

A STUDY ON INVESTOR BEHAVIOR TOWARDS INVESTMENT PATTERN PORTFOLIOS OF SALARIED PEOPLE OF SOUTH GUJARAT

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Abstract

The main objectives of the research paper are to examine of the investor's investment behavior of the salaried people of Navsari district of south Gujarat. The main purpose of choosing this theme is to check the investment attitude of salaried people in our country has increased attention of the policy makers, economists & the market researchers, as still their leftovers a considerable untouched prospective in this salary class of the nation. The present research study is directed to answer some important questions regarding the behavior of salaried investors in Navsari district and their investment patterns, to know the numerous investment goals of salaried class investors of Navsari district and to identify, whether there has been any increase in their savings and clarification for it. If the main factor of salaried class investors has an immediate effect on speculative choices, then not only income but also the age group of investors in which the head of the household is head affects the choice of investment avenue. Therefore, this research paper is also focused on finding differences in the choice of investment patterns in different age groups and income groups of the salaried class of Navsari district.

Keywords: Investment, Investment pattern, Salary class people, Navsari District.

INTRODUCTION

At present there are many ways of investing in India such as some are marketable and liquid while others are non-marketable and some of them are extremely dangerous while others are almost riskless. In the rural area of India mostly investor invest in traditional avenues of investment, now days the definition is changed. People make new resolutions every new year and it is never followed. The same thing happens with investing. It is easy to make an investment decision, but most people delay its implementation. We cannot decide, especially when there are more options to choose from. It causes remorse over time. The investment is sacrifices of present income for better future of investor. To be financially viable in life people first buy their own home. Second, buy a term insurance so that the family does not suffer after your death. Third, buy health insurance for the family. Fourth, accumulate wealth to achieve life's goals and aspirations. Investment is the future planning in present saving of income and get good return on investment of investor. Every individual wants to earn money on investment without any risk, but when we expectation of more return on investment the factor is depend on more risk.

Various Governing Bodies in Financial Sector in India: SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

The securities and exchange board of India (SEBI) is a statutory body established under the SEBI act of 1992, as a response to prevent malpractices in the capital markets that were negatively impacting people's confidence in the market.

RESERVE BANK OF INDIA (RBI)

The Reserve Bank of India (RBI) is India's central bank and established under the Reserve Bank of India Act in 1935. The primary purpose of RBI is to conduct the monetary policy and regulate and supervise the financial sector, most importantly the commercial banks and non-banking financial companies. It is responsible to maintain price stability and the flow of credit to different sectors of the economy.

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDA)

The Insurance Regularity and development Authority of India (IRDA) is an independent statutory body that was set up under the IRDA act, 1999. Its Purpose is to protect the interest of the insurance policyholders and to develop and regulates the insurance industry. It issues advisories regularly to insurance companies regarding the changes in rules and regulations.

PENSION FUNDS REGULATORY AND DEVELOPMENT AUTHORITY(PFRDA)

Pension Fund Regulatory and Development Authority (PFRDA) is a statutory body, which was established under the PFRDA act, 2013. It is the regulatory of the pension industry in India. Initially PFRDA covered only for employees in the government sector but later, its services were extended to all citizens of India including NRI's. its major objectives are to provide income security to the old aged by regulating and developing pension funds and to protect the interest of subscribers to pension schemes.

ASSOCIATION OF MUTUAL FUNDS IN INDIA (AMFI)

The association of mutual funds in India (AMFI) was set up in 1995, It is a non-profit organization that is self-regulatory and works for the development of mutual fund industry by improving professional and ethical standards, thus aiming to make the mutual funds more accessible and transparent to the public. It provides spreads awareness vital information about mutual funds to Indian Investors.

MINISTRY OF CORPORATE AFFAIRS (MCA)

The Ministry of Corporate affairs (MCA) is a ministry within the government of India. It regulates the corporate sector and is primarily concerned with the administration of the companies act, 1956, 2013 and other legislations. It frames the rules and regulations to ensure the functioning of the corporate sector according to the law. (abhishek)

RESEARCH METHODOLOGY

The preset research study descriptive research methodology has been used so that the situation regarding the well-structured Questionnaire and the information collected from Respondents. This study is mainly based on primary data. 100 respondents have been collected from Navsari District of South Gujarat. Secondary data have also been used for the study. Percentage method is used for analyzing the collected data.

RESEARCH OBJECTIVES

1. to identify the objectives of saving an investor
2. To identify the reason for investment
3. To identify the factors considered while doing investment

THE SAMPLE SIZE

The sample size consists of 100 respondents from Navsari. The respondents are segregated based on different variables such as income, age, marital status, academic qualification and annual saving.

NEED AND SCOPE OF THE STUDY

The present research study covered the salaried people of the Navsari district who working in the various institutions of south Gujarat. The research study of Salary class people of the behaviour towards investment and pattern of their saving of Income. The Study is very important for the salary class people for the same district.

LIMITATION OF THE STUDY

The result depended on respondent's knowledge. The 100 respondents are not enough for the research of the population Khergam Talukas of Navsari District. The Result of the study not applicable for other areas of the District.

LITERATURE REVIEW

Dr.T.Sisili, S.Gokul kumar, S.Sivakumar, G.Manikandan & V.Dineshkumar (2018) Entitled Research on "A STUDY ON INVESTORS BEHAVIOUR OVER INVESTMENT OPTIONS" they Concluded the basis of the study it can be said that investment patterns of investors included in the study as samples are usually not dependent upon the demographic factors such as Gender, Age, Education qualification and Employability. So the conclusion is that people who are financially literate and reluctant to buy a financial products, because they do not understand where to invest and what parameters to consider while investing. (DR.Sisili, Kumar, Sivakumar, Manikandan, & Dineshkumar, 2018) Bhavik U. Swadia (2017) Found in their work "A STUDY ON INVESTOR BEHAVIOR TOWARDS INVESTMENT PATTERN PORTFOLIO" he concluded that key objective for savings is the children education, people do saving for their children' future, followed by healthcare, retirement, home purchase, marriage and other. Safety of principle would be most critical factor which is considered most before investment followed by low risk, high returns and maturity period. Returns is the main reason for investment,

future expenditure, tax savings and wealth creation. (swadia, 2017) Vipin Kumar, Preeti Bansal,(2014) Conducted Study on A Study on Investors' Behavior towards Mutual Funds in Rohtak and they Found that the middle income individuals, investing in mutual funds yields higher interest and comes with good principal amount at the end of the maturity period of the mutual fund investment, Another important fact is that mutual funds are safe, with close to zero risk, offering an optimized return on earnings and protecting the interest of investors. (Kumar & Preeti, 2014) Bharti Wadhwa, Aakanksha Uppal, Anubha Vashisht, Davinder Kaur (2019) in this Study they analyzed The awareness of investment knowledge is not much high. People are helped by financial portals, financial news channels, financial newspapers; various markets related T.V. shows, Expert talks, magazines. So, they are more sensitive about their money. They will think hundred times before investing in any market and will expect more than that. They feel that they are having enough money, time, resources and opportunities with them for investing. Though they are having some knowledge of financial market and economic condition of India, yet they lack the edge above the others as this field is very unpredictable and volatile hence they must be backed up by a financial planner. (Wadhwa , Uppal, , Vashisht,, & Kau, 2019) Samina Riaz, Riaz Ahmed, Rakesh Parkash, Munawar Javed Ahmad (2020) this study is Attempt to explore the impact levels in those factors which influence individual investors' decisions in Pakistan stock market, during COVID-19 crises. These factors are grouped into four categories, viz., Herding effects, Market factors, Prospect theory, and Heuristic theory. They findings and suggest that the individual investors at the Pakistan stock market are confident to make good use of their knowledge and skills in critical conditions to attain more profitable outcome from their investments. (Riaz, Ahmed, Parkash, & Javed , 2020)

DATA ANALYSIS

Table No.1 Objectives for Saving

Sr. No.	Particular	Responses of Respondents	Percentages (%)
1	Children's Education	53	21
2	Home Purchase	32	13
3	Retirement	63	26
4	Children's Marriage	26	11
5	Healthcare	37	15
6	Other	37	15
	Total	247	100.00

The table above lists more than one option for investor in investment objectives option. The Respondents are selected highest saving object in Retirement option. Retirement option stood in the first rank in the saving objects. Second number of investment option is children's Education is the key object of saving of income. Many respondents were chosen healthcare and other option but there were not specify the other option was what. Few of the respondent selected a saving for home purchase of their long time Investment and some of them for Children's Marriage. In the Indian context the investment is the most important for the retirement, children's education and many more.

Table No.2 Factors Considered before Investment

Sr. No.	Particular	Responses of Respondents	Percentages (%)
1	Safety of Principal	89	50
2	High Return	32	18
3	Low Risk	32	18
4	Maturity Period	26	15
	Total	179	100.00

When the investor is investing the money with the safety of money is one of the most important factors to consider before investing. The priority given by the safety of money is very important factor for investing money in any kind of investment avenue. The investor also thinks in the low Risk and high-risk factor as well as Maturity Period of the money. Salaried people are most selected Traditional and Government Investment option for invest with safety feature in the Indian society. Now days the situation is very changed young people are also taking high-risk investment avenue for invest the money in the present scenario.

Table No.3 Reasons for Investment

Sr. No.	Particular	Responses of Respondents	Percentages (%)
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1	Earn Return	21	12
2	Tax Saving	53	30
3	Future Expenditure	68	39
4	Wealth Creation	32	18
	Total	174	100.00

Mostly Salaried People purpose of investment for tax saving and future expenditure. And then the respondent chooses other reason for investment like a Wealth creation and earn Return. Out of the above 4 options are invested by salaried employee of Study areas.

CONCLUSION

Founded on the above analytical tablet it can be determined that the main purpose of saving for retirement, children's education, health care, other is not specify, home buying as well as children's Wedding occasion. The Principal of the safety is of paramount importance after high return-low risk and maturity period in sequence to the opinion of each respondents. The Main reason for investment is future Expenditure and tax saving higher select by respondent and then wealth creation and earn return. Choosing the investment avenue is the very difficult task to an investor. It is trying to identify the saving object, factors considered before Investment reason for investment and sample size of investor is small from large population.

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