



**N. L. Dalmia Institute of Management Studies & Research**

**“STUDY ON THE PREFERENCE OF SALARIED PEOPLE OF MAHARASHTRA  
ON VARIOUS INVESTMENT OPTIONS AVAILABLE”**

Summer Internship Report

Submitted in partial fulfilment of the requirements

for

2 Years Full Time PGDM Program

Batch 2020-22

**SUBMITTED BY**

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PGDM Roll No. PF2022-2089

Batch 2020-22

## **PREFACE**

Internships are one of the most important ways to gain a deeper understanding of concepts learned in formal education by engaging in practical practices adapted by industries. The internship's goal was to familiarize the students with the application of what they had learned on campus. This report was written to fulfil a requirement of the N. L. Dalmia Institute of Management Studies & Research's curriculum. This report consists of what I learned and experienced during my two-month internship with AIM India Private Limited, Delhi.

### **DECLARATION**

I, hereby declare that this Project Report submitted by me to N. L. Dalmia Institute of Management Studies and Research is a Bonafide work undertaken by me and it is not submitted to any other University or Institution for the award of any degree Diploma/Certificate or published any time before.

I further certify that I have no objection and grant the rights to N. L. Dalmia Institute of Management Studies and Research to publish any chapter/ project if they deem fit the journal/ magazine and newspaper etc.

Name: Ronak Shah

Roll No: PF2022-2089

(Signature of the Student)

### **ACKNOWLEDGEMENT**

It has always been my sincere desire as a management student to get an opportunity to express my views, skills, attitude and talent in which I am proficient. A project is one such avenue through which a student who aspires to be a future manager does something creative. This project has given me the chance to get in touch with the practical aspects of finance.

I am extremely grateful to N.L. Dalmia Institute of Management Studies and Research for having prescribed this project work as part of the academic requirement in the Post Graduate Diploma in Management (PGDM) course. I wish to appreciate N.L. Dalmia Institute of Management Studies and Research for providing all the required facilities.

I would like to thank my Institute Project Guide, Mrs. Vaishali Kulkarni, for guiding me throughout the project and without whose support the project may not have taken shape.












I also appreciate all the support provided by the library staff and the teaching and non-teaching staff of N.L. Dalmia Institute of Management Studies and Research for providing all the necessary academic content and resources to enable the completion of my project.

I would like to extend my gratitude to my colleagues & all others friends and well-wishers who have helped me at various levels in completing this project successfully.

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### **CERTIFICATE**

This is to certify that the Summer Internship Project Report is submitted in partial fulfilment for the award of PGDM Program of N. L. Dalmia Institute of Management Studies and Research. It is a result of the bonafide research work carried out by Mr. Ronak Shah under my supervision and guidance during Summer Internship of 8 Weeks from 3<sup>rd</sup> May 2021 till 3<sup>rd</sup> July, 2021.

No part of this report has been submitted for award of any other Degree, Diploma, Fellowship or other similar titles or prizes. The work has also not been published in any Journals/Magazines.

Date: 10<sup>th</sup> July, 2021

Place: Mumbai

#### **Industry Guide**

Name of Industry Guide:

Mr. Harsh Yadav

Company:

AIM India Private Limited

Designation:

Regional Sales Manager

Signature of the Industry Guide

\_\_\_\_\_

#### **Faculty Guide**

Name of the Internal Faculty Guide:

Mrs. Vaishali Kulkarni

Faculty Dept. Name:

General Management

Signature of Internal Faculty Guide

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## **EXECUTIVE SUMMARY**

Bank FDs, Mutual Funds, Stock Market, Real Estate, Gold, Post Office Savings, Government Bonds, PPF & Life Insurance are primarily the various investment options available for the people to make their investment based on their preferences. It is derived from the analysis that the New age youth segment is more inclined towards digital investment like Mutual Funds, Stock Market, Digital Gold, Derivative Markets, Life Insurance etc. whereas the Old School people still like to invest the traditional avenues like Bank FDs, PPF, Post Office Savings etc.

Investing in equities requires time, knowledge and constant monitoring of the market. For those who need an expert to help to manage their investments, they seek their advices from Financial Professionals like CA, Portfolio Managers, Financial Planners; Newspapers & Magazines; Local Brokers; Banks etc.

Given the unpredictable nature of the market it requires solid experience and strong research to make the right decision. In the end it boils down to make the right move in the right direction at the right time. That's where the knowledge about the market comes in.

When it comes to the importance of time, how many of us believe that time is money. We all know that the work done by us is calculated by units of time but have we ever considered the difference between an employee who is working on an hourly rate and the other who is working on salary basis? The only difference between them is of the unit of time. No matter whether we get our pay by the hour, bi-weekly, or annually; one thing common in all is that the amount is paid to us according to amount of time we spent on working. In other words, time is precious and holds much more importance than money. That is the reason the time is considered as an important factor wealth creation.

Investment is the commitment of a person's funds to derive future income or appreciation in the value of their capital. All investments have certain features characterized to them like Risk, Returns, Liquidity, Safety, Tax Benefits, Time Period and more. Each investor tries to maximize his returns on investments by combining the best-known investment modes known to him according to his preference and capacity.

Investors expect that their investments provide them good returns, inflation cover, minimized risks, diversified options, liquidity etc. Some investors are risk averse while some have affinity to risk.

India's economic integration with the world's economies is increasing. Global economic integration has created a market for all kinds of products and services cutting across national borders.

I was given a sales-based activity which involved acquisition of maximum customers for the company. I successfully completed the sales remuneration task and it gives me immense pride to have contributed in the financial growth of my company AIM India Pvt. Ltd.

I have conducted a survey to know how working individuals conduct their investment and the responses helped me in deriving constructive analysis based on the research conducted. 125 responses were received on the questionnaire that was floated by me.

I have withdrawn all the findings and analysis with the help of SPSS software using Chi-Square test which facilitated me in getting a better understanding about the nitty gritty of the various investment opportunities available in India.

The project also shows the factors that one should consider while making an investment decision and briefs about the information related to asset allocation.



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## **CHAPTER 1**

## **INTRODUCTION**

### **1.1 INTRODUCTION TO THE TOPIC**

Investing is an essential part of wealth-creation, which helps one in beating inflation to fulfil his/her financial goals and also in stabilizing the financial future. Instead of letting money lie idle in our bank accounts, we can invest it in various avenues available, like stock markets, mutual funds, gold, real estate or more.

The investment avenues we choose, must depend on our investment goals, liquidity needs, investment horizon and risk appetite. Out of these, risk appetite is a major factor to consider, especially in today's times.

To build a strong financial backbone, one should invest the money in the right financial instrument. Though, not every investment guarantees substantial returns, but, if we invest wisely and for a good amount of time, the potential to gain healthy returns is higher. This is very true especially for a salaried person who has to manage investments and expenses within a stipulated Income. Hence, a salaried individual need to consider amount, risk, and return while determining the best investment option for him/her.

Investing is important, if not critical, to make one's money work for oneself. We work hard for our money and our money should work hard for us. Investing is how we take charge of our financial security. It allows us to grow our wealth but also generate an additional income stream if needed ahead of retirement. Various investments such as stocks, ETFs, bonds, or real estate will provide either growth or income and in some cases both.

Investing is putting your money into something specific with the expectation that its value will grow over time, providing you with the opportunity to create more wealth. Saving is putting aside money to reach your goals. Rather than leaving our savings in a bank account, we can buy investments with that money. Investing allows our wealth to grow at a much higher rate than it could in a savings account.

Savings constitute the basis for capital formation, and capital formation is a major determinant of economic growth. In the developed countries, the income is generated at faster pace which encourages people to have more savings which leads to more investment in turn leading to more capital formation. But in a country like India, the income standard is almost uncertain and leads to more consumption rather than saving.

## **1.2 INTRODUCTION TO THE INDUSTRY**

BFSI stands for Banking, Financial Services, and Insurance. Fundamentally, it represents a major portion of the multi-billion dollar Indian economy comprising all Banking, Insurance, and Non-Banking Financial Institutions. It refers to companies that provide a wide range of banking services, financial products and services, and insurance products. Such companies have more chances of growth in developing nations like India, which are the fastest-growing economies in the world.

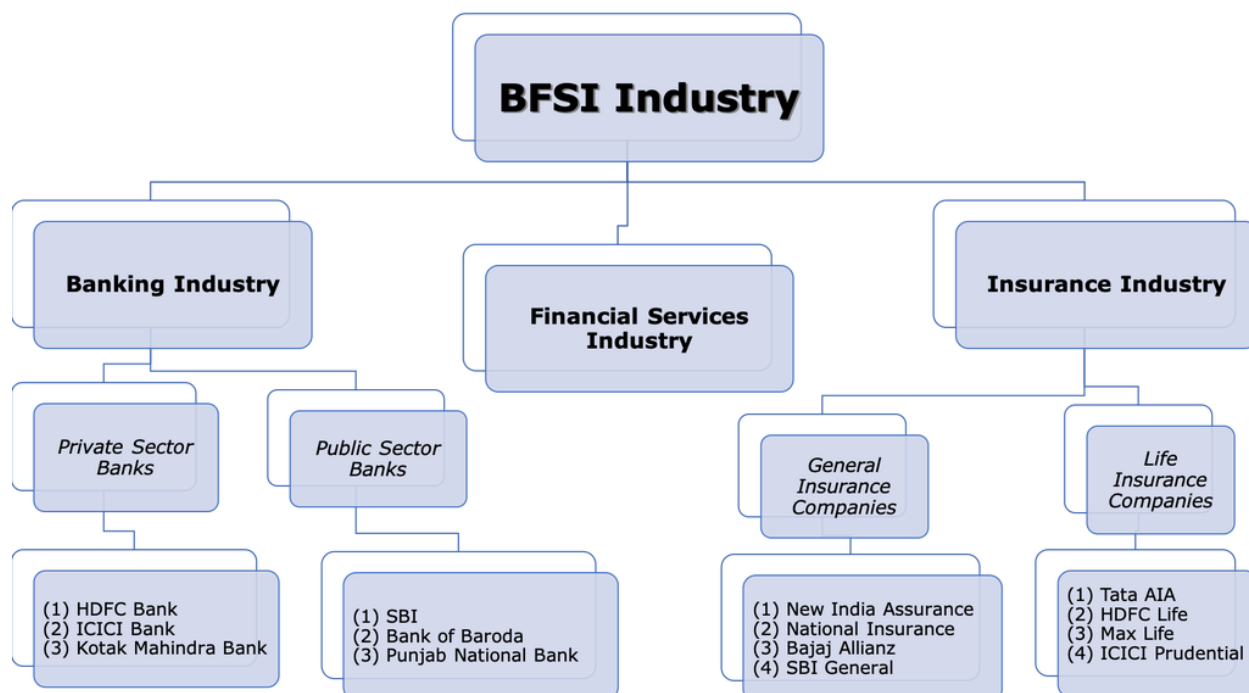
BFSI comprises of commercial banks, insurance companies, non-banking financial companies, cooperatives, pension funds, mutual funds, and similar organizations. Bajaj Finance Limited, Muthoot Finance, Tata Capital, Mahindra & Mahindra Financial Services Limited are some examples of BFSI companies.

The banking part of BFSI may include core banking, retail banking, saving account, etc.; financial part may include share market, payment gateways, mutual funds; and insurance products cover both life insurance and general insurance.

The BFSI industry in India is valued at over Rs. 80 trillion and is expected to become the third largest by the year 2025. Furthermore, technology has enabled the BFSI industry to reach out to new markets and offer innovative products and services through delivery channels.

Few trends in Banking and Financial Services in India that are changing the entire scenario are:

1. Digitization
2. Artificial Intelligence
3. Enhanced Mobile Banking
4. UPI (Unified Payments Interface)
5. Block Chain
6. The rise of Fintech Companies
7. Contactless payment to rule
8. The rise of Neobanks



**Fig. 1.2.1: BFSI Industry overview**



**Fig. 1.2.2: Trends in BFSI sector**

### **1.3 INTRODUCTION TO THE ORGANIZATION**

AIM India Pvt. Ltd. started in the year 2015, is a Wealth Management and Corporate Service Provider company whose aim is to deliver one stop solution to their clients so that they can achieve financial independence. It provides various wealth management services that consists of financial and investment guidance in accounting, taxation and retirement planning.

The principle of this company is to deliver high returns to their customers through their network of government sector banks. Along with investment advice, the company coordinates all the services needed to manage the client's money and plan for their own and family's current and future financial needs. The company is serving approximately 50,000 clients worldwide and has certified over 18000 interns in these years. The company currently operates in 6 cities across India and has plans of international expansion.

#### **Services Offered by the Company**

##### **1. Wealth Advisory Services**

A dedicated team of experts help their clients manage their wealth. These experts provide consultancy services regarding financial sectors to the client so that that they can secure their and their family's financial future.

##### **2. Accounting**

The company helps their clients in maintaining their books and provides them with strategic insights of the financial position of their company. The company has a team of experienced professionals and IT system to render smooth, co-related and compressive reinforcement regionally. The Accounting Services are:

- Accounting and Bookkeeping
- Statutory Reporting
- Payroll and Expense Claim Management Services
- Bank Account Reconciliation
- Corporate Tax Compliance

##### **3. Consultancy Services**

AIM India has a group of consultants which provide due diligence to the business decision such as M&A, Investment and Expansion, etc. The consultancy Services provided are:

- Corporate Development & Finance
- People & Management
- Technology

- Operations
- Grant Assistance (for Indian & Foreign companies)

#### 4. Taxation Services

The company taxation filing services to their clients by managing the taxation regime of their business. The taxation services are:

- Corporate Income Tax Returns
- Indirect Tax
- Vat Returns
- Tax Advisory in M&A, Cross Border Investment, Tax Disputes, etc.

#### 5. Recruitment Services

The company provides professional expertise in terms of recruitment of quality manpower. They have been providing their recruitment services to known names in all sectors.

#### 6. Internship Services

The company provides domestic and international level internship. They have a team of experienced educational and training professionals who provide services and solutions to clients. During the internship the interns are given exposure in all the domains i.e. HR, Finance and Marketing which results in the application of their theoretical knowledge into corporate world. They also have developed training manuals, provided in-house training and produced online and e-training resources.



## 1.4 INTRODUCTION TO THE PROJECT

To measure the growth of an economy there are three variables factor are as: Income, Savings and Investment. There is a big hand of investment for the development of an economy, and savings provides the basis for investment. In broadest sense, Investment means the sacrifice of certain present value for (possible uncertain) future value. The investment pattern and saving habits of salaried sector is determined by their expectations from the various preferred avenues.

The topic of the project is “A Study on the Preference of Salaried Class of Maharashtra on Various Investment Options Available”. According to the World Bank collection of development indicators, a total of 23.99% was reported as salaried class out of the total people employed in India in the year 2020. Most of salaried class in India are employed in private companies and therefore do not enjoy the luxury of pension after retirement. Hence saving and Investment of money becomes an important topic of discussion for a comfortable future of the salaried class individuals. The hard-earned money earned by an individual should be fruitful in the future. and so, investing it in the correct avenues is very important. Just keeping the money bank account doesn't fetch anything for the depositor. As India is an emerging economy, various investment avenue is available to park your funds. There are various investment avenues available to investors in India. This project focuses on 9 such avenues.

The aim of this project report is to examine the relationship between age and risk appetite; relationship between salary slab and percent of income invested and relationship between awareness of Investment avenues and age group of investors. I have withdrawn all the findings and analysis with the help of SPSS software using Chi-Square test which facilitated me in getting a better understanding about the nitty gritty of the various investment opportunities available in India.

The project also shows the factors that one should consider while making an investment decision and briefs about the information related to asset allocation. Demographic factors of investors such as gender, age, education, family size, annual income, and savings have much significance in the Investment Decision Making Process, especially in the Indian context, it assumes greater significance.

The objective of the study was to understand the investment preference among salaried individuals working in different sectors in Maharashtra, India, towards financial sectors/services; to analyze the factors influencing investment behavior of the salaried individuals; to study the behavioral pattern of investments among salaried people; to understand the changes in preference of investment avenues due to COVID-19.

The study of the project is based on both primary and secondary data. The primary data is collected by communicating with respondents through a survey and via close ended structured questionnaire was floated to collect the required information from the participants and 125 responses were received. The basic aim of the survey is to know each and every person opinion about the investment avenues.

## 1.5 INTRODUCTION TO THE FINANCIAL SECTORS

The financial sector is a section of the economy made up of firms and institutions that provide financial services to commercial and retail customers. A strong financial sector is a sign of a healthy economy. This sector is advancing loans for businesses so they can expand, grant homeowners mortgages, and issue insurance policies to protect individuals, businesses, and their assets. It also helps to build up retirement savings, which supports millions of people. The financial sector generates a good portion of its revenue from loans and mortgages and thrives in a low-interest-rate environment. When the rates are low, the economic conditions open the doors for more spending and capital projects. If that happens, the financial sector gains, which means more economic growth. This sector comprises a broad range of industries including banks, investment companies, insurance companies, and real estate firms.

### 1. Banking

Banks play a key role in the entire financial system by mobilizing deposits from households spread across the nation and making these funds available for investment, either by lending or buying securities. The banking industry is the backbone of India's financial services industry.

#### → Merits

- Safety and Security
- Assured and Fixed Returns
- Loan Facility
- Easy Liquidity
- Regulated Sector
- Easy Processing
- Flexible Investment
- Ease of Availability

#### → Demerits

- Low Returns
- No Inflation Covered
- Penalty on Premature Withdrawals
- Lock-in Period
- No Tax Benefits

### 2. Stock Market

The stock market is where investors connect to buy and sell investments — most commonly, stocks, which are shares of ownership in a public company. A stock is a type of investment that represents an ownership share in a company. Investors buy stocks that they think will go up in value over time. Most of the trading in the Indian stock market takes place on its two stock exchanges: the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

#### → Merits

- High Potential of Returns
- Easy Liquidity
- Flexible Investments

- Regulated Sector
- Variety of Options
- Ownership Perks
- No Lock-in Period
- No Paper work required
- Accessibility Option

→ Demerits

- High Volatility
- High Brokerage Commission
- Higher Risk
- Huge Market Knowledge Required
- Insider Trading
- Demat Account Necessary
- No Tax Benefits
- External Intervention

### **3. Mutual Funds**

Mutual funds institutions offer a type of investment that multiple parties share in. Mutual funds are operated by professional money managers, not the investors themselves. These professionals allocate the fund's assets and attempt to produce capital gains or income for the fund's investors.

→ Merits

- Professional Assistance
- Accessibility
- Moderate Liquidity
- Flexible Investment
- Variety of Options Available
- Moderate Returns

→ Demerits

- No Tax Benefits
- High Commission Charges
- No Control over Investment
- Subject to Market Risk

### **4. Real Estate**

Real estate is a form of real property. It is the land along with any permanent improvements attached to the land, whether natural or man-made—including water, trees, minerals, buildings, homes, fences etc. Driven by increasing transparency and returns, there's a surge in private investment in the sector. Indian Real Estate attracted 5Billion Dollars of institutional investments in 2020 which is equivalent to 93% of transactions recorded in the previous year.

→ Merits

- Can be used as Collateral
- Secondary Income
- Inflation Cover

→ Demerits

- Huge Capital Required
- Low Liquidity
- High Lock-in Period
- Maintenance Charges
- Brokerage Charges
- Related to Political Changes
- Paperwork
- No Tax Benefits
- Fraudulent Activities
- Unregulated Sector

## **5. Gold**

Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. And so India is one of the largest markets for gold, and growing affluence is driving growth in demand. Among the country's rural population, a deep affinity for gold goes hand in hand with practical considerations of the portability and security of jewellery as an investment. Gold is considered to be auspicious in almost all cultures of India.

→ Merits

- Inflation Cover
- Loan Facility
- Easy Liquidity
- Global Demand & Acceptance
- Protection against Uncertainty

→ Demerits

- Storage Issues
- Making Charges
- No Tax Benefits
- Lower Resale Value
- Fraudulent Activity

## **6. PPF**

Public Provident Fund (PPF) was introduced in India by the Ministry of Finance with the objective to mobilize small saving in the form of investment, coupled with a return on it. It can also be called a savings-cum-tax savings investment vehicle that enables one to build a retirement corpus while saving on annual taxes. It is a long-term investment option that offers an attractive rate of interest and returns on the amount invested.

### → Merits

- Assured & Fixed Returns
- Tax Benefits
- Government Backing
- Loan Facility
- Protection against Insolvency

### → Demerits

- Lock-in Period
- Low Liquidity
- Moderate Returns

## **7. Post Office Saving Scheme**

All the post office schemes are purely safe and no risk investment option for the investors. India post controls the postal chain in the country and provides several investment avenues for investors. The Schemes are operated via 1.54 lakhs post office spread across India. There are 9 post office saving schemes operating in India. The rate of return on these schemes is between 4-8%.

### → Merits

- Easy Liquidity
- Fixed Return and Low Risks
- Easy Processing
- Flexible Investment

### → Demerits

- Theft
- Non-Digitalized

## **8. Government Bonds**

Government Bonds are form of Debt instruments. Debt instruments are assets that require a fixed payment to the holder, usually in form of interest. Government bond are issued by the Central and State government. They are issued to raise funds. The funds are raised by the government for various purposes such as infrastructure development, financing government expenditure, etc. The tenure of this investment avenue ranges from 5 to 40 years. There are different types of government bond available for investors to park their money.

→ Merits

- Secured Investment
- Risk free
- Regular Income
- Easy Liquidity

→ Demerits

- Low Returns
- Loss of Relevancy
- No Inflation Covered

## **9. Life Insurance**

As we know life can be quite unpredictable, although you cannot predict uncertainties in life, you can at least be well prepared to deal with it. Therefore for dealing with such uncertainty's life insurance is considered one of the best forms of investment. Life insurance is basically a contract between an individual and insurance provider. Life insurance in India is regulated by Insurance Regulatory & Development Authority of India (IRDAI). There are 24 life insurance companies in India.

→ Merits

- High Returns
- Fixed and Assured Returns
- Life Cover Amount
- Tax Benefits
- Loan Facility
- Easy Liquidity
- Bonuses
- Regulated Sector
- No Lock-in Period

→ Demerits

- Expensive for Old-Aged People
- Complex Policies

## **1.6 PROBLEM STATEMENT**

Studying and understanding the preference of Salaried People on various Financial Sectors available for investment in Mumbai and also trying to get insight on the influence of Demographic Factors like age, gender, family size on risk appetite, investment preference, budgeting and other factors of the investor.

## **1.7 OBJECTIVES**

- To understand the investment preference among salaried individuals working in different sectors in Maharashtra, India, towards financial sectors/services.
- To analyze the factors influencing investment behavior of the salaried individuals.
- To study the behavioral pattern of investments among salaried people.
- To examine the most preferred investment by salaried individuals.
- To understand the changes in preference of investment avenues due to COVID-19.
- To understand the savings behavior of salaried people in Maharashtra, India.

## **CHAPTER 2**

### **RESEARCH METHODOLOGY**

#### **2.1 RESEARCH DESIGN:**

According to me the research paper design is based on descriptive and exploratory type of study. The study is based on describing the matter or phenomenon in systematic and sequential manner. This research project design has been adopted to study and understand the saving & Investment habits of salaried people as well as their mind-set towards available investment options.

#### **2.2 RESPONDENTS DETAILS:**

The respondents of this study consist only the people those who are earning their money as salary, popularly referred as salaried groups. Decisions taken by salaried people on the various investment options depend on their age, income, marital status, family size, risk taking capacity, savings, etc.

#### **2.3 DATA COLLECTION TOOLS:**

The study is based on both primary and secondary data. The primary data is collected by communicating with respondents through a survey and via close ended structured questionnaire which will be prepared to collect the required information from the participants. The basic aim of the survey is to know each and every person opinion about the investment avenues. And the secondary information will be collected from different published materials vis. Books, Journals, magazines & websites etc.

#### **2.4 SAMPLE UNIT:**

The sampling unit for the research are the salaried class people/investors residing in Maharashtra, India.

#### **2.5 SAMPLE TECHNIQUE:**

Sampling technique is the technique used to select the sample size. Convenient sampling technique will be used in this research. In this project questionnaire method was used for collecting responses from the investors according to the convenience of the research study.



## **2.6 SAMPLE SIZE:**

For this study the questionnaire prepared was distributed to 180 individuals, of which 125 responses were received. This sample size depicts the group of respondents who are the salaried people working in different sectors of Mumbai district.

## **2.7 DATA ANALYSIS AND INTERPRETATION:**

- Annual income of respondents,
- Factors Influencing individuals while choosing the investment avenue,
- Objective's behind the Investment,
- Duration of Investment,
- Most Preferable Investment Avenue and
- Sources of Information of Investment Avenue

## **2.8 STATISTICAL TOOLS:**

Simple Statistical tools including Chi Square test are used for analyzing sample data and diagrams, charts, graphs, tables and percentages are used to describe the preference of different salaried classes on various investment options.

## **2.9 SAMPLING DESIGN:**

Since the information have to be taken from Investors, a questionnaire was prepared for studying the saving habits and investment pattern of salaried class people. Using the survey method primary data was obtained from the respondents by administering the questionnaire and evaluating the feedback. Secondary data included information collected from various Internet download, Books, publications and various journals.

## 2.10 QUESTIONNAIRE DESIGN:

Here in my research I have set a few questions for my target responders (i.e. salaried individuals) and the answers can be easily filled out by them with minimum amount of time and efforts and a request to responders is made that they answer these questions with correct information.

The questionnaire consists of Close and Open-ended questions.

**Close ended question:** It contains those types of questions which ask the respondent to choose from a distinct set of pre-defined alternatives responses from which he/she is to be selected as the one that most closely matches his/her attitude.

**Open ended question:** It contains questions which require more thought and more than a simple one-word answer. The answers could come in the form of a list, a few sentences or something longer such as a speech, paragraph or essay.

The fixed alternative questions may be taken in the form of:

- Dichotomous question
- Multi-choice question

**Dichotomous Question:** It refers to one which offers the respondents a choice between only 2 alternatives and reduces the issues to its simplest terms. They are typically presented to survey takers in the following format – Yes or No, True or False, Agree or Disagree and Fair or Unfair etc.

**Multi-choice Question:** It is a question type where the respondent is asked to choose one or more items from a limited list of choices. Multiple choice questions can be used when an issue has more than 2 aspects.

## **2.11 HYPOTHESES**

The following hypotheses are formulated for the study: -

### **Hypothesis 1**

H0: There is no significant relationship between age and risk appetite.

H1: There is a significant relationship between age and risk appetite.

### **Hypothesis 2**

H0: There is no significant relationship between salary slab and percent of income invested.

H1: There is a significant relationship between salary slab and percent of income invested.

### **Hypothesis 3**

H0: There is no significant relationship between awareness of investment avenues and age group of investors.

H1: There is a significant relationship between awareness of investment avenues and age group of investors.

### **CHAPTER 3**

#### **LITERATURE REVIEW**

- **Manish Mittal and Vyas (2008)** Investors have certain cognitive and emotional weaknesses which come in the way of their investment decisions. Over the past few years, behavioral finance researchers have scientifically shown that investors do not always act rationally. Many researchers have tried to classify the investors on the basis of their relative risk-taking capacity and the type of investment they make. This paper classifies Indian investors into different personality types and explores the relationship between various demographic factors and the investment personality exhibited by the investors.
- **Gupta and Jain (2008)** on the basis of an all-India survey, it was found that the study provides interesting information about how the investors' attitude towards various investment types are related to their income and age, their portfolio diversification practices, and the over-all quality of market regulation as viewed by the investors themselves.
- **Meenu Verma (2008)** studied the effect of demographics and personality on investment choice among Indian investors and found that mutual funds were popular amongst professionals, students and the self-employed. Retirees displayed their risk aversion by not investing in mutual funds and equity shares. It was also found that higher the education, higher was the level of understanding of investment complexities. Graduates and above in qualification preferred to invest in equity shares as well as mutual funds.
- **Nagpal and Bodla (2009)** studied the lifestyle characteristics of the respondents and their influence on investment preferences. The study concludes that investors' lifestyle predominantly decides the risk-taking capacity of investors. The study found that in spite of the phenomenal growth in the security market, the individual investors prefer less risky investments, viz., life insurance policies, fixed deposits with banks and post office, PPF and NSC.
- **V.R. Palanivelu & K. Chandrakumar (2013)** examined the Investment choices of salaried class in Namakkal Taluk, Tamil Nadu, India with the help of 100 respondents as a sample size & it reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investments.
- **Sonali Patil (2014)** studied preferred investment avenues among salaried people with reference to Visakhapatnam City, India. A sample size of 40 investors has been taken from the Visakhapatnam City, India. The result of finding showed 60% investors were aware about the investment avenues whereas 40% were unaware.
- **B. Thulasipriya (2014)**, showed that most of the respondents are saving money as Bank Deposits for the safety of an unpredictable future. The main investment avenues are Bank and the main purpose of investment was for children education, marriage and post retirement security.

## **CHAPTER 4**

### **DATA ANALYSIS & INTERPRETATIONS**

**TESTING OF HYPOTHESIS 1: “There is no significant relationship between Age Group and Risk Appetite”**

#### **Case Processing Summary**

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Age Group * Level of Risk appetite	125	100.0%	0	0.0%	125	100.0%

#### **Age Group \* Level of Risk appetite Crosstabulation**

		Level of Risk appetite			Total
		Less Risk	Moderate Risk	High Risk	
Age Group	Below 18 years	5	10	0	15
	19-30 years	13	37	11	61
	31-50 years	6	16	1	23
	51-65 years	3	15	2	20
	Above 65 years	3	2	1	6
Total		30	80	15	125

(Source: Primary Data)

**Table 4.1.A: Testing of Hypothesis 1**

### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.577 <sup>a</sup>	8	.296
Likelihood Ratio	11.300	8	.185
Linear-by-Linear Association	.000	1	.991
N of Valid Cases	125		

a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is .72.

### Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.277	.296
	Cramer's V	.196	.296
N of Valid Cases		125	

(Source: Compiled on SPSS Software)

**Table 4.1.B: Testing of Hypothesis 1**

Using Chi-Square Test Hypothesis testing is performed. Here 8 cells (i.e. 53.3%) have an expected count less than 5 (i.e. 20%). We must have the value of 8 cells less than 20% but since it is greater, it indicates that there is a violation in the assumption.

Here, I have referred to the **Likelihood Ratio** where my statistics value is 11.30, degree of freedom(df) is 8 and **Asymptotic Significance value is 0.185** which is greater than 0.05 (level of significance).

Hence **Null Hypothesis (H<sub>0</sub>) is accepted** which indicates that **“There is no significant relationship between Age Group and Risk Appetite.”**

**TESTING OF HYPOTHESIS 2: “There is no significant relationship between Salary Slab and Percent of Income Invested”**

**Case Processing Summary**

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Salary Slab * Percentage of Salary Invested	125	100.0%	0	0.0%	125	100.0%

**Salary Slab \* Percentage of Salary Invested Crosstabulation**

			Percentage of Salary Invested					Total
			Less than 10%	10-20%	20-30%	30-40%	More than 40%	
Salary Slab	Less than 2.5 Lakhs	Count	5	15	11	2	0	33
		Expected Count	3.2	13.2	10.6	4.8	1.3	33.0
	2.5-5 Lakhs	Count	2	9	7	6	0	24
		Expected Count	2.3	9.6	7.7	3.5	1.0	24.0
	5-7.5 Lakhs	Count	0	11	7	5	3	26
		Expected Count	2.5	10.4	8.3	3.7	1.0	26.0
	7.5-10 Lakhs	Count	5	5	7	2	1	20
		Expected Count	1.9	8.0	6.4	2.9	.8	20.0
	Above 10 Lakhs	Count	0	10	8	3	1	22
		Expected Count	2.1	8.8	7.0	3.2	.9	22.0
Total		Count	12	50	40	18	5	125
		Expected Count	12.0	50.0	40.0	18.0	5.0	125.0

(Source: Primary Data)

**Table 4.2.A: Testing of Hypothesis 2**

### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.935 <sup>a</sup>	16	.115
Likelihood Ratio	27.138	16	.040
Linear-by-Linear Association	2.026	1	.155
N of Valid Cases	125		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .80.

### Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.428	.115
	Cramer's V	.214	.115
N of Valid Cases		125	

(Source: Compiled on SPSS Software)

**Table 4.2.B: Testing of Hypothesis 2**

Using Chi-Square Test Hypothesis testing is performed. Here 15 cells (i.e. 60%) have an expected count less than 5 (i.e. 20%). We must have the value of 15 cells less than 20% but since it is greater, it indicates that there is a violation in the assumption.

Here, I have referred to the **Likelihood Ratio** where my statistics value is 27.138, degree of freedom(df) is 16 and **Asymptotic Significance value is 0.040** which is less than 0.05 (level of significance).

Hence **Null Hypothesis (H0)** is rejected and thus **Alternative Hypothesis(H1)** is accepted which indicates that **“There is a significant relationship between Salary Slab and Percent of Income Invested.”**



## TESTING OF HYPOTHESIS 3: “There is no significant relationship between Awareness of Investment Avenues and Age Group of Investors”

### Crosstabs

#### Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Age Group * Awareness about how many investment avenues	125	100.0%	0	0.0%	125	100.0%

#### Age Group \* Awareness about how many investment avenues Crosstabulation

Count

		Awareness about how many investment avenues										Total
		Aware about 2 Investment Avenues	Aware about 3 Investment Avenues	Aware about 4 Investment Avenues	Aware about 5 Investment Avenues	Aware about 6 Investment Avenues	Aware about 7 Investment Avenues	Aware about 8 Investment Avenues	Aware about 9 Investment Avenues	Aware about 10 Investment Avenues	Aware about 10+ Investment Avenues	
Age Group	Below 18 years	1	2	3	2	1	3	1	1	1	0	15
	19-30 years	0	2	10	7	13	11	13	4	1	0	61
	31-50 years	0	2	4	2	5	0	4	4	1	1	23
	51-65 years	0	0	4	1	3	3	5	1	2	1	20
	Above 65 years	0	0	0	1	2	1	1	0	0	1	6
Total		1	6	21	13	24	18	24	10	5	3	125

(Source: Primary Data)

**Table 4.3.A: Testing of Hypothesis 3**

### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	36.846 <sup>a</sup>	36	.430
Likelihood Ratio	37.644	36	.394
Linear-by-Linear Association	4.768	1	.029
N of Valid Cases	125		

a. 45 cells (90.0%) have expected count less than 5. The minimum expected count is .05.

### Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.543	.430
	Cramer's V	.271	.430
N of Valid Cases		125	

(Source: Compiled on SPSS Software)

**Table 4.3.B: Testing of Hypothesis 3**

Using Chi-Square Test Hypothesis testing is performed. Here 45 cells (i.e. 90%) have an expected count less than 5 (i.e. 20%). We must have the value of 45 cells less than 20% but since it is greater, it indicates that there is a violation in the assumption.

Here, I have referred to the **Likelihood Ratio** where my statistics value is 37.644, degree of freedom(df) is 36 and **Asymptotic Significance value is 0.394** which is less than 0.05 (level of significance).

Hence **Null Hypothesis (H0) is accepted** which indicates that **“There is no significant relationship between Awareness of Investment Avenues and Age Group of Investors”**

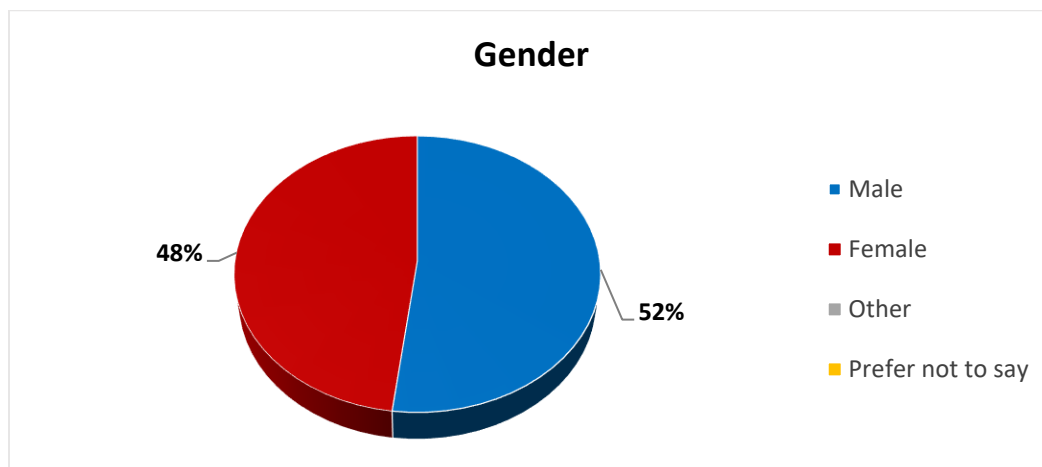
## DATA ANALYSIS

### → Gender

Gender	Percent	Count
Male	52.00%	65
Female	48.00%	60
Other	0%	0
Prefer not to say	0%	0

(Source: Primary Data)

**Table 4.4: Gender**



**Fig. 4.1 Gender**

### **Data Interpretation:**

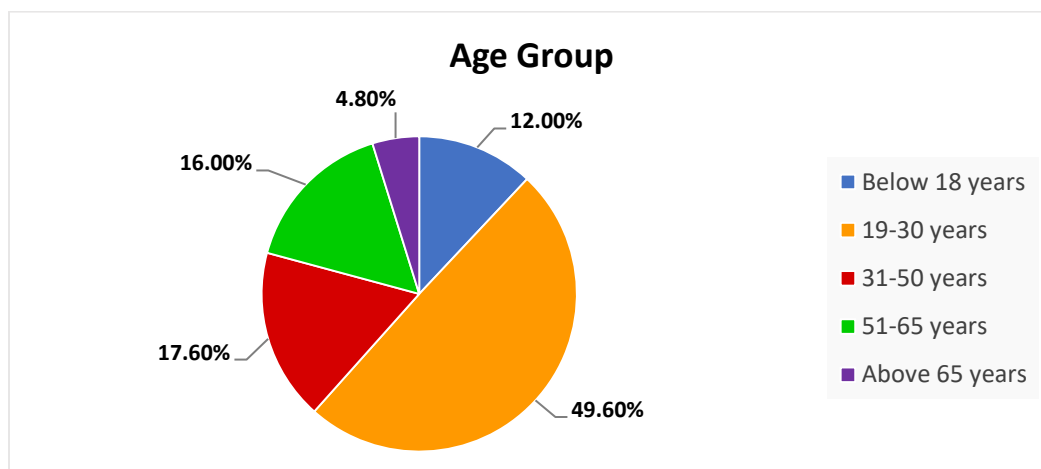
Out of the total 125 respondents, 52% are Males and 48% are Females as seen in the pie chart.

### → Age Group

Age Group	Percentage	Count
Below 18 years	12.00%	15
19-30 years	49.60%	62
31-50 years	17.60%	22
51-65 years	16.00%	20
Above 65 years	4.80%	6

(Source: Primary Data)

**Table 4.5: Age Group**



**Fig. 4.2 Age Group**

### **Data Interpretation:**

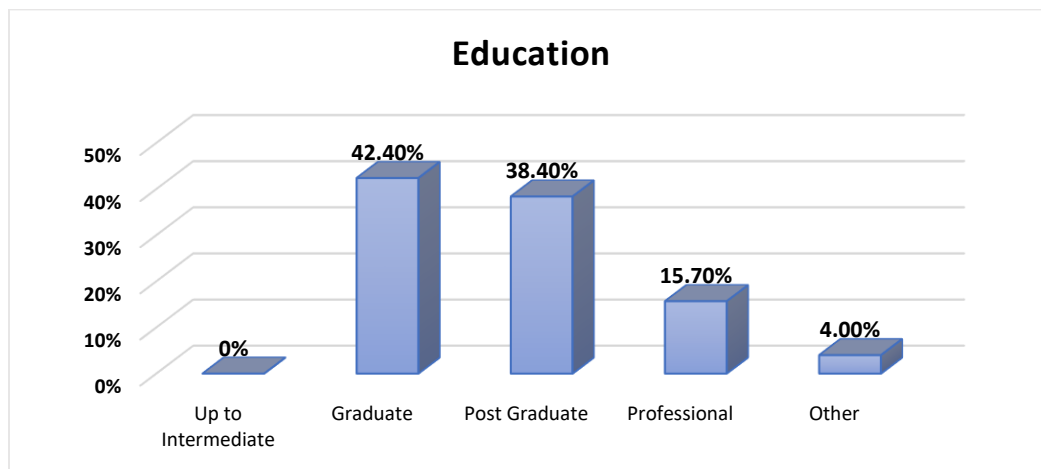
The questionnaire was filled by respondents of diverse age groups. Out of the total 125 respondents, 12% of the respondents are below the age of 18 years, 49.60% are between 19-30 years, 17.60% are between 31-50 years, 16% are between 51-65 years and the remaining 4.80% are above the age of 65 years as seen in the pie chart.

➔ Education

Education	Percentage	Count
Up to Intermediate	0%	0
Graduate	42.40%	53
Post Graduate	38.40%	48
Professional	15.70%	19
Other	4.00%	5

(Source: Primary Data)

**Table 4.6: Education**



**Fig. 4.3 Education**

**Data Interpretation:**

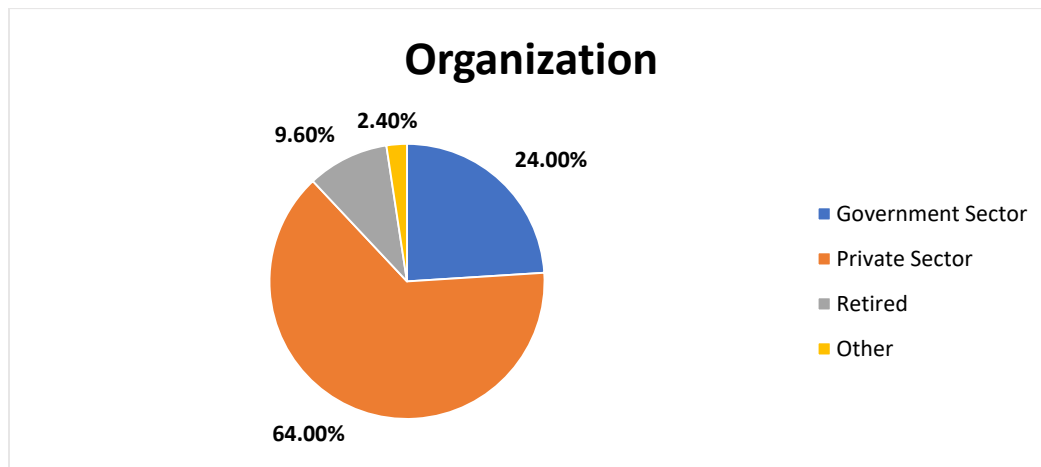
Out of the total 125 respondents, there are 0% respondents who have studied only upto intermediate level, 42.40% who are graduates, 38.40% who are post graduates in diverse fields, 15.70% who are professionals and 4% who belong to other education sectors. This is the brief segregation of the education status of all the respondents.

## → Organization

Organization	Percentage	Count
Government Sector	24.00%	30
Private Sector	64%	80
Retired	9.60%	12
Other	2.40%	3

(Source: Primary Data)

**Table 4.7: Organization**



**Fig. 4.4 Organization**

### **Data Interpretation:**

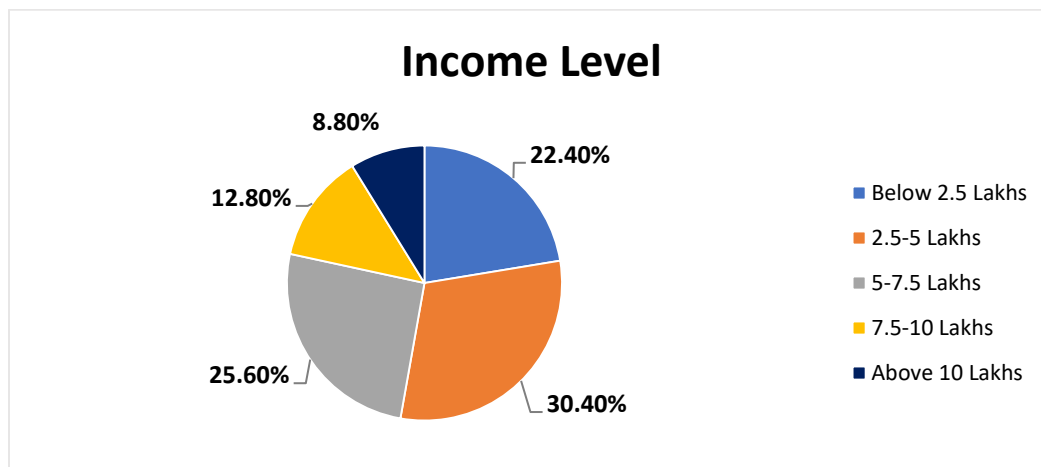
Out of the total 125 respondents, 64% respondents belong to the private sector, 24% belong to government sector, 9.60% belong to the retired sector and 2.40% belong to other sectors. This is the brief segregation of the employment status of all the respondents.

### → Income Level

Income Level	Percentage	Count
Below 2.5 Lakhs	22.40%	28
2.5-5 Lakhs	30.40%	38
5-7.5 Lakhs	25.60%	32
7.5-10 Lakhs	12.80%	16
Above 10 Lakhs	8.80%	11

(Source: Primary Data)

**Table 4.8: Income Level**



**Fig. 4.5 Income Level**

### **Data Interpretation:**

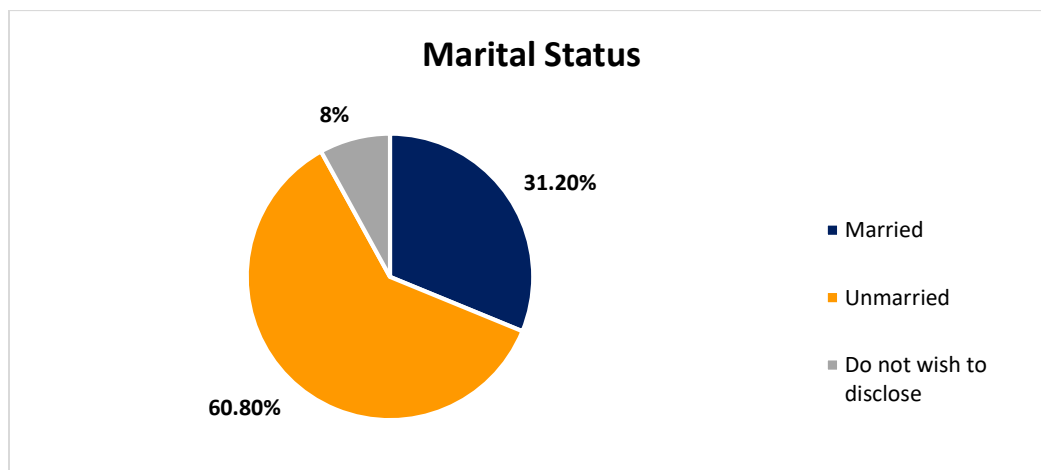
Out of the total 125 respondents, 22.40% people fall in the income group of below 2.5 Lakhs, 30.40% people fall in the income group of 2.5-5 Lakhs, 25.60% people fall in the income group of 5-7 Lakhs, 12.80% people fall in the income group of 7.5-10 Lakhs and 8.80% people fall in the income group of above 10 Lakhs. This how the income is distributed among various sectors of employment as can be seen in the above pie chart.

➔ Marital Status

Marital Status	Percentage	Count
Married	31.20%	39
Unmarried	60.80%	76
Do not wish to disclose	8%	10

(Source: Primary Data)

**Table 4.9: Marital Status**



**Fig. 4.6 Marital Status**

**Data Interpretation:**

Out of the total 125 respondents, 60.80% respondents are unmarried i.e. they belong to the youth category, 31.20% are married i.e. they belong to the mid age category and 8% do not wish to disclose their marital status as can be seen in the above pie chart.

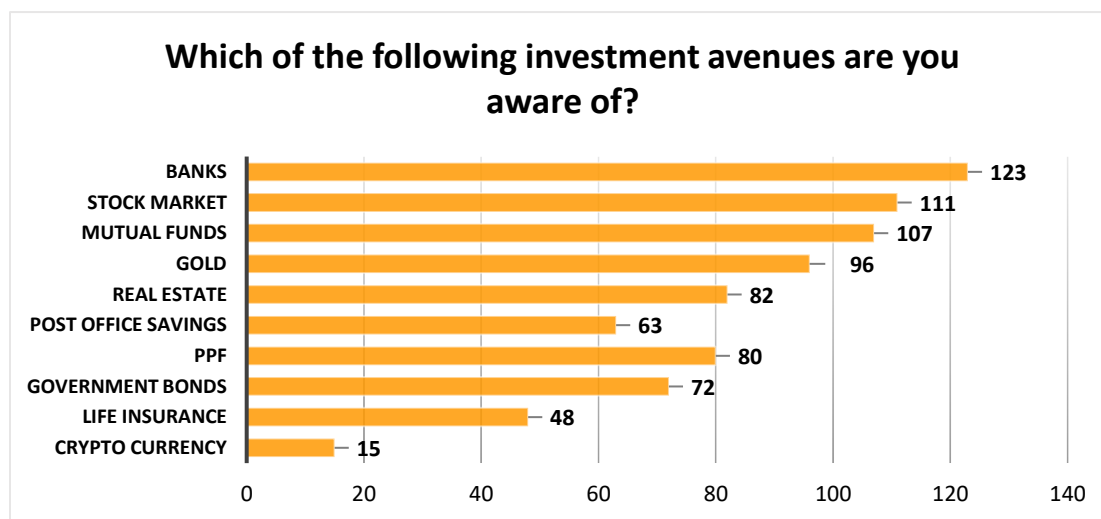


➔ Which of the following investment avenues are you aware of?

Awareness about investment avenues	Percentage	Count
Banks	98.40%	123
Stock Market	88.80%	111
Mutual Funds	85.60%	107
Gold	76.80%	96
Real Estate	65.60%	82
Post Office Savings	50.40%	63
PPF	64%	80
Government Bonds	57.60%	72
Life Insurance	38.40%	48
Crypto Currency	12%	15

(Source: Primary Data)

**Table 4.10: Awareness regarding various Investment Avenues**



**Fig. 4.7 Awareness regarding various Investment Avenues**

### Data Interpretation:

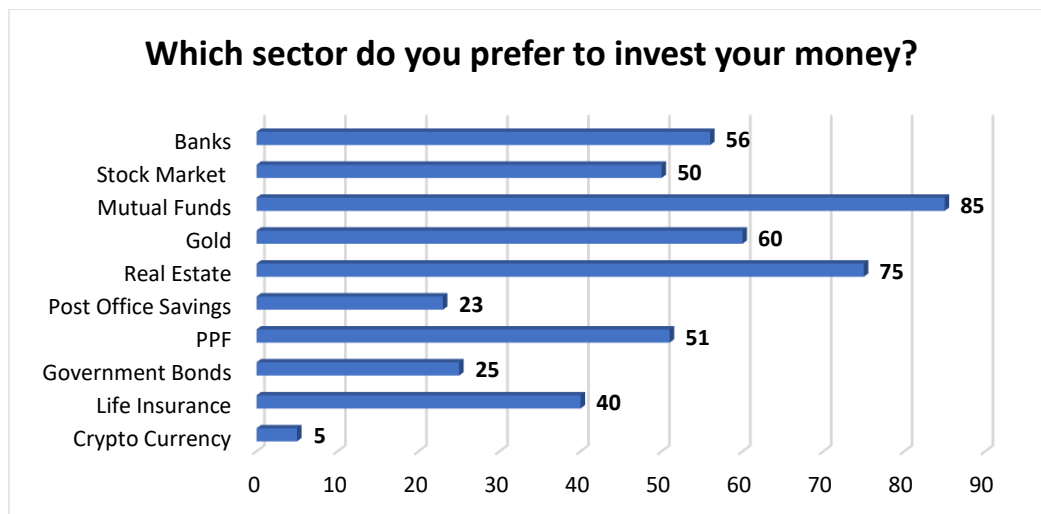
Out of 125 respondents, 123 respondents are aware about Banks, 111 respondents are aware about Stock Market, 107 respondents are aware about Mutual Funds, 96 respondents are aware about Gold, 82 respondents are aware about Real Estate, 63 respondents are aware about Post Office Savings, 80 respondents are aware about PPF, 72 respondents are aware about Government Bonds, 48 respondents are aware about Life Insurance and 15 respondents are aware about Crypto Currency as Investment Avenues.

➔ Which sector do you prefer to invest your money?

Sector preferred for investing	Percentage	Count
Banks	44.80%	56
Stock Market	40.00%	50
Mutual Funds	68.00%	85
Gold	48.00%	60
Real Estate	60.00%	75
Post Office Savings	18.40%	23
PPF	40.80%	51
Government Bonds	20.00%	25
Life Insurance	32.00%	40
Crypto Currency	4.00%	5

(Source: Primary Data)

**Table 4.11: To understand which sector does respondents prefer to invest in**



**Fig. 4.8 To understand which sector does respondents prefer to invest in**

#### **Data Interpretation:**

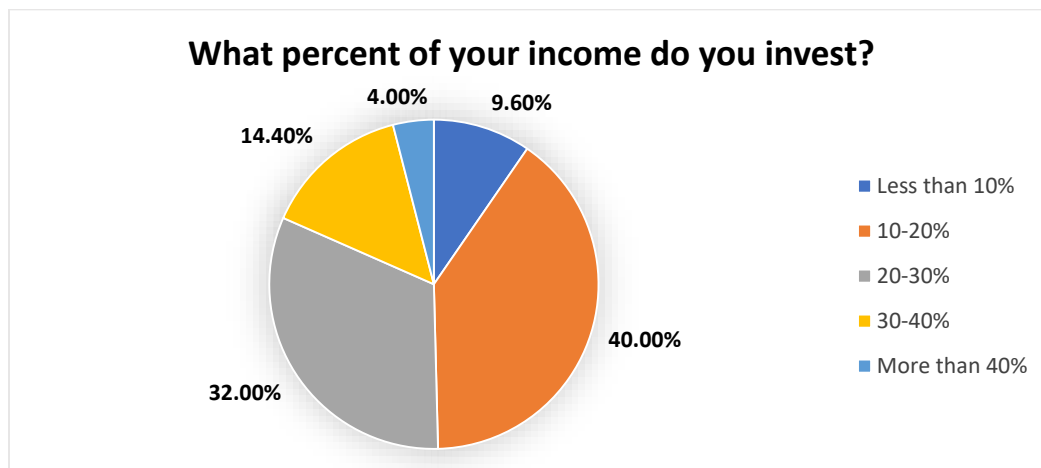
As the above graph indicates, 85 respondents included Mutual funds, 75 respondents included Real Estate, 60 respondents included Gold, 56 respondents included Banks, 51 respondents included PPF, 50 respondents included Stock Market, 40 respondents included Life Insurance, 25 respondents included Government Bonds, 23 respondents included Post Office Savings and 5 respondents included Crypto Currency as their preferred investment avenues.

➔ What percent of your income do you invest?

Percentage of income invested	Percentage	Count
Less than 10%	9.60%	12
10-20%	40.00%	50
20-30%	32.00%	40
30-40%	14.40%	18
More than 40%	4.00%	5

(Source: Primary Data)

**Table 4.12: To understand what percent of income does respondent invest**



**Fig. 4.9 To understand what percent of income does respondent invest**

#### **Data Interpretation:**

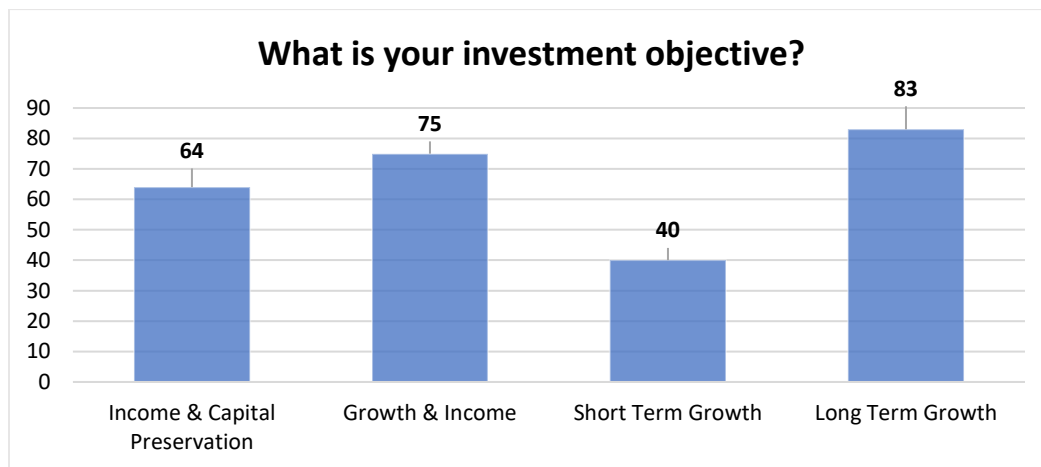
Out of the total 125 respondents, 40% respondents invest 10-20%, 32% respondents invest 20-30%, 14.40% respondents invest 30-40%, 9.60% respondents invest less than 10% and 4% invest more than 40% of their income. This is the brief summary of the investment policy of the respondents.

➔ . What is your investment objective?

What is your investment objective?	Percentage	Count
Income & Capital Preservation	51.20%	64
Growth & Income	60.00%	75
Short Term Growth	32.00%	40
Long Term Growth	66.40%	83

(Source: Primary Data)

**Table 4.13: To understand the investment objective**



**Fig. 4.10 To understand the investment objective**

**Data Interpretation:**

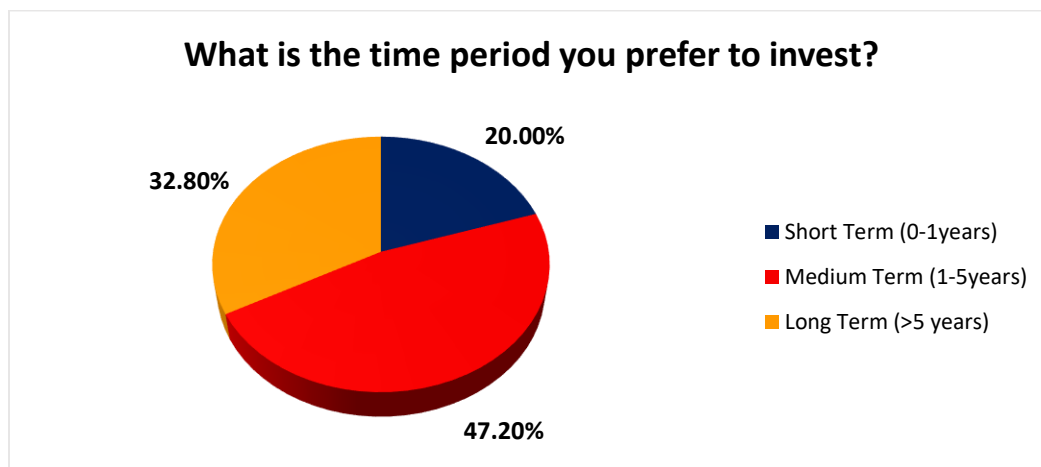
Out of the total 125 respondents, 64 respondents include Income and Capital Preservation, 75 respondents include Growth and Income, 40 respondents include Short Term Growth and 83 respondents include Long Term Growth as their investment objective. This is the brief summary of the investment objective of the respondents.

➔ What is the time period you prefer to invest?

Time period preferred for investment	Percentage	Count
Short Term (0-1years)	20%	25
Medium Term (1-5years)	47.20%	59
Long Term (>5 years)	32.80%	41

(Source: Primary Data)

**Table 4.14: To understand the time period preferred for investing**



**Fig. 4.11 To understand the time period preferred for investing**

**Data Interpretation:**

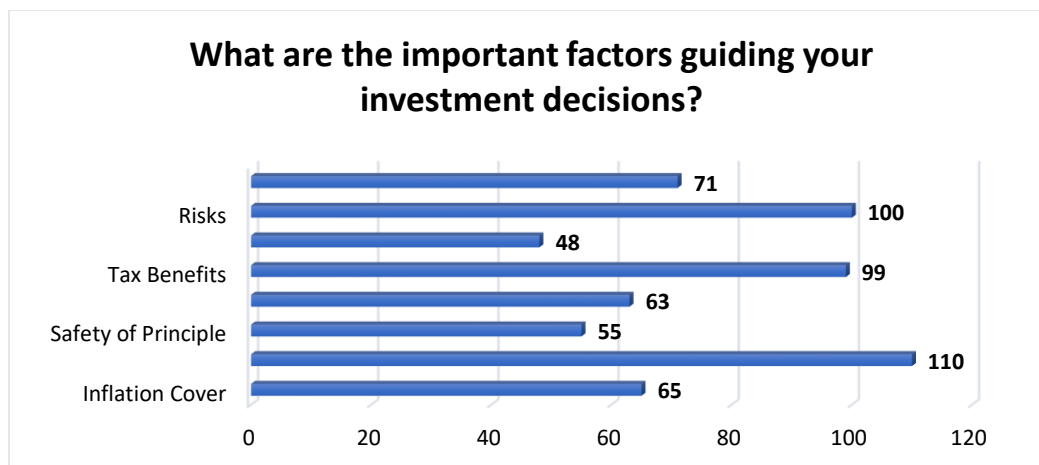
Out of the total 125 respondents, 47.20% respondents prefer medium term investment (1-5years), 32.80% respondents prefer long term investment (> 5 years), 20% respondents prefer short term (0-1 year) time period to invest. This is the brief summary of the time period of Investment as mentioned by the respondents.

➔ What are the important factors guiding your investment decisions?

Factors guiding investment decisions	Percentage	Count
Inflation Cover	52.00%	65
Returns	88.00%	110
Safety of Principle	44.00%	55
Diversification	50.40%	63
Tax Benefits	79.20%	99
Maturity Period	38.40%	48
Risks	80.00%	100
Liquidity	56.80%	71

(Source: Primary Data)

**Table 4.15: Factors guiding investment decisions**



**Fig. 4.12 Factors guiding investment decision**

#### **Data Interpretation:**

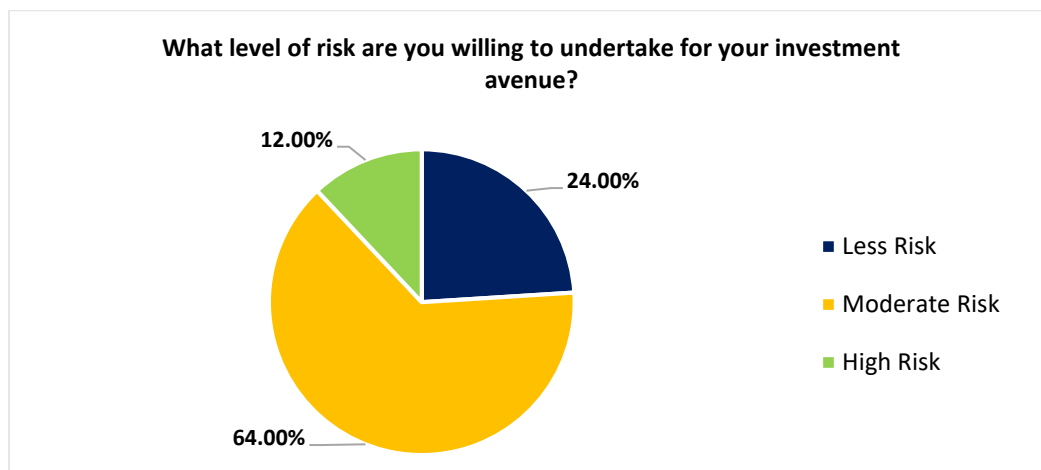
110 respondents consider Returns, 100 respondents consider Risks, 99 respondents consider Tax Benefits, 71 respondents consider Liquidity, 65 respondents consider Inflation Cover, 63 respondents consider Diversification, 55 respondents consider Safety of Principle and 48 respondents consider Maturity as important factors that guide their investment decisions.

➔ What level of risk are you willing to undertake for your investment avenue?

Level of risk investor is willing to take	Percentage	Count
Less Risk	24.00%	30
Moderate Risk	64.00%	80
High Risk	12.00%	15

(Source: Primary Data)

**Table 4.16: Level of risk the investor is willing to undertake**



**Fig. 4.13 Level of risk the investor is willing to undertake**

**Data Interpretation:**

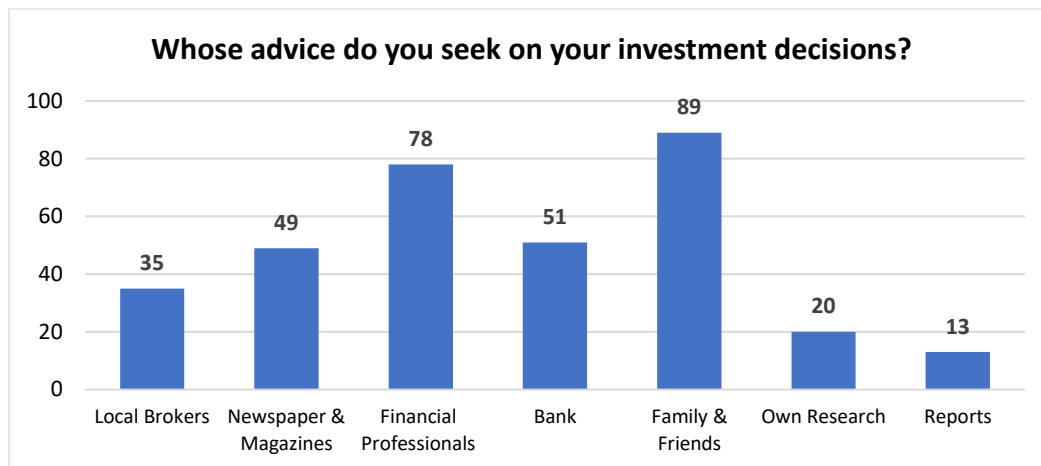
The above pie chart indicates that out of 125 respondents, 24% respondents are willing to undertake Less Risks, 64% respondents are willing to undertake Moderate Risks and 12% respondents are willing to undertake High Risks.

➔ Whose advice do you seek while making investment decisions?

Advice sought while making investment	Percentage	Count
Local Brokers	28.00%	35
Newspaper & Magazines	39.20%	49
Financial Professionals	62.40%	78
Bank	40.80%	51
Family & Friends	71.20%	89
Own Research	16.00%	20
Reports	10.40%	13

(Source: Primary Data)

**Table 4.17: Whose advice is sought while making investment decisions**



**Fig. 4.14 Whose advice is sought while making investment decisions**

**Data Interpretation:**

As seen in the above graph 89 respondents included Family & Friends, 78 respondents included Financial Professionals, 51 respondents included Banks, 49 respondents included Newspapers & Magazines, 35 respondents included Local Brokers, 20 respondents mentioned Own Research and 13 respondents included Reports as their medium of advice for their investment decisions.

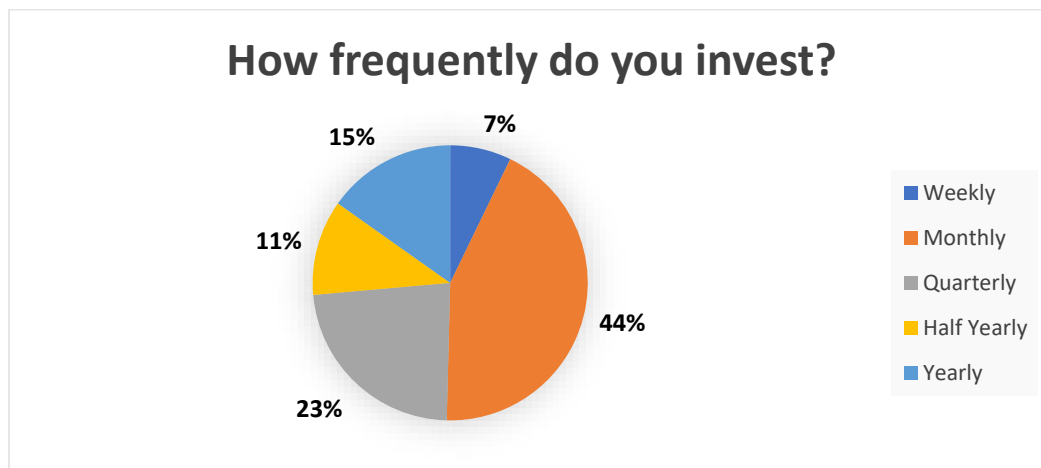


➔ How Frequently do you invest?

Frequency of investment	Percentage	Count
Weekly	7.20%	9
Monthly	43.20%	54
Quarterly	23.20%	29
Half Yearly	11.20%	14
Yearly	15.20%	19

(Source: Primary Data)

**Table 4.18: Frequency of Investment**



**Fig. 4.15 Frequency of Investment**

**Interpretation:**

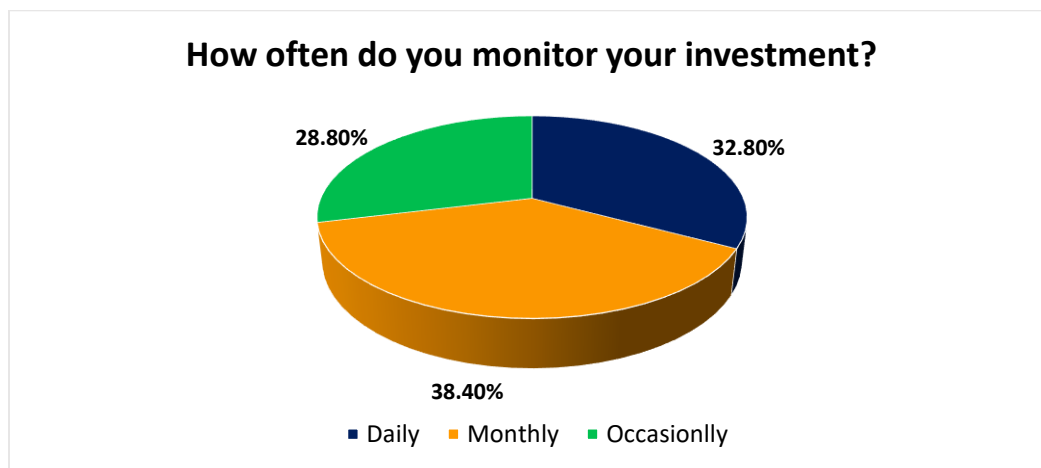
As it can be seen in the above pie chart 7.20% of the respondents invest Weekly, 43.20% of them invest Monthly, 23.20% of the respondents invest Quarterly, 11.20% of the respondents invest Half-Yearly and rest 15.20% of the respondents invest Yearly.

➔ **How often do you monitor your investment?**

Monitoring of investment	Percentage	Count
Daily	32.80%	41
Monthly	38.40%	48
Occasionally	28.80%	36

(Source: Primary Data)

**Table 4.19: Monitoring of Investment**



**Fig. 4.16 Monitoring of Investment**

**Interpretation:**

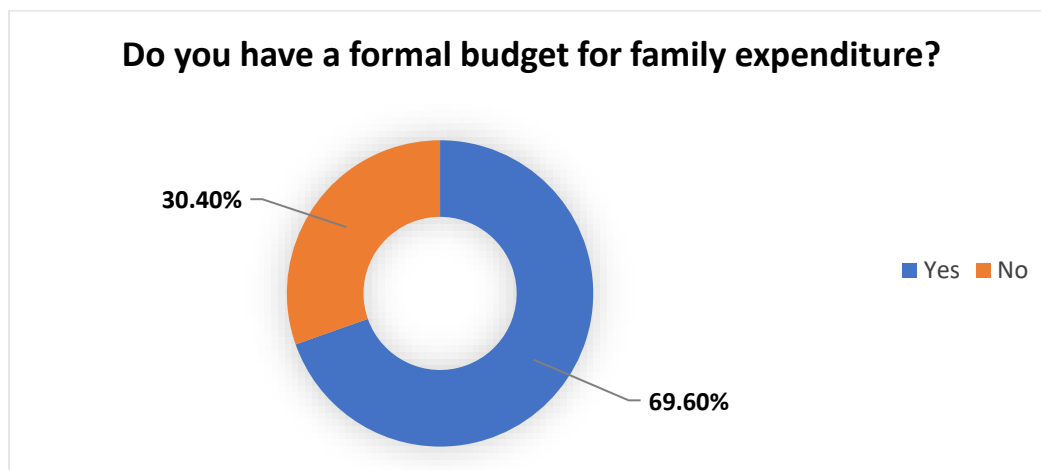
Out of 125 respondents, 32.80% of respondents monitor their investment Daily, 38.40% of respondents monitor their investment Monthly and 28.80% of respondents monitor their investment Occasionally as can be seen in the above pie chart.

➔ Do you have a formal budget for family expenditure?

Is there a formal budget for family expenditure?	Percentage	Count
Yes	69.60%	87
No	30.40%	38

(Source: Primary Data)

**Table 4.20: Formal Budget for family expenditure**



**Fig. 4.17 Formal Budget for family expenditure**

**Data Interpretation:**

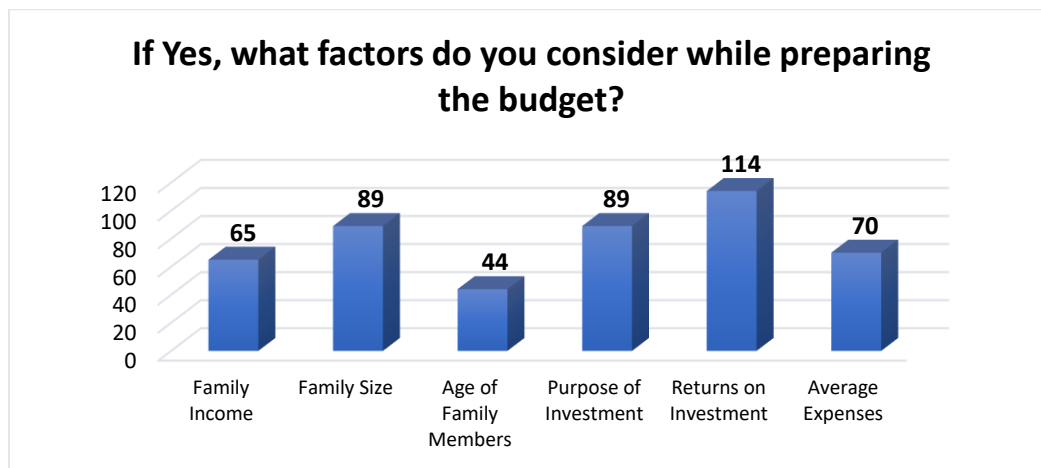
Out of 125 respondents 69.60% have a formal budget in place for their family expenditure and rest 30.40% do not have any such formal budget as can be seen in the above pie chart.

➔ If Yes, what factors do you consider while preparing the budget?

Factors consider while preparing the budget	Percentage	Count
Family Income	52.00%	65
Family Size	71.20%	89
Age of Family Members	35.20%	44
Purpose of Investment	71.20%	89
Returns on Investment	91.20%	114
Average Expenses	56.00%	70

(Source: Primary Data)

**Table 4.21: Factors considered while preparing the budget**



**Fig. 4.18 Factors considered while preparing the budget**

#### **Data Interpretation:**

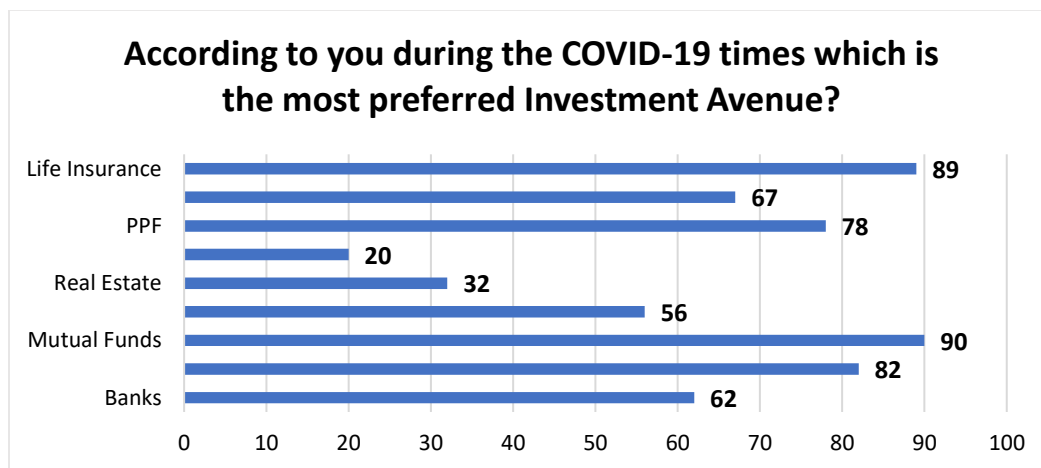
As seen in the graph above, out of 125 respondents, 114 respondents consider Returns on Investment, 89 respondents consider Family Size and Purpose of Investment, 70 respondents consider Average Expenses, 65 respondents consider Family Income and 44 respondents consider the Age of Family Members as a factor while preparing their family's budget.

➔ According to you during the COVID-19 times which is the most preferred Investment Avenue?

Most preferred mode during COVID-19	Percentage	Count
Banks	49.60%	62
Stock Market	65.60%	82
Mutual Funds	72.00%	90
Gold	44.80%	56
Real Estate	25.60%	32
Post Office Savings	16.00%	20
PPF	62.40%	78
Government Bonds	53.60%	67
Life Insurance	71.20%	89

(Source: Primary Data)

**Table 4.22: Most preferred Investment avenue during the COVID-19 period**



**Fig. 4.19 Most preferred Investment avenue during the COVID-19 period**

#### **Data Interpretation:**

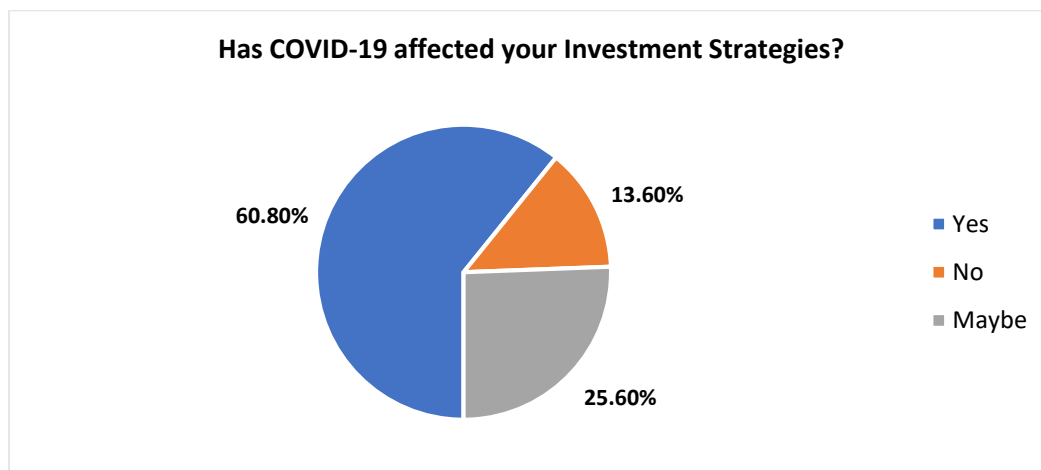
As seen in the graph above, out of 125 respondents, 90 respondents included Mutual Funds, 89 respondents included Life Insurance, 82 respondents included Stock Market, 78 respondents included PPF, 67 respondents included Government Bonds, 62 respondents included Banks, 56 respondents included Gold, 32 respondents included Real Estate and 20 respondents included Post Office Savings as their most preferred investment avenue during the COVID-19 period.

→ **Has COVID-19 affected your Investment Strategies?**

Has COVID-19 affected your	Percentage	Count
Yes	60.80%	76
No	13.60%	17
Maybe	25.60%	32

(Source: Primary Data)

**Table 4.23: Has COVID-19 affected your Investment Strategies**



**Fig. 4.20 Has COVID-19 affected your Investment Strategies**

**Interpretation:**

According to 60.80% of the respondents COVID -19 has affected their investment strategies and preferences, 13.60% of the respondents think that COVID-19 did not have any effect on their investment pattern and 25.60% are unsure if their investment patterns were affected or not as can be seen in the above pie chart.

## **CHAPTER 5**

### **FINDINGS AND RECOMMENDATIONS**

#### **5.1 LIMITATIONS OF THE STUDY**

- The primary data collection was done by conducting a questionnaire. The response from the respondents may not be accurate and hence it cannot be argued that the research is applicable in all conditions.
- Due to paucity of time and resources countrywide survey was not possible and hence the study focuses only on the state of Maharashtra.
- Findings of the research cannot be applicable due to small sample size, where (n= 125) and non-inclusion of prospects from areas other than Maharashtra.
- The perceptions of consumers are subject to change. Thus, the possibility of this study being irrelevant in the future cannot be completely disregarded.
- The lack of knowledge of customer about the financial tools and investment avenues can be a major limitation.
- Some of the respondents of the survey were unwilling to share their private information regarding their income slab, percent of income saved etc.

#### **5.2 WHAT WAS THE IMPACT OF MY WORK**

My detailed research will be helpful to people as they can get an insight into the Banking, Financial Services and Insurance industry. My research will be instrumental in developing a clear insight on the various financial sectors and investment avenues that are available in India. It will also inculcate a sense of savings and investment within the salaried individuals. It provides them guidelines on basics of investing, the factors which are needed to be considered while making a family budget, which factors are involved while making an investment, the various merits and demerits of investing in a particular investment avenue, the impact of COVID-19 on the change in preference of investment avenues and what are the benefits involved in starting an early investment. My report will help in improving the financial knowledge of the salaried individuals. This will eventually help people to save more and start investing in correct modes of investment and spend less and effectively make their money work for them. Thus, making their future safe and secure.

### **5.3 FINDINGS OF THE STUDY**

- After performing Hypotheses testing I found that “There is no significant relationship between Age Group and Risk Appetite.”
- Findings of the study include that “There is a significant relationship between Salary Slab and Percent of Income Invested.”
- I also concluded to that “There is no significant relationship between Awareness of Investment Avenues and Age Group of Investors.”
- While making this project report I found out that the most preferred investment avenues in the pre COVID-19 period were Mutual Funds and Real Estate.
- The main objective of investors behind making any investment was Long Term Growth and Growth & Income.
- It was found out that majority of respondents (41.52%) invested 10-20% of their income.
- Returns, Risks while investing and Tax Benefits were the major factors that guided the respondent’s investment decision.
- I found out that 43% and 23% of the respondents invest their money on Monthly and Quarterly basis respectively.
- Most of the individuals seek advice of Family & Friends and Financial Professionals (i.e. CA, Financial Planner etc.) before making an investment decision.
- It was also observed that because of COVID-19 the investment preferences of the respondents increased in Mutual Funds and Life Insurance and Stock Markets.



## **5.4 CONCLUSION**

Investment is important to achieve individual goal. Investment means we have money, then we need to make analysis to invest the money, and expected get return in future. If the investment are run early, then we will make a lot of profit if the investment run well, if not we will lose all of the investment need to start from earlier. Apart from that, first thing first we must set an investment plan to make the investment run well. From that, we can know what we will face in future, what the risk need counter, what economy is going and many more.

After conducting the research & interpreting of data I would like to conclude that respondents are very well aware about investment avenues that are available into the market at the moment.

This research study was conducted to understand the investment preferences of salaried employees of Maharashtra, India and also to know their level of awareness towards the various modes of investments. This study reveals the very peculiar characteristic feature of Indian people on their choice of investment products. Normally, in any developing country, people invest more in financial assets rather than physical assets and in particular there will be more investment in shares and debentures. But in Maharashtra, as can be seen in Fig. 4.11 individuals prefer to invest in Mutual Funds, Real Estate, Gold & Bank FDs. This may imply that the salaried individuals are not interested in taking risk and hence are not preferring capital market where risks are high but so are rewards.

## **5.6 RECOMMENDATIONS**

- Awareness programs need to be conducted by Government and Life Insurance Companies because only 63 and 48 respondents out of 125 were aware about Post Office Savings and Life Insurance respectively.
- The satisfaction level of various investors is different due to different investment alternatives they opt for. If the investors are made aware about each type of alternative and the worth of the alternatives then investing as per their satisfaction level will also be high.
- To enhance saving habits among the salaried class, the various investment modes should be able to attract new customers and it can be done by introducing more attractive schemes and offers.
- Investors should try to learn more about various other investment options like Crypto currency, Electronic Gold, Hedge funds and more so that they can reduce their risks and get most benefit by employing these latest investment options.
- In my opinion a formal budget for family expenditure should be executed by more people to get a more concentrated view on how the funds should be managed so that the investor does not bleed his/her money.

## **ANNEXURE**

**Dear Sir/ Madam**

I am Ronak Shah a student of N.L. Dalmia Institute of Management Studies and Research, doing my final year MBA as part of the curriculum;

I am conducting a survey on “STUDY ON THE PREFERENCE OF SALARIED PEOPLE ON VARIOUS INVESTMENT OPTIONS AVAILABLE”. I request you to kindly give me your valuable time to fill this questionnaire. I assure you that the data provided by you will be kept confidential.

**1. Full Name**

**2. Gender**

Male

Female

Trans

Do not wish to disclose

**3. Age Group**

Less than 18 years

18-30 years

30-50 years

50-65 years

Above 65 years

**4. Education**

Up to Intermediate

Graduate

Post Graduate

Professionals

Other

**5. Organization**

Government Sector

Private Sector

Self Employed

Retired

**6. Income Level**

Less than 2.5 Lakhs

2.5-5 Lakhs

5-7.5 Lakhs

7.5-10 Lakhs

Above 10 Lakhs

**7. Marital Status**

Single

Married

Do not want to disclose

**8. Which of the following investment avenues are you aware of?**

Banks

Stock Market

Mutual Funds

Gold

Life Insurance

Post Office Savings

Real Estate

PPF

Government Bonds

Other: \_\_\_\_\_

**9. Which sector do you prefer to invest your money?**

Banks

Stock Market

Mutual Funds

Gold

Life Insurance

Post Office Savings

Real Estate

PPF

Government Bonds

Other: \_\_\_\_\_

**10. What percent of your income do you invest?**

Less than 10%

10-20%

20-30%

30-40%

Above 40%

**11. What is your investment objective?**

Income & Capital Preservation

Growth & Income

Short Term Growth

Long Term Growth

Other: \_\_\_\_\_

**12. What is the time period you prefer to invest?**

Short Term (0-1 years)

Medium Term (1-5 years)

Long Term (>5 years)

**13. Rank the following investment avenues in the order of your preferences**

Banks

Stock Market

Mutual Funds

Gold

Life Insurance

Post Office Savings

Real Estate

PPF

Government Bonds

**14. What are the important factors guiding your investment decisions?**

Inflation Cover

Returns

Safety of Principle

Diversification

Tax Benefits

Maturity Period

Risks

Liquidity

Others: \_\_\_\_\_

**15. What level of risk are you willing to undertake for your investment avenue?**

Less Risk

Moderate Risk

High Risk

**16. Whose advice do you seek on your investment decisions?**

Local Brokers

Newspaper & Magazines

Financial Professionals (i.e. CA, Financial Planner etc.)

Bank

Family & Friends

Other: \_\_\_\_\_

**17. How frequently do you invest?**

Weekly  
Monthly  
Quarterly  
Half Yearly  
Yearly

**18. How often do you monitor your investment?**

Daily  
Monthly  
Occasionally

**19. Do you have a formal budget for family expenditure?**

Yes  
No

**20. If Yes, what factors do you consider while preparing the budget?**

Family Income  
Family Size  
Age of Family Members  
Purpose of Investment  
Returns on Investment  
Average Expenses  
Other: \_\_\_\_\_

**21. According to you during the COVID-19 times which is the most preferred Investment Avenue?**

Banks  
Stock Market  
Mutual Funds  
Gold  
Life Insurance  
Post Office Savings  
Real Estate  
PPF  
Government Bonds  
Other: \_\_\_\_\_

**22. Has COVID-19 affected your Investment Strategies?**

Yes  
No

**23. If Yes, then how?**

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