



A Study on Awareness Level of Investor in Systematic Investment Plan (SIP) in Bardoli Region

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ABSTRACT

The goal of the study is to determine how well investors are aware of systematic investment plans (SIP). The greatest strategy to help you build wealth is to use a systematic investment plan, which involves investing little amounts of money on a monthly or periodic basis. The goal is to determine how well-informed investors are and what factors influence or deter them from making SIP investments. According to the findings, high returns, safety, ease of investing, and a small investment amount are all factors that investors favor, according to the report. The research method adopted is descriptive. The primary data is gathered through the use of questionnaires as a data collection instrument. The Non Probability sampling approach was used to select 100 respondents for the study. As a result of the research, it can be concluded that high returns are a highly preferred factor by investors when making investment decisions, continuous with Safety, Easy to invest, Tax Benefit, Liquidity, and Flexibility.

1. Introduction

Many mutual fund providers offer customers a Systematic Investment Plan (SIP), which allows them to invest in mutual funds on a regular basis rather than in one lump sum. Investing is frequently done on a weekly, monthly, or quarterly basis. SIP stands for systematic investment plan, and it allows you to invest in mutual fund schemes on a regular basis. SIP allows you to earn big profits over time by making small periodic investments. It allows you to begin your investment with as little as Rs 100 every month. The systematic investment plan (SIP) instills financial discipline. The SIP concept is based on the principle of "saving first, spending second." The best and simplest way for an investor to enter the world of investments is through a systematic investment plan. In layman's terms, a Systematic Investment Plan, or SIP, is a mutual fund investment strategy that allows you to invest a set amount at regular intervals. You can choose the finest investment plan as well as the frequency of your investments. Though the most common SIP involves contributing a set amount every month, investors can tailor their SIPs to their own needs. Many fund companies allow investors to invest on a monthly, bi-monthly, or fortnightly basis, depending on their need.

2. Review of Literature

Mr. Renjith RG and Dr. V. Sachithananthan, 2020 has done study on "Study on investor choice of Systematic investment plan [SIP] in mutual fund". The objective of the study is to identify the factors that influence the investor's choice of mutual fund systematic investment plan scheme in Tamil Nadu, to study the investment preferences of individual investors through demographic factors, to study the investment decision of mutual fund investors in Tamil Nadu and investigate their investment objectives. Primary data are used by researcher. The study found that It is observed that customer are having more importance towards they pick up the plan from the mutual funds after long time and have selected the systematic investment plan based on the plan futures and schemes and also customer invested nominal amount. It is noted that the nature of fund, social factor, social factor, economic factor, performance factor, advertisement factor and risk tolerance factors are which influence the SIP plan future is customer to make the decision to invest in the mutual fund systematic investment plan.

(Mr. Ankit Goel and Dr. Rajendra K. Khatik, 2017) has done a research on "A study on investors awareness and preference towards mutual funds as an investment option". The objective of the study were, to know the investors awareness level towards Mutual Fund Investment ,to know the investors preference towards Mutual Fund as an Investment option and to study the factors responsible for the preference of mutual funds as an investment option. Researcher used Judgmental method. Secondary and primary both data are used by researcher .The study found that the to be the prefer mode of investment as compared to one time investment among the mutual fund investors. Majority of the investors are able to save between 20 to 35% out of their total earning. SIP mode is the preferred mode among respondents.

(BYJU.K, 2016) has done a research on "The awareness of investment opportunities in mutual funds – with special significant on SIP". The objective of the study were to study the attitude of the investors towards mutual funds, to analyze the various sources that influences the respondents in selecting mutual funds and SIP, to measure the level of awareness of the respondents about mutual funds and SIP, to analyze the factors influencing investors awareness, to offer suggestion for the improvement on investment in mutual funds. The study is mainly based on the primary data and the required

primary data were collected through the structured questionnaires from the 200 sample respondents who were selected through the convenience random sampling method. Researcher used ANNOVA table to analyze the data. The study found that 69% of the respondents know SIP and its relevance. The result of the chi-square test indicates that the attributes such as Age group and Awareness of SIP, Occupation and Awareness of SIP, Education and Awareness of SIP, Marital status and Factors influencing decision making. More awareness about SIP can be made to the general public through advertisements promotional programs etc.

(Tess Jacob, M.Phil. Scholar, Amrita Vishwa Vidyapeetham, and Kochi Anis, 2016) has done a research on “A study on investor's perception towards investing in mutual funds”. The objectives to identify whether there is any relation between income and investor's perception on expected rate of return, to understand whether there is any 18 relation between occupation and investor's perception on expected rate of return. Secondary data are used by researcher. The data was analyzed with the help of hypothesis, chi-square, Test & correlation. The study analyses the mutual fund investments in relation to investor's behavior. It is very important to judge the investor's in a market, where the competition increases day by day due to the entry of large number of players with different financial strengths and strategies. The present investigation outlined that mostly the investors have positive approach towards investing in mutual funds.

3.Objectives

The objectives of this study is to find out factors affecting selection of SIP plan by investors, to analysis different SIP plan offer by mutual fund Company for investors and to identify investors demographic factors influence selection of SIP plan

4.Research Design

In this research Descriptive Research Design is used. Descriptive Research means “Is a scientific method which involves observing and describing the behaviour of a subject without influencing in it any way. Descriptive Research Design is used because identifying relevant variables & generating the research question.

Data Collection Method

In this research data collection method is Primary data. Primary data means data that is collected by a researcher from first hand sources. Primary data is uses for researcher are collecting information for the specific purpose of the study. The instruments of data collection are Questionnaire.

Sampling Method

In this study targeted population is Bardoli Region. In this research non-probability sampling method is used and the sample size of the research is 100.

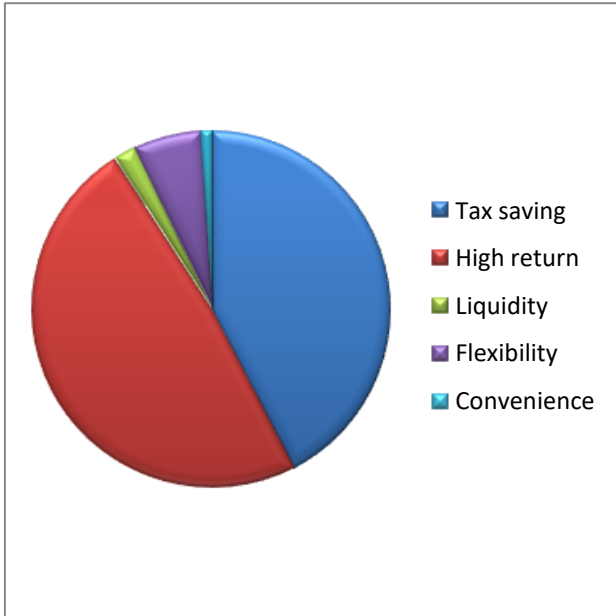
Hypothesis:

- H0: there is no association between Age and how information source
- H1: there is association between age and how information source
- H0: Under the null hypothesis H0, the distribution of both populations is equal.
- H1: Under the null hypothesis H1, is that the distribution are not equal.

Data Analysis and Interpretation

What is your objective in SIP?

	Frequency	Percentage
Tax saving	42	42.2%
High return	48	48.5%
Liquidity	2	2%
Flexibility	6	6.1%
Convenience	1	1%



Above table the most of respondent agree to fulfil their SIP objective in High return and it is 48.5%. 42.4% respondents agree in tax savings. Liquidity 2%. The flexibility rate is 6.1%. And the convenience rate is 1%. The mostly investors are highly agree in High return. The SIP give high return to their SIP holders and the SIP holders are very satisfied in SIP high return.

When you invest in SIP give priority to the following factors? Kruskal wallis test

Test Statistics ^{a,b}				
	Safety	Liquidity	Marketability	Return
Kruskal–Wallis H	9.550	9.506	10.513	16.505
Df	3	3	3	3
Asymp. Sig. H1	.023	.023	.015	<.001
	Rejected	Rejected	Rejected	Rejected
a. Kruskal-Wallis Test				
b. Grouping Variable: Monthly Income:				

H0: There is no impact of monthly income on reason for investment.

H1: There is impact of monthly income on reason for investment.

Here all significance Test Value is P value is less than 0.05 & null hypothesis is rejected. So that there is no impact of monthly income.

Test Statistics ^{a,b}				
	Safety	Liquidity	Marketability	Return
Kruskal–Wallis H	.025	.506	7.871	2.720
df	2	2	2	2
Asymp. Sig.	.988	.777	.020	.257
	Accepted	Accepted	Rejected	Accepted
a. Kruskal-Wallis Test				
b. Grouping Variable: Age				

H0: There is no impact of age on reason for investment.

H1: There is impact of age on reason for investment.

The Table shows that there is impact of age on marketability, (reason for investment) as significant Test value is less than 0.05, so null hypothesis is rejected.

There is no impact of on safety, liquidity, return (reason for investment) as the significant Test value is greater than 0.05, so null hypothesis is accepted.

Findings

- The demographic profile of respondents shows that the majority of respondents are male 58% which shows that males are more familiar with systematic investment plan than females.
- Majority of investor's age is between 18-30 years i.e., 86% of investors are from 18-30 years out of 100 respondents.
- The majority of respondents earning is between 20,000-40,000 i.e. is 58.8% out of 100.
- 59.6% respondent's Information source is friends and relative.
- In Bardoli 51% investors have monthly investment pattern for their SIP.
- It shows that there is more scope or the agent are more demanded for the information.
- 48.5% investors want to get higher return at a minimum risk.
- 61.1% respondents consider 5-10 years for the SIP investment.
- SIP plan scheme as they found it less burdensome and easy to keep aside a few amounts monthly salary.
- According to the study, return (48.5%) is the 1st priority for the respondents, and then comes safety liquidity (2%) is the 3rd priority and last priority is Marketability.
- There is no impact of age on reason for investment as in kruskal-wallis test null hypothesis is accepted.
- There is no impact of monthly income on reason for investments in kruskal-wallis test null hypothesis is accepted.

Conclusion

A Systematic investment plan is a very good option for investors because the risk is minimum and return can also be guaranteed. Many of the investors prefer other investment options because they are not well aware about the systematic investment plan. The study has found out that there is no relationship between age and monthly income with reason of investment of investors. It shows that the risk taken by the investors and their expectations are matched with appropriate returns from the systematic investment plan. It can be concluded that the less awareness about systematic investment plan has led investors not to prefer systematic investment plan over other investment options. Further awareness of systematic investment plan should be given to investors. The government should inaugurate more measure to promote investing in systematic investment plan. The conclusions of the study can be used to build the awareness and preference of systematic investment plan among investors.

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