

## A Study on Factors Determining Investment Behaviour of Salaried Women- With Special Reference to Chennai, India

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### ABSTRACT

*Investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. A variety of investment options are available such as bank, Gold, Real estate, post services, mutual funds & so on. Investors are investing their money with the different objectives such as profit, security, appreciation, Income stability. Researcher has studied the different avenues of investments as well as the factors while selecting the investment with the sample size of 40 salaried women employees by conducting the survey through questionnaire in Chennai, India. The study is based on personal interviews with salaried women employees, using a structured questionnaire. Actually, the present study identifies the preferred investment avenues among the individual investors using self assessment test. The study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analyzed using percentage, chi-square test, and Carl Pearson Correlation Coefficient with the help of statistical software. Respondents are aware about the investment avenues available in Chennai. This study has analyzed that salaried women employees consider the safety as well as good return on investment on regular basis.*

**Key Words:** Investments, profit, salaried women employees, savings pattern.

### INTRODUCTION

In India as a developing country face the enormous task of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of the vicious circle of poverty of low income, low saving, low investment, low employment etc. With high capital output ratio, India needs very high rates of investments to make leap forward in her efforts of attaining high levels of growth. Since the beginning of planning, the emphasis was on investment as the primary instruments of economic growth and increase in national income. In order to have production as per target, investment was considered the crucial determinant and capital formation had to be supported by appropriate volume of saving. Investment is the sacrifice of certain present value for the uncertain future reward. Investments are always interesting, challenging and rewarding. Generally where there is a high risk,

more rate of return is assured. Risk and reward go together. The major features of an investment are safety of principal amount, liquidity, income stability, appreciation and easy transferability. A variety of investment avenues are available such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. All the investors invest their surplus money in the above mentioned avenues based on their risk taking attitude.

**Salaried women Investors:** The respondent of research study consist only those people who earning fixed Income as salary so the study included only salaried group of women employees. The Investment pattern of the salaried women employees is different due to safety, regular flow of income, tax saving benefits, security, Retirement benefits rather than professionals & businessman.

**Investment Option Available:** In India there are lot many Investment avenues are available. The following figure is pretty self explanatory regarding investment options. Investments are

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broadly classified into five categories i.e. Equity, Debt, Real Estate, Commodities and Miscellaneous.

#### OBJECTIVES OF THE STUDY

1. To analyse the investment preferences of salaried women in selecting the securities.
2. To identify the source of motivation of salaried women employees.
3. To identify the factor influencing investment behaviour of the women employees.
4. To identify the problems faced by women investors.

#### REVIEW OF LITERATURE

##### V.R.Palanivelu

**&K.Chandrakumar(2013)** examined the Investment choices of salaried class in Namakkal Taluk, Chennai, 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.

**Avinash Kumar Singh (2006)** the study analyzed the investment pattern of people in Bangalore city and Bhubaneswar & analysis of the study was undertaken with the help of survey method. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment avenues & the risk associated with that. All the age groups give more important to invest in equity & except people those who are above 50 give important to insurance, fixed deposits and tax saving benefits.

**Karthikeyan (2001)** has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisan vikas patra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and the Overall Score Confirmed that the level of awareness among investors in the old

age group was higher than in those of young age group.

**Sandhu and Singh (2004)** The study was based on structured primary data. The survey was conducted during October and November 2002. The sample of 50 adopters and 50 non-adopters from the universe comprising the city of Amritsar was selected. The study analyzed in case of adopters that transparency, safety, convenience and economy judged as an important feature of net trading followed by market quality and liquidity whereas in case of non-adopters economy and convenience were the important features followed by the other factors like market quality, safety and liquidity.

##### SIGNIFICANCE OF THE STUDY

Salaried women employees have fix flow of income & their investments patterns are also different. In connection with this Researcher will try to find out investment behaviour of investors in Chennai. It will helpful to understand the investment preferences of investors. The study will also throw a light on the awareness of the investments avenues available in India. The research paper will become the helping hand to the research scholars as well as students for their further studies there in respective area.

##### RESEARCH METHODOLOGY

###### RESEARCH DESIGN

The present study involves the primary and secondary information. The responses to structured questionnaire will be collated with the help of SPSS package. The study is based on the data collected from individual investors in Chennai. The sampling technique followed in this study is probability sampling. Simple random techniques are used to select the respondent from the available database. Accordingly the researcher has selected 40 women investors in the study area.

**STATISTICAL TOOLS:** Chi square test and Person Correlation Coefficient are used in analyzing the data.

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**HYPOTHESIS**

**Hypothesis 1** - There is a significant difference between Age and level of awareness about the Investments.

**Hypothesis 2**- There is significant relationship between the income level & awareness of the Investments.

**Hypothesis 3**- Education qualification affects on the selection of investment avenues

**ANALYSIS**

**Awareness About The Investment Avenues:** A survey was made among the respondents about their knowledge on various investment avenues and the result of that have been presented in the following table

**Awareness about the Investment Avenues**

Sr. No	Awareness about Investment Avenues in India	No. of Respondents	Percentages (%)
01	Yes	24	60
02	No	16	40
<b>Total</b>		40	100.00

Above table shows that out of 40 investors 60% are aware about the investment avenues whereas 40% are unaware.

**“There is a significant difference relationship between Gender and the investment awareness level”.**

OBSERVED FREQUENCY

**HYPOTHESIS 1:**

Age	Awareness	Not Awareness	Total
Age between 25-40	20	13	33
Age More Than 40	4	3	07
<b>Total</b>	24	16	40

Sources: Primary Data

is concluded that “There is a relationship between the sex & the

**CHI SQUARE TEST**

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
20	19.8	0.	0.04	0.0020
13	13.2	-0.2	0.04	0.0030
04	4.2	-0.2	0.04	0.0095
03	1.2	1.8	3.24	2.7
<b>Total</b>				2.71

**INFERENCE:**

With 1 degrees of freedom and 5% level of significance is 3.841 the calculate value (2.71) is less than the table value so, Null hypothesis is rejected. Hence it

investment awareness level.

**HYPOTHESIS 2:** “There is significant relationship between the income level & awareness of the investments”.

Sr. No	Income	Awareness	No Awareness	Total
01	100000 – 250000	02	03	05
02	250000-400000	08	04	12
03	400000-550000	05	01	06
04	550000& above	08	09	17
<b>Total</b>		23	17	40

Sources: Primary Data

**CHI-SQUARE TEST**

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
02	2.875	-0.88	0.77	0.268
03	1.275	1.72	3.96	2.321
08	6.9	1.1	1.21	0.175

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04	5.1	-1.1	1.21	0.237
05	3.45	1.65	2.40	0.695
01	2.55	-1.55	2.40	0.941
08	4.6	3.4	11.56	2.51
09	3.825	5.18	26.83	7.01
Total				14.157

**INFERENCE:**

3 Degree of freedom 5% significance level is 7.815 & the calculated value is 14.157 is more than table value so hypothesis is rejected. From the above analysis it is concluded that there is no

significance relationship between income level & awareness of investments.

**HYPOTHESIS 3:**

'Education qualification affects on the awareness of investment avenues

Sr. No	YES/NO	No. of Respondents	Percentages (%)
01	Yes	23	58
02	No	17	42
Total		40	100.00

**Pearson Correlation Coefficient:**

X Values	Y Values	X and Y Combined	R Calculation
$\Sigma = 55$	$\Sigma = 55$	$N = 39$	$r = \frac{\Sigma((X - M_x)(Y - M_y))}{\sqrt{(\Sigma S_x)(\Sigma S_y)}}$
Mean = 1.41	Mean = 1.41	-	$r = 1.436 / \sqrt{(9.436)(9.436)} = 0.1522$
$\Sigma(X - M_x)^2 = \Sigma S_x = 9.436$	$\Sigma(Y - M_y)^2 = \Sigma S_y = 9.436$	$\Sigma(X - M_x)(Y - M_y) = 1.436$	Meta Numerics (cross-check) $r = 0.1522$

**INFERENCE:** Pearson Correlation Coefficient method is used for finding out the relationship between the variables. There is a positive correlation but the relationship between the variables is weak. The value of R<sup>2</sup>, the

coefficient of determination, is 0.0232 hence the hypothesis is rejected.

**Factors Influencing While Selecting Investment Avenues.** There are various elements that influence the investors to make investments in particular securities.

**Factors Influencing While Selecting Investment Avenues:**

Sr.no	Factors	No. of Respondents	Percentage
01	Safety	31	32.29
02	Liquidity	18	18.75
03	Tax Saving	24	25
04	Diversification	09	9.37
05	Simplicity	06	6.25
06	Affordability	08	8.33
Total		96	100

**Source: Primary Data**

The above table shows that 32.29 percentages of the respondents are to invest their money in particular investment for the purpose of safety. 25

percentages of the respondents are to invest their money in tax saving scheme. 18.75 percentages of the respondents invest their money for

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liquidity, 9.37, 8.33, 6.25 percentages of respondents invests their money in

diversification, affordability, simplicity respectively.

#### Objectives of the Investment:

Sr. No	Objectives	No. of Respondents	Percentage
01	Future Security	29	30.52
02	Good returns	19	20
03	Liquidity	07	7.36
04	Capital Appreciation	10	10.52
05	Tax savings	14	14.73
06	Children career	13	13.68
07	Other	03	3.15
<b>Total</b>		<b>95</b>	<b>100</b>

#### Source: Primary Data

The above table shows that 30.52 percentage of respondents investing in different avenues with the objective of future security. 20 percentages of respondents are investing for good return on their investment followed by

14.73 percentage respondents in tax saving schemes & remaining 13.68, 10.52, 7.36, 3.15 percentages of respondents are investing in Children career, Capital Appreciation, Liquidity, Other respectively.

#### Source of Motivation:

Sr. No	Sources	No. of Respondents	Percentage
01	Self Awareness	35	59.32
02	Financial Advisor	4	6.77
03	Broker's Advisor	3	5.08
04	Friends or relative	13	22
05	Media	04	6.77
<b>Total</b>		<b>59</b>	<b>100</b>

#### Source: Primary Data

The above table shows that 59.32 percentages of the respondents have their own source of motivation i.e. self awareness. The second source of motivation of respondents is friends and

relatives as the percentage is 22. Third source of motivation are financial advisor & Media as the Percentages are same i.e.6.77. 5.08percentages of respondents have the source of motivation through Broker's Advise.

#### Investment Preferences

Sr.No	Options	No. of Respondents	Percentage
01	Stock Market	28	10
02	Bank Deposit	39	13.44
03	Real Estate	35	12
04	Mutual Fund	24	8.2
05	Metals	32	11
06	Commodity	27	9.31
07	Insurance	33	11.37
08	Tax saving Schemes	33	11.37
09	Debt market	29	10
10	Others	10	3.45
<b>Total</b>		<b>290</b>	<b>100</b>

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The Above table shows that 13.44 percentages of investors are investing in Bank deposit as well as 12 percentage investors investing in real estate. Third preference is given by investors to Insurance & Tax saving scheme as percentage are 11.37 followed by metals, debt market, mutual fund, others.

#### FINDINGS

1. In the study the researcher has investigated 40 respondents of Chennai city & it reveals that 60% Investors are aware about the investment avenues whereas 40% are unaware.
2. The researcher used 'CHI-SQUARE' method for hypothesis testing & found that there is no relationship between the income level & awareness of investment avenues.
3. The researcher used ' Pearson Correlation Coefficient' method for hypothesis testing & found that there is no relationship between Educational qualification & awareness of investment avenues so hypothesis is rejected.
4. Safety is the major factor while doing investments as 32.29 percentages of the respondents are investing their money due to safety & 25 percentages of the respondents are investing their money in tax saving scheme for tax benefit purpose.
5. The main objectives of investors are future security followed by good return on investments as percentages are 30.52 & 20 respectively.
6. The researcher found that self awareness is the main source of investment as percentage is 59.32.
7. Bank deposit is the first preference given by the

investors for investment as the percentage is 13.44.

#### CONCLUSION

The study on preferred investment avenues among salaried women has been undertaken with the key objectives such as to find preferred investment avenues & also to know the awareness level of investors. Analysis of the study was undertaken with the help of survey conducted. After the analysis & interpretation of data it is concluded that Investors are aware about investment avenues available in India but still investors are preferred to invest in bank deposit, real estate, metals(Gold).The data analysis reveals that the safety is important factor while doing investment so remaining avenues are less considerable while doing investment by investors. Awareness programmes has to be conducted by stock broking firms, because most of the respondents are thinking these avenues are loss making & having no good return on it. '**No Pain No gain**' is the best principle of investment management and salaried investors are following this principle only. Hence the researchers have concluded that most of the investors prefer secured regular income on investment in the study Area.

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