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Investment Behavior Of College Teachers

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Abstract: Financial investments are the commitments that are made by individuals with any financial and non - financial instruments for gaining a better and profitable return in future for a particular objective. Investment habit is an essential factor for capital structuring and the speedier development of an economy. The habit of individual financial planning and investment will indeed show signs of development. Today the area of investment is more dynamic than in the previous decade. From the available investment avenues one must select the appropriate one that they feels safer or good to invest. This research study is attempts to analyse the investment pattern of the college teachers and briefly examine how the college teachers manage their investment. It also aims to identify the reason behind making investment and to find their objective for making investment. It helps to find the behaviour of individuals while making investment decisions. Further this study helps to find the relationship of various demographic factors and other factors associated while making investment decisions.

Key Words: Investment Pattern, College Teachers, Preferred investment, Salary, Return, factors, investment decisions, investment avenues.

1. INTRODUCTION

Investment refers to the process of depositing money in different types of financial assets like stock, Bond, mutual fund, bank deposits, real estate, gold commodities etc. It is an important factor in economic growth. Investment behaviour is the way a person taking investment decisions. There are number of factors which influence investment decision. Objectives of investment, demographic factors, general economic factors, knowledge about financial instruments, ability to take risk etc. Being salaried employee, college teachers might have enough fund to invest in financial instruments. The study of investment behaviour of college teachers can provide information regarding the pattern of investment, and the factors that influence their investment decision. The study helps to understand the attitude of college teachers while taking investment decision, and the influence of qualification, knowledge etc. on investment decisions. The results of the study assist financial institutions in deciding their marketing strategy among college teachers. The findings will be helpful for government, financial institutions, etc. to promote financial literacy among college teachers.

2. STATEMENT OF PROBLEM

Investment plays an important role in the economy. Being salaried professional with stable income, college teachers have their own investment behaviour influenced by several personal and economic factors. Understanding investment behaviour of college teachers is essential to identify gaps, challenges and opportunities of their financial decisions. The study aims to identify the key factors which influence investment decision among college teachers, their financial awareness and suggest ways to enhance their decision. The findings will help government to make financial literacy programmes and financial institution to provide better investment avenues among college teachers.

3. LITERATURE REVIEW

AN EMPIRICAL STUDY ON THE SAVING AND INVESTMENT BEHAVIORAL PATTERNS OF ASSISTANT PROFESSORS IN PRIVATE COLLEGES IN CHENNAI- SELVA KUMAR P and Dr. GAYATHRI HARIKUMAR (2024): The study aims to financial planning and investment practices of assistant professors in private college in Chennai. An empirical study among 100 teachers conducted and the study results showed that teachers invested more to reduce risk and for their children's education.

STUDY ON INVESTMENT BEHAVIOUR OF COLLEGE TEACHERS WITH SPECIAL REFERENCE TO COIMBATORE CITY – K ARTHI AND DR.A R KANAKARAJ (2023): The study aimed at examining investment preferences and portfolio diversification and the factors that influence investment decisions. They studied 54 self- finance college teachers of Bharathiar University. The study found that there is a significant relationship between family type and satisfaction towards post office savings.

INVESTMENT BEHAVIOUR OF COLLEGE TEACHERS WITH SPECIAL REFERENCE TO GOVERNMENT AND PRIVATE COLLEGEIN DHARMAPURI DISTRICT A USHALAKSHMI AND DR K SELVINAYAGAM (2019): The study aimed to identify the saving and investment behaviour of college teachers and the saving options they use currently. The study found that both of government and private college teachers consider safety as the most important factor while investing.

FACTORS AFFECTING INVESTMENT BEHAVIOUR AMONG YOUNG PROFESSIONALS – MS LUBNA ANSARI AND MS SANA MOID (2013): The study at attempt to examine trading behaviour of 200 professionals of Lucknow. The study revealed that investment behaviour is influenced by age, income and gender.

SAVING AND INVESTMENT BEHAVIOUR OF TEACHERS – AN EMPIRICAL STUDY, DR ANATHAPADHMANABHA ACHAR (2012): The objective of the study is to analyse the savings and investment pattern and to determine the key determinants of savings and investment behaviour. 146 teachers from Udupi district are selected through stratified random sampling and questionnaire were given. The study found that age, income and gender are the main determinants of investment decision

4. OBJECTIVES

- To know the awareness of teachers on investment avenues.
- To identify the major investment avenues and investment patterns currently used by college teachers
- To identify the factors that influences the investment decisions.

5. RESEARCH METHOD

Descriptive study is used for this research. Primary data is collected by using questionnaire filled by 100 college teachers in Thrissur district. Secondary data is collected through magazines, journals and articles. Sampling technique used is convenient sampling. Percentage analysis and chi square test is used for the study.

6. THEORETICAL FRAMEWORK

Investment refers to allocation of money in various financial instruments for the purpose making profit. There are so many investment avenues available in the market. The use and selection of these depends on number of factors. The preference among this instruments is called investment behavior.

Types of investment

- Share
- Bond
- Deposits
- National and Post Office Schemes
- Real estate
- Gold and silver and Commodities
- Chit fund
- Treasury Bills
- Mutual Funds
- Provident Fund
- Life Insurance

Factors Influencing Investment Behavior

Personal factors

Age: Age is an important determinant of investment. Younger the age more will be investment. Older ones prefer stable investment

Education: Education level influences investment preferences

Income: Income is an important factor which determines investment decision

Financial literacy: Knowledge about financial instruments and financial market is a major factor which influence investment decision.

Social Factors

Socio Cultural: Customs, traditions etc. influence investment decision

Economic Factors

Inflation: Inflation situation may push investors towards real estate, gold etc.

Interest Rate: Higher interest rate discourage borrowing for investment. If the rate of interest for investment is high, investment will also be high

Market Condition: Financial market condition like bull and bear influence investment decision

Tax Policies: Favorable tax incentives encourage investment

Return: The return on investment helps investors to evaluate the profitability of investment.

Liquidity: Liquidity refers to ability convert asset into cash. It is important to assess the ability of an individual to meet short term obligation.

Maturity Period: It is a length of time an instrument reaches its due date and principal amount is repaid

Psychological Factors

Risk Tolerance: Ability to take risk influence investment decision

INVESTMENT BEHAVIOR OF COLLEGE TEACHERS

The preferences, selection and decision making process of college teachers in taking financial investment decision is called investment behavior. They have stable income, job security, financial literacy etc. Key determinants of investment decision of college teachers are income stability, saving habit, tax benefit, risk aversion, financial awareness, age and experience etc.

7. DATA ANALYSIS AND RESULTS

CHI SQUARE TEST

HYPOTHSEIS

H₀: There is no significant relationship between factors influencing investment decision and investment.

H₁: There is significant relationship between factors influencing investment decision and investment.

Table 1

Factors	Return	Liquidity	Risk	Maturity period	Availability of income	Total
Regularly	10	2	3	5	10	30
Often	5	1	2	8	9	25
Occasionally	8	0	1	3	8	20
Sometimes	10	1	2	1	1	15
Rarely	2	1	1	2	4	10
Total	35	5	9	19	32	100

Computation of expected frequency

$E = \text{row total} * \text{column total} / \text{grand total}$

Table 2

Row total * column total	Row total*column total/grand total	Expected frequency
30*35	1050/100	10.5
30*5	150/100	1.5
30*9	270/100	2.7
30*19	570/100	5.7
30*32	960/100	9.6
25*35	875/100	8.75
25*5	125/100	1.25
25*9	225/100	2.25
25*19	475/100	4.75
25*32	800/100	8.00
20*35	700/100	7.00
20*5	100/100	1.00
20*9	180/100	1.8
20*19	380/100	3.8
20*32	640/100	6.4
15*35	525/100	5.25
15*5	75/100	0.75
15*9	135/100	1.35
15*19	285/100	2.85

15*32	480/100	4.8
10*35	350/100	3.5
10*5	50/100	0.50
10*9	90/100	0.9
10*19	190/100	1.9
10*32	320/100	3.2

CHI SQUARE TEST

Table 3

OBSERVED FREQUENCY	EXPECTED FREQUENCY	$(O - E)^2$	$(O - E)^2/E$
10	10.5	0.25	1.023
2	1.5	0.25	0.167
3	2.7	0.09	2.033
5	5.7	0.49	0.086
10	9.6	0.16	2.017
5	8.75	14.06	1.607
1	1.25	0.06	0.050
2	2.25	0.06	1.028
8	4.75	10.56	2.223
9	8.00	1.00	2.125
8	7.00	1.00	0.143
0	1.00	1.00	1.000
1	1.8	0.64	0.356
3	3.8	0.64	0.168
8	6.4	2.56	1.400
10	5.25	22.56	4.298
1	0.75	0.06	0.083
2	1.35	0.42	0.313
1	2.85	3.42	2.201
1	4.8	14.44	3.008
2	3.5	2.25	1.643
1	0.5	0.25	0.500
1	0.9	0.01	0.011
2	1.9	0.01	2.005
4	3.2	0.64	0.200
Total			29.688

Degree of freedom = (r-1) (c-1)

$$= (5-1) (5-1)$$

$$= 4*4$$

$$= 9$$

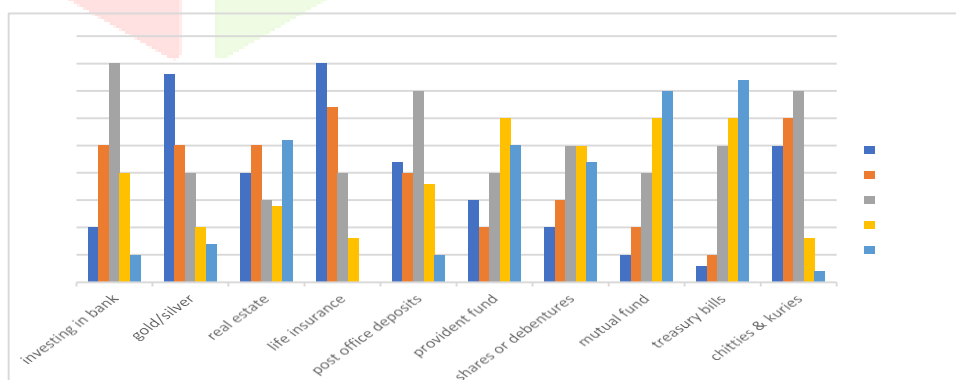
Level of significance at 5%, (0.05) Table value = 26.296

Interpretation: As the table value (26.296) is less than the calculated value (29.688). H_0 is rejected and H_1 is accepted. There is significant relationship between factors influencing investment decisions and investment.

Table 4

Table And Chart Showing Percentage Analysis of awareness level

Investment Avenues	Very high	high	average	low	Very low
Investing in bank	10	25	40	20	5
Gold/silver	38	25	20	10	7
Real estate	20	25	15	14	26
Life insurance	40	32	20	8	0
Post office deposits	22	20	35	18	5
Provident fund	15	10	20	30	25
Shares or Debentures	10	15	25	28	22
Mutual fund	5	10	20	30	35
Treasury bill	3	5	25	30	37
Chitties & kuries	25	30	35	8	2



Interpretation: The above table shoes that, 40% of respondents are very highly aware about life insurance only 3% are very high aware about treasury bill. 37% shows very lowest awareness level about treasury bill.

Table 5 Table Showing Preferences Of Investment Avenues

Investment avenues	No. of respondents	Percentage
Investing in bank	32	32%
Gold/silver	18	18%
Real estate	5	5%
Life insurance	10	10%
Post office deposits	11	11%
Provident fund	5	5%
Shares & debentures	3	3%
Mutual fund	1	1%
Treasury bill	0	0%
Chitties & kuries	15	15%
total	100	100%

Interpretation: The above table shows that out of 100 respondents 32% of investors prefer to invest their money in bank account. 18% of investors invest their gold/silver and 15% of investors invest chitties and kuries. 11% and 10% of investors invest their money in post office deposits and life insurance respectively. None of the respondents are invested in treasury bill.

9. SUGGESTIONS

As the score obtained for the level of awareness of the Respondents about shares & Debentures, Mutual Fund, Treasury Bill etc. is less. It reveals that the teacher's knowledge about various innovative and new generation investment avenues are very low. So that they could update their knowledge about new investments. Investments like mutual fund, share and debentures are not well preferred. So that companies or agencies related to investments like mutual fund, share and debentures etc. should reduce complexities and give awareness class to enhance knowledge level.

10. CONCLUSION

The study of investment behavior of college teachers provides valuable insights into the factors influencing investment decisions and awareness about investment avenues. It is concluded that the factors influencing investment decision have an important role in shaping investment decision. College teachers tend to prefer low risk investment like bank deposits, life insurance. Despite of being qualified teachers, they are less aware about high risk financial instruments like treasury bills, share, bond, mutual fund.

11. LIMITATIONS

The study was confined to limited geographical area that is Thrissur district. Only 100 samples are used for the study. This might not be a true representation of entire population. The respondent's bias is another limitation.

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