Investment Behavior with special reference to Bengaluru City District

Sunil M Rashinkar

(Associate Professor, Department of Post Graduate Studies, Sindhi College, Bengaluru, India)

Abstract: *The study covered the investment behavior of normal public at Bengaluru City District with sample size was 200. It is confined that the income made sense for investment in various avenues available in the market, one among is Indian stock market. It is found that gender and age are no relevance for investment in various avenues and only income is relevance for investment in various avenues which are available in the market.*

Keywords: *Age, Behavior, Bengaluru, Gender, Income, Indian Stock Market and Investment.*

I. INTRODUCTION

The behavior of human differs from one person to another. But, the money makes more money when it behaves in the right manner for individuals. The investment behavior talks about the investment patterns and avenues for, available to an individual and group of investors. Investment is not only on real estate, shares, mutual funds, etc. The researcher will try to ask the common public of the Bengaluru city district about knowing investment avenues and their returns on investment over a period of time.

Review of Literature:

Using data from Finland, the study analyzes the extent to which past returns determine the propensity to buy and sell. It also analyzes whether these differences in past-return-based behavior and differences in investor sophistication drive the performance of various investor types. It found that foreign investors tend to be momentum investors, buying past winning stocks and selling past losers. Domestic investors, particularly households, tend to be contrarians. The distinctions in behavior are consistent across a variety of past-return intervals. The portfolios of foreign investors seem to outperform the portfolios of households, even after controlling for behavior differences.[1]

Ansari and Moid (2013)[2]investigated the investment behavior among young age between 25 and 35 years in the city of Lucknow with a sample size of 200. The researcher used chi-square test to analyze the data. It can conclude that investment is dependent on age and income but not on gender.

Parimalakanthi and Ashokkumar (2015) was invested investment behavior of the individual at Coimbatore city with 10 factors viz., a savings account in a bank, an FD account in banks, Government securities, corporate bonds, insurance policy, real estate, commodities, shares and MF's, chit funds and gold and silver. The researcher found that the insurance policy is safety, saving accounts in banks is liquidity, commodities are additional income, gold and silver is capital appreciation and government securities are tax benefits.[3]

Significance of the Study

The study reveals the importance of investment and returns in the modern era. It covers the investment avenues and available opportunity for future growth.

Objectives of the Study

1. To identify the factors affecting the investment behavior.
2. To know the various avenues for investment and their significant.
3. To know the preferences of investment avenues by the Bangalore City District public.

Hypotheses of the Study

H_1: Age and Investment have independent in nature.

H_2: Income and Investment have independent in nature.

H_3: Gender and Investment have independent in nature.

[1] Grinblatt, Mark and Keloharju, Matti; (2000) The Investment Behavior and Performance of Various Investor Type: A Study of Finland's unique data set, *Journal of Financial Economics*, 55(1), pp. 43-67.

[2] Ansari and Moid (2013) Factors Affecting Investment Behaviour among Young Professionals, *International Journal of Technical Research and Application*, Vol 1 (2), pp. 27-32.

[3]Parimalakanthi, K. and Ashok Kumar, M. (2015) A Study Pertaining to Investment Behavior of Individual Investors in Coimbatore City, *International Journal of Advance Research in Computer Science and Management Studies*, Vol. 3 (6), pp. 149-157.

II. RESEARCH METHODOLOGY

Simple random sampling technique and questionnaire will be used for data collection. The study is mainly based on primary data. One way ANOVA for data analysis.

III. ANALYSIS OF THE STUDY

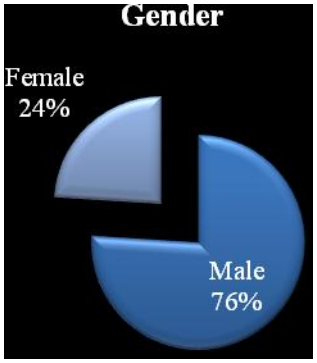
Table1:Gender

Gender	No. of Respondents	Percentage of Respondent
Male	152	76
Female	48	24
Total	**200**	**100**

Source: Primary Data

Analysis

From the above table it is depicted that, 76 percent of investors belong to male and remaining 24 percent of investors were belong to females.



Inference

From the above graph it is depicted that the 152 respondents were male and 48 respondents were female.

Table2: Income

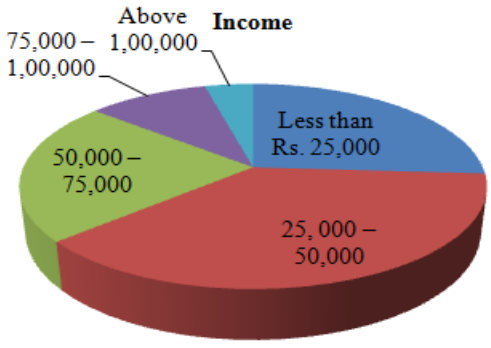
Income Group	No. of Respondents	Percentage of Respondent
Less than Rs. 25,000	52	26
25, 000 – 50,000	75	37.5
50,000 – 75,000	45	22.5
75,000 – 1,00,000	20	10
Above 1,00,000	8	4
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that 26 percent investor's income is less than Rs. 25,000. 37.5 percent investor's income between Rs. 25,000 and Rs. 50,000. 22.5 percent investor' income between Rs. 50,000 and Rs. 75,000. 10 percent investor's income between Rs. 75,000 and Rs. 1,00,000. 4 percent investor's income is above Rs. 1,00,000.

Graph2: Income Group



Inference

From the above graph depicted that majority of investor's income is between Rs. 25,000 and Rs. 50,000.

Table3: Age of the Investors

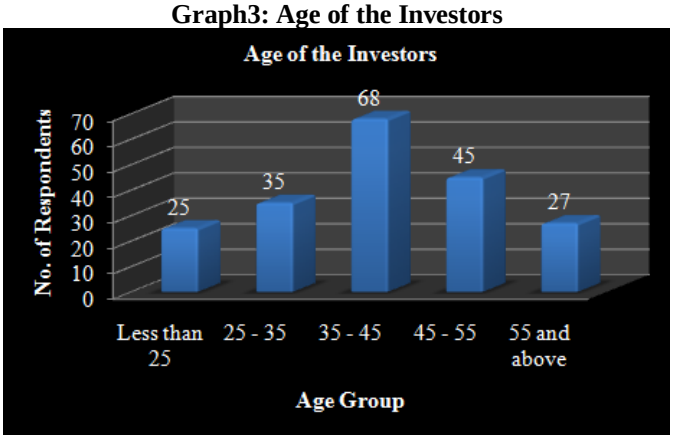
Age	No. of Respondents	Percentage of Respondent
Less than 25 years	25	12.5
25 – 35	35	17.5
35 – 45	68	34.0
45 – 55	45	22.5
55 and above	27	13.5
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that, 12.5 percent of investor's age belongs to less than 25 years. 17.5 percent of investor's age is between 25 and 35 years. 34 percent of investor's age is between 35 and 45 years. 22.5 percent of investor's age is between 45 and 55 years. 13.5 percent of investor's age is above 55 years.

Graph3: Age of the Investors



Inference

From the above graph it is depicted that, the highest respondents group is between 35 and 45 and the lowest respondent group was less than 25 years and other were standing in between these two groups.

Table4: Sector of Investment

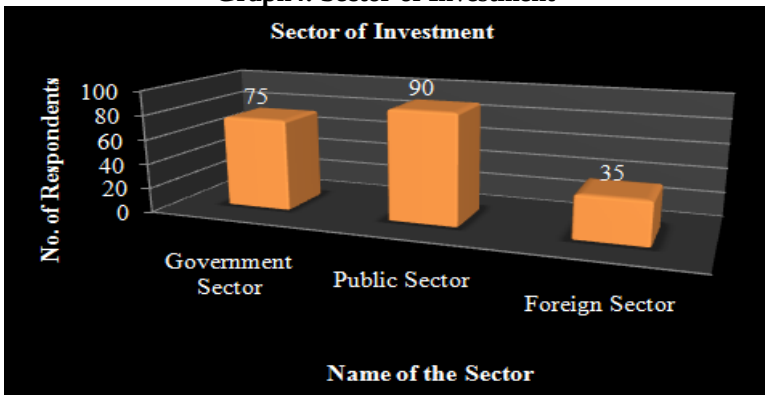
Sector of Investment	No. of Respondents	Percentage of Respondent
Government Sector	75	37.5
Public Sector	90	45.0
Foreign Sector	35	17.5
Total	**200**	**100.0**

Source: Primary Data

Analysis:

From the above table it is depicted that, the majority of the investor's investment were in public sector which reached 45 percent, followed by government sector was 37.5 percent stands in sector and 17.5 percent of the foreign sector stands at third position.

Graph4: Sector of Investment



Inference

From the above graph it is depicted that, the 90 investors invest their savings in the public sector. It showed that the majority of the investors believes that public sector gives better returns than government sector and foreign sector in India.

Table5: Preference for Investment

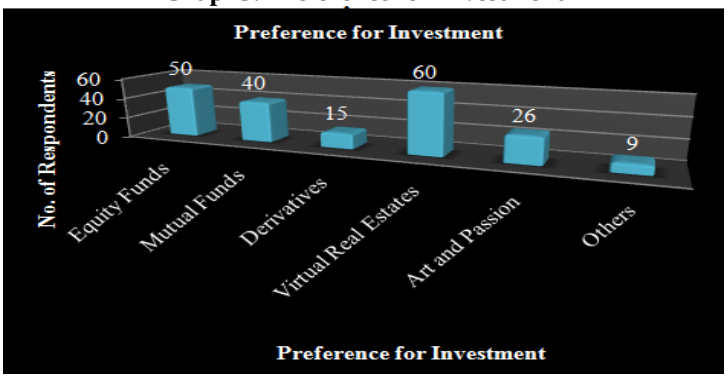
Preference for Investment	No. of Respondents	Percentage of Respondent
Equity Funds	50	25.0
Mutual Funds	40	20.0
Derivatives	15	07.5
Virtual Real Estates	60	30.0
Art and Passion	26	13.0
Others	9	04.5
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that, the 25 percent of the investor's like to in equity funds. 20 percent of investor's invest in mutual funds. 7.5 percent investor's invest in derivatives. 30 percent investor's invest in virtual real estates. 13 percent of investor's invest in art and passion. 4.5 percent of investor's invest their money on others.

Graph5: Preference for Investment



Inference

From the above table it is depicted that, the Indian were still the virtual real estate investment is one of most safe investment for their money. Followed by equity funds and mutual funds.

Table6: Factors Governing Investment Decision

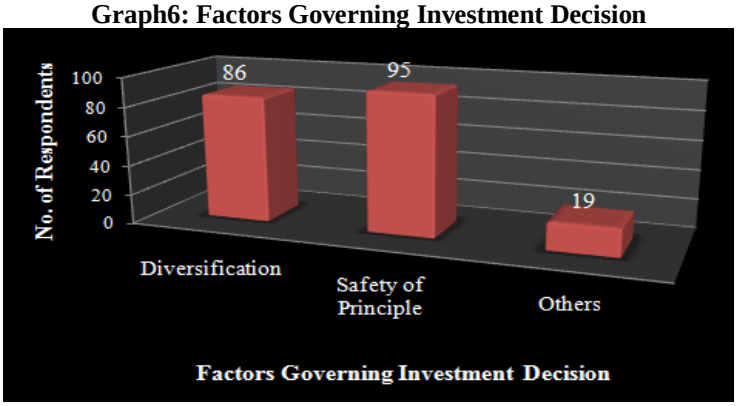
Factors Governing Investment Decision	No. of Respondents	Percentage of Respondent
Diversification	86	43.0
Safety of Principle	95	47.5
Others	19	09.5
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that, the 43 percent of investors invest their money for diversification. 47.5 percent of investors invest the money for safety of principle and just 9.5 percent of investors for other purpose.

Graph6: Factors Governing Investment Decision



Inference

From the above table it is depicted that, the 95 investors took the safety of principle in investment. 86 investors

Table7: Reason for Investment

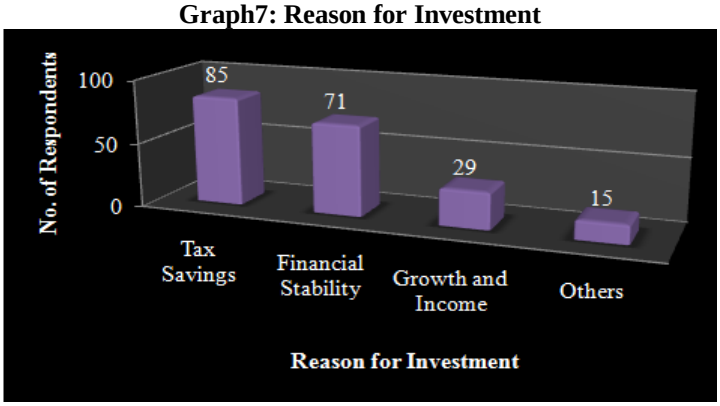
Reason for Investment	No. of Respondents	Percentage of Respondent
Tax Savings	85	42.5
Financial Stability	71	35.5
Growth and Income	29	14.5
Others	15	07.5
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that, the 42.5 percent of investors invest the money for the purpose of tax savings, 35.5 percent of respondents invest for financial stability, 14.5 percent of respondents invest for growth and income purpose and 7.5 percent for the other reason.

Graph7: Reason for Investment



Inference

From the above table it is depicted that, the majority of the investors invest their money for tax saving and deductions from the income.

Table8: Trading Frequency

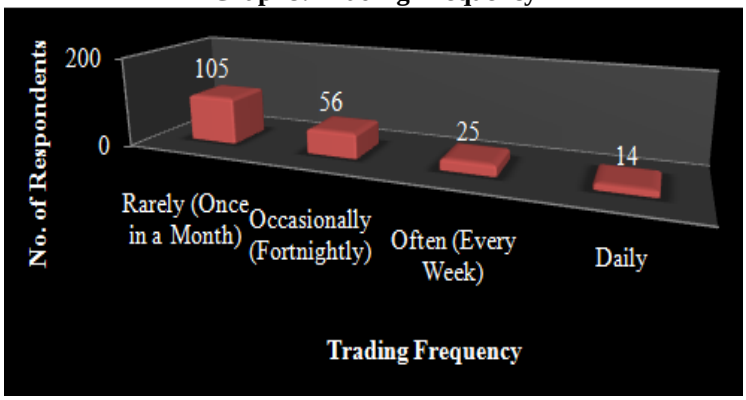
Trading Frequency	No. of Respondents	Percentage of Respondent
Rarely (Once in a Month)	105	52.5
Occasionally (Fortnightly)	56	28.0
Often (Every Week)	25	12.5
Daily	14	07.0
Total	**200**	**100.0**

Source: Primary Data

Analysis:

From the above table it is depicted that, 52.5 percent of investors trade once in a month or rarely. 28 percent of investors trade occasionally. 12.5 percent of investor's trade often or once in a week and 7 percent of investors trades on daily basis.

Graph8: Trading Frequency



Inference

From the above table it is depicted that,the majority of the investor's trade rarely or once in a month and very less in investors trade on daily bases.

Table9: Proportion of Monthly Income Investment

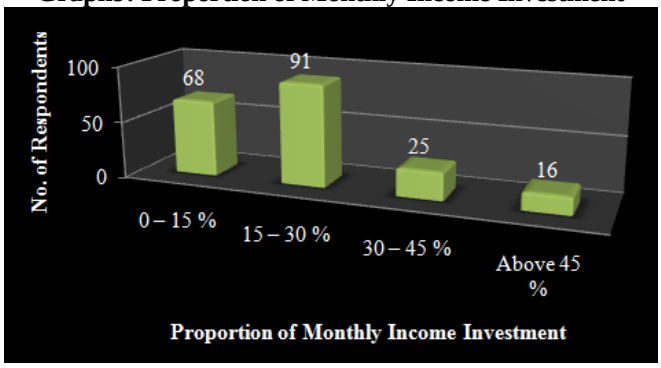
Proportion of Monthly Income Investment	No. of Respondents	Percentage of Respondent
0 – 15 %	68	34.0
15 – 30 %	91	45.5
30 – 45 %	25	12.5
Above 45 %	16	08.0
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that, 34 percent of respondents invest up to 15 percent of their monthly income for investment purpose. 45.5 percent of investors invest from 15 to 30 percent of their monthly income for investment purpose. 12.5 percent of investors invest 30 to 45 percent and 8 percent of investors invest above 45 percent on investment.

Graph9: Proportion of Monthly Income Investment



Inference

From the above table it is depicted that, the normal Indian saves his/her money 15 to 30 percent per month.

Table10: Factors Considered Before Investment

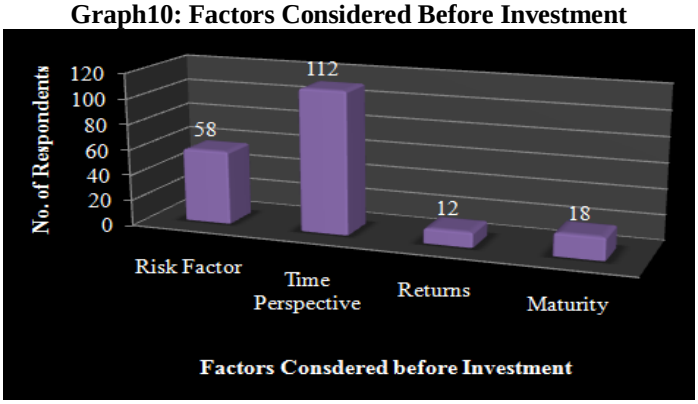
Factors Considered Before Investment	No. of Respondents	Percentage of Respondent
Risk Factor	58	29.0
Time Perspective	112	56.0
Returns	12	06.0
Maturity	18	09.0
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that, 29 percent of investors considered the risk factor for investment. 56 percent of investors considered time perspective for investment. 6 percent of investors considered returns and 9 percent considered maturity before investment.

Graph10: Factors Considered Before Investment



Inference

From the above graph it is depicted that, the investors always seek the time perspective on the investment pattern.

Table11: Factors Considered Before Investing Stock Market

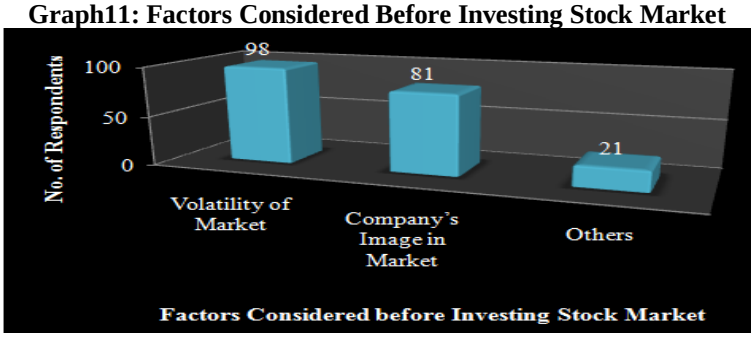
Factors Considered before Investing Stock Market	No. of Respondents	Percentage of Respondent
Volatility of Market	98	49.0
Company's Image in Market	81	40.5
Others	21	10.5
Total	**200**	**100.0**

Source: Primary Data

Analysis

From the above table it is depicted that,49 percent of investor considered volatility of the market before investing in the stock market. 40.5 percent of investor considered company's image in the market for investment and just 10.5 percent considered other factors for investment.

Graph11: Factors Considered Before Investing Stock Market



Inference

From the above graph it is depicted that, the volatility of market is the major factor to invest in the stock market. The market movement considered to be highest impact on investment.

Analysis using Chi Square Test

H_1: Investment is independent of gender

H_0: Investment is dependent on gender

Table12: Result Analysis of Chi Square Test for Hypothesis H_1

Gender	Investment in Stock Market and Related Markets	Invest in Non-Stock Market	**Total**
Male	82	70	**152**
Female	23	25	**48**
Total	**105**	**95**	**200**
Chi Square Test			
	Value	df	Table Value
Chi Square	0.532	1	3.84

Source: Primary Data

From table12 the calculate value of chi square is less than the table value. The hypothesis is accepted. Hence, there is no relevance between investment and gender.

H_2: Investment is independent of income

H_0: Investment is dependent on income

Table13: Result Analysis of Chi Square Test for Hypothesis H_2

Income	Investment in Stock Market and Related Markets	Invest in Non-Stock Market	**Total**
Less than Rs. 25,000	38	14	**52**
Rs. 25,000 – Rs. 50,000	37	38	**75**
Rs. 50,000 – Rs. 75,000	18	27	**45**
Rs. 75,000 – Rs. 1,00,000	8	12	**20**
Rs. 1,00,000 and Above	4	4	**08**
Total	**105**	**95**	**200**
Chi Square Test			
	Value	df	Table Value
Chi Square	13.2228	4	9.49

Source: Primary Data

From table13 the calculate value of chi square is more than the table value. The hypothesis is rejected. Hence, there is relevance between investment and income.

H_3: Investment is independent of age

H_0: Investment is dependent on age

Table14: Result Analysis of Chi Square Test for Hypothesis H_3

Age	Investment in Stock Market and Related Markets	Invest in Non-Stock Market	**Total**
Less than 25 years	13	12	**25**
25 – 35 years	17	18	**35**
35 – 45 years	38	30	**68**
45 – 55 years	25	20	**45**
55 years and above	12	15	**27**
Total	**105**	**95**	**200**

Chi Square Test			
	Value	df	Table Value
Chi Square	1.4016	4	9.49

Source: Primary Data

From table no. 14 the calculate value of chi square is less than the table value. The hypothesis is accepted. Hence, there is no relevance between investment and age.

IV. CONCLUSION

It found that there is no relationship between gender and age, but there is relevance in income for investment. Income was directly proportionate to the investment. The investment behaviors were changed from one income group to another. It also observed that age and gender were not dependent on investment in the stock market.

Limitations of the Study

1. The study was constrained to Bengaluru city district.
2. It was talking only about an investment behavior.

V. REFERENCE

[1] Ansari and Moid (2013) Factors Affecting Investment Behavior among Young Professionals, International Journal of Technical Research and Application, Vol 1 (2), pp. 27-32.

[2] Grinblatt, Mark and Keloharju, Matti; (2000) The Investment Behavior and Performance of Various Investor Type: A Study of Finland's unique data set, Journal of Financial Economics, 55(1), pp. 43-67.