An Analysis of the Attitude of Investors towards Financial Assets in Thoothukudi

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Abstract- **Behavior of investors in stock market continues to be a topic of study for many researchers. When faced with complex situations, investors often rely on mental shortcuts and end up in a biased decision. Of all irrational behaviors, 'herding' is considered as one of the most significant one. The present study aims at the Risk capacity and tolerances that vary according individual's differences. It is therefore essential for enterprises, institutions and government to understand their attitudes and tailor the schemes to attack funds from their sector. The Government is to frame policies, offer concessions, and ensure safety of funds to make investment congenial, for which purpose a study of the attitude of investors is vital. Hence there is good scope of mobilizing financial saving of this sector. Overall, the result of the study is an indication that if saving are stimulated and investment channelized properly, there would be substantial capital formation and there by economic growth. Therefore it was found pertinent to take up a study of the attitude of investors financial assets in Thoothukudi.**

INTRODUCTION

In this modern era, money plays an important role in one's life. In order to overcome the problems in future they have to invest their money. Investment of hard earned money is a crucial activity of every human being. Investment is the commitment of funds which have been saved from current consumption with the hope that some benefits will be received in future. Thus, it is a reward for waiting for money

Savings and investment among the masses emerge as a result of the cultural background. It is a normal human tendency to spend the earnings, but the need of protecting or safeguarding future needs forces humans to save for the future and this culture of saving and directing the savings to profitable investments are influenced by the extent and level of financial planning carried out.

Investment culture necessarily would mean different attitudes, perceptions and willingness expressed by individuals/institutions in directing their savings in various financial instruments/securities. A study of the savings and investment pattern, their perceptions and preferences, thus, assumes a larger significance in the formulation of policies for the development and regulation of the securities market in general and the protection and promotion of investors' interest in particular.

Investment is a purchase of a financial product or other item of value with an expectation of favourable future returns. Investing is a serious subject that can have a major i depending upon his specific need, risk preference, and returns expected. The Different investment avenues are:

Impact on investor's future well-being. 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. Even if the individual does not select specific assets such as stock, investments are still made through participation in pension plan, and employee saving programmer or through purchase of life insurance or a home. In India, many investment avenues are available where some are marketable and liquid while others are non-marketable and some of them are highly risky while others are almost riskless. The investor has to choose Proper Avenue.

STATEMENT OF THE PROBLEM

Capital formation is an essential determinant for economic growth. Capital formation can be achieved by an increase in the volume of real domestic saving so that the resources they could have been used for consumption are released for investment. In also need bank and financial institution to mobilize saving. In recent year the trend of saving is towards financial instruments. It is necessary to achieve a high rate of saving to develop a self-reliant and self-sustaining economy. The investor is the main person and companies and financial institutions must offer scheme in order to attract the public.

"Money is the foundation of all human activities". At the level individuals level investment is done our of personal saving using the surplus from earning with an exception of return. The saving should give them, such a return that they are not only, able to maintain their life style and children, but also provide security for the future. Financial securing will motivate them to invest more. The household sector saving have tremendous potential for contribution to the growth of the country. It is, however, necessary to harness this potential

with imagination. In order to mobilize the saving of the household sector it is essential to stimulate their saving by providing a wide variety of investment avenues to suit the preferences and it is essential to make a study of their attitude to understand their priority needs and financial objectives.

Investors objectives expressed in terms of both risk and return are to be analyzed. Risk is an inherit part of investment and all investors are not comfortable with the same level of risk.

Risk capacity and tolerances vary according individual's differences. If is therefore essential for enterprises, institutions and government to understand their attitudes and tailor the schemes to attack funds from their sector. The Government to is to frame policies, offer concessions, and ensure safety of funds to make investment congenial, for which purpose a study of the attitude of investors is vital. Hence there is good scope of mobilizing financial saving of this sector. If saving are stimulated and investment channelized properly, there would be substantial capital formation and there by economic growth .

Therefore it was found pertinent to take up a study of the attitude of investors financial assets in Thoothukudi.

OBJECTIVES OF THE STUDY

1. To analyze the various investment patterns and the risk capacity and tolerance of   the investors.
2. To examine the reason for savings of the investor, motives for investments and factors which   influence investment decision.
3. To study the attitude of respondents towards investment in general and financial asset in particular.
4. To find out the relationship between personal factors such as age, sex and income and the attitude of investors.
5. To suggest appropriate measures to improve the attitude in making investment pattern.

HYPOTHESIS

• Government employees mostly invest their funds in financial assets.
• Advertisement is the main influencing media to the investment.
• The annual income of Rs. 1, 00,000 – 3, 00,000 of the investors are mostly invested in financial assets.
• Most of investors investing a long term investment in financial asset

SCOPE OF THE STUDY

The scope of the study is to analyze the trend of savings and how to tolerate the risk faced by the investors and to analyze the attitude of investors towards financial assets in Thoothukudi

PERIOD OF STUDY

Primary data regarding the investors attitude were collected during the year 2017-2018.The secondary data relating to saving and investment covers the period from 2012-2017.

RESEARCH METHODOLOGY

Methodology is an essential aspect of any research. It enables the investigator to look at the research problem in a systematic, meaningful and orderly way. Methodology comprises of sources of data collection, sampling design, research design and techniques used to analyze the data.

SAMPLING DESIGN:
With the view to study, 50 respondents have been selected. The researcher has adopted simple random sampling technique for the collection of data from the respondents.

RESEARCH DESIGN:
The study has pre-determined objectives and methodology; it is both descriptive and analytical in nature. Apart from this, the study observes a study on the attitude of investors towards financial assets in Thoothukudi.

COLLECTION OF DATA
The study uses both primary and secondary data. A well structured schedule was used to collect primary data from the respondents. The secondary data was collected through newspapers, journals, books, magazines and interenet.

PILOT STUDY
A pilot study was conducted among 15 respondents form the sampling frame and this was undertaken to verify the ease and utility of the questionnaire. Based on the pilot study, modifications, additions and deletions were carried out. The final draft was prepared to collect the data.

PROCESSING OF DATA
After the completion of the data collection, the filled up questionnaires were edited properly. Codification was done to the responses collected. For further processing a master table was prepared to sum up all the information collected. With the help of master table, frequency tables were prepared for further analysis.

Percentage analysis
Precentage analysis is the method to represent raw streams of data as a percentage (a part in 100 –percent)for better nuderstanding of collected data.In this study it is used to resresent the demogaphic profile of the respondents

FRAME WORK OF ANALYSIS
The data collected were analysed with the help of the following tools.
Chi-square analysis
The chi-square test is used to determine whether there is significant difference between the expected frequencies and the observed frequencies in one or more categories. The Chi-square test is used to test the association between

i.   Gold loan borrowers and gender of borrowers

ii.   Income level of borrowers and reason for choosing

Muthoot Finance The formula for chi-square is:

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

With (r-1) (c-1) degrees of freedom
With (r-1) (c-1) degrees of freedom
Where   E= Expected Frequency
O= Observed Frequency
r = Number of rows in a contingency table
c = Number of Columns in a contingency table

The computed χ^2 value is compared with the table value at the stated level of significance (usually 5 percent level of significance) to draw inference. The null hypothesis is rejected if the computed χ^2 value is higher than the table value for a given degree of freedom. On the other hand when a null hypothesis is accepted on the basis of sample information, it means that there is no statistical evidence to reject it. Hence it indicates that the null hypothesis is true.

Ranking index is found out by dividing the total scores by the frequency for responses. Then the benefits were ranked in the order of merit.

STATISTICAL TOOLS

The data are analyzed and interpreted with the help of statistical too such as.
- Tabulation
- Graphs
- Diagrams
- Rank-correlation
- Weighted average
- Chi-square test

LIMITATIONS OF THE STUDY

Every research study suffers error and limitation. Some of them are inherent in the research design write some other become part of the study during various stages of operation & limitation.
- The area of the study is limited to Thoothukudi
- The interview schedule alone was not sufficient for analysis he attitudes of investors towards in Thoothukudi. Some other instruments like sentence completion test, word association test were aviating for measuring the investor behavior. The present study was made only with interview schedule.

CLASSIFICATION OF RESPONDENTE BASED ON THE OCCUPATIONAL PATTERN

The resercher has analyzed the occupational pattern of the respondents.

TABLE 1

Occupation	No of respondents	Percentage
Business	18	36
Government Servant	12	24
Profession	8	16
Private employee	7	14
House Wife	5	10
Total	50	100
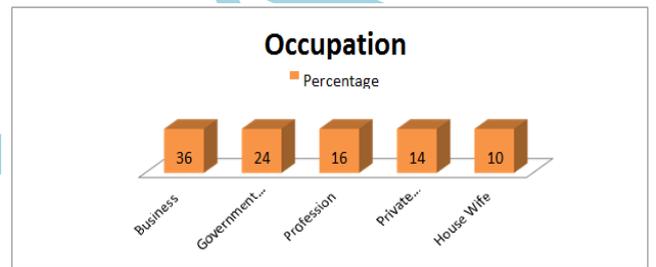
Source: Primary data

Inference

The above table shows the different patterns employment of the respondents 36% of the respondents are doing business24% of the respondents are govt, employees16%of the respondents are professionals 14%of the respondents are private employees and the remaing 10% of the respondents are house –wife Relationship between comparsion occupation and Marketable financial Investment

Rows And Coluns	O	E	(O-E)	(0-E)^2	(0-E)^2/E
R1C1	8	7.56	0.4	0.16	0.021
R1C2	5	5.4	0.4	0.16	0.029
R1C3	5	5.04	0.4	0.16	0.031
R2C1	6	5.04	0.96	0.9216	0.183
R$_2$ C$_2$	3	4.6	0.6	0.36	0.1
R2C3	3	4.36	0.36	0.296	0.088
R3C1	3	4.36	0.36	0.296	0.088
R3C2	3	2.4	0.6	0.36	0.15

R3C3	2	2.24	0.24	0.058	0.026
R4C1	2	2.94	0.94	0.884	0.301
R4C2	3	2.1	0.9	0.81	0.386
R4C3	2	1.96	0.04	0.002	0.001
R5C1	2	2.1	0.1	0.01	0.005
R5C2	1	1.5	0.5	0.25	0.167
R5C3	2	1.4	0.6	0.36	0.257
Total		50			1.833

Source: Primary Data

Degrees of freedom = (r-1) (c-1)

$$= (5-1)(3-1)$$
$$= (4)(2)$$
$$= 8$$

Table 4.8 indicates the relationship between the occupation and marketable financial invesment.

The table value of x2 for 12 degrees of freedom at 5% level of significance is 1.833and the calculated value of x2 is 15.5 Since the calculated value is lees than the table value, the null hypothesis is accepted and alternative hypothesis is rejected.

Hence, it can be concluded thet there is no relationship between occupation and marketing inverstment

INCOME WISE CLASSIFICATION

Income is an essential factors for the decision

TABLE NO 2
ANNUAL INCOME

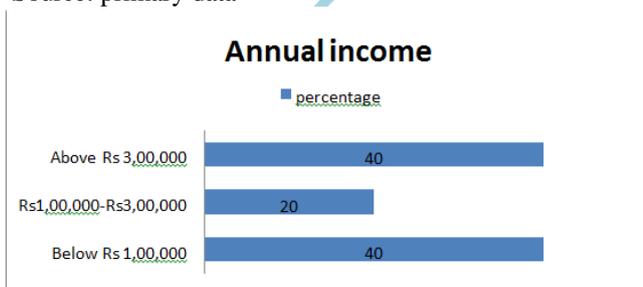| Annual income	No of respondents	percentage
Below Rs 1,00,000	20	40
Rs1,00,000-Rs3,00,000	15	20
Above Rs 3,00,000	15	40
Total	50	100

Source: primary data

Fig 4.8

Inference

As regard to annual income of the respondents 40% of the respondents earning Below 1,00,000 20%respondents are earning Rs 1,00,000-Rs3,00,000 and the rest of 40%of the respondents of earing above Rs3,00,000

Diagram showing income wise classification Relationship between annual income&marketabele investment

Rows And Columns	O	E	(O-E)	$(0-E)^2$	$(0-E)^2/E$
R1C1	10	7.6	2.4	5.76	0.758
R1C2	6	6.8	0.8	0.64	0.094
R1C3	4	5.6	1.6	2.56	0.457
R2C1	5	5.7	0.7	0.49	0.085
$R_2 C_2$	6	5.1	0.9	0.81	0.159
R2C3	4	4.2	1.2	0.04	0.009
R3C1	4	5.7	1.7	2.89	0.507
R3C2	5	5.1	0.1	0.01	0.001
R3C3	6	1.8	1.8	3.24	0.771
Total		50			2.841

Source: Primary DaDegrees of freedom = (r-1) (c-1)

$$= (3-1)(3-1)$$
$$= (2)(2)$$
$$= 4$$

Table 4.8 indicates the relationship between the annual income and marketable financial assets.

The table value of x^2 for 12 degrees of freedom at 5% level of significance is 2.841and the calculated value of x2 is 9.49 Since the calculated value is lees than the table value, the null hypothesis is accepted and alternative hypothesis is rejected. Hence, it can be concluded thet there is no relationship between financial investment and marketing investment.

CLASSIFICATION OF FINANCIAL ASSETS

The researcher has investigated the types of investment patterns chosen by the investors. Those are listed out in following table by the researcher.

TABLE NO: 3
INVESTMENT PATTERN

| Investment pattern	No of respondents	Percentage
Marketable Financial assets	25	50
Non -Marketable	18	36
Both a&b	7	14

Total	50	100

Source: Primary data

In is clearly to now from the above table 50% of the respondents invet in Marketable Financial assets 36% of the respondents invest in Non Marketable Financial asset, 14%of the respondents invest both in the Maretable Financial assets and the non –marketable financial assets (M.F.A) Marketable financial assets

(N.M .F.A) Non – Marketable financial assets

CLASSIFICATION OF MARKETABLE FINANCIAL ASSETS:

The following table reveals the pattern of investment of Marketable financial asset.

TABLE NO: 4
MARKETABLE FINANCIAL ASSET

| Marketable Financial investment	No of respondents	Percentage
Share	16	16
Government securities	5	10
Bonds	10	20
Mutual funds	12	6
UDI units	7	14
Bearer Debenture	9	18
None	5	10
Total	**50**	**100**
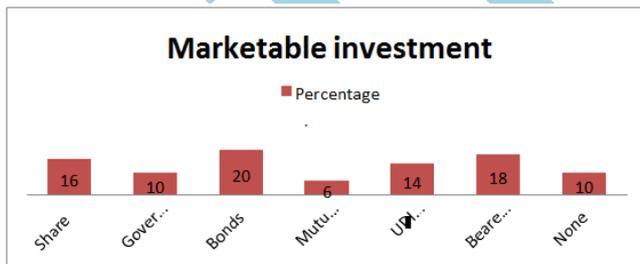
Inference

 The above table shows the different patterns of investment of the respondents. Out of 50 respondents of Marketable Financial Asset investors,16% of the respondents invest in shares,6% in Mutual Funds,10% in govt, Security,another 20% in bonds,14% in UDI, And the remaining 18%in Debenture

CLASSIFICATION OF NON MARKETABLE FINANCIAL
TABLE NO: 5
NON MARKETABLE FINANCIAL ASSET

Non- marketable Finncial investment	No of respondents	Percentage
Bank deposit	15	30
Provident fund	5	10
LIC Schemed	12	24
Company deposit	9	18
Post Office certificate	9	18
Total	**50**	**100**

Source: Primary Data
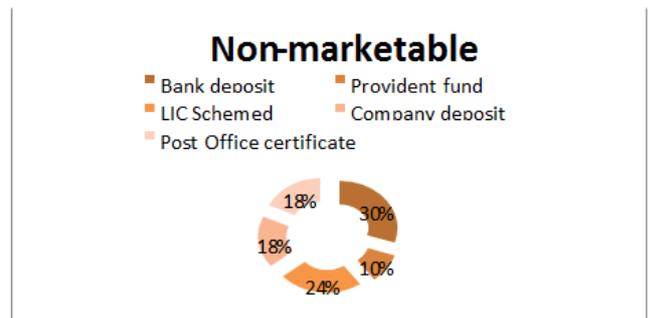
Inference

From the above table,it is clear that the respondents have alterntive choice in Non Marketable financial Asset.30%(15) of the respondents are innterested in Bank deposit, 10(5) choose P.F,24%(12)like LIC, 18% prefer (9) Company Deposit and 18%(9) feel post Office Certificate better

REASON FOR INVESTMENT
TABLE NO. 6
Table showing the factors that influence your investment

Factors influencing the investment	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Total
Low Price	22	27	20	18	13	100%
Obtain a loan	18	22	20	13	27	100%
Tax Benefit	35	18	22	3	2	100%
Broker advice	42	13	17	20	8	100%
Status/ Prestige	18	12	5	32	33	100%
Rate of Interest	40	25	7	8	20	100%
Return on investment	25	30	10	15	20	100%
Compulsion	32	20	24	24	0	100%
Future benefit	33	32	12	18	5	100%
Children's benefit	30	25	20	15	20	100%

Inference

From the above table, it is clearly coming to know that 16% respondents have know through newpaper/journals. 32% through friends/relative,6% through investment ,18% through Advertisement, 8% through broker/agent, 16% through institution/company and the remaining 4% Other specify

Diagram showing income wise classification Relationship between finacial investment and marketfinancial investment

ROWS AND COLUMNS	O	E	(O-E)	$(0-E)^2$	$(0-E)^2/E$
R1C1	4	4	0	0	0
R1C2	2	1.92	0.08	0.006	0.003
R1C3	2	2.08	-0.08	0.006	0.003
R2C1	10	8	2	4	0.747
$R_2 C_2$	2	3.84	-1.84	3.386	0.882
R2C3	4	4.16	-0.16	0.026	0.506
R3C1	1	4.5	-3.5	12.25	2.7222
R3C2	2	2.16	-0.16	0.026	0.012
R3C3	0	2.34	-2.34	5.476	2.340
R4C1	4	1.5	2.5	6.25	4.1667
R4C2	2	0.72	1.28	1.638	2.275
R4C3	3	0.78	2.22	4.928	6.318
R5C1	2	2	0	0	0
R5C2	1	0.96	0.04	0.002	0.002
R5C3	1	1.04	-0.04	0.002	0.002
R6C1	4	4	0	0	0
R6C2	2	1.92	0.08	0.006	0.003
R6C3	2	2.08	-0.08	0.006	0.003
R7C1	0	1	-1	1	1
R7C2	1	0.48	0.52	0.270	0.563
R7C3	1	0.52	0.48	0.230	0.442
Total		50			20.00

Source: Primary Data

Degrees of Freedom = (r-1) (c-1)

$\qquad$ = (7-1) (3-1)

$\qquad$ = (6) (2)

$\qquad$ = 12

Table 4.17 indicates the relationship between the monthly income and rate of interest.

The table value of x2 for 12 degrees of freedom at 5% level of significance is 20.00 and the calculated value of x2 is 21.0.

Since the calculated value is lees than the table value, the null hypothesis is accepted and alternative hypothesis is rejected. Hence, it can be concluded thet there is no relationship between financial inverstment and marketing inverstment.

CLASSIFICATION OF THE PERIOD OF INVESTMENT

TABLE NO.7

PERIOD OF INVESTMENT

Period of investment	No of respondents	Percentage
Short term(below 1 year)	20	40
Medium term (1-5 year)	13	26
Long term (above 5 year)	34	34
Total	**50**	**100**

Source: Primary Data
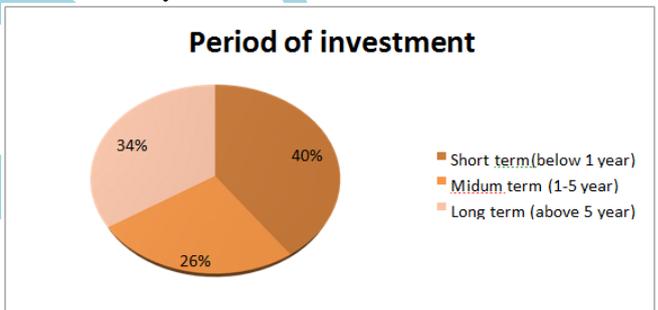
Inference

It is clear from the above table that 40% of the respondents are of the group Short term investment period, 26% are of the group medium term, and 34% are of the group long term. It is inferred the above table that majority of the respondents are in long term investment.

TABLE SHOWING ATTITUDE TOWARDS INVESTMENT

TABLE NO. 8

General attitude	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Total
1. Wealth creation is the major objective of investment	25	20	20	15	20	100%
2.Investment offers safety, profitability and liquidity	30	25	15	15	15	100%

3.Investors invests only a Minor percentage towards investment	38	29	12	8	13	100%
4. Investment is a Long term affair	40	15	17	8	20	100%
5. There is a wide choice for investor in selecting the method of investment	43	28	18	5	6	100%
6. Legal formalities for investment are very easy	42	13	17	20	8	100%
7. Return from your investment is satisfactory	33	32	12	8	5	100%
8. Brokers and Agents are highly helping for investment	18	12	5	32	33	100%
9.Genuine investors are cheated by unscrupulous persons	35	18	22	2	3	100%
10.Investment today is for better tomorrow	32	34	11	18	5	100%

CONCLUSION

Now a day's investment is one of the essential factors, because all people want to earn more money and good life. So they invest in the financial assets. But the investors fear for the effect of the risk involved in there investment. So investors and give an idea about gaining profit from investment, because it will be used to develop the economic level. Recently Government encourages the investors to invest in various avenues. RBI also provides the invest guidelines to the investors about various investment, investment companies

and regulate activities financial institution. By giving awareness about investment the investors get more benefit.

Now a day's Bank and other Governments investment institution are offering investment service to all people to avoid the investment in private institutions. So the investors should aware investment market for better return with minimum risk.

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