

A STUDY ON INVESTMENT PREFERENCE OF SALARIED CLASS IN BENGALURU CITY

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Abstract: Investment perception is complicated because of the personal perspective of investments. In the modern world, our economy is fortunate to have many avenues for investment. Each of these options has unique characteristics as well as advantages and disadvantages. People base their investment selections on analysing all the investing criteria, including risk, return, time horizon, taxability, and several other essential aspects of various routes.

The goal of the current study is to learn more about the preferred investment alternatives and how well-salaried classes view the different investment options that are accessible. With the use of the Convenient Sampling Technique, data from the working class in Bengaluru city of various industries were gathered. The study's findings will help us better understand how the working class in Bengaluru city sees various investment avenues.

Key words: Investment Perception, Investment Avenues, Motivational Factors, Factors of Perception.

INTRODUCTION:

Investment is used to describe the use of money with the intention of making a profit. Is it possible to gain potential benefits by using money saved from current consumption? Therefore, generating revenue through a waiting constitutes a reward. Saving is therefore the first step toward investing. Saving frequently implies distributing money by making deposits into and investments in well-known financial plans.

Savings are frequently utilized to reduce costs, save money, or save people. The process of setting money away for use in the future, typically through investing, is called saving. Savings are different from investment, which is putting money at risk. Return, risk, and time are the three primary determinants of every investment.

Savings: Savings are an unallocated income or sum of money. The former provides a source offunding or the latter, which is related to tangible investments. It is also the sum that is left overafter subtracting an individual's expenditures from their total income during a certain time.

CLASSIFICAION OF INVESTMENT

- Financial investment: Consider of financial resources as an asset that you may use to increase your income or the worth of your investment overall. Safety, profitability, risk levels differ among investment assets. Bonds, stocks, mutual funds, and bank deposits.
- Economic investment: Net increase in the capital account of the organization. Investment in specific goods and services that are employed in the production of various goods and offers. Building, tool, and inventory examples.

INVESTMENT AVENUES

Different Investment avenues can be broadly categories under the different heads. Equity, Debt, Mutual Funds, Debentures, Fixed Deposits, Post office Savings, Public Provident Fund, Real Estate, Life Insurance, Gold/Silver/Others.

STATEMENT OF THE PROBLEM

This study tries to deliver insight on the choices made by investors. It also helps in interpretingtheir behaviour and drawing inferences from the pattern. The method of depositing the money in the form of savings and financing has evolved with the growth of new economic products in the market. The traders in the market are responsible for making the decision to make an investment. As most customers are ones living in luxury areas, it is crucial to discuss them. It is vital to remember the reasons behind people's enthusiasm for investing and their degree of concentration. If the various financial & investment firms can find the answers to those questions, they will be able to have a better understanding of their target audience of investors and may be better equipped to meet their needs.

OBJECTIVES OF THE STUDY

- To analyse the investment pattern of individuals and demographic factors like age, savings, current financial position, objective and liquidity affect it.
- To evaluate an individual person's awareness of financial investment products.
- To find out the reasons of investment by employees, preferred investment avenues, considerable factors of invest and difficulties faced by them in making investment.
- To study the investment behaviour of employees such as their risk-taking ability, type of investment preferred, expected return on investment.

REVIEW OF LITERATURE:

Gandhi & Raval, (2021), "A Study of The Impact of Corona Lockdown on Investment Behaviour of People in Gujarat State", The current study examines how investors behaved during the lockdown caused by the Corona outbreak. People were unable to conduct normal economic operations like business, jobs, or professions due to the nationwide lockdown, which had a significant impact on their regular earnings whether they were engaged in small-scale or large-scale enterprises. The study's goals are to determine how the respondents' income is affected by the lockdown brought on by Corona. to evaluate how the respondents' investments were affected by the lockdown brought on by Corona.

Gurbaxani & Gupte, (2021), "A Study on the Impact of COVID-19 on Investor Behaviour of Individuals in a Small Town in the State of Madhya Pradesh, India", To comprehend how the COVID-19 epidemic has affected financial and economic choices made by people in rural areas of developing countries like India. The methodology of a literature study on COVID-19 and the actions done by the government to combat the pandemic was conducted. To ascertain the effect of COVID-19 on people's financial transactions in Madhya Pradesh, a sample survey was carried out (MP).

Mercy Silvester & Vijayakumar Gajendran, (2020), "A study on investment behaviour of working women in Chennai city", The goal of the study is to evaluate how working women in Chennai City use their money. The research's goals are to examine the level of investment avenue awareness among working women in the study area. to ascertain the degree of investment avenue awareness among the research area's working women in the public and private sectors. to investigate the relationship between annual income and investment among the study's working women.

Sanjeevni Gangwani, (2020), "Investment Behaviour of Working Women in India", Working women desire financial security and independence. To deal with difficult circumstances at whatever point of their lives, they wish to invest their money and savings. This research project is focused on an examination of working women's financial decisions in India. In India, the study looked at working women in the public and private sectors. 200 respondents were given a structured questionnaire to complete in order to gather the data.

Geetha N., Bhaedwaj B., Sharma N, & Sharma D, (2019), "A study on investment preferences of government employees of saurashtra region", The current study examines the investment choices of state workers in Gujarat's Saurashtra Region. Finding the premise or nature of the respondents' behaviour is the justification for choosing this research subject. The study's analysis of investor preferences and investing behaviour is based on primary data collected using a questionnaire.

RESEARCH METHODOLOGY

TYPE OF RESEARCH

This research project is based on both exploratory and descriptive research. Here, descriptive research is conducted to give a description of the problems. Therefore, the objective of this study is to comprehend how different salaried groups invest and how they approach various investment opportunities. The researchers use a descriptive research design because they want to learn more about investors.

SAMPLING FRAMEWORK

The data for the research is collected from the employee's workings in Multi Carbo company. The research sample size was appropriate for the study and will be one hundred. Since the information has been gathered from investors, a questionnaire has been designed to examine the investing and saving behaviours of salaried-class employees. The study uses convenience sampling as its sampling method. In a simple sample, the sample is collected from a group of persons who are simple to get in connect with or approach.

INSTRUMENT DESIGN

In this study, we have created questions for salaried employees which are easy and quick to fill out. Most of the questions are Close-ended questions.

Loose-ended questions: It includes questions on which there are just a few possible responses; the participant must pick the one that best reflects his viewpoint.

Multiple choice questions: A question with many choices gives the respondent a variety of options to select from. When there are more than two sides to an issue, multiple-choice questions may be used.

PROPOSED METHODOLOGY:

Chi-square test of association: A statistical method for assessing the discrepancy between actual and predicted data is the Chi-Square test. This test may also be performed to see if our data's categorical variables are related to it. It is useful to determine if a discrepancy between two categorical variables is the result of coincidence or an association between them.

FORMULA: $X^2 = \frac{\Sigma(O-E)^2}{E} \dots 4.4.1$

$X^2 = \text{CHI} - \text{SQUARE}$

$\Sigma = \text{THE SUM OF}$

O = OBSERVED FREQUENCY

E = EXPECTED FREQUENCY

Likelihood ratio: To determine whether to reject a hypothesis on the parameter, the likelihood ratio (LR) test compares two distinct maximum likelihood estimates of the parameter.

Fisher's exact test: Use the chi-square test if under 20 percent of the expected number of cells is less than 5, and Fisher's exact test if more than 20% of the expected number of cells is less than 5. Both approaches assume that the data collected are independent.

HYPOTHESIS

- H_0 : There is no relationship between age and percentage of income saved.
- H_0 : There is no relationship between gender and percentage of income saved.
- H_0 : There is no relationship between educational qualification and percentage of income saved.
- H_0 : There is no relationship between Monthly income and percentage of income saved.
- H_0 : There is no relationship between Gross monthly Expenditure and percentage of income saved.
- H_0 : There is no relationship between Age group and percentage of income invested.
- H_0 : There is no relationship between gender and percentage of income invested.
- H_0 : There is no relationship between educational qualification and percentage of income invested.
- H_0 : There is no relationship between Monthly income and percentage of income invested.
- H_0 : There is no relationship between Gross Monthly expenditure and percentage of income invested.
- H_0 : There is no relationship between Age group and purpose of investment
- H_0 : There is no relationship between gender and purpose of investment
- H_0 : There is no relationship between educational qualification and purpose of investment
- H_0 : There is no relationship between Age group and investment & savings done so far
- H_0 : There is no relationship between gender and investment & savings done so far
- H_0 : There is no relationship between educational qualification and investment & savings done so far
- H_0 : There is no relationship between Age group and level of risk ready to undertake for investment avenue
- H_0 : There is no relationship between gender and level of risk ready to undertake for investment avenue
- H_0 : There is no relationship between educational qualification and level of risk ready to undertake for investment avenue
- H_0 : There is no relationship between Monthly income and level of risk ready to undertake for investment avenue
- H_0 : There is no relationship between Gross monthly Expenditure and level of risk ready to undertake for investment avenue
- H_0 : There is no relationship between age group and willingness of investment to grow.

- H_0 : There is no relationship between gender and willingness of investment to grow.
- H_0 : There is no relationship between age group and considerable factors before investing.
- H_0 : There is no relationship between gender and considerable factors before investing.
- H_0 : There is no relationship between educational qualification and considerable factors before investing.
- H_0 : There is no relationship between age group and investment decision.
- H_0 : There is no relationship between gender and investment decision
- H_0 : There is no relationship between educational qualification and investment decision
- H_0 : There is no relationship between age group and awareness of investment avenues.
- H_0 : There is no relationship between gender and awareness of investment avenues.
- H_0 : There is no relationship between educational qualification and awareness of investment avenues
- H_0 : There is no relationship between age group and the ideal investment strategy.
- H_0 : There is no relationship between gender and the ideal investment strategy
- H_0 : There is no relationship between educational qualification and the ideal investment strategy
- H_0 : There is no relationship between Age group and the investing options that you choose
- H_0 : There is no relationship between gender and the investing options that you choose
- H_0 : There is no relationship between educational qualification and the investing options that you choose
- H_0 : There is no relationship between monthly income and the investing options that you choose
- H_0 : There is no relationship between age group and investment monitoring
- H_0 : There is no relationship between gender and investment monitoring
- H_0 : There is no relationship between educational qualification and investment monitoring
- H_0 : There is no relationship between age group and level of satisfaction towards investment.
- H_0 : There is no relationship between gender and level of satisfaction towards investment.
- H_0 : There is no relationship between educational qualification and level of satisfaction towards investment.
- H_0 : There is no relationship between monthly income and level of satisfaction towards investment.
- H_0 : There is no relationship between monthly income and investment horizon
- H_0 : There is no relationship between monthly income and investment timing.
- H_0 : There is no relationship between Gross monthly Expenditure and investment timing
- H_0 : There is no relationship between age group and short-term goal for investment.
- H_0 : There is no relationship between gender and short-term goal for investment.
- H_0 : There is no relationship between educational qualification and short-term goal for investment
- H_0 : There is no relationship between monthly income and short-term goal for investment
- no relationship between age group and driven factors to seek investment decision.
- H_0 : There is no relationship between gender and driven factors to seek investment decision.
- H_0 : There is no relationship between educational qualification and driven factors to seek investment decision.
- H_0 : There is no relationship between age group and difficulties faced in differentiating various investment avenues
- H_0 : There is no relationship between gender and difficulties faced in differentiating various investment avenues
- H_0 : There is no relationship between educational qualification and difficulties faced in differentiating various investment avenues
- H_0 : There is no relationship between age group and satisfaction towards investment pattern
- H_0 : There is no relationship between gender and satisfaction towards investment pattern
- H_0 : There is no relationship between educational qualification and satisfaction towards investment pattern.

DATA ANALYSIS AND INTERPRETATION:

LIKELIHOOD RATIO TEST	Age group	Gender	Education	Monthly income	Gross expenditure
Percentage of income saved	0.006	0.428	0.101	<0.01	<0.01
Percentage of income invested	0.378	0.948	0.423	<0.01	<0.01
Purpose of investment	<0.01	0.349	0.075	NA	NA
Investment and savings done so far	0.11	0.078	0.294	NA	NA
Level of risk ready to undertake	0.626	0.006	0.366	0.377	0.212
Willingness of investment to grow	0.195	0.704	NA	NA	NA
Considerable factors before investing	0.062	0.607	0.945	NA	NA
Investment decision depends on	0.743	0.415	0.308	NA	NA
Awareness of investment avenues	0.573	0.86	0.469	NA	NA
Best option for investing money	0.912	0.056	0.289	NA	NA
Investment avenues opted	0.381	0.882	0.479	0.901	NA
Investment monitoring	0.206	0.713	0.943	NA	NA
Level of satisfaction towards investment	0.449	0.6	0.899	0.789	NA
Investment timing	NA	NA	NA	0.88	0.554
Factors driven to seek investment decisions	<0.01	0.358	0.379	NA	NA
Investment horizon	NA	NA	NA	0.162	NA
Short term goal for investment	<0.01	0.034	0.744	0.065	NA
Difficulties faced in differentiating investment avenues	0.011	0.371	0.099	NA	NA
Satisfaction towards investment	0.449	0.6	0.899	NA	NA

Source: Survey data

Source: Author’s own calculation

Level of significance***0.01, **0.05, *0.1

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

- There is no relationship between age group and percentage of income saved
- There is no relationship between gender and percentage of income saved
- There is no relationship between Education qualification and percentage of income saved
- There is a relationship between monthly income and percentage of income saved
- There is a relationship between gross monthly expenditure and percentage of income saved.
- There is no relationship between the age group and percentage of income invested.
- There is no relationship between gender and percentage of income invested.
- There is no relationship between educational qualification and percentage of income invested.
- There is a relationship between monthly income and percentage of income invested
- That is an association between gross monthly expenditure and percentage of income invested
- There is a relationship between age group and purpose of investment.
- There is no relationship between gender and purpose of investment
- There is no relationship between educational qualification and purpose of investment.

- There is no relationship between age group, gender, educational qualification and investment and savings done so far
- There is no relationship between age group, educational qualification, monthly income, gross monthly expenditure, and the level of risk undertaken for investment avenues.
- There is association between gender and the level of risk undertaken for investment avenues.
- There is no relationship between age, gender, and the willingness of investment to grow
- There is no relationship between age, gender, educational qualification, and the considerable factors before investing
- There is no relationship between age, gender, educational qualification, and the investment decision
- There is no relationship between age, gender, educational qualification, and the awareness of investment avenues.
- There is no relationship between age, gender, educational qualification, and the ideal investment strategy
- There is no relationship between age group, gender, educational qualification, monthly income, and the investment avenues opted.
- There is no relationship between age group, gender, educational qualification, and investment monitoring.
- That is no association between age group, gender, educational qualification, monthly income, and the level of satisfaction towards investment.
- There is no relationship between monthly income and investment horizon.
- There is association between age group, gender, and the short-term goal of investment
- There is association between age group and driven factors to seek investment decision
- There is no relationship between gender and driven factors to seek investment decision

SUGGESTIONS

Having a strategy for the future is crucial for the revenue that is produced. Today, as people's standards of living rise daily, the salaried class has started to understand the value of saving and wisely investing their money. They stay away from excessive expenditures and choose for a more basic quality of living. The study is especially applicable to those in the salaried class and showing how socioeconomic characteristics impact investing patterns will help the targeted respondents understand their own investment patterns. According to the report, most salaried investors choose bank deposits, insurance policies, and government securities as investment options, and they are unaware of alternative options including shares, debentures, and mutual funds. Therefore, to invest in them, people need routinely examine newspapers, magazines, and articles about the stock market.

CONCLUSION

Thus, this study certainly helps people make better judgements about their future investments and investing patterns. The primary cause has been determined to be investors' knowledge of the concept and execution of the investing plan. Additionally, age, gender, income, education, and employment have been proven to strongly influence investors' attitudes towards investing when it comes to socio-economic characteristics.

Greater awareness is required to maximize share market investing opportunities and enable investors to profit from stock market investments. Moreover, education for investors who lack appropriate financial expertise is much required.

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