

A STUDY ON THE PREFERENCE OF SALARIED CLASS ON VARIOUS INVESTMENTING CHANNELS

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

By

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SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of Ms. V.JAIRAM (42410017) who have done the Project work entitled “**A Study on the Preference of Salaried Class on Various Investing channels**” under my supervision from November 2023 to December 2023

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ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr. BHUVANESWARI G.**, Dean, School of Business Administration and **Dr. PALANI A.**, Head, School of Business Administration for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of to my Project Guide **Dr.DHANYA**, Faculty , School of Business Administration for her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the School of Business Administration who were helpful in many ways for the completion of the project.

V.JAIRAM

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ABSTRACT

Investment is an activity that is engaged in by people who have savings or in other words investments are made from savings. Financial products act as an investment avenue and provide the required financial security to the investors. Investment preferences differ from person to person, as every individual behaves differently while investing, Investment behaviour of an individual is guided by his own set of circumstances. This study is an attempt to analyse the investment preferences of salaried class of people towards various financial products available in the market and the factors which influence such preferences. This study specifically identifies the demographic factors such as Age, Gender, Employment Level, Education level, Annual Income, and many other factors such as risk, return, safety, liquidity and affordability which has substantial influence over the preferences of salaried class on various investment avenues. This study also analyses the relationship between the wellbeing of an investor and their choice of investment. This is a descriptive research where data is collected from 200 respondents using questionnaire and convenient sampling technique is used. Statistical analysis tools such as One way ANOVA (Analysis of Variance), Independent Sample T test, Frequency Analysis, Correlation and Regression have been used to interpret the data collected. The analysis of data let the study conclude that demographic factors exert a significant influence on the investment preferences of the salaried class of people. There also exists a significant relationship between wellbeing and preferred investment options of the respondents and such preferences impacts the wellbeing of the investors to a significant level. The study addressed the problems faced by salaried class of people while investing and made suggestions for the same.

Keywords: Investment Preferences, Investment Options, Salaried Class, Wellbeing.

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CHAPTER - 1

INTRODUCTION

1.1 INVESTMENT AVENUES

Investment is an activity that is engaged in by people who have savings or in other words investments are made from savings. Investment involves employment of funds with the main aim of achieving additional income or growth in the values. The essential quality of an investment is that it involves something for reward. Investment involves the commitment of resources which have been saved in the hope that some benefits will accrue in future.

Financial products act as an investment avenue and provide the required financial security to the investors. Every individual tends to save for various reasons. Savings and Investments are important and integral activities as it facilitates good return to investors and it also helps the economy of the nation. Financial institutions and financial services encourage savings, direct them to productive uses and helps the investment market go grow. The financial institutions in existence in India are mutual funds, development banks, commercial banks, life insurance companies, investment companies, investment bankers and mortgage bankers. The financial services include venture capital, factoring and forfaiting, leasing, hire purchase and consumer finance, housing finance, merchant bankers and portfolio management. Investment bankers are merchants of securities. They buy bonds and stocks of companies for re-sale to investors.

In India, there are a large number of financial institutions under Central Government and State Governments and rural bodies that have encouraged the growth of savings and investment. The Life Insurance Corporation and Unit Trust of India offer a wide variety of schemes for savings and give tax benefits also. Apart from these, there is a well-organized network of development banks such as the Industrial Development Bank of India (IDBI), Industrial Credit Investment Corporation of India (ICICI) and Industrial Finance Corporation of India (IFCI). At the state level, there are State Financial Corporation, for rural areas and agriculture, the National Bank of Agriculture and Rural Development (NABARD). These financial institutions and development banks offer a wide variety of policies for encouraging savings and

investment. These institutions lend an element of strength to the capital market and promote discipline while encouraging growth.

In the past, traditional financial products were offered in India by banks and the postal department. However, in recent years, diverse financial products have been introduced such as mutual funds, shares, derivatives, debentures, bonds etc. Since 1991, there has been a development of the private corporate sector. Many new financial institutions have emerged in the private sector. Insurance companies, mutual funds and venture capitalists leasing companies have been opened up to private financing agencies. Foreign banks have been allowed to do business. Thus, there is the presence of a large number of institutions and services which channel the funds in productive directions.

Most famous and largely preferred investment options as of now are; Stock market, Bank deposits, Gold, Real Estate, Post-Office Savings and Mutual Funds.

2. STOCK EXCHANGE

A stock exchange or securities exchange is an exchange where stockbrokers and traders can buy and sell securities, such as shares of stock, bonds, and other financial instruments. Stock exchanges may also provide facilities for the issue and redemption of such securities and instruments and capital events including the payment of income and dividends. Stock exchanges often function as "continuous auction" markets with buyers and sellers consummating transactions at a central location such as the floor of the exchange or by using an electronic trading platform.

1. *History of Indian Stock Exchange*

The share market makes possible to its investors to grow their small initial sums of money into large ones, and to become wealthy without taking the risk of starting a business. Trading has been prominent in the Indian industry way before any of us were born. The first few exchanges were regional exchanges like Calcutta stock exchange, Ahmedabad stock exchange, Bombay stock exchange and so on. More recently 1960 onwards has trading started to become more mainstream with more and more people starting to trade. In the last 20 years or so trading has exponentially grown due to the modern facilities of demat accounts. Earlier people had to buy

paper shares and any transaction used to take days if not weeks to be completed. Nowadays it takes less than 1 second for you to buy or sell a share.

2. *Stock Exchanges in India*

Operating Stock Exchanges in India are as follows:

- Bombay Stock Exchange (BSE)
- Calcutta Stock Exchange
- India International Exchange (India INX)
- National Stock Exchange of India (NSE)
- NSE IFSC Ltd. (NSE International Exchange)
- Metropolitan Stock Exchange of India Ltd. (MSE)
- Indian Commodity Exchange (ICEX) (Commodity trading)
- Multi Commodity Exchange of India Ltd. (MCX)
- National Commodity & Derivatives Exchange Ltd. (NCDEX)

Former Stock Exchanges:

- Ahmedabad Stock Exchange (closed in 2018)
- Delhi Stock Exchange (closed in 2017)
- Gauhati Stock Exchange (closed in 2015)
- Jaipur Stock Exchange (closed in 2015)
- Madhya Pradesh Stock Exchange (closed in 2015)
- Madras Stock Exchange (MSE) (closed in 2015)
- OTC Exchange of India (closed in 2015)
- Pune Stock Exchange (closed in 2015)
- UP Stock Exchange (closed in 2015)
- Vadodara Stock Exchange (closed in 2015)

- Bangalore Stock Exchange (closed in 2014)
- Cochin Stock Exchange, Kochi (trading stopped in 2005, closed in 2014)
- Inter-connected Stock Exchange of India (closed in 2014)
- Ludhiana Stock Exchange (closed in 2014)
- Bhubaneshwar Stock Exchange (closed in 2005)
- Coimbatore Stock Exchange (requested exiting trading in 2009)
- Hyderabad Stock Exchange (closed in 2007)
- Magadh Stock Exchange (closed in 2007)
- Mangalore Stock Exchange (closed in 2004)

BSE and NSE are the leading stock exchanges in India. Apart from these two stock exchanges there are another 22 stock exchanges are also trading shares in India. But BSE and NSE established themselves as leaders in stock exchanges.

Bombay Stock Exchange is the oldest stock exchange in Asia. It is popularly known as BSE. It was established as 'The Native Share and Stockbroker's Association' in 1875. It is the world's 5th most active in terms of number of transactions handled through its electronic trading system. As of April 2018, BSE has an overall market capitalization of over \$4.9 trillion, which makes it the 10th largest stock exchange marketplace in the world.

The National Stock Exchange of India Limited (NSE) is India's largest financial market. Incorporated in 1992. One of the famous contributions is the NIFTY 50 Index, which tracks the top assets in the equity market in India. As of June 2020, the National Stock Exchange had accumulated \$2.27 trillion in total market capitalization, and there by becoming the world's largest stock exchange.

As of 2020, the BSE had 5,518 listed firms, and NSE had about 1,799 listed firms. Almost all the significant firms of India are listed on both the exchanges. The BSE is the older stock market but the NSE is the largest stock market. In terms of market cap, they're both comparable at \$2.3 trillion. Both exchanges compete for the wind that leads to reduced costs, efficiency, and innovation in the market.

1.3 BANK DEPOSITS

As per Section 5(b) of the Banking Regulation Act 1949, “Banking” means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise.” Essentially there are two functions which make a financial institution a bank namely, acceptance of deposits from the public and lending money. It is the simplest investment avenue open for the investors. Investor will have to open an account and deposit the money. Traditionally the banks offer current account, Saving account and fixed deposits account. Current account does not offer any interest rate. The saving account is more liquid and convenient to handle but only offers 4 percent interest. The fixed account carries high interest rate and the money is locked up for a fixed period. With increasing competition among the banks, the banks have handled the plain saving account with the fixed account to cater to the needs of the small savers. Fixed deposits are well known fixed-pay venture choices. FD offers fixed returns over the tenure of the investment. The profits are payable month to month, quarterly or yearly, according to the bank rules. Depending on the bank, FDs offer cumulative and non-cumulative options of investment. When it comes to the non-cumulative option, as per underwriting the interest will be paid and on the other hand, the interest will be re-invested and will be paid at the maturity within a cumulative option. This makes it one of the best investment options in India. The investment in fixed deposits can be made online or by visiting any branch of the bank of investor’s choice. The FD interest rates are attractive, ranging from 6.50 (for regular account holders) to over 7 (for senior citizens) for the tenure of 1 year. Investing in bank fixed deposits give financial stability and it is also a safe instrument which lets you earn high returns on a surplus fund. The renewal of bank fixed deposits is easy and certain banks provide overdraft facility against fixed deposits as well. The market fluctuation does not affect the fixed deposit and the returns are fixed as well.

4. GOLD

Out of all the precious metals, gold is the most popular as an investment. Investors generally buy gold as a hedge against economic, political, social fiat currency crisis. Investors generally buy gold as a way of diversifying risk, especially making by use of futures contracts and derivatives. The gold market is subject to speculation and volatility just like other markets. Buying gold is the oldest kind of investing activity, traditionally gold is treated as an investment option which provides protection in bad times of households. Gold prices are soaring to the new highs in recent years comparing to the previous decades because whenever the signs of an economic crisis arise in the world markets, investors all around the world may find shelter in gold as the safest asset class. Here, gold is considered as an easily bought and easily liquified asset that can be relied upon to appreciate well.

Gold Exchanged Traded Funds are tools, which are a combination of both gold investment and stock. The Gold ETF can be easily bought and likewise be sold with any company stock. The Gold ETFs are instruments that are passive on the premise of the price of the gold making it transparent when it comes to pricing. When the market-linked tools in terms of risks are volatile, often higher returns are offered. Therefore, before you lock down a financial instrument, it is advisable to conduct research and get complete correct information in regards to the product and the position of it in the market. Investment in Gold ETF provides high liquidity which can be easily traded in the stock exchange. It can also be used as security for secured loans and make the transaction instant.

5. POST OFFICE SAVINGS

Post Office Savings Account is a deposit scheme under the Government of India, operational at all post offices in the country. It yields returns on investment at a fixed interest rate which is decided by the Reserve Bank of India. Post office also offers fixed deposit facility and monthly income scheme. Monthly income scheme is a popular scheme for people considering retirement as an interest rate of 9 percent is paid monthly which will help them meet expenses. The term of the scheme is 6 years, at the end of which a bonus of 10 percent is paid. Post Office Savings Scheme is beneficial for individuals who want to earn fixed returns on their investment with minimum risk. Post Office Monthly Income Scheme is a scheme

which will help investors to save monthly and it is regulated by the Post Offices within India. A scheme, which is government-backed and permits the users to save money every month. Any Indian citizen can easily open a Post-office MIS account starting with a sum of Rs 1500 set as minimum. Maturity period of the scheme is 5 years. The investors can likewise open a POMIS account whether individually or jointly. This scheme does not provide any tax rebate either on the maturity amount or the investments. Investors can easily open the account jointly with 2 or 3 people. It is possible to earn income every month in the form of interest. Investors can open more than one account in their name and can invest the corpus after maturity in the post office savings account.

1.6 REAL ESTATE

Real estate is property consisting of land and the buildings on it, along with its natural resources. immovable property of this nature, generally buildings or housing. Real estate is more than just buying place to live, real estate recently developed into an investment option where investors invest in property in order to appreciate it and get returns. The real estate market offers a high return to the investors. There is a normal notion that the price of the real estate has increased by more than 12% over the past ten years. Real estate investments cannot be enchased quickly. Liquidity is a problem when it comes to this investment avenue. Real estate investment involves high transaction cost also managing the asset i.e., painting, repair, maintenance etc. One of the fastest-growing sectors in India is real estate, which holds great prospects in different sectors such as retail, housing, manufacturing, commercial, hospitality and much more. Buying a flat or plot is the best decision amongst the investment options available in India. The risk is considered to be very low because the rate of the property increases within 6 months or is anticipated that way. Real estate investment works as an asset, which is considered as one of the best investment plans with high returns over a long-term period. Investment in real estate has a high tangible asset value. Investing in real estate also lets investors have a portfolio, which lowers volatility and provides high returns on investment.

1.7 MUTUAL FUNDS

Mutual funds are a type of collective investment schemes that are regulated and available to the general public and is of open-ended nature. Since it is a collective investment scheme a single mutual fund gives investors a choice of various combinations of these expenses by offering various types of share combinations. Investing directly in equity shares, and debt instruments may be difficult task for a large number of customers because they want to know more about the company, promoter, prospects, competition for the product etc.in such a case, investor can go for investing in financial assets indirectly through mutual fund. A mutual fund is a trust that pools the savings of several investors who share a common financial goal. Each scheme of a mutual fund can have different character and objectives.

Mutual Funds is one of the prominent investment options in India. It is the ideal investment plan that offers high returns on investment over a long term. The returns are generated as per the market performance of the fund. Even though the risk exposure in mutual fund investment is higher, it offers much better returns as compared to other best investment options in the market. The two major investment options offered by mutual funds are: Equity Mutual Fund and Debt Mutual Fund.

Equity funds are market-linked securities. Being one of the prominent mutual funds in India, equity mutual funds offer high ROI by investing in shares of companies of different market capitalization. As compared to other investment options in India like debt or fixed deposits, equity mutual funds offer much better returns. However, the risk involved is more. Under the equity mutual fund scheme, 65 of the assets are invested in equity and equity-related securities and 35 of the assets are invested debt and money market instruments.

Debt Mutual Fund: Debt funds are considered one of the best investment options for investors who want to gain a steady ROI. Under debt fund, the investment is made in fixed-interest securities like corporate bonds, government securities, treasury bills, commercial paper, and various other money market tools. The major objective of investing in debt funds is to generate capital appreciation and earn interest income.

Mutual funds provide the investors with a diversified investment portfolio and helps to attain the investment objective. Every mutual fund scheme has an allocated fund

manager who helps the investors to choose a lucrative investment for the scheme. Investments in mutual fund schemes are also beneficial as investors are exempted from wealth tax. Investing in mutual funds is transparent, which helps the investors to make an informed decision.

1.8 INVESTMENT PREFERENCES

Most investors are risk averse, but they expect maximum return from their investment. Every investment must be analysed because there is definitely some risk in it. A vast range of investments are available in the market like bank deposits, post office savings etc. and these are mostly risk free but low return yielding. Several incentives are attached to it as well. The private sector investments consist of equity and preference shares, debentures and public deposits with companies. These have the features of high risk and high yield. Ultimately, the investor must make his investment decisions.

The dilemma faced by the Indian investor is the reconciliation of good return, safety and security, liquidity and affordability and most importantly risk of investments. Government securities are risk free, and the investor is secured. Government securities give low returns, and do not fulfil the objective of capital appreciation. Private sector securities are attractive though, risky. Blue chip companies offer very high rates of return also gives bonus shares to their shareholders. Real Estate and Gold have the advantage of eliminating the impact of inflation, since the price rises experienced by them have been very high. The ultimate objective of the investor is to derive a variety of investments that meet this preference for risk and expected return.

1.9 NEED FOR THE STUDY

Diverse financial products have been introduced to act as investment avenues and thereby provide the required financial security to the investors. Since investment preferences differ from person to person, finding out the set of circumstances that guide the investment behaviour of the investors will help various institution including the government come forward with innovative and brand-new investment options which can meet the requirements of the investors. In a developing country like India where most of the people work for a salaried job this study focuses on the investment preferences of the salaried class of people to understand their investment behaviour. The findings of this study will be helpful to understand the preferences and thereby help investors and institutions choose the most fitting investment avenue for the investors. This study can also help understand the behaviour of the target market and then help revise a plan to properly address their concerns.

1.10 SCOPE OF STUDY

- This study covers the salaried class and their preference in investment options.
- The study focuses on the factors affecting the preferences of salaried class on various investment options and the impact investment choices have on the well-being of the investors.
- This study will be helpful to understand the problems faced by investors and help further develop strategies to tackle such problems.
- The sample size is 200. therefore, there is scope for the difference in the factors when the number of respondents increase.

1.11 OBJECTIVES OF STUDY

3.2.1 Primary Objective

- To study the preference of salaried class on various investment alternatives

3.2.2 Secondary Objectives

- To identify the factors which affect the preferences of investment options of the salaried class.
- To analyse the influence on Preference of Investment Avenue of the Salaried Class by demographic factors.
- To study the relationship between investment and well-being of investors.
- To measure the impact of preferred investment options on the well-being of investors.
- To find the problems faced by investors while making investment decisions and to make appropriate suggestions to the problems.

1.12 LIMITATIONS OF STUDY

- The study uses the data collected from respondents through survey. The data collected are then analyzed to get results. The results can change according to the size of the sample i.e., the number of people allotted to answer the questions. The size of the sample here is 200 respondents. when the sample size increases the results probably might also vary.
- The study identifies and analyses only few factors which affect the Preferences of the Salaried Class whereas there might be many other factors that will also have an effect on the Preferences of Investors. This leaves a research gap as there are factors that need to be taken into consideration on a later period.

CHAPTER – 2

REVIEW OF LITERATURE

The secondary data was taken from various review of literature. Such literature review is given below. Researchers have made studies on the factors that influence the investment decisions of an individual. The focus has mostly remained on core factors such as age, gender, income, profession, education and financial knowledge. Several studies have been done to identify the investment behaviour of salaried class of people, retail investors and households.

Madhavi Karanam and R. Shenbagavalli, (2019), The study reveals a very high association between the profession and the investment choices. Thus, we can conclude that occupation is a major influencer with respect to risk-return perspective and the investment choice.

Jain Priyanka and Tripathi L.K. (2019), The outcomes of present study shows that any person's investment decisions are influenced by so many factors. Individual decides the aims according to his own priorities would be of great relevance to investors, financial planners, policy makers and wealth managers etc.

M. Rani Subathra and S. Bulomine Regi (2018), This paper focus towards elements of retail investors to invest in stock market, obstacles of investment and their satisfaction after investment. Based on stratified random sampling, samples were collected. The study reveals that, post investment satisfaction is necessary for every investment mode. So, more awareness should be made among the small and medium range investors regarding investment in stock market.

Neha S Shukla, (2016), Through this research paper, an analysis has been made about investor's preference towards investment avenues and the study focused on the salaried personnel only. Savings are invested in assets depending on person's knowledge of different investment options, risk taking ability and demand of return. Savings form an important part of the economy of any nation, with the savings invested in various options available to the people, the money acts as the driver for the growth of the country. It was found that there is no relationship between education with investment while there is significant relationship between age and income.

Chaubey Dhani Pandey and Savita Tripathi, (2016), The study investigated the influence of financial information on equity share investment decision making. The study indicates that investor's information seeking behaviour is based on their year of experience, their investment horizon and their investment intention. The study also indicated that years of experience has no significant impact on investment source choice. Similarly, it was found that investment horizon has no significant impact on investment source choice.

Hon Tai-Yuen, (2015), In this study the primary objective was to identify the important factors that capture the behaviour of small investors and factors such as reference group, personal background, monitor investors' reaction to announcements and cognitive style were identified and analysed.

Sathiyamoorthy C, (2015), The objective of the study is to understand the investment pattern and awareness towards salaried class Investors and the findings suggested that majority of the respondents are saving money as Bank deposits for the safety of an unpredictable future.

Apparao E. and Kishore Babu N, (2015), It was found from the study that urban people were more aware of the different investment schemes than the rural. The perception of most investors on the safety and liquidity of different investment avenues is unfavourable and more than 20 percent of respondents are not satisfied with after sale services of stock broking firms. The main aim to invest was earning regular income.

Senthil.D, (2015), In this study on investment behaviour the author concludes that occupation is dependent on all overconfident factors such as, Loss Aversion, representativeness and Price anchoring factors while investor investing in capital market. Education level is dependent on overconfident factors and representativeness factors.

Parimalkanthil K. and Kumar Ashok, (2015), The study brings out that the individual investors hold on to Fixed Deposits, Policies of Insurance co., Postal savings Insurance, Growth oriented funds. Investors prefer low risk investment like posts/FD etc. and avoid risky investment such as mutual funds, corporate securities. This behavior may be because of lack of awareness, poor investment climate, and lack of confidence.

Puneet Bhushan, (2014), in their paper they examine the awareness level and investment behaviour of salaried individuals towards financial products. Results of the study suggest that respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Also, majority of the respondents park their money in traditional and safe investment avenues. It also finds that financial literacy level was getting affected by gender, education, income, nature of employment.

A.N. Paunekar, (2014), The study undertaken by the author was in relation to the financial aspects of ELSS. The study pointed out that the salaried class is not much aware of the ELSS scheme and other investment. Major trust for investment is in postal investment/PF, or towards LIC policy. Maximum savings are invested as fixed deposits. Even within investors in mutual funds, which is lower, majority of them prefer ELSS scheme, while only a few go in for other mutual funds. Salaried class paid stress on good returns on investment.

Ambrose Jagongo and Vincent S. Mutswenje, (2014), This study determined that factors related to accounting information have an effect on the behaviour of the individual investor. Nine factors which are firm position and performance, investment return and economic condition, diversification and loss minimization, third party opinion, the goodwill of the firm and accounting information, perception towards firm environmental factors, firm's feeling, risk minimization were found. The study analysed that experience and knowledgeable investors would readily admit that the structure and weights of selected categories shows the unsophisticated and immature investor profile at NSE.

Patil Sonali and Nandawar Kalpana, (2014), the study reveals that Investors are aware about investment avenues yet they prefer to invest in bank deposit, real estate, and gold looking for safety and security on investment. The study also revealed that there was no relationship between income level and awareness of investment avenues, also the educational qualification and awareness of investment are had no relationship. Investments made, are for safety and guided by other factors like tax benefits and returns.

Archana Kanungo, (2014), This article conveys that the socio-economic factor of the investor has an important role to play in the investment strategy of the investors.

There is a direct relationship between investors decision on investment and saving. The strategic position of the LICO'S for the insurance, customer service and satisfaction has become a key to the success.

Deerajen Ramaswamy, (2013), The paper took four fundamental aspects in financial literacy which are, level and importance, definitions and theories, constraints and measures to improve financial literacy. The study found that most of the students had a medium level of knowledge and skills in savings and borrowings it also concluded that there is no significant difference in the level of financial literacy between male and female respondents. The paper also found that age, gender, language, race and income level was not having an impact on the level of financial literacy.

Savita and Lokesh Gautam, (2013), It was observed that investment by way of premium paid for life insurance policy, followed by provident fund contribution and fixed deposits savings were the most popular forms of investment. The other forms of investment followed. The paper also revealed that the savings for tax purpose was the maximum in age group 50-60 and least in age group 20-30.

Nisha Sharma and Dipanker Sharma, (2013), The study concluded that majority (80%) of employees have knowledge of industrial securities but only 8% of them invest in industrial securities. As they feel that these investment are unsafe. Investments in the form of Fixed Deposit are more popular amongst employees. The paper suggested that mass awakening programme on electronic media which could motivate potential investors should be undertaken.

Bharathraj Shetty and M. Muthu Gopalakrishnan, (2013), The paper studied the investor's preferred towards various tax savings schemes as eligible under Income Tax Act 1961. It was concluded that individual in order to reduce their tax burden through tax planning does resort to tax saving investments. The tax savings investments does not give the same advantages to all investor alike. It is also suggested by the researcher that the government and financial institution & local people about various, tax savings Schemes, introducing attractive investment schemes, organize investor education programme.

Basabi Deb, (2013), The study undertook study of factors affecting the choice of investors in choosing a policy, types of benefits provided by life insurance policy.

Author concluded that people have now have got a choice beyond LIC and now have started depending on private players. Investors have started viewing insurance as one which offers protections. Buying behaviour depends on number of factors such as, psycho-graphical, economical, social , political and legal etc. Investor look for more benefits from the company's, and are largely satisfied with the insurance companies.

Sobhesh Kumar Agarwalla, (2013), this study provided an analytical basis for framing policies that could enhance financial literacy of youth in India. The important aspect which the study found was that education levels of the respondents in the sample was high but that did not translate into adequate financial literacy. The study found that despite of having sensible attitude towards managing their finances, youngster behaved in a profligate manner which gave rise to the observed negative association between attitude and behaviour.

Lubna Ansari and Sana Moid (2013), The study has revealed that investing activity of young professionals is independent of gender but dependent on Income and Age and majority of investors invest for growth and additional income.

V.R.Palanivelu and K.Chandrakumar, (2013), This study examined the Investment choices of salaried class 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.

S. Umamaheswari and Ashok Kumar, (2013), The study undertaken by the authors analysed the problem of national salaried class investors and to find out the awareness level of salaried class investors towards the nature of investment held by them. The researchers found that the socio-economic variables concerning Age, Gender, Income, Education and Occupation have a great influence on the Attitude of investors towards Investment. The study is relevant from the fact that, the researchers tried to establish a degree of Semblance between the investment pattern and the socioeconomic variables. It was also observed that the investors lacked awareness about the concept and working of the investment pattern.

Nurasyikin Jamaludin, (2013), This study intended to understand the relationship between religion and investment and came to conclusion that there was an equal proportion of Muslims maintaining their savings in the default fund as well as

investing part of their savings in a unit trust fund. In contrast, a majority of non - Muslims preferred to invest part of their savings in the unit trusts.

Durga Rao P V and Chalam G and Murty T, (2013), The results of the study shows that the participants in the Indian Capital market are unable to understand the investor investment objective due to the dramatic change in the attitude of the investor.

Sweet shah and Amola Bhatt, (2013), The research concluded that there was a significant difference in the risk tolerance level of males and females, and income and profession also had an impact on the risk appetite. Also, profession was the only attributable factor which impact the difference in behaviour of males and females in making financial investment decisions.

Harshvardhan N. Bhavsar (2013), The study found no significant relationship was found between the gender, marital status of the respondents and expected rate of return on their investments but significant relationship between the annual savings and the expected rate of return of the respondents.

Sabeena Deshpande and Anita Kshetri, (2013) This study has been undertaken to analyze the investment pattern of a common man. The focus is on the factor which affects their decision making. An attempt has been made to study the demographics and psychographics of the investor considering the parameters like age, gender and income groups and also some psychological parameters that will attract the investor towards that particular investment.

S. Suriya Murithi and B. Narayanan, M. Arivazhagan, (2012), The study conveys that the Indian investors are very much aware about the concept of portfolio allotments and risk and return of the investment. In India, purchase of gold and land are the two most ideal form of investment. Its carry good return and appreciation. This confirms that that Indian investors even if they are high income, well educated, salaried, independent are conservative investors who prefer to play safe.

Ananthapadhma Achar (2012), In the analysis individual characteristics of teachers such as age, gender, marital status, and lifestyle determined the savings and investment behaviour of teaching community in the study region. They

considered monthly family income, stage of family life cycle, and upbringing status emerged as determinants of their savings and investment behaviour.

Yogesh P. Patel and Charul Y. Patel (2012), The paper observed that mutual fund investment in the form of SIP was considered as the most favoured option amongst youngsters followed by real estate, however it lacks fixed return and is risky. Traditional investment option like Fixed Deposits, Post Office Schemes are not preferred by the youngsters. The study also observed that youngsters are fully aware of the investment opportunities and are intelligent enough to decide the best investment to be made from their money.

Radha Gupta, (2012), The paper concluded that if the tax liability of an investor is reduced, he would have more disposable income which alternatively can be used for saving and investment. Though tax saving promotes saving habit, it is not encouraging side as people don't save with productive investments but save for reducing their burden.

B. Nimalathasan and R. kumar Gandhi, (2012) Objectives of this research work is to analysis the financial performance of selected mutual fund schemes through the statistical and ratio analysis. The study created awareness among the investor community while choosing the mutual fund scheme. The investor should undergo the facts of each and every mutual Fund before choosing the best one.

Sukhen Kali, (2012), The object of the study was to examine the scope and retirement benefit for the government and private sector employees and to compare the retirement benefit of the government and private sector employees. It was observed that the major portion of retirement benefits of private sector employees comes from provident fund, but lower contribution from employer refuses the total benefit even in the case of pension benefit the private sector employees will get much less than the government employees as the maximum pension benefit of private sector employee is restricted to Rs 3250/- (50% of 6500).

Smita Srivastava and Gunjan Saxena,(2012), The paper attempts to know the awareness level of the investment alternatives available amongst the investors & compares the investment trend now from 20 years back. Study concluded that most of the investors are risk averse & thus ignore risky investments like derivatives, equities & prefer safe heaven like bank deposits, post office deposits, gold, etc.

There is very little enhancement in the awareness level for newer financial instruments amongst investors over the years.

Ravi Vyas, (2012), The aim was to study mode of investment preferred by investor and preference upon time of holding and preferred information mode for investing in mutual fund. The study found that most of the investor prefers to invest in equity option in mutual funds. Investors' occupations and equity option of mutual fund investment shows a positive significant relationship.

A.P Pati and D.Shome, (2011), This study concluded that financial reforms have, in the recent years, opened up several avenues for the households for savings. The study suggests that despite the reform, households are still preferring the safe channels of bank deposit schemes rather than switching over to high yielding but risky channels of savings. However, between the two phases (pre- and post-liberalization period) a significant structural shift of savings in bank deposit is observed. Variables like income and inflation are found to be statistically significant determinants of savings in bank deposit of Indian households.

Alex Wang, (2011), This study concluded that knowledge, experience, and income are important factors that influence younger generations' investing behaviours in mutual funds.. Moreover, gender emerges as the most important factor that differentiates younger generations' investing behaviours in mutual funds. Wealth advisors are also urged to consider helping their clients manage their wealth by being aware of gender-predicted differences in client situations.

N. Geetha and M. Ramesh, (2011) In this study the objective was to identify the preferences in investment and the factors which influenced such preferences of investors. the author concluded that the difference age groups give importance to investment in insurance, NSC, EPFs & bank Deposits. The Income level of respondents are also important for the purpose of investment.

Charlotte B. Beyer (2010), In this article, the author argues that the traditional approach to investor education has failed and that radical reform is needed. After observing how one group of investors learned far more in experiential settings, the author submits that these investors might be convincing proof that experiential investor education is superior. Signalling good news for the investment advisory industry, the hiring, use, and retention of advisors by these same better-educated

investors is stable. This group also expressed positive views of how well served they are by the industry overall. While the ultra-wealthy arguably might have easier access to superior advisors, the author believes that overhauling investor education will benefit all investors, not just the wealthiest.

Syed Tabassum Sultana (2010) was an attempt to know the profile of the investors and also to know their characteristics so as to know their preference with respect to their investments. The study also tried to unravel the influence of demographic factors like gender and age on risk tolerance level of the investors.

Li Cheng. (2010), This paper addresses the capital mobility among regions within China. it shows 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. such a correlation can be interpreted as evidence of low capital mobility. In addition, study fails to provide consistent evidence to support the hypothesis of efficient capital allocation in China. Combining the results given above, it is believed that the capital may be inefficiently retained within the provincial confines. The study implies that the intermarriage between financial power and local authorities is primarily responsible for this.

BS Parihar, (2009), concluded that the factors responsible for investment in mutual funds are, 'return potential' has got first rank, 'liquidity' has got second rank and 'flexibility', 'affordability' and 'transparency' have been ranked third, fourth and fifth, respectively. Majority of investors have still not formed any attitude towards mutual fund investments. The main reason behind this has been observed to be lack of awareness of investors about the concept and working of the mutual funds.

A. Lalitha and M. Surekha (2008), In this study the authors have concluded that the retail investor is here to stay, and the capital markets may well emerge as strong contenders for traditional investment avenues like bank/post office deposits. They also focused on investor's education and investment decision of retail investors.

Bandgar P.K., (2007), The Author has depicted how investment should be made judiciously to create a good portfolio and how to manage the portfolio.

Nasir Khalid (2004), This study assessed behaviour of saving and investment in Pakistan using appropriate econometric and statistical technique and attempted to

generate a model on the basis of fundamental theories of saving and investment. They used data from 1971 to 2003, collected from Economic Survey of Pakistan. Ordinary Least Square Method was used as an estimation technique. The study concluded that Government Expenditures, Growth rate of Gross Domestic Product and Remittances Growth were positively and significantly influencing National Savings.

Mckelvey, (1996), in this study the author pointed out that when making an investment decision one should look factors beyond current earnings and dividends. The study emphasizes that current earnings and yield are important factors in determining the attractiveness of stock, but they are not the only ones.

Avadhani, V A (1996) The author has tried to show different ways to show how the investments can be done in a fruitful manner, so that the returns can be maximized and risk can be minimized.

Chandra Prasanna, (1995), The author has tried to show different ways to show how the investments can be done in a fruitful manner, so that the returns can be maximized and risk can be minimized.

CHAPTER-3

Research methodology

3.1. RESEARCH DESIGN:

The research is descriptive in nature. This research identifies the factors affecting the preferences of salaried class on investment options and describes the significance each factor have on the investment options.

2. SAMPLING TECHNIQUE

Sampling technique is the technique used to select the sample size. Convenient sampling technique is used for this research. Investors were taken according to the convenience of the research study. The respondents are from various locations spread across the country.

3. SOURCES OF DATA

The research uses both Primary and Secondary data.

1. *Primary Data*

Primary data has been collected from 150 respondents using questionnaire (survey method).

2. *Secondary Data*

Secondary data was collected from reviewing various literature related to investment options and investment preferences.

4. STRUCTURE OF QUESTIONNAIRE

The questionnaire has been framed and circulated to collect primary data. The questionnaire contains

- Direct questions
- Close end questions
- Dichotomous questions
- Multiple choice questions

3.5 SAMPLE SIZE

The population size is indefinite as the number of people earning salary and investing in different investment options is large in number. It is difficult to access the population. The sample size is 200. The respondents are from various locations spread across the country.

3.6 PERIOD OF STUDY

The study was conducted for a period of 2 months starting from November 2023 to December 2023

3.7 HYPOTHESIS

H₀1: There is no significant influence on preference of investment options among different age groups of the respondents.

H₀2: There is no significant influence on preference of investment options between gender of the respondents.

H₀3: There is no significant influence on preference of investment options among various education qualifications of the respondents.

H₀4: There is no significant influence on preference of investment options among different employment levels of the respondents.

H₀5: There is no significant influence on preference of investment options among different income level of the respondents.

H₀6: There is no significant relationship between investment preferences and wellbeing of the respondents.

H₀7: There is no significant impact of investment over wellbeing of the respondents.

8. ANALYTICAL TOOLS

1. *Software Used: SPSS*

SPSS Statistics is a software package used for interactive, or batched, statistical analysis. Long produced by SPSS Inc., it was acquired by IBM in 2009. Current versions (post 2015) have the brand name: IBM SPSS Statistics. **SPSS** software was used to analyse data. SPSS is a widely used program for statistical analysis in social science, it is also used by market researchers, health researchers, survey companies, government, education researchers, marketing organizations, data miners, and others. It provides data analysis for descriptive statistics, numeral outcome predictions, and identifying groups. This software also gives data transformation, graphing and direct marketing features to manage data smoothly. SPSS's statistics program gives a large no of basic statistical functionality, some of them include frequencies, cross tabulation, and bivariate statistics, etc. Researchers are able to build and validate predictive models with the help of advanced statistical procedures. It gives robust feedback analysis. which in turn get a vision for the actual plan. IBM SPSS was employed to analyse data from the survey.

2. *Tests applied*

- ***Percentage Analysis***

percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of the collected data. Simple Percentage Analysis refers to a special kind of rates, percentage are used in making comparison between two or more series of data. A percentage is used to determine relationship between the series.

$$\text{Percentage} = \frac{\text{No of respondents} * 100}{\text{Total respondents}}$$

- **Independent T Test**

The t-test is any statistical hypothesis test in which the test statistic follows a Student's t-distribution under the null hypothesis. A t-test is the most commonly applied when the test statistic would follow a normal distribution if the value of a scaling term in the test statistic were known. When the scaling term is unknown and is replaced by an estimate based on the data, the test statistics (under certain conditions) follow a Student's t distribution. The t-test can be used, for example, to determine if the means of two sets of data are significantly different from each other. The independent t-test, also called the two sample t-test, independent-samples t-test or student's t-test, is an inferential statistical test that determines whether there is a statistically significant difference between the means in two unrelated groups.

Null and alternative hypotheses for independent t-test;

$H_0: \mu_1 = \mu_2$

$H_A: \mu_1 \neq \mu_2$

To do this, we need to set a significance level (alpha) that allows us to either reject or accept the alternative hypothesis. Most commonly, this value is set at 0.05.

- **One way ANOVA**

In statistics, one-way analysis of variance (abbreviated one-way ANOVA) is a technique that can be used to compare means of two or more samples (using the F distribution). This technique can be used only for numerical response data, the "Y", usually one variable, and numerical or (usually) categorical input data, the "X", always one variable, hence "one-way". The ANOVA tests the null hypothesis, which states that samples in all groups are drawn from populations with the same mean values. To do this, two estimates are made of the population variance. These estimates rely on various assumptions. Analysis of variance, or ANOVA, is a statistical method that separates observed variance data into different components to use for additional tests. A one way ANOVA is used for three or more groups of data, to gain information about the relationship between the dependent and independent variables. The ANOVA test allows a comparison of more than two groups at the same time to determine whether a relationship exists between them. The result of the ANOVA formula, the F statistic (also called the F-ratio), allows for

the analysis of multiple groups of data to determine the variability between samples and within samples.

The hypotheses of interest in an ANOVA are as follows:

$$H_0: \mu_1 = \mu_2 = \mu_3 \dots = \mu_k$$

H_1 : Means are not all equal.

- ***Correlation Analysis***

In statistics, correlation or dependence is any statistical relationship, whether causal or not, between two random variables or bivariate data. In the broadest sense correlation is any statistical association, though it commonly refers to the degree to which a pair of variables are linearly related. Correlation analysis is a statistical method used to evaluate the strength of relationship between two quantitative variables. A high correlation means that two or more variables have a strong relationship with each other, while a weak correlation means that the variables are hardly related. In other words, it is the process of studying the strength of that relationship with available statistical data. Sample correlation coefficient, more specifically the Pearson Product Moment correlation coefficient. The sample correlation coefficient, denoted r , ranges between -1 and +1 and quantifies the direction and strength of the linear association between the two variables. The correlation between two variables can be positive (i.e., higher levels of one variable are associated with higher levels of the other) or negative (i.e., higher levels of one variable are associated with lower levels of the other). The sign of the correlation coefficient indicates the direction of the association. The magnitude of the correlation coefficient indicates the strength of the association.

- ***Regression Analysis***

Regression analysis is primarily used for two conceptually distinct purposes. First, regression analysis is widely used for prediction and forecasting, where its use has substantial overlap with the field of machine learning. Second, in some situation regression analysis can be used to infer causal relationships between the independent and dependent variables. Importantly, regressions by themselves only reveal relationships between a dependent variable and a collection of independent variables in a fixed dataset. To use regressions for prediction or to infer causal

relationships, respectively, a researcher must carefully justify why existing relationships have predictive power for a new context or why a relationship between two variables has a causal interpretation. The latter is especially important when researchers hope to estimate causal relationships using observational data. Regression analysis is a set of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables. It can be utilized to assess the strength of the relationship between variables and for modelling the future relationship between them. Regression analysis includes several variations, such as linear, multiple linear, and nonlinear. The most common models are simple linear and multiple linear. Nonlinear regression analysis is commonly used for more complicated data sets in which the dependent and independent variables show a nonlinear relationship. This study used Linear regression.

The regression equation of x on y is:

$$(X - \bar{X}) = b_{xy} (Y - \bar{Y}) \text{ where } b_{xy} - \text{the regression coefficient of x on y}$$

The regression equation of y on x is:

$$(Y - \bar{Y}) = b_{yx} (X - \bar{X}) \text{ where } b_{yx} - \text{the regression coefficient of y on x.}$$

CHAPTER-4

DATA INTERPRETATION

1. PERCENTAGE ANALYSIS

1. *Gender Profile*

Percentage Analysis is used to analyse the gender of respondents and it have been interpreted in Table 4.1 which displays the Frequency and Percentage of Gender of Respondents.

Table 4.1 Frequency analysis of Gender

Factors		Frequency	Percentile
Gender	Male	106	53
	Female	94	47

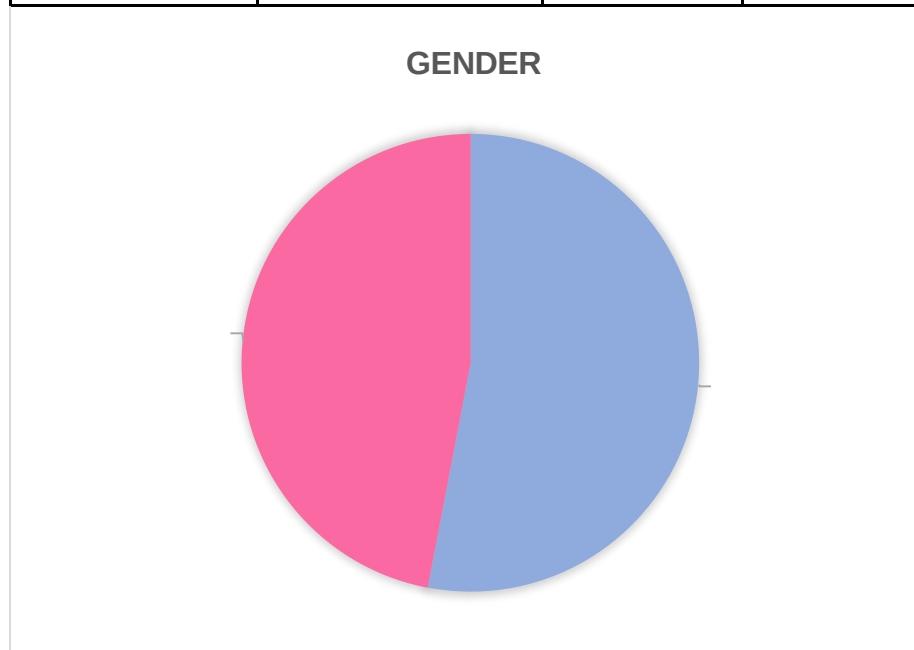


Fig 4.1 Chart depicting Gender of Respondents

Interpretation:

53% of the respondents are male, 47% of the respondents are female

Inference:

Majority of the respondents are male.

4.1.2. Age Profile

Percentage Analysis is used to analyse the age of respondents and it have been interpreted in Table 4.2 which displays the Frequency and Percentage of Age of Respondents.

Table 4.2 Frequency analysis of Age

Factors		Frequency	Percentile
Age	20-30	94	47
	31-40	66	33
	41-50	22	11
	Above 50	18	9

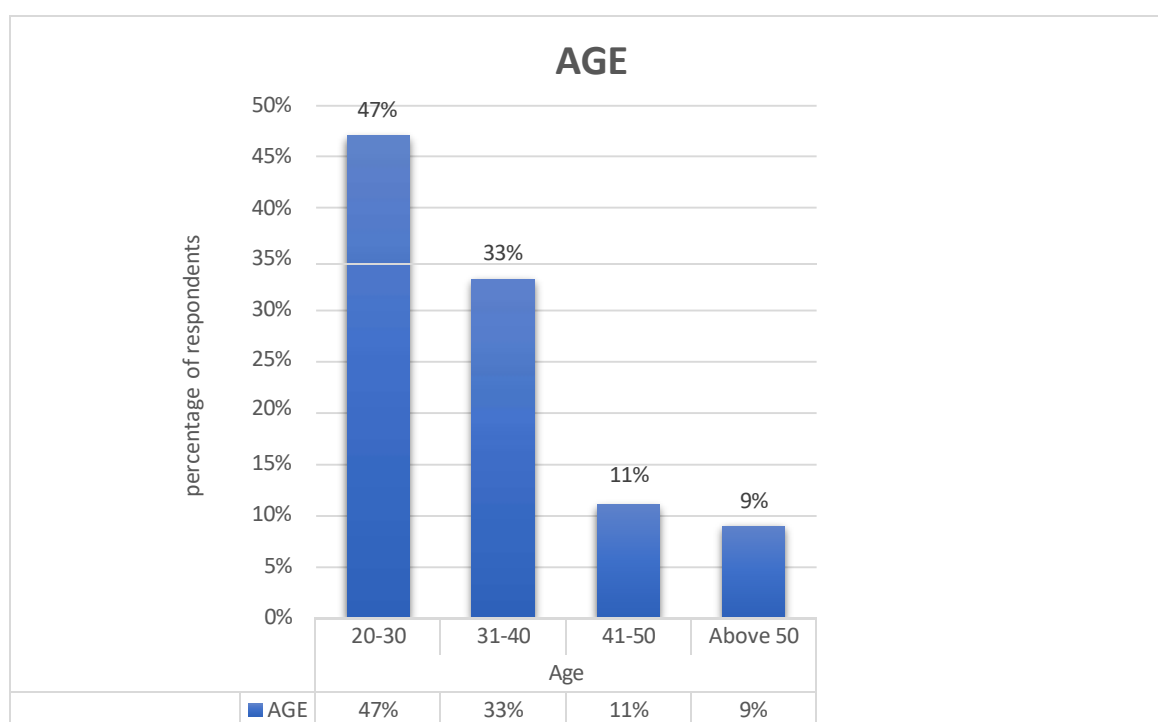


Fig 4.2 Chart depicting Age of respondents

Interpretation:

47% of the respondents belonged to age group of 20-30, 33% of the respondents belong to the 31-40 age group. 11% of the respondents are aged between 41 and 50. 9% of respondents ages above 50 years.

Inference:

Majority of the respondents were from the age group of 20 to 30.

4.1.3 Educational Qualification Profile

Percentage Analysis is used to analyse the educational qualification of respondents and it have been interpreted in Table 4.3 which displays the Frequency and Percentage of Educational Qualification of Respondents.

Table 4.3 Frequency Analysis of Educational Qualification

Factors		Frequency	Percentile
Educational Qualification	Graduate	102	51
	Post Graduate	98	49

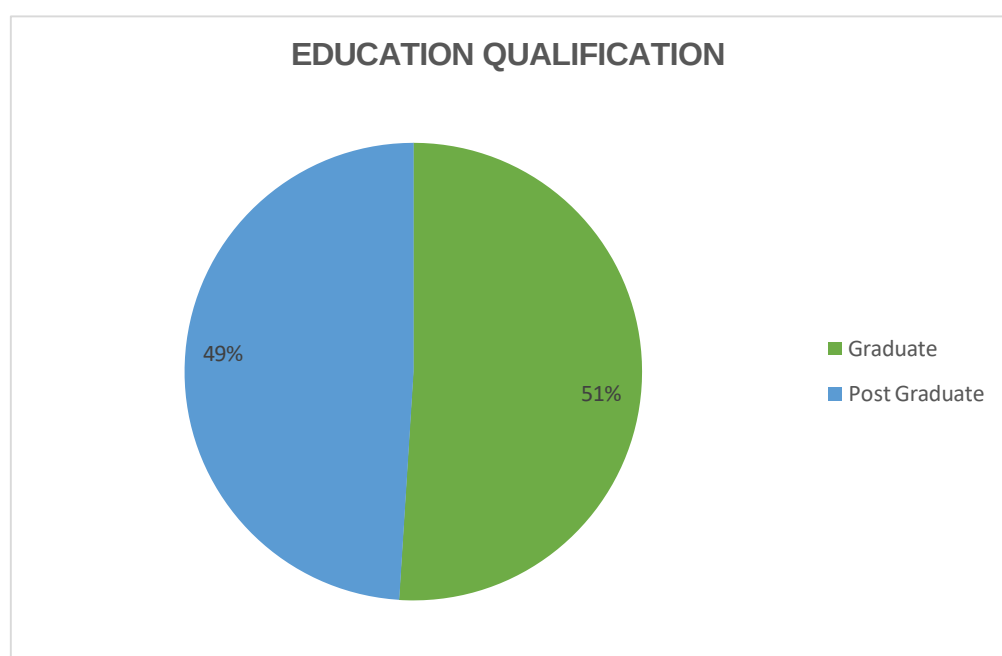


Fig 4.3 Chart depicting Educational Qualification of Respondents

Interpretation:

51% of the respondents are Graduates, 49% of the respondents are Post Graduates,

Inference:

Majority of the respondents are qualified graduates. There is only a slight difference in the percentage of graduates and post graduates.

4.1.4 Employment Profile

Percentage Analysis is used to analyse the employment level of respondents and it have been interpreted in Table 4.4 which displays the Frequency and Percentage of Occupation of Respondents.

Table 4.4 Frequency analysis of Employment level

Factors		Frequency	Percentile
Employment Level	Entry-Level Employee	81	40.5
	Middle-Level Employee	73	36.5
	Senior-Level Employee	46	23

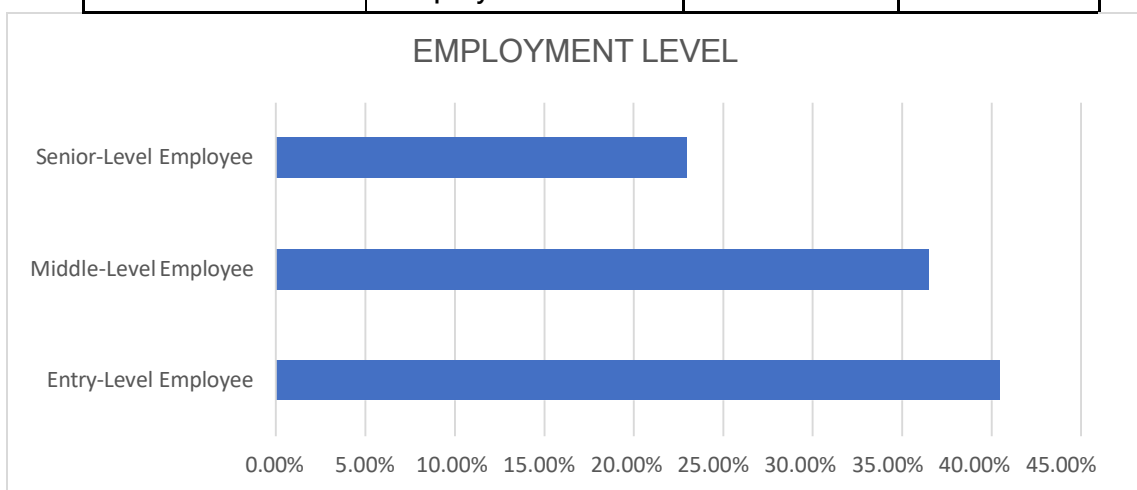


Fig 4.4 Chart depicting Employment Level of respondents

Interpretation:

40.5% of the respondents are entry level employees, 36.5% of the respondents are middle level employees and only 23% are senior level employees.

Inference:

Majority of the respondents are Entry Level Employees.

4.1.5 Annual Income Profile

Percentage Analysis is used to analyse the annual income of and it have been interpreted in Table 4.5 which displays the Frequency and Percentage of Annual Income of Respondents.

Table 4.5 Frequency Analysis of Annual Income

Factors		Frequency	Percentile
Income Level	Below 1 Lakh Rupees	42	21
	1 to 2 Lakh Rupees	13	6.5
	2 to 3 Lakh Rupees	21	10.5
	3 to 4 Lakh Rupees	24	12
	Above 4 Lakh Rupees	100	50

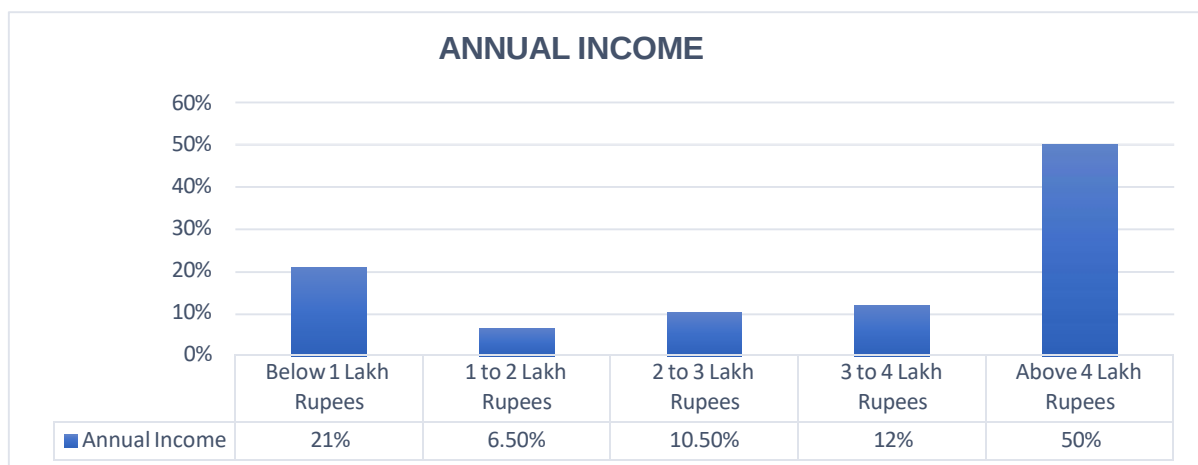


Fig 4.5 Chart depicting Annual Income of Respondents

Interpretation:

50% of the respondents earn above 4 lakh rupees p.a, 21% of respondents earn below 1 lakh rupees p.a, 12% of respondents fall under the category of 3 to 4 lakhs p.a, 10.50% of the employees earn up to 2 to 3 lakhs p.a, 6.50% of the employees fall under the category of 1 to 2 lakhs p.a

Inference:

Majority of the respondents earn more than 4 lakh rupees in a year.

4.1.6 Level of factors affecting investment option: Stock Market

Percentage Analysis is used to analyse the level of factors affecting the preference of stock market as an investment option and it have been interpreted in Table 4.6 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.6 Level of factors affecting investment option: Stock Market

Factors	Frequency	Percentage
Affordability	14	7%
Good Returns	36	18%
Liquidity	14	7%
Risk Involved	125	63%
Safety of principal	11	6%
TOTAL	200	

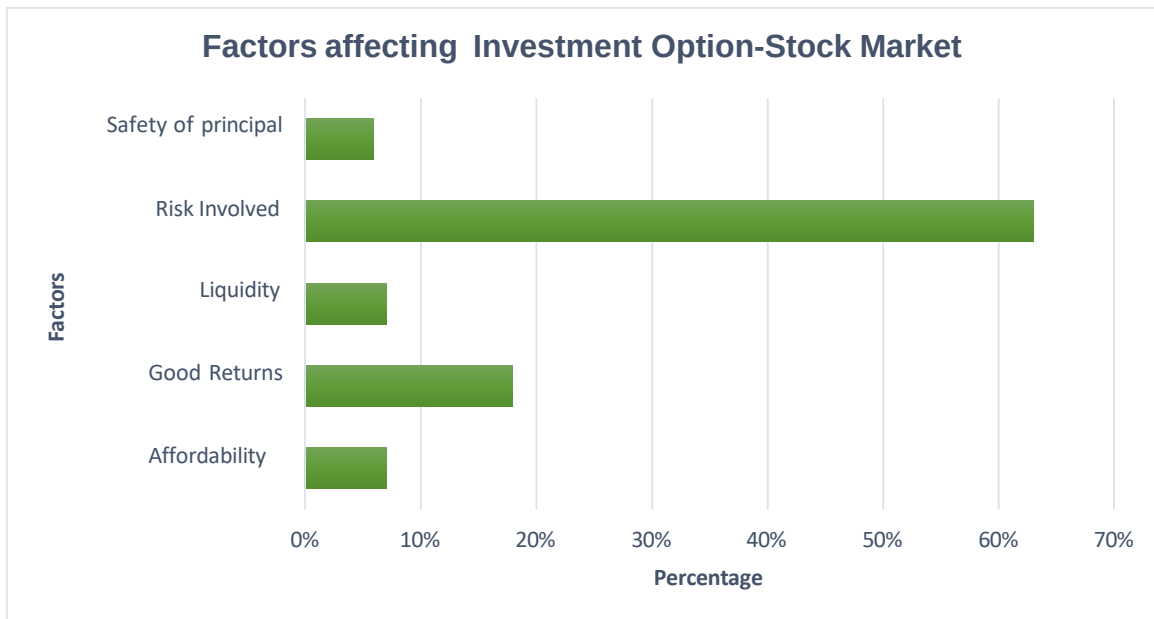


Fig 4.6 Chart depicting factors affecting investment option [Stock Market]

Interpretation:

63% of people choose risk factor, 18% choose good returns, as the main factors while considering stock market as a preferable investment avenue.

Inference:

Risk factor has the most impact on the preference of investors while they consider stock market as a potential investment avenue.

4.1.7 Level of factors affecting investment option: Bank Deposits

Percentage Analysis is used to analyse the level of factors affecting the preference of bank deposits as an investment option and it have been interpreted in Table 4.7 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.7 Level of factors affecting investment option: Bank Deposits

Factors	Frequency	Percentage
Affordability	27	14%
Good Returns	27	14%

Liquidity	28	14%
Risk Involved	10	5%
Safety of principal	108	54%
TOTAL	200	

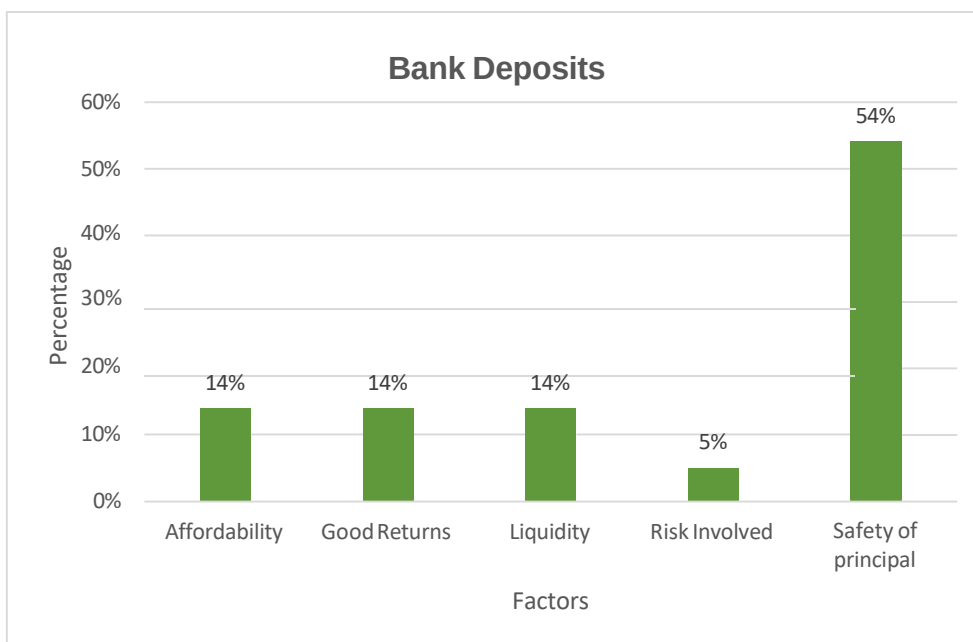


Fig 4.7 Chart depicting factors affecting investment option [Bank Deposits]

Interpretation

54% of the respondents choose Safety of principal, 14% choose Good Returns, affordability and Liquidity as the factor which influences the investment decision.

Inference

Safety factor has the most impact on the choice of investors while choosing Bank Deposits as an option for investment. Therefore, it can be said that salaried class of people choose bank deposits because they find it as a very safe investment avenue.

4.1.8 Level of factors affecting investment option: Gold

Percentage Analysis is used to analyse the level of factors affecting the preference of gold as an investment option and it have been interpreted in Table 4.8 which

displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.8 Level of factors affecting investment option: Gold

Factors	Frequency	Percentage
Affordability	50	25%
Good Returns	66	33%
Liquidity	28	14%
Risk Involved	16	8%
Safety of principal	40	20%
TOTAL	200	

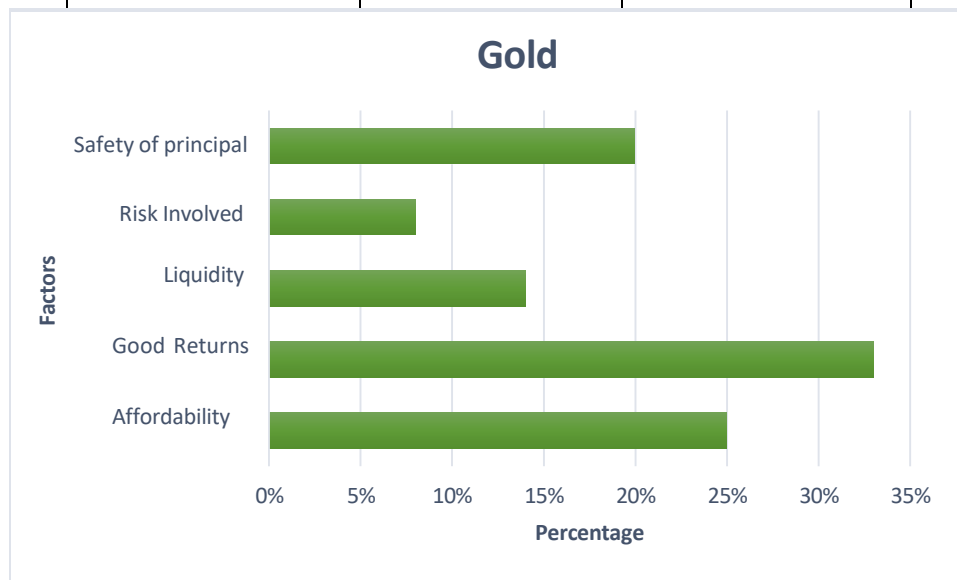


Fig 4.8 Chart depicting factors affecting investment option [Gold]

Interpretation

33% of the respondents choose Good returns as the factor which influences the investment decisions whereas 25% choose Affordability, 20% choose Safety, 14% choose Liquidity, and only 8% choose Risk factor.

Inference

Investors tend to consider return, affordability and safety factors while preferring Gold as a fruitful investment avenue.

4.1.9 Level of factors affecting investment option: Mutual Fund

Percentage Analysis is used to analyse the level of factors affecting the preference of mutual fund as an investment option and it have been interpreted in Table 4.9 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.9 Level of factors affecting investment option: *Mutual Fund*

Factors	Frequency	Percentage
Affordability	23	12%
Good Returns	40	20%
Liquidity	17	9%
Risk Involved	100	50%
Safety of principal	20	10%
TOTAL	200	

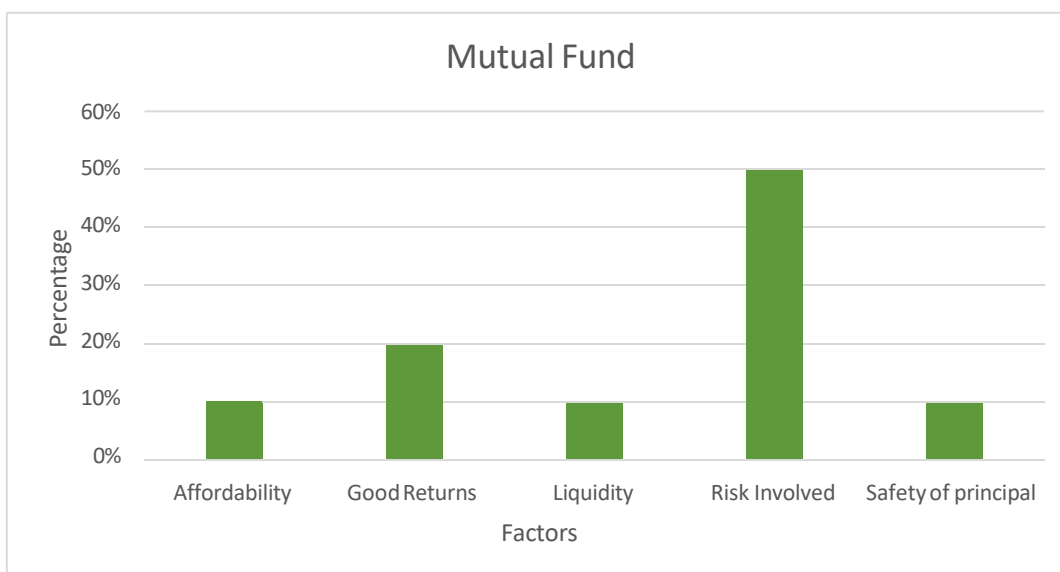


Fig 4.9 Chart depicting factors affecting investment option [Mutual Fund]

Interpretation

50% of the respondents confirms that Risk involved in mutual funds influence their investment choices. While 20% choose good returns, 12% affordability, 10% safety of principal respectively.

Inference

Risk factor has a great level of impact on the investment choices made by investors while considering mutual fund as a preferable Investment option.

4.1.10 Level of factors affecting investment option: Real Estate

Percentage Analysis is used to analyse the level of factors affecting the preference of real estate as an investment option and it have been interpreted in Table 4.10 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.10 Level of factors affecting investment option: Real Estate

Factors	Frequency	Percentage
Affordability	31	16%
Good Returns	45	23%
Liquidity	14	7%
Risk Involved	81	41%
Safety of principal	29	15%
TOTAL	200	

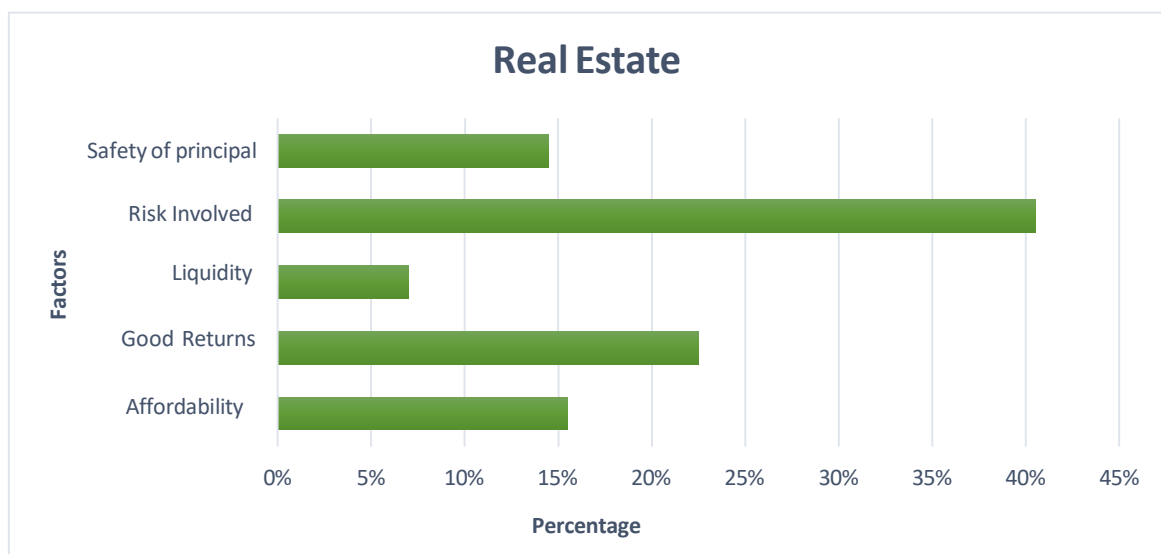


Fig 4.10 Chart depicting factors affecting investment option [Real Estate]

Interpretation

Above 40% of the respondents choose Risk Involved, 23% good returns, 16% affordability and 15% safety as the factors influencing investing decision while considering Real Estate as a preferable option.

Inference

Risk factor influences the choice and the chart shows that the level of impact Risk factor has over investing decision of an investor is very high.

4.1.11 Level of factors affecting investment option: Post Office Savings

Percentage Analysis is used to analyse the level of factors affecting the preference of real estate as an investment option and it have been interpreted in Table 4.11 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.11 Level of factors affecting investment option: *Post Office Savings*

Factors	Frequency	Percentage
Affordability	47	24%
Good Returns	57	29%
Liquidity	24	12%
Safety of principal	72	36%
TOTAL	200	

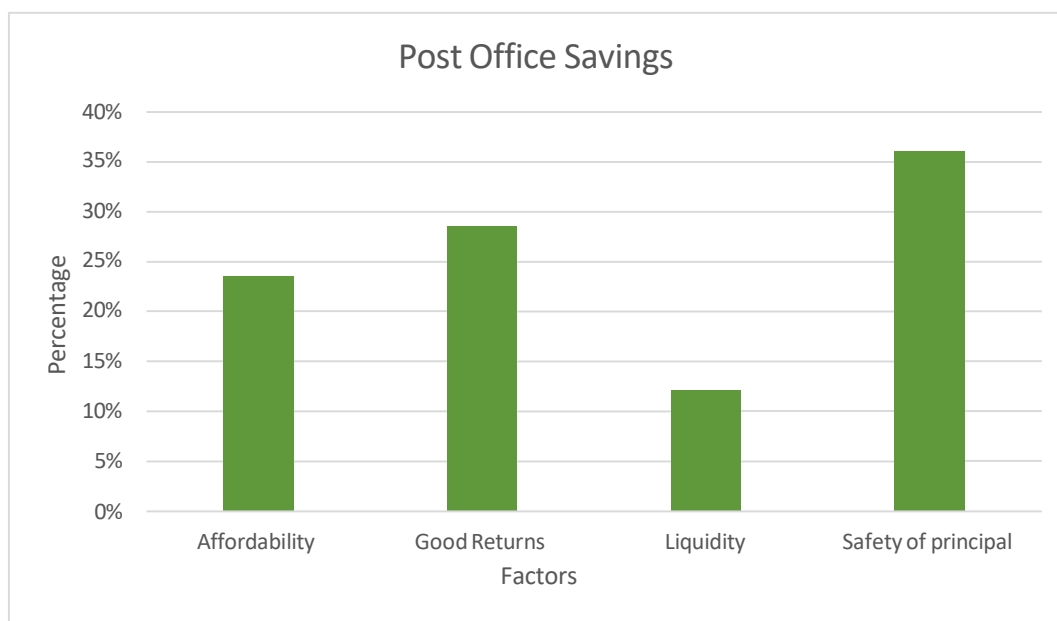


Fig 4.11 Chart depicting factors affecting investment option

[Post Office Savings]

Interpretation

36% of the respondents choose Safety, 29% choose Good Returns while 24% choose Affordability as factors influencing investment decision while choosing Post office Savings as an option.

Inference

The chart shows that safety factor, return factor and affordability factor have the most impact on the choice of the investors. Therefore, post office savings are chosen by them because of the comparative return it brings while being the safe investment option as well.

4.1.12 Percentage Analysis of Problems faced by investors

The problems faced by respondents have been analysed with the use of Percentage Analysis and have been interpreted in Table 4.12 which displays the mean and rank of problems faced by investors.

Table 4.12 Weighted Average of problems faced by investors.

Problems	Mean	Rank
Political & Economic Environment impact	2.36	1
Natural causes	2.21	2
Government policy changes	2.05	3
Lack of proper knowledge	1.76	4

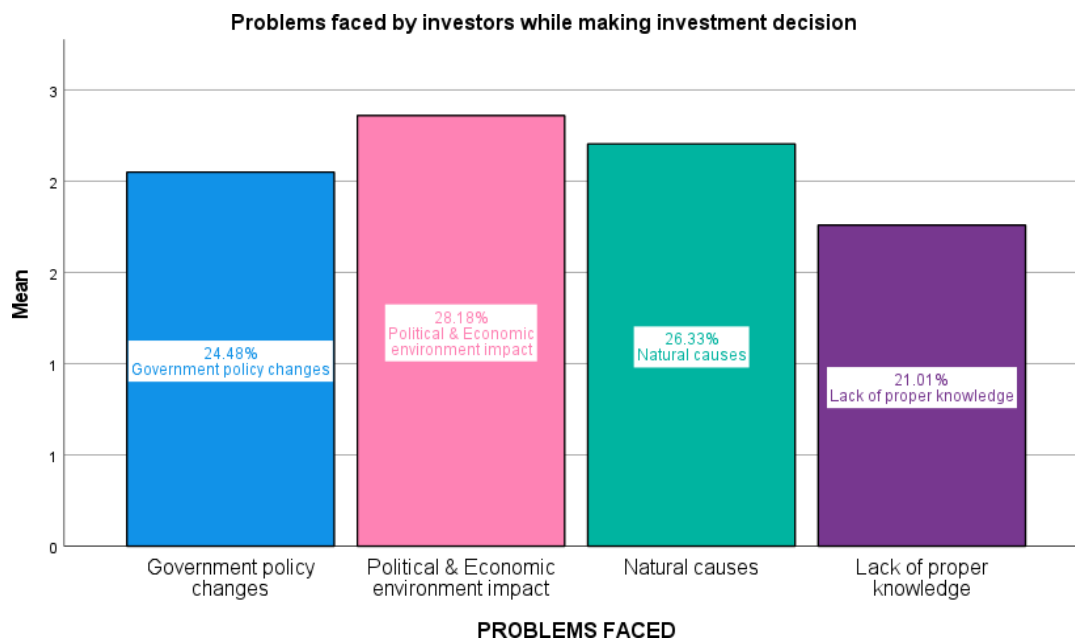


Fig 4.12 Chart Depicting Problems faced by investors.

Interpretation

- Each Problem is ranked according to the average responses it received. Political & Economic Environment impact is ranked first, Natural Causes; second, Government Policy changes Third and Lack of Knowledge last or fourth.
- 28% of respondents choose Political and Economic Environmental impact as the main problem faced by investors while making investment decision whereas, 26% choose natural causes and 25% choose changing Government policies and 21% choose lack of proper knowledge as the problem faced by them.

Inference

The above chart indicates that all problems stated there has a considerable influence over the respondents' investment decision. Specifically, changes in the political and economic environment have a major impact on their investment decisions more than the other stated problems.

2. T TEST ANALYSIS

1. *T test Analysis for Gender and Investment Options.*

T test Analysis has been conducted for the Gender of Respondents & Preference of Investment and it is interpreted in Table 4.13

H₀: There is no significant influence on preference of investment options between gender of the respondents.

H₁: There is significant influence on preference of investment options between gender of the respondents.

Table 4.13 T Test Analysis for Gender

VARIABLES	Gender		F VALUE	P VALUE	Significance level
	MALE (Mean)	FEMALE(Mean)			
Stock Market	6.30	6.38	7.030	.009	Not Significant
Bank Deposits	9.50	11.41	.945	.332	Not Significant
Gold	7.02	8.09	18.301	<.001	Significant**
Real Estate	8.99	7.87	7.388	.007	Significant**
Post office Savings	7.08	8.68	5.310	.022	Significant**
Mutual Fund	7.21	6.87	.038	.846	Not Significant

****Significance level is tested at 0.05**

Interpretation

- Reject H_0 for investment options; “Gold, Real Estate and Post office Savings options.”: The P values of these options are less than the significant level (0.05). It means “Gender” as a demographic factor has significant influence on the investment options, hence reject H_0 .
- ACCEPT H_0 for investment options; “Stock Market, Bank Deposits and Mutual Fund options.”: The P values of investment options are more than the level of significance (0.05) implying, there is no significant influence of “Gender” as a demographic factor on these investment options.

Inference

There is a significant influence on Preference of Gold, Real Estate and Post Office Savings between gender of the respondents.

4.3 ANOVA ANALYSIS

4.3.1 ANOVA analysis for Age and Investment Options

ANOVA has been utilized for the analysis of Age of Respondents & Preference of Investment and interpreted in Table 4.14

H₀: There is no significant influence on preference of investment options among different age groups of the respondents.

H₁: There is significant influence on preference of investment options among different age groups of the respondents.

Table 4.14 ANOVA Analysis for Age and Investment Options

Factors	AGE				F VALUE	P VALUE	Significance level
	20-30 (Mean)	31-40 (Mean)	41-50 (Mean)	50 & above (Mean)			
Stock market	6.67	6.44	6.00	4.67	1.881	.134	Not Significant
Bank Deposits	9.52	10.35	14.50	10.17	4.633	.004	Significant**
Gold	9.41	7.56	3.09	2.89	12.133	<.001	Significant**
Real Estate	8.33	7.48	6.55	15.11	13.094	<.001	Significant**
Post-Office Savings	8.00	5.76	16.05	4.50	22.300	<.001	Significant**
Mutual Funds	7.41	5.91	8.45	7.61	2.684	.048	Significant**

****Significance level is tested at 0.05**

Interpretation

- REJECT H_0 for investment options; “Bank deposits, Gold, Real estate, Post office savings and Mutual funds.”: The P values of these options are less than the significant level (0.05). It means “Age” as a demographic factor has significant influence on the mentioned investment options, hence reject H_0 .
- ACCEPT H_0 : for investment option; “Stock Market.”
The P value of the investment option is more than the significant level (0.05) implying, there is no significant influence of “Age” as a demographic factor on stock market as an investment option.

Inference

There is a significant influence on Preference of all the Investment Options except stock market among different Age groups of the respondents.

4.3.2 ANOVA Analysis for Educational Qualification

ANOVA has been utilized for the analysis of Age of Respondents & Preference of Investment and interpreted in Table 4.15

H_0 : There is no significant influence on preference of investment options among various education qualifications of the respondents.

H_1 : There is significant influence on preference of investment options among various education qualifications of the respondents.

Table 4.15 ANOVA Analysis for Educational Qualification

VARIABLES	EDUCATION QUALIFICATION		F VALUE	P VALUE	Significance level
	Graduate (Mean)	Post graduate (Mean)			
Stock Market	6.43	6.24	.050	.698	Significant**
Bank Deposits	9.78	11.04	2.360	.126	Not Significant
Gold	7.20	7.86	.588	.444	Not Significant
Real Estate	7.45	9.52	7.814	.006	Significant**
Post-office Savings	7.63	8.04	.219	.641	Not Significant
Mutual Fund	7.63	6.45	3.747	.05	Significant**

****Significance level is tested at 0.05**

Interpretation

- REJECT H_0 for investment options; “Stock Market, Real Estate and Mutual fund.”: the P values of these options are less than the significant level (0.05). It means “Education Level” as a demographic factor has significant influence on the investment options, hence reject H_0 .
- ACCEPT H_0 for investment options; “Bank Deposits, Gold, and Post office Savings.”: The P values of investment options are more than the level of significance (0.05) implying, there is no significant influence of “Education Level” as a demographic factor on these investment options.

Inference

There is a significant influence on Preference of stock market, real estate and mutual funds among different Education levels of the respondents.

4.2.3 ANOVA Analysis for Employment Level

ANOVA has been utilized for the analysis of Age of Respondents & Preference of Investment and interpreted in Table 4.16

H₀: There is no significant influence on preference of investment options among different employment levels of the respondents.

H₁: There is significant influence on preference of investment options among different employment levels of the respondents.

Table 4.16 ANOVA Analysis for Employment Level

VARIABLES	EMPLOYMENT GRADE LEVEL			F VALUE	P VALUE	Significance level
	Entry- Level Employee (Mean)	Middle Level Employee (Mean)	Senior Level Employee (Mean)			
Stock Market	7.26	6.18	4.98	7.215	<.001	Significant**
Bank Deposits	9.14	11.47	10.93	3.432	.034	Significant**
Gold	8.09	8.37	5.17	4.641	.011	Significant**
Real Estate	7.07	8.11	11.48	11.374	<.001	Significant**
Post-office Savings	6.20	9.07	8.74	4.884	.009	Significant**
Mutual Fund	7.65	6.84	6.33	1.527	.220	Not Significant

****Significance level is tested at 0.05**

Interpretation

- Reject H_0 for investment options; “Stock Market, Bank Deposits, Gold, Real Estate and Post office Savings.”: The P values of these options are less than the significant level (0.05). It means “Employment level” as a demographic factor has significant influence on the investment options, hence reject H_0 .
- ACCEPT H_0 for investment options; “Mutual Fund.”: The P values of investment options are more than the level of significance (0.05) implying, there is no significant influence of “Employment level” as a demographic factor on these investment options.

Inference

There is a significant influence on Preference of all Investment options except mutual funds among different Employment levels of the respondents.

4.2.4 ANOVA Analysis for Income Level

ANOVA has been utilized for the analysis of Age of Respondents & Preference of Investment and interpreted in Table 4.17

H_0 : There is no significant influence on preference of investment options among different income level of the respondents.

H_1 : There is significant influence on preference of investment options among different income level of the respondents.

Table 4.17: ANOVA Analysis for Income Level

VARIABLES	ANNUAL INCOME					F VALUE	P VALUE	Significance level
	Below 1 Lakh Rupee (Mean)	1 to 2 Lakh Rupee (Mean)	2 to 3 Lakh Rupee (Mean)	3 to 4 Lakh Rupee (Mean)	Above 4 Lakh Rupee (Mean)			
Stock Market	7.76	7.15	5.76	6.50	5.72	3.178	.015	Significant**
Bank Deposits	6.67	8.54	12.86	12.50	11.19	7.816	<.001	Significant**
Gold	7.86	11.08	3.86	4.79	8.34	5.087	<.001	Significant**
Real Estate	8.38	6.69	5.76	10.38	8.84	2.703	.032	Significant**
Post-office Savings	5.62	7.77	11.38	11.08	7.24	5.297	<.001	Significant**
Mutual Fund	7.43	8.69	8.00	9.29	5.94	4.314	.002	Significant**

****The level of significance is tested at 0.05**

Interpretation

- Reject H_0 for all investment options; The P values of all investment options are less than the significant level (0.05). It means “Income Level” as a demographic factor has significant influence on all the investment options, hence reject H_0 .

Inference

There is a significant influence on Preference of all Investment Options among different Income levels of the respondents.

4. CORRELATION ANALYSIS

1. *Relationship between Investment & Wellbeing*

Correlation analysis has been applied in this research to study the relationship between Investment and Wellbeing of the Investors and the results are Tabulated in the following Table 4.18.

H₀: There is no significant relationship between investment preferences and wellbeing of the respondents.

H₁: There is significant relationship between investment preferences and wellbeing of the respondents.

Table 4.18 Correlation Analysis Between Investment & Wellbeing

	WELLBEING
INVESTMENT	$r = .164^{**}$

****Correlation is significant at the 0.05 level.**

Interpretation

The relationship between Investment Preferences and Wellbeing of the investor is significant. Hence, Reject H₀.

Inference

There is a slightly positive relationship between investment preferences and wellbeing of the respondents. i.e., The choice of investment of an investor will affect his overall wellbeing.

4.5 REGRESSION ANALYSIS

4.4.2 Regression Analysis of Impact of Investment over Wellbeing

Regression analysis is applied to understand the impact of Investment Preferences over Wellbeing of an Investor and the results are Tabulated in Table 4.19

H₀: There is no significant impact of investment over wellbeing of the respondents.

H₁: There is significant impact of investment over wellbeing of the respondents.

Table 4.19 Regression Analysis of Impact of Investment over Wellbeing

Investment	Wellbeing					
	R	R Square	Adjusted R Square	F Value	P Value	Significance level
	.164	.027	.022	5.469	.020	Significant

***Significant at 0.05 level**

Interpretation

The impact of investment choices over Wellbeing of the investor is significant.

Hence Reject H₀.

Inference

Since there is a significant impact, it can be concluded that any investment decision an investor makes while choosing the right investment avenue. The choice of investment will have an impact on the wellbeing of the investor.

CHAPTER-5

FINDINGS & CONCLUSIONS

1. FINDINGS

- Majority of the respondents were from the age group of 20-30.
- Majority of the respondents are Male.
- Majority of the respondents are qualified Graduates.
- Majority of the respondents are Entry Level Employees.
- Majority of the respondents earn more than 4 lakh rupees in a year.
- There is a difference in the significance given to digital banking factors among various age groups.
- There is a difference in the significance of investment preferences between gender.
- There is a difference in the significance of investment preferences among various groups of educational qualification.
- There is a difference in the significance of investment preferences among various levels of employment.
- There is a difference in the significance of investment preferences among various groups of annual Income.
- Risk factor has the most impact on stock market as a potential investment avenue.
- Safety factor has the most impact on Bank Deposits as an option for investment.
- Return, affordability and liquidity factors have the most impact on Gold as a possible investment avenue.
- Risk factor has the most impact on Mutual Fund as a potential investment avenue.
- Risk factor has the most impact on Real Estate as a possible investment avenue.
- Return factor, affordability factor and safety factor have the most impact on Post office Savings as a choice of investment.

- Investment preferences has a slightly positive relationship with wellbeing of the investors.
- Investment has an impact on the wellbeing of the investors.
- changes in the political and economic environment have a major impact on their investment decisions.

5.2 SUGGESTIONS

Portfolio diversification; Spreading money across main economic sectors in different investment avenues will help in a situation where there is a sudden change in political and economic environment. The proportions of such investments should depend on objectives and risk a person can accept.

Developing an investment strategy is a great way to tackle any unforeseen panic created by natural causes, like the kind of economic upheaval caused by COVID-19. Creating a strategy that is built upon analyzing the quality and diversification of investments (cutting risk), and structure and balance of portfolio will help in such cases.

For investors investing in stock market, stocks that have been paying dividends for five years or more are some of the safest investments a person can have. Dividends are a sign of quality and a company's financial health.

Monetary policies introduced by government can change and such changes can have a significant impact on every investor. But by being aware of the nuances of monetary policy, investors can position their investments in such a way to benefit from policy changes and boost their returns.

Investors should have a basic understanding of the various investment opportunities available in the market in order to invest their money in fruitful ventures. Investors should also possess knowledge on monetary policies, political and economic environment, as it can have a significant impact on their investment portfolios and net worth.

5.3 CONCLUSION

From analyzing the data collected, the factor affecting the preference of investment options by the salaried class have been identified. Various demographic factors such as age, education level, income level, employment, have been analyzed and it is concluded that demographic factors exert a significant influence over the preference of salaried class on various investment options. The level in which factors such as risk, return, safety, liquidity and affordability affecting the investment option preferred by the investors have been analyzed and it is concluded that the level of influence differ from one investment option to another significantly. There also exists a significant relationship between wellbeing of an investor and his choice of investment. Therefore, we can conclude that the investment choices made by an investor will have significant impact on their wellbeing as well. The study shows that changes in the monetary policies, changes in the economic and political environment and situations caused due to unforeseen natural causes and lack of knowledge about investment avenues has considerable impact on the investment decisions made by an investor.

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ANNEXURE – A

Questionnaire

To analyse the influence of demographic factors on investment options of the salaried class.

1. Age
 - a) 20 - 30
 - b) 31-40
 - c) 41-50
 - d) above 50
2. Gender
 - Male
 - Female
3. Employment Grade Level
 - a) Entry-Level Employee
 - b) Middle-Level Employee
 - c) Senior or Executive-Level Employee
4. Education Qualification
 - a) Graduate
 - b) Post-Graduate
5. Annual Income
 - a) Below 1 Lakh Rupees
 - b) 1 to 2 Lakh Rupees
 - c) 2 to 3 Lakh Rupees
 - d) 3 to 4 Lakh Rupees
 - e) Above 4 Lakh Rupees

6. What is the objective behind investing your savings?

- a) Good Return
- b) Retirement Plan
- c) Healthcare
- d) Future Security

7. which of the following investment options have you currently invested in?

Options	Most Likely	Likely	Neutral	Unlikely	Most Unlikely
Stock Market					
Bank Deposit					
Gold					
Mutual Funds					
Real Estate					
Post-Office savings					

8. Which of the following do you prefer investing in / as an alternative to your current investment options?

Options	Most Likely	Likely	Neutral	Unlikely	Most Unlikely
Stock Market					
Bank Deposit					
Gold					
Mutual Funds					
Real Estate					
Post-Office savings					

9. How long are you looking to invest your money for?

- a) Long term (more than 5 years)
- b) Medium term (1-5 years)
- c) Short term (less than a year)

To determine the level at which factors affect investment preferences of the salaried class.

10. What are the factors which are likely to influence your decision while choosing the given investment options?

OPTIONS	Risk Involved	Good Returns	Safety of principal	Liquidity	Affordability
Stock Market					
Bank Deposit					
Gold					
Mutual Funds					
Real Estate					
Post-Office savings					

11. How much risk do you think is involved in financial products?

OPTIONS	Very High	High	Moderate	Low	Very Low
Stock Market					
Bank Deposit					
Gold					

Mutual Funds					
Real Estate					
Post-Office savings					

To study the relationship between investment and wellbeing of investors.

12. The investment option of my choice helped me achieve my savings objective:

- a) I strongly agree with this statement.
- b) I agree with this statement.
- c) In between (neutral)
- d) I disagree with this statement.
- e) I strongly disagree with this statement.

13. My investment has ensured regular income of money and has a long-term benefit attached to it; how do you agree with the statement?

- a) I strongly agree with this statement.
- b) I agree with this statement.
- c) In between (neutral)
- d) I disagree with this statement.
- e) I strongly disagree with this statement.

To measure the impact of preferred investment options on the well-being of investors.

14. My overall well-being has increased after investing my savings, would you agree to this statement?

- f) Strongly Agree
- g) Agree

- h) Neutral
- i) Disagree
- j) Strongly disagree

To find the problems faced by investors while making investment decisions and to make appropriate suggestions to the problems.

15. How likely does the following problems affect your investment decision?

PROBLEMS	Most Likely	Likely	Neutral	Unlikely	Most Unlikely
Government policy changes					
Political& Economic environment impact					
Natural causes (like pandemic)					
Lack of proper knowledge					

16. How often do you get opportunities to learn about various investment opportunities?

- Very frequently
- Frequently
- Occasionally
- rarely
- never

17. Your investment risk could have been low if there was a stable economic environment, do you agree to this statement?

- a) I strongly agree with this statement.
- b) I agree with this statement.
- c) In between.
- d) I disagree with this statement.
- e) I strongly disagree with this statement.

18. How do you agree to the statement: "if the government fiscal policies were not constantly changing I could invest in long term investments."

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree

19. My investment is highly liquid and they help me at any time amidst natural causes (pandemic for instance)

- a) strongly agree with this statement
- b) I agree with this statement.
- c) Neutral
- d) I disagree with this statement.
- e) I strongly disagree with this statement.

20. If I get proper knowledge in investment options, I can increase my returns and reduce risk. (state your level of agreement)

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree

ANNEXURE –B

A STUDY ON THE INFLUENCE OF DEMOGRAPHIC FACTORS ON PREFERENCE OF SALARIED CLASS ON VARIOUS INVESTMENT CHANNELS

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ABSTRACT:

For a long amount of time, traditional financial products were offered in India by banks and the postal department to help people save their money for meeting future obligations. However, in recent years, diverse financial products have been introduced such as mutual funds, shares, real estate and as such; for letting people invest their hard-earned money. Financial products act as an investment avenue and provide the required financial security to the investors. Investment preferences differ from person to person. Investment behaviour of an individual is guided by his own set of circumstances. This study is an attempt to analyse the investment preferences of salaried class of people towards various financial products available in the market and the factors which influence such preferences. Although there are many factors such as; risk, return, safety, liquidity and affordability which has substantial influence over investment decisions. This study specifically identifies the demographic factors which influence the preferences of salaried class on various investment avenues. Demographic factors such as Age, Gender, Employment Level, Education level, Annual Income are taken into consideration here. This is a descriptive research where data is collected from 200 respondents using questionnaire and convenient sampling technique is used. Statistical tools such as One Way ANOVA (Analysis Of Variance) & Independent T-Test is used to analyse the data collected. The analysis of data let the study come to the conclusion that demographic factors exert a significant influence on the investment preferences of the salaried class of people.

Keywords: *Investment preferences, Demographic factors, Investment Options.*

I. INTRODUCTION

Financial products act as an investment avenue and provide the required financial security to the investors. Every individual has a tendency to save for various reasons. Savings and Investments are important and integral activities as it facilitates good return to investors and it also helps the economy of the nation. Most famous and largely preferred investment options are Stock market, Bank deposits, Gold, Real Estate, Post-Office Savings and Mutual Funds.

1. STOCK MARKET:

A stock exchange is a place or organization for the trade of shares of listed companies. The share market makes possible to its investors to grow their small initial sums of money into large ones, and to become wealthy without taking the risk of starting a business. BSE and NSE are the leading stock exchanges in India. Apart from these two stock exchanges there are another 22 stock exchanges are also trading shares in India. But BSE and NSE established themselves as leaders in stock exchanges.

2. BANK DEPOSIT:

There are two essential functions which make a financial institution a bank namely, acceptance of deposits from the public and lending money. Investors can open an account with a bank and deposit their money into such accounts and certain rate of interest will be provided over such savings/ investment. This is the traditional and safest way of investment.

3. GOLD:

Gold is the most popular precious metal, making it one of the go-to investment options for the Indian salaried class of investors. Investors generally buy gold as a way of diversifying risk, especially through the use of futures contracts and derivatives. The gold market is subject to speculation and volatility as are other markets. Buying gold is the oldest kind of investing activity, traditionally gold is

treated as an investment option which provides protection in bad times of households. Here, gold is considered as an easily bought and easily liquified asset that can be relied upon to appreciate well.

4. REAL ESTATE:

Real estate is property consisting of land and the buildings on it, along with its natural resources such as crops, minerals or water; immovable property of this nature; an interest vested in this also an item of real property, generally buildings or housing. Real estate is more than just buying place to live, real estate recently developed into an investment option where investors invest in property in order to appreciate it and get capital returns.

5. POST OFFICE SAVINGS:

Post Office Savings Account is a deposit scheme under the Government of India, operational at all post offices in the country. It yields returns on your investment at a fixed interest rate which is decided by the Reserve Bank of India. Post Office Savings Scheme is beneficial for individuals who want to earn fixed returns on their investment with minimum risk.

6. MUTUAL FUND:

Mutual funds are a type of collective investment schemes that are regulated and available to the general public and is of open-ended nature. Since it is a collective investment scheme a single mutual fund gives investors a choice of various combinations of these expenses by offering various different types of share combinations.

II. ABBREVIATIONS

BSE: Bombay Stock Exchange Ltd.

NSE: National Stock Exchange of India Ltd.

ANOVA: Analysis Of Variance

III. REVIEW OF LITERATURE

Jain Priyanka and Tripathi L.K, (2019), The study covers that there are numerous variables that direct an investor's decision to invest. The outcomes of present study shows that any person's investment decisions are influenced by so many factors. Individual decides the aims according to his own priorities which would be of great relevance to investors, financial planners, policy makers and wealth managers etc.

Hon Tai-Yuen, (2015), In this study the primary objective was to identify the important factors that capture the behaviour of small investors and factors such as reference group, personal background, monitor investors reaction to announcements and cognitive style were identified and analysed.

Puneet Bhushan (2014), Results of the study conveys that majority of the respondents park their money in traditional and safe investment avenues. It also finds that financial literacy level was getting affected by gender, education, income, nature & place of employment. The study was taken so that the policy makers and regulators to devise appropriate strategies in order to increase the level of financial literacy amongst the population.

Durga Rao P V, Chalam G and Murty T, (2013), the objective of the study was to know the impact of investors' socio-economic profile on the investment decision and study the retail equity investors' priorities towards different objectives of investments. The results show that the participants in the Indian Capital market are unable to understand the investor investment objective due to the dramatic change in the attitude of the investor.

Lubna Ansari, Sana Moid (2013), this study has revealed that investing activity of young professionals is independent of demographic factor, gender but dependent on factors such as Income and Age and majority of investors invest for growth and additional income.

S.Suriya Murithi, B.Narayanan, M. Arivazhagan,(2012), The study conveys that the Indian investors are very much aware about the concept of portfolio allotments and risk and return of the investment. In India, purchase of gold and land are the two

most ideal form of investment. This confirms that Indian investors even if they have high income, well educated, salaried, independent are conservative investors who prefer to play safe.

Alex Wang, (2011), This study concluded that knowledge, experience, and income are important factors that influence younger generations' investing behaviours in mutual funds. Moreover, gender emerges as the most important factor that differentiates younger generations' investing behaviours in mutual funds. Wealth advisors are also urged to consider helping their clients manage their wealth by being aware of gender-predicted differences in client situations.

IV. RESEARCH METHODOLOGY

4.1 Research Design

This is a descriptive research. This study is done to understand the investment preferences of the salaried class of people and the demographic factors influencing such preferences.

4.2 Population & Sample Size

The population is indefinite. Sampling size is 200 for convenience i.e., 200 people fill the questionnaire for the survey.

4.3 Sampling Technique

Sampling technique is the technique used to select the sample size. Convenient sampling technique used in this research. In this, Investors were taken according to the convenience of the research study.

4.4 Data

The research uses both Primary and Secondary data. Primary data has been collected using questionnaire and secondary data from various literature review.

4.5 Statistical Tools

Statistical tools such as One Way ANOVA (Analysis of Variance) & Independent T-Test is used to analyse the data collected.

4.6 Hypothesis

H₀₁: There is no significant influence on preference of investment options among different age groups of the respondents.

H₀₂: There is no significant influence on preference of investment options between gender of the respondents.

H₀₃: There is no significant influence on preference of investment options among different education levels of the respondents.

H₀₄: There is no significant influence on preference of investment options among different employment levels of the respondents.

H₀₅: There is no significant influence on preference of investment options among different income level of the respondents.

V. RESULTS

5.1 DEMOGRAPHIC PROFILE

Table 5.1 Frequency analysis of Demographic Factors

Variable (200 responses)		Frequency	Percentage
Gender	Male	106	53
	Female	94	47
Age	20-30	94	47
	31-40	66	33
	41-50	22	11
	Above 50	18	9
Educational Qualification	Graduate	102	51
	Post Graduate	98	49
Employment Level	Entry-Level Employee	81	40.5
	Middle-Level Employee	73	36.5
	Senior-Level Employee	46	23
Income Level	Below 1 Lakh Rupees	42	21

	1 to 2 Lakh Rupees	13	6.5
	2 to 3 Lakh Rupees	21	10.5
	3 to 4 Lakh Rupees	24	12
	Above 4 Lakh Rupees	100	50

Inference:

The total number of responses being 200, 47 % of the respondents fall under the age of 20-30. 53% of the respondents are men. 40.5% of the respondents are entry level employees. 51% of the respondents are graduates. 50% of the respondents earn above 4 lakhs per annum.

5.2 Anova for Age and Investment Preference

H₀: There is no significant influence on preference of investment options among different age groups of the respondents.

H₁: There is significant influence on preference of investment options among different age groups of the respondents.

Table 5.2: Anova analysis for Age

Factors	AGE				F VALUE	P VALUE	Significance level
	20-30 (Mean)	31-40 (Mean)	41-50 (Mean)	50 & above (Mean)			
Stock market	6.67	6.44	6.00	4.67	1.881	.134	Not Significant
Bank deposits	9.52	10.35	14.50	10.17	4.633	.004	Significant**

Gold	9.41	7.56	3.09	2.89	12.133	<.001	Significant**
Real Estate	8.33	7.48	6.55	15.11	13.094	<.001	Significant**
Post-Office Savings	8.00	5.76	16.05	4.50	22.300	<.001	Significant**
Mutual Funds	7.41	5.91	8.45	7.61	2.684	.048	Significant**

****The level of significance is tested at 0.05**

Inference: From table 5.2 it is inferred that age as a demographic factor has significant influence on all the investment options except stock market option. REJECT H_0 for all options except stock market. ACCEPT H_0 for investment option; "Stock Market."

5.3 Anova for Gender and Investment Preference

H_0 : There is no significant influence on preference of investment options between gender of the respondents.

H_1 : There is significant influence on preference of investment options between gender of the respondents.

Table 5.3: Anova analysis for Gender

VARIABLES	Gender		F VALUE	P VALUE	Significance level
	MALE (Mean)	FEMALE(Mean)			
Stock Market	6.30	6.38	7.030	.009	Not Significant
Bank Deposits	9.50	11.41	.945	.332	Not Significant
Gold	7.02	8.09	18.301	<.001	Significant**

Real Estate	8.99	7.87	7.388	.007	Significant**
Post-office Savings	7.08	8.68	5.310	.022	Significant**
Mutual Fund	7.21	6.87	.038	.846	Not Significant

***The level of significance is tested at 0.05**

Inference: From table 5.3 it can be inferred that “Gender” as a demographic factor has significant influence on the investment options; Gold, Real Estate and Post office Savings.”, hence REJECT H_0 . There is no significant influence of “Gender” as a demographic factor on Stock Market, Bank Deposits and Mutual Fund options. Hence, ACCEPT H_0 .

5.4 Anova for Education Level and Investment Preference

H_0 : There is no significant influence on preference of investment options among different education levels of the respondents.

H_1 : There is significant influence on preference of investment options among different education levels of the respondents.

Table 5.4: Anova analysis for Education Level

VARIABLES	EDUCATION LEVEL		F VALUE	P VALUE	Significance level
	Graduate (Mean)	Post graduate (Mean)			
Stock Market	6.43	6.24	.050	.698	Significant**
Bank Deposits	9.78	11.04	2.360	.126	Not Significant

Gold	7.20	7.86	.588	.444	Not Significant
Real Estate	7.45	9.52	7.814	.006	Significant**
Post-office Savings	7.63	8.04	.219	.641	Not Significant
Mutual Fund	7.63	6.45	3.747	.05	Significant**

****The level of significance is tested at 0.05**

Inference: From table 5.4 it can be inferred that “Education Level” as a demographic factor has significant influence on the investment options, Stock Market, Real Estate and Mutual fund hence REJECT H_0 . There is no significant influence of “Education Level” as a demographic factor on investment options; Bank Deposits, Gold, and Post office Savings. Hence ACCEPT H_0 .

5.5 Anova for Employment Level and Investment Preference

H_0 : There is no significant influence on preference of investment options among different employment levels of the respondents.

H_1 : There is significant influence on preference of investment options among different employment levels of the respondents.

Table 5.5: Anova Analysis for Employment Level

VARIABLES	EMPLOYMENT GRADE LEVEL			F VALUE	P VALUE	Significance level
	Entry-Level Employee (Mean)	Middle-Level Employee (Mean)	Senior or Executive -Level Employee (Mean)			
Stock Market	7.26	6.18	4.98	7.215	<.001	Significant**

Bank Deposits	9.14	11.47	10.93	3.432	.034	Significant**
Gold	8.09	8.37	5.17	4.641	.011	Significant**
Real Estate	7.07	8.11	11.48	11.374	<.001	Significant**
Post-office Savings	6.20	9.07	8.74	4.884	.009	Significant**
Mutual Fund	7.65	6.84	6.33	1.527	.220	Not Significant

****The level of significance is tested at 0.05**

Inference: From table 5.5 it is inferred that employment level as a demographic factor has significant influence on all the investment options except mutual funds. REJECT H_0 for all options except mutual fund. ACCEPT H_0 for investment option; “mutual fund.”

5.6 Anova for Income Level and Investment Preference

H_0 : There is no significant influence on preference of investment options among different income level of the respondents.

H_1 : There is significant influence on preference of investment options among different income level of the respondents.

Table 5.6: Anova Analysis for Income Level

VARIABLES	ANNUAL INCOME					F VALUE	P VALUE	Significance
	Below 1 Lakh Rupee Mean	1 to 2 Lakh Rupee Mean	2 to 3 Lakh Rupee Mean	3 to 4 Lakh Rupee Mean	Above 4 Lakh Rupee Mean			

Stock Market	7.76	7.15	5.76	6.50	5.72	3.178	.015	Significant**
Bank Deposits	6.67	8.54	12.86	12.50	11.19	7.816	<.001	Significant**
Gold	7.86	11.08	3.86	4.79	8.34	5.087	<.001	Significant**
Real Estate	8.38	6.69	5.76	10.38	8.84	2.703	.032	Significant**
Post-office Savings	5.62	7.77	11.38	11.08	7.24	5.297	<.001	Significant**
Mutual Fund	7.43	8.69	8.00	9.29	5.94	4.314	.002	Significant**

****The level of significance is tested at 0.05**

Inference:

From table 5.6 it is inferred that “Income Level” as a demographic factor has significant influence on all the investment options, hence reject H_0 .

VI. CONCLUSION

From analysing the data collected, the demographic factors affecting the preference of investment options by the salaried class have been identified. Various demographic factors such as age, gender, education level, income level, employment level, have been identified. After the analysis & interpretation of data by the researcher it is concluded that demographic factors exert a significant influence over the preference of salaried class on various investment options.

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