

A STUDY ON AWARENESS AND BEHAVIOUR OF INDIVIDUAL INVESTORS TOWARDS VARIOUS INVESTMENT AVENUES WITH REFERENCE TO VADODARA DISTRICT

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Abstract:

Investment is a plan of action that puts the money in an appropriate place to meet future uncertainty. In the market, there are various tools available for investment. It is a platform that allows money to grow through the use of various tools. With investments, you can say that certain amounts are sacrificed by individual investors to meet a future goal of action. The selection of investment tools is based on various factors. Every tool of investment has an associated risk, so before selecting the tools of investment, specific risks are associated with the investments the investors measure. Investments are critical due to uncertainty in life expectancy, planning for retirement, additional income, inflation, taxation, and many more reasons. The continuous income like interest and dividend.

Keywords: Investments, Risk, Uncertainty, Income

Introduction

Investment decisions have become significant because statistics show that life expectancy has increased with good medical care. People usually retire between the ages of 60 and 65. The income shrinks at the time of retirement because the annual inflow of earnings from employment stops. If savings are invested at the right age and time, wealth increases if the principal sum is invested adequately in different saving schemes.

The importance of investment decisions is enhanced by the fact that there are an increasing number of women working in organizations. Men and women are responsible for planning their investments during their working life so that after retirement they can have a stable income through balanced investments. Taxation introduces an element of compulsion into a person's savings. Every country has different tax-saving schemes to reduce a person's tax burden. Since investments provide regular and stable income and also give relief in taxation, they are considered to be very important and useful if investments are made with proper planning.

Interest rates vary according to the choice of investment outlet. Investors prefer safe investments with a good return. A riskless security will bring low rates of return. Government securities are risk-free. However, market risk is high with high rates of return. Before allocating any amount, the different types of securities must be analyzed to calculate their

benefits and disadvantages. The investor should make several kinds of investments. Stability is as important as receiving a high rate of interest. This book is concerned with determining whether the investor gets an acceptable return commensurate with the risks that are taken. In a developing economy, there are rising prices and inflationary trends. A rise in prices has several problems and is coupled with a falling standard of living. Before funds are invested, they must be evaluated to find the right choice of investments to tide over the economy.

Literature Review

Mahabub Basha¹, M. Kethan², T. Jaggaiah³, Mohammed Khizerulla⁴(2022), Most of IT Employees have fairly aware about all alternatives especially about bank deposits and government security, and also risk perception on equity and mutual funds is very high and low for bank deposits and government security. They expect a high rate of return for equity and mutual funds and low return for insurance. Usha Lakshi¹·Dr.K. Selvavinayagam² (2019), Studies the investment behavior of College Teachers of Government and Private Colleges in Dharmapuri District. Researchers found that being from salaried class college teachers of both government & private college, they consider safety as the most important factor while investing. This behavior was a result of lack of financial literacy and lack of awareness about the grievance process available in case of issues. Most of them tend to invest in gold, real estate, secured fixed or recurring deposits in banks and insurance.

Palanivelu K¹. ChandraKumar² (2013) This research divides the investment options into different categories, such as debt with a higher rate of return and risk. debt with an investment-related rate of interest that is fixed, only banks offer fixed-income investments, which are safe, insured, backed by public funds, and have very low rates of return on investment. 60% of respondents indicated they preferred to invest their savings in insurance, 20% preferred term or fixed deposits at banks, and 30% selected investments in gold, silver, and other precious metals. T. N. Murty¹, P. V. S. H Sultry² (2014). "A Study on small investment investors towards return on investment". Investors choice with the objective of return optimization is investment in the stock market instruments or securities. Stock market securities are affected by various internal and external factors. Study examines the perception of small investment investors towards returns on investment.

Anju K J¹, Dr. Anuradha P S² (2017), Researchers have conducted research to understand the saving and investment behavior of the IT professionals in Bengaluru. The rationale behind choosing this topic was that IT professionals have gained attention of economists but there still remains untapped potential of their income. Primary data was collected through questionnaires from 439 respondents. Sameer S. Manek (2017) Investment behavior of professional people of Rajkot City, to get the knowledge about the preferences of investors. It is found that Mutual Funds are a more attractive investment for the majority of the people because it has high return and more liquidity therefore it is found more expected. While the conservative investors who expect more safety of their investment are expected to go for fixed deposits too.

Shinki K Pandey¹, Abhishek Vishwakarma²(2020), A Study on investment preference of young investors., from the study the result is that the Young Investors are more inclined towards investment avenues like Mutual Fund, Equity Market for maximizing their capital but still some of the people are interested in less dangerous options like Bank Deposits and Post Office Deposits, and also these tools are used by the other investors because of its safety. While

conducting this study it was also founded that 32 % of the Young Generation is inclined towards Mutual Fund.

Manjushri Kadam¹, Dr. Shabana A Memon²(2021), A Study on make the right and proper investment selection, the investor's awareness and understanding of investment options are crucial. This essay makes a respectable effort to increase knowledge of available investment possibilities, demonstrate how to make wise investment choices, and lower financial risk. The benefits and drawbacks should be weighed against our own available investment capital. To protect our financial assets over the long term, risk avoidance techniques must be implemented. Prof. Sumandiram Prithiviraj¹, Prof. Gokul G²(2016), Investment Behavior of Individual Investors in Coimbatore City, found that investor's education is immensely important for the present day investors in Coimbatore. The study concludes that average level of investment behavior was found among the respondents of Coimbatore and the investment behavior was found to be better at the time of investment than before investment and post investment. The study also concludes that safety was also a foremost preferred aspect in fixed income and investment for safety.

Suchita A¹, The Study brings out the risk avert nature of the individuals. It also laid greater emphasis on the need for creating awareness among individuals about different innovative Investment options available to them. Investment habit is essential thing every individual should have for oneself as well as for nation because the contribution household to the total capital formation of the country is very high. The study made an attempt to compare the investment habit of rural and urban households.

Research Methodology

The phase of research that outlines how surveys should be conducted is known as the research methodology. The process of systematic data collection and the analysis of the gathered data serve as the foundation for the validity of the entire research project. It is a methodical approach to the issue. In this study, investors' primary data was gathered via a survey method. It was decided to create a streamlined questionnaire in order to better understand investor preferences. The secondary data is also made use of at some places of the study wherever it became necessary. Participants were invited to complete 100 surveys in all about their preferences for investing across various investment opportunities. The inquiry used the convenience sample method of the non-probability sampling methodology. For data analysis excel shall be used and the study was carried out in the city of Vadodara.

Objectives of Study:

- A study on the preference of investors towards investments in selected investment avenues with special reference to Vadodara.
- To study the investor's purpose for making investments.
- To study where investors get the information for investments.
- To study which are the major alternatives of investments.
- To identify the investors' preferred investment avenues concerning the various risk-based investment avenues.

Analysis

	Yes	No	Grand Total
No. of Respondents	90	10	100

The table shows that 90% of respondents are save their money annually and 10% are not save their money annually.

	Less than 50,000	50,001 - 1,00,000	1,00,001 - 2,00,000	More than 2,00,000
No. of Respondents	27	47	15	1

The table shows that majority of respondents claimed earning between fifty thousand and one lakh, followed by those who reported less than fifty thousand. Only one respondent claimed an income of more than two lakhs.

Options	No of Votes
To meet retirement requirement	41
To meet children's education expenses	36
To meet future contingencies	85
To get tax reduction	67
To maximize your fund	23
To maximize your wealth	12

It has been noted that the most frequent justification for saving or investing money seems to be to cover unforeseen expenses in the future. This suggests that a large portion of respondents are concentrating on increasing their financial security to assist them deal with unforeseen occurrences in the future. 67 respondents ranked investing to lower their tax liability as their second top priority. This shows that a lot of people's financial planning is heavily influenced by tax considerations.

To save or invest money in order to meet their financial demands throughout retirement is the third biggest priority for 41 respondents. This indicates that a sizable proportion of people understand the significance of making plans for their post-retirement years. With 36 votes, saving or investing money to support children's education is ranked as the fourth most important issue. This suggests that a lot of respondents are concerned about making sure they can pay for their kids' education, which can be a big financial burden. With only 23 and 12 votes, respectively, the maximize the fund and wealth options received the least support. This

shows that the respondents may be more concerned with achieving specific financial objectives and controlling risks than they are with boosting their financial holdings.

Options	Investment Avenues	No. of Response
Option 1	Saving Accounts	92
Option 2	Fixed Deposit	84
Option 3	Postal savings	18
Option 4	Insurance	82
Option 5	Mutual fund	78
Option 6	Pension fund	4
Option 7	Real Estate	29
Option 8	Share/debenture	78
Option 9	Gold/Silver	73
Option 10	P.P.F	12
Option 11	P.M.S	04

With 92 responses, the Saving Account Investment routes received the greatest attention from the respondents. This shows a strong level of confidence and a preference for savings accounts as an investing choice. With 84 respondents saying they invest in fixed deposits, the Fixed Deposit question likewise attracted a lot of responses. This demonstrates that many people view fixed deposits as a secure and dependable kind of investing. With only 18 answers, the Post Office was one of the least popular choices. This would imply that respondents' preferred investing options are not postal savings. 82 replies in total were submitted for the insurance option.

This shows that many respondents saw insurance as a sound financial option. Mutual funds indicate that a sizable portion of respondents thought mutual funds were a good financial choice. With 78 replies, this question about shares and debentures was as well-liked as the one about mutual funds, suggesting that many respondents think these financial instruments make excellent investment choices. Only 4 people chose this option, making it the least popular along with pension funds and portfolio management services. This shows that among the public who were polled, PMS is not a preferred investment option. 73 people chose the gold and silver option, showing that buying precious metals like gold and silver is a common investment strategy.

Percentage of Return	Number of Respondents
8%-12%	28
12%-16%	49

16%-20%	23
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The table presents information from a survey in which 100 participants were questioned about their anticipated % return. The table displays the percentage of respondents that chose each of the three possible percentage return ranges that were presented to the respondents. 28 respondents anticipate that their return percentage will fall between 8% and 12%. This indicates that this range was selected by around 28% of all responders. 49 respondents anticipate that their return will range between 12% and 16%.

Given that 49% of respondents chose this range, it is the most widely used range. 23 respondents anticipate a return rate of between 16% and 20%. Approximately 23% of the total responders selected this range. Overall, the data indicates that while fewer respondents anticipate returns in the 8%-12% and 16%-20% areas, the majority of respondents anticipate a percentage return of between 12% and 16%.

Sr. No.	Investments	Result	Rank
1	Shares	344	6
2	Debentures/bonds	227	7
3	Insurance Policies	584	2
4	Mutual funds	579	3
5	Fixed Deposits	600	1
6	Real Estate	346	5
7	Gold	410	4
8	Others	152	8

Fixed deposits are placed first with a score of 600, suggesting that they may be the most profitable or popular investment choice among those that are provided. With a score of 584, insurance policies are in second position. This implies that they are also a well-liked or lucrative investment option. With a score of 579 and a third-place ranking, mutual funds are another excellent investing option. Gold is placed fourth with a score of 410. This suggests that even if it's still a better investment than some others, the top three are more successful and well-liked. Fifth place is achieved by real estate, scoring 346 points.

This implies that it might not be as popular or lucrative of an investment choice as those that are graded. With a ranking of 6th and a score of 344, shares may not be as profitable or well-liked as other investing options. Debentures or bonds appear to be among the least popular or profitable investment options on this list, scoring 227 and placing seventh. Other investment choices are ranked last and have the lowest score of 152, indicating that they are the least popular or profitable option on the list.

Options	Source of Information regarding Investment Avenues	Response
Option 1	Investment related websites	12
Option 2	Newspaper journals & magazines	61
Option 3	TV Channels	82
Option 4	Technical analysis	4
Option 5	Company announcement	3
Option 6	Stock exchange announcement	3
Option 7	Others (Friends, Relatives etc.)	63

The Investment-related websites option was chosen by 12 respondents, suggesting that a small portion of the respondents use investment-related websites as their source of information for investment avenues. Newspaper journals & magazines option was the second most popular choice, with 61 respondents selecting it. This indicates that a significant number of respondents rely on traditional print media for information on investment avenues. The TV Channels option was the most popular choice among the respondents, with 82 people choosing it. This suggests that a majority of the respondents prefer to get their investment information from television channels.

Only 4 respondents chose Technical analysis option, indicating that very few respondents use technical analysis as their source of information for investment avenues. The Company announcement option was chosen by only 3 respondents, suggesting that it is not a popular source of information for investment avenues among the respondents.

The Stock exchange announcement was also chosen by only 3 respondents, indicating that stock exchange announcements are not a widely used source of information for investment avenues among the respondents. The Others (Friends, Relatives etc.) option was chosen by 63 respondents, making it the third most popular choice. This suggests that a significant number of respondents rely on informal sources such as friends and relatives for information on investment avenues.

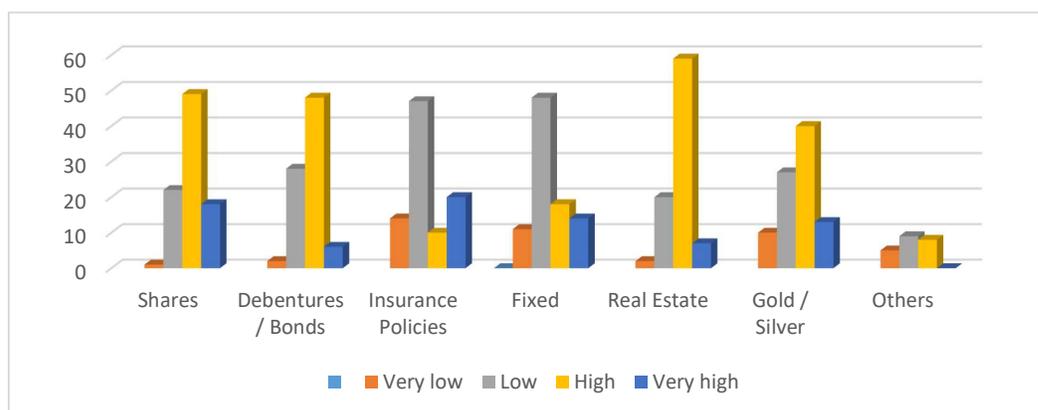
Status	Shares	ebentures / Bonds	Insurance Policies	Fixed Deposits	Real Estate	Gold / Silver	Others
Very low	0	5	3	3	3	9	9
Low	26	44	8	16	41	30	14
High	47	42	52	53	41	33	3
Very high	21	4	09	24	8	22	0
Total	94	95	96	96	93	94	26

Given that the majority of shares are considered to be high or very high risk, we can infer that the anticipated returns will also likely be high. Shares typically have considerable volatility and risk along with the possibility for high profits. Since bonds and debentures are typically regarded as lower-risk investments than shares, we may anticipate that returns will be lower as well. The risk distribution points to a balanced view of risk and return. We might presume that since the majority are considered high risk, the returns may be on the higher side. But it can also depend on the kind of insurance coverage being looked into.

It may come as a surprise that fixed deposits are categorized as having a high risk of loss. In comparison to equities or real estate, fixed deposits often offer a lower expected return. A balance between risk and reward is indicated by how evenly distributed the risk is between low and high risk. Real estate can generate healthy returns, but it can also be highly risky and illiquid. The distribution of risk indicates that investments in gold and silver are anticipated to yield moderate returns. They are frequently seen as safe-haven investments, particularly during periods of economic turbulence.

Table: 9

Row Labels	Shares	Debentures / Bonds	Insurance Policies	Fixed Deposits	Real Estate	Gold / Silver	Others
Very low	1	2	14	11	2	10	5
Low	22	28	47	48	20	27	9
High	49	48	10	18	59	40	8
Very high	18	6	20	14	7	13	0
Total	90	84	91	91	88	90	22



High risk tolerance characterizes the majority of investors, who are followed by individuals with low risk tolerance and then extremely high risk tolerance. There are no stock investors who have an extremely low tolerance for risk. There are significantly more investors with low risk tolerance in the debt obligations distribution, which is generally consistent. Following

those with extremely high and very low risk tolerances are investors with high risk appetites for insurance products. Investors with a low risk tolerance are the rarest.

The majority of investors have high risk tolerance for fixed deposits, followed by those with very high risk tolerance, much like they do for insurance products. Investors with a low or very low risk tolerance are less common. This property with a somewhat higher proportion of investors with low and high risk tolerance, the distribution is nicely balanced. With a minor increase in the proportion of investors with high risk tolerance, the distribution of gold and silver is fairly balanced across all levels of risk tolerance.

Table: 10		
Options	Type of Investments	Result
Option 1	Dividend	11
Option 2	Capital Gain	5
Option 3	Quick Gain	11
Option 4	Safety	92
Option 5	Liquidity	34
Option 6	Tax Benefits	78
Option 7	Diversification of Assets holding	9
Option 8	Bonus issues	4

It is crucial to have a specific goal in mind when choosing an alternative to investing and to take into account a number of variables that are related to the various sorts of investments. According to the table, most investors choose the safest investments among their options. Many investors have also chosen tax benefits as their preferred investment paths, while diversification of asset holding, bonus issues, and stock splits have received the least support.

Findings

Investments are dependent on an individual’s savings. ninety percent of the respondents are saving from their income. Among the ninety respondents, 47 respondents are saving up to 1,00,000, 27 respondents are saving much less than 50,000, 15 respondents are saving among 1,00,000 to 2,00,000, and most effective 1 respondent is saving extra than 2,00,000 from their income. Majority of the respondents have come to recognize the above diverse investments from TV Channels and NEWS Paper, Journals & Magazines. It is likewise determined that lots of the respondents.

Majority of the respondents are making an investment of their cash in any supply to fulfill future contingencies. Tax discount is the following purpose of the funding that we came to recognize from the respondents. Respondents also are saving the cash to secure their retirement and to fulfill the fees for their children Respondents are more interested to invest in Fixed Deposits followed by Insurance Policies and Mutual Funds. This may be described as respondents being more focused on Security of the investment and continuous return

instead of taking the risk and earning more return. Respondents are knowledgeable approximately investments from their private contacts i.e. Friends and relatives. Real Estate has the higher Risk for the Investment followed by Shares and Debentures. Fixed Deposits and Insurance Policies are shown as the most Risk-free Investment options.

Conclusion

India as a country holds remarkable capability and the rise in profits and monetary financial savings degrees represent the wonderful growth opportunity that lies ahead. In the past few years, their growth is majorly driven by useful monetary and demographic factors, inclusive of developing personal monetary assets, entry to remote places, asset management companies, useful stock markets, and aggressive marketing and marketing via mutual fund companies. Although after years of persistent growth, people are focusing on Fixed Deposits and Insurance policies.

The findings of the study advise that in today's style of rapid life and usage of EMI facilities world, the majority of people can maintain the coins from their annual profits, and ultimately their monetary financial savings are the fund for investments. Many options are available within the market for investments. Some of them are as follows. Shares, Debentures / Bonds, Insurance Policies, Fixed deposits, Real estate, Gold / Silver etc. Risk has a direct relation with Investment Return. Higher the h

azard will result in higher the cross returned and vice versa. From the results of the study, it could be concluded that Respondents are extra worried to put money into Fixed Deposits found via Insurance Policies and Mutual Funds. This also can moreover describe as respondents are extra interest on Security of the investment and non-forestall cross returned in location of taking the hazard and earning extra cross returned. Real Estate, Gold and Silver commodity, Shares, Debentures and Bonds fall in elegance in which cross returns are higher as have a look at Fixed Deposits but the Risk is also high. Respondents are extra interested in Safety and Tax Benefits nowadays.

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