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Study investment behavior of salaried person

Monal indrodia

Abstract

Investment is a movement that is occupied with by individuals who have reserve funds for example investments are produced using reserve funds, or at the end of the day individuals contribute their reserve funds. An assortment of investment alternatives are accessible, for example, bank, Gold, Real home, post administrations, shared assets and so on. Financial specialists are contributing their cash with the various goals, for example, benefit, security, thankfulness, Income soundness. The investigation depends on essential wellsprings of information which are gathered by conveyance of a nearby finished poll. The information has been examined utilizing rate, chi-square test, and Person Correlation Coefficient with the assistance of measurable programming. The specialist has investigated that salaried workers think about the security just as great rate of return on ordinary premise. Respondents know about the investment roads accessible in India aside from female speculators

Introduction

Investment is an action that is occupied with by individuals who have reserve funds for example investments are made from reserve funds, or at the end of the day individuals contribute their investment funds. An assortment of investment alternatives are accessible, for example, bank, Gold, Real domain, post administrations, shared assets and so on. Financial specialists are contributing their cash with the various goals, for example, benefit, security, thankfulness, Income soundness. Scientist has examined the various roads of investments just as the elements while choosing the investment with the example size of 40 salaried representatives by leading the review through survey in Pune, India. The investigation depends on close to home meetings with salaried people groups, utilizing an organized poll. In reality, the present investigation recognizes the favored investment roads among the individual financial specialists utilizing self evaluation test. The examination depends on essential wellsprings of information which are gathered by appropriation of a nearby finished survey. The information has been examined utilizing rate, chi-

square test, and Person Correlation Coefficient with the assistance of measurable programming. The analyst has investigated that salaried representatives think about the security just as great quantifiable profit on customary premise. Respondents know about the investment roads accessible in India aside from female financial specialists

The creating nations in world , like India face as observed the gigantic assignment of finding adequate funding to use in their improvement endeavors. The majority of nations think that its troublesome at stage to escape the endless loop of neediness that is winning of low pay, low sparing, low investment, low business and so forth and the rundown goes on. With high capital yield proportion, that is watched India needs high rates of investments that would take and try jump forward in her endeavors proceeds of achieving large amounts of development.

The real highlights that is found in an investment are security of chief sum, liquidity, pay and its strength, gratefulness and in conclusion simple transferability. An alternate assortment of investment roads in plenitude and types are accessible, for example, shares, bank, organizations, gold and silver, land, disaster protection, postal reserve funds. Every one of the financial specialists contribute who wish to put , put their surplus cash in the previously mentioned roads that are accessible dependent on their hazard taking frame of mind and limit bearing.

Key Differences among Savings and Investment

The contrasts among reserve funds and investment are clarified in the accompanying focuses:

1. Savings intends to put keep aside a piece of your earned pay for sometime later. Investment is regularly characterized as the demonstration of placing assets into the beneficial uses, for example putting resources into such investment vehicles which can procure cash over some stretch of time.
2. People regularly set aside cash, to satisfy their surprising and unexpected costs or pressing cash necessities. On the other hand, investments are made or done to create returns over the period with the goal that it can help in capital development of a person.
3. With an investment, there is pursues consistently a danger of losing cash. In contrast to reserve funds, there are similarly less odds of the losing the well deserved cash.

4. Investment gives higher returns than reserve funds, as there is a guaranteed and ostensible rate of enthusiasm on investment funds. Be that as it may, the investments thus can procure cash more than the contributed sum, whenever contributed carefully.

5. You can have effectively approach your reserve funds, whenever in light of the fact that they are exceedingly fluid and adaptable, however on account of investment you can't have simple access to cash as analyzed, on the grounds that the way toward selling the investments and making fluid takes some time.

Sparing and Investment are two key factors which assume a critical job in monetary development, control of expansion, security and advancement of work particularly with regards to creating countries. For self-dependence and development of a creating nation, activation of local reserve funds and their viable usage in various investment roads, is the need of the hour. Importance of cash can be referred to very well as both sparing and investment, rely on it. Cash is required by everybody and is the existence line for presence. Legitimate utilization of cash whenever contributed, prompts age of pay, work, destruction of neediness, dependability and control of swelling. Cash spared whenever contributed appropriately and with due persistence, can have a multiplier impact on the economy. Saving seems, by all accounts, to be an essential variable showing the limit or eagerness of a financial unit to forego current utilization by diverting a piece of the assets to capital development. Investment implies the penance of certain present an incentive for future worth. All reserve funds are not investment. Reserve funds possibly progressed toward becoming investment if an individual makes a refinement to forego the utilization of cash put something aside for a while, in the desire for procuring an arrival. Simultaneously, investments don't generally start from reserve funds. Individuals some of the time get out of the blue singular amount measure of cash which is surplus to prompt prerequisite. The three fundamental fixings that measure the development of an economy are Income, Saving and Investment. Sparing gives the premise to investment and investment is the absolute most significant factor for the improvement of the economy.

The present salary of an individual can be set aside for two things; either for utilization or reserve funds. Reserve funds structure a significant piece of the economy of any nation. With reserve funds, alternatives are accessible to the people, the cash goes about as a driver for the

development of the economy. Indian monetary framework introduces a plenty of roads to the speculators. It has a sensible choice for a customary man to contribute his reserve funds. One of the significant reasons why one needs to contribute shrewdly is to meet the expense of expansion. Expansion is the rate at which average cost for basic items increments. It makes cash lose its worth. Investment ought to be done to yield more return than the rate of expansion. In this way, the three brilliant guidelines for financial specialists are Invest Early, Invest Regularly and Invest for Long Term.

Investment Option Available:

There are a large number of investment instruments available today. The people has to choose proper avenue among those available, depending upon their specific need, risk preference, and return that are expected. Different Investment avenues can be broadly categories under the following heads.

1. Equity
2. Debt
3. Mutual Funds
4. Corporate
5. Debentures
6. Company Fixed Deposits
7. Fixed Deposits
8. Post office Savings
9. Public Provident Fund
10. Real Estate
11. Life Insurance
12. Gold/Silver/Others

Review of Literature:

Sathiyamoorthy and Kirshanmurthy(2015) have revealed in their study, "Investment Pattern And Awareness of Salaried Class Investors in Triuvannamalai District of Tamil Nadu", that to understand the investment pattern and awareness towards salaried class investors. To

further analyze the factors influencing the investors perception and awareness regarding investment pattern. The results highlight that most of the salaried class look after safety of their investment rather than high returns. It further reveals that factors like education level, age of investors, number of family members etc makes a significant impact while deciding on the avenues for investment. The study is based on primary data and the statistical tools used for analysis are T- test and Chi Square Test. The research shows that majority of the respondents are saving money as Bank Deposits and the main purpose of investment is for the children education, marriage and security after retirement.

Murugan and Chandrasekaran(2014) have investigated in their paper, "A Study on The Opinion and Attitude of Investors Towards Investment Schemes in Tripur District (With Special Reference to Salaried Class)", that their study has made an attempt to analyze the saving and investment pattern of salaried class investors. An in depth analysis is done to identify the level of awareness, attitude, factors which influence the investors and conversion of savings into investments and investment preferences. It is further analyzed by the authors that due to lack of legislative provisions and effective administration system many of their grievances remain unaddressed there is no systematic and continuous educational programs as such these are not aware of suitable grievance authority. It is concluded that the investors have a desire to invest in real estate, government securities and chit funds. The share market and private finance companies were strongly neglected by the investors.

Patil and Nandawar(2014) have observed in their study, 'A Study on Preferred Investment Avenues Among Salaried People With Reference to Pune, India', that investment options such as banks, gold, real estate, postal services, mutual funds are studied by the researchers. The data has been analyzed by using Percentage, Chi Square Test and Pearson Correlation Co-efficient. It has been identified by them that the investors are aware about investment avenues available in India but still preferred to invest in bank deposits, real estate and gold. Investors preferred security and regular income on investments as an important factor while making investments.

V.R.Palanivelu & K.Chandrakumar (2013) examined the Investment choices of salaried class in Namakkal Taluk, Tamilnadu, India with the help of 100 respondents as a sample size & it

reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investments.

Avinash Kumar Singh (2006) the study analyzed the investment pattern of people in Bangalore city and Bhubaneswar & analysis of the study was undertaken with the help of survey method. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment avenues & the risk associated with that.

Karthikeyan (2001) has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisan vikas patra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and the Overall Score Confirmed that the level of awareness among investors in the old age group was higher than in those of young age group.

Sandhu and Singh (2004) The study was based on structured primary data. The sample of 50 adopters and 50 non-adopters from the universe comprising the city of Amritsar was selected. The study analyzed in case of adopters that transparency, safety, convenience and economy judged as an important feature of net trading followed by market quality and liquidity whereas in case of non-adopters economy and convenience were the important features followed by the other factors like market quality, safety and liquidity.

Manish Mittal and Vyas (2008) Investors have certain cognitive and emotional weaknesses which come in the way of their investment decisions. Over the past few years, behavioral finance researchers have scientifically shown that investors do not always act rationally. They have behavioral biases that lead to systematic errors in the way they process information for investment decision. Many researchers have tried to classify the investors on the basis of their relative risk taking capacity and the type of investment they make. Empirical evidence also suggests that factors such as age, income, education and marital status affect an individual's investment decision. This paper classifies Indian investors into different personality types and explores the relationship between various demographic factors and the investment personality exhibited by the investors.

Sonali Patil (2014) studied preferred investment avenues among salaried people with reference to Pune City, India. A sample size of 40 investors has been taken from the Pune City, India. The result of finding showed 60% investors were aware about the investment avenues whereas 40% were unaware.

Conclusion:

After the analysis & interpretation of data by the researcher it is concluded that Investors are very well aware about investment avenues that are available in India , but still investors are preferring to invest in their money in bank deposit, real estate . The data analysis of research reveals that the safety is concerned as important factor while doing investment, so remaining avenues are less found less considerable while doing investment by investors.

Especially in a city like Pune where Real estate is always on the high or up, this is not at all bad investment option. But there is no fixed return and the risk and amount of investment is high.

It is absolutely essential and needed to save what you earn, to have a plan for your own future, and to resist the spending funds that you do not already have.

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