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(UGC Autonomous)

A STUDY ON ANALYSIS OF INVESTORS BEHAVIOUR TOWARDS SELECTED INVESTMENT AVENUES AVAILABLE IN INDIA

A Mini Project Report Submitted to

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY, ANANTAPURAMU

In Partial Fulfilment of

the Requirements for the Award of the Degree of

MASTER OF BUSINESS ADMINISTRATION

By

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Reg. No: 21691E00C3

UNDER THE GUIDANCE OF

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Assistant Professor

DEPARTMENT OF MANAGEMENT STUDIES

MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE

(UGC Autonomous - Affiliated To Jawaharlal Nehru Technological University-Anantapuramu)

MADANAPALLE-517 325

ANNAMAYYA DISTRICT, A.P.

2021-23

DEPARTMENT OF MANAGEMENT STUDIES

<u>CERTIFICATE</u>

This is to Certify that the Project report entitled **"A STUDY ON ANALYSIS OF INVESTORS BEHAVIOUR TOWARDS SELECTED INVESTMENT AVENUES AVAILABLE IN INDIA ",** submitted by **B. Sai Harish (Reg.no: 21691E00C3)** as the record of the research work carried out by him, is accepted as the Project submission in partial fulfilment of the requirements for the award of Degree of Master of Business Administration.

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INTERNAL EXAMINER

EXTERNAL EXAMINER

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DECLARATION

I hereby declare that the Project report entitled **"A STUDY ON ANALYSIS OF INVESTORS BEHAVIOUR TOWARDS SELECTED INVESTMENT AVENUES AVAILABLE IN INDIA ",** is an original piece of work carried out by me under the guidance and supervision of **Mrs. S. Sujatha M.B.A., M.Phil,   Assistant Professor,** Department of Management Studies, Madanapalle Institute of Technology and Science, Madanapalle, the project has not previously formed the basis for completion of Mini Project.

Date: **B. Sai Harish**

Place: **Reg. No: 21691E00C3**

<u>ACKNOWLEDGEMENT</u>

I Would like to thank all those persons who have contributed towards the successful completion of the project work, I am glad to say that working on this project has been both illuminating and enjoyable for me.

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B. Sai Harish
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ABSTRACT

Savings form an important part of the economy of any nation. With the savings invested in variousoptions available to the people, the money acts as the driver for growth of the country. Indian financial scene too presents a plethora of avenues to the investors. Though certainly not the best or deepest of markets in the world, it has reasonable options for an ordinary man to invest his savings.

One needs to invest and earn return on their idle resources and generate a specified sum of moneyfor a specific goal in life and make a provision for an uncertain future. One of the important reasonswhy one needs to invest wisely is to meet the cost of inflation. Inflation is the rate at which the cost of living increases.

The cost of living is simply what it cost to buy the goods and services you need to live. Inflation causes money to lose value because it will not buy the same amount of a good or service in the future as it does now or did in the past. The sooner one starts investing the better. By investing early, you allow your investments more time to grow, whereby the concept of compounding increases your income, by accumulating the principal and the interest or dividend earned on it, year after year.

Chapter-1 Introduction

1.1 Introduction

Money does not have any value unless it is invested. If a person has a large sum of money and he keeps it in his cupboard, it will not grow. It has to be invested in some financial asset to get a return. There can be no return without risk. It is within this framework of risk and return that investment has to be made. It is assumed that a person is risk averse and at the same time, he expects a good return on the money that he invests. Therefore, an investor has to trade-off between risk and return. This chapter is an introduction to the terms investment, speculation and gambling depicting its nature and scope. It also presents the media for investments and explains the investment process. Investment is the commitment of funds with a long-term time framework, the objective being additional income to regular receipts and growth in the value of funds of an investor. Investment involves 'waiting' for a future reward in terms of income through regular interest, dividends, premiums, or appreciation in the value of the principal capital. The term 'Investment' is understood differently by economists and financial experts. Economists consider it as new and productive capital and financial experts emphasize on allocation and transfer of resources from one person to another. It is also different to the terms speculation and gambling and they differ in terms of risk, time framework and gains.

- It must be clearly established that investment involves long-term commitment.
- Financial and economic meaning of investment are different and must be understood in terms of use of capital.
- Investment speculation and gambling can be distinguished from each other through their risk, time period of commitment and gains.

Introduction to Investment Avenues

Many types of investment avenues or channels for making investments are available. A sound investment programme can be constructed if the investor familiarizes himself with the various alternative investments available. Investment media are of several kinds – some are simple and direct, others present complex problems of analysis and investigations. Some investments are appropriate for one type of investor and another may be suitable to another person. The ultimate

objective of the investor is to derive a variety of investments that meet this preference for risk and expected return. The investor will select the portfolio, which will maximize his utility. Securities present a wide range of risk-free instruments to highly speculative shares and debentures. From this broad spectrum, the investor will have to select those securities that maximize his utility. The investor, in other words, has an optimization problem. He has to choose the security, which will maximize his expected returns subject to certain considerations. The investment decision is an optimization problem but the objective function varies from investor to investor. It is not only the construction of a portfolio that will promise the highest expected return but it is the satisfaction of the need of the investor. For instance, one investor may face a situation when he requires extreme liquidity. He may also want safety of securities. Therefore, he will have to choose a security with low returns. Another investor would not mind high risk because he does not have financial problems but he would like a high return. Such an investor can put his savings in growth shares, as he is willing to accept the risk. Another important consideration is the temperament and psychology of the investor. Some investors are temperamentally suited to take risks; there are others who are not willing to invest in risky securities even if the return is high. One investor may prefer safe government bonds whereas another may be willing to invest in blue chip equity shares of the company. Many alternative investments exist. These can be categorized in many ways. The main investment options/avenues that are available in India is given below.

- **Shares**
- **Mutual funds**
- **Fixed deposits (FD)**
- **Post Office Savings**

SHARES

A share is the interest of a shareholder in a definite portion of the capital. It expresses a proprietary relationship between the company and the shareholder. A shareholder is the proportionate owner of the company,

A share is the interest of a shareholder in a definite portion of the capital. It expresses a proprietary relationship between the company and the shareholder. A shareholder is the proportionate owner of the company but he does not own the company's assets which belong to the company as a separate legal entity. Section 2(46) defines a share as, "A share in the share

capital of a company and includes stock and includes stock except where a distinction between stock and shares is expressed or implied". An exhaustive definition of share has been given by Farwell .J in Borland's trustee .v steel bros. in the following words:

"A share is the interest of a shareholder in the company, measured by a sum of money, for the purpose of liability in the first place, and of interest the second, but also consisting of a series of mutual covenants entered into by all the shareholder inter se in accordance with the companies act". Thus a share

i) Measures the right of a shareholder to receive a certain proportion of the profits of the company while it is a going concern and to contribute to the assets of the company when it is being wound up: and

ii) Forms the basis of the mutual covenants contained in the articles binding the shareholders

Types of Shares:

According to section 86 of the companies act, a company can issue only two types of shares they are

(a) Equity Shares

(b) Preference

(a)Equity Shares

All shares which are not preference shares are equity shares. Equity shareholders have the residual rights of the company, They may get higher dividend than preference shareholders if the company is prosperous or get nothing fi the business of the company flops. In the winding up, the equity shares are entitled to the entire surplus assets remaining after the payment of the liabilities and the capital of the company; unless the articles confer right on the preference shares a right to participate in the distribution of surplus assets.

Features of Equity Shares

- They have No Precise dividend
- Principle for enchasing borrowed capital
- Public circulation or Private arraignment
- They contains polling rights

- Enduring capital base

(b)Preference Shares

A Preference Shares must satisfies the following conditions.

i)It should carry a preferential right as to the payment of dividend at a fixed rate

ii) In the event of winding up, there must be a preferential right to the repayment of the paid up capital.

These are two dominant characteristics of preference shares. So preference share may or may not carry such other right as;

(a) A preferential right to any arrears of dividend;

(b) Aright to share in surplus profits by way of additional dividend;

(c) Aright to be paid a fixed premium specified in the memorandum; and

(d) Aright to share in surplus assets in the event of a winding up, after all kinds of capital have been repaid.

Mutual Funds:

This is an emerging area for investment and there is a large variety of schemes in the market to suit the requirements of a large number of people. In finance, in general, you can think of equity as ownership in any asset after all debts associated with that asset are paid of. For example, a car or house with no outstanding debt is considered the owner's equity because he

or she can readily sell the item for cash. Stocks are equity because they represent ownership in a company.

Types of mutual funds based on Asset Classes

a. Equity Funds

These funds primarily invest in the equities or shares of various companies. Since, they tend to reap high returns, they are generally considered to be high risk.

b. Debt Funds

These funds invest in multiple debt instruments including fixed income assets, debentures, and government bonds. They are considered to be safe funds because, despite the market fluctuations, their returns are set.

c. Hybrid Funds

Also referred to as balanced funds, they usually invest in different asset classes, irrespective of the proportion of debts and equities involved. This ensures that the risks and returns remain in sync, thus striking a perfect balance.

Fixed Deposits (FD)

Fixed Deposits with Banks are also referred to as term deposits. Minimum investment period for bank FDs is 30 days. Deposits in banks are very safe because of the regulations of RBI and the guarantee provided by the deposit insurance corporation. The interest rate on fixed deposits varies with term of the deposits Bank deposits enjoy exceptionally high liquidity. Loans can raised against bank deposits.

Types of Fixed Deposits

The various types of fixed deposits which are available in the market are

1. Standard fixed deposit

A standard fixed deposit requires a person to invest their money for a fixed period of time at a predetermined interest rate. The time period of a standard fixed deposit varies between 7 days to 10 years. This is the most popular FD option chosen by stakeholders.

2. Special Fixed Deposit

Special Fixed Deposits are "special'' because they are usually offered for a special time period. A special time period can be between 290 days and 390 days. Special FDs offer a higher interest rate and are a popular choice among various stakeholders.

3. Floating Fixed Deposit

In a floating fixed deposit, the rate changes quarterly or yearly and people can avail the benefits of a changing interest rate.

4. Tax saving Fixed Deposit

Unlike the Standard Fixed deposits, Tax saving fixed deposits cannot be booked for less thana period of 5 years. The amount invested is exempt from tax under section 80C of Income Tax 1961, but the interest generated from the FD is liable to be taxed.

FD One year Interest rates(%) of various Banks in India

Bank	Interest Rates	For Senior Citizens
Axis Bank	6.75	7.25
Bandhan Bank	7.25	7.75
Canara Bank	6.7	7.2
DCB Bank	6.75	7.45
HDFC	6.8	7.3
ICICI	6.75	7.25
Kotak Bank	6.75	7.25
Post office	6.8	6.8
RBL Bank	7.4	7.9
SBI	6.75	7.25

Post Office Savings

Post Office Monthly Income Scheme is a low risk saving instrument, which can be availed through any Post Office The interest rate on deposits is slightly higher than banks. The interest is calculated half yearly and paid yearly. There are various types of schemes provided by post offices. These are:

Savings Account

- Any individual can open an account.
- Cheque facility available.
- Group Account, Institutional Account, other Accounts like Security Deposit account &
- Official Capacity account are not permissible
- Rate of interest 4%per anni

Time Deposit Account

- A n y individual (a single adult or two adults jointly) can open an account.
- Group Accounts, Institutional Accounts and Misc. account not permissible.
- Trust, Regimental Fund or Welfare Fund not permissible to invest.
- 1 Year, 2 Year. 3 Year and 5 Year Time Deposit can be opened.
- In case of premature closure of 1 year, 2 Year, 3 Year or 5 Year account on or after
- 01.12.2011, fi the deposit is withdrawn after 6months but before the expiry of one year from the date of deposit, simple interest at the rate applicable to from time to time to post office savings account shall be payable.
- In case of premature closure of 2year, 3year or 5year account on or after 01.12.2011, fi the deposit is withdrawn after the expiry of one year from the date of deposit, interest on such deposits shall be calculated at the rate, which shall be one per cent less than the rate specified for a period of deposit of I year, 2 year or 3 years as mentioned in the concerned table given under Rule 7of Post office Time Deposit Rules.
- Rate of interest - 8.20%. 8.20%, 8.30%, 8.40% compounded quarterly for 1,2,3 & 5 years TD account respectively.

Type of account	Minimum Deposit	Maximum Deposit
1,2,3,4, and 5 years TD	RS. 200/-	No Limit

Recurring Deposit Account

- Any individual (a single adult or two adults jointly) can open an account.
- Advance Deposits earn rebate.
- Four defaults are allowed
- Rate of interest 8.30%
- Maturity value of a 5 Years RD account opened on or after 1-04-2013 with monthly deposit of INR.10/- shall be INR.744.53.
- Defaults can be paid within two months.

- Part withdrawal facility available.

- Premature closure allowed after three years.

- Pay Roll Savings Scheme is also available for employees of various Establishments.

Type of Account	Minimum Deposit	Maximum Deposit
Individual (RD) Account	RS. 10/-	No Limit

1.2 REVIEW OF LITERATURE

1. Literature suggests that major research in investors' behaviour has been done
   by behavioural scientists such as Weber, Shiller and Shefrin. Shiller who strongly
   advocated that stock market is governed by the market information which directly
   affects the behaviour of the investors. Several studies have
   brought out the relationship between the demographics such as Gender, Age and risk
   tolerance level of individuals. Of this the relationship between Age and risk tolerance
   level has attracted much attention.

2. **P. K. Bandgar and Mahesh Arun Mahajan, (2012)** explained in their study the management
   of portfolio which investors in Mumbai city followed to invest their saving for their secure life
   and for bright future. Their study will help the investors to choose the proper investment avenue
   and to create profitable investment portfolio.

3. **N. Panda J. K. Panda (2012)** The study analyses the categories in the discrimination
   of investing people in the suggestion of investing their money based on their gender and
   age. There are various types of investment options that are analyzed in this research
   paper like Debentures, Life Insurance, Bonds, Debts, Pension, Property, Metal etc.
   investment suggestions are taken by the investing peoples only and the company has to
   wait to see the result of it, while some investors are best in investing their money with
   best investment avenues.

4. **Ravi Vyas (2012)** The analysis says that the various types of investing schemes are preferred by the investors. People think that Mutual Funds investment is secured than any other investment with good rate of return in future. Responses analyzed that most people invest their money in metal such as Gold, Silver, etc. Mutual Funds investing people are very moderate in the country. For better security, safety, liquidity, risky, tax saving, and normal payback of Mutual funds have low scores among people.

5. **Priyanka Jain (2012)**:- The analysis states that there are various Investments avenues and schemes are available in the market for Investments. It study that equity shares are lower return, heavy capital, liquidity, risk, market, tax allowances. Debentures are higher return than equity shares with 10% risk and marketability. Bank deposits give moderate rates of return and also normal capital and risk, liquidity.

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7.**Palanivelu K. Chandrakumar (2013)** This analysis separates the investment avenues into various parts such as debt with a higher risk and rate of return. Debt which has a fixed amount of rate of interest on investment, Fixed deposits are only with the bank , insurance, public fund, with very less rate of return on investment, and safe. Data that analysis revealed 60% of responses like to invest their amount in insurance , 20% of responses like to invest their money in banks in term or fixed deposits, 30% of people invest in metals such as Gold, property and silver.

8. **Odoemene Met. al.(2013)** Investing in Investment avenues for the future returns. We get the results after analysis that the policy which have made for the investors not properly study and analysis and any proper saving schemes made for rural areas. Because improper study and analysis is difficult for the farmers and low class category people to make the decisions for Savings and investments. The motive of Saving and Investments is to take care of families or fulfil the requirements in.

9. **Gauri Prabhu N.M. Vechalekar (2013)** Mutual funds are the place where investors can invest their funds in the global capital market also. The huge amount of money is collected in Mutual funds and then it is invested in shares, debentures, bonds, and other securities which are available in the capital market. This paper analyzes the knowledge and awareness about the mutual funds between the peoples. The study states that between age 21 to age 40 are more active or interested in more investments. Private sectors employees invest more rather than the Government sectors employees.

1.3 Need for theStudy

The Significance of study was to analysis on Individual Investors' behavior is an attempt to know the profile of the investor and know the characteristics of the investors to know their preference with respect to their investments. The study also tries to unravel the influence of demographic factors like age on risk tolerance level of the investor.

1.4Objectives of the Study

- To identify the various investment avenues available for investment in India.
- To find out the main reasons for Investment.
- To find out the type of financial instruments that they prefer to invest.
- To analyse the factors that they consider before investing.

Chapter-2 Research Methodology

2.1 RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. the research methodology includes the various methods and techniques for conducting a research. Research is an art of scientific investigation. In other words research is a scientific and systematic search for pertinent information one specific topic. The logic behind taking research methodology into consideration is that one can have knowledge about the method and procedure adopted for achievement of objective of the project.

2.2 Sampling Technique:

Initially, a rough draft will be prepared keeping in mind the objective of the research. A pilot study will be undertaken in order to know the accuracy of the questionnaire. The final questionnaire will be arrived at only after certain important changes are incorporated. Convenience sampling technique will be used for collecting the data from different investors. The investors are selected by the convenience sampling method. The selection of units from the population based on their easy availability and accessibility to the researcher is known as convenience sampling. Convenience sampling is at its best in surveys dealing with an exploratory purpose for generating ideas and hypothesis.

Sampling unit:

The respondents who will be asked to fill out the questionnaires are the sampling units. These comprise Students ,employees, housewives, self- employed, professionals and other investors.

Sampling size

The sampling size refers to number of respondents to select from the entire India to constitute a sample. The sample size of 100 investors is taken for the research.

Data Analysis Techniques

Data Collection:

The data has been collected from both primary and secondary data.

Primary Data:

Primary data is the data which is fresh and are collected for the first time , the primary data is collected by distributing a questionnaire to 100 investors all around India. These investors are different age groups, different qualifications, different occupations, and different income levels.

Secondary data:

Secondary data is the data which is already existed and has been collected by some one else.

The Secondary data is collected by using the following

1. Data collected through various websites.
2. Investment Magazines and Business Magazines
3. Articles in Financial News papers (Economic times)

2.3 Limitations of the Study

The limitations of the study is given below,

- Since smaller sample was chosen so it may not be true representation of the population under study.
- Most of the study was restricted to internet and published data because of the non availability of primary data.
- The information that given by the respondents might be biased.
- Some of the respondents were unwilling to share information.
- Some of the respondents given wrong answers to the questions due to lack of knowledge.

2.4 Statistical tools used for the Analysis

The statistical tools used for the Analysis are,

Percentage Analysis, Regression, Chi-Square Test, Correlation.

Chapter-3 Results, Findings and Conclusions

3.1 Data Analysis and Interpretation

Demographic Profile of the investors

Gender	No of Respondents	Percentage of respondents
Male	76	69.09
Female	34	30.90
Total	110	100

Interpretation:

The table shows that 69.09% of the investors are Male and the rest are Females.

Age group	No of Respondents	Percentage of Respondents
10-15	5	4.54
16-20	19	17.27
21-30	35	31.81
Above 30	51	46.36
Total	110	100

Interpretation:

When it comes to age 4.54% of the investors are between 10-15 age group and 17.27% of the investors are teen aged people and the 31.81% of the investors are aged between 21-31 and the rest of the investors are above the 30 age group people which is 46.36%.

Education Qualification	No of Respondents	Percentage of Respondents
Intermediate	14	12.72
UG	25	22.72
PG	38	34.54
Other	33	30
Total	110	100

Interpretation:

When it comes to education qualification , the investors with above intermediate level shows interest to invest that is Intermediate 12.72% , UG 22.72% , PG 34.54% and other are 30%.

Occupation	No of respondents	Percentage of respondents
Student	71	64.54
Employee	19	17.27
Business	15	13.63
House Maker	5	4.54
Total	110	100

Interpretation:

Form the above table major respondents are students that is 64.54% and the next manor Respondents are employees with 17.27% and the other are Business and house maker with the 13.63% and 4.54% respectively.

Income	No of respondents	Percentage of respondents
Below 10,000	17	15.45
10,000-30,000	47	42.72

30,000-50,000	33	30
Above 50,000	13	11.81
Total	110	100

Interpretation:

The above table shows that 42.72% of the respondents are between the income of Rs.10,000-30,000 and the 30% of the respondents are between the income of Rs.30,000-50,000 and 15.45% of the respondents are between the income of below 10,000 and the rest of the respondents are 11.81%.

Statement:1 To Know the type of investment that the investor is investing

Type of investment	No of respondents	Percentage of respondents
Shares	11	10
Post office	35	31.81
Bank deposits	51	46.36
Mutual funds	13	11.81
All	0	0
Total	110	100

No of respondents
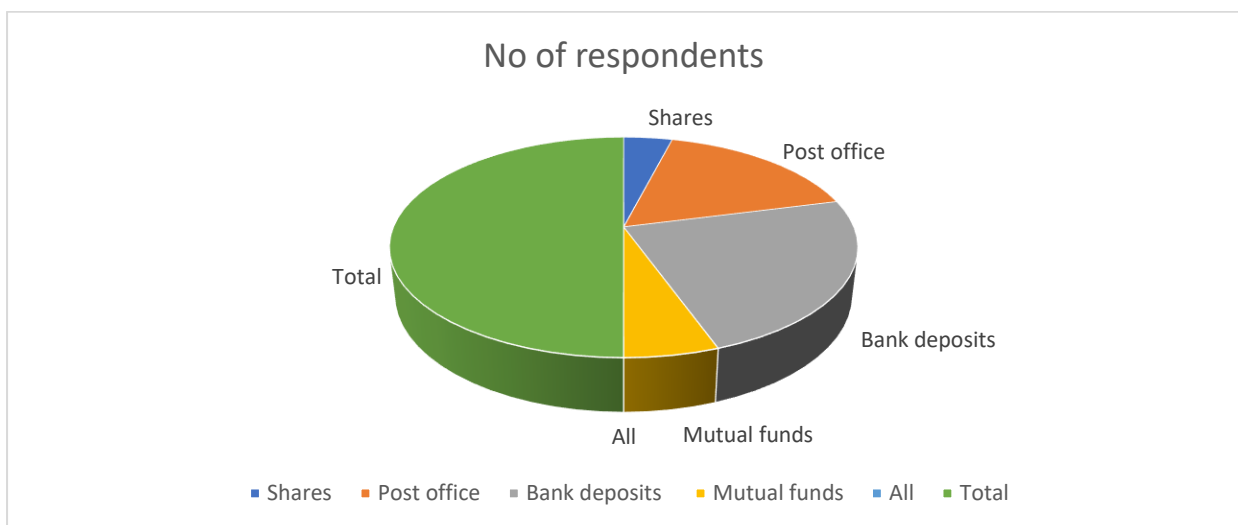
Interpretation:

The above chart shows that 46.36% a of investors aware of bank deposits and 31.81% are aware of the post office deposits and 11.81% of investors are aware of mutual funds and only 10% of the investor are aware with shares.

**Statement 2:** To Know the percentage of income that investor invests.

Income	No of respondents	Percentages of respondents
5-10%	25	22.72
10-15%	55	50
15-20%	18	16.36
Above 20%	12	11
Total	110	100
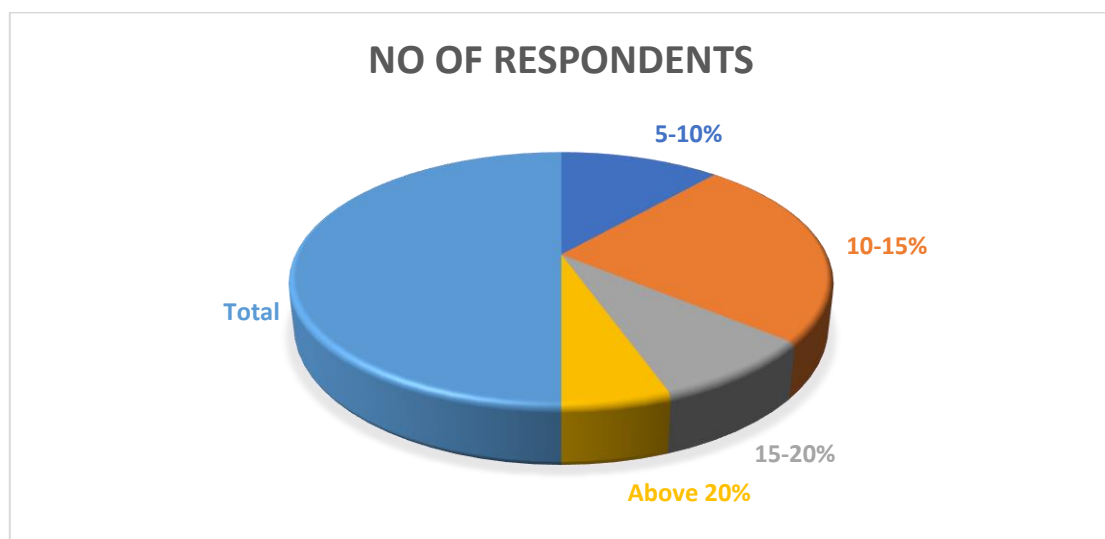
Interpretation:

The pie chart shows that the major respondents invest 10-15% of their income that is 50% and next 5-10%, 15-20% , Above 22.72% with 16.36% , 11% and 7% respectively**.**

Statement 3: To know the main purpose behind investment

| Purpose	No of respondents	Percentage of respondents
Wealth Creation	46	41.81
Children education	11	10
Retirement plan	14	12.72
Other	39	35.45
Total	110	100
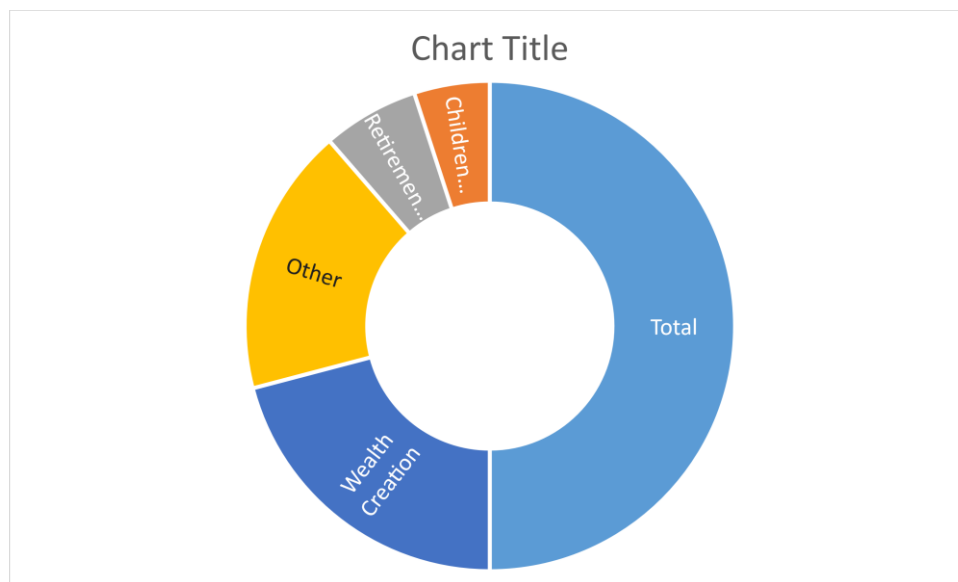
Inerrpretation:

From the above graph we can say that most of the respondents invest for the wealth creation that is 41.81% and next investors aim is retirement plan that is 12.72% and also most of the investors chosen other 35.45% for their investment.

Statement 4: To know the factors that consider by the investor before investing

| factors	No of respondents	Percentage of respondents
Safety	55	50
High returns	34	31
Low risk	21	19
Total	110	100

Chart Title
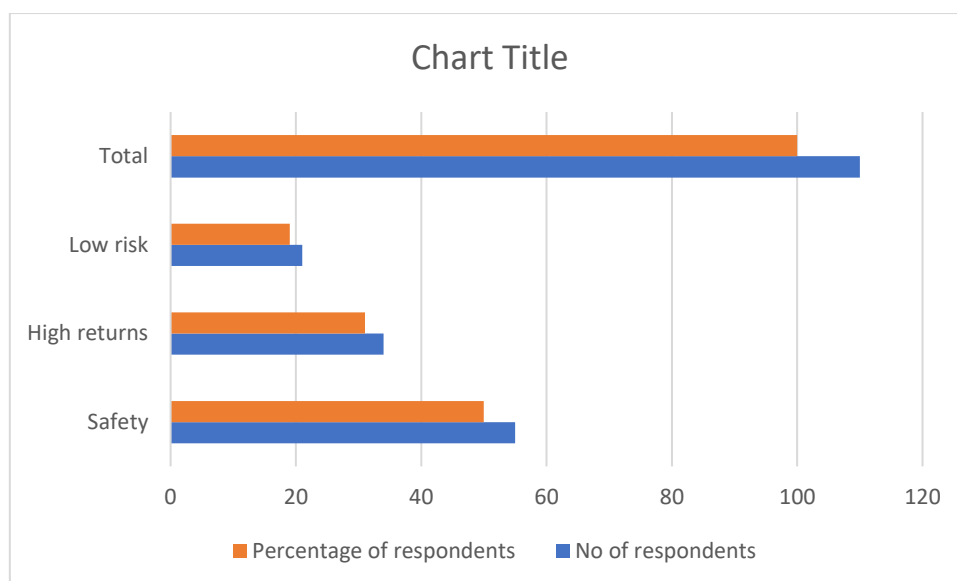
Interpretation:

From the above table most of the respondents chosen safety before investing that is 50% and 31% of respondents chosen High return before investing and rest is 19% that is chosen by respondents for low risk.

Statement 5: To Know the investment that investor find risker

Investment avenue	No of respondents	Percentage of respondents
Bank deposits	9	8.18
Mutual funds	25	22.72
Shares	65	60
Post office	11	10
Total	110	100

Chart Title
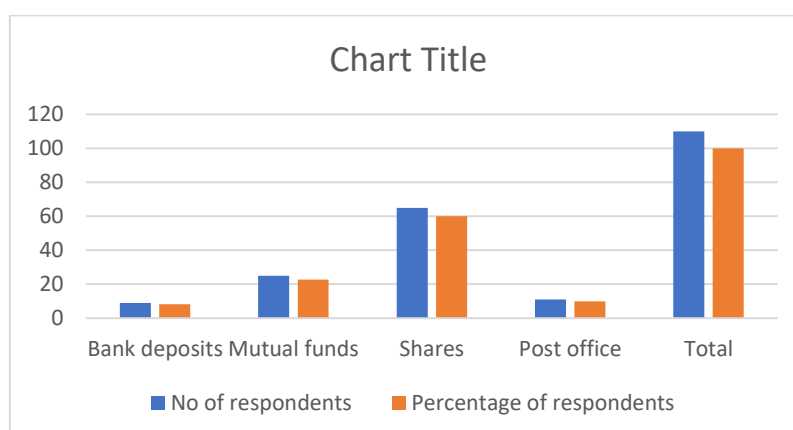
Interpretation:

Most of the respondents chosen shares as a risker investment that is 60% after that some of the investors also chosen mutual funds as a risker investment that is 22.72% which is less when we compare to shares.

Regression Test

Relation between age and investment

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.017676118
R Square	0.000312445
Adjusted R Square	-0.008943921
Standard Error	0.595132113
Observations	110

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.011955288	0.011955288	0.033754623	0.854574235
Residual	109	38.25168108	0.354182232		
Total	110	38.26363636			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	2.1100906	0.167595044	12.59459	6.32E-23	1.778588	2.442993	1.7785885	2.4429934
Investment	-0.011847582	0.064485654	-0.18372	0.854574	-0.13967	0.115974	-0.1396693	0.1159742

Interpretation:

The above table shows that the significant value is 0.85, which is greater than 0.05. Hence there is no significant impact of age on Investment decisions.

Chi-Square Test

Chi- Square Test for relation between Bank deposits and Mutual funds

Null Hypothesis(H0): There is no significant difference between bank deposits and mutual funds.

Alternative Hypothesis(H1): There is a significant difference between bank deposits and mutual funds.

Particulars	Value	df	Asymp.
Pearson Chi-Square	33.038	3	.001
Likelihood Ratio	29.955	3	.000
Liner-by-Liner			
Association	11.837	1	.001
No of valid cases	110		

Interpretation:

 Since the chi square value is less than the significant value (0.001 < 0.01). We accept the alternative hypothesis (H1) and reject the null hypothesis (H0). Significant at 1% level. Therefore we conclude that there is a significant difference between Mutual funds and Bank deposits, because of risk associated with mutual funds is more.

Correlation test

Relation between income and investment.

	Investment	Income
Investment	1	
Income	0.167797	1

Interpretation:

There is a positive relation between the income and investment, because when income of a person increases investment also increases.

3.2 Findings

Following are generated from the above study.

- Maximum investors are aware of the investment avenues.
- Most of the investors posses like Graduation and above
- Investors do not invest in single avenue. They prefer different avenues.
- Most of the investors invest 15-20% of their income.
- Most investors prefer to invest in bank deposits and post office deposits.
- Most investors wants to grow their investment faster.
- The main purpose of investors to invest money is to create the wealth.

3.3 Suggestions

Following are the suggestions offered.

- Investors should make the investment with the proper planning.
- Investor should select the particular investment based on their need.
- Investor should show more interest towards shares.
- The investor should diversify his investment to avoid risk.
- Investors are suggested to continuously monitor their investment.

3.4 Conclusion

This study confirms the earlier findings with regard to the relationship between Age and risk tolerance level of individual investors. The Present study has important implications for investment managers as it has come out with certain interesting facets

of an individual investor. The individual investor still prefers to invest in financial products which give risk free returns. This confirms that Indian investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe. The investment product designers can design products which can cater to the investors who are low risk tolerant.

3.5 References

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Questionnaire

Q1. Name _____

Q2. E-mail _____

Q3. Gender

    o   Male   o   Female

Q3. Age Group

    o   10-15   o   16-20   o   21-30   o   Above 30

Q4. Qualification

    o   Intermediate   o   UG   o   PG   o   Other

Q5. Occupation

    o   Student   o   Employee   o   Business   o   House maker

Q6. income

    o   Below 10,000   o   10,001-30,000   o   30,001-50,000   o   Above 50,000

Q7. Where you have been investing?

 o   Shares   o   Bank Deposits   o   Post office   o   Mutual funds
                                                                               o   All

Q8. The shares in which you are investing?

- Small cap
- Mid cap
- Large cap
- None

Q9. How frequently do you invest?

- Daily
- Weekly
- Monthly
- Occasionally

Q10. What percentage of your income do you invest?

- 5-10%
- 10-15%
- 15-20%
- More than 20%

Q11. What is main purpose behind your investment**?**

- Wealth Creation
- Children Education
- Retirement Plan
- Other

Q12. At what rate do you want to grow your investment?

- Slow
- Average
- Fast

Q13. What factors do you consider before investing?

- Safety
- Low risk
- High Returns

Q14. Which investment do you find riskier?

- o Shares
- o Bank deposits
- o Post office
- o Mutual funds

Q15. How often do you monitor your investment?

- o Daily
- o Weekly
- o Monthly
- o Occassionally

Q16. What is your source of investment advice

- o News paper
- o Family and friends
- o News channels/ adds
- o Above 30