



Investment Pattern Of Salaried Unmarried Young Individuals

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Abstract : Savings and investments by individuals are as vital to personal financial well-being and security as it is to a healthy economy. The saving and investment differs from person to person and place to place as the savers have varying degrees of fortitude in embracing safety, liquidity and profitability. This paper examines the awareness level and investment behavior of salaried individuals towards financial products. Results of the study suggest that respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Also majority of the respondents park their money in traditional and safe investment avenues. This project is an attempt to undertake the analysis of investment pattern of individualism of urban area and to identify the factors influencing common investor's attitude and behavior.

IndexTerms - Investment, Mutual funds, investment avenues, investment pattern.

I. INTRODUCTION

Investment is the commitment of money or capital to purchase financial instruments or other assets in order to gain profitable returns in the form of interest, income, or appreciation of the value of the instrument. Investment is related to saving or deferring consumption. An investment involves the choice by an individual or an organization such as a pension fund, after some analysis or thought, to place or lend money in a vehicle, instrument or asset, such as property, commodity, stock, bond, financial derivatives (e.g. futures or options), or the foreign asset denominated in foreign currency, that has certain level of risk and provides the possibility of generating returns over a period of time.

According to economic theories, **investment** is defined as the per-unit production of goods, which have not been consumed, but will however, be used for the purpose of future production. Examples of this type of investment are tangible goods like construction of a factory or bridge and intangible goods like 6 months of on-the-job training. In terms of national production and income, Gross Domestic Product (GDP) has an essential constituent, known as **gross investment**. According to business management theories, **investment** refers to tangible assets like machinery and equipment and buildings and intangible assets like copyrights or patents and goodwill. The decision for investment is also known as capital budgeting decision, which is regarded as one of the key decisions.

Investment in terms of finance: In finance, **investment** refers to the purchasing of securities or other financial assets from the capital market. It also means buying money market or real properties with high market liquidity. Some examples are gold, silver, real estate.

Financial investments are in stocks, bonds, and other types of security investments. Indirect financial investments can also be done with the help of mediators or third parties, such as pension funds, mutual funds, commercial banks, and insurance companies.

Investment Avenues

An investor has different investment avenues to park his/her savings. The investor chooses the investment avenue that maximizes his utility. The important investment alternatives selected for this article have been briefly explained in the following paragraphs.

1. Post Office Small Savings Schemes

Post office small savings schemes are also like the commercial bank schemes. As the term indicates these schemes are operated through post offices. The term post office savings schemes include Post Office Monthly Income Scheme (POMIS), Kisan Vikas Patra (KVP), National Savings Certificate (NSC), Public Provident Fund (PPF), Post Office Recurring Deposit (PORD), Post Office Time Deposits (POTD) and Deposit Schemes for Retired Government Employees or Public Sector Undertakings (DSRGE/DSRPSU). Government of India has been mobilizing crores of Rupees from the members of the public through these schemes.

2. Bank Deposits

Bank deposits are very popular investment avenue. Commercial banks have introduced different types of deposit accounts to attract the investing public. Bank deposits are liquid in nature. They are non-marketable financial assets. Different types of bank deposits are maintained by commercial banks are

- Current Account
- Savings Deposit Account
- Fixed Deposit Account

3. Company Deposits

Generally public limited companies in the private sector invite deposits. Deposits may be cumulative or non-cumulative. Companies irrespective of their size are inviting fixed deposits from the general public. They invite deposits for modernization or Expansion purposes. The rate of interest offered on company deposits are higher when compared to bank deposits. These deposits are governed by the Reserve Bank of India.

4. Life Insurance

Life insurance is viewed as an investment. Generally Life insurance policy is purchased to cover risk. The assesses who would like to avail Income-Tax benefits also purchase life insurance policies. The important types of insurance policies in India are:

- Endowment assurance policy
- Money back policy
- Whole life policy
- Term assurance policy.

5. Mutual Funds

“Don’t put all eggs in one basket; if the basket is dropped all eggs will smash” is the mantra preached by the investment consultants. Keeping this in mind mutual fund companies has floated innovative, investor friendly mutual fund schemes. Instead of directly buying equity shares or fixed income instruments, an investor can participate in various schemes floated by the mutual funds which, in turn, invest in equity shares and fixed income securities. There are three broad types of mutual fund schemes. They are;

- Equity schemes
- Debt schemes
- Balanced schemes.

A mutual fund is a collection of stocks and bonds. When you buy a mutual fund, you are pooling your money with a number of other investors, which enables you (as part of a group) to pay a professional manager to select specific securities for you.

6. Government Bond

Government of India periodically issues bonds which are called government securities (G-secs) or gilt-edged securities. These bonds are issued by the Reserve Bank of India on behalf of the Government of India. Sometimes, the State Government also sells bonds.

7. Chit Funds

Chit fund is a popular investment avenue among the rural mass. An investor joins in a chit fund with the purpose of getting a return on his savings.

Chits are classified into:

- Simple chit
- Prize chit
- Business chit.

8. Shares

Shares are most universal form of raising funds from the market. Companies issue different types of shares to mop up funds from Various investors.

9. Bonds

Bonds are senior securities in a firm. They represent a promise by a company to the bondholder to pay a specified rate of interest during a stated time period annually and the return of the principal

sum on the date of maturity. Date of maturity is also called the date of retirement of bond. Bonds are the important sources of funds to the corporate sectors. They are usually an issue of long term debt of the corporate organizations.

10. Debentures

A Debenture is just a loan bond. They are fixed interest securities. Generally debentures are secured on the assets of the company. Hence the returns on debentures are an assured one and the risk is also less.

11. Real Estate

Real estate has also become an attractive form of investment. Like international investment, real estate plays an important role in diversified portfolios. The term real estate includes agricultural land, semi-urban land, commercial property, a resort home and a second house.

Industry Analysis And Company Profile Industry Analysis

The largest categories of Mutual Fund are the ones floated by the Private Sectors and the Foreign Asset Management Companies. The largest of these are SBI Mutual Fund, HDFC Mutual Fund, ICICI Prudential Mutual Fund, Reliance Mutual Fund, Aditya Birla Sun Life Mutual Fund, DSP Blackrock Mutual Fund, Kotak Mutual Fund & Tata Mutual Fund. Average Assets Under Management (AAUM) of Indian Mutual Fund Industry for the month of March 2020 stood at 24,70,882 crore.

The AUM of the Indian MF Industry has grown from 6.14 trillion as on 31st March, 2010 to 22.23 trillion as on 31st March, 2020 more than 3½ fold increase in a span of 10 years.

The MF Industry's AUM has grown from 10.83 trillion as on 31st March, 2015 to 22.26 trillion as on 31st March, 2020, more than 2 fold increase in a span of 5 years.

The Finance industry is challenged by competitive pressures, changes in customer loyalty, stringent regulatory environment and entry of new players, all of which are pressuring the organizations to adopt new business models, streamline operations and improve processes.

According to Michael Porter the Five Forces at work within an industry can be evaluated to explain that industry's potential profitability. As an industry creates industry profits the participants of each of the five forces will 'conspire' to siphon profitability from that industry. One where the business level differentiation is not based on price, but marginally on the value side (i.e. small and marginal differences in company policy, costs, fees, relationships at the point of consumption, locations, recruiting of talented employees to gain their clients etc.). The perfect industry to illustrate a brown ocean is the financial services industry.

Threat of new entrants:

If there are not enough barriers to restrain entrants, enough new entrants may emerge to lower the profitability from the incumbents. The Reliance Mutual Fund is ahead of the existing Mutual Funds Industries followed by UTI. The number of sub-industries developing within the financial services industry has seen dramatic growth over the last couple of decades.

Bargaining power of Suppliers:

Mutual fund companies, other broker dealers in structured deals, separate account managers, life insurance companies and companies looking to go public and financial advisors taking into account the investment objectives Birla Sunlife Asset Management Company hires their Advisors to stay at work on top of salary, bonuses and benefits. They are called retention bonuses. The Companies bargaining power has grown over the last 20 years from not being paid to move, to deals of up to 300% of their trailing 12 months production as well as commission and fee payouts and benefits.

Bargaining power of Buyers:

The complete and easier accesses to internet and information related to the company and to the buyers have resulted to faster, better and more clear analysis and information than the industry itself provides to Clients. As if that were enough, now there are multiple sources of information the investor can access. Any investor can go into a single branch office and find a different experience for every schemes provided by Birla Sunlife Asset Management Company in that particular branch. This has resulted to the quality growth of the Company among other options to be considered.

Threat of Substitution:

What is it the firms in the wealth management industry provide?

Wealth transfer, wealth preservation and wealth creation. Wealth Preservation by banks, trust companies, life insurance companies. While wealth transfer can be handled by insurance companies. Wealth Creation in our country has always been

through the creation of businesses; long, slow disciplined investing; luck with corporate stock options; real estate and other nonfinancial markets. Birla Sunlife Asset Management Company has been looking for all the perceptives to engage in wealth creation and preservation and focusing upon providing a place where wealthy people go in hopes of maintaining their wealth along with the leading Asset management funds such as UTI and Reliance Mutual Fund.

Intensity of Rivalry:

The industry has been completely neutered in the equity research departments since its starting. There was a time when the quality of research was a differentiator and the competition to offer the best advice was furious. There is no competition to be the lowest cost provider. But still the Birla Group along with Sun life Financial provides the option which is hybrid of low cost services and a quality provided to its Investor which keeps them ahead in the rivalry environment. At the firm level, there is almost no way to distinguish the client experience from one to the other on the mass-market side, other than brand name existing in the market.

Major Mutual Fund Companies in India

1) **SBI Mutual Fund**

SBI Mutual Fund Launched in the year 1987, SBI Mutual Fund is present in the Indian Mutual Fund industry for more than 30 years now. The fund house manages investment mandates of over 5.4 million investors. It is one of the oldest & most reputed AMCs in India. To cater the diverse requirements of the individuals, SBI Mutual Fund offers schemes across various categories. Here are some of the top funds that you can choose as per your investment needs & objective.

2) **HDFC Mutual Fund**

HDFC Mutual Fund launched its first scheme in the year 2000 and since then, the AMC has shown a promising growth. The fund house has placed itself amongst the top performers in India by delivering promising services. It has won the trust of several investors by fulfilling the investment needs of the investors. Investors who are keen to invest in HDFC MF, here are some of the best Mutual Fund schemes to choose

3) **ICICI Prudential Mutual Fund**

ICICI Mutual Fund is one of the biggest asset management companies in the country. It was launched in the year 1993, and since then the company has maintained a strong customer base by delivering satisfying product solutions to the investors. There are various schemes offered by the fund house like equity, debt, hybrid, liquid, ELSS etc. Here are a few best performing schemes of ICICI MF that you could prefer investing in.

4) **Reliance Mutual Fund**

Reliance Mutual Fund Launched in the year 1995, Reliance Mutual Fund has been one of the fastest growing AMCs in the country. The company has an impressive track record of consistent returns. In order to cater to the diverse investment needs of the investors, Reliance Mutual Fund offers a variety of schemes like equity, debt, hybrid, money market, retirement savings fund, fund of funds, etc. Investors can choose funds as per their risk appetite & investment objectives

5) **Aditya Birla Sun Life Mutual Fund**

The AMC has always been known for its consistent performance. So, investors who aim for wealth growth can prefer adding the schemes of BSL Mutual Fund in their portfolio. Birla Sun Life Mutual Fund offers diverse solutions that can help investors achieve their various Financial goals. They offer a bundle of Mutual Fund schemes like equity, debt, hybrid, ELSS, Liquid Funds, etc. The AMC has a productive team of research analysts who are dedicated to tracking down the best investment opportunities across various companies and industries for investing.

6) **Tata Mutual Fund**

Over the years, Tata Mutual Fund, with its consistent performances, has earned the trust of lakhs of investors. The AMC has been operating in India for more than two decades. The company aims at seeking consistent & long-term results. Investors can choose funds from various categories such as equity, debt, hybrid, liquid & ELSS, as per their investment needs & objectives.

7) Kotak Mutual Fund

Kotak Mutual Fund started its operations in the year 1998. It has a large customer base of approximately 7.5 Lac investors. The AMC offers a variety of Mutual Fund schemes to cater the diverse requirements of the investors. Through its innovative product, the company helps investors in achieving their various investment goals. Some of the categories of the Mutual Fund include equity, debt, hybrid, Fund of Fund, liquid, ELSS and so on.

8) L&T Mutual Fund

Since its launch in the year 1997, L&T Mutual Fund has gained an immense trust amongst the investors. The AMC emphasizes on delivering a superior long-term risk-adjusted performance. Investors can choose schemes from a host of options like equity, debt, ELSS, Hybrid Fund, etc

FINANCE:

The Company's financial performance (Consolidated and Standalone) for the financial year ended 31st March, 2019 as compared to the previous financial year ended 31st March, 2018 is summarized below:-

Particulars	Consolidated (2018-19)	Standalone (2018-19)
Revenue from operations	1516.51	177.78
Profit before share of Joint Venture Companies, exceptional items and Tax	1154.81	18.88
Share of Profit / (Loss) of Joint Venture Companies	225.84	18.68
Exceptional Items	-	(30.32)
Profit / (Loss) before Tax	1380.65	(11.64)
Tax Expense	569.35	(2.04)
Profit / (Loss) after Tax (including Non-Controlling Interest)	811.30	(9.60)
Profit / (Loss) attributable to Non-Controlling Interest	59.64	-
Profit / (Loss) attributable to owners of the Company	870.94	(9.60)
Profit / (Loss) attributable to:		
Owners of the Company	870.94	(9.60)
Non-Controlling Interest	(59.64)	-
Other Comprehensive Income attributable to:		
Owners of the Company	2.19	0.03
Non-Controlling Interest	3.39	-
Total Comprehensive Income attributable to:		
Owners of the Company	873.13	(9.57)
Non-Controlling Interest	(56.25)	-

*(Rs. In Crore)

The above figures are extracted from the Consolidated and Standalone Financial Statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The financial results of the Company and its Subsidiaries are elaborated in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Investment income

The Company's AUM grew by 9.7% in FY 2018-19 to 40,442 Crore. The Debt/Equity Mix of the AUM moved towards debt on account of increasing proportion of Participating and Non Participating Traditional Products. The Company continued its superior investment performance for its policyholders. For unit-linked funds, the Company delivered superior fund performance consistently beating its benchmarks. 96.2% of the funds outperformed their respective benchmarks over the long-term (over 3 years.)

Problem Statement

To generate leads and convert the prospective clients across the different sectors to bring the investment in different schemes of Birla Sun life Mutual Funds. Visiting offices and Banks and personal meetings to make them aware of Mutual Funds and benefits they can derive from Birla Group.

Theoretical Concepts and Framework

The global financial market has witnessed several dynamic developments in the past three decades. One of such developments has been, the phenomenal growth of the capital market- both domestic and international resulting in the advent of 'equity cult' among the household sector. This has accelerated the process of disintermediation whereby industrial security are directly issued by corporate borrowers to end investors bypassing the banking systems. However, the household sector, being more averse to risks, necessitates the creation of institutional shields which may act as intermediaries. One of the most significant and popular financial intermediary has been the "mutual funds".

A mutual fund is an institutional device through which, small savings of investors are pooled for investment in a diversified portfolio of securities using professional expertise. In their effort to garner surplus resources for channelization into productive avenues these institutions launch innovative schemes tailored to the diverse saving motives of the investors from the investor's point of view a good mutual fund shows stability, liquidity, growth, credibility, assured returns and the ability to weather market fluctuations. It endeavors to offer high yields than available on alternative investment instruments and provide a relatively higher degree of safety both for yield as well as return of capital. A very common aspect of mutual funds is its capacity to offer different suitable schemes of investment to satisfy the diverse income needs of investors.

Literature Review

(Moorthy, 2008) in his study has analyzed the profile and awareness of salaried class investors and their attitude and satisfaction towards investment. It has been concluded that all salaried people were aware of bank deposits, PF schemes, insurance schemes, post office savings schemes, gold and however only few were aware of UTI.

(KHALID, 2004) assessed behavior of saving and investment in Pakistan using appropriate econometric and statistical technique and attempted to generate a model on the basis of fundamental theories of saving and investment. They used data from 1971 to 2003, collected from Economic Survey of Pakistan. Ordinary Least Square Method was used as an estimation technique. The study concluded that Government Expenditures, Growth rate of Gross Domestic Product and Remittances Growth were positively and significantly influencing National Savings. Lewis A Sanders (2004) believes that people, irrespective of their location, have their own bias and react differently when investing in financial assets.

(UMAMAHESWARI, 2014) The studies especially for the salaried and business people the inside of how and investment pattern get affected by the Socio-Economic variables helps the targeted respondents to make out the investment pattern. This study thus certainly improves the investment pattern and their choice to meet their future investment. Similar studies with diverse samples will help in understanding the investment awareness of the targeted respondents in a better level. The main reason has been observed to be the lack of awareness of investors about the concept and working of the investment pattern. Moreover, as far as the Socio-Economic variables are concerned, age, gender, income, education and occupation have been found influencing the attitude of investors towards investment significantly.

(Thulasipriya, 2015) .Concluded that: The employees still prefer to invest in financial products which give risk free returns. This confirms that Indian investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe. The investment product designers can design products which can cater to the investors who are low risk tolerant and use TV as a marketing media as they seem to spend long time watching. Thus, this study will benefit a large spectrum of salaried individuals belonging to various households, investment agencies, financial institutions, banks and the Government in general, in understanding the movement and scope for accumulation on money for public and private sector growth.

(K. Senthil Kumar, 2008) studied the financial product preferences of Tiruchirapalli investors to rank their product preferences among investment choices, that is, post office savings, bank deposits, gold, real estate, equity investments and mutual funds. The preferences of the respondents were known according to their attributes like safety of principal, liquidity, stability of income, capital growth, tax benefits, inflation resistance and conceal ability. So, the investors needed to make choices depending on what is available and what are his own priority ratings of the attribute needed in the product. The rank preferences of investors were prioritized as post office, bank deposits, gold, real estate, equity investments and mutual funds.

Significance of Study

The importance of understanding the savings and investment behavior is essential as it forms the base for the development of the economy. If the savings and investment behavior among the people is good, it is a good symptom for the development of both money and capital market and also the economy. The aim of savings and investment by any youth investor is to maximize the return from their savings and investment with minimum risk. Savings are made with a lot of expectations.

The study aims to make an analysis of the salaried unmarried investors regarding mutual funds and what they feel about investing in mutual funds and to understand the buying pattern of mutual fund through data collected from the source of information on the various schemes of savings, their income level and level of savings. This is the study to ascertain the preference of investment avenues; problems of women investors, factors influencing the salaried unmarried investors, level of awareness and satisfaction among investors and to offer suggestions for the improvement of investment by the investors have been examined. With a changing scenario, youth has started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capability, influence of family members and friends and the dare to get exposed to modern and innovative investment avenues.

Objectives of the Study

- The main objective of this project is concerned with getting the opinion of salaried unmarried investors regarding mutual funds and what they feel about investing in mutual funds.
- I have tried to explore the general opinion about mutual funds. It also covers why/ why not investors are looking for the mutual funds.
- Along with it a brief introduction to India's largest financial intermediary, BIRLA has been given and it is shown that how their mutual funds work in the market.
- To understand the buying pattern of Mutual Funds.

Scope of the Study

This research work attempts to evaluate the performance of salaried unmarried investors regarding mutual funds. This examines the awareness level and investment behavior of salaried individuals towards financial products. In financial aspect, the performance of the mutual fund is evaluated from return incurred by them & their comparison with the stock market index. Investment performance of the mutual fund is evaluated through a survey conducted on the mutual fund investors considering their attitude, satisfaction and other aspects. The research was carried on in the Eastern Region of India. It is restricted to Ranchi, where it has got 1 branch office. I have visited the company and tried to talk with the employees of the company to know about their investment pattern.

I. RESEARCH METHODOLOGY**Research Design**

Salaried class is one of the vulnerable groups of the society which plays an instrumental role in all the sectors; production, services and others. This is the group which is in majority in the regions and states of the Country having low progress in industry. In Ranchi, service class has ever remained the key group of Human Resource in the process of development of the State. This is the reason that the governance has focused upon refined policies to be implemented for the service class irrespective of the grades and other considerations. The research is modest and systematic effort for which, attempt will be made to accomplish the research work as per the following research design:

A brief introduction about the research:

- The topic for study is Investment Pattern of salaried individuals, where I as a part of organization will be able to explore the areas where is underlying several opportunities to bring in the investment in Mutual Funds through Direct investment entertained through AMC.
- This research will help me in learning various practical aspects of investments being done in Mutual Funds.
- The research work done will help me to understand the pattern of investing in the funds and evaluate the performance of the portfolio with respect to peers in the market.
- As a part of BSLAMC this research will help me in learning various practical aspects of investments being done in Mutual Funds and how an AMC contributes to generate revenue thereby benefitting its customers.
- Being a part of personal meetings with various corporate clients made me aware of the corporate culture and dealing with the practical problems of the customers which in turn exposed company to know about existing knowledge of corporate about Mutual Funds.

Sampling Design

The sample is selected in a random way, irrespective of them being investor or not or availing the services or not. It was collected through mails and personal visits to the concerned finance person after taking an appointment, by formal and informal talks and through filling up the questionnaire prepared.

Data Collection Method(s)

The data has been analyzed by using the Bar Graphs, Pie charts etc. The group has been selected and the analysis has been done on the basis statistical tools available. The number of people visited includes 100 persons in total, with whom we met across the geography of Ranchi, Jharkhand.

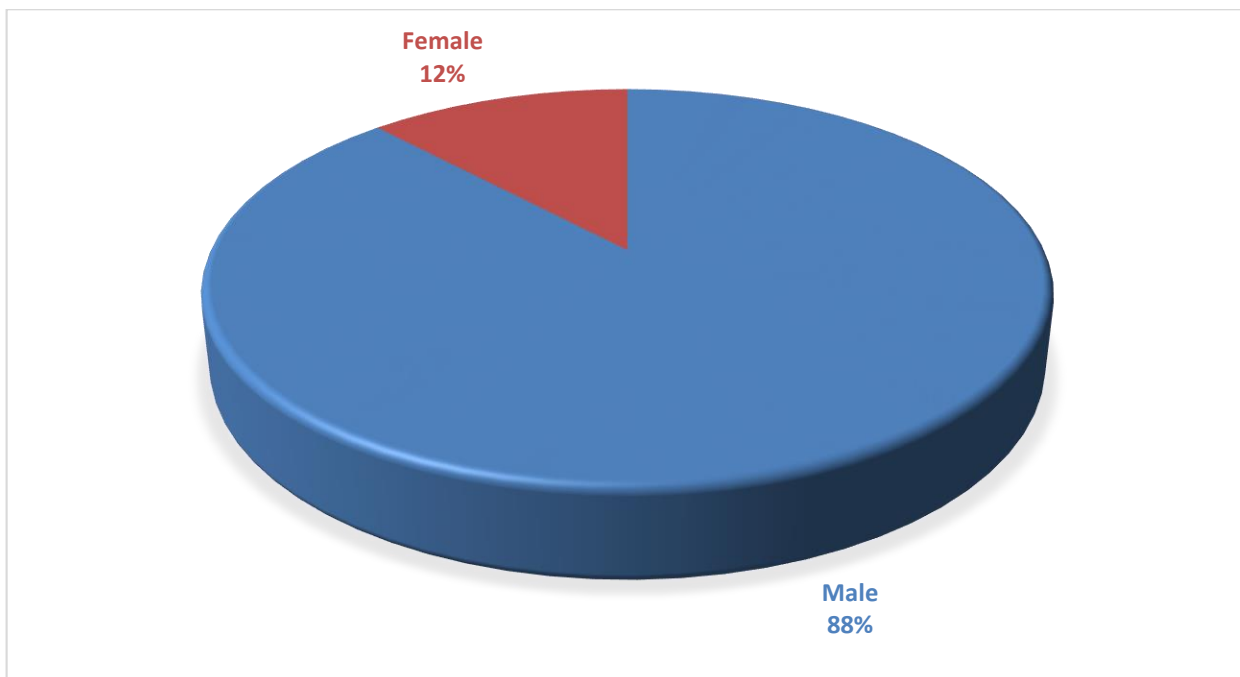
I interviewed several salaried individuals. The method I used to interview them was the Questionnaire to be filled by them. I collected the Primary Data about the investment strategies by responses received through questionnaires and personal meetings. However, the secondary data source was the internet access and company journals.

Analysis of Data: Tools & Techniques

Data has been presented with the help of bar graph, pie charts etc.

Limitations to the Study

- Being in a Service industry the quality is the main concern in differentiation and it is not exactly measurable.
- Research has been done only at Ranchi.
- Some of the concerned persons were not so responsive.
- Possibility of error in data collection includes possibility of error in analysis of data due to small sample size.

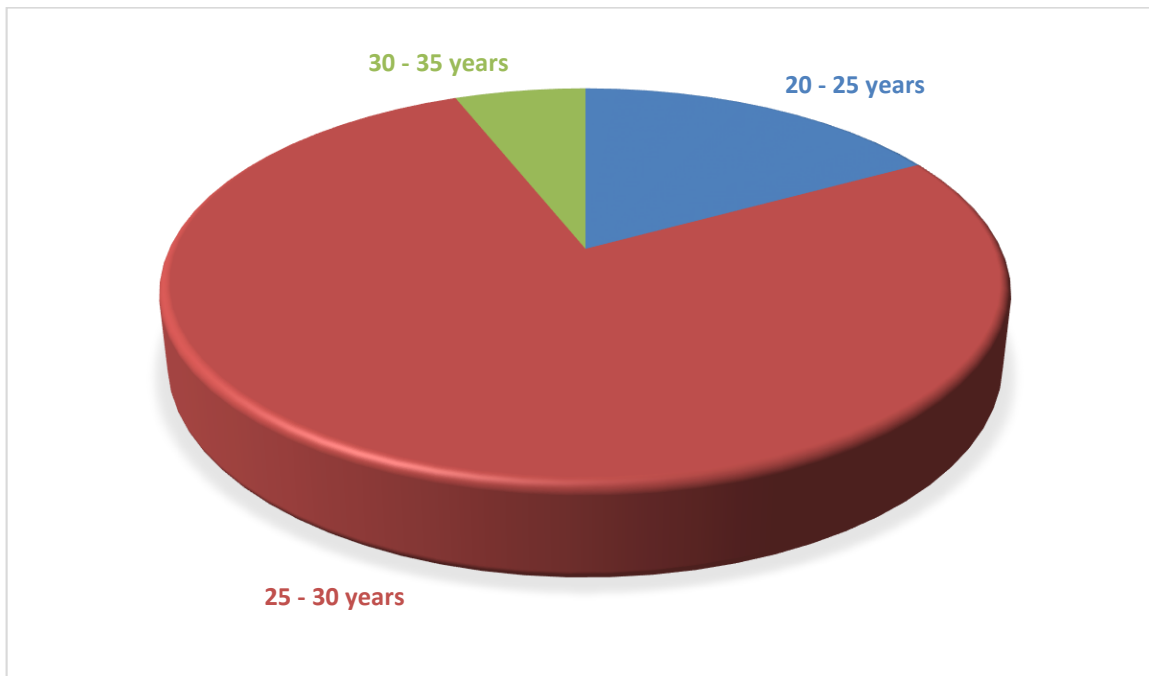
IV. RESULTS AND DISCUSSION**Findings of the Study****Data Analysis****1. Gender : Analysis of Gender Participation****Analysis:**

88% of investors are male while female investors are only 12% which clearly indicates the there is still male dominance in investment sector.

Interpretation:

Male members of the families are more into investment decisions, they decides where to park the money in order to get benefits from those investment. Still there is more number of men who are participating in investment area.

2. Age : Age Group of Investors



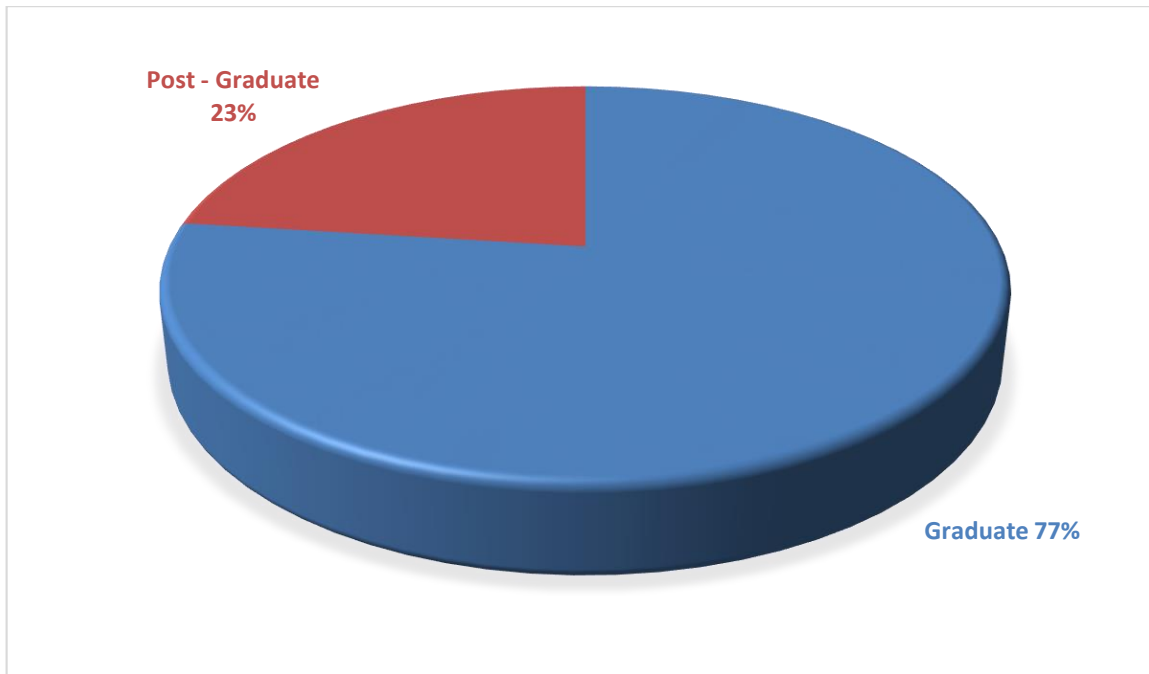
Analysis.

Majority of the respondents fall within the age group of 25-30 years. However a low share about 17% falls between 20-25 year's category. And just 6% of the respondent falls within the age group between 30-35% .As, such survey represents a balanced mix of respondents in various age categories.

Interpretation:

- i. The survey has been targeted mostly at salaried unmarried young individuals who are generally interested in investment for their future growth.
- ii. Majority of the investments are done by the people who are between the age group of 25-30 years of age which implies that when a person has been working for a few years and have a stable life and when they have no responsibility but and looking forward to their future growth and their future responsibilities that they will need to fulfill they tend to invest more.

3. Educational Qualification : Educational Qualification of Investors



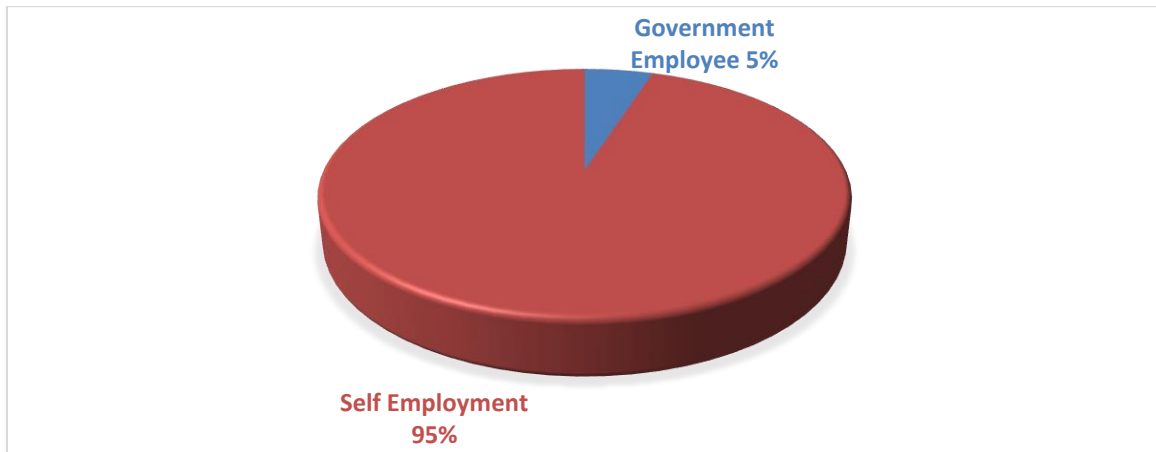
Analysis:

According to the Educational qualification, people are among graduate and post graduate. None of them are under graduate. 23% of investors are post graduate while 77% of them are only graduates.

Interpretation:

- i. The investors were mostly qualified and were graduates. It is evident that only the qualified investors invest in market.
- ii. An overall 23 % of the investors had a Post- graduate degree. Moreover people who had invested were at least a graduate. This also implies investors have the good understanding or they have the ability to understand investment avenues better and quicker.

4. Occupation : Occupation of Investors



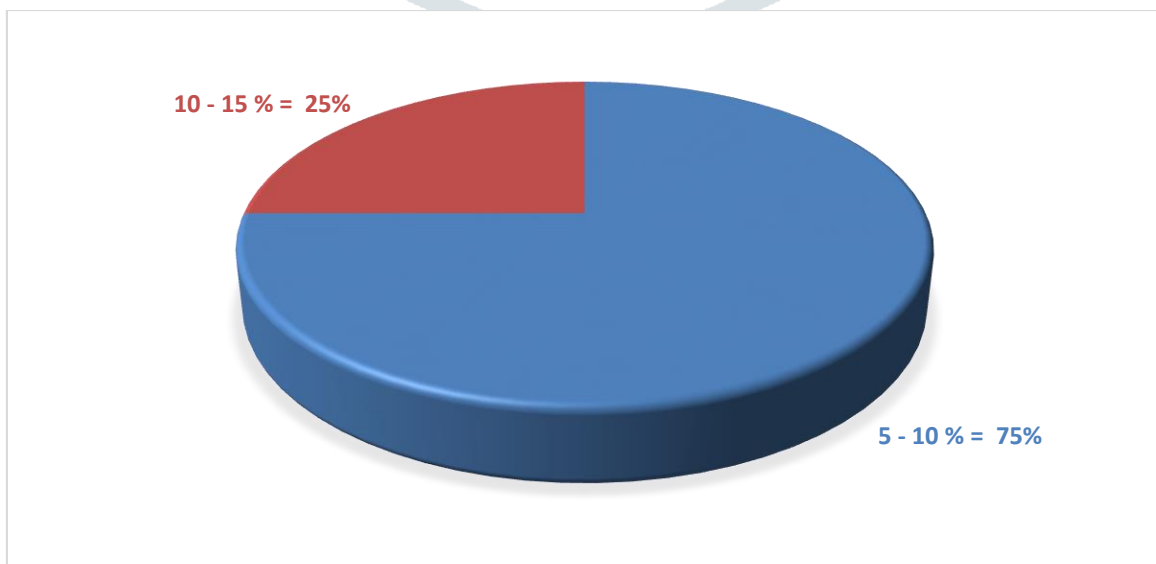
Analysis:

Most of the investors were Private Sector Employees, 95 % of the investors were self-employed and 5% of the investors are govt. Employed.

Interpretation:

- i. There is a huge amount of potential in the private sector as people are slowly taking an initiative to increase the risk appetite.
- ii. Investors are mostly private sector and they always look for a channel to keep their money rolling in liquid assets. Stock market thus serves as an important medium to channelize the funds.
- iii. As people who are employed in a Private Sector Company needs to have an assurance for their future in order to fulfill their future responsibilities, so they invest more in the assets which give them an assurance of secured future.
- iv. People employed in private sector are more into investment as there is a fixed income flow, so they invest in particular funds that will help them get future benefits.
- v. Future security can also be one of the reasons for people employed in private sectors to invest more in the different avenues as they won't be getting any pension or employment benefits in future.
- vi. The different Investment avenues are getting popular among Govt/Pvt. employed people day by day as they can have the tax deduction from their income tax by investing in some of the avenues.

5. Monthly Investment : Monthly Investment of Investors



Analysis:

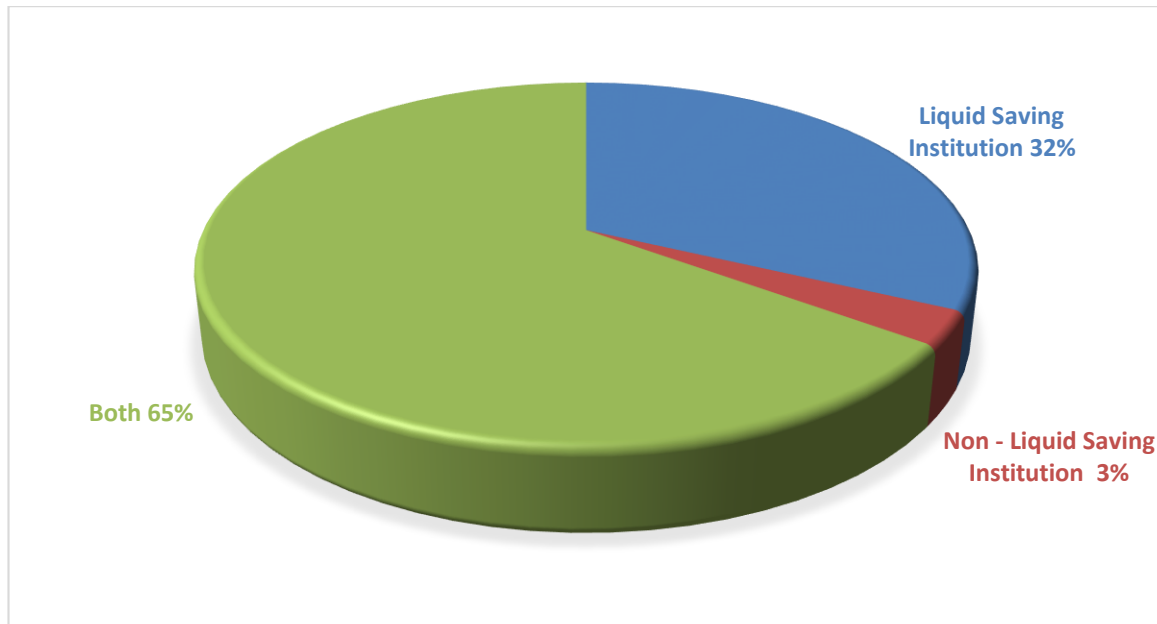
75% of people invest 5-10% of their income monthly and 25% invest 10-15% of their income monthly

Interpretation:

- i. Majority of the investors invest only a small proportion of their monthly income into the markets. 75 % of the investors spend only a small portion of their savings into investment avenues.
- ii. People in India are still risk averse and then lack trust when it comes to equities or debt market.
- iii. Majority of the investment from the households go into bank deposit, Mutual Funds which pool in the money and invest into equities. But the markets have given a huge return in the recent years and thus the investors are gaining confidence to invest into equities via broking houses.
- iv. Only 25% of investors invest 10-15% of their income into these avenues which clearly indicates people are not willing to take any kind of extra risk or they are not aware of these avenues which can give them some good returns.



6. Nature of Investment : Nature of Investment



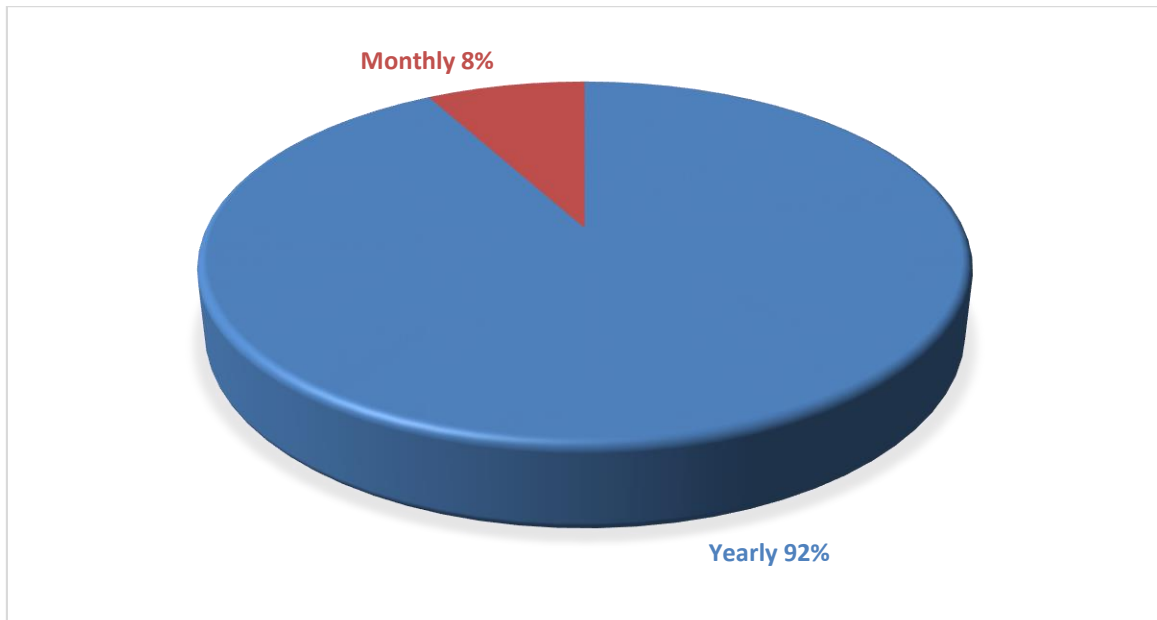
Analysis:

66% people are parking their income in both liquid saving investment and non-liquid saving investment. 32% are investing in liquid saving investment and only 3% investors are going for non-liquid saving.

Interpretation:

- i. Investors prefer to have both type of saving but they prefer liquid saving investment more than non-liquid saving investment.
- ii. They prefer investment with high return and fewer amounts of risk and the investment should be converted into cash easily whenever they want.
- iii. Decision of investing in non-liquid asset becomes wrong when investors want immediate cash during emergency like depositing in fixed deposit or in long term bonds. If you want to withdraw the money before maturity, some amount will be charged for withdrawing which will decrease their return on investment.

7. Holding of Investment : Investment Holding



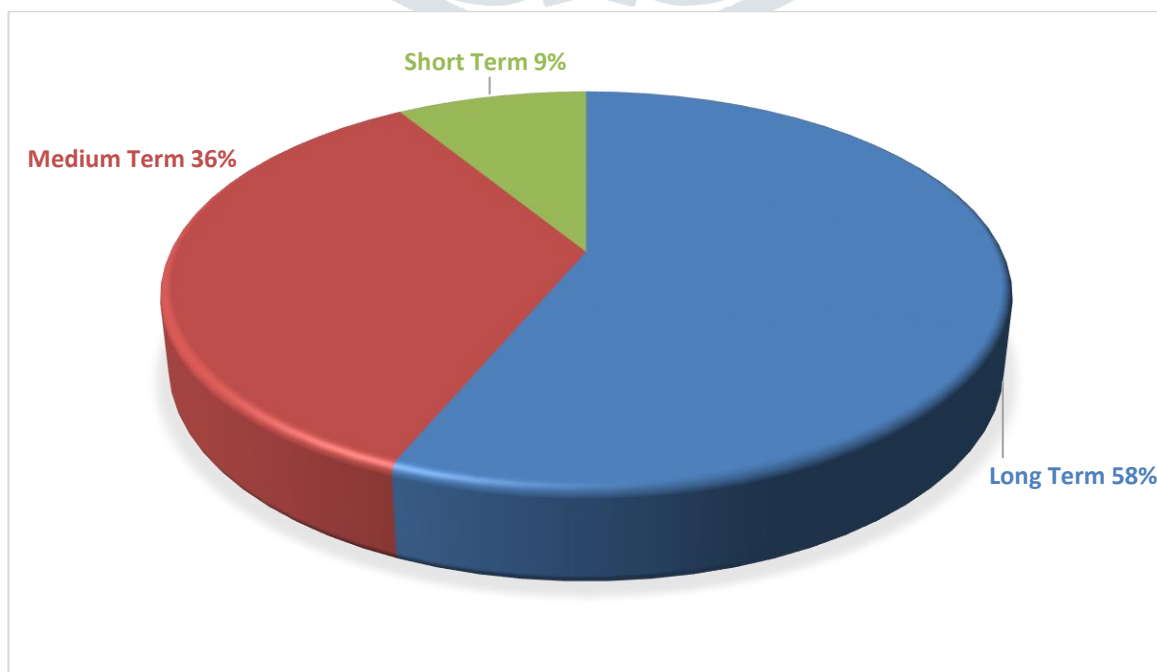
Analysis:

Almost 92% of the investors are having yearly holdings while only 8% of the investors are having Monthly holding

Interpretation:

- i. People are investing for long term period and they are not withdrawing money before one year. They are having long term approach towards investment but people withdraw their money on an average of 3-4 Years.
- ii. One of the reasons being the income tax benefits from the government. As, if an investment is for more than 1 year then the investor need not to give tax, neither for the invested money and nor for the return.
- iii. This is the primary reason investors are unable to make a long term capital gains. Monthly investment holding is not as popular in semi-urban market as they are more risk averse.
- iv. Only some investors go for intraday trade and make profit in short term. People think if the money will be invested for longer period of time it will give higher returns but they do not take into consideration the time value of the money.
- v. Due to inflation sometimes the present value of the money is less than the money invested.

8. Return on Investment : Return on Investment



Analysis:

55% of people prefer long term return on investments, 36% prefers medium term return on investment and only 9% of people prefer short term return on investment.

Interpretation:

- i. According to the above analysis it is quite clear that people are not participating in stock market. 55% of people prefer long term return on investment like fixed deposits, long term bonds.
- ii. And even if people are investing in stock market they are holding shares for a very long period of time. Very less investors are taking part in intraday trading and making profit in short period of time.

2.2 Discussion on findings of the study

My findings and observation are as follows:

- Most of the investors are male.
- People are unaware of the time value of money, because money in saving account can't even beat inflation.
- Most of the investors in Ranchi are employees of Public Sector companies.
- Safety of money is priority of most of the investors. While a few go for higher return.
- Based upon my study, most people are risk taker only few of them are risk averse.
- A considerable number of risk takers have given much weight age to corporate securities (Shares, Bond, and Debenture), Risk Moderators have given much weight age to Mutual Funds and Risk Averters have given much weight age to Chit Fund, Post Office Savings Schemes and Real Estate.
- A good lot of people have Demat account but still they do not invest in stock market.
- People who invest in the stock market are dependent on expert advice and past performance of the asset.
- Media and brokers are the most popular source of information.
- Lack of knowledge about stock market is the most important reason why risk averse people don't invest in stock market. 2nd reason for the less participation of risk averse people in urban area is that they find it too risky to invest in share market.
- Bank deposits received much attention because of assured yield, safety and risk free nature.
- Household leadership is still dominated by males being heads of the families, although growing tendency of dual careerism and adoption of home based or micro type enterprises among female counterparts.
- Large attraction of investors towards medium term horizon expecting current income and tax shield.
- Sources influencing investment decision are not affected by educational qualification of the respondents.
- Interval in making investment is not affected by Annual Income of the respondents.
- Majority of the individual investors have been motivated by the factor "Safety" while preferring a particular form of investment.
- Majority of the individual investors have been evaluating their investments once in a year.

Conclusions

There are several investments to choose from these include equities, debt, real estate and gold. Each class of assets has its peculiarities. At any instant, some of those assets will offer good returns, while others will be losers. Most investors in search of extraordinary investments try hard to find a single asset. Some look for the shares, other buys real estate or gold. Many of them deposit their savings in the Public Provident Fund (PPF) or post office deposits. Very few buy across all asset classes or diversify within an asset class. Therefore it has been widely said that "Don't put all your eggs in one basket". The idea is to create a portfolio that includes multiple investments in order to reduce risk.

The stock market moved up more than 70% in the past 10 years, while many stocks have moved more. Real estate prices are also swinging up, although it is difficult to map in this fragmented market. Gold and Silver prices have spurted. Bonds continue to give reasonable returns but it is no longer leads in the comparative rankings. Right now equity looks the best bet, with real state coming in second. The question is how long will this last? If it is a short-term phenomenon, going through the hassle of switching over from debt may not be worth it. If it's a long-term situation, assets should be moved into equity and real estate. This may be long-term situation. The returns from the market will be good as long as profitability increases. Real estate values, especially in suburban areas or small towns could improve further. Personal time horizon, risk tolerance, investment goals, financial means, and level of investment experience will play a large role in dictating your investment mix.

In present study, behavior of households towards various investment opportunities has been examined from different angles. The study has been conducted to analyze households from the perspective of their income groups, professional and nonprofessional status, gender and education its influence on their investment preferences. While analyzing thoroughly the response of survey, it was found that assured yield and low risks are the predominating factors towards the investment choices. Banking sector has been dominating in attracting investors by offering investment which ensure reasonable safety and assured returns. A major shift in investors from traditional banking to equity markets also appear, despite poor and weakening performance by equity markets. These markets now present a better prospect in view of their fast adoption of reforms, better regulations and rapid inclusion of technology. All these factors have been responsible for their transparency. Above all, the ability of equity markets to cater to the information needs of its participants have developed at a wonderful pace. Many people now seem comfortable in interacting with these markets to benefit from supplementing their investment decisions with the financial information these markets serve.

Respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Majority of the respondents park their money in traditional and safe investment avenues. Overall results suggest that people must be made more aware about new investment opportunities available in the market. They must be properly educated about new financial products available in the market, so that they can get advantage of earning higher returns. Moreover they will not get cheated by sales personnel as they will have knowledge regarding the charges levied by a company selling financial products and they will invest in financial products only after weighing risk return characteristics of the financial products.

Suggestions

Some suggestions and recommendations are as follows:-

- Overall results suggest that people must be made more aware about new investment opportunities available in the market. They must be properly educated about new financial products available in the market, so that they can get advantage of earning higher returns.
- There must be appropriate advisory and agency services so that an investor would be advised properly regarding- when to invest, when to switch, when to withdraw money back and which stock is more beneficial.
- The most vital problem spotted is of ignorance. Investors should be made aware of the benefits. Nobody will invest until and unless he is fully convinced. Investors should be made to realize that ignorance is no longer bliss and what they are losing by not investing.
- BSLAMC should enhance the customer care department where queries can be timely solved.
- There should be target incentive for executive who will boost up their morale will give more and more business to BSLAMC. Special attention need to be given to the delivery of monthly & fortnightly report to the clients.
- Timely release of Brokerage & Fast redressed of clients grievance is a major plus point, if BSLAMC is looking to develop long term relationship with its clients.
- The broker should not focus only on getting a Demat account from their customer; they should also focus on retaining their customer by boosting them to trade in share market.
- Investors should maintain their portfolio so that they become more aware about which investment avenue is giving them higher profit and which is giving them lower profit.

Directions for Future Research

From the extensive review of literature it has been depicted that people are investing in traditional investment avenues. The factors motivating investment decisions are safety, liquidity, tax benefits and old age plans. To make the investors move in the right direction and properly use their valuable and hard earned financial resources so they are maximized. Financial education is necessary to ensure awareness among investors and consumers protection as well as smooth functioning of financial markets. Creating financial awakening can play crucial role in equipping the people with relevant information, fundamental knowledge and skill to evaluate various financial alternatives in the proper direction.

It is a well-known fact that rate of saving is an important economic variable for the economic growth and development. Saving is the foundation for creating investment opportunities. So with higher saving, investments are more, which creates ample of job opportunities. The demographic profile of India is dominated by rising middle class. The rapid increase in income has a direct effect on saving and investment. As such this research is carried out to know how the various demographic, social, economic, political factors that affect the saving and investment behavior of salaried class which are playing a very important and dominant role in the economic development and prosperity of India. The rapid growth of the Indian Economy over the past three decades has led to substantial expansion of India's middle class. Ranchi is a capital of Jharkhand. With recent industrialization and upcoming educational hub and more over Government Oriented Sectors. The state has a good number of salaried classes influencing the economy of

the Jharkhand. In view of such considerations since studies are not substantial and hence there is a need to conduct the study.

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