



INVESTORS PREFERENCE OF CHIT FUND IN CHIDAMBARAM TALUK, CUDDALORE DISTRICT.

Commerce

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ABSTRACT

We have made a systematic survey to understand the present investment trends in Chidambaram taluk. In the current economic system, there are numerous investment opportunities to choose. Some of these investment avenues offer attractive incomes but with high risks, some suggest lower incomes with very low risks. Investment is the sacrifice of present day's consumption to gain profitable returns in the future. A proficient investor can reduce the vulnerabilities and maximize returns. Investor can avoid pitfalls and safeguard his/ her interest.

KEYWORDS

INTRODUCTION

Chit fund is a saving scheme typically found in India. These are conducted, regulated and managed for Chit Funds Act of 1982. There are three types of chit funds available in India, namely: i) funds run by state governments; ii) private registered chit funds; and iii) unregistered chit funds. Though chit funds in India are under the governance of central legislation, state governments are responsible for their administration. Rules and their execution rest with state governments. In 1982, before Supreme Court ruling fact, of chit funds were particularly popular in South Indian states. Funds were maintained by Tamil Nadu Chit Funds Act of 1961; Maharashtra Chit Funds Act of 1975 was in operation in Maharashtra; and in Kerala, the Kerala Chitties Act 1975 regulated these funds in Kerala and so many chit funds act available in India. State governments regulated and managed by Chit funds are included in this category. Even those run by PSUs (public sector undertakings) belong to this class. These are low risk and safe. Business processes are transparent and clean. Participating in such funds is safe and protected to a significant extent. Kerala State Financial Enterprises (KSFE) and Mysore Sales International Limited (MSIL) are examples of government managed chit funds Companies. The Chit Funds Act of 1982 were registered but came into being in the 1980s. Many financial institutes or business houses were floated by prominent is normally by chit funds. Funds are not as safe as in the state governments or public sector undertakes participating in these Chit funds.

OBJECTIVES OF THE STUDY

The researcher framed following objectives is

1. To analyze the investors' preference of aware and unaware of investment in Chit funds.
2. To measure the impact on chit fund among the investors in study areas.
3. To promote chit fund demonization of service management in study areas.
4. To give, findings, suggestions and conclusion.

RESEARCH METHODOLOGY

The study focused on the data was collected from both primary and secondary data. The main source of Primary data has been collected through questionnaire method in Cuddalore Taluk and secondary data were collected from magazines, journals, books and related websites etc. Hence the sample size is 150 respondents. The schedule has been used for collecting information from the Cuddalore people. This is purely based on descriptive research.

Table-below the above table indicates that it's found out that 100 percent of the 150 respondents are belongs to the unaware of 53.37 percent and remaining 46.67 percent of the respondents is aware from chit funds.

It is revealed that 26.67 of the respondents are gathered from brokers, 25.33 percent of the respondents collects from newspaper, 23.33 & 13.34 percent of the respondents knowing that investment level is relative & advertisement, and remaining 11.33 percent of the respondent is magazines.

It is noted that 31.33 percent of the respondents are directly invest in chit funds, 28.67 and 22.67 percent of the respondents is broker and through agent, and remaining 17.33 percent of the respondents is any other invest in the chit funds scheme.

Rate of invested in chit funds 24.00 percent of respondents are invest Rs. 1, 00,000 -3, 00,000, then 23.33, 21.33 and 18.00 percent of respondents are invest in Rs. 10,000-20,000, Rs. 3,00,001-5,00,000 and Rs.20,001-1,00,000 and remaining 13.34 percent of the respondents are invest above Rs. 5,00,000.

Chit funds mode of payment is 26.67 percent of respondent is paying cash, 20.00 and 16.67 percent of respondent have paid by cheque, debit card, 14.67 and 13.33 percent of the respondent is have paid net banking and demand draft and remaining 08.66 percent of the respondent is paying on wallet payment.

Table-1 Functions of Chit Fund

Sl. No	Variable	Respondent	Percent
1.	Aware of Chit Funds(aware)	70	46.67
	Unaware	80	53.37
	Total	150	100
2.	Source of Information(Brokers)	40	26.67
	Relatives	20	13.34
	Advertisements	35	23.33
	Newspaper	38	25.33
	Magazines	17	11.33
Total	150	100	
3.	Investment in Chit funds(Direct)	47	31.33
	Broker	43	28.67
	Through agent	34	22.67
	Any others	26	17.33
Total	150	100	
4.	Rate of invested in Chit Funds(Rs. 10,000- 20,000)	35	23.33
	Rs. 20,001- Rs. 1,00,000	27	18.00
	Rs. 1,00,001- Rs. 3,00,000	36	24.00
	Rs. 3,00,001- Rs. 5,00,000	32	21.33
	Rs. 5,00,000 and Above	20	13.34
Total	150	100	
5.	Mode of Payment(cash)	40	26.67
	Cheque	30	20.00
	Net banking	25	16.67
	Demand Draft	20	13.33
	Wallet	22	14.67
	Debit card	13	08.66
Total	150	100	

Sources: Primary Data-2019

Table-2 Investors preference to Chit fund

Sl. No	Variable	Respondents	Percent
1.	Chit	26	17.33
2.	Pension and Provident fund	15	10.00
3.	Bank deposit	25	16.67
4.	Mutual Funds	17	11.33
5.	Life Insurance	18	12.00

6.	Postal savings	11	07.33
7.	Shares	13	08.67
8.	Real Estate	10	06.67
9.	Gold	9	06.00
10.	Any other	6	04.00
	Total	150	100
Savings of Investments			
1.	To provide for retirement	28	18.67
2.	To Meet Contingencies	22	14.67
3.	For Children Education	55	36.66
4.	For purchase of assts	45	30.00
	Total	150	100
Duration of investment in chit funds			
1.	1-3 years	58	38.67
2.	3-5 years	33	22.00
3.	5-10 years	37	24.67
4.	Above 10 years	22	14.66
	Total	150	100

Table-3 Reason for Investing in Chit Fund

Sl. No	Variable	A	SA	NO	DA	SDA	Total
1.	Professional Management	38(25.3)	47(31.4)	32(21.3)	18(12)	15(10)	150(100)
2.	High returns	44(29.3)	32(21.3)	37(24.7)	15(10)	22(14.7)	150(100)
3.	Liquidity	48(32)	55(36.7)	34(22.7)	8(5.3)	5(3.3)	150(100)
4.	Flexibility	32(21.3)	44(29.3)	25(16.7)	14(9.3)	35(23.4)	150(100)
5.	Safety	37(24.6)	69(46)	20(13.3)	10(6.7)	14(9.4)	150(100)
6.	Choice of scheme	32(21.3)	48(32)	19(12.7)	8(5.3)	43(28.7)	150(100)
7.	Convenient	55(36.7)	34(22.7)	27(18)	20(13.3)	14(9.3)	150(100)
8.	Diversification of risk	44(29.4)	37(24.6)	18(12)	15(10)	36(24)	150(100)
9.	Low cost	48(32)	54(36)	33(22)	10(6.7)	5(3.3)	150(100)
10.	Transparency	55(36.7)	46(30.7)	15(10)	14(9.3)	20(13.3)	150(100)
11.	Well regulated	28(18.7)	53(35.3)	17(11.3)	22(14.7)	30(20)	150(100)
12.	Reinvest facility	21(14)	47(31.3)	26(17.3)	22(14.7)	34(22.7)	150(100)
13.	Prompt services	32(21.3)	30(20)	28(18.7)	34(22.7)	26(17.3)	150(100)

Sources: Primary Data-2019, A-agree, SA- Strongly Agree, NO-No opinion, DA- Disagree, SDA-Strongly Disagree.

It analyzed that 31.4 percent of the respondents said that professional management is strongly agree, 29.3 percent of the of the respondents opinion that that high return of agree level, 36.7 percent of the respondents said that liquidity is strongly agree level, 29.3 percent of the respondents are flexibility strongly agree level, 46 percent of the respondent told that safety is on strongly agree level, 32 percent of the respondents is feel that choice of scheme is strongly Agree level, 36.7 percent of the respondent are concluded that convenient level is Agree. 29.4 percent of the respondent says that the diversification of risk is agree level, 36 percent of the respondent are says that the low cost is strongly agree level. 36.7 percent of the respondent are revealed that transparency is agree level than 35.3 percent of the respondent is commenced well regulated in strongly agree level. 31.3 percent of the respondent is highly define that reinvest facility is strongly agree and remaining 22.7 percent of the respondent is review that the prompt service is disagree level.

SUGGESTIONS

This study facilitates the chit investors towards appropriate savings and investments in order to maximize the returns. The investors are mostly preference for short period to earn more income and heavy profit and low risk. Chit Funds have survived the test of time and have become an important part of the culture and traditions of the people of Tamil Nadu. Most of investors they have invest in chit funds for the reason for short periods the get money.

CONCLUSION

This study facilitates the Chit funds investors towards appropriate savings and investments in order to maximize the returns. Most of the investments are noted that transfers of financial assets from one person to another. Investment is a commitment of a Investors' funds to concluded to future income in the form of interest, dividends, rent, premium, pension benefits or appreciation of the value of their principle capital. So the people will expected the more returns and less risk for any investment. Particularly chit fund investment is short period, but more income. It emergency funds is also called Chit fund. Furthermore, the number of studies on the investors' attributes of Chidambaram taluk, Cuddalore District is small in number.

Sources: Primary Data-2019

Table.2 Investors preference of chit funds out of 150 Chit fund investors 17.33 percent of the investors moved from Chit Funds, 16.67 percent of the investors have more invest in Bank, 12.00, 11.33 & 06.67 percent of the investors are using for LIC, MF and PF, 08.67, 07.33 & 10 percent of respondent have deposit of Shares, PO and Real Estate they invests and remaining 06.00 and 04.00 percent of the investors move on the Gold and any other investment.

It is revealed that 36.66 percent of investors to Invest in Children education for future use, 30.00, 18.67 percent of the investors are invest in purchase of assts and provide for retirement and remaining 14.67 percent of the investors are like to meet contingency.

It is suggested that 38.67 percent of the investors to invest the period is 1-3 years, 24.67 percent of the investor's are invest long periods of 5-10 years, 22.00 percent of the investors is 3-5 years invest for short periods and remaining 14.66 percent of investment is above 10 years.

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