



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

“A Study On Investment Preference Of Salaried Individual Toward Different Investment Avenues With Reference To Vapi And Vadodara City”

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Abstract: In today's time one cannot depend on their salary for the rest of their life everyone needs to save for their future goals and objective which they wants to achieve. Everyone has their own needs and wants to fulfill that one needs money whether it is personal objective or financial objective. This study focuses on an investment preference of a salaried individual while investing in different investment avenues what they think while investing what are their perception towards different factors. the sample were drawn from Vadodara and Vapi equally.

Index Terms :- investment, Perception, investment avenues, awareness, Vapi, Vadodara, factor affecting investment

I. INTRODUCTION

In current economic scenario every individual need fund for their needs and wants to achieve that wants they need money but it is not possible to get everything with that limited salary so the individual invests in various investment avenues such as precious metals, fixed deposit, mutual funds, share market, real estate, bonds, life insurance, crypto currency, forex market. Individuals' investment avenues differ from each other on the basis of the level of awareness, risk, return on investments, liquidity, volatility. Investor who are not expert they rely on advices the major advices are received from friends and family, media, newspaper financial planner, financial application, magazines and journals..

II. LITERATURE REVIEW

1. (Shukla, 2016) Author attempted this research paper, about investor's preference towards investment avenues and the study focused on the salaried person only. Both primary and secondary data sources are used. The author concluded that there was no significant difference in investment based on the gender and qualification and they invested in purchasing home and long-term investment. Respondents have the criteria of investment as safety and low risk.

2. (KANAGARAJ, N.PRIYANANDHINI., & R.VENKATESAN, 2014) A Study on Perception of Women Investors towards Investments explored that the impact of the level of awareness among the women investors about various features about investment and ascertains the investment pattern and factors influencing investment decision of the women investors. Author indicated there, various investments opening available, majority of the women investors' only preferred chit funds, insurance, and bank deposits so, open exposure must give about the feature of the investments

3. (DAS & JAIN, 2014) A study on the influence of demographical variables on the factors of investment, this paper focused on the relationship between the four demographic variables age, gender, education and occupation with the four most important aims of investment such as risk, return, retirement and tax which influences on buying behaviors of the investors. Concluded that underscores the fact that demographic variables indeed play a vital role on the approach of the investor society which motivated by age and educational skill

4. (Bhushan Puneet & Medury Yajulu, 2012), this paper observed that most of the investment were made by working adults of the age group 31-40 years. The individual who earns between 10 to 15 lakhs prefer investing more in avenues who offer high return and are riskier. where adult prefer safe investments. Males prefer mutual funds and life insurance whereas female prefers recurring deposit and market investment. The government employees tend to invest in safe avenues whereas private employees prefer the avenues who offer high return and are riskier, married employees goes with safe investment whereas unmarried prefer avenues who offer high return and are more risky. But at the end it was concluded that investment preferences are not affected by age, gender, income, marital status and employment status

5. (Atul Vijay Bhavé & Gaurav Gautam Pawar, 2022) The study was carried out in Ratnagiri, Maharashtra to analyze the awareness and perception of individual investors towards the selected investment avenues. 63.8% of investors have moderate level of awareness about different investment avenues. The study found that, there is no significant difference between investment awareness index of male and female investors. Majority of investors made investments for earning regular return and for creation of wealth.

III. OBJECTIVE OF THE STUDY:

- To study the preference of salaried individual for different investment avenues
- To study the impact of gender, age, risk associated with avenues, annual income, employment status, location on investment avenues toward the preference
- To analyze several investments avenues, present in the market.

Hypothesis

There is no significant difference between (1) gender (2) location with the level of awareness towards different investment avenues

There is no significant difference between (3) age (4) type of organization the work with perception towards factor while investing

Research methodology

3.1 Population and Sample

Population size is all the salaried individual from Vadodara and Vapi city who invest in different investment avenues and sample size is distributed equally (i.e:50 from Vadodara and 50 from Vapi) among both the city.

3.2 Data and Sources of Data

For this study primary and secondary data both has been collected. Primary data was collected with the help of google forms and secondary data from various website

3.3 Statistical tools and econometric models

3. SPSS 20

SPSS 20 was used for finding the value and results of level of significance in the hypothesis and the result are being analyzed using T-test and ANOVA test.

IV. RESULTS AND DISCUSSION

4.1 Data analysis and interpretation:

Table 1:demographic data

Total number of sample n		100
Demographic variables	Character	Frequency
Gender	Male	63
	Female	37
Age	20-30	57
	30-40	17
	40-50	20
	50-60	6
Marital status	Single	52
	Married	48
organization (employee of)	Private	72
	Government	28
Qualification	Graduate	42
	Post-Graduate	54
	Other	4
Annual income	Below ₹ 2,00,000	13
	₹ 2,00,000-₹ 3,99,999	27
	₹ 4,00,000-₹ 5,99,999	35
	₹ 6,00,000-₹ 7,99,999	16
	₹ 8,00,000 and above	9

Demographic summary:

By table 1 we can interpret that the total number of response were 100 out of which 63 were male and 37 were female; in age category the response were categorized in 4 category, there was 57 response by the age of 20 to 30 ,17 by 30 to 40, 20 by 40 to 50, 6 by 50 to 60, so we can say that most of the responses were from the category of 20 to 30 years age; out of the total responses 52 were single and 48 were married; out of 100 responses most of the responses (i.e. 72) work with private firms and other works with government organizations; out of 100 responses 54 were post graduate, 42 were graduate and 4 responses were from other category; the annual income was again categorized in 5 category, 13 responses in below Rs 2,00,000 , 27 responses in Rs 2,00,000 to Rs 3,99,999 , 35 responses in Rs 4,00,000 to Rs 5,99,999 , 16 responses in Rs 6,00,000 to Rs 7,99,999 and 9 responses in Rs 8,00,000 and above.

- Preferred investment avenues from the respondents on the basis of rank received while survey:**

While asked to give rank to the investment avenues without replacements most respondents ranked fixed deposit at 1st followed by gold & silver followed by share market, mutual funds, real assets, life insurance, bonds, crypto, forex.

- Source of advice of the respondents / investors:**

Most of the respondent's source of advice was from friends and family (54) and followed by Internet (45) and financial planner (38), financial applications (30), Media (24), newspaper and journal & magazines (15)

- Most preferred objective of investors while investing in any investment avenues**

In the study it was found that the most preferred objective of investment was capital growth (55) which is more than 50% of the total respondent followed by saving for emergency (17), New house (9), Tax benefits (7), children's education (6), retirement (4), children's marriage (2)

Testing of hypothesis:

H1: There is significant difference between awareness of the investment avenues & gender

Table 2: t test

		t-test for Equality of Means					
		t	df	P value Sig. (2-tailed)	Mean Difference	Std. Error Difference	Results of H1
Average awareness of investment avenues	Equal variances assumed	.810	98	.420	1.1877	1.46576	Rejected
Awareness of Fixed deposits	Equal variances assumed	.863	98	.390	.259	.300	Rejected
Awareness of Gold	Equal variances assumed	.248	98	.805	.067	.270	Rejected
Awareness of Real estate	Equal variances assumed	1.33	98	.186	.337	.253	Rejected
Awareness of share market	Equal variances assumed	2.00	98	.047	.472	.235	Accepted
Awareness of mutual funds	Equal variances assumed	.248	98	.805	.057	.232	Rejected
Awareness of bonds	Equal variances assumed	-1.01	98	.314	-.272	.269	Rejected
Awareness of Life insurance	Equal variances assumed	.124	98	.901	.032	.259	Rejected
Awareness Crypto currency	Equal variances assumed	.889	98	.376	.266	.299	Rejected
Awareness Forex market	Equal variances assumed	-.880	98	.381	-.279	.317	Rejected

While finding the level of awareness of different investment avenues in genders by **t-test using SPSS 20** we get to know that there was **no significant difference**(as **P value** was **> 0.05**) in the average awareness level of all investment avenues in **male and female** and while cross verifying that it was found that there was **no significant difference** awareness level of **Fixed Deposits, Gold & Silver, Real estate, Bonds, Life insurance, Crypto currency, Forex market** with gender as the **P value** was **> 0.05** in all the mentioned cases but we found that **there was significant difference** between the level of awareness level of **Share market and gender**. In the case of shar market it was found **more male (Mean: 3.80)** were aware the female (Mean: 3.43), but in general it can be said that the average awareness level of male and female are equal.

H2: There is significant difference between awareness of the investment avenues & locations (smart city & regular city)

Table 3: t-test

		t-test for Equality of Means					
		t	df	P value Sig. (2- tailed	Mean Differ ence	Std. Erro r Diff eren ce	Resul t of H2
Awareness of Fixed deposit	Equal variances assumed	0.000	98	1.000	0.000	.291	Rejected
Awareness of Gold	Equal variances assumed	.461	98	.646	.120	.260	Rejected
Awareness of Real estate	Equal variances assumed	.162	98	.872	.040	.247	Rejected
Awareness of share market	Equal variances assumed	-.953	98	.343	-.220	.231	Rejected
Awareness of mutual funds	Equal variances assumed	.717	98	.475	.160	.223	Rejected
Awareness of bonds	Equal variances assumed	.153	98	.878	.040	.261	Rejected
Awareness of Life insurance	Equal variances assumed	-.080	98	.936	-.020	.250	Rejected
Awareness Crypto currency	Equal variances assumed	-.207	98	.836	-.060	.289	Rejected
Awareness Forex market	Equal variances assumed	-1.914	98	.059	-.580	.303	Rejected
Average awareness of investment avenues	Equal variances assumed	-.003	98	.998	-.0044	1.41	Rejected

While finding the level of awareness of different investment avenues with location as Vadodara is Smart city and Vapi is regular city or we can say it is still developing city by **t-test using SPSS 20** we get to know that there was **no significant difference**(as **P value** was **> 0.05**) in the average awareness level of all investment avenues in investors of Vadodara and Vapi city and while cross verifying that it was found that there was **no significant difference** awareness level of **Fixed Deposits, Gold & Silver, Real estate, Share market Bonds, Life insurance, Crypto currency, Forex market** with gender as the **P value** was **> 0.05** in all the mentioned cases.

H3: There is significant difference between perception towards factor consideration while investing & age

Table 3:ANOVA test

ANOVA TEST OF PERCEPTION TOWARD FACTORS CONSIDERATION AND AGE							
Considered factor		Sum of Squares	df	Mean Square	F	P value Sig.	RESULTS OF H1
Risk during investment	Between Groups	34.267	3	11.422	8.659	.000	Accepted
Return on investment	Between Groups	17.635	3	5.878	5.773	.001	Accepted
Investment period	Between Groups	15.161	3	5.054	4.472	.006	Rejected
Liquidity	Between Groups	5.363	3	1.788	1.053	.373	Rejected
Taxation	Between Groups	1.887	3	.629	.294	.830	Rejected
Inflation	Between Groups	6.015	3	2.005	.930	.429	Rejected
Volatility	Between Groups	1.376	3	.459	.210	.889	Rejected

While analyzing the factors they consider while investing we get to know that out of 7 factors in 2 factor there was significant difference in the perception towards factor consideration and age; the factor were Risk factor considered during investment, consider return on investment ,as there results of P value were < 0.05 , so the H_1 got accepted and in all the other 5 cases there was no significant difference in the perception towards factor consideration and age as the results P value were > 0.05 those factor were Consideration of investment period, consider liquidity, consider taxation, consider inflation, consider volatility.

H4: There is significant difference between perception towards factor while investing & type of organization they work

Table 4 t-test

Considered Factors		t-test for Equality of Means					
		t	df	Sig.2-tailed	Mean Difference	Std. Error Difference	Results of H1
risk factor	Equal variances assumed	-1.613	98	.110	-.454	.282	Rejected
return on investment	Equal variances assumed	-1.308	98	.194	.31349	.23959	Rejected
investment period	Equal variances assumed	.262	98	.794	.06548	.25007	Rejected
liquidity	Equal variances assumed	-.211	98	.834	-.06151	.29185	Rejected

Taxation	Equal variances assumed	.509	98	.612	.16468	.32357	Rejected
Inflation	Equal variances assumed	-.109	98	.914	-.03571	.32832	Rejected
Volatility	Equal variances assumed	-.091	98	.928	.02976	.32679	Rejected

By using the t-test in spss20 we found that there was no such significant difference between the perception towards factor while investing and type organization they work (Government & private).as the results (P value) were >0.05 so the H_1 got rejected in every factors.

Findings:

By the whole study the follow were the findings based on 100 responses which were collected from Vadodara and Vapi on equal sample size of 50 from each city:

1. Demographic findings: The ratio of male were more than female investors; most of the investors belongs from 20 – 30 years category (57) followed by 40 – 50 years category (20); in marital status there were 52 single and 48 were married, out of 100 investors 72 were working for the private organization and 28 were working for government organization; most of the respondents were post graduate(52) followed by graduates(42) and 4 were from 10th 12th and under graduates; if respondents were classified on the bases of salary most of them were earning Rs 4,00,000 to Rs 5,99,999 (35) followed by Rs 2,00,000 to Rs 3,99,999 (27)
2. We have found that most of the respondents were aware about all the investment avenues which were asked in the survey and there was no significant difference between awareness of male and female expect in the case of share market in which male (**Mean: 3.80**) were more aware than female (**Mean: 3.43**), when we have compared awareness between the location (i.e. Vadodara city and Vapi city) we have found that there was no significant difference between awareness of both the cities.
3. It was found that most of the respondents had ranked fixed deposit as their 1st preference which was followed by gold & silver and least rank were appointed to forex market, crypto market and Bonds.
4. It was found that most of the respondents were taking advice from friends and family (54) followed by internet (45), financial planner (38), financial application (30), Media (24), and the least respondents were dependent on newspapers and journals & magazine's (15 each)
5. By the study it was found that most of the investor's most preferred objective was capital growth followed by saving funds for emergency, new house for achieving their objective most of the respondents / investors were investing 11 to 15 % (47) of their annual salary followed by 5 to 10 % (38) and 16 to 20 % (14) and only 1 in more than 20 %
6. In the study it was found that there was no significant difference between the perception toward factor consideration and gender but while applying test for the significancy between perception towards factor consideration it was found that there was significant difference between perception towards factor consideration and age by the tables we have found that by the increase in the age, the capacity towards risk taking and factor of return on investment changes as both have direct inverse relationship the more the risk the more the return it is also called risk premium.

Conclusion: With the help of study, we can conclude that there was no significant difference between average awareness of different investment avenues between (1) both male and female (2)location , and there is significant difference in factor considered and age. While considering the organization where they work there was no significant difference between location and perception towards factor they consider while investing.

V. ACKNOWLEDGMENT

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