

# A Study on Public Motive for Investing in Various Investment Avenues

**Sarfaras.F**

BBA.,L.L.B (Hons)

Saveetha School of Law,

Saveetha Institute of Medical and Technical Sciences  
(SIMATS)Email Id: [Sarfaras.khan19@gmail.com](mailto:Sarfaras.khan19@gmail.com)

Mobile number: 7299241246

**Mrs. Aruna A. R**Assistant Professor, Department of management,  
Saveetha School of Law,Saveetha Institute of Medical and Technical Sciences  
(SIMATS)Email Id: [arunasathis@gmail.com](mailto:arunasathis@gmail.com)

Mobile Number: +91 75020 34402

**Article Info****Volume 83****Page Number: 2723 – 2727****Publication Issue:****May - June 2020****Abstract:**

Investment decisions are made by investors and investment managers. Various Investment avenues are available to investors such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. The objectives of this study is to understand investment motives of public, to analyse the level of agreeability towards various investment objectives, to find out whether investment experts are consulted before making investment and to decipher what are various motives behind making investments. questionnaire and the sample size is 1718. Convenience sampling method is adopted in the study to collect the data. The samples were collected from the general public with special reference to Chennai region. The independent variables are gender, income level and education level of respondents. The dependent variables are investment motives and investment expectations. The researcher used graphs to analyze the data collected. It was found that there is difference in the opinion of investment motive and educational qualification greatly influences the investment expectations

**Article History****Article Received: 11August 2019****Revised: 18November 2019****Accepted: 23January 2020****Publication: 10May2020****Keywords:** Investment, Motive, Public, Experts, Consulting**Introduction:**

Investment is the process of designating cash in the desire for some advantage in the future.

Understanding investor motive is a difficult task. The unpredictability of human nature generates a seemingly endless variety of motives that manifest themselves in interesting ways when individuals involve themselves against the markets. In the present financial system, there are so many investment avenues to choose, today in financial market it has involved for anyone to decide about these avenues. Some of these investment avenues offer attractive returns but with high risks, some propose lower returns with very low risks. An overall analysis of these investment avenues with risk and return trade is present in this article. An

investment is can describe as perfect investment, if it satisfies all the needs of all investors. Therefore, the starting point of searching of any perfect investment must look at through the investor needs. If all those needs are meets by the investment, then that investment termed the perfect investment. The most investors and advisors use a big deal of time thoughtful qualities of the thousands of investments offered in India.

The investment have different choices from national savings certificates, provident fund, mutual fund schemes, insurance schemes, chit funds, bank fixed deposits, and company fixed deposits, company shares, bonds /debentures, government securities, postal savings schemes and real estate. It would be concluded that in this fast affecting world, we save

to get extra money. Added risk directs to more profit. For the example total liquidity, income stability a variety as shares, bank companies, gold and silver, real estate, life insurance postal etc., but, most of the people preferred bank deposit by the cause of more respondents invested for purchasing home and long-term growth but, most of the investors could not aware to investing their money in mutual funds and shares. It is assumed that information structure and the factors in the market systematically influence individuals' investment decisions as well as market outcomes

**Objectives:**

- To understand investment motives of public
- To analyse the level of agreeability towards various investment objectives
- To find out whether investment experts are consulted before making investments
- To decipher various motives behind making investments

**Literature Review:**

Priti Mane, in his paper analyzed the customer perception of mutual funds and types of schemes preferred by investors. He found in his study that mutual funds based on share market are preferred by investors than the other schemes. The researcher also studies the preference of various investment avenues like post office deposits, equity shares, bonds etc.

Awais et al. explored that various factors which influence investors in their decision-making process. It was found in the study that risk taking capability of investors greatly influence their choice of investment. It was also found in the study that improved investor education and knowledge on understanding financial information will help them to make better decisions. Shukla attempted preferred investment avenues of salaried persons. It was found that educational qualification of respondents greatly influences the investment choice and long term investments like purchase of homes was given preference than the short term investment. They were looking for long term returns with capital appreciation. The respondents want safety of the investments.

Amudhan et al examined the performance investment behaviour concerned with choices in short term and also in small amounts of investment

like mutual funds, chits funds, deposits etc. It was found in the study that there is fair correlation between factors that behavioral finance theory and investors perception of future income like dividend payment, interest will influence their short term investment decisions. Vaidehi et al. It studies the need for better accepting of behavioral pattern of the investors. Among the selected factors the investment motives, attained the long-term gain, which established to an essential factor chased by dividend and growth prospects and balancing of short-term and long-term gain. Educational qualification, occupation, age, income and amount of equity investments influence the investing styles of the investors notably.

Mishra explained that this study aimed to investigate perception of investor towards mutual funds. Difference of view about mutual fund analyzed with the help of 't' test. Small investors focused on tax returns and savings but large investors expect future return. Thus mutual fund companies must give due significance to these size for their survival and growth in Indian context.

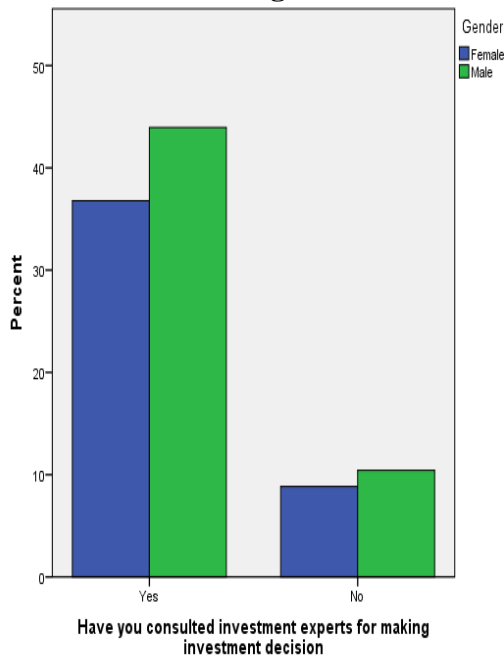
**Paul Davidson** distinguishes between three motives for holding cash as the transactions motive, precautionary motive and speculative motive.

**Research methodology:**

The research method followed is descriptive research. The data is collected through a questionnaire and the sample size is 1718. Convenience sampling method is adopted in the study to collect the data. The samples were collected from the general public with special reference to Chennai region. The independent variables are gender, income level and education level of respondents. The dependent variables are investment motives and investment expectations. The researcher used graphs to analyze the data collected.

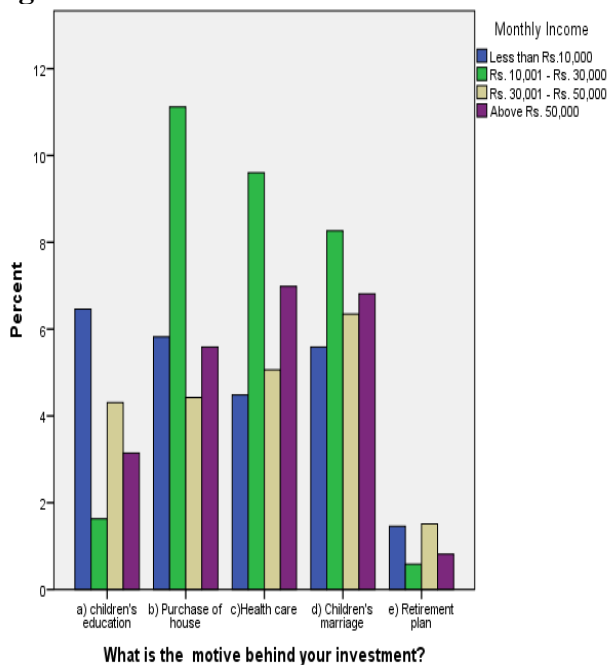
**ANALYSIS:  
LEGEND:**

**Figure 1**



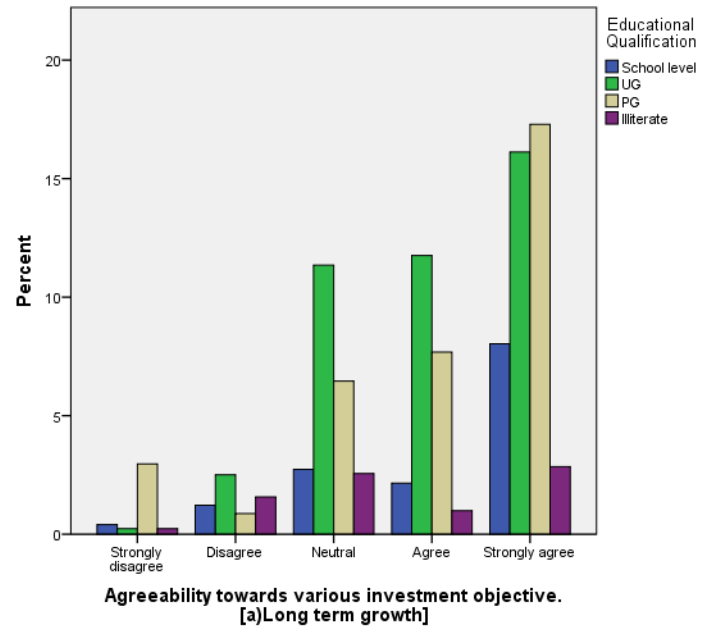
The above figure shows how the gender of respondents influence their opinion on consulting experts before taking investment decision

**Figure 2**



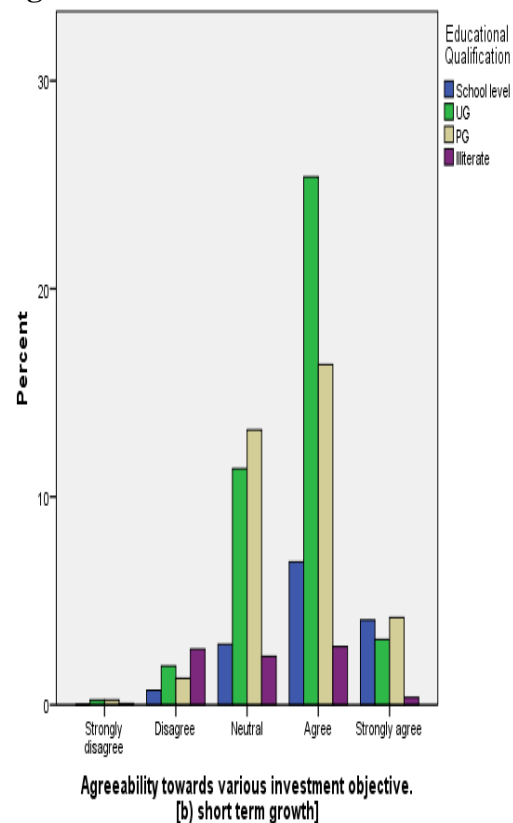
The above figure shows the variability investment motives with respect to monthly income of respondents.

**Figure 3**



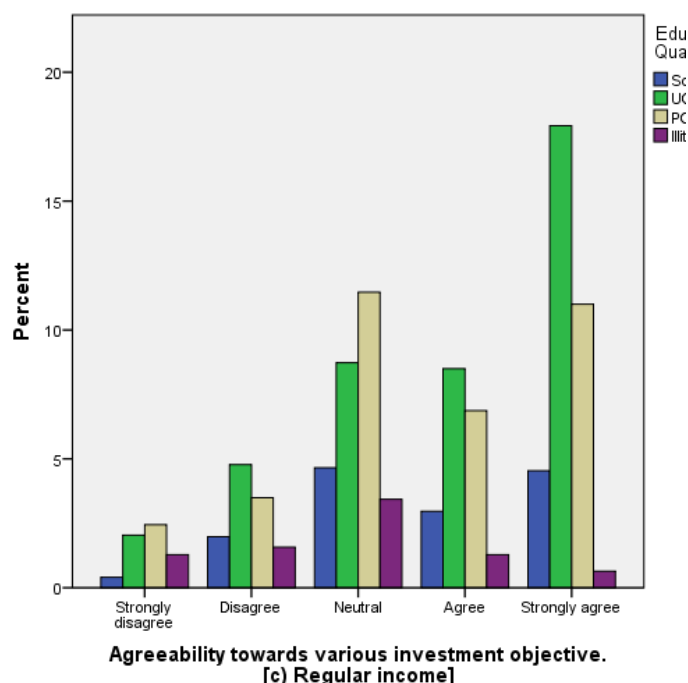
The above chart shows how the educational qualification of respondents influence long term investment objectives

**Figure 4**



The above chart shows how the educational qualification of respondents influence short term growth investment objectives

**Figure 5**



The above chart shows how the educational qualification of respondents influence regular income investment objectives

## RESULTS:

- It can be seen from Figure 1, that Male respondents make consultation with experts than the female respondents. From Figure2, it can be seen that, Purchase of house, health care and children's marriage were the main motive for respondents earning between Rs.10,000 and Rs. 30,000 but children's education is the prime motive for low income respondents. Health care and Child marriage were motives for respondents earning more than Rs.50,000.
- It can be observed from Figure3, that literates mostly strongly agree to the long term growth investment objectives but do not agree to the same
- It can be observed from Figure4, that literates mostly agree/ neutral to the short term growth investment objective
- It can be observed from Figure5 that undergraduate respondents strongly agree to the statement but post graduates were neutral to the statement

## DISCUSSION

It can be seen from the graph that men consult experts before making an investment decision than female respondents. This may be due to the fact that usually men in a family make investment decisions and female might be lacking proper awareness. Also, for the low income group of respondents, children's education is seen as prime motive for investment and for other income groups, those have sufficient fund for their children's education , purchase of home and children's marriage as main motive of investment. Also educational qualification influences the investment expectations. While the literates see long term growth as the investment expectations, for illiterates regular income is given preference than other expectations. This might be because they depend upon such incomes to meet their money requirements.

## CONCLUSION

An investor has various alternative avenues of investment in which he can invest his savings. Investors find it difficult to choose an appropriate investment opportunity. The study attempted to find the investment motive and expectations of public with special reference to Chennai region. It was found that there is difference in the opinion of investment motive and educational qualification greatly influences the investment expectations. It is evident from the study the government can conduct awareness camps to explain various investment avenues available to investors and how it helps them to meet variety of investment motives. Investors do also need to diversify their investment in different companies by developing a portfolio of investments to minimize risks and maximize returns.

## REFERENCES

- [1] Mane P (2016) A Study of Investors Perception towards Mutual Funds in the City of Aurangabad. The SIJ Transactions on Industrial, Financial and Business Management 4: 30-38.
- [2] Awais M, Laber F, Rasheed N, Khursheed A (2016) Impact of Financial Literacy and Investment Experience on Risk Tolerance and Investment Decisions: Empirical Evidence from Pakistan. International Journal of Economics and Financial 6: 73-79.

- [3] Shukla N (2016) Investors' Preference towards Investment Avenues with Special Reference to Salaried Personnel in North Gujarat Region 2: 2395-1052  
[www.ijstart.com](http://www.ijstart.com)
- [4] Amudhan S, Poornima J, Senthilkumar (2016) A Study on Individual Investors Satisfaction Level of Existing Investment Schemes in Salem Districts. 2: 1239-1245.
- [5] Vaidehi J, Vijayakumar G (2016) A Study on Equity Investment Motives and Styles of Individual Investors. Journal of Exclusive Management Science 5: 1-10.
- [6] Mishra R (2015) Perceptions of Investors towards Mutual Funds: An Analytical Study in Odisha. International Journal on Recent and Innovation Trends in Computing and Communication 3: 4889-4892.
- [7] Rastogi S (2015) Differences in Behavioural Biases in Investment Decision Making: Gender and Occupation Perspective. Journal of International Business and Economy 16: 13-35.
- [8] Vijayakumar (2015) Investor's perception in equity market investment in India with special reference to Chennai. Madras University Journal of Business and Finance 3: 66-79.