



A Study on Attitude of the Salaried People towards Savings with Special Reference to Coimbatore City

KEYWORDS

Attitude ,Income, Savings, Salaried People, Tax Payer

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ABSTRACT

The author studied about the Attitude of the salaried people towards savings. The author chosen 90 respondents for his study and he found the results with the help of percentage analysis and correlation analysis. Here the author collected data through primary method and used convenience sampling method.

INTRODUCTION:

The word "Tax" is derived from the Latin word called Taxove and Taxo means to estimate, appreciate or value. The word Income Tax itself implies it is a tax on earnings. It plays vital role in the national economy. The ever increasing functions of the government have naturally lead to increasing expenditure for instance achieving the social and economic objectives laid down in the constitution, reducing the inequality of income, removing the concentration of economic power in few hands, balancing regional economic growth and so on.

OBJECTIVES

- To identify the elements of income and savings of the selected respondents of the study.
- To study the attitude of the salaried people towards savings.
- To make appropriate suggestion and conclusion.

STATEMENT OF THE PROBLEM

All the relevant information for the study has been obtained

ANALYSIS AND INTERPRETATION:

Table : 1

Relationship Between The Tax Payment And Tax Saving Investment As Per Age Group

Age	No. of respondents	%	Tax saving investment Total	%	Tax payment	%
25-35	18	20	1889594	19.51	366521	15.06
36-45	33	36.67	3495852	36.09	982684	40.39
46-55	31	34.44	3045689	31.45	862659	35.46
56 & Above	8	8.89	1253639	12.95	220783	9.09
Total	90	100	9684774	100	2432647	100

Source: Primary Data

The above constructed table shows the relationship between the tax payment and tax saving investment as per age group in the age tax saving 25.35%; 20% of the saving investment up to 19.51% and their total tax payment was 15.06%. In the age group 36-45, 36.67% of the respondents made a tax saving investment up to 36.09% while the tax payment made way up to 40.39%. About 34.44% if the respondents are in the age group of 46-55 above made a total tax saving. Investments of about 31.45% while the tax payment up to a 35.46%. In the age group 56 and above 8.89% respondent made a tax saving made way up to 9.09%. Group respondents the relationship between age, tax payment and the tax saving investment. The age group of 46 and above pays the least amount of tax through their experience they resort to in-

from the representative samples of the salaried section and without referring to any records. As the study is for current and also a short period, those data seen to be reliable.

SCOPE OF THE STUDY

The present study is taken from the point of the salaried assessee. The scope of this study is to analyze, the various sources of income in different subgroups, their tax liability and tax saving investment practices. As the respondents are directly Income Tax assessee, it is assumed that they know the income tax provision relating to the tax saving investment schemes.

RESEARCH METHODOLOGY

It deals with the definition of Research Problem, Research Design, Methods of Data Collection, Sampling Design and Interpretation of Data. Simple Random sampling was adopted to determine the sample size. The researcher collected data from 90 respondents. The researcher analyzed the data with statistical tools like chi-square, correlation.

vesting in more securities hence promoting more tax savings.

Table : 2

Relationship between the GTI Tax Saving Investment and Type of Tax Saving Investment

Types of tax saving investment	No. of respondents	%	Tax saving investment	%
LIC	90	100	2941216	31.8
PF	90	100	3183193	34.42
Post office saving	10	1.11	270000	2.93
ULIP	9	27.78	108716	1.17
NSC	25	34.44	604850	6.54

Repayment of housing loan	31	27.78	1412176	15.27
NSS	25	3.33	578716	6.26
Jeevan Dhara	3	2.22	68721	0.74
Jeevan Surabi	2	5.56	22320	0.24
Jeevan Suraksha	5	2.22	56700	0.63
Total	-	-	9246608	100

Source: Primary Data

The above table shows the relationship between the tax saving investment and the types of tax saving investment. From the table it is evident that 100% of the total respondents resorted to LIC, which amount to 31.80% of the total investment. 100% of the total respondents contributed towards PF, which amounted to 34.42% of the total investment and 27.78% towards NSS, which amounted to 6.26% of the total investment. 34.44% of the respondent in repayment of housing loan amounting to 2.93%. A minority of the respondents invest their funds in post office saving. Jeevan surabi that rounded up to 1.41% of the total investment. Graphical representation of the relationship between the Tax saving investment and types of tax saving investment. The tendency of salaried employees resort to tax savings by investing PF (34.59%) and followed by LIC (28%) and repayment of housing loan 17.73% respectively.

Table: 3
Relationship between Income and Savings:

Income \ Savings	Savings				Total
	20000-70000	70000-120000	120000-170000	170000-220000	
120000-180000	6	5	-	-	11
180000-240000	8	15	3	2	28
240000-300000	4	20	4	4	32
300000-360000	4	7	4	-	15
360000-420000	-	-	2	2	4
Total	22	47	13	8	90

Source: Primary Data

Correlation Co-efficient = 0.6391

Result:

The above correlation co-efficient shows that there is positive relationship between the income and savings. It can be concluded that there is a high relationship between income and savings.

Table:4
Savings and Tax paid:

Tax paid \ Savings	Savings				Total
	20000-70000	70000-120000	120000-170000	170000-220000	
Below 15000	4	10	0	0	4
15000-30000	5	16	0	0	21
30000-45000	5	10	6	2	23
45000-60000	6	12	8	3	29
60000 and above	-	2	-	1	3
Total	20	50	14	6	90

Source: Primary Data

Correlation Co-efficient = 0.1636

Result:

The above correlation co-efficient shows that there is positive relationship between the variables, i.e. income and savings are increasing and also tax liability is increasing at average level.

FINDINGS:

- The funds to which of the salaried employees tend to invest is PF, LIC, NSS and Jeevan Suraksha.
- The correlation analysis reveals that there is no relation between the age group and the investment in LIC. However, salaried employees invest in LIC.
- It is concluded that those salaried employees belonging to the income group of 240000-270000, contribute more towards NSC. In other words, the middle income group is found to be more attached to NSC.
- The correlation analysis has revealed that there is a moderate high degree of correlation existing between income of the respondents and savings, amount of tax paid, savings on tax savings scheme. It can be concluded that, the respondents are diverting a portion of their income to some other non-government schemes which gives them high returns and hence they are willing to pay high tax.

SUGGESTION:

If we invest a certain amount of tax saving investment schemes people get only a limited amount as interest on deposits. But on other hand if we invest the same amount in some other business, we may get a higher amount of earnings. And again the net present value of the amount invested in tax saving investment may become very less or nil after a certain period. So it is advised to invest in some other business.

CONCLUSION:

The extent of tax savings by the government salaried employees is comparatively higher than private employees with regard to their share in the GTI. The quantum of GTI, bearing on the tendency to save, the salaried employee's income levels of 270000-300000 particularly tend to invest more in LIC. The researcher has found that, though both government and private contribute towards PF, the extent to contribution is greater in the case of private than government employees.

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