



ANALYTICAL STUDY OF INVESTMENT AWARENESS AND PLANNING AMONG INDIVIDUALS

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Abstract: The nature of financial market is rapidly changing in the current days. Investing money has become a complex task because of the products offered by the different investment companies and their terms and conditions of the investment. Investment is an economic activity which creates capital required for leading a comfortable life. So every individual should be motivated to save and invest his/her money. The research paper titled "Analytical study of investment awareness and planning among individuals is an inclusive study about the preferences given by the individuals to various avenues of investment. The objective behind the title is that the individuals are influenced through many ways with regards to their investment decision, but it is necessary to understand the factors influencing their decision. This study will further help in understanding the level of investment awareness among the individuals. Hence, a convenient sample of 72 individuals were personally interviewed based on a structured questionnaire for the study.

Index Terms - Investment decision, Investment and savings, Investment awareness.

I. INTRODUCTION

An investment is an asset or item acquired with the goal of generating income or appreciation. For investing, planning is a must and should involve deciding beforehand, what is to be done, when it is to be done, how and who is going to do it, it is an intellectual process which lays down an organizations' objectives and develop various control of action.

The allocation of resources with the goal of achieving increased income or capital value growth is referred to as investment. Investment is a fascinating activity that appeals to individuals of works of life, regardless of their employment, education, or social standing.

Investment is traditionally defined as the "commitment of resources to achieve later benefits". If an investment involves money, then it can be defined as a "commitment of money to receive more money later". From a broader viewpoint, an investment can be defined as "to tailor the pattern of expenditure and receipt of resources

to optimize the desirable patterns of these flows". When expenditure and receipts are defined in terms of money, then the net monetary receipt in a time period is termed as cash flow, while money received in a series of several time periods is termed as cash flow stream.

In finance, the purpose of investing is to generate a return from the invested asset. The return may consist of a gain (profit) or a loss realized from the sale of a property or an investment, unrealized capital appreciation (or depreciation), or investment income such as dividends, interest, or rental income, or a combination of capital gain and income. The return may also include currency gains or losses due to changes in the foreign currency exchange rates.

Investors generally expect higher returns from riskier investments. When a low-risk investment is made, the return is also generally low. Similarly, high risk comes with a chance of high losses.

The commitment of many to buy assets that are intended to return a profit over time is referred to as a financial investment. If a person has more money than she or he requires, she or he can put it in a bank account to earn a set rate of interest, buy gold, buy stocks or invest in any other investment. Investment has a different meaning in the financial sense than it does in the economic sense. It refers to the net additions to the economy's capital stock which is made up of products and service that are utilized to produce additional goods and service.

History

In the medieval Islamic world, the qirad was a major financial instrument. This was an arrangement between one or more investors and an agent where the investors entrusted capital to an agent who then traded with it in hopes of making a profit. Both parties then received a previously settled portion of the profit, though the agent was not liable for any losses. Many will notice that the qirad is similar to the institution of the commend later used in Western Europe, though whether the quad transformed into the commend or the two institutions evolved independently cannot be stated with certainty.

In the early 1900s, purchasers of stocks, bonds, and other securities were described in media, academia, and commerce as speculators. Since the Wall Street crash of 1929, and particularly by the 1950s, the term investment had come to denote the more conservative end of the securities spectrum, while speculation was applied by financial brokers and their advertising agencies to higher risk securities much in vogue at that time. Since the last half of the 20th century, the terms speculation and speculator have specifically referred to higher risk ventures.

In general investing is thought to have a low risk profit and is limited to route where the man is severe. "Speculation" is defined as the investment of high risk money. The list of securities for example: labels and promotes stocks for investment and trading individually.

The investors ultimate goal is to choose a selection of assets that match her or his risk and project return preference. The investor will choose a portfolio that maximizes her or his utility. Here are a few investment avenues:

- **Stock market:** It refers to several exchanges in which shares of publicly held companies are bought and sold. Such financial activities are conducted through formal exchanges and via over-the-counter (OTC) marketplaces that operate under a defined set of regulations.

- **Mutual funds:** A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio.
- **Bank deposit** -Bank deposits are a savings product that customers can use to hold an amount of money at a bank for a specified length of time. In return, the financial institution will pay the customer the relevant amount of interest, based on how much they choose to deposit and for how long.
- **Bonds**-A bond is a debt security, similar to an IOU. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time. When you buy a bond, you are lending to the issuer, which may be a government, municipality, or corporation.
- **PPF:** The "PPF" in full form in banking, stands for Public Provident Fund, a popular long-term savings and investment instrument in India. This government-backed scheme enables individuals to build a secure retirement corpus or meet other financial goals while enjoying tax benefits under Section 80C.
- **Commercial Paper:** Commercial paper is a form of unsecured, short-term debt. It's commonly issued by companies to finance their payrolls, payables, inventories, and other short-term liabilities. Maturities on commercial paper range from one to 270 days, with an average of around 30 days.
- **Treasury Bills** - Treasury Bill is a money market instrument is issued by the Government of India. The bill is issued as a promissory note of repayment in the future. The purpose of a treasury note is to secure funds to meet the short-term fund requirements of the government.

II. REVIEW OF LITERATURE

- **(Zainal Azhar, 2017)** The study aims at examining the financial literacy and investment awareness among young generation. This study concludes that the awareness among youngsters is influenced by personal interest and financial literacy. The research paper was based on primary data smart PLS 3.0 is the method used to analyze the data here.
- **(Lokhande, 2016)** The objective of the study was to understand and make some suggestions to enhance investment awareness among rural people. The study discloses that the rural investors emphasize more on safety and liquidity than the returns. The study was based on primary and secondary data considering 300 sample respondents ANOVA was the method used in the research.
- **(Niranjan Kulkarni, 2022)** The purpose of the study is general financial awareness and awareness of the financial planning among generation Z. The study concludes that generation Z are financially focused and fast adopters of technology all support them awareness of general finance and more over financial planning. The data was collected from generation Z students through a survey questionnaire.
- **(Rentala, 2018)** The objective of the study is to understand the investment done by the individual investors and also to test the interdependence of various attributes of investment. The study confirms that financial planning is dependence on the educational qualification and also in the age factors. The data collected from this study is taken from primary and secondary source. This type of study consists of a questionnaire of 18 questions prepared with multiple options to choice.

- **(Tolawala, 2022)** To identify the awareness about wealth management among individuals and to analyze the percentage up to which individuals is ready to save at how much risk. The primary data are collected for the survey through questionnaire, the research design used in descriptive design. People do not know the real meaning of wealth management where as they think it is for a financial planning, and many of the people are aware of it and till they lack proper knowledge about it.
- **(Dr., 2020)** To find out the problem that is faced by investors and studies the concept of investment awareness among salaried employees. It covers various secondary sources such as internet website magazines etc. The decision on individuals is not based on one particular factors else it is based more than one factor, the study can be enhanced with a in dept. levels of awareness among investors towards various investments.
- **(Mr. Gajanan Nerkar, 2021)** The objective of this study is to know the investor's awareness and also the factors affecting the selection types of investment. In today's world investment awareness and products are continuously changing so, if investors are not aware about this they are going to suffer huge loss. To collect data investors were selected by preparing questionnaire for studying the saving habits and investment pattern of salaried class people at Pune.
- **(Dr.R.Ganapathi, 2014)** The main objective of the study is to know the awareness of investment, and also to identify the factors of investors towards investment. The study found that the public are well aware of capital market but not the capital market investment, so the stock broking company should create knowledge guide and focus on illiterate people and also provide appropriate schemes to customer. The present study is based on primary and secondary.

III. SCOPE OF THE STUDY

The primary motivation for an individual to invest is to alter his consumption pattern in order to achieve higher levels of consumption in the future. The essential quality of an investment is that it involves waiting for a reward. The commitment of resources are saved or put away from the current consumption in the hope that some benefits will occur in future. The study is confined to people of all age groups residing in Bangalore city. The focus of the study was on understanding the preferences of the individuals with regard to investment avenues, the factors influencing their investment decision and the investment awareness level.

IV. OBJECTIVES OF THE STUDY

- To know the level of awareness on investment among the individuals.
- To study the individuals preferences and level of satisfaction towards their investment.
- To analyze the factors influencing the investment.

V. METHODOLOGY

The present study is based on both primary and secondary data. The primary data were collected from people of all the age groups through a questionnaire. The information was collected from 72 members from Bangalore city. The secondary data was collected from books and journals. The researchers have followed sampling method for research work. The descriptive and convenient sampling method is used for collecting the data from the investors. After the collection of data, the filled up interview was edited properly and tables were prepared to sum up all the information. The study analyzed the data using frequency and percentage analysis.

VI. DATA ANALYSIS AND INTERPRETATION

The data collected from various respondents to analyze and interpret the conclusion. The data collected is presented in the form of tables. A brief description of analyses and interpretation are given below:

Table 1: Investment awareness and planning on the basis of Gender.

Sl. No	Gender	No. of respondents	Percentage
1	Male	39	54.1
2	Female	33	45.9
Total		72	100

(Source: Primary data)

Interpretation:

As per above table, it can be observed that, among all the respondents the level of investment awareness and planning is 54.1% respondents are male and 45.9% respondents are female.

Table 2: Investment awareness and planning on the basis of Age.

Sl. No	Age	No. of respondents	Percentage
1	<25	66	91.6
2	26-30	2	2.7
3	31-40	2	2.7
4	41-50	2	2.7
Total		72	100

(Source: Primary data)

Interpretation:

As per above table, it can be observed that, among all the respondents the level of investment awareness and planning is 91.6% respondents are below 25 years of age group, 2.7% belongs to 26-30 years of age group, 2.7% belongs to 31-40 years of age group, 2.7% of the respondents fall in 41-50 years of age group.

Table 3: Investment awareness and planning on the basis of Education Qualification.

Sl. NO	Education Qualification	No. of respondents	Percentage
1	Up to SSLC/PUC	5	6.9
2	Under Graduate	49	68.1
3	Post Graduate	13	18.1
4	Professional	5	6.9
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it can be observed that, among all the respondents the level of investment awareness and planning is 6.9% respondents are up to SSLC/PUC, 68.1% are undergraduate, 18.1% are postgraduate, 6.9% are professional.

Table 4: Investment awareness and planning on the basis of Occupation.

Sl. No	Occupation	NO. of respondents	Percentage
1	Student	53	73.6
2	MNC	7	9.7
3	Teacher	2	2.7
4	Profession	2	2.7
5	Others	8	11.1
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it is observed that among all the respondent , the level of investment awareness and planning is 73.6% respondents are students, 9.7% are MNC , 2.7% respondents are teachers, 2.6% are professions and 11.1% are others.

Table 5: Investment awareness and planning on the basis of Marital Status.

Sl. No	Marital status	No. of respondents	Percentage
1	Married	4	5.6
2	Unmarried	68	94.4
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it is observed that among all the respondents , 94.4% respondent are unmarried and 5.6% are married.

Table 6: Investment awareness and planning on the basis Annual Income

Sl. No	Annual income	No. of respondents	Percentage
1	Up to 3 lakhs	57	79.2
2	3 lakhs to 7 lakhs	6	8.3
3	7 lakhs to 10 lakhs	2	2.7
4	Above 10 lakhs	7	9.7
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it is observed that among all the respondents , the level of investment awareness and planning is 79.2% respondent have annual income up to 3 lakhs, 8.3% respondent are of 3 lakhs to 7 lakhs, 2.7% respondent are of 7 lakhs to 10 lakhs and 9.7% are above 10 lakhs of annual income.

Table 7: Investment awareness and planning on the basis Annual Savings

Sl. No	Annual savings	No. of respondents	Percentage
1	Below 1 lakh	57	79.2
2	1 lakh to 2 lakhs	5	6.9
3	2 lakhs to 3 lakhs	3	4.1
4	Above 3 lakhs	7	9.7
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it is observed that among all the respondent , the level of investment awareness and planning is 79.2% respondent is below 1 lakh, 6.9% respondent is 1 lakh to 2 lakh, 4.1% is w lakh to 3 lakh and 9.7% respondent is above 3 lakh.

Table 8: Awareness of saving and investment concept.

Sl. No	Awareness	No. of respondents	Percentage
1	Aware	30	41.7
2	Slightly aware	11	15.3
3	Well aware	16	22.2
4	Partially aware	7	9.7
5	Not aware	8	11.1
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it is observed that among all the respondent , 22.3% respondent are well aware of saving and investment concept, 41.7% are just aware about the concept where as 15.3% respondent are slightly aware, 9.7% are partially aware and 11.1% respondents are not aware about the investment concept.

Table 9: Investment awareness and planning on the basis of timely investment.

Sl. No	Period	No. of respondents	Percentage
1	Monthly	38	52.8
2	Quarterly	16	22.2
3	Half-yearly	7	9.7
4	Yearly	11	15.3
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, it is observed that among all the respondent , 52.8% of the respondent invest on monthly, 22.2% respondent invest quarterly, 9.7% of the respondent invest half yearly and 15.3% respondent invest yearly.

Table 10: Investment avenues preferences of the respondents.

Sl. No	Response	No. of respondents	Percentage
1	Stock market	27	37.5
2	Precious stones, gold or silver	24	33.3
3	Mutual funds	17	23.6
4	Bank deposits	34	47.2
5	Bonds	10	13.9
6	Public provident funds	7	9.7
7	Commercial paper	2	2.8
8	Treasury bills	4	5.6

(Source: Primary data)

Interpretation:

From the above table, it is known that 47.2% of the respondents prefer to choose bank deposit as to invest. They also choose stock market, mutual funds, Precious stones, golds or silver to invest. They even like to prefer bond, public provident funds but the respondents have least interest on treasury bills and Commercial paper (ie.5.6% and 2.8%).

Table 11: Satisfaction level of individual investment decisions.

Sl. No	Response	No. of respondents	Percentage
1	Highly satisfied	16	22.2
2	Moderately satisfied	42	58.3
3	Not satisfied	14	19.4
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, we can observed that among all the respondents 22.2% respondents are highly satisfied on making investment decision, 58.3% of the respondents are moderately satisfied and lastly 19.4% respondents are not satisfied in individual investment decisions.

Table 12: Investment planning on the basis of objectives.

Sl. No	Response	No. of respondents	Percentage
1	Future purpose	51	70.8
2	Wealth Creation	19	26.4
3	Tax saving	13	18.1
4	Secure retirement life	12	16.7
5	Emergency expenses	26	36.1
6	Get lump sum money when needed	15	20.8

*(Source: Primary data)***Interpretation:**

From the above table, it is observed that the most of the respondents choose future purpose and emergency expenses as their main objective behind their investment (i.e. 70.8% and 36.1%). Whereas they even choose wealth creation, getting lump sum money as one of their objectives. Tax saving and secure retirement life are considered as the least objective of the respondents for investment.

Table 13: Whose advice do the respondents take while choosing Investment avenues

Sl. No	Source	No. of respondents	Percentage
1	Local brokers	12	16.7
2	Magazines and newspapers	11	15.3
3	CA	9	12.5
4	Advertisements, bill boards and bit notices	10	13.9
5	Banks	27	37.5
6	Own decision	32	44.4
7	Investment journals	5	6.9
8	Family, friends, others	27	37.5

*(Source: Primary data)***Interpretation:**

From the above table, the respondents choose investment avenues from various sources in which most of the respondents take their own decisions and also like to take advice from Banks (i.e. 44.4% and 37.5%). However, 37.5% of the respondents were influenced by their family and friends. They even take advices from local brokers, CA, Advertisements, Magazines and newspapers.

Table 14: Factors considered by the respondents for choosing the Investment avenues

Sl. No	Response	No. of respondents	Percentage
1	Emergency need	34	47.2
2	Regular returns	20	27.8
3	Security for the family	33	45.8
4	Prestige value	5	6.9
5	Time period	16	22.2
6	Risk tolerance	13	18.1
7	Acquisition of wealth	7	9.7

*(Source: Primary data)***Interpretation:**

From the above table, it is observed that the main factors that influence the respondents investment decision are Emergency need and security for the family (ie.47.2% and 45.8%). Where as, Regular terms , time period and risk tolerance are considered as the factors in which the respondents can invest. Prestige vale and acquisitions of wealth are considered as least factors while making an investment.

Table 15: Level of risk the respondents are ready to undertake for their investment avenues.

Sl. No	Response	No. of respondents	Percentage
1	High risk	12	16.7
2	Moderate risk	47	65.3
3	Low risk	13	18.1
Total		72	100

(Source: Primary data)

Interpretation:

From the above table, out of all the respondents 16.7% of the respondents are ready to undertake high risk 65.3% of the respondents are ready to undertake Moderate risk and 18.1% of the respondents are ready to undertake low risk for their investment avenues.

VII. FINDINGS OF THE STUDY

From the above data analysis and interpretation, following are the findings of the study:

- Majority of the respondents on investment awareness and planning on the basis of gender is male i.e.54.1%.
- Most of the respondents on investment awareness and planning falls in the age group of <25 years i.e. 91.6%
- Most of the respondents (i.e. 68.1%) are under graduates of having investment awareness and planning on the basis of education qualification.
- Most of the respondents (i.e. 73.6%) are students of having investment awareness and planning on the basis of occupation.
- Among all the respondents, majority of the respondents 58.3% are moderately satisfied on their investment decisions.
- Majority of the respondents prefer to invest in bank deposits. Bank deposits is found to be most preferred choice for investment over other investment preferences like stock market, bonds, mutual funds, etc.
- According to the results, emergency needs and security for the family influence the individuals' to choose the investment avenues.
- Most of the investors take the advice of their family, friends and banks, as they are the most trusted ones. The respondents have also taken their own decision for investing.

VIII. CONCLUSION

Investment awareness level and preferences of the investors, the socio- economic characteristics of respondents under study were age, education, marital status, occupation, income, savings and factors. While making any investment, avenues are important but method of investment is important too. Education has a very important role in creating awareness regarding investment planning. From this research, we found out that the young generation (< 25 age) seems to be more interested in investment planning as the awareness among them is higher.

The major findings of the study is that the individual's primary objective of their investment is for future purpose and emergency expenses. This is because the individuals' monthly income will not be enough to lead

a well settled and a standard life with their family. However, by investing small sum, in a few years the money gets accumulated by which the above purpose could be possible. Investment is the only way to start growing the invested money. Individuals get to earn interest from it, which helps to meet the future unexpected expenses. The study concludes that, bank deposits is the most preferred option by the individuals with respect to their investment because the banks and financial institutions are trustable sources. Higher the risk, larger the return and vice-versa. To be in safer hands majority of the respondents prefer to undertake moderate risk.

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