

**“AN ANALYTICAL STUDY OF INVESTMENT BEHAVIOUR
OF PROFESSIONAL WOMEN IN INDORE CITY”**

**A
THESIS SUBMITTED TO
DEVI AHILYA VISHWAVIDYALAYA, INDORE
FOR THE AWARD OF DEGREE OF
DOCTOR OF PHILOSOPHY
IN COMMERCE
YEAR 2019**

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This is a certify that the work entitled “An Analytical Study Of Investment Behaviour Of Professional Women In Indore City” is a piece of research work done by **Ms. Priyanka Jain** under my guidance & supervision for the degree of Doctor of Philosophy in Commerce from Devi Ahilya Vishwavidyalaya, Indore(M.P), India. That the candidate has put in an attendance of more than 200 days with me.

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DECLARATION BY THE CANDIDATE (Para 26b)

I declare that the thesis entitled “An Analytical Study Of Investment Behaviour Of Professional Women In Indore City” is my own work conducted under the supervision of **Dr. Laxmikant Tripathi (Supervisor)** at school of commerce, DAVV, Indore, affiliated to Devi Ahilya Vishwavidyalaya, Indore (M.P.) approved by Research Degree Committee. I have put in more than 200 days of attendance with the supervisor at the centre.

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ACKNOWLEDGEMENT

The research work bears in prints of many persons who have made invaluable contribution towards its completion. It is a professional privilege to express my deep sense of gratitude towards my esteemed supervisor Dr. Laxmikant Tripathi , Dean, Students Welfare Department , Devi Ahilya University, Indore , for his meticulous guidance , healthy criticism, sagacious advice and constructive suggestions throughout the research work. Despite heavy demand on his time , he had always kind enough to provide all guidance and help whenever it was needed. His compassionate attitude, academic insight and professional competence are a source of inspiration to all those who have the privilege to work with him.

I express my heartiest gratitude to Dr. Preeti Singh ,Head, School of Commerce, Devi Ahilya University, Indore and all the faculty members of the Department for their motivational support and valuable suggestions.

I also owe a sense of gratitude to all the authors whose work I have consulted for present study and everybody who has helped me in any way directly or indirectly in the successful completion of this study. I also wish to record my thanks to the Library Staff of the School of Commerce , where I carried on my research work.

I would like to thank my parents and family, my husband Akhilesh Patni for my emotional support. Their love and support are always the additional sources of my motivation to push myself for excellence.

It is an honour and pleasure to express my gratitude and to humbly acknowledge the support, guidance and encouragement I have received from my seniors and my peers towards the completion of this thesis.

Priyanka Jain

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Chapter VII

Findings & Conclusion

7.1 Major Findings

1. Results of Choice of Investments Alternatives by Respondents

The choice of investment alternatives among the sample investors indicates that secured deposits as an investment options is most preferred option. While the last preferred option found is arts & antiques (Table no.5.4.1). The sample investors with different socio-economic variables vary in their choice of investment option or not; the results are shown in summarized form in following table.

Table No. 7.1 Results of Choice of Investment Alternatives by Respondents

Investment Alternatives	Age	Marital Status	size of Family	No. of earning Members	Educational Qualification	Nature of employment	Incom e
Secured Deposits	Accept	Accept	Accept	Accept	Reject	Accept	Accept
Equity Shares	Accept	Accept	Accept	Reject	Accept	Accept	Reject
Mutual Funds	Reject	Reject	Accept	Accept	Reject	Accept	Reject
Debentures and Bonds	Reject	Accept	Accept	Accept	Accept	Accept	Accept
Gold and Silver	Reject	Accept	Accept	Accept	Accept	Accept	Accept
Real Estate	Accept	Accept	Accept	Reject	Accept	Accept	Reject
Arts and Antiques	Reject	Accept	Accept	Accept	Accept	Accept	Reject

Ppf/Epf/Pension funds	Reject	Accept	Accept	Accept	Accept	Reject	Accept
Insurance Policies	Accept	Reject	Accept	Reject	Accept	Accept	Accept
Post Office Saving Schemes	Accept	Accept	Accept	Accept	Accept	Accept	Accept
Government Securities	Accept	Accept	Accept	Accept	Accept	Accept	Accept

From Table 7.1 it is found that H_0 i.e. null hypothesis was rejected in some cases, while accepted in other cases at 5 percent significance level. It can be inferred from the table that in case of:

Age - Null hypothesis was accepted for secured deposits, equity shares, real states, insurance policies, post office & government securities and was rejected for all other investment options. It means that there is significant difference between respondents of different age group in selecting some investment options while in case of mutual funds, debentures & bonds, arts and antiques, pension funds etc., the age factor do not differ.

Marital status-The null Hypothesis was rejected in case of mutual funds & insurance policies while it was accepted for all other variables. It means that there is a significant difference between respondents of different marital status for choice of mutual fund & insurance policies, while for other investment alternatives marital status does not affect.

Size of family- The null hypothesis was accepted in all the cases. It means that there is no significant difference between respondents with different size of family for the choice of the investment alternatives.

No. of Earning Members in Family- The null hypothesis was rejected in case of equity shares, real estate, insurance policies & government securities.

In other investment alternatives, it was accepted. It means that there is a significant difference between professional women with different no. of earnings members in family for choice of equity shares, real estate, insurance policies, and government securities. For other alternatives they do not differ.

Educational Qualification- The null hypothesis was rejected for secured deposits, mutual funds & for other options it was accepted. It means that professional women with different educational qualification do not differ in choice of investment alternatives except secured deposits & mutual funds.

Nature of employment- The null hypothesis was accepted for all the options except pension funds. It means that there is no significant difference between professional women of different nature of employment for choice of investment alternatives except pension funds.

Income - The null hypothesis was rejected for equity shares , real estate & arts antiques & was accepted for all other tools. It means that there is a significant difference in professional women of different income groups in selecting equity shares, real estate and arts & antiques as investment options while for other alternatives they do not differ.

2. Results of Choice of Purpose of Investment

The choice of purpose of investments among the professional women revealed that wealth creation is the main aim of doing investments. (Table no. 5.5.1), while to meet the unanticipated expenses was least preferred option. Professional women with different socio economic characteristics differ in choice of purpose of investment or not; following table no. 7.2 depicts the picture clearly.

In some cases the null hypothesis was rejected while in some other cases the null hypothesis was accepted so it can be said that the purpose of investment

differ as the socio – economic i.e. independent variables change. So further it can be concluded that there is some relationship between demographic variables & choice of purpose of doing investment.

Table No.7.2 Results or Choice of Purpose of Investment

Purpose of Investment	Age	Marital Status	size of Family	No. of earning Members	Educational Qualification	Nature of employment	Income
Wealth Creation	Reject	Reject	Accept	Accept	Reject	Reject	Accept
Earning Regular Extra Income	Reject	Reject	Accept	Reject	Reject	Reject	Reject
Tax Saving	Reject	Accept	Accept	Accept	Accept	Accept	Reject
Retirement Planning	Reject	Accept	Accept	Accept	Accept	Accept	Accept
Children's Education	Reject	Reject	Reject	Accept	Reject	Accept	Accept
Children's Marriage	Reject	Reject	Accept	Accept	Accept	Accept	Reject
Health Care	Accept	Accept	Accept	Accept	Accept	Accept	Reject
Financial Freedom	Accept	Accept	Accept	Accept	Accept	Accept	Reject
To Meet Unanticipated Expenses	Accept	Accept	Accept	Accept	Accept	Accept	Accept

Table no. 7.2 reveals that null hypothesis is rejected in most of the cases. It can be clarified from table that in case of-

Age- The null hypothesis was accepted in case of healthcare, financial freedom& meeting unanticipated expenses while it was rejected for all other purposes. It means that there is no significant difference in professional

women of different age group for selecting healthcare , freedom & for meeting unanticipated expenses as purpose of investment , while for other purposes their opinion differ.

Marital Status- The null hypothesis was rejected for wealth creation, extra income , children's education & children's marriage . It means that there is significant difference between professional women of different marital status in selecting the purpose of investment as wealth creation, earning extra income & children's education & marriage. For selecting other purposes marital status do not affect their decision.

Size of Family- The null hypothesis was accepted in all the cases except children's education. It means that the professional women with different size of family do not vary in selecting in purpose of investment except for children's education.

No. of Earning Members in Family - The null hypothesis was accepted in all the cases. It means that there is no significant difference between professional women with different no. of earning members in family for choice of purpose of investment.

Educational Qualification- The null hypothesis was rejected in case of wealth creation, earning extra regular income, and children's education. It reflects that there is a significant difference between professional women of different qualification for selecting wealth creation, earning extra income, children's education as purpose of investment. In case of all other options they do not differ in their opinion.

Nature of Employment- The null hypothesis was accepted for all the purposes except wealth creation, earning regular extra income. It means that there is significant difference found between professional women of different

occupation in selecting wealth creation & earning extra income as a purpose of investing, for other purposes there is no significant difference found.

Income - The null hypothesis was rejected for all the options except for retirement planning, children's education & to meet unanticipated expenses. It shows that there is a significant difference between professional women of different income group for choice of purpose of investment except wealth creation, retirement planning, children's education & meeting unanticipated expenses.

3. Results for consideration of factors affecting investment decisions.

The consideration of factors affecting investment decisions revealed that safety level of investment and the period were the 1st & 2nd factors which were considered before making investments. The professional working women consider political conditions as least important factor while taking investment decision (Table No.6.6.1). The respondents with different socio-economic features differ in considering the factors affecting investment decisions or not; Table No. 7.3 shown below, depicts the picture.

In some cases null hypothesis is accepted while in other cases null hypothesis is rejected. It means that with change in socio-economic variables, the considering factors also changes to some extent. Hence there is significant relationship between both of them.

Table No.7.3- Results for Consideration of Factors Affecting Investment Decisions

Factors	Age	Marital Status	size of Family	No. of earning Members	Educational Qualification	Nature of employment	Income
Time period	Accept	Reject	Accept	Accept	Reject	Accept	Accept
Safety level	Accept	Accept	Accept	Reject	Accept	Accept	Reject
Liquidity	Reject	Reject	Accept	Accept	Reject	Accept	Reject
Economic Conditions	Reject	Accept	Accept	Accept	Accept	Accept	Reject
Political Conditions	Accept	Accept	Reject	Accept	Accept	Reject	Accept
Availability of Tax Benefits	Reject	Accept	Accept	Reject	Accept	Accept	Accept
Level of Risk	Reject	Accept	Accept	Accept	Accept	Accept	Accept
Level of Return	Reject	Reject	Accept	Reject	Reject	Accept	Reject
Ease of Investment	Accept	Accept	Accept	Accept	Accept	Accept	Accept

From Table No. 7.3 the following findings are extracted. In case of

Age- The null hypothesis was rejected for liquidity, availability of tax benefits, level of risk & return. It means that for all other remaining factors the null hypothesis was accepted. It means that there is significant difference between professional women of different age group in considering liquidity, risk & return level, and tax benefits from investments before taking investment decision .

Marital Status - The null hypothesis was rejected in all the cases except time period & level of return. So it can be concluded that there exist a significant difference between professional women in considering time period & level of

return before taking any investment decision. In other cases change in marital status is not affected by the factors considered before making investment.

Size of family- The null hypothesis is accepted in all the cases except for political conditions. Thus it can be said that there is no significant difference between professional women with their different size of family in consideration of factors affecting their investment decisions except political conditions.

No. of earning members- The null hypothesis was accepted for time period, liquidity, economic conditions, political conditions, availability of tax benefits, risk level & ease of investment. The professional women with different no. of earning members in family, differ in considering safety level & return level while taking any investment decisions

Educational Qualification- The null hypothesis was rejected for factors time period, liquidity & level of return, and for other factors it is accepted. It signifies difference between educational qualification of professional women while considering time period, liquidity and level of return from investment in taking investment decisions.

Nature of Employment- The null hypothesis was accepted for all the factors except liquidity, political conditions & tax benefits availability. It reflects that there is significant difference between nature of employment of professional women while considering liquidity, tax benefits & political conditions in taking their investment decisions, for all other affecting factors no significant difference was found.

Income- The null hypothesis was rejected in case of safety level, economic conditions, and level of return. It shows that there is significant difference between income of professional women while considering safety level,

economic conditions, and level of return while taking their investment decisions. For other cases no significant difference was found.

4. Results for Risk Bearing Capacity and Socio-Economic Variables Relationship

The risk bearing capacity is classified as high risk taker, moderate risk taker, low risk taker & non risk taker. There is significant difference between selected socio-economic variables & risk bearing capacity of professional women exists or not; to prove this chi square test was used and; the table presented below shows the precise results.

Table No.7.4- Results for Risk Bearing Capacity of Respondents

Factors	Result
Age	Reject
Marital Status	Accept
Size of Family	Accept
No. of Earning Members	Accept
Educational Qualification	Accept
Nature of Employment	Reject
Income	Accept
Expected Rate of Return	Reject

The above table represents the following results –

Age - For age the null hypothesis was rejected, which signified that there is a significant difference between age of professional women & their risk bearing capacity at 5percent significant level.

Marital Status- The null hypothesis was accepted in this case. This shows that the risk bearing capacity do not differ with marital status of professional women at 5percent significance level.

Size of family- The null hypothesis was accepted in given case. This means that there is no significant difference between size of family of professional women & their risk bearing capacity.

No. of Earning Members- The null hypothesis was accepted. This means that there is no significant difference between no. of earning members in family of professional women & their risk bearing capacity.

Educational Qualification- The null hypothesis was accepted. There is no significant difference between educational qualification & risk bearing capacity of professional women.

Nature of employment- The nature of employment of professional women affects the risk bearing capacity of professional women. This null hypothesis was rejected. It means that alternative hypothesis is accepted.

Income- The null hypothesis was accepted. There is no significant difference between income & risk bearing capacity of professional women.

Expected Rate of Return- The null hypothesis was rejected in this case. It was found that there is significant difference between risk bearing capacity & expected rate of return.

5. Results for Frequency of Reviewing Investments

The investments are reviewed may be fortnightly, half yearly, once a month or annually. The professional women having different socio- economic characteristics are associated with frequency of reviewing investment; to prove this chi square test was applied. The summarised results are shown in given table.

Table No.7.5- Results for Frequency of Reviewing Investments

Factors	Result
Age	Reject
Marital Status	Accept
size of Family	Accept
No. of earning Members	Accept
Educational Qualification	Reject
Nature of employment	Accept
Income	Reject
Holding period	Reject

The above table represents the results which are discussed as follows-

Age- The null hypothesis was rejected and alternative hypothesis was accepted in this case. It means that there is a significant difference between age & frequency of reviewing investments by professional women.

Marital Status- The null hypothesis was accepted. It means that no significant difference was seen during the analysis.

Size of Family- The null hypothesis was accepted. There is no significant difference found in the size of family of professional women and frequency of reviewing return.

No. of Earning Members- The null hypothesis was accepted. There is no significant difference found in the analysis. It can be concluded that there is no significant difference between no. of earning members in family of professional women and frequency of reviewing investment.

Educational Qualification- The null hypothesis was rejected. This means that there is significant difference between educational qualification & frequency of reviewing investments by professional women.

Nature of Employment- The null hypothesis was accepted. There is no significant difference found in the analysis.

Income- The null hypothesis was rejected. This means that there is significant difference between income & frequency of reviewing investments by professional women.

Holding Period- The null hypothesis was rejected. This means that there is significant difference between holding period & frequency of reviewing investments by professional women.

6. Results for Factor Analysis

The research study focuses on the analysis of investment behaviour of professional women in Indore city. The research study had one objective ;to determine the factors which affect the investment behaviour of professional women. For this purpose, Factor Analysis technique of data reduction was used. A list of statements on likert scale was developed. Initially it consisted 28 statements but there reduced to 25 statements, 9 factors were extracted. The KMO value found to be .718 (table 5.9.1) which signified that data is suitable for further factor extraction.

The first factor explained 13.35 percent cumulative variance which was named as “**Awareness**” included 4 statements having factor loading sum of 2.302. This factor represented that decisions of professional women affected by the level of awareness they have regarding investment.

The second factor explained cumulative 20.4 percent variance shown in Table no. 5.9.2 & 5.9.3 contained three statements it was named as “**Allocation of Assets**”. This factor has significant impact on the decisions of professional women.

The third factor was named as “**Financial Knowledge & Return**”. This

included 3 statements. The fourth factor was, “**Investment Experience & Confidence**”. The invest experience affect allot the investment behaviour of professional women.

The fifth factor determined which affect the investment decisions named as “**Complexity**” the complexity in understanding the terms & conditions impacts the investment decisions. The sixth factor was “**Cautiousness**”. This is an important factor. It has two sub factors cautiousness & invest when earn more.

The seventh factor was named as “**Belief**”. This factor also affects the investment decisions. It contains two aspects i.e. investment is combination of chance & risk and trust our financial expert advice.

The eighth factor, the most important factor was “**Risk Consideration**”. They consideration of risk factors & risk consistency explained under it, which may come out as the affecting factor. The last factor was came out of the study was “**Tax Benefits**” which may affect the investment decision of professional women. .

7.2 Other Findings

- 1) The socio economic factors like age, marital status. Size of family, income, savings do affect the saving and investment behaviour of professional women.
- 2) It was observed that maximum number of respondents (39percent) belong to age group of 20-30 years & it was also observed that around 88percent respondents belong to below 50 years age group. There was a small percentage of women above 60 years which was only 3.5percent.
- 3) It was found that 256 respondents i.e. 53.3 percent respondents were married & 39 percent respondents were unmarried. Married respondents were majorly covered in the study. Only 4 percent and 3.8 percent professional women were covered who were divorcee and widow respectively. The combined percentage of both these sample categories was near to 8 percent of the total sample collected.
- 4) It was interesting to note that major professional women belong to nuclear family. Around 57 percent sample was from nuclear family and 33 percent was from joint family. 10 percent professional women were found single.
- 5) Maximum women had two earning members in family & it was covering around 49.4 percent of study sample. Only 15.2 percent respondents had more than three earning members in the family.
- 6) It was examined that 56 percent women were post graduate and 11 percent women found having Ph.D degree. 27.1 percent sample was graduate professional women. The respondents were doctors, lecturers, professors, lawyers and bankers, engineers, CA,CS and CWA, scientists etc.

- 7) The result was not surprising that near about three fourth sample of respondents was employed and one fourth sample was self employed.
- 8) Distribution of work experience showed that about 41.5 percent respondents had work experience of less than 5 years. This section covered mostly the unmarried and married women and only 13 percent respondents were found to be working for more than 21 years.
- 9) Majority of respondents i.e. 33 percent had the income between the range of Rs.200000 to Rs.400000 followed by 27 percent respondents having income below Rs.200000.10 percent professionals had income above Rs.600000.
- 10) The major respondents who cover 43.5 percent of the sample size had savings below Rs. 100000 & around 31.7percent women could save between Rs.100000 to Rs. 200000. The professional women who could save more than Rs. 200000 per annum were 24.8 percent.
- 11) Overall 500 survey questionnaire where distributed but 20 were found to be incomplete because of non response of respondents. Therefore whole analysis is done by taking 480 professional women's responses.
- 12) Investment holding period of respondents was found to be 3 years & above, 51percent respondents covered under this head. 23.8 percent women had holding period of 2-3 years. Remaining respondents had the period of investment below 2 years. This shows that professional women believe in long term investing.
- 13) It was further noted that maximum 31.7percent respondents review their investment once in a month. 30.6 percent sample units prefer to review their investments half yearly. While 30.2 percent respondents review their

investment on annual basis. This shows that the qualified women have alertness for their invested amount.

14) It was further revealed that 38.5 percent respondents expected minimum 5 to 10 percent return from their investments & 30.8 percent respondents expected 10 to 15 percent annual returns from their investments.

15) It was quite surprising that professional women i.e., 45.6 percent, found to be moderate risk takers while only 5.2 percent were high risk takers. All other women 49.2 percent were low or non-risk takers. This is proven in so many previous studies, that women are generally found to be less risk takers when it comes to their money. But in present study, this fact was outcome of the study that well qualified skilled working women has broken the trend and started to taste the flavour of risk.

16) Family members & newspapers & friends & relatives were the most preferred source of information by professional women.

17) According to age group, mean ranks suggested that, the first choice of investment was mutual funds by the investors of age of 20-30 years. While 30-40 year group invest in gold & silver. This is most traditional source of investments. Middle and old aged women found real estate & government securities as more beneficial investment options.

18) The marital status found to be significant factor while taking investment decision. The married women prefer insurance policies while unmarried women prefer secured deposits. It was quiet interesting point which came out from the study that widow professional kept equity shares investment on priority list followed by pension & provident funds.

19) The graduate professional women preferred to invest in secured deposits while the post graduate degree holder prefer to put in their excess money in

post office saving schemes followed by insurance policies. The Ph.D holders who are generally the professors preferred to invest in real estate.

20) The self employed professional women preferred equity shares followed by gold, silver & other precious metals. The results also showed that employed professional women preferred to PPF/EPF/pension funds as it is assumed to be a safer mode of investment.

21) The income level of respondents is directly associated with the level of investments by professional women. High income group preferred the insurance as the most preferred investments as per mean ranks. The low level income group showed interest in post office saving schemes. The note worthy point came out equity shares were in the preference list of respondents having income between rupees four lakh to six lakh.

22) The choice of purpose of investment depends upon several socio-economic factors. Wealth creation found to be the primary objective of professional women for doing investments. It was followed by earning extra income & tax saving purposes. To meet unanticipated expenditure is the last motive found for investing their funds.

23) Youngsters invest for creating wealth. The middle aged professional women invest in; for their children's education & marriage. While the respondents between age group of 50 to 60 years for tax saving purposes.

24) Marital status of professional women significantly affects the purpose of investment. The married women invest for their children's education. The unmarried women invest for wealth creation. Widows had a clear vision i.e., for their retirement life, while the divorcee women's purpose was children's marriage.

25) The size of family is also an important factor for taking investment decisions. The women in joint family invest with the aim to serve their children's education. While the single women invested for children's marriage. The nuclear family women invest the funds with aim of meeting unanticipated expenses.

26) The number of earning members changes the investment pattern of professional women in case of certain investments. The women, who came from a family having more than 3 earning members, invest with the purpose of getting financial freedom. The women, who are only single person to earn, invest for children's marriage purpose. The women having 2 members invest for meeting unanticipated expenditures.

27) The educational qualification of professional women has an impact on the investment behaviour. The graduate professional invested their funds for earning extra regular income, while the post graduate parked their funds for their children's education. The other degree holders who were very less in sample study had purpose of earning extra regular income. Ph.D holders invest their surplus retirement planning.

28) The self employed professional women invested money for wealth creation while employed women had a clear vision regarding their purpose of investing their funds. They were in opinion of tax saving primarily.

29) The high income could take reasonable risk and that is why they invested with the motive of wealth creation and children's marriage. The respondents from low income group invested their funds earning extra regular income.

30) Overall it could be said that null hypothesis on choice of purpose of investment was accepted for some factors while rejected for remaining factors.

31) The factors which affect the investment are considered by professional women, differ with socio-economic characteristics. Talking about age, it was found that age of the respondents significantly associated with investment decision. The younger respondents consider level of return most while taking important investment decisions. The middle age women consider level of risk more. The old aged women consider availability of tax benefits.

32) The marital status also affects the investment pattern. Married women looks in for tax benefits and unmarried women consider time period of investment. Widow women consider economic conditions before making investments. Divorcees consider safety level most while taking any investment decisions.

33) The size of family of professional women is do not affect significantly. According to ranks, the women who came from joint family consider political conditions while nuclear family women consider time period most.

34) The professional women who are single earners in family consider time period of investments the most, while who have more than 3 earning members in family prefer level of risk most.

35) Post graduate professional women consider level of return on priority basis while graduate women consider time period of investments. Ph.D degree holders are inclined towards real estate investments, it is the reason level of risk is most important factor in order of ranking, which affect their behaviour.

36) Nature of employment changes the pattern of investment; self employed women consider liquidity at most, while the employed women look for ease in their investment.

37) Low income earners prefer to invest, if they find liquidity level satisfactory while high income group looked for availability of tax benefits which may affect their investment decision on the basis of the mean ranks.

38) It was examined that there is no significant difference between socio-economic variables & the risk bearing capacity of the professional women except age and nature of employment.

39) It was also examined that there exist partial difference between the socio-economic variables & the frequency of reviewing investments.

7.3 Conclusion

Women play a significant role in Indian economy. Today the women has moved herself beyond the conservative arena i.e. from domestic/ household work to the outside work i.e. to multinational company's management and even government also. It was found that all the socio-economic factors have some direct or indirect impact on investment decisions of women. Most of the professional women prefer to invest in fixed secured deposits, gold & followed by mutual funds. They are found to be moderate risk takers. In this new arena, the trend has changed the women has started taking risk as they are quite aware of nature of financial products. They are less aware of financial terms. The professional women having age of 50 years & above prefer to invest in real estate, public funds & equity shares. The married professional women prefer insurance policies while unmarried professional women prefer to invest in secured deposits. They believe that wealth creation is the prime motive of their investment. Married women invest for their children's education while unmarried women invest for wealth creation. The professional women consider safety level & time period the most while taking any investment decisions. The risk bearing capacity does not get affected with the socio-economic variables. Overall it can be concluded that, professional women satisfied with their investments but due to lack of awareness they are at back front. But the professional women would be more satisfied, if more transparency in operations & clarify is adopted by various companies & financial institutions. Technical upgradation & online investment portals will make them more satisfied.