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A STUDY ON INVESTMENT VS SAVINGS OF RISK AND OPPORTUNITIES PERFORMANCE OF I-BACUS-TECH WITH REFERENCE TO COIMBATORE

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ABSTRACT:

Investment is an activity as well as a process that emerged in people who have habits of savings with the anticipation of a positive rate of return in the near future. Investors are investing their money with different objectives such as profit, security, appreciation, Income stability, etc. With such a wide spectrum of investment avenues, the risk factor arises. With the fluctuation in the economy people's audacity to take risks changes according to age and responsibilities. The study is based on the questionnaire and the personal interview of some people with different age groups and their willingness to invest and take risks in the avenues. The data has been analyzed using pie charts, bar graphs, percentages, and statistical charts. The researcher has analyzed that the young generation has shown keen interest in new investment patterns, exploration of investment instruments, and a high probability of accepting the risk factor in the investment.

Keywords: Investments, Profit, Saving, Peer Groups, Risk, Avenues.

INTRODUCTION:

Saving money means storing it safely so that it is available when we need it and it has a low risk of losing value. Investment & Savings comes with risk, but also the potential for higher returns. Investing typically often comes with a longer-term horizon, such as for children's college funds or one's retirement. An investor's attitude towards an investment or savings channel influences their choice of investments when a multitude of investment and savings possibilities are right outside their door. In addition to their primary motivation to invest, investors in today's market are primarily motivated by the attractiveness and profitable returns offered by the numerous investment channels. Understanding how investors think, feel, and behave is crucial in order to approve a route that satisfies their investment requirements and further contributes to the establishment of future profitable returns that align with their objectives. An investor displays optimism for the investment opportunities whose returns are more in line with their objectives. The organisation can assess present internal controls, management actions, and determine whether additional measures are necessary or if the risks are acceptable by identifying and outlining the most significant risks. The senior management group of the board of directors should investigate and determine the locations of the risks and if they are being appropriately managed. It's critical to realise that organisation-wide cooperation is necessary for enterprise risk management, or ERP, to produce the intended outcomes. It is essential to combine risk and performance management. Organisations that take this approach are more likely to recognise possible dangers earlier, react to them more quickly, and improve their readiness. Organisations that want to include risk in performance management should prioritise risks according to their highest impact and probability of occurrence. Two steps for risk management and optimal performance Determine and evaluate the risks that affect the company plan. Companies must regularly assess their business strategy to detect new and emerging hazards and ascertain the level of risk they can bear in order to produce value. Create a risk response strategy to minimise the negative effects and maximise any positive effects. Key risks can be categorised as strategic, avoidable, or external, and then their level of risk can be determined by comparing it to the company's risk appetite. Organise the departments to carry out the risk response plan of the company. To clearly establish ownership and accountability for risk actions, identify the three lines of defence. This helps an organisation to verify risk coverage and promote an environment where everyone.

SCOPE OF THE STUDY:

The study will be significant to the management of I-Bacus Tech at Coimbatore as they will be able to uncover the effects of risk opportunity Performance and adopt appropriate in reducing level of non-performing and enhance performance. The study will provide an insight on the best credit risk management approaches micro finance institutions should adopt in order to effectively manage and enhance profitability. Managers in asset software industry will find this study significant as it will provide an insight on the best risk management that should be taken to reduce occurrence of nonperforming portfolio performance.

LITERATURE REVIEW:

V.R.Palanivelu & K. Chandrakumar (2017) examined the Investment & Savings choices of salaried class in Taluk, Tamilnadu, India with the help of 120 respondents as a sample size & it reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investment & Savings.

Avinash Kumar Singh (2017) the study analyzed the investment & Savings pattern of people in Bangalore city and Bhubaneswar & analysis of the study was undertaken with the help of survey method After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment & Savings avenues & the risk associated with that.

Karthikeyan (2018) has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisan vikas patra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and the Overall Score Confirmed that the level of awareness among investors in the old age group was higher than in those of young age group.

Sandhu and Singh (2018) The study was based on structured primary data. The sample of 50 adopters and 50 non-adopters from the universe comprising the city of Amritsar was selected. The study analyzed in case of adopters that transparency, safety, convenience and economy judged as an important feature of net trading followed by market quality and liquidity whereas in case of non-adopters economy and convenience were the important features followed by the other factors like market quality, safety and liquidity.

Manish Mittal and Vyas (2019) Investors have certain cognitive and emotional weaknesses which come in the way of their investment & Savings decisions. Over the past few years, behavioural finance researchers have scientifically shown that investors do not always act rationally. They have behavioural biases that lead to systematic errors in the way they process information for investment & Savings decision. Many researchers have tried to classify the investors on the basis of their relative risk taking capacity and the type of investment they make.

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Otley, 2020) these innovations support the view that managers may well be responsible for some elements of strategy, management control and operational controls. As a consequence, management control research has started to pay greater attention to neglected elements of strategy and operations. This shift of focus has been categorised under the general banner of performance management.

Ferreira and Otley, 2020) have already been discussed, as noted by Scapens). Drawing on a longitudinal case study, Collier (2005) focuses the interaction between formal, systems-based controls and social controls. Specifically, the author shows the marginalisation of traditional management accounting and non-financial performance measurement techniques in a multinational packaging equipment supplier, whilst recognising the importance of belief and boundary systems.

(Power, 2021) As a result, different risk measures have been developed and, rapidly, became a common measurement framework for financial (and, more recently, non-financial) institutions. Risk measures such as Value at Risk (VaR), originally calculated for internal risk reporting purposes in financial institutions, and started to become diffused among for profit companies both for internal and external risk reporting purposes.

Collier (2021) argues that a risk-based approach to control is consistent with the deployment of boundary and belief systems and an interactive use of controls. For instance, boundary systems determine the risks facing an organisation; belief systems are supported by the definition of expectations around organisational risk appetite and risk culture (see also Power et al., , on the role of risk culture). It is shown that it is possible to find forms of risk-based approaches to control (e.g. the Just in Time environment described by Collier and Berry.), where existing controls are specifically related to the assessment of business risks.

Williamson (2022), interpretive researchers conduct a literature research to gain an understanding of their topic, and afterwards develop the theories and research questions. Although this research does not present any theory at the end; since the only source of data for this research were mainly journal papers and verbal reasoning, an interpretive approach to analyse the qualitative data is taken beforehand.

Bryman and Bell (2022) define content analysis: “as an approach to the analysis of documents and academic published materials that try to quantify content in terms of predefined categories and perform it in a systematic and replicable way”. Withstanding the claim that content analysis is not a research method and is an approach used to create data through reading articles and texts, it is known as a research method because of its distinctive approach to analysis.

Roberto 2023) stating that organizational decay and collapse do not occur overnight. They evolve over time. They start with a small

problem and the series of mistakes can often last months or years. Small problems become big problems as time goes by. The bug gets worse over time. One small mistake triggers the next. Once the series of events starts, you can stop them. However, obvious minor problems can disappear over time. The role of leadership in controlling risk management is necessary, according to the statement from Strategic risk management can help managers identify and track weak signals.

Shahroudi et al. (2023) in support confirmed that reducing exposed risk increases the quality of service as well as the firm's financial performance. They added that risk mitigation and financial performance has a positive relationship. Ernst & Young revealed that firms with a reputable risk reduction practices produce more revenue and their risk maturity linked with better return on assets and a positive significance .

RESEARCH METHODOLOGY

According to industrial research institute in research methodology, research always tries to search the given question systematically in the own way and find out all the answers till conclusion. If research does not work systematically on problem, a researcher faces lot of problems that can be effectively resolved with using correct research methodology.

DATA COLLECION

The following techniques were adopted for data collection.

Primary data

Primary data was collected through face to face interviews while filling up questionnaires.

Secondary data

The information was gathered from magazines, newspapers that formed the secondary data.

STATISTICAL TOOLS

- Percentage analysis
- Chi-square analysis
- Correlation analysis
- Anova

SIMPLE PERCENTAGE

In this project percentage analysis test was use. The percentage method is used to know the accurate percentage of the data we took. The following formula was used

$$\text{Percentage of respondents} = \frac{\text{No of respondents}}{\text{Total no of respondents}} \times 100$$

CORRELATION

Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction.

$$r = \frac{\sum XY}{\sqrt{(\sum X^2) (\sum Y^2)}}$$

ANOVA

Examination of change, or ANOVA, is a solid measurable method that is utilized to show contrast between at least two methods or parts through importance tests. It likewise shows us an approach to make numerous examinations of a few populace implies. The Anova test is performed by looking at two sorts of variety, the variety between the example implies, just as the variety inside every one of the examples. Beneath referenced recipe addresses one way Anova test measurements:

F = Anova Coefficient, MST = Mean sum of squares due to treatment

MSE = Mean sum of squares due to error

CHI SQUARE TEST

NULL HYPOTHESIS

H₀: There is no significance relationship between Age of the respondents and Life stage of current investment

ALTERNATIVE HYPOTHESIS

H₁: There is a significance relationship between Age of the respondents and Life stage of current investment

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * Life state of current investment	120	100.0%	0	.0%	120	100.0%

Age * Life state of current investment Crosstabulation

Count							
		Life state of current investment					
		Early years	Middle years	High income and savings years	Early retirement years	Retirement	Total
Age	Below 30 years	10	2	8	1	1	22
	30-35 years	7	5	14	7	1	34
	35-40 years	9	4	14	2	3	32
	40-45 years	5	1	6	3	4	19
	Above 45 years	5	3	3	2	0	13
Total		36	15	45	15	9	120

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.968 ^a	16	.326
Likelihood Ratio	17.964	16	.326
Linear-by-Linear Association	.433	1	.510
N of Valid Cases	120		

a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .98.

RESULT

Interpretation:

The significant value (0.98) is greater than the P value (0.000). Hence null hypothesis is accepted so there is no significant relationship between Age of the respondents and Life stage of current investment.

CORRELATION

The table shows that the relationship between Qualification and Level of investment provides the possibility of high return.

NONPARAMETRIC CORRELATIONS

Correlations

			Qualification	Level of investment provide the possibility of high return
Kendall's tau_b	Qualification	Correlation Coefficient	1.000	-.004
		Sig. (2-tailed)	.	.957
		N	120	120
Level of investment provide the possibility of high return		Correlation Coefficient	-.004	1.000
		Sig. (2-tailed)	.957	.
		N	120	120
Spearman's rho	Qualification	Correlation Coefficient	1.000	.000
		Sig. (2-tailed)	.	.997
		N	120	120
Level of investment provide the possibility of high return		Correlation Coefficient	.000	1.000
		Sig. (2-tailed)	.997	.
		N	120	120

Correlations

		Qualification	Level of investment provide the possibility of high return
Qualification	Pearson Correlation	1	-.051
	Sig. (2-tailed)		.580
	N	120	120
Level of investment provide the possibility of high return	Pearson Correlation	-.051	1
	Sig. (2-tailed)	.580	
	N	120	120

RESULT

This is a positive correlation. There are relationships between Qualification and Level f investment provide the possibility of high return.

ANOVA

NULL HYPOTHESIS Ho:

There is no significant relationship between Monthly income and Types of factors consider before investing.

ALTERNATIVE HYPOTHESIS H₁:

There is a significant relationship between Monthly income and Types of factors consider before investing.

ANOVA

Monthly income					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	8.625	3	2.875	1.965	.123
Within Groups	169.700	116	1.463		
Total	178.325	119			

POST HOC

Multiple Comparisons

Dependent Variable: Monthly income

	(I) Types of factors consider before investing	(J) Types of factors consider before investing	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Scheffe	Safety to principal	Low risk	-.100	.288	.989	-.92	.72
		High return	-.100	.310	.991	-.98	.78
		Maturity period	-.850	.374	.167	-1.91	.21
	Low risk	Safety to principal	.100	.288	.989	-.72	.92
		High return	.000	.285	1.000	-.81	.81
		Maturity period	-.750	.354	.220	-1.75	.25
High return	Safety to principal	.100	.310	.991	-.78	.98	
	Low risk	.000	.285	1.000	-.81	.81	

	Maturity period	Safety to principal	.850	.374	.167	-.21	1.91
		Low risk	.750	.354	.220	-.25	1.75
		High return	.750	.372	.261	-.31	1.81
LSD	Safety to principal	Low risk	-.100	.288	.729	-.67	.47
		High return	-.100	.310	.747	-.71	.51
		Maturity period	-.850*	.374	.025	-1.59	-.11
	Low risk	Safety to principal	.100	.288	.729	-.47	.67
		High return	.000	.285	1.000	-.56	.56
		Maturity period	-.750*	.354	.036	-1.45	-.05
	High return	Safety to principal	.100	.310	.747	-.51	.71
		Low risk	.000	.285	1.000	-.56	.56
		Maturity period	-.750*	.372	.046	-1.49	-.01
	Maturity period	Safety to principal	.850*	.374	.025	.11	1.59
		Low risk	.750*	.354	.036	.05	1.45
		High return	.750*	.372	.046	.01	1.49
Bonferroni	Safety to principal	Low risk	-.100	.288	1.000	-.87	.67
		High return	-.100	.310	1.000	-.93	.73
		Maturity period	-.850	.374	.150	-1.86	.16
	Low risk	Safety to principal	.100	.288	1.000	-.67	.87
		High return	.000	.285	1.000	-.76	.76
		Maturity period	-.750	.354	.218	-1.70	.20
	High return	Safety to principal	.100	.310	1.000	-.73	.93
		Low risk	.000	.285	1.000	-.76	.76
		Maturity period	-.750	.372	.278	-1.75	.25
	Maturity period	Safety to principal	.850	.374	.150	-.16	1.86
		Low risk	.750	.354	.218	-.20	1.70
		High return	.750	.372	.278	-.25	1.75
Sidak	Safety to principal	Low risk	-.100	.288	1.000	-.87	.67
		High return	-.100	.310	1.000	-.93	.73
		Maturity period	-.850	.374	.141	-1.85	.15
	Low risk	Safety to principal	.100	.288	1.000	-.67	.87
		High return	.000	.285	1.000	-.76	.76
		Maturity period	-.750	.354	.199	-1.70	.20
	High return	Safety to principal	.100	.310	1.000	-.73	.93
		Low risk	.000	.285	1.000	-.76	.76

		Maturity period	-.750	.372	.247	-1.75	.25
	Maturity period	Safety to principal	.850	.374	.141	-.15	1.85
		Low risk	.750	.354	.199	-.20	1.70
		High return	.750	.372	.247	-.25	1.75
Gabriel	Safety to principal	Low risk	-.100	.288	1.000	-.87	.67
		High return	-.100	.310	1.000	-.93	.73
		Maturity period	-.850	.374	.131	-1.84	.14
	Low risk	Safety to principal	.100	.288	1.000	-.67	.87
		High return	.000	.285	1.000	-.76	.76
		Maturity period	-.750	.354	.172	-1.67	.17
	High return	Safety to principal	.100	.310	1.000	-.73	.93
		Low risk	.000	.285	1.000	-.76	.76
		Maturity period	-.750	.372	.232	-1.73	.23
	Maturity period	Safety to principal	.850	.374	.131	-.14	1.84
		Low risk	.750	.354	.172	-.17	1.67
		High return	.750	.372	.232	-.23	1.73

*. The mean difference is significant at the 0.05 level.

HOMOGENEOUS

Monthly income

		N	Subset for alpha = 0.05
Types of factors consider before investing			1
Scheffe^a	Safety to principal	30	1.90
	Low risk	43	2.00
	High return	31	2.00
	Maturity period	16	2.75
	Sig.		.095
Gabriel^a	Safety to principal	30	1.90
	Low risk	43	2.00
	High return	31	2.00
	Maturity period	16	2.75
	Sig.		.069
Ryan-Einot-Gabriel-Welsch F	Safety to principal	30	1.90
	Low risk	43	2.00
	High return	31	2.00
	Maturity period	16	2.75
	Sig.		.123
Ryan-Einot-Gabriel-Welsch Range	Safety to principal	30	1.90
	Low risk	43	2.00
	High return	31	2.00
	Maturity period	16	2.75
	Sig.		.199

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 26.429.

RESULT

From the above analysis, we find that calculated value of the F-value is a positive 26.42 value. There is a significant relationship between Monthly income and Types of factors consider before investing.

FINDINGS

- Majority 51.7% of the respondents are Male.
- Majority 28.3% of the respondents age group between 30 – 35 years.
- Majority 62.5% of the respondents are Married person.
- Majority 27.5% of the respondents are Qualified in UG.

- Majority 43.3% of the respondents are Below Rs.20000.
- Majority, 42.5% of the respondent are yes aware of investment.
- Majority 45% of the respondents are between 0-15% invest.
- Majority 35.8% of respondents are consider Low risk before investing.
- Majority 30.8% of the respondents are important for replace the earned income.
- Majority 33.3% of the respondents are important for assistance in reviewing
- Majority 46.7% of the respondents are Agree that reducing losses in receiving high return.
- Majority 37.5% of the respondents are Life stage of current investment is High income and savings years.
- Majority 29.2% of the respondents are Contracts for difference is greatest risk.
- Majority 36.7% of the respondents are Fixed deposits investment types.
- Majority 30.8% of the respondents are Out sourcing main drive of increasing risk.
- Majority 38.3% of the respondents are Agree that possibility of high return.
- Majority 33.3% of the respondents are Agree that risk return trade of trading principal.
- Majority 38.3% of the respondents are Agree that potential risk.
- Majority 34.2% of the respondents are Agree that Lack of capital, 35.8% of the respondents are Agree that Tax disincentives to provision, 35% of the respondents are Agree that Lengthy and expansive judiciary process, 36.7% of the respondents are Agree that Lack of public or industry, 25.8% of the respondents are Agree that Lack of out of court tools or settlement.
- Majority 26.7% of the respondents are Agree that Business risk, 40.8% of the respondents are Agree that Financial risk, 32.5% of the respondents are Agree that Liquidity risk, 40% of the respondents are Agree that Exchange risk, 40% of the respondents are Agree that Country specific risk.
- Majority 40.8% of the respondents are satisfied the High-yield savings accounts, 30.8% of the respondents are satisfied the Money market funds, 41.7% of the respondents are Satisfied the Short term certificates of deposits, 40.8% of the respondents are satisfied the Corporate bonds, 35.8% of the respondents are Satisfied the Dividend paying stocks.
- Majority 20.8% of the respondents are Asset allocation is 1st rank.
- Majority 26.7% of the respondents are facing challenges is Complexity of risk management.

CHI-SQUARE TEST

The significant value (0.98) is > greater than the P value (0.000). Hence null hypothesis is accepted so there is no significant relationship Age of the respondents and Life stage of current investment

CORRELATION ANALYSIS

This is a positive correlation. There are relationships between Qualification and Level of investment provide the possibility of high return.

ANOVA ANALYSIS

Anova analysis we find that calculated value of the F-value is a positive 26.42 value. There is a significant relationship between Monthly income and Types of factors consider before investing.

SUGGESTION

Savings and investing are two different concepts, but in practice, they are closely related to each other. Typically, we save first before we invest. Savings is setting money aside for use at a later time. Investing is using a resource (usually money) with the expectation that it will generate increased income or grow in value. Think about why savings could be important in the life. Putting aside money for future use can help you meet life goals. Saving money for emergencies, short-term goals and long-term goals are all important.

CONCLUSION

Both investing and saving are fundamentally different ideas that must be developed in combination if wealth is to be created in this booming economy. If you want to build wealth and stay up with the ever-rising demands, investing is a need. The earlier you begin, the better, as over time investments will compound and the magic of compounding will work wonders to create a wealth kingdom for you. Linking the investments with the financial goals can provide a secure and secured future with saved capital ready for exploration.