted for 18% of savings in financial assets of the household sector in India.

Company Fixed Deposits in India

The company fixed deposits were started in India in 1964 by Bajaj Capital Ltd. Today, its market has grown to approximately more than 25000 crores. The number of deposits has increased to around 5 million. Fixed deposits n corporations that earn a fixed rate of return over a period of time are called Company Fixed Deposits. Financial institutions and Non-Banking Finance Companies (NBFCs) also accept such deposits. The benefits of company deposits are numerous like superior returns from reputed companies, fixed and assured returns, premature encashment, simplicity of transactions, TDS benefits and wide choice. All these features have made company deposits a preferred instrument of investment. These deposits are unsecured. Every company is rated by credit rating agencies like CARE, CRISIL and ICRA. Normally, the minimum investment is Rs. 5000. For individual investors, there is no upper ceiling. Their duration may vary from a minimum of 6 months to 5 years or even more. The rate of interest is ranging from 5-16%. Before investing, we must take certain precautions i.e. check the credentials of the company, confirm the interest rate compounding period & penalty in case of premature ending of fixed deposits, etc. The drawback is that the interest income is subject to tax & rising inflation can wipe out these benefits.

Insurance

Insurance is a form of risk management primarily used to hedge against the risk of a contingent loss. Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another in exchange for a premium. Basically, the Insurance companies can be classified into two categories i.e. Life Insurance & Non-Life. There

are different kinds of products that are being offered by insurance companies these days. These are Business Insurance, Health Insurance, Disability Insurance, Casualty Insurance, Life Insurance, Property Insurance, Automobile Insurance, Driving school Insurance, Aviation Insurance, Boiler Insurance, Builder's risk Insurance, Earthquake Insurance, Flood Insurance, Marine Insurance, Terrorism Insurance, Volcano Insurance, Windstorms Insurance, Liablity Insurance, Credit Insurance, Pet Insurance, Pollution Insurance, Travel Insurance, Reinsurance, Social Insurance etc. A new kind of product is very popular these days i.e. ULIP (Unit Linked Insurance Plan). The investment under this type of scheme are subject to a lock-in period of 3 years and, as per the finance act 2005, are allowed the benefit of income deduction upto Rs. 1, 00,000. Now-a-days, modern insurance companies are money making business which has little interest in insurance. That is why they are criticized. The purpose of insurance is to reduce risk so the reluctance of insurance companies to take on high-risk cases (e.g. houses in areas subject to flooding, or young drivers) runs counter to the principle of insurance. Insurance policies contain too many exclusion clauses. Moreover, the information provided in the call centers is not guided by expert knowledge.

Mutual Funds

A mutual fund is a professionally managed firm of collective investments that collects money from many investors and puts it in stocks, bonds, short-term money market instruments, and/or other securities. The fund manager, also known as portfolio manager, invests and trades the fund's underlying securities, realizing capital gains or losses and passing any proceeds to the individual investors. Currently, the worldwide value of all mutual funds totals to more than $26 trillion. There are different types of mutual funds e.g. Open-ended, Exchange-traded funds, Equity

funds, Bond funds, Money market funds, Funds of funds, Hedge funds. There may be different investment objective for different investors i.e. Growth, Income, Tax Saving etc.

3.12 ATTRIBUTES OF INVESTMENT TO BE ANALYSED

3.12.1 Rate of Return

The return is the motivating force and the principal reward in the investment process. Therefore, every investor prefers a higher return. Assessment of return of a security/ investment is important because it facilities comparison between various securities, helps in analyzing the past performance and in forecasting the future return. The rates of return on are investment for a period may be defined as follows:

$$\text{Rate of Return} = \frac{\text{Annual Income + change in price x 100}}{\text{Purchase price of an investment}}$$

3.12.2 Risk

The rate of return from investment like equity shares, real estate, silver, and gold can vary rather widely. The risk of an investment refers to the variability of its rate of return. A simple measure of dispersion is the range of values, which is simply the difference between the highest and the lowest values. Other measures commonly used in measuring risk are:

(i) Variance; (ii) Standard deviation: and (iii) Beta.

3.12.3 Liquidity or Marketability

An investment is highly liquid or marketable if: (i) it can be transacted quickly; (ii) the transaction cost is low; and (iii) the price change between two successive transaction is negligible. Generally, equity shares of large, well-established companies enjoy high marketability and equity shares of small companies in their formative years have low marketability. High marketability is a desirable

characteristic and low marketability is an undesirable characteristic. An investment may be regarded as highly 'marketable' if any of the following conditions is satisfied:

- A substantial portion of the accumulated balance can be withdrawn without significant penalty; and
- A loan can be raised at a rate of interest that is not much higher than the rate of interest earned on the investment itself.

3.12.4 Tax savings

Some investments provide tax benefits; others do not. Tax benefits are of the following three kinds:

1) **Initial tax benefit:** An initial tax benefit refers to the tax relief enjoyed at the time of making the investment. For example, National Savings Certificates (NSC) on which one tax rebate under section-88 of the Income Tax Act is available.
2) **Continuing tax benefit:** A continuing tax benefit represents the tax shield associated with the periodic returns from the investment. For example, the dividend on equity shares is exempt from tax.
3) **Terminal tax benefit:** A terminal tax benefit refers to relief from taxation when an investment is realized or liquidated. For example, withdrawals from a Public Provident Fund Account or payment of life insurance policy on maturity are not subject to tax.

3.12.5 Convenience

Convenience broadly refers to the ease with which the investment can be made and looked after. The degree of convenience associated with investments varies widely. At one end of the spectrum is the deposit in a savings bank account that can be made readily and that does not require any maintenance effort. At the other end of

the spectrum is the purchase of a property that may involve a lot of procedural and legal hassles at the time of acquisition and a great deal of maintenance effort subsequently.[4]

[4] M.R.Agrawal, Security Analysis and portfolio management, Garima publications P.1.6-1.15

CHAPTER IV

INVESTMENT PREFERENCE, AWARENESS LEVEL AND MOTIVATING FACTORS TOWARDS INVESTMENT

4.1 Introduction

This chapter deals with the analysis of investment pattern of the Government salaried class investors in Tirunelveli district. For this purpose, primary data were collected by the interview schedule method. The researcher has analyzed the data on the basis of gender, age, marital status, educational qualification, nature of work, place of residence, number of family members, number of earning members, number of dependents, monthly income, monthly expenses, average monthly surplus, average monthly investments, ideal time horizon for investment portfolio and mode of payment for investment.

Further, the researcher has analyzed the relationship between the level of awareness and socio economic background of the Government salaried class investors. With the help of Chi-square test, awareness level of the Government salaried class investors towards various investment avenues, purpose of investment and motivating factors were analyzed.

4.2 Socio economic Background of the Government salaried class investors

4.2.1 Age

The Government salaried class investors of different age group have been investing in different investment avenues. Both young and aged persons prefer to invest in different investment avenues. The following Table 4.1 shows the age of the Government salaried class investors in Tirunelveli district.

Table 4.1

Age-wise classification of Respondents

Sl. No	Age (in years)	No. of Respondents	Percentage
1	Below 30	122	22.2
2	30 – 40	177	32.2
3	40 – 50	120	21.8
4	Above 50	131	23.8
	Total	**550**	**100**

Source: Primary Data

Table 4.1 confirmed the age of the respondents who are investing in different investment avenues. It is evident from the above table that 177 (32.2 per cent) of the respondents are in the age group of 30 to 40 years, about 131 (23.8 per cent) of the respondents are in the age group of above 50 years, 122 (22.2 per cent) of the respondents are in the age group of below 30 years and 120 respondents (21.8 per cent) are in the age group of 40 to 50 years. It shows that majority of the respondents who are in the age group of 30 to 40 years have been investing in different investment avenues.

4.2.2 Gender

Both male and female have been investing in different avenues of investment. The following Table 4.2 shows the gender of the Government salaried class investors in Tirunelveli district.

Table 4.2

Gender-wise classification of Respondents

Sl. No	Gender	No. of Respondents	Percentage
1	Male	368	66.9
2	Female	182	33.1
	Total	**550**	**100**

Source: Primary Data

Table 4.2 explains the gender-wise classification among the respondents who have invested in different investment avenues. In this study, it is found that 368 (66.9 per cent) of the respondents are male and the remaining 182 (33.1 per cent) of the respondents are female. It is evident that majority of the respondents are male.

4.2.3 Marital Status

Marital status is one of the socio-economic factors which normally affects the investment pattern of individuals. Generally, both the married and unmarried Government salaried class investors have been investing in different investment avenues. The following Table 4.3 shows the marital status of the Government salaried class investors in Tirunelveli district.

Table 4.3

Marital Status-wise classification of respondents

Sl. No	Marital Status	No. of Respondents	Percentage
1	Married	431	78.4
2	Unmarried	119	21.6
	Total	**550**	**100**

Source: Primary Data

Table 4.3 describes the marital status of the respondents who are investing in different investment avenues. Out of 550 respondents taken for the study, 431 (78.4 per cent) of the respondents are married and the remaining 119 (21.6 per cent) of the respondents are unmarried. It ensures that majority of the respondents are married.

4.2.4 Educational Qualification

Educational qualification is another socio-economic variable which generally affects the spending and investment patterns of individuals. In general, the Government salaried class investors of different educational qualifications have been investing in different investment avenues. The following Table 4.4 shows the educational qualification of the Government salaried class investors in Tirunelveli district.

Table 4.4

Educational Qualification-wise classification of respondents

Sl. No	Educational Qualification	No. of Respondents	Percentage
1	Up to Higher Secondary	126	22.9
2	Diploma/certificate	104	18.9
3	Graduate	129	23.5
4	Post Graduate	116	21.1
5	Professional	75	13.6
	Total	**550**	**100**

Source: Primary Data

Table 4.4 confirmed the educational qualification of the respondents who have been investing in different investment avenues. Educational qualification acts as an influencing variable in creating awareness about investment. In this study, it was confirmed that 129 (23.5 per cent) of the respondents are graduates, 126 (22.9 per cent) have completed up to higher secondary, 116 (21.1 per cent) of the respondents are post graduates, about 104 respondents (18.9 per cent) have completed diploma/certificate and the remaining 75 (13.6 per cent) were professionals.

4.2.5 Nature of Work

The Government salaried class investors with varied nature of work such as clerical, technical, managerial, professional and teaching work has been investing in different investment avenues. The following Table 4.5 shows the nature of work of the Government salaried class investors in Tirunelveli district.

Table 4.5

Nature of Work-wise classification of respondents

Sl. No	Nature of Work	No. of Respondents	Percentage
1	Clerical	140	25.5
2	Technical	88	16
3	Managerial	62	11.3
4	Professional	64	11.6
5	Teaching	196	35.6
	Total	**550**	**100**

Source: Primary Data

Table 4.5 pictures the nature of work of respondents who were invested in different investment avenues. It is clear from table that 196 (35.6 per cent) of the respondents were in teaching work, 140 (25.5 per cent) of the respondents were in clerical work, 88 (16 per cent) of the respondents were in technical work, 64 (11.6 per cent) of the respondents were professionals and 62 (11.3 per cent) are in managerial work. It is evident from table that the respondents who are in teaching work and professional category were affordable to invest in different investment avenues than the other nature of work.

4.2.6 Place of residence

The investors of the Government salaried class investors reside at different places such as rural, semi-urban and urban. The place of residence of the Government salaried class investors is presented in the following Table 4.6

Table 4.6

Place of residence-wise classification of respondents

Sl. No	Place of residence	No. of Respondents	Percentage
1	Rural	75	13.6
2	Semi-urban	104	18.9
3	Urban	371	67.5
	Total	**550**	**100**

Source: Primary Data

The above Table 4.6 clearly shows that 371 respondents (67.5 per cent) reside in urban area, 104 respondents (18.9 per cent) reside in semi-urban area and the remaining 75 respondents (13.6 per cent) reside in rural area. It is evident from table that majority of the respondents reside in urban area.

4.2.7 Number of family members

As this particular demographic variable called number of family members may also affects the investment pattern of the respondents, this variable has been included in this study. The following Table 4.7 shows the number of family members of the Government salaried class investors in Tirunelveli district.

Table 4.7

Number of family members wise classification of respondents

Sl. No	Number of family members	No. of Respondents	Percentage
1	Below 3	70	12.7
2	3	107	19.5
3	4	196	35.6
4	5	92	16.7
5	6	48	8.7
6	Above 6	37	6.7
	Total	**550**	**100**

Source: Primary Data

The above Table 4.7 clearly shows that 196 respondents (35.6 per cent) belonging to the family size of 4 members, 107 respondents (19.5 per cent) belonging to the family size of 3 members, about 92 respondents (16.7 per cent) belonging to the family size of 5 members, 70 respondents (12.7 per cent) belonging to the family size of below 3 members, 48 respondents (8.7 per cent) belonging to the family size of 6 members and the remaining 37 respondents (6.7 per cent) belonging to the family size of above 6 members. It is inferred that majority of the respondents belong to the family size of 4 members.

4.2.8 Number of earning members

The Government salaried class investors with different number of earning members have been investing in different investment avenues. The following Table 4.8 shows the number of earning of members of the Government salaried class investors in Tirunelveli District.

Table 4.8

Number of earning members wise classification of respondents

Sl. No	Number of earning members	No. of Respondents	Percentage
1	1	121	22
2	2	217	39.5
3	3	92	16.7
4	4	49	8.9
5	5	56	10.2
6	Above 5	15	2.7
	Total	**550**	**100**

Source: Primary Data

Table 4.8 clearly shows that 217 respondents (39.5 per cent) belonging to 2 earning members, 121 respondents (22 per cent) belonging to only one earning member, 92 respondents (16.7 per cent) belonging to 3 earning members, about 56 respondents (10.2 per cent) belonging to 5 earning members, 49 respondents (8.9 per cent) belonging to 4 earning members and 15 respondents (2.7 per cent) belonging to above 5 earning members. It is found that majority of the respondents belong to the family of 2 earning members.

4.2.9 Number of dependents

The Government salaried class investors with different number of dependents have been investing in different investment avenues. The following Table 4.9 shows the number of dependents of the Government salaried class investors in Tirunelveli district.

Table 4.9

Number of dependents wise classification of respondents

Sl. No	Number of dependents	No. of Respondents	Percentage
1	2	141	25.6
2	3	146	26.5
3	4	131	23.8
4	5	38	6.9
5	6	35	6.4
6	Above 6	59	10.7
	Total	**550**	**100**

Source: Primary Data

The above Table 4.9 clearly reveals that 146 (26.5 per cent) of the respondents have 3 dependents, 141 (25.6 per cent) of the respondents have 2 dependents, 131 (23.8 per cent) of the respondents have 4 dependents, 59 (10.7 per cent) of the respondents have above 6 dependents, 38 (6.9 per cent) of the respondents have 5 dependents and 35 (6.4 per cent) of the respondents have 6 dependents. It is inferred that majority of the respondents have 3 dependents.

4.2.10 Monthly income

The Government salaried class investors with different monthly income have been investing in different investment avenues. The following Table 4.10 shows the monthly income of the Government salaried class investors.

Table 4.10

Monthly income wise classification of respondents

Sl. No	Monthly income	No. of Respondents	Percentage
1	Below Rs.10000	68	12.4
2	Rs.10000 - 20000	62	11.3
3	Rs.20001 - 30000	101	18.4
4	Rs.30001 - 40000	127	23.1
5	Rs.40001 - 50000	92	16.7
6	Above Rs.50000	100	18.2
	Total	**550**	**100**

Source: Primary Data

Table 4.10 explains the monthly income of the respondents. In this study it was confirmed that 127 (23.1 per cent) of the respondents earning monthly income of Rs.30001 to 40000, 101 (18.4 per cent) of the respondents earning monthly income of Rs.20001 to 30000, 100 (18.2 per cent) of the respondents' income is above Rs.50000, 92 (16.7 per cent) of the respondents earning monthly income of Rs.40001 to 50000, 68 (12.4 per cent) of the respondents earning monthly income of below Rs.10000 and the remaining 62 (11.3 per cent) of the respondents earning monthly income of Rs.10000 to 20000. When considering the income level of the respondents, majority of the respondents' monthly income ranges between 30001 Rs to 40000.

4.2.11 Expenses

Individuals' investment chiefly depends on their level of expense. The following Table 4.11 shows the monthly expenses of the Government salaried class investors in Tirunelveli district.

Table 4.11

Monthly expenses wise classification of respondents

Sl. No	Monthly Expenses	No. of Respondents	Percentage
1	Below Rs.5000	186	33.8
2	Rs.5000 - 10000	154	28.0
3	Rs.10000 - 15000	41	7.5
4	Rs.15000 - 20000	82	14.9
5	Above Rs.20000	87	15.8
	Total	**550**	**100**

Source: Primary Data

Table 4.11 clearly reveals that 186 (33.8 per cent) of the respondents spent below Rs.5000, 154 (28 per cent) of the respondents spent Rs.5000 to 10000, about 87 (15.8 per cent) of the respondents spent above Rs.20000, 82 (14.9 per cent) of the respondents spent Rs.15000 to 20000 and the remaining 41 (7.5 per cent) of the respondents spent Rs.10000 to 15000. It is significant to note that majority of the respondents spent below Rs. 5000 per month.

4.2.12 Average Monthly Surplus

Investment is made possible by excess of income over expense called surplus. The average monthly surplus of the Government salaried class investors in Tirunelveli district is presented in the Table 4.12.

Table 4.12

Average Monthly Savings wise classification of respondents

Sl. No	Average Monthly Surplus	No. of Respondents	Percentage
1	Below Rs.5000	125	22.7
2	Rs.5000 - 10000	156	28.4
3	Rs.10001 - 15000	98	17.8
4	Rs.15001 - 20000	80	14.5
5	Rs.20001 - 25000	68	12.4
6	Above Rs.25000	23	4.2
	Total	**550**	**100**

Source: Primary Data

The above Table 4.12 clearly shows that 156 (28.4 per cent) of the respondents have monthly surplus of Rs.5000 to 10000, 125 (22.7 per cent) of the respondents have monthly surplus of below Rs.5000, about 98 (17.8 per cent) of the respondents have monthly surplus of Rs.10001 to 15000, 80 (14.5 per cent) of the respondents have monthly surplus of Rs.15001 to 20000, 68 (12.4 per cent)of the respondents have monthly surplus of Rs.20001 to 25000 and 23 (4.2 per cent) of the respondents have monthly surplus of above Rs.25000. It is inferred that majority of the respondents have monthly surplus of Rs. 5,000 to Rs. 10,000.

4.2.13 Average Monthly Investments

The average monthly investment does vary from one investor to another. The following Table 4.13 shows the average monthly investments of the Government salaried class investors in Tirunelveli district.

Table 4.13

Average monthly investments wise classification of respondents

Sl. No	Average Monthly Investments	No. of Respondents	Percentage
1	Below Rs.4000	111	20.2
2	Rs.4000 to 8000	160	29.1
3	Rs.8001 to 12000	93	16.9
4	Rs.12001 to 16000	102	18.5
5	Rs.16001 to 20000	66	12.0
6	Above Rs.20000	18	3.3
	Total	**550**	**100**

Source: Primary Data

Table 4.13 clearly shows that majority (29.1 per cent) of the respondents made average monthly investments of Rs.4000 to 8000, 20.2 per cent of the respondents made average monthly investments of below Rs.4000, 18.5 per cent of the respondents made average monthly investments of Rs.12001 to 16000, 16.9 per cent of the respondents made average monthly investments of Rs.8001 to 12000, 12 per cent of the respondents made average monthly investments of Rs.16001 to 20000 and the remaining 3.3 per cent of the respondents made average monthly investments of above Rs.20000. It is found that majority of the respondents do invest an average amount of Rs. 4,000 to Rs. 8,000 per month.

4.2.14 Ideal Period for investment portfolio

Generally, no two investors invest for the same period. The period of investment does differ among investors so also ideal period for investment. The following Table 4.14 shows the ideal period for investment portfolio of the Government salaried class investors in Tirunelveli district.

Table 4.14

Respondents' opinion towards ideal period of investment portfolio

Sl. No	Ideal period for investment portfolio	No. of Respondents	Percentage
1	Less than 1 year	115	20.9
2	1 to 5 years	163	29.6
3	6 to 10 years	65	11.8
4	10 to 15 years	178	32.4
5	Above 15 years	29	5.3
	Total	**550**	**100**

Source: Primary Data

Table 4.14 clearly shows that 178 (32.4 per cent) of the respondents made investment for 10 to 15 years, 163 (29.6 per cent) of the respondents made investment for 1 to 5 years, 115 (20.9 per cent) of the respondents made investment for less than one year, 65 (11.8 per cent) of the respondents made investment for 6 to 10 years and the remaining 29 (5.3 per cent) of the respondents made investment for above 15 years. It is significant to note that majority of the respondents' ideal period for investment portfolio is 1 to 5 years.

4.2.15 Mode of payment for investment

Mode of payment for investment normally varies among investors. The following Table 4.15 shows the mode of payment for investment by the Government salaried class investors in Tirunelveli district.

Table 4.15

Respondents' classification based on mode of payment for investment

Sl. No	Mode of payment for investment	No. of Respondents	Percentage
1	Cash	292	53.1
2	Adjustment in salary	173	31.5
3	Adjustment in bank	85	15.5
	Total	**550**	**100**

Source: Primary Data

It is clear from Table 4.15 that 292 (53.1 per cent) of the respondents paid in cash, about 173 (31.5 per cent) of the respondents paid by adjustment in salary and the remaining 85 (15.5 per cent) of the respondents paid by adjustment in bank. It is evident from table that majority of the respondents paid in cash for investment.

4.3 Inter-relationship between different socio-economic factors

4.3.1 Level of Inter relationship between Monthly income and Monthly expenses

Generally, the Government salaried class investors who earn high monthly income spend more on expenses, while others who earn low monthly income spend low on expenses. However, there may be no such direct relationship between individuals' monthly income and monthly expenses. The inter-relationship between monthly income and monthly expenses among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between monthly income and monthly expenses is presented in Table 4.16.

Table 4.16

Monthly Income and Monthly Expenses-Interrelationship

Particulars	Monthly income	Monthly expenses
Pearson Correlation	1.000	0.121(**)
Sig. (2-tailed)	.	0.005
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between monthly income and monthly expenses among the Government salaried class investors in Tirunelveli district. It indicates that monthly income is positively correlated with monthly expenses at a co-efficient of correlation of 0.121. It is inferred that there is a positive relationship between monthly income and monthly expenses among the Government salaried class investors in Tirunelveli district.

4.3.2 Level of Inter relationship between Monthly income and Monthly surplus

In general, the Government salaried class investors who earn high monthly income have more surplus but others who earn low monthly income have low surplus. Nevertheless, there may be no such direct relationship between individuals' monthly income and monthly surplus. The inter-relationship between monthly income and monthly surplus among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between monthly income and monthly surplus is presented in the following Table 4.17.

Table 4.17

Monthly Income and monthly surplus-Inter relationship

Particulars	Monthly income	Average Monthly surplus
Pearson Correlation	1.000	0.158(**)
Sig. (2-tailed)	.	0.000
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between monthly income and monthly surplus among the Government salaried class investors in Tirunelveli district. It reveals that monthly income is positively correlated with monthly surplus at a co-efficient of correlation of 0.158. It is inferred that there is a positive relationship between monthly income and monthly surplus among the Government salaried class investors in Tirunelveli district.

4.3.3 Level of Inter relationship between Monthly income and Average Monthly investments

Invariably, the Government salaried class investors who earn high monthly income have more investments in different investment avenues, while others who earn low monthly income have low monthly investments. However, there may be no such direct relationship between individuals' monthly income and average monthly investments. The inter-relationship between monthly income and average monthly investments among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between monthly income and average monthly investment is presented in Table 4.18.

Table 4.18

Monthly income and average monthly investments-Inter relationship

Particulars	Monthly income	Average Monthly investments
Pearson Correlation	1.000	0.065
Sig. (2-tailed)	.	0.129
N	550	550

The above table shows the inter-relationship between monthly income and average monthly investments among the Government salaried class investors in Tirunelveli district. The table clearly shows that monthly income is positively correlated with average monthly investments at a co-efficient of correlation of 0.065. It is clearly understood that there is a positive relationship between monthly income and average monthly investments among the Government salaried class investors in Tirunelveli district.

4.3.4 Level of Inter relationship between Nature of work and Average Monthly investments

There may be inter-relationship between investors' nature of work and their average monthly investments. The inter-relationship between the nature of work and average monthly investments among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between nature of work and average monthly investment is presented in the following Table 4.19.

Table 4.19

Nature of work and average monthly investments-Inter relationship

Particulars	Nature of work	Average Monthly investments
Pearson Correlation	1.000	-0.097(*)
Sig. (2-tailed)	.	0.023
N	550	550

** Correlation is significant at the 0.05 level (2-tailed).

The above table shows the inter-relationship between nature of work and average monthly investments among the Government salaried class investors in Tirunelveli district. It reveals that nature of work is negatively correlated with average monthly investments at a co-efficient of correlation of -0.097. It is inferred that there is a negative relationship between nature of work and average monthly investments among the Government salaried class investors in Tirunelveli district.

4.3.5 Level of Inter relationship between Educational qualification and Average Monthly investments

There may be direct relationship between individuals' educational qualification and their average monthly investments. The inter-relationship between educational qualification and average monthly investments among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between educational qualification and average monthly investment is presented in Table 4.20.

Table 4.20

Educational qualification and average monthly investments - Inter-relationship

Particulars	Educational qualification	Average Monthly investments
Pearson Correlation	1.000	0.286(**)
Sig. (2-tailed)	.	0.000
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between educational qualification and average monthly investments among the Government salaried class investors in Tirunelveli district. It reveals that educational qualification is positively correlated with average monthly investments at a co-efficient of correlation of 0.286. It is clearly understood that there is a positive relationship between educational qualification and average monthly investments among the Government salaried class investors in Tirunelveli district.

4.3.6 Level of Inter relationship between place of residence and Average Monthly investments

Investors' place of residence may influence their average monthly investments. The inter-relationship between place of residence and average monthly investments among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between place of residence and average monthly investment is presented in Table 4.21.

Table 4.21

Place of residence and average monthly investments – Inter-relationship

Particulars	Place of residence	Average Monthly investments
Pearson Correlation	1.000	0.119(**)
Sig. (2-tailed)	.	0.005
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between place of residence and average monthly investments among the Government salaried class investors in Tirunelveli district. It reveals that place of residence is positively correlated with average monthly investments at a co-efficient of correlation of 0.119. It is clear that there is a positive relationship between place of residence and average monthly investments among the Government salaried class investors in Tirunelveli district.

4.4 Purpose of Investment

The Government salaried class investors are used to invest in various investment avenues for different purposes. The main purposes are: children's education/marriage, purchase of assets, to meet emergencies, for retired life/future secured life, provision for additional income, repayment of old debts, provision for festivals and construction of house. In order to find out the purpose for which the Government salaried class investors mostly invested, the data have been collected and Garrett's ranking technique was applied for ranking of purpose of investment. The following Table 4.80 shows the Garrett's ranking technique with regard to purpose of investment.

Table 4.22

Purpose of investment- Garrett's Ranking Technique

Sl. No	Purpose of Investment	Total Score	Average Score	Rank
1	For children's education/marriage	35531	64.60	I
2	For purchase of assets	30437	55.34	III
3	To meet emergencies	25289	45.98	VII
4	Well settled retired life/future secured life	32500	59.09	II
5	Provision for additional income	23944	43.53	VIII
6	Repayment of old debts	26050	47.36	VI
7	Provision for festivals	26566	48.30	V
8	Construction of house	29619	53.85	IV

The Table 4.22 clearly shows that majority of the respondents had given first rank to 'for children's education/marriage purpose', the next majority of the respondents had given second rank to ' for well settled retired life/ future secured life' and the sample respondents had given third rank to 'for purchase of assets'. Further, it shows that the sample respondents had given last rank to 'for provision for additional income'.

4.5 Investment Avenues

The Government salaried class investors invested in various investment avenues. They may prefer to invest in security forms of investment, non-security forms of investment and/or physical assets.

4.5.1 Security forms of investment

The Government salaried class investors prefer to invest in different security forms of investment such as corporate bonds/debentures, public sector bonds, preference shares and equity shares. The following Table 4.23 shows the security forms of investment of the Government salaried class investors in Tirunelveli district.

Table 4.23

Security forms of investment

Sl. No	Security Forms of investment	No. of Respondents	Percentage
1	Corporate Bonds/Debentures	43	7.8
2	Public sector bonds	82	14.9
3	Preference shares	51	9.3
4	Equity shares	147	26.7
5	No investment in security forms	227	41.3
	Total	**550**	**100**

Source: Primary data

The above table clearly reveals that majority of the respondents (41.3%) have not invested in security forms of investment. Further, it is inferred that 147 (26.7 per cent) of the respondents have invested in equity shares, 14.9 per cent of the respondents have invested in public sector bonds, about 9.3 per cent of the respondents have invested in preference shares and 7.8 per cent of the respondents have invested in corporate bonds/debentures.

4.5.2 Non-security forms of investment

The Government salaried class investors prefer to invest in different non-security forms of investment such as national savings scheme, national savings certificates, provident funds/pension funds, bank deposits, non-banking financial company deposits, post office savings bank account, corporate fixed deposits, life insurance policies, mutual funds and Unit Trust of India, private limited companies' shares, chit funds, foreign currency and commodity markets.

Table 4.24
Non-security forms of investment

Sl. No	Non-security Forms of investment	No. of Respondents	Percentage
1	National savings scheme	92	16.7
2	National savings certificates	73	13.3
3	Provident funds/pension funds	139	25.3
4	Bank deposits	435	79.1
5	Non-banking financial company deposits	148	26.9
6	Post office savings bank account	53	9.6
7	Corporate fixed deposits	42	7.6
8	Life insurance policies	372	67.6
9	Mutual funds and Unit Trust of India	81	14.7
10	Private limited companies' shares	51	9.3
11	Chit funds	39	7.1
12	Foreign currency	19	3.4
13	Commodity markets	24	4.4

Source: Primary and computed data

It is clearly understood from the above table that 79.1 per cent of the respondents have invested in bank deposits, about 67.6 per cent of the respondents have invested in life insurance policies, 26.9 per cent of the respondents have invested in non-banking financial companies, 25.3 per cent of the respondents have invested in provident funds/pension funds and 16.7 per cent of the respondents have invested in national savings scheme.

4.5.3 Investment in physical assets

The Government salaried class investors prefer to invest in various physical assets such as precious metals/stones, consumer durables, vehicles, vacant land, house property, agricultural land, teak growing & animal breeding schemes, capital in own business and art objects and collectibles. The following Table 4.25 shows the investment in physical assets by the Government salaried class investors in Tirunelveli district.

Table 4.25
Investment in physical assets

Sl. No	Investment in physical assets	No. of Respondents	Percentage
1	Precious metals/stones	15	2.7
2	Consumer durables	139	25.3
3	Vehicles	37	6.7
4	Vacant land	28	5.1
5	House property	33	6
6	Agricultural land	22	4
7	Teak growing & animal breeding schemes	13	2.4
8	Capital in own business	44	8
9	Art objects and collectibles	62	11.3
10	No investment in physical assets	157	28.5
	Total	**550**	**100**

Source: Primary and computed data

It is clear from the above table that of the 550 respondents, 25.3 per cent of the respondents have invested in consumer durables, 11.3 per cent of the respondents have invested in art objects and collectibles, 8 per cent of the respondents have invested in their own business, about 6.7 per cent of the respondents have invested in vehicles and 6 per cent of the respondents have invested in house property.

4.6 Preference towards various forms of Investment avenues

4.6.1 Ranking of preference towards security forms of investment

The Government salaried class investors prefer to invest in various security forms of investment. The main security forms of investment are corporate bonds/debentures, public sector bonds, preference shares and equity shares. The following Table 4.26 shows the ranking of preference in security forms of investment.

Table 4.26

Preference towards security forms of investment- Garrett's Ranking Technique

Sl. No	Security forms of investment	Total Score	Average Score	Rank
1	Corporate Bonds/Debentures	25882	47.05	III
2	Public sector Bonds	25167	45.76	IV
3	Preference shares	27769	50.48	II
4	Equity shares	28444	51.72	I

Source: Primary and computed data

The Table 4.26 clearly reveals that majority of the sample respondents had given first rank to equity shares, the next majority of the sample respondents had given second rank to preference shares, the sample respondents had given third rank to corporate bonds/debentures and the sample respondents had given last rank to public sector bonds.

4.6.2 Preference in non-security forms of investment- Garrett Ranking Technique

The Government salaried class investors prefer to invest in various non-security forms of investment. The main non-security forms of investment are national savings scheme, national savings certificates, provident funds/pension funds, bank deposits, non banking financial company deposits, post office savings bank account, corporate fixed deposits, life insurance policies, mutual funds and Unit Trust of India, private limited companies shares, chit funds, foreign currency and commodity markets. Provident funds may be of statutory provident fund, recognized provident fund, unrecognized provident fund and public provident fund. Corporate fixed deposits are of two types namely public sector deposits and private sector deposits. The various post office savings schemes are: recurring deposit, time deposit, monthly income scheme and social security certificates. As regards life insurance policies, there are various kinds such as whole life policy, endowment policy, money back policy and ULIPs (Unit Linked Insurance Policies). The following are the some of the investment schemes of UTI: unit scheme, 1964, unit linked insurance plan, 1971, equity linked saving scheme. The following Table 4.27 shows the ranking of preference of the Government salaried class investors in non-security forms of investment.

Table 4.27

Preference in non-security forms of investment- Garrett's Ranking Technique

Sl. No	Non-Security forms of investment	Total Score	Average Score	Rank
1	National Savings Scheme	34682	63.06	II
2	National Savings Certificates	34763	63.21	I
3	Provident funds/Pension funds	25687	46.70	XIII
4	Bank Deposits	33567	61.03	III
5	Non-Banking Financial Company Deposits	31533	57.33	V
6	Post Office Savings Bank Account	28151	51.18	XI
7	Corporate Fixed Deposits	27553	50.09	XII
8	Life Insurance Policies	31135	56.61	VII
9	Mutual Funds and Unit Trust of India	29033	52.79	IX
10	Private limited Companies' shares	31461	57.20	VI
11	Chit Funds	31688	57.61	IV
12	Foreign Currency	29539	53.71	VIII
13	Commodity Markets	28982	52.69	X

Source: Primary and computed data

Table 4.27 clearly reveals that majority of the sample respondents had given first rank to national savings certificate, the next majority of the sample respondents had given second rank to national savings scheme, the sample respondents had given third rank to bank deposits and the sample respondents had given last rank to provident funds/pension funds.

4.6.3 Ranking of preference in physical assets

The Government salaried class investors prefer to invest in various forms of physical assets such as precious metals/stones, consumer durables, vehicles, vacant land, house property, agricultural land, teak growing & animal breeding schemes, capital in own business and art objects and collectibles. The following Table 4.28 shows the Garrett's ranking of preference in physical assets.

Table 4.28

Preference in Physical Assets- Garrett's Ranking Technique

Sl. No	Physical Assets	Total Score	Average Score	Rank
1	Precious Metals/Stones	32937	59.88	II
2	Consumer Durables	32356	58.83	IV
3	Vehicles	32077	58.32	V
4	Vacant land	30099	54.73	VII
5	House Property	29998	54.54	VIII
6	Agricultural land	33993	61.81	I
7	Teak growing & Animal breeding schemes	32545	59.17	III
8	Capital in own business	30604	55.64	VI
9	Art Objects and Collectibles	29114	52.93	IX

Source: Primary and computed data

Table 4.28 clearly shows that majority of the sample respondents had given first rank to agricultural land, the next majority of the sample respondents had given second rank to precious metals/stones, the sample respondents had given third rank to teak growing & animal breeding schemes and the sample respondents had given last rank to art objects and collectibles.

4.7 Level of Awareness in Investment Avenues

Awareness on investment avenues forms a vital basis for investment decisions. The Government salaried class investors are categorized into three categories on the basis of the "awareness" scores. In order to categorize the Government salaried class investors based on "awareness", the scores were averaged and the mean and standard deviation were calculated. The mean and standard deviation worked out on "awareness" scores of the Government salaried class investors are presented in the Table 4.29.

Table 4.29

Level of awareness in investment avenues - Scores

Particulars	Mean	Standard deviation
Awareness	87.70	30.11

The Table 4.29 shows the boundary levels for the three categories of the Government salaried class investors. The Government salaried class investors with less than mean-standard deviation scores are categorized as investors with low awareness and the Government salaried class investors with Mean + Standard deviation scores are categorized as investor with high awareness. The Government salaried class investors with scores in between the above two categories are investors with moderate awareness.

4.8 Level of Awareness in investment avenues among the Government salaried class investors with different socio-economic background

The level of awareness in investment avenues differs among the Government salaried class investors with different socio-economic background. The level of awareness in investment avenues among the Government salaried class investors with different socio-economic conditions is presented below:

4.8.1 Level of Awareness in investment avenues among the Government salaried class investors with different age group

The Government salaried class investors of different age group may have different level of awareness in investment avenues. The Government salaried class investors who are aged may have high level of awareness in investment avenues, while young may have low level of awareness in investment avenues. The level of awareness in investment avenues among the Government salaried class investors with different age group is presented in the Table 4.30.

Table 4.30
Level of Awareness in investment avenues among the Government salaried class investors with different age group

Age	Level of Awareness			Total
	Low	Moderate	High	
Below 30	40(7.3)	57(10.4)	25(4.5)	122 (22.2)
30 – 40	44(8)	99(18)	34(6.2)	177(32.2)
40 – 50	22(4)	76(13.8)	22(4)	120(21.8)
Above 50	12(2.2)	53(9.6)	66(12)	131(23.8)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.30 shows that 18 per cent of the respondents in the age group of 30 to 40 years have moderate level of awareness in investment avenues, 13.8 per cent of the respondents in the age group of 40 to 50 years have moderate level of awareness in investment avenues, whereas 12 per cent of the respondents in the age group of above 50 years have high level of awareness in investment avenues.

The table further shows that 10.4 per cent of the respondents in the age group of below 30 years have moderate level of awareness in investment avenues, 8 per cent of the respondents in the age group of 30 to 40 years have low level of awareness in investment avenues and 7.3 per cent of the respondents in the age group of 40 to 50 years have low level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and age group of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness in investment avenues and age group of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and age is presented in Table 4.31.

Table 4.31
Level of Awareness in investment avenues and Age – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	61.662	6	0.000
Likelihood Ratio	58.488	6	0.000
Linear-by-Linear Association	38.702	1	0.000
N of Valid Cases	550		

Table 4.31 clearly shows that the calculated chi square value of level of awareness in investment avenues among the Government salaried class investors with different age group is 61.662. The chi square value at 5% level of significance and 6 degree of freedom is 12.600. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the age of the Government salaried class investors and their level of awareness in investment avenues.

4.8.2 Level of Awareness in investment avenues among the Government salaried class investors with different gender group

The Government salaried class investors of two different gender groups such as male and female may have different level of awareness in investment avenues. The Government salaried class investors who are male may have high level of awareness in investment avenues but female may have low level of awareness in investment avenues. The level of awareness in investment avenues among the Government salaried class investors with different gender group is presented in the Table 4.32.

Table 4.32

Level of Awareness in investment avenues among the Government salaried class investors with different gender group

Gender	Level of Awareness			Total
	Low	Moderate	High	
Male	84(15.3)	199(36.2)	85(15.5)	368(66.9)
Female	34(6.2)	86(15.6)	62(11.2)	182(33.1)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.32 focuses the awareness level in investment avenues among the Government salaried class investors with gender group in Tirunelveli district. It is clear that 36.2 per cent of the male respondents have moderate level of awareness in investment avenues and 15.6 per cent of the female respondents have moderate level of awareness in investment avenues and 15.5 per cent of the male respondents have high level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and gender group of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, “There is no significant relationship between level of awareness in investment avenues and

gender group of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and gender is presented in Table 4.33.

Table 4.33

Level of Awareness in investment avenues and Gender – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.550	2	0.023
Likelihood Ratio	7.383	2	0.025
Linear-by-Linear Association	5.795	1	0.016
N of Valid Cases	550		

Table 4.33 highlights that the calculated chi square value of level of awareness in investment avenues among different gender group of the Government salaried class investors is 7.550. The chi square value at 5% level of significance and 2 degree of freedom is 5.990. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the gender of the Government salaried class investors and their level of awareness in investment avenues.

4.8.3 Level of Awareness in investment avenues among the Government salaried class investors with different marital status

The Government salaried class investors of different marital status may have different level of awareness in investment avenues. The Government salaried class investors who are married may have high level of awareness in investment avenues but unmarried may have low level of awareness in investment avenues. The level of awareness in investment avenues among the Government salaried class investors different marital status is presented in the Table 4.34.

Table 4.34

Level of Awareness in investment avenues among the Government salaried class investors with different marital status

Gender	Level of Awareness			Total
	Low	Moderate	High	
Married	92(16.7)	237(43.1)	102(18.5)	431(78.4)
Unmarried	26(4.8)	48(8.7)	45(8.2)	119(21.6)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicates percentage)

The Table 4.34 shows that 43.1 per cent of the married respondents have moderate level of awareness in investment avenues and 18.5 per cent of the married respondents have high level of awareness in investment avenues and 16.7 per cent of the married respondents have low level of awareness in investment avenues.

Further, it reveals that 8.7 per cent of the unmarried respondents have moderate level of awareness in investment avenues, whereas 8.2 per cent of the unmarried respondents have high level of awareness in investment avenues and only 4.8 per cent of the unmarried respondents have low level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and marital status of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness in investment avenues and marital status of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and marital status is presented in Table 4.35.

Table 4.35

Level of Awareness in investment avenues and Marital Status – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.860	2	0.004
Likelihood Ratio	10.526	2	0.005
Linear-by-Linear Association	3.618	1	0.057
N of Valid Cases	550		

The above table clearly exhibits that the calculated chi square value of level of awareness in investment avenues among the Government salaried class investors with different gender group is 10.860. The chi square value at 5% level of significance and 2 degree of freedom is 5.990. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the marital status of the Government salaried class investors and their level of awareness in investment avenues.

4.8.4 Level of Awareness in investment avenues among the Government salaried class investors with different educational qualification

The Government salaried class investors are possessing different educational qualification and have different level of awareness in investment avenues. The Government salaried class investors who are graduates and professionals may have high level of awareness in investment avenues but others may have low level of awareness in investment avenues. Table 4.36 shows the level of awareness in investment avenues among the Government salaried class investors with different educational qualification.

Table 4.36

Level of Awareness in investment avenues among the Government salaried class investors with different educational qualification

Educational Qualification	Level of Awareness			Total
	Low	Moderate	High	
Up to Higher Secondary	7(1.3)	46(8.4)	73(13.3)	126(22.9)
Diploma/certificate	14(2.5)	38(6.9)	52(9.4)	104(18.9)
Graduate	42(7.6)	65(11.8)	22(4)	129(23.5)
Post Graduate	40(7.3)	76(13.8)	-	116(21.1)
Professional	15(2.7)	60(10.9)	-	75(13.6)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.36 reveals that 13.8 per cent of the respondents who have completed post graduation have moderate level of awareness in investment avenues and 13.3 per cent of the respondents who have completed up to higher secondary have high level of awareness in investment avenues and 11.8 per cent of the respondents who have completed graduation have moderate level of awareness in investment avenues.

The table further reveals that 10.9 per cent of the respondents who have completed professional education have moderate level of awareness in investment

avenues, 9.4 per cent of the respondents who have completed diploma/certificate have high level of awareness in investment avenues and 7.6 per cent of the respondents who have completed graduation have low level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and educational qualification of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness and educational qualification of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and educational qualification is presented in Table 4.37.

Table 4.37
Level of Awareness in investment avenues and Educational Qualification – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	183.298	8	0.000
Likelihood Ratio	222.608	8	0.000
Linear-by-Linear Association	114.263	1	0.000
N of Valid Cases	550		

The above table clearly reveals that the calculated chi square value of level of awareness in investment avenues among different educational qualification of the Government salaried class investors is 183.298. The chi square value at 5% level of significance and 8 degree of freedom is 15.500. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the educational qualification of the Government salaried class investors and their level of awareness in investment avenues.

4.8.5 Level of Awareness in investment avenues among the Government salaried class investors with different nature of work

The Government salaried class investors engage with different nature of work may have different level of awareness in investment avenues. The Government salaried class investors who are in technical work may have high level of awareness in investment avenues but who are in clerical work may have low level of awareness in investment avenues. The following Table 4.38 shows the level of awareness in investment avenues among the Government salaried class investors different nature of work.

Table 4.38

Level of Awareness in investment avenues among the Government salaried class investors with different nature of work

Nature of work	Level of Awareness			Total
	Low	Moderate	High	
Clerical	21(3.8)	69(12.5)	50(9.1)	140(25.5)
Technical	26(4.7)	43(7.8)	19(3.5)	88(16)
Managerial	9(1.6)	31(5.6)	22(4)	62(11.3)
Professional	27(4.9)	30(5.5)	7(1.3)	64(11.6)
Teaching	35(6.4)	112(20.4)	49(8.9)	196(35.6)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicates percentage)

The Table 4.38 shows that 20.4 per cent of the respondents who are teachers and 12.5 per cent of the respondents who are clerks have moderate level of awareness in investment avenues but 9.1 per cent of the respondents who are clerks have high level of awareness in investment avenues.

The table further shows that 8.9 per cent of the respondents who are in teaching have high level of awareness in investment avenues whereas 6.4 per cent of the respondents who are in teaching have low level of awareness in investment avenues and 4.9 per cent of the respondents who are professionals have low level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and nature of work of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness and nature of work of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and nature of work is presented in Table 4.39.

Table 4.39
Level of Awareness in investment avenues and Nature of Work – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.602	8	0.000
Likelihood Ratio	34.250	8	0.000
Linear-by-Linear Association	14.630	1	0.000
N of Valid Cases	550		

It is clearly understood from the above Table 4.39 that the calculated chi square value of level of awareness in investment avenues among the Government salaried class investors with different nature of work is 35.602. The chi square value at 5% level of significance and 8 degree of freedom is 15.500. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the nature of work of the Government salaried class investors and their level of awareness in investment avenues.

4.8.6 Level of Awareness in investment avenues among the Government salaried class investors with different place of residence

The Government salaried class investors who are residing in different places may have different level of awareness in investment avenues. The Government salaried class investors who reside in urban area may have high level of awareness in investment avenues but who are residing in rural area may have low level of awareness in investment avenues. The following Table 4.40 shows the level of awareness in investment avenues among the Government salaried class investors with different place of residence in Tirunelveli district.

Table 4.40

Level of Awareness in investment avenues among the Government salaried class investors with different place of residence

Place of Residence	Level of Awareness			Total
	Low	Moderate	High	
Rural	09(1.6)	47(8.5)	19(3.4)	75(13.6)
Semi-urban	19(3.5)	46(8.4)	39(7.1)	104(18.9)
Urban	90(16.4)	192(34.9)	89(16.2)	371(67.5)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.40 shows that 34.9 per cent of the respondents reside in urban area have moderate level of awareness in investment avenues, 16.4 per cent of the respondents reside in urban area have low level of awareness in investment avenues but 16.2 per cent of the respondents reside in urban area have high level of awareness in investment avenues.

The table further shows that 8.5 per cent of the respondents residing in rural area have moderate level of awareness in investment avenues whereas 8.4 per cent of

the respondents who reside in semi-urban area have moderate level of awareness in investment avenues and 7.1 per cent of the respondents residing in semi-urban area have high level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and place of residence of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness in investment avenues and place of residence of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and place of residence is presented in Table 4.41.

Table 4.41
Level of Awareness in investment avenues and Place of Residence – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.053	4	0.000
Likelihood Ratio	51.251	4	0.000
Linear-by-Linear Association	36.470	1	0.000
N of Valid Cases	550		

The above Table 4.41 shows that the calculated chi square value of level of awareness in investment avenues among the Government salaried class investors different place of residence of is 50.053. The chi square value at 5% level of significance and 4 degree of freedom is 9.490. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the place of residence of the Government salaried class investors and their level of awareness in investment avenues.

4.8.7 Level of Awareness in investment avenues among the Government salaried class investors with different number of family members

The Government salaried class investors belonging to varied number of family members may have different level of awareness in investment avenues. The Government salaried class investors who are belonging to large families may have high level of awareness in investment avenues but belonging to small families may have low level of awareness in investment avenues. The level of awareness in investment avenues among the Government salaried class investors different number of family members of in Tirunelveli district is presented in the Table 4.42.

Table 4.42

Level of Awareness in investment avenues among the Government salaried class investors with different number of family members

Number of family members	Level of Awareness			Total
	Low	Moderate	High	
Below 3	11(2)	30(5.5)	29(5.3)	70(12.7)
3	23(4.2)	59(10.7)	25(4.5)	107(19.5)
4	53(9.6)	116(21.1)	27(4.9)	196(35.6)
5	23(4.2)	44(8)	25(4.5)	92(16.7)
6	8(1.5)	23(4.2)	17(3.1)	48(8.7)
Above 6	-	13(2.4)	24(4.4)	37(6.7)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.42 shows that 21.1 per cent of the respondents belonging to the family size of 4 members and 10.7 per cent of the respondents belonging to the family size of 3 have moderate level of awareness in investment avenues but 9.6 per cent of the respondents belonging to the family size of 4 members have low level of awareness in investment avenues.

The Table further shows that 8 per cent of the respondents belonging to the family size of 5 members have moderate level of awareness in investment avenues

whereas 5.3 per cent of the respondents belonging to the family size of below 3 members have high level of awareness in investment avenues and 4.9 per cent of the respondents belonging to the family size of 4 members have high level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and number of family members of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness and number of family members of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and number of family members is presented in Table 4.43.

Table 4.43
Level of Awareness in investment avenues among the Government salaried class investors with varied number of Family Members – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	58.605	10	0.000
Likelihood Ratio	62.642	10	0.000
Linear-by-Linear Association	5.480	1	0.019
N of Valid Cases	550		

The above Table 4.43 clearly reveals that the calculated chi square value of level of awareness in investment avenues among the Government salaried class investors with varied number of family members is 58.605. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the Government salaried class investors with different number of family members and their level of awareness in investment avenues.

4.8.8 Level of Awareness in investment avenues among the Government salaried class investors with different number of earning members

The Government salaried class investors belonging to families with different number of earning members may have different level of awareness in investment avenues. The Government salaried class investors who are belonging to more earning members may have high level of awareness in investment avenues but others belonging to low earning members may have low level of awareness in investment avenues. The level of awareness in investment avenues among the Government salaried class investors different number of earning members of is presented in the Table 4.44.

Table 4.44
Level of Awareness in investment avenues among the Government salaried class investors with different number of earning members

Number of earning members	Level of Awareness			Total
	Low	Moderate	High	
1	38(6.9)	69(12.5)	14(2.5)	121(22)
2	59(10.7)	127(23.1)	31(5.6)	217(39.5)
3	15(2.7)	38(6.9)	39(7.1)	92(16.7)
4	5(0.9)	20(3.6)	24(4.4)	49(8.9)
5	1(0.2)	23(4.2)	32(5.8)	56(10.2)
Above 5	-	8(1.5)	7(1.3)	15(2.7)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.44 shows that 23.1 per cent of the respondents belonging to the families with 2 earning members and 12.5 per cent of the respondents belonging to the families with 1 earning member have moderate level of awareness in investment avenues but 10.7 per cent of the respondents belonging to the families with 2 earning members have low level of awareness in investment avenues.

The table further shows that 7.1 per cent of the respondents belonging to the families with 3 earning members have high level of awareness in investment avenues

whereas 6.9 per cent of the respondents belonging to the families with 1 earning member have low level of awareness in investment avenues and 5.8 per cent of the respondents belonging to the families with 5 earning members have high level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and number of earning members of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness in investment avenues and number of earning members of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and number of earning members is presented in Table 4.45.

Table 4.45
Level of Awareness in investment avenues among the Government salaried class investors with different number of earning members - chi-square test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	95.240	10	0.000
Likelihood Ratio	102.594	10	0.000
Linear-by-Linear Association	76.854	1	0.000
N of Valid Cases	550		

It is clearly understood from the above Table 4.45 that the calculated chi square value of level of awareness in investment avenues among different number of earning members of the Government salaried class investors is 95.240. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is higher than the value in chi square table, hence the null hypothesis is rejected. It is concluded that there is a significant relationship between the Government salaried class investors with varied number of earning members and their level of awareness in investment avenues.

4.8.9 Level of awareness in investment avenues among the Government salaried class investors with different number of dependents

The Government salaried class investors with different number of dependents may have different level of awareness in investment avenues. The Government salaried class investors with low number of dependents may have high level of awareness in investment avenues but others with more dependents may have low level of awareness in investment avenues. The level of awareness in investment avenues among the Government salaried class investors with different number of dependents is presented in the following Table 4.46.

Table 4.46
Level of awareness in investment avenues among the Government salaried class investors with different number of dependents

Number of dependents	Level of Awareness			Total
	Low	Moderate	High	
2	44(8)	96(17.5)	1(0.2)	141(25.6)
3	46(8.4)	91(16.5)	9(1.6)	146(26.5)
4	18(3.3)	47(8.5)	66(12)	131(23.8)
5	9(1.6)	19(3.5)	10(1.8)	38(6.9)
6	1(0.2)	9(1.6)	25(4.5)	35(6.4)
Above 6	-	23(4.2)	36(6.5)	59(10.7)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.46 clearly shows that 17.5 per cent of the respondents with 2 dependents and 16.5 per cent of the respondents with 3 dependents have moderate level of awareness in investment avenues but 12 per cent of the respondents with 2 dependents have high level of awareness in investment avenues.

The table further shows that 8.5 per cent of the respondents with 4 dependents have moderate level of awareness in investment avenues whereas 8.4 per cent of the respondents with 3 dependents have low level of awareness in investment avenues

and 8 per cent of the respondents with 2 dependents have low level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and number of dependents of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness in investment avenues and number of dependents of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and number of dependents is presented in Table 4.47.

Table 4.47
Level of Awareness in investment avenues among the Government salaried class investors with different number of dependents- chi-square test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	196.745	10	0.000
Likelihood Ratio	232.734	10	0.000
Linear-by-Linear Association	124.677	1	0.000
N of Valid Cases	550		

It is clearly understood from the above Table 4.47 that the calculated chi square value of level of awareness in investment avenues among different number of dependents of the Government salaried class investors is 196.745. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the Government salaried class investors with varied number of dependents and their level of awareness in investment avenues.

4.8.10 Level of awareness in investment avenues among the Government salaried class investors of different monthly income

The Government salaried class investors of different monthly income may have different level of awareness in investment avenues. The Government salaried class investors who earn high monthly income may have high level of awareness in investment avenues but others may have low level of awareness in investment avenues. The following Table 4.48 shows the level of awareness in investment avenues among the Government salaried class investors with different monthly income.

Table 4.48
Level of awareness in investment avenues among the Government salaried class investors with different monthly income

Monthly income	Level of Awareness			Total
	Low	Moderate	High	
Below Rs.10000	18(3.3)	31(5.6)	19(3.5)	68(12.4)
Rs.10000 - 20000	12(2.2)	33(6)	17(3.1)	62(11.3)
Rs.20001 - 30000	18(3.3)	46(8.4)	37(6.7)	101(18.4)
Rs.30001 - 40000	29(5.3)	59(10.7)	39(7.1)	127(23.1)
Rs.40001 - 50000	21(3.8)	56(10.2)	15(2.7)	92(16.7)
Above Rs.50000	20(3.6)	60(10.9)	20(3.6)	100(18.2)
Total	**118(21.5)**	**285(51.8)**	**147(26.7)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 4.48 reveals that 10.9 per cent of the respondents earning monthly income of above Rs.50000 and 10.7 per cent of the respondents earning monthly income of Rs.30001 to 40000 have moderate level of awareness in investment avenues but 10.2 per cent of the respondents earning monthly income of Rs.40001 to 50000 have moderate level of awareness in investment avenues.

The table further reveals that 7.1 per cent of the respondents earning monthly income of Rs.30001 to 40000 have high level of awareness in investment avenues

whereas 6.7 per cent of the respondents earning monthly income of Rs.20001 to 30000 have high level of awareness in investment avenues and 5.3 per cent of the respondents earning monthly income of Rs.30001 to 40000 have low level of awareness in investment avenues.

In order to find out the significant relationship between level of awareness in investment avenues and monthly income of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "There is no significant relationship between level of awareness and monthly income of the Government salaried class investors in Tirunelveli district". The result of Chi-square test for relationship between level of awareness in investment avenues and monthly income is presented in Table 4.49.

Table 4.49
Level of awareness in investment avenues and Monthly Income – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.532	10	0.085
Likelihood Ratio	16.807	10	0.079
Linear-by-Linear Association	1.391	1	0.238
N of Valid Cases	550		

Table 4.49 reveals that the calculated chi square value of level of awareness in investment avenues among different monthly income of the Government salaried class investors is 16.532. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is less than the value in chi square table, the null hypothesis is accepted. It is concluded that there is no significant relationship between the monthly income of the Government salaried class investors and their level of awareness in investment avenues.

4.8.11 Level of Inter relationship between Awareness and Average Monthly Investments

The Government salaried class investors who have high awareness may have more average monthly investments but others who have low awareness may have low average monthly investments. Hence, there may be a direct relationship between awareness and average monthly investments. The inter-relationship between awareness and average monthly investments among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between awareness and average monthly investment is presented in Table 4.50.

Table 4.50

Awareness and average monthly investments-Inter relationship

Particulars	Awareness	Average Monthly investments
Pearson Correlation	1.000	-0.426(**)
Sig. (2-tailed)	.	0.000
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

Table 4.50 shows the inter-relationship between awareness and average monthly investments among the Government salaried class investors in Tirunelveli district. It shows that awareness is negatively correlated with average monthly investments at a co-efficient of correlation of -0.426. It clearly exhibits that there is a negative relationship between awareness and average monthly investments among the Government salaried class investors in Tirunelveli district.

4.9 Ranking of sources of information through which investors are aware of various investment avenues

There are different sources through which the investors make investment decision. The main sources are newspapers, TV/radio, friends and colleagues, relatives, investment consultants, brokers and agents, magazines/journals, expert opinion, cell phone SMS, internet and email, company annual reports, investor's association and direct contacts. The following Table 4.51 shows the Garret's ranking technique for sources of information through which investors are aware of various investment avenues.

Table 4.51
Ranking of sources of information through which investors are aware of various investment avenues - Garrett's Ranking Technique

Sl. No	Sources of information	Total Score	Average Score	Rank
1	News Paper	43521	79.12	I
2	TV/Radio	39454	71.73	III
3	Friends and Colleagues	39479	71.78	II
4	Relatives	33250	60.45	IV
5	Investment Consultants	30271	55.04	VI
6	Brokers and agents	29674	53.95	VII
7	Magazine/Journals	26301	47.82	IX
8	Expert opinion	25079	45.59	XI
9	Cell phone SMS	28166	51.22	VIII
10	Internet and E-mail	25161	45.75	X
11	Companies Annual Reports	22412	40.75	XIII
12	Investor's Association	23886	43.43	XII
13	Direct Contacts	31114	56.57	V

Source: Primary and computed data

The Table 4.51 clearly reveals that the majority of the sample respondents had given first rank to newspaper, the next major group of the sample respondents had given second rank to friends and colleagues, the sample respondents had given third rank to TV/Radio and the sample respondents had given last rank to company's annual reports.

4.10 Relationship between the Government salaried class investors' investment avenues and their different socio-economic background

4.10.1 Level of Inter relationship between Age and Investment Avenues

The inter-relationship between age and investment avenues among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between age and investment avenues is presented in Table 4.52.

Table 4.52

Age and investment avenues-Interrelationship

Particulars	Age	Investment avenues
Pearson Correlation	1.000	-0.052
Sig. (2-tailed)	.	0.228
N	550	550

The above table shows the inter-relationship between age and investment avenues among the Government salaried class investors in Tirunelveli district. It indicates that age is negatively correlated with investment avenues at a co-efficient of correlation of -0.052. Hence, it is clearly understood that there is a negative relationship between age and investment avenues among the Government salaried class investors in Tirunelveli district.

4.10.2 Level of Inter relationship between the Government salaried class investors' educational qualification and their investment avenues

The inter-relationship between educational qualification and investment avenues among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between educational qualification and investment avenues is presented in Table 4.53.

Table 4.53
Educational qualification and investment avenues-Interrelationship

Particulars	Educational qualification	Investment avenues
Pearson Correlation	1.000	0.040
Sig. (2-tailed)	.	0.352
N	550	550

The above table shows the inter-relationship between educational qualification and investment avenues among the Government salaried class investors in Tirunelveli district. It indicates that educational qualification is positively correlated with investment avenues at a co-efficient of correlation of 0.040. Hence, it shows that there is a positive relationship between educational qualification and investment avenues among the Government salaried class investors in Tirunelveli district.

4.10.3 Level of Inter relationship between Place of Residence and Investment Avenues

The inter-relationship between the place of residence and investment avenues among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between place of residence and investment avenues is presented in Table 4.54.

Table 4.54
Place of residence and investment avenues-Interrelationship

Particulars	Place of residence	Investment avenues
Pearson Correlation	1.000	-0.064
Sig. (2-tailed)	.	0.133
N	550	550

The above table shows the inter-relationship between place of residence and investment avenues among the Government salaried class investors in Tirunelveli district. It indicates that the place of residence is negatively correlated with investment avenues at a co-efficient of correlation of -0.064. Hence, it shows that there is a negative relationship between place of residence and investment avenues among the Government salaried class investors in Tirunelveli district.

4.10.4 Level of Inter relationship between Monthly Income and Investment Avenues

The inter-relationship between monthly income and investment avenues among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between monthly income and investment avenues is presented in Table 4.55.

Table 4.55

Monthly income and investment avenues-Interrelationship

Particulars	Monthly income	Investment avenues
Pearson Correlation	1.000	-0.072
Sig. (2-tailed)	.	0.091
N	550	550

The above table shows the inter-relationship between monthly income and investment avenues among the Government salaried class investors in Tirunelveli district. It ensures that monthly income is negatively correlated with investment avenues at a co-efficient of correlation of -0.072. It shows that there is a negative relationship between monthly income and investment avenues among the Government salaried class investors in Tirunelveli district.

4.10.5 Level of Inter relationship between Average Monthly Surplus and Investment Avenues

The inter-relationship between average monthly surplus and investment avenues among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between average monthly surplus and investment avenues is presented in Table 4.56.

Table 4.56

Average Monthly Surplus and investment avenues-Interrelationship

Particulars	Average Monthly Surplus	Investment avenues
Pearson Correlation	1.000	0.076
Sig. (2-tailed)	.	0.074
N	550	550

The above table shows the inter-relationship between average monthly surplus and investment avenues among the Government salaried class investors in Tirunelveli district. It shows that average monthly surplus is positively correlated with investment avenues at a co-efficient of correlation of 0.076. Hence, it is clearly understood that there is a positive relationship between average monthly surplus and investment avenues among the Government salaried class investors in Tirunelveli district.

4.10.6 Level of Inter relationship between Awareness and Investment Avenues

The inter-relationship between awareness and investment avenues among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between awareness and investment avenues is presented in the following Table 4.57.

Table 4.57

Awareness and investment avenues-Interrelationship

Particulars	Awareness	Investment avenues
Pearson Correlation	1.000	-0.115**
Sig. (2-tailed)	.	0.007
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between awareness and investment avenues among the Government salaried class investors in Tirunelveli district. It reveals that awareness is negatively correlated with investment avenues at a co-efficient of correlation of -0.115. Hence, it is evident that there is a negative relationship between awareness and investment avenues among the Government salaried class investors in Tirunelveli district.

4.11 Factors motivating the Government salaried class investors to make investment - Factor Analysis

Factor analysis helps to reduce the innumerable variables into limited number of latent factors having inter–correlation within them. Hence, factor analysis is attempted to reduce the numerous variables into limited number of factors. In order to apply factor analysis, the basic assumption to be fulfilled is the factorability of the correlation matrix. KMO measures of sampling adequacy and the Bartlett's test of sphericity determine the factorability of the correlation matrix. The results of the calculation are presented in Table 4.58.

Table 4.58

Findings of KMO and Bartlett's Test

Kaisser-Meyer-Olkin measure of sampling adequacy	0.701
Bartlett's Test of sphericity Approx Chi-Square	4275.232
df	300
Significance	0.000

The above Table 4.58 shows the findings of the KMO and Bartlett's test. It reveals that the factor analysis can be rightly employed in this context as evidenced through a higher KMO Measure (0.701) and a significant Bartlett's test result. Hence, factor analysis is attempted. Analysis of factors motivating the Government salaried class investors to make investment is made through rotated factor matrix which reveals that there are seven major factors responsible for investment. The findings of the rotated factor analysis on the factors motivating the Government salaried class investors to make investment are presented in Table 4.59.

Table 4.59

Factors motivating the Government salaried class investors to make investment - Rotated Factor Analysis

Factors	F1	F2	F3	F4	F5	F6	F7	h^2
Safety and security	**.767**	.144	.186	.006	.095	.139	.051	**1.388**
Save money	**.763**	.092	.140	.213	.038	.165	.032	**1.433**
Regular returns	**.565**	.116	.007	.047	.029	.172	.022	**0.958**
Capital appreciation	**.522**	.054	.032	.031	.135	.379	.185	**1.338**
liquidity	**.508**	.101	.052	.020	.058	.136	.092	**0.967**
Less maintenance expenses	.215	**.830**	.079	.054	.089	.047	.022	**1.336**
Less transaction cost	.162	**.773**	.177	.033	.014	.006	.139	**1.304**
Low price	.066	**.614**	.210	.181	.148	.292	.166	**1.677**
Convertibility is easy	.109	**.575**	.393	.182	.041	.001	.183	**1.484**
Good service	.366	**.512**	.239	.346	.175	.141	.100	**1.879**
Utility value	.173	.039	**.821**	.017	.117	.005	.009	**1.181**
Minimum formalities	.078	.066	**.626**	.154	.082	.065	.330	**1.401**
Interest rate	.262	.261	**.573**	.008	.037	.381	.088	**1.610**
Tax Relief	.199	.376	**.549**	.109	.296	.018	.190	**1.737**
Broker's advice	.076	.006	.131	**.727**	.118	.026	.081	**1.165**
Minimum risk involved	.115	.262	.011	**.723**	.000	.040	.028	**1.179**
Obtain a loan	.123	-.012	.175	**.608**	.100	.480	.180	**1.654**
astrology	.360	.029	.073	**.597**	.042	.060	-.101	**1.060**
Family environment	.002	.002	.047	.016	**.842**	.070	.046	**1.025**
age	.059	.166	.037	.072	**.701**	.053	.311	**1.399**
Spouse employment	.079	.174	.248	.176	**.655**	.199	.146	**1.677**
Knowledge about investments	.049	.223	.047	.037	.249	**.803**	.120	**1.528**
Media exposure	.191	.142	.280	.077	.308	**.569**	.075	**1.642**
Prestige value	.072	.027	.038	.166	.107	.062	**.903**	**1.375**
Availability of time	.257	.120	.362	.146	.112	.162	**.523**	**1.682**
Eigen Value	**6.138**	**5.692**	**5.533**	**4.746**	**4.588**	**4.471**	**3.921**	
Per cent of Variation	**18.318**	**11.445**	**8.621**	**6.799**	**6.288**	**5.848**	**4.359**	
Cumulative Per cent of Variation	**18.318**	**29.763**	**38.383**	**45.183**	**51.451**	**57.299**	**61.658**	

Rotated factor analysis categorizes the factors motivating the Government salaried class investors to make investment in Tirunelveli district into seven broad groups. The details are presented in Table 4.59. The detailed list of variables falling under seven groups are presented below:

First factor (Safety and returns)

(i) Safety and security
(ii) Save money
(iii) Regular returns
(iv) Capital appreciation
(v) Liquidity

Second factor (Maintenance and Services)

(i) Less maintenance expenses
(ii) Less transaction cost
(iii) Low price
(iv) Convertibility is easy
(v) Good service

Third factor (Utility and Relief)

(i) Utility value
(ii) Minimum formalities
(iii) Interest rate
(iv) Tax relief

Fourth factor (Loan Facilities)

(i) Broker's advice
(ii) Minimum risk involved
(v) Obtain a loan
(iii) Astrology

Fifth factor (Personal factors)

(i) Family environment
(ii) Age
(iii) Spouse employment

Sixth factor (Knowledge factors)

(iv) Media exposure

(v) Knowledge about investments

Seventh factor (Time factors)

(i) Prestige value

(ii) Availability of time

Table 4.59 reveals that the first factor F1 accounts for 18.318 per cent variation in the total variable set. There are five variables positively loaded in this factor. They are safety and security, saving money, regular returns, capital appreciation and liquidity. These five variables are positively loaded in the factor F1. It implies that there is a positive correlation among these five variables and make a variation of 18.318 per cent in motivating the Government salaried class investors to make investment in Tirunelveli district.

The second factor F2 represents 11.445 per cent variation in the total variable set. There are five variables namely less maintenance expenses, less transaction cost, low price, convertibility is easy and good service are positively loaded in this factor. The inference to be drawn from the above analysis is that the variables less maintenance expenses, less transaction cost, low price, convertibility is easy and good services positively motivate the Government salaried class investors to make investment.

The third factor F3 represents 8.621 per cent variation in the total variable set. This factor includes utility value, minimum formalities, interest rate and tax relief. The variables obtain utility value, minimum formalities, interest rate and tax relief are positively loaded in this factor. Hence, this analysis reveals that the Government salaried class investors are positively motivated by utility value, minimum formalities, interest rate and tax relief to make investment.

The fourth factor F4 accounts for a variation of 6.799 per cent in the total variable set. There are four variables such as broker's advice, minimum risk involved,

obtain a loan and astrology are positively loaded in this factor. Analysis of the table shows that broker's advice, minimum risk involved, obtain a loan and astrology positively motivate the Government salaried class investors to make investment.

The fifth factor F5 represents 6.288 per cent variation in the total variable set. There are three variables positively loaded in this factor. They are family environment, age and spouse employment. These three variables are positively loaded in the factor F5. It implies that there is a positive correlation among these three variables and make a variation of 6.288 per cent in motivating the Government salaried class investors of Tirunelveli district to make investment.

The sixth factor F6 accounts for 5.848 per cent variation in the total variable set. There are two variables positively loaded in this factor. They are media exposure and knowledge about investments. These two variables are positively loaded in the factor F6. It implies that there is a positive correlation among these two variables and make a variation of 5.848 per cent in motivating the Government salaried class investors of Tirunelveli district to make investment.

The seventh factor F7 accounts for a variation of 4.359 per cent in the total variable set. There are two variables prestige value and availability of time positively loaded in this factor. Analysis of the table shows that prestige value and availability of time positively motivate the Government salaried class investors to make investment.

4. 12 Influencing personalities of the investor

The interview schedule containing seven variables related to the influencing personalities of the investor was administered to 550 respondents. The respondents were asked to rate each variable on a five point Likert scale according to their influencing personalities. For the purpose of analysis of the level of influencing personalities of the respondents, Weighted Average Score (WAS) was calculated for each variable. The variables were categorized as variables of high influencing personalities, moderate influencing personalities and slight influencing personalities depending upon their WAS as explained in Table 4.60.

Table 4.60
Level of influencing personalities of the investor

	Attributes of High influencing personalities	**Very High**	**High**	**Neutral**	**Low**	**Very low**	**WAS**
1	Self	219	292	33	1	5	4.31
2	Friends	115	317	74	36	8	3.90
3	Relatives	105	201	193	46	5	3.79
	Attributes of Moderate influencing personalities						
4	Colleagues	91	219	202	30	8	3.64
5	Expert opinion	90	190	191	49	30	3.47
	Attributes of Slight influencing personalities						
6	Family members	35	117	236	162	-	3.04
7	Agents and intermediaries	32	99	278	126	15	3.01

Source: Primary and computed data

It is observed that out of the total seven variables only three variables have been ranked in the category of high influencing personalities, two variables in the category of moderate influencing personalities and the remaining two as of slight influencing personalities. A majority of the respondents perceived the 'self' to be yielding highest influencing personalities having the highest Weighted Average Score of 4.31 and 'agents and intermediaries' has been ranked at the lowest among the attributes of slight influencing personalities with the least Weighted Average Score of 3.1.

CHAPTER V

ATTITUDE, INVESTMENT BEHAVIOUR AND SATISFACTION OF THE GOVERNMENT SALARIED CLASS INVESTORS TOWARDS VARIOUS INVESTMENT AVENUES

5.1 INTRODUCTION

This chapter deals with the attitude, investment behavior and satisfaction of the Government salaried class investors of the study area towards various investment avenues. In analyzing the relationship between investors' attitude and their behavior towards various forms of investment, ANOVA and T test have been used. In assessing the respondents' satisfaction towards different investment avenues, chi-square test has been used.

Further, this chapter includes the problems that have been confronted by the respondents at the time of making investment. Garrett's ranking technique has been used in arriving at the severe problems that have been confronted by the Government salaried class investors in Tirunelveli district.

5.2 Attitude towards investment among the Government Salaried class investors with different socio - economic background

Attitude towards investment has relationship with many socio-economic variables. These variables have influenced the attitude of the Government salaried class investor towards investment. Hence, attitude of the Government salaried class investors towards investment is analyzed in terms of these variables.

5.2.1 Age and Attitude towards Investment

The Government salaried class investors of different age groups may have different attitude towards investment. The Government salaried class investors who are young may have good attitude towards investment but the old may have poor attitude towards investment. In order to find out the significant difference in attitude towards investment among different age group of the Government salaried class investors in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in attitude towards investment among the Government salaried class investors with different age group in Tirunelveli district". The result of ANOVA for attitude towards investment among the Government salaried class investors with different age group is presented in Table 5.1.

Table 5.1
Attitude towards investment among the Government salaried class investors of different age group - ANOVA

Age	Sum of Squares	df	Mean Square	F	p value
Between groups	902.088	3	300.696	1.783	0.149
Within groups	92090.110	546	168.663		
Total	92992.198	549			

Table 5.1 clearly shows that the 'F' value for attitude towards investment among the Government salaried class investors with different age group in Tirunelveli district is 1.783 which is significant at the 'p' value of 0.149. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in attitude towards investment among the Government salaried class investors with different age group in Tirunelveli district. It is inferred that age is not a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.2 Gender and Attitude towards Investment

The Government salaried class investors of two gender groups such as male and female might have different attitude towards investment. The Government salaried class investors who are male might have positive attitude towards investment, while female might have negative attitude towards investment. In order to find out the significant difference in attitude towards investment among the Government salaried class investors with different gender group in Tirunelveli district, 't' test is attempted with the null hypothesis as, "There is no significant difference in attitude towards investment among the Government salaried class investors with different gender group in Tirunelveli district". The result of't' test for attitude towards investment among the Government salaried class investors with different gender group is presented in Table 5.2.

Table 5.2
Attitude towards investment among the Government salaried class investors with different gender group - T Test

Particulars	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	p Value
Gender	2.942	0.087	0.613	548	0.540

Table 5.2 shows the attitude towards investment among the Government salaried class investors with different gender group in Tirunelveli district. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. It shows that gender wise there is no significant difference in attitude towards investment among the Government salaried class investors in Tirunelveli district. It is further clear that gender is not a significant variable in influencing attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.3 Marital Status and Attitude towards Investment

The Government salaried class investors with different marital status such as married and unmarried might have different attitude towards investment. The Government salaried class investors who are married may have positive attitude towards investment, while the unmarried Government salaried class investors may have negative attitude towards investment. In order to study the relationship between attitude towards investment and marital status, 't'test is attempted with the null hypothesis as, "there is no significant difference in attitude towards investment among the Government salaried class investors with different marital status in Tirunelveli district". The result of't' test for attitude towards investment among the Government salaried class investors with different marital status is presented in Table 5.3.

Table 5.3
Attitude towards investment among the Government salaried class investors with different marital status -T Test

Particulars	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	p Value
Marital Status	0.096	0.757	-0.529	548	0.597

Table 5.3 shows the attitude towards investment among the Government salaried class investors with different marital status in Tirunelveli district. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. It shows that marital status wise there is no significant difference in attitude towards investment among the Government salaried class investors in Tirunelveli district. It is further clear from the study that marital status is not a significant variable in influencing attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.4 Educational Qualification and Attitude towards Investment

The Government salaried class investors with different educational qualification may have different attitude towards investment. The Government salaried class investors who are with high educational qualification may have positive attitude towards investment, while the Government salaried class investors who are with low educational qualification may have negative attitude towards investment. In order to find out the significant difference in attitude towards investment among the Government salaried class investors with different educational qualifications in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in attitude towards investment among the Government salaried class investors with different educational qualifications in Tirunelveli district". The result of ANOVA for attitude towards investment among the Government salaried class investors with different educational qualification is presented in Table 5.4.

Table 5.4
Attitude towards investment among the Government salaried class investors with different educational qualifications -ANOVA

Educational qualification	Sum of Squares	df	Mean Square	F	p value
Between groups	11737.915	4	2934.479	19.683	0.000
Within groups	81254.284	545	149.090		
Total	92992.198	549			

Table 5.4 clearly shows that the 'F' value for attitude towards investment among the Government salaried class investors with different educational qualification in Tirunelveli district is 19.683 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it can be concluded that there is a significant difference in attitude towards investment among the Government salaried class investors with different educational qualification in Tirunelveli district. It is inferred that educational qualification is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.5 Nature of Work and Attitude towards Investment

The Government salaried class investors with different nature of work may have different attitude towards investment. The Government salaried class investors who have technical work might have positive attitude towards investment, while the Government salaried class investors who have clerical work might have negative attitude towards investment. In order to find out the significant difference in attitude towards investment among the Government salaried class investors with different nature of work in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in attitude towards

investment among the Government salaried class investors with different nature of work in Tirunelveli district". The result of ANOVA for attitude towards investment among the Government salaried class investors with different nature of work is presented in Table 5.5.

Table 5.5
Attitude towards investment among the Government salaried class investors with different nature of work -ANOVA

Nature of work	Sum of Squares	df	Mean Square	F	p value
Between groups	5586.047	4	1396.512	8.708	0.000
Within groups	87406.151	545	160.378		
Total	92992.198	549			

It is clear from the ANOVA test that 'F' value for attitude towards investment among the Government salaried class investors with different nature of work in Tirunelveli district is 8.708 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference in attitude towards investment among the Government salaried class investors with different nature of work in Tirunelveli district. It is clearly understood that nature of work is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.6 Place of Residence and Attitude towards Investment

The Government salaried class investors residing in different place of residence might have different attitude towards investment. The Government salaried class investors who are residing in urban areas might have positive attitude towards investment, while the Government salaried class investors who reside in rural areas might have negative attitude towards investment. In order to find out the significant

difference in attitude towards investment among the Government salaried class investors with different place of residence in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in attitude towards investment among the Government salaried class investors with different place of residence in Tirunelveli district". The result of ANOVA for attitude towards investment among the Government salaried class investors with different place of residence is presented in Table 5.6.

Table 5.6
Attitude towards investment among the Government salaried class investors with different place of residence -ANOVA

Place of residence	Sum of Squares	df	Mean Square	F	p value
Between groups	8677.602	4	2169.400	14.023	0.000
Within groups	84314.597	545	154.706		
Total	92992.198	549			

Table 5.6 exhibits the 'F' value for attitude towards investment among the Government salaried class investor with different place of residence in Tirunelveli district is 14.023 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference in attitude towards investment among the Government salaried class investors with different place of residence in Tirunelveli district. It is inferred that place of residence is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.7 Number of Family Members and Attitude towards Investment

The Government salaried class investors belonging to different family sizes such as small and large family have different attitude towards investment. The Government salaried class investors belonging to small family may have favourable attitude towards investment, while others in large family may have unfavourable attitude towards investment. In order to study the relationship between attitude towards investment and number of family members, 'ANOVA' test is attempted with the null hypothesis as, "there is no significant difference in attitude towards investment among the Government salaried class investors with different number of family members in Tirunelveli district". The result of 'ANOVA' test for attitude towards investment among the Government salaried class investors with different number of family members is presented in Table 5.7.

Table 5.7
Attitude towards investment among the Government salaried class investors with different number of family members -ANOVA

Number of family members	Sum of Squares	df	Mean Square	F	p value
Between groups	695.921	5	139.184	0.820	0.535
Within groups	92296.277	544	169.662		
Total	92992.198	549			

From the ANOVA test, the 'F' value for attitude towards investment among the Government salaried class investors with different number of family members in Tirunelveli district is 0.820 which is significant at the 'p' value of 0.535. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore it may be concluded that there is no significant difference in attitude towards investment among the Government salaried class investors with different number of family members of in Tirunelveli district. It is clearly understood that number of family members is not a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.8 Number of Earning Members and Attitude towards Investment

The Government salaried class investors belonging to different number of earning members may have different attitude towards investment. The Government salaried class investors belonging to more number of earning members may have good attitude towards investment, while others with minimum number of earning members may have poor attitude towards investment. In order to study the relationship between attitude towards investment and number of earning members, 'ANOVA' test is attempted with the null hypothesis as, "there is no significant difference in attitude towards investment among the Government salaried class investors with different number of earning members in Tirunelveli district". The result of 'ANOVA' test for attitude towards investment among the Government salaried class investors with different number of earning members is presented in Table 5.8.

Table 5.8
Attitude towards investment among the Government salaried class investors with different number of earning members -ANOVA

Number of earning members	Sum of Squares	df	Mean Square	F	p value
Between groups	11813.674	5	2362.735	15.833	0.000
Within groups	81178.525	544	149.225		
Total	92992.198	549			

From the ANOVA test, the 'F' value for attitude towards investment among the Government salaried class investors with different number of earning members in Tirunelveli district is 15.833 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference in attitude towards investment among the Government salaried class investors with different number of earning members in Tirunelveli district. It is inferred that number of earning members is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.9 Number of Dependents and Attitude towards Investment

The Government salaried class investors with different number of dependents have different attitude towards investment. The Government salaried class investors who have minimum number of dependents may have good attitude towards investment, while the Government salaried class investors with more number of dependents may have poor attitude towards investment. In order to find out the significant difference in attitude towards investment among the Government salaried class investors with different number of dependents in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in attitude towards investment among the Government salaried class investors with different number of dependents in Tirunelveli district". The result of ANOVA for attitude towards investment among the Government salaried class investors with different number of dependents is presented in Table 5.9.

Table 5.9
Attitude towards investment among the Government salaried class investors with different number of dependents -ANOVA

Number of dependents	Sum of Squares	df	Mean Square	F	p value
Between groups	15637.723	5	3127.545	21.995	0.000
Within groups	77354.475	544	142.196		
Total	92992.198	549			

It is clear from the Table 5.9 that the 'F' value for attitude towards investment among the Government salaried class investors with different number of dependents in Tirunelveli district is 21.995 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference in attitude towards investment among the Government salaried class investors with different number of dependents in Tirunelveli district. It is inferred that the number of dependents is a significant

variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.2.10 Monthly Income and Attitude towards Investment

The Government salaried class investors earning different monthly income have different attitudes towards investment. The Government salaried class investors who are earning high monthly income may have good attitude towards investment, while the Government salaried class investors earning low monthly income may have poor attitude towards investment. In order to find out the significant difference in attitude towards investment among the Government salaried class investors with different monthly income in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in attitude towards investment among the Government salaried class investors with different monthly income in Tirunelveli district". The result of ANOVA for attitude towards investment among the Government salaried class investors with different monthly income is presented in Table 5.10.

Table 5.10
Attitude towards investment among the Government salaried class investors with different monthly income -ANOVA

Monthly income	Sum of Squares	df	Mean Square	F	p value
Between groups	1369.459	5	273.892	1.626	0.151
Within groups	91622.740	544	168.424		
Total	92992.198	549			

From the ANOVA test, the 'F' value for attitude towards investment among the Government salaried class investors with different monthly income in Tirunelveli district is 1.626 which is significant at the 'p' value of 0.151. Since the 'p' value is

higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in attitude towards investment among the Government salaried class investors with different monthly income in Tirunelveli district. It is inferred that monthly income is not a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

5.3 Investment behaviour among the Government salaried class investors with different socio economic background

Investment Behaviour has relationship with many socio-economic variables. These variables have influenced the behaviour of the Government salaried class investors towards investment. Hence, the behaviour of the Government salaried class investors is analyzed in terms of these variables.

5.3.1 Age and Investment Behaviour

In order to find out the significant difference in investment behaviour among the Government salaried class investors with different age group in Tirunelveli district, 'ANOVA' test is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government salaried class investors with different age group in Tirunelveli district". The result of 'ANOVA' for investment behaviour among the Government salaried class investors with different age group is presented in Table 5.11.

Table 5.11
Investment behaviour among the Government salaried class investors with different age group -ANOVA

Age	Sum of Squares	df	Mean Square	F	p value
Between groups	1859.368	3	619.789	2.030	0.109
Within groups	166693.506	546	305.299		
Total	168552.875	549			

It is clear from the ANOVA test that 'F' value for investment behaviour among the Government salaried class investors with different age group in Tirunelveli district is 2.030 which is significant at the 'p' value of 0.109. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in investment behavior among the Government salaried class investors with different age groups in Tirunelveli district. It is clearly understood that age is not a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.2 Gender and Investment Behaviour

The Government salaried class investors of two gender groups such as male and female may have different investment behavior. The Government salaried class investors who are male may have positive investment behaviour, while female may have negative investment behaviour. In order to find out the significant difference in investment behaviour among the Government salaried class investors with different gender group in Tirunelveli district. 'T' test is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government salaried class investors with different gender group in Tirunelveli district". The result of 't' test for investment behaviour among the Government salaried class investors different gender group is presented in Table 5.12.

Table 5.12
Investment behaviour among the Government Salaried class investors with different gender group -T Test

Particulars	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	p Value
Gender	0.000	0.986	2.194	548	0.029

Table 5.12 shows the investment behavior among the Government salaried class investors with different gender of in Tirunelveli district. Since the 'p' value is less than 0.05, the null hypothesis is rejected. It shows that gender wise there is a significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district. It is further clear that gender is a significant variable in influencing investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.3 Marital Status and Investment Behaviour

In order to find out the significant difference in investment behaviour among the Government salaried class investors with different marital status in Tirunelveli district, 't' test is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government salaried class investors with different marital status in Tirunelveli district". The result of't' test for investment behaviour among the Government salaried class investors with different marital status is presented in Table 5.13.

Table 5.13
Investment behaviour among the Government Salaried class investors with different marital status -T Test

Particulars	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	p Value
Marital Status	0.054	0.816	1.190	548	0.234

Table 5.13 clearly shows the investment behavior among the Government salaried class investors with different marital status in Tirunelveli district. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. It clearly shows that marital status wise there is no significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district. It is inferred that

marital status is not a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.4 Educational Qualification and Investment Behaviour

The Government salaried class investors of different educational qualification may have different investment behaviour. The Government salaried class investors who are of high educational qualification may have good investment behaviour, while the Government salaried class investors who are of low educational qualification may have poor investment behaviour. In order to find out the significant difference in investment behaviour among the Government salaried class investors with different educational qualification of in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government salaried class investors with different educational qualification in Tirunelveli district". The result of ANOVA for investment behaviour among the Government salaried class investors with different educational qualification is presented in Table 5.14.

Table 5.14
Investment behaviour among the Government salaried class investors with different educational qualification -ANOVA

Educational Qualification	Sum of Squares	df	Mean Square	F	p value
Between groups	7972.360	4	1993.090	6.764	0.000
Within groups	160580.514	545	294.643		
Total	168552.875	549			

Table 5.14 reveals that the 'F' value for investment behaviour among the Government salaried class investors with different educational qualification in Tirunelveli district is 6.764 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded

that there is a significant difference in investment behavior among the Government salaried class investors with different educational qualification in Tirunelveli district. It is inferred that educational qualification is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.5 Nature of Work and Investment Behaviour

The Government salaried class investors with different nature of work may have different investment behaviour. The Government salaried class investors who are in technical work may have good investment behaviour, while the Government salaried class investors who are in clerical work may have poor investment behaviour. In order to find out the significant difference in investment behaviour among the Government salaried class investors with different nature of work of in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government salaried class investors with different nature of work in Tirunelveli district". The result of ANOVA for investment behaviour among the Government salaried class investors with different nature of work is presented in Table 5.15.

Table 5.15
Investment behaviour among the Government salaried class investors with different nature of work -ANOVA

Nature of work	Sum of Squares	df	Mean Square	F	p value
Between groups	9318.224	4	2329.556	7.973	0.000
Within groups	159234.651	545	292.174		
Total	168552.875	549			

From the ANOVA test, the 'F' value for investment behaviour among the Government salaried class investors with different nature of work in Tirunelveli

district is 7.973 which is significant at the 'p' value of 0.000. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference in investment behavior among the Government salaried class investors with different nature of work in Tirunelveli district. It is inferred that nature of work is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.6 Place of Residence and Investment Behaviour

The Government salaried class investors reside in different place of residence may have different investment behaviour. The Government salaried class investors who reside in urban area may have positive investment behaviour, while the Government salaried class investors who reside in rural area may have negative investment behaviour. In order to find out the significant difference in investment behaviour among the Government salaried class investor with different place of residence in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government Salaried class investors with different place of residence in Tirunelveli district". The result of ANOVA for investment behaviour among the Government salaried class investors with different place of residence is presented in Table 5.16.

Table 5.16
Investment behaviour among the Government salaried class investors different place of residence -ANOVA

Place of residence	Sum of Squares	df	Mean Square	F	p value
Between groups	4866.396	4	1216.599	4.051	0.003
Within groups	163686.479	545	300.342		
Total	168552.875	549			

Table 5.16 exhibits that the 'F' value for investment behaviour among the Government salaried class investors with different place of residence in Tirunelveli district is 4.051 which is significant at the 'p' value of 0.003. Since the 'p' value is less than 0.05, the null hypothesis is rejected. Therefore, it may be concluded that there is a significant difference in investment behavior among the Government salaried class investors with different place of residence in Tirunelveli district. It is inferred that place of residence is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.7 Number of Family Members and Investment Behaviour

The Government salaried class investors with different family sizes such as small family and large family have different investment behaviour. The Government salaried class investors belonging to small family may have efficient investment behaviour than that of others in large family. In order to study the relationship between investment behaviour and number of family members, 'ANOVA' test is attempted with the null hypothesis as, "there is no significant difference in investment behaviour among the Government salaried class investors with different number of family members in Tirunelveli district". The result of 'ANOVA' test for investment behaviour among the Government salaried class investors with different number of family members of is presented in Table 5.17.

Table 5.17
Investment behaviour among the Government salaried class investors with different number of family members -ANOVA

Number of Family members	Sum of Squares	df	Mean Square	F	p value
Between groups	1460.970	5	292.194	0.951	0.447
Within groups	167091.905	544	307.154		
Total	168552.875	549			

From the ANOVA test, the 'F' value for investment behaviour among the Government salaried class investors with different number of family members in Tirunelveli district is 0.951 which is significant at the 'p' value of 0.447. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in investment behaviour among the Government salaried class investors with different number of family members in Tirunelveli district. It is inferred that number of family members is not a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.8 Number of Earning Members and Investment Behaviour

The Government salaried class investors with different number of earning members might have different investment behaviour. The Government salaried class investor belonging to family of more number of earning members may have good investment behaviour, while others of minimum number of earning members may have poor investment behaviour. In order to study the relationship between investment behaviour and number of earning members, 'ANOVA' test is attempted with the null hypothesis as, "there is no significant difference in investment behaviour among the Government salaried class investors with different number of earning members of in Tirunelveli district". The result of 'ANOVA' test for investment behaviour among the Government salaried class investors with different number of earning members is presented in Table 5.18.

Table 5.18
Investment behaviour among the Government salaried class investors with different number of earning members -ANOVA

Number of earning members	Sum of Squares	df	Mean Square	F	p value
Between groups	4413.124	5	882.625	2.925	0.013
Within groups	164139.751	544	301.727		
Total	168552.875	549			

Table 5.18 clearly exhibits that the 'F' value for investment behaviour among the Government salaried class investors with different number of earning members in Tirunelveli district is 2.925 which is significant at the 'p' value of 0.013. Since the 'p' value is less than 0.05, the null hypothesis is rejected. It is inferred that number of earning members is a significant variable in influencing the investment behaviour among the Government salaried class investor in Tirunelveli district.

5.3.9 Number of Dependents and Investment Behaviour

The Government salaried class investors having different number of dependents may have different investment behaviour. The Government salaried class investors with minimum number of dependents may have different investment behavior than that of others of more number of dependents. In order to study the relationship between investment behaviour and number of dependents, 'ANOVA' test is attempted with the null hypothesis as, "there is no significant difference in investment behaviour among the Government salaried class investors with different number of dependents in Tirunelveli district". The result of 'ANOVA' test for investment behaviour among the Government salaried class investors with different number of dependents is presented in Table 5.19.

Table 5.19
Investment behaviour among the Government salaried class investors with different number of dependents -ANOVA

Number of Dependents	Sum of Squares	df	Mean Square	F	p value
Between groups	2684.304	5	536.861	1.761	0.119
Within groups	165868.571	544	304.905		
Total	168552.875	549			

From the ANOVA test, the 'F' value for investment behaviour among the Government salaried class investors with different number of dependents in Tirunelveli district is 1.761 which is significant at the 'p' value of 0.119. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in investment behavior among the Government salaried class investor in Tirunelveli district with different number of dependents. It is inferred that number of dependents is not a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.3.10 Monthly Income and Investment Behaviour

The Government salaried class investors earning different monthly income may have different investment behaviour. The Government salaried class investors who are earning high monthly income may have good investment behaviour, while the Government salaried class investor earning low monthly income may have poor investment behaviour. In order to find out the significant difference in investment behaviour among the Government salaried class investors of different monthly income in Tirunelveli district, analysis of variance (ANOVA) is attempted with the null hypothesis as, "There is no significant difference in investment behaviour among the Government salaried class investors of different monthly income in Tirunelveli

district". The result of ANOVA for investment behaviour among the Government salaried class investors with different monthly income is presented in Table 5.20.

Table 5.20
Investment behaviour among the Government salaried class investors with different monthly income -ANOVA

Monthly income	Sum of Squares	df	Mean Square	F	p value
Between groups	1622.171	5	324.434	1.057	0.383
Within groups	166930.703	544	306.858		
Total	168552.875	549			

It is clear from the ANOVA test that 'F' value for investment behaviour among the Government salaried class investors with different monthly income in Tirunelveli district is 1.057 which is significant at the 'p' value of 0.383. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. Therefore, it may be concluded that there is no significant difference in investment behavior among the Government salaried class investors of different monthly income in Tirunelveli district. It is clearly understood that monthly income is not a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

5.4 Level of Inter relationship between Attitude and Investment Behaviour

The inter-relationship between attitude and investment behaviour among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between attitude and investment behaviour is presented in Table 5.21.

Table 5.21
Attitude and investment Behaviour-Interrelationship

Particulars	Attitude	Investment Behaviour
Pearson Correlation	1.000	0.535**
Sig. (2-tailed)	.	0.000
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between attitude and investment behaviour among the Government salaried class investors in Tirunelveli district. It indicates that attitude is positively correlated with investment behaviour at a co-efficient of correlation of 0.535. Hence, there is a positive relationship between attitude and investment behaviour among the Government salaried class investor in Tirunelveli district.

5.5 Level of satisfaction towards investment

The Government salaried class investors are categorized into three categories on the basis of the "satisfaction" scores. In order to categorize the Government salaried class investors' satisfaction towards investment, the scores have been averaged and the mean and standard deviation are calculated. The mean and standard deviation worked out on "satisfaction" scores of the Government salaried class investors is presented in the Table 5.22.

Table 5.22
Satisfaction Scores

Particulars	Mean	Standard deviation
Satisfaction	105.05	7.30

The Table 5.22 shows the boundary levels for three categories of the Government salaried class investors. The Government salaried class investors with less than mean-standard deviation scores are categorized as the Government salaried class investors with low satisfaction and the Government salaried class with Mean + Standard deviation scores are categorized as the Government salaried class investors with high satisfaction. The Government salaried class investors with scores in between the above two categories are the Government salaried class investors with moderate satisfaction.

5.6 Level of satisfaction towards investment among the Government salaried class investors with different socio economic background

The level of satisfaction towards investment may differ among the Government salaried class investors with different socio economic background. The level of satisfaction towards investment among the Government salaried class investors with different socio economic conditions is presented below.

5.6.1 Level of satisfaction towards investment among the Government salaried class investors with different age group

The Government salaried class investors of different age group may be satisfied towards investment at different level. The young aged may be satisfied towards investment at a higher level, but the aged may be satisfied towards investment at low level. Hence, the age may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different age group is presented in the Table 5.23.

Table 5.23
Level of satisfaction towards investment among the Government salaried class investors with different age group

Age	Level of Satisfaction			Total
	Low	Moderate	High	
Below 30	22(4)	81(14.7)	19(3.5)	122 (22.2)
30 – 40	31(5.6)	107(19.5)	39(7)	177(32.2)
40 – 50	25(4.6)	77(14)	18(3.3)	120(21.8)
Above 50	21(3.8)	100(18.2)	10(1.8)	131(23.8)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.23 shows that 19.5 per cent of the respondents in the age group of 30 to 40 are satisfied at moderate level, whereas 18.2 per cent of the respondents in the age group of above 50 are satisfied at moderate level and 14.7 per cent of the respondents in the age group of below 30 are satisfied at moderate level.

The table further shows that 7 per cent of the respondents in the age group of 30 to 40 are satisfied at high level, 5.6 per cent of the respondents in the age group of 30 to 40 are satisfied at low level and 4.6 per cent of the respondents in the age group of 40 to 50 are satisfied at low level in the study area.

In order to find out the significant relationship between satisfaction towards investment and age group of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "there is no significant relationship between level of satisfaction towards investment and age group of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and age is presented in Table 5.24.

Table 5.24
Level of satisfaction towards investment and Age– Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.853	6	0.031
Likelihood Ratio	14.510	6	0.024
Linear-by-Linear Association	1.822	1	0.177
N of Valid Cases	550		

The calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different age group is 13.853. The chi square value at 5% level of significance and 6 degree of freedom is 12.600. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship

between the age of the Government salaried class investors and their level of satisfaction towards investments.

5.6.2 Level of satisfaction towards investment among the Government salaried class investors with different gender group

The Government salaried class investors of different gender groups may be satisfied towards investment at different levels. The male may be satisfied towards investment at a higher level but the female may be satisfied towards investment at low level. Hence, the gender may have relationship with level of satisfaction towards investment. The following Table 5.25 shows the level of satisfaction towards investment among the Government salaried class investors with different gender group.

Table 5.25
Level of satisfaction towards investment among the Government salaried class investors with different gender group

Gender	Level of Satisfaction			Total
	Low	Moderate	High	
Male	57(10.3)	241(43.9)	70(12.7)	368(66.9)
Female	42(7.6)	124(22.5)	16(2.9)	182(33.1)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.25 focuses the satisfaction level among the Government salaried class investors with different gender group in Tirunelveli district. It is clear from the table that 43.9 per cent of the male respondents are satisfied towards investment at moderate level and 22.5 per cent of the female respondents are satisfied towards investment at moderate level and 12.7 per cent of the male respondents are satisfied towards investment at high level.

In order to find out the significant relationship between satisfaction towards investment and gender group of Government salaried class in Tirunelveli district, Chi-

square test is attempted with the null hypothesis as, "there is no significant relationship between level of satisfaction towards investment and gender group of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and gender is presented in Table 5.26.

Table 5.26
Level of satisfaction towards investment and Gender– Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.174	2	0.002
Likelihood Ratio	12.882	2	0.002
Linear-by-Linear Association	11.492	1	0.001
N of Valid Cases	550		

The calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different gender group is 12.174. The chi square value at 5% level of significance and 2 degree of freedom is 5.990. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the gender of the Government salaried class investors and their level of satisfaction towards investments.

5.6.3 Level of satisfaction towards investment among the Government salaried class investors with different marital status

The Government salaried class investors of different marital status may be satisfied towards investment at different levels. The unmarried Government salaried class investors may be satisfied towards investment at a higher level but the married Government salaried class investors may be satisfied towards investment at low level. Hence, the marital status may have relationship with level of satisfaction towards investment. The following Table 5.27 shows the level of satisfaction towards

investment among the Government salaried class investors with different marital status.

Table 5.27
Level of satisfaction towards investment among the Government salaried class investors with different marital status

Marital Status	Level of Satisfaction			Total
	Low	Moderate	High	
Married	73(13.3)	283(51.5)	75(13.6)	431(78.4)
Unmarried	26(4.7)	82(14.9)	11(2)	119(21.6)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.27 exhibits that 51.5 per cent of the married respondents and 14.9 per cent of the unmarried respondents are satisfied towards investment in a moderate level and 13.6 per cent of the married respondents are satisfied towards investment at high level.

The table further exhibits that 13.3 per cent of the married respondents have low level of satisfaction towards investment, whereas 4.7 per cent of the unmarried respondents are satisfied towards investment at low level and only 2 per cent of the unmarried respondents are satisfied towards investment at high level.

In order to find out the significant relationship between the level of satisfaction towards investment and marital status of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "there is no significant relationship between the level of satisfaction towards investment and marital status of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and marital status is presented in table 5.28.

Table 5.28
Level of satisfaction towards investment and Marital Status – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.367	2	.068
Likelihood Ratio	5.817	2	.055
Linear-by-Linear Association	4.734	1	.030
N of Valid Cases	550		

It is clear from Table 5.28 that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different marital status is 5.367. The chi square value at 5% level of significance and 6 degree of freedom is 5.990. As the calculated value of chi square is less than the value in chi square table, the null hypothesis is accepted. It may be concluded that there is no significant relationship between the marital status of the Government salaried class investors and their level of satisfaction towards investments.

5.6.4 Level of satisfaction towards investment among the Government salaried class investors with different educational qualification

The Government salaried class investors with different educational qualification may be satisfied towards investment at different level. The Government salaried class investors with higher level of educational qualification might have high level of satisfaction towards investment and others with low level of educational qualification might have low level of satisfaction towards investment. Hence, the educational qualification may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different educational qualification is presented in the Table 5.29.

Table 5.29
Level of satisfaction towards investment among the Government salaried class investors with different educational qualification

Educational Qualification	Level of Satisfaction			Total
	Low	Moderate	High	
Up to Higher Secondary	28(5)	97(17.6)	1(0.2)	126(22.9)
Diploma/certificate	26(4.7)	74(13.5)	4(0.7)	104(18.9)
Graduate	17(3)	91(16.5)	21(3.8)	129(23.5)
Post Graduate	18(3.3)	62(11.3)	36(6.5)	116(21.1)
Professional	10(1.8)	41(7.5)	24(4.4)	75(13.6)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.29 reveals that 17.6 per cent of the respondents who have completed up to higher secondary and 16.5 per cent of the respondents who have completed graduation and 13.5 per cent of the respondents who have completed diploma/certificate are satisfied towards investment at moderate level.

The table further reveals that 6.5 per cent of the respondents who have completed post graduation are satisfied towards investment at high level and 4.4 per cent of the respondents who have completed professional degree are satisfied towards investment at high level.

In order to find out the significant relationship between level of satisfaction towards investment and educational qualification of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "there is no significant relationship between level of satisfaction towards investment and educational qualification of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and educational qualification is presented in Table 5.30.

Table 5.30
Level of satisfaction towards investment and Educational Qualification – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	71.818	8	0.000
Likelihood Ratio	82.668	8	0.000
Linear-by-Linear Association	42.321	1	0.000
N of Valid Cases	550		

The above Table 5.30 shows that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different educational qualification is 71.818. The chi square value at 5% level of significance and 6 degree of freedom is 15.500. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the educational qualification of the Government salaried class investors and their level of satisfaction towards investments.

5.6.5 Level of satisfaction towards investment among the Government salaried class investors with different nature of work

The Government salaried class investors with different nature of works may be satisfied towards investment at different levels. The Government salaried class investors of technical work may be satisfied towards investment at a higher level, the Government salaried class of clerks may be satisfied towards investment at low level. Hence, the nature of work may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different nature of work is presented in the Table 5.31.

Table 5.31

Level of satisfaction towards investment among the Government salaried class investors with different nature of work

Nature of work	Level of Satisfaction			Total
	Low	Moderate	High	
Clerical	28(5.1)	86(15.6)	26(4.7)	140(25.5)
Technical	14(2.5)	60(10.9)	14(2.5)	88(16)
Managerial	7(1.3)	49(8.9)	6(1.1)	62(11.3)
Professional	13(2.4)	45(8.2)	6(1.1)	64(11.6)
Teaching	37(6.7)	125(22.7)	34(6.2)	196(35.6)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data

(Figures within Parentheses indicate percentage)

The Table 5.31 shows that 22.7 per cent of the respondents who are teachers and 15.6 per cent of the respondents who are clerks are satisfied towards investment at moderate level but 10.9 per cent of the respondents who are doing technical work are satisfied at moderate level.

The table further shows that 8.9 per cent of the respondents who are managers are satisfied at moderate level whereas 6.7 per cent of the respondents who are teachers are satisfied towards investment at low level and 6.2 per cent of the respondents who are teachers are satisfied towards investment at high level.

In order to find out the significant relationship between satisfaction towards investment and nature of work of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "there is no significant relationship between level of satisfaction towards investment and nature of work of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and nature of work is presented in Table 5.32.

Table 5.32
Level of satisfaction towards investment and Nature of work – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.910	8	0.350
Likelihood Ratio	9.501	8	0.302
Linear-by-Linear Association	0.496	1	0.481
N of Valid Cases	550		

The above Table 5.32 clearly reveals that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different nature of work is 8.910. The chi square value at 5% level of significance and 8 degrees of freedom is 15.500. As the calculated value of chi square is less than the value in chi square table, the null hypothesis is accepted. It is concluded that there is no significant relationship between the nature of work of the Government salaried class investors and their level of satisfaction towards investments.

5.6.6 Level of satisfaction towards investment among the Government salaried class investors with different place of residence

The Government salaried class investors residing in different places of residence are satisfied towards investment at different levels. The Government salaried class investors residing in urban area may be satisfied towards investment at a higher level but the Government salaried class investors residing in rural area may be satisfied towards investment at low level. Hence, the place of residence may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different place of residence is presented in the Table 5.33.

Table 5.33
Level of satisfaction towards investment among the Government salaried class investors with different place of residence

Place of Residence	Level of Satisfaction			Total
	Low	Moderate	High	
Rural	14(2.5)	40(7.4)	21(3.7)	75(13.6)
Semi-urban	16(2.9)	80(14.5)	8(1.5)	104(18.9)
Urban	69(15.6)	245(44.5)	57(10.4)	371(67.5)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.33 shows that 44.5 per cent of the respondents reside in urban areas and 14.5 per cent of the respondents reside in semi-urban area are satisfied towards investment at moderate level but 7.4 per cent of the respondents reside in rural area are satisfied towards investment at moderate level.

The table further shows that 10.4 per cent of the respondents reside in urban area are satisfied at high level whereas 3.7 per cent of the respondents reside in rural area are satisfied towards investment at high level but only 1.5 per cent of the respondents reside in semi-urban area are satisfied towards investment at high level.

In order to find out the significant relationship between satisfaction towards investment and place of residence of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, "there is no significant relationship between level of satisfaction towards investment and place of residence of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and place of residence is presented in Table 5.34.

Table 5.34
Level of satisfaction towards investment and Place of residence – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.677	4	0.000
Likelihood Ratio	21.407	4	0.000
Linear-by-Linear Association	9.180	1	0.002
N of Valid Cases	550		

Table 5.34 exhibits that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different place of residence is 20.677. The chi square value at 5% level of significance and 4 degree of freedom is 9.490. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the place of residence of the Government salaried class investors and their level of satisfaction towards investment.

5.6.7 Level of satisfaction towards investment among the Government salaried class investors with different number of family members

The Government salaried class investors of different number of family members are satisfied towards investment at different levels. The Government salaried class investors belonging to small size of the family may be satisfied towards investment at a higher level but the Government salaried class investors belonging to large size of the family may be satisfied towards investment at low level. Hence, the number of family members may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different number of family members of is presented in the Table 5.35.

Table 5.35
Level of satisfaction towards investment among the Government salaried class investors with different number of family members

Number of family members	Level of Satisfaction			Total
	Low	Moderate	High	
Below 3	14(2.5)	48(8.7)	8(1.5)	70(12.7)
3	21(3.8)	66(12)	20(3.6)	107(19.5)
4	39(7.1)	121(22)	36(6.5)	196(35.6)
5	14(2.5)	67(12.2)	11(2)	92(16.7)
6	5(0.9)	35(6.4)	8(1.5)	48(8.7)
Above 6	6(1.1)	28(5.1)	3(0.5)	37(6.7)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.35 clearly shows that 22 per cent of the respondents belonging to the family size of 4 members and 12.2 per cent of the respondents belonging to the family size of 5 members are satisfied towards investment at moderate level but only 12 per cent of the respondents belonging to the family size of 3 members are satisfied towards investment at moderate level.

The table further clearly shows that 8.7 per cent of the respondents belonging to the family size of below 3 members are satisfied at moderate level whereas 7.1 per cent of the respondents belonging to the family size of 4 members are satisfied towards investment at low level and 6.5 per cent of the respondents belonging to the family size of 4 members are satisfied towards investment at high level.

In order to find out the significant relationship between satisfaction towards investment and number of family members of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, “there is no significant relationship between level of satisfaction towards investment and number of family members of the Government salaried class investors in Tirunelveli

district". The result of chi-square test for level of satisfaction towards investment and number of family members is presented in Table 5.36.

Table 5.36
Level of satisfaction towards investment and Number of Family members – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.647	10	0.472
Likelihood Ratio	10.254	10	0.419
Linear-by-Linear Association	0.201	1	0.654
N of Valid Cases	550		

It is clear from Table 5.36 that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different number of family members of is 9.647. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is less than the value in chi square table, the null hypothesis is accepted. It is concluded that there is no significant relationship between the number of family members of the Government salaried class investors and their level of satisfaction towards investments.

5.6.8 Level of satisfaction towards investment among the Government salaried class investors with different number of earning members

The Government salaried class investors of different number of earning members are satisfied towards investment at different level. The Government salaried class investors with more number of earning members may be satisfied towards investment at a higher level but the Government salaried class investors with minimum number of earning members may be satisfied towards investment at low level. Hence, the number of earning members may have relationship with the level of

satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different number of earning members is presented in the Table 5.37.

Table 5.37
Level of satisfaction towards investment among the Government salaried class investors with different number of earning members

Number of earning members	Level of Satisfaction			Total
	Low	Moderate	High	
1	27(4.9)	68(12.4)	26(4.7)	121(22)
2	37(6.7)	138(25.1)	42(7.6)	217(39.5)
3	21(3.8)	59(10.7)	12(2.2)	92(16.7)
4	6(1.1)	38(6.9)	5(0.9)	49(8.9)
5	5(0.9)	50(9.1)	1(0.2)	56(10.2)
Above 5	3(0.5)	12(2.2)	-	15(2.7)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.37 highlights that 25.1 per cent of the respondents belonging to the earning member of 2 and 12.4 per cent of the respondents belonging to the earning members of 1 are satisfied towards investment at moderate level but only 10.7 per cent of the respondents belonging to the family of 3 earning members are satisfied towards investment at moderate level.

The table further highlights that 9.1 per cent of the respondents belonging to 5 earning members are satisfied at moderate level whereas 7.6 per cent of the respondents belonging to 2 family members are satisfied towards investment at high level and 6.7 per cent of the respondents from 2 earning member families are satisfied towards investment at low level.

In order to find out the significant relationship between satisfaction towards investment and number of earning members of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis

as, “there is no significant relationship between level of satisfaction towards investment and number of earning members of the Government salaried class investors in Tirunelveli district”. The result of chi-square test for level of satisfaction towards investment and number of earning members is presented in Table 5.38.

Table 5.38
Level of satisfaction towards investment and Number of earning members – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.132	10	0.001
Likelihood Ratio	35.637	10	0.000
Linear-by-Linear Association	2.180	1	0.140
N of Valid Cases	550		

It is vivid from the Table 5.38 that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different number of earning members is 29.132. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the number of earning members of the Government salaried class investors and their level of satisfaction towards investments.

5.6.9 Level of satisfaction towards investment among the Government salaried class investors with different number of dependents

The Government salaried class investors with different number of dependents are satisfied towards investment at different levels. The Government salaried class investors with minimum number of dependents may be satisfied towards investment at a higher level but the Government salaried class investors with more number of dependents may be satisfied towards investment at low level. Hence, the number of

dependents may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different number of dependents is presented in the Table 5.39.

Table 5.39
Level of satisfaction towards investment among the Government salaried class investors with different number of dependents

Number of dependents	Level of Satisfaction			Total
	Low	Moderate	High	
2	29(5.3)	83(15.1)	29(5.2)	141(25.6)
3	20(3.6)	87(15.8)	39(7.1)	146(26.5)
4	18(3.3)	100(18.2)	13(2.4)	131(23.8)
5	3(0.5)	30(5.5)	5(0.9)	38(6.9)
6	16(2.9)	19(3.4)	-	35(6.4)
Above 6	13(2.4)	46(8.4)	-	59(10.7)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.39 reveals that 18.2 per cent of the respondents belonging to the number of dependents of 4 and 15.8 per cent of the respondents belonging to the number of dependents of 3 are satisfied towards investment at moderate level but 15.1 per cent of the respondents belonging to the number of dependents of 2 are satisfied towards investment at moderate level.

The table further reveals that 8.4 per cent of the respondents belonging to the number of dependents of above 6 are satisfied at moderate level whereas 7.1 per cent of the respondents belonging to the number of dependents of 3 are satisfied towards investment at high level and 5.3 per cent of the respondents belonging to the number of dependents of 2 are satisfied towards investment at low level.

In order to find out the significant relationship between satisfaction towards investment and number of dependents of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, “there is

no significant relationship between level of satisfaction towards investment and number of dependents of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and number of dependents is presented in Table 5.40.

Table 5.40
Level of satisfaction towards investment and Number of Dependents – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.231	10	0.000
Likelihood Ratio	68.316	10	0.000
Linear-by-Linear Association	17.963	1	0.000
N of Valid Cases	550		

Table 5.40 clearly shows that the calculated chi square value of level of satisfaction towards investment among the Government salaried class investors with different number of dependents is 59.231. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the number of dependents of the Government salaried class investors and their level of satisfaction towards investments.

5.6.10 Level of satisfaction towards investment among the Government salaried class investors with different monthly income

The Government salaried class investors of different monthly income are satisfied towards investment at different level. The Government salaried class investors who earn high monthly income may be satisfied towards investment at a higher level but the Government salaried class investors who earn low monthly income may be satisfied towards investment at low level. Hence, the monthly income

may have relationship with level of satisfaction towards investment. The level of satisfaction towards investment among the Government salaried class investors with different monthly income is presented in the Table 5.41.

Table 5.41
Level of satisfaction towards investment among the Government salaried class investors with different monthly income

Monthly income	Level of Satisfaction			Total
	Low	Moderate	High	
Below Rs.10000	9(1.6)	52(9.5)	7(1.3)	68(12.4)
Rs.10000 - 20000	16(2.9)	38(6.9)	8(1.5)	62(11.3)
Rs.20001 - 30000	24(4.4)	75(13.6)	2(0.4)	101(18.4)
Rs.30001 - 40000	22(4)	92(16.7)	13(2.4)	127(23.1)
Rs.40001 - 50000	18(3.3)	40(7.3)	34(6.2)	92(16.7)
Above Rs.50000	10(1.8)	68(12.4)	22(4)	100(18.2)
Total	**99(18)**	**365(66.4)**	**86(15.6)**	**550(100)**

Source: Primary Data
(Figures within Parentheses indicate percentage)

The Table 5.41 reveals that 16.7 per cent of the respondents earning monthly income of Rs.30001 to 40000 and 13.6 per cent of the respondents earning monthly income of Rs.20001 to 30000 are satisfied towards investment at moderate level but only 9.5 per cent of the respondents earning monthly income of below Rs.10000 are satisfied towards investment at moderate level.

The table further reveals that 7.3 per cent of the respondents earning monthly income of Rs.40001 to 50000 are satisfied at moderate level whereas 6.9 per cent of the respondents earning monthly income of Rs.10000 to 20000 are satisfied towards investment at moderate level and 4.4 per cent of the respondents earning monthly income of Rs.20001 to 30000 are satisfied towards investment at low level.

In order to find out the significant relationship between satisfaction towards investment and monthly income of the Government salaried class investors in Tirunelveli district, Chi-square test is attempted with the null hypothesis as, “there is

no significant relationship between level of satisfaction towards investment and monthly income of the Government salaried class investors in Tirunelveli district". The result of chi-square test for level of satisfaction towards investment and monthly income is presented in Table 5.42.

Table 5.42
Level of satisfaction towards investment and Monthly income – Chi-square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	64.062	10	0.000
Likelihood Ratio	65.350	10	0.000
Linear-by-Linear Association	13.664	1	0.000
N of Valid Cases	550		

Table 5.42 exhibits that the calculated chi square value of level of satisfaction among the Government salaried class investors with different monthly income is 64.062. The chi square value at 5% level of significance and 10 degree of freedom is 18.300. As the calculated value of chi square is higher than the value in chi square table, the null hypothesis is rejected. It is concluded that there is a significant relationship between the monthly income of the Government salaried class investors and their level of satisfaction towards investments.

5.7 Factors responsible for satisfaction in investment decision

The Government salaried class investors have several reasons for satisfaction in investment decision. The main reasons are: more than normal rate of return, stability in return, capital appreciation, easy marketability, riskless investment and liquidity. The following Table 5.43 shows the Garrett's ranking technique to find out the factors responsible for satisfaction in investment decision.

Table 5.43
Factors responsible for satisfaction in investment decision- Garrett's Ranking Technique

Sl. No	Factors	Total Score	Average Score	Rank
1	More than normal rate of return	26339	47.89	VI
2	Stability in return	31276	56.86	III
3	Capital appreciation	31822	57.86	II
4	Easy marketability	29488	53.61	V
5	Riskless investment	33080	60.14	I
6	Liquidity	30142	54.80	IV

Table 5.43 depicts the factors that are responsible for satisfaction in investment decision along with average score and ranks. It is inferred from Table 5.43 that of the six factors, the factor of 'riskless investment' is ranked as the first and foremost factor with the highest average score of 60.14 followed by the 'capital appreciation' with a average score of 57.86. The factor of 'stability in return' is ranked third with the average score of 56.86 followed by 'liquidity' with average score of 54.80. The factor of 'easy marketability' is ranked as fifth with the average score of 53.61 and the last rank is given to 'more than normal rate of return' with the least average score of 47.89.

5.8 Level of Inter relationship between Attitude and Satisfaction

The inter-relationship between attitude and satisfaction among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between attitude and satisfaction is presented in Table 5.44.

Table 5.44
Attitude and satisfaction-Interrelationship

Particulars	Attitude	Satisfaction
Pearson Correlation	1.000	0.084*
Sig. (2-tailed)	.	0.049
N	550	550

** Correlation is significant at the 0.05 level (2-tailed).

The above table shows the inter-relationship between attitude and satisfaction among the Government salaried class investors in Tirunelveli district. It indicates that attitude is positively correlated with investment behaviour at a co-efficient of correlation of 0.084. Hence, it shows that there is a positive relationship between attitude and satisfaction among the Government salaried class investors in Tirunelveli district.

5.9 Level of Inter relationship between Satisfaction and Investment Behaviour

The inter-relationship between satisfaction and investment behaviour among the Government salaried class investors in Tirunelveli district is analysed through correlation co-efficient. The computed correlation co-efficient between satisfaction and investment behaviour is presented in Table 5.45.

Table 5.45
Satisfaction and investment behaviour-Interrelationship

Particulars	Satisfaction	Investment behaviour
Pearson Correlation	1.000	0.111**
Sig. (2-tailed)	.	0.009
N	550	550

** Correlation is significant at the 0.01 level (2-tailed).

The above table shows the inter-relationship between satisfaction and investment behaviour among the Government salaried class investors in Tirunelveli district. It indicates that satisfaction is positively correlated with investment behaviour at a co-efficient of correlation of 0.111. It shows that there is a positive relationship between satisfaction and investment behaviour among the Government salaried class investors in Tirunelveli district.

5.10 Inconvenience and discomfort in investment- Garrett's Ranking Technique

The Government salaried class investors have different inconvenience and discomfort in making investment. The following Table 5.46 shows the ranking of inconveniences and discomforts in making investment.

Table 5.46
Inconveniences and discomforts in investment- Garrett's Ranking Technique

Sl. No	Inconvenience and discomfort	Total Score	Average Score	Rank
1	Long term	33853	61.55	II
2	Less awareness	34741	63.16	I
3	Low return	30583	55.61	III
4	Poor service	20314	36.93	VI
5	Schemes are not attractive	23829	43.32	IV
6	Inconvenience to operate	22075	40.14	V

Table 5.46 clearly shows the problems that are being faced by the Government salaried class investors in investment decision along with their average score and ranks. It is inferred from the above table that of the six identified problems, the problem of 'less awareness' is ranked as the first and foremost problem with the highest mean score of 63.16 followed by the problem of 'long return' with the average score of 61.55. The problem of 'low return' is ranked third with the average score of 55.61 followed by 'schemes are not attractive' with the average score of 43.32. The problem of 'inconvenience to operate' is ranked as fifth with the average score of 40.14 and the last rank given to 'poor service' with the least average score of 36.93.

CHAPTER VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 INTRODUCTION

The present study has been made with the primary objective of finding out the investment pattern among the Government salaried class investors in Tirunelveli District. The study has the following objectives: i) to study the relationship between the personal factors and investment pattern; ii) to examine the awareness level and sources of awareness towards investment avenues iii) to know the purpose of investments and motivating factors which influence investment decisions; iv) to understand the attitude and behaviour of investors towards investment v) to identify the preferred investment avenue and the level of satisfaction of investors in their investment vi) to bring out the problems faced by the investors, vii) and to offer suggestions to improve the investment pattern.

The study is based on both primary and secondary data. The primary data were collected through interview schedule. The secondary data were collected from books, journals and web sites. The primary data were collected from 550 respondents of the Government salaried class investors through interview schedule. The collected data were analysed by applying statistical tools like ANOVA, T test, Chi-Square test, Correlation and Garrett's ranking technique. The entire report is presented in six chapters.

This chapter deals with the findings, suggestions and conclusion of the study.

6.2 SUMMARY OF FINDINGS ON SOCIO-ECONOMIC PROFILE

6.2.1 Majority of the respondents 177 (32.2 per cent) are in the age group of 30 to 40 years and 131 of the respondents (23.8 per cent) are in the age group of above 50 years.

6.2.2 It is found that 368 (66.9 per cent) of the respondents are male and the remaining 182 (33.1 per cent) of the respondents are female.

6.2.3 It is identified that 431 (78.4 per cent) of the respondents are married and the remaining 119 (21.6 per cent) of the respondents are unmarried.

6.2.4 It is found that 129 (23.5 per cent) of the respondents are graduates.

6.2.5 It is observed that 196 (35.6 per cent) of the respondents are teachers and 140 (25.5 per cent) of the respondents are clerks.

6.2.6 It is identified that 371 respondents (67.5 per cent) reside in urban areas and 104 respondents (18.9 per cent) reside in semi-urban areas.

6.2.7 It is found that 196 respondents (35.6 per cent) belong to the family size of 4 members, 107 respondents (19.5 per cent) belong to the family size of 3 members and 92 respondents (16.7 per cent) belong to the family size of 5 members.

6.2.8 It is observed that 217 respondents (39.5 per cent) are from a family of 2 earning members, 121 respondents (22 per cent) are from families with one earning member, 92 respondents (16.7 per cent) are from families with 3 earning members and 56 respondents (10.2 per cent) are from families with 5 earning members.

6.2.9 It is found that 146 (26.5 per cent) of the respondents are from families with 3 dependents, 141 (25.6 per cent) of the respondents have 2 dependents in their families, 131 (23.8 per cent) of the respondents are from families with 4

dependents and the remaining 59 (10.7 per cent) of the respondents are belonging to the families with more than 6 dependents.

6.2.10 It is found that 127 (23.1 per cent) of the respondents are earning monthly income of Rs.30001 to 40000, 101 (18.4 per cent) of the respondents are earning monthly income of Rs.20001 to 30000, 100 (18.2 per cent) of the respondents are earning monthly income of above Rs.50000 and 92 (16.7 per cent) of the respondents are earning monthly income of Rs.40001 to 50000.

6.2.11 It is identified that 186 (33.8 per cent) of the respondents spent below Rs.5000, 154 (28 per cent) of the respondents spent Rs.5000 to 10000, 87 (15.8 per cent) of the respondents spent above Rs.20000, 82 (14.9 per cent) of the respondents spent Rs.15000 to 20000 and the remaining 41 (7.5 per cent) of the respondents spent Rs.10000 to 15000 per month.

6.2.12 It is observed that 156 (28.4 per cent) of the respondents have monthly surplus of Rs.5000 to 10000, 125 (22.7 per cent) of the respondents have monthly surplus of below Rs.5000, about 98 (17.8 per cent) of the respondents have monthly surplus of Rs.10001 to 15000 and 80 (14.5 per cent) of the respondents have monthly surplus of Rs.15001 to 20000.

6.2.13 It is found that majority (29.1 per cent) of the respondents made average monthly investments of Rs.4000 to 8000, 20.2 per cent of the respondents made average monthly investments of below Rs.4000, 18.5 per cent of the respondents made average monthly investments of Rs.12001 to 16000 and 16.9 per cent of the respondents made average monthly investments of Rs.8001 to 12000.

6.2.14 It is found that 178 (32.4 per cent) of the respondents made investment for 10 to 15 years, 163 (29.6 per cent) of the respondents made investment for 1 to 5

years, 115 (20.9 per cent) of the respondents made investment for less than one year, 65 (11.8 per cent) of the respondents made investment for 6 to 10 years and the remaining 29 (5.3 per cent) of the respondents made investment for above 15 years.

6.2.15 It is observed that 292 (53.1 per cent) of the respondents paid the amount of investment in cash, 173 (31.5 per cent) of the respondents paid investment by adjustment in salary and the remaining 85 (15.5 per cent) of the respondents paid investment by adjustment in bank.

6.3 INTER-RELATIONSHIP BETWEEN DIFFERENT SOCIO-ECONOMIC FACTORS

6.3.1 It indicates that monthly income is positively correlated with monthly expenses at a co-efficient of correlation of 0.121. Hence, it is inferred that there is a positive relationship between monthly income and monthly expenses among the Government salaried class investors in Tirunelveli district.

6.3.2 It reveals that monthly income is positively correlated with average monthly surplus at a co-efficient of correlation of 0.158. It is inferred that there is a positive relationship between monthly income and average monthly surplus among the Government salaried class investors in Tirunelveli district.

6.3.3 The study shows that monthly income is positively correlated with average monthly investments at a co-efficient of correlation of 0.065. It is clearly understood that there is a positive relationship between monthly income and average monthly investments among the Government salaried class investors in Tirunelveli district.

6.3.4 It reveals that nature of work is negatively correlated with average monthly investments at a co-efficient of correlation of -0.097. It is inferred that there is a negative relationship between nature of work and average monthly investments among the Government salaried class investors in Tirunelveli district.

6.3.5 It reveals that educational qualification is positively correlated with average monthly investments at a co-efficient of correlation of 0.286. It is clearly understood from the study that there is a positive relationship between educational qualification and average monthly investments among the Government salaried class investors in Tirunelveli district.

6.3.6 It reveals that the place of residence is positively correlated with average monthly investments at a co-efficient of correlation of 0.119. It is clear that there is a positive relationship between place of residence and average monthly investments among the Government salaried class investors in Tirunelveli district.

6.4 PURPOSE OF INVESTMENT

6.4.1 It is identified that majority of the respondents had given first rank to the purpose of investment 'for children's education/marriage purpose', the next major group of the respondents had given second rank to the purpose of investment 'for well settled retired life/ future secured life' and the sample respondents had given third rank to the purpose of investment 'for purchase of assets'.

6.5 INVESTMENT AVENUES

Security forms of investment

6.5.1 It reveals that majority (26.7 per cent) of the respondents have invested in equity shares, 14.9 per cent of the respondents have invested in public sector bonds, about 9.3 per cent of the respondents have invested in preference shares and 7.8 per cent of the respondents have invested in corporate bonds/debentures.

Non-security forms of investment

6.5.2 It shows that 79.1 per cent of the respondents have invested in bank deposits, about 67.6 per cent of the respondents have invested in life insurance policies, 26.9 per cent of the respondents have invested in non-banking financial companies, 25.3 per cent of the respondents have invested in provident funds/pension funds and 16.7 per cent of the respondents have invested in national savings scheme.

Investment in physical assets

6.5.3 It is found that 25.3 per cent of the respondents have invested in consumer durables, 11.3 per cent of the respondents have invested in art objects and collectibles, 8 per cent of the respondents have invested in own business, about 6.7 per cent of the respondents have invested in vehicles and 6 per cent of the respondents have invested in house property.

6.6 PREFERENCE TOWARDS VARIOUS FORMS OF INVESTMENT AVENUES

Ranking of preference towards security forms of investment

6.6.1 It is observed that majority of the sample respondents had given first rank to 'equity shares', the next majority of the sample respondents had given second rank to 'preference shares', the sample respondents had given third rank to 'corporate bonds/debentures' and the sample respondents had given last rank to 'public sector bonds'.

Preference in non-security forms of investment

6.6.2 It is observed that majority of the sample respondents had given first rank to 'national savings certificate', followed by second rank to 'national savings scheme', third rank to 'bank deposits' and the last rank to 'provident funds/pension funds'.

Ranking of preference in physical assets

6.6.3 It is found that majority of the sample respondents had given first rank to 'agricultural land', the second rank was given to 'precious metals/stones', the third rank to 'teak growing & animal breeding schemes' and the last rank to 'art objects and collectibles'.

6.7 LEVEL OF AWARENESS IN INVESTMENT AVENUES AMONG THE GOVERNMENT SALARIED CLASS INVESTORS WITH DIFFERENT SOCIO-ECONOMIC VARIABLES

The findings related to the level of awareness in investment avenues among different socio economic variables of the Government salaried class investor is presented below:

6.7.1 It is identified that 18 per cent of the respondents in the age group of 30 to 40 years have moderate level of awareness in investment avenues. Further, 13.8 per cent of the respondents in the age group of 40 to 50 years have moderate level of awareness in investment avenues. Nevertheless, 12 per cent of the respondents in the age group of above 50 years have high level of awareness in investment avenues.

6.7.2 It is found that 36.2 per cent of the male respondents have moderate level of awareness in investment avenues and 15.6 per cent of the female respondents have moderate level of awareness in investment avenues whereas 15.5 per cent of the male respondents have high level of awareness in investment avenues.

6.7.3 It is observed that 43.1 per cent of the married respondents have moderate level of awareness in investment avenues and 18.5 per cent of the married respondents have high level of awareness in investment avenues and 16.7 per cent of the married respondents have low level of awareness in investment avenues.

6.7.4 It is identified that 13.8 per cent of the respondents who have completed post graduation have moderate level of awareness in investment avenues and 13.3 per cent of the respondents who have completed up to higher secondary have high level of awareness in investment avenues and 11.8 per cent of the

respondents who have completed graduation have moderate level of awareness in investment avenues.

6.7.5 Majority (20.4 per cent) of the respondents who are in teaching work and 12.5 per cent of the respondents who are professionals have moderate level of awareness in investment avenues but 9.1 per cent of the respondents who are clerks have high level of awareness in investment avenues.

6.7.6 It is identified that 34.9 per cent of the respondents reside in urban area have moderate level of awareness in investment avenues, 16.4 per cent of the respondents reside in urban area have low level of awareness in investment avenues but 16.2 per cent of the respondents reside in urban area have high level of awareness in investment avenues.

6.7.7 It is found that 21.1 per cent of the respondents belonging to the family size of 4 members and 10.7 per cent of the respondents belonging to the family size of 3 have moderate level of awareness in investment avenues but 9.6 per cent of the respondents belonging to the family size of 4 members have low level of awareness in investment avenues.

6.7.8 Majority (23.1 per cent) of the respondents belonging to the families with earning members of 2 and 12.5 per cent of the respondents belonging to the families with earning member of 1 have moderate level of awareness in investment avenues but 10.7 per cent of the respondents belonging to the families with earning members of 2 have low level of awareness in investment avenues.

6.7.9 It is found that 17.5 per cent of the respondents belonging to the families with dependents of 2 and 16.5 per cent of the respondents belonging to the families with dependents of 3 have moderate level of awareness in investment avenues

but 12 per cent of the respondents belonging to the families with dependents of 2 have high level of awareness in investment avenues.

6.7.10 It is identified that 10.9 per cent of the respondents earning monthly income of above Rs.50000 and 10.7 per cent of the respondents earning monthly income of Rs.30001 to 40000 have moderate level of awareness in investment avenues but only 10.2 per cent of the respondents earning monthly income of Rs.40001 to 50000 have moderate level of awareness in investment avenues.

6.8 LEVEL OF AWARENESS IN INVESTMENT AVENUES AMONG THE GOVERNMENT SALARIED CLASS INVESTORS WITH DIFFERENT SOCIO-ECONOMIC VARIABLES -CHI-SQUARE TEST

The findings related to the results of Chi-square test for the level of awareness in investment avenues among the Government salaried class investors with different socio economic background is presented below:

6.8.1 It is found that there is a significant relationship between the age of the Government salaried class investors and their level of awareness in investment avenues.

6.8.2 It is identified that there is a significant relationship between the gender of the Government salaried class investors and their level of awareness in investment avenues.

6.8.3 It is observed that there is a significant relationship between the marital status of the Government salaried class investors and their level of awareness in investment avenues.

6.8.4 It is found that there is a significant relationship between the educational qualification of the Government salaried class investors and their level of awareness in investment avenues.

6.8.5 It is identified that there is a significant relationship between the nature of work of the Government salaried class investors and their level of awareness in investment avenues.

6.8.6 It is found that there is a significant relationship between the place of residence of the Government salaried class investors and their level of awareness in investment avenues.

6.8.7 It is observed that there is a significant relationship between the number of family members of the Government salaried class investors and their level of awareness in investment avenues.

6.8.8 There is a significant relationship between the number of earning members of the Government salaried class investors and their level of awareness in investment avenues.

6.8.9 It is found that there is a significant relationship between the number of dependents of the Government salaried class investors and their level of awareness in investment avenues.

6.8.10 It is identified that there is no significant relationship between the monthly income of the Government salaried class investors and their level of awareness in investment avenues.

Relationship between awareness and average monthly investments

6.8.11 It shows that awareness is negatively correlated with average monthly investments at a co-efficient of correlation of -0.426. Thus, the study clearly exhibits that there is a negative relationship between awareness and average monthly investments among Government salaried class investors.

6.9 RANKING OF SOURCES OF INFORMATION ABOUT VARIOUS INVESTMENT AVENUES

6.9.1 It is found that the majority of the sample respondents had given first rank to the source of 'newspaper', the next majority of the sample respondents had given second rank to 'friends and colleagues', the sample respondents had given third rank to 'TV/Radio' and the sample respondents had given last rank to the source called 'company's annual reports'.

6.10 RELATIONSHIP BETWEEN INVESTMENT AVENUES AND DIFFERENT SOCIO-ECONOMIC FACTORS

6.10.1 It indicates that age is negatively correlated with investment avenues at a co-efficient of correlation of -0.052. Hence, it is clearly understood that there is a negative relationship between age and investment avenues among the Government salaried class investors in Tirunelveli district.

6.10.2 It reveals that educational qualification is positively correlated with investment avenues at a co-efficient of correlation of 0.040. Hence, it shows that there is a positive relationship between educational qualification and investment avenues among the Government salaried class investors in Tirunelveli district.

6.10.3 It indicates that place of residence is negatively correlated with investment avenues at a co-efficient of correlation of -0.064. Hence, it shows that there is a negative relationship between place of residence and investment avenues among the Government salaried class investors in Tirunelveli district.

6.10.4 It ensures that monthly income is negatively correlated with investment avenues at a co-efficient of correlation of -0.072. It shows that there is a negative relationship between monthly income and investment avenues among the Government salaried class investors in Tirunelveli district.

6.10.5 It shows that average monthly surplus is positively correlated with investment avenues at a co-efficient of correlation of 0.076. Hence, it is clearly understood that there is a positive relationship between average monthly surplus and investment avenues among the Government salaried class investors in Tirunelveli district.

6.10.6 It reveals that awareness is negatively correlated with investment avenues at a co-efficient of correlation of -0.115. Hence, it is clear that there is a negative relationship between awareness and investment avenues among the Government salaried class investors in Tirunelveli district.

6.11 FACTORS MOTIVATING THE GOVERNMENT SALARIED CLASS INVESTORS TO MAKE INVESTMENT-FACTOR ANALYSIS

The first factor F1 accounts for 18.318 per cent variation in the total variable set. There are five variables positively loaded in this factor. They are safety and security, saving money, regular returns, capital appreciation and liquidity. These five variables are positively loaded in the factor F1. It implies that there is a positive correlation among these five variables and make a

variation of 18.318 per cent in motivating the Government salaried class investors of Tirunelveli district to make investment.

The second factor F2 represents 11.445 per cent variation in the total variable set. There are five variables namely less maintenance expenses, less transaction cost, low price, easy convertibility and good service are positively loaded in this factor. The inference to be drawn from the above analysis is that the variables less maintenance expenses, less transaction cost, low price, easy convertibility and good service positively motivate the Government salaried class investors to make investment.

The third factor F3 represents 8.621 per cent variation in the total variable set. This factor includes utility value, minimum formalities, interest rate and tax relief. The variables obtain utility value, minimum formalities, interest rate and tax relief are positively loaded in this factor. Hence, this analysis reveals that the Government salaried class investors positively motivated to make investment by utility value, minimum formalities, interest rate and tax relief.

The fourth factor F4 accounts for a variation of 6.799 per cent in the total variable set. There are four variables such as broker's advice, minimum risk involved, obtaining loan and astrology are positively loaded in this factor. Analysis of the study shows that broker's advice, minimum risk involved, obtaining loan and astrology positively motivate the Government salaried class investors to make investment.

The fifth factor F5 represents 6.288 per cent variation in the total variable set. There are three variables positively loaded in this factor. They are: family environment, age and spouse's employment. These three variables

are positively loaded in the factor F5. It implies that there is a positive correlation among these three variables and make a variation of 6.288 per cent in motivating the Government salaried class investors of Tirunelveli district to make investment.

The sixth factor F6 accounts for 5.848 per cent variation in total variable set. There are two variables positively loaded in this factor. They are - media exposure and knowledge about investments. These two variables are positively loaded in the factor F6. It implies that there is a positive correlation among these two variables and make a variation of 5.848 per cent in motivating the Government salaried class investors of Tirunelveli district to make investment.

The seventh factor F7 accounts for a variation of 4.359 per cent in the total variable set. There are two variables. They are: prestige value and availability of time. These two variables are positively loaded in this factor. Analysis of the study shows that prestige value and availability of time positively motivate the Government salaried class investors to make investment.

6. 12 INFLUENCING PERSONALITIES OF THE INVESTOR

6.12.1 It is clear that majority of the respondents perceived the 'self' to be yielding highest influencing personality having the highest Weighted Average Score of 4.31 and 'agents and intermediaries' have been ranked at the lowest among the attributes of slight influencing personalities with the least Weighted Average Score of 3.1.

6.13 ATTITUDE TOWARDS INVESTMENT AMONG THE GOVERNMENT SALARIED CLASS INVESTORS WITH DIFFERENT SOCIO ECONOMIC BACKGROUND

The findings related to the results of ANOVA and T test for attitude towards investment among the Government salaried class investors with different socio economic background are presented below:

6.13.1 It is inferred that age is not a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.2 Gender-wise, there is no significant difference in attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.3 Marital status wise, there is no significant difference in attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.4 Educational qualification is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.5 Nature of work is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.6 Place of residence is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.7 Number of family members wise, there is no significant difference in attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.8 Number of earning members is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.9 It is inferred that number of dependents is a significant variable in influencing the attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.13.10 Monthly income wise, there is no significant difference in attitude towards investment among the Government salaried class investors in Tirunelveli district.

6.14 INVESTMENT BEHAVIOUR AMONG THE GOVERNMENT SALARIED CLASS INVESTORS WITH DIFFERENT SOCIO ECONOMIC BACKGROUND

The findings related to the results of ANOVA and T test for investment behavior among the Government salaried class investors of different socio economic background are summarized below:

6.14.1 Age wise, there is no significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.2 It is identified that gender wise there is a significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.3 Marital status wise, there is no significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.4 It is inferred that educational qualification is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.5 It is found that nature of work is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.6 It is observed that place of residence is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.7 Number of family members wise, there is no significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.8 It is inferred that number of earning members is a significant variable in influencing the investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.9 Number of dependents wise, there is no significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district.

6.14.10 Monthly income wise, there is no significant difference in investment behaviour among the Government salaried class investors in Tirunelveli district.

6.15 LEVEL OF INTER-RELATIONSHIP BETWEEN ATTITUDE AND INVESTMENT BEHAVIOUR

It indicates that attitude is negatively correlated with investment behaviour at a co-efficient of correlation of -0.535. Hence, there is a negative relationship between attitude and investment behaviour among the Government salaried class investors in Tirunelveli district.

6.16 LEVEL OF SATISFACTION WITH INVESTMENT AMONG THE GOVERNMENT SALARIED CLASS INVESTORS OF DIFFERENT SOCIO ECONOMIC VARIABLES

The findings related to the level of satisfaction towards investment among the Government salaried class investors with various socio-economic factors are summarized below:

6.16.1 Majority (19.5 per cent) of the respondents in the age group of 30 to 40 are satisfied at moderate level, 18.2 per cent of the respondents in the age group of above 50 are satisfied at moderate level and 14.7 per cent of the respondents in the age group of below 30 are satisfied at moderate level.

6.16.2 It is found that 43.9 per cent of the male respondents are satisfied towards investment at moderate level and 22.5 per cent of the female respondents are satisfied towards investment at moderate level and 12.7 per cent of the male respondents are satisfied towards investment at high level.

6.16.3 It is identified that 51.5 per cent of the married respondents and 14.9 per cent of the unmarried respondents are satisfied towards investment at moderate level and 13.6 per cent of the married respondents are satisfied towards investment at high level.

6.16.4 It is found that 17.6 per cent of the respondents who have completed up to higher secondary and 16.5 per cent of the respondents who have completed graduation and 13.5 per cent of the respondents who have completed diploma/certificate course are satisfied towards investment at moderate level. It is further found that 6.5 per cent of the respondents who have completed post graduation are satisfied towards investment at high level

6.16.5 It is observed that 22.7 per cent of the respondents who are in teaching work and 15.6 per cent of the respondents who are professionals are satisfied towards investment at moderate level whereas 6.7 per cent of the respondents who are in teaching work are satisfied towards investment at low level and 6.2 per cent of the respondents who are in teaching work are satisfied towards investment at high level.

6.16.6 It is found that 44.5 per cent of the respondents reside in urban area and 14.5 per cent of the respondents reside in semi-urban area are satisfied with investment at moderate level but only 7.4 per cent of the respondents reside in rural area are satisfied towards investment at moderate level.

6.16.7 It is found that 22 per cent of the respondents belonging to the family size of 4 members and 12.2 per cent of the respondents belonging to the family size of 5 members are satisfied towards investment at moderate level whereas 7.1 per cent of the respondents belonging to the family size of 4 members are satisfied towards investment at low level and 6.5 per cent of the respondents belonging to the family size of 4 members are satisfied towards investment at high level.

6.16.8 It is found that 25.1 per cent of the respondents belonging to the families with earning members of 2 and 12.4 per cent of the respondents belonging to the

families with earning member of 1 are satisfied towards investment at moderate level but only 10.7 per cent of the respondents belonging to the families with earning members of 3 are satisfied towards investment at moderate level.

6.16.9 It is identified that 18.2 per cent of the respondents with 4 dependents and 15.8 per cent of the respondents with 3 dependents are satisfied towards investment at moderate level but only 15.1 per cent of the respondents with 2 dependents are satisfied towards investment at moderate level.

6.16.10 It is found that 16.7 per cent of the respondents earning monthly income of Rs.30001 to 40000 and 13.6 per cent of the respondents earning monthly income of Rs.20001 to 30000 are satisfied towards investment at moderate level. Further, it is found that 9.5 per cent of the respondents earning monthly income of below Rs.10000 are satisfied towards investment at moderate level.

6.17 LEVEL OF SATISFACTION TOWARDS INVESTMENT AMONG THE GOVERNMENT SALARIED CLASS INVESTORS WITH DIFFERENT SOCIO ECONOMIC VARIABLES

The findings related to the result of Chi-square test for level of satisfaction towards investment among the Government salaried class investors with different socio economic background are summarized below:

6.17.1 It is identified that there is a significant relationship between the age of the Government salaried class investors and their level of satisfaction towards investments.

6.17.2 It is found that there is a significant relationship between the gender of the Government salaried class investors and their level of satisfaction towards investments.

6.17.3 It is observed that there is no significant relationship between the marital status of the Government salaried class investors and their level of satisfaction towards investments.

6.17.4 It is found that there is a significant relationship between the educational qualification of the Government salaried class investors and their level of satisfaction towards investments.

6.17.5 There is a significant relationship between the nature of work of the Government salaried class investors and their level of satisfaction towards investments.

6.17.6 It is found that there is a significant relationship between the place of residence of the Government salaried class investors and their level of satisfaction towards investments.

6.17.7 It is identified that there is no significant relationship between the number of family members of the Government salaried class investors and their level of satisfaction towards investments.

6.17.8 It is found that there is a significant relationship between the number of earning members of the Government salaried class investors and their level of satisfaction towards investments.

6.17.9 It is identified that there is a significant relationship between the number of dependents of the Government salaried class investors and their level of satisfaction towards investments.

6.17.10 There is a significant relationship between the monthly income of the Government salaried class investors and their level of satisfaction towards investments.

6.18 CRITERIA FOR MEASURING SATISFACTION LEVEL OF INVESTMENT DECISION

It exhibits that majority of the sample respondents had given first rank to the 'riskless investment', the next majority of the sample respondents had given second rank to 'capital appreciation', sample respondents had given third rank to 'stability in return' and the sample respondents had given last rank to the criterion called 'more than normal rate of return'.

6.19 LEVEL OF INTER-RELATIONSHIP BETWEEN ATTITUDE AND SATISFACTION

It indicates that attitude is positively correlated with satisfaction towards investment at a co-efficient of correlation of 0.084. Hence, it shows that there is a positive relationship between attitude and satisfaction among the Government salaried class investors in Tirunelveli district.

6.20 LEVEL OF INTER RELATIONSHIP BETWEEN SATISFACTION AND INVESTMENT BEHAVIOUR

It indicates that satisfaction is positively correlated with investment behaviour at a co-efficient of correlation of 0.111. It shows that there is a positive relationship between satisfaction and investment behaviour among the Government salaried class investors in Tirunelveli district.

6.21 INCONVENIENCE AND DISCOMFORT IN INVESTMENT-GARRETT'S RANKING TECHNIQUE

It is found that majority of the sample respondents had given first rank to the inconvenience of 'less awareness', the next majority of the sample respondents had given second rank to 'long term', the sample respondents had given third rank to 'low return' and the sample respondents had given last rank to the discomfort of 'poor service'.

6.22 SUGGESTIONS

Based on the study, the following suggestions are offered:

6.22.1 Investment procedures must be clear and simple to attract more investors.

6.22.2 Mutual fund investments are preferred by majority of the younger generation investors. So, the industry should introduce more innovative schemes to suit them.

6.22.3 Day trading is an addiction which can ultimately prove disastrous. Encouragement should be given to invest in equity for a long period.

6.22.4 Financial institutions can encourage participation from household to own PSU shares.

6.22.5 Financial Institutions must put up some "financial literacy campaign" as many people are still unaware of stock market in India.

6.22.6 The financial institutions should enhance the quality of service and more personalized service should be given to investors to build trust and long run relationship.

6.22.7 The financial institutions and companies must also provide more value added services to investors.

6.22.8 People give more importance to savings. Therefore, more savings opportunities should be provided to the people.

6.22.9 Often, it happens that people land up in mess or huge losses due to lack of proper information or guidance. Therefore, a financial planner would do a world of good to them.

6.22.10 Financial institutions and companies shall make the investors aware about all the latest investment opportunities available.

6.22.11 Most of the investors who have invested in post office, fixed deposit and insurance policies have not invested in shares, mutual funds and bonds and also in other such investment avenues. The main reason is that investors are not much aware about such investment avenues. So, companies should make the investors aware about all such investment avenues.

6.22.12 One should invest in secured and risk-free investments rather than highly risky investments.

6.22.13 Tracking the market environment better with sound knowledge about a particular stock would result in better returns

6.23 AREA OF AND SCOPE FOR FURTHER RESEARCH

Based on the findings of the present study, the following issues have been identified for further research:

1. Investment pattern and decision making: The role of working women
2. Investment pattern and preference of the Government college teachers in Tamil Nadu with particular reference to Tirunelveli District
3. Savings and Investment pattern of Households towards financial assets

4. A comparative study on the perception and preference of the public towards security form of investment
5. Service quality perception of the Government salaried class investors about LIC of India in Tirunelveli District

6.24 CONCLUSION

The study reveals that investors invest in different investment avenues for fulfilling financial, social and psychological needs. While selecting any investment avenue, investors 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 study found that males are more interested to invest in risky avenues. Female investors are not more exposed with investment. Educated male investors falling under the age group of above 50 having more income are more interested with the risky avenues of investment. They also make a good portfolio for them and think for their future with an objective of getting high capital gain from a particular avenue. Male urban investors are more participative in nature with regard to selection of investment avenues as against their female counterparts, as they are more exposed with the environment and market knowledge.

The Government salaried class investors give more importance to invest in insurance and bank deposits. Income level of a respondent is an important factor which affects portfolio of the respondent. Medium income group and low income level group respondents preferred to invest in insurance and bank deposits rather than any other investment avenues. In Tirunelveli district, respondents are more aware about various investment avenues like insurance, bank deposits, small savings like

post office savings etc. Nevertheless, they are not adequately aware of security form of investments.

Hence, it can be concluded that the financial investment avenues should be designed by seeing the geographical horizon of the investors, their age, income and gender etc, as investors or customers are the key of success for any business. Further, the financial institutions and investment agencies need to create conducive environment that will act as catalyst and facilitate the Government salaried class investors' higher penetration into financial products.

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APPENDIX I

Title: A STUDY ON THE INVESTMENT PATTERN OF SALARIED CLASS IN TIRUNELVELI DISTRICT

INTERVIEW SCHEDULE

A. GENERAL INFORMATION :

1. Name (Optional) :
2. Age in years : Below 30 ☐ 30 – 40 ☐ 40 – 50 ☐ Above 50 ☐
3. Gender : Male ☐ Female ☐
4. Marital Status : Married ☐ Unmarried ☐
5. Educational Qualification: Upto Higher Secondary ☐ Diploma / certificate ☐
   Graduate ☐ Post Graduate ☐ Professional ☐
6. Working in : Government sector ☐ Private sector ☐
7. Nature of work : Clerical ☐ Technical ☐ Managerial ☐
   Professional ☐ Teaching ☐ others (please specify) ----------
8. Place of residence : Rural ☐ Semi-urban ☐ Urban ☐
9. No. of family members : 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ above 6 ☐
10. No. of earning members in your family: 1☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ above 5 ☐
11. Is your spouse an earning / employed person? Yes ☐ No ☐
12 No. of dependent : 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ above 6 ☐
13 Monthly Incomes (Rs) : Below 10000 ☐ 10000 – 20000 ☐ 20001 – 30000 ☐
   30001 – 40000 ☐ 40001 – 50000 ☐ Above 50000 ☐
14. Mention the expenses of your family against each item below

	(Rs. Per Month)		(Rs. Per month)
Food	----------	Clothe	----------
Transport	----------	Medical expenses	----------
Entertainment	----------	Rent	----------
Educational expenses	----------	Direct Tax Payments	----------
Consumer Durables	----------		
Others (Please Specify)	----------		

B. INVESTMENT ANALYSIS

1. Average monthly surplus (Rs): Below 5000 ☐ 5000 – 10000 ☐ 10001 – 15000 ☐
   15001 – 20000 ☐ 20001 – 25000 ☐ Above 25000 ☐
3. Average monthly Investments (Rs): Below 4000 ☐ 4000 – 8000 ☐8001 – 12000 ☐
   12001 – 16000 ☐ 16001 – 20000 ☐ Above 20000 ☐
4. Time horizon for this investment portfolio: less than 1years ☐ 1-5 years ☐
   6-10 years ☐ 10-15 years ☐ above 15 years ☐
5. Mode of payment for investment: cash ☐ adjustment in salary ☐ adjustment in bank ☐
   Others (specify) ----------
6. **PURPOSE OF INVESTMENT**

Rank the following factors in the order of your preference given 1, 2, 3, 4, 5, 6, 7

1. For children's Education/ Marriage	
2. For Purchase of Assets	
3. To meet emergencies	
4. Well settled Retired life/ Future secured life	
5. Provision for additional income	
6. Repayment of old debts	
7. Provision for festivals	
8. Construction of House	

C. AWARENESS

1. Level of awareness in investment avenues:

	Not aware	**Just I know**	**I know it as Government/ Private schemes**	**I know all its features**	**I have an understanding**
FINANCIAL ASSETS					
Security forms of investment (Marketable Securities)					
1. Corporate Bonds/ Debentures					
2. Public sector Bonds					
3. Preference shares					
4. Equity shares					
Non-security forms of investments (Non-marketable Securities)					
1. National Savings Scheme					
2. National Savings certificates					
3. Provident funds / Pension funds					
4. Bank Deposits					
5. NBFC Deposits					
6. Post Office Savings Bank Account					
7. Corporate Fixed Deposits					
8. Life Insurance Policies					
9. Mutual Funds and Unit Trust of India					
10. Private limited Companies' shares					
11. Chit Funds					
12. Foreign Currency					
13. Commodity Markets					
PHYSICAL ASSETS					
1. Precious Metals/ Stones					
2. Consumer Durables					
3. Vehicles					
4. Vacant land					
5. House Property					
6. Agricultural land					
7. Teak growing & Animal breeding schemes					
8. Capital in own business					
9. Art Objects and Collectibles					

2 Following list contains some common sources of information that investor use in making investment decision. Please Rank them according to the priority. 1, 2, 3, 4, 5, 6, 7,

Sources	Rank
1. News Paper	
2. TV/Radio	
3. Friends and Colleagues	
4. Relatives	
5. Investment Consultants	
6. Brokers and agents	
7. Magazine/ Journals	
8. Expert opinion	
9. Cell phone SMS	
10. Internet and E-mail	
11. Companies Annual Reports	
12. Investor's Association	
13. Others (Specify)	

2. **Indicate the Items you have invested (√) and Rank them according to your preferences**

Investment avenues	**Invested Item**	**Rank**
FINANCIAL ASSETS		
Security forms of investment (Marketable Securities)		
1. Corporate Bonds/ Debentures		
2. Public sector Bonds		
3. Preference shares		
4. Equity shares		
Non-security forms of investments (Non-marketable Securities)		
1. National Savings Scheme		
2. National Savings certificates		
3. Provident funds/Pension funds		
4. Bank Deposits		
5. Non-Banking Financial Company Deposits		
6. Post Office Savings Bank Account		
7. Corporate Fixed Deposits		
8. Life Insurance Policies		
9. Mutual Funds and Unit Trust of India		
10. Private limited Companies' shares		
11. Chit Funds		
12. Foreign Currency		
13. Commodity Markets		
PHYSICAL ASSETS		
1. Precious Metals/ Stones		
2. Consumer Durables		
3. Vehicles		
4. Vacant land		
5. House Property		
6. Agricultural land		
7. Teak growing & Animal breeding schemes		
8. Capital in own business		
9. Art Objects and Collectibles		

E. Motivating Factors and Satisfaction level

1. State the reasons which motivate you to invest (Put a tick in any one of the box for each statement) SA- Strongly agree A – Agree No – No opinion DA – Disagree, SDA – Strongly Disagree

	SA	**A**	**NO**	**DA**	**SDA**
1. Regular returns					
2. Safety and security					
3. Capital appreciation					
4. Low price					
5. Save money					
6. Astrology					
7. Broker's advice					
8. Interest rate					
9. Minimum formalities					
10. Tax Relief					
11. Minimum risk involved					
12. Liquidity					
13. Knowledge about Investments					
14. Age					
15. Spouse Employment					
16. Prestige value					
17. Family Environment					
18. Availability of time					
19. Media Exposure					
20. Obtain a loan					
21. Less Transaction cost					
22. Less maintenance expenses					
23. Convertibility is easy					

24. Utility value					
25. Good service					

2. **State the Influencing personalities of the investor**

Influencing Personalities	**Very High**	**High**	**Neutral**	**Low**	**Very low**
1. Self					
2. Family members					
3. Relatives					
4. Friends					
5. Colleagues					
6. Agents and Intermediaries					
7. Expert opinion					
8. Others					

3. **State the level of Satisfaction about your investment**

Investment avenues	**HS**	**S**	**No**	**DS**	**HDS**
FINANCIAL ASSETS					
Security forms of investment (Marketable Securities)					
1. Corporate Bonds/ Debentures					
2. Public sector Bonds					
3. Preference shares					
4. Equity shares					
Non-security forms of investments (Non-marketable Securities)					
1. National Savings Scheme					
2. National Savings certificates					
3. Provident funds/Pension funds					
4. Bank Deposits					
5. Non-Banking Financial Company Deposits					
6. Post Office Savings Bank Account					
7. Corporate Fixed Deposits					
8. Life Insurance Policies					
9. Mutual Funds and Unit Trust of India					
10. Private limited Companies' shares					
11. Chit Funds					
12. Foreign Currency					
13. Commodity Markets					
PHYSICAL ASSETS					
1. Precious Metals/ Stones					
2. Consumer Durables					
3. Vehicles					
4. Vacant land					
5. House Property					
6. Agricultural land					
7. Teak growing & Animal breeding schemes					
8. Capital in own business					
9. Art Objects and Collectibles					

4. The following is a list of reasons generally leading to satisfaction in investment decision. Kindly rank them according to your opinion 1, 2,3,4,5

1. More than Normal rate of return	
2. Stability in Return	
3. Capital Appreciation	
4. Easy Marketability	
5. Riskless Investment	
6. Liquidity	

F. Attitude towards Investment – Tick whichever is relevant

	General Attitude	SA	A	NAND	DA	SDA
1.1	Better tomorrow					
1.2	I enjoy Investing and look forward To more such activity in future					
1.3	. Investment postponement lead to uncertain tomorrow					
1.4	Safety					
1.5	Profitable					
1.6	Liquidity					
1.7	Reduce tax liability					
1.8	Risky					
1.9.	Irrational expectations					
1.10.	Meager percentage of income					
1.11.	Investment is a long-term affair					
1.12.	Wide choice for investors in selecting their portfolio					
1.13.	Channelizes the savings of people into productive ventures					
1.14.	Assured returns					
1.15.	Specialized management service required					
1.16	Investment in gold leads to a) Safety b) Liquidity c) Returns					
1.17.	Real estate is the most attractive investment					
1.18.	Life insurance is a preferred investment as it offers a) Profitability b) Risk coverage c) Loan facility d) Safety e) Tax concession					
1.19.	Life insurance is a necessary evil and not an investment					
1.20.	Government securities is the best choice as it offers a) Safety b) Liquidity c) Profitability d) Tax concession					
1.21.	Bank Deposits is preferred as it has a) Safety b) High returns c) Loan facility					
1.22.	Shares are a good means of investment as they are a) Safe b) Profitable					
1.23.	Shares are highly risky					
1.24.	Mutual funds are attractive as a) They are secure b) Give adequate returns c) It has easy liquidity d) They provide tax concession					
1.25.	Company fixed Deposits are satisfactory Investments avenues as they offer a) Moderate returns b) Safety c) No liquidity d) Credit rating facility					
1.26.	Bonds and Debentures are better investments, because of a) Adequate returns b) Liquidity c) Safety d) Credit rating facility					
1.27.	Government Treasury Bills, P.P.F, P.F, offers a) High security b) Low returns c) Loan facility d) Tax concession					
1.28.	Chit funds, Nidhis and Benefit funds inspite of duping Investors are still a convenient kind of offering the Possibility to payments premium suiting investors Of all economic groups and provides Emergency fund					

G. **Investor Behaviour**

1	Behaviour	Strongly Disagree	Disagree	Neither Disagree nor agree	Agree	Strongly Agree
1.	It takes decision on saving after getting full information.					
1.1	I consult my family members before taking investment decision.					
1.2	I make my investment decision on my own.					
1.3	I make investment only at the end of the year.					
1.4	I prefer investment where there is no loss in capital.					
1.5	I review my investment decision frequently.					
1.6	I feel I am making good investment decision.					
1.7	I borrow money for making investment.					
1.8	Investment decision will have impact on life style.					
1.9	I prefer investment opportunities with potentially large return even if they are more risky.					
1.10	I am getting good return because I have taken calculated decision.					
1.11	Return is determined by external and uncontrollable factors.					
1.12	Having the right investment is important for being accepted					
1.13	Publicity gives information and helps us to take good investment decision.					
1.14	Publicity and agents are pushing me to make investment					
1.15	I do save more as and when I get extra income.					
1.16	Increase in income is not helping to increase Investment					
1.17	Saving will increase only when there is an increase in stable permanent income.					
1.18	I save more when the interest rate is more.					
1.19	I forgo my present consumption for the purpose of future consumption.					
1.20	I forgo my present consumption for the purpose of setting future return.					
1.21	Good investment opportunities induce me for making investment.					
1.22	Technology provides me investment information at finger tips.					
1.23	My investment decision has changed over period of time.					
1.24	I never withdraw my investment before maturity.					
1.25	I never indulged in any speculative transactions.					
1.26	I never put all money in a single investment option.					
1.27	I feel my investment decision should not be criticized					
1.28	Once I decide about my investment option I will choose that option again and again.					
1.29	The feel of thrill is essential while making investment.					

H. Inconvenience and discomfort do you have for investing? and Rank them.

a) Long term ___ d) Poor service ___

b) Less awareness ___ e) Schemes are not attractive ___

c) Low return ___ f) Inconvenient to operate ___

Kindly give your suggestions to improve investment.

APPENDIX II

LIST OF PUBLICATIONS

SI. NO	Title	Journal/Seminar/Publisher	Organizer
1	Investment Pattern of College Teachers – A Study With Special Reference to Palayamkottai Taluk, Tirunelveli District	Xaverian Journal of Marketing ISSN: 2278 – 6562 Jan – June 2012	PG & Research Department of Commerce, St. Xavier's College (Autonomous) Palayamkottai, Tirunelveli
2	A Study on School Teachers' Awareness towards Financial Literacy in Palayamkottai Taluk, Tirunelveli District	Financial Inclusion – Issues, Opportunities and Challenges of Indian Commercial Banks ISBN: 978-93-80314-12-9 September 2011	Department of Commerce, Aditanar College of Arts and Science, Virapandianpatnam, Tiruchendur - 628216
3	Merits and Demerits of Foreign Direct Investment in Retail Sector in India	Foreign Direct Investment in Retail Industry in India – Boon or Bane	Department of Commerce, St. Xavier's College (Autonomous) Palayamkottai, Tirunelveli
4	Impact of Technology in Indian Banking Industry	Emerging Trends in Banking Industry	Department of Commerce, St. Xavier's College (Autonomous) Palayamkottai, Tirunelveli