

Investment Pattern of Salaried People – A Study in Coimbatore District



Finance

KEYWORDS : Salary, Investment, Pattern

R. SreePriya

M.Com., M.Phil, Asst.Professor, Department of Commerce Dr. N. G. P Arts and Science College, Coimbatore-48

P. Gurusamy

Professor & Head, Department of Corporate Secretaryship, Dr. N. G. P Arts and Science College, Coimbatore-48

ABSTRACT

Salaried people invest for future benefits. They save their savings in various aspects of investment avenues. Most of them will look after the safety of their investment rather than high returns. Further, an increment in the saving is always preferred and it has reached a stage where the returns decide the investment. The saving and investment differs from person to person and place to place as the savers have varying objective embracing safety, liquidity and profitability. Saving scheme for saving and investment are introduced by the government to reduce the tax liabilities of the assessee. How to choose an ideal investment is the problem of investor in choosing specific investment. Investor must know the characteristic of that investment which has return, liquidity, safety, appreciation, risk covered tax benefits. The tax payers choose his investment in such a way to get tax benefits.

INTRODUCTION

Investment is the employment of funds with the aim of achieving additional income or growth in value. The main characteristics of investment are waiting for a reward. Investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period of time. Investment aims at multiplication of money at higher or lower rates depending upon whether it is long term or short term investment and whether it is risky or risk-free investment. Investment activity involves creation of assets or exchange of assets with profit motive. "An investment in knowledge pays the best interest". From the people point of view, the investment is a commitment of a person's funds to derive future income in the form of interest, dividends, rent, premium, pension benefits or appreciation of the value of their principle capital. Most of the investments are considered to transfers of financial assets from one person to another. Various investment options are available with differing risk-reward tradeoffs. An understanding of the core concepts and a thorough analysis of the options can help an investor to create a portfolio that maximizes returns while minimizing risk exposure.

STATEMENT OF THE PROBLEM

The salaried people having different investment channels to invest their surplus funds in modern equipments. Consumer durables have attracted the salaried brackets towards it. In fact, it has affected largely the saving habits of the salaried classes, as well as quantum of savings, which in turn, has affected the investment decision of this related class. Such a dynamic situation compels one to have a clear-cut objective of his future investment. Then only the investor can think of channelizing the surplus income for investor's own benefit as well as for the growth of the country. The investor should be very careful in selecting the investment avenues. The investor should exercise this skill, knowledge and experience for choosing investment opportunity. Otherwise the whole of his investment may go waste. In this context, the present study becomes highly essential on the following grounds. To know the investment pattern of salaried people and to find out the various factors affecting the investment decision of salaried people.

OBJECTIVES OF THE STUDY

- To know the mode of investments of the salaried respondents in various investment avenues.
- To study the factors influencing the investment pattern of the respondents
- To explore the problems faced by the respondents in their pattern of investments.
- To offer suggestions based on the results of the study.

RESEARCH METHODOLOGY

The area of survey for this study was confined to Coimbatore district. Coimbatore is a textile city comprises of all classes of people. Professionals, businessmen and people with different

income group live here providing necessary scope to undertake this survey. This study used both primary and secondary data. Totally 150 samples were collected by using simple random sampling method. The primary data collected from the respondents through questionnaire. The secondary data collected with help of various manuals, internet, journal, books etc.

TOOLS OF ANALYSIS

The following are the statistical techniques used for the study.

- Percentage analysis
- Chi square test
- Ranking analysis

DATA ANALYSIS AND INTERPRETATION

TABLE 1: PREFERENCE OF INVESTMENT

Preference of Investment	No of Respondents	Percentage (%)
Bank Deposit	47	32
Real Estate	20	13
Government Bonds	12	8
Post Office Savings	16	11
Mutual Funds	14	9
Gold	27	18
Shares & Bonds	12	8
Others	2	1
TOTAL	150	100

Source: Primary Data

It is pinpointed from the above table that 47(32%) of respondents preferred bank deposits, 27(18%) of respondents preferred gold investment, 20(13%) of respondents preferred real-estate, 16(11%) of respondents preferred post office savings, 14(9%) of respondents preferred mutual funds, 12(8%) of respondents preferred both shares& bonds and also government bonds, 2(1%) of respondents preferred as other investment rather than options given. From the analysis, it is conclude that 47(32%) of the respondents preferred to invest in bank

TABLE 2: PROBLEMS FACED BY THE RESPONDENTS

Problems	No. of Respondents	Percentage (%)
Yes	29	19
No	121	81
TOTAL	150	100

Source: Primary Data

It can be seen from the above table that 121(81%) of sample respondents have not faced any problems from their investment and 29(19%) of respondents faced some problems from their investment. From the analysis, it is conclude that 121(81%) of respondents have not faced any problem.

TABLE 3: EDUCATIONAL QUALIFICATION AND LEVEL OF FULFILLMENT

Educational Qualification	Fulfillment		Total
	Satisfied	Dissatisfied	
School level	16(94.12)	1(5.88)	17(100)
College level	60(55.05)	49(44.95)	109(100)
Others	16(66.67)	8(33.33)	24(100)
Total	92(61.33)	58(38.67)	150(100)

Source: Primary data

Factor : Educational qualification
 D.F : 2
 Table value : 5.991
 Calculated value : 9.81
 Significant Level : 5%

Hypothesis

Ho: There is no significant relationship between education qualification of the respondents and their level of fulfillment.

H1: There is a significant relationship between education qualification of the respondents and their level of fulfillment.

It is divulged from the above table that the calculated chi-square value is greater than the table value and the result is significant at 5 % level. Hence, null hypothesis Ho is rejected and the al-

ternative hypothesis H1 is accepted. The hypothesis "Education qualification of the respondents and their level of fulfillment" are associated, holds good. From the analysis, it is conclude that there is a close relationship between the education qualification of the respondents and their level of fulfillment.

FINDINGS

- It is found that 55% of respondents belong to the male.
- It is found that 80% majority of respondents belong to the age group of 26-35 years.
- It is found that 58% majority of respondents are married.
- It is found that 73% majority of respondents educated up to college level.
- It is found that 35% majority of respondents know their investment avenues.
- It is found that 41% majority of respondents investment is long term.
- It is found that 31% majority of respondent preference of investment is bank deposits.
- It is found that 81% majority of respondents have not faced any problem on their investments
- There is a significant relationship between the educational qualification and fulfillment level of the respondents.

CONCLUSION

This study has made an attempt to analyze the savings and investment pattern of salaried class investors. An in-depth analysis is done to identify the attitude, factor influencing investors to save and savings preference of investors. It is hoped that the saving public (particularly salaried class) will analyze their savings and investment. This study identified the problem faced by the investors and the impending problems could be solved in the right direction. Hence appropriate recommendation has been made to make the investment climate more congenial and attractive to the investing community.

REFERENCE

1. Kothari.C.R(2004),Research methodology, New Age International Publishers, New Delhi. | 2. PreetiSingh(2006),Investment Management, Himalaya Publishing House, Mumbai. | 3. Robert a Haugen (2005) Modern Investment Theory, PHI Learning Private | Limited, New Delhi. | 4. European financial management, January(2012) , Volume 18 issue. | 5. Journal of Emerging Markets, November (2007), Fall-Winter Volume 12. | 6. International journal of exclusive, November (2011),Volume 1 Issue 6 | 7. http://www.investorwords.com/2615/investment_history.html | 8. www.Scribd.com |