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A Study on Risk Perception and Investment Preference of Male and Female Employees Working in Public and Private Sector at Ghaziabad District.

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ABSTRACT:

This study attempt to understand risk perception and preference of investment among the salaried class employees (male and female) both working in different public and private sector with respect to Ghaziabad district of Uttar Pradesh. Today the financial sector are more strong and providing many great opportunities for investor to invest their savings. The present study is based on primary data which is collected by distribution of structured questionnaire . convenience sampling is used for selecting the sample of 100 (60 male, 40 female) employees from the different sector.the collected were analysed by using the appropriate statistical technique. The study found that employees both male and female prefer to invest in safe and secure investment avenue and avoid the risky investment options . most of the respondent still prefer to invest their saving in bank deposit , post office and insurance policy to meet their future needs like children education and marriage .

Kee words: investment pattern, risk perception, investment alternative.

Introduction:.

In India nowadays attitude of human beings has changed a lot. these days people are not simplest spending on services and products, but also are looking at smarter way of investing their money. that is especially because of the fact people today no longer handiest have a wider preference of investing in one of a kind saving device however also are greater educated and aware of their desire. people are now shifting past the conventional saving alternatives of constant deposit , submit office deposit to wider investment alternatives inside the form of insurance , mutual fund, bond, equities, and even property. funding relies upon on financial savings. savings consist of setting cash apart in a financial institution. Saving additionally consist of reducing expenditure

What is saving:

Income – expenditure= saving . in today rapidly changing financial environment , it is critical that individual not only protect and enhance their current financial resources, but also prepare for future security and against loss of income. This require careful planning and prudent management of one financial asset.(www.deposit.org)

Mr. Warren Buffett, one among world's successful investor, has said: - "Don't save what's left after spending; spend what's left after saving."

What is investment

Investment is the allocation of cash to asset that predicted to yield a few gain over a period of time . choice of asset could depend on the danger bearing capacity of the investor. excessive chance high go back , low risk low return. chance and return each coincide collectively. other than danger there are other elements which are additionally considered while choosing an funding opportunity along with:

(1) Protection of investment

(2) Liquidity

(3) Regularity of profits

(4) Tangibility

Every person investor selects the funding choice for positive time period searching at their private monetary desires. investment behaviour of an man or woman investor well-knownshows how he/she desires to allocate the surplus economic resources to diverse units for investment to be had. The investment behaviour includes why they need to invest, how lots in their disposable profits they want to make investments, for how many years/months they want to invest and most importantly the timing of such funding. Allocating cash in a few assets in the expectation to yield more return with a considerable chance is known as investment. it is perceived that danger and go back continually continue together concurrently. this is why it's also believed that as a way to yield extra go back, greater chance is to be taken and vice versa. investment behaviours are defined as how the buyers decide, predict, examine and review the methods for selection making, which includes funding psychology, statistics collecting, designing and understanding, studies and evaluation.

Best Investment Options for Salaried Person in India 2023

- Invest in Fixed Deposits.

- Invest in Recurring Deposits.

- Invest in Systematic Investment Plan (SIP)

- Invest in Public Provident Fund (PPF)

- Invest in National Pension Scheme (NPS)

- Invest in Gold.

- Invest in Equity Shares.

- Bonus: Other Options.

Review of literature

Sekar B, Uma G (2020)4 The study evidenced that higher level of awareness was found within the aspects of return on various schemes in life assurance, about bank fixed deposits and various schemes in insurance. And lesser level of awareness was identified within the aspects of requirements to create investments available market, Knowledge about right time to take a position or disinvest mutual funds and about net assets value.

Dr. Ramanujan V, Chitra Devi ok (2012)1 The observe indicates that lack of information of investors about the concept and working of the funding pattern. in addition, it is determined that the volume of earnings also impacts the investment choices. higher income organization suggests quite excessive desire closer to investment in percentage marketplace, conversely lower and average profits institution shows eager choice towards insurance and banks because the most desired investment road.

Geethu Gopi, D. Priyanka And R. Preetha (2018)1 of their have a look at "funding is an pastime constrained to specific monetary objectives of traders". This have a look at tries to understand the investment preference of salaried personnel in Ernakulam district. handy random sampling technique is used for choosing the sample. the writer amassed information turned into analysed by the use of special statistical gear like T take a look at, chi rectangular evaluation, correlation evaluation and percentage analysis. The end result of the observe advised most of the worker's investment are directed to their personal charges.

Manish Mittal and Vyas (2008) buyers have certain cognitive and emotional weaknesses which come inside the manner in their funding decisions. over the past few years, behavioural finance researchers have scientifically shown that investors do now not always act rationally. they've behavioural biases that result in systematic mistakes inside the way they process facts for investment selection. Many researchers have tried to categorise the buyers on the idea of their relative chance taking ability and the sort of funding they make. Empirical evidence also suggests that factors including age, earnings, schooling and marital popularity have an effect on an character's investment decision. This paper classifies Indian investors into exclusive persona types and explores the relationship between various demographic elements and the investment character exhibited via the buyers.

D. S. Chaiubey and Rajat P.Dimri (2009) in their research article, "funding pattern: A Psychographic study of investors of Garhwal region of Uttrakhand" become aware of the investment perceptions and their conduct for designing effective funding regulations. evaluation indicates the moving fashion of investors from submit office and other authorities investment schemes to investments in banks, mutual funds and equity etc.

2. RESEARCH methodology

Objective and Scope of Study:

a. to identify various options available for investment for salaried employees..

b. To identify the level of risk involved in these alternative..

c. To analyse the pattern of investment and saving among the salaried investors ofmale and female both.

d. To Find out the best option for investment for salaried employees considering the level of risk.

Scope of the Study:

This study is focusing on the level of risk involve in various options available before the investor and preference of Investments ofsalaried employees in Ghaziabad city.for this purpose we have taken a sample of 100 employees (60 male, 40 female) working in different sector. And this research also guide the best investment option to salaried employees considering level of risk.

Need of the Study:

most of the salaried employees do have fixed flow of income according to month therefore their investments styles are located additionally one of a kind. there may be a outstanding want to examine funding patter of salaried employees therefore researcher has tried to find out investment behaviour of salaried buyers in Visakhapatnam town that can facilitate understanding the funding choices of buyers inside the city. The studies will consciousness mild in this direction to provide funding behaviour turn out to be the assisting hand to the research pupils in addition to college students for his or her similarly research of their respective vicinity.

Research design: This study is based on exploratory take a look at in addition to descriptive observe. The Descriptive studies is right here executed to describe approximately the phenomenon. This examine is for this reason carried out to recognize the risk involved among numerous options and funding choice of the exceptional salaried corporations of male and female and its method in the direction of investment avenues in Ghaziabaddistrict..

Sampling Unit: Sampling unit means that who are the respondents from the salaried class humans/Investor.

Sample length: Sampling size is 100 for convenience i.e. 100 employees (60 male, 40 female) fill the questionnaire for the survey.

Sampling method: Sampling approach is the method used to pick out the sample length. convenient sampling approach used in this research. on this, investors were taken consistent with the benefit of the studies observe.

Data collection :in this research both secondary and primary data has used. The secondary statistics is gathered from one-of-a-kind posted materials vis. Books, Journals, magazines & websites and so on. And respondentsprimary records is gathered by way of communicating with via a based agenda. In this research schedule has used as a tool of primary data to assess the investment and its behaviour patterns of sample employees. as the look at targets at soliciting opinion approximately the investment avenues a closed ended query are is ready with numerous characteristics of attributes to analyse and check the relative significance of every of the statement on a five-point Likert scale.

Closed ended questions are those wherein the respondent is given a confined number of alternative response from which he's to pick the one that most intently matched his mindset.

constant alternative questions can be taken inside the shape of :

Dichotomous question for instance (sure or no)

multiple preference query as an instance (A,B,C,D)

Statistical gear:

Chi- rectangular check

Rank evaluation

Hypotheses

The following Hypothesis is constructed for this study

H01 : There is no significant relationship between the Gender and the Investment risk in stock market .

H02 : There is no significantrelationship between the gender & Investment risk in bank deposit.

H03: There is no significantrelationship between the gender & Investment risk in real estate.

H04 : There is no significant relationship between the gender & Investment risk in mutual fund.

H05 : There is no significant relationshipbetween the gender & Investment risk in metals .

H06 : "There is no significant relationshipbetween the gender & Investment risk in insurance .

H07: "There is no significant relationshipbetween the gender & Investment risk in commodity market .

H08 : "There is no significant relationshipbetween the gender & Investment risk in tax saving scheme .

ANALYSIS AND INTERPRETATION

1. Risk perception in stock market:

GENDER	HIGH	LOW	TOTAL
MALE	58	2	60
FEMALE	36	4	40
TOTAL	94	6	100

O	E	(O-E)	(0-E)2	(O-E)2/E
58	56	+2	4	0.0714
2	4	-2	4	1
36	38	+2	4	0.1053
4	2	-2	4	2
Total	100	0		3.1767

Degree of freedom: $v = (r-1)(c-1)$, $v = (2-1)(2-1)$, $v = 1$

Our calculated chi-square value (3.1767) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationshipbetween the gender and investment risk in stock market.

2. Risk perception in bank deposit:

GENDER	HIGH	LOW	TOTAL
MALE	3	57	60
FEMALE	6	34	40
TOTAL	9	91	100

O	E	(O-E)	(0-E)2	(O-E)2/E
3	5	-2	9	0.80
57	55	+2	9	0.073
6	4	+2	9	1
34	36	-2	9	0.1111
Total	100	0		1.9841

Degree of freedom: $v = (r-1)(c-1)$, $v = (2-1)(2-1)$, $v = 1$

Our calculated chi-square value (1.9841) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationship between the gender and investment risk in bank deposit.

3. Risk perception in real estate:

GENDER	HIGH	LOW	TOTAL
MALE	25	35	60
FEMALE	15	25	40
TOTAL	40	60	100

O	E	(O-E)	(0-E)2	(O-E)2/E
25	24	+1	1	0.04167
35	36	-1	1	0.0278
15	16	-1	1	0.0625
25	24	+1	1	0.04167
Total	100	0		0.1736

Degree of freedom: v= (r-1) (c-1) , v= (2-1) (2-1) , v= 1

Our calculated chi-square value (0.1736) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationship between the gender and investment risk in real estate.

4. Risk perception in mutual fund:

GENDER	HIGH	LOW	TOTAL
MALE	51	9	60
FEMALE	33	7	40
TOTAL	84	16	100

O	E	(O-E)	(0-E)2	(O-E)2/E
51	50	+1	1	0.02
9	10	-1	1	0.10
33	34	-1	1	0.029
7	6	+1	1	0.167
Total	100	0		0.3157

Degree of freedom: v= (r-1) (c-1) , v= (2-1) (2-1) , v= 1

Our calculated chi-square value (0.3157) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationship between the gender and investment risk in mutual fund.

5. Risk perception in metals:

GENDER	HIGH	LOW	TOTAL
MALE	28	32	60
FEMALE	21	19	40
TOTAL	49	51	100

O	E	(O-E)	(0-E)2	(O-E)2/E
28	29	-1	1	0.0344
32	31	+1	1	0.0322
21	20	+1	1	0.05
19	20	-1	1	0.05
Total	100	0		0.1667

Degree of freedom: v= (r-1) (c-1) , v= (2-1) (2-1) , v= 1

Our calculated chi-square value (0.1667) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationship between the gender and investment risk in metals.

6. Risk perception in insurance:

GENDER	HIGH	LOW	TOTAL
MALE	22	38	60
FEMALE	12	28	40
TOTAL	34	66	100

O	E	(O-E)	(0-E)2	(O-E)2/E
22	20	+2	4	0.20
38	40	-2	4	0.10
12	14	-2	4	0.2857
28	26	+2	4	0.1538
Total	100	0		0.7395

Degree of freedom: v= (r-1) (c-1) , v= (2-1) (2-1) , v= 1

Our calculated chi-square value (0.7395) is less than0.05 level (3.841) , so null hypothesis is accepted. Hence it is concluded that there is no significant relationship between the gender and investment risk in insurance .

7.Risk perception in commodity market:

GENDER	HIGH	LOW	TOTAL
MALE	45	15	60
FEMALE	28	12	40
TOTAL	73	27	100

O	E	(O-E)	(0-E)2	(O-E)2/E
45	44	+1	1	0.0227
15	16	-1	1	0.0625
28	29	-1	1	0.0344
12	11	+1	1	0.0909
Total	100	0		0.2105

Degree of freedom: v= (r-1) (c-1) , v= (2-1) (2-1) , v= 1

Our calculated chi-square value (0.2105) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationship between the gender and investment risk in commodity market.

8. Risk perception in tax saving scheme:

GENDER	HIGH	LOW	TOTAL
MALE	27	33	60
FEMALE	19	21	40
TOTAL	46	54	100

O	E	(O-E)	(0-E)2	(O-E)2/E
27	28	-1	1	0.0357
33	32	+1	1	0.03125
19	18	+1	1	0.0555
21	22	-1	1	0.0454
Total	100	0		0.16785

Degree of freedom: v= (r-1) (c-1) , v= (2-1) (2-1) , v= 1

Our calculated chi-square value (0.16785) is less than0.05 level significance (3.841) , so null hypothesis is accepted.

Hence it is concluded that there is no significant relationship between the gender and investment risk in tax saving scheme.

Rank analysis:

Investment avenue	Total	Rank
Fixed deposit	**22**	**1**

Mutual fund	12	4
Tax saving scheme	15	3
Real estate	8	7
Metals	20	2
Stock	9	6
Insurance	10	5
Commodity	4	8

Findings and conclusion:

1. There is no relation between gender and risk perception in stock market, bank deposit and metals.

2. Both male and female are equally agree regarding the level of risk in different investment alternative.

3. Higher income group shows relatively high preference in stock market.

4. Low income and average income group shows keen preference in insurance and banks.

5. There is no relation between gender and risk perception in insurance, real estate, and tax saving scheme.

6. Bank deposit and insurance are most preferred investment avenues.

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