

**A STUDY ON THE INVESTMENT PATTERNS AMONG THE
WORKING POPULATION IN COCHIN CORPORATION**

Dissertation

Submitted by

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In partial fulfillment of the requirement for the Degree of

MASTER OF COMMERCE



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CERTIFICATE

This is to certify that the dissertation titled "**A STUDY ON THE INVESTMENT PATTERNS AMONG THE WORKING POPULATION IN COCHIN CORPORATION** " submitted to Mahatma Gandhi University in partial fulfillment of the requirement for the award of Degree of **MASTER OF COMMERCE** is a record of the original work done by **Ms. Smitha Paul** under my supervision and guidance during the academic year 2022-23.

Project Guide

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DECLARATION

I Ms. Smitha Paul final year M.Com student, Department of Commerce (SF), St. Teresa's College (Autonomous) do hereby declare that the dissertation entitled “**A STUDY ON THE INVESTMENT PATTERNS AMONG THE WORKING POPULATION IN COCHIN CORPORATION**” submitted to Mahatma Gandhi University is a bonafide record of the work done under the supervision and guidance of Ms. Sandra Sabu T, Assistant Professor, Department of Commerce (SF), St. Teresa's College (Autonomous) and this work has not previously formed the basis for the award of any academic qualification, fellowship, or other similar title of any other university or board.

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ACKNOWLEDGEMENT

It is with a great pleasure and privilege that I present this dissertation entitled “**A STUDY ON THE INVESTMENT PATTERNS AMONG THE WORKING POPULATION IN COCHIN CORPORATION**”.

First of all, I am grateful to God Almighty for his blessings showered upon me for the successful completion of my project.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

“You cannot save time for future use. But you can invest it for the future you.”

In recent days, we have seen that investment has become the backbone of nation’s countries that are attempting to grow their economies, it is therefore necessary for the public to invest appropriately and liberate borders for other countries for their investments. Fundamentally investment is not only about investing current money for return, but also implies that return and risk are both sides of an investment. And this varies according to the preferences of how the respondent views their savings today, for tomorrow.

With the goal of earning a return, income, or profit, investments are made with assets. Future profits are anticipated as a result of the intentional allocation of financial resources. Risk and return are components of every investment. Return is the advantage of investing, whereas risk is the inherent uncertainty. Each investor has a distinct range of investing possibilities that are catered to individual needs and goals. Each investment approach has a unique set of benefits. Next this study tries to determine the different investors' preferences for investment possibilities, which are influenced by the link between various parameters and investment objectives. The risk-to-reward ratio of different investment possibilities, which is affected by the investor's psychology, has an effect on the investor's decisions. With the help of this research, we can determine which opportunities investors favour and why.

1.2 SIGNIFICANCE OF STUDY

Investment is the basic need of every individual for their financial well-being. Everybody invests in different investment avenues based on their knowledge and perception. Every investment avenue has certain characteristics that effect its risk and return and aid in achieving different investment objectives of the Investors. Some of the key objectives of investment are the safety of the principal invested, growth, generation of regular income, tax saving, the need for liquidity, and quick returns. As per traditional financial theories, investors are assumed to be rational thinkers and aim for wealth maximization based on the

risk and return trade-off. It is here that we need to emphasize how everyone thinks and identify what their objectives are while investing and the reasons that lead to investment decisions. However, as per one's behaviour, perception, interest, and knowledge how people deal with investments tends to change and the attitude of every individual investor differs depending on various factors like demographic profile, objectives of investment, liquidity, etc. Thus, there are several objectives and expectations of investors which may impact the individual behaviour toward their choice of investment avenues. This research aims to study the investment objectives affecting the investors' choice of investment and the pattern of investment.

1.3 SCOPE OF STUDY

The study is only about the working population in Kochi city and their investment preferences. With this study, we aim to, bring about the interests that are visible through the decisions they choose to take while investing. This study will help us to identify the perception and behaviour that leads to investment decisions in one's life. We aim to identify their choice and preferences while investing and what are the factors that lead to the same.

1.4 OBJECTIVES

1. To identify the most preferred investment opportunities and why.
2. To study factors influencing investment decisions.
3. To analyze whether the investor is aiming for liquidity, safety, long-term benefit, or risk-return entity to choose an investment pattern.
4. To identify the relationship between income and frequency of investment of the working population.

1.5 HYPOTHESIS

H1: There is no association between the income of respondents and the frequency of investment of the respondent.

1.6 RESEARCH DESIGN

1.6.1 TYPE OF RESEARCH

This research is descriptive and analytical in nature. Descriptive research is used to describe the characteristics of a population or phenomenon being studied, whereas analytical research is used to test the hypothesis of the study.

1.6.1. a Primary data

Questionnaires in the form of google forms will be used to collect primary data from the employees of the organization. The target respondents include investors from different segments ages, qualifications, occupations, and income levels, who are active investors and take their own financial decisions. The primary data for the study is collected through a structured questionnaire exploring the financial habits of individual investors and their preferences and objectives of investment. The questionnaire consists of close-ended questions on the financial behaviour of women investors.

1.6.1.b Secondary data

Data will be collected from books, journals, websites, and other sources.

1.6.2 POPULATION AND SAMPLE SIZE

The target population for the study is the working population from Cochin Corporation. The target respondents include different segments of age, qualification, occupation, and income level, who are active investors and take their own financial decisions.

1.6.3 SAMPLING METHOD

Convenience random sampling will be used for surveying the organization. The advantage of this type of sampling is the availability or quickness with which data can be gathered.

1.6.4 TOOLS FOR DATA COLLECTION

Google forms will be used to collect data from the respondents.

1.6.5 TOOLS FOR ANALYSIS

- Percentage analysis
- Statistical tool: - Chi-square using IBM SPSS software

1.7 LIMITATIONS OF THE STUDY

- The responses of the sample population could be biased as they might be reluctant to share financial information about the investment pattern
- Many of the respondents might not be willing to provide exact details
- Due to the lack of time for study, detailed analysis cannot be carried out.
- The data obtained might not be accurate as wrong information may be provided.

CHAPTERISATION SCHEME

The study is organized into 5 chapters are as follows: -

Chapter 1 - Introduction

Chapter 2 – Review of literature

Chapter 3 – Theoretical framework

Chapter 4 - Data analysis and interpretation

Chapter 5 – Findings, suggestions and conclusion

Bibliography

Appendix

CHAPTER 2

LITERATURE REVIEW

1. **Kuldeep Bhalerao, Dr. Deepa Nair, Dr. Rahul More, Dr. D.Y. Patil, Shifa Khan (August 2022): - “A GENDER SPECIFIC STUDY ON AWARENESS AND INVESTMENT PATTERNS IN NAVI MUMBAI”**

A gender-based investment pattern by an investor is one of the significant factors in investment. The study is undertaken to find out the awareness level of investment tools among male and female respondents and to study the investment pattern of investors. The goal of this study is to determine whether gender has a significant impact on investment patterns, particularly in the city of Navi Mumbai, which is connected to Mumbai, the financial centre of India, despite the opposing theories and points of view. The chi-square test was conducted on a sample of 300 respondents and it was found that there is a difference in the awareness level based on gender. The study's results demonstrate that one of the most significant factors impacting investment behaviour is gender. It has an impact on awareness levels, with women being less informed of various financial instruments and techniques than males. Because men and women require different ways when dealing with customers, this research is important for businesses. When it comes to gender equality and women's empowerment, investment awareness is equally crucial.

2. **Dr. S Bhuvaneshwari, Ms. Neena Theresa P J (June 2022): - “A STUDY ON INVESTMENT PATTERN OF SALARIED PEOPLE WITH REFERENCE TO COIMBATORE CITY”**

Investment pattern of salaried employee are quite different, the character of employment and income level plays an essential role, but one factor is common for all its regular basis of income may result in eventual investment or monthly saving habit rather than payment saving. This study only looked at people who were paid. Investors are unaware of all the available investment opportunities, and non-investors are ignorant of the value and advantages of making investments. This study will be useful in identifying the best investment solutions available in the market because it focuses on the pattern, preference, purpose, problem, and knowledge of

investments made by persons in the salaried class. 150 respondents constituted sample covering Coimbatore city. Percentage analysis, Chi-Square test and rank analysis are used for research purpose. It can be concluded that salaried employees are conscious of various investments and satisfied with their investments.

3. Dr. Balaji Sadavarte, Ashwin Arora (October 2021): - “A STUDY ON SAVING AND INVESTMENT PATTERN OF INDIAN HOUSEHOLDS”

This paper aims to examine the savings and investment pattern of Indian Households through a survey of 80 respondents where data was collected using the structured questionnaire to find the investment and saving patterns of population in the age group 19 and above in Mumbai. The annual income of the respondents and the ratio of their savings to income were both inquired about. They were asked about the source information for investment. In addition, what are their objectives while investing. Further, they were asked what type of investment they prefer, i.e., do they invest for long term or prefer short-term investment and what rate of return do they receive for their investment. Then this data was analysed and put in tabulated form in excel. ANOVA test results shows that the sig value 0.746 is greater than the alpha value 0.05 at 95% confidence level, therefore it is concluded that there per cent savings and marital status are Independent. It means married people save less than unmarried people.

4. Manisha Tyagi, Krishna Chanchal, Dr Rajkumar S (August 2021): - “INVESTMENT PATTERN OF YOUTH IN INDIA”

Investment in India is now seen more as a necessity than as a way of life for businesspeople. Numerous studies have been done to determine how young people invest. On the other hand, little research has been done on the investment habits of the working population's younger age group. This essay's goal is to look into how young people invest their money today. The key purpose of the study is to understand saving patterns, risk taking capabilities of youngsters and to find out whether they are searching for long term growth or high yields or liquidity. According to the study, young people are aware of all types of investment opportunities, including traditional, low-risk, moderate-risk, and high-risk ones People are switching to other avenues that produce better results as the rates are all falling. In the past, one would only invest in a select few businesses, but today, people can test a wide variety of

businesses. The study also reveals the desire of youngsters in IPO but they lack understanding however IPO can be a good guide for a common guy to invest in share market. Investments made after carefully examining the market and a company's past will be risk-free. According to the survey, young people continue to invest more in bank deposits than in mutual funds, so we can conclude that mutual funds have become more popular among young people, followed by equity shares. Youngsters do know about the various investment options available to them due to rapid spread of information via various channels.

5. Mrs. Christina Jeyadevi, Dr. D. Moorthy (June 2021): - “INVESTMENT PLAN OF WOMEN WORKING IN PRIVATE ORGANISATION – A LITERATURE REVIEW”

Savings defines reward while requiring sacrifice. It is more important to invest in the best product on the market than it is to save a certain amount of money over time. A variety of financial service agents introduce a number of products with a range of investment advantages. The purpose of the essay is to investigate the investment habits of female employees in private businesses. Teaching employees, non-teaching workers, financial institutions, manufacturing facilities, services firms, transport, sales, dispatch divisions, shipping, couriers, etc. are all included in the population. As persons working in private firms are not having any after-retirement advantages like pension, they do go for alternative investing possibilities available for them. The study brings out how women are investing in different investment plans with the salaries they fetch out of their work. For the study, 10 investment avenues such as gold, real estate, bank deposits, government bonds, insurance, shares, debenture, securities and bonds, company deposits, Savings and investment are powerful tools in eradicating the country's poverty. The present study conclude with the followings points regarding women investment in various avenues. The salaried working women investors are having different expectations and awareness on the investment they invest in. They invest with different objectives such as safety of money, capital appreciation, liquidity and regular returns.

6. **Mr. Babu K. A, Dr. Giridhar K. V. (June2021):** - ***“INCOME, SAVINGS, AND INVESTMENT PATTERNS OF PRIVATE SECTOR SALARIED HOUSEHOLDS IN KARNATAKA: A STUDY WITH REFERENCE TO PRE-LOCKDOWN AND POST UNLOCK COVID-19 PERIOD”***

This research is carried out to analyse the pre-COVID – 19 and post-unlock era income, savings, and also investment habits of those persons serving in private sector firms belonging to education, automobile, and telecommunication sectors. Examination of the data collected shows that there is a considerable variation in the monthly income of salaried households in the pre-lockdown and post-unlock period. However, there is no major variation occurring in their monthly spending over these periods. It is demonstrated that there is a link between monthly savings of salaried households and both the time periods. From the pre-lockdown to the post-unlock period, there has been a change in the salaried households' investment preferences. Gold, silver was the top chosen investment possibility before lockdown, however soon after the unlock period chit fund has become the top preferred investment route.

7. **Mr. P. Kanagaraj, Pavithra. S (November 2020):** - ***“A STUDY ON INVESTMENT PATTERN TOWARDS SALARIED EMPLOYEES IN COIMBATORE CITY”***

Investing is the sacrifice of assured present value for the uncertain future payoff. Risk and return typically go hand in hand; if an investment carries a high level of risk, there should also be a risk return. The purpose of the study is to evaluate the awareness level of salaried class investors towards the nature of investment, determine the time origin which they make their investment. There are 120 participants in the study's sample size. The statistical tool utilised for the is simple Percentage analysis and Ranking analysis. Because the study is based on primary data, any inaccurate information provided by the respondents could skew the results. In finance, the reward from investment is termed a return. Capital gains or investment income, such as dividends, interest, rental income, etc., may be included in the return. The correctly discounted value of the expected future profits is the anticipated economic return. Given the results of the study, it can be inferred that employees have shown that they are following sound investment policies and they are satisfied with their investing practises. The outcomes of the study reveal that employee's viewpoint has led to the investment appreciation exhibited through several causes.

8. Shinki K Pandey, Abhishek Vishwakarma (2020): - “STUDY ON INVESTMENT PREFERENCES OF YOUNG INVESTORS IN THE CITY OF RAIPUR CHHATTISGARH”

From the economic liberalization there are numerous investment alternatives available in the market and the main objective of this research paper is to know the respondent's preferences over the investment alternatives which are available in the market. Investment is an activity by which people earn money by investing their money in some Financial Asset and Physical Asset. As life is uncertain and the future can't be predicted, so in order to secure future a person has to invest. Investors are investing their money with different objectives in their mind such as Profit, Security, and Appreciation etc. As a young investor has a good risk appetite and a good time horizon and to get a good return on the investment till, he reaches the age of 40, he has a various number of options to invest in. There are various number of investment avenues available in the market such as Bank Deposits, Post Office Deposits, Equity Market, Mutual Funds, Physical Gold, Real Estate. The study's primary objective is to find what are the preferences among the Young Investors who belong to the age group of 21-35 years in today's world. The attitude of the investors may vary from person to person within the same age group. The researchers have studied the various preferences among the young investors with help simplified questionnaire and personal interaction with the investors. The study is being conducted with reference to Raipur City. The primary data is gathered by using simplified questionnaire with the sample size of 119. The expected result of the study is that young investors are more inclined towards investment avenues like Equity Market, Mutual Funds.

9. Dr. P. Srinivas Rao, Mr Mohammed Wajid (September 2020): - “A STUDY ON CREATING INVESTMENT AWARENESS AMONG SALARIED EMPLOYEES WITH FOCUS ON FINANCIAL PLANNING”

The world is remodelling effectively in different ways and the requirement of the people is expanding day by day. People are looking for fortunate and secure life. In present circumstances funds can make individuals more fascinating. So, they start Investing in different Investment avenues. Investment is the commitment of funds made with an expectation of some positive returns in future. This study is made an attempt to understand the Investment awareness among salaried employees with

focus on financial planning. The objective of this paper is to study the concept of Investment awareness and savings pattern among the salaried employees. The study is based on secondary sources. The type of research used in the study are basic and applied research. This paper also discusses the opportunities and challenges among the salaried employees. The study is also used for measuring the risk performance of various investment avenues.

10. Poonam Sharma, Navdeep Kaur (October 2019): - “INVESTMENT ATTITUDE OF WORKING WOMEN: A STUDY OF EDUCATION SECTOR IN PUNJAB”

Investment is important for improving productivity and increasing the competitiveness of an economy. The present paper is an attempt to explore the factors influencing the investment attitude of women working in the education sector (covering the Government, Semi Government and Private domain) in the Punjab State in India. Even though, general profile of women investors is changing in tune with time, but they are insulating in various spheres of investment such as awareness and preference of investment. Today, the role of women has changed from “Savers to Investors”. Factor analytical results revealed that women investors prefer to invest in risk free securities. The level of financial knowledge also influences their investment attitude. The present study reveals the factors namely, secure investment avenues, financial literacy, stock market investment and post office schemes, bank deposits, physical assets, risk taking ability and concern for financial matters that are important to women working in education sector. For the present study, primary survey has been conducted with the help of a structured questionnaire. The questionnaire was developed after a thorough review of studies on various aspects of investment behaviour of respondents. The 32-item scale was constructed to collect data regarding the factors influencing the investment attitude of women working in education sector. The sample size for the study is 214 respondents. The data has been analysed by using factor analysis. SPSS Software (Version 16.0) has been used for analysis of the collected data.

11. Dr. G. Rekha & R. Vishnu Priya (January 2019): - “A STUDY ON INVESTMENT PATTERN AMONG WORKING WOMEN”

In the ancient times, women were not allowed even to get education. Their role was purely to look after home. Their sole responsibility was to take care of the house. Just

their family existed in their universe. Yet eventually, the general public began to see how important education is for women. And today, there are a lot of women with advanced degrees. As we find successful women working in nearly every field, they are actually growing in that sense. They are adept at maintaining a balance between work and life. More and more women are becoming financially independent these days. Women and men are similar in many respects, yet there are valid reasons why a woman might need a different strategy for financial planning. Women seek financial guidance for many different reasons. Every woman will experience different personal situation. These circumstances range from family-related to societal to demographic. They make the decision to invest more in both short- and long-term financial decisions. The acquisition of a financial security, such as a stock, bond, or mortgage, is referred to as a financial investment. As a woman and an investor, they play many other responsibilities in life in addition to determining their financial future. Women today have greater earning potential and financial decision-making power than ever before. About half of the workforce is made up of women, and many companies are run or controlled by women. The majority of consumer decisions are influenced or made by a large number of women.

12. Abhinandan, Aiman AL-Asbahi, Ebrahim Al-Gamal (January 2019): -
“ANALYSIS OF INVESTMENT PATTERN OF DIFFERENT CLASS OF PEOPLE: A REVIEW”

In India, investors have a lot of investment avenues to invest their savings. The risk and returns involved in each of these investment avenues differ from one to another. The investors are ready to invest after evaluating the main features of investments such as security of principal amount, liquidity, income stability, easy transferability, etc. Shares, bank, gold and silver, life insurance, postal savings, etc. are the available investment avenues. This paper tries to review the investment pattern of different class of people based on previous research. This paper focus on instructors, paid workers, and working women's investment habits. Several journals, websites, and research articles were used to gather data. According to the aforementioned study, one class of people may invest differently than another class of people depending on their risk tolerance and investment knowledge levels. One of the preferred investment options for all socioeconomic groups is bank savings. According to this

point, people in India continue to rely on conventional investing channels. Since knowledge is the essential tool for investing in the stock market, removing potential investors' fears can be accomplished by implementing a number of investor awareness programmes.

13. Dr. Sachin H. Lad (June 2018): - “A STUDY OF INVESTMENT PATTERN AND AWARENESS OF RURAL INVESTORS”

Saving is a desire to reserve certain portion of income for future needs. In the recent findings it has been found that majority of investors are unaware about investment avenues especially contemporary instruments. It is also found that there is a correlation between level of education and choice of investments. Few years before there were only limited a number of options for investments like bank deposits and post office schemes. Only few percentages of rich and adventurous Indians have knowledge about Stock market and Securities. Now, the modern investment trend has a different scenario, various options of investment and best return for the investors. This would bring into light the awareness of investment patterns of rural investors in Palus taluka of Sangli district. This study used both primary and secondary data. The simple random sampling method was used to acquire 100 samples in total. the primary information gathered from survey respondents. The secondary data was gathered through a variety of manuals, the internet, journals, books, etc. The percentage analysis, Chi square test, and ranking analysis statistical methods were employed for the investigation. The research is particularly important for understanding how socioeconomic factors affect investment patterns in the rural economy. It aids the targeted respondents in understanding the pattern of investment. So, this study undoubtedly helps people make better financial decisions and investment patterns in the future. The primary cause has been determined to be investors' ignorance of the idea and operation of the investing pattern. In addition, age, gender, income, education, and occupation have been found to significantly affect investors' attitudes about investment when it comes to socio-economic characteristics. A variety of external sources should alter and affect an investor's sense of awareness towards savings and investment. The print and electronic media, such as newspapers, magazines, radio, and television, as well as personal interactions with friends, family, and investment consultants, all play a significant role in raising investor awareness.

14. Dr. R. Karuppusamy, K. Karthikeyan (April 2018): - “THE EMPLOYMENT, INCOME AND INVESTMENT PATTERN OF FISHERMEN IN PUDUCHERRY”

The study makes an effort to examine the employment, financial, and investment patterns of fishermen in the Puducherry Region. 200 respondents were interviewed as part of a well-planned interview schedule in order to explore the variables, and data were then analysed using the Garrett rank test, correlation, and descriptive statistics models. According to the report, 75% of fisherman use hereditary fishing techniques. The respondents' alternate jobs during lean times, including cyclones and other natural catastrophes, for example, include construction work, fish vending, and fish processing. All of the respondents were interested in making bank deposits, buying gold jewellery, and investing in local chit funds. Also, it has been observed that anytime they have financial inadequacy, fisherman borrow money from friends and family. Further, the respondents believed that the government might need to set up credit facilities and offer subsidies to small-scale fishermen so they can purchase boats and upgrade their current boats and nets. Fishermen want modern technology for fish processing facilities and intensive fishing gear for their catch. The report also finds that the respondents urge that the government set up a system to educate people about different investing options so they may make better investments.

15. Gopi, G. & Priyanka, D., Preetha, R. (January 2018): - “AN INSIGHT INTO THE SAVINGS AND INVESTMENT PATTERN OF SALARIED EMPLOYEES WORKING IN PRIVATE SECTOR OF SHIPPING INDUSTRIES AT ERNAKULAM.”

This study attempts to understand the investment preference of salaried group of people working in Private sector of shipping industries in Ernakulam District. The studies were conducted by a structured questionnaire issued to the 100 salaried employees of shipping industries in Ernakulam district. Convenient random sampling method is used for selecting the sample of 100 employees from ten shipping industries in Ernakulam. The collected information was analysed by using different statistical tools like T test, Chi Square analysis, correlation analysis and percentage analysis. The major findings of the study suggested most of the employee's savings are directed to their personal expenses such as child's education, marriage etc. They are tending to risk adverse investors.

16. R. Suyam Prabha (April 2016): - “AN EMPIRICAL STUDY ON GENDER DIFFERENCE IN THE INVESTMENT PATTERN OF RETAIL INVESTORS”

This study aims to understand the impact of gender difference on Investment decision making and also to determine their most preferred investment avenue. The overall goal of this study is to learn more about the critical variables that affect investment behaviour and how they affect men and women's decision-making. In this study, a thorough investigation of the investing goals, preferences, and trends among men and women is conducted. The study shows how men and women perceive investments. This was taken into consideration when creating a schedule for the salaried class workers who are employed by banks, NBFCs, insurance companies, mutual funds, IT companies, and educational institutions. A structured questionnaire was used to gather thorough information about household wages, savings and investment profiles, income-expenditure, financial and nonfinancial asset holdings, aspirations and investment decisions based on their assessments of various saving and investing options. This study used an interview-based descriptive research strategy. Non-Probabilistic Convenience Sampling is the sampling methodology employed for the investigation. The researcher will choose the sample because it is unknown exactly how many investors in the salaried class there are. The study is based on the replies of 405 people in the Coimbatore city who are in the salaried income category. In order to gather the information, a structured questionnaire was used from November 2012 to April 2013. Information was collected on various aspects of respondents' investment behaviours, attitudes, and beliefs.

17. K. V. Ramanathan, Dr. K. S. Meenakshi Sundaram (July, 2015): - “A STUDY OF THE INVESTMENT PATTERN OF BANK EMPLOYEES”

In the present research an attempt to analyse the significance of selected demographic factors such as age, gender, marital status, educational qualification, occupation and income level of the respondents working in a bank towards their investment preference on products such as Real Estate, Gold / Jewellery, Bank deposit, Government Bonds, Share market, Commodity market, Mutual Fund, Life Insurance policies and Post office savings. The data were collected through a structured questionnaire and analysed using percentage, chi-square test and Karl Pearson's correlation coefficient. The results of research indicate that majority of the respondents are saving money for their safety and the results of the study would be

of a guide for personal finance and investment. For this study survey method was adopted to collect the primary information from the 130 employees in a bank in Chennai using a well-structured pre tested questionnaire. The secondary data was collected from internet websites, journals, newspapers, magazines, etc. This study was carried out to determine the level of awareness among bank workers on the selection criteria for investments as well as the rationale behind their investment decisions. Positive correlations exist between income and investment, and there is a close connection between the two. The study also showed that the respondents were aware of the criteria for choosing investments and preferred to make sound investments that would yield a decent return on their money as well as solid investments that would help them build assets for the future. The majority of respondents make investments in tax-efficient goods like life insurance. Additionally, it is proposed that an awareness campaign be undertaken to inform respondents about investing in the stock market. These awareness campaigns would greatly improve the investment environment's friendliness and appeal.

18. Deepak Sood, Dr. Navdeep Kaur (February 2015): - “A STUDY OF SAVING AND INVESTMENT PATTERN OF SALARIED CLASS PEOPLE WITH SPECIAL REFERENCE TO CHANDIGARH”

The objective of the study was to determine the relationship between the savings and investments pattern among the salaried class people of Chandigarh (India). The data was collected through structured questionnaire distributed to 200 peoples working in different sectors at Chandigarh. It was found from the analysis there is relationship between Annual Savings and Age, Income, Sector wise Employment, Education of people at Chandigarh. Analysis has been done through One Way ANOVA. It was propounded here that the most preferred investment options are LIC and bank deposits and most of the factors influencing investment decisions were high returns, tax benefit and safety.

19. Rajeshwari Jain (December 2014): - “AN ANALYSIS OF INCOME AND INVESTMENT PATTERN OF WORKING WOMEN IN THE CITY OF AHMEDABAD”

The research study is based on the analysis of income and investment pattern of the respondents i.e., working women in the city of Ahmedabad. The objective of the

study was to determine the relationship between the income and investments pattern among respondents. The study was conducted on working women across both government and private sectors in the city of Ahmedabad. The data was collected by distributing a structured questionnaire to 250 respondents. It has been found that majority of them preferred to invest their savings in fixed deposits with banks for the safety of a volatile future followed by investing in gold. The major impact on savings is due to the level of income which has considerably increased in the last decade.

20. Dr. Ananthapadhmaabha Achar (August 2012): - “SAVING AND INVESTMENT BEHAVIOUR OF TEACHERS - An empirical study”

The quality of education is significantly influenced by a teacher's competence. The criteria that determine a teacher's professional progress are numerous. The quality of a teacher's life is one of the key elements that has a significant impact on how effective they are. The degree of consumption, saving, and investing is directly tied to the quality of one's life. Teachers' attitudes regarding spending, saving, and investing will be reflected in their economic behaviour, which will impact their profession and the educational system as well as their quality of life. The field of educational reform places importance on research into this crucial stakeholder in the school system. This research paper is focused on saving & investment patterns of primary, high school, college and university teachers in Udupi District of Karnataka State. A thorough, structured, and pre-tested questionnaire is given to 535 teachers in the Udupi District in order to collect the data for the predetermined study. In this empirical study, only teachers who had been regularly employed in different educational institutions were included as respondents. To fairly and sufficiently represent the teaching community in Udupi District, the respondents are chosen using the disproportionate stratified random sample technique. The data from the field survey were processed using the SPSS-X1 statistical programme for social scientists. The survey data were analysed and understood using pertinent statistical methods and tools, including percentages, chi-square statistics, correlation and multiple regression analysis, and diagrams.

CHAPTER 3

THEORETICAL FRAMEWORK

3.1 INTRODUCTION

Investment is "a commitment of funds made in the expectation of some positive rate of return". It means the allocation of monetary resources to assets that are expected to yield some gain or a positive return over a period of time for the risk one is willing to take. The main aim of investment is to earn income and gain capital appreciation. Investment means sacrificing money today for a future return. A well-planned investment can provide the satisfaction of safety and certainty in life. All investments involve some risk, which varies depending on the characteristics of the assets, the investment instrument, the mode of investment, the time frame, and the issuer of the security, among other factors. Both the economy and society benefit from investment.

In today's scenario, there has been a major change, i.e., economic prosperity all over. The entire world is talking about the robust growth rates in this part of the world. Higher income levels and booming stock markets have led to an increase in the number of high-net-worth investors (HNIs) who are more than willing to experiment with their money. This means the availability of huge investible surpluses. Investors with a higher appetite for risk want to experiment and try new and exotic products in the name of diversification. There are more products available within each asset class, be it equity, mutual fund, or insurance. Today, the spectrum of investment is indeed wide and a major part of the financial sector.

3.2 THE FINANCIAL SECTOR

The Indian financial industry is regarded as one of the world's strongest financial sectors. Many industry experts may give various reasons for the Indian financial industry's reputation, but there is only one answer that no one can deny: the country's supreme monetary authority, the "RESERVE BANK OF INDIA" (RBI). With increased competition, India's financial sector has experienced a better environment for growth. In India, the banking, insurance, mortgage, and capital market sectors are regulated by independent

regulators. The Government of India has a significant role in controlling the Indian financial market. The Indian financial sector is governed by the Ministry of Finance. Every year on February 28th, the finance ministry releases the annual budget. The Reserve Bank of India is the apex institution in charge of the country's banking system. Its monetary policy is a powerful weapon in the Indian financial market.

3.3 GOVERNING BODIES OF FINANCIAL SECTOR

1. Reserve Bank of India (RBI)

It is the supreme authority and regulatory body for all the monetary transactions in India. It regulates various Banking and Non-Banking financial institutions in India.

2. Securities and Exchange Board of India (SEBI)

It is one of India's capital market regulators.

3. Insurance Regulatory and Development Authority (IRDA)

It regulates all the insurance companies in India.

4. Association of Mutual Funds in India (AMFI)

This organisation oversees all mutual fund companies in India.

5. Foreign Investment Promotion Board (FIPB)

It regulates all the foreign direct investments made in India.

3.4 WHAT IS INCOME?

Income, which is typically stated in monetary terms, is the consumption and savings opportunity obtained by an entity within a given interval. So far, "income is the sum of all wages, salaries, profits, interest payments, rents and other forms of earnings earned... in a certain period of time" for households and individuals. Besides this, it refers to money or other forms of compensation that are regularly or periodically earned through business, employment, endowments, investments, royalties, etc.

3.5 WHAT IS INVESTMENT?

An asset or item acquired with the intention of creating income or appreciation is known as investment. The term appreciation refers to a rise within the value of an asset over time. An investment always includes the use of some capital today—time, effort, money, or an asset—in the expectation of receiving a higher return than what was first invested. In finance, the purchase of a financial with an expectation of favourable future returns. It also means money committed or property acquired for future income. In economics, investment refers to creation of capital or goods capable of producing other goods or services. Investments in human capital include spending on health and education.

Investments are broadly divided into two, they are

- (1) Fixed income investment (like bonds, fixed deposits, preference shares) and
- (2) Variable income investment (like stock ownership in businesses, or real estate).

Investment is normally categorized using the risk involved in it, risk is dependent on various factors like the past performance, its governing body, involvement of the government etc., in this scenario Indian investments are classified in to 3 categories based on risk. They are:

3.5.1 LOW RISK/NO RISK INVESTMENTS

(i) Savings Account

This account is ideal for storing your short-term savings. These accounts offer a check facility as well as a great deal of flexibility for depositing and withdrawing funds from the account. Most banks have rules governing the maximum number of withdrawals in a given period and the maximum amount of withdrawal, but none of them are enforced. Banks, on the other hand, have every right to enforce such boundaries if it is suspected that the account is being used as a current account. The Reserve Bank of India currently controls the interest rate on these accounts. This account offers the customer a nominal rate of interest and allows him to withdraw funds as needed. The returns on money kept in a savings account are lower, but the withdrawal freedom is the greatest.

(ii) Bank Fixed Deposits

The term "fixed" in fixed deposits denotes the period of maturity or tenor. Fixed Deposit, therefore, pre-plans a length of time for which the depositor decides to keep the money with the bank, and the amount of interest payable to the depositor is decided by this tenure. The rate of interest differs from bank to bank. Normally, the rate is high for deposits for 3-5 years. This, however, does not mean that the depositor loses all his rights over the money for the duration of the term decided. Deposits can be withdrawn before the period is over. However, the amount of interest payable to the depositor in such cases goes down. Every bank offers fixed deposit schemes with a wide range of tenures for periods from 7 days to 10 years.

(iii) Public Provident fund

PPF is a 30-year-old Central Government constitutional plan that aims to provide old-age profits security to unorganised division workers and self-employed individuals. There are currently nearly 30 lakh PPF account holders in India, spread across banks and post offices. A PPF account can be opened by anyone, salaried or not. In addition, he may pledge on behalf of a minor, HUF, AOP, or BOI. NRIs can also open PPF accounts. A person can only have one PPF account. If the required minimum of Rs.500 is not deposited in any year, the account will become obsolete. The deposit will continue to earn interest, but there will be no option to borrow or withdraw funds. A PPF account can be opened at any bank branch or subsidiary, as well as at a few national banks and post offices. Upon account opening, a pass book will be issued in which all deposits, withdrawals, loans, and repayments, as well as interest due, will be recorded. The account can also be transferred to any Indian bank or post office. Even though PPF is a 15-year scheme, the effective period is 16 years. The amount earned during the fiscal year will not earn interest, but it will be eligible for the tax rebate. Beginning with the seventh fiscal year, the investor is permitted to withdraw up to 50% of the balance at the end of the fourth year or the financial year immediately preceding the withdrawal, whichever is less.

(iv) National savings certificates (NSC)

The National Savings Certificate is a long-term investment instrument with a fixed interest rate. It is part of Indian Post's postal saving system. Because they have the support of the Indian government, NSCs are a virtually risk-free investment option. They are available for purchase at authorised post offices. NSCs have a maturity period of 6 years. They provide an annual return of 8%. This interest is calculated and combined with the principal every six months. In other words, the interest is reinvested and paid along with the principal at maturity. At maturity, you will receive Rs. 160.10 for every Rs. 100 invested. Section 80C of the Income Tax Act allows for the investment of NSCs. Even the interest earned every year qualifies under Sec 80C. This means that investments in NSCs and the interest earned on it every year, up to Rs. 1 Lakh, are deductible from the income of the investor. There is no tax deducted at source (TDS).

(v) Post office savings

There are various investment schemes available in post offices, like Senior Citizen Saving Scheme, PPF, Period Deposit, Recurring Deposit (Post Office), KVP (Kisan Vikas Patra), MIS (Monthly Income Scheme) and various others. All these schemes are completely risk-free, and you do not need to have large sum of money to start investing in these post office schemes. Some schemes offer Tax-saving benefits and some gives tax-free returns. So, you need to find out some scheme as per your requirements. These are some of the safe and secure investments that you can opt for. Though the interest rates are not so high, but still, you must invest some part of your money into any of these investment instruments. It is your hard-earned money, so better play safe and invests some part in secure funds also. The special feature of these systems is their sovereign assurance, i.e., the state supports it. Section 80C of the Income Tax Act also provides tax benefits in some of the post office systems. Every

quarter, government authorities evaluate and set the interest rate on the schemes.

(vi) Government Securities

Government securities (G-secs) are supreme securities which are issued by the Reserve Bank of India on behalf of Government of India in lieu of the Central Government's market borrowing program. The term Government Securities includes: Central Government Securities, State Government Securities, and Treasury bills. The Central Government borrows funds to finance its 'fiscal deficit'. The market days of treasury bills either by auction or by floatation of loans. In addition to the above, treasury borrowing of the Central Government is increased through the issue of dated securities and 364 bills of 91 days are issued for managing the temporary cash mismatches of the Government. These do not form part of the borrowing program of the Central Government.

3.5.2 MEDIUM RISK INVESTMENTS

(i) Mutual Funds

A mutual fund is a professionally managed company that pools money from many investors and invests it in stocks, bonds, short-term money market instruments, and/or other securities. In a mutual fund, the fund manager, who is also known as the portfolio manager, trades the fund's underlying securities, realizing capital gains or losses, and collects the dividend or interest income. The investment proceeds are then passed along to the individual investors. The value of a share of the mutual fund, known as the net asset value per share (NAV), is calculated daily based on the total value of the fund divided by the number of shares currently issued and outstanding. In other words, a tiny investor can use professional wealth management services provided by an asset management company through investment in a mutual fund. Their primary function is to assist investors in earning a profit or increasing their assets by utilising the opportunities available in various securities and markets. Mutual funds can

structure a scheme for any type of investment goal. Thus, through its different systems, the mutual fund structure enables a big corpus of cash from varied investors to be tapped.

(ii) Life Insurance

Life insurance is a contract between the policy owner and the insurer, where the insurer agrees to pay an amount of money upon the happening of the insured individual's or individuals' death or other event, like terminal illness, critical illness. In return, the policy owner agrees to pay a fixed amount called a premium at regular intervals or in bulge sum. Like other insurance policies, life insurance is also a contract between the insurer and the policy owner whereby a benefit is paid to the nominated beneficiaries if an insured event occurs which is covered by the policy. The assessment for the policyholder is derived not from an actual claim event. But to a certain extent it is the value derived from the 'peace of mind' experienced by the policyholder, because of the negating of adverse financial consequences caused by the death of the Life Assured. To be a life policy the insured event must be based upon the lives of the people named in the policy.

(iii) Debentures and Bonds

Bonds and debentures are two terms that can be used interchangeably. Bonds are debt securities issued by government, semi-government, and public sector financial institutions and companies in Indian markets. The term debenture refers to debt securities issued by private-sector companies. Bonds are debt securities issued by the government or the public sector, whereas debentures are debt securities issued by the private sector. When you buy a bond, you are lending money to the issuer, which is a government, municipality, corporation, or public entity. In exchange for the loan, the issuer promises to pay you a specified rate of interest for the life of the bond. They also promise to repay the face value of the bond (the principal) when it "matures." Investors can subscribe to primary issues of Corporates and Financial Institutions. It is common practice for financial institutions and Corporates to raise funds for asset financing or

capital expenditure through primary bond issues. Some bonds are also available in the secondary market. The minimum investment for bonds can either be Rs 5,000 or Rs 10,000.

3.5.3 HIGH RISK INVESTMENTS

(i) Equity Share Market

The first step is to become familiar with the stock market. The smallest unit of ownership in a company is a share of stock. If you own a share of a company's stock, you are considered as the owner of the company. Stock market trading involves the purchase and sale of company stocks as well as stock derivatives. This type of trading typically occurs on a stock exchange, where companies must be listed in order for their shares to be purchased and sold. This trading market has a high earning potential and is one of the most popular investment options. Brokers typically conduct stock market trading. As a result, the first step is to locate a trustworthy investment broker. A physical stock exchange is where buyers and sellers of company shares meet and agree on the price at which the transactions will take place. In traditional stock trading, an investor places an order with his or her broker in the physical stock market for a specific number of shares of a company. The broker forwards the order to the floor clerk, who then attempts to locate a trader who desires to sell those shares. Bids are then exchanged. The transaction is only completed when the buyer and seller reach an agreement on the price. An equity market is a market in which, through exchanges or over-the-counter markets, shares are issued and traded. Also known as the stock market, it is one of a market economy's most important fields because it provides businesses access to capital and investors a slice of ownership in a business with the ability to realize profits based on their future results. Equity is one of the most dangerous fields. At the same moment, however, this is also a location where an investor can receive elevated return prices. Investment, on the other side, requires a long-term strategy that will absorb the fund for a longer movement. These two paths are connected with multiple

advantages as well as hazards, and it is up to the person to make up his mind.

(ii) Commodity Market

The terms "commodities" and "futures" are frequently used to describe commodity or futures trading. When investors discuss the stock market, they use terms like "stocks" and "equities." Commodities are actual physical goods such as gold, crude oil, corn, soybeans, and so on. Futures are contracts of commodities that are traded at a commodity exchange like Multi Commodity exchange (MCX). In addition to numerous regional exchanges, India has three national commodity exchanges: the Multi Commodity Exchange (MCX), the National Commodity and Derivatives Exchange (NCDEX), and the National Multi Commodity Exchange (NMCE) (NMCE). The Forward Markets Commission (FMC) is the commodity market's regulatory body. It is one of the few investment areas in which a person with limited capital can make enormous profits in a relatively short period of time. Many people have made a fortune by investing in commodity markets. Commodity trading has a bad reputation for being too risky for the average person. The truth is that commodity trading is only as dangerous as you make it. Those who view trading as a get-rich-quick scheme are more likely to fail because they must take large risks. The possibility of success is very high if you act carefully, treat your trading like a business, and are willing to accept a reasonable return.

(iii) FOREX Market

Forex trading is the simultaneous purchase of one currency and sale of another. Currencies are traded in pairs and through an agent or dealer. For example, Euro (EUR), US dollar (USD) or Japanese Yen (JPY). You are not purchasing anything physical here; this type of trading is confusing. Think of having a currency as buying a share of a particular country. When you buy Japanese Yen, for example, you are effectively purchasing a share in the Japanese financial system, because the price of the currency reflects what the market believes about the current and future health of the Japanese economy. In general, the exchange rate of a currency versus other

currencies reflects the condition of that country's financial system in comparison to the financial systems of other countries. The Forex spot market, unlike other financial markets such as the New York Stock Exchange, does not have a physical location or a central exchange. The Forex market is measuring an Over the-Counter (OTC) or Interbank market, due to the fact that the entire market is unelectronically within a network of banks continuously over a 24-hour period. Only the big boys could play this game until the late 1990s. The first requirement was that you could trade only if you had about ten to fifty million to start with Forex. Forex was designed to be used by bankers and large institutions, not by individuals. However, as the Internet has grown in popularity, online Forex trading firms are now able to provide trading accounts to 'retail' traders. You only need a computer, a high-speed Internet connection, and the information to get started.

3.5.4 TRADITIONAL INVESTMENT AVENUES

(i) Real Estate

Investing in real estate is one of India's most prevalent practices that is being pursued over a very lengthy period of time and will continue in the future. In India, real estate is regarded to be one of the largest investments that can be made and the investment has been made for at least 10 years. The individual who invests in immovable property can also gain cash with the assets by renting it out. Because of the growth of infrastructure, real property can offer a significant appreciation of capital through time sales. For both domestic and foreign investors, investments in Indian real estate have outperformed other options. The sector's boom has been so appealing that real estate has proven to be a compelling investment when compared to other investment vehicles such as capital and debt markets, as well as the bullion market. In comparison to other investment options, it attracts investors by offering the possibility of stable income yields, moderate capital appreciation, tax structuring benefits, and higher security.

(ii) Gold

In India, gold has far more emotional value than monetary value. India is the world's largest consumer of gold. The majority of gold in Western countries is held by central banks. However, in India, gold is primarily used for jewellery. Not only can one invest in gold in physical form, but also in paper gold through Exchange Traded Funds and Sovereign Gold Funds, Gold Saving Scheme, and now gold is also accessible in digital form through PAYTM, GOLDRUSH (maintained by Stock Holding Corporation of India). When you look at gold from a business standpoint, you will realise that it is one of the best investment tools of all time. The movement of gold prices is one of the key factors influencing gold demand. Increased irrigation, agricultural technological change (via mechanisation and high yielding varieties), and a highly skewed rural income distribution are all factors contributing to increased demand for gold. The main economic effects of changes in gold supply can be seen in relation to the amount of gold already in the economy. The supply of gold is insufficient because gold production is decreasing while demand for gold is increasing dramatically. Gold, as an investment tool, always provides investors with good returns, flexibility, safety, and liquidity. As a result, as a financial consultant, my advice to you is to set aside a portion of your portfolio for gold investments.

(iii) Chit funds

In many parts of India, chit funds are a popular savings scheme. It is a traditional finance system used by businessmen, small-scale industrialists, and other part-time investors. It is a type of investment in which members agree to come together and deposit a pre-determined amount for a set period of time. Later on, the member with the lowest bid will receive the money. These types of schemes encourage saving habits by requiring each member to contribute a set amount to the fund each month.

3.6 ELEMENTS OF INVESTMENTS

A. Return:

Return on investment is a measure used to evaluate the efficiency or productivity of an investment. Both current income and capital gains are included in return.

B. Risk:

Risk in investment is the chance of loss due to variability of returns. Every investment carries some degree of risk.

C. Time:

Time is the most important aspect of investing. The duration of the investment depends on the mindset of investors who choose a "buy and hold" strategy.

3.7 FEATURES OF INVESTMENTS

➤ Safety of the principal amount

Safety implies the certainty of capital return without any loss of money or time. Every investor hopes to receive their money at maturity without any losses or delays. While there is no such thing as an absolutely risk-free investment. If your primary goal is safety, you will seek investments with low risk. However, the safest investments tend to have the lowest rates of return and may not even keep up with inflation. Government-issued securities, money market instruments, and bank-guaranteed securities are all examples of safe investments.

➤ Liquidity

Liquidity means the easily realizable, saleable or marketable investment avenues. When liquidity is high, then return may be low. The idea of liquidity is closely related to the number of buyers and sellers who are ready to buy and sell the securities in hand. Thus, liquidity is a major priority when it comes to choosing investments as per one's priority. National saving certificate provident funds etc are highly illiquid whereas equity shares, money market instruments can be highly liquid in nature.

➤ **Income stability**

Stability of income looks for different path as security of principal. Every investor considers stability of monetary income. If income is your primary goal, you will have to give up some safety to increase your returns. Even the most conservative investors prefer to have some income in their portfolios in order to keep up with the rate of inflation. Investing in stock markets, for example, yields a higher return but at a higher risk.

➤ **Capital Appreciation**

Appreciation refers to capital growth of investment and depends upon the industry growth. The gain is realised when the asset is sold at a price higher than the purchasing price. Growth of capital is closely related with equity shares, gold etc. Thus, being another strong objective.

➤ **Growth**

Growth-oriented people are less concerned with safety and do not rely solely on income from investment funds. These types of growth investments are more likely to fluctuate in value and may carry a higher risk of loss. Higher risk investments may have greater long-term rewards, but you will most likely experience some ups and downs in the meantime. It is critical to be prepared and aware of this ahead of time. For example, investments in publicly traded company shares are typically associated with growth and are generally regarded as high-risk investments.

➤ **Easy transferability**

It is also known as saleability of an asset. Securities in stock market are easily moveable or marketable than which are not listed and public limited company's shares are more easily transferable than those of private limited companies.

➤ **Tax Implications**

If an investor earns ordinary taxable income from their investment, they must report it on their federal income tax return. Common shareholders' income is considered capital gains and is taxed differently. Capital gains taxes are significantly lower than taxes on interest income or ordinary income such as salary. If tax savings are your primary goal, registered plans such as national pension schemes and tax-free savings

accounts are your best bet. There are, however, effective ways to earn good returns while saving taxes, such as investing in tax-advantaged mutual funds or life insurance policies.

3.8 WHO IS AN INVESTOR?

An investor is someone who invests money in the hope of making a profit in the future. A person who provides a business with capital and one who buys a stock are both investors. An investor who owns a stock is a shareholder.

3.9 TYPES OF INVESTORS

➤ **Cautious investors:**

They are very conservative; this type of investor has a need for financial security and will avoid high risk ventures as well as listening to professional advice, preferring to conduct their own financial affairs. They always give financial opportunities a great deal of thought.

➤ **Emotional investors:**

These investors act with their heart and not their head. A feeling leads the decisions, and they have great difficulty disengaging from poor investments or cutting losses. They have an unreasonable belief that things will come right in the end and often put their trust in 'luck' to safeguard their financial assets.

➤ **Technical investors:**

This type of investor is influenced by hard facts and numbers, which lead to active trending based on price movements. They may also have a desire for and purchase cutting-edge technology because they are always looking for a competitive advantage. They are screen viewers.

➤ **Busy investors:**

These investors must be involved in the markets; it provides them with an alert or ring when they check the subsequent price movements, which may be several times per day. They must continue to buy and sell based on rumours, overheard gossip, and the mass of newspapers and magazines they collect.

➤ **Casual investors:**

These people are frequently hardworking and involved with work or family. They often believe that once an investment is made, it will take care of itself, and that working hard is the only way to make real money. They frequently lose sight of the fact that they own investment assets and rarely monitor their financial or investment management affairs.

➤ **Informed investors:**

They carefully consider financial opinions and expert assessments, and will only deviate from market trends after carefully weighing all the pros and cons. They are financially secure and have faith in their decisions, knowing that knowledge and experience will always triumph and provide them with long-term profits.

➤ **Passive investors:**

Security is more important to these investors than risk. Passive investors make good clients because they trust financial advisors and are more likely to delegate financial management. These investors are more likely to seek approval from others and are less likely to venture into uncharted investment territory by being contrarian.

➤ **Active investors:**

They are more likely to take risks in investing because they have prior experience taking risks in creating wealth. These people have a high-risk tolerance and a low need for security. Their risk tolerance decreases when they believe they are losing control of an investment situation. These investors believe they are reducing risk by being actively involved and in control.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

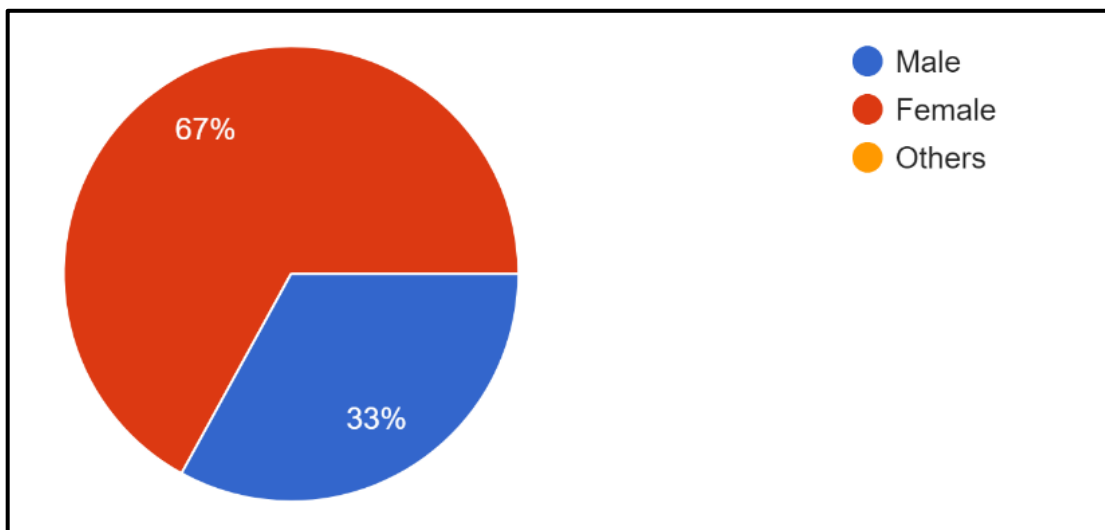
TABLE 4.1

GENDER

GENDER	RESPONDENTS	PERCENTAGE
MALE	33	33
FEMALE	67	67
OTHERS	0	0
TOTAL	100	100

FIGURE 4.1

GENDER



INTERPRETATION

Out of 100 respondents, 67% was female and rest of the population were male.

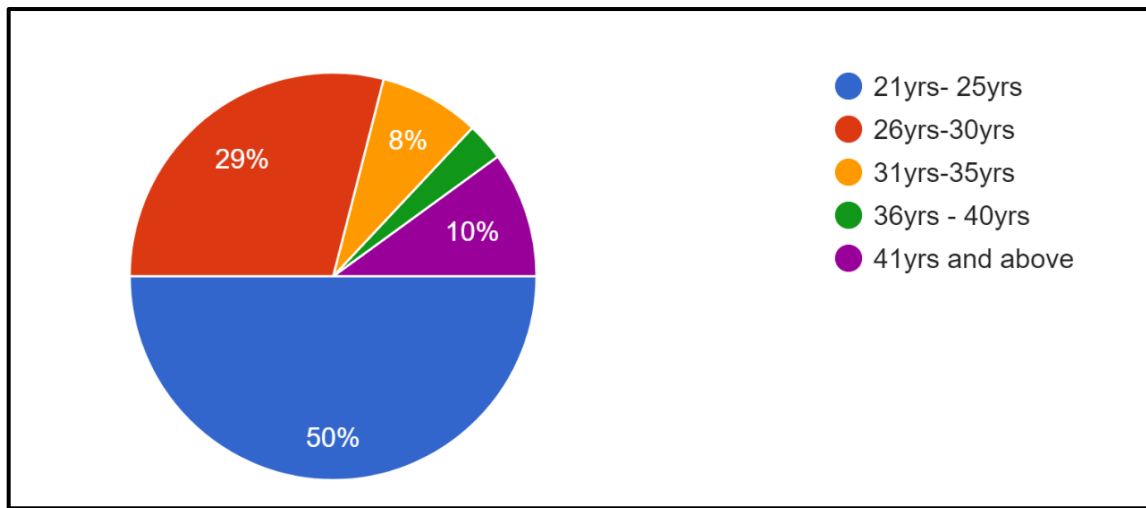
TABLE 4.2

AGE

AGE	RESPONDENTS	PERCENTAGE
21yrs-25yrs	50	50
26yrs-30yrs	29	29
31yrs-35yrs	8	8
36yrs-40yrs	3	3
41yrs and above	10	10
TOTAL	100	100

FIGURE 4.2

AGE



INTERPRETATION

The data shows 50% of total population belongs to the age group of 21yrs to 25yrs, 29% comes in the age group of 26yrs to 30yrs, 10% were at the age group above 41yrs, and the group from 31yrs to 40yrs shows the 11% of the total population.

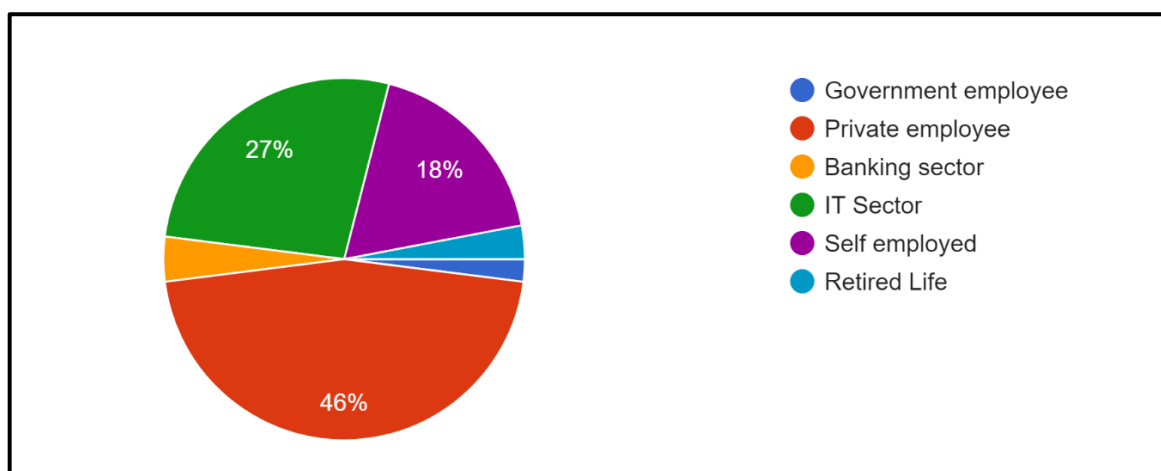
TABLE 4.3

OCCUPATION

OCCUPATION	RESPONDENTS	PERCENTAGE
GOVERNMENT EMPLOYEE	2	2
PRIVATE EMPLOYEE	46	46
BANKING SECTOR	4	4
IT SECTOR	27	27
SELF EMPLOYED	18	18
RETIRED LIFE	3	3
TOTAL	100	100

FIGURE 4.3

OCCUPATION



INTERPRETATION

From the collected data, 46% of total population were Private employees, 27% were IT Sector, 18% of the population for the study belongs to Self Employed working population and a small portion belongs to government employee, banking sector and leading a retired life.

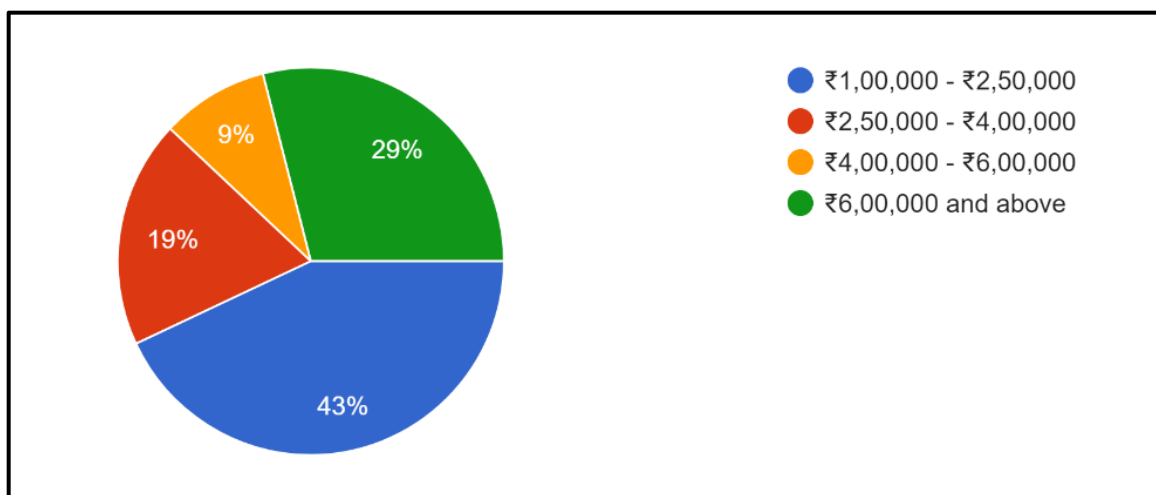
TABLE 4.4

ANNUAL INCOME

ANNUAL INCOME	RESPONDENTS	PERCENTAGE
₹1,00,000-₹2,50,000	43	43
₹2,50,000-₹4,00,000	19	19
₹4,00,000-₹6,00,000	9	9
₹6,00,000 and above	29	29
TOTAL	100	100

FIGURE 4.4

ANNUAL INCOME



INTERPRETATION

Out of 100 respondents, 43% was in having the annual income between ₹1,00,000 to ₹2,50,000. 29% of the respondents were having an annual income above ₹6,00,000 and rest 28% of the respondents were having the annual income between ₹2,50,000 to ₹6,00,000.

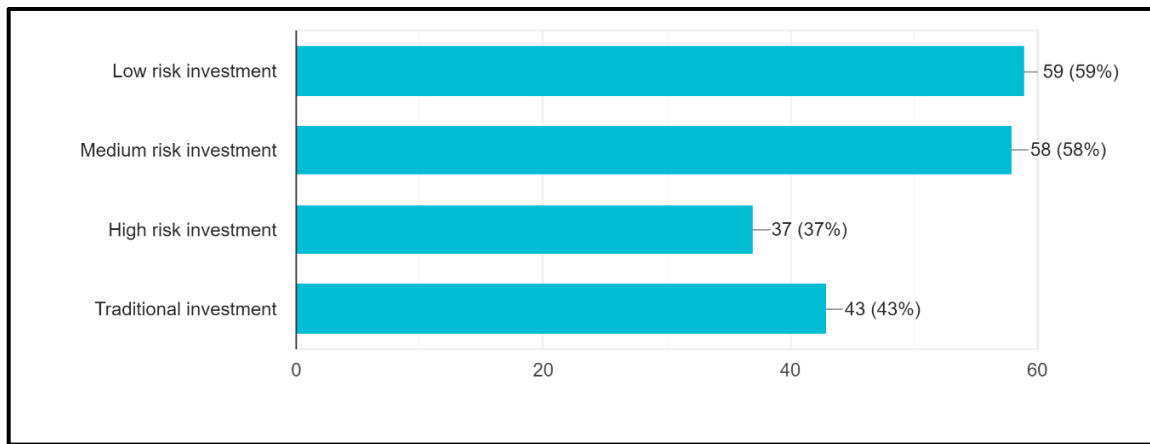
TABLE 4.5

AWARENESS

AWARENESS	PERCENTAGE
LOW RISK INVESTMENT	59
MEDIUM RISK INVESTMENT	58
HIGH RISK INVESTMENT	37
TRADITIONAL INVESTMENT	43
TOTAL	100

FIGURE 4.5

AWARENESS



INTERPRETATION

Majority of the respondents (59%) were aware about low-risk investment, 58% of the population were aware of medium risk investment, 43% of the total population were aware about high-risk investment and 43% were aware about the traditional investment patterns.

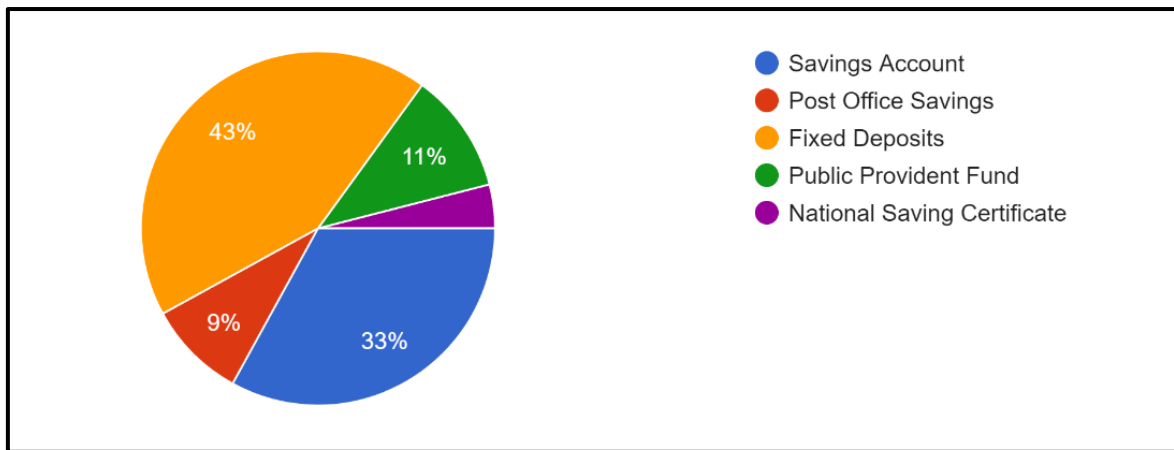
TABLE 4.6

PREFERRED LOW RISK INVESTMENT

LOW RISK INVESTMENT	RESPONDENTS	PERCENTAGE
SAVINGS ACCOUNT	33	33
POST OFFICE SAVINGS	9	9
FIXED DEPOSITS	43	43
PUBLIC PROVIDENT FUND	11	11
NATIONAL SAVINGS CERTIFICATE	4	4
TOTAL	100	100

FIGURE 4.6

PREFERRED LOW RISK INVESTMENT



INTERPRETATION

From the collected data the most preferred low risk investment is fixed deposits as it shows 43% of the total population. The next preferred low risk investment is the savings account as 33% of the total population prefer this. A small portion of the population prefer Post office savings, Public provident fund and National saving certificate.

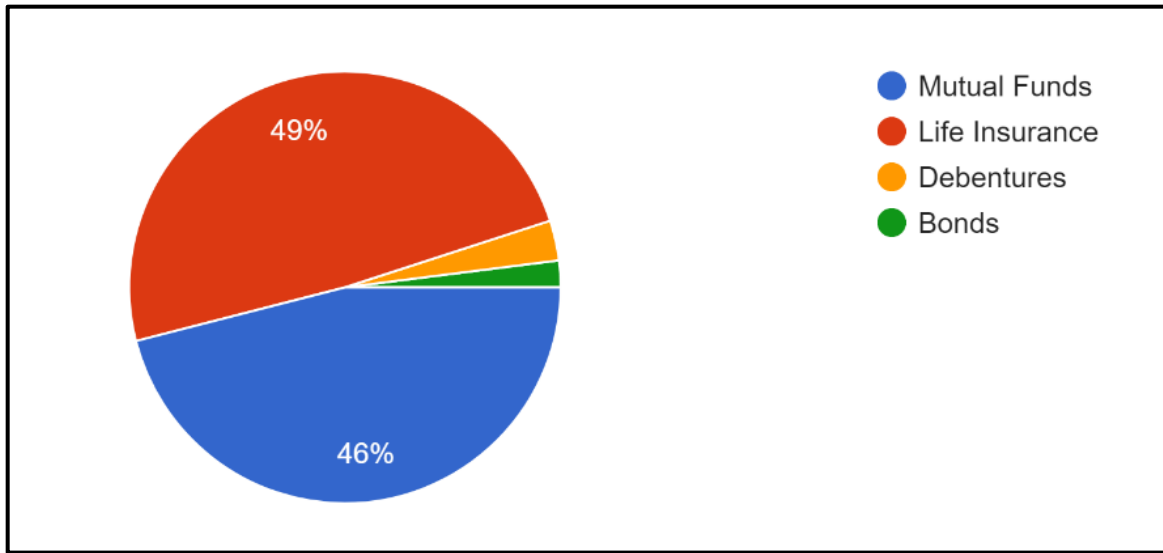
TABLE 4.7

PREFERED MEDIUM RISK INVESTMENT

MEDIUM RISK INVETMENT	RESPONDENTS	PERCENTAGE
MUTUAL FUNDS	46	46
LIFE INSURANCE	49	49
DEBENTURES	3	3
BONDS	2	2
TOTAL	100	100

FIGURE 4.7

PREFERED MEDIUM RISK INVESTMENT



INTERPRETATION

Majority of the total population prefer Mutual funds (46%) and Life insurance (49%) as medium risk investment and a small portion prefer Debentures and Bonds.

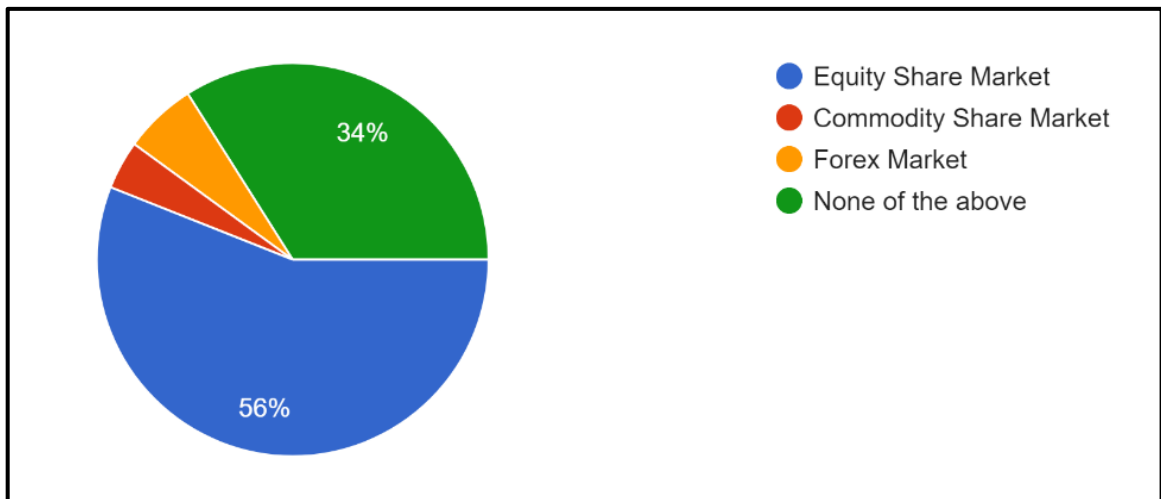
TABLE 4.8

PREFERED HIGH RISK INVESTMENT

HIGH RISK INVESTMENT	RECONDENTS	PERCENTAGE
EQUITY SHARE MARKET	56	56
COMMODITY SHARE MARKET	4	4
FOREX MARKET	6	6
NONE OF THE ABOVE	34	34
TOTAL	100	100

FIGURE 4.8

PREFERED HIGH RISK INVESTMENT



INTERPRETATION

Out of 100 respondents, 56% prefer Equity share market as high-risk investment and 34% prefer none of the high-risk investment pattern. Only a small portion prefer Commodity share market and Forex market as the high-risk investment pattern.

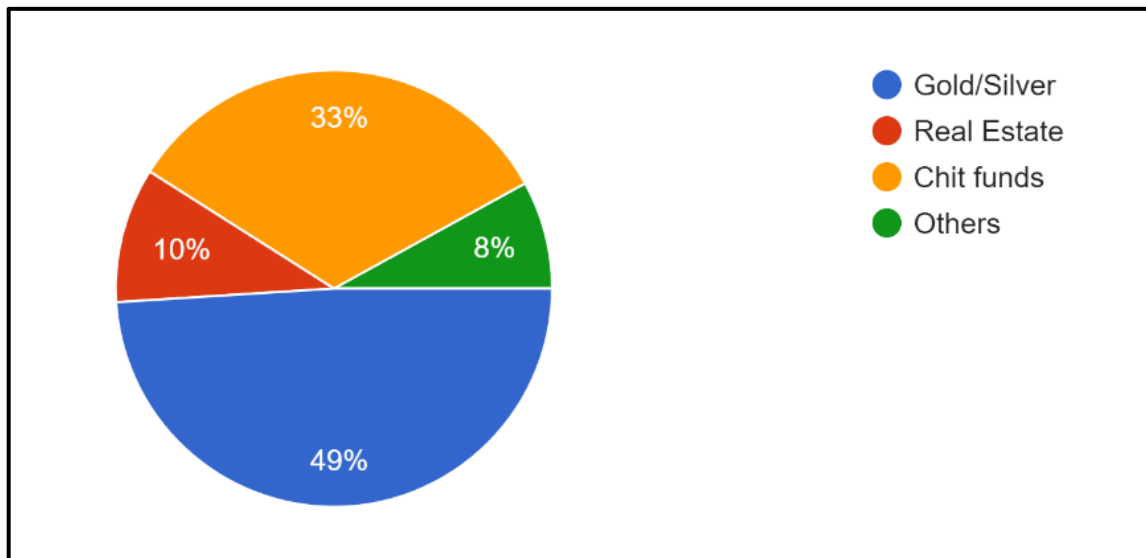
TABLE 4.9

PREFERED TRADITIONAL INVESTMENT

TRADITIONAL INVESTMENT	RESPONDENTS	PERCENTAGE
GOLD/SILVER	49	49
REAL ESTATE	10	10
CHIT FUNDS	33	33
OTHERS	8	8
TOTAL	100	100

FIGURE 4.9

PREFERED TRADITIONAL INVESTMENT



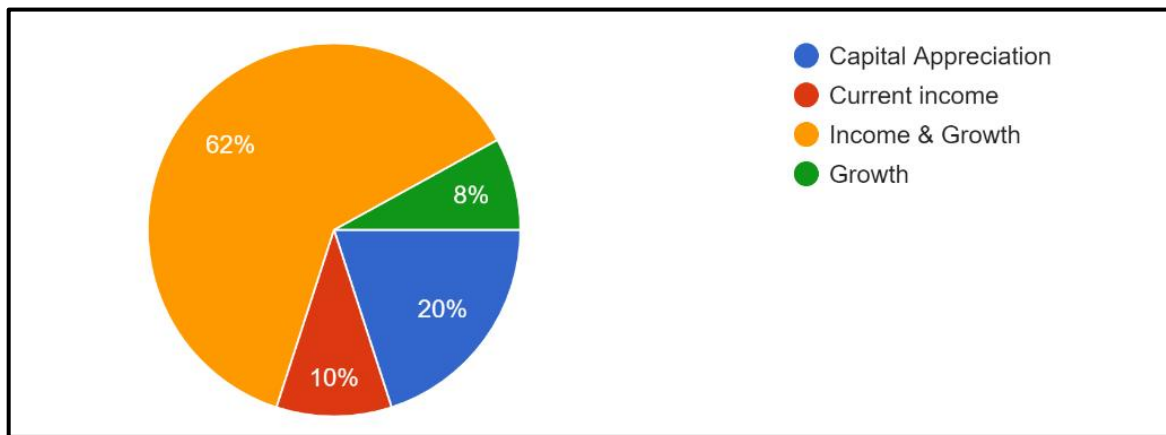
INTERPRETATION

Out of 100 respondents, 49% prefer to invest in Gold/Silver as traditional investment, 33% prefer Chit funds as traditional investment and a small portion of 18% prefer Real estate and other forms of traditional investment patterns.

TABLE 4.10
PRIMARY INVESTMENT GOAL

PRIMARY INVESTMENT GOAL	RESPONDENTS	PERCENTAGE
CAPITAL APPRECIATION	20	20
CURRENT INCOME	10	10
INCOME & GROWTH	62	62
GROWTH	8	8
TOTAL	100	100

FIGURE 4.10
PRIMARY INVESTMENT GOAL



INTERPRETATION

Majority of the population's primary investment goal is to have income and growth(i.e.,62%), 20% of the population's primary investment goal was to have capital appreciation and a small portion of 18% opt investment with the primary goal of current income and growth.

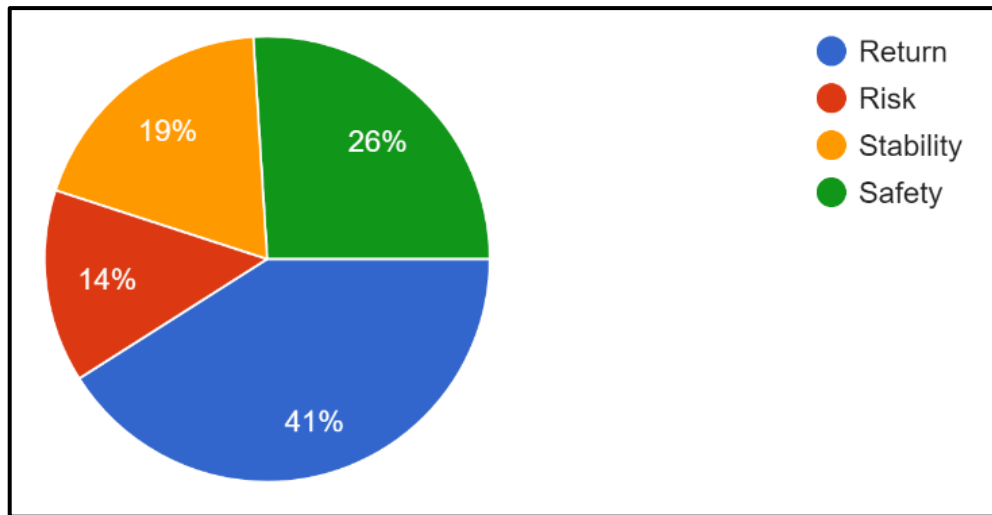
TABLE 4.11

FACTORS GUIDING INVESTMENT DECISION

FACTORS GUIDING INVESTMENT DECISION	RESPONDENTS	PERCENTAGE
RETURN	41	41
RISK	14	14
STABILITY	19	19
SAFETY	26	26
TOTAL	100	100

FIGURE 4.11

FACTORS GUIDING INVESTMENT DECISION



INTERPRETATION

Out of 100 respondents, 41% of the population consider the return factor for investment decision. 26% of the population consider safety, 19% consider stability and 14% consider risk factor for making an investment decision.

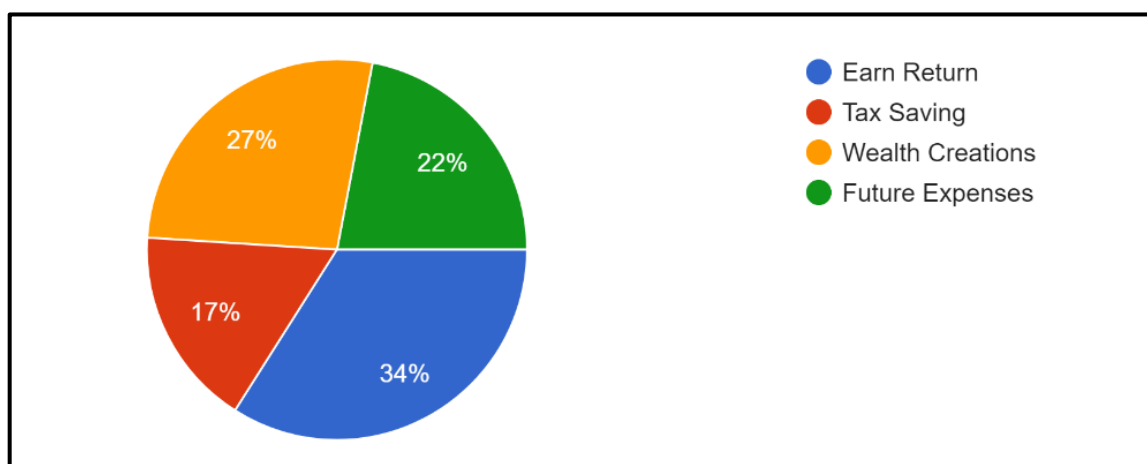
TABLE 4.12

GOAL BEHIND INVESTMENT

GOAL BEHIND INVESTMENT	RESPONDENTS	PERCENTAGE
EARN RETURN	34	34
TAX SAVING	17	17
WEALTH CREATION	27	27
FUTURE EXPENSES	22	22
TOTAL	100	100

FIGURE 4.12

GOAL BEHIND INVESTMENT



INTERPRETATION

From the data collected, 34% of the total population invest in order to earn return, 27% invest with a goal of wealth creation, 22% invest to meet the future expenses and 17% invest with a goal tax saving.

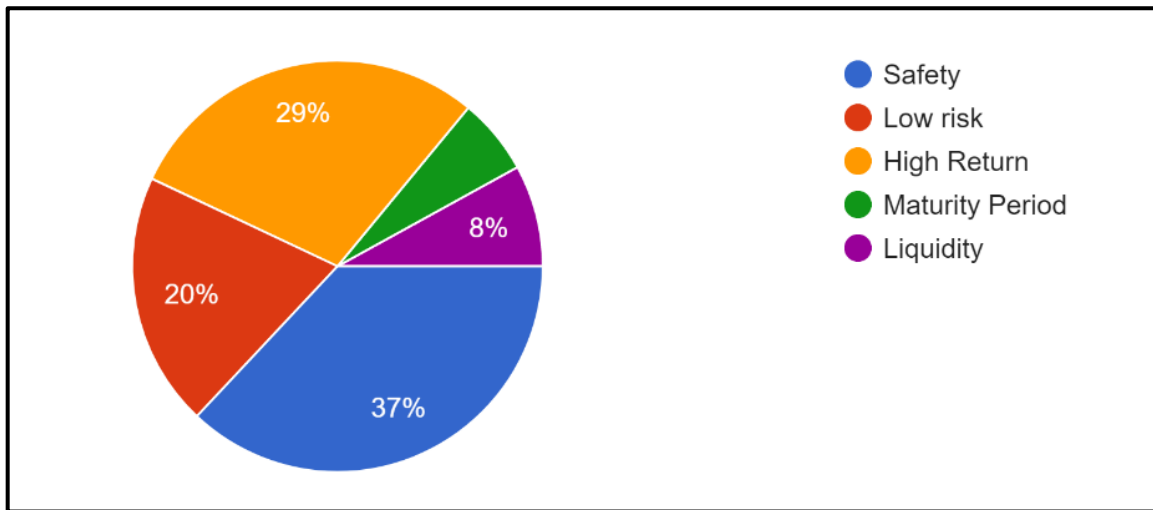
TABLE 4.13

FACTORS CONSIDERED BEFORE INVESTING

FACTORS CONSIDERED BEFORE INVESTING	RESPONDENTS	PERCENTAGE
SAFETY	37	37
LOW RISK	20	20
HIGH RETURN	29	29
MATURITY PERIOD	6	6
LIQUIDITY	8	8
TOTAL	100	100

FIGURE 4.13

FACTORS CONSIDERED BEFORE INVESTING



INTERPRETATION

Out of 100 respondents, the most considered factors before investing were safety (37%), 29% respondents consider high return, 20% of the population consider low risk and a small portion of the population considered the factors liquidity and maturity period.

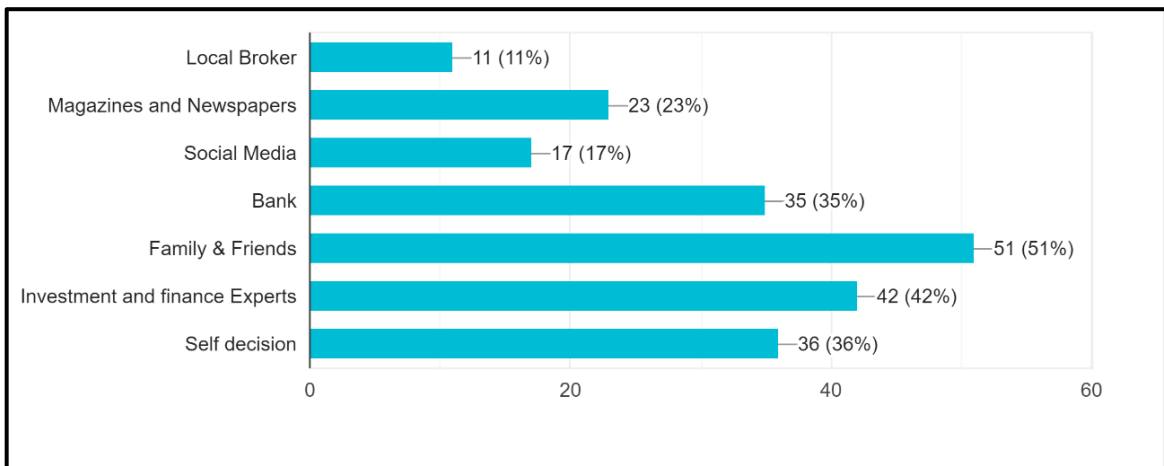
TABLE 4.14

WHOSE ADVICE DO YOU SEEK IN INVESTMENT DECISION

SEEK ADVICE	PERCENTAGE
LOCAL BROKERS	11
MAGAZINES & NEWSPAPER	23
SOCIAL MEDIA	17
BANK	35
FAMILY & FRIENDS	51
INVESTMENT & FINANCIAL EXPERTS	42
SELF DECISION	36
TOTAL	100

FIGURE 4.14

WHOSE ADVICE DO YOU SEEK IN INVESTMENT DECISION



INTERPRETATION

Out of the 100 respondents, 51% seek advice from family and friends, 42% seek advice from investment and finance experts, 36% and 35% seek self-decision and bank respectively. Rest of the population seek advice of local broker, magazines and newspaper, and social media.

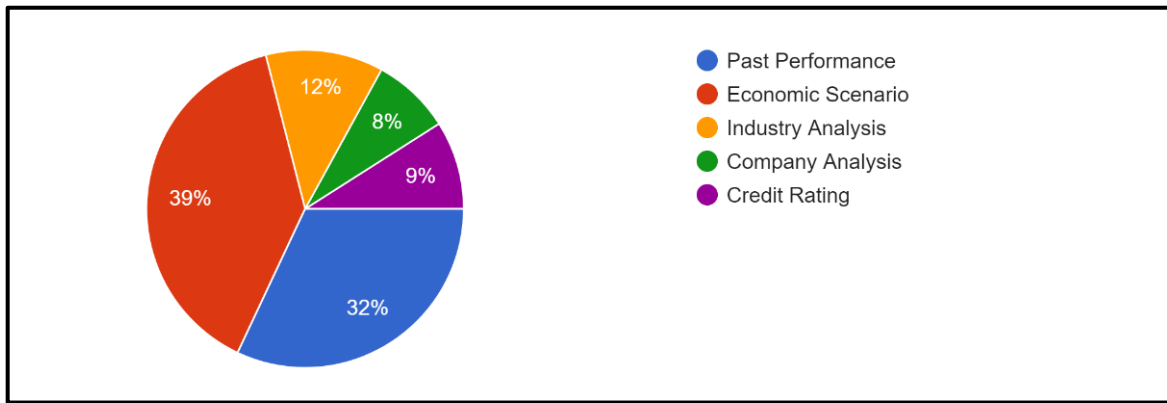
TABLE 4.15

INVESTMENT DECISION DEPENDS UPON

INVESTMENT DECISION DEPENDS UPON	RESPONDENTS	PERCENTAGE
PAST PERFORMANCE	32	32
ECONOMIC SCENARIO	39	39
INDUSTRY ANALYSIS	12	12
COMPANY ANALYSIS	8	8
CREDIT RATING	9	9
TOTAL	100	100

FIGURE 4.15

INVESTMENT DECISION DEPENDS UPON



INTERPRETATION

Out of 100 respondents, 39% depends on the economic scenario for making investment decision, 32% depends on past performance and 12% depends on the industry analysis. A small portion of the population depends on company analysis and credit rating.

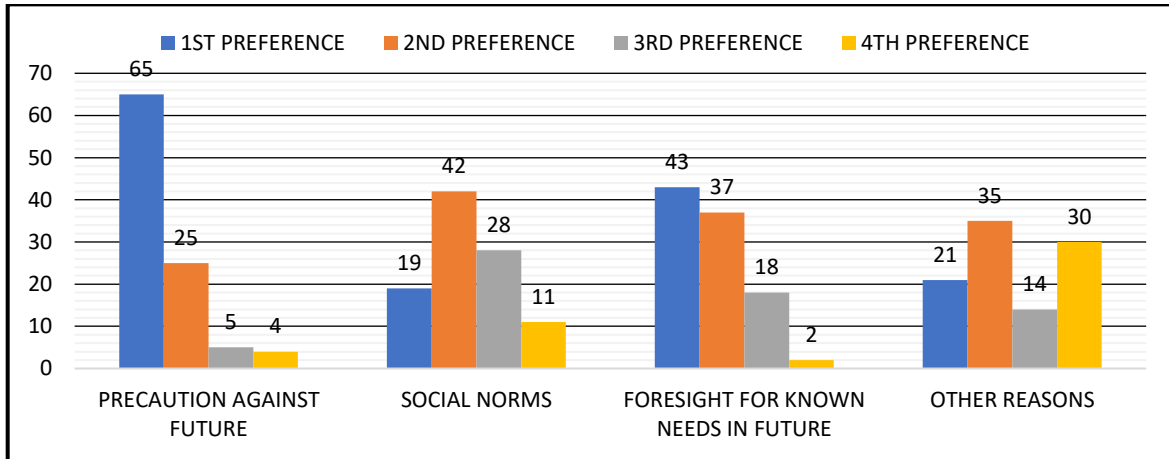
TABLE 4.16

WHY DO YOU INVEST?

PREFERENCE	PRECAUTION AGAINST FUTURE	SOCIAL NORMS	FORESIGHT FOR KNOWN NEEDS IN FUTURE	OTHER REASONS
1ST PREFERENCE	65	19	43	21
2ND PREFERENCE	25	42	37	35
3RD PREFERENCE	5	28	18	14
4TH PREFERENCE	4	11	2	30
TOTAL	100	100	100	100

FIGURE 4.16

WHY DO YOU INVEST?



INTERPRETATION

From 100 respondents, 65% gave first preference on the precaution against future. 42% of the total population gave second preference and 28% gave third preference on the social norms and 30% gave other reasons as fourth preference.

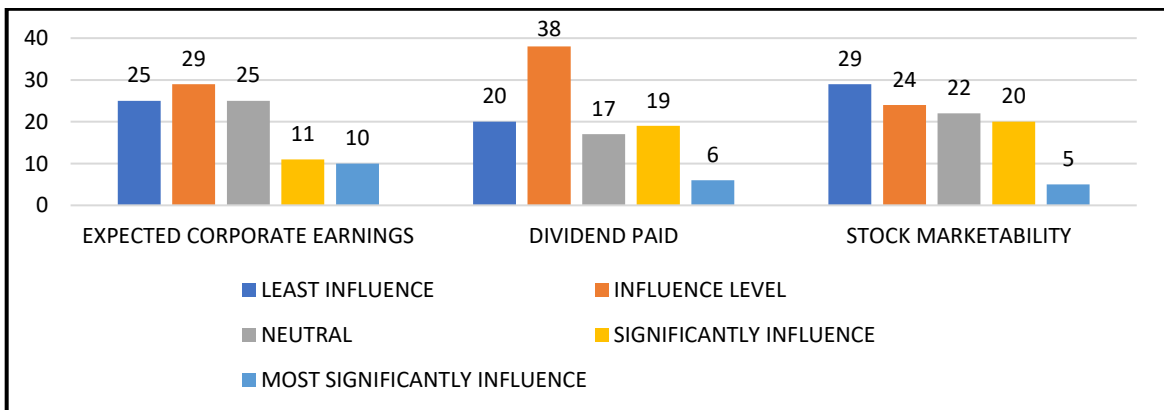
TABLE 4.17

FACTORS INFLUNCE LEVEL ON INVESTMENT DECISION MAKING

INFLUENCE LEVEL	EXPECTED CORPORAT E EARNINGS	DIVIDEN D PAID	STOCK MARKETABILIT Y
LEAST INFLUENCE	25	20	29
INFLUENCE LEVEL	29	38	24
NEUTRAL	25	17	22
SIGNIFICANTLY INFLUENCE	11	19	20
MOST SIGNIFICANTLY INFLUENCE	10	6	5
TOTAL	100	100	100

FIGURE 4.17

FACTORS INFLUENCE LEVEL ON INVESTMENT DECISION MAKING



INTERPRETATION

Around 38% of the total population has an influence level on dividend paid for the investment, 29% was having least influence on the stock marketability of the investment and 25% was having a neutral influence level on the expected corporate earnings of the investment pattern they choose.

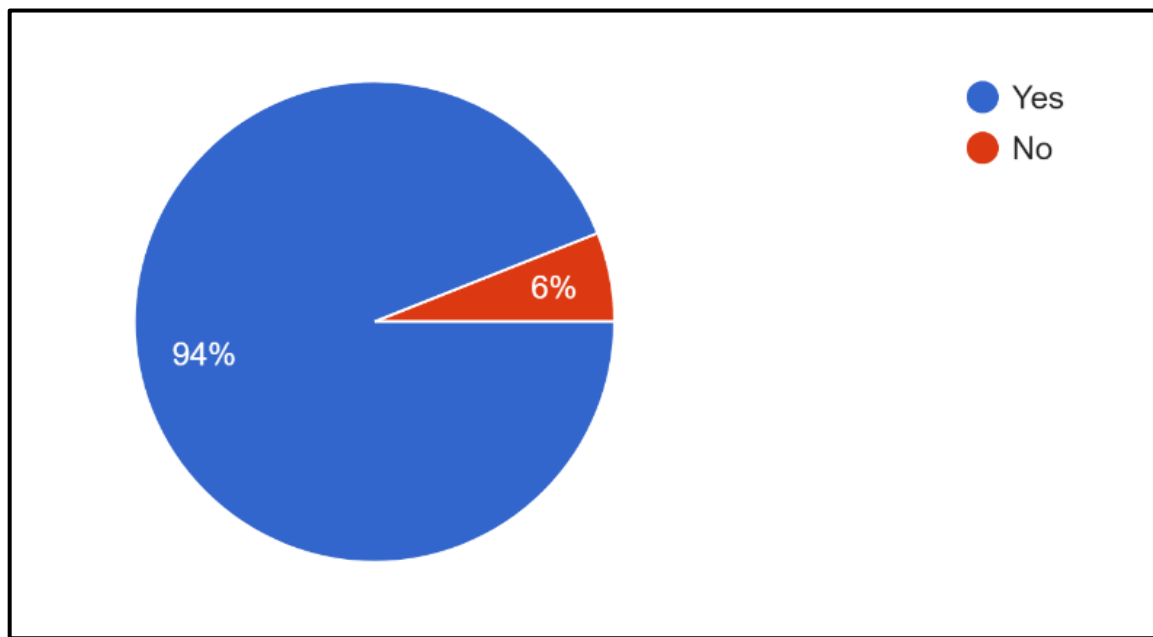
TABLE 4.18

DO INVESTMENT DEPENDS ON INCOME?

DO DEPEND ON INCOME	RESPONDENTS	PERCENTAGE
YES	94	94
NO	6	6
TOTAL	100	100

FIGURE 4.18

DO INVESTMENT DEPENDS ON INCOME?



INTERPRETATION

Out of 100 respondents, 94% investment pattern depends upon the income and rest of the population investment pattern doesn't depend upon their income.

HYPOTHESIS TEST

H1: There is an association between the income of respondents and the frequency of investment of the respondent

The above hypothesis is being tested chi-square using the IBM SPSS software and it shows the following result.

FREQUENCIES

ANNUAL_INCOME			
	Observed N	Expected N	Residual
₹1,00,000 - ₹2,50,000	43	25.0	18.0
₹2,50,000 - ₹4,00,000	19	25.0	-6.0
₹4,00,000 - ₹6,00,000	9	25.0	-16.0
₹6,00,000 and above	29	25.0	4.0
Total	100		

FREQUENCY_OF_INVESTMENT			
	Observed N	Expected N	Residual
Monthly	46	25.0	21.0
Quarterly	21	25.0	-4.0
Half Yearly	9	25.0	-16.0
Annually	24	25.0	-1.0
Total	100		

Test Statistics		
	ANNUAL_INCOME	FREQUENCY_OF_INVESTMENT
Chi-Square	25.280 ^a	28.560 ^a
df	3	3
Asymp. Sig.	<.001	<.001
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.0.		
<u>INTERPRETATION</u>		
<p>Since the p value is 0.01 that is less than 0.05. Therefore, we reject the hypothesis. Hence, there is no association between the annual income and the frequency of investment of the working population.</p>		

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1. FINDINGS

- Majority of the respondents are female.
- 46% of total population were Private employees.
- Almost 43% was having the annual income between ₹1,00,000 to ₹2,50,000.
- Majority of the respondents (59%) were aware about low-risk investment, 58% of the population were aware of medium risk investment, 43% of the total population were aware about high-risk investment and 43% were aware about the traditional investment patterns.
- Around 43% of the total population prefer fixed deposits as low risk investment.
- Majority of the total population prefer Mutual funds (46%) and Life insurance (49%) as medium risk investment and a small portion prefer Debentures and Bonds.
- More than 50% prefer Equity share market as high-risk investment
- 49% prefer to invest in Gold/Silver as traditional investment.
- Majority of the population's primary investment goal is to have income and growth(i.e.,62%).
- The return factor for investment decision was considered the most.
- From the data collected it is analysed that 34% of the total population invest in order to earn return, 27% invest with a goal of wealth creation, 22% invest to meet the future expenses and 17% invest with a goal tax saving.
- The most considered factors before investing were safety (37%), 29% respondents consider high return, 20% of the population consider low risk and a small portion of the population considered the factors liquidity and maturity period.
- More than 50% seek advice from family and friends and 42% seek advice from investment and finance experts
- It can be observed that 39% depends on the economic scenario for making investment decision and 32% depends on past performance
- Around 38% of the total population has an influence level on dividend paid for the investment, 29% was having least influence on the stock marketability of the investment and 25% was having a neutral influence level on the expected corporate earnings of the investment pattern they choose.

5.2 SUGGESTIONS

- Investor knowledge is a key aspect in the case of investment. One's awareness is what is mostly needed in such a scenario. Financial knowledge and awareness of financial opportunities needs to grow that can lead to proper channelisation of savings to investments.
- There's a general tendency to rely on low-risk investment options and thus making the choices quite narrow and repetitive. Lack of awareness and investment attitude towards new avenues need to change.
- A good financial wellbeing can be achieved by having strong investment pattern that act as a stronghold for one's future actions. Thus, one should think more on their investments they choose, the money they need to invest to gain from it and how well one can monitor it to make sure that a sustainable growth is maintained.
- The investors need to analyse right time period for the right investment. The maturity point of investments needs to be studied and hence a decision is to be made. This can help the investors to prioritize their investments and make decision as to whether long-, short- or medium-term investments as per their requirement.
- The gold investor should deposit their idle gold under GDS which will provide them safety, interest earnings, tax benefits and a lot more.
- Post office may offer more savings schemes compared with banks. So that the investors can properly invest their money in postal schemes.
- More tax concessions must be introduced by the Government for increasing the investments in various avenues, especially to the salaried class.
- The investors should select a selected investment option on basis of their need and risk tolerance and continuously monitor their investments.

5.3 CONCLUSION

The study on the Investment pattern among the working population in Cochin Corporation have paved way to understand the way they feel about investing and what are their aspirations needs and aim out of these. This study enables one to realise the changing scenario we are a part of and how working population seem to be explored this. Investment means putting your money to work to earn more money or in other words it is sacrificing of money today for future return. Investment is one of the most successful ways to make financial provisions for the future, where most of the conditions are uncertain and unpredictable and we see how working population are coming into the forefront to deal with this investment are helping them to be more secure and satisfied of their safety and surety in life. All investments have some risk, whether in stock, capital market, banking financial sector and the degree of risk however varies on the basis of the features of the assets, investments instrument, the mode of investment, time frame etc. but it's how one becomes aware and acts on it that makes a difference. Investment benefits both economy and the society and thus realising this working population have become contributors to this goal and this is visible through this study.