



The Financial Investment Awareness towards rural area in Coimbatore City

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Abstract:

Since the past 10 years we are using the word digital India. Our country taking major steps to develop sports, science and education, economic fields. The fact is the growth rate of economic standards through the industries and the internal trading systems. We adopted CIS environment everywhere in our country. Our people getting a knowledge from the government guidelines and other online platforms. Finance is playing a live role in everyone of the world. Global Trading is bringing up the nation's development. The financial literacy is to be educated by our RBI and the SEBI through the way of awareness programmes, seminars and associated with some more regional investors. The real thing is the effective and the out come of this literacy result is very low. Our Reserve bank of India is established the NCFE (National centre of Financial Education). Especially SEBI is promoting the financial education through the investors. My study is in Indian scenario different types of people and income class groups are here. The investment modes and channels are more. The middle-class people intelligence is getting the decision-making investment from the NCEF system. The Indian investor taking decision to invest the capital markets through SEBI the connecting and the understanding and knowledge to address the products by the way of guidelines. The insufficient knowledge about the financial literacy is leading a bad decision making may cause a major issue. So, the investor needs proper education or literacy knowledge about money market and capital markets and the corporate finance business fiancé and premium risk business finance. Our government and the RBI and SEBI are taking a step to improve the gap between the investor and the products. The improvement of financial literacy educated to the people through retirement benefits and deposits, zero coupon and the call money and treasury bills, equity and preference shares, and debentures (short term and the long-term Sources). The corporate companies risk management and their cost of debt (K , K_e , K_p , K_r , K_d , K_a , K_d) and their dividend policies must be educated to the people with good understanding knowledge. This study reveals the bridge between the investors and the capital markets creates the cry out of the insufficient knowledge. This study will discuss the realistic approach and the tailored approach and over confidence in the capital market investor's decision making of their financial and future investment. In 2015 NCFE had taken a survey about the financial literacy around the country. The result was a less percentage of financial literacy in our country. So our India must take major steps to educate the financial concepts to the investors through difference modes.

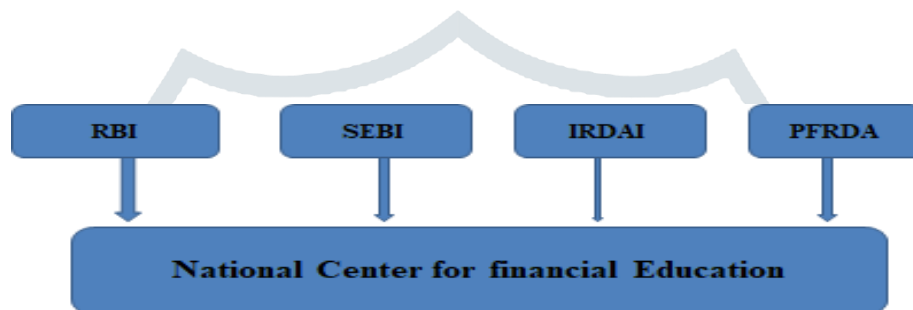
K- Cost of Debt, **K_e** - Cost of Equity, **K_r** – Retained earnings, **K_a** -Cost of Debt after Tax.

K_d - Cost of debt before tax

Key Words: Financial literacy, India, RBI, NCFE, SEBI

Introduction: The basic term of finance is established through the way of gold savings and investments with suitable security bonds. The investment is taking a major development role

in our economic development. The banking system and other financial institutions are distributing many investment and deposit channels to the people. But the fact is how it is reached to the targeted people like pensioners, middle income groups, Self-Help groups, free financial education policy. The connectivity of investor and the banking system we need a separate centre. SEBI is connecting the investors and banking system through the way of security bonds and guidelines and the financial literacy channels. RBI is also taking procuring platform to financial literacy. Financial literacy refers to the ability to understand and apply different financial skills effectively, including financial management, budgeting and saving. The first responsibility of SEBI is to regulate the Indian Capital markets. The rules and regulations framed and implemented by SEBI to the investor benefits. The SEBI is monitoring and safeguard environment guidelines and smart decisions understanding impacts to credit, budgeting benefits. SEBI is conduction seminars and awareness programs and Quiz program to the investors and the student's community. Financial literacy refers the smart decision investment plan and better retirement fund investment. The NCFE is a national empowered in India. It is controlled by RBI, SEBI, IRDAI and PFRDA.



NCFE Section empowered 8 (Not for profit) promoted by

RBI – Reserve Bank of India

SEBI – Securities and Exchange Board of India

IRDAI – Insurance Regulatory and Development Authority of India.

PFRDA – Pension Fund Regulatory and Development Authority.

FSDC – Under the aegis of Financial Stability and Development Council

Ministry of Finance and Government of India.

The objective of NCFE is around the our country population their providing seminars and workshops to promote the financial strategy and development council, financial awareness program,organisation and provide training in financial education and create financial

education material electronic and non- electronic booklets flyers, technical aids markets and financial education materials work books, worksheets, literature, pamphlets, technical aids to improve the investors understanding skill, and knowledge. Financial behaviour is motivating by others and smart decision making and psychological behaviour of outcomes.

Objectives of the study:

- To measure the role of SEBI in financial literacy.
- To know the role of NCFE.
- To measure the financial behaviour.

Literature review:

- Dr.Sujatha Balakrishnana (Associate Professor Ms.Sudeshna T (Assistant Professor, Dept of Commerce, Ehiraj College for women Published a research article on “A study on Individual Financial Literacy and financial Behaviour from their study they reveals financial literacy is a key of financial decision making and the relationship between the financial literacy and the financial behaviour is ensuring the well-being improvement in the investment area. The author used correlation and the multiple regressions Analysis.
- A research article of Greak lakes Herald Volume 9 No.1 2015the authors are M.Sekar, CBM College Coimbatore and M.Gowri GRG School of Management studies Coimbatore and, “A Study on Financial Literacy and its Determinants among Gen Y Employees in Coimbatore City” reveals the Financial literacy is most interlinked with family needs. The financial markets need the reforms. The targeted groups are government employees and young employees. Finally the study enhances the socio and demographic habits are fixing the financial terms.
- LBS Journal management and research in the year of 2016 published a research article ISSN 0972 8031 DOI 10.5958/0974-1852-2016.00011.0 A Critical towards NCFE report in Financial inclusion. In this article the author reveals a large six of country minimum people working with ethically and maximum number of people working unethically. It depends upon their savings of money and earning money. So NCFE must educate through seminars and quizzes. After the years it's implemented.

Research Methodology:

This research packed on primary data. The main objective of this study is to understand the awareness about financial literacy and NCBF implementation awareness in rural area Kovilpalayam of Coimbatore City.

Data Collection:

Primary data was collected using a structured questionnaire distributed via Google forms. The sample sizes are of the data 50.

Data Analysis:

The chi-square test and data analysis used in the primary data.

Particulars	Friends	yes	No	Relatives and self	Total
Awareness of NCBF	8	9	21	12	50
NCBF Program attended	4	10	33	3	50
SEBI program	6	12	25	7	50
Bridge between SEBI and investor	0	5	45	0	50
Total	18	36	124	22	200

O	E	O - E	(O - E) ²	(O - E) ² / 2
45	31	14	196	6.32
33	31	2	4	0.13
25	31	-6	36	1.16
21	31	-10	100	3.23
12	9	3	9	1.00
10	9	1	1	0.11
9	9	0	0	0.00
5	9	-4	16	1.78
12	5.5	6.5	42.25	7.68
7	5.5	1.5	2.25	0.41
3	5.5	-2.5	6.25	1.14
0	5.5	-5.5	30.25	5.50
8	4.5	3.5	12.25	2.72
6	4.5	1.5	2.25	0.50
4	4.5	-0.5	0.25	0.06
0	4.5	-4.5	20.25	4.50

36.23

Calculated value is 36.23 Hence the criterion are independent. Hypotheses are rejected.

Findings and Suggestions:

- The rural investors and the people need the literacy of finance and the investment plan.
- Moreover they are believed the information and suggestion towards from their friends and relatives.
- NCBF is implementing a huge improvement but the fact it's not approaching the target group of people.
- The savings and income is playing a crucial role in Indian's family system. The people are following the traditional method of savings. So the SEBI and NCBF should take the major steps to reach the targeted groups.

Conclusion:

The financial plan and the education systems are planned well. The implementation and target achieving is the common problem in our Indian. Because we are measuring technology in one side and other side different size income group class people. Our country is developing the nation economy through the investment calculation and the parameter digitalisation. So we need to implement the effective action plan to bring off in the financial literacy plan.

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