



FINANCIAL INVESTMENT PATTERN AND PREFERENCE OF COLLEGE PROFESSORS AT TRICHY CITY

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ABSTRACT

Financial Investments are the commitments that are made by individuals with any financial and non-financial instruments for gaining a better and profitable return in future for a particular objective. The financial and non-financial investment instruments act as a medium or a driving tool for investment decisions of individuals. From the available investment avenues one must select the appropriate one that he feels safer or good to invest. The person who is going to make investments should be aware of all knowledge about investments and should be aware of how it is going to fulfil his objective. The person who is investing should be known of all the investment avenues available for making investments. Such avenues are employee provident fund, public provident fund, mutual funds, insurance, bank deposits, real estate, gold, stock market. This study is about to analyse the investment pattern of college professors and their attitude towards investment avenues. It also aims to identify the reason behind making investment and to find their objective for making investment. It helps to find the behaviour of individuals while making investments. Further this study helps to find the relationship of various demographic factors of the respondents and factors associated while making investment decisions. Such factors include time period of their investment, investment avenues, risk factors, returns etc.,

Keywords: Investment, demographic factors, Investment avenues, Preferred Investment, Risk & Return, salary, College professors, Tax Saving, Liquidity.

1. INTRODUCTION

Investment is spending or putting a sum of money in various investment avenues with the aim of getting back returns in the form of money, capital. Investment is an interesting way that attracts various people of different economic class, occupation, and social status. Investments are choices made by individuals to put their money in a specific investment avenue for a period of time to get back returns. Such decisions are taken by individuals of different occupation, gender, etc., Investment decisions differs from individual to individual. India is developing nations where there are a different people with different economic classes are there. The financial and non-financial products act as an avenue for investment and provide the security to the respondents based on the risk-return profile of the products. So investment decisions varies according to individuals and various investment avenues are found in the economy such as employee provident fund, public provident fund, mutual funds, insurance, bank deposits, real estate, gold, stock market etc., Some of the investment avenues are riskier while some has low risks. The selection of investment would be depending on specific need of the individuals, rate of returns from the avenue and risk it contains. The awareness about investments is also a major concern while making investments. Many people are unaware of investments and some feel investments are very riskier and try to avoid investments. Some people have a high level of knowledge about investments and others possess very low level of knowledge regarding investments.

1. **Investment** – Concept Investment refers to purchase of financial assets. While investment goods are those goods which are used for further production. Investment is a conscious act of an individual or any entity that involves development of money in securities or properties issued by any financial institutions with the objective of high returns within a definite period of time (Mahendra Kumar Ikkar, 2014).
2. **Investment avenues:** An investment avenue is one that an investor makes his investment into a particular field that either brings him returns or losses. All investment avenues carry a level of risk that may be either low risk or medium risk or high risk. Low risk products give mostly lower returns compared to high risk products. Investment avenues are chosen based on the individual's circumstances and their risk appetite. In this study I had taken these investment avenues to study the investment behaviour of individuals they are Employee provident fund, Public provident fund, Mutual funds, Insurance, Bank deposits, Real estate, Gold, Stock market etc.,
3. **Returns:** A return, which is also known as a financial return, is the money gained or lost on an investment over a period of time. A return can be expressed nominally as the change in value of an investment over time. It may bring sometimes money and also sometimes leads to loss of the money invested.

4. **Safety:** Safety is a principle that an individual considers while making investment. It is also a factor that is considered while making investments. The investor may feel sometimes riskier to make investments. The safety is one of the major factors that stimulate the investment behaviour.
5. **Tax savings:** Tax saving means saving money by reducing the taxes to be paid or payable to relevant tax authority. It is also one of the important factors that help investors to make investments and reduce their taxes to be paid. Tax saving allows investors to save money. Some of the tax saving products are employee provident fund, public provident fund, mutual funds, insurance stock market etc.,
6. **Liquidity:** Liquidity refers to the term which a security that can be quickly purchased or sold in the market at a price reflecting its current value. Liquidity in finance means a security or an asset that can be easily converted into cash at market price. In the covid pandemic situation many people faced financial crisis. This study helps whether liquidity is a factor that stimulates the investment behaviour.
7. **Risk:** The risk associated in investment may be of different forms that are low risk products (Savings in Cash, Savings Account including other bank deposits, Bank Fixed Deposits, Public Provident Fund (PP F) Other Post Office Savings /Small Savings), medium risk products (Life Insurance, Pension Schemes/ National Pension Schemes) and high risk products(Company fixed deposits, Equity /Share Market/stock market, Derivatives such as future, options and swaps, Commodities Future, Exchange traded Fund etc).
8. **Emerging /Alternative investment avenue:** It includes Real Estate Fund, foreign stock, forex trading, Private Equity/ Venture capital, Hedge funds, portfolio management schemes (PMS), Art and Film Funds, Wine, paintings, antiques , collectibles etc.
9. **Traditional high risky investment avenue:** It includes Chit Fund /pongy schemes/ money circulation/Public Investment schemes such as agro-bond, plantation bond etc.
10. **Compulsory savings from salary:** It includes from savings compulsorily deducted from salary such as Employees Provident Fund (EPF) / General Provident Fund GPF/ Contributory provident Fund (CPF)/ National Pension Schemes (NPS) etc.

2. OBJECTIVES OF THE STUDY

1. To analyze the investment pattern of professors
2. To identify the reason for investment plans
3. To study the factors influencing the individual investor behavior
4. To determine the relationship between the savings and investment risks
5. To find out the relationship between the salary and Investment.
6. To know the profile of investors (college professors)

3. NEED FOR THE STUDY

Investment is essential for every salaried person; people get more and more benefits by investing. Many people are not aware of investments; they simply understood investment as investing in stock market alone itself. It is necessary to make people aware of investments, in this study the respondents are college staffs. Even they too are not aware of investments as much. So it is necessary to make people aware of investments not only to save taxes in order to get additional income other than their salary. Every individual should make additional source of income other than salary. This study finds the investment pattern and preference of the college professors.

4. REVIEW OF LITERATURE

1. **Sajad Ahamd Bhat,** (DECEMBER 2019) According to Sajad Ahamd Bhat, this study was conducted to explore the investment preference of the investors reference to type of employment. In this study he took 200 employees (investors) by using random sampling method. The distinguished the respondents based on the basis of employment. He took 100 banking associates and 100 teachers from Jammu & Kashmir Bank and various schools across different schools of Kupwara of Union Territory of Jammu and Kashmir.
2. **K.V.Ramanathan, Dr.K.S.Meenakshisundaram,** (July 11-12, 2015,) According to them, Financial investments are the commitments that are made with any financial or non financial investment instruments for a better and profitable returns in the future for a specific objective. The financial or non financial investment products act as an avenue for investment and provide the security to the individuals (respondents) based on the risk-return profile of the investment products. On the various choices for investment, one must choose according to his wish.
3. **Santosh Kumar Mohapatra,**(Jan. 2015) According to him, savings and investments by individuals are priority of both for personal financial well-being and also for the economic growth. People with the savings are better be able to economic shocks such as loss of income, to build assets for the future are less reliant on credit to cover the unexpected expenses. Savings can also turn into increased

income and wealth via proper and prudent investment. Proper investment avenues add wealth, as once people begin to invest, they begin to own assets and hence get an income from wealth in addition to their income from their work.

4. **Dr. S. RAMALINGAM**, (Year 2020), according to him, this research study was based on the micro economic approach of estimating of the responses of the respondents, (i.e) savings and investment preference of household investors in the vellore district, tamil nadu, india. The objective of the study was to determine the savings habits and investment preference of household investors. The primary source of data were collected from 793 respondents using structured questionnaire. The data has been analyzed using percentage analysis and chi-square test with the help of statistical software. The research shows that the mode of savings looks same irrespective of any domicile and post office/bank deposits are best options for the household investors.
5. **Dr. D. Rajasekar**, (September – 2013), according to this study, it is a project mainly carried out to find the investment's perception with regard to their demography and their personality traits. In order to understand the level of investor's preference, a survey is conducted taking into consideration various parameters involved in investors decision making. Since the investor population in vast a sample size of 150 was taken for the project. The data was analyzed using the statistical tools like percentage analysis, chi-square weighted average.
6. **Gladys Greselda Gosal, Jesslyn Beatricia Ivana Tania**, (2022), In this study he done a research to find the investment trends among millennials. He made questionnaires to find the differences in the characteristics of investment intention between male and female. His study uses independent sample t-test to try to answer the questions that he raised, using risk aversion and locus of control as predictors of the investment intention. The findings indicate that females were most risk averse and had external LOC, females involve less in investments than male. Therefore he found that there is a significant difference between the characteristics of investments between males and females.
7. **Dr.Yathish Kumar**, (January 2019), In this study he made a research, In India, investors have/has a lot of investment avenues to invest their money in the form of savings. The risks and returns of each investment avenue is different from one another. The investors are investing their money after analyzing the features of the investments such as security of principal amount, liquidity, income stability, easier transferability, shares bank, gold and silver, life insurance, postal savings, etc. are the various available investment avenues.
8. **azery hanafi**, (June 2012), according to azery hanafi, the role played by government and employees in managing investments on behalf of individuals has shrunk significantly in the recent times. This is mostly due to the reforms in the financial markets and changes in social support structure across the world. The reduced role of the government and the employees has increased individual's responsibility in making their own finances and securing their financial and securing financial future. Market forces continue to raise the range and complexity of the financial products available to the investors. Individuals are given an increased role in managing their finances and on the assumption that they are capable of understanding of the risk-return characteristics of the investment opportunities and able to optimally choose among them. These abilities are collectively referred to as "financial literacy".
9. **Puneet Bhushan; Yajulu Medury**, (December 2013), In this study, he done research on gender differences in investment behavior. Women are more conservative than men while investing and are unwilling to take more risk. Thus women should be offered financial products which best suit for them in gaining returns and also given knowledge of risk associated. For this the developers and marketers of these financial products should understand the gender differences in investment behavior of individuals.
10. **Mr. C. SATHIYAMOORTHY, Dr. K. KRISHNAMURTHY**, (April 2015), the results from the study also highlight that certain factors like educational level, age of investors, no. of family members etc has significant impact while deciding on the avenues for investment. The present study is based on primary sources of data which are collected by distribution of a closed ended questionnaire. The data has been analyzed using chi-square test. The research shows that the majority of respondents are saving money as bank deposits for the safety of an unsure future. This article highlights the investment pattern and awareness of salaried investors in Tiruvannamalai district of Tamil Nadu.

5. RESEARCH METHODOLOGY

5.1 SAMPLE DESIGN

Sampling is selection of some part of the aggregate or totality on basis of which aggregate on the basis of totality is made. A representative part of the population is the sample. The process of selecting representative sample is sampling design.

From the infinite population 120 samples were chosen on the basis of Convenience Sampling Technique.

Data source: **Survey** (Questionnaire)

Research instrument: **Structured questionnaire**

Sampling technique: **Convenience**

Population: **Professors working in Trichy**

Sampling size: **120 sample**

6. DATA COLLECTION

Data is collected across Trichy city, which is used as the sample for my research work and it is collected from the professors working in colleges and sample is collected through questionnaires.

6.1 Data collection instrument:

The instrument used for the data collection is questionnaire. A questionnaire is simply a formalized set of questions for collection of information about the respondents.

6.2 Questionnaire design

Scaling technique – Likert 5-point scale

Questionnaire structure – Structured, closed and open ended questions.

7. STATISTICAL TOOLS

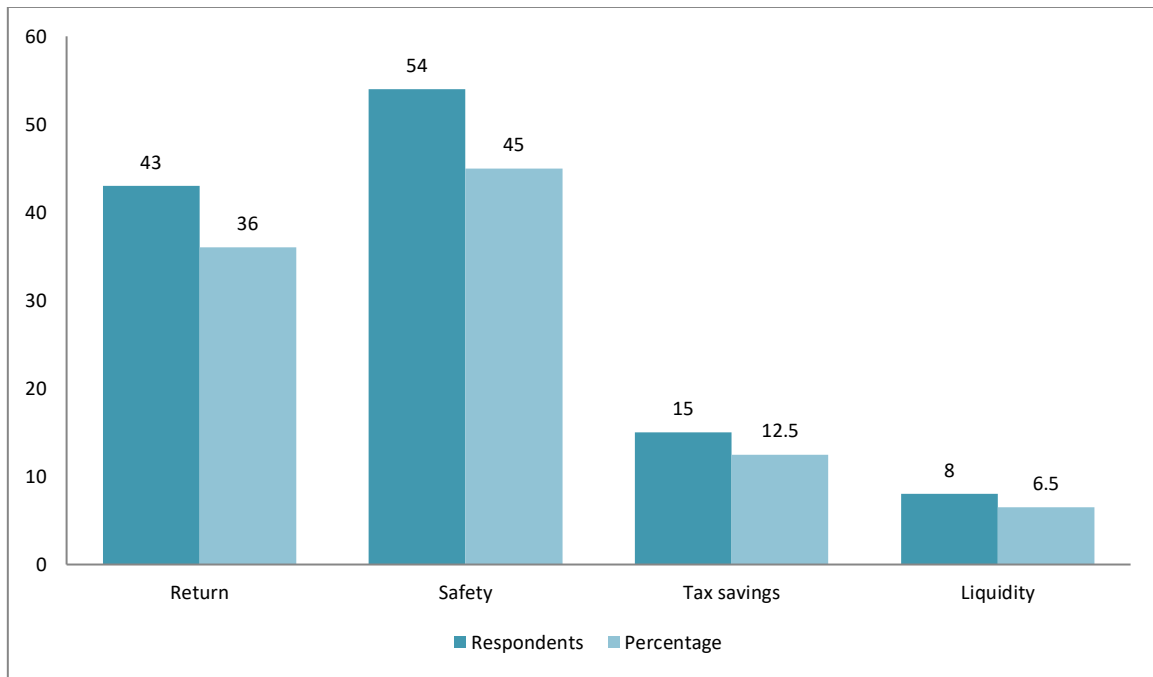
Statistical tools constitute an integral part of the research work. Any analysis of the data collected is subjected to relevant analysis by giving useful and meaningful conclusions and results. The statistical tools that are used to analyse the data collected from the respondents are

1. Percentage analysis
2. Chi- Square

7.1 Percentage analysis:

7.1.1. Factors influencing investment decisions of respondents

	Respondents	Percentage
Return	43	36
Safety	54	45
Tax savings	15	12.5
Liquidity	8	6.5
Total	120	100

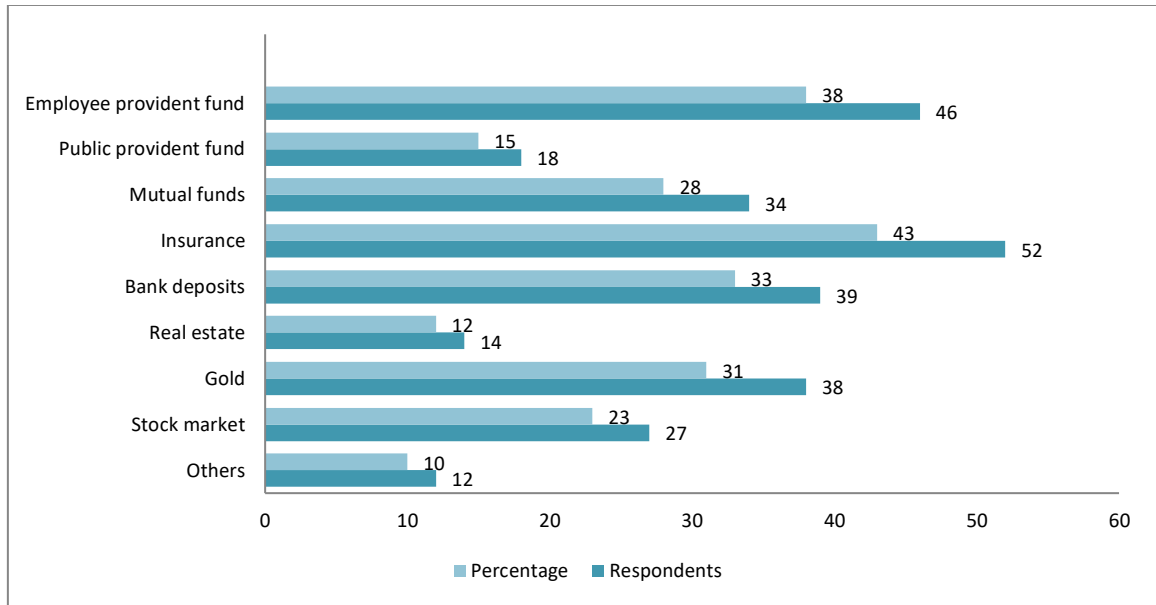
**Interpretation:**

From this table it is found the factors influencing the investment decisions, most of the respondents 53% said that safety is the factor, 46% said returns, 34% said tax savings and 10% said liquidity.

7.1.2. Investment avenue respondents prefer

	Respondents	Percentage
Employee provident fund	46	38
Public provident fund	18	15
Mutual funds	34	28
Insurance	52	43
Bank deposits	39	33
Real estate	14	12
Gold	38	31
Stock market	27	23
Others	12	10

Investment avenue respondents prefer



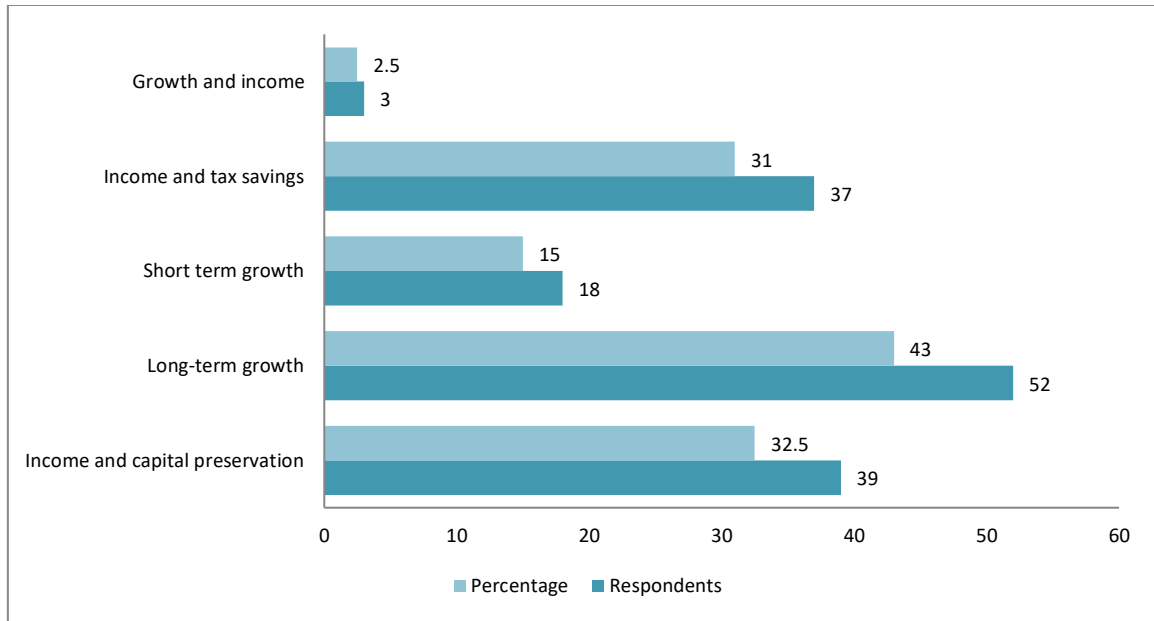
Interpretation:

From this table it is found the investment avenue in which the respondents are investing their money, here most of the respondents 43% are investing their money in insurance, 38% in EPF, 33% in bank deposits, 31% in gold, 28% in mutual funds, 23% in stock market, 15% in PPF, 12% in real estate and 10% in others.

7.1.3 Investment objectives of the respondents

	Respondents	Percentage
Income and capital preservation	39	32.5
Long-term growth	52	43
Short term growth	18	15
Income and tax savings	37	31
Growth and income	3	2.5

Investment objectives of the respondents



Interpretation:

From the table it is found the investment objectives of respondents, here most of the respondents 43% said Long-term growth, 32.5% said Income and capital preservation, 31% said Income and tax savings, 15% said short term growth and 2.5% said Growth and income.

7.2. Chi-Square Analysis:

7.2.1. Relationship between gender of the respondents and the type of Investment Avenue preferred

Null Hypothesis (H₀):

There is no significant relationship between type of Investment Avenue preferred and the gender of the respondents.

Alternative hypothesis (H₁):

There is a significant relationship between type of Investment Avenue preferred and the gender of the respondents.

		Gender			
		Female		Male	
		Count	Column N %	Count	Column N %
Investment Avenue	Employee Public Fund	20	45.5%	27	35.5%
	Public Provident Fund	5	11.4%	13	17.1%
	Mutual Fund	12	27.3%	22	28.9%
	Insurance	23	52.3%	29	38.2%
	Bank Deposits	19	43.2%	21	27.6%
	Real Estate	3	6.8%	11	14.5%
	Gold	19	43.2%	19	25.0%
	Stock market	5	11.4%	22	28.9%
	Others	6	13.6%	6	7.9%

Pearson Chi-Square Tests

		Income
Investment Avenue	Chi-square	27.580
	df	24
	Sig.	.433 ^a

Interpretation:

Pearson Chi-square value of the above table is 27.580 at 5% level of significance. The critical value for 24 degrees of freedom is 36.415. The calculated value is lesser than the critical value, hence null hypothesis is accepted.

Findings:

It is clearly found that the investment avenue one chooses is not based on the gender of the respondents. The investment avenue one chooses is independent on the gender of the respondents.

7.2.2. Relationship between awareness and frequency of the investments made**Null Hypothesis (H₀):**

There is no significant relationship between the frequency of the investment made by respondents and the awareness about investments by the respondents.

Alternative hypothesis (H₁):

There is a significant relationship between the frequency of the investment made by respondents and the awareness about investments by the respondents.

Awareness * Frequency Cross tabulation						
			Frequency			Total
			regularly	sometimes	never	
Awareness	Yes	Count	38	43	12	93
		Expected Count	32.6	45.0	15.5	93.0
	Maybe	Count	2	10	3	15
		Expected Count	5.3	7.3	2.5	15.0
	No	Count	2	5	5	12
		Expected Count	4.2	5.8	2.0	12.0
Total		Count	42	58	20	120
		Expected Count	42.0	58.0	20.0	120.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.705 ^a	4	.030
Likelihood Ratio	10.185	4	.037
N of Valid Cases	120		

Interpretation:

Pearson Chi-square value of the above table is 10.705 at 5% level of significance. The critical value for 4 degrees of freedom is 9.488. The calculated value is less than the critical value, hence null hypothesis is rejected.

Findings:

It is clearly shown that there is a significant relationship between awareness and frequency of investments. Thus frequencies of investments made are dependent on the awareness of the respondents on investment.

8. FINDINGS FROM THE STUDY

Percentage Analysis:

- From this table it is found the investment avenue in which the respondents are investing their money, here most of the respondents 43% are investing their money in insurance, 38% in EPF, 33% in bank deposits, 31% in gold, 28% in mutual funds, 23% in stock market, 15% in PPF, 12% in real estate and 10% in others.
- From this table it is found the factors influencing the investment decisions, most of the respondents 53% said that safety is the factor, 46% said returns, 34% said tax savings and 10% said liquidity.
- From the table it is found the investment objectives of respondents, here most of the respondents 43% said Long-term growth, 32.5% said Income and capital preservation, 31% said Income and tax savings, 15% said short term growth and 2.5% said Growth and income.

Chi Square test:

- It is clearly found that the investment avenue one chooses is not based on the gender of the respondents. The investment avenue one chooses is independent on the gender of the respondents.
- It is clearly shown that there is a significant relationship between awareness and frequency of investments. Thus frequencies of investments made are dependent on the awareness of the respondents on investment.

9. CONCLUSION

This research study was conducted to understand the investment pattern and preference of college professors and also to know their level of awareness towards selection of investments. From the available investment avenues one must select the appropriate one that he feels safer or good to invest. The person who is going to make investments should be aware of all knowledge about investments and should be aware of how it is going to fulfil his objective. From the results from the analysis it is found that various people who are aware of respondents are rarely making investments. Here their investment objective is to get returns and to get long term income from an alternative source other than income. Risk act as a barrier to many of the respondents for making investments. So the people who are considering return as a factor influencing for making investments should be aware of the risks from the investment avenues. There are a lot of safer investment avenues are there but with low returns. Many people are making investments in order to get more returns from investments. So they should be aware of the investment avenues and should make investments according to it. Even the women respondents are well educated but their investment decision is influenced by their family men only. So they should be bold and should make investments on their own.

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