

A STUDY ON THE INVESTMENT PREFERENCES OF INVESTORS IN CHENNAI CITY

Submitted in partial fulfillment of the requirements for the award of

BACHELOR OF COMMERCE

By

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BACHELOR OF COMMERCE

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI – 600119

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **SUBRAMANIAN.V (39740232)** who has done the Project work entitled **A STUDY ON THE INVESTMENT PREFERENCES OF INVESTORS IN CHENNAI CITY** under my supervision from December 2021 to February 2022.

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DECLARATION

I **SUBRAMANIAN.V (39740232)**. Hereby declare that the Project Report entitled “**A STUDY ON THE INVESTMENT PREFERENCES OF INVESTORS IN CHENNAI CITY**” done by me under the guidance of Dr. THAMILSELVAN .R, M.Com, M.B.A, MPhil, B.Ed., Ph.D., Associate Professor, Department of Management Studies is submitted in partial fulfillment of the requirements for the award of Bachelor of Commerce degree.

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ABSTRACT

This study aims to find out the investment preferences of investors in Chennai city. The variety of Investment opportunities present for an individual in India are in plenty such as Investment in Stock market, Depositing in Bonds and Debentures, Investing in Real Estate, Depositing in Postal Savings Scheme, Investing in Mutual Funds Scheme, Depositing in Banks and other Financial Institutions and Investing in Valuable metals . The major reasons for investments are good return and fixed income, capital gain and current income, future security of the investments and liquidity and capital appreciation. The investors invest in their preferences depending on their Risk level. The Investors aim to reduce their risks by Investing and Selecting the Right Portfolio. The sample size for study comprised of 154 respondents. The sampling technique used was convenient sampling. The research is Descriptive in nature. The statistical tools used for analysis include Percentage analysis, ANOVA analysis, Weighted Average analysis, Correlation and Regression analysis. From the study the satisfaction levels of investors, their preferences their objectives for investment have been identified and analyzed. The study also suggests that in order or the investors to have a sustainable growth in investment a diversified portfolio is essential. The study also suggests more governance of investments by government through various policies.

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CHAPTER - 1

INTRODUCTION

1.1 INVESTMENT AVENUES

Investment is an activity that is engaged in by people who have savings or in other words investments are made from savings. Investment involves employment of funds with the main aim of achieving additional income or growth in the values. The essential quality of an investment is that it involves something for reward. Investment involves the commitment of resources which have been saved in the hope that some benefits will accrue in future.

Financial products act as an investment avenue and provide the required financial security to the investors. Every individual tends to save for various reasons. Savings and Investments are important and integral activities as it facilitates good return to investors and it also helps the economy of the nation. Financial institutions and financial services encourage savings, direct them to productive uses and helps the investment market go grow. The financial institutions in existence in India are mutual funds, development banks, commercial banks, life insurance companies, investment companies, investment bankers and mortgage bankers. The financial services include venture capital, factoring and forfaiting, leasing, hire purchase and consumer finance, housing finance, merchant bankers and portfolio management. Investment bankers are merchants of securities. They buy bonds and stocks of companies for re-sale to investors.

In India, there are a large number of financial institutions under Central Government and State Governments and rural bodies that have encouraged the growth of savings and investment. The Life Insurance Corporation and Unit Trust of India offer a wide variety of schemes for savings and give tax benefits also. Apart from these, there is a well-organized network of development banks such as the Industrial Development Bank of India (IDBI), Industrial Credit Investment Corporation of India (ICICI) and Industrial Finance Corporation of India (IFCI). At the state level, there are State Financial Corporation, for rural areas and agriculture, the National Bank of Agriculture and Rural Development (NABARD). These financial institutions and development banks offer a wide variety of policies

for encouraging savings and investment. These institutions lend an element of strength to the capital market and promote discipline while encouraging growth.

In the past, traditional financial products were offered in India by banks and the postal department. However, in recent years, diverse financial products have been introduced such as mutual funds, shares, derivatives, debentures, bonds etc. Since 1991, there has been a development of the private corporate sector. Many new financial institutions have emerged in the private sector. Insurance companies, mutual funds and venture capitalists leasing companies have been opened up to private financing agencies. Foreign banks have been allowed to do business. Thus, there is the presence of a large number of institutions and services which channel the funds in productive directions.

Most famous and largely preferred investment options as of now are; Stock market, Bank deposits, Gold, Real Estate, Post-Office Savings and Mutual Funds.

1.2 STOCK EXCHANGE

A stock exchange or securities exchange is an exchange where stockbrokers and traders can buy and sell securities, such as shares of stock, bonds, and other financial instruments. Stock exchanges may also provide facilities for the issue and redemption of such securities and instruments and capital events including the payment of income and dividends. Stock exchanges often function as "continuous auction" markets with buyers and sellers consummating transactions at a central location such as the floor of the exchange or by using an electronic trading platform.

1.2.1 History of Indian Stock Exchange

The share market makes possible to its investors to grow their small initial sums of money into large ones, and to become wealthy without taking the risk of starting a business. Trading has been prominent in the Indian industry way before any of us were born. The first few exchanges were regional exchanges like Calcutta stock exchange, Ahmedabad stock exchange, Bombay stock exchange and so on. More recently 1960 onwards has trading started to become more mainstream with more and more people starting to trade. In the last 20 years or so trading has exponentially grown due to the modern facilities of demat accounts. Earlier people

had to buy paper shares and any transaction used to take days if not weeks to be completed. Nowadays it takes less than 1 second for you to buy or sell a share.

1.2.2 Stock Exchanges in India

Operating Stock Exchanges in India are as follows:

- Bombay Stock Exchange (BSE)
- Calcutta Stock Exchange
- India International Exchange (India INX)
- National Stock Exchange of India (NSE)
- NSE IFSC Ltd. (NSE International Exchange)
- Metropolitan Stock Exchange of India Ltd. (MSE)
- Indian Commodity Exchange (ICEX) (Commodity trading)
- Multi Commodity Exchange of India Ltd. (MCX)
- National Commodity & Derivatives Exchange Ltd. (NCDEX)

Former Stock Exchanges:

- Ahmedabad Stock Exchange (closed in 2018)
- Delhi Stock Exchange (closed in 2017)
- Gauhati Stock Exchange (closed in 2015)
- Jaipur Stock Exchange (closed in 2015)
- Madhya Pradesh Stock Exchange (closed in 2015)
- Madras Stock Exchange (MSE) (closed in 2015)
- OTC Exchange of India (closed in 2015)
- Pune Stock Exchange (closed in 2015)
- UP Stock Exchange (closed in 2015)
- Vadodara Stock Exchange (closed in 2015)

- Bangalore Stock Exchange (closed in 2014)
- Cochin Stock Exchange, Kochi (trading stopped in 2005, closed in 2014)
- Inter-connected Stock Exchange of India (closed in 2014)
- Ludhiana Stock Exchange (closed in 2014)
- Bhubaneswar Stock Exchange (closed in 2005)
- Coimbatore Stock Exchange (requested exiting trading in 2009)
- Hyderabad Stock Exchange (closed in 2007)
- Magadh Stock Exchange (closed in 2007)
- Mangalore Stock Exchange (closed in 2004)

BSE and NSE are the leading stock exchanges in India. Apart from these two stock exchanges there are another 22 stock exchanges are also trading shares in India. But BSE and NSE established themselves as leaders in stock exchanges.

Bombay Stock Exchange is the oldest stock exchange in Asia. It is popularly known as BSE. It was established as 'The Native Share and Stockbroker's Association' in 1875. It is the world's 5th most active in terms of number of transactions handled through its electronic trading system. As of April 2018, BSE has an overall market capitalization of over \$4.9 trillion, which makes it the 10th largest stock exchange marketplace in the world.

The National Stock Exchange of India Limited (NSE) is India's largest financial market. Incorporated in 1992. One of the famous contributions is the NIFTY 50 Index, which tracks the top assets in the equity market in India. As of June 2020, the National Stock Exchange had accumulated \$2.27 trillion in total market capitalization, and there by becoming the world's largest stock exchange.

As of 2020, the BSE had 5,518 listed firms, and NSE had about 1,799 listed firms. Almost all the significant firms of India are listed on both the exchanges. The BSE is the older stock market but the NSE is the largest stock market. In terms of market cap, they're both comparable at \$2.3 trillion. Both exchanges compete for the wind that leads to reduced costs, efficiency, and innovation in the market.

1.2.3 Debentures & Bonds

Debentures generally have a more specific purpose than other bonds. While both are used to raise capital, debentures typically are issued to raise capital to meet the expenses of an upcoming project or to pay for a planned expansion in business. These debt securities are a common form of long-term financing taken out by corporations.

Debentures carry either a floating or a fixed-interest coupon rate return to investors and will list a repayable date. When the interest payment is due, the company will, most often, pay the interest before they pay shareholder dividends.

On the due date, the company has two general choices of repayment of principal. They may pay in one lump sum or make installment payments. The installment plan is known as a debenture redemption reserve, and the company will pay a set amount each year to the investor until maturity. The terms of the debenture will be listed in the underlying documentation.

Debentures are sometimes called revenue bonds because the issuer expects to repay the loans from the proceeds of the business project they helped finance. Physical assets or collateral do not back debentures. They are backed solely by the full faith and credit of the issuer.

Some debentures, like other bonds, are convertible, meaning they can be converted into company stock, while others are non-convertible. Generally, investors prefer convertibles and will accept a slightly lower return to get them.

A bond is a fixed-income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the lender and borrower that includes the details of the loan and its payments. Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations. Owners of bonds are debtholders, or creditors, of the issuer.

Bond details include the end date when the principal of the loan is due to be paid to the bond owner and usually include the terms for variable or fixed interest payments made by the borrower.

- Bonds are units of corporate debt issued by companies and securitized as tradeable assets.
- A bond is referred to as a fixed-income instrument since bonds traditionally paid a fixed interest rate (coupon) to debtholders. Variable or floating interest rates are also now quite common.
- Bond prices are inversely correlated with interest rates: when rates go up, bond prices fall and vice-versa.
- Bonds have maturity dates at which point the principal amount must be paid back in full or risk default.

1.3 REAL ESTATE

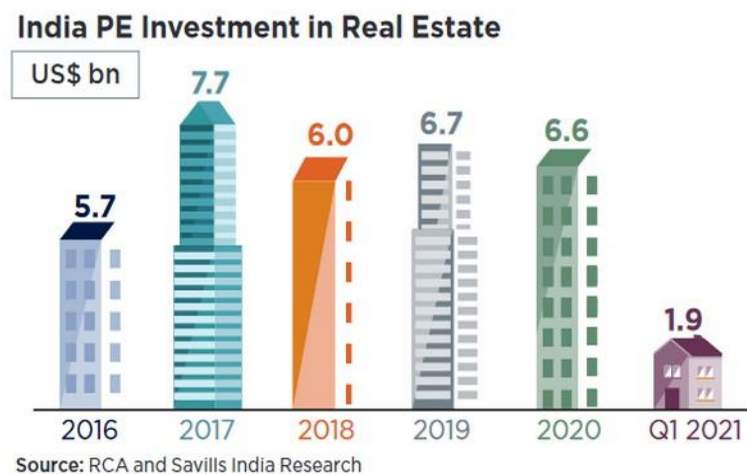


Fig 1.3.1 Investment in Real Estate in India

Real estate is property consisting of land and the buildings on it, along with its natural resources. Immovable property of this nature, generally buildings or housing. Real estate is more than just buying place to live, real estate recently developed into an investment option where investors invest in property in order to appreciate it and get returns. The real estate market offers a high return to the investors. There is a normal notion that the price of the real estate has increased

by more than 12% over the past ten years. Real estate investments cannot be encashed quickly. Liquidity is a problem when it comes to this investment avenue. Real estate investment involves high transaction cost also managing the asset i.e., painting, repair, maintenance etc. One of the fastest-growing sectors in India is real estate, which holds great prospects in different sectors such as retail, housing, manufacturing, commercial, hospitality and much more. Buying a flat or plot is the best decision amongst the investment options available in India. The risk is considered to be very low because the rate of the property increases within 6 months or is anticipated that way. Real estate investment works as an asset, which is considered as one of the best investment plans with high returns over a long-term period. Investment in real estate has a high tangible asset value. Investing in real estate also lets investors have a portfolio, which lowers volatility and provides high returns on investment.

1.4 VALUABLE METALS

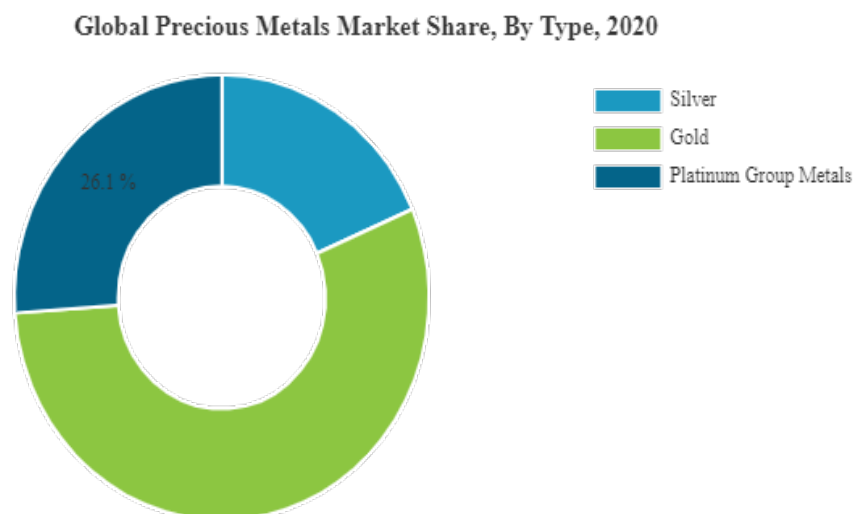


Fig 1.4.1 Investment in Valuable Metals

The global precious metal market size was valued at USD 182.1 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 9.0% in terms of revenue from 2020 to 2027. Demand for the product in jewelry application is likely to emerge as an influential factor for the industry growth over the forecast period.

The use of gold, specifically in the jewelry industry, is projected to witness steady growth over the coming years. The commodity of gold has been an internal part of

marriages, especially in India and China, wherein a significant amount of product is used in the form of jewelry and ornaments. For instance, India's wedding space observed nearly 10-12 million marriages annually with a total market estimation of more than USD 40 billion as of 2018. Similarly, China's marriage space witnessed nearly 10.1 million marriage registrations in 2018. The wedding market space of China and India is thus likely to present numerous growth opportunities for the gold jewelry market segment over the coming years.

In the U.S., the total production of precious metals was evaluated around 1,195.6 tons as per the stats released by the United States Geological Survey (USGS) in 2020. Within this category, gold production reached nearly 200 tons in 2019 and approximately 15.6 tons for platinum group metals (PGM). PGM resources were mined in Montana by Sibanye-Stillwater, which is the sole producer of PGM in U.S.

The jewelry sector accounted for a key share in the U.S. precious metals industry while capturing nearly 40% share in terms of volume as of 2019. The concentration of gold jewelry vendors in the states of New York, Rhode Island, California, Texas, and Florida consumed nearly 50% of the product demand in 2019.

However, demand for the commodity is likely to witness a sharp downturn due to the global pandemic situation. U.S. is among the worst hit countries due to coronavirus with the unemployment rate reaching all time high by the end of first quarter of FY2020. The country has observed its worst unemployment rate since the great depression era. The unemployment rate climbed to nearly 14.7% in April 2020 with nearly 20.5 million people losing their jobs. Amid this sharp declining trend, the precious metals industry of the country is likely to witness stagnant growth in the short term.

Despite the coronavirus pandemic, it is believed that the domestic industrial activities in the U.S. are likely to make a rebound once the government of the country makes special provisions to boost its manufacturing sector. As of April 2020, the congress of the country passed a relief aid of nearly USD 484 billion to combat the coronavirus pandemic. The new aid packages, specifically directed to jump start the manufacturing, may act as a positive sign for the industry participants in the near future.

1.4.1 Product Insights

Silver led the market and accounted for more than 84.0% share of the global volume in 2019. The market is segmented into gold, silver, and platinum group metals (PGM). The silver is likely to dominate the market over the forecast period owing to its wide usage across the industrial and jewellery sector, coupled with low cost as compared to its counterparts. Mexico and Peru are projected to remain the key production hubs for the silver commodities in 2019. As per the stats released by USGS in 2020, Mexico's silver production was 6,120 metric tons, followed by Peru at 4,160 metric tons as of 2018. Other key producing nations are Russia, China, Australia, and Chile.

In terms of revenue, gold led the market and held 77.5% share in 2019 due to its high trading prices and greater usage in the jewelry sector. The gold production for 11 years is witnessing continuous growth with new mines got commissioned in 2019. Among these, Meliadine mine by Agnico Eagle Mines Ltd. and Gruyere mine by Gold Fields Ltd. and Gold Road Resources Ltd. are likely to add a major chunk of the new production. Thus, new product additions are likely to further aid the demand trend of the commodity over the coming years. Out of all the precious metals, gold is the most popular as an investment. Investors generally buy gold as a hedge against economic, political, social fiat currency crisis. Investors generally buy gold as a way of diversifying risk, especially making by use of futures contracts and derivatives. The gold market is subject to speculation and volatility just like other markets. Buying gold is the oldest kind of investing activity, traditionally gold is treated as an investment option which provides protection in bad times of households. Gold prices are soaring to the new highs in recent years comparing to the previous decades because whenever the signs of an economic crisis arise in the world markets, investors all around the world may find shelter in gold as the safest asset class. Here, gold is considered as an easily bought and easily liquified asset that can be relied upon to appreciate well.

Gold Exchanged Traded Funds are tools, which are a combination of both gold investment and stock. The Gold ETF can be easily bought and likewise be sold with any company stock. The Gold ETFs are instruments that are passive on the premise of the price of the gold making it transparent when it comes to pricing. When the market-linked tools in terms of risks are volatile, often higher returns are

offered. Therefore, before you lock down a financial instrument, it is advisable to conduct research and get complete correct information in regards to the product and the position of it in the market. Investment in Gold ETF provides high liquidity which can be easily traded in the stock exchange. It can also be used as security for secured loans and make the transaction instant.

The PGM product segment is likely to witness sluggish growth as compared to its counterparts over the forecast period. The downturn in automotive vehicle manufacturing is already impacting the demand traits of the platinum and palladium. The emergence of a global pandemic is likely to further limit automotive production for FY2022.

1.5 POSTAL SAVINGS

Post Office Savings Account is a deposit scheme under the Government of India, operational at all post offices in the country. It yields returns on investment at a fixed interest rate which is decided by the Reserve Bank of India. Post office also offers fixed deposit facility and monthly income scheme. Monthly income scheme is a popular scheme for people considering retirement as an interest rate of 9 percent is paid monthly which will help them meet expenses. The term of the scheme is 6 years, at the end of which a bonus of 10 percent is paid. Post Office Savings Scheme is beneficial for individuals who want to earn fixed returns on their investment with minimum risk. Post Office Monthly Income Scheme is a scheme which will help investors to save monthly and it is regulated by the Post Offices within India. A scheme, which is government-backed and permits the users to save money every month. Any Indian citizen can easily open a Post-office MIS account starting with a sum of Rs 1500 set as minimum. Maturity period of the scheme is 5 years. The investors can likewise open a POMIS account whether individually or jointly. This scheme does not provide any tax rebate either on the maturity amount or the investments. Investors can easily open the account jointly with 2 or 3 people. It is possible to earn income every month in the form of interest. Investors can open more than one account in their name and can invest the corpus after maturity in the post office savings account.

1.6 BANK DEPOSITS

As per Section 5(b) of the Banking Regulation Act 1949, “Banking” means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise.” Essentially there are two functions which make a financial institution a bank namely, acceptance of deposits from the public and lending money. It is the simplest investment avenue open for the investors. Investor will have to open an account and deposit the money. Traditionally the banks offer current account, Saving account and fixed deposits account. Current account does not offer any interest rate. The saving account is more liquid and convenient to handle but only offers 4 percent interest. The fixed account carries high interest rate and the money is locked up for a fixed period. With increasing competition among the banks, the banks have handled the plain saving account with the fixed account to cater to the needs of the small savers. Fixed deposits are well known fixed-pay venture choices. FD offers fixed returns over the tenure of the investment. The profits are payable month to month, quarterly or yearly, according to the bank rules. Depending on the bank, FDs offer cumulative and non-cumulative options of investment. When it comes to the non-cumulative option, as per underwriting the interest will be paid and on the other hand, the interest will be re-invested and will be paid at the maturity within a cumulative option. This makes it one of the best investment options in India. The investment in fixed deposits can be made online or by visiting any branch of the bank of investor’s choice. The FD interest rates are attractive, ranging from 6.50 (for regular account holders) to over 7 (for senior citizens) for the tenure of 1 year. Investing in bank fixed deposits give financial stability and it is also a safe instrument which lets you earn high returns on a surplus fund. The renewal of bank fixed deposits is easy and certain banks provide overdraft facility against fixed deposits as well. The market fluctuation does not affect the fixed deposit and the returns are fixed as well.

1.7 MUTUAL FUNDS

Mutual funds are a type of collective investment schemes that are regulated and available to the general public and is of open-ended nature. Since it is a collective investment scheme a single mutual fund gives investors a choice of various combinations of these expenses by offering various types of share combinations. Investing directly in equity shares, and debt instruments may be difficult task for a large number of customers because they want to know more about the company, promoter, prospects, competition for the product etc.in such a case, investor can go for investing in financial assets indirectly through mutual fund. A mutual fund is a trust that pools the savings of several investors who share a common financial goal. Each scheme of a mutual fund can have different character and objectives.

Mutual Funds is one of the prominent investment options in India. It is the ideal investment plan that offers high returns on investment over a long term. The returns are generated as per the market performance of the fund. Even though the risk exposure in mutual fund investment is higher, it offers much better returns as compared to other best investment options in the market. The two major investment options offered by mutual funds are: Equity Mutual Fund and Debt Mutual Fund.

Equity funds are market-linked securities. Being one of the prominent mutual funds in India, equity mutual funds offer high ROI by investing in shares of companies of different market capitalization. As compared to other investment options in India like debt or fixed deposits, equity mutual funds offer much better returns. However, the risk involved is more. Under the equity mutual fund scheme, 65 of the assets are invested in equity and equity-related securities and 35 of the assets are invested debt and money market instruments.

Debt Mutual Fund: Debt funds are considered one of the best investment options for investors who want to gain a steady ROI. Under debt fund, the investment is made in fixed-interest securities like corporate bonds, government securities, treasury bills, commercial paper, and various other money market tools. The major objective of investing in debt funds is to generate capital appreciation and earn interest income.

Mutual funds provide the investors with a diversified investment portfolio and helps to attain the investment objective. Every mutual fund scheme has an allocated fund manager who helps the investors to choose a lucrative investment for the scheme. Investments in mutual fund schemes are also beneficial as investors are exempted from wealth tax. Investing in mutual funds is transparent, which helps the investors to make an informed decision.

1.8 INVESTMENT PREFERENCES

Most investors are risk averse, but they expect maximum return from their investment. Every investment must be analysed because there is definitely some risk in it. A vast range of investments are available in the market like bank deposits, post office savings etc. and these are mostly risk free but low return yielding. Several incentives are attached to it as well. The private sector investments consist of equity and preference shares, debentures and public deposits with companies. These have the features of high risk and high yield. Ultimately, the investor must make his investment decisions.

The dilemma faced by the Indian investor is the reconciliation of good return, safety and security, liquidity and affordability and most importantly risk of investments. Government securities are risk free, and the investor is secured. Government securities give low returns, and do not fulfil the objective of capital appreciation. Private sector securities are attractive though, risky. Blue chip companies offer very high rates of return also gives bonus shares to their shareholders. Real Estate and Gold have the advantage of eliminating the impact of inflation, since the price rises experienced by them have been very high. The ultimate objective of the investor is to derive a variety of investments that meet this preference for risk and expected return.

1.9 STATEMENT OF THE PROBLEM

- Investment is an activity that is engaged in by people who have savings or in other words investments are made from savings. The prosperity of an economy is closely linked with the ability of the public to save and invest in productive assets for an uninterrupted supply of capital. Developing

countries like India face a lot of problems will acquiring and allocating capital.

- Investors will invest their money with the different objectives such as profit, security, appreciation and income stability. Investment preference differs from person to person, as every individual behaves differently while investing, Investment behavior of an individual is guided by his own set of circumstances. With an expectation of generating high returns over a period of time and certain levels of risk, individuals invest in different financial products. This study is an attempt to analyze the investment preferences of investors towards various financial products available in the market.

1.10 NEED FOR THE STUDY

Diverse financial products have been introduced to act as investment avenues and thereby provide the required financial security to the investors. Since investment preferences differ from person to person, finding out the set of circumstances that guide the investment behaviour of the investors will help various institution including the government come forward with innovative and brand-new investment options which can meet the requirements of the investors. In a developing country like India where most of the people work for a salaried job this study focuses on the investment preferences of the investors in Chennai city to understand their investment behaviour. The findings of this study will be helpful to understand the preferences and thereby help investors and institutions choose the most fitting investment avenue for the investors. This study can also help understand the behaviour of the target market and then help revise a plan to properly address their concerns.

1.11 SCOPE OF THE STUDY

- This study covers the investors and their preference in investment options.
- The study focuses on the factors affecting the preferences of Investors in Chennai city on various investment options .
- This study will be helpful to understand the problems faced by investors relating to the various investment avenues of the investors residing in Chennai City.
- The study tries to understand the knowledge level of investors and sources

for said acquired knowledge.

- The sample size is 154. therefore, there is scope for the difference in the factors when the number of respondents increase.

1.12 OBJECTIVES OF THE STUDY

Primary Objective

- To study the preference of investors on various investment alternatives

Secondary Objectives

- To identify the factors which affect the preferences of investment options of the investors in Chennai city
- To analyse the influence of demographic factors on Preference of Investment Avenue of the investors in Chennai City.
- To examine the relationship between economic factors and investment preferences
- To measure the impact of economic factors and political factors over investment preferences
- To find the knowledge level of investors regarding investment avenues and suggest ways to increase such knowledge. .

1.13 LIMITATIONS OF THE STUDY

- The study uses the data collected from respondents through survey. The data collected are then analyzed to get results. The results can change according to the size of the sample i.e., the number of people allotted to answer the questions. The size of the sample here is 154 respondents. when the sample size increases the results probably might also vary. The study identifies and analyses only few factors which affect the Preferences of the Investors in Chennai city whereas there might be many other factors that will also have an effect on the Preferences of Investors. This leaves a research gap as there are factors that need to be taken into consideration on a later period.

1.14 CHAPTER FRAMEWORK

CHAPTER 1 : INTRODUCTION

This chapter consists of the introduction to the study , the various industry profiles,the need , scope and objectives of the study along with its limitations and also includes the chapter framework of the study.

CHAPTER 2 : REVIEW OF LITERATURE

This chapter consists of research paper of Authors who have conducted detailed research study into the investment preferences of investors.

CHAPTER 3 : RESEARCH METHODOLOGY

This chapter consists of research design , methods of data collection, sample size , period of study,statistical tools used and the hypothesis of the study.

CHAPTER 4 : DATA ANALYSIS AND INTERPRETATION

This chapter consists of analysis of the data which was collected through the questionnaire and ANOVA analysis , Correlation and Regression are the statistical tools that have been used to analyse the data

CHAPTER 5 : FINDINGS, SUGGESTIONS AND CONCLUSIONS

This chapter consists of the findings , suggestions and the conclusions of the study.

CHAPTER – 2

REVIEW OF LITERATURE

The secondary data was taken from various review of literature. Such literature review is given below. Researchers have made studies on the factors that influence the investment decisions of an individual. The focus has mostly remained on core factors such as age, gender, income, profession, education and financial knowledge. Several studies have been done to identify the investment behaviour of salaried class of people, retail investors and households.

Madhavi Karanam and R. Shenbagavalli, (2019), The study reveals a very high association between the profession and the investment choices. Thus, we can conclude that occupation is a major influencer with respect to risk-return perspective and the investment choice.

Jain Priyanka and Tripathi L.K. (2019), The outcomes of present study shows that any person's investment decisions are influenced by so many factors. Individual decides the aims according to his own priorities would be of great relevance to investors, financial planners, policy makers and wealth managers etc.

M. Rani Subathra and S. Bulomine Regi (2018), This paper focus towards elements of retail investors to invest in stock market, obstacles of investment and their satisfaction after investment. Based on stratified random sampling, samples were collected. The study reveals that, post investment satisfaction is necessary for every investment mode. So, more awareness should be made among the small and medium range investors regarding investment in stock market.

Neha S Shukla, (2016), Through this research paper, an analysis has been made about investor's preference towards investment avenues and the study focused on the salaried personnel only. Savings are invested in assets depending on person's knowledge of different investment options, risk taking ability and demand of return. Savings form an important part of the economy of any nation, with the savings invested in various options available to the people, the money acts as the driver for the growth of the country. It was found that there is no relationship between education with investment while there is significant relationship between age and income.

Chaubey Dhani Pandey and Savita Tripathi, (2016), The study investigated the influence of financial information on equity share investment decision making. The study indicates that investor's information seeking behaviour is based on their year of experience, their investment horizon and their investment intention. The study also indicated that years of experience has no significant impact on investment source choice. Similarly, it was found that investment horizon has no significant impact on investment source choice.

Hon Tai-Yuen, (2015), In this study the primary objective was to identify the important factors that capture the behaviour of small investors and factors such as reference group, personal background, monitor investors' reaction to announcements and cognitive style were identified and analysed.

Sathiyamoorthy C, (2015), The objective of the study is to understand the investment pattern and awareness towards salaried class Investors and the findings suggested that majority of the respondents are saving money as Bank deposits for the safety of an unpredictable future.

Apparao E. and Kishore Babu N, (2015), It was found from the study that urban people were more aware of the different investment schemes than the rural. The perception of most investors on the safety and liquidity of different investment avenues is unfavourable and more than 20 percent of respondents are not satisfied with after sale services of stock broking firms. The main aim to invest was earning regular income.

Senthil.D, (2015), In this study on investment behaviour the author concludes that occupation is dependent on all overconfident factors such as, Loss Aversion, representativeness and Price anchoring factors while investor investing in capital market. Education level is dependent on overconfident factors and representativeness factors.

Parimalkanthil K. and Kumar Ashok, (2015), The study brings out that the individual investors hold on to Fixed Deposits, Policies of Insurance co., Postal savings Insurance, Growth oriented funds. Investors prefer low risk investment like posts/FD etc. and avoid risky investment such as mutual funds, corporate securities. This behavior may be because of lack of awareness, poor investment climate, and lack of confidence.

Puneet Bhushan, (2014), in their paper they examine the awareness level and investment behaviour of salaried individuals towards financial products. Results of the study suggest that respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Also, majority of the respondents park their money in traditional and safe investment avenues. It also finds that financial literacy level was getting affected by gender, education, income, nature of employment.

A.N. Paunikar, (2014), The study undertaken by the author was in relation to the financial aspects of ELSS. The study pointed out that the salaried class is not much aware of the ELSS scheme and other investment. Major trust for investment is in postal investment/PF, or towards LIC policy. Maximum savings are invested as fixed deposits. Even within investors in mutual funds, which is lower, majority of them prefer ELSS scheme, while only a few go in for other mutual funds. Salaried class paid stress on good returns on investment.

Ambrose Jagongo and Vincent S. Mutswenje, (2014), This study determined that factors related to accounting information have an effect on the behaviour of the individual investor. Nine factors which are firm position and performance, investment return and economic condition, diversification and loss minimization, third party opinion, the goodwill of the firm and accounting information, perception towards firm environmental factors, firm's feeling, risk minimization were found. The study analysed that experience and knowledgeable investors would readily admit that the structure and weights of selected categories shows the unsophisticated and immature investor profile at NSE.

Patil Sonali and Nandawar Kalpana, (2014), the study reveals that Investors are aware about investment avenues yet they prefer to invest in bank deposit, real estate, and gold looking for safety and security on investment. The study also revealed that there was no relationship between income level and awareness of investment avenues, also the educational qualification and awareness of investment are had no relationship. Investments made, are for safety and guided by other factors like tax benefits and returns.

Archana Kanungo, (2014), This article conveys that the socio-economic factor of the investor has an important role to play in the investment strategy of the

investors. There is a direct relationship between investors decision on investment and saving. The strategic position of the LICO'S for the insurance, customer service and satisfaction has become a key to the success.

Deerajen Ramaswamy, (2013), The paper took four fundamental aspects in financial literacy which are, level and importance, definitions and theories, constraints and measures to improve financial literacy. The study found that most of the students had a medium level of knowledge and skills in savings and borrowings it also concluded that there is no significant difference in the level of financial literacy between male and female respondents. The paper also found that age, gender, language, race and income level was not having an impact on the level of financial literacy.

Savita and Lokesh Gautam, (2013), It was observed that investment by way of premium paid for life insurance policy, followed by provident fund contribution and fixed deposits savings were the most popular forms of investment. The other forms of investment followed. The paper also revealed that the savings for tax purpose was the maximum in age group 50-60 and least in age group 20-30.

Nisha Sharma and Dipanker Sharma, (2013), The study concluded that majority (80%) of employees have knowledge of industrial securities but only 8% of them invest in industrial securities. As they feel that these investment are unsafe. Investments in the form of Fixed Deposit are more popular amongst employees. The paper suggested that mass awakening programme on electronic media which could motivate potential investors should be undertaken.

Bharathraj Shetty and M. Muthu Gopalakrishnan, (2013), The paper studied the investor's preferred towards various tax savings schemes as eligible under Income Tax Act 1961. It was concluded that individual in order to reduce their tax burden through tax planning does resort to tax saving investments. The tax savings investments does not give the same advantages to all investor alike. It is also suggested by the researcher that the government and financial institution & local people about various, tax savings Schemes, introducing attractive investment schemes, organize investor education programme.

Basabi Deb, (2013), The study undertook study of factors affecting the choice of investors in choosing a policy, types of benefits provided by life insurance policy.

Author concluded that people have now have got a choice beyond LIC and now have started depending on private players. Investors have started viewing insurance as one which offers protections. Buying behaviour depends on number of factors such as, psycho-graphical, economical, social , political and legal etc. Investor look for more benefits from the company's, and are largely satisfied with the insurance companies.

CHAPTER-3

RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

The research is descriptive in nature. This research identifies the factors affecting the preferences of the Investors on investment options and describes the significance each factor have on the investment options.

3.2 SOURCES OF DATA

The research uses both Primary and Secondary data.

3.2.1 Primary Data

Primary data has been collected from 154 respondents using questionnaire (survey method).

3.2.2 Secondary Data

Secondary data was collected from reviewing various literature related to investment options and investment preferences.

3.3 STRUCTURE OF QUESTIONNAIRE

The questionnaire has been framed and circulated to collect primary data. The questionnaire contains

- Direct questions
- Close end questions
- Dichotomous questions
- Multiple choice questions

3.4 SAMPLE SIZE

The population size is indefinite as the number of people investing in different investment options is large in number. It is difficult to access the population. The sample size is 154. The respondents are from various locations spread across Chennai City.

3.5 SAMPLING TECHNIQUE

Sampling technique is the technique used to select the sample size. Convenient sampling technique is used for this research. Investors were taken according to the convenience of the research study. The respondents are from various locations spread across the country.

3.6 PERIOD OF STUDY

The study was conducted for a period of 3 months starting from December 2021 to February 2022.

3.7 HYPOTHESIS

- H₀1: Demographic factors do not exert influence over investors choice of investment avenues in Chennai city
- H₁1: Demographic factors do exert influence over investors choice of investment avenues in Chennai city.
- H₀2: There is no relation between political & economic factors and investment preferences
- H₁2: There is relation between political & economic factors and investment preferences
- H₀3: Political & economic factors do not impact investment preferences
- H₁3: Political & economic factors impact investment preferences

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

4.1.1 Gender Profile

Percentage Analysis is used to analyse the gender of respondents and it have been interpreted in Table 4.1 which displays the Frequency and Percentage of Gender of Respondents.

Table 4.1 Frequency analysis of Gender

Factors		Frequency	Percentile
Gender	Male	82	53
	Female	72	47

SOURCE: PRIMARY DATA

Interpretation:

53% of the respondents are male, 47% of the respondents are female, Majority of the respondents are male.

Gender of Respondents

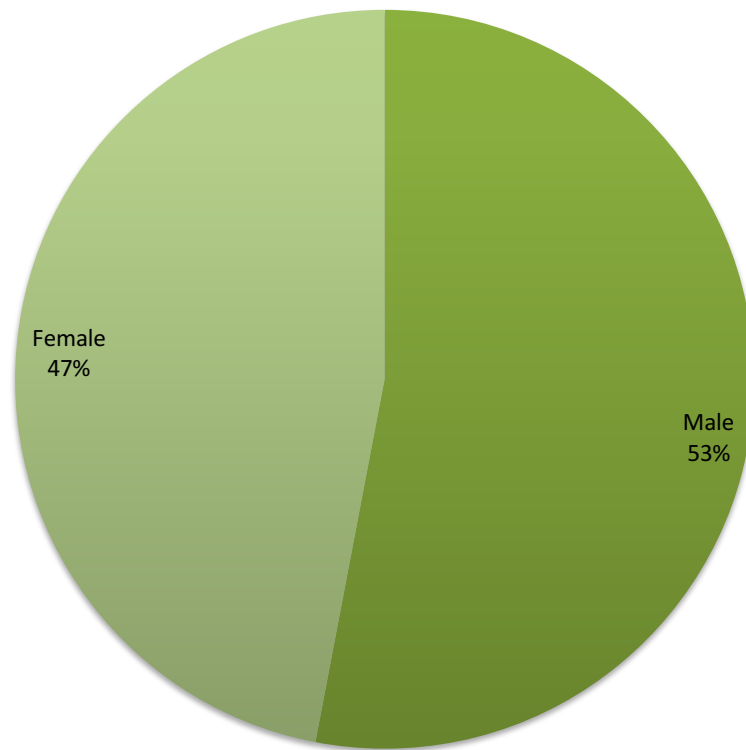


Fig 4.1 Chart depicting Gender of Respondents

4.1.2. Age Profile

Percentage Analysis is used to analyse the age of respondents and it have been interpreted in Table 4.2 which displays the Frequency and Percentage of Age of Respondents.

Table4.2 Frequency analysis of Age

Factors		Frequency	Percentile
Age	18-30	36	23
	31-40	35	23
	41-60	67	44
	Above 60	16	10

SOURCE: PRIMARY DATA

Interpretation:

23% of the respondents belonged to age group of 18-30, 23% of the respondents belong to the 31-40 age group. 44% of the respondents are aged between 41 and 60. 10% of respondents ages above 60 years. Majority of the respondents were from the age group of 41 to 60

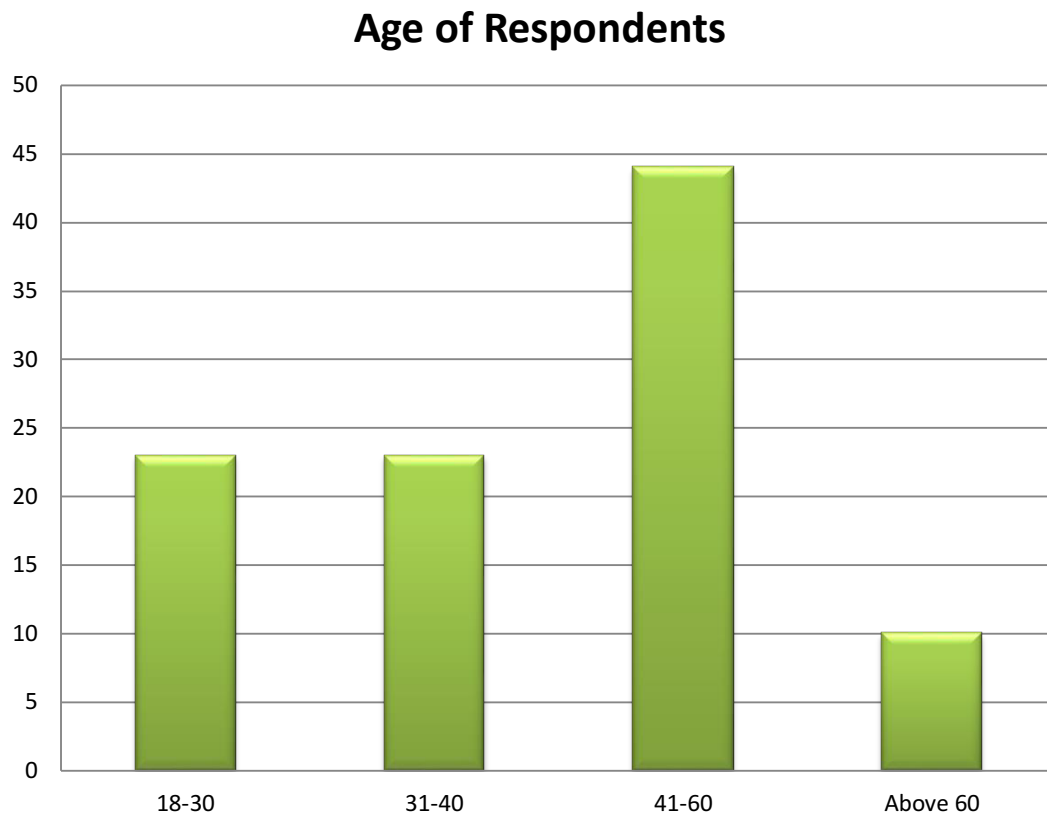


Fig 4.2 Chart depicting Age of respondents

4.1.3 Educational Qualification Profile

Percentage Analysis is used to analyse the educational qualification of respondents and it have been interpreted in Table 4.3 which displays the Frequency and Percentage of Educational Qualification of Respondents.

Table 4.3 Frequency Analysis of Educational Qualification

Factors		Frequency	Percentile
Educational Qualification	School	8	5
	Under Graduate	22	14
	Post Graduate	61	40
	Others	63	41

SOURCE: PRIMARY DATA

Interpretation:

5% of the respondents have minimum school education, 14% of the respondents are Graduates, 40% of the respondents are Post Graduates, 41% belong to others. Majority of the respondents belong to others category.

Educational Qualification

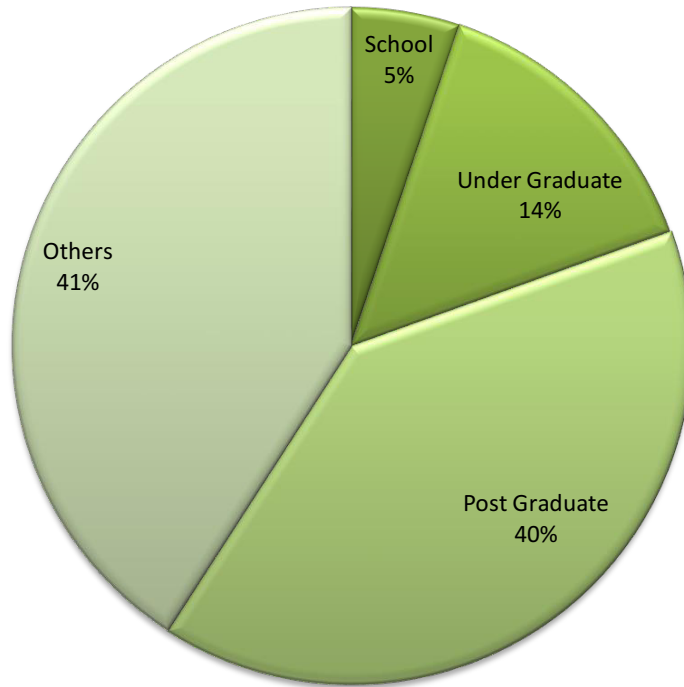


Fig 4.3 Chart depicting Educational Qualification of Respondents

4.1.4 Employment Profile

Percentage Analysis is used to analyse the employment level of respondents and it have been interpreted in Table 4.4 which displays the Frequency and Percentage of Occupation of Respondents.

Table 4.4 Frequency analysis of Nature Of Employment

Factors		Frequency	Percentile
Employment	Business	32	21
	Profession	51	33
	Self Employment	50	32
	Service	12	8
	Non Govt. organisation		
	Govt organisation	9	6

SOURCE: PRIMARY DATA

Interpretation:

21% of the respondents are from business background. 33% of the respondents employment involve profession. 32% of the respondents are self employed.8% of the respondents provide service in Private organisations, 6% of the respondents provide service in Public organisations, Majority of the respondents belong to Profession category.

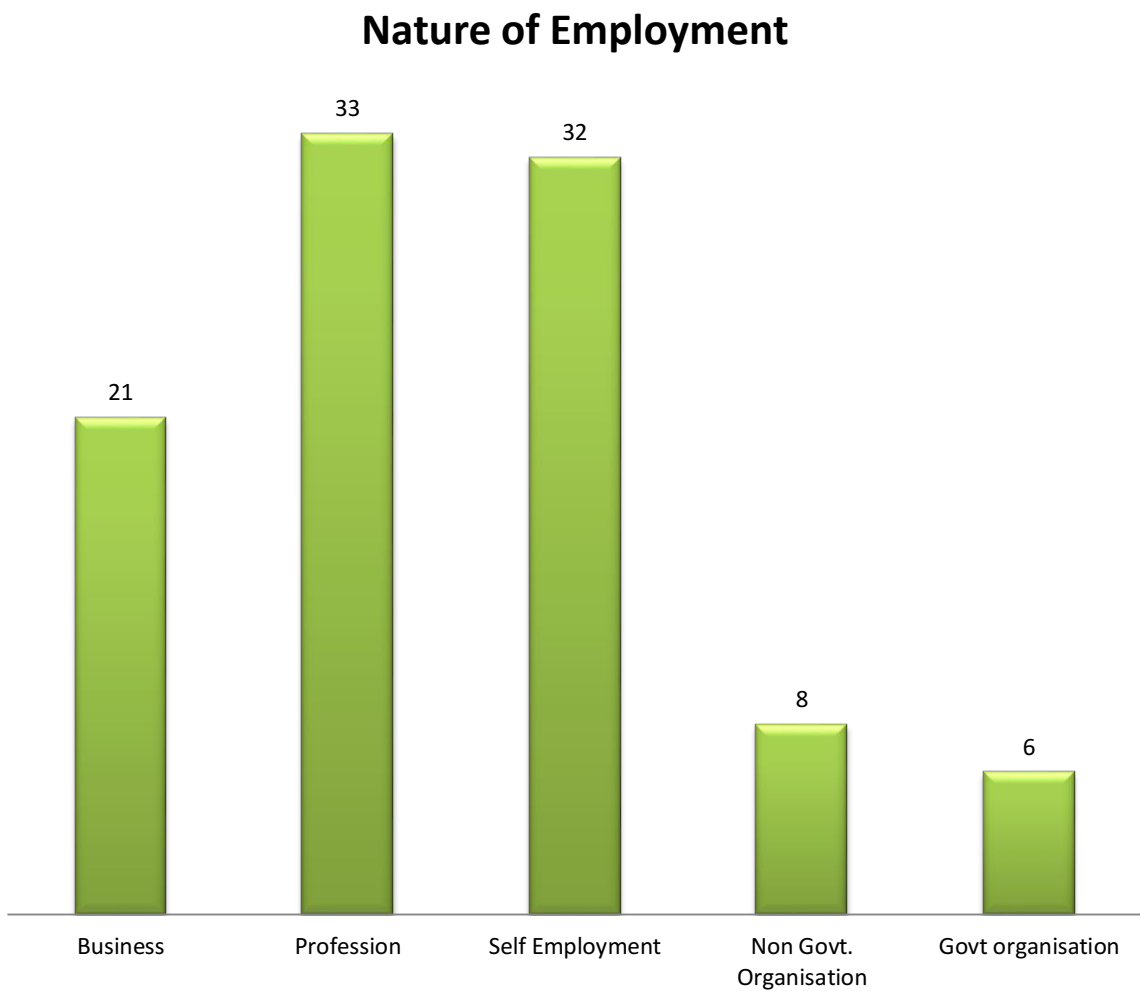


Fig 4.4 Chart depicting Nature of Employment of respondents

4.1.5 Annual Income Profile

Percentage Analysis is used to analyse the annual income of and it have been interpreted in Table 4.5 which displays the Frequency and Percentage of Annual Income of Respondents.

Table 4.5 Frequency Analysis of Annual Income

Factors		Frequency	Percentile
Income Level	Below 2.5 Lakh Rupees	11	7
	2.5 to 5 Lakh Rupees	16	10
	5 to 10 Lakh Rupees	60	39
	Above 10 Lakh Rupees	67	44

SOURCE: PRIMARY DATA

Interpretation:

7% of the respondents earn below 2.5 lakh rupees p.a , 10% of the respondents earn between 2.5-5 lakh rupees p.a, 39% of the respondents earn between 5-10 lakh rupees p.a. 44% of the respondents earn above 10 lakh rupees p.a. Majority of the respondents earn more than 10 lakh rupees in a year.

Annual Income of Respondents

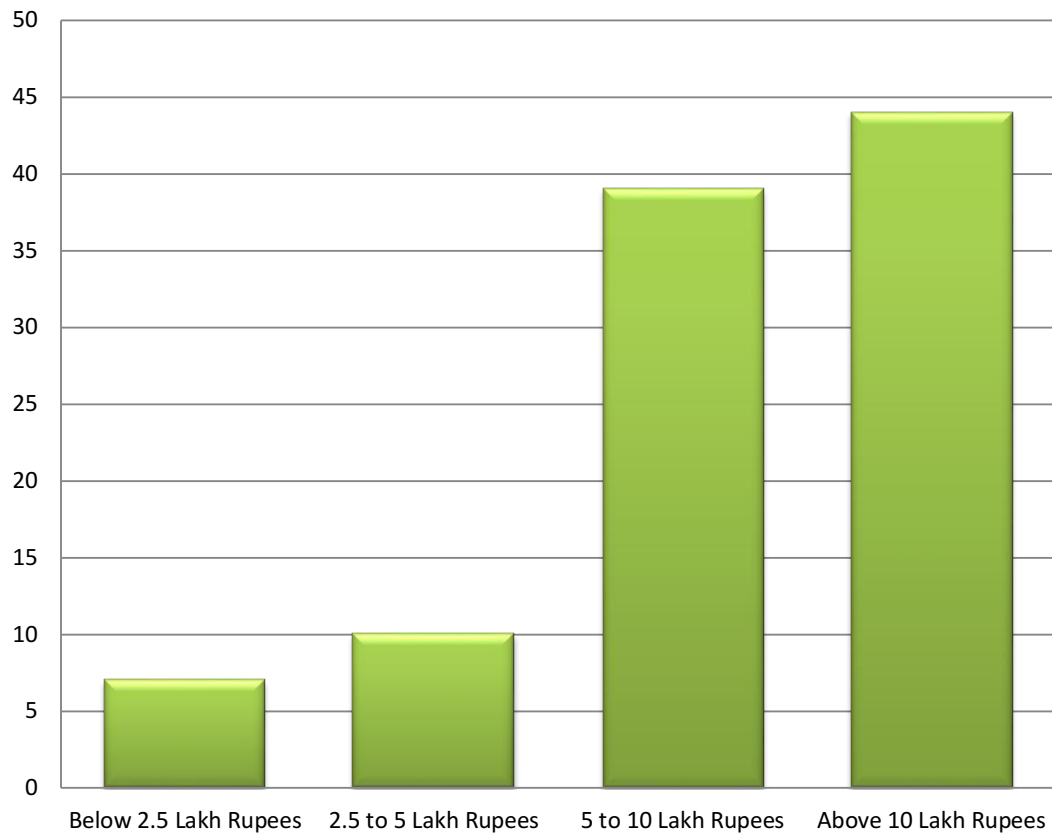


Fig 4.5 Chart depicting Annual Income of Respondents

4.1.6 Objectives for choice of investment option

Percentage Analysis is used to analyse the level of factors affecting the preference of investment option and it have been interpreted in Table 4.6 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.6 Objectives for choice of investment

Objective	Frequency	Percentage
Good return & Fixed Income	43	28
Capital gain & Current Income	24	16
Future Security	47	30
Liquidity	40	26

SOURCE: PRIMARY DATA

Interpretation:

28% of the respondents invest expecting a Good return & Fixed income on their Investment. 16% of the respondents objective is Capital Gain & Current Income . 30% of the respondents invest expecting future security. 26% of the respondents subjective is liquidity. Majority of the respondents objective is Future security.

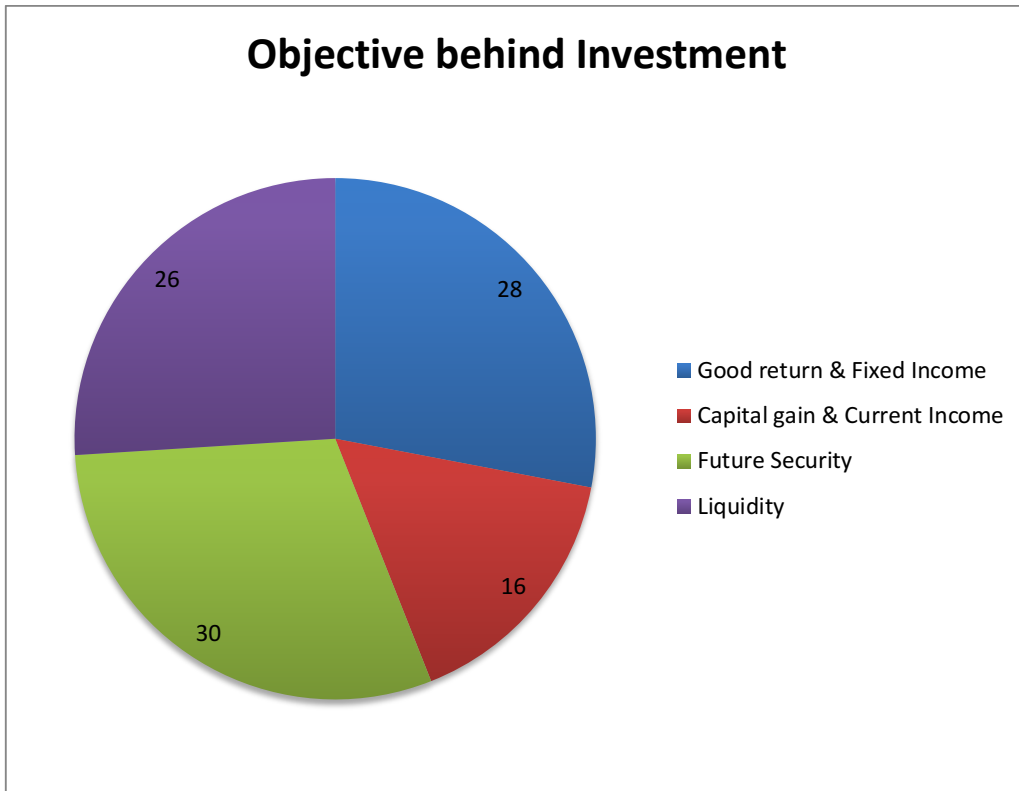


Fig4.6 Chart depicting Objective behind Choice Of Investment

4.1.7 Investment Preferences

Percentage Analysis is used to analyse the Investment preferences of Investors and it have been interpreted in Table 4.7 which displays the Percentage of the Investment Preferences of the Respondents.

Table 4.7 Investment Preferences

INVESTMENT	Percentage
Shares	13
Bonds	8
Debentures	7
Real estate	10
Valuable metal	13
Postal savings	8
Fixed Deposits	
Bank deposits	13
Govt Company Deposits	5
Non Govt Company Deposits	5
Mutual Funds	
Growth Fund	7
Fixed Income fund	6
Balanced income fund	5

SOURCE: PRIMARY DATA

Interpretation:

13% of respondents have invested in Shares, 8% of the respondents have invested in Bonds, 7% of the respondents have invested in Debentures, 10% of the respondents have invested in Real Estate, 13% of the respondents have invested in Valuable Metals, 8% of the respondents have invested in Postal savings, 13% of the respondents have invested in Bank Deposits, 6% of the respondents have invested in Govt. Company Deposits, 5% of the respondents have invested in Non Govt. company Deposits, 7% of the Respondents have invested in Growth Income Mutual Fund, 6% of the respondents have in Fixed Income Funds, 5% of the respondents have invested in Balanced Income funds.

The most no of investments is in Shares, Valuable metals, Bank deposits, the least number of investments are in Balanced Income Mutual Funds.

INVESTMENT PREFERENCES

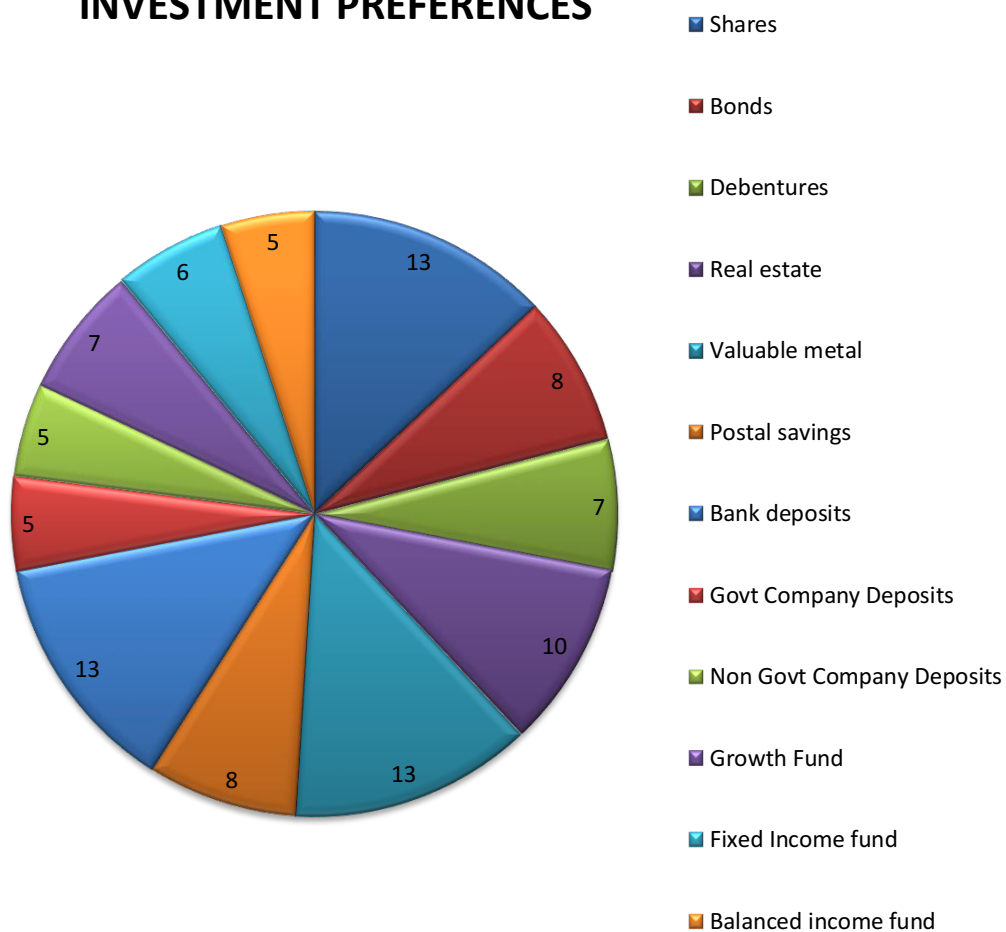


Fig 4.7 Chart depicting Investment Preferences of Respondents

4.1.8 Satisfaction Level of Investors

Percentage Analysis is used to analyse the satisfaction level of investors and it have been interpreted in Table 4.8 which displays the Frequency and Percentage of Factors affecting Investment Preferences of the Respondents.

Table 4.8 Satisfaction Level of Investors

Level of Satisfaction	Frequency	Percentage
Most Satisfactory	53	38
Satisfactory	56	39
Neutral	30	21
Disappointing	15	2

SOURCE: PRIMARY DATA

Interpretation:

39% of the respondents are Satisfactory with their Investments, 38% of the respondents are most satisfactory with their Investments. 21% of the respondents feel neutral with their Investments, 2% of the respondents are disappointed with their Investments. Around 40% of the respondents are highly satisfied with their Investments.

Satisfaction Level Of Investors

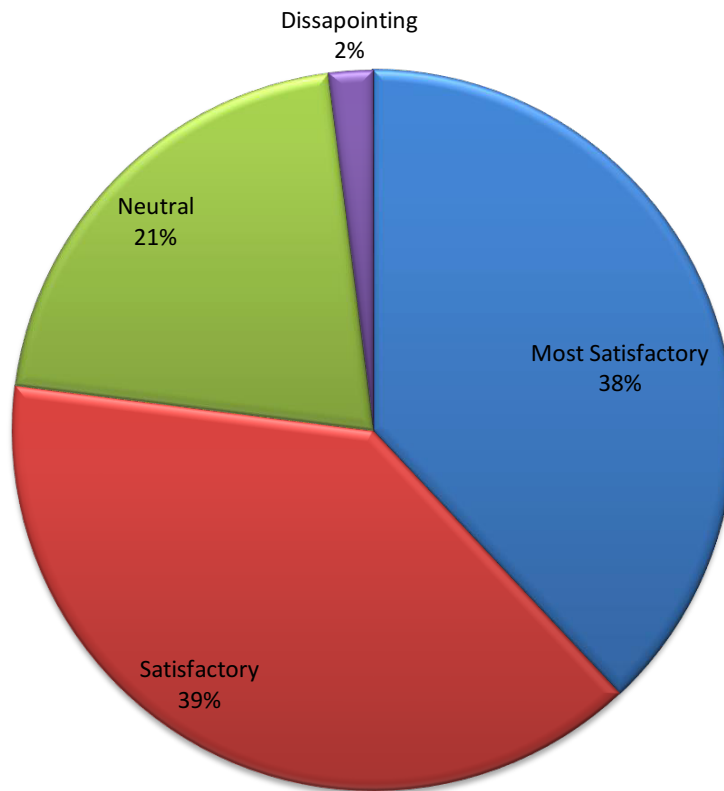


Fig 4.8 Chart depicting Satisfaction Level Of Investors

4.2 WEIGHTED AVERAGE ANALYSIS

4.2.1 Source of Knowledge Of Investors

Weighted average analysis have been performed and weights have been assigned to the various sources available to Investors in Table 4.9 below

Table 4.9 Weighted Average Analysis to Source of Investment Information

Source of Knowledge	Mean	Rank
Internet	2.36	1
News Paper	2.21	2
Friends & Family	2.05	3
News Channels	1.76	4
Books	1.52	5

SOURCE: PRIMARY DATA

Interpretation:

The first main source of knowledge for Investment is Internet source with a mean of 2.36 followed by News paper sources with a mean of 2.21 which is followed by sources from Friends & family with a mean of 2.05. The least sources of knowledge include News Channel with a mean of 1.76 followed by source from books with a mean of 1.52. The main source of knowledge regarding Investment comes from Internet Sources

Source of Knowledge Of Investors

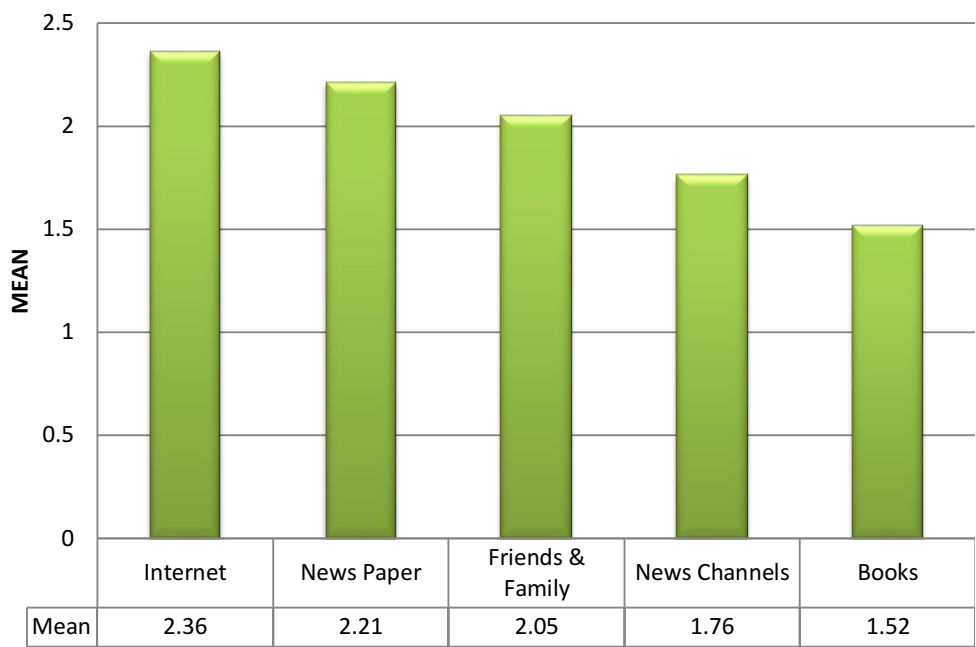


Fig 4.9 Chart depicting Source of Knowledge Of Investors

4.3 T TEST ANALYSIS FOR GENDER

H₀: Gender of investors does not exert influence over investors choice of investment avenues in Chennai city

H₁: Gender of investors does exert influence over investors choice of investment avenues in Chennai city

Table 4.10 T Test Analysis for Gender

VARIABLES	Gender		F VALUE	P VALUE	Significance level
	MALE (Mean)	FEMALE(Mean)			
Shares	2.71	2.58	3.965	0.048	Significant**
Bonds	2.32	2.38	0.162	0.205	Not Significant
Debentures	2.28	2.21	1.227	0.270	Not Significant
Valuable metals	2.58	2.69	10.301	<0.001	Significant**
Real Estate	2.48	2.56	7.388	0.007	Significant**
Postal Savings	2.37	2.38	5.310	0.022	Significant**
Fixed deposits	7.06	7.04	0.114	0.996	Not Significant
Mutual Fund	6.71	6.64	0.209	0.648	Not Significant

****The level of significance is tested at 0.05**

Interpretation :

Accept H_0 ;

Since the p value is greater than 0.05 for the investment preferences of Bonds, Debentures, Fixed deposits, Mutual funds we accept H_0 for these options. There is no significant influence of Gender of respondents over investors' choice of investment avenues in Chennai city

Reject H_0 ;

Since the p value is lesser than 0.05 for the investment preferences Shares, Valuable metals, Postal savings, Real estate we reject H_0 for these options. There is significant influence of Gender of respondents over investors' choice of investment avenues in Chennai city

Inference:

There is significant influence of Gender over choice of Investment with respect to Shares, Valuable Metals, Postal Savings, Real Estate.

4.4 ONE WAY ANOVA ANALYSIS

4.4.1 ONE WAY ANOVA FOR AGE & PREFERENCE OF INVESTMENT AVENUE

H₀: Age of investors does not exert influence over investors choice of investment avenues in Chennai city

H₁: Age of investors does exert influence over investors choice of investment avenues in Chennai city

Table 4.11 One way ANOVA for Age & Preference of Investment Avenue

Factors	AGE				F VALUE	P VALUE	Significance Level
	18-30 (Mean)	31-40 (Mean)	41-60 (Mean)	60 & above (Mean)			
Shares	2.36	2.74	2.72	2.81	4.103	0.008	Significant**
Bonds	2.19	2.43	2.31	2.63	1.850	0.141	Not Significant
Debentures	2.14	2.23	2.19	2.75	3.435	0.019	Significant**
Real Estate	2.25	2.51	2.57	2.88	4.146	0.007	Significant**
Valuable metals	2.56	2.63	2.64	2.88	1.055	0.370	Not Significant
Postal savings	2.31	2.40	2.34	2.56	0.631	0.596	Not Significant
Fixed deposits	6.69	6.71	6.64	6.94	4.292	0.006	Significant**
Mutual funds	7.08	6.97	6.82	7.12	0.161	0.992	Not Significant

****The level of significance is tested at 0.05**

Interpretation:

Accept H_0 ;

Since the p value is greater than 0.05 for the investment preferences of Bonds, Valuable metals, Postal savings, Mutual funds we accept H_0 for these options. There is no significant influence of Age of respondents over investors' choice of investment avenues in Chennai city

Reject H_0 ;

Since the p value is lesser than 0.05 for the investment preferences shares, debentures, Postal savings, Real estate, Fixed deposits we reject H_0 for these options. There is significant influence of Age of respondents over investors' choice of investment avenues in Chennai city

Inference:

Age exerts significant influence over choice of Shares, Debentures, Real estate, Fixed Deposits as Investment preferences

4.4.2 ANOVA RESULTS FOR EDUCATIONAL QUALIFICATION

H_0 : Educational Qualification of investors does not exert influence over investors choice of investment avenues in Chennai city

H_1 : Educational Qualification of investors does exert influence over investors choice of investment avenues in Chennai city

Table 4.12 One way ANOVA for Educational Qualification & Preference of Investment Avenue

Factors	EDUCATIONAL QUALIFICATION				F VALUE	P VALUE	Significance Level
	School (Mean)	Graduate (Mean)	Post graduate (Mean)	Others (Mean)			
Shares	2.25	2.36	2.82	2.63	5.035	0.002	Significant**
Bonds	2.25	2.05	2.48	2.23	2.428	0.068	Not Significant

Debentures	2.25	2.09	2.28	2.30	1.120	0.343	Not Significant
Real Estate	2.75	2.18	2.56	2.56	2.608	0.054	Significant**
Valuable metals	2.75	2.59	2.70	2.59	0.550	0.662	Not Significant
Postal Savings	2.38	2.27	2.30	2.48	0.975	0.406	Not Significant
Fixed deposits	6.75	6.95	7.01	7.15	0.988	0.401	Not Significant
Mutual funds	6.50	6.36	6.61	6.94	0.310	0.818	Not Significant

****The level of significance is tested at 0.05**

Interpretation :

Accept H_0 ;

Since the p value is greater than 0.05 for the investment preferences of Debentures, Bonds, Valuable metals, Postal savings, Fixed deposits, Mutual funds we accept H_0 for these options. There is no significant influence of educational qualification of respondents over investors' choice of investment avenues in Chennai city

Reject H_0 ;

Since the p value is lesser than 0.05 for the investment preferences shares, Real estate. we reject H_0 for these options. There is significant influence of educational qualification of respondents over investors' choice of investment avenues in Chennai city

Inference:

Educational qualification exerts significant influence over Shares, Real estate as investment preference

4.4.3 ANOVA RESULTS FOR INCOME LEVELS

H₀: Income of investors does not exert influence over investors choice of investment avenues in Chennai city

H₁: Income of investors does exert influence over investors choice of investment avenues in Chennai city

Table 4.13 One way ANOVA for Income Levels & Preference of Investment Avenue

Factors	INCOME LEVELS				F VALUE	P VALUE	Significance Level
	Below 2.5 lakhs p.a (Mean)	2.5 lakhs -5 lakhs p.a (Mean)	5 lakhs- 10 lakhs p.a (Mean)	Above 10 lakhs p.a (Mean)			
Shares	2.45	2.19	2.65	2.79	5.404	0.001	Significant**
Bonds	2.27	2.19	2.33	2.27	0.520	0.669	Not Significant
Debentures	2.27	1.94	2.22	2.34	1.574	0.198	Not Significant
Real Estate	2.82	2.25	2.32	2.70	6.132	<0.01	Significant**
Valuable metals	2.73	2.69	2.45	2.79	3.699	0.014	Significant**
Postal Savings	2.45	2.38	2.30	2.42	0.403	0.751	Not Significant
Fixed deposits	7.01	6.31	6.68	6.76	0.522	0.688	Not Significant
Mutual funds	7.00	7.18	6.83	7.21	0.873	0.457	Not Significant

****The level of significance is tested at 0.05**

Interpretation:

Accept H_0 ;

Since the p value is greater than 0.05 for the investment preferences of Debentures, Bonds, Postal savings, Fixed deposits, Mutual funds we accept H_0 for these options. There is no significant influence of Income levels of respondents over investors' choice of investment avenues in Chennai city

Reject H_0 ;

Since the p value is lesser than 0.05 for the investment preferences shares, Valuable metals, Real estate. we reject H_0 for these options. There is significant influence of Income levels of respondents over investors' choice of investment avenues in Chennai city

Inference:

Income Levels exert significant influence over investors' choice of investment avenues in Chennai city regarding Shares , Valuable metals, Real Estate.

4.4.4 ANOVA RESULTS FOR NATURE OF EMPLOYMENT

H_0 : Nature of Employment of investors does not exert influence over investors choice of investment avenues in Chennai city

H_1 : Nature of Employment of investors does exert influence over investors choice of investment avenues in Chennai city

Table 4.14 One way ANOVA for Nature of Employment & Preference of Investment Avenue

Factors	NATURE OF EMPLOYMENT				F VALUE	P VALUE	Significance Level
	BUSINESS (Mean)	PROFESSION (Mean)	SELF EMPLOYMENT (Mean)	SERVICE (Mean)			
Shares	2.75	2.65	2.56	2.71	0.777	0.508	Not Significant
Bonds	2.47	2.31	2.32	2.29	0.488	0.691	Not Significant
Debentures	2.44	2.10	2.28	2.24	1.671	0.176	Not Significant
Real Estate	2.59	2.31	2.60	2.67	2.618	0.053	Significant**
Valuable metals	2.66	2.63	2.58	2.81	0.732	0.534	Not Significant
Postal Savings	2.34	2.31	2.38	2.52	0.525	0.665	Not Significant
Fixed deposits	7.21	6.96	6.86	7.47	1.263	0.289	Not Significant
Mutual funds	6.90	6.37	6.80	6.95	1.254	0.292	Not Significant

****The level of significance is tested at 0.05**

Interpretation :

Accept H_0 ;

Since the p value is greater than 0.05 for the investment preferences of Debentures, Bonds, Postal savings, Fixed deposits, shares, Valuable metals,

Mutual funds we accept H_0 for these options. There is no significant influence of Nature of Employment of respondents over investors' choice of investment avenues in Chennai city

Reject H_0 ;

Since the p value is lesser than 0.05 for the investment preference Real estate. we reject H_0 for these options. There is significant influence of Nature of Employment of respondents over investors' choice of investment avenues in Chennai city

Inference:

Nature of employment exerts significant influence over the preference of Investors in the Investment options of Real Estate.

4.5 CORRELATION ANALYSIS BETWEEN ECONOMIC FACTORS AND CHOICE OF INVESTMENT AVENUES

H₀: There is no relation between political & economic factors and investment avenues

H₁: There is relation between political & economic factors and investment avenues

Table 4.15 Correlation Analysis between Investment Avenues & Economic Factors

	INVESTMENT AVENUES
ECONOMIC FACTORS	$r = .0.185^{**}$

****Correlation is significant at the 0.05 level.**

Interpretation:

The r value lies between -1 to +1. There is a positive relationship between the choice of investment avenues and political & Economic factors. Hence Reject H₀

There is a positive relation between political & economic factors and investment avenues

4.6 REGRESSION ANALYSIS BETWEEN ECONOMIC FACTORS AND INVESTMENT PREFERENCES

H₀: Political & economic factors do not impact investment preferences

H₁: Political & economic factors impact investment preferences

Table 4.16 Regression Analysis between Economic factors and Investment Preferences

ECONOMIC FACTORS	INVESTMENT PREFERENCE					
	R	R Square	Adjusted R Square	F Value	P Value	Significance level
	0.185	0.034	0.024	6.169	0.022	Significant**

***Significant at 0.05 level**

Interpretation:

The p value is lesser than 0.05 therefore Reject H₀. Political & economic factors impact investment preferences

CHAPTER-5

FINDINGS, SUGGESTIONS & CONCLUSIONS

5.1 FINDINGS

From the questionnaire the following points are to be noted:

- It was found that majority of the respondents are Male
- It was found that majority of the respondents are from the age group 41 to 60
- It was found that majority of the respondents belong to the others category.
- It was found that majority of the respondents belong to Profession category.
- It was found that majority of the respondents earn more than 10 lakh rupees in a year
- It was found that majority of the respondents objective is future security
- The most number of investments is in shares, the least is in balanced income mutual funds.
- Around 40 % of the respondents are highly satisfied with their investments.
- The main source of investment knowledge comes from Internet Sources.
- There is a significant influence of Gender over choice of investment with respect to Shares, Valuable Metals, Postal Savings, Real Estate.
- Age exerts influence over Shares, Debentures, Real Estate , Fixed Deposits, as investment preferences.
- Education exerts significant influence over Shares, Real estate as investment preferences.
- Income levels exert significant influence over investor's choice of investment avenues in Chennai City regarding Shares, Real estate, Valuable metals.
- Nature of employment exerts significant influence over the preference of investors in the investment options of Real estate.
- There is a positive impact between political and economic factors and investment avenues.

5.2 SUGGESTIONS

Portfolio diversification, Spreading money across main economic sectors in different investment avenues will help in a situation where there is a sudden change in political and economic environment. The proportions of such investments should depend on objectives and risk a person can accept.

Developing an investment strategy is a great way to tackle any unforeseen panic created by natural causes, like the kind of economic upheaval caused by COVID-19. Creating a strategy that is built upon analyzing the quality and diversification of investments (cutting risk), and structure and balance of portfolio will help in such cases.

For investors investing in stock market, stocks that have been paying dividends for five years or more are some of the safest investments a person can have. Dividends are a sign of quality and a company's financial health.

Monetary policies introduced by government can change and such changes can have a significant impact on every investor. But by being aware of the nuances of monetary policy, investors can position their investments in such a way to benefit from policy changes and boost their returns.

Investors should have a basic understanding of the various investment opportunities available in the market in order to invest their money in fruitful ventures. Investors should also possess knowledge on monetary policies, political and economic environment, as it can have a significant impact on their investment portfolios and net worth.

5.3 CONCLUSION

From analyzing the data collected, the factor affecting the preference of investment options by the investors in Chennai City have been identified. Various demographic factors such as age, education level, income level, employment, have been analyzed and it is concluded that demographic factors exert a significant influence over the preference of salaried class on various investment options. The level in which factors such as risk, return, safety, liquidity and affordability affecting the investment option preferred by the investors have been analyzed and it is concluded that the level of influence differ from one investment option to another significantly. The study shows that changes in the monetary policies, changes in the economic and political environment and situations caused due to unforeseen natural causes and lack of knowledge about investment avenues has considerable impact on the investment decisions made by an investor living in Chennai City.

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ANNEXURE

QUESTIONNAIRE:

1. AGE :
 - a. 18 – 30 years
 - b. 31 – 40 years
 - c. 41- 60 years
 - d. Above 60 years
2. GENDER :
 - a. MALE
 - b. FEMALE
3. EDUCATIONAL QUALIFICATION
 - a. SCHOOL
 - b. UNDER – GRADUATE
 - c. POST – GRADUATE
 - d. OTHER
4. NATURE OF EMPLOYMENT
 - a. BUSINESS
 - b. PROFESSION
 - c. SELF EMPLOYMENT
 - d. SERVICE
 - a. NON GOVERNMENT ORGANISATION
 - b. GOVERNMENT ORGANISATION
5. ANNUAL INCOME LEVEL
 - a. BELOW 2.5 LAKH RUPEES P.A
 - b. Rs. 2.5 lakh p.a – Rs. 5 lakh p.a
 - c. Rs. 5 lakhs p.a – Rs. 10 lakh p.a
 - d. Rs.10 lakh & above
6. WHAT PERCENTAGE OF SAVINGS DO YOU INVEST IN YOUR INVESTMENT PER MONTH
 - a. BELOW 5 %
 - b. 5 % TO 10 %
 - c. 10 % TO 20 %
 - d. 20% TO 30%
 - e. 30 % & above
7. DO YOU HAVE ADEQUATE KNOWLEDGE ABOUT THE VARIOUS INVESTMENT AVENUES PRESENT :
 - a. YES
 - b. NO

8. WHAT IS THE OBJECTIVE BEHIND YOUR SAVINGS
 - a. GOOD RETURN
 - b. FUTURE SECURITY
 - c. CAPITAL GAIN
 - d. LIQUIDITY
9. WHAT INVESTMENT AVENUE DO YOU CURRENTLY INVEST IN
 - a. SHARE MARKET (INVESTMENT IN COMPANY SHARES)
 - a. Share
 - b. Debenture
 - c. Bond
 - b. FIXED DEPOSIT
 - a. Bank deposit
 - b. Government company deposit
 - c. Non-government private company deposit
 - c. VALUABLE METALS (Gold, diamond, platinum etc.)
 - d. REAL ESTATE
 - e. POSTAL SAVINGS
 - f. MUTUAL FUNDS
 - a. Growth fund
 - b. Fixed income fund
 - c. Balanced income funds
10. WHICH TYPE OF INVESTMENTS INTEREST YOU :
 - a. SHORT – TERM INVESTMENTS
 - b. MEDIUM – TERM INVESTMENTS
 - c. LONG – TERM INVESTMENTS
11. HOW WILLING ARE YOU TO TAKE FINANCIAL RISKS :
 - a. RISK – FREE
 - b. UNDERTAKE MODERATE RISKS
 - c. HIGH RISK TAKER
12. WHAT ARE THE FACTORS THAT WILL INFLUENCE YOUR INVESTMENT DECISIONS :
 - a. SAFETY
 - b. INCOME
 - c. LIQUIDITY
 - d. CAPITAL GAIN
 - e. CURRENT INCOME AND CAPITAL INCREASE
13. HAS YOUR INVESTMENTS BEEN SATISFACTORY :
 - a. MOST SATISFACTORY
 - b. SATISFACTORY
 - c. NEUTRAL
 - d. DISAPPOINTING

14. WHICH ARE THE FACTORS THAT MIGHT INFLUENCE YOUR DECISION WHILE CONSIDERING THE FOLLOWING INVESTMENT AVENUES :

SHARE MARKET	RISK INVOLVED	RETURN FACTORS	LIQUIDITY	AFFORDABILITY	SAFETY PRINCIPLE
VALUABLE METALS					
REAL ESTATE					
POSTAL SAVINGS					
FIXED DEPOSITS					
MUTUAL FUNDS					

15. I INVEST IN INVESTMENT AVENUES WHICH ARE SAFE EVEN IF THEY YIELD LOW RETURN

- a. STRONGLY AGREE
- b. AGREE
- c. NEUTRAL
- d. DISAGREE
- e. STRONGLY DISAGREE

16. HOW OFTEN DO YOU GET OPPORTUNITIES TO INCREASE YOUR KNOWLEDGE ON VARIOUS INVESTMENT AVENUES :

- a. VERY FREQUENTLY
- b. FREQUENTLY
- c. NEVER

17. HOW LIKELY DOES THE FOLLOWING PROBLEMS AFFECT YOUR INVESTMENT DECISIONS :

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
POLITICAL AND ECONOMIC IMPACT					
NATURAL CAUSES					

LACK OF KNOWLEDGE					
GOVERNMENT POLICY CHANGES					

18. HOW OFTEN DO YOU INVEST IN YOUR PREFERRED INVESTMENT AVENUE :

- a. MONTHLY
- b. QUATERLY
- c. HALF YEARLY
- d. YEARLY

19. HOW OFTEN DO YOU MONITOR YOUR INVESTMENTS :

- a. DAILY
- b. WEEKLY
- c. EVERY FORTNIGHT
- d. MONTHLY

20. WHAT IS YOUR SOURCE OF INVESTMENT ADVICE :

- a. NEWSPAPERS
- b. NEWS CHANNELS
- c. INTERNET
- d. FAMILY OR FRIENDS
- e. BOOKS