

Investment Behavior of individual Investors in Karnataka- with special reference to Dharwad District.

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ABSTRACT

Investment is the employment of funds with the aim of achieving additional income or growth in value. Investment involves employment of funds judiciously by minimizing the risk of loss of funds and maximizing the return there on. Investing in various investment and avenues investors are attracts from all the way of walk of life irrespective of their occupations, economic status, and education. While investing in a particular asset, investors look into various factors risk, return, liquidity and easy marketability. This study is based on investment in physical and financial assets made by individual investors by studying the dependable variables like general profile of investors in selected area, their income ,savings, amount of investment in physical and financial assets, , motives for investment, periodicity ,length of investment as well as satisfaction level.

The study reveals that majority of the investors have the annual income ranging from Rs.2,00,000 to Rs.3,00,000.The size of savings is in between Rs.1,00,000-Rs.1,50,000,majority of the investors investment is ranges between Rs.37501-Rs.75,000.Maximum number of investors preferences is to investment in financial assets I.e. bank deposits ,postal savings and insurance and gold and silver is the most preferred avenues in physical assets. Savings motivators are to meet contingent expenses, to be secure at old age, to meet domestic purpose. Majority of the investors prefer medium term, length of investment is 6-10 years. Majority of the investors satisfied with traditional investment avenue. The study suggest that investors must be educated and they need to check the quality of services and assets before select of any assets to get maximum return from the investment.

Keywords: Individual investors of Dharwad District ,income, savings, investment, savings motivators, periodicity, length of investment ,level of satisfaction.

I.INTRODUCTION

Investment is the employment of funds with the aim of achieving additional income or growth in value. Investment involves employment of funds judiciously by minimizing the risk of loss of funds and maximizing the return there on. Investing in various investment and avenues investors are attracts from all the way of walk of life irrespective of their occupations, economic status, and education.

Investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over given period of time. These assets may range from safe investment to risky investments. Investments have become a basic necessity for everyone .Each investor has a different objective that needs to be met depending on age, income and attitude towards risk.

Investors have to work out their investment profile to determine which investments are right for them should consider important factors such as personal status, plans and constraints ,various options are available to the people to invest their savings, money act as

the driver for growth of the country. Indian financial scene too presents a plethora of avenues to the investors. There are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning need to know all the various investment choices. The details of making the investment along with various ways in which the investment has to be maintained and managed.

II) REVIEW OF LITERATURE

To study the savings and investment preferences of the individual investors. The important articles are reviewed hereunder.

Rajesh Bhardwaj, Rekha Raheja, Priyanka (2011) "The article attempts to examine the income and savings pattern of government and private senior secondary school teachers. This article determines the major sources of income, savings instruments. Comparison were made with respect to savings behavior of government of private Senior Secondary School teachers. Primary data were collected using questionnaire. Simple percentage, average, S.D and C.V used to analysis the data.

The author concluded that major source of income of Government teachers is salary while tuition fee for private teachers. Mostly Government and Private teachers both used Bank Deposits and Life insurance for investing their savings. The main objective of Savings of Government teachers is emergency and security while for private teachers is children education and purchase of Consumer durables.

Ramesh Jangili, Sharad Kumar (2011). This article focused on the public savings and private savings. The latter is further divided into household savings and corporate savings. In this article authors have studied the determinants of private corporate savings in India using a panel regression model. Primarily focused on net savings, which are retained profits.

The panel regression model showed that Corporate tax rate, cost of borrowings, depreciation ratio and inventory to sales ratio are negatively associated with retained earnings of the firm, whereas, profits after tax ratio, external sources of funds ratio, capital formation ratio, interest burden and value of production ratio are positively associated with retained earnings.

To conclude, authors have shown that reduction in corporate tax rate would boost Corporate Saving and making funds available in the system with moderate interest rate would encourage firms to develop their business activities and raise higher profit and more savings.

R. Kasilingam and G. Jayabal (2011) stated that, Savings of an individual is determined by one's ability to save and willingness to save. The ability of an individual comes from his/her income and it may be absolute income or relative income. India could be able to save 32% of its Gross Domestic product irrespective of its low per capita income and high inflation rate mainly because of the attitude of people to save. The author stated that main motives for savings are, desire to build reserve for unforeseen contingencies, to provide for anticipated future needs like old age, desire to enjoy an enlarged future income like interest and appreciation, to meet gradually increasing the expenditure to improve the standard of living.

S. L. Shetty (2005) revealed that the 50 latest estimates of savings and investment in 2003-04 suggested that India no longer faces a constraint on domestic saving. A close examination of the estimates suggested that they project an exaggerated scenario of high domestic savings and investment. The numbers are the result of a faulty system of estimation which was to be discarded long ago. The estimates for 2003-04 thus reopen the many misgivings estimation procedures have raised in the past.

III) NEED FOR THE STUDY

The individual investors numbering millions constitute the backbone of investment in physical and financial assets. Their active involvement helps to mobilize sufficient funds required for development. The individual investor's entry in to employment market has certainly raised their income and has enabled them to maintain a higher standard of living. For this purpose, they create savings which are in turn, channelized for investment in productive purpose. Thus, the savings and investment of individual investors are important from the point of view of economic welfare of family in particular and capital formation of the economy in general. For welfare of the family, they try to save some portion of their earnings in various short-term and long-term investment schemes.

Investors who have knowledge of various schemes of savings and investments fail to take independent decisions while selecting avenues of investment. The government has framed various schemes to encourage different levels of investors to participate in the process of savings and investments. Due to lack of knowledge, lack of awareness, lack of financial literacy, wrong guidance of brokers, these schemes have not fully accomplished their objectives. It is, therefore conduct a sample survey with a view to evaluate the impact of various savings and investment avenues of investors to identify the influencing factors, their preference for various avenues of investment and to evaluate their level of awareness and expectations about various investment schemes.

Against this background, this study is attempt to throw light on understanding the behavior of individual investors in savings and investment process and its impact on improving levels of income, standard of living and securing a better future among the individual investors.

iv) NEED FOR INVESTMENT

The tem investment may be defined as “a commitment of funs made in a expectation of some positive rate of return. If the investment is positively undertake the return will be co commensurate with the risk the investors assume”.

- 1) **Longer life expectancy** :Increase in medical care, proper planning for life span an increase in working population have ensured the need for balance investments. The earnings from employment should, therefore, be calculated in such a manner that the principal and return will be adequate for supporting their family.
- 2) **Income:** Regular and stable income is necessary for any investment. It is also important to see that the income is adequate after taxes .After independence, a number of iniatives for creating employment opportunities are taken up. They have enhanced the income earning opportunities of the people leaving to the ability and willingness of working people to save and invest according to their family needs.
- 3) **Rate and return:** Different rates of return are offered for different schemes, depending up on safety an riskiness of investments. Stability of return is as important as receiving a decent rate of interest.
- 4) **Inflation:** In years of rising prices, the investors try and search for an investment avenue which can compensate for increasing inflation. They will also judge whether the interest or return will be continuous and regular. Investors should balance their portfolios to fight against any deterioration in purchasing power .They should judge price level and explore the possibility of gain or loss in their investment.
- 5) **Increasing rate of taxation** : Investment avenues in our country help in bringing own the tax burden as certain avenues enjoy tax reliefs .Obviously ,an investor is induced to save and invest in those avenues which give tax benefits .Examples for such investments are the post office certificates, LIC policies, tax reliefs.
- 6) **Safety principal:** Investors expect his money to be safe. They have to take necessary precautions in this regard. They have to carefully review the economic trends before choosing various types of investment for diversification of investments to ensure safety.
- 7) **Liquidity:** An investment should be convertible in to cash .This is ensured if the investors can keep a proportion of readily saleable securities in their total portfolio .They may keep a small portion of cash ,fixed deposits and units which can be immediately made liquid.
- 8) **Legality and freedom from care:** All investments should be a approve by laws. One way of being free from care is to invest in securities like UTI, LIC,NSC or government securities. In these avenues, the management of securities is left to the care of the trust that diversifies the investments according to safety, stability and liquidity in future with their investment policy. They identify securities which are approved by the government an invest in such securities that will ensure the legality of investment.
- 9) **Tangibility:** Some securities lose their value due to inflation. Hence some investors prefer to keep a part of their wealth in investment.

Trends and Pattern in investment

The investment may be financial assets and physical assets. The information relating to the conceptual aspects of these assets are presented in Table .2.3

Table 1.1 – Financial and Physical Assets.

Sl.no	Forms	Financial Assets	Physical Assets
	Features		
1	Return on Investment	Both periodical returns and capital appreciation	Capital Appreciation

2	Maturity Period	All assets have either short term or long-term maturity period	These assets o not have any fixed maturity period.
3	Risk	Some are riskier which others are risk less or risk free	Risk is inherent .But, the amount involved is not known
4	Liquidity	Few are liquid and marketability which others are not	These are less liquid and not marketable easily
5	Types of investors	All types of investors can invest including low income group	All types of investors cannot afford to invest.

Source: Investment analysis and portfolio management .McGraw Hill Publication .Fourth Edition .p-1-11

V) OBJECTIVES OF THE STUDY

The main objectives of the study to analyze the general profile of investors, find out the income, savings, investment pattern of investment in physical and financial assets, savings and investment motivators, length, periodicity and satisfaction level of individual investors investment in both the assets.

VI) METHODOLOGY

The study employs both primary and secondary data. It is based on the survey of Individual investors in Dharwad District in Karnataka State. Primary data obtained by structured questionnaire on 500 individuals of Dharwad District. Individual investors who are able to save portion of their income and possess the interest of investing in physical and financial assets. Investors employed in different occupations of government and non government employees, professionals, business class, women entrepreneurs and agriculturist. The study primarily focuses on the investment patterns and preferences and impact of savings and investments. The profile of the individual investors of Dharwad District is presented in Table 1.2

Table 1.2 Represents the General profile of individual investors.

Sl. No.	Variables	Categories	No. of Respondents	Percentage
1	Gender	Male	364	72.8
		Female	136	27.2
		Total	500	100
2.	Marital Status	Married	412	82.4
		Unmarried	82	16.4
		Others	6	1.2
		Total	500	100
3.	Age	20-30	87	17.4
		30-40	154	30.8
		40-50	145	29
		50-60	80	16
		Above 60	32	6.4
		Total	500	100
4.	Family size	one	16	3.2
		Two	48	9.6
		Three	91	18.2
		Four	156	31.2
		Five	94	18.8
		More than five	95	19
		Total	500	100
5.	Level of Education	Up to SSLC	101	20.2
		PUC	80	16
		Graduate	137	27.4
		Post Graduate	62	12.4
		Professional	100	20

		others	20	4
		Total	500	100
6	Geographical area	Rural	250	50
		Urban	250	50
		Total	500	100
7	Occupation	Govt. employee	100	10
		Women Entrepreneur	100	10
		Agriculturist	100	10
		Professional	100	10
		Business Class	100	10
		Others	100	10
		Total	100	10

Source: survey data

The above table reveals that majority of individual investors are ,i)male ii) married ,iii) in the age group between 30-40,iv) family size four v) graduates.vi) living in both urban and rural area.

Analysis and Discussions.

There are a number of investment avenues available to individuals for their investments. Among them, bank deposits, post office savings certificates, government securities, corporate securities, life insurance policies. In addition, the physical assets such as gold and silver, agriculture land and real estate are also considered by individuals as investments avenues. Every avenue of investment is unique in fulfilling the expectations of the investors while taking an investment decision a number of factors considered .Among them family needs time horizon of investment, advice from financial advisors and company agents are considered .Against this background the investment preferences and styles of investors with regard to postal savings and investment is discussed in this section includes the following issues.

- Income level, size of savings and Investments
- Motivational Factors
- Length of investment
- Time period for holding the investment

1.2) Distribution of investors on the basis of income level.

Income is necessary to lead life without any disturbance. Income of individuals not only determines the economic status but also the saving and investment decision. Increase in personal income increase the capacity to save and invest. The information relating to the annual income of investors covered under the study is presented in Table 1.2

The annual income range of the respondent was analyzed to study their saving pattern and investment behavior. As shown in the above figure 5.1, the composition of overall investors shows that the majority of investors (24.2%) belong to the higher income group i.e. Rs 2,00,000 to Rs 3,00,000 followed by (20.8%) investors in the income group of Rs. More than Rs 500000. 17.2% of the investors belong to the income group of Rs 1 – 200000 and 14.6% of investors are in the income group of Rs 3,00,000-4,00,000. Remaining 13% and 10.2% of investors are in the income group of Rs 4.5 lakh and less than Rs 1,00,000.

The medium income group (i.e. Rs 2.3 lakh) consist more of agriculture category (27.27%) followed by professionals (21.48%). The second income group (i.e. Rs 3-4 lakh) consists of more number of investors belong to government employees (33.65%), followed by professionalist (24%), business class (19.23%) and agriculturist (12.5%). In case of income group of Rs 1- 2 lakhs, the composition of investors include business class (43.02%), women entrepreneurs (22.09%), agriculturist and professionals (3.5%), govt. employees (4.65%). The investors belonging to the high income group (i.e. income exceeding more than Rs 5 lakh) are govt. employees, professional, business class, women entrepreneur, agriculturist. In the case of low income group (i.e. less than Rs. 1 lakh), the individuals engaged in women entrepreneur are maximum (49.01%) followed by agriculturist(37.25%)

Table 1.2 Distribution of investors on the basis of annual income.

Sl. No.	Amount of annual income	Govt. employee	Women Entrepreneur	Agriculturist	Professional	Business Class	Total
a)	Less than Rs.1 lakh	-----	25 (49.01)	19 (37.25)	3 (5.88)	4 (7.84)	51 (100)
b)	Rs.1-2 lakh	4 (4.65)	19 (22.09)	13 (15.11)	13 (15.11)	37 (43.02)	86 (100)
c)	Rs.2-3lakh	21 (17.35)	25 (20.66)	33 (27.27)	26 (21.48)	16 (13.22)	121 (100)
d)	Rs.3-4 lakh	26 (35.61)	10 (13.69)	10 (13.69)	15 (20.54)	12 (16.43)	73 (100)
e)	Rs.4-5 lakh	14 (21.53)	10 (15.38)	12 (18.48)	18 (27.69)	11 (16.92)	65 (100)
f)	More than Rs. 5 lakh	35 (33.65)	11 (10.57)	13 (12.5)	25 (24.03)	20 (1.92)	104 (100)
Total		100	100	100	100	100	500 (100)

Source: Field Survey (Note : Figures in parenthesis show percentages)

1.3) Size of savings

The size of income generally decides the size of savings which in turn influence the size of investment. It is generally found that the individuals with higher savings tend to invest more and vice versa. The correlation between the size of savings and the size of investment prompt us to examine the size of savings. Besides the saving habits vary from one category of investors to that of others. Hence, there is a need to study the size of savings of investors and their occupational distribution.

The information relating to the size of saving of investors is presented in Table 1.3

Table 1.3 Distribution of investors on the basis of size of savings.

Sl. No.	Annual Amount of savings	Govt. employee	Women Entrepreneur	Agriculturist	Professional	Business Class	Total
a)	Less than Rs.50,000		31 (48.43)	21 (32.81)	2 (3.12)	10 (15.62)	64 (100)
b)	Rs.50,000- Rs.1,00,000	1 (1.69)	16 (27.11)	10 (16.94)	11 (18.64)	21 (35.6)	59 (100)
c)	Rs.1,00,000- Rs.1,50,000	9 (11.11)	16 (19.75)	31 (38.27)	15 (18.51)	10 (12.34)	81 (100)
d)	Rs.1,50,000- Rs.2,00,000	21 (26.25)	18 (22.5)	8 (10)	19 (23.75)	14 (17.5)	80 (100)
e)	Rs.2,00,000- Rs.2,50,000	25 (35.21)	9 (12.67)	9 (12.67)	15 (21.12)	13 (18.30)	71 (100)
f)	Rs.2,50,000- Rs.3,00,000	9 (18.36)	4 (8.16)	8 (16.32)	19 (38.77)	9 (18.36)	49 (100)
g)	More than 3,00,000	35 (36.45)	6 (6.25)	13 (13.54)	19 (19.79)	23 (23.95)	96 (100)
Total		100	100	100	100	100	500 (100)

Source: Field Survey (Note : Figures in parenthesis show percentages)

The composition of overall investors reveals that the majority of investors (19.2%) belong to the size of savings ranging from Rs 1,50,000 – Rs 2,00,000 followed by 16.2% of investors in the savings range of Rs 1,00,000 to Rs 1,50,000 of the remaining investors, about 16% belong to the savings size of more than Rs 3,00,000, 14.2% in the range of Rs 2 – Rs 2,50,000, 12.8% in the

range of Rs less than 50000, 11.8% in the range of Rs 50,000- Rs 1,00,000 and 9.8% in the lowest savings bracket (Rs 250000 – Rs 300000).

In the highest savings size (i.e. savings Rs 1, 50,000 – Rs 2, 00,000), the investors belonging to government employee are maximum (36.45%) followed by professional (19.79%). In the second highest savings size (i.e. Rs 1-1.5 lakhs), the investors belonging to agriculturist (38.27%) are the maximum followed by women entrepreneurs (19.75%), professional (18.51%) and business class (12.34%). The third highest savings size. More than Rs 3, 00,000, the composition includes government employee (26.25%), professionals (23.75%), women entrepreneur (22.5%) etc.

1.4) Analysis of motivators of savings

The saving motivators are influenced by socio -economic factors such as age, marriage, size of income and education. Saving strengthen their financial position for fulfilling the commitments such as to meet domestic purpose, earn income ,to meet contingent expenses to meet statutory obligations, to get tax benefits, to be secure old, age, to purchase physical and financial assets. The influence of this motivator will not be alike on different class of investors. The information relating to the savings motivators of the respondent investors is presented in Table 1.4

Distribution of investors on the basis of motivational factors

Sl.No.	Savings Motivators	Govt. employee	Women Entrepreneur	Agriculturist	Professional	Business Class	Total
a)	To meet domestic purpose	78 (18.26)	90 (21.07)	90 (21.07)	89 (20.84)	80 (18.73)	427 (100)
b)	To earn income	10 (14.28)	23 (32.85)	10 (14.28)	6 (8.57)	21 (30)	70 (100)
c)	To meet contingent expenses	25 (14.28)	46 (26.28)	26 (14.85)	37 (21.14)	41 (23.42)	175 (100)
d)	To meet statutory obligations	2 (6.67)	8 (26.67)			20 (66.67)	30 (100)
e)	To get tax benefit	32 (22.06)	24 (16.55)	2 (1.37)	47 (32.41)	40 (27.58)	145 (100)
f)	To be secure at old age	43 (24.43)	28 (15.9)	29 (16.47)	39 (22.15)	37 (21.02)	176 (100)
g)	To purchase physical assets	4 (22.35)	13 (6.6)	29 (14.72)	42 (21.31)	69 (35.02)	197 (100)
h)	Any other reason	5 (18.5)		17 (62.96)	2 (7.4)	3 (11.11)	27 (100)
	Total	239	232	203	262	311	1247 (100)

Source: Field Survey

(Note: Figures in parentheses show percentages)

The above table reveals that to meet contingent expenses as the strongest motivator. The majority of investors (29.4%) are motivator to save on account of this reason. To be secure at old age is the second strongest motivator that is endorsed by about 22.6% of investors. These two factors almost equally influencing the investors to save. The other motivational factors include meeting domestic purpose (15.8%) to earn income (13.4%) and gaining tax benefits (12.8%).

The occupational distribution of investors reveals that to meet the contingent expenses is strongly influenced on women entrepreneurs, followed by business class and professionals etc. On the other hand to be secure at old age is strongly endorsed by businessmen and professional. It is clear from the analysis that individuals have found motivators of savings not only in earning income. In fact, earning income is the fourth preferred, motivator among the motivators identifies for the study.

1.5) Size and Pattern of Investment in physical as well as financial assets.

Investors invest different sums of money in different physical and financial assets. The amount and size of investment varies from one asset to other. The information relating to the size and pattern of investment in physical and financial assets is presented in Table 1.5

The composition of overall investors reveals that the majority of investors 240 belong to investment size of Rs.37,501-Rs.75,000, followed by 105 investors belonging to the Rs.75,001 to Rs.1,50,000 range and 197 investors belonging to investment size of the Rs.22,501 to Rs.37,500 range and 70 investors belong to the slab of investment Rs.15,001- Rs.22,500 .

Table 1.5 reveals that the majority of investors keep their amount in bank deposits, followed by life insurance policies, post office savings. Very few number of investors use to invest in corporate securities and government securities due to lack of knowledge and they think these avenue are risky.

As far as amount is concerned ,majority of investors in bank deposits keep an amount ranging from Rs.37,501 to 75,000, which is followed by other sizes such as ranging from Rs.22,500-Rs.30,000 ,Rs.75,000-Rs.1,50,000 ,Rs.7501 to Rs.15,000 and above Rs.1,50,000.

1.6) Periodicity of Investment

Periodicity of investment refers to how many times the investors invest in different institutional avenues. An investor invest his/her income different physical assets over a period of time (say long term, medium term ,very short term and as per convenience).The flow of funds in the hands of investors generally determines the periodicity of investment. Such frequency of investment reflects the investors' interest in physical assets. Hence, there is a need to ascertain the periodicity of investment in physical assets.

The information relating to periodicity of investment is presented in Table .1.6

Table 1.6 reveals that in the composition of overall investors, the majority of investors (53.4%) invest medium term in physical assets, whereas (20.6%) of investors invest in longterm.16.2% of investors invest according to their convenience. A very few 9.8% of investors invest very shorter period of time.

The occupational distribution of investors show that the majority of the business class, professional and government employees use medium term as their investment. Table 1.6 reveals that in the composition of overall investors, the majority of investors invest long term in financial assets, whereas 127 investors invest in medium term.77 investors invest according to their convenience. A very few investors invest very shorter period of time.

1.7) Length of Investment

The length of investment refers to total number of years of investment experience gained over the years enables the investors to understand the associated risk return and to manage investment effectively. In view of this, there is a need to study the length of investment as a key variable of investment behavior.

The information relating to the length of investment is presented in Table 1.7

Table 1.7 indicate that the majority of investors (27.8%) are investing in physical assets since below 5 years.25.2% of investors have an investment experience of 6-10 years. Thus, it is significant to note that there are 15.8% of investors with the investment experience of 16-20 years. Very few numbers of investors (6.4%) have an investment experience of more than 25years.

The occupational pattern of investors reveals that the investors with the medium length of investment experience (6-10 years) are engaged in business (32.53%), whereas the investors with the least experience (i.e below 5 years) belong to the women entrepreneur, agriculture (23.09%) followed by professional (22.30%), government employee and business class (15.82%)

Majority of investors are depositing in banks since from 6-11 years and below 5 years. Maximum number of investors from life insurance policies holding their money in insurance policies since from below 5 years and 6-11 years, followed by post office savings, majority of investors are depositing in post office since from 6-11 years, corporate securities 57 investors hold their money since from 6-11 years.

1.8) Distribution of investors on the basis of satisfaction level of investors.

The information relating to the opinion of investors towards satisfaction is presented in Table 1.8

Table 1.8
Distribution of investors on the basis of levels of satisfaction

Sl. No	Professions	Govt. employee	Women Entrepreneur	Agriculturist	Professional	Business Class	Others	Total
	Levels of satisfaction							
A	Very much satisfied	28 (30.11)	8 (8.6)	16 (17.2)	21 (22.6)	20 (21.5)		93 (100)
B	Satisfied	60 (17.5)	78 (22.8)	76 (22.22)	65 (19)	63 (18.4)		342 (100)
C	Not satisfied	12 (18.46)	14 (21.6)	8 (12.3)	14 (21.6)	17 (26.1)		65 (100)

Source: Field Survey

(Note: Figures in parenthesis show percentages)

The above table revealed that out of 500 sample respondents, 93 (18.6%) investors are highly satisfied with the available investment avenues. 342 (68.4%) of the investors are satisfied with the investment avenues remaining 65 (13%) of the investors from different occupations are not satisfied with available investment avenues.

Findings.

1) Annual Income : Majority of the investors (24.2%) have the annual income ranging from Rs.2,00,000 –Rs.3,00,000. 20.8% of the investors earn an income varying between Rs.3,00,000 –Rs.4,00,000. This is followed by the other income groups such as Rs.1,00,000-Rs.2,00,000 . More than Rs.5,00,000 ,Rs.4,00,000-Rs.5,00,000 and less than Rs.1,00,000.

2) Size of Savings: 19.2% of the investors save within a range between Rs.1,50,000 –Rs.2,00,000, whereas 16.2% of the investors save between Rs.1,00,000-Rs.1,50,000. 16% of the investors save more than Rs.3,00,000. 14.2% of the investors save between Rs.2,00,000- Rs.5,00,000 etc. Occupation wise ratio of per capita saving.

The investors engaged in Government sector and professions (Doctors, lawyers, engineers and contractors etc) save more than the investors engaged in agriculture, business, and women entrepreneurs.

3) Size and Pattern of Investment: Majority of the investors invested within a range of Rs.37,501-Rs.75,000 , which is followed by Rs.75,001-Rs.1,50,000 and above 1,50,000 , etc.

The majority of the investors have invested in bank deposits within a range from Rs.37,501 –Rs.75,000 , which is followed by life insurance policies , maximum number of investors investment range from Rs.22,501-Rs.30,000. Post office savings range from Rs.22,501- Rs.30,000, very less number of investors invested in corporate and government securities within a range from Rs.22,500-Rs.30,000.

4) Savings Motivators. To meet contingent expenses, to be secure at old age, to meet domestic expenses (29.4%, 22.6% and 15.8%) are the major motivators for savings. This is to be followed by other motivators such as to earn income, to get tax benefits and to purchase physical and financial assets.

5) Periodicity of Investment: The majority of the investors (53.4%) invest medium term in physical assets, whereas (20.6%) invest for longer period of time in physical assets, 16.2% use investment as per convenience, very few investors invest very short period of time. In case of financial assets the composition of overall investors, the majority of investors invest long term in financial assets, and whereas 127 investors invest in medium term. 77 investors invest according to their convenience. A very few investors invest very shorter period of time.

6) Length of Investment: The majority of the investors 27.8% are investing in physical assets since from below 5 years, whereas 25.2% of the investors have an experience of 6-10 years. The remaining has an experience of 16-20 years, 11-15 years, 21-25 years and more than 25 years. In case of financial assets, Majority of investors are depositing in banks since from 6-11 years and below 5 years. Maximum number of investors from life insurance policies holding their money in insurance policies since from below 5 years and 6-11 years, followed by post office savings, majority of investors are depositing in post office since from 6-11 years, corporate securities 57 investors hold their money since from 6-11 years.

7) Level of Satisfaction: out of 500 sample respondents, 93 (18.6%) investors are highly satisfied with the available investment avenues. 342 (68.4%) of the investors are satisfied with the investment avenues remaining 65 (13%) of the investors from different occupations are not satisfied with available investment avenues.

SUGGESTIONS:

The investment avenues like financial and physical assets which differ in respect of their attributes such size, maturity, safety, risk and return etc. are bought and sold in the markets. Therefore, the following suggestions may enhance the share of households' investment in the gross capital formation in India. They are

- 1) The study suggests that investors must be educated and they need to check the quality of services and assets before select of any assets to get maximum return from the investment..
- 2) Information about physical and financial assets shall properly disseminate in timely manner.
- 3) The institutions should open up their retail investment outlets at convenient places to the investors.
- 4) Conducting the investors meeting to highlight the significance of investment in financial assets.
- 5) Providing attractive tax concessions /tax relief on investment in financial assets.
- 6) Deliver the quality of service shall be the main motto for attracting more individual .

CONCLUSION: The households prefer to save out of their income and invest in various assets of their choice. Such assets promise periodical returns and appreciation in value over a period of time. The physical and financial assets the investment avenues of investors belonging to lower or middle or rich families. Investment in both types of assets considers the different variables like income, savings, investment, savings motivators, periodicity, length of investment and satisfaction level etc. Thus, the choice of investment in physical and financial assets decisions to be taken by the individual investors keeping in mind their present and future needs and life in the years to come.

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1.6) Distribution of investors on the basis of size and pattern of investment in physical and financial Assets

Physical Assets								Financial Assets						
Sl. No.	Size Of Investment	Gold	Silver	Agriculture land	Real estate	Others	Total	Bank Deposits	Post Office Savings Certificates	Government Securities	L I Policies	Corporate Securities	Others	Total
a)	Below 7,500	15 (38.46)	21 (53.84)	1 (2.56)		2 (5.12)	39 (100)	11 (2.25)	25 (8.77)	2 (2.98)	20 (5.5)	1 (0.83)		59 (100)
b)	7,501-15,000	49 (51.57)	43 (45.26)	1 (1.05)	2 (2.1)		95 (100)	39 (8)	59 (20.7)	7 (10.44)	70 (17.67)	14 (11.66)		189 (100)
c)	15,001-22,500	32 (45.71)	29 (41.42)	1 (1.42)	8 (11.42)		70 (100)	31 (6.36)	16 (5.65)	3 (4.5)	28 (7.07)	6 (5)		84 (100)
d)	22,501-30,000	98 (49.74)	85 (43.14)	4 (2.03)	10 (5.07)		197 (100)	109 (22.38)	96 (33.68)	30 (44.75)	127 (32.1)	45 (37.5)	3 (37.5)	410 (100)
e)	30,001-37,500	48 (60.75)	19 (24.05)	8 (10.12)	3 (3.8)	1 (1.26)	79 (100)	32 (6.57)	29 (10.17)	4 (5.6)	47 (11.9)	10 (8.33)	1 (12.5)	123 (100)
f)	37,501-75,000	162 (67.5)	23 (9.58)	36 (15)	19 (7.91)		240 (100)	188 (38.6)	42 (14.73)	14 (20.9)	66 (16.67)	31 (25.83)	1 (12.5)	342 (100)
g)	75,001-1,50,000	25 (23.8)	2 (1.9)	38 (36.2)	38 (36.19)	2 (1.9)	105 (100)	42 (8.62)	11 (3.85)	4 (5.9)	24 (6.06)	13 (10.83)		94 (100)
h)	Above 1,50,000	17 (7.35)	4 (1.73)	112 (48.48)	97 (42)	1 (0.43)	231 (100)	35 (7.18)	7 (2.45)	3 (4.5)	14 (3.53)		3 (37.5)	62 (100)

1.6) Distribution of investors on the basis of Periodicity investment in physical and financial Assets

Physical Assets								Financial Assets					
Sl. No.	Periodicity of investment	Govt. employee	Women Entrepreneur	Agriculturist	Professional	Business Class	Total	Govt. employee	Women Entrepreneur	Agriculturist	Professional	Business Class	Total
a)	Long term	58 (20.64)	40 (14.23)	60 (21.35)	58 (20.64)	65 (23.13)	281 (100)	58 (20.64)	40 (14.23)	60 (21.35)	58 (20.64)	65 (23.13)	281 (100)
b)	Medium term	18 (14.17)	2 (29.87)	8 (10.38)	9 (11.68)	26 (20.47)	127 (100)	18 (14.17)	2 (29.87)	8 (10.38)	9 (11.68)	26 (20.47)	127 (100)
c)	Very short term	10 (66.67)	1 (6.67)	4 (26.67)			15 (100)	10 (66.67)	1 (6.67)	4 (26.67)			15 (100)
d)	As per convenience	14 (18.18)	23 (29.87)				77 (100)	14 (18.18)	23 (29.87)				77 (100)

1.7) Distribution of investors on the basis of length investment in physical and financial Assets

Physical Assets								Financial Assets					
Sl. No.	Length of investment	Gold	Silver	Agriculture Land	Real estate	Others	Total	Bank Deposits	Post office Savings	Govt. Securities	Life Insurance Preferences	Corporate securities	Total
a)	Below 5 years	22 (15.82)	32 (23.03)	32 (23.03)	31 (22.3)	22 (15.82)	139 (100)	139 (28.83)	74 (27.71)	10 (20)	108 (26.5)	49 (33.56)	380 (100)
b)	6-10 years	8 (6.34)	28 (22.22)	24 (19.04)	25 (19.84)	41 (32.53)	126 (100)	139 (28.83)	78 (29.21)	23 (46)	101 (24.82)	57 (39.04)	408 (100)
c)	11-15 years	21 (33.87)	16 (25.8)	8 (12.9)	8 (12.9)	9 (14.51)	62 (100)	83 (17.21)	49 (18.35)	5 (10)	82 (20.15)	29 (19.9)	248 (100)
d)	16-20 years	19 (24.05)	9 (11.4)	14 (17.72)	21 (26.58)	16 (20.25)	79 (100)	85 (17.63)	44 (16.5)	10 (20)	76 (18.67)	8 (5.5)	223 (100)
e)	21-25 years	12 (25.53)	6 (12.76)	11 (23.4)	9 (19.14)	9 (19.14)	47 (100)	32 (6.63)	20 (7.5)	1 (0.2)	35 (8.6)	2 (1.4)	90 (100)
f)	More than 25 years.	3 (13.04)	9 (28.12)	11 (34.37)	6 (18.75)	3 (9.37)	32 (100)	4 (0.82)	2 (0.75)	1 (0.2)	5 (10.64)	1 (0.69)	13 (100)

