

Investors' Behaviour In Punjab

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INTRODUCTION

India's domestic savings as a percentage of its GDP is 28%, which is one of the highest in the world. By 2008-09, the estimates provided by Indicus analyst, a research firm, show that India's total annual personal disposable income has grown to ₹ 36,059 billion (about 52% being Urban) and the annual savings have grown to ₹ 9,239 billion, at present. A significant portion of these savings is in the form of investment avenues like gold, fixed deposits, postal schemes and insurance. Net returns from such avenues, on the post-tax basis, could barely outperform inflation. Investment opportunities available in India have been growing in the recent past. The best investment opportunities are often found in the most unlikely places and situations & is affected by changes in government policies, technological innovations, anticipating the future, International trends, and sunrise industries.

OBJECTIVES OF THE STUDY

- ✿ To know the awareness & preference of investors for the alternatives available in the market.
- ✿ To assess the pattern of Indian investment.
- ✿ To evaluate the factors responsible for lesser weightage for any investment alternative.
- ✿ To judge & rank purpose of savings in Punjab.
- ✿ To ascertain the risk weightage assigned by the investors to their funds.
- ✿ To verify the correlation between the proportion of investment & the demographic factors of the respondents.

LIMITATIONS OF THE STUDY

- ✿ The area covered under the study is less.
- ✿ Due to the nature of the research being related to the financial domain, there has been lesser disclosure from the part of the investor.
- ✿ As the size of the sample is small, the findings can't be generalized.
- ✿ Deficiency on the part of investor to judge & comment on their own pattern of investment.

SAVING SCHEMES IN INDIA

Saving is always the prime importance for any individual for security of his future. The purpose of savings may vary from individual to individual. Most of the times, these savings are willful, but sometimes, these may also be forceful in order to reduce the tax liability. In Indian tax laws, deductions are provided at a specified rate on the amount of such savings. The investors have to consider certain investment characteristics before finalizing any option. These are: **(1) Liquidity (2) Marketability (3) Reversibility (4) Transferability (5) Transaction cost (6) Risk of default (7) Maturity period (8) Tax status (9) Options (call back/buy back) (10) Volatility of prices (11) Rate of return.**

✿ **Post Office Savings Schemes:** India possesses the largest postal network in the world with 155,000 post offices spread all over the country as on March 31, 2001, of which 89 per cent are in the rural sector. There are various kinds of saving schemes e.g. National Savings Certificates (NSC), National Savings Schemes, Post Office Time Deposits, Post Office Recurring Deposit Account (RDA), Post Office Monthly Income Scheme, Senior Citizen Scheme, Kisan Vikas Patra (KVP), RBI Relief Bonds, Public Provident Funds etc. Almost all of them have tax relieves and exemptions u/s 80C & u/s 10. The return varies from 6-9% and involves certain lock in period. These days, these schemes are not very popular and suitable for the investors who are very risk averse.

✿ **Bank Deposits in India:** Bank deposits are fairly safe because banks are subject to control of the Reserve Bank of India (RBI) with regard to several policy and operational parameters. Now, most of the banks offer various facilities such as ATM card, credit card etc. Through debit/ATM card, one can take money from any of the ATM centers of the

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particular bank which will be open 24 hours a day. Through a credit card, one can avail shopping facilities from any shop which accept the credit card. And many of the banks also give internet banking facility, with which one can avail facilities like - transactions like withdrawals, deposits, statement of account etc. Now- a- day's, different kind of accounts are available such as Savings Bank Account, Bank Recurring Deposits, Bank Fixed Deposits, Current account. Bank deposits are the safest investment after Post office savings because all bank deposits are insured under the Deposit Insurance & Credit Guarantee Scheme of India. It is possible to get loans up to 75- 90% of the deposit amount from banks against fixed deposit receipts, though some penalty may be charged.

✿ **Provident Fund:** These funds are of different types. Some of them are structured & mandatory for notified organizations to provide to their employees. In these funds, employees contribute a certain portion of their salary & an equivalent amount is required to be contributed by the employer. Post offices also provide for Public Provident Fund, popularly known as PPF. It is a savings cum tax saving instrument. It also serves as a retirement planning tool for many of those who do not have any structured pension plan covering them. Minimum deposit required in a PPF account is ₹ 500 in a financial year. Maximum deposit limit is ₹ 70,000 in a financial year. Presently, the rate of interest is 8% per annum. The number of investors for Provident funds were 1172 in 1950-51, which increased to 52,435 in 2001-2002 which accounted for 18% of savings in financial assets of the household sector in India.

✿ **Company Fixed Deposits In India:** The company fixed deposits were started in India in 1964 by Bajaj Capital Ltd. Today, its market has grown to approximately ₹ 25,000 crores. The number of depositors has increased to around 5 million. Fixed deposits in corporations that earn a fixed rate of return over a period of time are called Company Fixed Deposits. Financial institutions and Non-Banking Finance Companies (NBFCs) also accept such deposits. Deposits thus mobilized are governed by the Companies Act under Section 58A. The benefits of company deposit are numerous like superior returns from reputed companies, fixed and assured returns, premature encashment, simplicity of transactions, TDS benefits, wide choice. All these features have made company deposits a preferred instrument of investment. These deposits are unsecured. Every company is rated by credit rating agencies like CARE, CRISIL and ICRA. Normally, the minimum investment is ₹ 5,000. For individual investors, there is no upper ceiling. Their duration may vary from a minimum of 6 months to 5 years or even more. The rate of interest is ranging from 5-16%. Before investing, we must take certain precautions i.e. check the credentials of the company, confirm the Interest rate compounding period & Penalty in case of Premature ending of fixed deposits etc. The drawback is that the interest income is subject to tax & rising inflation can wipe out these benefits.

✿ **Bonds and Debentures In India:** A bond or debenture is a long term debt instrument. Bonds issued by the government or the public sector companies are generally secured. The private sector companies issue secured or unsecured debentures. In the case of bonds or debentures, the rate of interest is fixed and known to the investors. A bond is redeemable after a specific period. The key risks of corporate bonds are that the company will go out of business and you'll lose your investment, and that interest rates will rise and you'll lose if you have to sell on the open market. Corporate bonds are generally more risky than government bonds. Corporate bonds often pay higher returns than government bonds. The pricing of the bonds depends upon many factors e.g. General level of interest rates, supply and demand, and term remaining on the issue, attractiveness, and assets securing the liability. The Act in India, which is regulating bonds is Registration of Bonds and Debentures Act, 1970. Bonds can be broadly classified into Tax-Saving Bonds & Regular Income Bonds.

✿ **Money Market:** The money market is a mechanism that deals with the lending and borrowing of short term funds. The India Money Market has come of age in the past two decades. The performance of the Indian Money Market is heavily dependent on real interest rate- that is the interest rate which is inflation adjusted. It is needed because: (i) Need for short term funds by Banks, (ii) Outlet for deploying funds on short term basis (iii) Need to keep the SLR as prescribed, (iv) Need to keep the CRR as prescribed, (v) Optimize the yield on temporary surplus funds, (vi) Regulate the liquidity and interest rates in the conduct of monetary policy to achieve the broad objective of price stability, efficient allocation of credit and a stable foreign exchange market. The Products are :

Treasury-Bills	Government of India Securities
Commercial Papers (CP)	Call linked products
Certificate of Deposits (CD)	Collateralized Borrowing and Lending
Obligations	(CBLO)

TIMMA (Templeton India Money Market Account), India's first money market mutual fund, was launched in March 1997. Today there are a no. of such mutual funds available in the market.

✿ **Stock Market:** With over 20 million shareholders, India has the third largest investor base in the world after the USA and Japan. Over 9,000 companies are listed on the stock exchanges, which are serviced by approximately 7,500 stockbrokers. The Indian capital market is significant in terms of the degree of development, volume of trading and its tremendous growth potential.

Table 1 : Worldwide Stock Markets

Country	Market cap (US\$ billion)
USA	17,923
Japan	4,615
United Kingdom	3,722
China	3,059
France	2,653
Hong Kong	2,180
Germany	1,976
Canada	1,620
Switzerland	1,207
India	1,090

Source: ETIG, August 2007

Successful investing in equity markets requires some skill, some experience, some luck and lots of patience. The growth in well-managed companies gets eventually reflected in the growth in their stock prices. Thus, a well-chosen stock can give good returns over a period of time. But, higher returns are also followed by a higher level of risk since the markets are volatile and prone to “bull-runs” and “bear-phases”. Studies have also shown that the longer you stay invested in the equity market, the closer you move to the averages and reduce volatility. However, equity markets continue to remain risky for an investor who chooses to invest for shorter periods because his returns would then depend on the period he stays invested. Ultimately the actual return earned by the investor would depend on (i) Which stocks he bought (ii) When he bought them and (iii) How long he retained them before selling them off. Returns as well as risk would be a combination of these three decisions by him. The option of closed ended funds could also be considered for investments because of the fact that the prices of these funds are more regulated by the demand & supply rather than market psychology.

✿ **Insurance:** Insurance is a form of risk management primarily used to hedge against the risk of a contingent loss. Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another in exchange for a premium. Basically, the Insurance companies can be classified into two categories i.e. Life Insurance & Non-Life. There are different kinds of products that are being offered by insurance companies these days. These are Business Insurance, Health Insurance, Disability Insurance, Casualty Insurance, Life Insurance, Property Insurance, Automobile Insurance, Driving School Insurance, Aviation Insurance, Boiler Insurance, Builder's risk Insurance, Earthquake Insurance, Flood Insurance, Marine Insurance, Terrorism Insurance, Volcano Insurance, Windstrome Insurance, Liability Insurance, Credit Insurance, Pet Insurance, Pollution Insurance, Travel Insurance, Reinsurance, Social Insurance etc. A new kind of product is very popular these days i.e. ULIP (Unit Linked Insurance Plan). The investments under this type of scheme are subject to a lock-in period of 3 years and, as per the Finance Act 2005, are allowed the benefit of income deduction upto ₹ 1,00,000. Now-a-days, modern insurance companies are money-making businesses which have little interest in insurance. That is why they are criticized. The purpose of insurance is to reduce risk so the reluctance of insurance companies to take on high-risk cases (e.g. houses in areas subject to flooding, or young drivers) runs counter to the principle of insurance. Insurance policies contain too many exclusion clauses. Moreover, the information provided in the call centers is not guided by expert knowledge.

✿ **Mutual Funds:** A mutual fund is a professionally managed firm of collective investments that collects money from many investors and puts it in stocks, bonds, short-term money market instruments, and/or other securities. The fund

manager, also known as portfolio manager, invests and trades the fund's underlying securities, realizing capital gains or losses and passing any proceeds to the individual investors. Currently, the worldwide value of all mutual funds totals to more than \$26 trillion. As of May 2008, the assets under management (AUM) by the Indian MF industry stood at ₹ 6,00,000 crore (₹ 1,13,005 crore at end-March 2000). In India, there are 33 registered Mutual Fund houses. While income funds accounted for 49% of the total assets, equity or growth funds had 26% of the total assets. Balanced funds, gilt funds, ELSS and Liquid funds/ money market funds accounted for the rest. Mutual funds bear expenses similar to other companies. The fee structure of a mutual fund can be divided into two main components: management fee and non management expense. All expenses are expressed as a percentage of the average daily net assets of the fund. There are different types of mutual funds e.g Open-end fund, Exchange-traded funds, Equity funds, Bond funds, Money market funds, Funds of funds (FoF), Hedge funds. There may be different investment objective for different investors i.e. Growth, Income, Tax Saving etc.

✿ **Real Estate:** Real estate is basically defined as immovable property such as land and everything permanently attached to it like buildings. The investment in real estate essentially depends on the risks associated with it. It is attracting investors by offering a possibility of stable income yields, moderate capital appreciations, tax structuring benefits and higher security in comparison to other investment options. The potential of India's property market has a revolutionizing effect on the overall economy of India as it transforms the skyline of the Indian cities mobilizing investments segments ranging from commercial, residential, retail, industrial, hospitality, healthcare etc. There is an up shooting demand for 200 million sq. ft over the next five years for commercial real estates. On the whole, Indian real estate sector is slated to mark the growth to \$40-50 billion in the next five years. Now- a- days, new kinds of institutes are emerging that known as REITs. A Real Estate Investment Trust (REIT) is a corporation or body investing in real estate that has the property to reduce or eliminate corporate income taxes. In return, REITs are required to distribute 90% of their income among the investors. The REIT structure was designed to provide base for investment in the real estate as the mutual funds provide for investment in stocks.

✿ **Jewellery:** At 317 tonnes, India's total demand for gold in Q2 2007 was equivalent to half the global mine output for the quarter. Basic purchase of jewellery is not for pure investment but human desires. In the Hindu, Jain and Sikh community, where women do not inherit landed property, precious metal jewellery is a major component of the *streedhan*. At the most obvious level, it is a form of adornment satisfying man's innate desire to beautify himself. However, jewellery also serves as an identity marker, as security, and as symbol of social contracts. For Hindus, jewellery is associated with most religious ceremonies, especially the *samaskaras* (stages of life) such as the *namkarna* (naming ceremony) or the *vivaha* (marriage). To signify marital status, Hindu women must wear the *mangalsutra* consisting of gold. We can invest in jewellery by Buying Gold Jewellery for investment, buying Gold coins, Gold Stocks, Bonds and other investments. Options such as gold certificates, accumulation plans, coins and shares of gold mining companies, which serve as a proxy for investing in gold in the developed markets, do not exist here. Even Experts don't recommend strongly the purchase of jewellery for the purpose of investment because of the unavailability of a highly liquid, organized market for gold or gold-backed securities and two reasons -purchasing & reselling. While purchasing it, a few precautions are required: (i) Always take a receipt from the jeweller stating the price, weight and karatage, (ii) Prefer hallmark jewellery, (iii) Option of branded jewellery like Titan, Carbon, Nakshatra. An effective investment includes reselling - Reselling jewellery is not as simple as going to the jeweller and getting a good price. The jeweller will consider a number of factors: i) The design- outdated and old fashioned, ii) The workmanship, iii) The weight and price, iv) The purity of gold. Moreover, jewellery has the sentimental value attached to it and not the investment value. The value you attach to a piece of jewellery is purely emotional and does not depend on the market value whatsoever. Now finally, the investment in the form of jewellery including gold and diamond ornaments should be made only on need based situations. For example, if you want to invest in jewellery for use today by your family members, then go and buy the jewellery. But if you are contemplating to buy out jewellery for your small little daughter for her marriage, the design and fashion would change and thus you would again be required to spend money by way of remaking charges. (by Subhash Lakhotia, tax expert).

DATA ANALYSIS AND INTERPRETATION

The data has been processed and analyzed by tabulated interpretation so that the findings can be communicated and easily understood. The findings are presented in the best possible way. Tables and graphs have been used for

illustration of principal findings of the research.

Table 2 : Evaluation of different Investment Avenues

Different Investment Avenues	Return	Risk Profile	Liquidity
Post office Saving Schemes	Low but fixed	Very low since PSU	Low
Bank Deposits	Moderate	Moderate	Moderate (may invite penalty)
Company Fixed deposits	Low-Moderate	Moderate	Low
Bond & Debentures	Low but fixed	Very low	Low
Money Market	Low but fixed	Very low	Very high
Stock Market	Very high	Very high	Very high
Insurance	Low & variable	Low	Low
Mutual Funds	High	Moderate-High	High
Real Estate	Very high	Very high	Moderate-High
Jewellery.	Moderate	High	High

CHARACTERISTICS OF THE RESPONDENTS OF THE STUDY

Most of the respondents fall between the age group of 20-30 years. 36% of the population has income higher than ₹ 2 lakhs & 24% have income less than ₹ 1 lakh. Most of the data has covered the service sector of the society. Financial sector is 16% of the study, which represents the people from the Insurance, Banking & NBFC region. This group has more exposure to the investment avenues -that's why it is categorized differently. 36% of the population is post graduate in different disciplines.

❁ **Level Of Awareness Among The Respondents:** The study has evaluated that the investors are able to mention only a few names (for investment) about which they have information. There is more awareness regarding the bank deposits & Insurance, but people know little about money market, provident Fund & company FD.

Fig 1 : Age (in years)

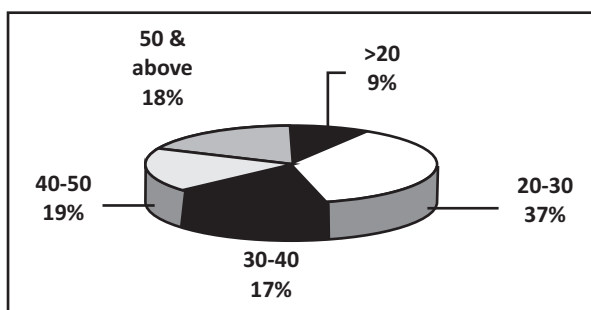


Fig 2: Level of Income (In ₹)

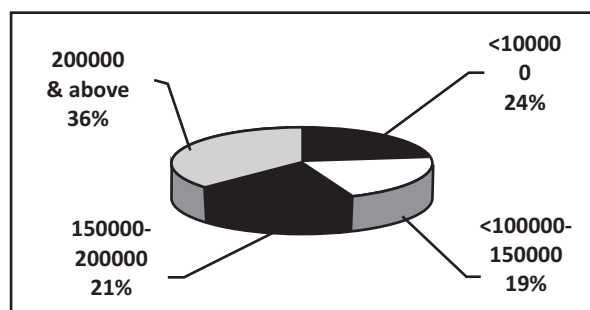


Fig 3 : Occupation

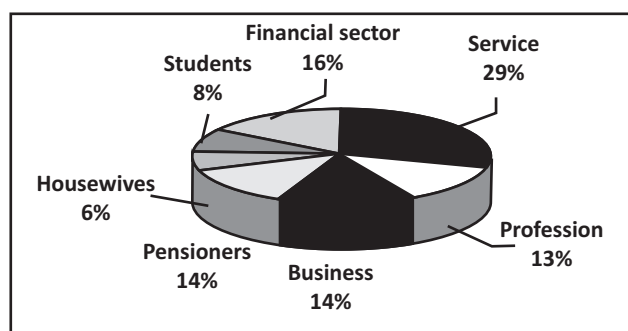


Fig 4 : Qualification

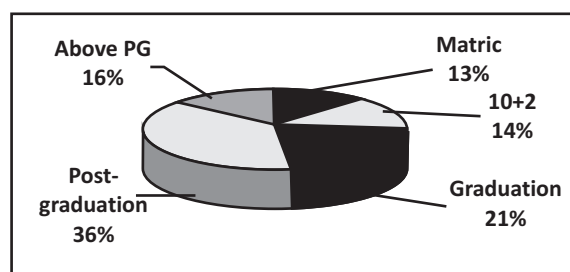
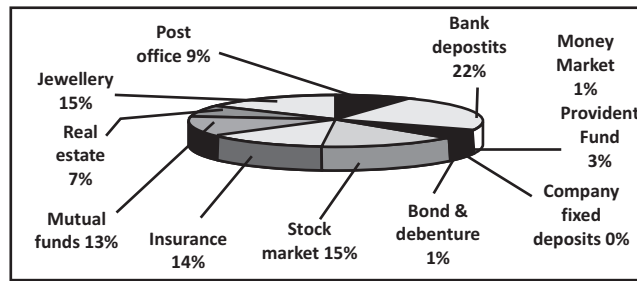
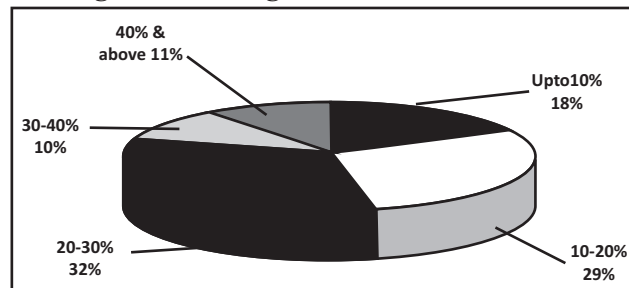


Fig 5 : Level of Awareness of Investment Avenues



❁ **Proportion of Income Invested:** Most of the investors saved 20-30% of their income followed by 10-20%, which describes that the major portion of the income is spent on the consumption by the population of the study.

Fig 6 : Percentage Of Total Income Saved



We can also verify that on which factors the proportion of income invested depends. It may be the function of age, qualification, gender, income range or occupation. It is also possible that it may not depend on any of the above said factors. The hypothesis will be framed as:

H0 : The proportion of the income does not have any correlation with the factors like age, qualification, gender, income range or occupation.

H1 : The proportion of the income are correlated with the age, qualification, gender, income range or occupation.

To check these hypothesis, Spearman's correlation coefficient has been adopted. On the basis of which the hypothesis will be rejected or accepted.

Table 3 : Correlation Between The Proportion Of Investment

			Age	Investment
Spearman's rho	Age	Correlation Coefficient	1.000	.006
		Sig. (2-tailed)	.	.937
		N	200	200
	Investment	Correlation Coefficient	.006	1.000
		Sig. (2-tailed)	.937	.
		N	200	200

Table 4 : Correlation Between The Proportion Of Investment & Occupation

			Investment	Occupation
Spearman's rho	Investment	Correlation Coefficient	1.000	-.069
		Sig. (2-tailed)	.	.333
		N	200	200
	Occupation	Correlation Coefficient	-.069	1.000
		Sig. (2-tailed)	.333	.
		N	200	200

Table 5: Correlations Between The Proportion Of Investment & Qualification

			Investment	Qualification
Spearman's rho	Investment	Correlation Coefficient	1.000	.055
		Sig. (2-tailed)	.	.442
		N	200	200
	Qualification	Correlation Coefficient	.055	1.000
		Sig. (2-tailed)	.442	.
		N	200	200

Table 6 : Correlations Between The Proportion Of Investment & Income Range

			Investment	Income
Spearman's rho	Investment	Correlation Coefficient	1.000	.388(**)
		Sig. (2-tailed)	.	.000
		N	200	200
	Income	Correlation Coefficient	.388(**)	1.000
		Sig. (2-tailed)	.000	.
		N	200	200

Table 7: Correlations Between The Proportions Of Investment & Gender

			Investment	Gender
Spearman's rho	Investment	Correlation Coefficient	1.000	-.209(**)
		Sig. (2-tailed)	.	.003
		N	200	200
	Gender	Correlation Coefficient	-.209(**)	1.000
		Sig. (2-tailed)	.003	.
		N	200	200

INTERPRETATION

As per the result of correlation analysis, we can conclude that at 1% level of significance for 2-tailed test, there is a very low correlation of proportion of investment with the age, qualification & occupation. There is a significant correlation at .388 between the income level & the proportion of the income invested. There is significant negative correlation between the proportion of investment & gender.

Table 8: Ranking For The Purpose Of Investment

Purpose of Investment	Ranks Given					Total	
	I	II	III	IV	V		
Tax Saving	17	25	24	25	10	101	IV
Interest Earning	18	15	30	10	0	73	V
Curb Inflation	10	21	36	64	4	135	III
Security of Funds	25	45	50	20	2	142	II
Total	70	106	140	119	16	451	I

Ranking of different Investment Avenues: On the basis of their current investments, the investors have ranked the different investment avenues.

Table 9: Different Investment Avenues Available For Investment

Avenues For Investment	Ranks											Total	Ranks
	1	2	3	4	5	6	7	8	9	10	11		
Post office savings	28	26	18	24	12	12	10	4	3	5	6	148	II
Bank deposits	56	42	26	16	13	7	5	3	4	1	1	174	I
Provident fund	11	14	18	16	13	10	12	6	8	6	7	121	V
Company fixed deposits	3	6	8	10	11	12	12	14	13	13	5	107	IX
bonds & debentures	3	0	6	6	4	11	16	15	19	15	10	105	X
Money market	4	7	9	7	11	8	12	17	12	11	9	107	IX
Stock market	12	12	20	11	13	16	9	9	6	9	1	116	VII
Insurance	16	20	20	22	20	6	7	5	8	11	4	139	III
Mutual funds	21	18	14	16	20	12	3	8	7	8	6	133	IV
Real estate	5	14	13	15	11	11	11	11	9	14	4	118	VI
Jewellery	12	16	5	13	12	7	2	7	3	6	32	115	VIII

Table 10 : Investors' Preference For The Return From The Investment In Stock Market

Returns desired	No. of Respondents
Regularly by way of Dividend	50
Capital gains by selling at higher level	65
Total	115*

*The investors who are investing in the stock market out of the total surveyed.

✿ **Risk Bearing Attitude:** Though the degree for different categories (Low, Medium & High) varies for each investor, but it could estimate their perception for the risk which they are ready to take while investing. Most of the weightage is towards medium risk- that is the investors are concerned for the higher return for which he is ready to take moderate risk as well.

Fig 7: Investor's Risk Bearing Attitude

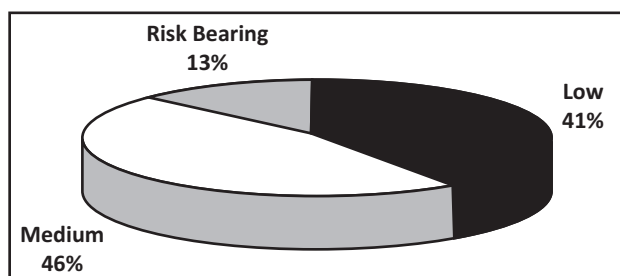


Table 11 : Investors' Preference Towards Different Kinds Of Mutual Funds

Types of Mutual Funds	Ranks Given						Total	
	I	II	III	IV	V	VI		
Equity	41	24	23	6	8	6	108	II
Debt	8	20	23	18	17	9	95	III
Balanced	27	25	19	20	13	4	108	II
Tax saving	41	23	14	14	10	8	110	I
Money Market	8	20	15	20	14	14	91	IV
Sectoral	4	6	8	6	20	40	84	V

✿ **Different Kinds of Mutual Funds:** In order to avail the deduction under Indian Income Tax Act, the investors have shown their preference towards tax saving Mutual Funds. More or less, an equal weightage is given to Equity Oriented Funds providing higher returns though associated with the higher risk of fluctuations in the market.

✿ **Criteria For Investment In Mutual Funds:** An attempt is made to find out that which factor is given due weightage while investing in Mutual Funds.

Table 12: Ranking For Criteria In Selection Of A Mutual Fund

Factors affecting Investment	Ranks Given							Total	
	I	II	III	IV	V	VI	VII		
Return %	60	27	12	11	3	2	-	115	II
Name of the Company	32	43	24	14	9	2	-	124	I
Date of incorporation of Fund	6	4	25	21	30	27	2	115	II
Risk Profile	9	24	40	24	9	7	-	113	III
Investment Pattern	9	21	14	25	22	21	-	112	IV
Expense Structure	1	11	12	14	23	30	5	96	V
Others	-	-	1	2	2	4	-	9	VI

✿ **Channels Affecting The Pattern Of Investments:** Few of the sources are more prominent like agents who provide the ready information & the investment opportunities to the Investor at an arm's length.

Table 13: Investors' Preference Towards Different Sources Of Information

Channels For Information	Ranks Given					Total	
	I	II	III	IV	V		
Agents	75	28	24	13	14	154	I
Magazines/Newspapers	33	32	35	23	2	125	IV
Video/Audio ads	26	24	26	26	35	137	II
Internet ads	9	18	35	39	36	137	II
Branch offices	21	33	16	26	40	136	III
Others(Friends etc.)	3	1	-	-	-	4	V

✿ **Adequacy Of The Advertisement By The Financial Companies:** Investors seems to be satisfied by the Advertisement pattern followed. The reason for the same may be that they don't have any access to the information available with the company, which is not reaching them.

Table 14: Investors' Opinion Towards Adequacy Of Advertisements

Response	No. of Respondents
Yes	131
No	69

SUGGESTIONS FOR GREATER REACH TO THE INVESTOR

The respondents of the study have expressed their view point towards the advertisement tools adopted by the Financial companies. They suggested certain measures:

✿ TV, Radio, Internet, Cable TV, Magazines, Hoardings & Glow Sign Boards etc. should be the most explored media for the advertisements.

✿ Brand ambassadors should be appointed to establish the brand name.

✿ Detailed Information regarding all the contents of the instrument like return & risk must be given in layman's language.

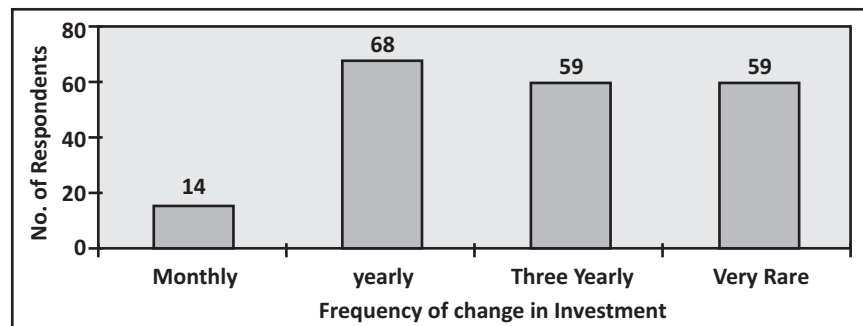
✿ Seminars must be conducted in various parts of the country within the approach of the perspective investor.

✿ Demonstrations with the help of duly developed slides describing all the contents should be given on home to home

basis.

- ✿ Pamphlets in the daily newspapers can be given regarding the financial instruments.
- ✿ Older customers may be informed of the new schemes by the letters/SMSs.

Fig 8 : Investor's Preference For The Change Of Investment Pattern



The graph (Figure 8) shows that very few people are paying monthly attention to their investments. Most of the investors think about investment/change in investment plan on a yearly basis followed by equal weightage of those investors who think about investment plans once in three years & those also who rarely focus on investment plans.

EXPECTATIONS OF THE INVESTORS

The level of investments in India is very low as compared to other countries. The reason for the same could be that the investors' expectations are not fully met. The investors expect that they get :

- ✿ Maximum growth at Bearable risk.
- ✿ Monthly investments, Timely returns.
- ✿ No resale risk, value of the money.
- ✿ Ensured reliability of every company, scheme etc.

FINDINGS

Most of the Respondents of the study save & invest 10-30% of their income in form of different securities. The main purpose for such savings is security of funds followed by the tax savings. Most of the savings are directed towards in the tax savers & balanced mutual funds. For the selection of the mutual funds, the investors give almost equal preference to the name of the company, returns generated & date of the fund. The most effective source of information are the agents & the advertisements on the TV & Internet.

CONCLUSION

The investment avenues analysed & discussed in the above research paper are now being extended in the form of certain expenditures also. There are certain consumption expenditures which are encouraged under Indian Income Tax Act by providing tax deductions to them. The assesses are considering the payment of home loans and children tuition fee as one of the saving device which also reduces their tax liability. Further research area could be the tax saving devices adopted by the investors.

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