IJNRD.ORG ISSN : 2456-4184
INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT (IJNRD) | IJNRD.ORG
An International Open Access, Peer-reviewed, Refereed Journal

A STUDY ON PREFERENCES OF SALARIED INVESTORS PERCEPTION TOWARDS DIFFERENT INVESTMENT AVENUES

Bhavna Vyas[1], Dr. Haresh Vaishnani[2]
[1] Ph.D. Scholar, Department of Business Management, Saurashtra University, Rajkot, Gujarat.
[2] Assistant Professor, Smt. M.T. Dhamsaniya Commerce and BBA College, Rajkot, Gujarat.

Abstract:
Investors have multiple avenues to deploy their capital, each offering a distinct risk reward profile. The goal for investors is typically to minimize risk while maximizing returns. Investment choices are tailored to individual risk appetites and return objectives. Investors opt for specific avenues based on their comfort level with risk and return their target rate of return. An analysis of salaried investor's perception towards different investment avenues, 60 respondents had been collected from Rajkot city, Gujarat. The primary goals of this study revolve around assessing investor's risk tolerance concerning various financial alternatives and their selection of investment avenues based on their anticipated future needs. To achieve these objectives, the employs the chi-square method and reliability test for data analysis using SPSS software.
Keywords: Salaried Investors, Investment Avenues, Investor's Perception, Risk taking capacity, Risk and return

Introduction:
The use of money for the purpose of generating extra revenue or value increase is referred to as investing. The fundamental characteristics of investing are "waiting" for a return. In the hopes that certain advantages will materialize in the future, resources that have been saved or placed away from current consumption must be invested. In the framework of the modern world, investments are both significant and helpful. Longer life expectancy or retirement planning, rising tax rates, high interest rates, high inflation rates, higher wages and availability of a wide range of investment options are some of the variables that have made investment selection more significant. Investors can choose from a variety of investment options depending on their level of risk tolerance. The recent trends of investment clearly shows that there is changing on selection of investment avenues based on their perception. Compare to 80s and 90s century, people are shifting traditional avenues from new debt-equity based schemes, mutual fund (SIP), stock market etc. but salaried perception towards financial products is higher return with low risk and they invest in safety tools.

Salaried Investors:
The responses of the study are of salaried groups who receive salary for their work. Mainly, the observation is that those in salaried positions always have different spending habits from those in other occupation, such as businessman and professionals, because they have security, safety, regular income, retirement benefits and other distinct benefits. Because of women's active participation in many economic activities, the perception and inclination have grown throughout the years. A large portion of women are focused on their careers, doing jobs to support themselves. Women are now more willing to make riskier financial investments and have a shifting mindset on investing opportunities.(Paramashiviah, P, Puttaswamy and Ramya, S. K., 2014)

Review of Literature:
(Kothari, 2012)**,** claims that different age groups of investors behave differently while making investments, and that an investor's age has a significant influence on whichever investment channel they choose.
(B.Sarita, 2012), "Investment Behavior of Working Women of Punjab" according to the report, the respondents spend a long time to prepare their investments.
(S.N. Geetha, K.Vimala, 2014), In this study the main objective to determine the relationship between respondents' ability to take risks and demographic characteristics. The primary goals of this research are to measure investor attitudes regarding financial instruments, as well as to determine awareness levels and perceived opinions. Findings of the study shows that earlier investors invest in traditional avenues but in recent scenario people generally invest in new financial alternatives.
(G.C.Venkataiah, B.K. Surya Prakasha Rao, 2018), As per the study's findings, investors made their investments in a variety of investment channels with the hope of capital appreciation and returns throughout both short and long term tenures. The objectives of the study that impact on demographic factors on the investor's choice of investment. To study investors perception towards dimensions of investments. The suggestions of the study that the gold and share markets are extremely erratic and uncertain

investing possibilities in the current market. Because of this investors should exercise appropriate prudence and attention when choosing which investment options to pursue.

(U M Gopal Krishna, A. Sultana, T Naraya Reddy, 2019), The objectives of the study show that reasons for preferences of the investment avenues and decision related to preferences of investment avenues. Findings of the study shows that share market investors invest because of high return, bond investors prefer that because of risk and mutual funds investors invest because of future needs.

(Abhinandan, A. A., & Al-Gamal, E., 2019), In this research each of these investment options has a different level of risk and return. Once the investors have assessed the primary characteristics of investments, principal amount security, liquidity, income stability, ease of transferability, etc. they are prepared to make an investment. The assessable investment routes include shares, banks, gold, silver, life insurance, and postal savings and so on. Based on earlier studies, this report attempted to review the investment habits of various social classes. The paper emphasizes on the investing habits of teachers, salaried workers and working women. Data were gathered from a variety of websites, research articles and journals.

Statement of the Problem:

In today's financial market, there are so many investment alternatives. Every option is different based on their liquidity, safety, risk, return, and capital appreciation etc. Salaried tried to invest their hard saving as per the market research, analysis of products, their needs and wants, and future goals, etc. So my research problem is that salaried investors confused regarding selection of alternatives. In that case different perceptions are there while they are investing their savings.

Objectives:

1. To study the relationship between the demographic profile with the level of risk taking capacity of investors.
2. To study the relationship between the demographic profile with the selection of investment avenues.

Hypothesis:

H0: There is no significant difference between demographic variable with level of risk taking capacity of investors.

H0: There is no significant difference between demographic variable with the selection of investment avenues.

Research Methodology:

- **Research design:** The process of using information to methodically answer an investigation's query is known as methodology. In order to obtain through findings from the chosen field of study in Rajkot city, Gujarat. For this study, data was collected from primary data sources.
- **Data Collection:** Data was collected from 60 respondents through online questionnaire method.
- **Statistical Tools:** In this study, Chi-Square statistical method is applicable.
- **Data Analysis:** To analyze and interpret the data statistical method was used in SPSS and Microsoft Excel software.

Data analysis and Interpretation: In this research, based on the data analysis we interpret results of the study as follows:

Reliability and Validity: In the study, based on questionnaire is found reliable as Cronbach's Alpha identified is 0.859 and it is greater than 0.70.

Reliability Statistics

Cronbach's Alpha	N of Items
.859	10

(1) Demographic variable with the level of risk taking capacity of investors:

Table: 1 Age and Risk taking capacity of investors:

Age * Risk Taking Capacity Crosstabulation

			Risk Taking Capacity			
			Low Risk	Moderate Risk	High Risk	Total
Age	Below 30	Count	8	7	2	17
		Expected Count	6.8	7.7	2.6	17.0
	31-40	Count	8	14	3	25
		Expected Count	10.0	11.3	3.8	25.0
	41-50	Count	8	6	4	18
		Expected Count	7.2	8.1	2.7	18.0
Total		Count	24	27	9	60
		Expected Count	24.0	27.0	9.0	60.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.867[a]	4	.580
Likelihood Ratio	2.828	4	.587
Linear-by-Linear Association	.292	1	.589
N of Valid Cases	60		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is 2.55.

Data Interpretation: In this association of age and risk taking capacity, we find that p-value is greater than the significance value so that null hypothesis is accepted and alternate hypothesis is rejected.

Table: 2 Gender and Risk taking capacity of investors:

Gender of respodents * Risk Taking Capacity Crosstabulation

			Risk Taking Capacity			
			Low Risk	Moderate Risk	High Risk	Total
Gender of respodents	Male	Count	6	13	7	26
		Expected Count	10.4	11.7	3.9	26.0
	Female	Count	18	14	2	34
		Expected Count	13.6	15.3	5.1	34.0
Total		Count	24	27	9	60
		Expected Count	24.0	27.0	9.0	60.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.888[a]	2	.019
Likelihood Ratio	8.188	2	.017
Linear-by-Linear Association	7.701	1	.006
N of Valid Cases	60		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.90.

Data Interpretation: In this association of gender and risk taking capacity, we find that p-value is less than the significance value so that null hypothesis is rejected and alternate hypothesis is accepted. It means that there is relationship between gender and risk taking capacity.

(2) Demographic profile with the selection of investment avenues.

Table: 3 Age and Selection of Investment avenues:

Age * Investment Avenues Crosstabulation

			Investment Avenues							
			Post office Schemes	Fixed Deposit	Gold & Silver	Mutual Funds (SIP)	Insurance	Provident Funds	Business	Real Estate
Age	Below 30	Count	4	4	2	3	1	2	1	0
		Expected Count	2.3	2.8	2.3	4.8	1.7	2.3	.6	.3
	31-40	Count	3	3	3	8	4	3	0	1
		Expected Count	3.3	4.2	3.3	7.1	2.5	3.3	.8	.4
	41-50	Count	1	3	3	6	1	3	1	0
		Expected Count	2.4	3.0	2.4	5.1	1.8	2.4	.6	.3
Total		Count	8	10	8	17	6	8	2	1
		Expected Count	8.0	10.0	8.0	17.0	6.0	8.0	2.0	1.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.750[a]	14	.847
Likelihood Ratio	9.849	14	.773
Linear-by-Linear Association	1.384	1	.239
N of Valid Cases	60		

a. 22 cells (91.7%) have expected count less than 5. The minimum expected count is .28.

Data Interpretation: In this association of age and selection of avenues, we find that p-value is greater than the significance value so that null hypothesis is accepted and alternate hypothesis is rejected.

Table: 4: Gender and Selection of Investment avenues:

Gender of respodents * Investment Avenues Crosstabulation

			Investment Avenues								
			Post office Schemes	Fixed Deposit	Gold & Silver	Mutual Funds (SIP)	Insurance	Provident Funds	Business	Real Estate	Total
Gender of respodents	Male	Count	2	5	2	10	1	4	1	1	26
		Expected Count	3.5	4.3	3.5	7.4	2.6	3.5	.9	.4	26.0
	Female	Count	6	5	6	7	5	4	1	0	34
		Expected Count	4.5	5.7	4.5	9.6	3.4	4.5	1.1	.6	34.0
Total		Count	8	10	8	17	6	8	2	1	60
		Expected Count	8.0	10.0	8.0	17.0	6.0	8.0	2.0	1.0	60.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.258[a]	7	.402
Likelihood Ratio	7.946	7	.337
Linear-by-Linear Association	.960	1	.327
N of Valid Cases	60		

a. 13 cells (81.2%) have expected count less than 5. The minimum expected count is .43.

Data Interpretation: In this association of gender and selection of avenues, we find that p-value is greater than the significance value so that null hypothesis is accepted and alternate hypothesis is rejected.

Table 5 : Annual Income and Selection of Investment Avenues:

			Investment Avenues								
			Post office Schemes	Fixed Deposit	Gold & Silver	Mutual Funds (SIP)	Insurance	Provident Funds	Business	Real Estate	Total
Annual Income	Below 1,00,000	Count	3	2	1	2	0	0	0	0	8
		Expected Count	1.1	1.3	1.1	2.3	.8	1.1	.3	.1	8.0
	1,00,000-2,00,000	Count	3	3	3	2	2	1	1	0	15
		Expected Count	2.0	2.5	2.0	4.3	1.5	2.0	.5	.3	15.0
	2,00,000-3,00,000	Count	1	1	0	3	1	2	0	0	8
		Expected Count	1.1	1.3	1.1	2.3	.8	1.1	.3	.1	8.0
	above 3,00,000	Count	1	4	4	10	3	5	1	1	29
		Expected Count	3.9	4.8	3.9	8.2	2.9	3.9	1.0	.5	29.0
Total		Count	8	10	8	17	6	8	2	1	60
		Expected Count	8.0	10.0	8.0	17.0	6.0	8.0	2.0	1.0	60.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.055[a]	21	.767
Likelihood Ratio	19.506	21	.553
Linear-by-Linear Association	7.872	1	.005
N of Valid Cases	60		

a. 31 cells (96.9%) have expected count less than 5. The minimum expected count is .13.

Data Interpretation: In this association of Annual income and selection of avenues, we find that p-value is much greater than the significance value so that null hypothesis is accepted and alternate hypothesis is rejected.

Limitation of the study:
As per the data, we studied that investor's perception towards selection and risk bearing capacity. But the sample data was small and based on that we cannot conclude the exact results or findings of the study. Sometimes, respondents are not give proper answer it means purely personal and bias in nature. We cannot synchronize data accurately because of time constraints.

Scope:
For further studied, data covered from broad geographical areas with large sample size. This study I covered risk tolerance and selection of investment avenues. But for that research also we will study in factors, objectives of investment and preferences on dimensions of investments.

Findings & Conclusion:
According to research, salaried investors always prefer safety avenues for investing their savings. Traditionally salaried prefer low risk with high return. In this scenario mostly prefer Mutual funds (SIP) for high return and liquidity purpose. Finally conclude that, There is no relationship between age and risk taking capacity while gender having a relationship with risk taking capacity. There is no significance difference between age, gender and annual income with selection of investment avenues.

References:
Abhinandan, A. A., & Al-Gamal, E. (2019). Analysis of Investment Pattern of Different Class of People: A review. *Journal of Social Welfare and Management , 11* (2).
B.Sarita. (2012). Investment Behaviour of Working Women of Punjab. *A Journal of Economics and Management , 1* (6), 21-35.
C.R.Kothari, G.Garg. (2019). *Research Methodology* (Fourth ed.). New Delhi, India: New Age International Publishers.
G.C.Venkataiah, B.K. Surya Prakasha Rao. (2018). INVESTORS' PERCEPTION TOWARDS VARIOUS INVESTMENT AVENUES – A STUDY IN VIJAYAWADA CITY. *International Journal of Research in Finance and Marketing (IJRFM) , 8* (8), 22-31.
Kothari, H. (2012). Investors Behaviour towards Investment Avenues: a study with Reference to Indore city. *Altius Shodh Journal of Management & Commerce , 6* (2), 56-68.
Paramashiviah, P, Puttaswamy and Ramya, S. K. (2014). Changing Risk Perception of Women Investors: An Empirical Study. *Indian Journal of Finance , 8* (6), 22-32.
S.N. Geetha, K.Vimala. (2014). Perception of Household Individual Investors towards Selected. *Procedia Economics and Finance* .
U M Gopal Krishna, A. Sultana, T Naraya Reddy. (2019). Investors Perception towards Investment Avenues. *International Journal of Recent Technology and Engineering (IJRTE) , 8* (2).