AN EMIPIRICAL STUDY ON PERCEPTION OF AN INDIVIDUAL TOWARDS VARIOUS INVESTMENT AVENUES WITH REFERENCE TO GOBICHETTIPALAYAM,ERODE DISTRICT

K. NATHIYA [1] | J. TAMILARASU [1] | B. GIRIMURUGAN [2]

[1] MBA., M.PHIL, Assistant Professor, Department of management studies, Nandha Engineering College, Erode-52.

[2] MBA., M.PHIL.,(Ph.D) Assistant Professor, Department of management studies, Nandha Engineering College, Erode-52.

ABSTRACT

The main focus of this Research work is the perception of an individual towards various investment opportunities with reference to Gobichettipalayam. The problem of surplus gives rise to the question of where to invest. In the past, investment avenues were limited to real estate, schemes of the post office and bank. At present, a wide variety of investment avenues are available to the investors to suit their needs and nature. Knowledge about different avenues enables the investors to choose a portfolio intelligently. The population size of the locality is large. So non probability sampling, method has been used the samples have been taken based on the convenience of the researcher.

INTRODUCTION

The problem of surplus gives rise to the question of where to invest. In the past, investment avenues were limited to real estate, schemes of the post office and bank. At present, a wide variety of investment avenues are open to the investors to suit their needs and nature. Knowledge about different avenues enables the investors to choose investment intelligently. The required rate of return and the risk tolerance level decide the choice of the investor. There are numerous investment opportunities in India for us today, and we have to capitalize on them. While some of them are long-term projects and call for large investments, other options include individual investment avenues and products. Either way, one has to realize their investment objective keeping in view the larger goals and immediate priorities.

CHALLENGES OF INDIAN INVESTMENT INDUSTRY

The investing story in India has not been always that smooth. Pitfalls are sure to co-exist. The main restraint on India's growth now happens to be its infrastructure. On the other hand, infrastructure is India's biggest opportunity as well. The fiscal deficit of India also poses a big threat to the investment industry in India. For an emerging economy like India, it is recommended that an investor always balances the unique risks against the potential for high long-term growth.

SCOPE OF THE STUDY

Investing in various types of assets is an interesting activity that attracts people from all walks of life irrespective of their operation, economic status, education and family background.

This study helps in identifying the potential investor for various investment opportunities and also can compare that pros and cons for each and every investment.

This study may help for all type of financial sectors and also business people.

REVIEW OF LITERATURE

1. Sharpe, William F. (1966) suggested a measure for the evaluation of portfolio performance. Drawing on results obtained in the field of portfolio analysis, economist Jack L. Treynor has suggested a new predictor of mutual fund performance, one that differs from virtually all those used previously by incorporating the volatility of a fund's return in a simple yet meaningful manner.

2. Michael C. Jensen (1967) derived a risk-adjusted measure of portfolio performance (Jensen's alpha) that estimates how much a manager's forecasting ability contributes to fund's returns. As indicated by Statman (2000), the e SDAR of a fund portfolio is the excess return of the portfolio over the return of the benchmark index, where the portfolio is leveraged to have the benchmark index's standard deviation.

OBJECTIVES OF THE STUDY

- To find out the level of awareness and knowledge about the investment opportunities among the respondents.

- To find out the motives and the factors influencing the selection of a particular investment.

- To construct a portfolio for the Respondents from their diversified funds.

RESEARCH METHODOLOGY:
DESCRIPTIVE RESEARCH DESIGN:

The researcher has used the descriptive research design in this study. It is used to learn about and describe the characteristics of a group of people.

SAMPLING PROCEDURE:

For this study, non – probability, convenient sampling has been used.

SAMPLE SIZE:

In this study, the researcher has selected a sample of 300 Respondents.

ANALYSIS AND INTERPRETATION
Karl Pearson Rank Correlation for Awareness Vs Time factor

The researcher needs to identify that, whether there is any relationship between investment preference and return on investment among various investment opportunities of the respondents.

Table -1 showing correlation of investment preference with return on investment

Total Points (X)	2012	1834	2063	1629	1830	1895	1318	1202	1769	290
Total points(Y)	2154	2054	1929	1773	1978	1864	1714	1428	1773	312

Variable 1	Variable 2	Correlated Value 'r'	Remarks
Investment preference	Return on investment	0.86	Positive

Inference:

Correlation method was applied to find whether there is any significance relationship between the investment preference and return on investment. The calculated value of correlation is 0.86 which is higher positive correlated value. Hence, the researcher accepts that investment preference and return on investment are having significant relationship.

Therefore, it is concluded that the trend in investment preference is widely depend on return on investment.

Table –2 Showing That Awareness of the Respondents

S. No.	Awareness	Total Points	Total Respondents	Average rating (max 5)	Rank
1	Shares	1803	300	6.01	III
2	Insurance	1618	300	5.39	IV
3	Real Estate	1605	300	5.35	VI
4	Gold	1924	300	6.41	II
5	Bank	2049	300	6.83	I
6	Mutual Funds	1610	300	5.36	V
7	Chit Funds	1299	300	4.33	VIII
8	Currencies	1250	300	4.16	IX
9	Commodities	1396	300	4.65	VII
10	Others	290	300	0.96	X

Source: Primary data

Inference:

From the above table it is learnt that the awareness about various investment opportunities of the respondents are as follows: First rank given to bank with the mean value of 6.83, second rank given to gold with the mean value of 6.41, third rank given to shares with the mean value of 6.01.

It is found that most of the respondents are aware of investment opportunities at banks with the mean value of 6.83 and followed by gold with the mean value of 6.41.

Table – 3 Showing That Investment Preference of the Respondents

S. No.	Preference	Total Points	Total Respondents	Average rating (max 5)	Rank
1	Shares	2012	300	6.70	II
2	Insurance	1834	300	6.11	IV
3	Real Estate	2063	300	6.87	I
4	Gold	1629	300	5.43	VII
5	Bank	1830	300	6.10	V
6	Mutual Funds	1895	300	6.30	III
7	Chit Funds	1318	300	4.30	VIII
8	Currencies	1202	300	4.00	IX
9	Commodities	1769	300	5.80	VI
10	Others	290	300	0.96	X

Source: Primary data

Inference:

From the above table, it is learnt that the preference from various investment opportunities of the respondents. First rank given to real estate with the mean value of 6.87, second rank given to shares with the mean value of 6.70, third rank given to mutual funds with the mean value of 6.30, fourth rank given to insurance with the mean value of 6.11, fifth rank given to bank with the mean value of 6.10.

It is concluded that most of the respondents preferred to invest in real estate with the mean value of 6.87 followed by shares with the mean value of 6.70.

FINDINGS

1. A major category of the respondents are aware about bank (6.83) and followed by gold (6.41)and Majority of the respondents are preferred to invest in real estate(6.87) and followed by shares (6.70).

2. Majority of the respondents are preferred to invest in real estate (6.87) and followed by shares (6.70) and Majority of the respondents are preferred to invest in real estate (6.87) and followed by shares (6.70).

3. A major category of the respondents are induced by risk factor (5.70) and followed by return on investment (5.63) and a major category of the respondents are induced by risk factor (5.70) and followed by return on investment (5.63).

4. Major categories (48%) of the respondents are invested below Rs.5 lakhs and invest for short term (36%), expect below 25% out of capital (42%).

5. Correlation method was applied to find whether there is any significance relationship between the investment preference and return on investment. The calculated value of correlation is 0.86 which is higher positive correlated value. Hence, the researcher accepts that investment preference and return on investment are having significant relationship.

SUGGESTIONS

1. The investment decision is very crucial for the individuals. The investor should understand the risk and time factor involved in all investment opportunities. I found that, some of them had little knowledge about their domain, they had invested with the help and trust of others.

2. Most of the players in financial sectors are creating awareness among the public but they do not provide knowledge to the public. For this issue, it is strongly recommended that the financial companies should come forward and create knowledge about that particular investment.

3. Based on the risk capabilities of the respondents, they can investment their money instead of investing entire wealth of the individual, the person can invest partly.

4. Everyone invested with the expectation of normal returns only, but the investors find hard to realize and wait further loosing their normal returns too., The bank and government may help financially to the individual investor for the development of the individuals and as well economy of the nation.

CONCLUSION

This is study based on investment opportunities and the impact of the various factors on specific investment. Knowledge is the main criteria which induce to invest, but there is a need of guidance. It was concluded that return on investment are based on the risk are taken by an investor.

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