Perception of Investors Regarding Safety in Various Investment Avenues Among Domiciles of Himachal Pradesh: Income- 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 safety 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:-

Safety is one of the important component which investor considers in making investment decisions. Safety in investments made by households in different schemes of commercial banks, mutual funds, industry securities has been dealt with. The various schemes of investment studied from the safety point of view are bank deposits, pension fund, mutual funds including UTI, various life insurance schemes, post office saving & life insurance schemes, industrial securities and investment in physical assets e.g. land building, gold stock etc.

The commercial banks have four popular deposit schemes namely fixed deposit, recurring deposit, saving account and public provident fund. Mutual funds of different institutions have four popular deposit schemes namely income schemes, growth scheme, income-cum-growth and tax saving schemes. Further, mutual funds also include different schemes of UTI, life insurance has three popular schemes namely money back policy, endowment policy and pension schemes. Post office has different saving and investment schemes, but they can broadly be categorized in three types namely post office saving schemes, post office tax saving schemes and post life insurance. Industrial securities has three popular categories namely

shares, debentures and public deposit. Perception of investor towards various physical assets like land, building, gold/jewellery, and live stock from safety has also been studied.

RESEARCH METHODOLOGY:-

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 3X3=9.

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:-

Income-wise distribution perception of investors about safety in different investment avenues have been analysed in table 1.

Table 1: Perception of Investors Regarding Safety in various investment avenues: Income- wise Distribution:

Sr. No.	Safety in various investment avenues	Below 1 lac			1-3 lac			3-5 lac			5-10 lac			Above 10 lac			F-Value	P-Value
		$\overline{x}$	σ	S_k	$\overline{x}$	σ	S_k	$\overline{x}$	σ	S_k	$\overline{x}$	σ	S_k	$\overline{x}$	σ	S_k		
1.	FD in Bank	2.11	1.41	.73	3.98	1.15	-1.32	4.43	1.02	-2.34	3.20	1.59	-.48	4.24	.79	-2.03	61.21	.00
2.	RD in Bank	1.99	1.36	.79	3.95	1.20	-1.36	4.24	.99	-2.03	3.26	1.63	-.48	4.24	.79	-2.03	67.55	.00
3.	Saving Account in Bank	2.41	1.52	.36	3.87	1.31	-1.23	4.32	1.01	-2.12	3.26	1.63	-.48	4.27	.80	-2.05	39.66	.00
4.	PPF in Bank	1.96	1.31	.85	3.35	1.60	-.43	3.59	1.33	-.99	3.25	1.63	-.48	4.24	.70	-.93	32.23	.000
5.	Pension Fund	1.99	1.33	.78	2.92	1.50	-1.23	3.26	1.40	-.32	3.36	1.51	-.51	3.83	.92	-2.04	23.20	.000
6.	Units of UTI	1.34	.67	1.75	2.12,	1.18	-.43	3.13	1.55	-.25	2.33	1.08	.32	2.12	.89	.58	33.85	.000
7.	Income scheme of mutual fund	1.51	,76	1.10	2.54	1.28	-.07	3.23	1.49	-.27	2.10	1.17	.63	2.91	.78	-.85	32.48	.000
8.	Growth scheme of M.F.	1.58	.89	1.25	2.58	1.30	.50	3.25	1.51	-.27	2.10	1.17	.63	3.03	.78	-1.04	30.02	.000
9.	Income-cum growth scheme of M.F.	1.62	.97	1.33	2.53	1.23	0.19	3.15	1.42	-.28	2.10.	1.17	.63	3.06	.84	-.60	28.01	.000
10.	Tax Saving M.F. Scheme	1.72	1.19	1.66	2.73	1.48	.14	3.11	1.41	-.20	2.10	1.17	.63	3.00	.76	-1.07	19.61	.000
11.	Money Back Insurance Schemes	2.08	1.41	.83	3,62	1.46	.04	4.16	1.23	-1.58	3.21	1.59	-.31	3.58	1.11	-1.31	33.35	.000
12.	Endowment Insurance scheme	1.81	1.25	1.02	3.39	1.49	.21	4.29	1.04	-1.94-	3.21	1.59	-.31	3.58	1.11	-1.31	50.92	.000
13.	Pension Scheme of Insurance Company	1.93	1.37	.96	3.56	1.50	-.71	4.12	1.03	-1.60	3.21	1.59	-.31	3.58	1.11	-1.31	40,49	.000
14.	National Saving Certificate	1.77	1.24	1.22	3.39	1.46	-.57	3.80	1.38	1.03	3.28	1.65	-.33	3.58	1.18	-1.01	36.62	.000

15.	National Saving Scheme	1.83	1.21	,93	3.56	1.31	--.71	3.83	1.37	-1.04	3.28	1.65	-.33	3.70	1.18	-1.01	41.26	.000
16.	Recurring Deposit	2.02	1.34	.79	3.73	1.28	-.90	3.83	1.37	-1.04	3.18	1.76	-.29	3.70	1.18	-1.01	35.45	.000
17.	KisanVikasPatra	1.80	1.19	1.04	4.21	6.22	7.75	3.72	1.39	-1.06	3.28	1.65	1.65	3.70	1.18	-1.01	6.46	.000
18.	Indira VikasPatra	1.75	1.17	1.16	3.34	1.44	-.57	3.70	1.38	-1.06	3.28	1.65	1.65	3.70	1.18	-1.01	36.47	.000
19.	Postal Insurance	1.96	1.42	1.00	3.61	1.29	-.84	3.67	1.38	-1.00	3.28	1.65	1.65	3.70	1.18	-1.01	32.33	.000
20.	Equity Shares	1.44	.79	1.70	2.61	1.52	.39	2.87	1.42	.07	2.36	1.50	1.50	2.48	.85	-.18	19.38	.000
21.	Debentures	1.48	.89	1.82	2.34	1.41	.65	2.84	1.40	.05	2.36	1.50	1.50	2,48	.85	-.18	16.67	.000
22.	Company Public Deposit	1.55	.84	1.32	2.61	1.32	.005	3.04	1.43	-.04	2.54	1.23	1.23	2.86	1.02	-.88	23.44	.000
23.	Land	2.21	1.38	.57	4.28	1.08	-1.85	4.07	1.10	-1.25	2.82	1.14	1.14	4.00	.86	-1.80	70.24	.000
24.	Building	1.95	1.29	1.07	4.05	1.26	-1.49	3.93	1.23	-1.24	2.97	1.29	1.29	4.03	.94	-1.42	61.39	.000
25.	Gold/Jewellary	2.03	1.33	.71	3.63	1.37	-.81	3.99	1.29	-.81	2.90	1.25	1.25	3.82	1.15	-1.39	39.57	.000
26.	Live Stock	1.95	1.32	1.10	3.31	123	-.33	3.62	1.52	-.68	2.13	1.08	.66	3.26	1.18	-1.16	31.75	.000

Source: Data Collected through Questionnaire.

It has been found that the mean scores of responses about safety in fixed deposit, recurring deposit and saving account of commercial banks have been far above the response very good for above 10 lac & 3-5 lac income groups, higher the response average for 5-10 lac & 1-3 lac income groups and above the response below average for below one l lac income group at five point likert scale. Negative skewness clearly indicate that majority of the respondents have perceived safety in above mentioned saving schemes towards higher side of mean score except for below one lac income group. In order to study the significance of difference of mean scores, F-test has been applied. F-value is significant at one percent level of significance. Hence it can be concluded that there is a significant difference in the mean score of responses of investors of different income groups.

The mean scores of responses of investors of different income group about safety in saving account and public provident fund in bank have been investigated, it has been found that the mean score of responses has been higher than the response very good for above 10 lac income group, above the response average for 1-3 lac, 3-5 lac & 5-10 lac income groups and higher the response poor for below one lac income group at five point likert scale. Negative skewness clearly indicates that most of the respondents have perceived safety in above mentioned saving schemes towards higher side of mean score except for below one lac income group. In order to study the significance of difference of mean scores, F-test has been applied. The calculated F-test is significant at one percent level of significance. Thus, it can be concluded that there is significant difference in the mean score of responses of different income groups.

Perception of investors of different income groups regarding safety in pension fund has been shown in table. It is clear from the table that the mean scores of responses have been higher than the response average for 3-5 lac, 5-10 lac & above 10 lac income group, above the response below average for 1-3 lac income group and higher than the response poor for below one lac income group at five point likert scale. High standard deviation indicates that there is large variation in income-wise distribution in pension fund. Negative skewness for income groups 1-3 lac, 3-5 lac, above 10 lac and 5-10 lac income groups clearly indicate that most of the respondents of these income groups have perceived safety in pension fund towards higher side of mean score. F-test has been used. The calculated F-value is significant at one percent level of significance. It can be concluded that there is significant difference in the mean score of responses of different income groups.

Perception of investors of different income groups regarding safety in units of UTI and income scheme of mutual fund has been shown in table. It is clear from the table that the mean scores of responses have been higher than the response average for 3-5 lac income group, above the response below average for 1-3 lac , ,5-10 lac & above 10 lac income group and higher than the response poor for below one lac income group at five point likert scale. High standard deviation indicates that there is large variation in income-wise distribution in these investment schemes. F-test has been used. The calculated F-value is significant at one percent level of significance. It can be concluded that there is significant difference in the mean score of responses of different income groups.

It has been found that the mean scores of responses about safety in growth scheme of mutual fund, income-cum growth scheme of mutual fund and tax saving mutual fund scheme have been far above the response average for 3-5 lac income group, higher the response below average for above 10 lac &, 5-10 lac & 1-3 lac income groups and above the response poor for below one l lac income group at five point likert scale. Negative skewness clearly indicates that majority of the respondents of above 10 lac & 3-5 lac income groups have perceived safety in above mentioned saving schemes towards higher side of mean score and for rest of the income groups, it is otherwise. In order to study the significance of difference of mean scores, F-test has been applied. F-value is significant at one percent level of significance. Hence it can be concluded that there is a significant difference in the mean score of responses of investors of different income groups.

The mean scores of responses of investors of various income groups about safety in money back insurance scheme, endowment insurance scheme and pension scheme of insurance company have also been analysed and shown in table. It is clean from the table that the mean scores of responses have been higher than the response very good for 3-5 lac income group , above response average for average for 1-3 lac, 5-10 lac, above 10 lac income groups income groups and above the response poor for below one lac income group at five point likert scale. Negative skewness of responses for investors of 3-5 lac & above 10 lac income groups income groups clearly show that most of the respondents of these income groups have perceived safety in above mentioned saving schemes above the mean score and the investors below three lac & 5-10 lac income groups consider otherwise. F-test has been used to study the significance of difference of mean score of respondents of different income groups. The calculated F-value is significant at one percent level of significance. It is clearly proved from the

analysis that there is a significant difference in the mean score of the respondents of different income groups.

The mean scores of responses of investors of various income groups about safety in National Saving certificate, National Saving Scheme, recurring deposit, Kisan Vikas Patra, Indira Vikas Patra and postal life insurance have been analysed and shown in table 1. It is clean from the table that the mean score of responses have been higher than the response average for 1-3 lac, 3-5 lac, 5-10 lac, above 10 lac income groups and above the response poor for income group below one lac at five point likert scale. Negative skewness of responses for investors above 10 lac income group, 3-5 lac & 1-3 lac income groups clearly show that most of the respondents of these income groups have perceived safety in above mentioned saving schemes above the mean score. F-test has been used to study the significance of difference of mean score of respondents of different income groups. The calculated F-value is significant at one percent level of significance. It is clear from the analysis that there is a significant difference in the mean score of the respondents of different income groups.

Perception of investors of different income groups regarding safety in equity shares debentures and company public deposit has been investigated. It have been found that the mean scores of responses is far above the response average for above 10 lac income group, above the response below average for 1-3 lac,3-5 lac & 5-10 lac income groups and above the response poor for below one lac income group at five point likert scale. High standard deviation clearly indicates that there is a large variation in income-wise distribution of above mentioned industrial securities. F-test has been used to study the significance of difference of mean score of respondents of different income groups. The calculated F-value is significant at one percent level of significance. It can be concluded that there is significant difference in the mean score of respondents belonging to various income groups. Thus it can be concluded that the respondents belonging to income group above 10 lac consider highest safety in above mentioned investment schemes followed by respondents of 3-5 lac, 5-10 lac, 1-3 lac and below one lac income groups.

The mean scores of household of shivalik hills of Himachal Pradesh about safety in landholdings and building have been analysed it has been found that the mean scores of responses have been above the response very good for1-3 lac, 3-5 lac & above 10 lac income group and higher the response below average for below 1 lac and 5-10 lac income group at five point likert scale. Negative skewness for 1-3 lac, 3-5 lac and above 10 lac income groups clearly depict that the investors of these income groups have perceived safety in landholding & building

towards higher side of mean score. F test have been applied and its calculated F- value is significant at one percent level of significance. There is significant difference in the mean score of respondents of different income groups.

The perception of investors of various income group regarding safety in jewellery/ gold and live stock have been analysed it has been found that the mean scores of responses have been above the response average for 1-3 lac, 3-5 lac & above 10 lac income group and higher the response below average for below 1 lac and 5-10 lac income group at five point likert scale. High value of standard deviation shows that there is large variation in income- wise distribution of live stock. F-test has been used to study the significance of difference of mean score of respondents of different income groups. The calculated F-value is significant at one percent level of significance. Thus, it can be concluded that there is significant different in the mean score of investors of different income groups. Thus it can be concluded that the respondents belonging to income group 3-5 lac consider highest safety in gold/jewellery & live stock followed by respondents of 1-3 lac, above 10 lac, 5-10 lac and below one lac income groups.

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