

## **A STUDY ON INVESTMENT PATTERN AND AWARENESS OF SALARIED CLASS INVESTORS WITH REFERENCE TO NEYVELI LIGNITE CORPORATION (NLC) INDIA LTD**

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### **Abstract**

The object of the study is the awareness level regarding investments among the salaried class individuals of Neyveli NLC India Ltd. For this purpose the researcher collected primary data from 578 respondents in the study area using well-structured questionnaire. The collected data were analyzed using simple percentage, chi-square test, and mean, co-efficient of variation. It was found from the investigation there is connection between annual savings and age, income, sector wise employment, education of individuals at Neyveli. The study evidenced that higher level of awareness was found in the aspects of return on various schemes in life insurance, about bank fixed deposits and various schemes in Life insurance. And lesser level of awareness was identified in the aspects of requirements to make investments in stock market, Knowledge about right time to invest or disinvest mutual funds and about net assets value.

**Keywords: Annual income, Annual savings, Investment, Salaried people.**

### **Introduction**

Cash Attitude of the individuals towards cash in today's world is that everyone needs to appreciate the advantages of cash since they have earned by difficult work and endeavors made on it. The individuals to put something aside for future. What occurs in the incident that you lose your employment tomorrow? Or then again the vehicle stalls, or the pipe spills through your dividers. On the fresh chance that someone has reserve funds for future than the vulnerabilities can be looked by individuals and stress will be less. Without cash set aside in reserve funds and additionally speculations, individuals may open themselves up to different dangers also. For this make a depressed of the things which shows need and buy things as per it and don't purchase additional things that surpasses people groups territories and furthermore quit going to shopping buildings and shopping centers that likewise decreases the expense and improves sparing structure. Secondly lessen the phone costs. Thirdly, lessen power costs. Power one can spare parcel on the off chance that one stays alarm and switch off lights and other electronic thing following their utilization. Consequently, you're sparing advantages you by way of aides in saving nature by forestalling wastage and add to the monetary development of nation.

Pondering the lot of reasons why sparing has incredible significance for individuals. This could be another rooftop for the house, occupation cutback and unexpected loss of pay. The retirement is the subsequent stage on deduction. So needs cash kept as reserve funds and speculations to replace the pay when one is never again land from your position. The Normal Life Expectancy assumes an extraordinary job, with more advances in medication and general wellbeing; individuals are currently living longer and beside these lines requiring more cash.

The confidence of cash for future expects one to think upon it. The education and expenses for private and government funded instruction are rising each year, and it's getting harder to satisfy these needs. The sparing is the essential. And then to mark a house for private object is the explanation and to established cash is for an upfront installment on a house. One's arranging power goes much more distant when one has a huge up front installment towards home. One will give a credit charges, and have the choice to endure the expense of a superior home. One can select the volume of sum you save towards this consistently depending upon his conditions.

A sinking reserve is cash one can save for future fixes or enhancements for one vehicle, home or different belongings. Speculation includes creation of a penance in the present day with the expectation of getting future advantages. Venture has numerous features. The two significant components of ventures are current penance and future advantages. Here can be the recognizable proof of different exercises which shows the two highlights of speculation. One could procure the fixed store plan of saving of trade for quite a long time or more and a corporate firm extending Rs. 40 lakh for development program. A dad buys gems for girls' marriage, etc. All these comprise speculation since they include current penance of utilization and any desire for future benefits.

### **Objectives of the study**

- To study whether there is any significant association between source of awareness about investment and demographical variables of the respondents.
- To study the level of awareness on various aspects of investments in the study area.

### **Statement of the problem**

Today the find that theory has become a nuclear family world and is uncommonly standard with people from differing foundations. The volume and arrangement of reserve funds are significant during the time spent financial improvement of any nation. Reserve funds as monetary resources determine its significance in a creating nation like India on the ground that these investment funds can be channelized for capital arrangement. The different venture roads for individuals to contribute their cash are plans, common assets, bank stores, RBI securities, share advertise, life coverage, etc. An investor can browse a variety of assets to suit his hazard resilience, different investment decision. It is notable that there is an obligation for look into effort in the area of speculation example and familiarity with salaried class speculators in Cuddalore region. If an investor is to be a successful investor, he/she should have sufficient awareness on various aspects of investments. Hence the researcher has studied the awareness level of the respondents on various aspects of investments in the study area.

### **Review of literature**

**Vaidehi (2016)** argued about different investment tacticians as goal and style by different needs. The researcher requirement for accepting better investment methods and awareness of the proper investors, the investment methods would support the investment envision, how the investors responsive to market schedule, and would allow them developed suitable investment decision selected by the customer. Among the selected factors the investment purpose, attained the extended- period of gain. **Kumar (2015)** observed that some of investors comment and their behavioral towards the purchasing shares in various market. A majority of the people have spent their money in the share market. Few have gone into the extremes level and devoted suicide.

**Manjunath (2015)** has distinguished that bank store was a favored venture road for salaried class speculators pursued by protection, post office sparing plans, land and common assets. Just small percentage of the salaries class financial specialists wanted to put resources into offers and bonds because of the hazard related with them. Thus, salaried class financial specialists have wanted to put possessions into the long pull ventures with the goal line of retirement life, youngsters' marriage, kids' forward-thinking education and stable return. **SonaliPatil(2014)**. The researcher has analyzed that salaried employees consider the safety as well as good return on investment on regular basis. Respondents are ware about the investment avenues available in India except female investors. **Dhiraj Jain and Parul Jain (2012)** reasoned that greatest of the instructors the cash assumes a major job and they started to get ready spending plans and future determining for money and consumption and there is examination among future and Standard spending plans to discover the deviations to meet certain cash requirements It has been clear from the investigation that the huge majority of the teachers are setting aside their cash with the end goal of their kids' training, marriage and as security after retirement. **VarshaVirani (2012)** propounded in her investigation that despite low salary the instructors have been putting something aside for future needs. The significant effect on reserve funds is because of the degree of pay of the teachers. The exploration shows that dominant part of the respondents is setting aside cash as Bank stores for the wellbeing of an erratic future. The primary roads of venture are Bank stores and the fundamental reason for speculation is for kid's instruction, marriage, and security after retirement. **Priyanka (2011)** submitted in their examination that sparing and venture example of salaried class teachers of government and tuition based schools has relied on pay and the two of them get pay yet the scope of the compensations are single and sparing examples that is the reason is so extraordinary. Govt. instructors like to put away the cash for crisis purposes and private educator's accentuation on kid's marriage and education. **MathivannanSand SelvakumarM(2011)** inspected the sparing and venture examples of salaried educators of Sivakasi Taluk, Tamilnadu and they found that there is extraordinary significance of cash and cash's worth for them and They are normally planning spending plans for Expenditures and contrast it and the real use and take essential activities if there are any deviations has shown up until this point and they are affected by popular and expensive things.

### **Research methodology**

**Research Design:** This undertaking is governed by on exploratory examination just as unmistakable investigation.

**Test Size:** Sampling size is taken to be 578 for comfort for example 578 individuals fill the poll for the study.

**Inspecting Technique:** Sampling process is the system used to choose the example size. Advantageous inspecting procedure is utilized. In this, Investors were taken by the comfort of the exploration study.

**Tools:** The researcher used simple percentage, Chi-square test, mean, standard deviation and co-efficient of variation as statistical tools to analyses the data.

**Testing plan:** Since the data was to be taken from Investors, a poll was set up for considering the sparing tendencies and speculation example of salaried class individuals at Neyveli

**Data collection source:** The examination depends on both auxiliary and necessary information. The auxiliary data is gathered from various distributed materials vis. Books, Journals, magazines and sites and so on. What's more, necessary information gathered by speaking with respondents through an organized survey.

### Results and Discussion

This part of the research work presents the results found and discussion on the results regarding awareness level of the respondents towards various aspects of investments among the respondents in the study area. Table 1 presents the results regarding source of awareness about investments by the respondents.

**Table 1: Sources of Awareness about Investments**

Sl. No.	Sources	Frequencies	Percentage
1	Friends and Relatives	188	32.5
2	Television	59	10.2
3	Newspapers	55	9.5
4	Magazines	34	5.9
5	Internet sources	152	26.3
6	Investment Agents	37	6.4
7	Colleague	53	9.2
<b>Total</b>		<b>578</b>	<b>100.0</b>

Source: Primary Data

Plainly out of 578 respondents, 32.5% of the respondents are getting awareness about investments from Friends and Relatives, 26.3% of the employees aware about investments from the Internet sources. Another 10.2% of the employees got awareness from the Television. 9.5% of the respondents got awareness from Newspapers. 9.2% of employees got awareness from the Colleague. 6.4% of employees got awareness from Investment Agents. 5.9% of employees got awareness from the Magazines. It shows that an enormous portion of the respondents got awareness though their Friends and Relatives.

In order to know whether there is any significant association between demographical variables of the respondents and source of awareness, Chi-square test has been applied and the results are presented in table 2. For this purpose the following null hypothesis is framed.

Ho: There is no significant association between demographical variables and source of awareness about investments.

From the below table-2 shows that, chi-square test followed at 5 % level of significance has been conducted using the data collected to verify the significant association between demographic variables and the base of investment of the defendants. The results of the analysis elucidates that the variable like gender, educational and employment type are significantly

connected with the basis of investment, whereas variables like age, experience in the jobs not significantly connected with the base of investment.

**Table 2: Chi-Square Test between Sources of Awareness and Demographical Variables**

Demographic variable	Chi-Square Value	Df	Table value (5% level)	Ho Accepted/ Rejected	Significance
Gender	16.395	6	12.592	Rejected	Significant
Age	12.277	18	28.869	Accepted	Not-Significant
Education	43.432	24	36.415	Rejected	Significant
Employment type	75.314	42	58.124	Rejected	Significant
Experience in the job	20.507	18	28.869	Accepted	Not-Significant

Source: Primary Data; \*Significant at 5% level

### Mean Rank on Awareness of the Respondents towards Investments

The researcher identified 24 various aspects in which awareness are necessary for a successful investor. The researcher collected data using five point scaling technique and it was analyzed and obtained the results of mean, standard deviation and co-efficient of variation and the factors were ranked based on mean score in order to know in which factor the respondents have higher level of awareness and in which they have lower level of awareness. These results are presented in table 3.

**Table 3: Mean Rank on Awareness of the Respondents towards Investments**

Sl. No.	Factors	Mean	SD	CV	Mean Rank
1	Different types of investment avenues	2.06	0.78	37.75	10
2	Different rates of returns on various types of investments.	2.03	0.79	38.82	11
3	About bank fixed deposits	2.26	0.75	33.32	2
4	About different rates of return on fixed deposits	2.24	0.76	33.83	4
5	About post office savings	2.19	0.78	35.81	5
6	Rates of return on various schemes in post office savings.	1.88	0.81	43.11	16
7	Investments in gold.	2.14	0.82	38.20	6
8	About stock market.	1.90	0.81	42.84	15
9	Way of making investments in stock market.	1.87	0.82	43.94	18
10	Requirements to make investments in stock market.	1.74	0.78	44.67	24
11	Various securities traded in stock market.	1.88	0.81	43.28	17
12	Risk involved in various types of investments.	2.10	0.81	38.54	8
13	Availability of various government securities.	1.91	0.84	44.07	14

14	Tax benefits on return on various investments.	2.10	0.76	36.15	7
15	Various schemes in Life insurance.	2.26	0.80	35.29	3
16	Return on various schemes in life insurance.	2.28	0.79	34.49	1
17	About mutual funds.	1.95	0.83	42.48	13
18	About NAV.	1.81	0.80	44.04	22
19	Buy back methods of mutual funds.	1.82	0.81	44.50	20
20	Return on mutual funds. (growth of fund)	1.82	0.83	45.66	21
21	About various funds maintained under mutual fund.	1.83	0.79	43.24	19
22	Knowledge about right time to invest or disinvest mutual funds.	1.78	0.79	44.39	23
23	About various schemes in pension fund.	2.02	0.80	39.51	12
24	About investments in chit funds.	2.10	0.81	38.63	9

Source: Primary Data

Table 3 shows the values of mean position dependent on mean score of information with the respondents on 24 different viewpoints and attention to the respondents towards on ventures. It is discovered that arrival on different plans in life insurance is positioned first dependent on mean score (2.28), the angles about bank fixed deposit and are positioned next and third individually with the mean scores of 2.26 and 2.26. About various paces of profit for fixed stores and mail station sparing are positioned fourth and fifth individually with the mean scores of 2.24 and 2.19. A prerequisite to make interests in financial exchange is positioned last (24th) with the mean score of 1.74.

It could be known from the above table that consciousness of the litigants towards interests in the viewpoints return on different plans in disaster protection and banking deposit are acceptable as seen by the respondents, though attention to the defendants has not be situated decidedly when contrasted and different perspectives. Be that as it may, rendering to the procedure, determined estimations of mean score of every single of the 24 viewpoints are more than 5, henceforth each of the 24 parts of consciousness of the respondents are decidedly seen by the respondents and chose disaster protection is acceptable. It is comparably noted from the consequences of SD, low level of deviation is found in the aspects of various schemes in life insurance

### Conclusion

Today, the expectation for everyday comforts of the individuals expanding step by step so salaried class network has begun understanding the significance of reserve funds and legitimate venture of their investment funds. They abstain from burning through cash on substantial lavish method of life and favoring the ordinary expectation for everyday comforts. It is clear from the examination attempted that the largeportion of the individuals are setting aside their cash for LIC, bank store, youngster marriage and to satisfy different objectives of life. Mindfulness programs must be directed by stock broking firms, in light of the circumstance that a large portion of the respondents are thinking these ways are misfortune making bad memory return on it. No Pain No increase' is the best guideline of venture the executives and salaried financial specialists are following this rule as it were. Subsequently the scientists have presumed

that the great portion of the financial specialists incline toward verified normal pay on interest in the examination Area. The study evidenced that higher level of awareness was found in the aspects of Return on various schemes in life insurance, about bank fixed deposits and various schemes in Life insurance. And lower level of awareness was identified in the aspects of Requirements to make investments in stock market, Knowledge about right time to invest or disinvest mutual funds and about NAV. There are brilliant opportunities to build the sparing and speculation propensities for salaried class individuals at Neyveli.

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