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Impact Of Demographic Factors On Level Of Awareness Of Salaried Class Investors Towards Different Sources In Bijapur District (Karnataka)

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Abstract:

Investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Therefore, the first step to investment is savings. Most of the salaried people face difficulty in savings as they have to meet first their day today expenses and then think about savings. The major issue of salaried people to do investment from their small saving of today. Because most of the demographic factors are influencing on awareness of investment avenues. If the person dealing with the proper planning must know about all the alternatives and how they have to chosen for future benefits. Now a days there are several investment alternatives are available. **Now, the modern investment trend has a different scenario which has various investment options with best return for the investors.** The sense of awareness of an investor towards savings and investment is created modified and shaped up by various internal and external sources. The print and electronic media such as the dailies, weeklies, television, radio etc., and personal contact with friends, relatives, investment consultants etc, contribute a lot in creating awareness among investors. Therefore, this study examines the impact of demographic factors on awareness towards the different sources of information towards saving and investment among the salaried persons in Bijapur district. *To analyse this the ANOVA test is used by the researcher.*

Keywords: Investors, Demographic factors, Investment options. Impact.

INTRODUCTION:

Investment refers to the commitment of funds at present, in anticipation of some positive rate of return in future. Investment consists so many alternatives and provides an opportunity to the investor to invest their money. Therefore, knowing the best alternatives among all investment avenues is essential. While selecting the best investment avenues from the different sources the investors gathered the information, then screen that, then only they their investment decisions.

The consciousness of the existence of a particular truth, thing or event is always considered as “Awareness”. The process of getting knowledge of new thing makes a man to have an idea about new thing which he has not known earlier. However, due to the latest developments he trying to get knowledge in a particular field is also considered as awareness and hence awareness is a continuous process. As the awareness of investors is considered to be indispensable while studying one’s savings and investment pattern.

STATEMENT OF THE PROBLEM

Most of the investor used the investment and savings as a tool to fulfill their future needs. Investing in a small amount will going to give long term benefit to the investors. But there is a need of proper decision is required for how much to invest and where to invest. Because of maximum alternatives available in the market investor will be confused for the selection of the best investment avenue and today this is the major problem of the investors. At the time of investment the investors suffer from lack of awareness towards the investment avenues. They must take decision by collecting information from different sources. Hence, a need is felt to undertake this study.

LITERATURE REVIEW

Paul & Bajaj (2012) found that demographic variable like age, gender, education level, occupation etc., influence the level of awareness of the investors. Investors’ belonging to different age group, gender, occupation have different level of awareness about various investment avenues

Bhanusireesha & Sreelaxmi(2013) conducted study on “Impact of demographics on select investment avenues” The study presents the results of empirical testing of impact of demographic factors on investment avenues selected by investors in the twin cities of Hyderabad and Secunderabad, India. It is found that gender, age and friends are mostly influencing the investment decisions of the respondents. It is concluded that the respondents of the study are conservative in nature and show less concern for money multiplication and liquidity.

Guiso & Jappelli (2005) explored the determinants of awareness and found that the probability that survey respondents are aware of stocks, mutual funds and investment accounts is positively correlated with education, household resources, long term bank relations and proxies for social interaction. Lack of financial awareness has important implications for understanding the stockholding puzzle and for estimating stock market participation costs.

Karthikeyan (2001) has made an attempt to assess the level of awareness among the small investors in urban area and semi-urban areas. An attempt has also been made by him to elicit the perceived opinion of the small investors on the post office small savings schemes. According to the author necessity of life and tax benefits play a vital role in motivating the small investors in urban and semi-urban areas to invest in post office small savings schemes

Saugat Das & Ritika Jain (2014) studied a title “A study on the influence of demographical variables on the factors of investment- a perspective on the Guwahati region”. Their study revealed that Among other objectives, demographic variables are one of the important objectives which influence financial decision making of investors. This paper focuses on the relationship between the four demographic variables i.e., age, gender, education and occupation with the four most important objectives of investment such as risk, return, retirement and tax which influences the buying behavior of the investors. A sample of 150 respondents was interviewed and analysis was done through SPSS. The study emphasizes the fact that demographic variables indeed play a role on the mindset of the investor community which is driven by age and educational qualification.

Geetha& M. Ramesh (2012) conducted study on A study on relevance of demographic factors in investment decisions .This study attempts to find out the significance of demographic factors of population such as gender, age, education, occupation, income, savings and family size over several elements of investment decisions like priorities based on characteristics of investments, period of investment, reach of information source, frequency of investment and analytical abilities. The study was made by conducting a survey in Nagapattinam district of Tamilnadu, South India and the statistical inferences were deduced using computer software tools. The study reveals that the demographic factors have a significant influence over some of the investment decision elements and insignificant in others elements too. The study also discloses a general view of investor"s perception over various investment avenues.

Shobhana & Jayalakshmi in their study titled ‘investor Awareness and Preference- A study” has examined the level of investor awareness regarding investment options and investment risks. The analysis revealed that investment in real estate/property is preferred by majority of the respondents. The second most preferred investment is bank deposits. Awareness about investment options and risks are high among old aged, highly educated and those who are professionals by occupation. Demographic variables such as age and education do not have significant influence over investor awareness whereas difference in occupational status leads to difference in the awareness level of people.

SCOPE OF THE STUDY:

The study is considered the different sources to be considered to gather the information about savings and investments while making their investment decision and also considered the awareness of savings/investment information about the various salaried people in the study area is considered.

NEED FOR THE STUDY:

Today, there is a significant growth in Indian economy. It has various investment alternatives promoted through different medias. The study has been undertaken to analyze whether the different sources of investment information have gained importance among the salaried people or not. With this back ground of the research, the researcher tries to find out the awareness of different sources of savings among the salaried people of Bijapur District.

OBJECTIVES OF THE STUDY

- To analyse the impact of demographic factors on different sources of savings and investment.
- To analyse the awareness of different sources among the salaried people of Bijapur.

SAMPLING DESIGN

This research is based on the primary data collected by the researcher. The data collected from salaried investors in Bijapur Districts who are working in different departments. The investors are selected by convenient sampling technique. Accordingly the researcher has selected 200 investors from the study area.

HYPOTHESIS

H₀: There is no difference between the demographic factors and sufficient information derived from the different sources

H₁: There is difference between the demographic factors and sufficient information derived from the different sources.

STATISTICAL TOOLS:

Various statistical tools are used in analyzing the data. For data presentation tables, percentages are used and for analysis ANOVA test is used.

PERIOD OF THE STUDY:

The study covers the data collected from the different salaried persons in different departments in the Bijapur district. The data were collected during November to January 2019-20 by using an interview schedule.

ANALYSIS and Discussion:

Table 1:

| Demographic factors | | No of Respondents /Frequency | Percentage (%) |
|-----------------------------|-------------------------|------------------------------|----------------|
| Total Number of Respondents | | 200 | 100 |
| Gender | Male | 158 | |
| | Female | 42 | |
| | Total | 200 | 100 |
| Education Level | Illiterate | 3 | 1.5 |
| | Non-Matriculation | 5 | 2.5 |
| | Matriculation | 9 | 4.5 |
| | Degree | 74 | 37 |
| | Master's Degree | 95 | 47.5 |
| | Other | 14 | 7 |
| | Total | 200 | 100 |
| Age | Below 25 years | 16 | 8 |
| | 26-35 Years | 45 | 22.5 |
| | 36-45 Years | 67 | 33.5 |
| | 46-55 Years | 66 | 33 |
| | Above 55 Years | 6 | 3 |
| | Total | 200 | 100.0 |
| Monthly Income | below Rs 1,00,000 | 28 | 14 |
| | Rs 1,00,001 to 1,20,000 | 15 | 7.5 |
| | Rs 1,20,000 to 1,50,000 | 20 | 10 |
| | Rs 1,50,001 to 3,00,000 | 51 | 25.5 |
| | Rs 3,00,000 to 6,00,000 | 54 | 27 |
| | Above Rs 6,00,000 | 32 | 16 |
| | Total | 200 | 100 |
| Nature of Employment | Central | 36 | 18 |
| | State | 130 | 65 |
| | Quasi | 15 | 7.5 |
| | Others | 19 | 9.5 |
| | Total | 200 | 100 |

Table 2: Sufficient information regarding avenues of savings/investments

| | | Frequency | Percent |
|-------|-------|-----------|---------|
| Valid | Yes | 163 | 81.5 |
| | No | 37 | 18.5 |
| | Total | 200 | 100.0 |

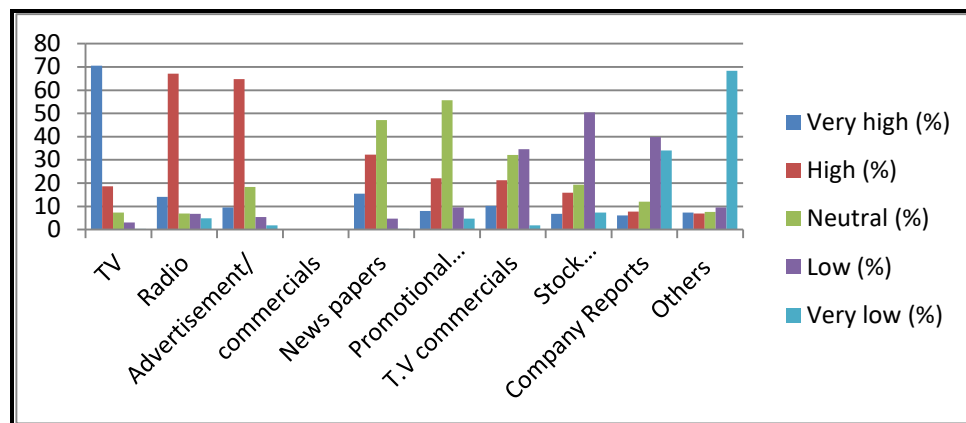
Source: Survey Data

From the table 2 it is inferred that 81.5% of the investors are getting the sufficient information regarding avenues of savings/investments and 18.5% are not.

Table 3: Level of awareness towards the information derived from following sources

| Sl.No. | Different sources | Very high | High | Neutral | Low | Very low | Total (%) |
|--------|---------------------------------|-----------|-------|---------|-------|----------|-----------|
| 1 | TV | 67% | 20.5% | 8% | 4% | 0.5% | 100 |
| 2 | Radio | 15% | 60.5% | 9.0% | 9.5% | 6% | 100 |
| 3 | Advertisement/commercials | 11.5% | 58% | 22% | 6.5% | 2% | 100 |
| 4 | Newspapers | 19% | 33.5% | 41.5% | 5.5% | 0.5% | 100 |
| 5 | Promotional pamphlets | 10% | 25% | 45.5% | 12% | 6.5% | 100 |
| 6 | T.V commercials | 13% | 24% | 31% | 30% | 2% | 100 |
| 7 | Stock brokers/investment agents | 8% | 19.5% | 21.5% | 42.5% | 8.5% | 100 |
| 8 | Company Reports | 7% | 10% | 14% | 36% | 32% | 100 |
| 9 | Others | 8% | 9% | 9% | 10% | 64% | 100 |

Source: Survey Data

Graph No. 1: Awareness towards the information derived from the different sources

From the above, it is clear that 67% of the investors get maximum information from the Television source followed by this 19% from newspapers, 14.1% from Radio, 10.2% from the Commercials. 9.6% from Advertisement/Commercials, 8% from Promotional Pamphlets, 7.4% from other sources, 6.8% from stock brokers and investment agents and 6% from company reports.

TESTING OF HYPOTHEIS:

ANOVA test is employed to analyze that there is no difference between the nature of employment and sufficient information derived from the different sources. The following hypotheses are set:

H₀: There is no difference between the nature of employment and sufficient information derived from the different sources

H₁: There is difference between the nature of employment and sufficient information derived from the different sources.

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------------------|----------------|----------------|-----|-------------|-------|------|
| Sex | Between Groups | .050 | 1 | .050 | .300 | .585 |
| | Within Groups | 33.130 | 198 | .167 | | |
| | Total | 33.180 | 199 | | | |
| Qualification | Between Groups | 4.443 | 1 | 4.443 | 5.588 | .019 |
| | Within Groups | 157.432 | 198 | .795 | | |
| | Total | 161.875 | 199 | | | |
| Age | Between Groups | .581 | 1 | .581 | .580 | .447 |
| | Within Groups | 198.414 | 198 | 1.002 | | |
| | Total | 198.995 | 199 | | | |
| Nature of Employment | Between Groups | .153 | 1 | .153 | .241 | .624 |
| | Within Groups | 125.402 | 198 | .633 | | |
| | Total | 125.555 | 199 | | | |

Table No.3. Nature of Employment and investment less than savings

| Nature of employment | Sum of Squares | df | Mean Square | F | Sig. |
|----------------------|----------------|-----|-------------|-------|-------|
| Between Groups | .934 | 1 | .934 | 1.581 | 0.209 |
| Within Groups | 299.733 | 507 | .591 | | |
| Total | 300.668 | 508 | | | |

The analysis of ANOVA Test reveals that the calculated F value is greater than table value, hence null hypothesis is rejected and alternative hypothesis is accepted. There is a difference between the nature of employment and sufficient information derived from the different sources regarding savings and investment avenues.

H₀: There is no difference between the nature of employment and information derived from the different sources regarding savings and investment avenues.

H₁: There is a difference between the nature of employment and information derived from the different sources regarding savings and investment avenues.

To test the above hypothesis ANOVA test is applied and the following table 5.21 gives the results of the test:

Table 4: Nature of employment and information derived from different sources

| Sources of information | Nature of employment | Sum of Squares | df | Mean Square | F | Sig. |
|---------------------------|----------------------|----------------|-----|-------------|-------|------|
| TV | Between Groups | 6.484 | 3 | 2.161 | 3.471 | .016 |
| | Within Groups | 315.677 | 507 | .623 | | |
| | Total | 322.160 | 510 | | | |
| Radio | Between Groups | 2.230 | 3 | .743 | .842 | .471 |
| | Within Groups | 447.520 | 507 | .883 | | |
| | Total | 449.750 | 510 | | | |
| Advertisement/commercials | Between Groups | 1.733 | 3 | .578 | .969 | .407 |
| | Within Groups | 302.204 | 507 | .596 | | |
| | Total | 303.937 | 510 | | | |
| News papers | Between Groups | .664 | 3 | .221 | .328 | .805 |
| | Within Groups | 342.032 | 507 | .675 | | |
| | Total | 342.697 | 510 | | | |
| Promotional pamphlets | Between Groups | 3.688 | 3 | 1.229 | 1.560 | .198 |
| | Within Groups | 399.517 | 507 | .788 | | |
| | Total | 403.205 | 510 | | | |
| TV | Between Groups | 2.532 | 3 | .844 | .812 | .488 |

| | | | | | | |
|--|----------------|---------|-----|-------|-------|------|
| commercials | Within Groups | 526.834 | 507 | 1.039 | | |
| | Total | 529.366 | 510 | | | |
| Stock brokers/invest ment agents | Between Groups | 5.451 | 3 | 1.817 | 1.645 | .178 |
| | Within Groups | 560.012 | 507 | 1.105 | | |
| | Total | 565.464 | 510 | | | |
| Companies annual report | Between Groups | 5.928 | 3 | 1.976 | 1.514 | .210 |
| | Within Groups | 661.790 | 507 | 1.305 | | |
| | Total | 667.718 | 510 | | | |
| Others | Between Groups | 15.187 | 3 | 5.062 | 3.097 | .027 |
| | Within Groups | 828.723 | 507 | 1.635 | | |
| | Total | 843.910 | 510 | | | |

The analysis of ANOVA Test reveals that the calculated F value is greater than table value, hence the null hypothesis is rejected and alternative hypothesis is accepted indicating that there is a difference among the employees of the central, state, quasi and other employees and sufficient information derived from the different sources regarding savings and investment avenues.

FINDINGS :

1. It is found that out of the total respondents, all the respondents are aware about investment avenues from the different sources.
2. It is found that out of the total respondents, most of the respondents i.e 70.5% say the awareness of information from the TV
3. It is found that 67.1% of the respondents say awareness from Radio.
4. It is found that 47.2% of the respondents are neutral about the awareness from newspapers,
5. It is found that 50.5% of the respondents say awareness from the stock brokers and investment agents is low
6. It is found that 68.3% of the respondents say awareness from others is very low.

SUGGESTIONS:

1. Conducting the investor meetings to highlight the significance of investment in their working department.
2. Ensure the investors that minimum return is guaranteed if they invest in financial assets.
3. Educate the investors about different available investment avenues.
4. Providing attractive tax concessions and tax relief for the financial investments under Income Tax Act 1961.
5. Giving guarantee to protect the investor's interests.
6. Offer more government schemes for investment in department wise.
7. It is suggested to offer the investment schemes that provide regular and steady
8. Door to door campaign and Street play.
9. Get together function in different government departments to exchange information.
10. Use of Mass Medias.

11. Publicity in department wise.
12. Distribution of pamphlets in the government offices.
13. Putting as posters in government offices.

CONCLUSION:

Today, the living standard of the people increasing day by day so salaried class community has started realizing the importance of savings and proper investment of their savings. To avoid spending money on heavy luxurious life style they should prefer the normal living standard. But for the future benefit they should plan for the investment. For that they should update about new investment alternatives. It is evident from the study undertaken that most of the people are saving that they are aware of different sources. These will gives a bright chances to increase the saving and investment habits of salaried class people at Vijayapur

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