



STUDY ON INVESTMENT BEHAVIOR OF AN INDIVIDUAL'S - AN OVERVIEW

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Abstract

This study was based on investment behavior in increased investment options and developed awareness and this study attempts to find the knowledge on investment avenues and what are the factors investor is considering for his investment analysis. Questionnaires are collected by using simple random technique. To draw valid conclusions. This study has taken various factors like age income and education and increased competition and knowledge on investment avenues to study the behavior of various individuals.

Keywords: , *Investment Management, Sip, Risk. Return, Safety.*

Introduction

The increased awareness and The impact of financial institutions by competitive offers and customer reaching motto of financial institutions and their motivating methods towards investment are the sometimes one of the decision effecting factor and the strong regulatory bodies like IRDA, SEBI, RBI and PFRDA and also government encouragement towards improve the savings by providing many tax free and tax emption schemes with new investment options to secure the post retirement life and providing the social security with public participation, recently introduced polices by the central government like Atal Pension Yojana also known as APY Scheme was launched in continuation to the Jan Dhan Yojana Scheme to bring those employed in rural and unorganized sector under the ambit of Pension Schemes. The idea of the scheme is to provide a definite pension to all Indians. are leading to changes in investment behavior of an individual. Investments in traditional investments like investing in fixed deposits, purchasing gold and purchasing traditional life insurance plans to now they are looking towards new investment options like SIP(Systematic Investment Plan) and Mutual Funds and Equity, govt policies etc.

Need for the Study

To give awareness on competitive market and changed investment options and funds flow from the saving beackets to various upcoming industries through various saving and investment options and give inputs for proper investment selection by adopting proper investment analysis. the investor require all sorts of information and such information is to be supplied in a timely manner. In critical situations it assumes to be greater importance. Often such information demand is either impossible or difficult to get instantly to formulate information sources to determine whether the information is sufficient and then to support the decision-making process. This comes from not only analysis of operational information but also external sources. The key drivers for modern managements in competitive environment will be business intelligence and statistically analyzed consolidated data. Currently the usage of analyzed data is gradually helps in decision support. The perceptions of the people are changing towards the life styles and comforts. The companies have majorly contributed to create the awareness about how investment schemes help in reduced risk for better return. Due to customized necessities of investors and view points are becoming the potentials for increased diversified investment in investment.

Objective of the Study

This study attempts to find investment behavior of various investors

Survey Method and Technique

More than 500 questionnaires were supplied and 500 questionnaires were collected from the public and private employees as well as self-employed individuals, However simple random sampling technique and structured questionnaire methods were used. The questionnaire consists of demographic variables, tax schemes and types of investment and some are open ended questions to cover individual behavior The study has not only concentrated the selected investment options and collected their awareness on emerging and innovative financial products under different regulatory bodies Limitation of the study is, investment behavior is not only by age and there are many factors effecting the investment options like the income level and family constraint, awareness etc.

Review of Literature

CLIFFORD PAUL S, (2010), saving Pattern of People and the Impact of Insurance on Savings with special reference to Tiruchirappalli



The paper aims to study the saving Pattern of the people under observation, to determine Relationship between expectation of returns and saving, to Determine the factors influencing the reason for saving and the purpose of saving along with income distribution and also aims to study the contribution of insurance to savings.

Prashant Kumar Mishra(2010) a research paper published on Factors Influencing Investment Decision of Generations in India: An Econometric Study, This study aims to gain knowledge about key factors that influence investment behavior and ways these factors impact investment risk tolerance and decision making process among men and women and among different age groups. The individuals may be equal in all aspects, may even be living next door, but their financial planning needs are very different. It is by using different age groups along with Gender that synergism between investors can be generated. In this context, demographics alone no longer suffice as the basis of segmentation of individual investors. Hence keeping this in mind, the present study is an attempt to find out Factors which affects individual investment decision and Differences in the perception of Investors in the decision of investing on basis of Age and on the basis of Gender. The study concludes that investors' age and gender predominantly decides the risk taking capacity of investors.

Panickar (1992) studied the rural household saving and investment pattern in selected villages in Karala and Tamil nadu. The study was conducted with the objective of looking into the levels of saving and the manner of its disposition and in-depth analysis of factors underlying the rates of saving. From the study, it was found that a high proportion of saving was absorbed in unproductive assets leading to a vicious cycle of low income saving.

This study indicate investor's investment behavior in selected below avenues with different investment characteristics like safety risk return and maturity etc,

- Equity
- Government bonds
- Investment for housing
- Small savings/Chits
- SIP

Different age group people are having the different opinion on investment options in study we observed the following points with closed ended questions and some opinions with open ended questions and discussion with the respondents.Age group between 26-55 have the good knowledge on new investment options like SIP (Systematic investment plans), equity but when coming to investment they are investing in regular options like housing and other financial products like chit funds, Traditional insurance schemes etc. due to the risk and other objectives like safety and family constraints,

Respondent	Equity		Government Bonds		Investment for Housing		Small savings/ Chits		Systematic Investment	
	Invested	Not Invested	Invested	Not Invested	Invested	Not Invested	Invested	Not Invested	Invested	Not Invested
18 – 25	8	62	2	62	18	52	27	43	8	62
26 – 30	20	117	14	123	32	105	55	82	14	123
31 – 35	15	92	13	94	29	78	52	55	11	96
36 – 40	9	71	6	74	14	66	37	43	10	70
41 – 45	7	42	10	39	14	35	14	35	4	45
46 – 50	3	24	3	24	4	23	10	17	1	26
51 – 55	0	15	2	13	2	13	5	10	1	14
56 – 60	1	11	1	11	1	11	3	9	1	11
ABOVE 60	0	3	-3	3	-3	3	-3	3	-3	3
Total	63	437	58	442	105	395	164	336	50	450



- The above cross tabulation indicate the total 70 respondents belong to the age group of 18-25. from this age level 11.4% respondents are invested in equity 88.57% respondents are not invested in equity.
- In 26-30 total respondents are 137 from this 14.59% are investing in equity.,85.40% respondents are not investing on equity .
- In 31-35 total respondents are 107 from this 14.01% are investing investing and 85.98% respondents are not investing on equity.
- In 36-40 total respondents are 80 from this 11.25% are investing and 88.75% respondents are not investing on equity.
- In 41-45 total respondents are 49 from this 14.28% are investing on equity and 85.71% respondents are not investing on equity.
- In 46-50 total respondents are 27 from this 11.11% respondents are investing less amounts on equity,88.89% respondents are not investing on equity.
- In 51-60 total respondents are 12 from this 8.33% respondent are investing moderately on equity, 91.67% respondents are not investing on equity.
- In above 60 total respondents are 3 from this 100% respondents are not investing on equity.

Conclusion on Equity Investment

The above data clearly explaining how the different age group individuals behavior and opinion towards equity investments and age increases investment in equity is coming down with main reason risk and high volatile in market, Age group between 25-45 are have the knowledge and experience on share market and in this up to 11% people are invested at least once and experienced the returns and their opinion is proper investment objective and following the experts guidelines, market news and assuming risk is important for better returns in equity market when age increased most of the people's risk taking ability is coming down due to responsibilities and fear to take risk on the limited amounts of funds.

Govt Bond and FDs

- The above cross tabulation indicate the total 70 respondents belong to the age group of 18-25. from this age level 2.85% respondents are invested,97.14% respondents are not investing bonds and FDs.
- In 26-30 Total respondents are 137 from this 10.21% respondents are investing and 89.78% respondents are not investing in bonds and FDs.
- In 31-35 total respondents are 107 from this 12.14% are investing and 87.85% respondents are not investing on bonds and FDs.
- In 36-40 total respondents are 80 from this 7.5% are investing and 85.71% respondents are not investing on bonds and FDs.
- In 41-45 total respondents are 49 from this 20.4% are investing and 79.59% respondents are not investing on bonds and FDs.
- In 46-50 total respondents are 27 from this 11.11% are investing and 88.89% respondents are not investing on bonds and FDs.
- In 51-55 total respondents are 12 from this 13.33% are investing and 86.66% respondents are not investing on bonds and FDs.
- In 51-60 total respondents are 12 from this 41.66% are investing and 58.33% respondents are not investing on bonds and FDs.
- In above 60 total respondents are 3 from these 66.6% respondents investing and 66.6% respondents are not investing on bonds and FDs.

Conclusion on Investments in Govt Bond and FDs

The above cross tabulation clearly showing the investor behavior towards risk free investments like government bonds and fixed deposits, age increases people are investing their money in fully secured investments options with the prime objective of securing the principal amount by getting a return. some of the respondents are depositing their money and planning to lead their post-retirement life with regular income from that deposits and some respondents are showing their interest to save in post office and other regular income schemes then growth schemes And also investing in life insurance policies (pension policies) which are giving money in regular interwells after the maturity of policy.



House as Investment Option

- The above cross tabulation indicate the total 70 respondents belong to the age group of 18-25.from this age level 5.71% are investing and 94.28% respondents are not invested on house.
- The above cross tabulation indicate the total 137 respondents belong to the age group of 26-30.from this age level 23.35% investing and 76.64% respondents are not invested in house.
- The above cross tabulation indicate the total 107 respondents belong to the age group of 31-35.from this age level 27.10% investing and 72.89% respondents are not invested in house.
- The above cross tabulation indicate the total 80 respondents belong to the age group of 36-40.from this age level 17.5% investing and 82.50% respondents are not invested in house.
- The above cross tabulation indicate the total 49 respondents belong to the age group of 41-45.from this age level 28.57% investing and 71.43% respondents are not invested in house.
- The above cross tabulation indicate the total 27 respondents belong to the age group of 46-50.from this age level 14.81% investing and 85.18% respondents are not invested in house.
- The above cross tabulation indicate the total 15 respondents belong to the age group of 51-55.from this age level 13.33% investing and 86.67% respondents are not invested in house.
- The above cross tabulation indicate the total 12 respondents belong to the age group of 56-60.from this age level 8.33% investing and 91.67% respondents are not invested in house.
- The above cross tabulation indicate the total 3 respondents belong to the age group of above 60.from this age level 66.66% investing and remaining 33.33% respondents are not invested in house.

Conclusion on Investment in House

Planning for a house is primarily it's not an investment rather it is a social need to human being but increased competency and migration to towns/cities are leading to investment in house for secured and regular return in the form of rents, and also thinking that will helpful in their old age or after work life as regular income.

Systematic Investment Plan

- The above cross tabulation indicate the total 70 respondents belong to the age group of 18-25.from this age level 11.42% are investing and 88.57% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 137 respondents belong to the age group of 26-30.from this age level 10.21% are investing and 89.78% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 107 respondents belong to the age group of 31-35.from this age level 10.28% are investing and 89.72% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 80 respondents belong to the age group of 36-40.from this age level 12.5% are investing and 87.50% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 49 respondents belong to the age group of 41-45.from this age level 8.16% are investing and 91.84% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 27 respondents belong to the age group of 46-50.from this age level,3.70% are investing and remaining 96.29% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 15 respondents belong to the age group of 51-55.from this age level,6.66% are investing and remaining 93.33% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 12 respondents belong to the age group of 56-60.from this age level 8.33% are investing and remaining 91.66% respondents are not invested In systematic investment plan(SIP).
- The above cross tabulation indicate the total 3 respondents belong to the age group of above 60.from this age level all the 100% respondents are not invested In systematic investment plan (SIP).

Conclusion on Investment in SIP

Systematic investment plan is a term we hearing many time whenever we approach a financial institution for regular interval investment.Saving and investment option with regular intervals are private chit funds and private finance organizations and post office savings are old and traditional options that many of the people know but changed financial services and increase industrialization and funds flow from public to industry with a new source SIP and it will helpful to the people who are interested to invest their money in equity market but suffering with lack funds.



Chits and other Investments

- The above cross tabulation indicate the total 70 respondents belong to the age group of 18-25.from this age level 38.57% respondents are investing and 61.42% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 137 respondents belong to the age group of 26-30.from this age level 40.14% are investing and 59.85% respondents are not invested in chits and other investments.
- The above cross tabulation indicate the total 107 respondents belong to the age group of 31-35.from this age level 48.59% respondents are investing and 51.40% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 80 respondents belong to the age group of 36-40.from this age level 46.25% are investing and 53.75% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 49 respondents belong to the age group of 41-45.from this age level 28.57% are investing and 71.42% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 27 respondents belong to the age group of 46-50.from this age level,37.03% are investing and remaining 62.96% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 15 respondents belong to the age group of 51-55.from this age level 33.33% are investing and remaining 66.67% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 12 respondents belong to the age group of 56-60.from this age level 25% are investing and remaining 75% respondents are not invested In chits and other investments.
- The above cross tabulation indicate the total 3 respondents belong to the age group of above 60.from this age level all the 33.33% are not invested and 66.66In chits and other investments.

Conclusion on Investment in Chits and other

Traditional method of saving and investment methods in regular interval to withdraw a big amount with the return of bonus is saving in chits. many respondents are showing their interest to invest in this source of investment but when compared to SIP and Chits investment seems same in the form of regular interwells but SIP is more regulated by the government when compared to this private chit funds, the main reason to invest in chits when compared to SIP is lack of awareness and capital market risk and maturity.

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