

**A Study On Preferred Investment Avenues Among Salaried(With Reference
To Thoothukudi)**

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Abstract

Investment is an activity of product or commodities purchased nowadays to be utilized in future or at the days of crisis. Planning scores a vital role in Financial investment. There are various types of Financial Contrivances. A personage may invest in any of the following like Capital markets which includes Stocks, Equities, Bonds, Mutual Funds, Titular investments like Fixed Deposits in various financial institutions, PPF's, Postal department, Life Insurance, Real Estate, commodities market and so on. Financial investment controls an individual's spending pattern and increase the habit of savings. The primary data for this study is collected by using simple random sampling method with the sample size of 53 salaried personages through a structured questionnaire. This paper is discussed about the investment preference of salaried individuals of various sectors. With an expectation of generating high returns over an amount of time and certain levels of risk, they may invest in different financial products. The present study is a shot to analyse the investment penchant of salaried personage towards monetary products.

Keywords: Finance, investment, preference, modes, behaviour, salaried personage, Risk and return

Introduction

"An individual ought to act systematically as an investor and not being as a speculator."

– David Richard

An investment is the implication of funds with an aim of achieving financial gain and growth. Investment is that the allocation of financial resources to assets that will bring expected yield of some gain or positive return over a given amount of time. Investment aims at multiplication of cash at higher or lower rates relying upon whether or not it's long run or short term investment and whether or not it's risky or safe investment. An investment in knowledge awards the great interest. From the folks purpose of read, the investment could be a commitment of a person's funds to derive future financial gain within the type of interest, dividends, rent, premium, pension advantages or appreciation of the worth of their principle capital. There should be a need to invest and earn income on their idle resources and generate a mere add of cash for a particular goal in life and create a provision for an uncertain future. One of the important reason why one needs to invest wisely is to meet the cost of inflation is the rate at which the cost of living increases.

Objectives of the Study

- To study the investment penchant of salaried personage towards various financial contrivances.
- To determine the relationship between demographic factors and investment penchant of salaried personage towards financial contrivances

Research Methodology

The research methodology depicts the research process and serves as guidance for the research to carry out this study. In this research study, the researcher has used the primary data obtained from 53 respondents working in various sector.

Research Design	Descriptive Research
Study area	Chennai city
Study Population	Salaried employees working in various sectors
Sample Size	53

Sampling method	Simple Random Sampling
Nature of data	Primary Data
Sources of Primary Data	Survey method through structured Questionnaire
Sources of Secondary Data	Journals, Previous Research reports, Magazines & Websites
Statistical tools	Measures of Percentage analysis, Likert five point scale analysis, Chi-square analysis and Paired t-test

Results

**Table No.1
Distribution of personage’s personal details**

S.No	Personal Factors	Categories	Frequency	Percentage (%)
1	Age	Upto 25 years	10	19
		26-35 years	17	32
		36-45 years	14	26
		46-55 years	8	15
		Above 55 years	4	8
		Total	53	100
2	Gender	Male	24	45
		Female	29	55
		Total	53	100
3	Educational Qualification	HSC/Diploma	12	23
		Under graduate	16	30
		Post graduate	15	28
		Professional degree	10	19
		Total	53	100
4	Marital Status	Married	36	68
		Unmarried	17	32
		Total	53	100
5	Monthly Income	Below ₹. 25,000	10	19
		₹. 25,000 to ₹. 45,000	17	32
		₹. 45,000 to ₹. 65,000	11	21
		₹. 65,000 to ₹. 85,000	9	17
		Above ₹. 85,000	6	11

		Total	53	100
6	Occupational sector	Government sector	18	34
		Private sector	27	51
		Quasigovernment sector	8	15
		Total	53	100
7	Family size	Upto 2 members	12	23
		3 to 5 members	38	72
		Above 5 members	3	5
		Total	53	100

Source: Primary Data

Interpretation

The above table represents the personal factors of the personages

- **Age-** Most of the personages 32 percent are between the age group of 26-35 years, 26 percent are between the age group of 36 – 45 years, 19 percent are up to the age of 25 years, 15 percent are between the age group of 46 – 55 years and 8 percent are belonging to the above 55 years.
- **Gender** – Most of the personages 55 percent were female and remaining 45 percent were male personages.
- **Educational Qualification** – Most of the personages 30 percent were under graduated employees, 28 percent were post graduates, 23 percent were belonging to the qualification of HSC or Diploma courses and the remaining 19 percent were completed Professional Degree.
- **Marital Status** – Among the total personages 68 percent were married and remaining 32 percent were unmarried.
- **Monthly Income** – Most of the personages 32 percent were earning between ₹.25,000 to ₹. 45,000, 21 percent were earning between ₹. 45,000 to ₹. 65,000, 19 percent were earning less than ₹. 25,000, 17 percent were earning between ₹.65,000 to ₹. 85,000 and 11 percent were earning more than ₹. 85,000.
- **Occupational Sector** – Most of the personages 51 percent were belonging to the Private sector, 34 percent were belonging to the Government sector and 15 percent were Quasi-government sector.

- **Family size** –Most of the personages 72 percent were having 3 to 5 members in their family, 23 percent were having up to 2 members and 5 percent were having above 5 members in their family.

Table No.2
Likert five-point scale analysis
Factors influencing investment penchant towards various Financial Contrivance

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total score	WAS	Rank
Capital Appreciation	110	76	24	10	3	223	4.207	1
Retirement Purpose	80	84	15	16	3	198	3.735	7
Hedge against inflation	115	56	21	12	3	196	3.698	9
Legal Protection	140	56	15	8	2	211	3.981	3
Government Policies	105	52	27	16	2	202	3.811	6
Safety and Liquidity	70	112	12	10	2	206	3.886	4
Risk and Return	110	80	15	6	5	216	4.075	2
Economic Conditions	95	76	21	10	3	205	3.867	5
Tax planning	75	76	15	16	6	193	3.641	10
Interest rates	70	92	18	14	3	197	3.716	8

Source: Computed data

Interpretation

The computed data, from the table no.2 reveals the factors which are influencing the salaried personages to invest their money for future purpose. From the analysis, capital appreciation is the first influencing factor. Obviously, every personage focused to earn profit from their investment. Risk and return is the second influencing factor. It's the general attitude of salaried class when the risk is high, return also high and vice-versa. Legal protection is the third influencing factor. Definitely, every individual is saving out of many critical situations. In that, aspect they expect proper legal amendments for their investments. Safety and liquidity is the forth influencing factor. Salaried people, also focused on emergency funds so, they have to rely on liquidity and safety aspects. Economic conditions seem fifth influencing factor, Government policies is the sixth influencing factor. These two factors are macro-economic factors, uncontrollable based on that conditions investors have to react. Retirement purpose is the

seventh influencing factor because most of them focused on short term return, interest rates is the eighth influencing factor because more or less now-a-days interest rates are reduced and common in all financial institutions. Hedge against inflation is the ninth influencing factor and tax planning is the tenth influencing factor because except insurance all modes of investment subject to tax assessment periodically. It becomes mandatory. So, it awarded tenth rank.

Chi square analysis- To test the relationship between various factors at 5% level of significance

Hypothesis 1

H₀: There is no significant relationship between investment preferences with age group regarding various financial contrivance.

Table no.3

Chi square analysis on investment preferences with age group regarding various financial contrivance

	Financial Instruments	Securities Market	Various Deposits	Insurance	Real Estate	Jewellery	Total
Age (in years)	Upto 25	2	3	1	1	3	10
	26-35	6	3	2	2	4	17
	36-45	1	4	4	2	3	14
	46-55	1	1	3	2	1	8
	Above 55	0	1	2	0	1	4
	Total	10	12	12	7	12	53
	Chi-Square Test						
		Value	Df	Asymp.Sig. (2-sided)			
Pearson Chi-square		4.426 ^a	5	0.352			
Likelihood ratio		4.938	5	0.295			
Linear by linear Association		2.257	1	0.614			
N value		53					

Source: Computed data

Interpretation

From the above table no.3, the calculated value 0.352 is more than the significance value of 95% level. Hence the null hypothesis is accepted and it is concluded that, Investment preferences for various financial contrivance is unconstrained with age group. So, the preference of investment is not merely belonging to the age group, rather it works out with the experience of the personages. It may have gathered either by him from their own or know by other experience. Information is knowledge speaks more rather than age in years.

Hypothesis 2

H0: There is no significant relationship between investment preferences with gender wise regarding various financial contrivance.

Table No. 4

Chi-square analysis on investment preferences with gender wise regarding various financial contrivance

	Financial Instruments	Securities Market	Various Deposits	Insurance	Real Estate	Jewellery	Total
Gender	Male	11	6	4	3	0	24
	Female	1	8	4	3	13	29
	Total	12	14	8	6	13	53
Chi-Square Test							
		Value	df	Asymp.Sig. (2-sided)			
Pearson Chi-square		3.918 ^a	2	.142			
Likelihood ratio		3.950	2	.139			
Linear by linear Association		2.290	1	.131			
N value		53					

Source: Computed data

Interpretation

The calculated value 0.142 is more than the significance value of 95% level. Hence the null hypothesis is accepted and it is concluded that, Investment preferences for various financial contrivance is unconstrained with gender group. It means that, income of the salaried individuals has a great impact, rather than gender while preferring the investment mode. Male or Female who are holding finance, can take the investment decision. From this analysis, male personages preferred investment on securities market, because they are very patience in following the trend and economic factors. On the other hand, female personages preferred investment more on jewellery of any kind, when compares to other modes. Because they mean it's the tangible asset, easily converted to liquid form also most favourite asset.

t-Test

Null hypothesis: There is no significant relationship between family size and monthly income of the salaried personage while taking decision on investment penchant

Table no.5

t-Test analysis on family size and monthly income of the investors

Paired Samples Statistics					
	Categories	Mean	N	Std.Deviation	Std.Error Mean
Segment 1	MISP	2.03	53	0.746	0.104
	FSSP	3.46	53	0.913	0.124
Paired Samples Correlation					
	Categories	N	Correlation	Significance	
Segment 1	MISP	53	-0.438	0.001**	
	FSSP	53			

Paired Sample t-Test					
		Paired Differences			

	Category	Mean	Std. Deviation	Std. Error Mean	95% Confidence Level of the Difference		t-test	df	P Value
					Lower	Upper			
Seg 1	MISP	-1.454	1.408	0.194	-1.840	-1.064	-7.509	53	0.001**
	FSSP								

*MISP-Monthly Income of Salaried Personage *FSSP- Family Size of Salaried Personage

Interpretation

The calculated significant value (.001) is less than the table value 0.05. So, the null hypothesis is rejected. Hence it is concluded that, there is significant relationship between the family size and monthly income of the salaried personage while make investment penchant in various financial contrivances. Also, the mean value for the category family size is high, hence it sizes of the family plays a vital role in determine the amount of investment and which contrivance of investment.

Findings

- Most of the salaried personages 32 percent are belonging to the age group of 26-35 years. While gender analysis, 55 percent were females and remaining 45 percent were male personages. In educational qualification most of the salaried personages 30 percent were under graduated. Among the total personages 68 percent were married and remaining 32 percent were unmarried. Maximum 32 percentage of the personages were falls between the monthly income category of ₹.25,000 to ₹.45,000. Most of the personage 51 percent were belonging to the Private sector as their occupation. Maximum 72 percent of the personages were having 3 to 5 members as their size of their family.
- In Likert five-point scaling analysis, the factors influencing the investment penchant towards various financial contrivance were analysed. By the computed value, capital appreciation is the first influencing factor followed by remaining ten influencing factors.
- In Chi-square analysis, From the analysis, the calculated value 0.352 is more than the significance value at 95% level. Hence the null hypothesis is accepted and it is concluded that, Investment preferences for various financial contrivance is unconstrained with age group.

- In Chi-square analysis, the calculated value 0.142 is more than the significance value of 95% level. Hence the null hypothesis is accepted and it is concluded that, Investment preferences for various financial contrivance is unconstrained with gender group.
- In t-Test analysis, The calculated significant value (.001**) is less than the table value 0.05. So, the null hypothesis is rejected. Hence it is concluded that, there is significant relationship between the family size and monthly income of the salaried personage while make investment penchant in various financial contrivances.
- The calculated mean value for the second category in t-test analysis, family size is high, hence the size of the family plays a vital role in determine the amount of investment and in which contrivance of investment.

Conclusion

The presents study has an important implication for investment management as it has come out with certain interesting facets of salaried personages. The individual still prefers to invest in various financial contrivances which assures risk free safe returns. This confirms that people even though they're of upper class, earning high financial gain, well educated, those independent personages are conservative to play safe. The investments product stiller will design products which may cater to the people, who are low risk tolerant and focused on tax savings. The study conjointly attracts a vital conclusion from study that the personages are very keen to invest their amount in midterm products.

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