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Relation Between Investment Objectives and Demographic Variables

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Abstract

The recent developments in financial and capital market have opened a wide variety of investment options. Investors depending upon the options available take the investment decisions and the expected level of risk and return they can bear. This study analyzes the demography of investors residing in Delhi and Faridabad and their investment objectives with the various options available in the Indian Money market and financial market. A sample of 400 investors was taken from Delhi and Faridabad district. The survey found that insurance is the most preferred source of saving and investment, followed by bank deposits and PPF, NSC, post office savings, property. Bonds, followed by equity investment and debentures are the least preferred source of investment. Occupational group, gender of respondents, martial status, age, income, area of residence and level of education have significant association with various investment objectives.

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INTRODUCTION

In the financial sense, investment is the commitment of a person's funds to derive income in the form of interest, dividend, premiums, pension, benefits or appreciation in the value of their capital, purchasing of shares, debentures, post office savings certificates, insurance policies are all investments in the financial sense. The art of investment is to see that the return is maximized with the minimum of risk, which is inherent in investments. Therefore investment involves employment of funds with the aim of achieving additional income or growth in values **(Mishra, 2010)**

In India, numbers of investment avenues are available for the investors. Some of them are marketable and liquid while others are non marketable and some of them also highly risky while others are almost risk less. The investors has to choose proper avenue among them, depending upon his specific need, risk preference, and return expected on investment **(Geeta and Ramesh, 2011).**

During the 1990 a new filed known as behavioral finance began to emerge in management science. The foundation of behavioral finance is an area based on an interdisciplinary approach including scholars from social sciences and business schools **(Victor Ricciardi and Helen K. Simon, 2000).**

The individual investment function depends upon the age, income, occupation, marital status, investment options and awareness of the investors. Today, a large number of investment options are available in market offerings different returns and risks. Different investment options represent a different risk reward trade off. Low risk investments are those that offer assured but lower returns. An investor's risk tolerance plays a vital role in choosing the most suitable investment option. Banks today provide a range of investment options, including international investment, investment in commodities, stocks, bonds, precious metals and investment funds. Other options for investment include certificates of deposits, futures and investment clubs. Investment involves employment of funds with the aim of achieving additional income or growth in values (**Mishra, 2010).** Investment behaviour of investors is undoubtedly a center of attraction for both domestic and international investors. The reason may be attributed towards free economy, structures regulatory framework and close eye of the statutory bodies **(Das, 2011).**

Taking this into account, the present study aims to focus on various investment options available in Indian economy for individual investors and finding out their confidence regarding investment. It helps us to know about the different instruments and institutions' of financial market.

REVIEW OF LITERATURE

A review of earlier research works provides an insight into various dimensions and the future research areas.

Shanmugam (2000) studied a group of 201 investors to examine the factors influencing investment decisions. The objective of this study is to find out sources of information used by investors and factors influencing share investment decisions. His study revealed that financial newspaper comments are relied upon by most of the investors. Further, the analysis also leads to the conclusion that psychological and sociological factors dominate the economic factors in investment decision making.

Muthupandi (2000) study revealed the various characteristics of an investor and the study revealed that marital status, nature of occupation and the income of the investors affect the investment decision to the greater extent.

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 Schemes (NSS), and Deposit Scheme for Retired Employees (DSRE). Further the study revealed that the level of awareness among investors in the old age group was higher than in those of the young age group. No difference was observed between male and female investors except for the NSS and KVP. Out of the factors analysed, necessity of life and tax benefits were the two major ones that influence the investors both in semi-urban and urban areas.

Singh and Vanita (2002) in their article "Mutual Fund Investors' Perception and Preferences" concluded that the investors do not perceive the risk inherent in mutual fund investment and use it as a tax saving instrument. Among various financial instruments available to the investors, mutual funds are ranked below NSCs, PPF and LIC policies. Among the various mutual funds and schemes available for investment, private mutual funds, open-ended schemes and balanced funds are most preferred by the investors.

Ramaswami, Srivastava, and McInish (2002) examined the relationship between the asset holdings and the portfolio objectives. Their study demonstrates that asset-holdings across a wide variety of investment alternatives (stocks, bonds, mutual funds, pension plans) vary systematically as a function of the relative importance placed on multiple objectives (current income, family education, etc.) and investor characteristics, such as the stages of the family life cycle, income, wealth, education and the level of risk aversion. It provides insights into investors' motivation and life-cycle savings behaviour.

Gupta (2003) has carried out a study entitled "Stock Market Investor's Biggest Worries Today". The objective of this study is to examine the investor's perceptions about the main sources of his worries concerning the stock market. A sample comprises middle class

households spread over 21 states and union territories. The study reveals that the foremost cause of worry for households' investor is fraudulent company management in addition to volatility and price manipulation.

Rajarajan's (2004) study is on "Investment Size, Pattern and Future Investment Preference of Individual Investors" on the basis of their lifestyles. The study revealed that the age group below 35 years, Industrialist group above 50 years and passive investors group by 35-50 years dominates active investors. Active investors group has short term perspective while making their Investment decisions and most of the investors read two or more sources of information before making their investment decision and most of them tend to make investment decisions of their own.

Manish Mittal and Vyas (2008) explained that investors have certain cognitive and emotional weaknesses, which come in the way of their investment decisions. Over the past few years, behavioral finance researchers have scientifically shown that investors do not always act rationally. They have behavioral biases that lead to systematic errors in the way they process information for investment decision. Many researchers have tried to classify the investors on the basis of their relative risk taking capacity and the type of investment they make. Empirical evidence also suggests that factors such as age, income, education and marital status affect an individual's investment decision. This paper classifies Indian investors into different personality types and explores the relationship between various demographic factors and the investment personality exhibited by the investors.

Martenson (2008) examined whether investors contact programmes influence attitudinal and behavioral loyalty in different investor groups who differ in terms of their motivation and ability to understand stock market information. The study was based on a nationally representative random sample of mutual fund owners. A path model showed that contact programmes influence attitudinal and behavioral aspects for high elaborators than for low elaborators.

Kaushal and Arora (2009) made an attempt to examine the related aspects of investor's behaviour to understand the attitude and perception of investors towards mutual funds in India. They collected primary data from a sample of 225 respondents. The results conclude that mutual funds have gained popularity among large section of investors in India. Most of the investors invest for capital appreciation and were interested in open-ended equity schemes.

The survey by **Sehgal and Tripathi (2009)** on the topic "Investment Strategies of FII's in the Indian Economy" revealed that FII's play a dominant role in emerging markets in India to analyze their Investment Behaviour. The FII's do not instantly react to the Market Information and wait for the return pattern to crystallize.

Sehagal, Sood and Rajput (2009) examined definitional aspect of investor sentiment. The important economic factors that can be highlighted in the work are real GDP,

corporate profits, rate of inflation, level of interest rate, and liquidity in the economy.

Dhanda and Sindhu (2010) presented a research to trace the growth of mutual fund industry in India, developed a classification of mutual funds investors and analyzed investment behaviour of retail individual investors. The results revealed that there has been a phenomenal growth in the mutual funds schemes and the assets of the mutual funds. The study suggests the impact of select demographic variables on the holding period, sectoral performance and choice of sector and mutual fund schemes. The research also provides suggestions to the fund managers to develop schemes according to different demographic variables.

According to **Geetha and Ramesh (2011) t**here are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning must know all the various investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed. This study examined on people's choice in investment avenues of Kurumbalur (district). Data were collected using structured questionnaires and collected data further by using descriptive statistics and chi-square technique.

OBJECTIVES AND METHODOLOGY

- The main objective of the present paper is to find out the preference of investors regarding various investment options
- To find out relation among demographic variables and various objectives of investment preferred by the investors.
- Further the study also describes the relation among investment objectives and percent of investment out of total income, which investors prefer to invest.

The changing financial and capital market has also affected the investors' preferences. The present paper is a step to analyze the investor's preferences among various alternatives of investment options. A structured questionnaire was prepared for collecting the data from investors. In total 450 questionnaires were distributed in NCR covering different age groups, gender, educational qualification, occupation and income groups by using convenience sampling technique. The sample under study was selected keeping in view that the respondents were aware of the various financial instruments. The research has been carried out to cover various issues like percentage of investment, various type of investment, objectives of investment and social and economic variables of investors. Out of total, 400 responses were found fit for analyses. The collected data have been analyzed with the help of statistical tools like, frequency distribution and percentages. Chi-square has also been applied for studying the association between various variables with the help of SPSS version 13.0.

Hypothesis

There is an absence of association among various socio-economic characteristics of the investors and various objectives of investment.

RESULTS ANALYSIS

Frequency and Mean Distribution

Table 1 is presenting demographic profile of the respondents. It can be observed from the table that 72.3 percent of the respondents are male and the remaining 27.8 percent are female. The distribution of annual income reflected that 20.8 percent of the respondents are earning annual income up to 300000, 37.8 percent belongs to 300001-500000, 27.8 percent belong to the income group 500001-800000 and 13.8 percentage falls in above 8,00000 lakhs category. It is clear from the table that 42.2 percent of the respondent are belonging to the age group of 20-35 years, 36 percent of the respondents are in the age group 35-50 years. Regarding occupation of the respondents, 38 percent of the respondent is a private sector employee, 26.5 percent are public sector employees, 19.3 percent are doing business and 16.3 percent are professionals.

Table 1: Demographic Profile of Investors'

Demographic Variables	*Categories*	*No. of Respondents*	*Percentages*
Gender	Male	289	72.3
	Female	111	27.8
Income Classification	Up to 300000 lakhs	83	20.8
	300001 – 500000 lakhs	151	37.8
	500000-800000 lakhs	111	27.8
	Above 800000 lakhs	55	13.8
Age (in years)	20-35 years	169	42.2
	35-50 years	144	36.0
	Above 50 years	87	21.8
Occupational Category	Business	77	19.3
	Private Sector Employees	152	38.0
	Public Sector Employees	106	26.5
	Professionals	65	16.3
Education Level	Matriculate	22	5.5
	Graduate	47	11.8
	Post Graduate	164	41.0
	Professional Degree	167	41.8
Marital Status	Married	297	74.3
	Single	103	25.8

Source: Primary Data

As education level of respondents is concerned, 5.5 percent of investors are matriculates, 11.8 percent respondents are graduate. Out of total, 41.8 percent of investors are Postgraduate. Marital status of the respondent's reveals that 74.3 percent respondents are married

remaining 25.8 percent of the respondents is unmarried.

To analyze the demographic characteristics of the investors under study in table 2 cross-classification according to investors educational level and their occupation are presented. It is analyzed that 53.66 percent of the graduate and 34.73 percent of post graduate investors are working with private sector, where as 44.68 percent investors with senior secondary level of education are working with public sector. Further it is clear from the chi square value that there is an association between educational level and occupational choice of investors.

Table 2: Cross Classification of Investors: Education and Occupation

Occupational Categories	*Educational level of Investors*				
	Up to Matriculation	*Senior Secondary*	*Up to Graduation*	*Post Graduation*	*Total*
Business	15 (19.48) (68.18)*	20 (25.97) (42.55)*	19 (24.67) (11.58)*	23 (29.87) (13.77)*	77 (100) (19.25)*
Private sector Employees	0	6 (3.95) (12.76)*	88 (57.89) (53.66)*	58 (38.16) (34.73)*	152 (100) (38.0)*
Public Sector Employees	7 (6.60) (31.82)*	21(19.81) (44.68)*	37 (34.91) (22.56)*	41 (38.68) (24.55)*	106 (100) (26.5)*
Professionals	0	0	20 (30.77) (12.19)*	45 (69.23) (26.95)*	65 (100) (16.25)*
Total	22 (5.50) (100)*	47 (11.75) (100)*	164 (41.0) (100)*	167 (41.75) (100)*	400 (100) (100)*

Chi square 107.444 df 9 significance level .000

Similarly in table 3 an attempt has been made to find out an association between the occupation and the income level of the investors under study. The highest percentage of investors falls in 3-5 lakhs category followed by those who are earning 5-8 lakhs per annum. Level of income and occupation has a significant association as it is proved by the chi square test and its significance level.

Table 3: Cross Classification of Investors: Education and Income

Education / Occupation	Up to 3 lakhs	3-5 lakhs	5-8 lakhs	Above 8 lakhs	Total
Business	10 (12.99) 12.05)*	26 (33.77) (17.22)*	29 (37.66) (26.13)*	12(15.58) (21.82)*	77 ((100) (19.25)*
Private sector Employees	41(26.97) (49.40)*	60 (39.47) (39.74)*	41 (26.97) (36.94)*	10 (6.58) (18.18)*	152(100) (38.0)*
Public Sector Employees	20 (18.87) (24.10)*	42 (39.62) (27.81)*	20 (18.87) (18.02)*	24 (22.64) (43.64)*	106 (100) (26.5)*
Professionals	12 (18.46) (14.46)*	23 (35.38) (15.23)*	21 (32.31) (18.92)*	09 (13.85) (16.36)*	65 (100) (16.25)*
Total	83 (20.75) (100)*	151(37.75) (100)*	111 (27.75) (100)*	55 (13.75) (100)*	400 (100) (100)*

Chi square 24.285 df: 9 significance level .004

Total Percentage of Investment

The survey also revealed the percentage of money invested by respondents out of their total income. The highest number of respondents has selected a range up to 10 percent, followed by the respondents who invest between 11-20 percent out of their total income. In total, 7.5 percent respondents are investing above 30 percent of their income (table 4).

Table 4: Distribution of Respondents According to Percentage of Investment

Percentage of income invested	*Frequency*	*Percentage*	*Rankings*
Up to 10 %	262	65.5	1
11-20%	86	21.5	2
20-30%	22	5.5	4
Above 30%	30	7.5	3
Total	400	100	

Source: Primary Data

Investment Objectives of Individual Investors

In the present survey an attempt has also been made to find out the most preferred objective of investment. In the present financial environment there are various types of investment options available to investors. The investors make decisions according to their need and requirement. The various investment objectives include capital appreciation, liquidity, safety, tax saving and periodical returns.

Table 5: Objective wise Distribution of Investors

Objectives of Investment	*Frequency*	*Percentages*	*Rankings*
Capital appreciation	61	15.3	3
Liquidity	29	7.3	5
Safety	143	35.8	1
Tax savings	136	34	2
Periodical returns	31	7.8	4
Total	400	100	

Source: Primary Data

Table 5 revealed that the highest percentage of the respondents is investing their money for safety purpose (35.8%), followed by the objective of tax saving (34%). Capital appreciation is the objective of almost 15.3 percent of the respondents. The least preferred objective is periodical returns (7.8%) and liquidity (7.3%) as reflected in the table.

Table 6: Cross-classification of Investment Objectives and Percent of Income Invested

Percentage of income invested		*Objectives of Investment*				
	Capital appreciation	*Liquidity*	*Safety*	*Tax saving*	*Periodical returns*	*Total*
Up to 10 %	37 (14.12) (60.65)*	11 (4.20) (37.93)*	93 (35.50) (65.03)*	103 (39.31) (75.73)*	18 (6.87) (58.06)*	262 (100)
11-20%	20 (23.25) (32.79)*	05 (5.81) (17.24)*	30 (34.88) (20.98)*	20 (23.25) (14.71)*	11 (12.79) (35.48)*	86 (100)
20-30%	02 (9.09) (3.28(*	09 (40.91) (31.03)*	09(40.91) (6.29)*	02 (9.09) (1.47)*	00	22 (100)
Above 30%	02(6.67) (3.28)*	04 (13.33) (13.79)*	11(36.67) (7.69)*	11(36.67) (8.09)*	02 (6.67) (6.45)*	30 (100)
Total	61 (15.25) (100)*	29 (7.25) (100)*	143 (35.75) (100)*	136(34.0) (100)*	31 (7.75) (100)*	400 (100) (100)*

Figures in Parenthesis are percentages of row and ( )* are percentages of column

$\chi 2$ value =59.547; df = 12; Significant at 0.000 Level

In table 6 the association between the objective of investment and the percent of income invested out of the total income has been proved with the help of chi square test.

Investment and Saving Options for Investors and their Respective Preferences

Keeping in view the objective of identifying investment preferences of the investors in general, an enquiry was made regarding best investment options opted by investors during the survey. The responses so obtained is presented in table 14, reveals that insurance is the most preferred source of saving and investment (87.5%), followed by bank deposits and PPF (74%), NSC (69.5%), post office savings (52.5%), property (44%). Bonds (14%), followed in upward direction by equity investment (17%) and debentures are the least preferred source of investment.

Table 14: Distribution of Respondents according to the Type of Instruments Opted for Investment

Sr. No.	*Savings & Investment Options*	*No. of Respondents*	*Percentages*	*Ranking*
1	Government Bonds	88	22	9
2	Stock Market	166	41.5	6
3	Bank Deposits	296	74	2
4	Bonds	56	14	12
5	Property	176	44	5
6	Debentures	72	18	10
7	NSC	278	69.5	3
8	PPF	296	74	2
9	Mutual Funds	98	24.5	8
10	Post Office Savings	210	52.5	4
11	Gold	130	32.5	7
12	Equity Investment	68	17	11
13	Insurance Premium	350	87.5	1

Source: Complied from Primary Data

Investment Objectives and Demographic Variables: Cross Tabulation

This part of the paper is presenting the responses according to different investment objectives and various demographic characteristics of the respondents. The different investment objectives are classified for the purpose as follow: - (1) Capital appreciation (2) Liquidity (3) Safety (4) Tax saving (5) Periodical returns.

Table 11 presents the responses of male and female investors and their preferred investment objectives. Table reveals that the male respondents have selected their first preference as safety (37.70%), followed by tax saving (29.41%), where as the female respondents firstly prefer tax saving (45.95%) followed by safety purpose (37.84%).

The survey reveals that 18.68 percent male respondents prefer capital appreciation, where as only 6.31 percent female respondents have preferred the same objectives. The gender of respondents have significant impact on investment objective, as it is confirmed by chi-square test, which rejects the hypothesis that investment objective is not dependent on the gender of the respondents.

Table 7: Distribution of Investors According to Gender Group and Objectives of Investment

Objective of investment	*Gender*		*Total*
	Male	*Female*	
Capital appreciation	54 (88.52) (18.68)*	7 (11.48) (6.31)*	61 (100) (15.25)*
Liquidity	23 (79.31) (7.96)*	6 (20.69) (5.40)*	29 (100) (7.25)*
Safety	101(70.62) (37.70)*	42 (29.37) (37.84)*	143 (100) (35.75)*
Tax savings	85 (62.5) (29.41)*	51 (37.5) (45.95)*	136 (100) (34.0)*
Periodical returns	26 (83.87) (8.99)*	5 (16.13) (4.50)*	31 (100) (7.75)*
Total	289 (72.25) (100)*	111(27.75) (100)*	400 (100) (100)*

Sourse: Figures in Parenthesis are percentages of row and ( )* are percentages of column
$\chi 2$ value =17.053; df= 4; Significant at 0.002 Level

The percentage of those who favor primarily safety objective and periodical returns is the highest in case of married respondents. The respondents of married group have shown first preference towards safety (40.40%), followed by tax saving (30.98%) and capital appreciation (13.13%). The unmarried group have given first preference to tax saving (42.72%), followed by safety (22.33) and capital appreciation (21.36%). In terms of results of chi-square test, the objective of investment is found depending significantly on the marital status.

In table 9 an attempt has been made to dig out the association between objectives of investment and areas of residence of the respondents covered under study. The residents of Delhi have preferred all the objectives of investment listed in table than the residents of Faridabad. The chi square values have proved an association between area of residence and objectives of investment at 5 percent level of significance.

Table 8: Distribution of Investors According to Marital Status and Objectives of Investment

Objective of investment	*Marital status*		*Total*
	Married	*Unmarried*	
Capital appreciation	39 (63.93) (13.13)*	22 (36.07) (21.36)*	61 (100) (15.25)*
Liquidity	20 (68.96) (6.73)*	9 (31.03) (8.74)*	29 (100) (7.25)*
Safety	120 83.92) (40.40)*	23 (16.08) (22.33)*	143 (100) (35.75)*
Tax saving	92 (67.65) (30.98)*	44 (32.35) (42.72)*	136 (100) (34.0)*
Periodical returns	26 (83.87) (8.75)*	05 (16.13) (4.85)*	31 (100) (7.75)*
Total	297 (74.25) (100)*	103 (25.75) (100)*	400 (100) (100)*

Source: Figures in Parenthesis are percentages of row and ( )* are percentages of column
Source: Primary Data
$\chi 2$ value =15.409; df= 4; Significant at 0.004 Level

Table 9: Distribution of Investors According to Area of Residence and Objectives of Investment

Objective of investment	Area of Residence		Total
	Delhi	Faridabad	
Capital appreciation	33 (54.10) (12.22)*	28 (45.90) (21.54)*	61 (100) (15.25)*
Liquidity	19 (65.52) (7.04)*	10 (34.48) (7.69)*	29 (100) (7.25)*
Safety	93 (65.03) (70.37)*	50 (34.96) (38.46)*	143 (100) (35.75)*
Tax savings	99 (72.79) (36.67)*	37 (27.20) (28.46)*	136 (100) (34.0)*
Periodical returns	26 (83.87) (9.63)*	5 (16.13) (3.85)*	31 (100) (7.75)*
Total	270 (67.5) (100)*	130 (32.5) (100)*	400 (100) (100)*

Figures in Parenthesis are percentages of row and ( )* are percentages of column
$\chi 2$ value =10.967; df= 4; Significant at 0.027 Level

Table 10 is presenting the responses according to different objectives across different income group. The result of Chi Square provides that investment objectives differ across various income groups. The highest percentage of respondents among the entire income group except one income group i.e. 3-5 lakhs invest for safety. 'capital appreciation' and 'liquidity' is highly preferred by the respondents belonging to above 8 lakhs income group investors. The results of Chi-square test applies at 0.000 percent level of significance confirm the association of objectives of investment and income group. It implies that the income group and investment objectives have association between them.

Table 10: Distribution of Investors According to Income Group and Objectives of Investment

Objectives of investment	*Income group*				*Total*
	Up to 300000	*300001-500000*	*500001-800000*	*Above 800000*	
Capital Appreciation	1 (1.63) (1.20)*	22 (36.06) (14.57)*	18 (29.51) (16.22)*	20 (32.79) (36.36)*	61 (100) (15.25)*
Liquidity		17 (58.62) (11.26)*	5 (17.24) (4.50)*	7 (24.14) (12.73)*	29 (100) (7.25)*
Safety	56 (39.16) (67.47)*	35 (24.47) (23.18)*	35 (24.47) (31.53)*	17 (11.89) (30.91)*	143 (100) (35.75)*
Tax Savings	24 (17.65) (28.92)*	72 (52.94) (47.68)*	34 (25.0) (30.63)*	6 (4.41) (10.91)*	136 (100) (34.0)*
Periodical Returns	2 (6.45) (2.41)*	5 (16.13) (3.31)*	19 (61.29) (17.12)	5 (16.13) (9.09)*	31 (100) (7.75)*
Total	83 (20.75) (100)*	151 (37.75) (100)*	111 (27.75) (100)*	55 (13.75) (100)*	400 (100) (100)*

Figures in Parenthesis are percentages of row and ( )* are percentages of column
$\chi 2$ value =108.198; Df= 12; Significant at 0.000 Level

The educational level wise distribution of investors are presented table 11 and the value of Chi square is confirming the association between the two as null hypothesis is rejected that educational level and objectives of investment are not related to each other. Further it is clear that the investors irrespective of educational level highly prefer safety and tax saving as their objectives of investment.

Occupation-wise analysis of investment objective as presented in table 12, reveals that the highest percentage of the business, private sector employees and professional respondents are investing with an objective of safety, where as public sector employees invest for tax saving. Out of total 25.97 percent of business class respondents invests for capital appreciation. An interesting fact to note is that all the occupational categories are giving their first preference towards safety, and second to tax saving. It reflects that all investors want to secure their future in case of any type of uncertainty. On the application of Chi- Square of test, a significant presence of association is found between the occupation of the investors and the objectives of the investment.

Table 11: Distribution of Investors According to Educational Group and Objectives of Investment

Objectives of investment	*Educational group*				*Total*
	Matric	*Senior Secondary*	*Graduation*	*Post Graduation*	
Capital appreciation	6 (9.84) (27.27)*	6 (9.84) (12.76)*	14 (22.95) (8.54)*	35 (57.38) (20.96)*	61 (100) (15.25)*
Liquidity	0	2 (6.89) (4.25)*	15 (51.72) (9.15)*	12 (41.38) (7.18)*	29 (100) (7.25)*
Safety	9 (6.29) (40.91)*	14 (9.79) (29.79)*	69(48.25) (42.07)*	51 (35.66) (30.54)*	143 (100) (35.75)*
Tax savings	7 (5.15) (31.82)*	24 (17.65) (51.06)*	56 (41.18) (34.15)*	49 (36.03) (29.34)*	136 (100) (34.0)*
Periodical returns	0	1 (3.22) (2.13)*	10 (32.26) (6.10)*	20 (64.52) (11.98)*	31 (100) (7.75)*
Total	22 (5.50) (100)*	47 (11.75) (100)*	164 (41.0) (100)*	167 (41.75) (100)*	400 (100) (100)*

Figures in Parenthesis are percentages of row and ( )* are percentages of column
Source: Primary Data
$\chi 2$ value =30.586; df= 12; Significant at 0.002 Level

Table 12: Distribution of Investors According to Occupational Group and Objectives of Investment

Objectives of investment	*Occupation*				*Total*
	Business	*Private sector employee*	*Public sector employee*	*Professional*	
Capital appreciation	20(32.78) (25.97)*	22 (36.06) (14.47)*	10 (16.39) (9.43)*	9 (14.75) (10.59)*	61 (100) (15.25)*
Liquidity	1 (3.45) (1.30)*	20 (68.96) (13.16)*	4 (13.79) (3.77)*	4 (13.79) (4.70)*	29 (100) (7.25)*
Safety	31 (21.68) (40.26)*	52 (36.36) (34.21)*	37 (25.87) (34.90)	23 (16.08) (27.06)*	143 (100) (35.75)*
Tax savings	24 (17.64) (31.17)*	49 (36.03) (32.24)*	44 (32.35) (41.51)*	19 (13.97) (22.35)*	136 (100) (34.0)*
Periodical returns	1 (3.22) (1.30)*	9 (29.03) (5.92)*	11 (35.48) (10.38)*	10 (32.26) (11.76)*	31 (100) (7.75)*
Total	77 (19.25) (100)*	152 (38.0) (100)*	106 (26.5) (100)*	85 (21.25) (100)*	400 (100) (100)*

Figures in Parenthesis are percentages of row and ( )* are percentages of column
$\chi 2$ value =34.956; df= 12; Significant at 0.000 Level

Table 13 reveals that, investors of all age groups invest for safety (39%), followed by tax saving (35%) and capital appreciation (13%). An inter age group analysis presents that the highest percentage of investors falling in 20-35 years and 51-60 years invest to save tax where as the middle age-group i.e. 36-50 invest for the purpose of safety. The respondent falling in age group 51-60 years least prefers capital appreciation. Chi square test was applied to test the association between age and choice of investment objective revealed that there is a significant impact of age in choice of investment objective.

Table 13: Distribution of Investors According to Age Group and Objectives of Investment

Objectives of investment	Age Group			Total
	20-35 years	36-50 years	51-60 years	
Capital appreciation	31 (50.82) (18.35)*	26 (42.62) (18.05)*	4 (6.56) (4.60)*	61 (100) (15.25)*
Liquidity	6 (20.69) (3.55)*	13 (44.83) (9.03)*	10 (34.48) (11.49)*	29 (100) (7.25)*
Safety	55 (38.46) (32.54)*	72 (50.35) (50.0)*	16 (11.19) (18.39)*	143 (100) (35.75)*
Tax savings	67 (49.26) (39.64)*	18 (13.23) (12.5)*	51(37.5) (58.62)*	136 (100) (34.0)*
Periodical returns	10 (32.26) (5.92)*	15 (48.39) (10.42)*	6 (19.35) (6.90)*	31 (100) (7.75)*
Total	169 (42.25) (100)*	144 (36.0) (100)*	87 (21.75) (100)*	400 (100) (100)*

Figures in Parenthesis are percentages of row and ( )* are percentages of column
$\chi 2$ value =41.074; df= 12; Significant at 0.00 Level

MAJOR FINDINGS

1. Insurance and Public Provident Fund were found the most popular instrument of saving and investment for investors covered under study. Further it was found that NSC and Post office saving secured third and fourth positions. Equity and bonds were the least preferred source of investment according to this survey results.
2. The analysis related to cross-classification of demographic variables has reflected an association between occupation and income and occupation and education level of investors.
3. The highest number of respondents have opted to invest up to 10 percent of their total income, followed in line are those who invest 11-20 percent out of their total income.
4. While studying the objectives of investment, it has been found that the highest percentage of the respondents are investing their money for safety purpose,

followed by the objective of tax saving. Capital appreciation is the objective of almost 15.3 percent of the respondents and the least preferred objective is periodical returns and liquidity.

5. Occupational group and gender of respondents seem to have significant impact on investment objective.

6. The percentage of those who favor primarily safety objective and periodical returns is the highest in case of married respondents. The respondents of married group have shown first preference towards safety, followed by tax saving and capital appreciation. The unmarried group has given first preference to tax saving, followed by capital appreciation and safety. In terms of results of chi-square test, the objective of investment is found depending significantly on the marital status.

7. The investment objectives differ across various income groups. The highest percentage of respondents among all the income groups except one i.e. 3-5 lakhs invest for safety. Tax saving and capital appreciation is highly preferred by the respondents belonging to 3-5 lakhs income group. The study implies that the income group and investment objectives have significant association between them.

8. The association between age and choice of investment objective revealed that there is a significant impact of age in choice of investment objective. Overall, all age groups invest for safety, followed by tax investment for saving and capital appreciation. An inter age group analysis presents that the highest percentage of investors falling in 20-35 years and 51-60 years invest to save tax where as the middle age-group i.e. 36-50 invest for the purpose of safety. The respondents falling in age group 51-60 year least prefer capital appreciation.

9. The study further concludes that income, area of residence and occupation of investors have significant effect on objectives of investment where as age of investors effects holding of investment instrument.

CONCLUSION

The recent developments in financial and capital market have opened a wide variety of investment options. Investors depending upon the options available take the investment decision and the expected level of risk and return they can bear. Safety and capital gain are the most preferred investment objectives. The survey also concludes that demographic variable and investment objectives have a significant association among them. Insurance is the most preferred source of saving and investment, followed by bank deposits and PPF, NSC, post office savings, property. Bonds, followed by equity investment and debentures are the least preferred source of investment.

IMPLICATIONS OF THE STUDY

The present study is an empirical study of individual investors' behavior regarding their financial assets. The findings of the study would be useful for many socio-economic purposes, including individual portfolio formulation and best selection out of various viable options of investment. This study examines the investment attitude, their preferences and different instruments. Another significant objective of the study is to examine the preferred investment avenues among the households in the study area. All these information, whatever so acquired for this study could help in better understanding relating to the financial market of India.

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