

# Perception of Investors About Rate of Return in Various Investment Avenues Among Residents of Himachal Pradesh: Educational Qualification-Wise Distribution

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## ABSTRACT:-

The various parameters which investors consider while making investment decisions. These parameters include safety, rate of return, liquidity and marketability, capital appreciation and tax benefits. These factors are generally associated with investment schemes of different financial institutions. On the basis of these factors, investors decide to invest in a particular scheme. In the present study, an attempt has been made to understand the rate of return parameter is considered by the investors of deposits, fixed deposit, provident fund, PPF, company's securities, mutual funds, different post office schemes, unit trust of India's different schemes, different life insurance schemes and physical assets etc.

**Key words:-** safety, rate of return, liquidity and marketability, capital appreciation, parameters etc

## INTRODUCTION:-

The rate of return in the investment is one of the important factor. Investors expect not only high rate of return but also expect to get a regular income. In this section, an attempt has been made to study the perception of investors regarding rate of return towards different investment avenues.

In the present paper, multi stage sampling has been used. At the first stage, the study area has been divided into different districts namely lower parts of districts Kangra, Sirmour, Solan, Mandi and entire districts Una, Hamirpur and Bilaspur. Out of these districts, three districts namely Kangra, Hamirpur and Una have been selected keeping in view their representation to Himachal Pradesh on the basis of demographic features and industrial zones of the state. At the second stage, from each selected district, three tehsils i.e. one most developed, one moderately developed and one less developed have been selected. Thus, the total number of tehsils are  $3 \times 3 = 9$ .

At the third stage, two village panchayat have been selected randomly from each tehsil. This way the present study has been conducted in  $9 \times 2 = 18$  village panchayats. At fourth stage, 30 households have been selected from each village panchayat using judgment sampling keeping in view various demographic characteristics of the population. Thus, the sample constitute 540 ( $18 \times 30$ ) respondents.

Primary data have mainly been collected with the help of questionnaire/ schedule. It has been prepared to get information from the people living in the study area.

Keeping in view the nature of study, the data collected have been analyzed and interpreted with the help of the following methods:

- ❖ Mathematical Methods
- ❖ Statistical Methods

#### **Analysis:-**

The perception of investors of different educational qualification regarding rate of return in fixed deposit, recurring deposit and saving account of commercial banks have been shown in table 1. The table clearly shows that the mean scores of responses have been far above the response very good for post graduate/professional, almost equal to response very good for graduate, almost equal to the response average for matriculate or below and slightly below the response below average for 10+2 at five point likert scale. Standard deviation and negative skewness clearly depict that majority of the respondents of all educational group have perceived rate of return on the higher side of the mean score for all educational qualification groups. In order to study the significance of difference in mean score of different educational groups, F-test has been used. The calculated F-value is significant at one percent level of significance which clearly indicates that there is significant difference in the mean score of responses of different educational group. It can be concluded that the post graduate/ professional consider highest rate of return in above mentioned saving schemes followed by graduate, matriculate or below and 10+2.

The mean scores of responses of investors of different educational groups about rate of return in public provident fund have been investigated and it has been found 2.54 for matriculate, 2.87 for 10+2, 3.95 for graduate and 4.40 for post graduate/ professional. It is clear from the analysis that the post graduate/ professional, have perceived rate of return in public provident fund

far above the response very good, above the response average for graduate and higher the response below average for 10+2 and matriculate or below at five point likert scale. Standard deviation and negative skewness clearly show that graduate and post graduate/ professional have perceived rate of return above the mean score and positive skewness for the rest of educational groups indicate otherwise. F-test has been used.



**Table 1: Perception of Investor about rate of return in various investment avenues: Educational Qualification-wise distribution**

Sr. No.	Rate of Return in Various Investment Avenues	Matric			+2			Graduate			PG/Professional			F-value	p-value
		$\bar{X}$	$\sigma$	$S_k$	$\bar{X}$	$\sigma$	$S_k$	$\bar{X}$	$\sigma$	$S_k$	$\bar{X}$	$\sigma$	$S_k$		
1.	FD in Bank	3.07	1.62	-.20	2.87	1.63	-.08	4.13	8.04	-1.34	4.44	1.02	-2.38	40.84	.000
2.	RD in Bank	2.92	1.61	-.07	2.89	1.67	.01	4.04	1.16	-1.29	4.50	.86	-2.34	47.057	.000
3.	Saving Account in Bank	3.02	1.62	-.13	2.99	1.66	-.08	3.96	1.07	-1.32	4.14	1.31	-1.65	24.373	.000
4.	PPF in Bank	2.54	1.54	.25	2.87	1.61	-.06	3.95	1.08	-1.40	4.40	.85	-2.07	58.88	.000
5.	Pension Fund	2.04	1.47	1.12	2.23	1.49	.65	3.06	1.28	-.45	3.62	.88	-.70	41.96	.000
6.	Units of UTI	1.50	.82	1.56	1.89	1.33	1.24	2.95	1.32	-.18	2.59	1.22	.32	38.79	.000
7.	Income scheme of mutual fund	1.99	1.30	1.06	2.13	1.43	.93	3.16	1.39	-.49	3.14	1.29	-.44	28.75	.000
8.	Growth scheme of M.F.	1.96	1.23	.98	2.03	1.33	.93	3.17	1.29	-.65	3.14	1.29	-.44	36.41	.000
9.	Income-cum growth scheme of M.F.	1.99	1.30	1.06	2.05	1.38	.97	3.10	1.25	-.66	3.14	1.29	-.44	31.67	.000
10.	Tax Saving M.F. Scheme	1.96	1.23	.98	2.00	1.23	.81	3.12	1.22	-.85	3.10	1.24	-.53	37.920	.000
11.	Money Back Insurance Schemes	2.98	1.49	-.11	2.75	1.61	.08	3.62	1.08	-.92	3.72	1.26	-1.00	16.67	.000

12.	Endowment Insurance scheme	2.45	1.37	.22	2.58	1.49	.13	3.48	1.12	-.91	3.72	1.26	-1.00	30.75	.000
13.	Pension Scheme of Insurance Company	2.56	1.51	.35	2.58	1.56	.24	3.52	1.11	-.92	3.72	1.26	-1.00	26.65	.000
14.	National Saving Certificate	2.53	1.44	.16	2.72	1.65	.22	3.49	1.41	-.60	4.26	.84	-1.76	43.69	.000
15.	National Saving Scheme	2.60	1.53	.23	2.63	1.63	.30	3.33	1.40	-.37	4.31	.85	-1.82	44.52	.000
16.	Recurring Deposit	2.94	1.43	-.20	2.66	1.64	.30	3.38	1.40	-.46	4.33	.86	-1.87	39.06	.000
17.	Kisan Vikas Patra	2.53	1.44	.16	2.60	1.59	.29	3.31	1.37	-.41	4.34	.86	-1.87	51.71	.000
18.	Indira Vikas Patra	2.46	1.39	.25	2.56	1.56	.34	3.34	1.37	-.47	4.34	.86	-1.87	56.91	.000
19.	Postal Insurance	2.60	1.53	.23	2.60	1.55	.31	3.43	1.37	-.53	4.24	.94	-1.37	44.20	.000
20.	Equity Shares	1.44	.75	1.33	2.09	1.45	1.03	2.99	1.31	-.39	3.31	1.06	-.37	64.35	.000
21.	Debentures	1.48	.84	1.60	1.90	1.35	1.30	3.04	1.34	-.44	2.92	1.10	-.48	53.38	.000
22.	Company Public Deposit	1.82	1.16	1.03	2.14	1.44	.74	2.99	1.24	-.46	3.43	1.00	-.66	47.29	.000
23.	Land	2.72	1.36	.02	2.84	1.77	.11	3.60	1.05	-.83	4.25	.86	-.52	39.09	.000
24.	Building	2.75	1.31	.005	2.87	1.74	.08	3.57	1.02	-.88	4.19	.91	-.40	35.28	.000
25.	Gold/Jewellery	2.61	1.18	-.21	2.80	1.67	.09	3.31	.89	-.98	3.65	1.11	-.35	18.65	.000
26.	Live Stock	2.50	1.38	.33	2.53	1.55	.45	2.74	1.19	-.40	2.83	1.20	.44	1.85	.138

Source: Data Collected through the Questionnaire.

The calculated F value is 56.229, which is significant at one percent level of significance. Hence, it is concluded that the post graduate consider highest rate of return in public provident fund followed by graduate, 10+2 and matriculate or below. The perception of investors of different educational qualifications groups about rate of return in pension fund has been investigated and analyzed. It has been found that the mean scores of responses about rate of return are 2.04, 2.23, 3.06, 3.62 for matriculate or below, 10+2, graduate and post graduate/ professional respectively. It is clear from the table that the mean score for post graduate/ professional and graduate is far above the response average and below average for 10+2 and matriculate or below at five point likert scale. High standard deviation indicates that there is large variation in the above mentioned distribution. F test has been applied to test the significance of difference of mean. The calculated F value is significant at one percent level of significance. Hence, it can be concluded that post graduate/ professional consider moderate rate of return in pension fund followed by graduate, matriculate or below and 10+2.

The mean score of responses of investors of different educational qualification regarding rate of return in unit of UTI have been analyzed. It has been observed from the analysis that the mean scores of responses for graduate & post graduate has been higher the response below average and above the response poor for matriculate or below and 10+2 at five point likert scale. High standard deviation and positive skewness indicate that most of the investors have perceived rate of return in units of UTI toward lower side of mean score for all educational group except for graduates. F- test have employed and the calculated value is significant at one percent level of significance. Hence it can be concluded that graduate consider moderate rate of return in units of UTI followed by post graduate/ professional, matriculate or below and 10+2.

The perception of investors of different educational qualification groups about rate of return in income scheme of mutual fund, growth scheme of mutual fund, income-cum-growth scheme of mutual fund and tax saving mutual fund have been found above the response average for graduate and post grade/ professional, higher the response below average for 10+2 and matriculate or below at five point likert scale. High standard deviation depicts that there is large variation in educational qualification-wise distribution for all mutual fund schemes. Negative

skewness for graduate and post graduate/professional indicate that majority of respondents of these educational groups have perceived rate of return in above mentioned investment schemes towards higher side and for other educational groups, it is otherwise. F-test have been used and the calculated value is significant at one percent level of significance. Thus it can be concluded that there is significant different in the mean scores of the respondent of different educational groups.

The mean scores of responses of different educational qualifications about rate of return in money back insurance scheme, endowment insurance scheme and pension scheme of insurance have been shown in table 8.2..3 it is evident form the table that the mean scores of resposes have been far above the response average for graduate & post graduate/ professional and higher the response below average for 10+2 & matriculate or below at five point likert scale. High standard deviation and negative skewness clearly indicate that majority of the investors of graduate & post graduate/professional have perceived rate of return in above mentioned insurance schemes above the mean score and rest of educational groups consider otherwise. In order to study the significance of difference in mean score of responses of different educational groups, F- test have been used. The calculated value is more than the table value and hence it can be concluded that there is significant difference in the mean scores of responses of different educational groups. Thus, it can be concluded that the post graduate/professional have perceived moderate rate of return in above mentioned life insurance schemes followed by graduate, 10+2 and matriculate or below.

The mean scores of perception of investors of different educational qualification regarding rate of return in National Saving Certificate, National Saving Schemes, recurring deposit of post office, Kisan Vikas Patra, Indira Vikas Patra and Postal Life Insurance have been analyzed. It has been found that mean scores of responses about rate of return in above mentioned post office schemes have been higher than response below average for matriculate or below &10+2, far above the response very good for post graduate /professional and above the response average for graduate at five point likert scale. High standard deviation and negative skewness of responses for graduate and post graduate/ professional indicate that majority of respondents have perceived the rate of return in above mentioned post office schemes toward higher side of mean

score i.e. they are highly satiated with rate of return in above mentioned saving schemes. F-test has been used to study the significance of difference in mean scores. The calculated value is significant at one percent level of significance. It can be concluded that the post graduate/professional consider highest rate of return in post office schemes followed by graduate, 10+2 and matriculate or below.

The mean scores of investors of different educational qualification regarding rate of return in equity shares, debentures and company deposit have been investigated. It has been found that the mean score of responses are above the response poor for matriculate or below, higher the response below average for 10+2 & graduate and far above the response average for post graduate/professional at five point likert scale. Negative skewness for the responses indicate that most of the respondents of graduate and post graduate/professional educational group have considered rate of return in above mentioned industrial securities above the mean score. In order to study the significance of difference in mean score of respondents of different educational group, F test has been employed. The calculated value is significant at one percent level of significance. Hence it can be concluded that the investors of different educational qualifications have perceived rate of return in above mentioned industrial securities differently.

The perception of investors of different educational groups regarding rate of return on land, building and gold/jewellery has been found above the response below average for matriculate or below, 10+2, higher the response average for graduate and almost equal to the response very good for post graduate/professional at five point likert scale. High standard deviation indicates that there is a large variation in the educational qualification-wise distribution in physical assets. F-test has been used and its calculated value is significant at one percent level of significance. Hence, there is significance difference in the mean scores of respondents of different educational groups regarding rate of return in physical assets. It can be concluded that the post graduate/professional consider highest rate of return in above mentioned physical assets followed by graduate, 10+2 and then the matriculate or below.

The mean scores of responses of different educational groups about rate of return in live stock have been found 2.50, 2.53, 2.74 and 2.83 for matriculate or below, 10+2, graduate and post graduate/professional respectively. It is clear from the table that mean score of responses

have been above the response below average for all educational groups at five point likert scale.

Positive skewness for the responses indicates that majority of the respondents have perceived rate of return in live stock toward lower side of mean score. F test has been used and its calculated F-value is not significant at one percent level of significance. Hence, it can be concluded that the investors of different educational groups consider equal rate of return in live stock.

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