

# Behavioural Study of Investors Towards Investment Avenues of Indian Capital Market in Select Cities of Karnataka State

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## ABSTRACT

This research is addressing the behaviour of investor towards investment selection and purpose of distinct investment alternatives available and trading in Indian capital market. The utility of the research is to conceive and assess the behaviour of investors especially with respect to demographical characteristics, investment selection and purpose of investment of distinct investment avenues available in Indian capital market. This paper measure and analyse the demographic profile and investment profile of the investors, are invest in variety of instrument that are trade in Indian capital market including derivative instrument like Futures and options. The sample size used for this research is limited to 487, survey has conducted in selected cities of Karnataka state such as Bangalore, Gulbarga, Hubli and Mysore .The research design has used in this research is in descriptive in nature. Convenience method of sampling is applied for gathering information from sample respondents. The primary data collected through structured questionnaire. The surveyed data has analysed and interpreted with the use of frequency distribution, percentage analysis and chi-square test. This study found that 70% of the sample investors choose equity shares, mutual funds, pension funds, futures and options as the investment avenues and purpose of investment among distinct instruments is expectation of capital appreciation, safety and hedging risk. This study conclude that young investors choose highly profitable and safe instruments especially futures and options and all due to the transparency, convenient yield, accountability and knowledge about investment avenues traded in Indian capital market.

**Keywords:** Investment, Investment avenues, Investment selection, Investment purpose.

## 1. INTRODUCTION

‘Investing in distinct class of securities is a fascinating action that appeals individuals in and across the world. When an individual had huge money than he have need of present consumption, he could be named as existing and potential investor. The investor who is having excess of funds would invest in securities in the stock market, then he has to select

suitable, secure and profitable instrument, which provide high returns. The Indian capital market offers many more kind of instrument for investment such as equity shares, debentures, bonds COD, insurance, mutual funds, pension funds, real estate, exchange traded funds, gold including F & O and commodity derivative. Investor must possess the knowledge about these instruments so that he could invest intelligently. Understanding of Investors' investment selection and investment purpose is most important one for the investment in Indian capital market so that they can modify and offer different class of investment alternatives range from equity shares, debentures, bonds, certificate of deposits, insurance, mutual fund, futures and options, commodities, gold, real estates, private chits funds, pension funds, exchange traded funds etc.'

The emergent speculation scenario clearly reveals that there is a shifting tendency in favourites of investors towards fresh saving instruments. For the duration of 80s and 90s, diverse class of savings and investment schemes have been announced and accepted. During such era the capitalising public have shifted from out-dated to new debt and equity based schemes, the supreme striking transformation in the investment behaviour of the were shifting towards shares and debentures from traditionally adopted savings instruments like insurance, deposits in Banks and deposits in postal etc. Investment decisions are still create to convoluted, as there are distinct factors to be deliberated to pick equity or a stock to invest in or trade in to. These socio-economic, demographic, and attitudinal dynamics act as key teamsters for investment decisions. At all times, a bit is underneath an investment decision-making process, as the possibilities of earnings are a concern. Hence, this is very much important to the stock dealers especially who are new to the market. The equity investment decisions are inclined by few factors like earnings of corporate, marketability of stock, affordability of stock, announcements of dividend, Price earnings ratio, Momentum and Contrarian effect, Investment actions of FIIs, firm's reputation, socially accountable investing, Current economic indicators, Opinion from family/friends/colleagues, broker's recommendation, and other professional advice.

## **2. NEED FOR THE STUDY**

Indian financial system is one of the grooming instrumental for the economic development of the nation. Financial markets and financial instruments are playing the signified role in the Indian financial system. The financial markets ensure the flow of funds in more productive ventures. This result in savings and investment and thereby generation of more and more capital for the productive sector of the Indian economy. The Indian capital market provides innovative and dynamic financial instruments to the distinct class of investors for investment. There are various financial instruments available in the Indian capital market. It helpful to investors to choose better investment alternatives, which provide high returns with high risk. It is very difficult to investors to choose better investment security among various investment alternatives available in the market. Hence, the present research is carried to analyse the investment behaviour of investors especially investment security selection and investment purpose of the investors on distinct investment securities, which are trading in Indian capital market.

### 3. OBJECTIVES OF THE STUDY

A behavioural study carried on investors preferences towards Investment avenues of the Indian capital market in selected cities of Karnataka. In order to achieve this study the following objectives have been set;

1. To study the demographical profile of the sample respondents
2. To analyse the investment selection of investors on investment avenues trade in the Indian capital market in selected cities of Karnataka state.
3. To assess the investment purpose of the investors on investment avenues trade in the Indian capital market in selected cities of Karnataka state.
4. To suggest suitable suggestions based on the findings of the study.

### 4. HYPOTHESES OF THE STUDY

1. **H<sub>0</sub>** There is no significance difference between Selections of the instruments among available instruments in the Indian Capital Market.
2. **H<sub>a</sub>** There is a significance difference between Selections of the instruments among available instruments in the Indian Capital Market.
3. **H<sub>0</sub>** There is no significance difference between Select objectives of the instruments among available instruments in the Indian Capital Market.
4. **H<sub>a</sub>** There is a significance difference between Select objectives of the instruments among available instruments in the Indian Capital Market.

### 5. RESEARCH METHODOLOGY

Table 4.1 Shows the Research Design and Entire Research Methodology

<b>Type of study</b>	Descriptive research
<b>Study Area</b>	Gulbarga, Bangalore, Hubli and Mysore
<b>Type of universe</b>	All the investors trading in Indian capital market
<b>Sample Unit</b>	Investors trading in the study area
<b>Sampling element</b>	All investors
<b>Sampling method</b>	Convenience sampling
<b>Sample size</b>	487 respondents
<b>Data collection sources</b>	Primary and Secondary sources
<b>Questionnaire structure</b>	Questions close ended used with Likert scale five point
<b>Methods of Data Collection</b>	Personal interview method and E-mail survey
<b>Data collection instruments</b>	Questionnaires and interview schedules
<b>Statistical tools used</b>	Frequency distribution, percentage analysis and Chi-Square test
<b>Analysis of the data</b>	The data analysis has done with the help of SPSS version 23 and Microsoft Excel.

(Source: Prepared by the Researcher)

## 6. LIMITATIONS OF THE STUDY AND FURTHER RESEARCH SCOPE

The present study is confined to selected cities of Karnataka state such as Gulbarga, Bangalore, Hubli and Mysore. Hence, the outcomes of the study cannot generalize in other areas, for applicability. This study focused on investment selection decision and other aspects of investment on distinct investment instruments of Indian capital market. Only 487 sample respondents are selected in this study. The responses may not synchronise for total population. The data has collected from primary sources that are subject to bias in nature.

This kind of study may extend to other metropolitan and cosmopolitan cities of the Karnataka state and other states of India for obtaining better view about investment decisions of investors on distinct investment securities of Indian capital market. The study may carry with large sample size for generalising the outcomes of the study. Further, the researcher may also consider distinct aspects of investment profile of the investors for further study.

## 7. DATA ANALYSIS AND DISCUSSION

### 7.1 DEMOGRAPHICAL PROFILE OF THE INVESTORS

The study has conducted among the total 487 respondents in the major four cities of Karnataka state. The sample respondents are classified based on gender, marital status, age, educational qualification, occupation, income and city wise. The demographical characteristics of sample respondents are analysed in the following table.

**Table 7.1 shows the Demographic profile of the respondents**

Particulars	Categories	Frequency of respondents	Frequency Percentage (%)
<b>Gender</b>	Male	408	83.78
	Female	79	16.22
<b>Marital status</b>	Married	401	82.34
	Unmarried	86	17.66
<b>Age</b>	Up to 25 years	15	3.08
	25-35 years	311	63.86
	35-45 years	109	22.38
	41-50 years	36	7.39
	Above 50 years	16	3.29
<b>Educational Qualification</b>	Secondary	75	15.40
	Graduation	335	68.79
	Post-Graduation	62	12.73
	Professional/Technical	15	3.08
<b>Occupation</b>	Govt. Employee	24	4.93
	Professional	337	69.20

	Pvt., Firm Employee	57	11.70
	Self Employed	18	3.70
	Business Person	51	10.47
<b>Income</b>	Up to Rs.500000	30	6.16
	Rs.500000-1000000	25	5.13
	Rs. 1000000-2000000	367	75.36
	Above Rs 2000000	65	13.35
<b>Cities</b>	Bangalore	121	24.85
	Gulbarga	122	25.05
	Hubli	121	24.85
	Mysore	123	25.25

(Source: Field Survey)

## RESULTS AND DISCUSSION

The above table clearly propagate about demographical profile of the sample respondents. Accordingly, Male respondents are 83.78 % of total respondents and rest are 16.22 % of female respondents. Married respondents represent 82.34 % and the rest 17.66 % are unmarried investors. 63.86 % of the respondents belong to the age group of 22-35, 22.38 % belong to the age group 35-45 years, 7.39 % belong to the age group 41-50 years, 3.29 % belong to the age group above 50 years and only 3.08 % of the respondents belong to age group up to 25 years respectively. Education qualification wise; 68.79 % respondents possess Graduation, 15.40 % holds Secondary education, 12.73 qualified with a Master Degree and only 3.08 % of the respondents belongs professional qualification respectively. 69.20 % investors belong to the Professional, 11.70 % investors belong to the Private firm employees, 10.47 percent investors belong to Business persons, 4.93 percent investors belong to Government employees and 3.70 percent investors belong to the self-employed group respectively. The respondents belonging to Rs. 1000000-2000000 account for 75.36 %; Above Rs 2000000 accounts for 13.35 %; Rs.500000-1000000 accounts for 5.13 % and rest is the respondents with an income of Up to Rs.500000 accounting for 6.16 % respectively. The investors from four cities constituted the sample units for the study; 24.85 % investors belonged to Bangalore, 25.05 % investors belonged to Gulbarga, 24.85 % investors belonged to Hubli and 25.25 % investors belonged to Mysore respectively.

### 7.2 INVESTMENT SELECTION OF THE INVESTORS AMONG DISTINCT INVESTMENT AVENUES

**Table 7.2 shows the Investment selection of the sample respondents**

Investment avenues	YES (%)	No (%)	Total (%)	Chi-square	p-value
Equity shares	297 (60.99)	190 (39.01)	487(100)	<b>72.99</b>	<b>0.001</b>
Debentures	234 (48.05)	253	487(100)	<b>11.17</b>	<b>0.001</b>

		(51.95)			
Bonds	272 (55.85)	215 (44.15)	487(100)	<b>41.99</b>	<b>0.001</b>
COD	247 (50.72)	240 (49.28)	487(100)	<b>19.50</b>	<b>0.001</b>
Insurance	271 (55.65)	216 (44.35)	487(100)	<b>3.45</b>	<b>0.063</b>
Mutual funds	411 (84.39)	76 (15.61)	487(100)	<b>94.08</b>	<b>0.001</b>
Futures & Options	381 (78.23)	106 (21.77)	487(100)	<b>239.56</b>	<b>0.011</b>
Commodity	133 (27.31)	354 (72.69)	487(100)	<b>24.94</b>	<b>0.001</b>
Exchange Traded Funds	184 (37.78)	303 (62.22)	487(100)	<b>0.61</b>	<b>0.433</b>
Pension Funds	331 (67.97)	156 (32.03)	487(100)	<b>9.58</b>	<b>0.002</b>
Gold	101 (20.74)	386 (79.26)	487(100)	<b>252.51</b>	<b>0.001</b>
Real estates	89 (18.28)	398 (81.72)	487(100)	<b>284.97</b>	<b>0.001</b>
Private Chits Funds	75 (15.40)	412 (84.60)	487(100)	<b>325.33</b>	<b>0.001</b>

(Source: Field survey)

## RESULTS AND DISCUSSION

According to the table it is referred that a maximum of 297 (60.99 %) respondents are investing in the equity shares as compared no investment by 190 (39.01%) respondents. The investment level of investors in the equity shares security are found statistically significant (chi-square = 72.99, p=0.000) at 5% of significance level.

According to the table, it is referred that a maximum of 234 (48.05 %) respondents are investing in the debentures as compared no investment by 253 (51.95 %) respondents. The investment level of investors in the debentures security are found statistically significant (chi-square = 11.17, p=0.001) 5% of significance level.

According to the table, it is referred that a maximum of 272 (55.85 %) respondents are investing in the bonds as compared no investment by 215 (44.15 %) respondents. The investment level of investors in the bonds security are found statistically significant (chi-square = 41.99, p=0.000) 5% of significance level.

According to the table, it is referred that a maximum of 247 (50.72 %) respondents are investing in the COD as compared no investment by 240 (49.28 %) respondents. The

investment level of investors in the COD security are found statistically significant (chi-square = 19.50,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 271 (55.65 %) respondents are investing in the insurance as compared no investment by 216 (44.35 %) respondents. The investment level of investors in the insurance security are found statistically significant (chi-square = 3.45,  $p=0.000$ ) at 10% level of significance.

According to the table, it is referred that a maximum of 411 (84.39 %) respondents are investing in the mutual funds as compared no investment by 76 (15.61 %) respondents. The investment level of investors in the mutual funds security are found statistically significant (chi-square = 94.08,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 381 (78.23 %) respondents are investing in the Futures & Options as compared no investment by 106 (21.77 %) respondents. The investment level of investors in the Futures & Options security are found statistically significant (chi-square = 239.56,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 133 (27.31 %) respondents are investing in the Commodity as compared no investment by 354 (72.69 %) respondents. The investment level of investors in the commodity security are found statistically significant (chi-square = 24.94,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 184 (37.78 %) respondents are investing in the Exchange Traded Funds as compared no investment by 303 (62.22 %) respondents. The investment level of investors in the Exchange Traded Funds security was found to be statistically insignificant (chi-square = 0.61,  $p=0.433$ ).

According to the table, it is referred that a maximum of 331 (67.97 %) respondents are investing in the Pension Funds as compared no investment by 156 (32.03 %) respondents. The investment level of investors in the Pension Funds security are found statistically significant (chi-square = 9.58,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 101 (20.74 %) respondents are investing in the Gold as compared no investment by 386 (79.26 %) respondents. The investment level of investors in the Gold security are found statistically significant (chi-square = 252.51,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 89 (18.28 %) respondents are investing in the Real estates as compared no investment by 398 (81.72 %) respondents. The investment level of investors in the Real estate security are found statistically significant (chi-square = 284.97,  $p=0.000$ ) 5% of significance level.

According to the table, it is referred that a maximum of 75 (15.40 %) respondents are investing in the Private Chits Funds as compared no investment by 412 (84.60 %)

respondents. The investment level of investors in the Private Chits Funds security are found statistically significant (chi-square = 325.33,  $p=0.000$ ) 5% of significance level.

The above-mentioned hypothesis was tested using the Chi-Square test and the results are shown in the cited table revealed a significant outcome. The Chi-Square test was perceived to be significant based on the p-value ( $0.000 < 0.05$ ) for all derivatives products which is less than the standard 0.05 value as assumed for the above test. Further, it is also analysed from the calculated chi-square value that, calculated value is greater than the standard chi-square table value with  $df = 1$  &  $\alpha = 5\%$ , Chi Square calculated value  $>$  Chi Square table value. Therefore, the null hypothesis, "There is no significance difference between Selections of the instruments among available instruments in the Indian Capital Market", was rejected and the alternative hypothesis, "There is significance difference between Selections of the instruments among available instruments in the Indian Capital Market" was accepted.

### 7.3 INVESTMENT PURPOSE OF THE INVESTORS AMONG DISTINCT INVESTMENT AVENUES

Table 7.3 shows the Purpose of Investment of Investors on distinct investment avenues

Investment avenues	Investment Purpose	Yes (%)	No (%)	Total (%)	Chi-square	p-value
<b>Equity shares</b>	Hedging Risk	13 (2.67)	151 (31.00)	487 (100)	<b>74.118</b>	<b>0.001</b>
	Safety	129 (26.49)				
	Capital appreciation	128 (26.28)				
	Regular income	26 (5.34)				
	Future capital requirement	30 (6.16)				
	Others	10 (2.05)				
<b>Debentures</b>	Hedging Risk	50 (10.27)	203 (41.68)	487 (100)	<b>14.063</b>	<b>0.001</b>
	Safety	55 (11.29)				
	Capital appreciation	71 (14.58)				
	Regular income	51(10.47)				
	Future capital requirement	43(8.83)				
	Others	14(2.87)				
<b>Bonds</b>	Hedging Risk	23(4.72)	153 (31.42)	487 (100)	<b>91.486</b>	<b>0.001</b>
	Safety	124(25.46)				
	Capital appreciation	47(9.65)				
	Regular income	76 (18)				
	Future capital	29(5)				

	requirement					
	Others	35(6)				
<b>COD</b>	Hedging Risk	53(10.88)	237 (48.66)	487 (100)	<b>13.654</b>	<b>0.001</b>
	Safety	67(13.76)				
	Capital appreciation	45(9.24)				
	Regular income	30( 6.16)				
	Others	55( 11.29)				
<b>Insurance</b>	Hedging Risk	100 (20.53)	180 (36.96)	487 (100)	<b>15.654</b>	<b>0.001</b>
	Safety	83 (17.04)				
	Capital appreciation	70 (14.37)				
	Regular income	9 (1.85)				
	Future capital requirement	7 (1.44)				
	Others	38 (7.80)				
<b>MF</b>	Hedging Risk	6 (1.23)	101 (20.74)	487 (100)	<b>58.305</b>	<b>0.001</b>
	Safety	82 (16.84)				
	Capital appreciation	76 (15.61)				
	Regular income	100 (20.53)				
	Future capital requirement	57 (11.70)				
	Others	65 (13.35)				
<b>Futures &amp; Options</b>	Hedging Risk	170 (34.91)	74 (15.19)	487 (100)	<b>328.13</b>	<b>0.001</b>
	Safety	119 (24.43)				
	Capital appreciation	40 (8.21)				
	Regular income	66 (13.55)				
	Future capital requirement	56 (11.50)				
	Others	62 (12.73)				
<b>Commodity</b>	Hedging Risk	44 (9.03)	233 (47.84)	487 (100)	<b>10.632</b>	<b>0.001</b>
	Safety	91 (18.69)				
	Capital appreciation	43 (8.83)				
	Regular income	34 (6.98)				
	Future capital requirement	4 (0.82)				

	Others	38 (7.80)				
<b>Exchange Traded Funds</b>	Hedging Risk	27 (5.54)	228 (46.81)	487 (100)	<b>6.191</b>	<b>0.009</b>
	Safety	84 (17.25)				
	Capital appreciation	96 (19.71)				
	Regular income	6 (1.23)				
	Future capital requirement	29 (5.95)				
	Others	17 (3.49)				
<b>Pension Funds</b>	Hedging Risk	34 (6.98)	153 (31.42)	487 (100)	<b>11.177</b>	<b>0.001</b>
	Safety	96 (19.71)				
	Capital appreciation	17 (3.49)				
	Regular income	56 (11.50)				
	Future capital requirement	82 (16.84)				
	Others	49 (10.06)				
<b>Gold</b>	Hedging Risk	59 (12.11)	270 (55.44)	487 (100)	<b>212.281</b>	<b>0.001</b>
	Safety	69 (14.17)				
	Capital appreciation	33 (6.78)				
	Regular income	6 (1.23)				
	Future capital requirement	46 (9.45)				
	Others	4 (0.82)				
<b>Real estates</b>	Hedging Risk	33 (6.78)	356 (73.10)	487 (100)	<b>252.513</b>	<b>0.001</b>
	Safety	45 (9.24)				
	Capital appreciation	42 (8.62)				
	Regular income	0 (0)				
	Future capital requirement	7 (1.44)				
	Others	4 (0.82)				
<b>Private Chits Funds</b>	Hedging Risk	25(5.13)	336 (68.99)	487 (100)	<b>138.373</b>	<b>0.001</b>
	Safety	40 (8.21)				
	Capital appreciation	30 (6.16)				
	Regular income	12 (2.46)				
	Future capital requirement	0 (0)				
	Others	44 (9.03)				

(Source: Field survey)

## RESULTS AND DISCUSSION

The above table indicates that about 27 % investors invest in equities an objective of safety, 27% investors are investing an objective of capital appreciation and 13 % investors are invest in equity shares an objective of Hedging Risk. The objectives of investment in equity shares are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 11% investors are investing in debentures an objective of safety, 15 % investors are investing with an objective of capital appreciation and 11% investors are invest in debentures an objective of Hedging Risk. The objectives of investment in debentures are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 26 % investors are investing in bonds an objective of safety, 5 % investors are investing with an objective of future capital requirement and 18% investors are invest in bonds an objective of Regular income. The objectives of investment in bonds are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 14 % investors are investing in COD an objective of safety, 11 % investors are investing with another objective and 11 % investors are invest in COD an objective of hedging risk. The objectives of investment in COD are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 21 % investors are investing in insurance an objective of hedging risk and 17 % investors are invest with an objective of safety. The objectives of investment in insurance are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 21 % investors are investing in mutual funds an objective of regular income, 17 % investors are investing with an objective of safety and 1 % investors are invest in mutual fund an objective of hedging risk. The objectives of investment in mutual funds are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 35 % investors are investing in future & options an objective of hedging risk, 25 % investors are investing with an objective of safety and 14 % investors are invest in F&O an objective of regular income. The objectives of investment in future & options are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 19 % investors are investing in commodity an objective of safety, 9 % investors are investing with an objective of capital appreciation & regular income and 9 % investors are invest in commodity an objective of Hedging Risk. The objectives of investment in commodity are statistically significant ( $p=0.001$ ) 5% of significance level.

The above table indicates that about 20 % investors are investing in exchange traded funds an objective of capital appreciation and 18 % investors are invest with an objective of safety. The objectives of investment in exchange traded funds are statistically significant ( $p=0.009$ ) 5% of significance level.

The above table indicates that about 20 % investors are investing in pension funds an objective of safety, 17 % investors are investing with an objective of Future capital requirement and 12 % investors are invest in pension funds an objective of regular income. The objectives of investment in commodity are statistically significant ( $p=0.001$ ) 5% of significance level.

The above table indicates that about 14 % investors are investing in gold an objective of safety, 12 % investors are investing with an objective of Hedging Risk and 6% investors are invest in gold an objective of future capital requirement. The objectives of investment in gold are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 10 % investors are investing in real estate an objective of safety and 8 % investors are invest in real estate an objective of capital appreciation. The objectives of investment in real estate are statistically significant ( $p=0.000$ ) 5% of significance level.

The above table indicates that about 9 % investors are investing in chit funds with the other objective, 8 % investors are invest with an objective of safety and 6 % investors are invest in chit funds an objective of capital appreciation. The objectives of investment in chit funds are statistically significant ( $p=0.000$ ) 5% of significance level.

The above-mentioned hypothesis was tested using the Chi-Square test and the results are show in the cited table revealed a significant outcome. The Chi-Square test was perceived to be significant based on the p-value ( $0.000 < 0.05$ ) for all derivatives products which is less than the standard 0.05 value as assumed for the above test. Further, it is also analysed from the calculated chi-square value that, calculated value is greater than the standard chi-square table value with  $df = 1$  &  $\alpha = 5\%$ , Chi Square calculated value  $>$  Chi Square table value. Therefore, the null hypothesis, "There is no significance difference between Select objectives of instruments among available instruments in the Indian Capital Market", was rejected and the alterative hypothesis, "There is significance difference between Select objectives of the instruments among available instruments in the Indian Capital Market" was accepted.

## **8. SUMMARY OF KEY OBSERVATION AND RESEARCH FINDINGS**

**The key observations and findings of the study, which are presented below;**

- Lion's shares of (86.50%) respondents are male.
- Lion's shares of (85.3%) respondents are married.
- Nearly  $\frac{3}{4}$  (70%) of the respondents are in the age group of 25-35 years.

- ¾ of the respondents are Graduates (74.1%).
- Majority of the respondents' belonged to occupation are professionals (44.4%) and business man's (38.7 %).
- Not less than 4/5 of the respondents are in the income range of Rs 10-20 Lakhs (79.6%).
- The respondents under study are equally distributed among the select regions.
- 297 (60.99%) respondents are investing in the equity shares as compared no investment by 190 (39.01%) respondents
- 271 (55.65%) respondents are investing in the insurance as compared no investment by 216 (44.35%) respondents
- 331 (67.97%) respondents are investing in the Pension Funds as compared no investment by 156 (32.03%) respondents
- 381 (78.23%) respondents are investing in the Futures & Options as compared no investment by 106 (21.77%) respondents
- 411 (84.39%) respondents are investing in the mutual funds as compared no investment by 76 (15.61%) respondents
- 253 (51.95%) respondents are not investing in the debentures.
- 215 (44.15%) respondents are not investing in the bonds.
- 354 (72.69%) respondents are not investing in the Commodity.
- 303 (62.22%) respondents are not investing in the Exchange Traded Funds.
- 386 (79.26%) respondents are not investing in the Gold.
- 398 (81.72%) respondents are not investing in the Real estates.
- 412 (84.60%) respondents are not investing in the Private Chits Funds.
- 27% investors each are investing in equities an objective of safety and capital appreciation.
- Less than 15% investors each invest in debentures an objective of safety, capital appreciation and Hedging Risk.
- 26 % investors are invest in bonds an objective of safety,.
- less than 14 % investors each invest in COD an objective of safety and hedging risk.
- 21 % investors are invest in insurance an objective of hedging risk.
- 21 % investors are invest in mutual funds an objective of regular income.
- 35 % investors are investing in futures & options with an objective of hedging risk.
- 19 % investors are invest in commodity an objective of safety.
- 20 % investors are investing in exchange traded funds an objective of capital appreciation.
- 20 % investors are invest in pension funds an objective of safety, 17 % investors are invest with an objective of Future capital requirement
- 14 % investors are investing in gold an objective of safety.
- Less than 10 % investors each invest in real estate an objective of safety and capital appreciation.
- 9 % investors are invest in chit funds with the other objective, 8 % investors are invest with an objective of safety.

## 9. SUGGESTIONS AND RECOMMENDATIONS

- The response rate (78%) related to F&O indicates awareness and participation in derivatives securities by the sample investors as it been a common practice among the investors w.r.t. risk management and wealth creation.
- Commodity derivative was least preferred derivative product, as it has not yet received the required penetration as compared to other derivative class products. Hence, awareness has to create among investors.
- Investors make investments in equity shares and insurance as a security for investment purpose to safeguard the future of family members.
- Mutual funds and bonds have inclination by the investors as these securities could be attributed for tax benefits and wealth creation from long-term perspective.
- Pension fund and Gold instruments still manage to attract the investor's preference as these are assumed to long term investment assets and hedge class security among the traditional investors during the emergency time as it has better liquidity in the market.
- Traditional investment securities like ETF, COD and Debentures are losing the sheen over time, as they are not able to provide the needful returns to the investors and limited liquidity available for these instruments.
- Real estate and private chit funds are the least preferred securities for investment by the sample respondents on transnational issues and limited liquidity in the market.
- It is observed that one third or more investors make investment with the motive of hedging the risk with the derivative security investments
- About one-third sample respondents presume safety as a purpose for investment made in different securities.
- Investors do investments with respect to capital appreciation as the time range is long term and capital appreciation has right scenario to achieve it.
- Limited numbers of investors make investment for regular income as they feel investment in very long-term period gives them an opportunity to create additional source of income other than their primary source of income.
- Sample investors prefer to make an investment with long-term horizon so that the future capital requirements could be met with the past investments returns.

“Based on the findings of the study it is proposed to suggest that, investment of surplus amount can be invested in the safety investment avenues like insurance sector, bank savings and post office savings schemes and moreover the retired investors and self-employed investors should be cautious on investing in risky avenues like real estate gold as their markets are highly volatile in nature. In the present day's investment market, the avenues like gold market and share market are highly uncertain and unpredictable. Hence due caution and care is to be taken during the decisions process in their investments towards distinct investment avenues”.

## 10. CONCLUSION

The investor would be more cautious while investing their saved amount with the expectation of handsome returns from the distinct investment securities available in the Indian capital market. The investors of olden days are prefer to invest in safe and less risky investment securities, but now a days investors are knowledgeable and more cautious about investment avenues and their risk and return pay-off, they prefer to choose highly profitable and safe investment avenues. 65 % of the investors of the study choose equities, mutual fund, pension funds as investment avenues and give more interest towards highly risky and profitable investment avenues like futures and options. This study concludes that, 70% of the investors investing in distinct investment alternatives with an objective of safety, capital appreciation and hedging risk. The present study further concludes that the investment selection and investment purpose of the investors is different from each other towards distinct investment avenues traded in Indian capital market.

## 11. REFERENCES

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