

PUBLIC OPINION ON THE ADVANTAGES OF INVESTING IN GOLD

Submitted in partial fulfilment of the requirements for the award of
Master of Business Administration

By

GRACE TEENA S
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SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved by AICTE
Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119

April – 2021



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **GRACE TEENA S (39410060)** who have done the Project work entitled “**PUBLIC OPINION ON THE ADVANTAGES OF INVESTING IN GOLD**” under my supervision from January 2021 to March 2021.

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Submitted for Viva voce Examination held on _____

Internal Examiner

External Examiner

DECLARATION

I **GRACE TEENA S (39410060)** hereby declare that the Project Report entitled “**PUBLIC OPINION ON THE ADVANTAGES OF INVESTING IN GOLD**” done by me under the guidance of **Dr. TR. KALAI LAKSHMI M.A., M.B.A., M.Phil., Ph.D.**, at SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

GRACE TEENA S

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GRACE TEENA S

ABSTRACT

An investment is an asset or item acquired with the goal of generating income or appreciation. Appreciation refers to an increase in the value of an asset over time. When an individual purchases a good as an investment, the intent is not to consume the good but rather to use it in the future to create wealth. An investment always concerns the outlay of some asset today—time, money, or effort—in hopes of a greater payoff in the future than what was originally put in.

In this modern time, the money plays an important role in everybody's life. Every individual saved from current consumption for the benefits of future requirement. Investment is the commitment of funds which have been saved from current consumption with the hope that some benefits will be received in the future. Though there are many forms of investments people choose gold as one of the best investment. The various alternatives available for investment in gold through options like jewellery, coins, bullions, ETF, mutual funds, E-gold etc. The present study "PUBLIC OPINION ON THE ADVANTAGES OF INVESTING IN GOLD" tries to study about the public opinion on advantages of investment in gold and the factors that influence them to invest and the various forms of investment in gold. For the purpose of study the Primary data and Secondary data has been collected. Primary data consists of questionnaire and Secondary data through website, research papers and magazine.

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CHAPTER – 1

INTRODUCTION

1.1 INTRODUCTION

In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. Investment ensures one's dreams turn real and enjoy life to the fullest without actually worrying about the future. It controls an individual's spending pattern. It decides how and what amount one should spend so that he has sufficient money for future. There are various avenues for investment for an individual, namely, Bank deposits, Real estate, Securities, Mutual funds, Commodity exchange and Gold investment. Though there are different areas for investment, Gold has been a traditional favourite for Indian investors. Gold has always come out as a trusted pillar to fall back on. During the recent upheavals in the global markets, investors started ploughing money into gold. Consequently, the demand for the gold went up. In addition, as there were no other comparably safe assets to invest in, the price of gold skyrocketed. The pricier the gold gets, the more desirable it becomes, with many a woman yearning for the precious metal. The higher gold price has added to gold jeweller's desirability despite these challenging economic times. According to World Gold Council, India is the largest consumer of gold in the world followed by China.

Gold is a comparatively dense, shiny, yellow metal. As an element, gold is quite resistant to corrosion (by oxygen, but also many other chemicals).

“Gold is a chemical element with the symbol Au and an atomic number of 79. Gold is a dense, soft, shiny metal and the most malleable and ductile metal known.”

In ancient times the value of gold had already been discovered. People took gold to make jewellery and currency. It is a symbol of wealth, beauty and heritage carrying memories and cultures. However, besides these, gold also makes significant contributions to a wide range of technologies. Due to its physical features as corrosion resistance and highly malleable and ductile, gold is being applied in space exploration, nanoparticle technology, and medicine. Moreover it is also used as the bonding wire at the core of an iPhone.

Gold is considered by many, to be the best investment you can make to protect yourself during stock market declines and inflation. In fact, history shows that the performance of gold goes up in times of high inflation. However, the price of gold also has its highs and lows and you could just as easily lose money investing in gold as with any other investment.

DIFFERENT FORMS OF INVESTMENT IN GOLD

- Gold Jewellery
- Gold Bullion Bars
- Gold Coins
- Gold ETF
- E-Gold
- Gold Mutual Fund
- Gold Certificate
- Paper Gold

ADVANTAGES OF INVESTING IN GOLD

- Gold is a hedge against inflation.
- Liquidity.
- Diversification.
- Holds its value over a long period of time.
- Most desired commodity.
- There is strong global market demand for gold.
- Lower risk.
- Stable investment.

1.2 NEED FOR THE STUDY

There are various investment portfolios available to the investors. Among the investors, investment in gold is considered as a safe investment because of its high profitability and liquidity. In India most of the investors invest in gold in different forms many people invest in the form of jewellery which involves various constraints; that includes high making charges, loss of value, safety issue and storage/locker charges. Though the

prices of gold increase/decrease people still buy/invest in gold. The demand for gold has been very volatile and has shown both increasing and decreasing trend. The present study creates awareness and tells about the advantages and various forms of gold investment.

1.3 OBJECTIVES OF THE STUDY

Primary Objective

- A study on public opinion on the advantages of investing in gold.

Secondary Objective

- To identify the factors influencing individuals to invest in gold.
- To understand individuals decision to invest in gold.
- To analyse individuals decision in investing in different forms of gold.
- To give suggestions for investing in gold.

CHAPTER – 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

- Vidhyashankar (1990) identified a shift from bank or company deposits to mutual funds due to its superiority by way of ensuring a healthy and orderly development of capital market with adequate investor protection through SEBI interference. The study identified that mutual funds in the Indian capital market have a bright future as one of the predominant instruments of savings by the end of the century.
- Lal and Sharma Seema (1992) identified that, the household sector's share in the Indian domestic savings increased from 73.6 percent in 1950-51 to 83.6 percent in 1988-89. The share of financial assets increased from 56 percent in 1970-71 to over 60 percent in 1989-90 bringing out a tremendous impact on all the constituents of the financial market.
- Sanjay Kant Khare (2007) opined that investors could purchase stocks or bonds with much lower trading costs through mutual funds and enjoy the advantages of diversification and lower risk. The researcher identified that, with a higher savings rate of 23 percent, channeling savings into mutual funds sector has been growing rapidly as retail investors were gradually keeping out of the primary and secondary market. Mutual funds have to penetrate into rural areas with diversified products, better corporate governance and through introduction of financial planners
- Greenwood and Steiner (2011) state that from 2000 to 2010 gold increased in value by a cumulative 398%. Furthermore, over the same period, gold outperformed emerging markets, bonds, Treasury bills, commodities, oil and platinum. However, higher risks provide the possibility of higher return. One of the reasons people still prefer to invest in gold than stock market is because of the safe and growth characteristics. They also found that gold has been one of the best performing asset classes.

- According to the World Gold Council physical gold is one of the most direct ways of investing in gold, and it can be done by buying: gold bullions, coins and jewellery. Traditionally, gold investment can be made in few different ways: physical gold, gold Exchange-Traded Funds (ETFs), gold mutual funds and other form of gold investments through buying gold certificates or through gold accounts.
- Numerous studies have examined the status of gold as investments: Feldman (2010) argues that an investor has a few ways to use gold as part of his investment strategy: potential “safe haven” during political or economic uncertainty also supports (Baur and Lucey (2010), Baur and McDermott (2010), Hood and Farooq (2013) and Harmston (1998)), hedge against the US dollar devaluation also pointed (Reboredo (2013)), portfolio diversification over both long and short-term horizons and hedge against inflation also provides (Worthington and Pahlavani (2006), Blose (2010)). While Brier (2012) argues that gold is purely speculative investment what makes big swings in price of gold.
- Baur and Lucey (2010) examine “hedge” and “safe haven” assets, i.e. assets that are uncorrelated or negatively correlate with the other types of asset classes. Therefore, gold is referred as “safe haven” during negative market events that give opportunity investors protect their wealth.
- The World Gold Council (2008) argues that gold also plays strategic diversification investment role. The investment allocation on gold depends on the level of risk. Small allocation adds diversification benefit to the portfolio with a low level of risk (1%-3%). Helmersson, Kang and Scold (2008) conclude that by including gold to the portfolio, it could improve an investor performance by increasing return or minimize in risks. That makes it more attractive especially in times of recession. Shafiee and Topal (2010) and McCown and Zimmerman (2006) describe gold investment as an insurance against stock market losses.
- Baur and McDermott (2010) examine gold as strong “safe haven” for most developing markets during market turmoil. During the stock market crash in 1987,

gold showed a strong “safe haven” for the major Eurozone market, but not “safe haven” for Asian and Australian emerging markets. They also pointed out ability gold be “safe haven” for stocks but not for bonds.

- Beckmen and Czudaj (2012) discuss gold investments as hedge against inflation in a long-run for the USA and United Kingdom economies. Reboredo (2013) and Hood and Farooq (2013) describe investment in gold as a strong “safe haven” for oil market movements and as a hedge against movements of US dollar.
- Baur (2013) pointed out that over the historical period from 1980 to 2010 gold prices showed significant positive returns especially in the months between September and November according to the season anomaly called the “autumn effect”. The extreme periods of gold prices for investors occurred: Stock markets crashed (October, 1987), Asian Financial Crises (October, 1997), Global Financial Crises (September and October, 2008).
- Goodboy (2013) argues that in recent year’s gold and silver have been the favourite precious metals of most investors. Moreover, they are the most enduring form of currency and investment in the world. They serve as a medium of monetary exchange and store of value. Despite their differences and similarities as a commodity, investors prefer to own gold than silver. The reason is that silver is used mostly for industrial purposes, whereas gold is used for investment and jewellery. Singh and Nadda (2013) note that an investor has various investment options: mutual funds, stock markets, hedge funds, gold and commodities.

CHAPTER – 3

RESEARCH METHODOLOGY

Research is defined as careful consideration of study regarding a particular concern or problem using scientific methods. Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic.

3.1 RESEARCH DESIGN

The present study is descriptive study in nature. Descriptive research is usually defined as a type of quantitative research. It aims to accurately and systematically describe a population, situation or phenomenon. A descriptive research design can use a wide variety of research methods to investigate one or more variables.

3.2 SAMPLING DESIGN

The sampling method used is Convenience sampling. Convenience sampling method is a type of non-probability sampling. This method is used when the part of population is close to hand. It is used to select sample and collect the data needed.

3.3 SOURCES OF DATA

In order to get required information, the information was gathered from two different sources they are Primary and Secondary sources.

Primary data consists of questionnaire.

Secondary data consists of information sourced through various websites, research articles.

3.4 SAMPLE SIZE

The sample size of a study is the total number of samples. The sample size is 150.

3.5 PERIOD OF STUDY

Period of study describes the date of beginning and ending of the study. The period of study is from January 2021 to March 2021.

3.6 STATISTICAL TOOLS USED

Tools used for analysis are Percentage analysis, Pie chart, Bar diagram, Chi Square test etc.

CHAPTER – 4

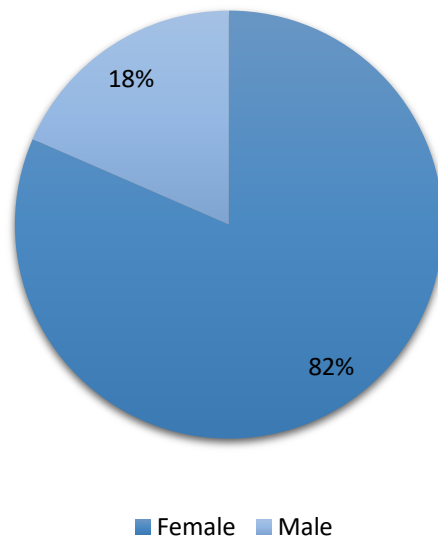
DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

Table 4.1.1 Classification of respondents according to their Gender

Gender	No. of respondents	Percentage
Male	128	18.5
Female	29	81.5
Total	157	100.0

Chart 4.1.1 Classification of respondents according to their Gender



Interpretation:

From the above chart it is interpreted that 81.5% are female and 18.5% are male.

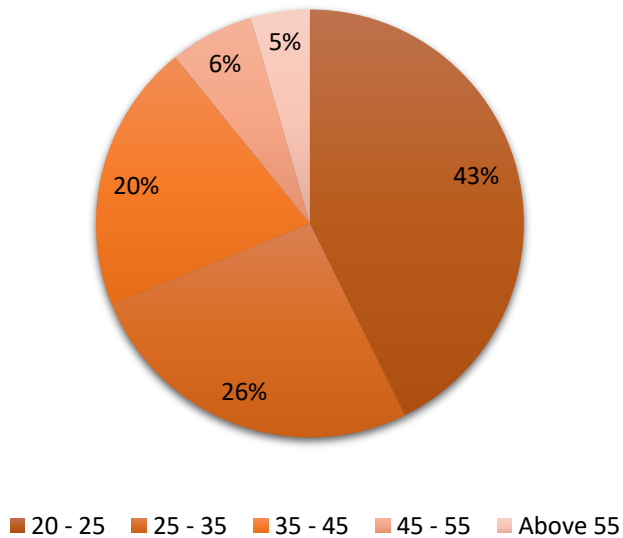
Inference:

Majority of the respondents are female.

Table 4.1.2 Classification of respondents according to their Age Group

Age	No. of respondents	Percentage
20 – 25	67	42.7
25 – 35	41	26.1
35 – 45	32	20.4
45 – 55	10	6.4
Above 55	7	4.5
Total	157	100.0

Chart 4.1.2 Classification of respondents according to their Age Group



Interpretation:

From the above chart it is interpreted that 42.7% respondents are 20-25, 26.1% respondents are 25-35, 20.4% respondents are 35-45, 6.4% respondents are 45-55 and 4.5% respondents are above 55.

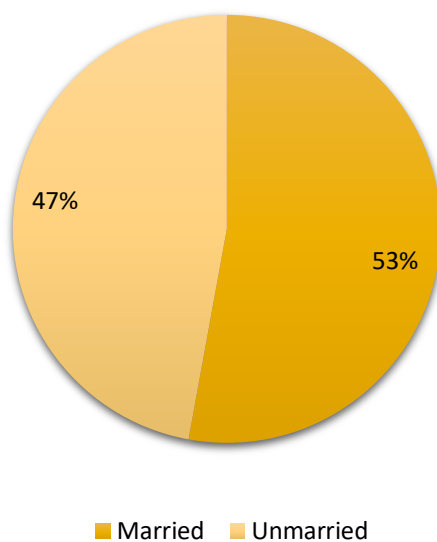
Inference:

Majority of the respondents fall in the age category of 20 – 25 years.

Table 4.1.3 Classification of respondents according to their Marital Status

Marital Status	No. of respondents	Percentage
Married	83	52.9
Unmarried	74	47.1
Total	157	100.0

Chart 4.1.3 Classification of respondents according to their Marital Status



Interpretation:

From the above chart it is interpreted that 52.9% are married and 47.1% are unmarried.

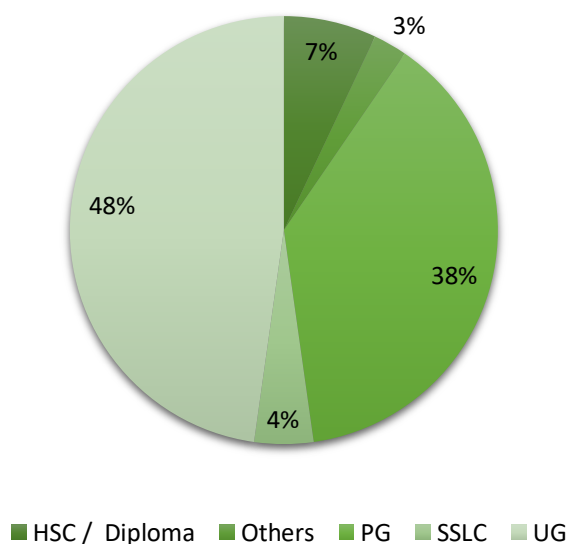
Inference:

Majority of the respondents are married.

Table 4.1.4 Classification of respondents according to their Education Level

Education	No. of respondents	Percentage
SSLC	7	4.5
HSC/Diploma	11	7.0
UG	75	47.8
PG	60	38.2
Others	4	2.5
Total	157	100.0

Chart 4.1.4 Classification of respondents according to their Education Level



Interpretation:

From the above chart it is interpreted that 47.8% have done their UG, 38.2% have done their PG, 7.0% have done their HSC/Diploma, 4.5% have done their SSLC and 2.5% others.

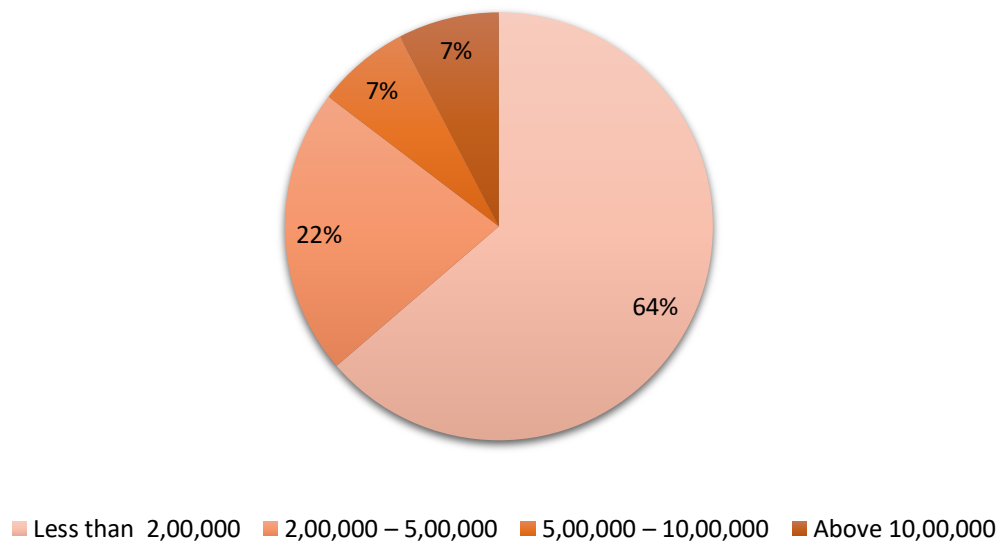
Inference:

Majority of the respondents education are UG.

Table 4.1.5 Classification of respondents according to their Annual Income

Annual Income	No. of respondents	Percentage
Less than 2,00,000	100	63.7
2,00,000 – 5,00,000	34	21.7
5,00,000 – 10,00,000	11	7.0
Above 10,00,000	12	7.6
Total	157	100.0

Chart 4.1.5 Classification of respondents according to their Annual Income



Interpretation:

From the above chart it is interpreted that 63.7% annual income is less than 2,00,000 21.7% annual income is 2,00,000 – 5,00,000 7.0% annual income is 5,00,000 – 10,00,000 and 7.6% annual income is above 10,00,000.

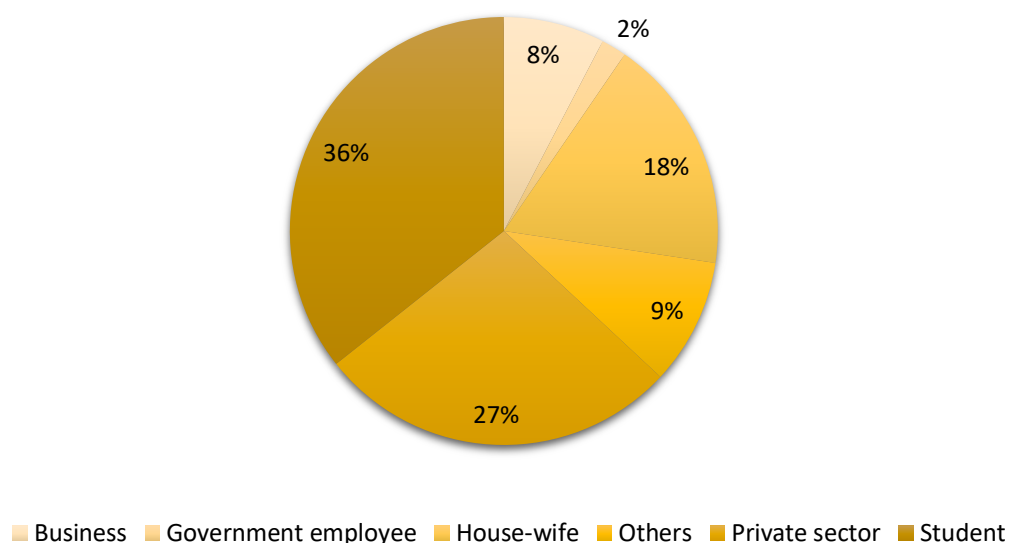
Inference:

Majority of the respondents annual income is less than Rs.2,00,000.

Table 4.1.6 Classification of respondents according to their Occupation

Occupation	No. of respondents	Percentage
Business	12	7.6
Government employee	3	1.9
Private sector	43	27.4
Student	56	35.7
House-wife	28	17.8
Others	15	9.6
Total	157	100.0

Chart 4.1.6 Classification of respondents according to their Occupation



Interpretation:

From the above chart it is interpreted that respondents occupation 35.7% are student, 27.4% private sector, 17.8% are house-wife, 9.6% others, 7.6% business and 1.9% government employee.

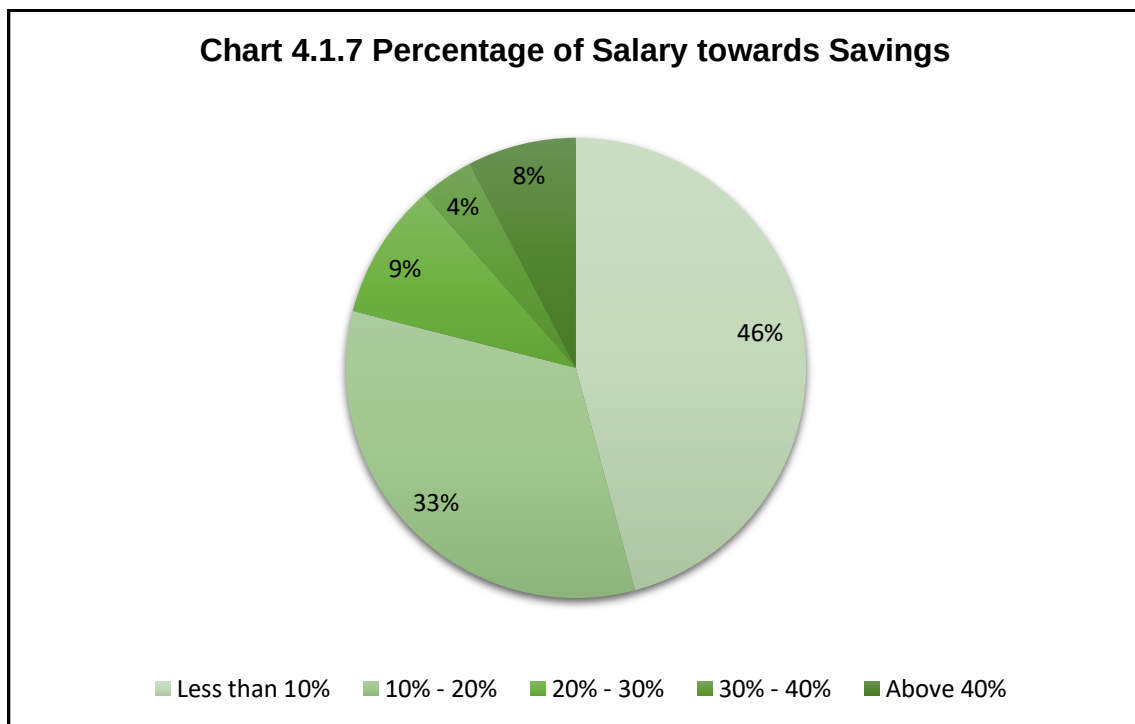
Inference:

Majority of the respondents are student.

Table 4.1.7 Percentage of Salary towards Savings

Percentage of Savings	No. of Respondents	Percentage
10% - 20%	52	33.1
20% - 30%	15	9.6
30% - 40%	6	3.8
Above 40%	12	7.6
Less than 10%	72	45.9
Total	157	100.0

Chart 4.1.7 Percentage of Salary towards Savings



Interpretation:

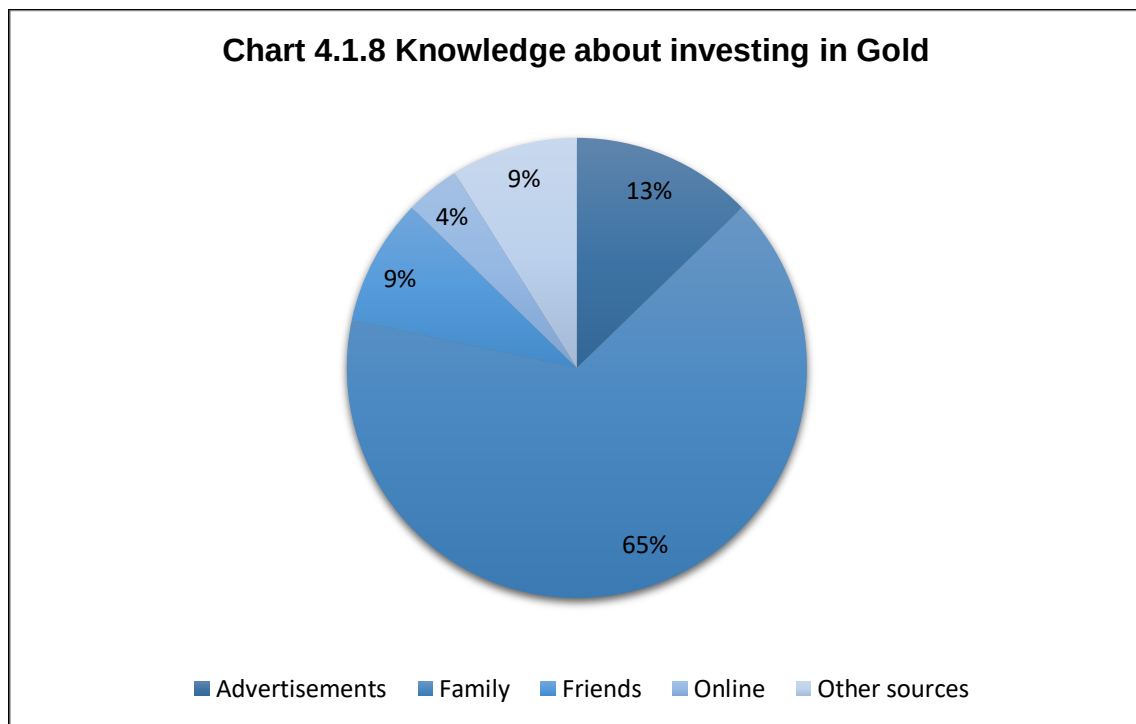
From the above chart it is interpreted that respondents occupation 45.9% save less than 10%, 33.1% save 10 – 20%, 9.6% save 20 – 30%, 7.6% save above 40% and 3.8% save 30 – 40%.

Inference:

Majority of the respondents save less than 10%.

Table 4.1.8 Knowledge about investing in Gold

Sources of Knowledge	No. of respondents	Percentage
Advertisements	20	12.7
Family	103	65.6
Friends	14	8.9
Online	6	3.8
Other sources	14	8.9
Total	157	100.0



Interpretation:

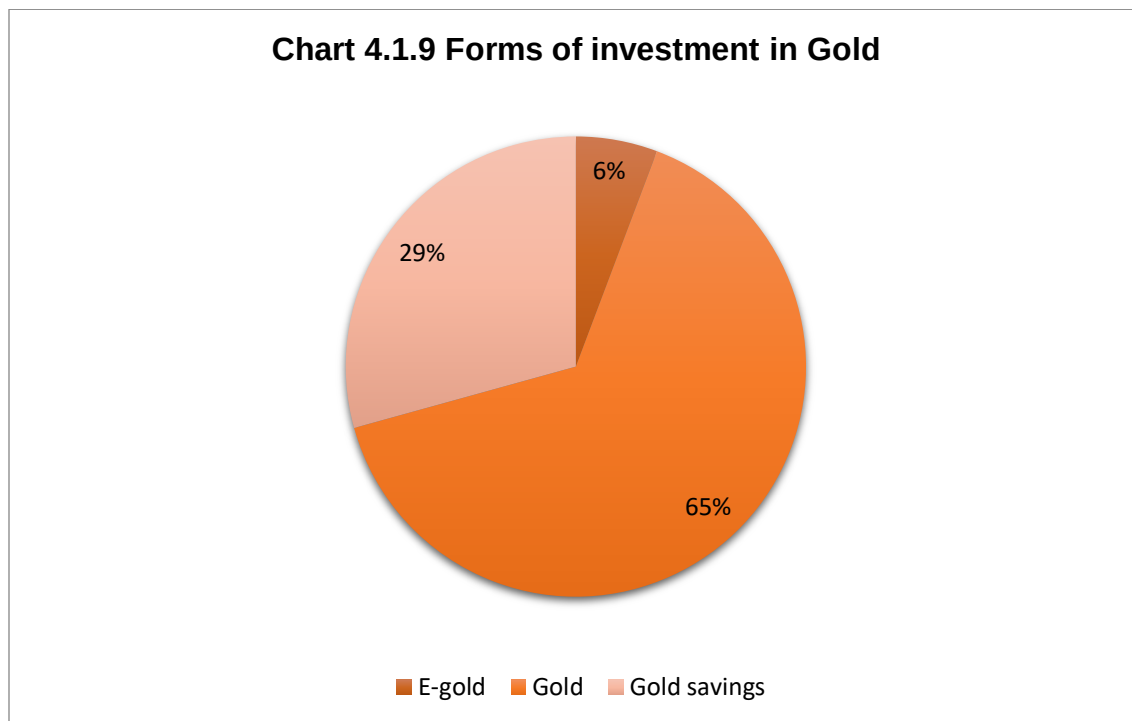
From the above chart it is interpreted that respondents came to know about investing in gold 65.6% family, 12.7% advertisements, 8.9% friends and other sources and 3.8% online.

Inference:

Majority of the respondents came to know about investing in gold through family.

Table 4.1.9 Forms of investment in Gold

Forms of Gold investment	No. of respondents	Percentage
Gold	102	65.0
Gold Savings	46	29.3
E-Gold	9	5.7
Total	157	100.0



Interpretation:

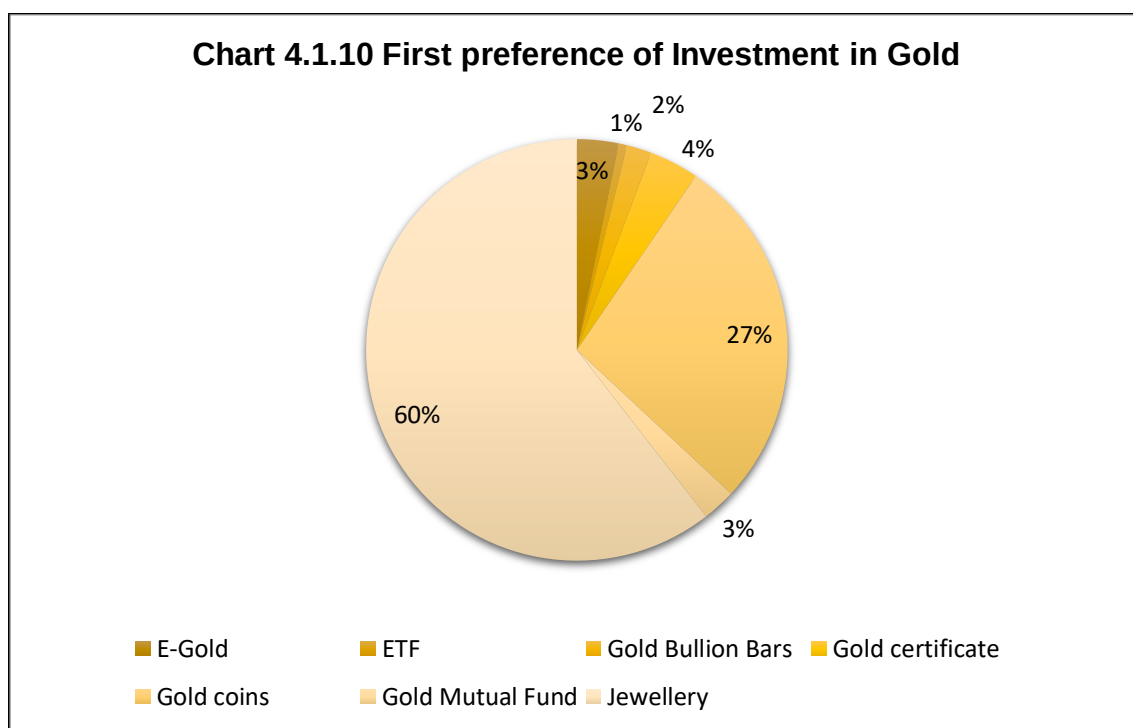
From the above chart it is interpreted that 65.0% invest in gold, 29.3% invest in gold savings and 5.7% in e-gold.

Inference:

Majority of the respondents invest in gold.

Table 4.1.10 First preference of Investment in Gold

First preference of Gold Investment	No. of respondents	Percentage
Jewellery	95	60.5
Gold bullion bars	3	1.9
Gold coins	43	27.4
Gold certificate	6	3.8
ETF	1	0.6
Gold mutual fund	4	2.5
E-Gold	5	3.2
Total	157	100.0



Interpretation:

From the above chart it is interpreted that respondents first preference of investment in gold 60.5% jewellery, 27.4% gold coins, 3.8% gold certificate, 3.2% e-gold, 2.5% gold mutual fund, 1.9% gold bullion bars and 0.6% etf.

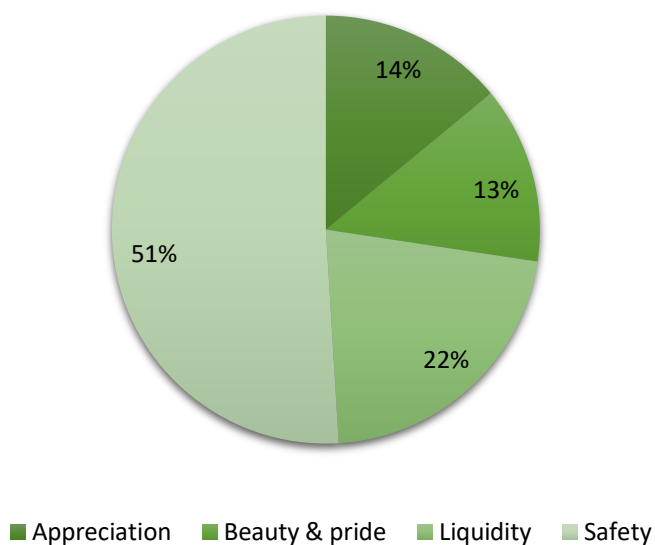
Inference:

Majority of the respondents have jewellery as their first preference of investment in gold.

Table 4.1.11 Factors that Influence the respondents to Invest in Gold

Factors that Influence the respondents	No. of respondents	Percentage
Liquidity	34	21.7
Appreciation	22	14.0
Safety	80	51.0
Beauty & pride	21	13.4
Total	157	100.0

Chart 4.1.11 Factors that Influence the respondents to Invest in Gold



Interpretation:

From the above chart it is interpreted that the factors that influence the respondents to invest in gold 51.0% safety, 21.7% liquidity, 14.0% appreciation and 13.4% beauty & pride.

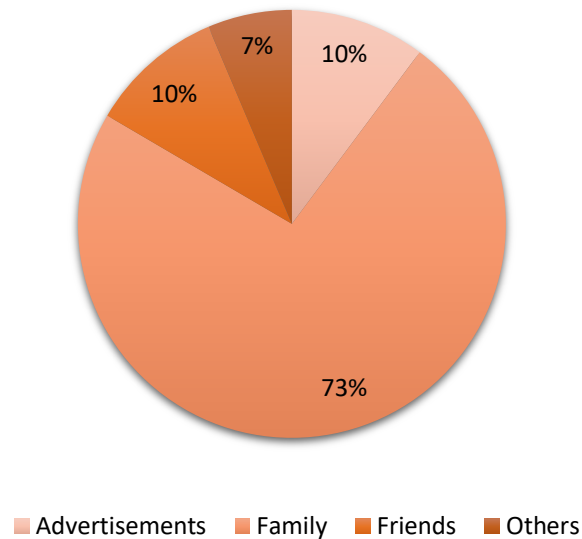
Inference:

Majority of the factors that influence the respondents to invest in gold is safety.

Table 4.1.12 Classification of respondents according to who influenced them to invest in gold

Sources that influence the respondents	No. of respondents	Percentage
Family	115	73.2
Friends	16	10.2
Advertisements	16	10.2
Others	10	6.4
Total	157	100.0

Chart 4.1.12 Classification of respondents according to who influenced them to invest in gold



Interpretation:

From the above chart it is interpreted that respondents are influenced 73.2% family, 10.2% advertisements and friends and 6.4% others.

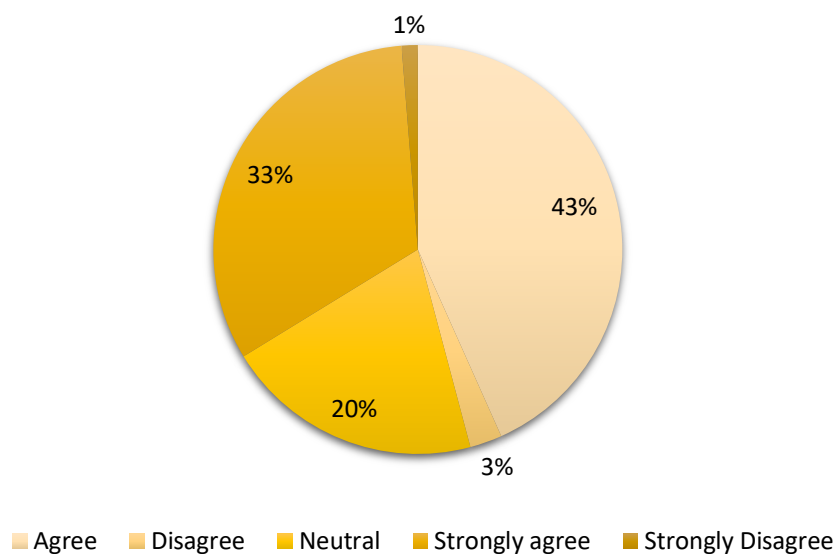
Inference:

Majority of the respondents are influenced by their family.

Table 4.1.13 Investing in Gold is the Best

Investing in Gold is the Best	No. of respondents	Percentage
Strongly agree	51	32.5
Agree	68	43.3
Neutral	32	20.4
Disagree	4	2.5
Strongly disagree	2	1.3
Total	157	100.0

Chart 4.1.13 Investing in Gold is the Best



Interpretation:

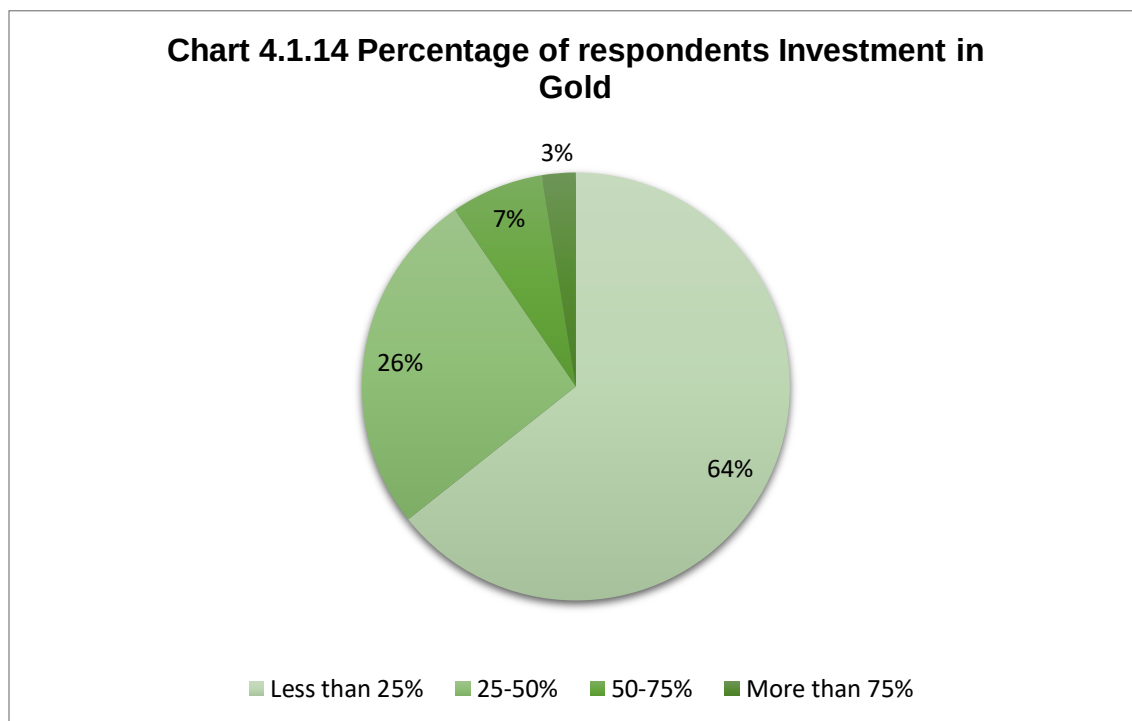
From the above chart it is interpreted that investing in gold is the best investment 43.3% agree, 32.5% strongly agree, 20.4% neutral, 2.5% disagree and 1.3% strongly disagree.

Inference:

Majority of the respondents agree that investing in gold is the best investment.

Table 4.1.14 Percentage of respondents Investment in Gold

Percentage of Investment	No. of Respondents	Percentage
Less than 25%	101	64.3
25-50%	41	26.1
50-75%	11	7.0
More than 75%	4	2.5
Total	157	100.0



Interpretation:

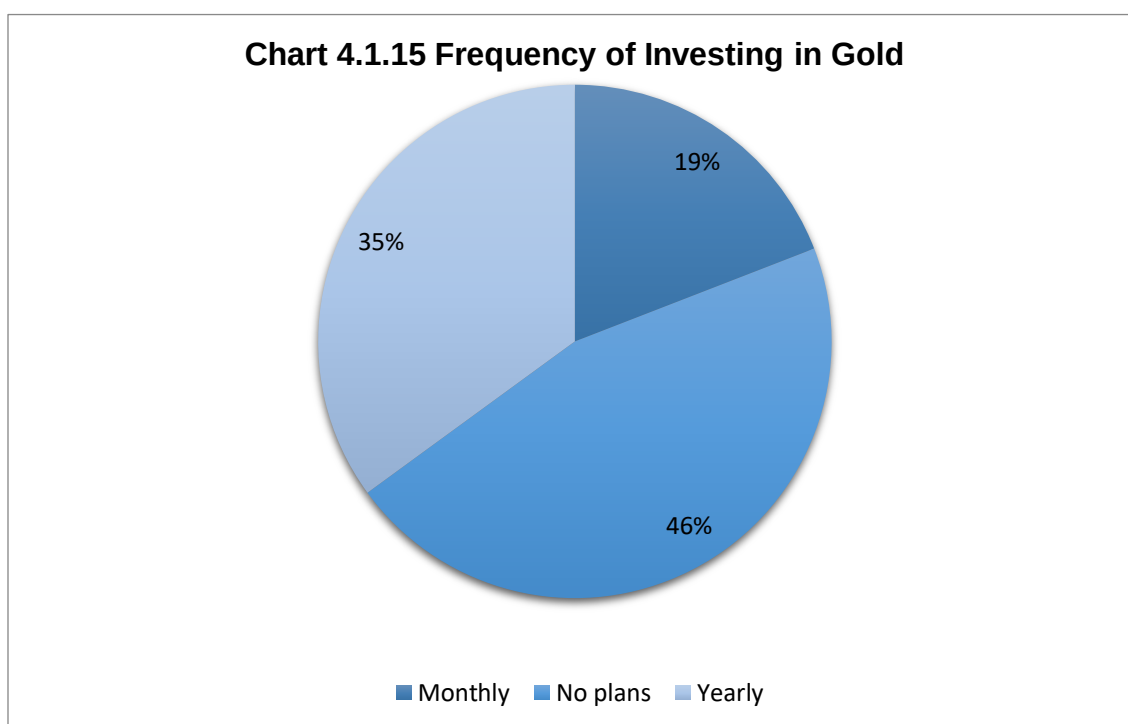
From the above chart it is interpreted the respondents % of investments in gold 64.3% invest less than 25%, 26.1% invest 25 – 50%, 7.0% invest 50 – 75% and 2.5% invest more than 75%.

Inference:

Majority of the respondents invest less than 25% in gold.

Table 4.1.15 Frequency of Investing in Gold

Frequency of Investing in Gold	No. of Respondents	Percentage
Monthly	30	19.1
No plans	72	45.9
Yearly	55	35.0
Total	157	100.0



Interpretation:

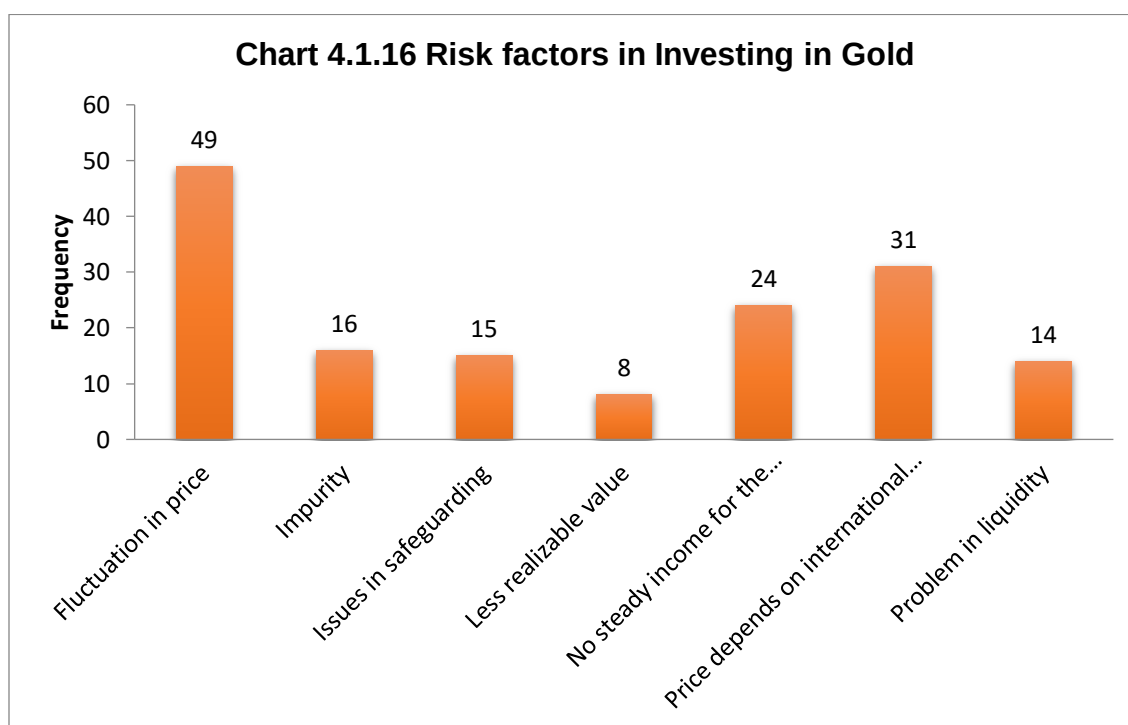
From the above chart it is interpreted the respondents occurrence of investing in gold 45.9% no plans, 35.0% yearly and 19.1% monthly.

Inference:

Majority of the respondents have no plans.

Table 4.1.16 Risk factors in Investing in Gold

Risk factors in Investing in Gold	No. of Respondents	Percentage
Fluctuation in price	49	31.2
Impurity	16	10.2
Issues in safeguarding	15	9.6
Less realizable value	8	5.1
No steady income for the investment	24	15.3
Price depends on international market	31	19.7
Problem in liquidity	14	8.9
Total	157	100.0



Interpretation:

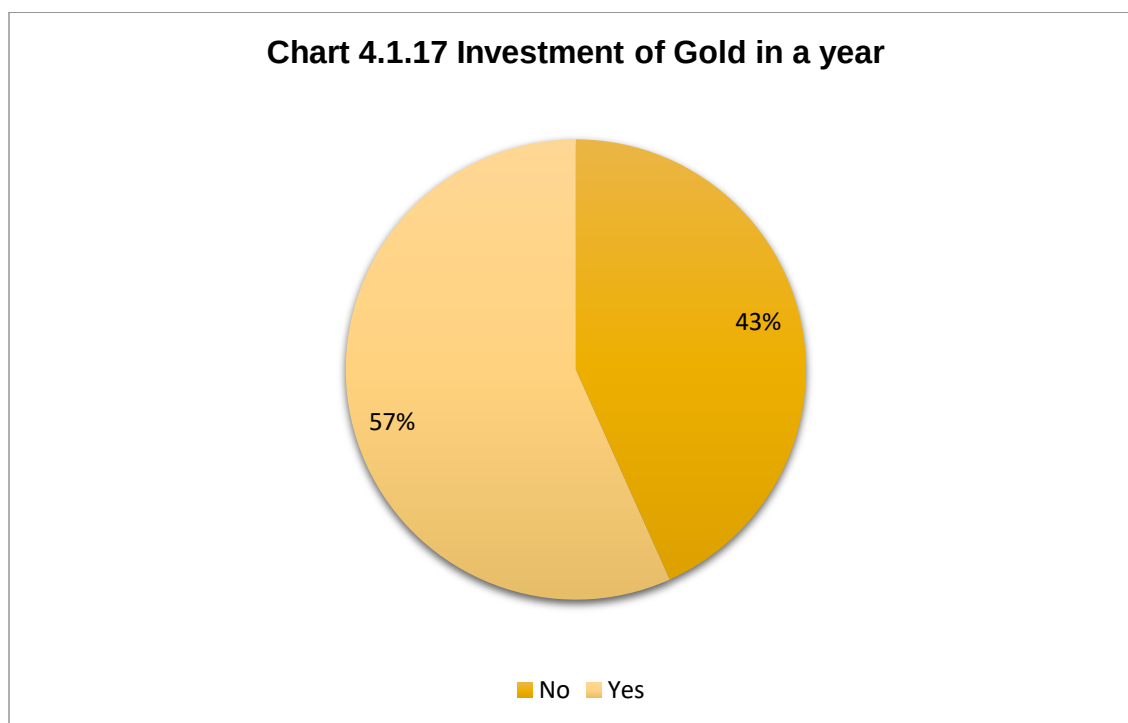
From the above chart it is interpreted the reason why it is risk to invest in gold 31.2% fluctuation in price, 19.7% price depends on international market, 15.3% no steady income, 10.2% impurity, 9.6% issues in safeguarding, 8.9% problem in liquidity and 5.1% less realizable value.

Inference:

Majority of the respondents state that the fluctuation in price is the risk factor to invest in gold.

Table 4.1.17 Investment of Gold in a year

Investment of Gold in a year	No. of Respondents	Percentage
No	68	43.3
Yes	89	56.7
Total	157	100.0



Interpretation:

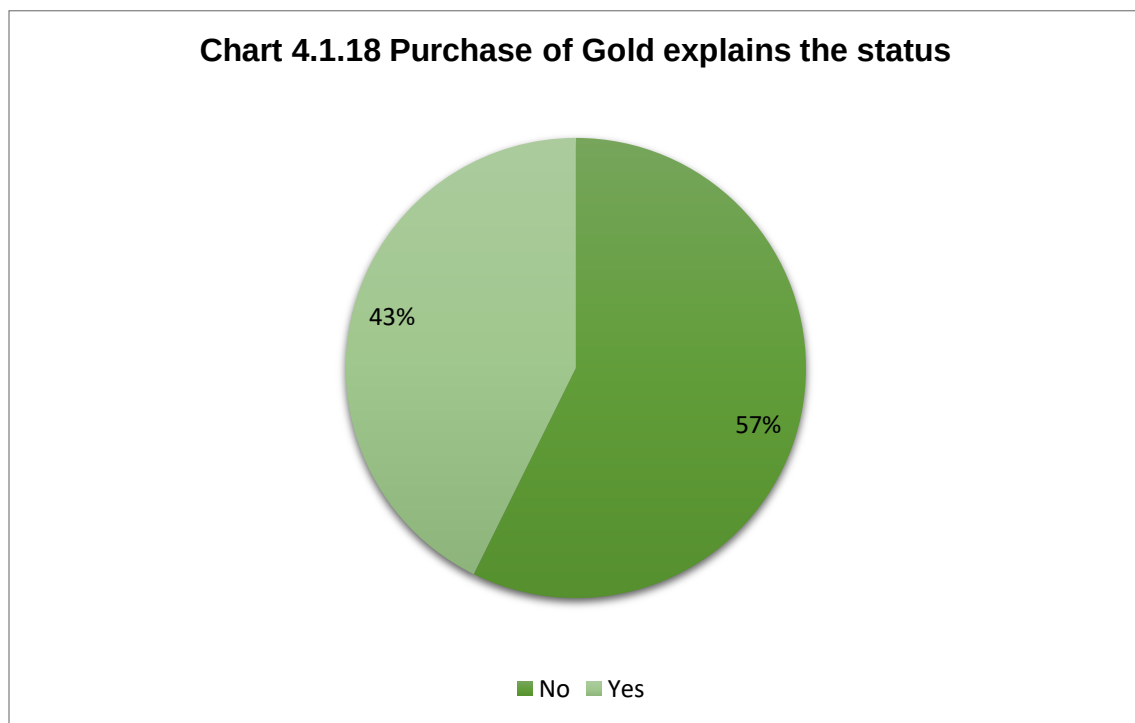
From the above chart it is interpreted the respondents investment in a year 56.7% yes and 43.3% no.

Inference:

Majority of the respondents invest in gold once in a year.

Table 4.1.18 Purchase of Gold explains the status

Purchase of Gold explains the status	No. of Respondents	Percentage
No	90	57.3
Yes	67	42.7
Total	157	100.0



Interpretation:

From the above chart it is interpreted the respondents purchase of gold explains status 57.3% no and 42.7% yes.

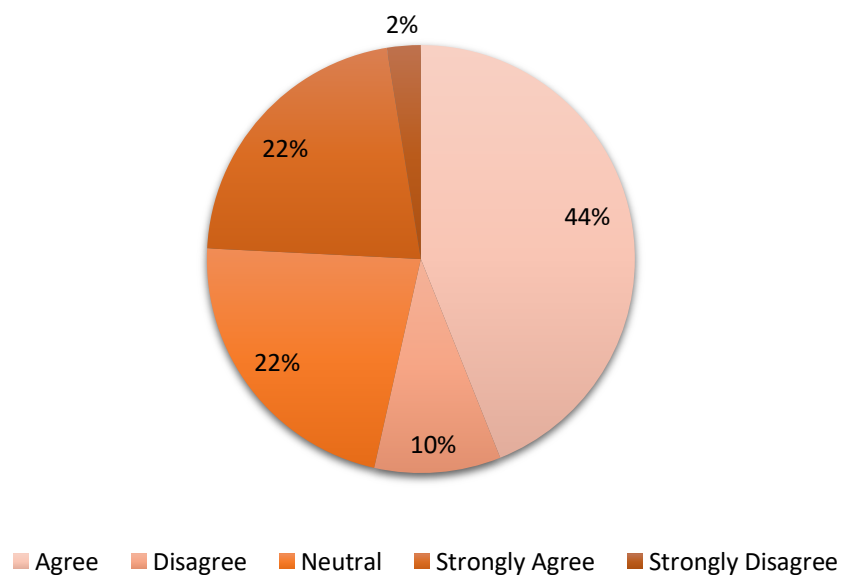
Inference:

Majority of the respondents do not purchase gold for status.

Table 4.1.19 Current trend in Gold price gets affected in future

Current trend in Gold price gets affected in future	No. of respondents	Percentage
Strongly agree	34	21.7
Agree	69	43.9
Neutral	35	22.3
Disagree	15	9.6
Strongly disagree	4	2.5
Total	157	100.0

Chart 4.1.19 Current trend in Gold price gets affected in future



Interpretation:

From the above chart it is interpreted that current trend in price will affect the decision in gold investment 43.9% agree, 22.3% neutral, 21.7% strongly agree, 9.6% disagree and 2.5% strongly disagree.

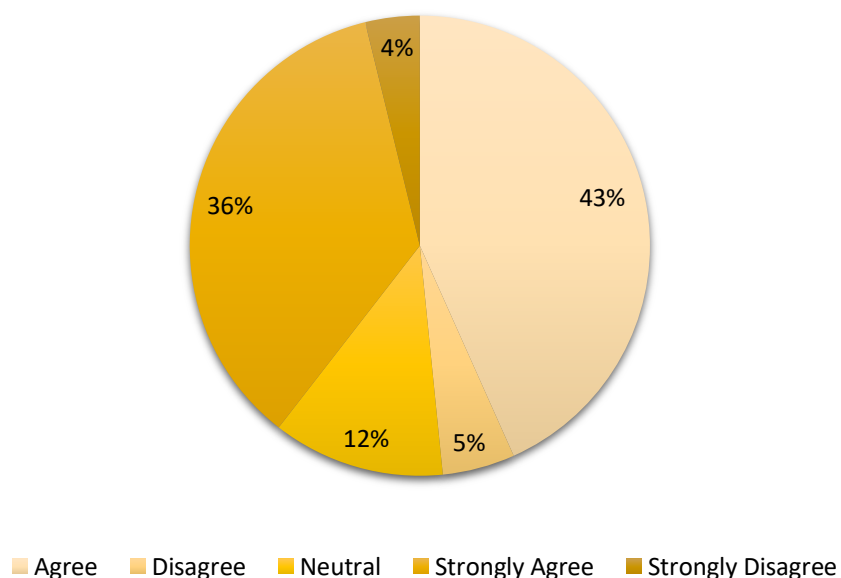
Inference:

Majority of the respondents agree that the current trend in prices will affect the investment in gold.

Table 4.1.20 Gold prices keep on fluctuating

Gold prices keep on fluctuating	No. of respondents	Percentage
Strongly agree	56	35.7
Agree	68	43.3
Neutral	19	12.1
Disagree	8	5.1
Strongly disagree	6	3.8
Total	157	100.0

Chart 4.1.20 Gold prices keep on fluctuating



Interpretation:

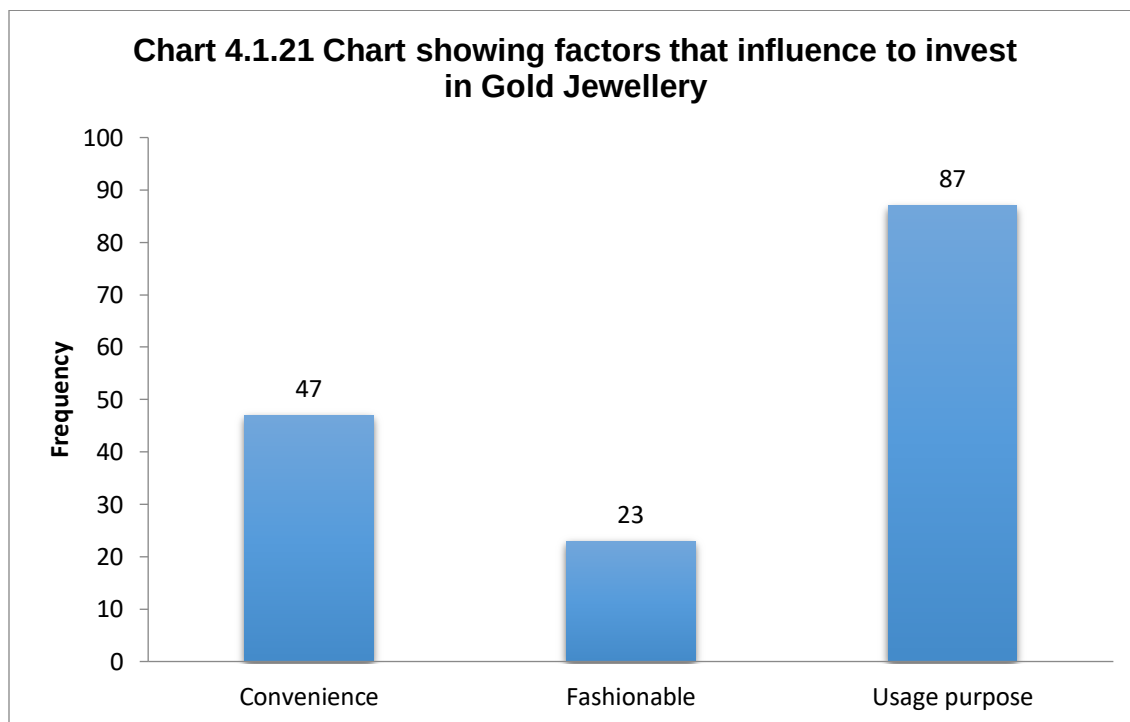
From the above chart it is interpreted that prices may decrease/increase in future 43.3% agree, 35.7% strongly agree, 12.1% neutral, 5.1% disagree and 3.8% strongly disagree.

Inference:

Majority of the respondents agree that the prices may decrease or increase in the future.

Table 4.1.21 Table showing factors that influence to invest in Gold Jewellery

Factors	Frequency	Percent
Convenience	47	29.9
Fashionable	23	14.6
Usage purpose	87	55.4
Total	157	100.0

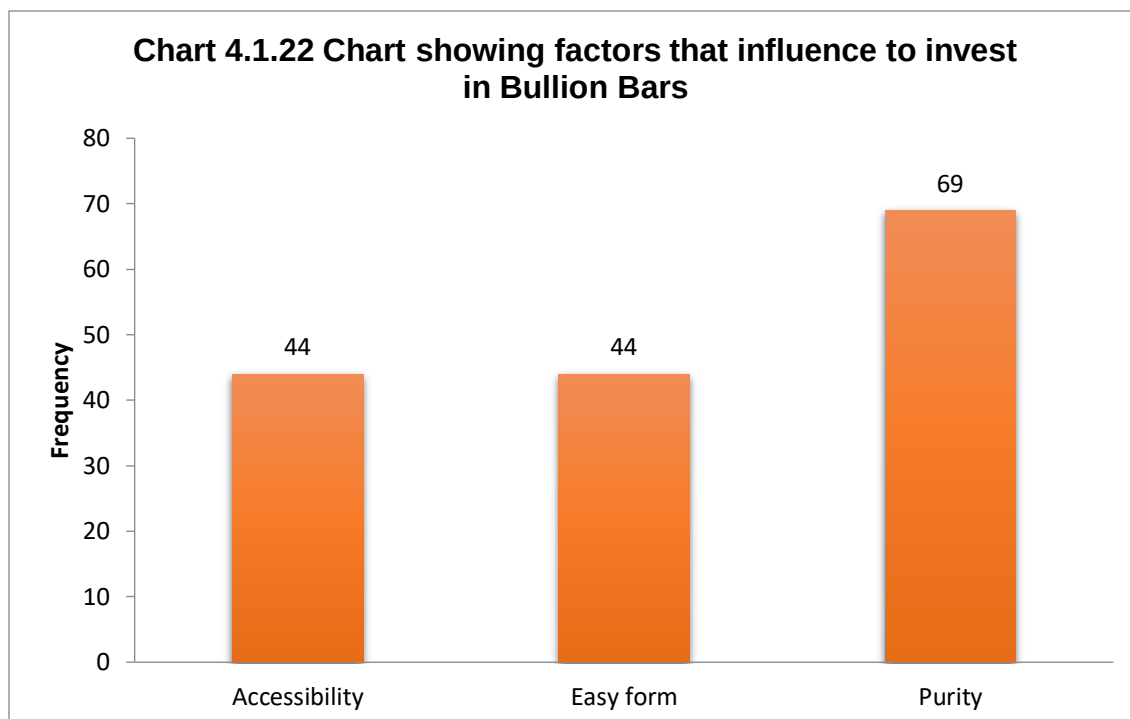


Inference:

Factors that influence the respondents to invest in Gold Jewellery is Usage purpose.

Table 4.1.22 Table showing factors that influence to invest in Bullion Bars

Factors	Frequency	Percent
Accessibility	44	28.0
Easy form	44	28.0
Purity	69	43.9
Total	157	100.0

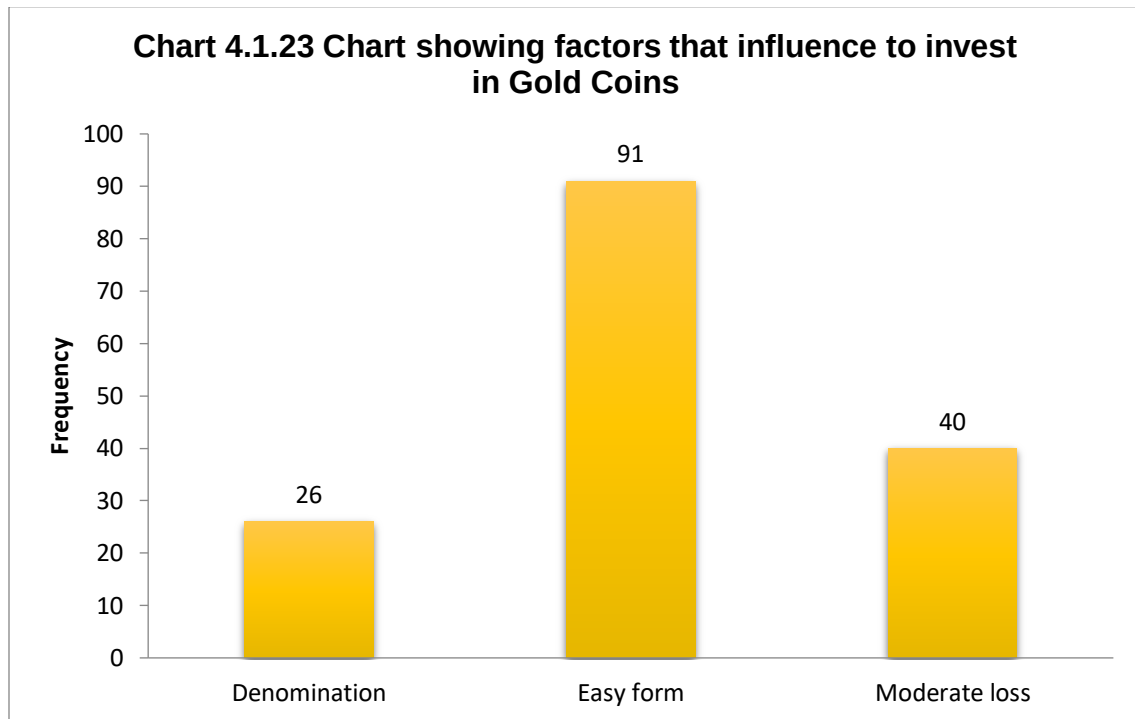


Inference:

Factors that influence the respondents to invest in Bullion Bars is Purity.

Table 4.1.23 Table showing factors that influence to invest in Gold Coins

Factors	Frequency	Percent
Denomination	26	16.6
Easy form	91	58.0
Moderate loss	40	25.5
Total	157	100.0

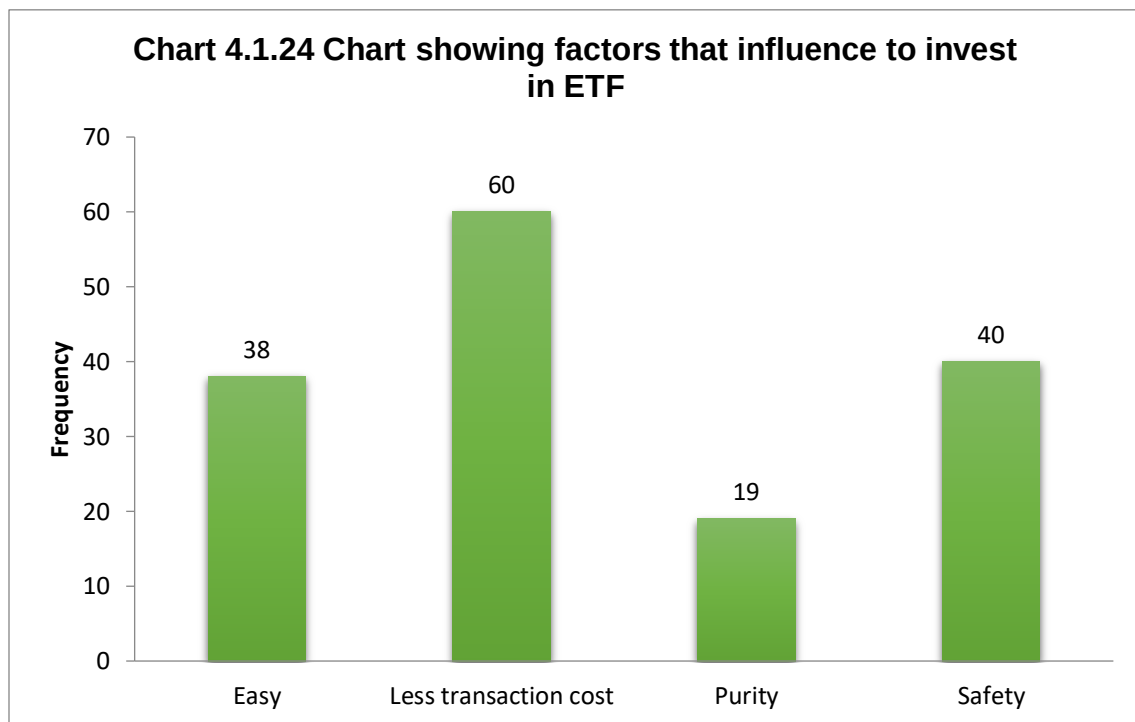


Inference:

Factors that influence the respondents to invest in Gold Coins is Easy form.

Table 4.1.24 Table showing factors that influence to invest in ETF

Factors	Frequency	Percent
Easy	38	24.2
Less transaction cost	60	38.2
Purity	19	12.1
Safety	40	25.5
Total	157	100.0

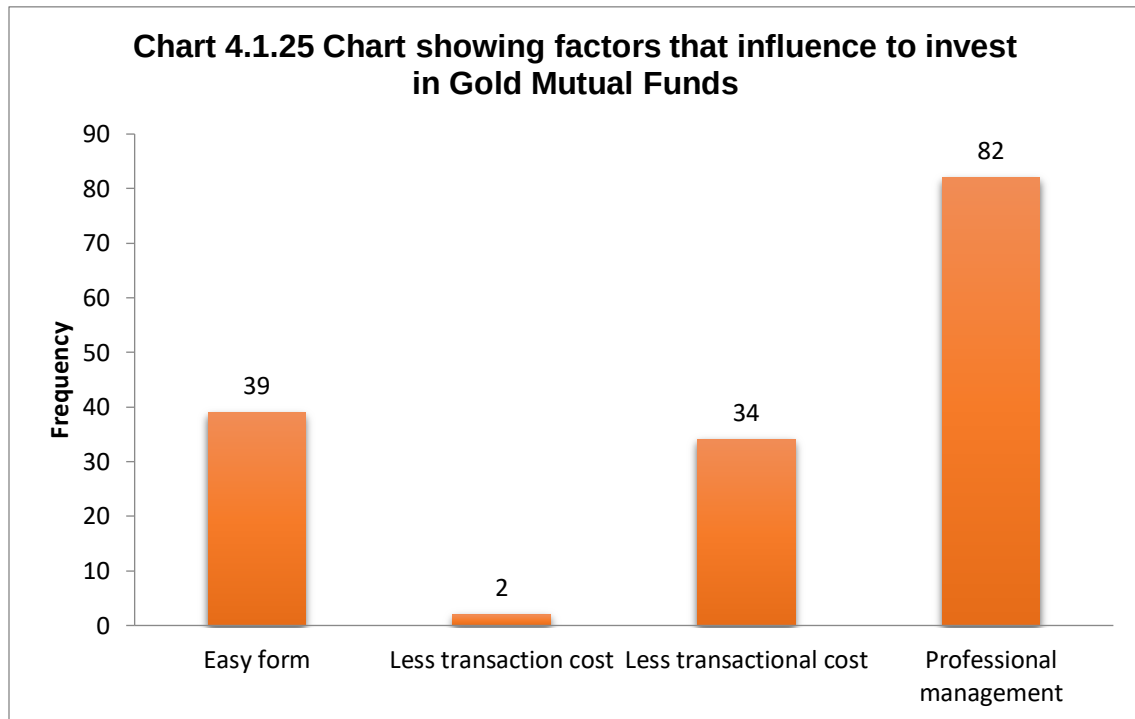


Inference:

Factors that influence the respondents to invest in ETF is Less transaction cost.

Table 4.1.25 Table showing factors that influence to invest in Gold Mutual Funds

Factors	Frequency	Percent
Easy form	39	24.8
Less transaction cost	2	1.3
Less transactional cost	34	21.7
Professional management	82	52.2
Total	157	100.0

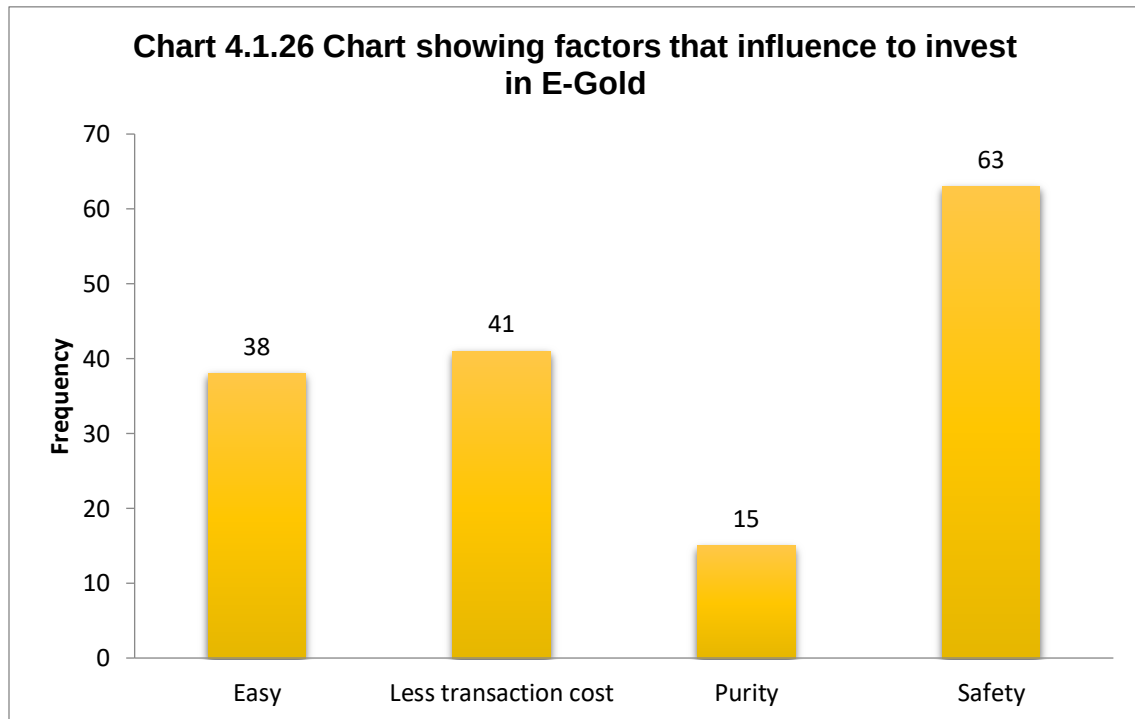


Inference:

Factors that influence the respondents to invest in Gold Mutual Funds is Professional management.

Table 4.1.26 Table showing factors that influence to invest in E-Gold

Factors	Frequency	Percent
Easy	38	24.2
Less transaction cost	41	26.1
Purity	15	9.6
Safety	63	40.1
Total	157	100.0

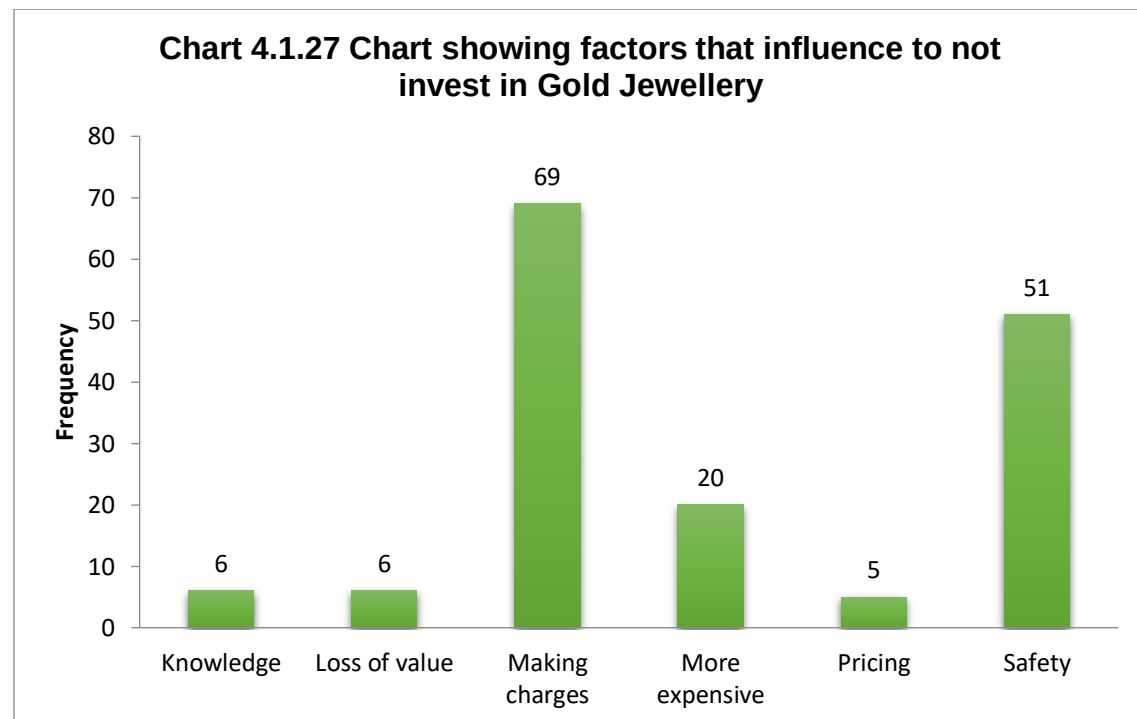


Inference:

Factors that influence the respondents to invest in E-Gold is Safety.

Table 4.1.27 Table showing factors that influence to not invest in Gold Jewellery

Factors	Frequency	Percent
Knowledge	6	3.8
Loss of value	6	3.8
Making charges	69	43.9
More expensive	20	12.7
Pricing	5	3.2
Safety	51	32.5
Total	157	100.0

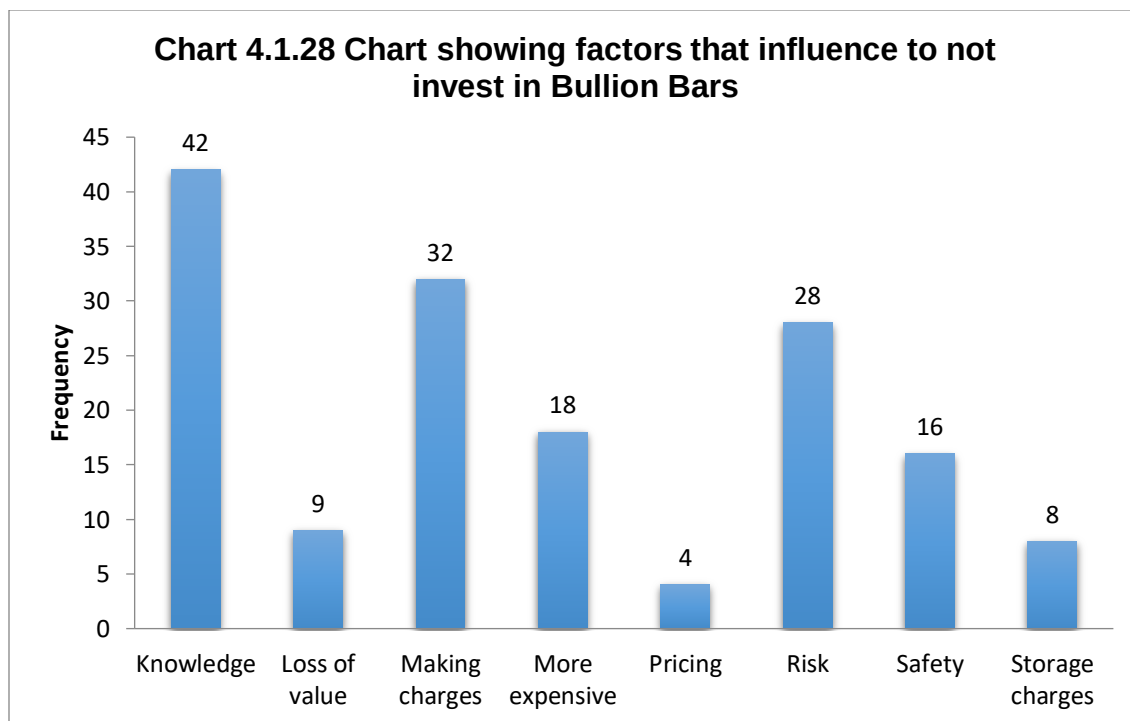


Inference:

Factors that influence the respondents to not invest in Gold Jewellery is Making charges.

Table 4.1.28 Table showing factors that influence to not invest in Bullion Bars

Factors	Frequency	Percent
Knowledge	42	26.8
Loss of value	9	5.7
Making charges	32	20.4
More expensive	18	11.5
Pricing	4	2.5
Risk	28	17.8
Safety	16	10.2
Storage charges	8	5.1
Total	157	100.0

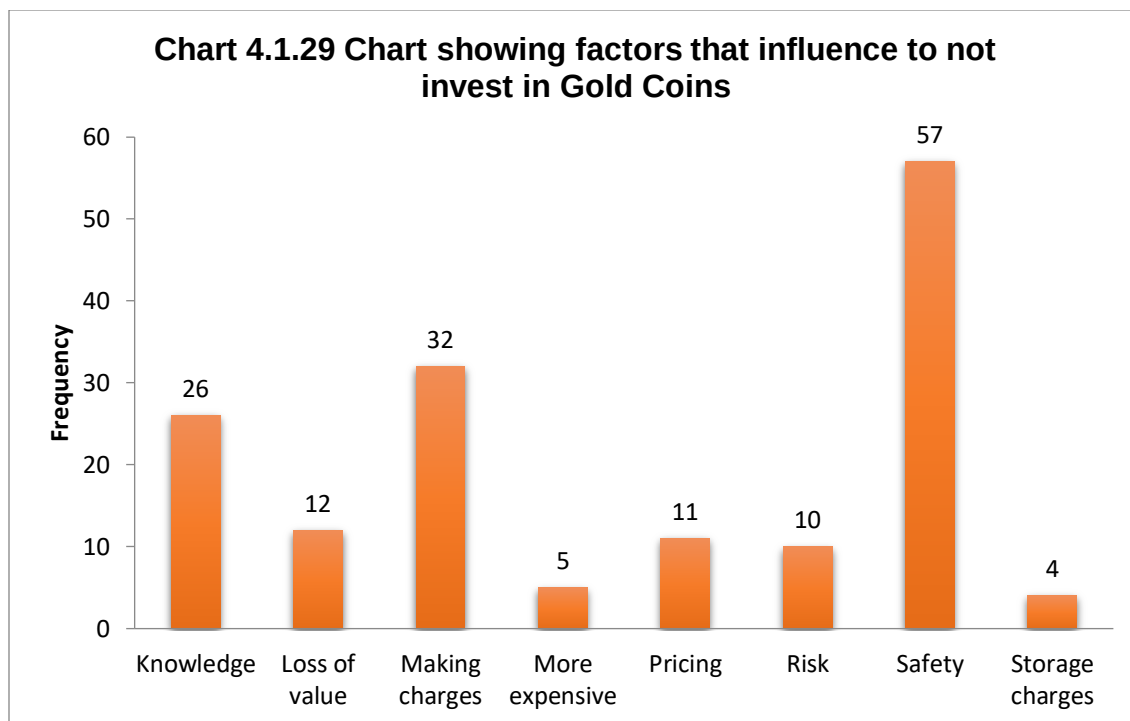


Inference:

Factors that influence the respondents to not invest in Bullion Bars is Knowledge.

Table 4.1.29 Table showing factors that influence to not invest in Gold Coins

Factors	Frequency	Percent
Knowledge	26	16.6
Loss of value	12	7.6
Making charges	32	20.4
More expensive	5	3.2
Pricing	11	7.0
Risk	10	6.4
Safety	57	36.3
Storage charges	4	2.5
Total	157	100.0

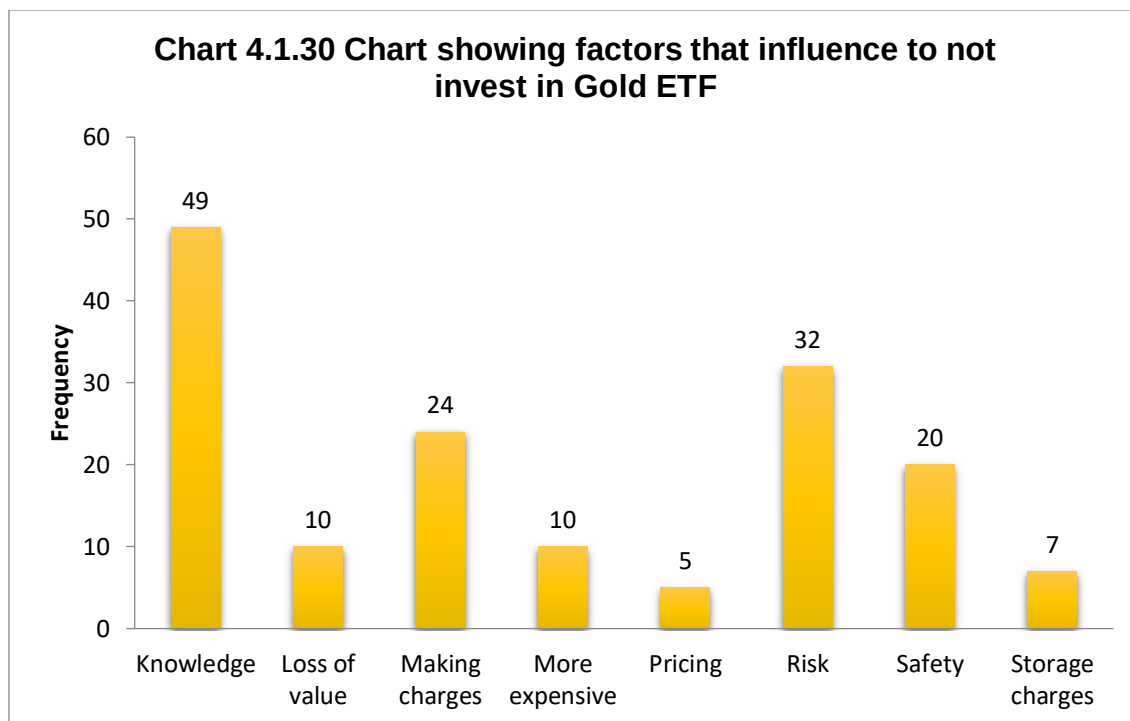


Inference:

Factors that influence the respondents to not invest in Gold Coins is Safety.

Table 4.1.30 Table showing factors that influence to not invest in Gold ETF

Factors	Frequency	Percent
Knowledge	49	31.2
Loss of value	10	6.4
Making charges	24	15.3
More expensive	10	6.4
Pricing	5	3.2
Risk	32	20.4
Safety	20	12.7
Storage charges	7	4.5
Total	157	100.0

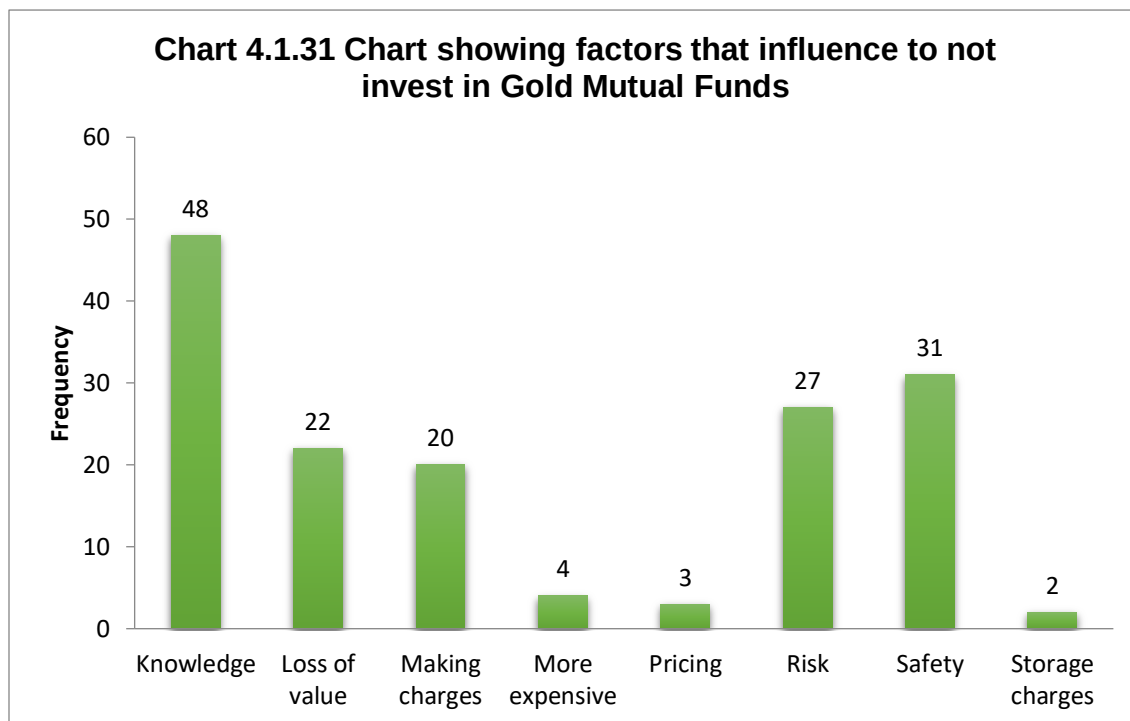


Inference:

Factors that influence the respondents to not invest in Gold ETF is Knowledge.

Table 4.1.31 Table showing factors that influence to not invest in Gold Mutual Funds

Factors	Frequency	Percent
Knowledge	48	30.6
Loss of value	22	14.0
Making charges	20	12.7
More expensive	4	2.5
Pricing	3	1.9
Risk	27	17.2
Safety	31	19.7
Storage charges	2	1.3
Total	157	100.0

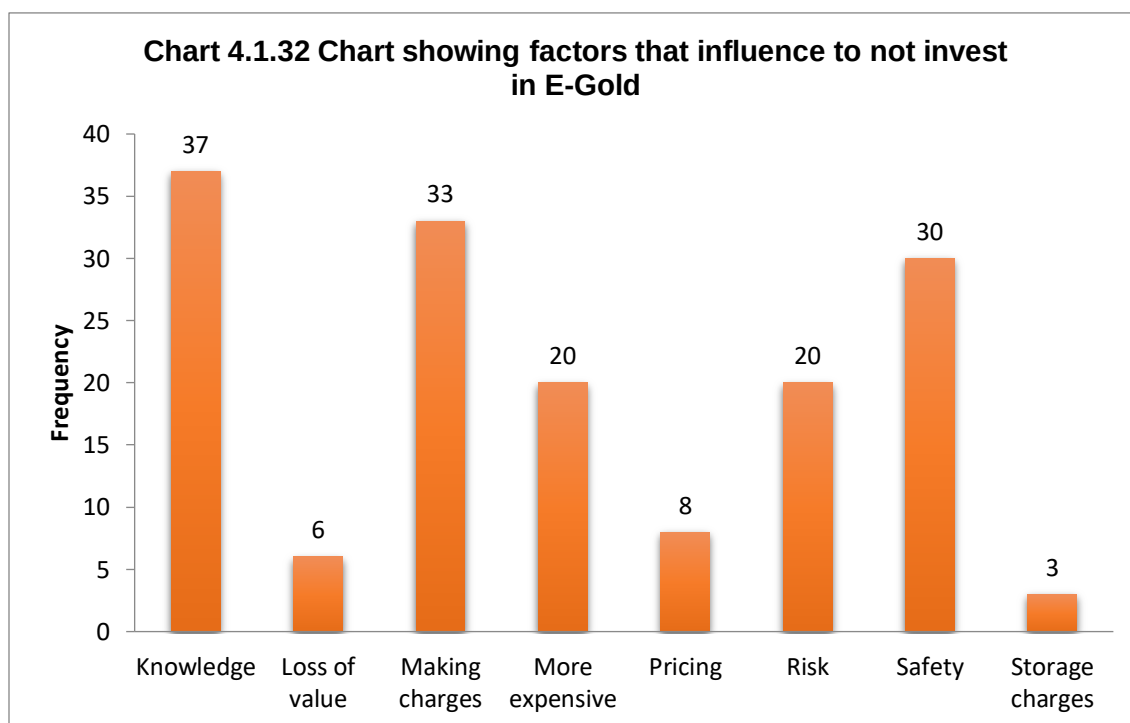


Inference:

Factors that influence the respondents to not invest in Gold Mutual Funds is Knowledge.

Table 4.1.32 Table showing factors that influence to not invest in E-Gold

Factors	Frequency	Percent
Knowledge	37	23.6
Loss of value	6	3.8
Making charges	33	21.0
More expensive	20	12.7
Pricing	8	5.1
Risk	20	12.7
Safety	30	19.1
Storage charges	3	1.9
Total	157	100.0



Inference:

Factors that influence the respondents to not invest in E-Gold is Knowledge.

4.2 CHI – SQUARE TEST

Table 4.2.1 Table showing association between Annual Income and % of Investment in Gold

Null Hypothesis (H_0) – There is no association between Annual Income and % of Investment in Gold.

Alternate Hypothesis (H_1) – There is association between Annual Income and % of Investment in Gold.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Annual Income * How much % of your investments deal in gold?	157	100.0%	0	0.0%	157	100.0%

Annual Income * How much % of your investments deal in gold? Cross tabulation								
			How much % of your investments deal in gold?					Total
				25-50%	50-75%	Less than 25%	More than 75%	
Annual Income	2,00,000 – 5,00,000	Count	0	7	2	24	1	34
		Expected Count	.2	8.9	2.4	21.7	.9	34.0
	5,00,000 – 10,00,000	Count	0	4	1	6	0	11
		Expected Count	.1	2.9	.8	7.0	.3	11.0
	Above 10,00,000	Count	0	1	2	8	1	12
		Expected Count	.1	3.1	.8	7.6	.3	12.0
	Less than 2,00,000	Count	1	29	6	62	2	100
		Expected Count	.6	26.1	7.0	63.7	2.5	100.0
Total		Count	1	41	11	100	4	157

	Expected Count	1.0	41.0	11.0	100.0	4.0	157.0
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Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.509 ^a	12	.822
Likelihood Ratio	7.591	12	.816
N of Valid Cases	157		
a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .07.			

Interpretation:

Since p value is lesser than 0.05, we accept Alternate Hypothesis and reject Null Hypothesis. Therefore, there is association between Annual Income and % of Investment in Gold.

Table 4.2.2 Table showing association between Age and Current Trend in prices of Gold will affect your decision in Gold Investment

Null Hypothesis (H_0) – There is no association between Age and Current Trend in prices of Gold will affect your decision in Gold Investment.

Alternate Hypothesis (H_1) – There is association between Age and Current Trend in prices of Gold will affect your decision in Gold Investment.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age (in years) * Do you agree that the current trend in prices of gold will affect your decision in gold investment?	157	100.0%	0	0.0%	157	100.0%

Age (in years) * Do you agree that the current trend in prices of gold will affect your decision in gold investment?								
Crosstabulation								
			Do you agree that the current trend in prices of gold will affect your decision in gold investment?					Total
			Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Age (in years)	20 - 25	Count	29	4	18	13	3	67
		Expected Count	29.4	6.4	14.9	14.5	1.7	67.0
	25 - 35	Count	17	7	9	8	0	41
		Expected Count	18.0	3.9	9.1	8.9	1.0	41.0
	35 - 45	Count	14	3	7	7	1	32
		Expected Count	14.1	3.1	7.1	6.9	.8	32.0
	45 - 55	Count	7	0	1	2	0	10

		Expected Count	4.4	1.0	2.2	2.2	.3	10.0
	Above 55	Count	2	1	0	4	0	7
		Expected Count	3.1	.7	1.6	1.5	.2	7.0
Total		Count	69	15	35	34	4	157
		Expected Count	69.0	15.0	35.0	34.0	4.0	157.0

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.131 ^a	16	.444
Likelihood Ratio	18.282	16	.308
N of Valid Cases	157		
a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .18.			

Interpretation:

Since p value is lesser than 0.05, we accept Alternate Hypothesis and reject Null Hypothesis. Therefore, there is association between Age and Current Trend in prices of Gold will affect your decision in Gold Investment.

CHAPTER – 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- Majority of the respondents are female. (81.5%)
- Majority of the respondents fall in the age category of 20 – 25 years. (42.7%)
- Majority of the respondents are married. (52.9%)
- Majority of the respondents education are UG. (47.8%)
- Majority of the respondents annual income is less than Rs.2,00,000. (63.7%)
- Majority of the respondents are student. (35.7%)
- Majority of the respondents save less than 10%. (45.9%)
- Majority of the respondents came to know about investing in gold through family. (65.6%)
- Majority of the respondents invest in gold. (65.0%)
- Majority of the respondents have jewellery as their first preference of investment in gold. (60.5%)
- Majority of the factors that influence the respondents to invest in gold is safety. (51.0%)
- Most of the respondents are influenced by their family. (73.2%)
- Majority of the respondents agree that investing in gold is the best investment. (43.3%)
- Majority of the respondents invest less than 25% in gold. (64.3%)
- Majority of the respondents have no plans. (45.9%)
- Majority of the respondents state that the fluctuation in price is the risk factor to invest in gold. (31.2%)
- Majority of the respondents invest in gold once in a year. (56.7%)
- Majority of the respondents do not purchase gold for status. (57.3%)
- Majority of the respondents agree that the current trend in prices will affect the investment in gold. (43.9%)

- Majority of the respondents agree that the prices may decrease or increase in the future. (43.3%)
- Factors that influence the respondents to invest in Gold Jewellery is Usage purpose.
- Factors that influence the respondents to invest in Bullion Bars is Purity.
- Factors that influence the respondents to invest in Gold Coins is Easy form.
- Factors that influence the respondents to invest in ETF is Less transaction cost.
- Factors that influence the respondents to invest in Gold Mutual Funds is Professional management.
- Factors that influence the respondents to invest in E-Gold is Safety.
- Factors that influence the respondents to not invest in Gold Jewellery is Making charges.
- Factors that influence the respondents to not invest in Bullion Bars is Knowledge.
- Factors that influence the respondents to not invest in Gold Coins is Safety.
- Factors that influence the respondents to not invest in Gold ETF is Knowledge.
- Factors that influence the respondents to not invest in Gold Mutual Funds is Knowledge.
- Factors that influence the respondents to not invest in E-Gold is Knowledge.

5.2 SUGGESTIONS

- It is suggested to purchase gold jewellery from standard retail outlets as making charges are comparatively lower. Purchase gold bullion or gold coins for longer period as it involves service tax.
- Purchasing gold bullion or gold coins attracts service tax and at the time of selling will not get good returns. It is suggested for investors not to purchase gold coins or gold bullions for shorter period. Holding gold coins or gold bullions for longer period is suggestible.
- It is suggestible for investors to invest in gold ETF where possibilities of losses or limited. ETF's are available at easy and it does not need high knowledge, as it is very easy trading mechanism.
- It is suggestible for small investors should not enter into Futures and Options without proper knowledge on trading and risk management strategies. Although Futures and Options provide high exposure for traders it involves high degree of risk.

5.3 CONCLUSION

Though there are various investment options available to the investors namely securities, real estate, bank deposits, commodity exchange and mutual funds, Gold has been considered as the most preferred investments due to its high liquidity and profitability. Investors are now looking beyond gold as merely a commodity for consumption and are realizing its worth as an investment avenue too. Investments in gold have yielded consistent and assured returns, especially in volatile times. In the current market scenario of high volatile, rapidly changing market place, various avenues for investment in gold are creating the confusion among the Investors. As per the study gold is there in Indian households predominantly in the form of jewellery. However, results clearly indicate that among respondents of this study, jewellery continues to be predominant form of investment in gold.

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QUESTIONNAIRE

1. Name : _____
2. Gender
 - ☐ Male
 - ☐ Female
3. Age (in years)
 - ☐ 20 – 25
 - ☐ 25 – 35
 - ☐ 35 – 45
 - ☐ 45 – 55
 - ☐ Above 55
4. Marital status
 - ☐ Married
 - ☐ Unmarried
5. Education
 - ☐ SSLC
 - ☐ HSC / Diploma
 - ☐ UG
 - ☐ PG
 - ☐ Others
6. Annual Income
 - ☐ less than 2,00,000
 - ☐ 2,00,000 – 5,00,000
 - ☐ 5,00,000 – 10,00,000
 - ☐ Above 10,00,000
7. Occupation
 - ☐ Business
 - ☐ Government employee
 - ☐ Private sector
 - ☐ Student
 - ☐ House-wife

- Others
8. How many percentage of your salary do you save per month?
- Less than 10%
 - 10% - 20%
 - 20% - 30%
 - 30% - 40%
 - Above 40%
9. How did you come to know about investing in gold?
- Family
 - Friends
 - Advertisements
 - Online
 - Other sources
10. What are forms do you invest?
- Gold
 - Gold savings
 - E-gold
11. What will be your first preference of investment in gold?
- Jewellery
 - Gold Bullion Bars
 - Gold coins
 - Gold certificate
 - ETF
 - Gold Mutual Fund
 - E-Gold
12. What are the factors that influence to invest in gold?
- Liquidity
 - Appreciation
 - Safety
 - Beauty & pride
13. Who influenced you to invest in gold?
- Family

- Friends
- Advertisements
- Others

14. Do you agree that investing in gold is the best investment?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

15. How much % of your investments deal in gold?

- Less than 25%
- 25-50%
- 50-75%
- More than 75%

16. How often do you buy/invest in gold?

- Monthly
- Yearly
- No plans

17. Select the reason why it is risky to invest in gold?

- Fluctuation in price
- Impurity
- Less realizable value
- Problem in liquidity
- Issues in safeguarding
- No steady income for investment
- Price depends on international market

18. Have you ever invested in gold atleast once in a year?

- Yes
- No

19. Do you buy gold because it explains your status?

- Yes
- No

20. Do you agree that the current trend in prices of gold will affect your decision in gold investment?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

21. Gold prices may decrease/increase in the future. Whether you agree to this statement?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

22. What are the factors that influence you to invest in Gold Jewellery?

- ☐ Convenience
- ☐ Fashionable
- ☐ Usage purpose

23. What are the factors that influence you to invest in Bullion Bars?

- ☐ Easy form
- ☐ Purity
- ☐ Accessibility

24. What are the factors that influence you to invest in Gold Coins?

- ☐ Easy form
- ☐ Moderate loss
- ☐ Denomination

25. What are the factors that influence you to invest in ETF?

- ☐ Easy
- ☐ Purity
- ☐ Less transaction cost
- ☐ Safety

26. What are the factors that influence you to invest in Gold Mutual Funds?

- Easy form
- Professional management
- Less transactional cost

27. What are the factors that influence you to invest in E-Gold?

- Easy
- Purity
- Less transaction cost
- Safety

28. Which of the following factors that influence you to not to invest?

Commodity	Option 1	Option 2	Option 3
Gold Jewellery	☐ Making charges	☐ Loss of value	☐ Safety issues
Bullion Bars	☐ Safety	☐ Storage charges	☐ Denomination
Gold Coins	☐ Making charges	☐ Safety	☐ Storage charges
Gold ETF	☐ Knowledge	☐ Delivery	☐ More expensive
Gold Mutual Funds	☐ Risk	☐ No control	☐ Pricing
E-Gold	☐ Knowledge	☐ Pricing	☐ Delivery

29. Give any of your suggestions for investing in gold?
