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A Study on Investment Pattern and Awareness of Salaried Class Investors in Coimbatore District

* S. Umamaheswari ** Dr. M. Ashok Kumar

* Associate Professor, VIMS , Department of Management Studies,Karpargam University

** Head and Prof, Department of Management Studies,Karpargam University

ABSTRACT

Saving is a desire to reserve certain portion of income for future needs. In the recent findings it has been found that saving rate for household is affected not only by their ability to save but also their willingness to save. In the last few years it is evident that middle class Indians have paid attention only to their work for the entire duration. But it is tragical that only at the time of retirement they consult friends and relatives for investment for their future. Few years before there were only limited a number of options for investments like bank deposits and post office schemes. Only few percentages of rich and adventurous Indians have knowledge about Stock market and Securities. Now, the modern investment trend has a different scenario, various options of investment and best return for the investors. This would bring into light the awareness of investment patterns of salaried class investors in Coimbatore district.

Keywords : SAVING, INVESTMENT, INCOME, AND AWARENESS

INTRODUCTION:
The word "Awareness" refers to a consciousness of the existence of a particular truth, event or thing. Hence, awareness is a course of action by which, one known's the existence of a new thing. This process of knowledge makes a man to have an idea about a thing which he has not known earlier. However, he may not have a thorough knowledge of that thing. Acquiring the knowledge of the latest developments in a particular field also amounts to awareness and hence awareness is a continuous process.

The sense of awareness of an investor towards savings and investment is created modified and shaped up by various external sources. The print and electronic media such as the dailies, weeklies, television, radio etc., and personal contact with friends, relatives, investment consultants etc, contribute a lot in creating awareness among investors. As the awareness of investors is considered to be indispensable while studying one's savings and investment pattern, an attempt was made to measure the awareness level of investors. Awareness is an abstract concept and hence it cannot be measured directly in quantifiable terms. Moreover, there is no fixed or readymade method available to measure it but the awareness can be indirectly measured.

Review of literature
Krishnamoorthy.C.(2008).in his study has analyzed the profile and awareness of salaried class investors and their attitude and satisfaction towards investment. In has been concluded that all salaried people were aware of bank deposits, PF schemes, insurance schemes, post office savings schemes, gold and however only few were aware 0f UTI.

Nasir and Khalid (2004) assessed behavior of saving and investment in Pakistan using appropriate econometric and statistical technique and attempted to generate a model on the basis of fundamental theories of saving and investment. They used data from 1971 to 2003, collected from Economic Survey of Pakistan.Ordinary Least Square Method was used

as an estimation technique. The studyconcluded that Government Expenditures, Growth rate of Gross Domestic Product and Remittances Growth were positively and significantly influencing National Savings. Lewis A Sanders (2004) believes that people, irrespective of their location,have their own bias and react differently when investing in financial assets

Gavini and Athma (1999) found that social considerations, tax benefits, and provision for old age were the reasons cited for saving in urban areas, whereas to provide for old age was the main reason in rural areas. Among the post office schemes, Indira Vikas Patra (IVP), KVP and Post Office Recurring Deposit Account (PORD) were the most popular, in both urban and rural areas.

Objectives of the study: a)To analyze the profile of the salaried class investors.

b) To analyze the awareness level of salaried class investors towards the nature of investment held by investors

Methodology: The study is based on the data collected from the individual investors in Coimbatore district. Convenient sampling technique has been used in order to collect data from 1000 respondents which were collected for a period of 8 months i.e from December 2010 to July 2011through structured questionnaire. For the purpose of study Coimbatore district includes Valparai, Pollachi, Coimbatore and Metupalayam.

RESULTS & DISCUSSION:
Profile and awareness of salaried class investors:
The profile of sample investors has been discussed by taken into consideration their personal. The terms 'Awareness' is used to describe the awareness of investors about the existence of numerous avenues of saving and investments. In this study, the level of awareness of salaried class investors is measured through the construction of Awareness scale. Moreover, there is no fixed or ready-made method availa-

ble to measure the awareness level. In order to quantify the awareness level, the researcher has indentified 17 components as investment channels and awareness scale has been constructed by awarding scores to the 17 components. Each components has been given one score in order to give equal importance to each avenue of investment. The indentified components and scores secured by them have been presented in It is observed from Table-1 that 83.0 percent sample investors recognized the Provident fund. It is followed by insurance product which was known to 69.2 percent of sample investors. 50.0 percent & 44.1 percent of sample investors known about the Gold jewellery and banking deposit. In order to know the different levels of awareness of respondents, awareness scores had been grouped into 3 categories, namely investors with high, medium and low level of awareness. For identity these levels of awareness, the researcher has made use of mean and standard deviation techniques. The mean and standard deviation are calculated from the collected data.

Low level awareness = 1-5.
Medium level awareness = 6 – 11.
High level awareness = 12-17.

According to the system devised, investors who scores 1-5 below to low awareness category. Those who belong scores between 6-11 belong to medium awareness category and scores between 12-17 have high awareness and Table-2 exhibits the three categories of investors with regard to awareness. It is ascertained that 81.2 percents had low level awareness, 17.4 had medium term awareness, and 14 percents sample investors had high level awareness.

TABLE-1
AWARENESS ON NATURE OF INVESTMENT

S. no	Investment	No of investors	%	Rank
	Provident fund	832	83.2	1
	Insurance products	692	69.2	2
	Gold and Jewellery	500	50.0	3
	Deposits in commercial Bank	441	44.1	4
	Postal saving	315	31.5	5
	Agricultural Land	279	27.9	6
	House property	250	25.0	7
	Shares, debentures and bonds	161	16.1	8
	Capital in own business	137	13.7	9
	Vehicles	96	9.6	10
	Urban land	79	7.9	11
	Mutual funds	76	7.6	12
	Chit funds	65	6.5	13
	Pension fund	63	6.3	14
	Plantation & Breeding	48	4.8	15
	NSS/NCC	37	3.7	16
17	Unit in UTI	37	3.7	17

Source: Primary Data

TABLE: 2
LEVEL OF AWARENESS

S.NO	Level of Awareness	No. of investors	Percent
1	Low	812	81.2
2	Medium	174	17.4
3	High	14	1.4
	Total	1000	100

Source: Primary Data

Sex and awareness level:
It refers to the biological and physiological characteristics that define men and women. This analysis is made based on the gender it reveals that Male investor has 82.0% low level awareness and 16.7% investor has medium level awareness and 1.3% has high level awareness. Female investor has 78.3% low level awareness and 19.9% medium level awareness and 1.8% has high level awareness.

Age and awareness level:
Age indicates the length of time that one has existed. During the time period are their aware about their investment for their future benefits. Table discuss that from 21-30 years of sample investors have 80.2% of low level awareness and 17.9% have medium level awareness and 1.8% high level awareness. And age between 31-40 have 81.3% of low level awareness and 18.1% have medium level and .6% high level awareness. From 41-51 years of sample investors have 81.5% low level awareness and 17.2% and 1.3% medium and high level awareness. Sample investors at the age of 51-60 have 83.2% of low level awareness and 14.8% and 2.0% of medium and high level awareness.

Marital status & awareness level:
Marital Status indicates whether person married or unmarried. Unmarried investor can invest most of his earning for his future. But the married investor must spend his most of his earnings to the family for purchase of asset, children's education and also retirement benefit etc. That married investor has 81.4% low level awareness and 16.9% investor has medium level awareness and 1.6% has high level awareness. Unmarried investor has 80.6% low level awareness and 18.7% medium level awareness and .7% has high level awareness.

Place of residence:
Saving is income not spent or deferred consumption. Now-a-days rural people play a vital role in the investment they are interested to invest in various investment patterns. Table discuss that village investor has 76.6% low level awareness and 21.5% investor has medium level awareness and 2.0% has high level awareness. Town investor has 83.2% low level awareness and 15.6% medium level awareness and 1.1% has high level awareness.

Educational qualification and awareness level:
Qualification of investors will impact in their savings and investment pattern. In recent trend education qualification in our economy are developed. The investors have more knowledge in the investment. Investors in different level of awareness by education qualification been classified it reveals that among the sample investor upto +2 83.5% of sample investor had low level 15.9% of sample investor had medium level awareness and .6% had high awareness level. The sample investor of Degree holders 80.1% had low level awareness 18.6% had medium level awareness and 1.3% had high level awareness. Investors of post graduate 72.9% had low level awareness and 23.3% had medium level and 3.8% had high level awareness. The professional investors had 85% of low level awareness and 13.1% had medium and 1.9% had high level awareness. Among the sample investors of other qualification had 87.7% of low level awareness and 12.3% had medium level awareness

Number of earnings and level of awareness:
Today everybody is part of a working family. There's no single model; it's not the old stereotype of the male breadwinner with the wife at home taking care of the family and community needs. One number of earning member in family has 82.8% low level awareness and 16.2% investor has medium level awareness and 1.0% has high level awareness. Two number of earning members in family has 78.2% low level awareness and 19.3% medium level awareness and 2.5% has high level awareness.3 & above number of earning members in family has 79.3% low level awareness and 19.3% has medium level awareness and 1.5% has high level awareness.

No of dependents and awareness level:
One who depends, one who is sustained by another, or who relies on another for support of favor especially financial support? So no of dependents of investor are considered as an important variable to find out its association with the level of awareness of investors and relevant data shows that sample investor of who have no dependent 58.8% had low level 29.4% of sample investor had medium level awareness and 11.8% of sample investors had high level awareness . The sample investor of 1-2 dependents 66.1% had low level awareness 29.1% had medium level awareness and 4.7% had high level awareness. Investors of 3-4 dependents 83.2% had low level awareness and 16.32% had medium level and .5% had high level awareness. The sample investors who had more than 5 dependents have 88.7% of low level awareness and 10.7% had medium and .6% had high level awareness.

Monthly income and level of awareness:
Income is the consumption and savings opportunity gained by an entity within a specified time frame, which is generally expressed in monetary terms. However, for households and individuals, "income is the sum of all the wages, salaries, profits, interests' payments, rents and other forms of earnings received. table it is ascertained that among the sample investor of who earn monthly income less than Rs.10,000 78.8% had low level 17.3% of sample investor had medium level awareness and 3.8% of sample investors had high level awareness . The sample investors who earn Rs 10,000-15,000 81.7% had low level awareness 17.3% had medium level awareness and 1.0% had high level awareness. Sample investor who earn Rs.15,000-20,000 82.0% had low level awareness and 16.2% had medium level awareness and 1.8% had low level awareness. The sample investors who earn Rs 20,000-25,000 79.8% of low level awareness and 19.2% had medium and 1.0% had high level awareness and the sample investor who earn monthly income of Rs 25,000- 30,000 73.7% of low level awareness and 26.3% of medium level awareness. The sample investor who earn more than 30,000 71.4% of low level awareness and 28.6% of medium level awareness

Monthly expenses and level of awareness:
A portion of total support; the value of lodging plus food consumed in the home, utilities paid, and repairs made. The total is divided equally among all family members. Each member's share of household expenses is part of his or her total support. Sample investors monthly household expenses less than Rs.5000 73.5% had low level 21.4% of sample investor had medium level awareness and 5.1% of sample investors had high level awareness . The sample investors who monthly household expenses Rs 5000-10,000 82.1% had low level awareness 16.5% had medium level awareness and 1.4% had high level awareness. Sample investors monthly household expenses Rs.10,000-15,000 82.3% had low level awareness and 17.3% had medium level awareness and .4% had low level awareness. The sample investors who earn Rs 15,000- 20,000 78.3% of low level awareness and 21.7% had medium level awareness .The sample investor who monthly household expenses of Rs 20,000- 25,000 100% of low level awareness.

Monthly investment and level of awareness
Investment plan that requires an investor to deposit a specific amount of money on a monthly basis to be invested. It is ascertained from the table that among the sample investors monthly investment less than Rs.4000 79.9% had low level 17.4% of sample investor had medium level awareness and 2.7% of sample investors had high level awareness . The sample investors who monthly investment Rs 4000-8,000 82.3% had low level awareness 16.6% had medium level awareness and 1.2% had high level awareness. Sample investors monthly investment Rs.8,000-12,000 80.6% had low level awareness and 18.4% had medium level awareness and 1.0% had low level awareness. The sample investors monthly investment Rs 12,000- 16,000 62.5% of low level awareness and 37.5% had medium level awareness .The sample investor who monthly investment of Rs 16,000- 20,000 had

33.3% of low level awareness and 66.7% had medium level awareness.

Conclusion
The studies especially relevant for the salaried and business people the inside of how and investment pattern get affect by the Socio-Economic variables helps the targeted respondents to make out the investment pattern. This study thus certainly improves the investment pattern and their choice to meet of their future investment. Similar studies with diverse samples will help in understanding the investment awareness of the targeted respondents in a better level.

The main reason has been observed to be the lack of awareness of investors about the concept and working of the investment pattern. Moreover, as far as the Socio-Economic variables are concerned, age, gender, income, education and occupation have been found influencing the attitude of investors towards investment significant.

TABLE:2 CHI-SQUARE ANALYSIS & ANOVA

VARIABLE	VARIABLE	TABLE VALUE	CALCULATED VALUE	ANOVA	RESULTS
AWARENESS OF INVESTMENTS	Gender	5.991	1.665		Accepted
	Age	2.614		.086	Accepted
	Marital status	5.991	1.466		Accepted
	Place of Residence	5.991	6.296		Rejected
	Education qualification	3.338		3.795	Accepted
	No of earning member in the family	9.488	4.639		Rejected
	No of dependent	3.801		14.322	Accepted
	Monthly income	2.223		.373	Accepted
	Monthly expenses	15.507	15.626		Rejected
	Monthly investments	15.507	12.903		Accepted

TABLE: 3 Data on Personal Factors of the Investments

Personal factors	No of Respondent	Percentage	Low	Medium	High
Gender					
Male	779	78	639	130	10
Female	221	22	173	44	4
Age					
21-30	379	38	304	68	7
31-40	321	32	261	58	2
41-50	151	15	123	26	2
51-60	149	15	124	22	3
Marital status					
Married	732	73	596	124	12
Unmarried	268	27	216	50	2
Place of Residence					
Village	303	30	232	65	6
Town	697	70	580	109	8
Education Qualification					
Higher Secondary	327	33	273	52	2
Degree	376	38	301	70	5
Post Graduates	133	13	97	31	5
Professional	107	11	91	14	2
Others	57	5	50	7	-
Earning Member in the Family					
One	622	62	515	101	6
Two	243	24	190	47	6
Three & above	135	14	107	26	2
Number of dependent					
None	34	3	20	10	4
1-2	127	13	84	37	6

3-4	662	66	551	108	3
5&above	177	18	157	19	1
Monthly income					
<10,000	52	5.2	41	9	2
10000-15000	496	50	405	86	5
15000-20000	327	32	268	53	6
20000-25000	99	9.9	79	19	1
25000-30000	19	1.9	14	5	-
> 30000	7	1	5	2	-
Monthly Expenses					
Less than 5000	98	9.8	72	21	5
5000-10000	576	57	473	95	8
10000-15000	277	28	228	48	1
15000-20000	46	5	36	10	-
20000-25000	3	0.3	3	-	-
>25,000	-	-	-	-	
Monthly investment					
Less than4000	184	18	147	32	5
4000-8000	694	69.4	571	115	8
8000-12000	103	10.3	83	19	1
12000-16000	16	2.0	10	6	-
16000-20000	3	0.3	1	2	-
>20,000	-	-	-	-	-

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