

**“A STUDY ON SAVINGS AND INVESTMENT HABIT AMONG
EMPLOYEES WITH SPECIAL REFERANCE TO SH MARINE
EXIM, KOCHI”**

PROJECT REPORT

Submitted to

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

In partial fulfilment of the requirements for the award of the degree of

BACHELOR OF COMMERCE

Submitted by

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DECLARATION

We, **Amala Mary Antony (Reg. no. 170021063420) Anjaly. M.S (Reg. no. 170021063421) and Asha. P.S (Reg. no. 170021063422)** hereby declare that the project report entitled **“A STUDY ON SAVINGS AND INVESTMENT HABIT AMONG EMPLOYEES WITH SPECIAL REFERANCE TO SH MARINE EXIM , KOCHI ”** is a bonafide work done by us under the guidance and supervision of Assistant Professor Mrs. Teresa Stephen, Department of commerce, St. Paul’s College, Kalamassery.

We also declare that this work has not been submitted by me fully or partially for the award of any other degree, fellowship, associate ship or other similar title of any other university or board.

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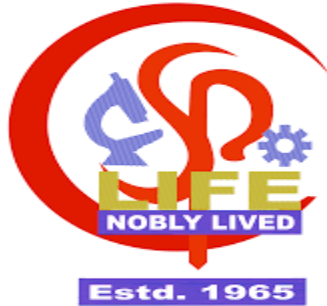
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CERTIFICATE

This is to certify that the project work entitled “**A STUDY ON SAVINGS AND INVESTMENT HABIT AMONG EMPLOYEES WITH SPECIAL REFERANCE TO SH MARINE EXIM, KOCHI**” is a bonafide piece of work done by **MISS. AMALA MARY ANTONY (Reg. no. 170021063420)** **MISS. ANJALY. M.S (Reg. no. 170021063421)** **MISS. ASHA. P.S (Reg. no. 170021063422)** in partial fulfilment of the requirements for the award of degree of Bachelor of Commerce in Mahatma Gandhi University, Kottayam, under my supervision and guidance and that no part thereof has been presented earlier for the award of any other fellowship, associateship etc.

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CHAPTER 1
INTRODUCTION

INTRODUCTION

Human Wants are unlimited and sometimes these wants even exceeds ones resources. Money management is therefore, a complex task and involves important financial choice after rational consideration and planning rather than making them instinctively. The real purpose of managing is to establish and objective of providing financial security and well being for the future. Thus making plan to take care of future emergencies and to take care of future emergencies and to achieve future goals should be a part of one is financial planning. In short, personal financial planning includes ones investment.

The vital role of investment in the economic progress of the country has been well realized by economist since the time of Adam Smith. The Investment of Private Individual from the basis of wealth accumulation in the Society. Thus Investment of Individual effects to a great extent, the national investment, economic growth and national income.

Investment is the commitment of present fund for deriving future income in the form of interest, dividend, rent of retirement benefit or of appreciation in the value of principal. Postponement of consumption is called savings and these saving are invested in order to obtain a reward for such postponement. Thus investment in its broadest sense means sacrifice of current fund with the aim obtaining additional income or growth in value in future.

Although the term savings and investment considered synonymous by some people, they are not similar. For a family, savings has meaning only when its purpose is well planned and understandable. There are several motives, which includes a person to invest. Impelled by these motives a person may investment with a view to build up reserve fund against unforeseen contingencies or the purpose may keep adequate provision for future education of children or for their marriage etc... In any way the investment plan of children or for their marriage etc... In any way the investment plan should fit in the family's need to accomplish without undue hardship. Prime Engineers, in the year 2003, established as a proprietary firm has successfully elevated itself occur the year with trough knowledge and expertise in electrical fields. Prime Engineers is providing an exclusive one top solution for all type of Electrical Services. We are reputed, well known and established Electrical contractors in Business since last more than one decade and completely engaged in various fields of electrical projects, instrumentation projects, mechanical projects, Annual maintenance projects etc...

Prime Engineers serve wide varieties of customers both large and small. Our commitment to safety professional competent and customer confidence are major factors why we have successfully developed and maintained long list of reputed customers.

1.1 STATEMENT OF THE PROBLEM

Numerous Investment avenues exist for employees, instead of studying the complete range of investors, it only one segment called salaried employees. Study on saving habit and Investment preference employees have under significance in the present day situation. Hence, the study is titled as "A STUDY ON SAVINGS AND INVESTMENT HABIT AMONG EMPLOYEES".

1.2 SIGNIFICANCE OF THE STUDY

Creating a saving habit gives us options in the future. It gives us flexibility we can do it. If we want to live in a different part of the country, a solid savings account will get us that investing are now

more important than ever. Savings and Investment are essential if we want to build wealth and secure our future. Thus, savings and investment habit play a vital role in the life of a realised person because they are getting a fixed salary. If they make good investments, they can live peacefully in their past-retired period.

Savings and investment have a significant role in the economic development of our country. It is one of the major sources for developing a strong capital structure of the country. The responsibility of each salaried person is much higher compared to any class to help the country to build a strong financial bare.

1.3 SCOPE OF THE STUDY

The study on savings and investment is of great importance in present day situation. The study is focused on the investment behaviour of employees. The result of the study can give some guidance with regard to personal investment of employee. It is time to think about proper investment decision which fulfils the financial decision. More and more investment schemes are introduced every day. It is time to think about proper investment schemes from the usually followed line of investment. From the personal point of view, all investment decision should be taken after striking a balance between liquidity, return and risk. Thus, the Investment policy selected must be tailored to meet ones taste and requirements.

1.4. OBJECTIVS OF THE STUDY

1. To find out the purpose of employee saving and investment.
2. To find out the awareness about various types of investment.
3. To identify the risk, return characteristics various types of investment
4. To ascertain important factors that considered by the investors while making investment decisions

1.5 RESEARCH METHODOLOGY

For completion of the project, necessary data is collected directly with the help of interview, schedule. The source are secondary data was collected from books, periodicals, websites and so on.

a. PRIMARY DATA

Primary data personal interviews were conducted among the employees at prime engineers with the help of questionnaire to know their savings and investment habits.

b. SECONDARY DATA

Secondary data browsing the interest and visiting various websites, such google.com, ask.com and books, journals etc..., were used to collect details.

c. SAMPLE

The sampling technique used in this study is Convent Sampling. So respondent were taken from the employees at Prime Engineers as sample for the study.

1.6 TOOLS USED IN THE STUDY

The data collected from respondents has been classified and tabulated to suit the purpose of the study. Analysis of the tabulated data is carried out by using the following tools.

1. **PERCENTAGE ANALYSIS:** Percentage analysis is often used in data presentation as they simplify numbers reducing them to a 0-50 range.
2. **TABLES:** Tabular presentation of data is an orderly arrangement of data in tables containing rows and columns.
3. **DIAGRAMS:** Diagrams are the graphical representation of tabulated data. The commonly used diagrams are pie-diagrams etc.

1.7 PERIOD OF STUDY

The project is conducted in the period of three months.

1.8 LIMITATIONS OF THE STUDY

1. An in depth study was not possible because of the time limit.
2. The area of the study was limited to ERNAKULAM.
3. The sample size for study is relatively less.
4. The information collected was of very personal nature and therefore people were reluctant to reveal the exact investment in the various assets.
5. The sample was selected based on random sampling techniques and therefore has its own limitations.

1.10 CHAPTERISATION

• Chapter 1: Introduction

This chapter brings out the importance of the study and states its objectives and hypothesis. It also includes methodology and limitations.

• Chapter 2: Review of Literature

In this chapter various reviews of the selected and useful studies related to the research problem have been identified.

• Chapter 3: Theoretical Framework

This chapter introduces and describes the theories that explain why the research problem under study exists.

- **Chapter 4: Data Analysis & Interpretation**

This chapter introduces the important steps in the process of research for data collection and determining conclusions significance and implications of the findings.

- **Chapter 5: Findings Conclusion & suggestions**

This chapter introduces the findings, conclusions which are derived from research.

- **Bibliography**

It includes the list of books, websites which are referred in this project research.

- **Appendix**

It includes the additional supplementary information related to the project topic.

CHAPTER 2
REVIEW OF LITERATURE

REVIEW OF LITERATURE

Various researchers have introduced detailed studies regarding the savings and instrument habit among employees in different areas and they drew conclusions. The sample and size of area selected vary depending upon the preference of the researches.

Behavioural Finance is a new emerging science that studies the irrational behaviour of the people.

AVINASH KUMAR SINGH (2010) the study entitled “A study on savings and investment habit among employees” has been undertaken with the objective, to analyze the investment pattern of the people in Bangalore city and Bhubaneswar analysis of the study was undertaken with the help of the survey conducted. After analysis and interpretation of data, it is concluded that in Bangalore investors are more aware about various investments in equity and except people those who are above 50 give important to insurance, fixed deposit and the savings benefits. Generally those investors who are invested in equity are personally follow the stock market frequently. That is in daily basis, but those who are invested in mutual funds are watch stock market weekly or fore night. In Bangalore, investors are more aware about various investments avenues and risk associated with that. But in Bhubaneswar, investors are more conservative in nature and they prefer to invest in that avenue where risk is less like bank deposit, small savings, post office etc.

The National Council Of Applied Economic Research (NCAER) conducted a survey on households (2010) entitled “Attitude Towards and Motivation of Savings”. The survey converted a sample of 4650 household spread over India. It provides an in site to the attitude towards the motivation for savings of individuals. One of the important finding was that the investment in securities was preferred by the high income households.

1. LUKUZ PROROKOWSKI (2011) investigates equity appraisal techniques employed by non professional investors from the central European emerging stock market (CEESM) of Poland. The paper examines investment decisions making process in the context of the current financial crisis in a pioneering attempt to shed some light on crisis – induced changes in investment strategies. In addition the study test the usefulness and predictive abilities of analytical tools employed by non professional investors when faced with unstable stock market conditions.

2. KARTHIKEYAN (2010) in his study suggested that the world thrift day may be celebrate not only by government but also by voluntary organizations to increase savings. Interesting and attractive audio visual type of advertisements and personal canvassing techniques could be used to increase investments. Existence of agencies must be made known to investors. The rate of interest must be hiked for investments. His study related to the saving pattern of employees.

3. CHARLES. R. ENIS(2010) examined the association between economic savings and psychological factors on participation in traditional individual retirement accounts (IRAs) (1983-1985).The data were panels of tax returns representing households qualifying for the maximum IRA contribution and whose only sources of income were employed and investments. Along with traditional economic variables my regressions included psychological factors such as framing effects based on adaptive expectations. Although both economic and psychological constructs were important in explaining savings behaviour, the latter were shown as more stable.

4. CASEY. B. MULLIGAN AND YONA RUBINSTEIN (2008) studied the growing wage inequality with gender that would cause women to invest more in their market productivity and pull able women out of workforce. The study uses Hackman’s two step estimator and identification at infinity on repeated current population survey cross sections to calculate relative wage series for women since 1970 that hold constant the composition of skills. They find that selection into the

female full time full year workforce shifted the narrowing of the gender wage gap reflect changes in female work force composition.

5. ANNEMARIE NELEN (2008) analyzes whether lower investments in human capital of part-time workers are due to workers characteristics or human resources practices of the firm. Their focus is on investments in both formal training and informal learning. Using the Dutch life -long learning survey 2007, they find that part-time workers have different determinants for formal training and informal learning than full-time workers. The latter benefit from firms human resource practices such as performance interviews, personal development plans and feedback.

6. ALLINSON, BRAIDFORD, HOUSTON AND STONE(2008) made a study aimed at identifying factors that will promote higher levels of pension savings from employees in small businesses, through increasing employee participation and rates of contribution. They advocate a number of strategies for increasing levels of participation. The study records the prevalence of these strategies. SMEs at present and the potential for their adoption in other assets. The data on pension savings indicate that in the UK the numbers of schemes, number of members and levels of contributions are falling.

7. BENEDICT S.K KOH, OLIVIYA S.MITCHELL, TOTO TANUWIDJAJA AND JOELLE FONG (2008) found that rising elderly life expectancies imply the need to accumulate sufficient savings for retirement. This study investigates the role of recent changes in the investment of the Singaporean Central provident funds (CPF) system. It explores the investment pattern of CPF participants and articulates their implications for policymakers. They find that most investors use their money for housing purchase and default the remainder to the CPF investment pool.

8. R. R RAJAMOHAN(2005) in his study records that the Indian government has introduced defined contribution pension plans to the newly recruited employees from January 2004 7 state governments have introduced the scheme for their employees and others have shown interest. The new system calls for the participants to manage their contributions by placing the responsibility of deciding where their contribution should be invested and who should manage their contribution etc.. However the author feels that the work force is not equipped to take such decisions.

9. CATHERINE ECKEL, CATHLEEN JOHNSON, CLAUDE MONTMARQUETTE (2005) explored the predictive of short horizon time preferences decisions. We use experimental evidence from a sample of Canadian working poor. Each subject made a set of decisions trading off present and future amounts of money. Decisions involved both short and long time horizons with stakes ranging up to 600 dollars. Short horizon preference decisions do well in predicting the long horizon investment decisions.

10. JEFFREY J.BAILEY (2004) studied the retirements plan debacle of the Enron employees which has made regulations and lawmakers to think about new ways to protect and help retirement plan participants. When investigating participant investment decisions researchers have traditionally studied the retirement plan characteristics and employees characteristics.

11. PESTONJEE (2001) attempted to study how far working women enjoy freedom to take investment related decisions on their own and the pattern of investments in the male dominated investment world in India. The questions related to investment pattern and its decisions maker with respect to working women was studied by taking, 227 respondents from 3 cities. 108 in Ahmedabad, 60 in Solapur , 59 in Gulbarga. A Questionnaire was administrated and data were collected on savings, types of investments, influencers, expenditure and decision makers.

12. SYED ZAMBERI AHMAD (2011) made a study to offer an account of gender and investment climate reform in the Pacific region. This six-country research studies face-to-face interviews with a variety of stakeholders including: private sector representative bodies; private sector operators; banks and micro-credit institutions New Guinea, Timor-Leste, Solomon Islands, Vanuatu, Tonga and Samoa. The findings recognised the solutions identified to address gender-based investment climate barriers which constrain women's economic empowerment in six Pacific nations.

13. TARUJYOTHI BURAGOHAIN (2009) made an attempt in his paper to discern the trend and pattern of savings in general and household sector savings in particular and to assess the major determinants of household sector savings based on fundamental theory. According to this study income elasticity of savings provides a sufficient encouraging picture and these values have been increasing the economic resurgence period (1990-2007).

14. DON-T. JOHNSON (2006) aims to explain the rationale for producing an issue on the topic of real estate investing and how these articles fit together. Real estate is probably the largest category of assets for investors and the work in this issue will assist in the decision-making process of real estate investors. Each of these papers covers only a limited topic and more research in the area is needed.

15. WALT.A.NELSON (2006) made a study and the purpose of this case study is to examine direct investment in commercial real estate from the perspective of the individuals. While most research is dominated by studies concerning direct investment by institutions (REITs, pension funds, etc.) the bulk of direct investment in commercial property is still conducted by individuals. The paper presents accounting and financial data from the original purchase. Management and disposal of a small-scale office building cash flows, returns and risks are measured and analyzed.

16. SHALINI KALRA SAHI, ASHOK PRATAP ARORA (2012) in his study referred that Indian investors have been exposed to a plethora of investment opportunities in the past decade and a half, after the liberalization process which commenced in 1991. Over the years, the increased competition has brought a wind of change, not just in the economic environment within the country, but also a radical change in the choices and preferences of the financial consumers. In the endeavor to provide more personalized advice to the financial consumers, financial service providers need more insights into the minds of the consumers.

17. BROOKE HARRINGTON (2012) in his study examines the mass movement of Americans into investing during the 1990's as both consequence and a cause of contested power between corporations and individuals. This movement was a part of a large historical pattern of economically marginalized peoples consolidating their power through associational strategies in the realm of finance. Using US investment club as a case study, the chapter draws on Foucault's theories to illuminate the bilateral power structure of modern capitalism, in which market institutions and small groups at the grassroots levels mutually influence one another.

18. RADHIKA (2012) in her study mentioned that the Indian capital market has made substantial progress during the post-independence period. However, the amount of capital raised in the form of equity and preference shares and debenture by the corporate sector has not been large over a number of years. There has been a raising trend since 1975 but the increase was not all that large. The Indian capital market has grown so sharply in the 80's that the decade itself has been christened as a decade of the capital market.

19. ANGELA H-L .CHEN, KUANGNEN CHENG, ZU-HSU LEE (2011) in his paper aims to identify traits of Taiwanese investors that deviate from the typical rationale governing financing decisions through the analysis of their assets preferences and investment criteria. It also highlights

the post- modern portfolio theory to address the behaviour of Taiwanese investors found in our result and in other studies. The time period between late 2007 & 2008 was the choice for this investigation, being period of considerable volatility in the Taiwanese market during a major political campaign and a downturn of the economy.

20. DON BREDIN, NINGYUEL LIU (2011) study the investment behaviour of freight institutional investors operating in China. A detailed analysis of foreign institutional investors is examined, along with a comparison of domestic Chinese investors. They adopted annual Chinese stock market data for the period 2003-2009 for both foreign and domestic funds to analyze the industrial preference of foreign funds and compare the different preference between foreign funds and domestic Chinese funds in relation to financial characteristics and corporate governance indicators.

21. KEN JOHNSTON, JOHN HATEM, THOMAS. A. CARNES (2010) in his study referred that most investors retirement portfolios have inter -period cash inflows. The standard time -weighted mean return (or geometric mean return) is generally used to report returns on investors retirement portfolios. The purpose of this paper is to examine the standard time -weighted mean return and point out additional deficiencies in the time-weighted mean in this situations, which have not been addressed in the literature The paper provides examples that point out additional deficiencies that arise using geometric mean return as estimates of an individual investors performance.

22. SHILPA AGARWAL (2010) studied the perceptions of the people about the investment of their savings. The aim of her study was to understand the basic requirements of the common man and his views on investments. She studied the various investments avenues and the investors risk preference towards it and tried to identify the general demographic factors of the investors dealing in capital markets, her other aims were to find out the preference of investors for various capital market instruments, to find out the type of risk which are considered by the investors and to find out the ways through which the investors minimize their risk, but did not study about the pattern of investments in capital market.

23. RICHARD. W. SIAS AND DAVID A. WHIDBEE (2010) In their study stated that there is a strong inverse relation between insider trading and institutional demand in the same quarter and over the previous year. Their analysis suggests a combination of factors contributing to this relation. First institutional investors are more likely to provide the liquidity necessary for insiders to trade. Second, insiders are more likely to buy low valuation and low lag return stocks while institutions are attracted to the opposite security characteristics. The results are consistent with the hypothesis that insiders are more likely to view their securities as overvalued following a period when institutions were net buyers.

24. V.GANGADHAR AND G.NARESH REDDY (2009) analyze the varying perceptions on stock price volatility in Indian capital markets along with identifying possible reasons for volatility and measures to check volatility. It is evident from the values of the co -efficient of variation and standard deviation that the market capitalization of NSE was highly volatile or less consistent when compared to that of NSE.

25. KINSUN TAM, JAMES L. BIERSTAKER, INSHIK SEOL (2006) investigates the nature of investment expertise and factors affecting the information processing and performance of investment experts, this paper hypothesizes normative characteristics of investment expertise and

compares such characteristics documented in prior literature on the investment expert based on collective evidence from these sources, a model of investment expertise is proposed. Results support the existence of investment expertise in (1) the nature of knowledge (2) problem solving and information search and (3) performance.

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CHAPTER 3
THEORETICAL FRAMEWORK

3.1 CONCEPTS OF INVESTMENT

People invest their money for future needs and to get a fair return. Investment is the process of exchanging income during one period for an asset that is expected to produce earning in future periods. Investment is the basis of economic growth. Thus investment in its broadest sense means sacrifice of current funds with the aim of obtaining additional income or growth in value in future.

Investment in physical sense means purchase of physical assets like consumer durables, luxury, housing etc. Thus, investment prefers to acquisition of some assets. It also means the conversion of money into claims on money and the use of funds for productive and income earnings assets. These are three concepts of investment. Economic concept, common persons concepts, and financial concept

a) Economic concept

In the economic sense, investment means net addition to the capital stock of the economy. Capital stock consists of goods and services that are used in the production of others goods and services. Thus, ne addition to the capital stock implies the formation of new productive capital in the form of new construction, new durable equipments such as plant and machinery, inventories and human capital. Such investment generates physical assets.

b) Common mans concepts

To the common person, investment refers to money commitment of money to buy a new car is certainly an investment from an Individuals point of view. However, this is an investment in a very general and much extended sense of the world, since no rate of return or capital gain involved.

3.2 FEATURES OF AN INVESTMENT PROGRAMME

In choosing specific investment, investor needs definite idea regarding the features, which their portfolio should possess. The following may be suggested as features of an investment Program:

1. Safety

Safety of an investment implies the certainty of return of capital without loss of money or time. To ensure safety of principle, investor should consider Diversification of assets. Diversification to be should be by industry, by geographical area, by management, by financial type and by maturity.

2. Liquidity

Liquidity of an investment refers to marketability. An asset possesses liquidity if it can be converts into cash at full value immediately. Every investor requires a minimum liquidity in his investment to meet emergencies. Liquidity can be ensured if investors include apportion readily released securities in their portfolio.

3. Return

All investment is characterized by the expectation of return. The return maybe received in the form of yield plus capital gain. Yield is the income components of the return. Capital gain is the excess of sale price over purchase price. Different types of investments promise different rate of return.

4. Risk

Risk is inherent in every investment activity. Risk may relate to loss of capital, delay in repayment of capital, non payment of interest of variability of returns. The degree of risk associated with

different investment maturity period, the larger is risk. Lower creditworthiness of the borrower, higher the risk. Nature of investment ownership securities carry higher risk compared to investment in debt instrument.

5. Tax benefit

Tax status of the investors also influences the investment decisions. When the Investors income is small, they are anxious to have maximum cash returns on their investment. On the other hand, investors who are not pressed for cash income often funds that income tax deplete certain types of investment income and accordingly option of such investment.

6. Purchase power stability

The return offered by the investment should be sufficient to cover the loss of the purchasing power due inflation. For the maintaining purchasing power stability, the investors should carefully study.

1. The possibility of gain or loss in the investment available to them
2. The degree of price changes they expect
3. The limitation imposed by personal and family consideration

7. Legality

Legal aspect of investment must also be kept in mind. Its legal securities pose many problems for the investors. Investors should aware of the various legal provisions relating to the purchase of investment. Safety way is to invest in the securities issued by UTI, the LIC or the post office national savings certificates. These securities are legal beyond doubt help the investors in avoiding many problems.

3.3 STEPS IN INVESTMENT

Investment management is the process of encompassing many activities aimed at optimizing the investment of one's fund. The investment process describes how an investors should go about making decision with regard to what securities to invest in, how extensive the investment should be and when the investment should be made. A six step procedure for making these decision forms the basis of investment process.

1. Setting the investment policy

Setting the investment policy involves determining the investor's objectives and the amount of his/her investable wealth .Investor's objective should be stated in terms of the risk and return .This is because receipt of future return from and investment is positively related to the risk of not receiving them .This stage in investment process concludes with the identification of potential categories of financial assets for consideration in the ultimate portfolio .This identification will be based on among other things ,the investment objectives, amount of investable wealth and tax status of the investors.

2. Security analysis

Performing security analysis involves examining a number of securities within the broad category of final assets previously identified .One purpose of such analysis is to identify those securities that are currently appeared to be mispriced .The most common approaches to security analysis fall into any of the two classifications namely,

A) Technological analysis.

B) Fundamental analysis.

3. Portfolio construction and analysis

A portfolio is a group of securities held together as an investment. Portfolio construction involves identifying those specific assets in which to invest as well as to determining the proportion of investor's wealth to put into each one. Diversification involves constructing the investor's portfolio such a manner that risk is minimized subject to certain restrictions. Portfolio constructions and analysis involves identifying the range of possible portfolios that can be constructed from a given set of securities and calculating the risk and return for further analysis.

4. Portfolio selection

Portfolio analysis provides the input for the phase in investment management. Portfolios are constructed to generate a portfolio that the highest expected return at a given level of risk .Such a portfolio is an efficient portfolio .Inputs from portfolio analysis can be used to identify the set efficient portfolio; the optimal portfolio has to be selected for investment.

5. Portfolio revision

The fifth step in the investment process portfolio revision is concerned with the repetition of the previous four steps, i.e. ; over time the investors may change his/her investment objectives which in turn means that currently held portfolio may no longer be optimal. Instead, perhaps the investor should from a new portfolio by selling certain securities that are not currently held. Another motive for revising a given portfolio is that over time the price securities change, meaning that some securities that initially where not attractive at one time may no longer be so .Thus ,the investor may go to add the former to his/her portfolio, while simultaneously deleting the latter.

6. Portfolio performance evaluation

Portfolio performance evaluation involves determining periodically how the portfolio performed in terms of not only the return earned, but also the risk experienced by the investor .It provides a mechanism for identifying weakness in the investment process and for improving these deficient areas. It provides a feedback mechanism for improving the investment management process .For this, appropriate measures of risk and as well as relevant standards or benchmarks are needed.

3.4 INVESTMENT IN REAL ASSETS

Real assets are tangible material things such as land, buildings, automobiles, precious metals, art objects, antiques etc. Real assets are less liquid. In addition, returns on real assets are frequently more difficult to measure accurately, owing the absence of broad, ready and active markets.

a) Real Estate

Real assets like land, buildings and house property are called real estate. Real estate includes;

- Residential house
- Investment in residential flats
- Agriculture land
- Semi urban land
- Time share in a holiday resort

b) Precious objects

Precious objects are generally small, but are highly valuable in monetary terms. Precious objects include;

- Gold and silver
- Precious stones
- Art objects

3.5 DETERMINATION OF SAVINGS AND INVESTMENTS

Savings and investment behaviour is not static, it changes according to the changes in various factors. Main factors, which contribute in the changes in savings and investment behaviour, are as follows.

1. Income and savings

The most important factor, which determines the savings and investment behaviour of an individual, is their income. It is the basic element of savings and investment. A person with high income will save more and a person with low income will save or interest less amount of money. Thus, income and savings are directly proportional to each other, income increases the propensity of a person to save or invest more. Income not only affects the savings and investment habit of a person but also affects his capacity to consume that is, to carry on his life. Every definition of savings and investment begin with the phrase “savings or investment is that portion of income”. Thus, it is clear that without income, there will not be any savings or investment in any possible way, he should have income to save.

2. Consumption and Savings

After income, the most important factor, which affects the savings and investment behaviour of an individual, is his consumption habit. If the individual follows a practice of spending more money for his consumption, his rate of savings will go down. On the other hand, if he spends a few amounts as their consumption expenditure, his rate of savings will go up. Thus unlike income and savings, consumption and savings are inversely proportional to each other. In order to save and invest more and more, he has to reduce his consumption expenditure.

For example, a person has a salary of 7000 per month. He saves 1000 after his consumption expenditure of 6000. In the next month, he saves 2000 by reducing his consumption expenditure to 5000. Thus savings and consumption expenditure are inversely related.

3. Interest and savings

Rate of interest prevailing in the markets is an important push factor of savings and investment. If there are adequate savings and investment schemes in the market which are offering fair rate of interest, people may reduce their consumption expenditure and will make investment in these schemes, interest rates and savings are direct proportional to each other as increase in the rate of interest in the market lead to increase in the rate of savings and vice versa.

Interest rate and consumption expenditure are related to each other. When interest rate increases, people will have to reduce consumption expenditure to save more interest rate changes with monetary policies announced by RBI.

4. Inflation and Savings

Inflation is a rise in the general level of prices of goods and services in an economy over a period. When the general price level rises, each unit of currency buys fewer goods and services. Consequently, inflation also reflects erosion in the purchasing power of money a loss of real value

in the internal medium of exchange and unit of account with in the economy. A chief in a general price index (normally the consumer price index) over time.

As the general price level in the economy increases, consumption expenditure of people will increase. As a result, people will spend more instead of saving consequently rate of savings will go down. This is the general aspect of inflation. However, in other hand, government and RBI try to reduce the flow of cash through their monetary and fiscal policies. The main instrument is increasing the bank rate, people with sufficient income will make investments in banks for availing this higher rate of interest. Thus, savings will increase, so; during inflation savings of poor people will go down and savings of rich people will go up.

5. Demographic features and saving

Demographic factors like dependency ratios, gender, age, size of the family, employment status, location, number of female children in the family and the number of male children in the family influence the household savings either through their impact on the ability to save or through their impact on the will to save. Some of these factors have a negative effect on savings whereas others positively influence household savings.

For example, if a person has female children, his propensity to save and invest will be high as compared to a person having male children because person who has female children has to save money for their future marriage expenses.

Likewise, if a person leads a joint family, he may not have enough money to save than a person leads a nuclear family. Thus, all these demographic feature can influence the savings and investment attitude of an individual.

6. Tax incentives and Savings

With the aim of increasing savings and investment behaviour among people, government often announce tax incentives for some savings and investment schemes backed by government guarantee. This will encourage savings and investment among people.

Some people are reluctant in making savings or investment due to the burden of tax payment.

Usually, this category consists of rich people making huge investments. The tax incentives offered by the government will be a huge relief for them and their savings and investment will increase.

7. Market knowledge and savings

The market knowledge possessed by people is an important attribute of savings and investment behaviour. If a person has perfect knowledge about various savings and investment schemes, rate of return, degree of risk associated with each schemes etc .he can make wise investment.

On the other hand, persons are having not much knowledge about various savings and investment schemes offering fair rate of interest will not make any type of savings and investments. Thus knowledge has a great role in moulding savings, habit among individuals.

8. Cultural belief and savings

Beliefs and perception followed by a person affect their savings and investment pattern. Savings and investment increases if the belief and perception keep a positive attitude towards it.

For example, Muslim religion has a belief not to receive any sort of money in the form of interest.

So the share of Muslims on making savings and investment are less. These factors decide whether a person can become good investors. A salaried person should consider all these factors and should make investments wisely and carefully.

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

TABLE SHOWING SAVING PROFILE OF RESPONDENTS

Table No 4.1.

Percentage of savings	No. of respondents	Percentage
Below 10%	6	12
10% - 30%	24	48
30% - 50%	16	32
Above 50%	4	8
Total	50	100

PERCENTAGE OF SAVINGS

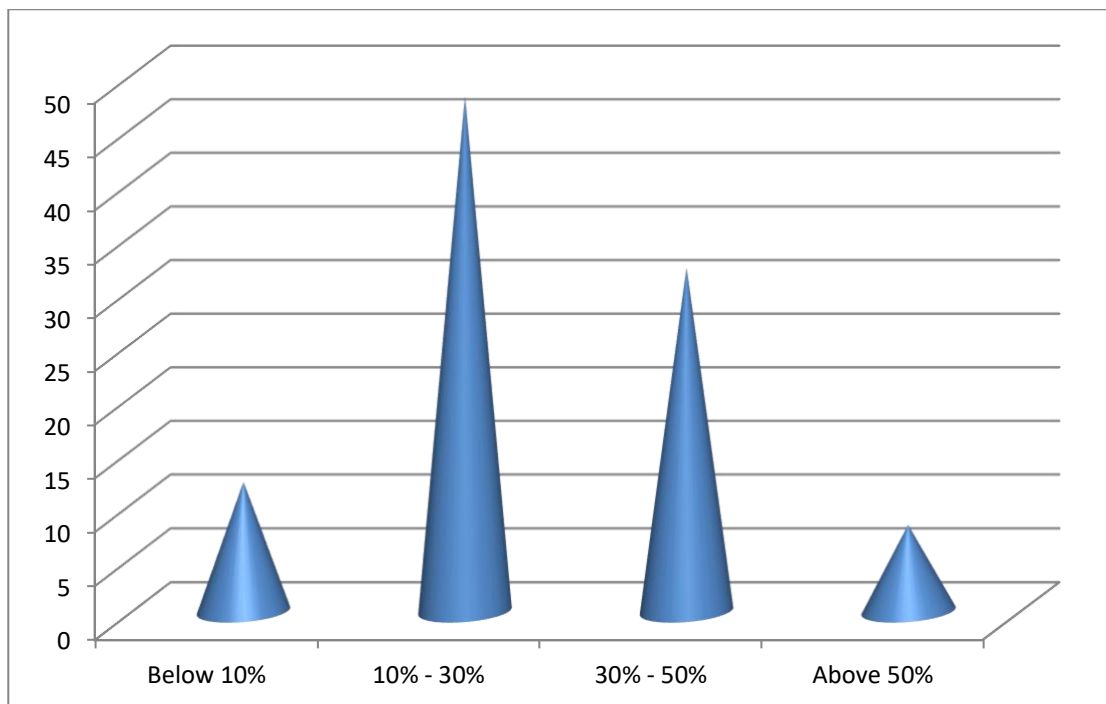


Figure. 4.1

Interpretation:

The table 4.1 shows that 48% of the employees save 30% - 50% of their income and only 8% save more than 50% of their income.

SOURCE OF INVESTMENT INSPIRATION OF THE RESPONDENTS

TableNo.4.2

Investment inspiration	No. of respondents	Percentage
News papers	8	16
Brokers	8	16
Friends & relatives	12	24
Financial advisors	22	44
Total	50	100

INVESTMENT INSPIRATION

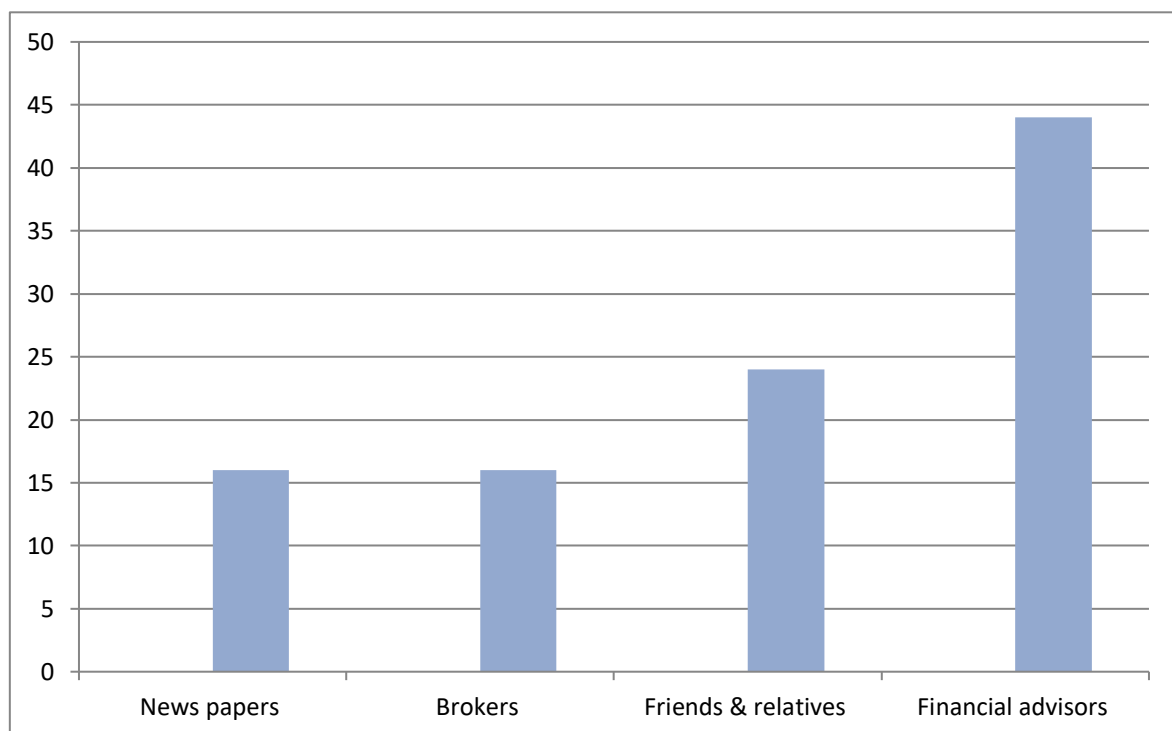


Figure.4.2

Interpretation:

The table 4.2 shows that 44% of employee's investment inspiration is financial advisors and 16% of them prefer newspapers and brokers.

TABLE SHOWING SAVING AND INVESTMENT PURPOSE OF INVESTORS

Table No. 4.3

Purpose of Savings	No. of respondents	Percentage
Children's marriage	13	26
Children's education	10	20
Security for old age	6	12
Wealth creation	8	16
Tax benefits	8	16
Others	5	10
Total	50	100

PURPOSE OF SAVING AND INVESTMENT

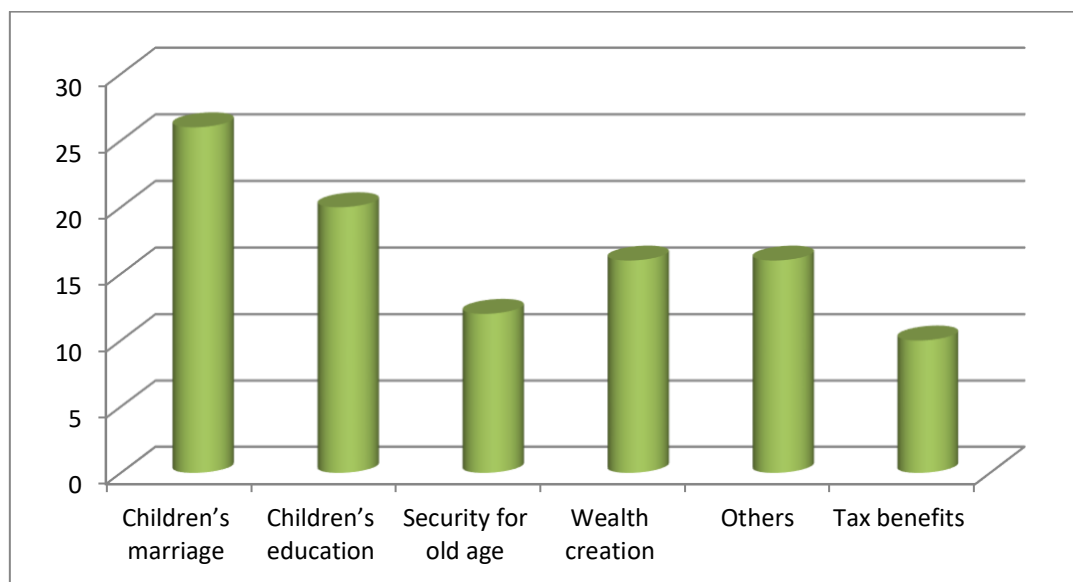


Figure 4.3

Interpretation:

The table 4.3 shows that most of the investor's purpose is that children's marriage, i.e. 29% and for 22% of the employees make investment for the purpose of their children's education. Only 10% and 20% save their money as a security for old age.

TABLE SHOWING THE EMPLOYEE'S PREFERENCE OF INVESTMENT

Table No. 4.4

Investment of preference	No. of respondents	Percentage
High return with high risk	16	32
Medium return with medium risk	20	40
Low return with low risk	14	28
Total	50	100

PREFERENCE OF INVESTMENT

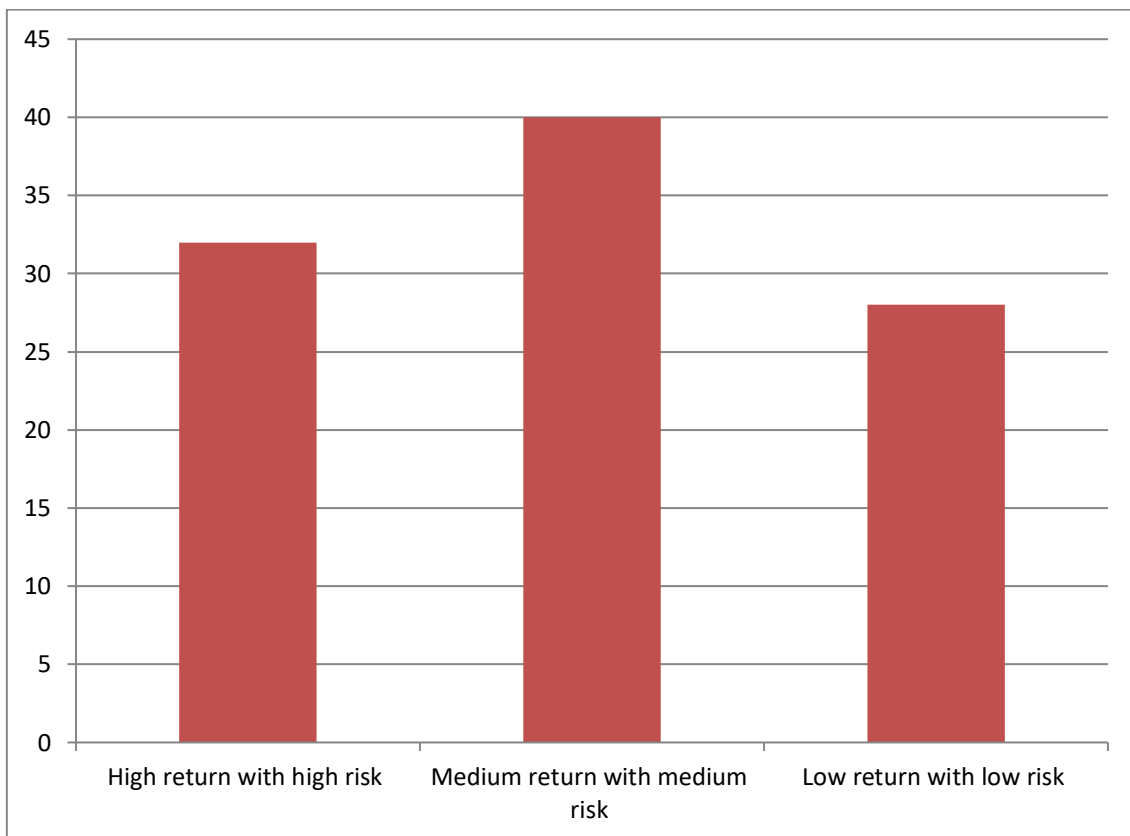


Figure 4.4

Interpretation:

The table is.4.4 shows that 40%' of the employees prefer investment with medium return and medium risk 32% of the employees prefer investment with higher return and higher risk. 28% employees prefer investment with low risk and low return.

TABLE SHOWING CURRENT LIFESTYLE AND INVESTMENT HABIT OF EMPLOYEES

Table No. 4.5

Lifestyle and investment habit	No. of respondents	Percentage
Satisfied	40	80
Moderate	8	16
Unsatisfied	2	4
Total	50	100

LIFESTYLE AND INVESTMENT HABIT

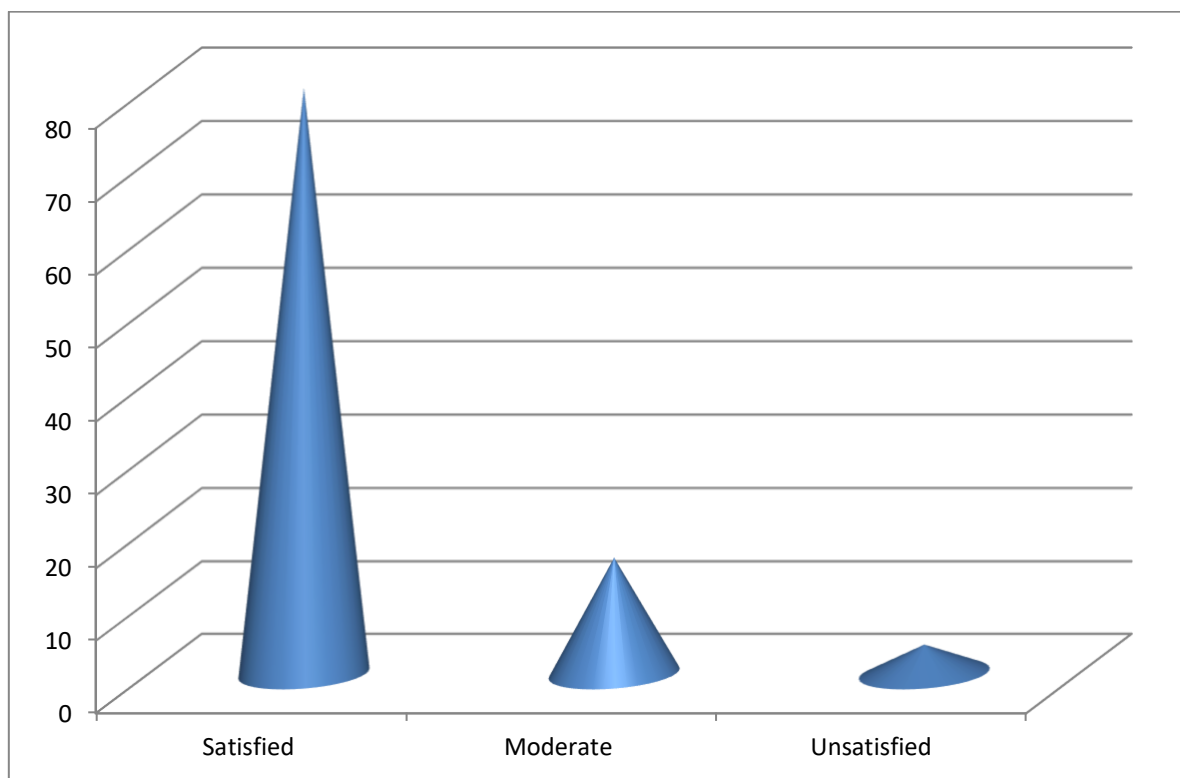


Figure 4.5

Interpretation:

The table 4.5 shows that 80% of the employees were satisfied with their current lifestyle and 20% were not satisfied.

REGARDING CUNSLTATION WITH FINANCIAL ADVISORS FOR DECISION MAKING

Table No. 4.6

Consultation with financial advisors for decision making	No. of respondents	Percentage
Yes	22	44
No	28	56
Total	50	100

CONSULTATION WITH FINANCIAL ADVISORS FOR DECISION MAKING

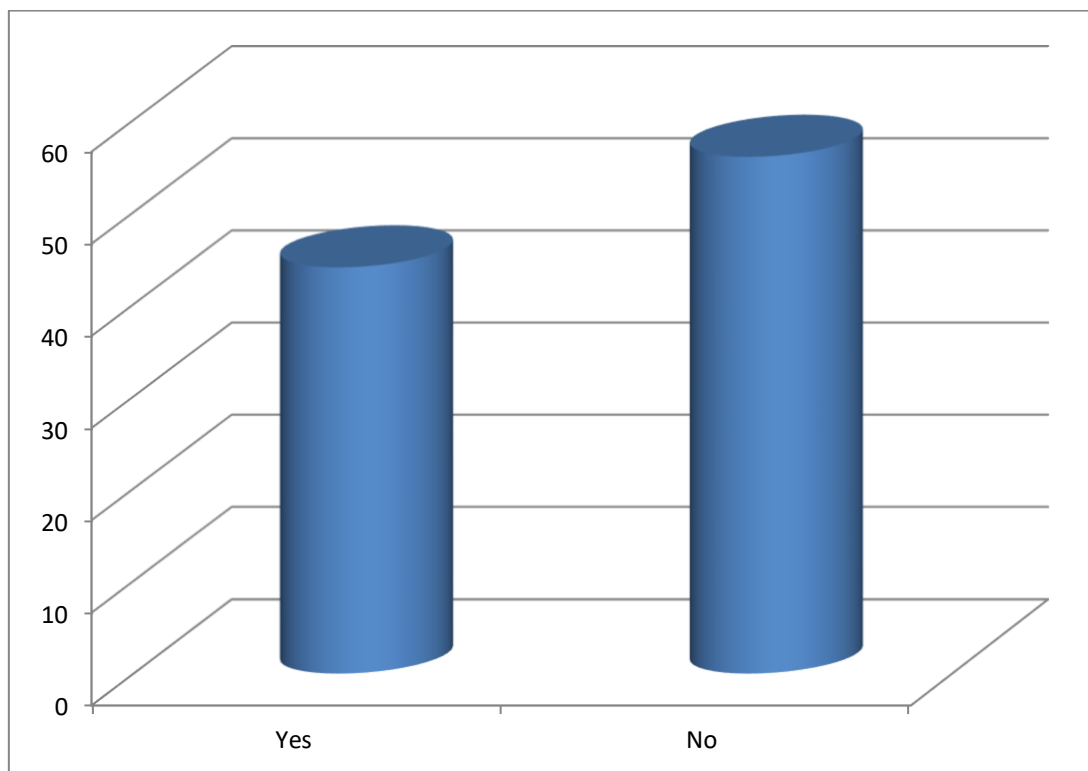


Figure 4.6

Interpretation:

The table 4.6 shows that 56% of the investors do not consult with a financial advisor. And only 44% make consultation with financial advisors before making investments.

SHOWING EMPLOYEE'S SATISFICATION REGARDING INVESTMENT

Table No. 4.7

Satisfaction regarding with investment	No. of respondents	Percentage
Yes	46	92
No	4	8
Total	50	100

SATISFACTION REGARDING WITH INVESTMENT

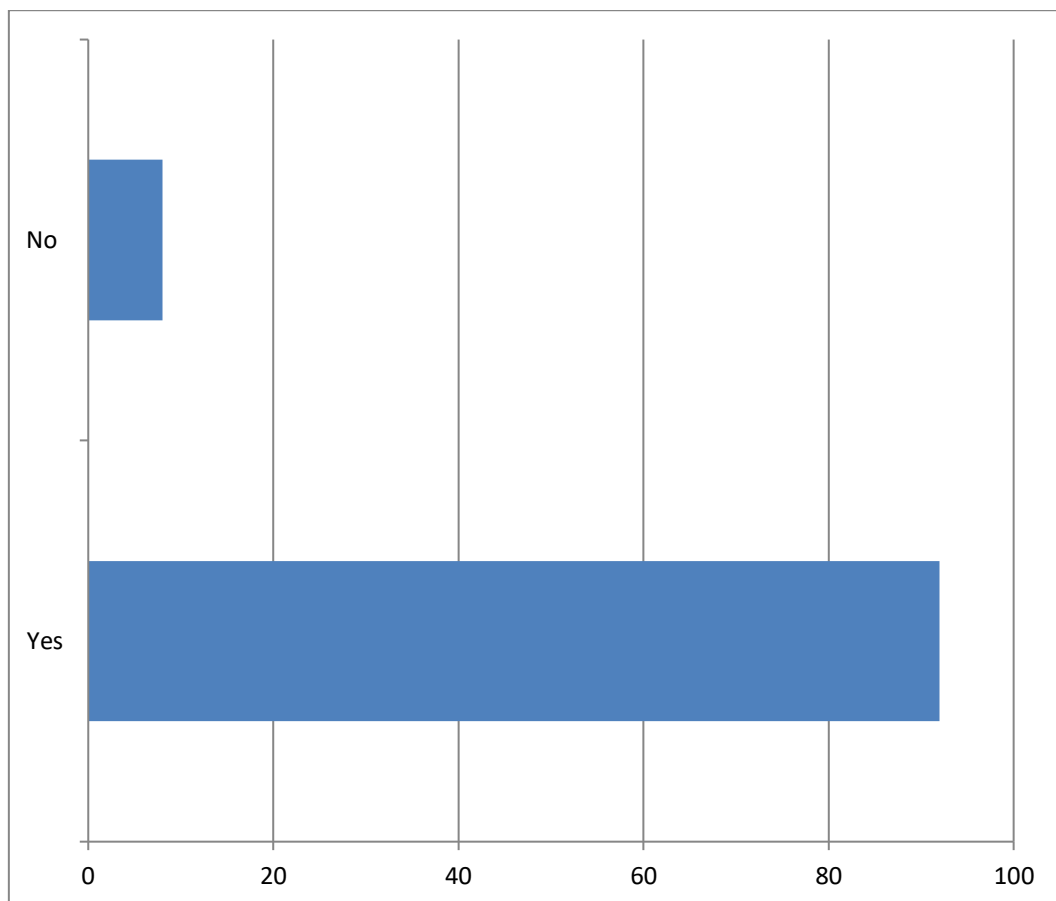


Figure 4.7

Interpretation:

The table 4.7 shows that 92% of investors are satisfied with their investment.

TABLE SHOWING INVESTMENT BEHAVIOUR OF INVESTORS

Table No. 4.8

Investment	No. of respondents	Percentage
Savings account	12	24
Fixed deposit	4	8
Public provident fund	3	6
Life Insurance	2	4
Shares	4	8
Real estate	5	10
Gold	11	22
Bond and derivatives	3	6
Mutual funds	2	4
Others	4	8
Total	50	100

INVESTMENT BEHAVIOUR

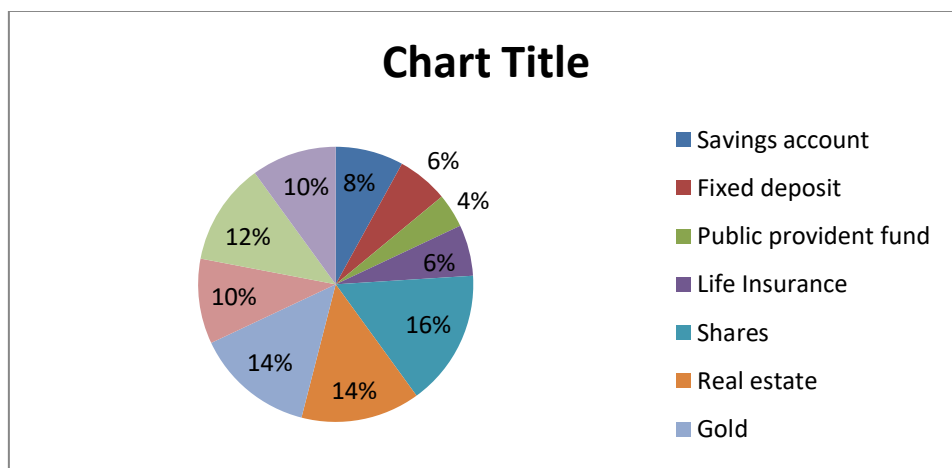


Figure4.8

Interpretation:

The Table 4.8 shows that the employees have invested in both savings account 24% and in gold 22%. However, 8%, 10% employees were invested in bonds, fixed deposit, life insurance, real estate, mutual funds and public provident funds.

TABLE SHOWING IMPORTANT FACTORS INFLUENCING SAVINGS AND INVESTMENT DECISIONS

Table No.4.9

Particulars	No. of respondents	Percentage
Income	13	26
Safety	12	24
Ease of availability	6	12
Tax Savings	10	20
Liquidity	9	18
Total	50	100

IMPORTANT FACTORS INFLUENCING SAVINGS AND INVESTMENT DECISIONS

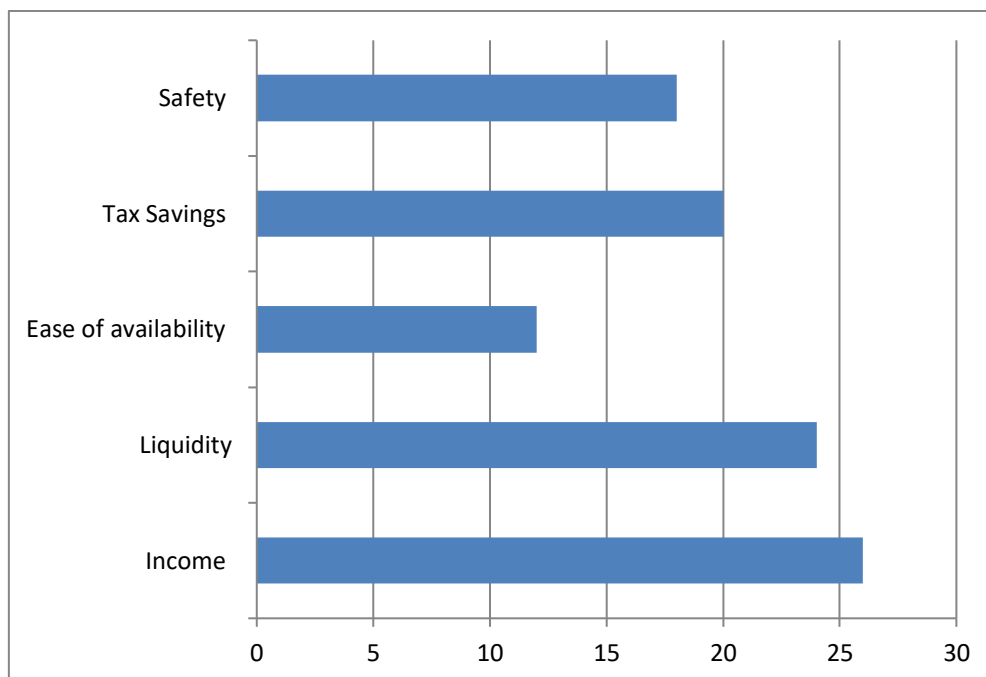


Figure 4.9

Interpretation:

The table 4.9 clearly indicates that all the five factors are considered highly important by investors, even though the degree of importance differs. 24% safety and 26% income seems to be more important factor for the investors. The next important factors considered by investors are liquidity 18% and tax savings 20%. Out of five factors ease of availability seems to be the only 12%.

TABLE SHOWING RISK PERCEPTIONS OF GOVT. EMPLOYEES ABOUT THE INVESTMENT INSTRUMENT

Table No.4.10

Investment	No. of respondents	Percentage
Savings account	5	10
Fixed deposit	3	6
Public provident fund	5	10
Life Insurance	4	8
Shares	7	14
Real estate	8	16
Gold	3	6
Bond and derivatives	7	14
Mutual funds	7	14
Others	1	2
Total	50	100

RISK PERCEPTIONS OF GOVT. EMPLOYEES ABOUT THE INVESTMENT INSTRUMENT

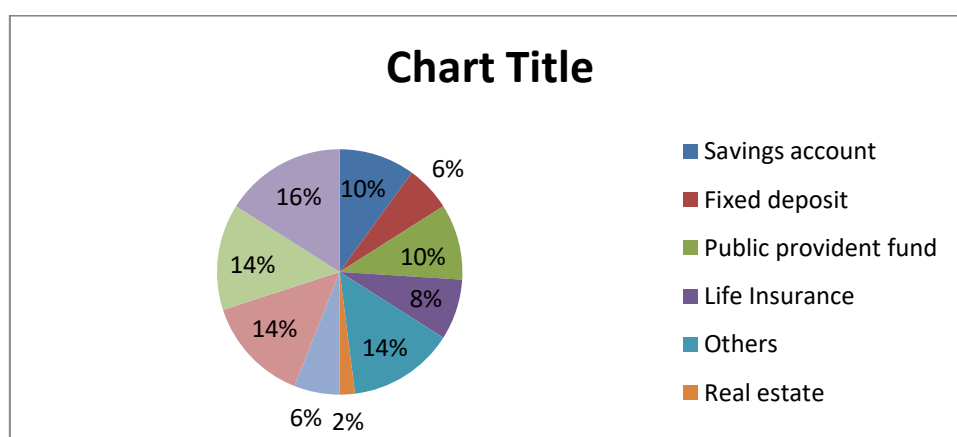


Figure 4.10

Interpretation:

The table 4.10 shows that shares 14%, mutual funds 14%, bonds 14% and real estates 16% are perceived to be having the highest risk by respondents. The risks of life insurance 8%, savings account 10%, PPF 10% are considerably low as per the respondents.

TABLE SHOWING PERCEPTIONS OF INVESTORS ABOUT THE RETURN OF INVESTMENT INSTRUMENTS

Table No. 4.11

Investment	No. of respondents	Percentage
Savings account	4	8
Fixed deposit	3	6
Public provident fund	2	4
Life Insurance	3	6
Shares	8	16
Real estate	7	14
Gold	7	14
Bond and derivatives	5	10
Mutual funds	6	12
Others	5	10
Total	50	100

PERCEPTIONS OF INVESTORS ABOUT THE RETURN OF INVESTMENT INSTRUMENTS

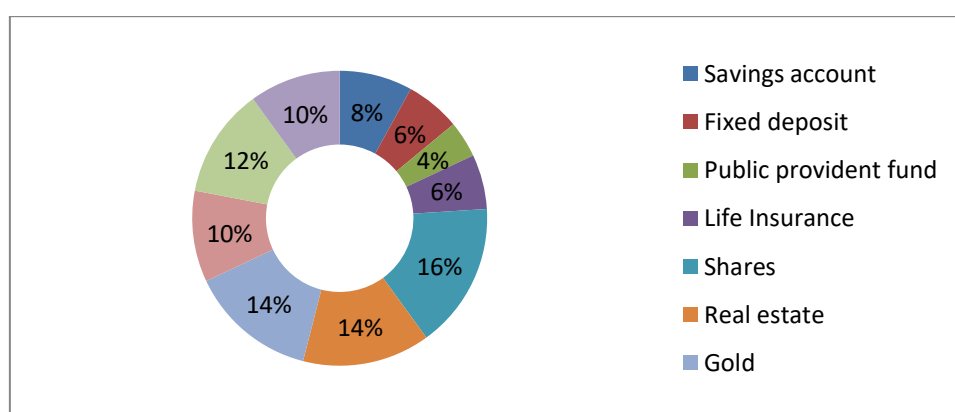


Figure 4.11

Interpretation:

From the table 4.11 it is clear that the highest rewarding instruments are shares 16%, mutual funds 12%, real estate 14%, bonds 10% and other saving instruments 10%. The lowest return is perceived from insurance 6%, savings account 8%, fixed deposits 6% and PPF 4%.

TABLE SHOWING INVESTMENT PLAN PREFER IN FUTURE

Table No. 4.12

Type of investment	No. of respondents	Percentage
Regular return plan	10	20
Medical plan	20	40
Pension plan	16	32
Multiple option plan	4	8
Total	50	100

INVESTMENT PREFER IN FUTURE

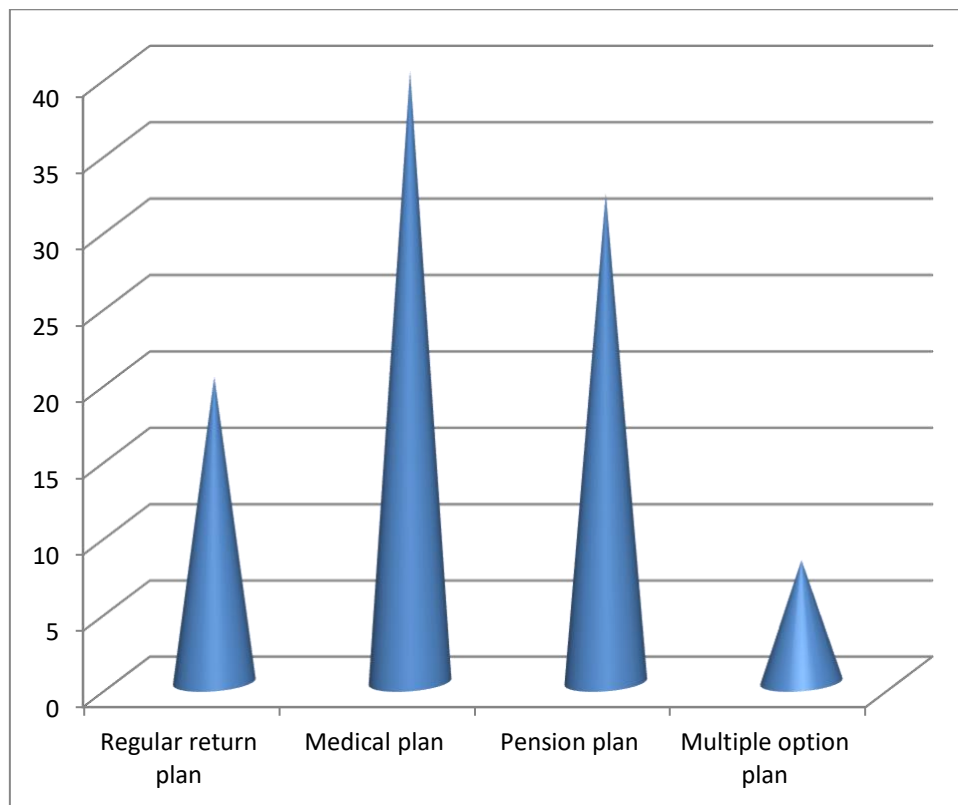


Figure 4.12

Interpretation:

The table 4.12 shows that 40% and 32% of employees prefer medical plan and pension plan and only 4% prefer multiple option plan.

TABLE SHOWING OBJECTIVE OF INVESTMENT IN EMPLOYEES

Table No. 4.13

Objective of Investment	No. of respondents	Percentage
Safety	18	36
Liquidity	13	26
Return	9	18
Low risk	10	20
Total	50	100

OBJECTIVE OF INVESTMENT

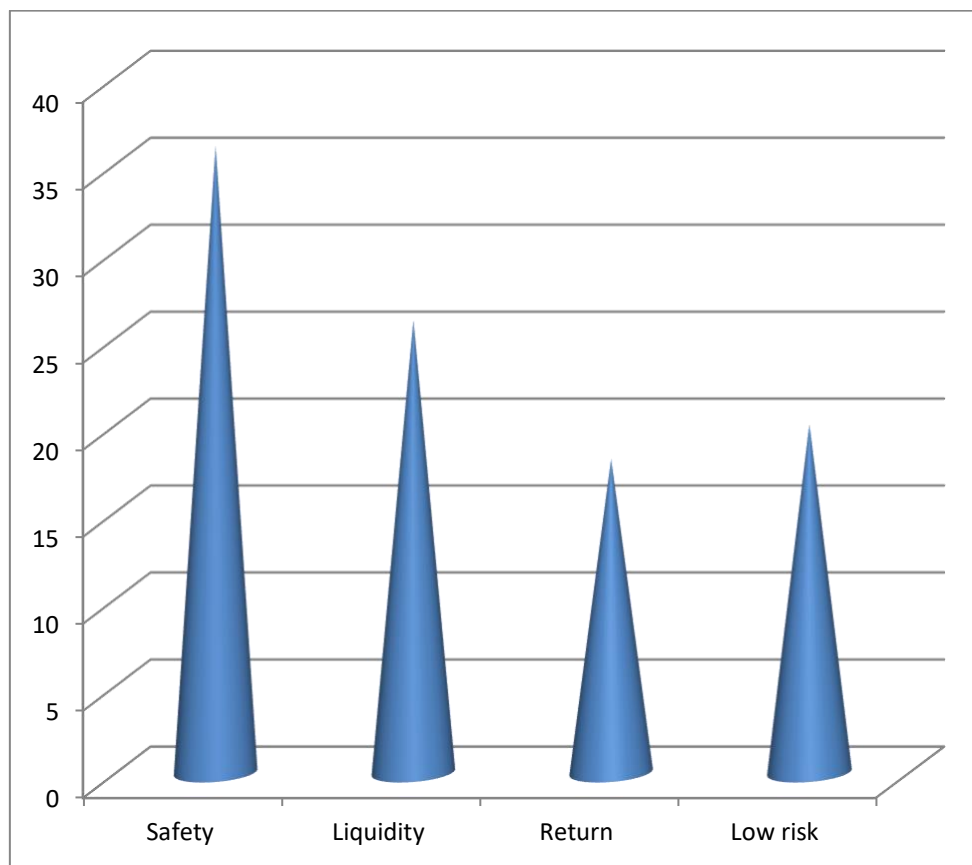


Figure4.13

Interpretation:

36% and 26% of employees concentrated on safety and liquidity. 18% and 20% were return and low risk.

TABLE SHOWING TYPE OF INVESTMENT

Table No. 4.14

Type of Investment	No. of respondents	Percentage
Long term	15	30
Medium term	25	50
Short term	10	20
Total	50	100

TYPE OF INVESTMENT

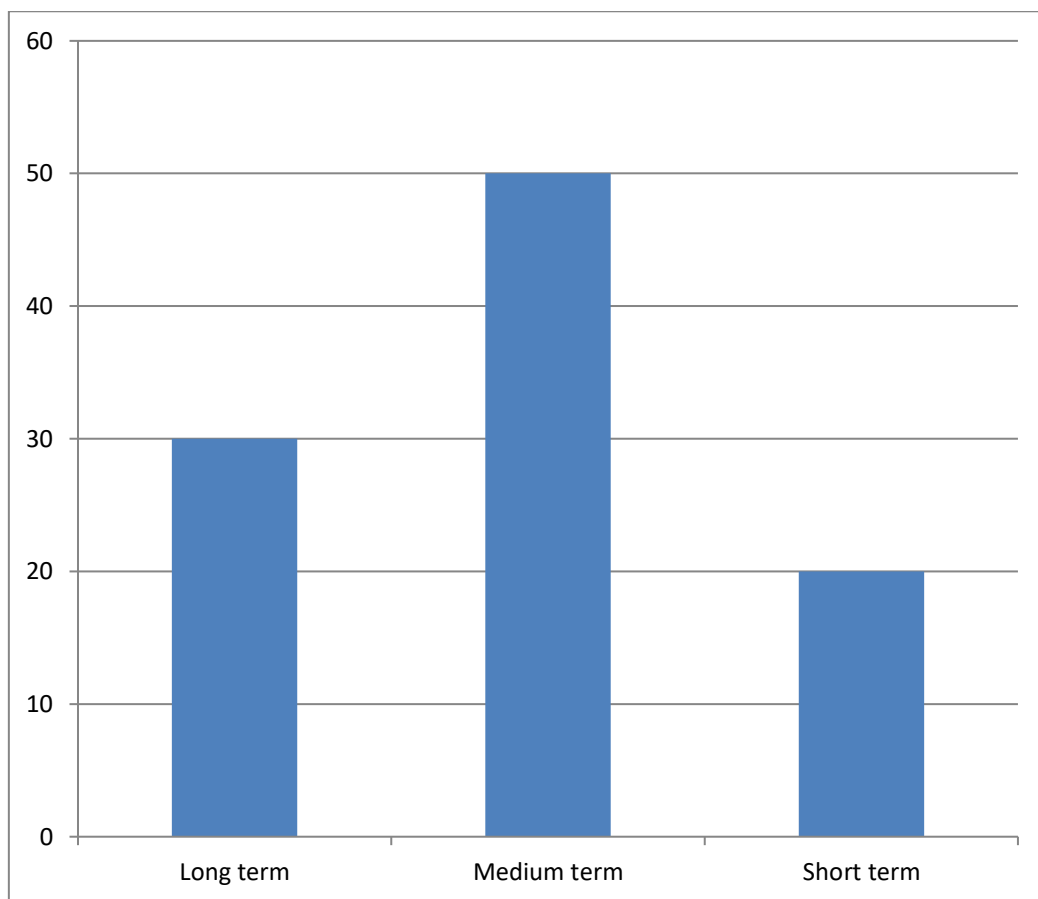


Figure 4.14

Interpretation:

The table 4.14 shows that 50% of employee's type of investment is medium term and 20% prefer short term.

TABLE SHOWS NUMBER OF INVESTMENT POLICIES

Table No. 4.15

No of investment	No. of respondents	Percentage
Only 1	19	38
1 – 3	18	36
3 – 5	8	16
5 & above	5	10
Total	50	100

PERCENTATGE

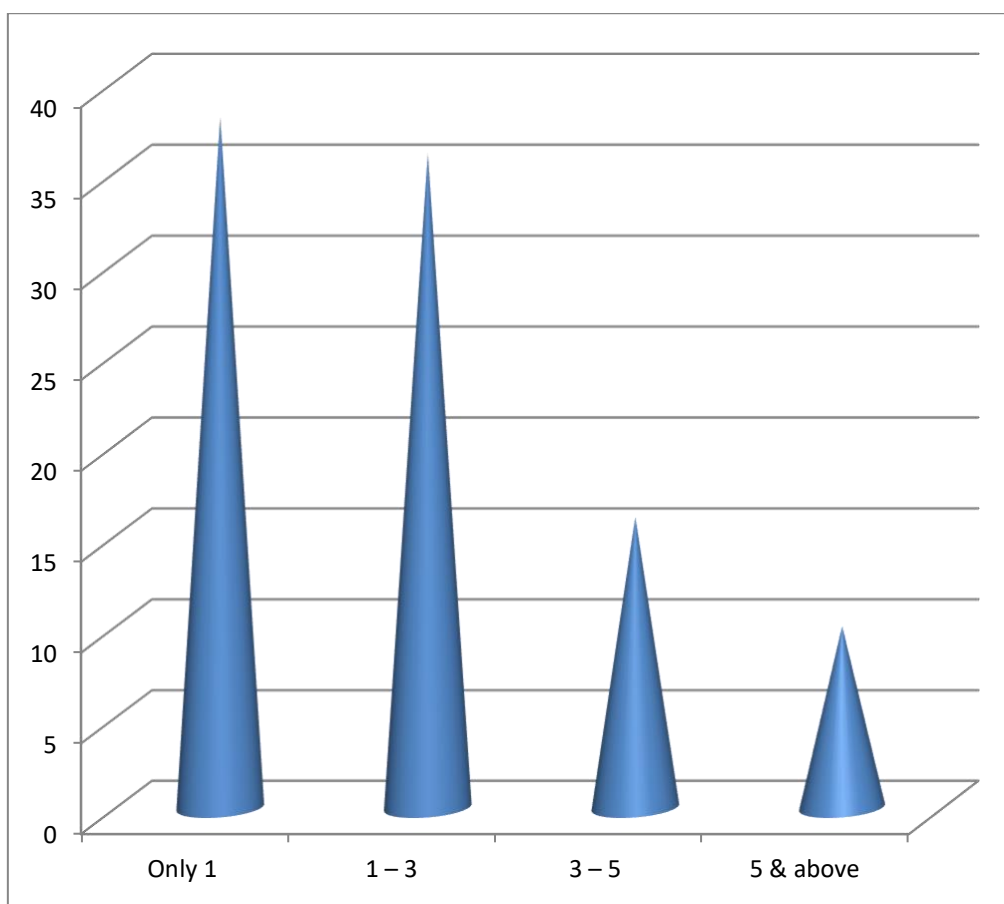


Figure 4.15

Interpretation:

The table 4.15 reveals that only 1 and 1-3 number of investment policies prefer more and 10% prefer 5 & above.

TABLE SHOWING THAT THE FREQUENTLY CHANGES OF INVESTMENT IN EMPLOYEES

Table No.4.16

Changes in duration of period	No. of respondents	Percentage
1 month	5	10
1-6 months	10	20
1 year	15	30
Above 1 year	20	40
Total	50	100

THE FREQUENTLY CHANGES OF INVESTMENT IN EMPLOYEES

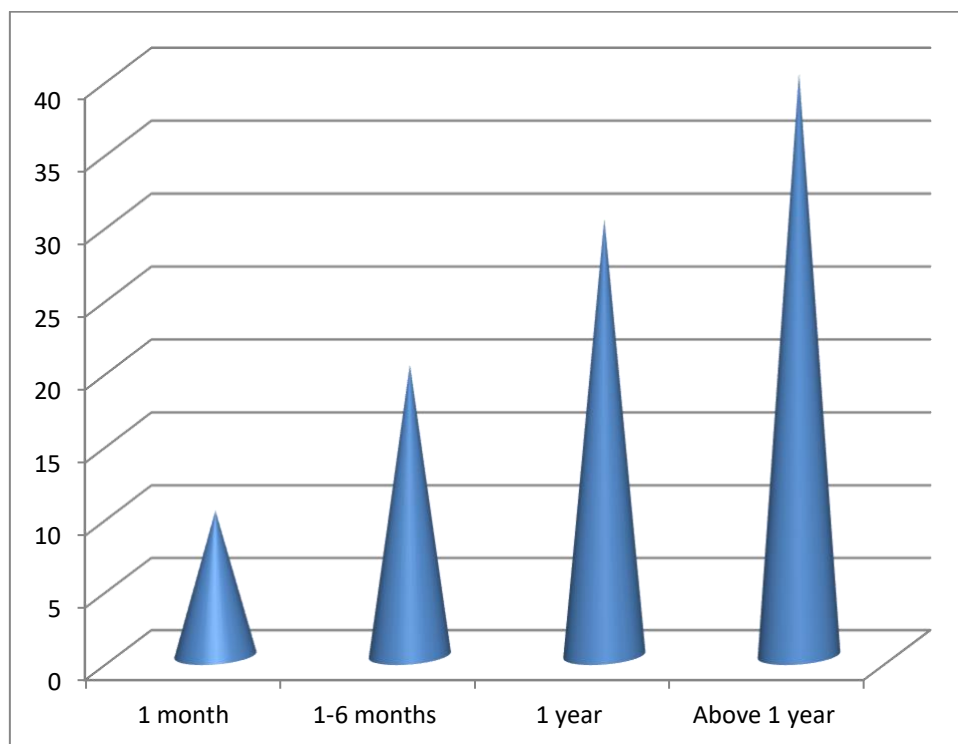


Figure 4.16

Interpretation:

The table 4.16 shows that 40% of employees prefer above 1 year duration period for the changes of investment and only 10% were use 1 month duration period.

TABLE SHOWS THAT THE FREQUENT DURATION PERIOD OF INVESTMENT

Table No. 4.17

Duration period of investment	No. of respondents	Percentage
Once in a year	12	24
Every month	18	36
Whenever good opportunity comes	20	40
Total	50	100

FREQUENT DURATION PERIOD OF INVESTMENT

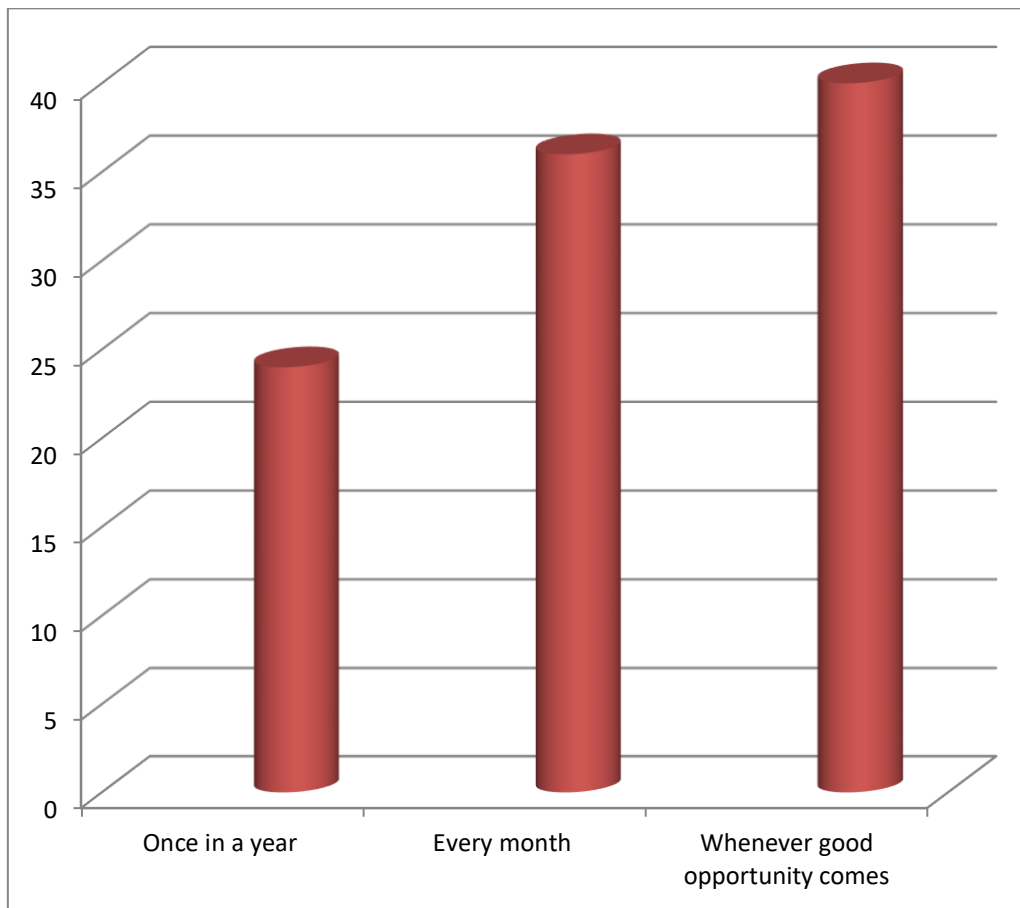


Figure 4.17

Interpretation:

The table 4.17 reveals that 36% and 40% of employee's prefer every month and whenever good opportunity comes and only 24% prefer once in a year.

TABLE SHOW THAT THE OPINION OF FUTURE FINANCIAL PLANNING

Table No. 4.18

Financial Plan	No. of respondents	Percentage
Yes	38	76
No	12	24
Total	50	100

FINANCIAL PLAN

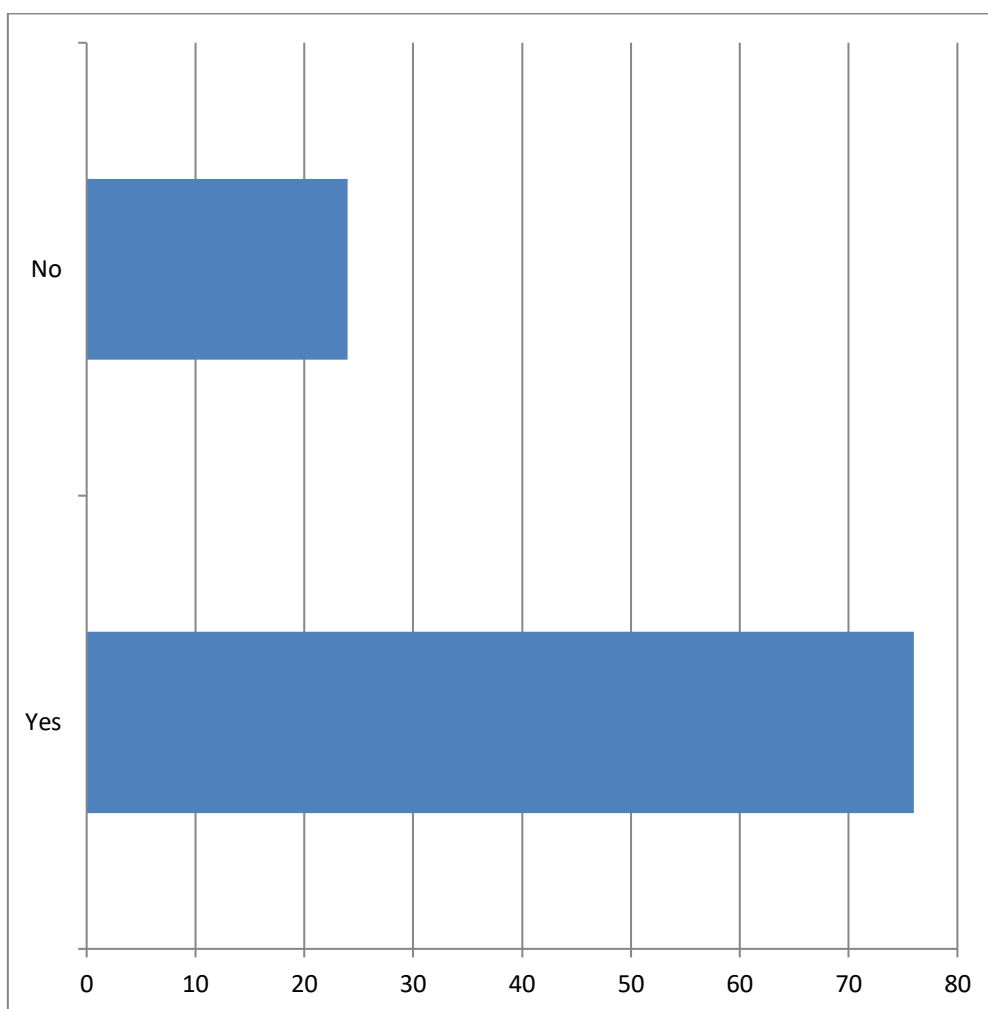


Figure 4.18

Interpretation:

The table 4.18 shows that 76% of employees have future plan about the investment and only 24% employees is not interested for the future plan.

GOVT. EMPLOYEES PREFERENCE TO INVEST THE SECURITES

Table No. 4.19

Preference of investment	No. of respondents	Percentage
Bank deposit	19	38
Government securities	12	24
Insurance policies	10	20
Others	9	18
Total	50	100

GOVT. EMPLOYEES PREFERENCE TO INVEST THE SECURITES

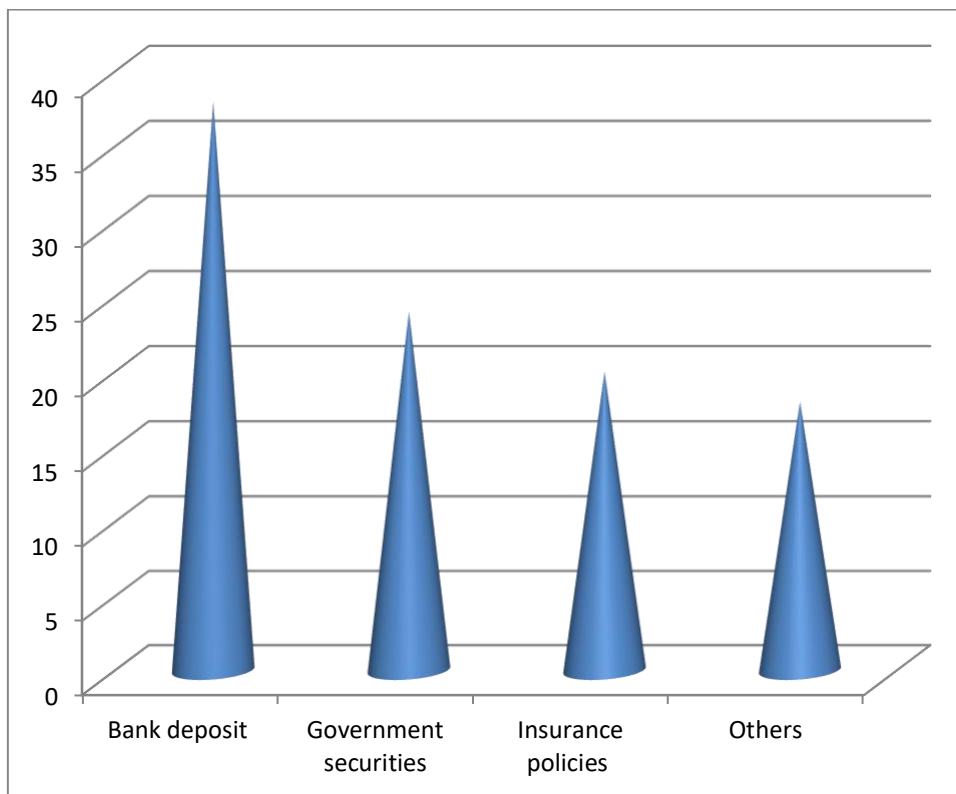


Figure 4.19

Interpretation:

The table 4.19 reveals that 38% of employees use bank deposits for their investment and 9% prefer others.

SHOWING EMPLOYEE'S SATISFACTION REGARDING EXISTING INVESTMENT

Table No. 4.20

Satisfaction regarding existing investment	No. of respondents	Percentage
More than adequate	14	28
Sufficient	32	64
No sufficient	4	8
Total	50	100

EMPLOYEE'S SATISFACTION REGARDING EXISTING INVESTMENT

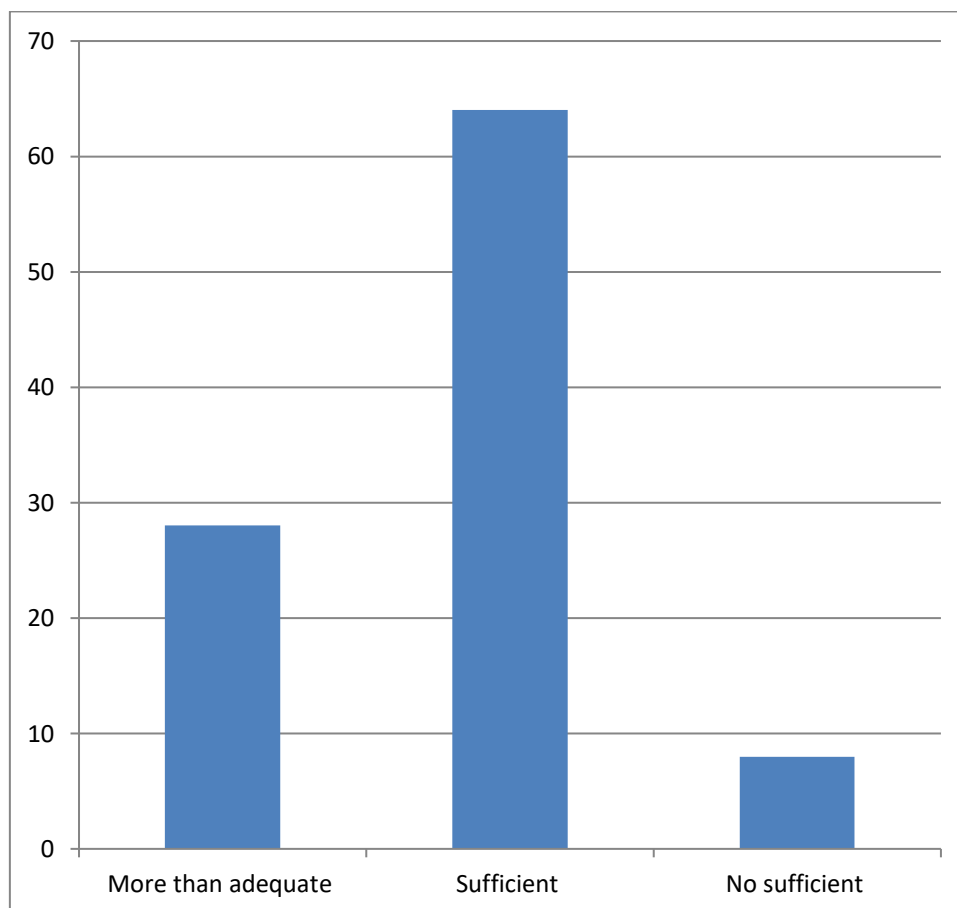


Figure 4.20

Interpretation:

The table 4.20 reveals that 64% of employees sufficient with their existing investment schemes.

THE TABLE SHOWING THAT THE OPINION ABOUT SPECIAL SCHEMES MEETS THE NEEDS OF GOVT. EMPLOYEES

Table No. 4.21

Opinion about special schemes	No. of respondents	Percentage
Yes	32	64
No	18	36
Total	50	100

OPINION ABOUT SPECIAL SCHEMES MEETS THE NEEDS OF GOVT. EMPLOYEES

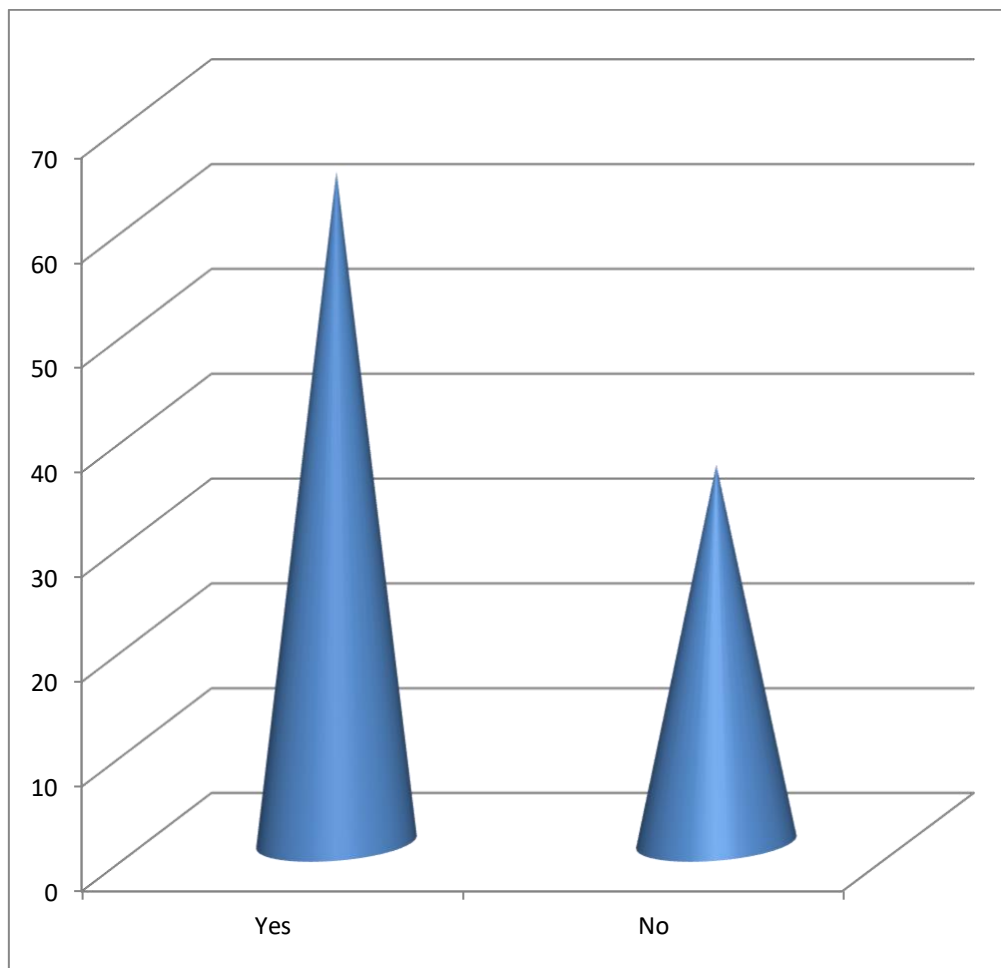


Figure 4.21

Interpretation:

The table 4.21 shows that 32% of employees want special schemes to meet their needs.

SPECIAL PROVISIONS TO BOOST UP THE INVESTMENT OF GOVT. EMPLOYEES

Table No.4.22

Special Provision	No. of respondents	Percentage
Extra incentives	13	26
Additional bonus	14	28
High rate of interest	10	20
High retirement benefits	13	26
Total	50	100

PERCENTAGE

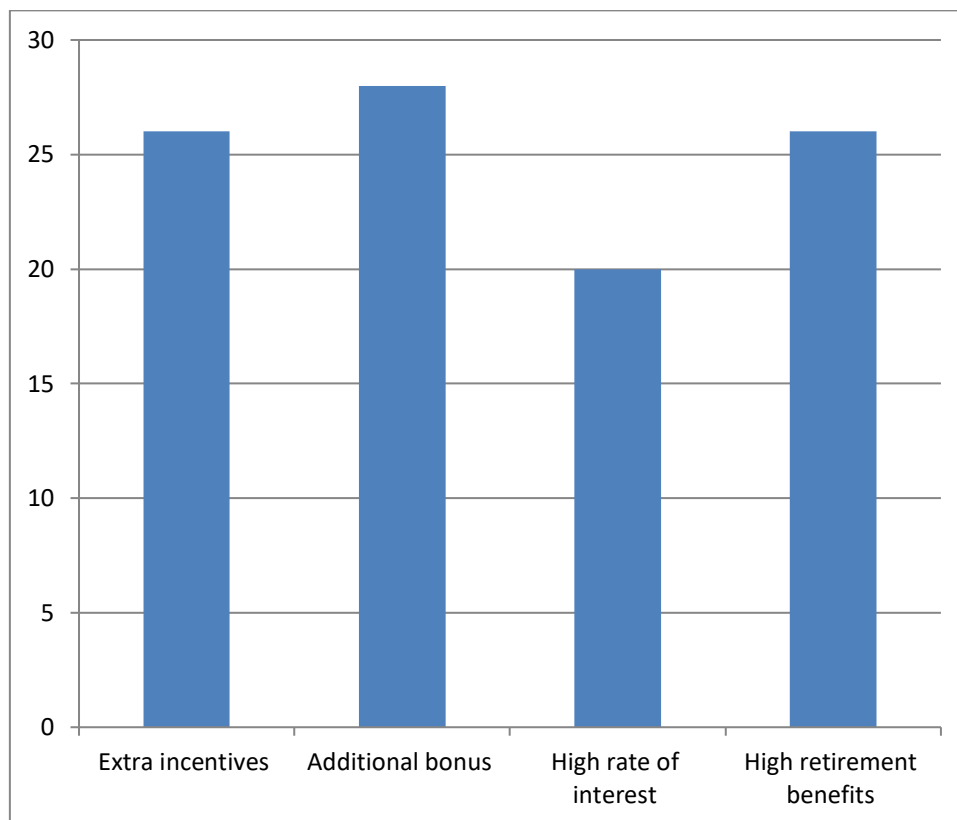


Figure 4.22

Interpretation:

The table 4.22 shows that 28% & 26% of employee's opinion for special provision is extra incentives, additional bonus and high retirement benefits. Only 20% prefer high rate of return.

TABLE SHOWING THAT THE MOTIVATORS OF SAVINGS

Table No.4.23

Motivators of savings	No. of respondents	Percentage
To meet specific purpose	14	28
To get tax benefits	7	14
To earn income	16	32
To be secured at old age	13	26
Total	50	100

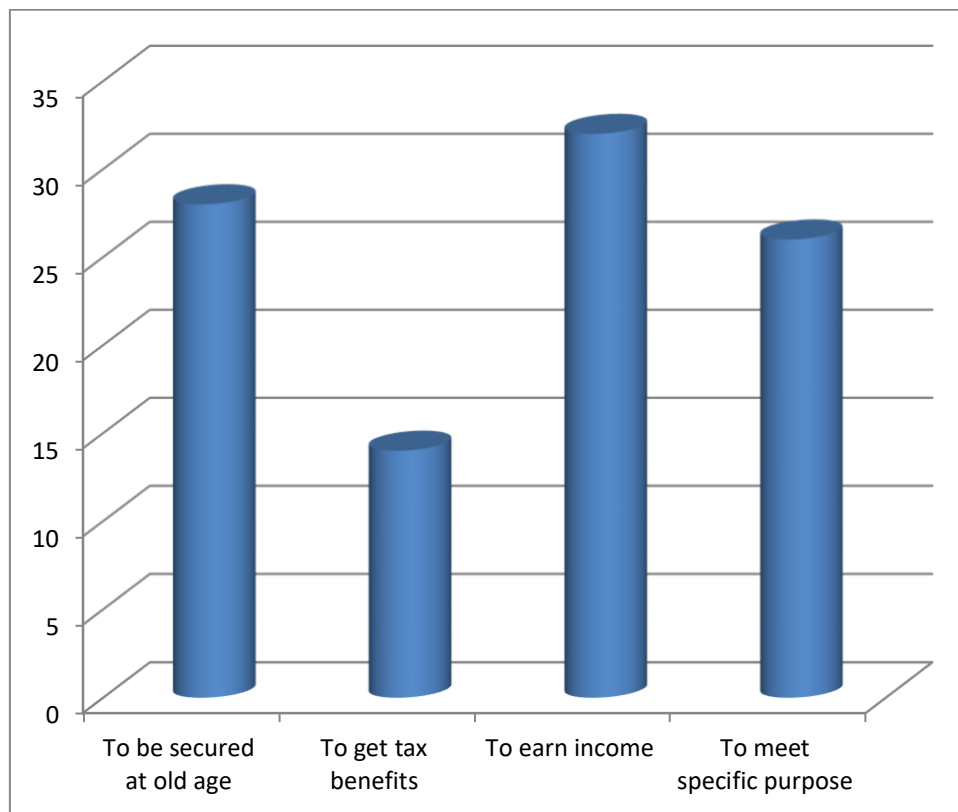


Figure 4.23

Interpretation:

The table 4.23 reveals that 32% of the employees use the investment to earn income. Only 14% were use the investment for the tax benefits.

TABLE SHOWING THE SELECTION OF INVESTMENT

Table No. 4.24

Selection of investment	No. of respondents	Percentage
Basis of rate of interest	17	34
Basis of premium	13	26
Basis of time period	20	40
Total	50	100

SELECTION OF INVESTMENT

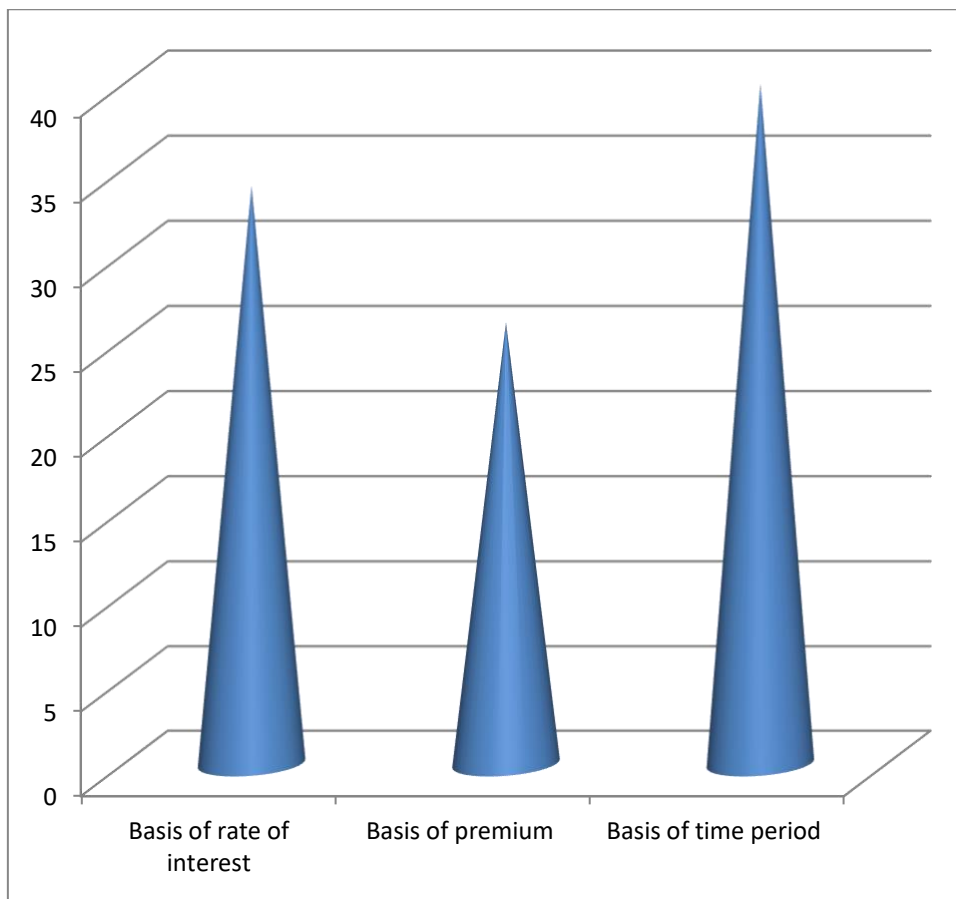


Figure 4.24

Interpretation:

The table 4.24 shows that 40% of employee's choose investment on the basis of time period and only 26% prefer premium.

THE TABLE SHOWING THAT THE OPINION OF EMPLOYEE'S ABOUT THE BURDEN OF INVESTMENT

Table No. 4.25

Opinion about the burden of investment	No. of respondents	Percentage
Yes	11	22
No	39	78
Total	50	100

BURDEN OF INVESTMENT

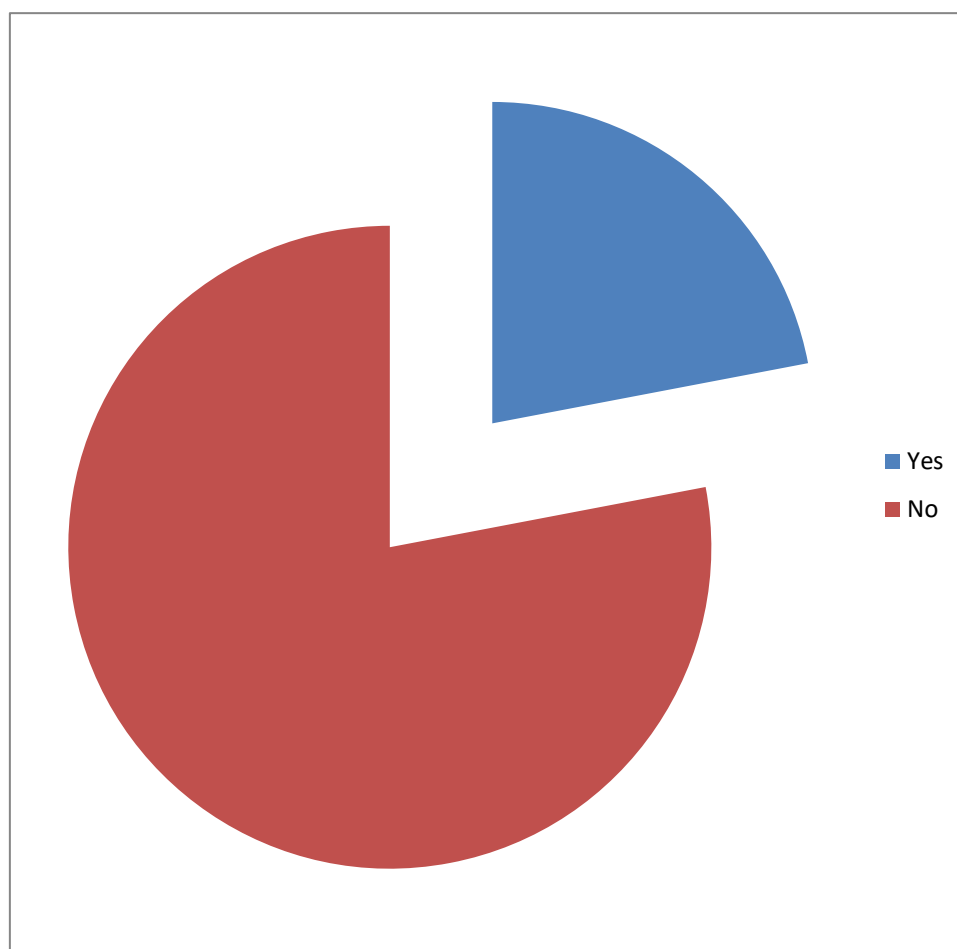


Figure 4.25

Interpretation:

The table 4.25 shows that 78% of the investors do not have any investment burden. Only 22% investors have investment burden.

CHAPTER 5
FINDINGS, CONCLUSIONS AND SUGGESTIONS

4.1 FINDINGS

1. Savings profit of respondent sources:

The survey result shows that 48% of the employees save 30% -50% of their income and only 8 % save more than 50% of their income.

2. Sources of investment inspiration of the respondents:

The survey shows that 44% of the employees investment inspirations Is financial advisors and 16% of them prefer news papers and broker

3. Savings and investment purposes of investors:

This survey shows that most of the investors purpose is that children's Marriage, i.e. 29% and for 22% of the employees make investment for the purpose of their children's education. Only 10% and 20% save their money as a security for old age.

4. The employees preference of investment:

The survey result shows that the employees prefer investment with medium return and medium risk. 32% of the employees prefer investment with higher returns and higher risk. 28% employees prefer investment with low risk and low returns.

5. Current life style and investment habits of employees:

The survey result shows that 80% of the employees were satisfied with their current life style and 20% were not satisfied.

6. Consultation regarding with financial advisors for decisions making:

The study shows that 56% of the investors do not consult with financial advisors before making investment.

7. Employees satisfaction regarding investment:

The survey result shows that 92% of the investors are satisfied with their investment.

8. Investment behaviour of investors:

The result shows that employees have invested in both saving account 24% and in gold 22%. However 8%, 10% employees were invested in bonds, fixed deposits, Life insurance, real estate, mutual funds, public provident funds.

9. Important factors influencing savings and investment decisions:

The Results reveals that all the 5 factors are considered highly important by investors, even though the degree of importance differs. 24% safety and 26% income seems to be more important factor for the investors. The next important factors considered by investors are liquidity 18% & tax savings 20%. Out of five factors ease of availability seems to be only 12%.

10. Risk perceptions of govt employees about the investment

Instrument:

The results show that the shares 14%, mutual funds 14%, bonds 14% and real estate 16% are perceived to be having the highest risk by respondents. The risk of the life insurance 8%, saving account 10%, PPF 10% are considerably low as per the respondents.

11. Perceptions of investors about the return of investment instrument:

The highest rewarding instrument are shares 16% ,mutual funds 12% , real estate 14% ,bonds 10% and other saving instruments 10% .the lowest return is perceived from insurance 6% ,savings account 8% ,fixed deposit 6% and PPF 4%.

12. Investment plan prefer in future:

The Survey shows that 40% and 32% of employees prefer medical plans and pending plans. And only 4% prefer multiple option plans.

13. Objective of investment in employees:

The study reveals that 36% and 26% of employees concentrated on safety and liquidity 18% and 20% we're return & low risk.

14. Type of investment:

The study found that 50% of employees type of investment is medium term and 20% prefer short term.

15. Number of investment policies:

It reveals that only 1 & 1-3 number of investment policies prefer more & 10% prefer 5 & above.

16. Frequently changes of investment in employees:

The results show that the 40% of employees prefer above 1 year duration period for the changes of investment and only 10% were use 1 month duration period.

17. Frequent duration period of investment:

The survey reveals that 36% and 40% of employees prefer every month and whenever good opportunities come and only 24% prefer once in a year.

18. Opinion of future financial planning:

The survey result shows that 76% employees have future plans about the investment and only 24% employees is not interested for the future plans.

19. Govt employees preference to invest in securities:

Study reveals that 38% of employees use bank deposits for their investment and 9% prefer others.

20. Employees satisfaction regarding existing investment:

The survey result shows that 64% of employees are sufficient with their existing investment schemes.

21. The opinion about special schemes to meet the needs of the govt employees:

The results reveals that 32% of employees want special schemes to meet their needs.

22. Special provisions to boost up the investment of govt employees:

The survey result shows that 28% & 26% of employees opinion for special provision is extra incentives, additional bonus and high retirement benefits. Only 20% prefer high rate of return.

23. The motivation of savings:

It reveals that 32% of the employees use the investment to earn income. Only 14% were use the investment for the tax benefits.

24. The selection of investment:

The results shows that 40% of employees choose investment on the basis of time period and only 26% prefer premium.

25. The opinion of employees about the burden of investment:

The survey result shows that 78% of the investors do not have any investment burden. Only 22% of investors have investment burden.

4.2. CONCLUSION

The study reveals that preparation of the investors about the risk and return associated with various investments. Investors are aware of the benefits of saving their surplus income. However they find it difficult to select most appropriate investment avenue. Investors should have the awareness about various investment avenues.

In spite of various investment avenues available most investors prefer to invest their surplus in savings account and public provident funds. Nowadays, Banks fixed deposits account lose their glitter as they reduce the interest rate every year. Therefore, the investors have to find other alternatives. Investment awareness, which is safe and which provides regular and stable income.

4.3 SUGGESTIONS

An individual invest behaviour should be object oriented. By identifying his objective, he should plan out an investment strategy that will provide him maximum return. It is not possible to prescribe an optimal investment behaviour to the investors as the individual preference vary demanding up on the level of risk one is prepare to take, his expectation has to return on investment. Therefore, an investor has to examine the different alternatives and choose those channels that will ensure the highest available yield. An important point to be noted that the interest earned should be least be higher than the general rate of inflation. It is absolutely essential to save your income what you earn, to have a plan for your future, and to resist spending funds that you don't already have. Mutual fund is also found as most favoured option by the youngsters.

In the light of the findings, the following suggestions are offered:

1. Give proper Awareness to Employees:

Since a large number of employees are formed to be unaware about the risks that return of bonds and derivatives and the other saving investment like art object, paintings. Suitable strategy maybe devised to create more awareness about these investment among investors.

Steps should be taken for increasing the awareness of respondent's regarding various investment avenues. Awareness programs needs to be conducted by stock broking firms, because of the respondents. Give awareness about various investments avenues.

2. Get proper Education and Training about investment:

The employee investors must be educated about the various avenues of investment and more training is needed for the investors to make investment in various avenues. They must go for consultation before investing.

Investment practice is high in families having two income earners. So in families where income earners are more than two they have to consult financial advisors before investing.

3. Support from Government:

More tax concessions must be introduced by the government for increasing the investment in various avenues, especially to the salaried class of employees.

4. Less procedural Formalities:

The Procedural formalities regarding certain investments must be reduced. The investor guidelines must be made known to every individual employee through their organizations. Investor knowledge regarding online investors can be improved by providing employee subsequent SMS /Mail updates.

5. Time value of money:

An investor should consider the time value of money before making investment.

6. Most suitable:

Employees should concentrate on medium term investments rather than long term and short term.

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APPENDIX

QUESTIONNAIRE

"A STUDY ON THE SAVINGS AND INVESTMENT HABITS AMONG THE EMPLOYEES"

Dear respondents, we Amala Mary Antony, Anjaly. M.S and Asha. P.S, Final year B. Com students of St. Paul's College, Kalamassery As a part of our curriculum we are associated with a project entitled.

Name :

Age :

Gender :

- Male
- Female

Qualification:

- Plus two
- Graduate
- PG
- Others

Monthly Salary:

- Below 15000
- 15000-25000
- 20000-25000
- Above 25000

Family Members:

- Below2
- 2-4
- 4-6
- Above6

1 .Percentage of salary set aside for saving purpose:

- Below 10%
- 10%-30%
- 30%-50%
- Above 50%

2. From which source you come to know about various investment option?

- Newspaper/media
- Friends and relatives
- Brokers bank and financial institution

3. What purpose of your savings and investment?

- Children's marriage
- Children's education
- Security for old age
- Wealth creation
- Tax benefit
- Others

4. What is your preference of Investment?

- Higher return with higher risk
- Lower risk with lower return
- Medium return with medium risk

5. How would you describe your current life style & investment habit?

- Satisfied
- Moderate
- Unsatisfied

6. Do you consult any financial advisors before making decisions?

- Yes
- No

7. Are you satisfied with your investment?

- Yes
- No

8. Do you have savings in the following sources?

- Savings bank deposit
- Fixed deposit
- Public provident fund
- Life insurance
- Share
- Real estate
- Gold
- Bonds and derivatives
- Mutual funds
- Others

9. According to you, which factor influence you in your savings& investment decision?

- Income
- Safety
- Ease of availability
- Tax savings
- Liquidity

10. What do you think about the risk characteristics associated with the following?

- Savings bank deposit
- Fixed deposit
- Gold
- Shares
- Public provident funds
- Real estate
- Life insurance
- Bonds and derivatives
- Mutual funds
- Others

11. What type of investment plan do you prefer in future?

- Regular return plan
- Pension plan
- Medical plan
- Multiple options plan
- Other

12. What is the objective of your investment?

- Safety
- Liquidity
- Return
- Low risk

13. Type of investment do you use?

- Long term
- Medium term
- Short term

14. How many investment policies do you have?

- Only 1
- 1 – 3
- 3 – 5
- 5 & above

15. How frequently do you invest in securities?

- Once in a month
- Every month
- Whenever good
- Opportunity comes

16. Do you have any financial plan?

- Yes

- No

17. Which of these do you prefer to invest?

- Bank deposits
- Government securities
- Insurance policies
- Others

18. Do you want any special schemes to meet your needs?

- Yes
 - No
 - Other
-

19. Which of these special provisions do you need to boost up your investment?

- Extra incentives
- Additional bonus
- High rate of interest
- High retirement benefits

20. What are your motivators of savings?

- To meet specific purpose
- To get tax benefits
- To be secured at old age

21. How do you choose investment?

- Basis of rate of interest
- Basis of premium
- Basis of time period

22. Do you feel these investments are a burden of your life?

- Yes
- No

23. How frequently do you change your investment?

- 1 month
- 1 – 6 months
- 1 year
- Above 1 year

24. What do you think about the return characteristic of the following?

- Savings account
- Fixed deposit
- Gold
- Shares
- Real estate
- Life insurance
- Bonds & derivatives

25. Do you feel the existing investment schemes are adequate?

- More than adequate
- Sufficient
- Not sufficient

Any suggestions
