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INVESTOR PREFENCE IN RAJASTHAN: COMPREHENDING INFLUENTIAL ELEMENTS

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ABSTRACT:

This study is targeting specifically at persons who have savings but hesitate to invest in the financial market. Their funds are being used in other places with the aim of investing them to boost out earnings. The researcher tried to identify the factors that restrict the movement of funds from savers to demanders. The performance of the financial market depends on the easy flow of money on both sides. There was shown to be a disparity between lenders and debtors. To close this gap, ordinary people must be encouraged to invest. In emerging countries like India, just 1.2 billion people, or 5% of the population, are involved in the investment process. Socioeconomic, cultural and psychological aspects all have an impact on investors' behavioral traits. The results show that investors were most influenced by examples of people who invested in shares and achieved financial security. Economic data, hedging factors, and market considerations all have a greater influence on investing choices. This finding also shows that investors' stock market choices are influenced by the use of company annual reports that include financial ratios.

KEYWORDS:

FINANCIAL MARKET, INVESTMENT, SAVING, BEHAVIORAL TRAIT.

INTRODUCTION

Didwana, a central town in Rajasthan, is developing as an attractive invest men with diverse opportunities, making it a fascinating location to explore how individual investors make their investment choices. A mix of psychological, economic, and social factors interacts to shape the intricate dynamics of investment behavior. According to Barber and Odean (2000), individual investors often exhibit trading behaviors that deviate from rational expectations, leading to suboptimal investment results. Behavioral economics, highlighted by Kahneman and Tversky (1979), suggests that cognitive biases significantly influence investors' perceptions of risk and their decision-making processes. Behavior finance is a revolution in the finance business that has emerged and developed. When making decisions about their investments, investors hardly ever act rationally. Essentially, investors take action based only on the facts at their disposal. Prior to making an investment in the equities market, a great deal of thought must be given. One must take ratio analysis into account. When making an investment in the capital market, one must consider a comprehensive economic study as well as the technical and financial evaluation of the company. The markets have been moving from statism to more of dynamism and are continuously changing the exposure to risk. As the level of risk has been increasing, more and more money is at stake among different demographic profiles. This paper explores relationship between level of risk and demographic factors of investors' confined to Rajasthan state. Depending upon risk appetite, there is an increase in number of investment avenues available for investors like bank deposits, government, private bonds, shares and stocks, exchange traded funds (ETF), mutual funds, insurance, derivatives, gold, silver, currencies, real estate, etc. Most of the investors' primary objective of investment is to earn regular income and expected rate of return differs from individual to individual based on their level of market knowledge and risk taking ability. This paper further reveals that there is a negative correlation between Marital Status, Gender, Age, Educational Qualification and Occupation of the investors' also there is a positive correlation between Cities, Income Level and Knowledge of the investors'. This has been identified on the basis of cross analysis by applying Correlation analysis

REVIEW OF LITERATURE

(Lodhi ,2012) Object of this study is to find out how an investor's level of familiarity with various investment avenue and understanding of the relationship between risk and return impact their personal investment along with the understanding of companies performance analysis method and portfolio management techniques

(Jain & Mandot, 2012) According to the study, the market has changed from being static to dynamic, which also constantly modifies risk exposure. This study examined the connection between risk and Rajasthani investor demographics. The amount invested in bank deposits, various bonds, shares, real estate, mutual funds, gold, etc. is increased based on the investor's preferred level of risk.

(Anju & Anuradha, 2015) Observed that Investors have various perspectives when deciding whether to invest in a particular investment option. Through appropriate investment policy and financial management, investors can enhance personal assets, which will increase the economic growth. Income, Savings, and Investment are the three factors that impact the growth of an economy

(Bhavani & Shetty, 2017) Examine the impact of perceptions and demography on investing decisions. The study emphasized how perceptions and demographic factors influence investing decisions. The findings of Mann Whiteny U test and the Kruskal-Wallis used to test the hypothesis show that age, education, occupation, and gender have a substantial impact on the choice of investment alternatives.

(Tandel and Patel, 2017) Explained that investors' risk perception is affected by factors such as financial education and demographic characteristics, further focusing the multi-dimensional nature of risk assessment.

(Jhanwar,2022) Examined that investors are always on the lookout for new ways to grow their money and has choice problem as market flooded with lot of investment option. Investor wants a low cost, simple, flexible, transparent and more control option for investment.

RESEARCH METHODOLOGY

OBJECTIVES

1. To analyse the impact of demographic factor towards investment decisions of individual investors in Didwana.

2. To analyse the impact of gender on investment decisions of individual investors in Didwana

DATA COLLECTION

Primary Data: A standardized questionnaire was made and distributed among Individual Investors of didwana.

Secondary data: The secondary data was gathered from published resources such as articles, research papers and government publication.

SAMPLING METHOD

Sampling Method: A simple random sampling method was used as every individual investor has an equal chance of getting selected.

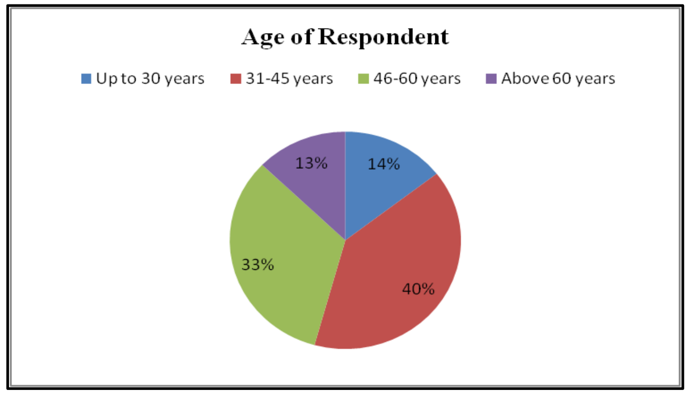
Research Design: A descriptive research design is selected because it would give a thorough and accurate depiction of the numerous elements influencing individual investors' investing decisions

Sample Size: In total 100 responses were received from Didwana.

SIGNIFICANCE OF STUDY

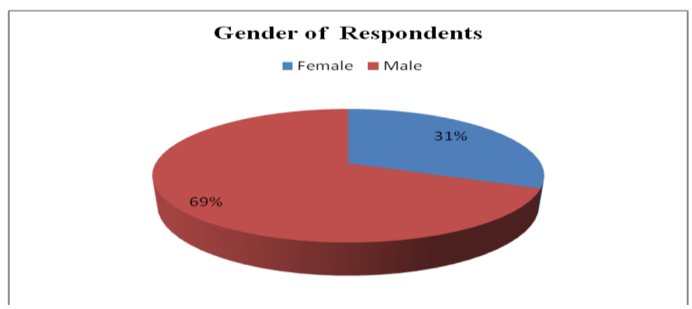
This study will help Individual investors to select rationally and will comprehend the elements that impact their investment selections. The information can help government and investment experts to customize their recommendations and suggestion to better suit the preferences, risk tolerance, and objectives of their clients. It might be helpful for investors to design their portfolio.

DISCUSSION

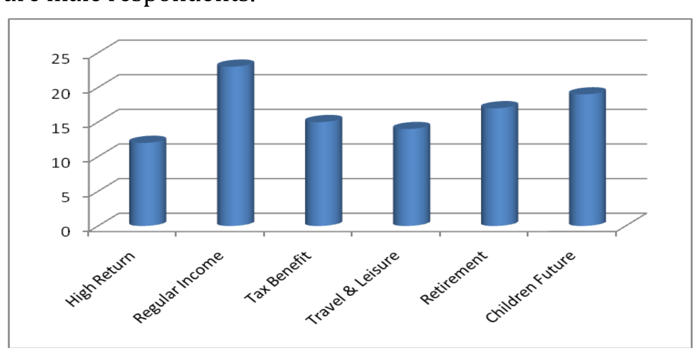


Age (years)	Frequency	Percentage
Up to 30	14	14
31-45	40	40
46-60	33	33
Above 60	13	13
Total	100	100

From the above chart and table, it is understood that age distribution of sample respondents is heavily dominated by age group 31-45 years as its weight is 40% in comparison with respondents fall under the age group between 46-60 years who represent 33% respondents belonging from the age group of above 60 years who represent 13% respondent in age up to 30 years represent 14%.The major investment decisions take place in the age group of 31-45.

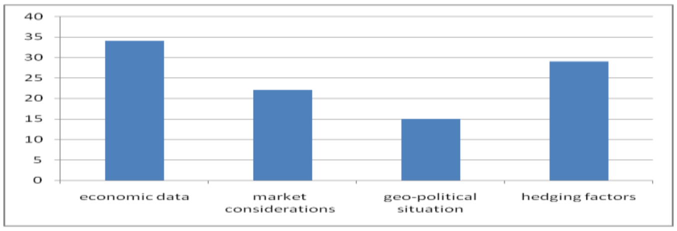


From the above graph, it is understood that 69% of the sample investors are male respondents and 31% of them are female respondents. Majority of the sample investors are male respondents.



With regard to investment objective, it can be seen from above bar-diagram, that the highest proportion respondent save for regular income followed by childeren future where only few respondent save travel and leisure and high return.

Factors	Respondents	Ranking
economic data	34	1
market considerations	22	3
geo-political situation	15	4
hedging factors	29	2



The results show that investors were most influenced by examples of people who invested in shares and achieved financial security. Economic data, hedging factors, and market considerations all have a greater influence on investing choices.

CONCLUSION

To summarize, past investment decisions are perceived as following traditional financial norms, where investors rely on logic instead of emotions. In Didwana, people tend to prioritize social media recommendations over their personal experiences, risk evaluations, or potential outcomes. Investment choices in Didwana often lack the seriousness they deserve. It is crucial for investment decisions to be intentionally crafted for long-term benefits rather than made impulsively. The investment behavior of individual investors in Didwana is a complex issue influenced by various factors, including psychological, economic, social, cultural, and regulatory elements. The results indicate that investors were most considered economic data, hedging factors, and market considerations for investing choices.

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