A STUDY ON INVESTORS PERCEPTION TOWARDS INVESTMENT PROSPECT IN HYDERABAD, TELANGANA STATE

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Abstract
Investing in various types of assets is an interesting activity that attracts people from all walks of life with respect to their occupation, economic status, education and family background. When a person has more money than he requires for current consumption, he would be coined as potential investor. The investor who is having extra cash could invest it in securities or in any other assets like gold or real estate or could simply deposit it in his bank account.

At present, a wide variety of investment avenues are open to the investors to suit their needs and nature. Knowledge about the different avenues enables the investors to choose investment intelligently. The required level of return and the risk tolerance decide the choice of the investor. The investment alternatives range from national savings certificates, indira vikas patra, kisan vikas patra, provident fund, mutual fund schemes, insurance schemes, chits, bank fixed deposits, company fixed deposits, company shares, bonds /debentures, government securities, postal savings schemes and real estate etc. The emerging investment scenario clearly reveals that there is a changing trend in preferences of investors towards new saving instruments.

Key Words: Investment Opportunities, Sources of Investments, Preference of Investments, Motives of Investments, Satisfaction of Investor.

1. Introduction
Equity market otherwise called stock market is a public entity for trading shares or stocks of a particular company at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stocks (stock volatility). Equity market otherwise called stock market is a public entity for trading shares or stocks of a particular company at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stocks (stock volatility). Investment decisions in equities are sometimes rational where the investors take decisions analyzing the information in the market. Some investors take irrational decisions where they ignore certain information that is available. Irrational decisions may also be due to the investor's limited capacity to process the information available. Investors also take decisions matching the risk absorption level. Stock market is said to be peculiar though there are different methods and tools to analyze before taking decisions. Investment decisions are still found to be complicated as there are various factors to be considered to choose equity or a stock to invest in or trade into. These socioeconomic, demographic, and attitudinal factors act as key drivers for investment decisions. There is always something that is underpinning an investment decision making process as the probabilities of returns are a concern. Most of the investors feel insecure in managing their investment on the stock market because it is difficult for an individual to identify companies which have growth prospects for investment. Even after identifying the growth oriented companies and their securities, the trading practices are also complicated, making it a difficult task for investors to trade in all the exchange and follow up on post trading formalities. Hence this is very much important to the stock dealers especially who are new to the market. The equity investment decisions are influenced by few factors like good corporate earnings, stock marketability, stock affordability, dividend announcements, Price earnings ratio, Momentum effect, Contrarian effect, Investment behaviour of FIIs, firm's reputation, socially responsible investing, Current economic indicators, Opinion from family/friends/colleagues, broker's recommendation, and other professional advice.

2. Objective of the Study
1. To study the perceptions of the Investors towards various Investment Alternatives.
2. To suggest the suitable strategies, Schemes for Investment companies according to the perceptions of Investors.

3. Methodology of the Study
The study is based on both primary and secondary data. However, as the study is primarily evaluative in nature and mainly deals with psychology and behaviour of the investors, primary data provides foundation for the present study. The primary data is collected through structured questionnaires. The questionnaire was designed based on the objectives of present research work and it is pre-tested by means of a pilot study. The secondary data is also made use of at some places of the study wherever it became necessary. The relevant secondary data gathered from the reports, books, journals, periodicals, dailies, magazines, and websites.

For the study, the researcher was selected stock market investors in Hyderabad. The researcher selected a minimum of 100 investors from stock broking agencies and collected information through structured questionnaire.

4. Review of Literature

Gauri Prabhu and Vechalekar.N.M(2014) in their research has found out that various factors affecting perception of investors regarding investment in mutual funds are importance of liquidity importance of higher return, importance of low risk and company reputation. They say that mutual fund investment is less risky than directly investing in stocks and is therefore a safer option for risk averse investors. Monthly income plan funds offer monthly returns and invest mainly in debt oriented instruments with little exposure to equity.

Geetha.S.N and Vimala.K (2014) has stated that at national level house hold investment provides the main source of investment financing both for Government and the corporate sector. They conclude that demographic variable influence the investment decision and how information technology has also deeply influenced the operation of financial markets.

Gunjan Tripathi) 2014) has found in his research that education profession and gender do not affect the derivate investing behavior. However income is found to have a significant role on derivatives. He also added that investors are using these securities for different purpose namely risk management, profit enhancement, speculation and arbitrage.

Ruta Khaparde and Anjali Bhute(2014) in their research suggested that the perception of investors differs around on the basis different factors like age, income, experience of investing , investment objectives and individual social needs. They also suggest that stocks are the most wonderful category of financial instruments and one of the greatest tools ever invensted for building financial wealth.

Shailendra Kumar Chatuvedi, Aravind Kumar singh and Karanveer singh(2014) in their research found out that mutual fund is a tax saving instrument and to a certain extent a return oriented investment. It was also found that the investors were more prone to public companies rather than private companies.

Murthy.T.N and Sastry.P.V.S.H (2013) has stated in their research that investors invest in the stock market with the sole aim of return optimization variations in the returen form the expectations of the investors lead for the risk and the subjective anlysiss of various attributes helps for the minimization or the avoidance of the risk.

Gangan Kukreja (2012) has found in his research that age, educational qualification , tax adventages, liquidity and investment attributes are mediating factor for investors perception. Investment influence and investment benefits are having high relevance.

Manasa Vipparthi and Ashwin Maram (2012) revealed that the investors perception is dependent on the demographic profile and assesses that the investors age, marital status and occupation has direct impact on the investors choice of investment. The study further revealed that female segment are not fully tapped and even there is low target on higher income people.

Vardharan.P and Vikkraman.P (2011) in their study has stated that an investor decides on an investment after getting opinion form family, friends and colleagues, brokers recommendation and also other professional advice. The investor also takes into consideration the market situations like financial results of the companies, bonus issue, price earnings ratio and the reputation of the company.

5. Data Analysis

Table 1: Descriptive Analysis

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	65	65.0	65.0	65.0
	Female	35	35.0	35.0	100.0
	Total	100	100.0	100.0	
Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20yrs	16	16.0	16.0	16.0
	21-30 Yrs	21	21.0	21.0	37.0
	31-40 Yrs	22	22.0	22.0	59.0
	41-50yrs	32	32.0	32.0	91.0
	51-60yrs	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

Income				
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	5001-10,000	9	9.0	9.0	9.0
	10,001 - 20,000	21	21.0	21.0	30.0
	20,001-30,000	58	58.0	58.0	88.0
	30,001-40,000	12	12.0	12.0	100.0
	Total	100	100.0	100.0	

Education				
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Illiterate	13	13.0	13.0	13.0
	Below SSC	4	4.0	4.0	17.0
	Intermediate	17	17.0	17.0	34.0
	Gradate	51	51.0	51.0	85.0
	Post Graduate	9	9.0	9.0	94.0
	Others	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

Occupation				
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Govt. Employee	2	2.0	2.0	2.0
	House Wife	33	33.0	33.0	35.0
	Self Employee	47	47.0	47.0	82.0
	Private Employee	7	7.0	7.0	89.0
	Business	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

Table 2: Investor's Perception regarding various types of saving Schemes

Awareness of	Yes	%	NO	%
Indira vikas Patra	74	74%	26	26%
Provident Fund	78	78%	22	22%
Insurance Schemes	85	85%	15	15%
Chits	77	77%	23	23%
Bank Fixed Deposits	78	78%	22	22%
Company Shares	78	78%	22	22%
Bond Debentures	78	78%	22	22%
Postal Saving Schemes	81	81%	19	19%

Source: Survey Method

Analysis: Table-2 reveals the present status of the investors awareness. It is observed that nearly 85% and 80% of respondents are aware of insurance and postal saving schemes. Form the table it is observed that the 78% of respondents aware of Bank Fixed Deposits, Bond & Debentures and Provident Fund. 77% of respondents are aware of chit fund is a saving scheme. 74% are aware of Indira Vikas Patra respectively.

Table 3: Investor's Opinion on Source of Information regarding their Investment

Sources of Information	Rank1	Rank2	Rank3	Rank4	Rank5	Rank6
Magazines/ newspapers	32	26	0	0	16	26
Friends/Relatives	0	32	26	16	26	0
TV_ Radio	32	29	0	0	14	25
Internet	0	32	29	14	25	0
Brokers _Agents	0	0	46	54	0	0
Advertisements	0	14	25	32	29	0

Source: Survey Method

Analysis: From the above table-3 it is clear that the majority of respondents 32 given their first preference of source of information from Magzines/Newspapers, TV&Radio. And the significant of number of respondents 32, 14 relied to friends/relatives, Internet and advertisements. The source of information respondents 46 it is form Brokers and Agents of institutions. The preference of sources of information is negligible in exhibitions.

Table 4: Investors Opinion on Purpose of their Savings

Purpose of their Savings	Rank1	Rank2	Rank3	Rank4	Rank5	Rank6
Safety For future	34	25	0	0	16	25
Capital Appreciation	0	34	25	16	25	0
Regular Returns	33	26	0	0	17	24
Speculative Income	0	33	26	17	24	0
Fixed Returns	0	0	50	50	0	0
Tax benefits	0	17	24	33	26	0

Source: Survey Method

Analysis: From the above table-4 it is clear that the majority of respondents give their first preference 34 and 33 to Safety for future and Regular Returns. Second preference of respondents 34, 33 and 17 to the Capital Appreciation, Speculative Income and Tax Benefits. And next preference 50 respondents to Fixed returns.

Table 5: Investors Opinion on the Safety Investments

Preference of Safest Investment	Rank1	Rank2	Rank3	Rank4	Rank5	Rank6
Bank deposits	32	25	0	0	17	26
Insurance	0	32	25	17	26	0
Shares _Debentures	32	29	0	0	15	24
Mutual funds	0	32	29	15	24	0
Post office schemes	0	0	47	53	0	0
Commodity Derivatives	0	15	24	32	29	0

Source: Survey Method

Analysis: Form the above table-5 it is observed that the investor perceives that 32respondents are given that the safest investment is Bank Deposits and shares /Debentures. Second preference 32 respondents are given to Insurance and Mutual Funds. And next 15 respondents to Commodity Derivatives are safest investments.

Table 6: Investors Motivates to Investment

Investment Motives	Rank1	Rank2	Rank3	Rank4	Rank5	Rank6
Regular income	34	25	0	0	16	25
More income /Profit	0	34	25	16	25	0
Capital appreciation	32	27	0	0	17	24
Tax savings	0	32	27	17	24	0
easy to transfer	0	0	49	51	0	0
Real estate	0	17	24	32	27	0

Source: Survey Method

Analysis: From the above table-6 it is observed that the 34and 32 respondents to first motivating investment are to Regular income and Capital appreciation. The second motivating investment 34, 32 and 17 respondents is Tax Savings, More Income and Regular Income. And the 49 respondents are responded to easy transfer the investments.

Ho: There is no significant variance between satisfaction and Gender, Age, Income, Education, Occupation

Table 7

ANOVA						
Satisfaction of Investment		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Gender	Between Groups	.930	4	.233	1.013	.405
	Within Groups	21.820	95	.230		
	Total	22.750	99			
Age	Between Groups	3.555	4	.889	.565	.688
	Within Groups	149.355	95	1.572		
	Total	152.910	99			
Income	Between Groups	3.873	4	.968	1.590	.183
	Within Groups	57.837	95	.609		

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	Total	61.710	99			
Education	Between Groups	18.008	4	4.502	2.919	.025
	Within Groups	146.502	95	1.542		
	Total	164.510	99			
Occupation	Between Groups	1.677	4	.419	.444	.776
	Within Groups	89.683	95	.944		
	Total	91.360	99			

Analysis: From the above table-7 it is observed that the sum of squares of gender, age, income, education and occupation is 0.930, 3.555, 3.873, 18.008 and 1.677. Within groups is 21.820, 149.355, 57.837, 146.502 and 89.683. The mean squares are between and within groups 0.233 and 0.230, F value is 1.013, 0.565, 1.590, 2.919, and 0.444. The significant value of gender, age, income, and occupation is 0.405, 0.688, 0.183, and 0.776. Hence there is no significant at 0.05 levels and the education significant value is 0.025, hence there is a significant Satisfaction of Investment and Education.

Ho2: There is no correlation between invest motives of investor.

Table 8

Correlations

Investment Motives		Regular income	More income _Profit	Capital appreciation	Tax savings	Easy to transfer	Real estate
Regular Income	Pearson Correlation	1	.981**	-.346**	-.325**	-.058	.304**
	Sig. (2-tailed)		.000	.000	.001	.566	.002
	N	100	100	100	100	100	100
More Income Profit	Pearson Correlation	.981**	1	-.335**	-.325**	-.107	.258**
	Sig. (2-tailed)	.000		.001	.001	.290	.010
	N	100	100	100	100	100	100
capital Appreciation	Pearson Correlation	-.346**	-.335**	1	.979**	.358**	-.743**
	Sig. (2-tailed)	.000	.001		.000	.000	.000
	N	100	100	100	100	100	100
Tax-Savings	Pearson Correlation	-.325**	-.325**	.979**	1	.538**	-.593**
	Sig. (2-tailed)	.001	.001	.000		.000	.000
	N	100	100	100	100	100	100
Easy To Transfer	Pearson Correlation	-.058	-.107	.358**	.538**	1	.360**
	Sig. (2-tailed)	.566	.290	.000	.000		.000
	N	100	100	100	100	100	100
Real Estate	Pearson Correlation	.304**	.258**	-.743**	-.593**	.360**	1
	Sig. (2-tailed)	.002	.010	.000	.000	.000	
	N	100	100	100	100	100	100
**. Correlation is significant at the 0.01 level (2-tailed).							

Interpretation: From the above table-8 reveals that there is a positive correlation between investment motives between regular income and more income profit, Real Estate is 0.981,0.304 at 0.01 significance level and there is negative correlation regular income and capital appreciation, Tax savings, and Easy to Transfer is -0.346, -0.325, and -0.058.There is a positive correlation between more income and real estate 0.258, and there is a negative correlation between more income and capital appreciation , Tax savings and easy to transfer -0.335,-0.325 and -0.107. There is a positive correlation between capital appreciation and Tax savings, easy transfer 0.979, 0.358. There is a positive correlation between tax savings and capital appreciation, easy to transfer 0.979 and 0.538. There is a positive Correlation between easy to transfer and capital appreciation, Tax savings, and real estate 0.358, 0.238 and 0.368. There is a positive correlation between regular income, more income profit, 0.304, 0.258 and 0.360 and there is negative correlation between real estate capital appreciation, tax savings, and easy to transfer - 0.743,-0.593.

6. Conclusion

1. The study found that the majority of respondents aware of all the savings schemes like national savings certificates, Indira Vikas Patra, postal savings schemes, mutual funds, insurance schemes, chits, bank fixed deposits shares, bonds and debentures.

2. The study distinctly comes out with the required sources of information for the investments obtained from various sources. The majority of respondents obtained their information form news papers/magazines, internet, brokers and agents.

3. The study revels per the respondent's opinion the first preference 34 and 33 to Safety for future and Regular Returns.

4. The study it is observed that 32 respondents are given that the safest investment is Bank Deposits and shares /Debentures. Second preference 32 respondents are given to Insurance and Mutual Funds. And next 15 respondents to Commodity Derivatives are safest investments.

5. It is evident that 60% of respondents are agreed to the bank deposits and debentures are safest investment. And followed by.

6. The significant value of gender, age, income, and occupation is 0.405, 0.688, 0.183, and 0.776. Hence there is no significant at 0.05 levels and the education significant value is 0.025, hence there is a significant Satisfaction of Investment and Education.

7. Majority of the investing respondents were found to be 65% respondents are male and 35% are female respondents. The maximum respondents are above 40 years and income levels are 20,000 and above. 51% Graduates are responded more and self employees 47% are responded to the study.

8. The correlation that investors motives that there is a positive correlation between investment motives between regular income and more income profit, Real Estate is 0.981,0.304 at 0.01 significance level and there is negative correlation regular income and capital appreciation, Tax savings, and Easy to Transfer is -0.346, -0.325, and -0.058.There is a positive correlation between more income and real estate 0.258, and there is a negative correlation between more income and capital appreciation , Tax savings and easy to transfer -0.335,-0.325 and -0.107. There is a positive correlation between capital appreciation and Tax savings, easy transfer 0.979, 0.358. There is a positive correlation between tax savings and capital appreciation, easy to transfer 0.979 and 0.538. There is a positive Correlation between easy to transfer and capital appreciation, Tax savings, and real estate 0.358, 0.238 and 0.368. There is a positive correlation between regular income, more income profit, 0.304, 0.258 and 0.360 and there is negative correlation between real estate capital appreciation, tax savings, and easy to transfer - 0.743, -0.593.

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