

## Impact on Investors' Attitude towards Various Investment Avenues in Thanjavur City Corporation

**Pradeesh G**

*MBA, Department of Management Studies  
Bharath Institute of Science and Technology,  
Selaiyur, Chennai, Tamil Nadu 600 073  
Bharath Institute of Higher Education and Research*

### ABSTRACT

Investors have a lot of investment avenues to park their savings. The risk and returns available from each of these investment avenues differ from one avenue to another. The investors expect more returns with relatively lesser risks. In this regard, the financial advisors and consultants offer various suggestions to the investors. The available literature relating to the investors' attitude towards investment avenues is very little and failed to provide a lot of information. An attempt has been made in this study to find out the main objective of the investors in Coimbatore District towards making investments and to assess the investors' attitude towards the investment avenues. The demographic variables and objectives of the investors have been obtained from the respondents and the relationship between these variables and objectives has been computed. The attitude of the respondents towards the select investment avenues has been ranked. The study also offers suggestions to the investors to make investments.

---

### I. INTRODUCTION

Investment is the primary instruments of economic growth and increase in national income. In order to have production as per target, investment was considered the crucial determinant and capital formation had to be supported by appropriate volume of saving. People are earning more, but they do not know where, when and how to invest it. A proper understanding of money, its value, the available avenues for investment, various financial institutions, the rate of return/risk etc., are essential to successfully manage one's finance for achieving life's goal. The major features of an investment are safety of principal amount, liquidity, income, stability, appreciation and easy transferability. A variety of investment avenues are available such as shares, bank, companies, goal, and real estates, life insurance, postal savings and so no. All investors invest their surplus money in the above mentioned avenues based on their risk taking attitude. No pain No gain is the golden principle of investment management. In this fact moving world, we can earn more and more money. More risk leads to more profit. Investors cannot avoid risk but they can minimize the risk by investing their money in various forms of investments so that they can get a moderate profit.

### II. OBJECTIVES OF THE STUDY

- To study the investment preference of investors in Thanjavur City Corporation.
- To analysis the investment pattern of investors.
- To know the factor that influencing investment behavior of the investors.
- To find the problems faced by the investors.

### III. RESEARCH METHODOLOGY

Descriptive study is a fact-finding investigation with adequate interpretation. It is the simplest type of research and is more specific. Mainly designed to gather descriptive information and provides information for formulating more sophisticated studies.

**Sampling Method**

Convenience sampling method was used for the study as there were more than 1000 investors in Thanjavur City Corporation.

**Sources Of Data**

The validity of any research depends upon the reliability of the data; the study used both the primary and secondary data.

**Tools Used**

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups (although you tend to only see it used when there are a minimum of three, rather than two groups).

### ANALYSIS AND INTERPRETATION

**Table 1**

One Way ANOVA of Purpose of Investment						
Purpose of investment	Source	Sum of Squares	df	Mean Square	F	Sig.
Purchase of household	Between Groups	2.704	5	.541	2.353	.044
	Within Groups	33.090	144	.230		
	Total	35.793	149			
gold	Between Groups	2.766	5	.553	2.348	.044
	Within Groups	33.927	144	.236		
	Total	36.693	149			
Children's marriage	Between Groups	4.334	5	.867	5.684	.000
	Within Groups	21.959	144	.152		
	Total	26.293	149			
Children's Education	Between Groups	1.916	5	.383	2.048	.075
	Within Groups	26.944	144	.187		
	Total	28.860	149			
Retirement	Between Groups	1.256	5	.251	1.414	.223
	Within Groups	25.578	144	.178		
	Total	26.833	149			

Source: Primary data

The ANOVA table illustrates the level of significance of the investors opinion when compared with the purpose of investment. Among the various purpose of investment Children's marriage was significant at 1% level. The F value for children's marriage was the highest at 5.684 and mean square at 0.867.

Table 2

One Way ANOVA of factors influencing Investment						
Factors	Sources	Sum of Squares	df	Mean Square	F	Sig.
Best Return	Between Groups	3.771	5	.754	1.972	.086
	Within Groups	55.063	144	.382		
	Total	58.833	149			
Liquidity	Between Groups	6.782	5	1.356	4.335	.001
	Within Groups	45.058	144	.313		
	Total	51.840	149			
Acquire Wealth	Between Groups	8.015	5	1.603	2.312	.047
	Within Groups	99.858	144	.693		
	Total	107.873	149			
Prestige protection	Between Groups	8.480	5	1.696	2.807	.019
	Within Groups	87.013	144	.604		
	Total	95.493	149			
Family protection	Between Groups	16.567	5	3.313	3.917	.002
	Within Groups	121.806	144	.846		
	Total	138.373	149			
Low risk	Between Groups	20.166	5	4.033	7.120	.000
	Within Groups	81.574	144	.566		
	Total	101.740	149			
Fixed rate of return	Between Groups	34.808	5	6.962	7.081	.000
	Within Groups	141.566	144	.983		
	Total	176.373	149			
Tax benefit	Between Groups	5.203	5	1.041	.945	.454
	Within Groups	158.590	144	1.101		
	Total	163.793	149			

Source: Primary data

Low risk, fixed rate of return, Liquidity, Family protection were significant at 1% level. The F value for low risk was the highest at 7.120 and mean square at 4.033, The F value for fixed rate of return was at 7.081 and mean square at 6.962, The F value for liquidity was at 4.335 and mean square at 1.356, The F value for family protection 3.917 and mean square at 3.313 respectively.

Table 3

One way ANOVA of problems encountered by the Investors						
Problems	Source	Sum of Squares	df	Mean Square	F	Sig.
Lack of information	Between Groups	6.315	5	1.263	1.607	.162
	Within Groups	113.178	144	.786		
	Total	119.493	149			
No proper guidance	Between Groups	9.122	5	1.824	3.387	.006
	Within Groups	77.552	144	.539		
	Total	86.673	149			
Credit risk	Between Groups	14.769	5	2.954	3.760	.003
	Within Groups	113.124	144	.786		

**Impact on Investors' Attitude Towards Various Investment Avenues in Thanjavur City Corporation**

	Total	127.893	149			
<b>Legal risk</b>	Between Groups	8.154	5	1.631	1.970	.087
	Within Groups	119.180	144	.828		
	Total	127.333	149			
<b>Operation risk</b>	Between Groups	2.180	5	.436	.608	.694
	Within Groups	103.294	144	.717		
	Total	105.473	149			
<b>Delay in processing</b>	Between Groups	25.165	5	5.033	5.504	.000
	Within Groups	131.669	144	.914		
	Total	156.833	149			
<b>Low rate of return</b>	Between Groups	12.084	5	2.417	2.918	.015
	Within Groups	119.256	144	.828		
	Total	131.340	149			

Source: Primary data

Problems Delay in processing, Credit risk, No proper guidance were significant at 1% level. The F value for delay in processing was the highest at 5.504 and mean square at 5.003, the F value for credit risk was at 3.760 and mean square at 2.954, the F value for no proper guidance was at 3.387 and mean square at 1.824 respectively.

**Table 4**

<b>One Way ANOVA of Level of Satisfaction</b>						
<b>Level of satisfaction</b>	<b>Source</b>	<b>Sum of Squares</b>	<b>d.f</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Procedure followed</b>	Between Groups	10.158	5	2.032	7.150	.000
	Within Groups	40.915	144	.284		
	Total	51.073	149			
<b>Length of maturity period</b>	Between Groups	8.200	5	1.640	3.315	.007
	Within Groups	71.240	144	.495		
	Total	79.440	149			
<b>Terms of schemes</b>	Between Groups	18.380	5	3.676	3.930	.002
	Within Groups	134.693	144	.935		
	Total	153.073	149			
<b>Variety of schemes</b>	Between Groups	25.313	5	5.063	8.917	.000
	Within Groups	81.760	144	.568		
	Total	107.073	149			
<b>Return</b>	Between Groups	13.203	5	2.641	4.189	.001
	Within Groups	90.771	144	.630		
	Total	103.973	149			
<b>Switch over facility</b>	Between Groups	18.356	5	3.671	4.750	.000
	Within Groups	111.304	144	.773		
	Total	129.660	149			

Source: Primary data

The ANOVA table illustrates the level of significance of the investor's opinion when compared with the level of satisfaction. Among the various level of satisfaction Procedure followed, Terms of schemes, Length of maturity period were significant at 1% level. The F value for procedure followed was the highest at 7.738 and mean square at 2.163, the value for terms of schemes was at 5.488 and mean

square at 4.900, The F value for length of maturity period was at 4.773 and mean square 2.259 respectively.

#### **IV. FINDINGS**

Majority (58.7 Percentage) of the investors were female. Majority (30 Percentage) of the investors were between the age of 36-45 years. Majority (66.7 Percentage) of the people were eager to investment. Majority (36.6 Percentage) of the investors had studied post graduates. Majority (45.3 Percentage) of the investors were private sector employees. Majority (35.3 Percentage) of the investors earned between Rs.10,000 to 20,000. Majority (63.3 Percentage) of the investors live in own house. Majority (38 Percentage) of the investors were invested 0-10% per month.

#### **V. SUGGESTIONS**

Investment avenues should be available at fixed rate of return. Tax benefit should be available for investors. Level of risk should be reduced. Investment avenues should provide best return to the investors. Credit risk, legal risk and operation risk must be reduced. Proper guidance should be provided to the investors. Switch over facility must be available for the investors. Terms of schemes and variety of schemes should be clear.

#### **VI. CONCLUSION**

The present study endeavored give a look on attitude of investors towards investment avenues. The different avenues can be preferred provided it is pit forth before young and different group investors in the desired form. If the younger generation starts investing at such an early stage on regular basis, they will be able to save more for their future. Facts revealed in this study highlight the perception of varied age group investors who desire to invest in different avenues which give high returns and growth prospect. Survey findings of this study have got significant managerial implications that can be used by investment companies in restructuring their existing practices and finally innovating new ways of service delivery.

#### **VII. REFERENCES**

1. Abdisalam Ali Ibrahim Rustam Rahmatovich Vosilov (2008), "Financial Risk Tolerance: Differences Between Women and Men", Bachelor's Thesis, Fall Semester 2008, Umeå School of Business, Umeå University.
2. Ajmi Jasim (2008), "Risk Tolerance of Individual Investors in an Emerging Market", International Research Journal of Finance and Economics, No. 17, ISSN 1450-2887.
3. Chitra K and Sreedevi V R (2011), "Does personality Traits Influence the Choice of Investment?", The Icfai University Journal of Behavioral Finance, Vol. 8, No. 2, pp. 47-57.
4. Davar Yesh Pal and Gill Suveera (2009), "Antecedents of Households' Investment Decision-Making process: A study of the Indian Households", South Asian Journal of Management, Vol. 16, No. 4, pp. 44-75.
5. Felton James, Gibson Bryan and Sanbonmatsu David (2003), "Preference for Risk in Investing as a Function of Trait Optimism and Gender", The Journal of Behavioral Finance, Vol. 4, No. 1, pp. 33-40.
6. Gupta L C, Gupta C P and Jain N (2001), "Indian Households' Investment Preferences: A Survey", Society of Capital Market Research and Development, Alankrit printers, New Delhi.