

A Study of Investors Investment Choice with Reference to Jaipur City

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Abstract

Investment decision making is very critical activity and it is very hard to take financial and investment decisions by an individual investors. It is difficult to make a portfolio for investments as financial environment is uncertain and dynamic in nature. Individual's investors require a lot of skill to make an efficient portfolio. Investors have a lot of choice for investments. Present study explore that investors in Jaipur city is mainly investing their money for long horizon of time and for retirement fund.

Keywords: Investment Decisions, Mutual Fund, Portfolio, Equity Market, Investment Tools.

Introduction:

An investment is a sacrifice of current money or other resources for future benefits. Investment is an important means for channelizing the savings into the development of the economy. It is an essential process in the economy, investing has become a specialized activity. Managers today are required to master the art of investing, if they are to take their company to the top of the league. Be it individuals, firms or any other constituent of the economy, all need to invest and manage their investment well. The two key aspects of any investment are time and risk. The sacrifice takes place now and is certain. The benefit is expected in the future and tends to be uncertain. In some investments (like government bonds) the time element is the dominant attribute. There are a lot of investment avenues and one must select the most appropriate one. It is necessary to know the details of making the investment, along with the various ways in which the investment has to be maintained and managed.

Objectives of the Study

The main objective of the study is 'Investors Investment Choice with Reference to Jaipur City'

The other objectives of the study:

1. To study the investor's demographic features.
2. To study the investors choice.
3. To study the investment objectives.
4. To study the main reason of investments.

Research Methodology

1. Data Collection

The study is based on primary and secondary data. Primary data have been collected from 50 respondents through a questionnaire covering different investors. The secondary data have been collected from various books, magazine, journals, news papers and websites.

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The samples of 50 respondents were taken from the Jaipur city. The investors were selected from various mutual fund distributors, agents and from consultancy.

2. Sample Design

The convenience sampling method is used for selecting sample investors in this study. In order to analyze the collected data, the following tools were also used

- Simple Percentage analysis: it states the frequency and percentage of the customers profile, attitude and opinion regarding investors.

3. Data Analysis

a. To study the investor's demographic features.

The table (below) is showing demographic characteristics of the Investors. They were asked about demographic profile, like gender, age, qualification, occupation, marital status and income. The purpose of this information simply knew the characteristics of the investors.

Table 1: Demographic Characteristics

(n=50)

S.no	Factor	Category	Frequency / Percentage
1.	Gender	Male	80
		Female	20
2.	Age	Below 25	10
		Above 25 & Up to 40	25
		Above 40 & Up to 60	40
		Above 60	25
3.	Qualification	Up to 12	15
		Under graduate & more	60
		Professional qualified	25
4.	Occupation	Student	5
		House wife	10
		Self employed/ Business Person	40
		Service class	45
5.	Marital Status	Married	90
		Unmarried	10
6.	Income	Up to 2.5 Lacs	35
		Above 2.5 & Below 5 Lacs	40
		Above 5 Lacs	25

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Above table shows that mainly male investors actively participate in investment activity and mainly from 40-60 the age, 40 percent of investors are investing money. Mainly under graduate investors are more in numbers 60 percent as investors. Service Class are (45%) the highest occupation of the investors. 90% of the investor out of sample were married and income between 2.5 - 5 lacs were 40 percent which were the highest income group.

b. To Study the Investors Choice

Investor's choices were studied and data were tabulated as follows:

Table 2: Investor's Choices

Investment mode	Preferred	Rank	Not preferred
Banks	75%	1	25%
Mutual Funds	70%	2	30%
Post Office	65%	3	35%
Gold	62%	4	38%
Insurance	60%	5	40%
Equity	55%	6	45%
Govt. Securities	52%	7	48%
Real Estate	50%	8	50%

Above table shows that majority of investors (75%), invest their money into banking sector for savings and thereafter, their choice is mutual funds and post office, least preferred is real estate (50%).

c. To study the Investment Objectives

Investor's objectives were studied and data were tabulated as follows:

Table 3: Investor's Objective

Investment mode	Preferred	Rank	Not preferred
For Retirement	80%	1	20%
House purchase	74%	2	26%
Children education	66%	3	34%
Children marriage	65%	4	35%
Car purchase	55%	5	45%
Foreign tour	25%	6	75%

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Above table shows that maximum 80% investors are investing to generate funds for retirement and least preferred is foreign tour 25%.

d. To Study the Reason of Investment

Investor's reason of investment was studied and data were tabulated as follows:

Table 4: Reason of Investment

Reason of investment	No of respondent	Rank
For future needs	60%	1
To Create wealth	18%	2
Tax saving	18%	3
To meet expenses	4%	4

Table shows that the main reason behind investment is **"for future needs" (60%)**. It further shows that investors invest money to create wealth and for tax saving reasons (18%).

Conclusion

This study shows that Investor's in Jaipur city like to invest for mainly for their retirement fund and for future needs and their best investment mode is banking.

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