An empirical study on Prospect Investors Behaviour towards Investment with special reference to Gandhinagar City

Prakashraj P Kumavat*

*Assist. Prof., Kalol Institute of Management, KIRC Campus, Kalol, Gujarat (India)

ARTICLE DETAILS

ABSTRACT

The main aim of conducting this research study is to know about investors’ behaviour towards investment habit in Gandhinagar city of Gujarat state. In order to conduct this study and to achieve the objectives, the primary data has been collected by using structured questionnaires. Moreover, Secondary data has been collected from published reports, journals, periodicals, newspapers, books, magazines and other published literature. For collecting the primary data Judgment sampling method is used. To undertake this study, the sample sizes of 200 prospect respondents were taken. Correlation statistical method is used to find out the result from the collected data. The socio-economic factors such as age, gender, income, education level, occupation, and investment.

INTRODUCTION

With the increased number of financial studies found out that investors invest their asset portfolios more conventionally, a finding that is usually a reliable with the “common wisdom” of financial services providers. Though there is a large portion of literature on other types of gender diversity in pensions, examination of differences in investment behavior is a comparatively new avenue for research. The existence of gender diversity raises vital questions for public policy, especially in light of the recent trend toward self-directed pension accounts and the proposals for partial privatization of Social Security. However, there are clear allusions for the overall financial well-being of investors in retirement; intrusions can be more effectively designed with better understanding of the fundamental causes of pragmatic investment patterns.

The subsistence of gender diversity in investing and risk-taking is quite well established by recent studies. Although, supercilious that this is a cause for concern, suitable policy intrusions can be more effectively designed with improved understanding of the basic causes for differences. Recognizing the causes is a more complicated task since it is normally only possible to observe the results of decisions as opposed to the decision-making processes themselves. This issue is vital not only to private and social pension policy makers, but also to sponsors and professionals who provide investment related information to their clients.

OBJECTIVE OF THE STUDY

The following are the major objectives of the study:

1. To identify the behaviour of Investors’ towards investment activity
2. To discover the nature of investors on the basis of socio economic factors.

RESEARCH METHODOLOGY

Research Design:
This research is an analytical and descriptive research study. It is related to the analysis of investment behavior of investors’. In order to conduct this research study, 200 sample respondents are selected in the Gandhinagar city of Gujarat state.

Sources of Data:
All the data obligatory for this research study is acquired from primary and secondary data sources. Primary data collected from respondents through interview and mostly structured questionnaire has been used as a primary data collection instrument. Secondary data has been collected from published reports, journals, periodicals, newspapers, books, magazines and other published literature.

Sampling Plan:
1. Sampling unit: Prospect Investors belong to Gandhinagar City.
2. Sampling method: Judgment sampling
3. Sample size: 200

LIMITATIONS OF THE STUDY

1. The present research study limited to Gandhinagar City geographical area only.
2. The interpretation is generalized in nature.

DATA ANALYSIS AND INTERPRETATION

<table>
<thead>
<tr>
<th>Age</th>
<th>Below 20 Yrs</th>
<th>20-40 Yrs</th>
<th>40-60 Yrs</th>
<th>Above 60 Yrs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>32%</td>
<td>40%</td>
<td>24%</td>
<td>4%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Primary Data)
The above table 1 and graph 1 represents 32 percent of respondents are below 20 years of age group, 40 percent of respondents are from 20-40 years of age group, while 24 percent of respondents are belong to 40-60 year age group and 4 percent of respondents are belong to age group of 60 yrs and above.

Table II. Education of the respondents

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Graduates</th>
<th>Professional courses</th>
<th>Post Graduation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72</td>
<td>32</td>
<td>96</td>
<td>200</td>
</tr>
<tr>
<td>Percentage</td>
<td>36%</td>
<td>16%</td>
<td>48%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Primary Data)

The above table 2 and graph 2 identified that 36 percent of respondents are graduated, 16 percent of respondents are belong to professional qualification, 48 percent of respondents are belong to Post graduation as there educational qualification.

Table III. Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Employee</th>
<th>Employer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>120</td>
<td>80</td>
<td>200</td>
</tr>
<tr>
<td>Percentage</td>
<td>60%</td>
<td>40%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Primary Data)

The above table 3 and graph 3 shows that 60 percent of the total respondents investors’ are employee and 40 percent of the respondents’ investors are employers.

Table IV. Monthly Income (in Rs)

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Below INR 20000</th>
<th>INR 20001-40000</th>
<th>INR 40001-60000</th>
<th>INR 60001 &amp; Above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>56</td>
<td>48</td>
<td>56</td>
<td>40</td>
<td>200</td>
</tr>
<tr>
<td>Percentage</td>
<td>28%</td>
<td>24%</td>
<td>28%</td>
<td>20%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Primary Data)

The above table 4 and graph 4 represents the income level of the respondents in Gandhinagar City. In this study 28 per cent of the total investors belong to the income group INR below 20000, 24 per cent of investors belong to INR 20001-40000, 28 per cent of investors belong to INR 40001-60000 and 20 per cent of investors belong to the income group more than INR 60001 as monthly income.

Table V. Monthly Investment level (in INR)

<table>
<thead>
<tr>
<th>Monthly investment level(INR)</th>
<th>Up to 10000</th>
<th>10001-20000</th>
<th>20001-30000</th>
<th>30001 &amp; Above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>56</td>
<td>104</td>
<td>24</td>
<td>16</td>
<td>200</td>
</tr>
<tr>
<td>Percentage</td>
<td>28%</td>
<td>52%</td>
<td>12%</td>
<td>8%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Primary Data)
The above table-5 and graph-5 shows that Investment level of the respondents in Gandhinagar City. 28 per cent of the total investors invest the money up to INR 10000, 52 per cent of the respondents have the investment limit of INR 10001-20000, 12 per cent of the respondents have the investment criterion of INR 20001-30000 and 8 per cent of the investors have the investment habit of INR 30001 and above.

Table VI. Reasons for investment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Safety</th>
<th>Return</th>
<th>Tax benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>112</td>
<td>48</td>
<td>40</td>
<td>200</td>
</tr>
<tr>
<td>Percentage</td>
<td>56%</td>
<td>24%</td>
<td>20%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Interpretations:
The above table-6 and graph-6 represents that 56 per cent of the investors invest the money for safety purpose, 24 per cent of the investors invest the money for the purpose of gaining return and 20 per cent of the investors invest the money for the purpose of tax benefits.

Table VII. Relationship between Income and Monthly investment

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Less than INR 20000</th>
<th>20001-40000</th>
<th>40001-60000</th>
<th>60001 &amp; Above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>56</td>
<td>48</td>
<td>56</td>
<td>40</td>
<td>200</td>
</tr>
<tr>
<td>Percentage</td>
<td>56%</td>
<td>24%</td>
<td>20%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Interpretations:
The table-7 reveals that there is a positive relationship between monthly income of the respondents and monthly investment. The relationship between monthly income and monthly investment of the respondents with p value of 0.8779 is 0.1221.

FINDINGS

1. Only 40 per cent of the investors’ are 20-40 years of age group.
2. 48 per cent of investors’ holds post graduate educational qualification.
3. 60 per cent of investors’ are employees.
4. Average 28 per cent of investors’ monthly income is INR 10000 - INR 20000.
5. 56 per cent of investors’ expect high level of safety for their investment.
6. 52 per cent of investors show the positive attitude towards investment habit. Averagely they save INR10000-20000.
7. The socio economic factors represent the positive relationship with investor’s attitude of 0.1221.

CONCLUSION

With the increased number of financial studies found out that investors invest their asset portfolios more conventionally, a finding that is usually a reliable with the “common wisdom” of financial services providers. This research study found that investors consider several factors while investing their income in various investment instruments. Company should create awareness among the investors about various investment options.

REFERENCES