

***A STUDY ON THE ATTITUDE OF THE RESPONDENT TOWARDS
INVESTMENT CHOICES IN THANJAVUR DISTRICT, TAMIL NADU***

***J. Sidharthul Munthaga,
** DR.M.NAZER,**

ABSTRACT

Investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Thus, it is a reward for waiting for money. So the first step to investment is savings. In common usage, saving generally means putting money aside, for example, by putting money in the bank or investing in a pension plan. In a broader sense, saving is typically used to refer to economizing, cutting costs, or to rescuing someone or something. In terms of personal finance, saving refers to preserving money for future use - typically by putting it on deposit – this is distinct from investment where there is an element of risk. The study on people's choice in Investment Choices has been undertaken with the objective, to analyze the investment choice of people in Thanjavur District. Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Thanjavur District respondents are medium aware about various investment choices but they do not know aware about stock market, equity, bond and debentures. The study is conducted by taking a limited number of sample sizes which is stated earlier. And this study reflects the exceptions of those respondents who are residing in Thanjavur District.

*** Assitant Professor of Commerce, Madurai Sivakasi Nadar's Pioneer Meenakshi Women's College, Poovanthi**

**** Associate Professor of Commerce, Khadir Mohideen College, Adirampattinam, Tamil Nadu**

INTRODUCTION

Investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Thus, it is a reward for waiting for money. So the first step to investment is savings. In common usage, saving generally means putting money aside, for example, by putting money in the bank or investing in a pension plan. In a broader sense, saving is typically used to refer to economizing, cutting costs, or to rescuing someone or something. In terms of personal finance, saving refers to preserving money for future use - typically by putting it on deposit - this is distinct from investment where there is an element of risk.

The developing countries like India face the enormous task of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of the -vicious circle of poverty of low income, low saving, low investment, low employment etc. With high capital output ratio, India needs very high rates of investments to make a leap forward in her efforts of attaining high levels of growth. Since the beginning of planning, the emphasis was on investment as the primary instruments of economic growth and increase in national income. In order to have production as per target, investment was considered the crucial determinant and capital formation had to be supported by appropriate volume of saving.

There are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning must know all the various investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed.

OBJECTIVES OF THE STUDY

- To study the factors that influence investment behaviour of the people.
- To study the attitude of the respondents towards different investment choices.
- To offer suggestions based on the findings

HYPOTHESIS

- There is no significant relation between investment avenues and educational and occupational.
- There is no significant relation between investment avenues and income level and saving level.
- There is no significant relation between investment avenues and gender and age groups.

REVIEW LITERATURE

Behavioural finance is a new emerging science that studies the irrational behaviour of the people. Avinash Kumar Singh (2006) The study entitled "Investment Pattern of People" has been undertaken with the objective, to analyze the investment pattern of people in Bangalore city and Bhubaneswar analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment avenues & the risk associated with that. All the age groups give more important to invest in equity & except people those who are above 50 give important to insurance, fixed deposits and tax saving benefits. Generally those investors who are invested in equity, are personally follow the stock market frequently i.e. in daily basis. But those who are invested in mutual funds are watch stock market weekly or fortnightly. In Bangalore, investors are more aware about various investment avenues and the risk associated with that. But in Bhubaneswar, investors are more conservative in nature and they prefer to invest in those avenues where risk is less like bank deposits, small savings, post office savings etc.

Sudalaimuthu and Senthil Kumar (2008) Mutual fund is the one of investment avenues there researcher research in this area about investors perception towards mutual fund investments has been analyzed effectively taking into account the investors reference towards the mutual fund sector, scheme type, purchase of mutual fund units, level of risks undertaken by investors, source of information about the market value of the units, investors opinion on factors influenced to invest in mutual funds, the investors satisfaction level towards various motivating factors, source of awareness of mutual fund schemes, types of plan held by the investors, awareness of risk category by investors, problems faced by mutual fund investors.

Running a successful mutual fund requires complete understanding of the peculiarities of the Indian Stock Market and also the awareness of the small investor. The study has made an attempt to understand the financial behaviour of mutual fund investors in connection with the scheme preference and selection. An important element in the success of a marketing strategy is the ability to fulfill investor expectation. The result of these studies through satisfactory on the investor's perception about the mutual funds and the factors determining their investment decisions and preferences. The study will be useful to the mutual fund industry to understand the investor's perception towards mutual funds investments and the study would also be informative to the investors.

Sunil Gupta (2008) the investment pattern among different groups in Shimla had revealed a clear as well as a complex picture. The complex picture means that the people are not aware about the different investment avenues and they did not respond positively, probably it was difficult for them to understand the different avenues. The study showed that the more investors in the city prefer to deposit their surplus in banks, post offices, fixed deposits, saving accounts and different UTI schemes, etc. The attitude of the investors towards the securities in general was bleak, though service and professional class is going in for investment in shares, debentures and in different mutual fund schemes. As far as the investments are concerned, people put their surplus in banks, post offices and other government agencies. Most of the horticulturists in Shimla city who belong to Apple belt though being rich have a tendency of investing their surpluses in fixed deposits of banks, provident funds, Post Office savings, real estates, etc. for want of safety and suitability of returns.

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

explores the relationship between various demographic factors and the investment personality exhibited by the investors.

METHODOLOGY

This study examined on people's choice in investment avenues of Thanjavur District. Data were collected using structured questionnaires. The sample size of area is analyzed by tools selected for this study was one hundred and ten respondents were randomly selected from the town. Data were analyzed using descriptive statistics and chi-square technique.

This part explain the methodology used in this study. The methodology includes data and sources of data, sample size, area of the study and framework of analysis. The study is based on primary and secondary data. Primary data have been collected from 110 respondents through a structure questionnaire covering different groups of peoples among Thanjavur District. . These secondary have been collected from various books, magazine, journals, newspapers and websites. The samples sizes of 110 respondents were taken for the research work among in Thanjavur District. The sampling technique followed in this study is probability sampling. Simple random techniques are used to select the respondent from the available database. In order to analyse the collected data, the following tools were used. Simple percentage analysis: it states the frequency and percentage of the customers profile, attitude and opinion regarding peoples.

ANALYSIS OF INVESTMENT PATTERN

In this analysis male and female respondents are giving most preference to insurance, NSC, PPF and bank deposit etc. All the age groups are given more preference on investing in insurance, Post Office Savings (NSC), Public Provident Fund (PPF) and Bank Deposit (BD) except those who are more than fifty years. And the second more preferable investment avenue is gold, others like SHG, equity, mutual funds and real estates. But the age group which is more than fifty one to sixty years gives more preference to invest in Life Insurance (LI).

In this survey 52 percent people respond the question is below 30 and second responds people is above 31. Above 52-60 age group are covered only 8 percent for that reasons we cannot

able to analysis the senior citizen behaviour in investment. There is not significant relation between investment avenues and gender and age groups. Here null hypothesis rejected and alternative hypothesis accepted.

A critical analysis reveals that maximum earners are lying in occupational followed by Private Sector Employee, Public Sector Employee, Self- Employed and Professional belonging, not employed is out of taken sample for study. Another interesting feature was that out of the total respondent 56 percent of private- employed performance well in the investment avenues and 30 percent of self-employee and 14 percent of public sector employee lastly performance in the invest who adopted professional.

By judging the critical difference and comparing educational and qualification with each other, we find insignificant variation among the respondent from education level. Graduate level of the respondent more attention on invests at the level 30 percent, second preference given by the professional at the level of 27 and postgraduate at percentage of 24 and 19 percentage followed by others.

Preference to the investment compare to the educational and occupational level there is not significant relation between investment avenues. Here null hypothesis rejected and alternative hypothesis accepted. Comparing to higher income levels respondents and lower income levels respondents, lower income levels respondents given more preference to invest in insurance, bank deposits, PPF, NSC and some others invest in other investment avenues.

Lower income levels respondents have more awarded about investment avenues compare to high income level respondents. It implies that the lower income level groups are preferred to take more safety in investment rather than higher income level. And those who are taken more risk in investment are preferred to invest in insurance rather than any investment avenues.

The saving behaviour of the respondent on invest 48 percent of respondents saving level is less than 25,000 even though they try to invest their money in the investment avenues and high level saving of the respondent ideas and themes also nearly to same performance. There is not significant relation between investment avenues and income level and saving level. There is various factors influence to take investment decision making, Most of the

respondents invest depends upon safety propose of their invest 60 per cent of respondent investment decision is depend on return and protection of investment,

23 percent and 20 percent of respondent second important factor is liquidity and risk performance and 17 per cent of respondents' investment is based on safety involved. Choice of factor is changing from respondent to respondent. There is not significant relation between investment avenues and Annual income and Annual savings. Here null hypothesis rejected and alternative hypothesis accepted.

CONCLUSION

The study on people's choice in Investment Choices has been undertaken with the objective, to analyze the investment choice of people in Thanjavur District. Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Thanjavur District respondents are medium aware about various investment choices but they do not know aware about stock market, equity, bond and debentures. The study is conducted by taking a limited number of sample sizes which is stated earlier. And this study reflects the exception of those respondents who are residing in Thanjavur District. There might be a chance that the perceptions of the respondents of different are varied due to diversity in social life, living pattern, income level etc. All the age groups give more important to invest in Insurance, NSC, PPF and bank deposit. Income level of a respondent is an important factor which affects portfolio of the respondent. Middle age group, Lower income level groups respondents are preferred to invest in Insurance, NSC, PPF and bank deposit rather than any other investment avenues. In Thanjavur District respondents are more aware about various investment avenues like Insurance, PPF, bank deposits, small savings like post office savings etc. For that awareness program has to be conducted by Stock Broking firms because most of the respondents unaware about this new service and about stock market.

REFERENCES

- ✓ Khan & Jain, (2010), Financial Management, 3rd edition, *Tata McGraw- Hill* Publishing.,
- ✓ Donald E Fischer, Ronald J Jordan., (2005), Security Analysis and Portfolio Management, Prentice Hall

- ✓ Openiyi, F.O. 1982. Saving Investment Behaviour of Farm Household in I kale and Ilaje/Ese-OdoLGAof Ondo State, Nigeria. Unpublished B. Agric. Project Report.Pp 11, 35.
- ✓ Ayanwale, A.B. and A. S. Bamire. 2000. “Rural income, savings and investment behaviouramong farmers in Osun state of Nigeria.” The Indian Journal of Economics, LXXXI(320): 49-60.
- ✓ Richard J Thaler, (1999), ‘Mental Accounting Matters’ , Journal of Behavioural Decision making, 12, pp 183-206.
- ✓ Slovic, P. (1972). ‘Psychological study of human judgement: Implications for investment decision making’, Journal of Finance, 27:779-801.
- ✓ Kothari, C.R., (2004) Research Methodology-Methods and techniques, New Ageinternationalpublishers, New Delhi.
- ✓ Somasundaran, V.K., (1998), A study on Savings and investment pattern of salaried class inCoimbatore district, T122, Bharathiyar University, Coimbatore.

- ✓ Bruner.R.F.,(2007), Case Studies in Finance, 5th Edition, Tata McGraw Hill, New Delhi-8.
- ✓ Prasanna Chandra, (2006), Financial Management Theory and Practice, 6th Edition, TataMcGraw Hill.,