

A Study on Awareness about the Investment Pattern among the Working Women in Virudhunagar District

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A Study on Awareness about the Investment Pattern among the Working Women in Virudhunagar District

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Abstract

An attempt is made in this study in analysing income and investment behaviour among working women in Virudhunagar District. The primary objective of the study was to establish a link between respondents' income and investment behaviour. The study concentrated on working women in the public and private sectors of Sivakasi. 50 respondents were randomly chosen for this study. It was found that the majority of them preferred to invest their savings in fixed deposits with banks, followed by the purchase of gold, for the security of an uncertain future. The level of income, which has significantly increased over the past ten years, has a major impact on investment.

Keywords: Working women, private and government sector, yearly income, annual investments, investor.

INTRODUCTION

Investment is the process of putting money into something with the goal of earning more return or increasing the value of something. Investment is a fascinating activity that appeals to people of all professions, educational backgrounds, and social standing. The obligation of financial investment is expected to yield good profit over a period of time. If a person has more money which can be put in a bank deposit to earn rate of interest, or buy gold, stock, or invest in other instruments. Women can invest in financial or non-financial assets such as recurring deposit or fixed deposit or children's plans, shares or debentures in companies, units in mutual funds, schemes of the Life Insurance Corporation or Units Trust of

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India or jewels, land, buildings, and other assets. They may have different investment goals and expectations. The investment portfolio of one person may not be the same as the portfolio of another. They are investing in variety of ways, with varying expectations of returns.

In the context of today's circumstances and way of life, investments are both necessary and beneficial. Longer life expectancy, retirement planning, rising tax rates, high inflation, high income, and the availability of multiple investment options are all factors that influence investment decisions. The purpose of this study is to determine how well working women in the Virudhunagar district are aware of investment patterns. The study's primary goal is to investigate demographic factors such as income, gender, age, occupation, education, and working women's risk-taking behaviour. In comparison to bank deposits, the percentage of women who invest in the Indian equity market is very low.

OBJECTIVES OF THE STUDY

The major objectives of this study are:

1. Research the various investment options available to working women in general.
2. To investigate investors' attitudes toward various investment options.
3. To examine the risks that working women investors face when making investments.
4. To investigate working women's awareness of their investment patterns.

RESEARCH DESIGN

This is a descriptive study in which a survey was used to collect primary data from investors and also secondary data for analysis. Primary data was gathered from respondents by using a questionnaire with a survey method. Websites, books, and an internet customer database are examples of secondary data. The population being surveyed consisted of 50 people. This is descriptive research where survey adopted to collect primary information from the investors using different scales, and secondary information for the analysis. The study was conducted in Sivakasi

ANALYSIS AND INTERPRETATIONS

The tools used for analyzing are as follows

1. Percentage analysis
2. Ranking Method
3. Perception Scores

1. Percentage method

The percentage method is a type of comparison method that is used to compare two or more data series. The percentages are calculated based on the descriptive relationship between the variables. It makes a comparison between the items in question. Because a percentage reduces everything to a common base, meaning comparison is possible. Percentage method refers to a specified kind which is used in making comparison between 2 or more series of data. Percentages are based on descriptive relationship. It compares the relative items. Since the percentage reduces everything to a common base and thereby allow meaning comparison.

2. Ranking method

The ranking method was used to determine investors' preferences for different investment avenues as well as their primary investment goal. The ranking method was conducted to find out preference of investors regarding the various investment avenues and to find their prime objective for making investment.

3. Perception Scores

The perception scores were classified into three groups.

- High Perception: Scores above (Arithmetic Mean + Standard Deviation)
- Moderate perception: Scores ranging from (Arithmetic Mean – Standard Deviation) to (Arithmetic Mean + standard Deviation) and
- Low perception: Scores less than (Arithmetic Mean – Standard Deviation)

REVIEW OF LITERATURE

Kannan and Thangavel had stated that life insurance had today become a mainstay of any market economy since it offered plenty of scope for garnering large sums of money for long periods of time. A well-regulated life insurance industry which moves with the times by offering its customers tailor-made products to satisfy their financial needs was, therefore essential if we desired to progress towards a worry – free future.

Syed Tabassum Sultan concludes that the individual investor still preferred to invest in financial products which gave risk free returns. The investment product designers can design products which can cater to the investors who are low risk tolerant and use TV as a marketing media as the investors seemed to spend long times watching TV shows.

Gridhari Mohanta and Sathya Swaroop Debasish studies that investors invested in different investment avenues for fulfilling their financial, social and psychological needs, while selecting any financial avenue they also expect other types of benefits like, safety and security, getting periodic return or dividends, high capital gain, secured future, liquidity, easy purchase, tax benefit, meeting future contingency etc.

FINANCIAL INVESTMENT

Financial Investment means investment into financial assets. These assets help in creation or production of further money. This refers to depositing money into securities such as banks, post office, shares, mutual funds, debentures, LIC, Government securities, private insurance, private finance and the like.

Table No: 1, Financial Investments of the Respondents

Sl.No	Investment	No. of Respondents	Percentage
1	Share	23	46
2	Debenture	07	14
3	Mutual Funds	19	38
4	Bank Deposits	44	88
5	Post office deposits	35	70
6	Life Insurance Corporation schemes	42	84
7	Government Securities	05	10
8	Chits	25	50
9	Private Insurance policies	20	40
10	Private Finance	02	04

Source: Primary data

It is clear from the table that 23 investors invested in shares, 7 in debentures, 19 in mutual funds, 44 (88%) in Bank deposits, 35 in post office deposits, 42 in LIC schemes, 05 in Government securities, 25 in chits, 20 in private insurance policies and 2 in private financing. Thus, a majority of 44 respondents have made deposits in banks which is the traditional form of making financial investment followed by LIC schemes (84%).

NON – FINANCIAL INVESTMENT

The second category of Investment is Non-Financial Investment means investment in physical assets, which is for consumption or future use. This investment does not produce further money. This refers to depositing money into assets other than securities such as land and buildings, jewels and consumer durables.

Further the objective of investment also decides the nature of investment whether it is financial or non-financial. For example, if the buildings are purchased for self-occupation, then it will be a non – financial investment which aims at consumption. Similarly, when the building is purchased for letting it out, then it will be a financial investment aimed at making further money. Most of the respondents have made investment in non-financial investment and the details are shown in the Table No:2

Table No: 2, Non-financial Investment of the respondents

Sl.No	Investment	No. of Respondents	Percentage
1	Land	29	58
2	Buildings	25	50
3	Gold	40	80
4	Silver	06	12
5	Diamond	02	4
6	Platinum	01	2

Source: Primary data

It is clear from the above Table No: 3 that around third of the respondents have given priority to gold as far as non-financial investments are concerned. The next priority is given to land and the next to buildings. They are also interested is very less in invest in silver, diamond

and platinum. One can come to a conclusion that gold is the top most priority of the respondents or working women as its value is on the increase day by day.

AWARENESS OF DIFFERENT INVESTMENT PATTERN

Investment pattern refers to the distribution of asset class by which an individual has made portfolio. The distribution of assets may not be seen similar in everyone’s portfolio. This highly dependent on the awareness level and the perception of the investor. There was wide array of investment avenues which were available and mainly these assets could be classified as:

- Financial
- Non - Financial
- Both

The investment pattern is an intricate area which needs deep in sight in designing a basket of securities after taking into account vast number of factors which will determine the financial benefits of the investor for the sacrifice they make from present consumption. The individuals may adopt one which is framed by them or they depend upon an expert advice given by a person named as portfolio manager. In financial connotation it is commonly called as portfolio management service. These services enable the investors to do their financial planning in a sequential order thorough technical frame work. The table No.3 given below makes us understands the investment pattern of the working women.

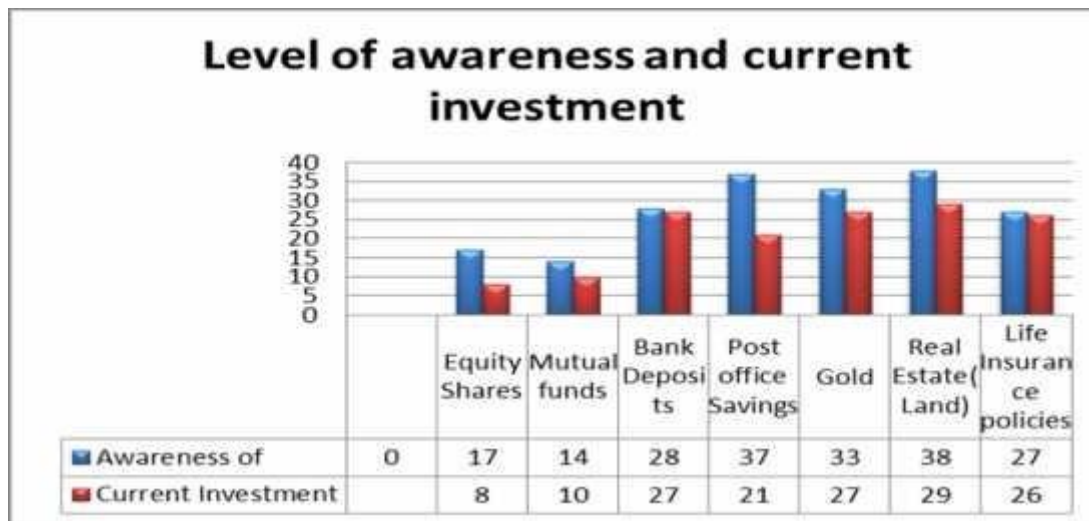
Table No 3: Awareness of Investment avenues and current patterns

S.No	Asset class	Awareness of Investment pattern	Percentage	Current investment	Percentage
1	Equity Shares	17	34	8	16
2	Mutual funds	14	28	10	20
3	Bank Deposits	28	56	27	54
4	Post office Savings	37	74	21	42
5	Gold	33	66	27	54
6	Real Estate (Land)	38	76	29	58
7	Life Insurance policies	27	54	26	52

Source: Primary data

From the above table 3 it is evident that more number of respondents were aware of the various investment avenues like Post office small savings, Real estate, Bank deposits and Gold. Nearly 50% of the respondents were aware of these schemes had also invested in these asset classes. It is observed from the table that respondents who knew about the investment like equity investment (34%) and mutual funds (28%) had not invested in them to their level of awareness. Since the percentage of investment, I these types of assets tends to be lower on comparison with the bank deposits. They’re existed moderaterelationship with the awareness and investment level of working women. Chart 3.1 explains this concept.

Chart 3.1, Comparison between level of awareness and actual investment



PERCEPTION ON VARIOUS INVESTMENT PATTERNS

With a view to finding out the attitude of the sample investors towards various investment patterns their average scores and standard deviation have been computed. Their perception falls under three categories namely, Low, Medium, High.

The overview of the respondents' attitude scores of investment patterns is presented in Table 4

Table No 4: Perception Scores for Different Investment Avenues

S.No	Various Investment Patterns	Low	Medium	High
1	Equity Shares	7	32	11
2	Mutual Funds	9	29	12
3	Bank Deposits	5	38	7
4	Post office savings schemes	7	31	12
5	Gold	8	36	6
6	Real Estate (Land)	7	32	11
7	Life insurance	9	29	12
8	Both	8	33	9

Source: Primary data

From the above table it can be seen that the attitude of a majority of sample respondents was under the medium category. This meant that with regard to any type of investment patterns taken individually by the study that the performances of all these patterns were considered fairly good. They were not either above not below the expectation. And with regard to the Both financial and non-financial attitude 33 (66%) respondents come under the medium category, 9(18%) of them were in high category and 8 (16%) found themselves in the low category. Hence it is seen that the opinion regarding the investment pattern is average.

DIFFICULTIES WHILE MAKING INVESTMENT

Working women investors in Virudhunagar District have faced many problems while investing. The researcher has given the problems identified by her while making the present study. In most of the houses the women are dependent on their husbands. They give away their total salary to their husbands. The women cannot take own decisions in respect of investment. There are so many deductions from their salaries in their working place itself. So, they do not want any separate investment. At the time of investment, the investors meet a lot of troubles especially in women. In what ways the respondents meet the (difficulties) risk ranked below:

Table No: 5, Rank provided to the difficulties to the respondents

S.No	Difficulties	Rank
1	Cumbersome Procedures	II
2	Price fluctuation	VI
3	Low liquidity	V
4	Commission and Brokerage	I
5	High Risk	IV
6	Lack of awareness	III
7	Cheating by chit fund companies	VII

Source: Primary data

It is observed from the above table no: 5 that the problem of working women faces the difficult commission and brokerage took first place, cumbersome procedures took second place; Lack of awareness third place, High risk fourth place, low liquidity fifth place, price fluctuation sixth place, cheating by chit fund company took seventh place. It indicates that the payment of commission and brokerage while making investment is the major problem faced by the working women.

CONCLUSION

Thus, the present study has made an attempt to study awareness about the investment pattern among the working women in Sivakasi of Virudhunagar District. Even though the awareness of investment patterns was present among them it appeared that an in- depth knowledge was lacking on different investment avenues. The working women also opined for some improvement in their investment pattern. However, they need ample guidance in this area as many of them were not found to be well versed in selecting right type of investment avenues.

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