

A Study On Various Investment Opportunities And Investment Pattern Of Salaried People

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ABSTRACT

This examines investment patterns and opportunities available to salaried individuals, analyzing how various factors influence their decision-making process in financial investments. The primary objective is to identify the common trends in investment behavior among salaried workers, the types of investment opportunities they gravitate towards, and the underlying reasons for the choices. Additionally, this study explores the impact of variables such as age, income level, educational background and economic climate on their investment decisions. This investigation is promoted by the increasing need for financial security economic uncertainties and the growing array of investments options available to individual investors.

Understanding these patterns will provide insights for financial advisors, investment firms, and policy makers to better cater to the needs of this segment of the population, potentially leading to more tailored financial products and informed policy decisions. The importance of this study stems from the significant role that personal investment plays in the overall economic health and stability of individuals and households. By examining the investment behaviors of salaried individuals, this paper aims to contribute to the broader discourse on personal finance management and economic stability.

Keywords -

Investments, Savings, Salaried people, Risk, Return

INTRODUCTION

The dynamic landscape of investment opportunities coupled with the evolving economic behaviors of individuals, particularly those in salaried employment has incited significant interest and research. Understanding where, how and why these individuals allocate their financial resources provides invaluable insights into broader economic trends and personal financial health. This research paper delves deeply into varieties of investment avenue and the distinct patterns in which salaried personnel engage with these opportunities.

Investment Options Available:

1. Shares

A share is the interest of a shareholder in a definite portion of the capital. It expresses a proprietary relationship between the company and the shareholder. A shareholder is the proportionate owner of the company.

A share is the interest of a shareholder in a definite portion of the capital. It expresses a proprietary relationship between the company and the shareholder. A shareholder is the proportionate owner of the company but he does not own the company's assets which belong to the company separate legal entity

2. Debt

Debt is a route that most people will know and have the necessary experience of. There is a wide range of debt instruments that are present from bank fixed deposits to company fixed deposits. Debt is simple as the investor will earn a fixed percentage of the investment, which will then be returned to the investor at the time of maturity or redemption of the investment.

3. Mutual Funds

This is an emerging area for investment and there is a large variety of schemes in the market to suit the requirements of a large number of people. In finance, in general, you can think of equity as ownership in any asset after all debts associated with that asset are paid off. Mutual funds allow you to make an investment, even if you have a very small amount to invest. This advantage makes it more attractive to investors.

4. Corporate Debenture:

. It is a type of debt instrument that is not covered by the security of physical assets or collateral. Debentures are a method of raising credit for the company and although the money thus raised is considered a part of the company's capital structure, it is not part of the share capital.

5. Company Fixed Deposit

A company fixed deposit is the deposit placed by investors with companies for a fixed term carrying a prescribed rate of interest. Company FDs are primarily meant for conservative investors who don't wish to take the risk of vagaries of the stock market.

6. Fixed Deposit

Fixed Deposits with Banks are also referred to as term deposits. The minimum investment period for bank FDs is 30 days. Deposits in banks are very safe because of the regulations of

RBI and the guarantee provided by the deposit insurance corporation. The interest rate on fixed deposits varies with the terms of the deposits. Bank deposits enjoy exceptionally high liquidity.

7. Post Office Savings:

The Post Office Monthly Income Scheme is a low risk saving instrument, which can be availed through any Post Office. The interest rate on deposits is slightly higher than banks. The interest is calculated half yearly and paid yearly. There are various types of schemes provided by post offices.

8. Life Insurance Policies

Insurance companies offer many investment schemes to investors. These schemes promote saving and additionally provide insurance cover. LIC is the largest life insurance company in India. Insurance policies, while catering to the risk compensation to be faced in the future by investors, also have the advantage of earning a reasonable interest on the investment insurance premiums.

9. Public Provident Fund (PPF)

A long-term savings instrument with a maturity of 15 years. A PPF account can be opened through a nationalized bank at any time during the year and is open all through the year for depositing money. Tax benefits can be availed for the amount invested and interest accrued is tax-free. A withdrawal is permissible every year from the seventh financial year to the date of opening of the account.

10. Real Estate

Investment in real estate is also made when the expected returns are very attractive. Buying property is an equally strenuous investment decision. Real estate investment is often linked with the future development plans of the location.

11. Gold / Silver & Others

Bullion offers investment opportunity in the form of gold, silver, art objects (paintings, antiques), precious stones and other metals (precious objects), specific categories of metals are traded in the metal exchange.

REVIEW OF LITERATURE

Avinash Kumar Singh (2006) The study entitled "Investment Patterns of People" has been undertaken with the objective, to analyze the investment pattern of people in Bangalore city

and Bhubaneswar analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware of various investment avenues & the risk associated with that. All the age groups give more importance, to invest in equity & except people who are above 50 are given important to insurance, fixed deposit and tax saving benefits. Generally, those investors who are invested in equity personally, follow the stock market frequently i.e in daily basis. But those who are invested in mutual funds watch stock market weekly or fortnightly. In Bangalore, investors are more aware about various investments avenues and the risk associated with that. But in Bhubaneswar, investors are more conservative in nature, and they prefer to invest in those avenues where risk is less like Bank Deposit, small savings, post office savings etc.

Sudalalmuthu and seathikumar (2008) Mutual fund is one of the investment avenues the researcher research in this area about investors perception towards mutual fund investments has been analyzed effectively taking into account the investors references towards the mutual fund sector, scheme type, purchase of mutual fund units, level of risks undertaken by investors, source of information about the market value of units, investors opinion on factors influenced to invest in mutual fund, the investors satisfaction level towards various motivating factors, source of awareness of risk category by investors, problem faced by mutual fund investors. Running a successful mutual fund require complete understanding the Indian stock market and also the awareness of the small investors. The study has made an attempt to understand the financial behavior of mutual fund investors in connection with the scheme preference and selection. An important element in the success of a marketing strategy is the ability to fulfil investors' expectation. The result of these studies through satisfactory on the investors perception about the mutual fund and the factors determining their investment decisions and preferences. The study will be useful to the mutual fund industry to understand the investors perception towards mutual fund investment and the study would also be informative to the investors.

Sunil Gupta (2008) the investment pattern among different groups in Shimla had revealed a clear as well as a complex picture. The complex picture means that the people are not aware about the different investment's avenues, and they did not respond positively, probably it was difficult for them to understand the different avenues. The study showed that the more investors in the city prefer to deposit their surplus in banks, post offices, fixed deposits, saving accounts and different UTI schemes etc. The attitude of the investors towards the securities in general was bleak, though service and

The professionals' class is going on for investment in shares, debentures and different mutual fund schemes. As far as investments are concerned, people put their surplus in banks, post offices and other government agencies. Most of the horticulturists in Shimla city who belong to the Apple belt through being rich have a tendency of investing their surplus in fixed deposits of banks, provident funds, Post offices savings, real estate's etc. for want of safety and sustainability of returns.

Manish Mittal and Vyas (2008) Investors have certain cognitive and emotional weakness which come in the way of their investment decisions. Over the past few years, behavioral finance research has significantly shown that investors do not always act rationally. They have behavioral biases that lead to systematic errors in the way they process information for investment decision. Many researchers have tried to classify the investors on the basis of their relative risk-taking capacity and the type of investment they make. Empirical evidence also suggests that factors such as age, income, education and marital status affect an individual's investment decision. This paper classifies Indian investors into different personality types and explores the relationship between various demographic factors and the investment personality exhibited by the investors.

RESEARCH METHODOLOGY

The study adopted a mixed-methods research design to thoroughly investigate both the quantitative and qualitative aspects of investment behavior among salaried individuals. Research design stands for advance planning of methods to be adopted for collecting the relevant data and the techniques to be used in analysis, keeping in objectives of the research and availability of time. Descriptive research includes surveys and facts finding enquiries of different kinds. The major purpose of this research is description of state affairs as it exists at present. The research was conducted, and insights were captured using both primary data surveys, questionnaires etc. and secondary data is a thorough review of literature of articles, leading to the identification of independent variables argued to affect investors behavior and their choice of portfolio and its performance. The primary data were collected through an online questionnaire conducted with a sample population of individuals who hold an investment portfolio.

Primary Data

The primary data has been through surveys, interviews, experiments. Specially designed for understanding and solving research problems. I have collected the primary data with the help of questionnaire.

Secondary Data

Secondary data is collected with the help of various research sites, internet and also from various websites, tools and techniques of analysis.

The statistical tools and techniques used for the collection method and analysis of the data are pie charts and tables etc.

Objectives of Study

- To study the investment preference among salaried people working in different sectors
- To know the factor that influencing investment behavior of the peoples
- To analyze the investment patter among the salaried investors
- To find the problems facing by the investors
- To know the mode of investment of the salaried respondents in various investment avenues

Limitations of the Study

-In real life humans have to work withing the limitations set by nature and society. That is even through every effort has been made this project report authentic and comprehensive however many constraints were also at play the major limitations of the study are:

- Due to paucity of time and resources a countrywide survey was not possible
- Since a smaller sample was chosen so it may not be a true representative of the population under study
- The possible of the respondent's response being ruled out
- Most of the study was restricted to internet not published data because of the non-availability of primary data
- The information given by the respondent might be biased because some of them might not be interested to given correct information
- Some of the respondent could not be answer the question due to lack of knowledge

-Some of the respondents of the survey were unwilling to share information

DATA ANALYSIS AND RESULTS

Sr No	Name of Parameter	Options	No of Respondent	Percentage (%)
1	Age	18-20	10	22%
		20-25	20	58%
		25 & above	10	20%
2	Occupation	Employee	25	68%
		Business	5	7%
		Others	10	25%
3	Monthly Income	Upto 20K	25	57%
		20k to 40k	5	30%
		40k to 80k	5	6%
		80k and above	5	7%
4	Do you invest your money	Yes	35	95%
		NO	5	5%
5	Out of which investment you aware	Shares	2	10%
		Mutual funds	10	30%
		Bonds	0	0%
		Post office savings	3	23%
		Debenture	0	0%
		Insurance	5	10%
		Gold/ real estate	5	4%
		Bank deposits	10	23%

6	Where you have been investing	Shars Mutual funds Bonds Post office savings Debenture Bank Deposits Insurance Gold / real estate	5 10 0 2 0 10 5 5	12% 31% 0% 7% 0% 29% 14% 7%
7	Which rate do you want investment to grow	Steadily Fast rate	19 21	49% 51%
8	How frequently do you invest	Daily Weekly Monthly Yearly	0 0 30 10	0% 0% 83% 17%
9	What percentage of your income do you invest	Up to 10% 10-15% 15% and above	20 10 10`	80% 10% 10%
10	What is the main purpose of investment	Future needs Education Wealth creation	20 5 15	71% 7% 22%
11	By which source you know about investment	Friends & relatives Newspaper Agents	20 15 5	72% 25% 3%

12	Which factor do you consider before investing	Capital appreciation	5	15%
		Maturity period	5	15%
		Safety of	5	10%
		principal	5	17%
		Risk		
		Return on	20	43%
		investment		
13	Do you have any other investment policy	Yes	30	82%
		No	10	18
14	Which investment options gives you satisfaction rate	Shares	1	12%
		Mutual funds	15	31%
		Bonds	1	8%
		Bank deposits	10	27%
		Debenture	0	0%
		Insurance	3	6%
		Gold/real estate	1	8%

DISCUSSIONS

The findings from the analysis of investment opportunities and patterns among salaried individuals and patterns among salaried individuals reveal a landscape influenced by various demographic, economic, and psychological factors. This section interprets these results in the context of existing literature and explores their broader implications. Comparisons are drawn with the previous studies to identify consistent trends and notable deviations, providing a thorough understanding of the factors that influence investment decisions among salaried workers. This discussion not only highlights the complexity of investment behaviors but also underscores the importance of personalized financial strategies in achieving economic stability of growth.

CONCLUSION

The findings of this study provide a systematic exploration into the variety of investment opportunities available and the predominant investment patterns among salaried individuals. It has been observed that while traditional investments such as real estate and stock continue to dominate, there is a growing inclination towards newer asset classes. Additionally, the research reveals that despite the availability of a wide range of investment opportunities, there persists a significant gap in the levels of financial literacy, which affects the investment decisions of salaried employees. By carefully navigating the investment landscape salaried individuals can build wealth, achieve financial independence and secure their future financial wellbeing. There are multiple investment opportunities for salaried individuals. It depends upon the individual financial goals where they want to invest.

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