

A Study of Investors Behaviour towards the Investment Alternative with Special Reference to Jaipur City

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Abstract

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. This has become so, irrespective of the magnitude of funds involved. Availability of a large number of innovative products alternatives has further added complexity to the process. 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.

An investment is a sacrifice of current money or other resources for future benefits. Numerous avenues of investment are available today. You can deposit money in a bank account or purchase a long term government bond or invest in the equity shares of a company or contribute to a provident fund account or buy a stock option or acquire a plot of land or invest in some other form of investment avenues.

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. In other investment (like equity shares) both time and risk are important. Your economic well - being in the long run depends significantly on how wisely or foolishly you invest.

There are a lot of investment avenues and one must select the most appropriate one. The person dealing with the planning for investment must know all the various investment avenues and how these can be chosen for the purpose of attaining the overall objectives. 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.

All investments whether in shares, debentures or deposits involve risk. Share value may go down depending upon the performance of the company, the industry, state of capital markets and the economy. Generally however, longer the term, lessen the risk. Companies may default in payment of interest and principal on their debentures / bonds / deposits. While risk cannot be eliminated, skilful management can minimize risk. Mutual funds help to reduce risk through diversification and professional management. The experience and expertise of Mutual Fund managers in selecting fundamentally sound securities and timing their purchases and sales help them to build a diversified portfolio that minimizes risk and maximizes returns.

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The study is based on primary and secondary data. Primary data have been collected from 100 respondents through a questionnaire covering different investors. The secondary data have been collected from various books, magazine, journals, newspapers and websites.

The samples of 100 respondents from the investors of the Jaipur city. The investors are selected from

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various mutual fund distributors, agents and from consultancy. The convenience sampling method is used for selecting sample investors in this study.

In Order to Analyse the Collected Data, the Following Tools Were Used

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

Objectives of the Study:

The main objective of the study is investor's behaviour towards the investment alternative with special reference to Jaipur city.

The other Objectives of the Study are as Follows-

1. To study the investor's nature.
2. To study the investors preferences
3. To study the investing objective.
4. To study the purpose of investment.

The below table is shows demographic characteristics of the Investors and they were asked about demographic profile, like gender, age, qualification, occupation, marital status and income. The purpose of this information was simply know the characteristics of the investors.

Table 1: Demographic Characteristics

(n=100)

S.no	Factor	Category	Frequency / Percentage
1.	Gender	Male	86
		Female	14
2.	Age	Below 25	15
		Above 25 & Upto 40	20
		Above 40 & Upto 60	35
		Above 60	30
3.	Qualification	Up to 12	10
		Under graduate & more	55
		Professional qualified	35
4.	Occupation	Student	5
		House wife	5
		Self-employed/ Business Person	52
		Service class	38
5.	Marital Status	Married	85
		Unmarried	15

6.	Income	Up to 2.5 Lacs	35
		Below 5 Lacs	20
		Above 5 Lacs	45

Above table shows that mainly male investors actively participate in investment activity and mainly above the age of 40, 65 percent of investors are investing money. Mainly qualified or educated investors are more in numbers as investors. Self-employed or business man (52%) are the highest occupation of the investors. 85% of the investor out of sample were married and income above 5 lacs were 45 percent which were the highest income group.

To Study the Investors Preferences

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

Table 2: Investor's preferences

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%).

To Study the Investing Objective

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

Table 3: Investor's Objective

Investment mode	Preferred	Rank	Not preferred
For Retirement	78%	1	22%
House purchase	70%	2	30%
Children education	68%	3	32%
Children marriage	65%	4	35%
Car purchase	55%	5	45%
Foreign tour	25%	6	75%

Above table shows that maximum 78% investors are investing to generate funds for retirement and least

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preferred is foreign tour 25%.

To Study the Purpose of Investment

Investor's purpose of investments were studied and data were tabulated as follows:

Table 4: Purpose of investment

Purpose of investment	No of respondent	Rank
For future needs	52%	1
To Create wealth	22%	2
Tax saving	20%	3
To meet expenses	6%	4

Above table shows that the main purpose behind investment is **"for future needs" (52%)**. It further shows that investors invest money to create wealth (22%) and for tax saving purposes (20%).

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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