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ANALYSIS ON SOCIO ECONOMIC PROFILE OF INVESTORS IN CAPITAL MARKET WITH SPECIAL REFERENCE TO KANYAKUMARI DISTRICT

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ABSTRACT

　　The main objective of this paper is to study the socio-economic profile and the perception of investors towards capital market and the factors influencing investor's preference towards capital market. In this paper statistical techniques are used to analytically analyze the primary data. In Kanyakumari district the investor's behaviour aspects, performance and their investment decision are highly influenced by their socio-economic profile. In our work we have taken some important parameters such as the area where the investor resides,age, gender, education, occupation, marital status,profession, property,type of house, income tax paid,savings, purpose, year of investment, share portfolio, time horizon and annualincome of the investors for the socio-economic profile. The analysis is done using SPSS tool.

KEYWORDS: socio economic profile, investors, capital market, kanyakumari district, mutual fund schemes.

1.   INTRODUCTION

　　A Country's economic development is mainly based on the growth of its industrial infrastructure and service sector. The development of these industries requires continuous flow of resources. The resources which are needed for the industrial infrastructure and service sector can be mobilised from the public. In India the house hold sector contribute largely to domestic savings. The investments of the house hold are mostly limited to real assets like gold, silver, real estate, saving schemes in post offices, banks, etc. If these funds are channelized, it will facilitate the economic development of a country. For this an efficient capital market is necessary.Hence this paper 3.analyzes the various socio economic factors that influence the investment behavior of people in capital market.

2. REVIEW OF LITERATURE

　　Parihar et al (2012) conducted a research on the Investment Preferences of Salaried Employees. His research reveals that salaried employees do not have positive attitude towards the equity shares and mutual funds. They prefer only PPF, LIC, Bank and Post Office Deposit for investment.Gunja Batra (2012) in his research on the Investment Preference of salaried Employees has found out the perception of investors about different types of Investment options, He has used cluster analysis for his research. He has pointed out that all types of investors prefer to invest in fixed deposit because they are risk free and the investments bear a fixed rate of interest. He has revealed in his report that the respondents do not prefer to invest in mutual funds because of insecurity of money.

　　Mayadevi Thampatty and Mohana Krishnan (2014) conducted a research on the perception of stock market investments among Government employees in capital city.Murty and Sastry (2014)conducted a study

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on Investment perceptions of small investors. A scientific analysis in their study tried to found out the risk-return perception of equity investors on various investments. The conclusion of that study is that in India the percentage of participation and investing in equities is too low compared with other investment avenues. Hence they suggest that Government or regulatory bodies like SEBI should create lot of awareness and encourage retail investors to invest in long term securities for economic development.

Maruthu Pandian and, Benjamin Christopher (2007),conducted a study in the topic"A study on equity Investor Awareness". They have investigated the awareness relating to the company,the stock exchange and Capital Market regulatory bodies among the Investors. The conclusion of their research is that awareness of investors differs between the different groups of investors.Selvam et.al (2008),conducted a research on "Equity culture in Indian Capital Market". They have examined the need for promoting the equity culture which earns special attention for the development of the economic growth of our country.

ShobanaandJayalaksmi (2009)in their study "Investors Awareness and preferences" tried to find the level of investors awareness and the factors responsible for affecting the level of awareness. From their study, they have found out the real estate, bank deposits and jewellery were the most preferred investments among the investors.

3.ANALYSIS OF RESULTS USING COLLECTED DATA
3.1 AREA OF THE INVESTORS

Area of investors is a key factor in this research work which studies the behavior of investors towards investment in capital market. The research has categorized the investors area into four taluks namely Vilavancode, Kalkulam, Thovalai and Agasteeswaram.

Table 1: Area of Investors				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Vilavancode	74	23.1	23.1	23.1
	Kalkulam	68	21.3	21.3	44.4
	Thovalai	40	12.5	12.5	56.9
	Agasteeswaram	138	43.1	43.1	100.0
	Total	320	100.0	100.0	

It is found that the survey data comprises 23.1% of investors in the Vilavancode taluk, 21.3% of the investors in the Kalkulamtaluk , 12.5% of investors in the Thovalai taluk and 43.1% of the investors in the Agasteeswaramtaluk.It is seen from the survey that the capital market is dominated by investors in theAgasteeswaram taluk in Kanyakumari District.

3.2 AGE OF THE INVESTORS

Age is a principal factor for the investors in decision making process towards investment in capital market. Many studies have provedthat age has the major influence over the pattern of investment. The research has categorized five important age group classifications namely 21-30, 31-40 years, 41-50 years, 51-60 and above 60 years.

Table 2: Age of Investors				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	10	3.1	3.1	3.1
	31-40	34	10.6	10.6	13.8
	41-50	138	43.1	43.1	56.9

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	Frequency	Percent	Valid Percent	Cumulative Percent
51-60	90	28.1	28.1	85.0
>60	48	15.0	15.0	100.0
Total	320	100.0	100.0	

From the above table it is found that the survey data comprises a maximum of 43.1% of investors in the age group of 41-50 years, followed by 28.1% of the investors in age group of 51-60 years, 15% in the age group of greater than 60 years , 10.6% of the investors in age group of 31-40 and 3.1% of the investors in the age group of 21-30. It is seen from the survey that the capital market is dominated by investors in the age group of 41-50 years.

3.3 GENDER OF RESPONDENTS

Gender plays a vital role in the capital market investment. To understand the influence of gender in mutual fund investment the researcher has classified gender as male and female. The frequency distribution is presented in the following table.

Table 3: Gender of the Investors				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	304	95.0	95.0	95.0
	Female	16	5.0	5.0	100.0
	Total	320	100.0	100.0	

From the above table, it is seen that 95% of investors are male and only 5% of investors are female.

3.4 EDUCATION STATUS OF INVESTORS

Education is also a crucial factor for the investors in decision making process towards investment in capital market. Studies show that education has a noteworthy influence over the pattern of investment. The research has categorized three important classifications namely below higher secondary level, Under Graduate and Post Graduate level.

Table 4: Education of the Investors				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below HSC	28	8.8	8.8	8.8
	UG	202	63.1	63.1	71.9
	PG	90	28.1	28.1	100.0
	Total	320	100.0	100.0	

From the above table it is found that the survey data comprises a maximum of 63.1% Post Graduate investors followed by 28.1 % of Under Graduate investors and a minimum of 8.8% of investors below Higher Secondary School.

3.5 MARITAL STATUS OF INVESTORS

Table 4.14 shows the marital status of the investors. 95% of investors are married and only 5% of investors are unmarried.

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Table 5: Marital Status of the Investors		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	304	95.0	95.0	95.0
	Unmarried	16	5.0	5.0	100.0
	Total	320	100.0	100.0	

3.6 PROFESSION OF INVESTORS

The research aims to find the relation between the profession of the investors and their investment in capital market. The research has categorized six important classifications based on their profession namely Business, Government, Private and Self Employed.

Table 6: Profession of the Investors		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Self Employed	34	10.6	10.6	10.6
	Business	100	31.3	31.3	41.9
	Government	124	38.8	38.8	80.6
	Private	62	19.4	19.4	100.0
	Total	320	100.0	100.0	

The survey isdominated bya maximum of 38.8% of investors ingovernment employees, followed by 31.3 % of business people, followed by 19.4% of investors with private job and followed by.10.6 % of Self-employed investors

3.7 ANNUAL INCOME OF INVESTORS

Annual income of the investors is one among the major factors that influence investment in capital market. The income has a direct impact on capital market investment. The researcher has categorized four classifications namely yearly income of Rs.3 lakhs to 6 lakhs, Rs.6 lakhs to Rs.9 lakhs, Rs.9 lakhs to Rs.12 lakhs, and above Rs.12 lakh. The frequency distribution is presented in the following table.

Table 7 Annual Income of Investors		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<3,00,000	54	16.9	16.9	16.9
	3,00,001-6,00,000	100	31.3	31.3	48.1
	6,00,001- 9,00,000	72	22.5	22.5	70.6
	9,00,001-12,00,000	46	14.4	14.4	85.0
	>12,00,000	48	15.0	15.0	100.0
	Total	320	100.0	100.0	

The data collected has 15% of respondents with an annual income of greater than 12lakhs,14.4 % with an annual income of 9 lakhs to 12 lakhs, 22.5 % have an annual income of 6 lakhs to 3 lakhs, 31.3% respondents have an annual income of between 3 lakhs to 6 lakhs and 16.9%respondents have an annual income of less than 3 lakhs.

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3.8 INVESTOR'S INCOME FROM ANCESTRAL PROPERTY

Investor's income from ancestral property is one of the major factors that influence investment in capital market. The income has a direct impact on capital market investment. The research has categorized five classifications. The frequency distribution is presented in the following table.

Table 8: Investor's Income from Ancestral Property		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<20,00,000	42	13.1	13.1	13.1
	20,00,000-40,00,000	56	17.5	17.5	30.6
	40,00,001-60,00,000	89	27.8	27.8	58.4
	60,00,001-80,00,000	102	31.9	31.9	90.3
	>80,00,000	31	9.7	9.7	100.0
	Total	320	100.0	100.0	

The data collected has 3.1% of respondents withless than two lakhincome from ancestral property ,13.8 % with income between 2 lakhs to 4 lakhs from ancestral property, 43.1 % with income with income between 4 lakhs to 6 lakhs from ancestral property, 20.6% respondents have an annual income of between 6 lakhs to 8 lakhs and 19.4%respondents have an annual income greater than 8 lakhs.

3.9 FAMILY SIZE OF RESPONDENTS

The family size of the investors represents the total family members living with the investor. Since the family size is one of the important profile variables, it is included in the present study. The family size may have its own influence on the investment pattern and behavior among the investors. The highest number of family size lead to more family commitments, the investor with higher family size may not take more risk on investment in capital market. At the same time, the lesser family size may lead to more savings and the investors from that type of family are willing to take more risk in the capital market.The distribution of investors based on their familysize is shown in the Table 4.8. From the table it is seen that 76.3% of the investors have 2-4 members in the family and 26.9% of the investors have 4-6 members in the family and 3.1% of the investors have greater than 6 members in the family.

Table: 9 Family Size of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2	86	26.9	26.9	26.9
	3-5	156	48.8	48.8	75.6
	>5	78	24.4	24.4	100.0
	Total	320	100.0	100.0	

3.10 ANNUAL SAVINGS OF RESPONDENTS

Annual savings among the investors denotes the differencebetween annual income and expenditure among the investors. It alsorepresents the saving of the investors in any form of assets. Since thesavings is the base for investment on various avenues, it is includedin the present study. The higher amount of savings may lead to higherinvestment.The savings of an individual play an important role in investment. Hence this research work has categorized savings under 5 classification namely i) Savings under Rs 25,000 ii)savings between Rs.25,001-50,000   ii)savings between Rs.1,00,001 – 1,50,000 and v) savings greater than Rs.1,50,000.

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Table 10:Annual Savings of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<25,000	32	10.0	10.0	10.0
	25,000-50,000	49	15.3	15.3	25.3
	50,001-1,00,000	98	30.6	30.6	55.9
	1,00,001-1,50,000	66	20.6	20.6	76.6
	>1,50,000	75	23.4	23.4	100.0
	Total	320	100.0	100.0	

It is seen from Table 4.9 that 31.9 % of respondents have an annual savings greater than Rs.1,50,000, 20 % of respondents have savings between Rs.25,000to Rs.50,000,18.1% have an annual savings between Rs50,001 to Rs1,00,000 , 16.9% of respondents have an annual savings less than Rs.25,000 and 13.1%of respondents have an annual savings between Rs.1,00,001 to 1,50,000.

3.11 TYPE OF HOUSE OF INVESTORS

The type of house of investors is also considered in this research. The collected data shows that 85.6% of investors have own house, 11.9% of investors reside in rent house and 2.5% of investors reside in government quarters.

Table 11: Type of House of Investors					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OwnHouse	151	47.2	47.2	47.2
	RentHouse	120	37.5	37.5	84.7
	Government Quarters	49	15.3	15.3	100.0
	Total	320	100.0	100.0	

3.12 AMOUNT OF INCOME TAX PAID BY INVESTORS

Every investor has a definite objective behind his investment decision. Investment in capital market is also influenced by the factor to save tax. Hence our research includes income tax paid by the respondent in a financial year as an important factor. The research work has categorized the income tax into six classifications namely(i) Less than 5,000 (ii) Rs.10,001 – Rs.10,000 (iii) Rs.10,001 – Rs.15,000 (iv) Rs.15,001 – Rs.20,000 (v) greater than Rs.20,000 and (vi) Notax.

Table 12: Amount of Income tax paid by Investors					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5,000	214	66.9	66.9	66.9
	5,001-10,000	30	9.4	9.4	76.3
	10,001-15,000	17	5.3	5.3	81.6
	15,001-20,000	4	1.3	1.3	82.8
	>20,000	24	7.5	7.5	90.3
	Nil	31	9.7	9.7	100.0
	Total	320	100.0	100.0	

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The table shows that 38.8% of respondents pay Rs.5,000 as income tax, 19.4%of respondents do not have taxable income, 15% of respondents pay an annual income tax of rupees greater than 20,000 13.8% respondents pay tax between Rs5000 to Rs.10,000, 10.6%respondentspay tax between Rs10,000and 2.5% of respondents pay tax between Rs.15,000 to Rs20,000.

4. SUGGESIONS OF THE STUDY

The world of investment has been changing day-by-day. So, investors perception and preferences towards investment pattern have changed. The investors behavioural aspects, performance and their investment decision are highly influenced by their socio-economic profile as well as the investment characteristic. After reviewing the literature, the research considers age, gender, education, occupation, marital status, annual income etc. for the socio-economic profile of investors. The following are some of the important findings of the present study.

1. It is found that majority (95 percent) of the respondents belong to male category. It may be because of more awareness and knowledge when compared to female respondents.

2. It is found that 43.1 percent of the respondents belong to the age group of 41-50 years. Normally when a man reaches the age of 40 years he/she feels the necessity for investing in capital market for the future benefits and safety.

3. It is found from the present study that 63.1 percent and 28.1 percent of the respondents belong to graduate and postgraduate respectively. It indicates that educated people are showing more interest in investing in capital market.

4. It is found in the present study that 31.9 percent of the respondents belonging to business class have invested in mutual funds schemes.

5. It is found that majority i.e.150(95 percent) of the respondents are married people. Married persons are having more responsibility when compared to an unmarried person.

6. It is found that 31.3 percent of the respondents belonging to annual income group of Rs.3,00,001-Rs.6,00,000 show interest in investment in capital market. This indicates that people who belong to the middleclass category are investing more in capital market. It is essential to know the socio-economic status of any group in the society.

7. It can be observed that 29.4 percent of respondents annually save more than Rs.1,50,001.

8. It is found that 75.6 percent of the respondents have a family size between 3-5.

9. It is observed that 65.6 percent and 14.4 percent of the respondents have investedfor the purpose of capital appreciation and tax benefit respectively. The reason is that capital appreciation and tax saving scheme offer a tax exemption for investors.

5. CONCLUSION

The world of investment has been changing day-by-day. So, investors perception and preferencestowards investment pattern have changed. The investors behavioural aspects, performance and their investment decision are highly influenced by their socio-economic profile as well as the investment characteristic. After reviewing the literature, the research considers age, gender, education, occupation, marital status, annual income etc. for the socio-economic profile of investors.The study indicates that it is essential to know the socio-economic status of any group in the society and the investment pattern of investors in capital market depends on their socio economic behavior.

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