



A Comparative study of Investment Pattern of Salaried Individual Investors in Bardoli region

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ABSTRACT:

The study examines investment pattern of salaried individual investors and factors affecting individual investment pattern as well the most preferred investment avenues among the investors. Convenient sampling techniques has been used. A sample size of 100 respondents was taken for carrying out the research. The primary data was collected through a questionnaire and secondary data was also collected to study past research papers. The analytical techniques used are Mann Whitney U Test, Kruskal Wallis test and Chi square cross tabulation. It was found that salaried individuals are conscious of various investments and satisfied with their investments.

Keywords: Investors, salaried individual, investment pattern

Introduction:

Investment is an economic activity in which every person is engaged in one form or another. Even though the basic objective of making investment is earning profits, not everybody who makes investment benefits from it. Those who incur losses have not managed their funds scientifically and have just followed others blindly. All investments are risky to some degree or other risk and return go together. The art of investment is to see that the return is maximized with the minimum degree of risk.

There are a large number of investment instruments available today. To make our lives easier we would classify or group them. In India, numbers of investment avenues are available for the investors. Some of them are marketable and liquid while others are non-marketable and some of them also highly risky while others are almost risk less. The people have to choose Proper Avenue among them, depending upon his specific need and risk preference.

LITERATURE REVIEW:

Ms. Neena Therasa P J (2022) “A study on investment pattern of salaried people with special reference to Coimbatore City”. Objective: To study the pattern, preference, purpose, problem and awareness of Investments by salaried class people and it'll be helpful to spot the higher investment options within the market. Source: Primary data Analytical technique: Percentage analysis, Chi-Square test and rank analysis. Sample size: 150 Findings: Salaried employees are conscious of various investments and satisfied with their investments.

Hariharan N (2022) “A study on savings and investment pattern of salaried class people”. Objective: To analyse the savings and investment pattern of salaried class people. Source: Primary data (structured questionnaire). Sampling technique: Convenient sampling technique. Sample size: 100. The study says that certain factors like age group, gender, monthly income impact the investment pattern. Conclusion: Many knew about the classic investment options but lacks idea on latest trends.

Priya Ahuja (2021) “A comparative study on investment pattern of individual working in government sector and private sector with reference to Bhopal City.” Objective: To study and determine the significant difference between investment preference of government sector employees and private sector employees. Source: Primary data (Google form) and secondary data is used to study past research papers. Analytical technique: Percentage method and chi square test. Conclusion: Government employees prefer traditional investment options while private employees prefer modern investment options.

Pavithra.S (2020) “A study on investment pattern towards salaried employees in Coimbatore city”. Objective: To study and analyses the awareness level of salaried class investors towards the nature of investment, identify the time origin which they make their investment. Sample size 120. Source: Primary data. Statical tool: Percentage analysis and Ranking analysis. Conclusion: Employees have shown that they are following good investment policies and they are satisfied with their investment practices. Findings: The study indicate that employee's perception has led to the investment

appreciation exhibited through various factors.

Monal Kumar Babulal Sathvara (2020) “A study of savings and investment pattern of salaried person with special reference to North Gujarat Region”. Objective: To analyse awareness and behaviour regarding different investment avenues available for and determine the relationship between Savings and investments pattern among the salaried Persons of North Gujarat Region. Source: Primary data (structured questionnaire). Sample size 100. The data has been analysed and presented through by using percentage, Tables and Graphs. Findings: Salaried employee considers the safety as well as good return on investment that is invested on regular basis.

OBJECTIVES OF RESEARCH PAPER:

- To study the investment pattern among the salaried class working in different sectors of Bardoli region.
- To identify the most preferred investment avenues in investors.
- To identify the mode of investments of salaried respondents in various investment avenues.

RESEARCH METHODOLOGY:

The research methodology involves a descriptive study aimed at understanding the investment patterns of salaried individuals in Bardoli region. Both primary data, gathered through structured questionnaires, and secondary data from published materials are used. Convenient sampling technique is employed with a sample size of 100 participants. Statistical techniques such as Mann Whitney U test, Kruskal Wallis test and Chi square cross tabulation are utilized for analysis.

DATA ANALYSIS :

Demographic Research Analysis

- The majority of respondents who prefer to invest are female, comprising 60% of the total respondents.
- The largest portion of respondents falls within the 20-30 age group, it can be interpreted that this demographic segment shows a greater propensity or interest in investing compared to other age groups represented in the survey.
- The study suggest that educational level plays a role in shaping attitude towards investment. With 46% of respondents holding graduate degrees, it can be interpreted that a considerable number of individuals with this educational qualification have chosen to invest their money.
- With 42% of respondents being business owners, it can be interpreted that a substantial number of individuals with this occupation have chosen to invest their money.
- The finding implies that individuals with lower yearly incomes are more inclined towards investment activities, possibly due to the desire to grow their wealth and improve their financial situation over time.
- With 24% of respondents indicating a preference for mutual funds, it can be interpreted that a significant number of individuals among the surveyed investors favour this investment avenue.

Test of normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Safe investment	.263	100	.000	.818	100	.000
Risky investment	.209	100	.000	.903	100	.000
Shares risky	.211	100	.000	.895	100	.000
Gold safe	.215	100	.000	.890	100	.000
Bank deposit safe and best	.213	100	.000	.886	100	.000
Mutual funds good small investor	.233	100	.000	.892	100	.000
Inflation considered while investing	.219	100	.000	.888	100	.000
SIP good option	.200	100	.000	.879	100	.000
Risk taken to earn good returns	.203	100	.000	.876	100	.000
Risk tolerance based on age	.191	100	.000	.882	100	.000

H_0 = The data are normally distributed.

H_1 = The data are not normally distributed.

Interpretation:

Above table of test of normality value of investment options for Kolmogorov-Smirnov and Shapiro-Wilk tests all the investment options have a critical value of less than 5% (0.05), which means null hypothesis is rejected and the alternative hypothesis is selected and it can be said that the data are not normally distributed.

Mann Whitney U test

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Safe investment	1014	1834	-1.39232	0.163824
Risky investment	1075.5	1895.5	-0.91443	0.360491
Shares risky	1028.5	1848.5	-1.26499	0.205875
Safety in gold	985	2815	-1.57287	0.115749
Bank deposit safe and best	777.5	1597.5	-3.08734	0.00202
Mutual funds good small investor	1049.5	1869.5	-1.10555	0.268923
Inflation considered while investing	922.5	1742.5	-2.0375	0.0416
SIP good option	1068.5	1888.5	-0.96255	0.335773
Risk taken to earn good returns	1015	1835	-1.34944	0.177195
Risk tolerance based on age	811	1631	-2.8221	0.004771

H_0 = There is no significance difference in investment pattern for investment in male and female.

H_1 = There is significance difference in investment pattern for investment in male and female.

Interpretation

The significant value of the Mann Whitney U test is less than 5% of critical value in three cases like, Bank deposit, inflation considered while investing and risk tolerance based on age. So, it can be said that these three cases are rejecting the null hypothesis and it means there is significant difference in investment pattern for investment in male and female.

Kruskal Wallis test

	Chi-Square	df	Asymp. Sig.
Safe investment	11.85664	3	0.007891
Risky investment	2.67076	3	0.445219
Shares risky	7.124177	3	0.068043
Safety in Gold	12.06129	3	0.007176
Bank deposit safe and best	6.933212	3	0.074057
Mutual funds good small investor	8.248929	3	0.041138
Inflation considered while investing	8.010916	3	0.045787
SIP good option	5.435358	3	0.142556
Risk taken to earn good returns	3.122437	3	0.37313

H_0 = There is no significant relation between educational qualification and preference of investors.

H_1 = There is significant relation between educational qualification and preference of investors.

Interpretation

The significant value of Chi – square is less than 5% of critical value in four investment preferences like, Safe Investment, Safety in gold, Mutual funds good small investor and Inflation considered while investing. So, it can be said that these four cases are rejecting null hypothesis and it means there is significant relation between educational qualification and preference of investors.

Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.169 ^a	12	.432
Likelihood Ratio	13.516	12	.333
Linear-by-Linear Association	3.939	1	.047
N of Valid Cases	100		

H₀ = There is no significant relation between occupation and motive of investment.

H₁ = There is significant relation between occupation and motive of investment.

Interpretation

The significant value of Chi-square is more than the critical value 5% (0.05), we do not reject the null hypothesis. Rather, we conclude that there is no enough evidence to suggest that there is relation between occupation and motive of investment.

Conclusion :

Salaried individuals in Bardoli exhibit a diverse range of investment choices, including traditional options like savings accounts and fixed deposits, as well as modern avenues such as mutual funds, stocks, and real estate. This is evident from the significant allocation towards savings accounts and fixed deposits, which offer stability and guaranteed returns. While traditional investments remain popular, there is a growing interest in market-linked instruments like mutual funds and stocks. This suggests a shift towards exploring higher return opportunities, albeit with some level of risk tolerance. The study highlights that age and income levels significantly influence investment decisions. Younger individuals tend to exhibit a higher risk appetite and may allocate a larger portion of their investments towards growth-oriented assets, while older individuals prioritize stability and income generation. Financial literacy and awareness play a crucial role in shaping investment patterns. There is a need for targeted educational initiatives to enhance understanding of various investment options and their associated risks and rewards among salaried individuals in Bardoli.

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