



FACTORS AFFECTING INVESTMENT DECISION PATTERN OF SALARIED CLASS OF AMRAVATI CITY

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Abstract

Financial products act as an investment avenue and provide the required financial securities to the investor based on the risk return profile of the financial products. In the past, traditional financial products were offered in India by banks (deposits account, credit accounts), Life Insurance Corporation (LIC) and postal department however, in recent year with the advent of liberalization of financial industry, diverse financial products have been introduced such as mutual funds, shares, derivatives, life and non-life insurance schemes. Investment preference differs from to person to person, as every individual behaves differently while investing. Investment behaviors of an individual are guided by his own set of circumstances. With an exception generating high returns over a period of time and certain level of risk, individuals invest in different financial products. The present study is an attempt to analyze the investment preference of salaried individual towards financial products based on various demographic factors. The project aims at finding out the factors affecting investment decision of salaried class and their preference over of Amravati city. This project also aims finding about the factors that prevent the people to invest their money. The finding will help investment portfolio to identify the areas required for improvement and can also improve their marketing strategies. It will help the salaried class to identify their best choice and invest by their by their preferences.

Keywords: *Investment Decision, Salaried Class, Amravati.*

Introduction

Investment of money has become a very complex task. Most of the investment is unaware of the facts that investing is both an art and sciences. Majority of people irrespective of their education, status, occupation etc, are fascinated by investment. Investment is an economic activity in which every person is engaged in one form or another. Even though the basic objectives of making investment is earning profits, not everybody who scientifically and have just followed other blindly. All investment is risky to some degree or others as risk and return go together. The art of investment is to see that the returns are maximized with the minimum degree of risk.

Investment is the process of, “sacrificing something now for the prospect of gaining something later”. Our definition implies that there are three dimensions to an investment time which involves creation of assets with profit motive. It is the employment of funds with the purpose of earning additional income or growth in value. The person making investment has to part with his funds. The funds may be converted into monetary assets or claim on future money for return. This return is an award for abstain from present consumption for party with the money or liquidity and for taking a risk. The risk may be about return on investment. Time of waiting, cost of getting back funds, safety of fund and variability of returns.

Objectives

1. To analyze the factors influencing investment decision of salaried class people of Amravati city.
2. To provide input to asset management company regarding decision making pattern to investor.

Need of the Study

This analysis on individual investor’s behavior is an attempt to know the profile of the investors and also know the characteristic of the investors so as to their preference with respect to their investments.

Investment required to meet the financial goals, However as per previous study, most of the salaried people, they done their investment properly. There is need to identify the different investment, saving and risk mitigation. This project aims to solve the problem of unawareness level.

Scope of the Study

The study involves different types of investors having different age, income, profession. The respondents involved in this research study were select from the Amravati with the condition of having had experience in investing in different investment pattern.



Sample: The sample size of the study is limited to 100 investors (salaried class). This salaried class was from different age group, different occupation, different income level and different qualification of Amravati city.

Data Presentation

Figure 1. Investment pattern

Where Do You Invest Your Money?	No. of Respondent
Saving accounts	50
Fixed deposit	8
Share/Debenture	4
Gold/Silver	6
Postal saving	3
Real estate	5
Mutual funds	9
Insurance	15

Figure 2. Investment Priority

What Are The Factors To Which You Give Priority When You Invest?	No. of Respondent
Safety	50
High Return	25
Liquidity	4
Less Risk	21

Figure 3. Investment Pattern

How Is Your Investment Pattern	No. of Respondent
Monthly (SIP) <input type="checkbox"/>	28
Once in Six Months	29
Once in a year	5
Very Rare	38

Conclusion

On the basis analysis, it has been concluded that investment decisions are vary from the investment option and financial literacy level of investor is very low. And they invest their money by their age, profession, and income.

From the above project, it is clear that financial literacy level among the people is very low and it is found that only 20% people prefer share and debenture, mutual funds, as an investment option. However, they are not interested to invest in other option which doesn't give safety to their money.

Investment options are different in nature but people who having salary they not only want to secure their future but also the value of money should be increased. **“Some respondents want save their money, income instead of invest”**.

Any investment makes future safe and the potential power of income increased with the help of right investment For that, every individual needs to make interest in various financial knowledge and every individual should invest their some income in different investment option. Which make their future safe and uncertainty will decrease in future.



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