

A STUDY ON INVESTORS PREFERENCE TOWARDS MUTUAL FUNDS, REAL ESTATE, LIFE INSURANCE AND FIXED DEPOSITS

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Abstract: The purpose of this study is to identify the present trend towards the adoption of Investment opportunity. Venture isn't begun in the current age however it is being done from the old days to have the future advantage. Which offers would like to the future and attempt to spare their hard worked and earned cash. It is ideal to store their investment funds as venture instead of putting away them in the storage spaces at home which gives more than they put away consequently is known as investment. This study considers four money related speculations they are Mutual assets, Real domain, Life insurance and Fixed stores. In any event one of them will know by the current age or in the current situation.

Keywords: SEBI, Mutual Funds, Real Estate, NBFCs, Money Market and Capital Market.

Introduction:

Present research theme investor's awareness for choosing best investments is resulting concept of investor behavior. Their decision for investing their hard earned money has been saved from current consumption with the hope that some benefits will be received in future. Thus, it is a reward for waiting for money from financial investments. This includes the purchase of bonds, stocks, real estate property, and mutual funds among several others. A rich view of research waits the sophisticated understanding of financial investments. Investment also affected by the financial behaviour of investors, reform in financial sector and other advances in Indian money market and capital market. . Investor's awareness is a very wide subject so, the present research paper covers investment avenues, investors age, income, education and awareness about the financial investment alternatives I.e., mutual funds, fixed deposits, real estate, insurance and others.

A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. These investors may be retail or institutional in nature. A fixed deposit is a financial instrument provided by banks or NBFCs which provides investors a higher rate of interest than a regular savings account, until the given maturity date. The interest rate varies between 4 and 7.50 percent. The tenure of an FD can vary from 7, 15 or 45 days to 1.5 years and can be as high as 10 years. Real estate is the property, land, buildings, air rights above the land and underground rights below the land. The term real estate means real, or physical, property. Life **insurance** is a contract between an insurance policy holder and an insurer or assurer, where the insurer promises to pay a designated beneficiary a sum of money (the benefit) in exchange for a premium, upon the death of an insured person (often the policy holder). Depending on the contract, other events such as terminal illness or critical illness can also trigger payment. The policy holder typically pays a premium, either regularly or as one lump sum. Other expenses, such as funeral expenses, can also be included in the benefits.

Review of Literature:

Here many prominent writers, renowned scholars have examined in different guidelines and some of the pertinent studies which are alarmed to the present study are presented for a moment.

Surbhi Dubey, Dr. Sameer Sharma (2019) in this study covers the investor behaviour and awareness of investment. Retail investors are active or passive. Active retail investors invest in equity market through Primary Market, the New Issue market of IPOs / FPOs and Secondary Market, Trading on Stock Exchanges, directly. Passive investors were investing in mutual funds and real estate and gold.

Chaurasia, Pratibha (2017): In her study Financial Planning is extremely important for developing clear financial goals and chalking out the proper investment portfolio to satisfy the financial needs and aspirations. Designing an efficient investment portfolio require skills, knowledge and disciplined financial planning. This study explores association of demographic characteristics with the investment preferences of the individual investors. During this study, survey approach has been adopted employing a structured questionnaire with sample size of 229 respondents. The study has been taken within the geographic area of Indore district in Madhya Pradesh State of Central India. The foremost findings of research are that fixed deposit is most preferred and capital market debt instruments are least preferred. Demographic variables have found to possess significant association to investment preferences

Wadhwa, Vashisht& Kaur (2015): Found in their study that financial literacy, occupation and education of investor are vital factor for creating investments. The study suggests that the majority of the research on investors' behavior proves that market information affects the investors' behavior also demographic factors like gender, age and risk tolerance level has the regard to the behavior

S. Umamaheshwari, M. Ashok Kumar (2014): Awareness, environment level of exposure intensions, beliefs, and responsibilities are the factors liable for deciding investment policies. Behavioral pattern helps in preparing various schemes for investments. Investment temperament of salaried strata supported investment awareness and expected rate of investment return.

N. Dharani (2014): Investment attracts all people regardless of their occupation, education and social station. Women also involve in investment activities. Women's below age of 30 are involved in investment activities. Women's with graduation are involved in additional investment activities. Women's with income of 50001 to 100000 are involved in investment activities.

S. Umamaheshwari, M. Ashok Kumar (2014): This study is to hunt out the connection between Demographic and social factors that affects the invest decision of respondent like investment attitude, investment awareness and return on investment. This study analyses the priorities of salary classed people regarding investments. Various factors that affect the choice of respondents like age, gender, Income scale, status etc.

N. Srividhya, S. Visalakshi (2013): The study analyses various avenues of investment like Government deposits, bonds, real estates, post office saving certificates life assurance policies, mutual funds etc. study covers Government colleges, Private colleges and aided colleges which states that maximum teachers saves below one lakh. Maximum respondents invest in fixed deposits. Investment is laying money now for return in future. Study reveals that a policy maker does not make comprehensive and adequate saving schemes for country. Which results in inadequate savings and Investments by small scale farmers. The study analyses socio-economical status of the respondents. Purpose of saving is to require care of families and to not invest.

UjjwalBairagi, CharuRastogi (2013): The study states the Household investors preferred investments in Bank Deposits. Household investments are the main determinant of gross domestic savings. Majority respondents selected the choice of Bank deposits and Insurance policies. Study analyses the notice about investment avenues which state that respondent between the age of 41 to 50 years are more aware of investment options.

Kaushal Bhatt (2013): Utilization of resources so as to extend income or production output in future is known as investment. Data analyses states that Graduates are more intended to save money and that they are aware of various investment avenues. Businessmen tend to take a position more as compared to salaried man. Respondent want more safety and securities to their money.

GauriPrabhu, N. M. Vechalekar (2013): Mutual funds may be a platform to participate with in the Indian capital market. Money collected is invested in shares, debentures and other securities. This study examines the notice about the open-end fund among investors. Data analyses states that respondents between age brackets 19 years to 35 years intended to take a position more. Private sector employees invest more.

A. Ananth (2013): This study analyses the investor's attitude towards various sorts of investment. Investments are classified as marketable and non marketable, high risk and low risk investments. Share market is high risk investment with high returns, Commodity market has no risk. Mutual funds are risk investment with good returns.

Manoj Kumar (2013): Employment of funds on assets with the aim of earning income or capital appreciation is named as investment. The investor with excess cash can invest in securities like land, gold, bank deposits etc. The study is to know the preference of investors towards other investment alternatives and to understand the preference towards investment between shares and mutual funds.

J. Paul SundarKirubakaran (2013): The Study analyses the behavior of an investor. This study brings out the connection between risk of investment and protection of investment. Nearly 59 percent respondents stick with the protection of investment rather risk permanently returns. Respondents have protecting investment as a main priority.

Research Gap:

After reviewing the literature presented in the above, it is observed that various studies were carried out to examine the psychological behavior of investors. In exact terms, it is found that there is a research gap in the area of awareness of individual investor for selecting financial investment; this study is link to investor education and motivation to examine the behavior of investors in metropolitan region of Hyderabad in particular. The trust and risk factors are connected to awareness of investors to invest their money in various types of investments. Therefore, this Study aims to satisfy the research gap through the researcher's efficient investigation of awareness to investors.

Objectives of the Study:

1. To study the factors influencing the investment decisions on Mutual Funds, Real estate, Life insurance and Fixed deposits.
2. To understand the mostly preferred investment among the Mutual Funds, Real estate, Life insurance and Fixed deposits.
3. To examine the relationship between the annual income and annual savings of the respondents.

Research methodology:

The study is intended to find the investors preference towards various investment avenues. The study design is Descriptive in nature. Descriptive Research is a fact-finding investigation with adequate interpretation. It is the simplest type of research and is more specific. Initial step is to analyze the risk tolerance, most preferred mode of investment, and the factors motivating the investor towards investment.

Data Collection and Statistical Tools:

In this study, Non-probability convenience sampling method has been applied for collecting the primary data to understand the awareness of investors among various alternatives of investments. For that 510 investor have been conveniently chosen from the metropolitan region of Hyderabad by ensuring the adequacy of the sample. According to Comrey and Lee (1992), i.e., 100=as poor,

200=as fair, 300=as good, 500=as very good, 1000 or more =as excellent, and Devellis who stated that for a minimum sample size of 509 particular plan was desired for the Study to obtain higher reliability. Accordingly, a sample of 510 respondents has been identified for the research, and the profile of the sample is presented below. A sample of 510 respondents is taken for this study. The distribution of the sample by different demographic variables is as follows. Secondary data is collected from books, journals, magazine, reports and websites. For the analysis of result we used statistical tools like: Percentage, pie, bar diagrams and Co-relation.

Statement of Problem:

Awareness of investor is very significant as it is changing day by day due to transformation in tools and techniques. The investors are honestly anxious into various investments. A more considerable part of individual investors awareness for choosing best alternatives of investments among the four investments provided.

Limitations of the study:

1. The lack of knowledge of customers about the instruments can be major limitation.
2. The information can be biased due to use of questionnaire.
3. Area of the study was restricted to the age group from 2.

Findings, Conclusion and Suggestions:

The purpose of the data analysis and interpretation is to transform the data collected into credible evidence about the investor's preference towards mutual funds, real estate, life insurance and fixed deposits.

Data analysis and interpretation is the process of assigning meaning to the collected information and determining the conclusion, significance, and implication of the findings. The steps involved in data analysis are a function of the type of information collected, however, returning to the purpose of assessment. The focus for the analysis of the data collected from respondents using the following methods:

Findings:

1. The study shows that 20% of respondents are in the age group of 20-30, 40% of respondents are in the age group of 31-40, 40% of respondents are in the age group of 41-50.
2. The analysis shows that 80% of the respondents are salaried, 20% of respondents are self employed.
3. From the table clearly shows that out of 510 respondents, 490 are having the awareness of financial investments 20 are not having the awareness. In this study 97 percent respondents have the awareness about the financial investments.
4. We understand from the table 2 out of 510 respondents, all the investors mostly aware of mutual funds highly, next fixed deposits, later life insurance and real estate. Others have been responded for chits, bit coins and gold etc.
5. The study shows that out of 510 respondents, all the investments seem to provide safety as per the assumption of the investors. Most of the investors preferred real estate, next fixed deposits, later mutual funds and life insurance.
6. The analysis shows that out of 510 respondents, the investor's assumption regarding earning more returns on the real estate investment, next mutual funds is given priority later life insurance and at last one is fixed deposits.
7. We can understand that out of 510 respondents, the real estate has been rated with majority in creation of wealth, next mutual funds, later life insurance and fixed deposits at the last.
8. This study finds that out of 510 respondents, the fixed deposits has been rated with majority easily adopted with less conditions, next real estate, later life insurance and mutual funds at last .
9. We find that out of 510 respondents, three investments mutual funds, real estate, fixed deposits have rated with the same of 28.8 for fulfilling requirements and at last life insurance has been with 13.5.
10. Table shows that out of 510 respondents, many investors 152 respondents responded to prefer to invest their hard worked money into fixed deposits ,148 respondents responded to invest in real estate, 146 respondents responded to invest in mutual funds and life insurance has been rated by the 92 investors.
11. From the analysis it is clear that out of 510 respondents, many of the investors who are working on the salary basis have been showing interest to invest for the savings for future betterment than the self-employed who are running the business.
12. The study shows that out of 510 respondents, many of the investors are earning their annual income between 2,00,000-3,00,000 and 159 investors are earning 3,00,000-5,00,000 and 143 investors are earning their annual income of 1,00,000-2,00,000 and very few responses who have responded are earning their annual income of 5,00,000 above.
13. The analysis shows that out of 510 respondents, every investor wanted to save the income for future either it's more or less most of the investor like to save their amounts for future is 30,000 and above, next they prefer to save less than 10,000 the 60 investors prefer to save between 10,000-20,000 and very few investors save the amount 20,000-30,000.
14. The study shows that out of 510 respondents, there are two factors which influence the investor to invest more; they are friends and family members who support to grow in creating wealth and to earn more and more.

Conclusion:

The survey is collected among 510 respondents few things have been noticed in the survey. This survey is done only to specific age group of 20-40 because these age group people may be interested in investing but as per this generation most of the respondents have showed interest towards investing to make their future brighter. But many of the investors prefer to invest which is secured rather than taking risk and preferred to invest in fixed deposits. And there is no certain relationship of saving of their amounts it is not depended on the annual income but given much prior to invest. There are two factors majorly influenced to the investor to invest i.e., family and friends.

Suggestions:

As per the survey there are few suggestions which are listed below:

- The SEBI should provide more awareness regarding investments to the investors.
- The fixed deposits should provide tax exemption and insurance privilege then it should increase demand in future.
- But there is no much awareness of mutual funds which is also secured one but many of the investors are following the ancient policies. Mutual fund companies should provide more advertisement on new schemes.
- And where the life insurance claims may return or not. There is no proper assurance given to the investor while investing, many of the investor feel the real estate is too risky to invest.
- The main reason it affects financial consultants is unable to create trust among the investors and should also increase in creating awareness and motivate the investors for the betterment of future. So the investors will know more investment opportunities in the outside world.

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Annexure:**Tables and Figures****Table: 1. Awareness about Financial Investment**

Responses	No. Of Respondents	Percentage
YES	490	96.1
NO	20	3.9
TOTAL	510	100.00

Source: Primary data

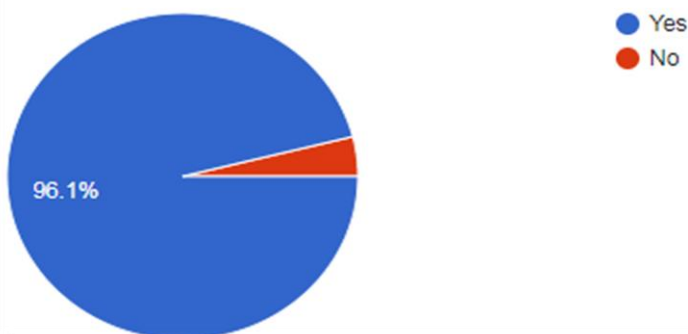
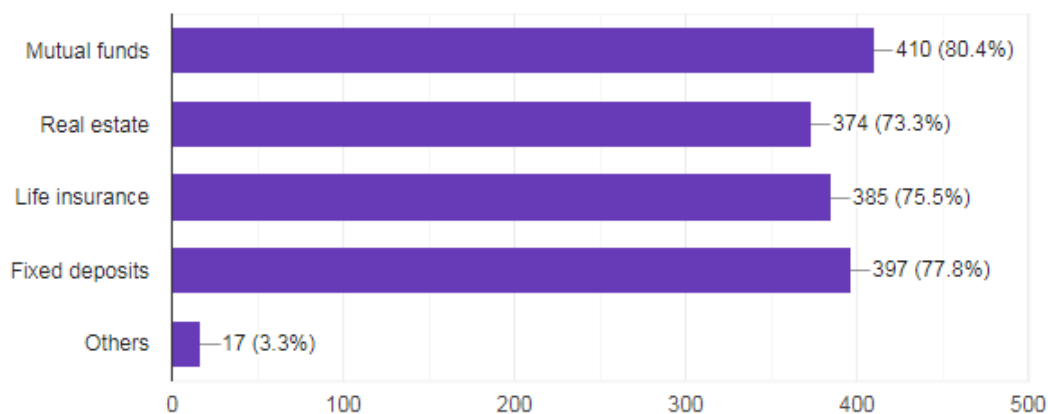


Table: 2 Awareness of Investment opportunities

Investments	Aware Respondents	percentage
Mutual Funds	410	80.4
Real Estate	374	73.3
Life Insurance	385	75.5
Fixed Deposits	397	77.8
Others	17	3.3
Total	510	100.00

Source: Primary data

**Table 3: Opinion of investors regarding safety**

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	113	22.2
Real estate	162	31.8
Life insurance	108	21.2
Fixed deposits	127	24.9
Total	510	100.00

Source: Primary data

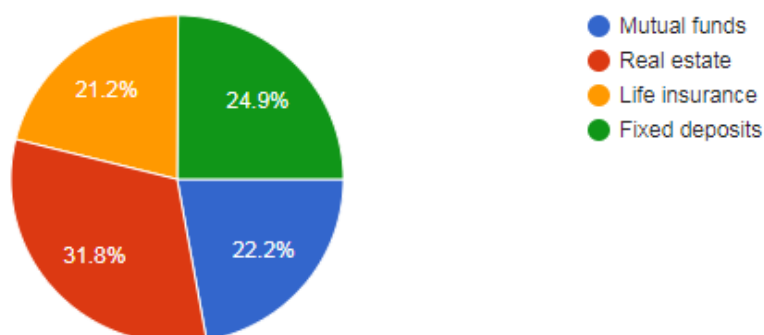
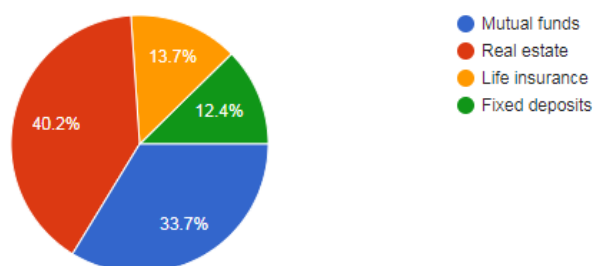


Table 4: investment helps you to earn more returns

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	172	33.7
Real estate	205	40.2
Life insurance	70	13.7
Fixed deposits	63	12.4
Total	510	100.00

Source: Primary data

**Table 5: Future Expenses Purpose**

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	76	14.9
Real estate	120	23.5
Life insurance	158	31
Fixed deposits	156	30.6
Total	510	100.00

Source: Primary data

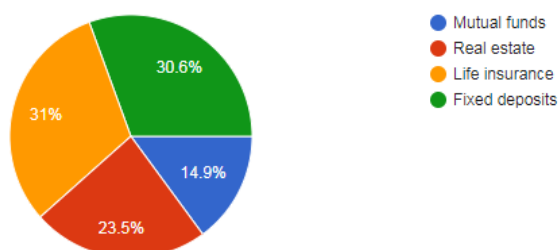
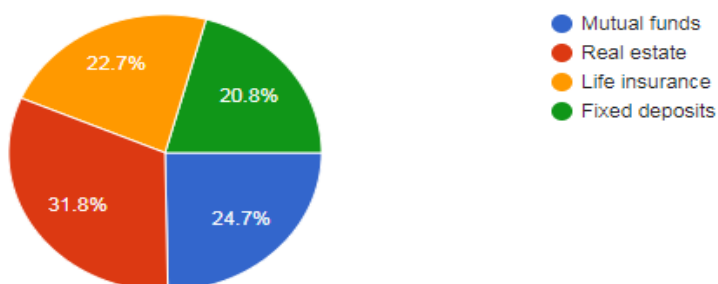


Table 6: Create More Wealth

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	126	24.7
Real estate	162	31.8
Life insurance	116	22.7
Fixed deposits	106	20.8
Total	510	100.00

Source: Primary data

**Table 7: Investment Adaptability**

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	92	18
Real estate	142	27.8
Life insurance	109	21.4
Fixed deposits	162	32.7
Total	510	100.00

Source: Primary data

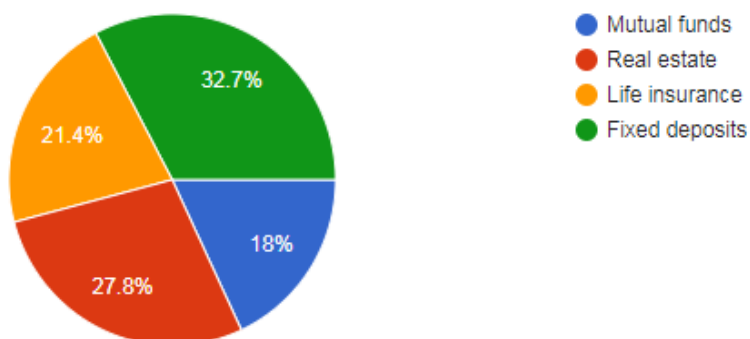
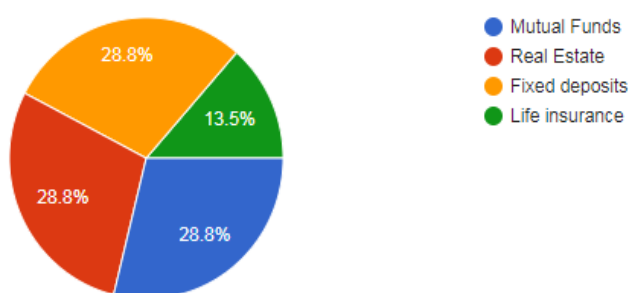


Table 8: investment is full filling your complete requirements

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	147	28.8
Real estate	147	28.8
Life insurance	69	13.5
Fixed deposits	147	28.8
Total	510	100.00

Source: Primary data

**Table 9: Best Option to Invest Hard Worked Money**

INVESTMENTS	NO OF RESPONDENTS	Percentage
Mutual funds	116	22.7
Real estate	148	29
Life insurance	92	18
Fixed deposits	152	29.8
Others	2	0.4
Total	510	100.00

Source: Primary data

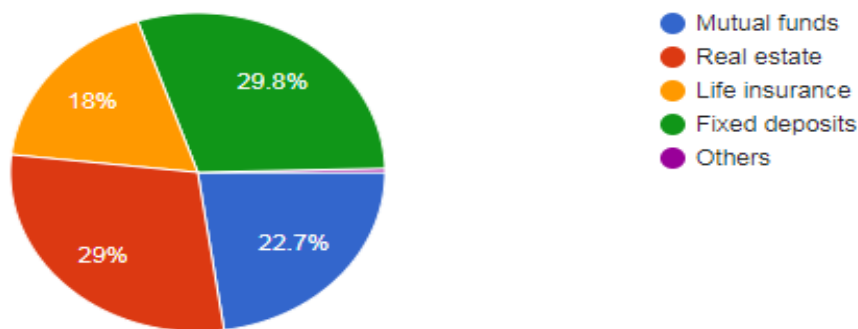


Table 10: Source of Income

INVESTORS	No. Of Respondents	Percentage
Salaried	406	79.6
Self-Employed	104	20.4
TOTAL	510	100.00

Source: Primary data

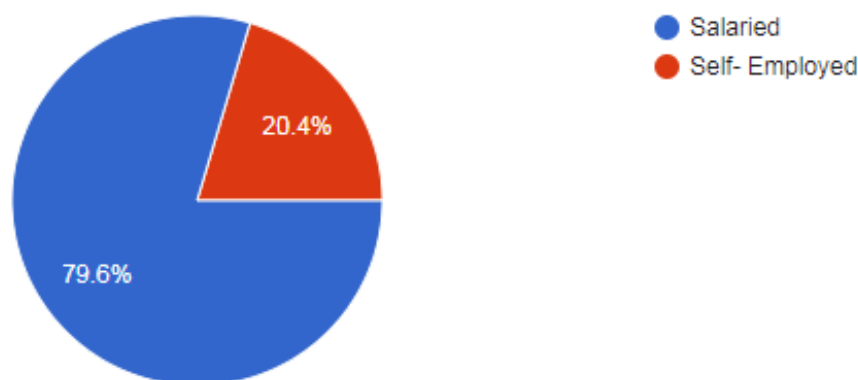


Table 11: Annual Income

Annual Income	No Of Respondents	Percentage
1,00,000-2,00,000	143	28
2,00,000-3,00,000	198	38.8
3,00,000-5,00,000	159	31.2
5,00,000 and above	10	2
TOTAL	510	100.00

Source: Primary data

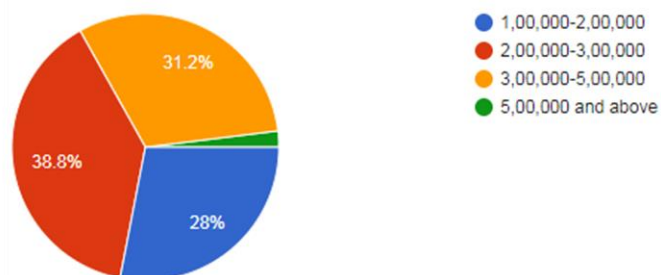
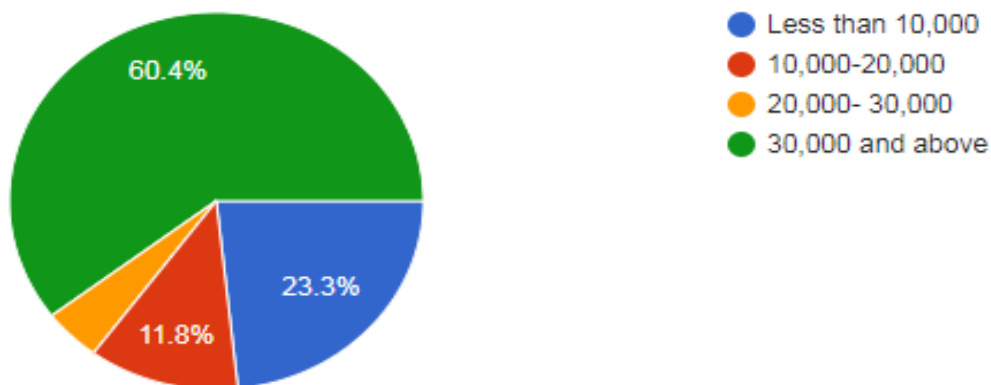


Table 12: Annual Savings

Annual Savings	No Of Respondents	Percentage
Less than 10,000	119	23.3
10,000-20,000	60	11.8
20,000-30,000	23	4.5
30,000 and above	308	60.4
TOTAL	510	100.00

Source: Primary data

**Table 13: Factors Influencing Investment Decisions**

Factors	No. of respondents	Percentage
Family members	290	56.9
Friends	345	67.6
Financial consultants	177	34.7
Others	4	0.8
TOTAL	510	100.00

Source: Primary data

