

A PROJECT REPORT ON ANALYSIS OF INVESTMENT PATTERN OF DIFFERENT CLASS OF PEOPLE & INVESTMENT OPTIONS

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ABSTRACT

The project “ANALYSIS OF INVESTMENT OPTIONS” gives a brief idea regarding the various investment options that are prevailing in the financial markets in India. With lots of investment options like banks, Fixed Deposits, Government bonds, stock market, real estate, gold, and mutual funds the common investor ends up more confused than ever. Every investment option has its own merits and demerits. In this project, I have discussed a few investment options available. Any investor before investing should take into consideration the safety, liquidity, returns, entry/exit barriers, and tax efficiency parameters. We need to evaluate each investment option on the above-mentioned basis and then invest money. Today investor faces too much confusion in analyzing the various investment options available and then selecting the best suitable one. In the present project, investment options are compared based on returns as well as on the parameters like safety, liquidity, term holding, etc. thus assisting the investor as a guide for investment purposes.

Introduction

The project “Analysis of Investment Pattern of Different Class of People & Investment Options” gives a brief idea regarding the various investment options that are prevailing in the financial markets in India. With lots of options like banks, fixed deposits, government bonds, stock market, real estate, gold, and mutual funds the common investor ends up more confused than ever. Every investment option has its own merits and demerits. In this project, I have discussed a few investment options available.

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Review of Literature

ARTICLE 1:

R. Sreepriya, P. Guruswamy (2017), ‘Investment Pattern of Salaried People

Additional income or value growth can be achieved by investment. Waiting for rewards is the main characteristic of investment. Investment is the allocation of monetary resources to get returns over a given period. Surplus funds are invested with different channels by salaried class people. This research analyses the different investment avenues. 81 percent of respondents faced a problem at the time of investment.

ARTICLE 2:

Bhawana Bhardwaj (2015), 'Investment, Saving, and Investment Pattern of Employees of Bahra University

National output is an increase for the future by investment. Investment depends upon awareness about an investment opportunity, level of knowledge, evaluation of investment opportunities, and selection of investment options. Research states that maximum respondents have been selected as Bank deposits and Provident fund as an investment avenue. Investors preferred stability in return of investment.

ARTICLE 3:

Varsha Virani (2018), 'A Study on investment Options Available in Modern Era', Investment plans are important to meet consequences in the future, to meet financial goals. Economic development is boosted with the help of investments. Investment in Bank helps in the circulation of funds for the nation's development. Financial independence, increase in wealth, and personal goals can be achieved through investments. Investment avenues are divided into high-risk and low-risk instruments.

ARTICLE 4:

Unmekha Tare, Vishal Mehta (2015), 'A Study of Avenues Available for Investment' study analyses the difference in perception of investors in the decision of investing based on age and gender. Various investment options are examined in this research such as Secured deposits, Life insurance policies, Provident fund, Pension schemes, Bonds, Debentures, Equity shares, Mutual funds, Real estate, postal schemes, etc. investment decisions are to be taken by self and has to wait to see the results of it, which fascinates some investors.

Research Methodology

The objective of the study:

- To review the investment pattern of the different classes of people in India.
- To study the investment decision of different classes of investors.

Scope of the study:

The study will be of help to gain a better understanding of the expectations an investor looks for in an investment option. This study will help the research scholar to understand the preferences and patterns of different class people in India to go for further research.

Limitations:

- The study is conducted to analyze their pattern, not all those factors that matter while investing.
- An interpretation of this study is based on the assumption that the respondents have given correct information.
- The economy and industry are so wide and comprehensive that is difficult to encompass all the likely factors influencing the investor's investment pattern in the given period.

Sample Size & Sampling Method

- Samples: 204
- Sampling technique: Snowball Sampling

- Tools used: MS-Excel, SPSS
- The statistical test used: Chi-Square test
- Analysis: Critical Analysis

Data Analysis

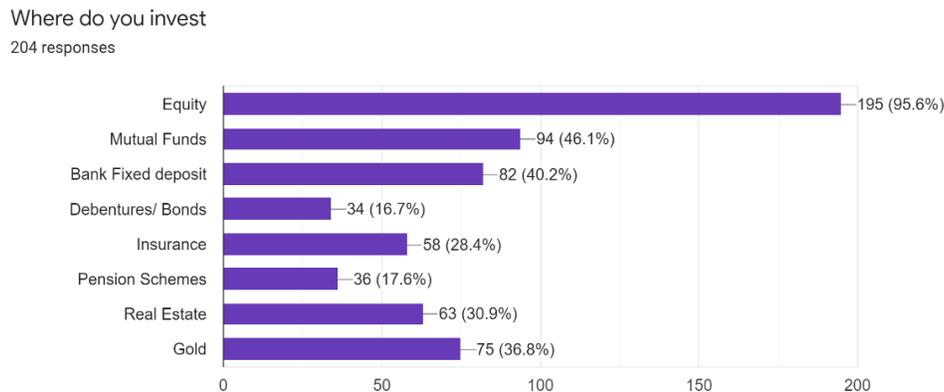
Table 1. Shows the demographic pattern of Investors

The demographic category of investor	Parameters	Number of Representatives	
		Total (204)	(%)
Gender	Male	145	71.1%
	Female	59	28.9%
Age	Up to 30 years	103	50.5%
	31 to 45 years	79	38.7%
	46 to 60 years	10	4.9%
	60 & above	12	5.88%
Education Qualification	HSC or less	9	4.4%
	Graduation	55	27%
	Post-Graduation	115	56.4%
	Professional qualification	25	12.3%
Employment Status	Government Employee	18	8.8%
	Private Employee	88	43.1%
	Professional	40	19.6%
	Self Employed	27	13.2%
	Retired	12	5.9%
	Student	19	9.3%
Monthly Income	Less than 30,000	29	14.2%
	30001-50000	35	17.2%
	50001-70000	63	30.9%
	70001-100000	54	26.5%
	More than 100000	23	11.3%

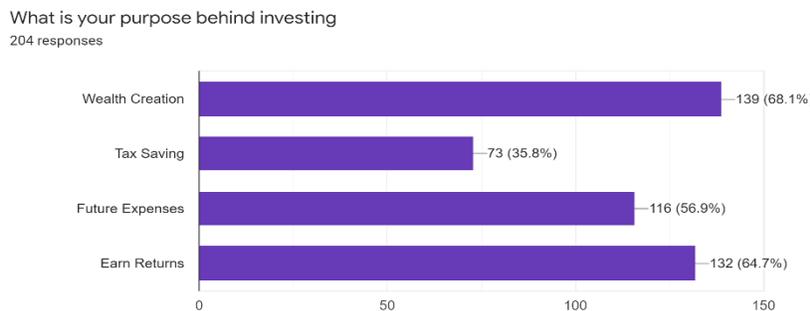
Table 2. Shows investors choices

Investment Options	Total	(%)
Equity	195	95.6%
Mutual Funds	94	46.1%
Bank Fixed Deposits	82	40.2%
Bonds/ debentures	34	16.7%
Insurance	58	28.4%
Pension Schemes	26	12.6%
Real Estate	63	30.9%
Gold	75	36.8%

Graph 1. Shows investors choices



Graph 2. Shows the purpose behind investing



Findings& Conclusion

Findings

- The most important forms of urban financial investment were bank deposits, shares, and securities.
- Investors will be provided with adequate and reliable information so that they can make sound investment decisions.
- Investors are mostly influenced by family members while taking decisions on investment

Conclusion

There are several investments to choose from these include equities, real estate, gold, etc. Each class of assets has its peculiarities. At any instant, some of these assets will offer good returns, while others will be losers. In the early days, most investors in search of extraordinary investments try to find a single asset. Some look for the next Infosys, others buy real estate or gold. In recent times many buy across all asset classes or diversify within an asset class. Therefore, it has been widely said that “Don’t put all your eggs in one basket”. The idea is to create a portfolio that includes multiple investments to reduce the risk.

From the above study, it may conclude that the investment behavior of one class of people is different from another class of people, it may be in the form of risk perception level, awareness of various investments. Stocks are one of the preferred investment avenues of all classes of people. This point states that in India still, people are depending on traditional investment avenues. Knowledge is the key power to invest in the stock market, therefore conducting several Investors 'awareness programs can remove fear in the minds of potential investors.

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