

Financial investment pattern and preference of college professors at trichy city

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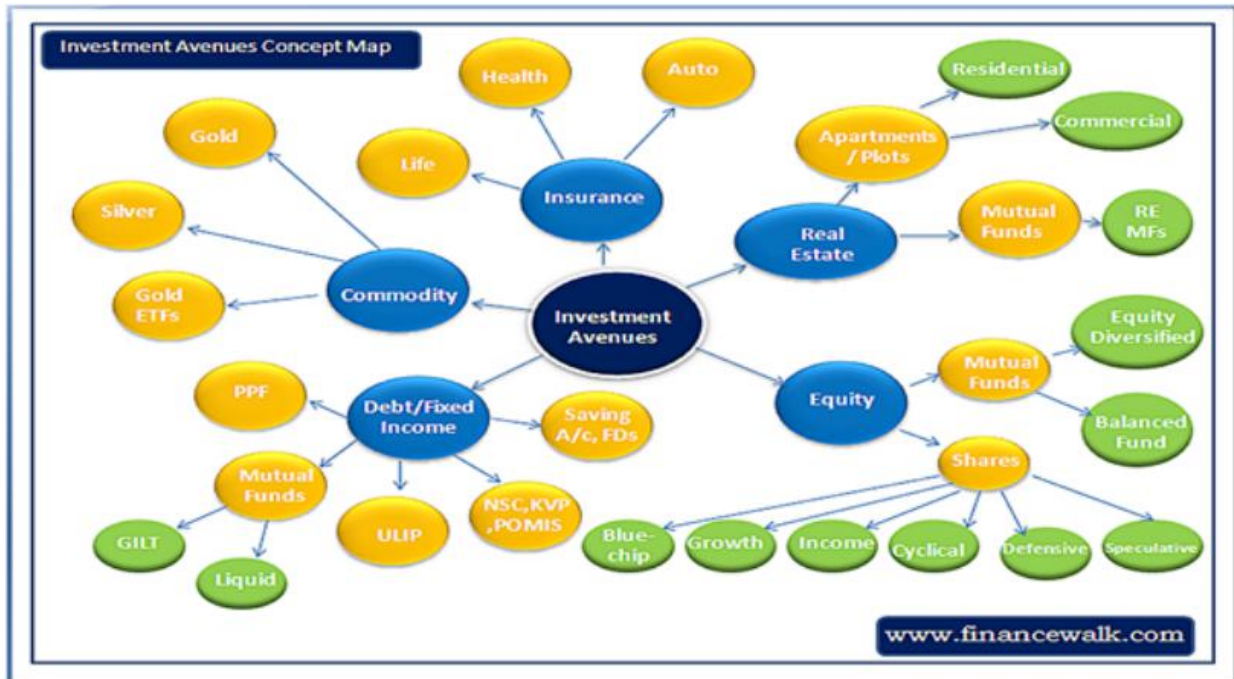
Abstract - Financial Investments are the commitments that are made by individuals with any financial and non-financial instruments for gaining a better and profitable return in future for a particular objective. The financial and non-financial investment instruments act as a medium or a driving tool for investment decisions of individuals. From the available investment avenues one must select the appropriate one that he feels safer or good to invest. The person who is going to make investments should be aware of all knowledge about investments and should be aware of how it is going to fulfil his objective. The person who is investing should be known of all the investment avenues available for making investments. Such avenues are employee provident fund, public provident fund, mutual funds, insurance, bank deposits, real estate, gold, stock market. This study is about to analyse the investment pattern of college professors and their attitude towards investment avenues. It also aims to identify the reason behind making investment and to find their objective for making investment. It helps to find the behaviour of individuals while making investments. Further this study helps to find the relationship of various demographic factors of the respondents and factors associated while making investment decisions. Such factors include time period of their investment, investment avenues, risk factors, returns etc.,

keywords - **KEYWORDS:** Investment, demographic factors, Investment avenues, Preferred Investment, Risk & Return, salary, College professors, Tax Saving, Liquidity.

INTRODUCTION

Investment is spending or putting a sum of money in various investment avenues with the aim of getting back returns in the form of money, capital. Investment is an interesting way that attracts various people of different economic class, occupation, and social status. Investments are choices made by individuals to put their money in a specific investment avenue for a period of time to get back returns. Such decisions are taken by individuals of different occupation, gender, etc., Investment decisions differs from individual to individual. India is developing nations where there are a different people with different economic classes are there. The financial and non-financial products act as an avenue for investment and provide the security to the respondents based on the risk-return profile of the products. So investment decisions varies according to individuals and various investment avenues are found in the economy such as employee provident fund, public provident fund, mutual funds, insurance, bank deposits, real estate, gold, stock market etc., Some of the investment avenues are riskier while some has low risks. The selection of investment would be depending on specific need of the individuals, rate of returns from the avenue and risk it contains. The awareness about investments is also a major concern while making investments. Many people are unaware of investments and some feel investments are very riskier and try to avoid investments. Some people have a high level of knowledge about investments and others posses very low level of knowledge regarding investments.

1. Investment – Concept Investment refers to purchase of financial assets. While investment goods are those goods which are used for further production. Investment is a conscious act of an individual or any entity that involves development of money in securities or properties issued by any financial institutions with the objective of high returns with in a definite period of time (Mahendra Kumar Ikkar, 2014).
2. Investment avenues: An investment avenue is one that an investor makes his investment into a particular field that either brings him returns or losses. All investment avenues carry a level of risk that may be either low risk or medium risk or high risk. Low risk products give mostly lower returns compared to high risk products. Investment avenues are chosen based on the individual's circumstances and their risk appetite. In this study I had taken these investment avenues to study the investment behaviour of individuals they are Employee provident fund, Public provident fund, Mutual funds, Insurance, Bank deposits, Real estate, Gold, Stock market etc.,



3. Returns: A return, which is also known as a financial return, is the money gained or lost on an investment over a period of time. A return can be expressed nominally as the change in value of an investment over time. It may bring sometimes money and also sometimes leads to loss of the money invested.
4. Safety: Safety is a principle that an individual considers while making investment. It is also a factor that is considered while making investments. The investor may feel sometimes riskier to make investments. The safety is one of the major factors that stimulate the investment behaviour.
5. Tax savings: Tax saving means saving money by reducing the taxes to be paid or payable to relevant tax authority. It is also one of the important factors that help investors to make investments and reduce their taxes to be paid. Tax saving allows investors to save money. Some of the tax saving products are employee provident fund, public provident fund, mutual funds, insurance stock market etc.,
6. Liquidity: Liquidity refers to the term which a security that can be quickly purchased or sold in the market at a price reflecting its current value. Liquidity in finance means a security or an asset that can be easily converted into cash at market price. In the covid pandemic situation many people faced financial crisis. This study helps whether liquidity is a factor that stimulates the investment behaviour.
7. Risk: The risk associated in investment may be of different forms that are low risk products (Savings in Cash, Savings Account including other bank deposits, Bank Fixed Deposits, Public Provident Fund (PP F) Other Post Office Savings /Small Savings), medium risk products (Life Insurance, Pension Schemes/ National Pension Schemes) and high risk products(Company fixed deposits, Equity /Share Market/stock market, Derivatives such as future, options and swaps, Commodities Future, Exchange traded Fund etc).

Investment Options	Min Investment Period	Who can Invest	Risks	Returns
Direct Equity	NA	Balance Risk and Return	High	NA
Mutual Funds	3 Years with ELSS	Medium to High Risk	Low-High	Market-Linked
National Pension Scheme	60 Years	Retirement Plant	Low-High	Market-Linked (8-10%)
PPF	15 Years	Long-term Investment	Nil	7.9%
Bank Fixed Deposits	7 Days	No Equity Risks	Nil	Fixed Returns
SCSS	5 Years	Senior Citizen	Nil	8.7%
Real Estate	5 Years	Anyone	Medium	15-19%
Gold ETF	NA	Anyone	Low-Medium	Market-Linked
RBI Bond	7 Years	Indian Citizen	Nil	7.75%
PMVY	10 Years	Senior Citizen	Nil	7.4%
ULIP	≤ 45 Years	Wealth Creation and Life Cover	High	NA
POMIS	5 Years	Indian Citizen	Nil-Low	7.7%
IPO	NA	Investors with Trading Account	Moderate-High	NA

timesnext

8. Emerging /Alternative investment avenue: It includes Real Estate Fund, foreign stock, forex trading, Private Equity/ Venture capital, Hedge funds, portfolio management schemes (PMS), Art and Film Funds, Wine, paintings, antiques , collectibles etc.
9. Traditional high risky investment avenue: It includes Chit Fund /pongy schemes/ money circulation/Public Investment schemes such as agro-bond, plantation bond etc.
10. Compulsory savings from salary: It includes from savings compulsorily deducted from salary such as Employees Provident Fund (EPF) / General Provident Fund GPF/ Contributory provident Fund (CPF)/ National Pension Schemes (NPS) etc.

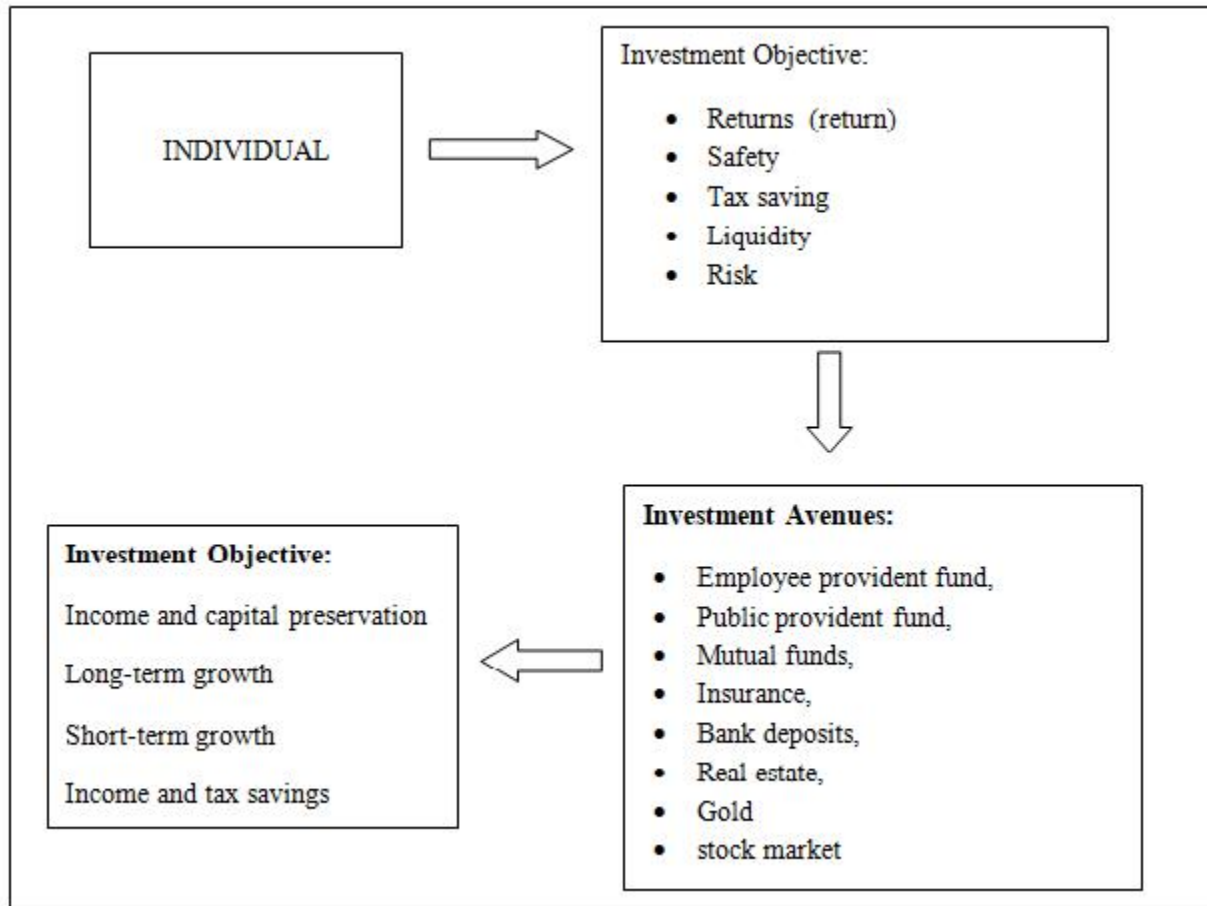
Financial Assets of the Indian Households (2012-18) (in Rs Billion & at approx current prices)					
Year	Bank Deposits	Non-Banking Deposits	Life Insurance Funds	Provident & Pension Funds	Shares & Debentures
2012-13	5,751	279	1,799	1,565	170
2013-14	6,393	228	2,044	1,778	189
2014-15	6,027	289	2,992	1,908	203
2015-16	6,220	182	2,660	2,917	448
2016-17	9,418	250	3,491	3,020	362
2017-18	4,753	208	3,272	3,496	1,509

* Life Insurance Fund includes Central or State Governments employees' insurance funds and postal insurance funds.

* Shares and Debentures include investment in shares and debentures of credit / non-credit societies, public sector bonds and mutual funds (other than Specified Undertaking of the UTI).

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FRAMEWORK:



REVIEW OF LITERATURE:

1. Dr. D. Rajasekar, (September – 2013), according to this study, it is a project mainly carried out to find the investment’s perception with regard to their demography and their personality traits. In order to understand the level of investor’s preference, a survey is conducted taking into consideration various parameters involved in investors decision making. For evaluation purpose Survey method was selected keeping in mind objectives of the study. The data was collected from primary and secondary sources. The primary data was collected from the investors who invested in various investment avenues. The secondary sources are from books, journals and internet. Since the investor population in vast a sample size of 150 was taken for the project. The data was analyzed using the statistical tools like percentage analysis, chi-square weighted average. The report was concluded with findings and suggestions and summary. From the findings, it was inferred overall that the investor are highly concerned about safety and growth and liquidity of the investment.
2. Santosh Kumar Mohapatra,(Jan. 2015) According to him, savings and investments by individuals are priority of both for personal financial well-being and also for the economic growth. People with the savings are better be able to economic shocks such as loss of income, to build assets for the future are less reliant on credit to cover the unexpected expenses. This study examined investment pattern of the salaried people in odisha. The underlying principle behind choosing this topic is the basic that the salaried class in India constitute majority of savers and has gained attention of economists, policy makers and the marketers, as there remains a considerable untapped, unharnessed potential income class of India. However, majority of the respondents have expressed that they are likely to invest in real estate followed by bank deposits, life insurance in future. Though majority of respondents are likely to take moderate risk for moderate return, they give more importance to safety and security of their investment.
3. K.V.Ramanathan, Dr.K.S.Meenakshisundaram, (July 11-12, 2015,) According to them, Financial investments are the commitments that are made with any financial or non financial investment instruments for a better and profitable returns in the future for a specific objective. The financial or non financial investment products act as an avenue for investment and provide the security to the individuals (respondents) based on the risk-return profile of the investment products. On the various choices for investment, one must choose according to his wish. In this research, it is an attempt to analyse the significance of the selected demography of the respondents working in a bank towards their investment preference on products such as real estate, gold, bank deposit, government bonds, share market, commodity market, mutual fund, life insurance policies and post office savings. 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.

4. Sajad Ahamd Bhat, (DECEMBER 2019) , According to Sajad Ahamd Bhat, this study was conducted to explore the investment preference of the investors reference to type of employment. In this study he took 200 employees (investors) by using random sampling method. The distinguished the respondents based on the basis of employment. He took 100 banking associates and 100 teachers from Jammu & Kashmir Bank and various schools across different schools of Kupwara of Union Territory of Jammu and Kashmir. He used self made Information blanket for collecting data. He analysed the data using percent analysis and frequency distribution. The results were analysed with the help of the descriptive analysis method. Apart from this, he made suggestions based on the results and some suggestions were outlined.
5. Dr. S. RAMALINGAM, (Year 2020), according to him, this research study was based on the micro economic approach of estimating of the responses of the respondents, (i.e) savings and investment preference of household investors in the vellore district, tamil nadu, india. The objective of the study was to determine the savings habits and investment preference of household investors. The primary source of data were collected from 793 respondents using structured questionnaire. The data has been analyzed using percentage analysis and chi-square test with the help of statistical software. The research shows that the mode of savings looks same irrespective of any domicile and post office/bank deposits are best options for the household investors.

CONCLUSION

This research study was conducted to understand the investment pattern and preference of college professors and also to know their level of awareness towards selection of investments. From the available investment avenues one must select the appropriate one that he feels safer or good to invest. The person who is going to make investments should be aware of all knowledge about investments and should be aware of how it is going to fulfil his objective. The study also reveals that the respondents are aware about the investment and would choose investment avenues where return on investment is high and also good investment which helps in asset creation for future. The study also helps to obtain the general views of the investor preference over various investment products. This research will also guide the investment firms to identify the suitable investors and to offer their investment instruments and decide their policies accordingly. This study helps to find the investment pattern of the college professors and their behaviour towards various investment avenues.

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