



A Study on Investment Behaviour with Special Reference to Kollam Corporation.

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ABSTRACT

We have made a systematic survey to understand the present investment trends in Kollam Corporation. We prepared a questionnaire which consist various investment trends and distributed these questionnaires among various investors. We know those law income groups are not interested in investments, because they are having only for their daily needs.

According to the details which we collected from the survey people of Kollam Corporation. are more interested in investment alternatives like F D, Gold, Real Estate, Life Insurance, Post Office income etc. Survey was not just a study to know the investments trends in Kollam Corporation. It was an initiative to give much awareness to the people about the various investments opportunities.

KEYWORDS : investment behavior, investment alternatives, investors .

INTRODUCTION

An "investment is a sacrifice of current money or other resources for future benefits" and investment may be defined as the net addition to a nation's physical stock of capital. In the present financial market scenario numerous avenues of investment are available. The two key aspects of any investment are time and risk.

Our economic well being in the long run depends significantly on how wisely or foolishly we invest. "Investing is simple, but not easy" it's not a joke, it is said by Warren Buffet – one of the richest men in the world, and without doubt the most successful investor, having made his fortune of more than \$ 40 billion almost exclusively through investing. There are lots of successful investors in the world.

Investment is simple because it just means keeping some money aside so that it grows more valuable after a period of time. At the same time investing is difficult because it challenges our basic human nature – our urge to spend, enjoy and satisfy our needs as early as we can than later. It is difficult because people have to be patient and disciplined for long stretches of time. It's because all around us we see people spending and having the time of their lives while we sacrifice those pleasures.

Investing is also difficult because we have to make a lot of decisions – differentiating between needs and wants. Food, clothing, house, medicines, and education: these are needs. Eating out, going on vacations, watching movies – these are wants and could be reduced to keep aside money for investing, because it is so easy to give in to these temptations, investing is such a challenge for people.

According to Benjamin Franklin "an investment is knowledge always pays the best interest".

STATEMENT OF THE PROBLEM

There are many investment alternatives available for investors in order to secure their savings. It is important to know whether these alternatives are used by them seriously as investment involves many crucial decisions which would affect the rate of return and also contributes to the economic development. This is a case study which deals with various investment alternatives in India with special reference to Kollam Corporation. Kollam Corporation has been taken as a case study for examining people's investment behavior towards various opportunities to invest.

SOURCE OF DATA

Both primary and secondary data were collected and used for this study. Primary data were collected from people belongs to different income groups and working areas, who are invested in various alternatives and also from various investment industries. Secondary data were collected from various journals and books.

METHODOLOGY

This study is basically explorative in nature and mainly based on primary and secondary data. The collection of primary data field survey methods was conducted from different areas of Kollam Corporation

OBJECTIVES OF THE STUDY

- To study the tendency to save/invest of the selected population.
- The analysis of various investment options.
- To know more about various investment alternatives.
- To give much awareness to the selected population about the various investment alternatives.
- To understand the investment behavior of the people.

SURVEY AND ANALYSIS

We have approached 100 households belongs to various working sectors. Majority of them are interested in long term investments like Fixed Deposits, Gold, Life Insurance, Post Office monthly income. 27% of respondents are below 25 years, 11% are in the age group 26 – 35, 25% are in the age group 36 – 45, and 24 % are in the age group 46 – 55 and 13% in the age group of above 55..

54% of respondents are Male and 46% are Female.

43% of male respondents are investing in Fixed Deposit, 17% in Gold, 11% in Real Estate, 11% in Recurring Deposit, 7% in Chit Funds, 7% in Post Office Monthly Income Scheme, 2% in Money Lenders and 2% in Life Insurance.

36% of Female respondents are investing in Gold, 20% in Fixed Deposit, 11% in Post Office Monthly Income Scheme, 11% in Recurring Deposit, 9% in Chit Funds, 7% in Money Lenders, 4% in Real Estate and 2% in Mutual Funds.

69% of the respondents are working and 31% are not working.

3 persons in the age group below 25, 4 in the age group 26 -35, 7 in the age group 36 – 45, 5 each in both the age group 46 – 55 and 55 above had attained PG level education. 25 persons in the age group below 25, 7 in the age group 26 -35, 12 in the age group 36 – 45, 15 in the age group 46 – 55 and 6 in the age group of above 55 had attained degree level education. 2 in the age group 36 – 45 and 2 in the age group 46 – 55 had attained higher school level education. 3 in the age group 36 – 45 and 2 in the age group of above 55 had attained 10 th level education. 1 in the age group 36 – 45 and 1 in the age group of 46 - 55 had attained primary level education. There are no people in the category of other group.

24% of respondents are having monthly income below 10,000. 61% are having monthly income between 10,000 – 1,00,000 and 15% are having monthly income above 1,00,000.

29% of respondents are not currently saving any income. 15% are saving between 2% - 7%. 46 % are saving in between 7% – 12% and 10% are saving greater than 12%.

Fixed Deposit (34%), Gold (21%), Recurring Deposit (13%), Chit Funds (11%) and Post Office Monthly Income Scheme (7%) are the top five investment alternatives selected by the people. From that the most selected one is the Fixed Deposit.

Out of 100 respondents, 33% are aware about fixed deposit , 22% are aware about gold,13% are aware about Recurring deposit,9% are aware about Post Office Monthly Income Scheme and 8% on Chit funds.

Students below 25 age are more aware of Fixed Deposit (28%) and Gold (28%), then Real Estate (17%), then Recurring Deposit and Post office monthly income scheme (11%) and Mutual Fund(5%).

Among the age group 26-35, 73%of them are investing in Fixed Deposit, 9% are investing in Chit Funds, 9% in Life Insurance and 9% in Gold.

Under the age 36-45, 40% are investing in Gold, 20% are investing in Chit Funds, 8% in Fixed Deposit, 8% in Life Insurance, 12% in Recurring Deposit and 12% in Money Lenders.

Under the age group of 46-55, 24% of people are investing in Real Estate, 23% in Post Office Monthly Income Scheme, 23% in Gold, 18% in Recurring Deposit, 6 %in Money Lenders, 6% in Chit Funds.

Under the age group above 55, 61% of people are investing in fixed deposit,15% in recurring deposit,8% in post office monthly income scheme,8% in real estate,8% in chit funds.

Under the monthly income group of below Rs10000, 39% of the respondents are investing ingold,17% in chit funds,11% in life insurance,11% in fixed deposit,11% in post office monthly income scheme,5% in real estate, and 6% in recurring deposit.

Under the monthly income group of Rs 10000 to 100000, 39% of the people are investing in fixed deposit,19% in gold,10% in recurring deposit,8% in real estate,4% in money lenders,2% in life insurance,10% in chit funds,8% in Post office monthly income scheme.

Under the monthly income group of Rs 100000 above, 59% of people are investing in fixed deposit,25% in recurring deposit,8% in post office monthly income scheme,8% in gold.

- An investor is normally not willing to assume more than moderate risk. Rarely does he knowingly assume higher risk
- An investor usually seeks a modest rate of return which is proportionate with the limited risk assumed by him.
- Most of the investment options are not known to the investors. They tend to stick on to the ones which are basic in nature.

RECOMMENDATIONS

- Awareness can be given to people about some investment plans like National Saving Certificate, Senior Citizen Saving Scheme, Mutual fund, Systematic investment plan etc.
- Motivation should be given to increase the savings.

- Investor’s feedback can be collected about the alternatives so that improvements can be done in the schemes.
- For every type of investment there should be a minimum level of safety and security.
- All financial institution should deal with all types of investment scheme.
- Trustworthy agents can be appointed by the institutions to collect the premium amount as most of the investors feel inconvenient to deliver the same in personal.

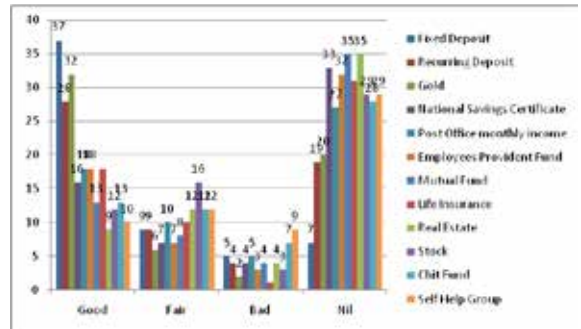
CONCLUSION

The study Investment Behavior with special reference to Kollam Corporation is mainly focusing on the investment behavior of the people in the Kollam Corporation. It is also concentrating on the investment options they are choosing to invest their surplus fund and their awareness about these investment alternatives. From the study it can be concluded that the most selected alternative is Fixed Deposit. Most of them are having the opinion that Fixed deposit are more safe and secure. The second option is Gold. People choose Gold because it has more value and it is a lifelong asset. The third one is recurring deposit, people are feeling that the interest rate is more compared to fixed deposit also they feel it as a monthly investment. The fourth one is Post Office Monthly Income Scheme. It can be done by investing in small amount. It is a safer option. The fifth one is Chit funds. It's also considered as a safer option.

Out of 100 respondents 69 are working and 31 not working.65 has attained degree level education.24 attained PG level education.5 attained SSLC level.4 attained high school level and 2 had attained primary level education. Fixed deposit has been taken as the first investment option by the male respondents, middle income group, high income group, age group below 25, age group between 26 – 35 and the persons who are above age 55.Gold has been taken as the investment option by the female respondents, low income group, and the persons between the age 36 – 45.Finally the real estate has been taken as the first option by the persons between the age group 46 – 55.

ATTITUDE TOWARDS THE INVESTMENT OPTIOINS.

Mutual Fund	Life Insurance	Real Estate	Stock	Chit Fund	Self Help Group
13	18	9	12	13	10
8	10	12	16	12	12
4	1	4	3	7	9
35	31	35	29	28	29



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