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Investment Pattern of Academicians with Special Reference To South Gujarat

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Abstract:
"To invest successfully over a lifetime one does not require a stratospheric IQ, unusual business insights or seaside information. What's needed is a sound intellectual framework for making a decision and the ability to keep emotions from corroding that framework" - ***Warren Buffet.*** *The financial market offers a wide range of investments, which differ from each other in terms of profitability, risk and waiting period. Savings is the amount that is left after spending. In banking, saving refers to saving short-term accounts, interest-bearing deposits with a bank or other financial institution. Saving generally specifies low-risk preservation of money. The investment pattern is a long-term perspective and investing one's hard earned money is a serious subject that can have a major impact on investor's future wellbeing. In fact, everyone makes savings and investments. For any investor who invests money in various financial instruments, there will be varying degree of risks involved. A study on investment pattern of academicians with special reference to South Gujarat is undertaken to evaluate the investment pattern of academicians and the extent of investment awareness amongst them. The study also aims to study academician investment patterns, motive for investment, know the sources of information which investors prefer to collect before investment and to study the investor opinion towards risks and associated returns with various investment avenues. For 1300 respondents, the well-structured questionnaires were administered, and the information was collected. The respondent profile is basically academicians or teaching community. From whom the data were collected with the help of non-probability convenient sampling. Collected data through the well-structured questionnaire had been compiled along with the creation of a master table. Proceeding, analysis and interpretation of the data was done with the use of various statistical tools and software.*
Key words:
Investment, Saving, Investment Pattern, Academicians, non-probability convenient sampling.

I. Introduction

The main characteristics observed in an investment are the security of the amount of capital, liquidity, income and its stability, appreciation and finally easy transferability. A diverse variety of investment paths are available in abundance and types such as stocks, banks, corporations, gold and silver, real estate, life insurance, postal savings. All investors invest and wish to invest, invest their surplus money in the ways mentioned above that are available based on their aptitude for risk and capacity. Individual investments are made with the objective of generating capital appreciation, regular income or both. There are various activities that offer investors a combination of capital and income revaluation. Savings is the amount that is left after spending. In banking, saving refers to saving short-term accounts, interest-bearing deposits with a bank or other financial institution. Saving generally specifies low-risk preservation of money. Saving is closely related to physical investment. The importance of saving money can help you become financially secure and provide a safety net in case of an emergency. A portion of income not spent on consumption of consumer goods,

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but accumulated or invested directly in capital equipment or in paying a home mortgage or indirectly through the purchase of securities. The information revolution continues to generate data that must become useful information so that security analysis and portfolio management can thrive. In particular, the updated financial analyst must know the basic statistical techniques, the mathematics of finance, including the concepts of compound growth, current values, etc., the theory of probability and other quite involved topics. The investment business is now more complicated than ever.Another reason is the changing nature of the client, who today is much better prepared to be an institution or another astute large investor. When it comes to such sophisticated clients, the security analyst and portfolio manager can only gain credibility to the extent that they do so through professionals.

II. REVIEW OF LITERATURE

Parmashivivaiah, Puttaswamy and Ramya (**2013**) conducted a study in the city of Mysore, to understand the factors influencing investment decisions. The sample size for the study was 120 respondents. They used judgment and snow ball sampling to collect the data. The study was conducted in the first half of 2013 in the city of Mysore. Statistical tools used for analyzing the data were Percentage, mean, standard deviation, Chi square test, F test, ANOVA and regression. Data was classified based on the demographic profile of the respondents. It was found that liquidity was the most important factor while choosing an investment portfolio as far as government employees and entrepreneurs were concerned. This is similar to the findings of Geetha. N and Ramesh M, (2012). Private employees and professionals gave equal priority to growth and liquidity. Women did not select investments on the basis of safety of the principal. This is in line with studies conducted by Annika, Sunden and Surrette (2009) and Bernasek (2002).

Sunita B. (**2013**) it was found that most preferred source of saving was life insurance followed by deposits with banks, PPF and postal savings. This is in contrast to Nupur Gupta and Vijay Agarwal (2013), who found Bank deposits to be the most preferred investment avenue. Occupational group and gender did not have impact on investment objective. This is in similar to the findings of P. Parmashivivaiah , Puttaswamy and Ramya (2013). Newspapers and magazines were the most preferred source of information. Most of the investors preferred the investment horizon of five years and more. Main investment objectives were safety of capital followed by tax savings. Age, income and education were found to have association with the investment objectives. Respondents for the study were picked using convenience sampling. A structured questionnaire containing questions related to demographic details and the investment objective along with investment preference was administered to the respondents. Simple percentage calculations along with Chi square test was used to analyze the data.

Aparna S. and Bhurghate (**2012**) to examine the preference of the investment instruments and investment pattern of the middle-class households along with the objective of investment. The investment options considered for the study were Bank deposits, shares, mutual funds, real estate, KisanVikasPatrika and post office deposits. A sample size of 300 households was used for the study. Statistical tools like percentage and mean were used for carrying out the analysis. The study found that bank deposit was the most preferred investment option

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followed by life insurance Investment in provident fund and post office deposit were at the third and fourth place.This is similar to the findings of Nupur Gupta and Vijay Agarwal (2013).Real estate was found to be the least preferred investment avenue. Investment in equity was not figuring in the preferred investment avenue across all age categories.

Dr. Sunny T. and Rajesh N. (**2009**) the exploration entitled “Investment Pattern of Rural Investors in Kerala” suggested that Liquidity and safety should be the prime factors while making investments. Economic condition and market situation should be properly evaluated while making investments and the investors should adopt a diversified and liquidity oriented approach while constructing and managing the portfolio for investment. Systematic risk can be minimized by a detailed analysis of economic situation and market condition while making investment and unsystematic risk of the investment can be minimized by way of a detailed analysis of financial statement of concern, government policies and strategies, past history of the concern and the financial management system of that concern.

III. RESEARCH METHODOLOGY

Teaching Community is busy with their own assignments of teaching, examinations, evaluations, new syllabus, new subjects, etc. As such, they do not have enough time and scope for study into investment analysis and avenues. Now that, a majority of teaching community is in private sector, they have very less appetite for investments. Of course, even the teaching community in government sector is not guaranteed of any retirement pension. This makes the situation worse and academicians are desperately in need of good investments to plan their retirement life. So, this research paper study on investment pattern of academicians with special reference to South Gujarat is undertaken to evaluate the investment pattern of academicians and the extent of investment awareness amongst them. The study also aims to study academician investment patterns, motive for investment, know the sources of information which investors prefer to collect before investment and to study the investor opinion towards risks and associated returns with various investment avenues. The study mainly concentrates on the analysis of the investment pattern, investor behaviour and risk-return dynamics of investments made by the academicians in South Gujarat. The study tries to analyze the investment strategies taking into consideration the risk and return parameters. The study covers different asset classes including Equity & Stock, Mutual Fund & SIP, Insurance, Debentures and Bonds, National Saving Certificates/KVP/PPF, Fixed Deposit, Real Estate and Precious Metals (Gold & Silver). For 1300 respondents, the well-structured questionnaires were administered, and the information was collected. The respondent profile is basically academicians or teaching community. From whom the data were collected with the help of non-probability convenient sampling. Collected data through the well-structured questionnaire had been compiled along with the creation of a master table. Proceeding, analysis and interpretation of the data was done with the use of various statistical tools and software.

IV. Conclusion

From the study, a conclusion can be given that major size of the academicians fall in young-age categories and having post-graduation level education. It is also found that they are young married and have a moderate level of income. Majority of them are self-finance

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employed and having work experience less than five years. Major part of academicians (respondents) possesses awareness about investment and they invest less than 1 to 30 percentage of their income annually. The Major part of the academicians (respondents) have invested in insurance, fixed deposited, mutual funds and precious metals alternatives to park their savings, which renders them unable to cope up with the rate of inflation in a long run. The study reveals that respondents have preferred to collect information from family members, conversation/exchanges of views with professional colleagues and friends and relatives. No difference exhibited between male and female respondents for awareness to investment. A significant difference is exhibited between factors affecting investment decision across age categories, types of the institute, age categories, gender categories and nature of family. Major compositions of respondents slightly agree to the statement that respondents prefer to complete liquidity on their hand become one of the reasons which restricts them to opt for other investment.

Retirement Plan and Regular income are the important motive for the investment. An academician preferred to take advice from the Spouse & family member while investing. Researcher found that respondents investing their income in equity & stock for less than 1 year, for mutual fund & SIP for 7 to 10 years, investing in insurance for 11 to 20 years, investing in debenture and bond for 2 to 3 years, investing in National Saving Certificate/KVP/PPF for 4 to 6 years, investing in fixed deposit for 2 to 6 years, investing in real estate for 4 to 6 years and investing in gold & silver for more than 21 years. An academician likes to invest in equity and stock majorly for high return, tax saving and child education, for mutual fund & SIP high return, child education and emergency need, for insurance safety, tax saving and risk protection, for debentures and bonds tax saving & higher return, for National Saving Certificates/KVP/PPF tax-saving & Retirement Plan, for real estate increasing the standard of living & high return, for precious metals (gold and silver) Emergency Need & Child Marriage. According to respondents level of risk is high in equity and stock and low risk in fixed deposit. Level of return is high in real estate and return level is low in fixed deposit. Majority of the respondents are allocating their 1 to 30 percent of their fund in different investment avenues and they are investing either monthly or yearly basis. Respondents’ expectation on return from investment is 10 to 20 percentages. Respondents are willing to take low & moderate risk.

Majority respondents review their overall investment goals and discussing with family or friends on monthly basis, assess their risk tolerance level, determine return objective, consider a variety of investment options, Check the current financial market condition and consulting a financial advisor on quarterly basis. Most of the respondents are agreed that investment increase family income, tax exemption and strengthens their ability to use money properly are the key impact factors influencing on social and economic investment pattern. Safety, regular return, time constrain and risk bearing are the important factors considered by investors at the time of investment. Majority respondents are strongly satisfied with the personal attention by Bank/AMC, availability customized products, prompt delivery of statements and transaction summary, communication on new schemes, assists in investment decision, prompt payment of maturity, updated websites, online investment portal, uses of new technology, awareness session and continuously innovates new products and services.

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