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"A STUDY OF ATTITUDE OF INDIVIDUAL INVESTORS TOWARDS FINANCIAL INVESTMENTS IN DIFFERENT AVENUES"

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ABSTRACT :
         Investors have ample of investment avenues to invest their savings. Like shares, debentures, gold, mutual funds, fixed Deposits etc The risk and returns available from each of these investment avenues differ from one avenue to another. The investors expect more returns with relatively lesser risks. In this regard, the financial advisors and consultants offer various suggestions to the investors.
         This paper tries to see that Attitude of the individual investors towards the financial investments in different avenues and what is the criteria for selecting the investments. Financial Needs and Dependency on Investments different avenues are Objectives of Investment ,Willingness to take Risk ,Fluctuation in value of Portfolio ,Time Horizon of Investment ,Experience in the field of Investment Safety of Investments in Financial assets . An attempt has been made in this study to find out the main objective of the investors Ahmednagar city towards making investments and to study the investors' attitude towards the investment avenues.

KEYWORDS : SEBI, CCI, BSE, NSE, FII,

INTRODUCTION:
         Investors have ample of investment avenues to invest their savings. Like shares, debentures, gold, mutual funds, fixed Deposits etc The risk and returns available from each of these investment avenues differ from one avenue to another. The investors expect more returns with relatively lesser risks. In this regard, the financial advisors and consultants offer various suggestions to the investors.
         Investment preferences, choices and selection of financial assets are highly based on and are influenced by personal attributes and features of individual investors. Thus, to understand the nature and characteristics of individual investors included under present study, an analysis of demographic profile of respondents is determined on the basis of location. For the present study, data is collected from individual investors situated in Ahmednagar city . In the this paper an analysis of this personal profile of respondents is done on the basis of different characteristics. This includes Age, Gender, Occupation, Educational Qualification, Marital Status, Monthly Income and Monthly Savings. There are number of aspects which affect the preferences, attitudes and approaches of individual investors towards their investments of funds in various financial securities. These factors may include objectives of investments, different needs of financial investments, risk taking ability of investors, time period of investments, investors' experience in the field of investments, etc. In the present section, an attempt is made to study investment behavior of individual investors towards investment in financial securities in general. Various factors affecting investors' attitude and approach towards investments are analyzed as under:
- Financial Needs and Dependency on Investments
- Objectives of Investment

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- Willingness to take Risk
- Fluctuation in value of Portfolio
- Time Horizon of Investment
- Experience in the field of Investment
- Safety of Investments in Financial assets

LITERATURE REVIEW

The study was all about the investor who were diversifying their risk and what the attitude towards the investment on mutual fund is. The published relating to the above topic is reviewed. The relevant literature is reviewed on the basis of Newspaper, journals and some papers on conference.

A] Vidhyashankar S (1990) identified a shift from bank or company deposits to mutual funds due to its superiority by way of ensuring a healthy and orderly development of capital market with adequate investor protection through SEBI interference. The study identified that mutual funds in the Indian capital market have a bright future as one of the predominant instruments of savings by the end of the century.

B] Lal C and Sharma Seema (1992) identified that, the household sector's share in the Indian domestic savings increased from 73.6 percent in 1950-51 to 83.6 percent in 1988-89. The share of financial assets increased from 56 percent in 1970-71 to over 60 percent in 1989-90 bringing out a tremendous impact on all the constituents of the financial market.

C] Sikidar and Singh (1996),1 carried out a survey with an objective to understand the behavioral aspects of the investors of the North Eastern .

D] Rajeswari and Ramamoorthy (2001), have conducted a study to understand the factors influencing the fund selection behavior of 350 MF investors in order to provide some meaningful inferences for Asset Management Companies (AMC) to innovatively design the products.

E] Sanjay Kant Khare (2007) opined that investors could purchase stocks or bonds with much lower trading costs through mutual funds and enjoy the advantages of diversification and lower risk. The researcher identified that, with a higher savings rate of 23 percent, channeling savings into mutual funds sector has been growing rapidly as retail investors were gradually keeping out of the primary and secondary market. Mutual funds have to penetrate into rural areas with diversified products, better corporate governance and through introduction of financial planners.

RESEARCH METHODOLOGY

A] OBJECTIVES OF STUDY: - The Objective of the study is as under:-Every study based on some clearly defined objectives. Objectives decide the all over framework of any study. The main objective of this study is to understand the Attitude of the individual investors towards the financial assets towards the different. The present study "based on following objectives:-

1. To Study the attitude of the investors before investing the money in any assets..
2. To understand the criteria of the investors for investments.

B] RESEARCH DESIGN:-

This Research paper aims at examine the attitude of individual investors towards financial investments in different avenues' like xx Needs and Dependency on Investments)   Objectives   of Investment ,Willingness to take Risk , Fluctuation in value of Portfolio ,Time Horizon of Investment Experience in the field of Investment   Safety of Investments in Financial assets

The data was collected through by administering a structured questionnaire from 100 individual investors of the Ahmednagar city .The Researchers has also collected the secondary data from various sources like reference book, economic survey, research journals and web sites to supplement the primary

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data. The data collected with the help of questionnaire was tabulated and then analyzed with the help of some simple statistical tools.

C] SCOPE OF THE STUDY:-

The scope of the study are summarized as follow:-
1. The scope of the present study is confined to the geographical limits of Ahmednagar city.
2. The period of 3 years was selected for conducting the research.
3. The researcher have selected the sample 100 individual investors in Ahmednagar city.
4. The researcher has selected the sample by random sampling method.
5. The finding of the study were based on the primary as well as secondary data.
6. This research study aims at examining attitude of individual investors towards financial investments in different avenues.

E] LIMITATIONS OF THE STUDY

1.   The survey was non probability sample in nature.
2. This survey includes only individual investors and not the institutional investors.
3   The survey assumes that, investors has different avenues for investments..
4. The study is limited only Ahmednagar city.

SURVEY ANALYSIS AND DISCUSSIONS

Personal bio data of respondents
Total number of respondents covered by the survey: 100

Table 1: Table showing Gender wise classification of Individual Investors

Location	Gender wise Classification		
	Male	**Female**	**Total**
Ahmednagar	89	11	**100**
Total	89	11	**100**
Percentage	89	11	**100**

Interpretation:

Above table highlights classification of individual investors on the basis of gender. It can be seen that proportion of male respondents in total (89%) is comparatively very high than that of female respondents (nearly 11%).

Table 2: Table showing Occupation wise classification of Investors

Location	Occupation wise Classification (Number of Respondents)					
	Business	**Professional**	**Private Service**	**Govt. Service**	**Others**	**Total**
Ahmednagar	48	13	21	7	11	**100**
Total	48	13	21	7	11	**100**
Percentage	48	13	21	7	11	**100**

Interpretation:

The above table exhibits classification of respondents on the basis their occupation as a source of their living. It can be inferred that percentage of respondents involved in private services is high i.e. about 21% of the total respondents. Followed by which, respondents belonging to business category accounts more than 48% of respondents. Individual respondents under Government service and self employed

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Professionals are comparatively lower. Finally, other category which is of least proportion includes agriculture, students, retired people, house-wife, etc.

Table 3: Table showing Qualification wise classification of Investors

Location	Classification on basis of Educational Qualifications (Number of Respondents)			
	Under Graduate	Graduate	Post Graduate	Total
Ahmednagar	20	50	30	100
Total	20	50	30	100
Percentage	20	50	30	100

Interpretation:

From the table it can be seen that **more than half** of respondents are graduate. Followed by this, proportion of post graduate investors is just under only 30 % of respondents. Finally, percentage of under graduate respondents is least of all (20%).

Table 4: Table showing classification of Individual Investors on basis of Marital Status

Location	Marital Status (Number of Respondents)		
	Married	Single	Total
Ahmednagar	90	10	100
Total	90	10	100
Percentage	90	10	100.00

Interpretation:

The table shows classification of respondents on basis of marital status. It can be observed that about 90% of respondents are married. On the other hand, about 10%[h] of respondents are single or yet not married.

Table 5: Table showing classification of Individual Investors on the basis of Monthly Income

Location	Classification on basis of Monthly Income (Number of Respondents)				
	Below ` 20,000	` 20,001 to ` 35,000	` 35,001 to ` 50,000	Above ` 50,000	Total
Ahmednagar	20	62	15	3	100
Total	20	62	15	3	100
Percentage	20	62	15	3	100.00

Interpretation:

The table highlights classification of respondents on the basis of their **Monthly Income Earned**. It can be observed that more than half of respondents under study are having monthly income between Rs. 20,001 to Rs. 35,000. Nearly 1/5th of respondents are having monthly incomes of less than ` 20,000. Finally, negligible percentage of respondents (about 3%) is having monthly incomes of more than ` 50,000.

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Table 6: Table showing classification of Individual Investors on the basis of Monthly Savings

Location	Classification on basis of Monthly Savings (Number of Respondents)				
	Below ` 7,500	` 7,501 to ` 15,000	` 15,001 to ` 25,000	Above ` 25,000	Total
Ahmednagar	49	39	11	1	100
Total	**49**	**39**	**11**	**1**	**100**
Percentage	49	**39**	11	**1**	**100**

Interpretation:

The table shows classification of respondents on the basis of monthly savings preserved by them. It can be observed that more than 49 of respondents have assembled monthly savings of less than ` 7,500. Nearly 39% of respondents under study have generated monthly income between ` 7,501 to ` 15,000. Finally, very negligible percentage of respondents (about 1%) is having monthly savings of more than ` 25,000.

GENERAL CHARACTERISTICS OF RESPONDENTS OF THE SURVEY

1. Majority of the male respondents takes investments decision. In the Indian context, it is usually the males who as the household head take the investment decisions. Generally business people and professional people are interested to investments the money.

2. Majority investments come from business and professional respondents.

3. M**ore than half** of respondents are graduate. And post graduate investors. This shows that graduate and post graduate have become pre-dominate among the investments. This also shows that literacy has a positive co-relation with investments.

4. Majority investors take investments decision after marriage.

5. Majority of respondents are having monthly income between Rs. 20,001 to Rs. 35,000.

6. Low Saving investors are also interested for investments.

SURVEY OBSERVATIONS AND CONCULSIONS DRAWN

Question No: 1 Investors' Financial Needs and Dependency on Investments

Table No.1: Table showing Financial Needs of Individual Investors and their dependency on investments

Financial Needs of Individual Investors	Number of Respondents	Percentage
Depend totally on Investments	19	19
Depend on Investments for income and emergency needs	58	58
Devote Investments to long – term savings	19	19
Does not depend on Investments	4	4
Total Respondents	**100**	**100**

Interpretation:

The above table shows that more than 58 respondents depend on their investments for both income as well as emergency needs. However, more than 19 respondents devoted their financial investments to long – term savings. Very negligible proportion of investors (less than 14%) admitted that their financial needs did not depend on their investments.

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Question No: 2 Investors' Objectives of Investment

Table No. 2: Table showing Investment Objectives of Individual Investors

Options for Investment Objectives	Number of Respondents	Percentage
Capital preservation and satisfactory current Income	14	14
First priority for Income and second priority for Growth	25	25
Balanced preference for Income and Growth	31	31
First priority for Growth and second priority for Income	14	14
Availing Income Tax Benefits / Exemptions	16	16
Total Respondents	**100**	**100**

Interpretation:

Individual investors have different investment objectives while investing money in various financial assets. Based on these objectives of investment, the investors have changing priorities and preferences for capital appreciation / growth in value or regular income at certain intervals. The above table Shows that more than one quarter (31%) of respondents gives balance preference for both income and growth. Followed by this, less than 1/4th of respondents (25%) give **first preference for income and second for growth**. Also, less than (16%) of respondents admitted that they invest funds in different financial avenues to avail tax benefits and exemptions in order to minimize their income tax liabilities.

Question No 3:- Willingness to take Risk

Table No.3: Table showing Willingness of Individual Investors to take Risk in their Investments

Willingness to take Risk	Number of Respondents	Percentage
Maximum Risk	35	35
Moderate Risk	35	30
Less Risk	17	17
No Risk	18	18
Total Respondents	**100**	**100**

Interpretation:

From the above table can be observed that more than 35% of respondents agreed that they are willing to take maximum amount of risk while investing funds among different securities. This also indicated that these investors are further expecting higher rate of returns from their investments. Followed by this, less than 1/3rd of respondents (30%) expressed their willingness to take moderate risk in their investments. Finally, proportions of respondents who are interested to take lesser risk as well as no risk is almost equal i.e. 17%.

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Question No 4: - Attitude towards Fluctuation in value of Portfolio

Table No. 4: Table showing Attitude of Individual Investors towards Fluctuation in Portfolio Value

Attitude towards Fluctuation in Portfolio Value	Number of Respondents	Percentage
Accept maximum stability with lower long run returns	8	8
Accept little volatility for higher returns	22	22
Take average amount of volatility for average returns	29	29
Accept higher volatility as growth is the goal	41	41
Total Respondents	**100**	**100**

Interpretation:

Above table that 41% of investors are prepared to accept high amount of volatility as basic objective is growth in value of investments. But, nearly 29% of investors are ready to accept average amount of fluctuation in value of portfolio for earning average returns. However, 22% of investors agreed to take some degree of volatility for getting higher returns. Lastly, negligible proportion of about 8% of investors accepted maximum stability with lower long term returns.

Question No. 5:-Expected Time Horizon of Investments

Table 5: Table showing expected Time Horizon of Investments of the Individual Investors

Time Horizon of Investment	Number of Respondents	Percentage
Less than 5 years	60	60
6 to 10 years	29	29
11 to 15 years	8	8
Above 15 years	3	3
Total Respondents	**100**	**100**

Interpretation:

From the above table it can be inferred that more than 60% of the respondents invest their funds for an expected time period of less than five years. Nearly 29% of investors invested money for an expected holding period between 6 to 10 years. However, a very negligible percentage of investors had probable investment time horizon of more than 15 years i.e. 3% only.

Question No:- 6   Investors' Experience in the field of Investments

Table No.6: Table showing Investors' Experience in the field of Investments

Past Investments Experience	Number of Respondents	Percentage
Less than 5 years	17	17
6 to 10 years	53	53
11 to 15 years	21	21
Above 15 years	9	9
Total Respondents	**100**	**100**

Interpretation:

The above table highlight that more than half of respondents (53%) had investment experience between 6 to 10 years. On other hand, about 21 numbers of investors have investment experience for a period between 11 to 15 years. It can be observed that around 17% of respondents agreed that they have

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investment experience of less than five years. However, low proportion of respondents (less than 10%) had experience more than 15 years.

Question No:-7 Investors' Perception towards Degree of Safety of Investment Avenues

One important factor that influences selection of financial assets is the perception of investors towards degree of safety of financial avenues, particularly safety of principal funds that are invested. For individual investors, it is essential that their hard earned savings shall be invested in those assets which according to them are reasonably safe and secured.

Table No:-7:Table showing Investors' Perception towards Degree of Safety of Investments in Financial Assets

Financial Investment Avenues	Investors' Degree of Safety					Total Score	Average Score	Rank
	Absolutely Safe	Reasonably Safe	Somewhat Safe	Not Safe	Don't Know			
Bank Deposits	58	37	3	1	1	450	**4.50**	I
Shares and Stocks	36	55	4	3	2	420	**4.20**	II
Mutual Funds	7	50	39	4	1	361	**3.61**	V
Life Insurance	20	41	35	1	3	374	**3.74**	IV
Provident Fund & Pensions	50	45	3	2	1	394	**3.94**	III

Example of Weight Average for Bank Deposit:

$$\frac{(58 \times 5 + 37 \times 4 + 3 \times 3 + 1 \times 2 + 1 \times 1)}{100} = \frac{450}{100} = \textbf{4.50}$$

Interpretation:

The above Table shows the weighted average score of investors' perception towards degree of safety of each financial asset along with aggregate score and ranking based on average. From the table, it can be inferred that, Bank Deposits have highest degree of safety with weighted average score of 4.50, followed by Stocks and shares with average score of 4.20. Third position regarding degree of safety was held by provident fund and pension with score of 3.94. Investments in Mutual Fund schemes occupied fifth spot in order of degree of safety of investments with score of 3.61. About 50% of respondents admitted that investing in mutual fund units is reasonably safe. This also indicated that investing funds in mutual fund is considered risky by the respondents.

Major Survey Finding in brief:-

1. On basis of financial needs, investors depend mainly on investments. Majority proportion of investors invest either for generating regular income and meeting their emergency needs or invest money for meeting long term goals and requirements.
2. While investing their funds in different avenues, investors prefer to maintain a balance between income and growth. Also vast number of investors had an objective of availing income tax benefits/exemptions from their investments.

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3. Mostly, investors are willing to take maximum volume of risk while investing funds among different securities with expectation of higher rate of return on their investments as amount of risk taken is high.
4. About 41% of investors are prepared to accept high amount of volatility as basic objective is growth in value of investments.
5. Hence, these investors are also ready to accept and undergo a higher fluctuation in their portfolio value as ultimate goal is to earn maximum growth on their invested fund.
6. Majority of the respondents invest their funds for an expected time period of less than five years.
7. More than half of respondents (53%) had investment experience between 6 to 10 years.
8. Majority investors agreed Bank Deposits have highest degree of safety for investments..

CONCLUSION

On basis of financial needs, investors depend mainly on investments. Substantial proportion of investors invest either for generating regular income and meeting their emergency needs or invest money for meeting long term goals and requirements. While investing their funds in different avenues, investors prefer to maintain a balance between income and growth. Also vast number of investors had an objective of availing income tax benefits/exemptions from their investments .Mostly, investors are willing to take maximum volume of risk while investing funds among different securities with expectation of higher rate of return on their investments as amount of risk taken is high.

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