

# A Study regarding Investment Avenues of investors with special reference to Rohtak (Haryana)

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## **ABSTRACT**

Investment incriminates two attribute that are sacrificing of current savings and the future benefits. In order to make sense for the sacrificing amount, it should be used in such a manner that it will definitely provide future welfare. This paper aims to highlight investor behaviour in selecting the investment alternatives and also focus on the factor which influences the most of the investor in Rohtak region. The study is quite significant as person differ from person so to know the socio-economic profile of the investor and their behaviour towards the investment avenues. The study employs on primary data which includes 80 investors with the help of structured questionnaire. For the analysis of data simple percentage is used and result shows that now people are much more aware about the concept of Investment, Investment Avenue. Moreover they are very clear about their thoughts that why they are investing that much of amount in particular investment alternatives.

**KEYWORDS:** Investor, Income, Investment, Investment Avenues or Investment Alternatives.

## **INTRODUCTION**

Investor is the one who invest their savings in order to grow their money or commit the capital with the expectation of financial return in near future. There are various investment alternatives or avenues available for the investor such as equity shares, mutual fund, gold/silver, fixed deposit, bond/debentures, Real estate, life insurance etc. and the various factor which influence the investor decision are safety, liquidity, risk and return, marketability, tax advantages. In order

to make successful investment, investor must consider the portfolio just to balance between the two major factors that are risk and return. Basically portfolio means combination of securities so not to invest in one alternative, make sure commit your savings with the combination of alternatives in order to get better returns, capital appreciation, diversify the risk, tax advantages, conveyance. So it's very important to know whether all the avenues are known by the investor or not. If they know then how they are reacting to it and what are the preferences and the major points they are considering while investing the money in order to improve their future welfare.

### **REVIEW OF LITERATURE**

**Palanivelu and Chandrakumar (2013)** explored the Investment choices of salaried class in Namakkal Taluk region of Tamil Nadu. The study is based on primary data and structured questionnaire was prepared for the collection of data and with the help of 100 respondents as a sample size the author analyzed the present study objective. The study found that as per Income level of employees, investor invest in different avenues. Moreover Age factor was also important while selecting Investment Avenue.

**Murty and Sastry (2013)** indicated in entire study that investors invest in the stock market with the major objective of return and capital appreciation. Fluctuation in the returns from the expectations of the investors hinted the risk factor and the subjective analysis of various factors which help in the minimization or in the diversification of the risk.

**Tripathi (2014)** identified whether the demographic variables affect the investor behaviour or not and found in study that education, profession and gender didn't affect the derivative investing behavior. However income played a major role on derivatives. Further the study expressed and added that investors were using these securities for different purposes namely risk management, profit enhancement, speculation and arbitrage.

### **OBJECTIVE OF THE STUDY**

- To study the investment avenues and assess the most preferred Investment Avenue.
- To find out the factor that influences the most in selecting the investment Avenue.

## **RESEARCH METHODOLOGY**

The study is based on primary data and it is collected through structured questionnaires. The questionnaire is designed keeping in view the objectives of present work. Data is collected with the help of 80 questionnaires through individual investors by using snowball technique in Rohtak region. For this purpose researcher visited to investor who invest their money in one or other alternative of investment.

## **DATA ANALYSIS & INTERPRETATION**

**Table-1: Demographic variables of the respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentages (%)</b>
Male	60	75
Female	20	25
<b>TOTAL</b>	<b>80</b>	<b>100</b>
<b>Age</b>		
Below 25	5	6.25
26-35	40	50
36-45	15	18.75
45 and above	20	25
<b>TOTAL</b>	<b>80</b>	<b>100</b>
<b>Qualification</b>		
Under graduate	5	6.25
Post graduate	18	22.5
Professional	51	63.75
Others	6	7.5
<b>TOTAL</b>	<b>80</b>	<b>100</b>
<b>Occupation</b>		
Government employee	11	13.75
Private employee	12	15

Business	9	11.25
Professional	48	60
Others	-	-
<b>TOTAL</b>	<b>80</b>	<b>100</b>
<b>Annual income</b>		
Below 2,50,000	4	5
2,50,000-5,00,000	18	22.5
5,00,000-7,50,000	37	46.25
7,50,000 and above	21	26.25
<b>TOTAL</b>	<b>80</b>	<b>100</b>

Source: Primary Data

The above table explains that 75% of the respondents are male and 25% are female and the age of the respondents is 6.25% are in the age group of below 25. 50% are in the age group of 26-35, 18.75% are in age group of 36-45 and 25% are above 45 years. It can also be seen that 6.25% of the respondents are under-Graduate, 22.5% are post graduate, 66.75% are Professional and 7.5% are others. It can be seen that 13.75% of the respondent are government employee, 15% are private employee, 11.25% are business man and 60% are professionals. The 5% of the respondents are of below 2.5L, 22.5% are of 2.3L-5L, 46.25% are of 5L-7.5L income level, 26.25% are of above 7.5L.

**Table-2: Time duration preferred by investor in investing avenue**

<b>Duration</b>	<b>Respondents</b>	<b>Percentages (%)</b>
Less than 1 year	46	57.5
1-2 years	14	17.5
2-3 years	7	8.75
More than 3 years	13	16.25
<b>TOTAL</b>	<b>80</b>	<b>100</b>

Source: Primary Data

The above table depicts that 57.5% of the respondent are investing their money for the period less than 1 year, 17.5% are investing their money for the period of 1 – 2 years. 8.75% are investing their money for the period of 2-3 years, 16.25% are investing their money for the period of more than 3years.

**Table-3: Investor choice in investment avenues**

Avenues	No. of respondents	Percentages (%)
Fixed deposits	17	21.25
Bond/debentures	3	3.75
Equity shares	28	35
Mutual fund	9	11.25
Life insurance	11	13.75
Gold/silver	12	15
<b>TOTAL</b>	<b>80</b>	<b>100</b>

Source: Primary Data

It is clearly observed that the 35% respondents prefer equity shares. The reason being this may be youth inspires and prefer to invest because of unknown risk and return combination and old age prefer equity due to tax advantage or new pension scheme. After the equity shares, 21.25% investors are prefer to investing their money in fixed deposit as the risk-averse nature of the respondents is depicted when compared to investing the same cash in instruments like life insurance funds, debentures and mutual funds. Moreover 15% investors prefer to invest in the ornaments (gold/silver) as their value in future may rise if compared to past trends.

**Table-4: Factor influencing in selecting Investment Avenue**

Factors	No. of respondents	Percentage
Safety	13	16.25
Liquidity	31	38.75
Risk and return	7	8.75

Tax advantages	29	36.25
Marketability	-	-
<b>TOTAL</b>	<b>80</b>	<b>100</b>

Source: Primary Data

The above table shows that 36.25% of the respondents are ready to invest their money in investment with the aim of tax advantages, 38.75% of the respondents prefer to invest in for the purpose of liquidity. 16.25% of the respondents are preferred to invest their money with the objective of safety, 8.75% of the respondents invest their money for getting high returns with the affordable risk.

## **CONCLUSION**

In the present study, the researcher determined that Males are more active in investing their funds for future benefits than Females as well as 26-35 years age group investor are taking initiation in investment or they have much more curious about to appreciate their capital and ready to take risk for better returns than the other age groups people. Moreover the professionals, government employee who are very well known about the investment, avenues and their schemes are seemed to be frequent participator. The most preferred investment avenue is equity shares in comparison to LIC, gold/silver, mutual fund, bonds/debentures and the last but the least is fixed deposit. Nowadays government is more focusing of transparency the records as it will be very easy for them for the purpose of tax collection. So, this aware is much seen here also as most of the investor prefer to invest for the purpose of tax advantageous with the liquidity that why more and more people just prefers to invest for short duration rather on long duration.

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