



Level of Awareness on Investment with Reference to Professionals of Information Technology Sector

Mrs.P.SASIREKHA

Ph.D Scholar Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore

DR.U.JERINABI

Professor, Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore

ABSTRACT

Awareness of investors is considered to be indispensable while studying one's savings and investment pattern. 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. For improving financial literacy of individual's there lies a need for financial education. For designing an effective financial education program, current awareness level as well as investment behavior of individuals towards financial products must be known. This paper is an attempt to examine the level of awareness on investment. The study concludes that, majority of the investors are having only average level of awareness on investment.

KEYWORDS

level of Awareness, Investment, Investors, Investment Behaviour, IT Employees

Introduction

The word "Awareness" refers to a consciousness of the existence of a particular truth, event or thing. Awareness means the set of skills and knowledge that allows an individual to make informed and effective decisions through their understanding of finance. 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. For improving financial literacy of individual's there lies a need for financial education. For designing an effective financial education program, current awareness level as well as investment behavior of individuals towards financial products must be known.

Statement of the Problem

In the changed financial landscape, where the range and complexity of financial products continues to increase, developing understanding of the world of finance is of paramount importance. Research around the world reported inadequate financial literacy which rose serious concerns about the ability of individuals to secure their financial well-being (Narula.S, 2015). Hence it's necessitated the researcher to study the level of awareness on the basis of the socio economic factors of the respondents in the study area.

Objectives of the Study

The main objective of the study is to find out the level of awareness on investment of the Professionals in information technology sector.

Hypothesis

1. There is no association between socio economic factors and level of awareness.
2. There is no association between level of awareness and

preference of portfolio

Review of Literature

Mane.S et al (2014) were analysed the "Awareness and Selection of Different Financial Investment Avenues for the Investor in Pune City". This study deals with the behavior of the investor to identify the better investment avenues available in Pune. It concludes that large numbers of portfolio is not good for healthy investment and Women are the deciding factor of the family. **Bhushan Puneet (2014)** has carried out a study to analysis the awareness level and investment behavior of salaried individuals towards financial products. All those salaried individuals of Himachal Pradesh were considered as the population for this study. Also majority of the respondents park their money in traditional and safe investment avenues, due their poor awareness.

Krishna Moorthy (2007) in his article titled a study on investment pattern and awareness of the salaried class investors in Nilgiris district an attempt has been made by the researcher to study the profile and awareness of salaried class investors. **Shobhana et al (2006)** have carried out a study on investor's awareness and preferences. They examined the level of investor awareness regarding investment choice and investment risks. The study discovered that the investment in real estate is preferred by a popular of the respondents.

Methodology

The study is descriptive in nature. The study was conducted in Coimbatore city, India, from September 2011 to March 2014. The sampling unit for the study is Professionals of information technology sector by adopting informational referral sampling technique. The size of sample resulted for the study was 482. A well structured interview schedule was used to primary collect data. Secondary data were collected from various books, journals and websites. Statistical tools quartiles mean and chi-square test are used for analysis.

Results and discussion

Level of awareness of the respondents

The level of awareness is one of the important features in investment behavioural study; hence the 12 variables under level of awareness are grouped into three categories and have been presented in the Table 1

Table 1 - Level of Awareness on Investment

Level of Awareness	No. of Respondents	Percentage
Excellent	136	25.1
Average	225	46.7
Below Average	121	28.2
Total	482	100.0

Source: Computed Data

It is observed from the Table 1 that, out of 482 respondents maximum numbers of the respondents (46.70 percent) having the awareness about the investment at average level.

The figure 1 shows the level of awareness of respondents based on the gender, age, educational qualification, social status and the residential area.

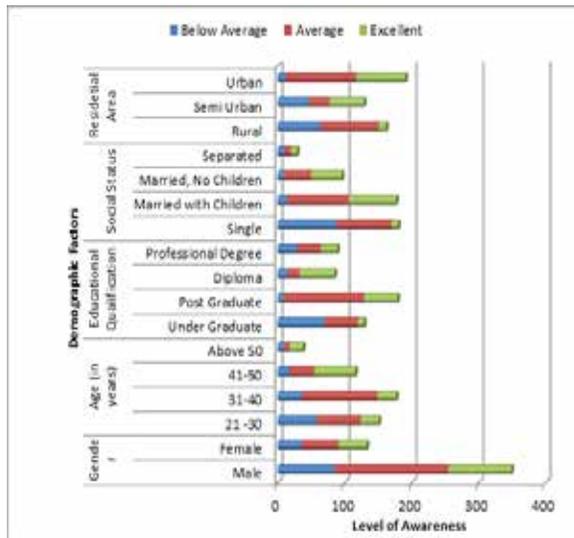


Figure 1 Demographic Factors and Level of Awareness

Socio Economic Factors and Level of Awareness

The relationship between respondent's socio economic factors and their level of awareness about the investment has been analysed by applying chi-square test with help of the following hypothesis and presented in the Table 2

H₀: There is no association between socio economic factors, level of awareness.

Table 2 reveals that, 'P' value is less than the significant value at 1 per cent level (P value is 0.001 < 0.01) for the factors age, level of education, social status, nature of family, nature of organisation, residential area, annual income, and savings potential. Hence, the null hypothesis is rejected and it is concluded that there is an association between age, level of education, social status, nature of family, nature of organisation, residential area, annual income and savings potential with level of awareness in the study area and not significant for gender and number of earning members. Hence it is concluded that all the factors except gender and number of earning members have supported the relationship with level of aware-

ness on investment in the study area.

Table 2 - Socio Economic Factors and Level of Awareness

Sl. No	Factors	χ^2 Value	P-value	Significance
	Age	86.74	0.000	Significant
	Gender	2.14	0.344	Not Significant
	Level of Education	158.90	0.000	Significant
	Social Status	129.20	0.000	Significant
	Nature of Family	18.637	0.000	Significant
	Nature of Organisation	169.70	0.000	Significant
	Number of Earning Members	10.184	0.117	Not Significant
	Residential Area	102.70	0.000	Significant
	Annual Income	192.10	0.000	Significant
	Savings Potential	256.20	0.000	Significant

Source: Computed Data

Level of awareness and Preference of Portfolio

The preference of portfolio is based upon the level of awareness of the respondents. Hence the relationship between level of awareness and preference of portfolio has been analysed by applying chi square test and presented in the Table 3

Table 3 - Level of Awareness and Preference of Portfolio

Factors	Level of Awareness			Total value	χ^2
	Below Average	Average	Excellent		
Low earnings with safe capital	26	0	0	26	170.10*
	(100)	(0)	0	(100)	
Risk Balanced Scheme	68	41	56	165	
	(41.2)	(24.8)	(33.9)	(100)	
High earnings with moderate Risk	10	129	44	183	
	(5.5)	(70.5)	(24.0)	(100)	
High earnings with High Risk	17	55	36	108	
	(15.7)	(50.9)	(33.3)	(100)	
Total	121	225	136	482	
	(25.1)	(46.7)	(28.2)	(100)	

Source: Computed Data **Note: Figures with parenthesis indicates row wise percentage**

It is concluded that, irrespective of portfolio maximum number of respondents (46.7 per cent) are having only average level of awareness. The chi square value is also significant at 1 per cent level. Hence it is concluded that, there is an association between level of awareness and preference of portfolio.

Conclusion

These days new age financial products are available, to understand about the products, the individuals must have awareness on investment. But in the study area, it is found that the individuals are having awareness on investment at average level only and it is concluded that, the portfolio selection individual depends on the level of awareness. Hence the overall result suggests that, the individual must be properly educated about the investment and benefits in making investment.

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