FACETS OF INVESTORS' ON INVESTMENT CHOICE AMONG RURAL INDIVIDUALS

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Abstract

The relationship between the individual investors behaviour and behavioural bias based on the investment decision making. The objective of the study to analyses the determines of behavioural biases on investment decision. Investment behaviour is based on uncertainty about the future and is thus risky. Financial backers utilize predispositions and heuristics in their choices to contribute or not, and the amount to contribute. Crowding is another element individuals will generally mirror and follow different financial backers, likely because of absence of pertinent and solid data and absence of boldness to act in an unexpected way. Data collection are used in the study both primary and secondary data. The investors investment decisions can be analysed by ranking analysis, chi-square test, percentage analysis based on more than 100 individual respondents collected from the investors in different sectors. Then analysis the investor psychology in various investment avenues available in India. The study shows the preferred investment choice has been undertaken with the objective to analyse the investment behaviour of earning people. The investors ready to invest their money to their convenience. They need high return in the investment pattern. There is probably the threat that the choice of the respondents can be distinction due to distinctive of their attention degree, earnings degree etc.,

Keywords: Investment decision, Behavioural Biases, Investors, Investment avenues

Introduction:

A growth of the investment will elevate the economy and paved the way to protect the risky life. India's economy is one of the world's fastest-growing. The nation's economic expansion is dependent on individual saving habits. In the current scenario individuals prefer to save money from over spending. The selection of the investment choices depended on the individual's attitude and perception, specific needs and wants etc., Therefore, prior to making investment decisions, individuals should consider the factors while invest their income. Every individuals have different opinion about their investment and give preferences on high return, so the perception with on investment decision differ from person to person and also depend on their needs and requirements of the investors. Deciding an effective portfolio investment is one of the most important means of shaping the future well-being of an investor. Before investing, the investors has to analyze alternatives of investments in terms of their risk, return, term, convenience, liquidity and understand the influencing factors towards investment decision making So, the investors wants to identify the investment pattern and influencing factors before investing the income of the individuals. In layman's terms, the investment pattern entails investing in real assets like gold, securities, or other monetary or paper assets in the money markets or capital markets. The allocation of financial resources to assets that are anticipated to yield some gain or positive return over a predetermined time period. People earn high, low, or even nothing in some cases but individuals can manage the investment in a proper way. Venture conduct depends on vulnerability about the future and is subsequently dangerous. News and bits of gossip and speed and accessibility of data assume significant parts in speculation markets. Risk penchant, risk inclination, and demeanor are the significant ideas and clarifications of speculation conduct. Financial backers utilize predispositions and heuristics in their choices to contribute or not, and the amount to contribute. Crowding is another component individuals will generally emulate

and follow different financial backers, most likely because of absence of significant and dependable data and absence of boldness to act in an unexpected way.

The investment behaviour of an individual may be studied under the theory of planned behaviour as an extension of the theory of reasoned action. The theory of reasoned action if that purpose is the immediate falling of their behaviour. It suggests that the behaviour of an individual, which in turn is the responsibility of the attitude to an active and subjective norm, should be governed by his/her behavioural intention (Kaur and Kaushik, 2016). Finance Avenues were Bank deposit, Share Market, Public provident fund, Mutual funds, Fixed deposit, Real estate, LIC, Precious objects, National pension schemes, Governmentschemes, Saving bank account, Bonds and Debentures and Company fixed deposits.

Investment Options

As an investor you have a wide array of investment alternatives available to you.
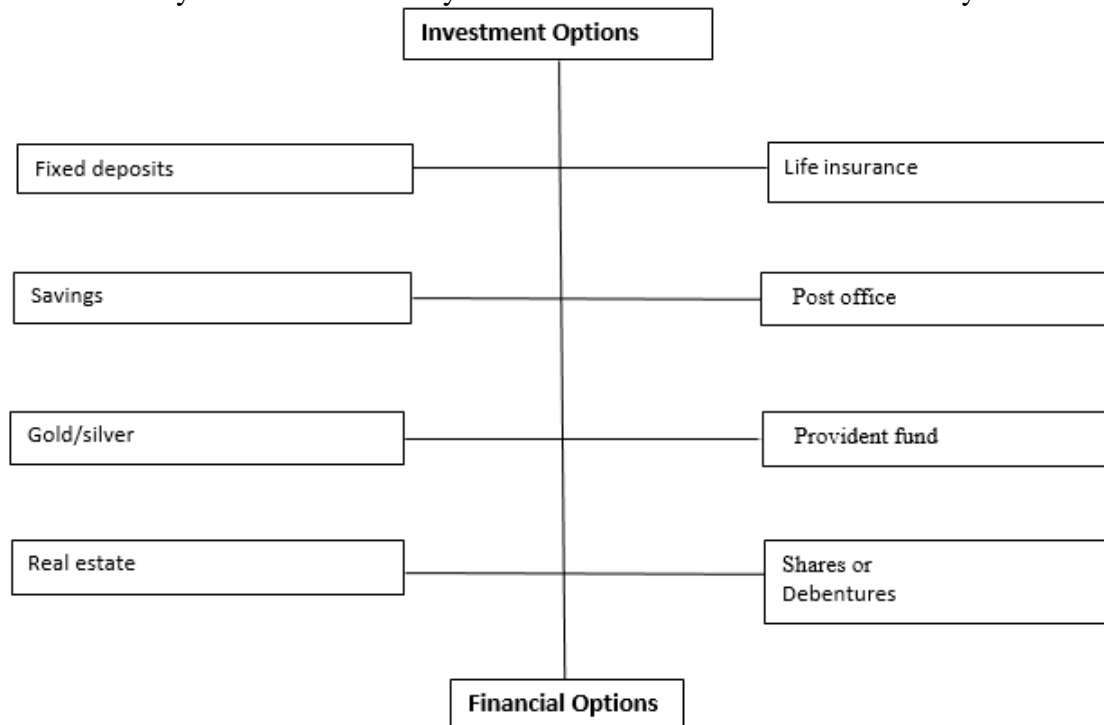
Speculation Attributes

The pace of profit from a venture for a period (which is normally a time of one year) is characterized as rate. The pace of return from ventures like value shares, bonds, land, gold, bank store., can differ rather broadly. The gamble of a speculation alludes to the fluctuation of its pace of return. A straightforward proportion of scattering is the scope of values, which is basically the distinction between the most noteworthy and the least qualities. A venture is exceptionally attractive or fluid if it tends to be executed rapidly, the exchange cost of low and the cost change between two progressive exchanges is irrelevant. Comfort comprehensively alludes to the straightforwardness with which the speculation can be made and taken care of. Put in an unexpected way, the inquiries that pose to pass judgment on accommodation. The level of comfort related with speculation changes generally. Toward one side of the range is the store in a reserve funds ledger that can be made promptly and that requires any support exertion.

In India, investor education has assumed greater importance more recently in view of the increasing number of investors, unprecedented growth of the capital market and rampant malpractices by

issuers of capital, namely, companies and players in the market such as merchant bankers, brokers, etc. The indirect investment is less remunerative than direct investment.

Statement of Problem

Financial literacy is necessary for choosing the right project in today's economy, especially in developing countries. Emotions have derived the individuals to make heuristics decision on the investment choice in the market. Usually, the investor's behaviour deviates from making positive or probable decisions and leans towards being influenced by various overconfidence biases. These biases influence the investor's probability in investment decision-making. Heuristics is the process by which people find things out for themselves usually by trial and error. The behaviour of investors is not always rational, so investors should consider that the psychological factors of a person and it plays substantial role in the behaviour of financial avenues. But now a days finance theories have almost completely ignored the role of complex motivational and cognitive factors that influence investors decision making. Study on the investment analysis and portfolio management can provide a sound framework for managing and investing wealth.

Objectives of the present study
✓ To study the investment preference among rural individuals in different choice of investment.
✓ To analyze the determines of behavior on investment decision among the rural individuals.

Limitation of the study
The analyse the study based on the primary data collected from 150 out of 175 respondents. Time constraints were considered as very low period to collect the respondent to the study.

Scope of the Study
This study is focusing on the preference of investment and it will be helpful toidentify the better investment options and to know different avenues of investment. This study was mainly planned to understand the various investment opportunities available for earning people. The field of behavioural finance in the process of investment decisions. Individual investors are affected by various factors while making investment choices.

Significance of the Research
Investors cannot make investment decisions. People possess knowledge but far away from its practical implications, Cognitive biases are mental perception and thinking of an investor while individual involve in decision making process. In general, the basic motive of an investor is to maximize the return on capital while minimizing the risk. Investor is an individual person who allocates his money to investment products with an expectation of favourable financial return. Behavioural factors like anchoring and overconfidence, representativeness, availability are the reasons to the investors for taking the investment decision in an improbable way. To know the modes of investments of the investor's respondents in various investment avenues. This study is focusing on the preference of investments and to investigate the effect of heuristic bias on risky investment decision of the investors.

Review of Literature
Meenakshi Sharma (2016) conclude that most of the respondents are prefer to invest in insurance, shares, banks etc. Muthu Meenakshi (2017) stated that most of the investors are to preferred bank deposit because most of the people investing for purchasing home and long-term growth. Alamelu (2017) suggested that the mutual funds business in Madurai district is still in a growing phase. Nallakannu (2018) investigated that the investors are sensitive about their safety of their investment made. Dr.P.C.Kavidayal (2019) conclude that small investors want to gain more knowledge about investment avenues. Sumandiran

Prithiviraj (2019) found that average level of investment behavior was found among the respondents hence, saving habits to be developed with individuals. Dr.S.Suriya Murithi (2019) in this research investors aware about the concept of portfolio allotments and risk and return of the investment. Aswini Ajay (2020) conclude that youth people started to invest their money in various investment sectors in their suitable one. R.Muneeswaran (2020) stated that recent technology development provide more information about investment avenues in financial sector. Adil Mehraj (2020) suggested that the heaps of contemplations while effective money management, for example, charge arranging, future necessities, security of ventures, repeating pay in future in their human existence. Narayanan Bhaskaran (2012) stated that Indian financial backers are a lot of mindful about the idea of portfolio designations and chance and return of the speculation. Ms. Lubna Ansari yetal (2013) suggested that larger part of financial backers contribute for development and extra pay and the main consideration that directs their venture choice is risk factor. Byju K (2015) in this research investors satisfaction is the aim of all investment that more awareness programs and financial market orientation programs are to be given to general public. Dr. R. Sellappan (2013) expressed that wedded ladies are more inquisitive in making venture than the unmarried, for the most part more seasoned ladies like to put resources into common asset, protection and fixed stores. Amit Agrawal (2020) concluded that academicians and economist to understand factors responsible for growth of economy. Dr. Hasim (2019) the review will zero in on people (financial backers), one of the monetary chiefs. They reasoned that limiting the gamble of return, risk openness and broadening is the main variable in picking venture instruments and that singular wellsprings of data accumulated during these races accompany individual assessments. Sneha Satheedran (2020) stated that women who are more risk averse seem to be conservative and choose less risky investments like bank deposits and provident funds. Jeet Singh (2016) the research study concluded that investment are risky and some are not, so as per the age of investors they should decided about risky or less risky investment.

Research Methodology

In methodize to achieve the objectives of the present study and to interpret the data collected, an appropriate methodology was developed. The collection of data and analysis are planned accordingly. The methodology followed in the current study discussed under the following heads: The present study is exploratory as descriptive. Non-probability- Convenient sampling method was used to individuals those who have salaried. The sample size is 150 respondents. Data collection are utilized in the review both essential and optional information. Tools and techniques used in this research is Percentage analysis, Chi-square analysis and Ranking analysis for analysis the data collection collected from the respondents.

Results and Discussion

Analysis depicts that majority of the respondents where belongs to the age group of 26 – 50 years (37%), 35% of the respondent in the age group of up to 25 years and the remaining 28% of the respondent of Above 50 years. From the above table, it is found that 42% of the respondent of Profession ,27% of the respondent belongs to the education of Post graduate,20 % of the respondents of belongs to the education of under graduate, 11% of the respondent belongs to the educations of at school level. It is found that 49% of the respondent of private sector, 27% of the respondent belongs to the Self-employed, 13%of the respondent of belongs to the others,11% of the respondents belongs to the public sector. It is found that 48%of the respondent of Rs.2,00,000-Rs.5,00, 000, 45% of the respondent of below Rs.2,00,000, 07%of therespondent belongs to the above Rs.5,00,000.

Table No.01 Investment Option of the Respondents

Investment Options	Very high	High	Average	Low	Very Low	Total score	Mean score	Rank
Fixed deposits	62	40	38	5	5	599	3.99	1

Savings	38	47	40	16	9	539	3.59	3
Gold/silver	29	46	51	20	4	526	3.50	4
Real estate	25	37	39	29	20	468	3.12	7
Life insurance	29	39	53	17	12	506	3.37	5
Post office Deposit	43	37	45	17	8	540	3.6	2
Provident fund	14	44	64	22	6	488	3.25	6
Shares or Debentures	12	24	66	34	14	436	2.90	8
Mutual funds	17	17	63	37	16	432	2.88	9

Source: Primary Data

The table above shows that 62 respondents scored high on average for term deposits. Only 47 people are highly conscious of savings, and 51 people are average about gold and silver. 20 for real estate, 17 for life insurance, 14 for provident funds, 66 for equities and bonds, average for equities and bonds, 17 out of 150, very high awareness in 17 out of 150 for people mutual funds. According to a survey of respondents who are aware of different investment options, they prefer fixed and savings accounts compared to all investment options. Earners want to invest their money in safe mode, but few prefer to invest their money in gold or silver. People may not be willing invest money in mutual funds.
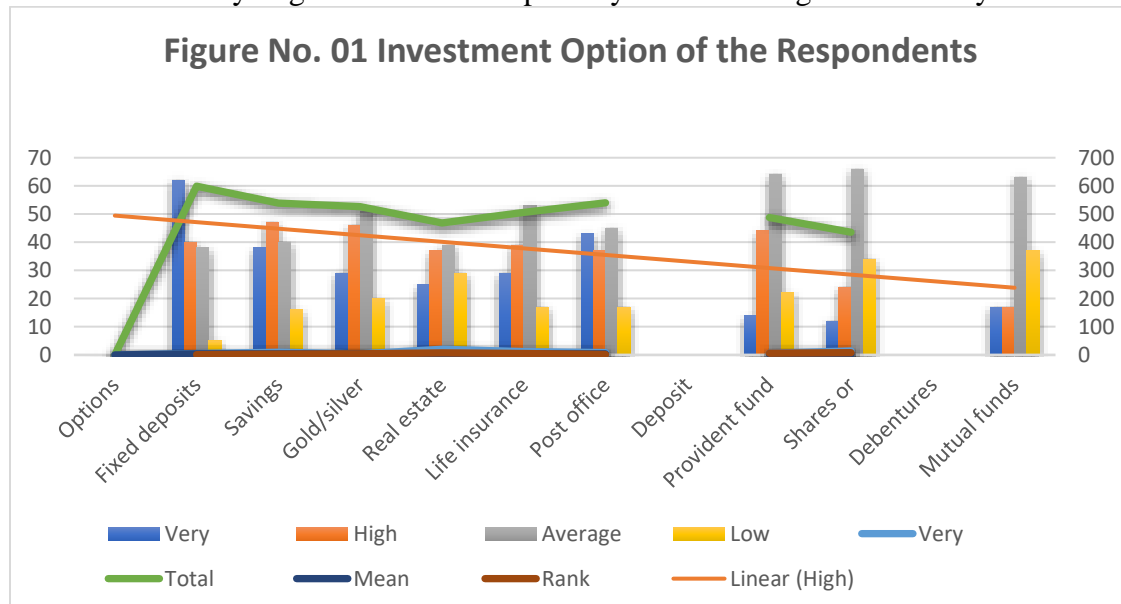

Figure No. 01 Investment Option of the Respondents

Table No.02 Awareness Level about Various Financial Avenues

Particulars	No of respondents	No of percentage
Yes	67	45%
No	83	55%
Total	150	100%

Source: primary data

Above tables shows that 55% of the people are not aware of all financial avenues and 45% of the respondents are aware of all the financial avenues. After surveying the people working people only have aware about the various investment avenues in the investment. The illiterate people cannot have awareness about the investment avenues in India. But now a days investment is one of the important thing in our day-to-day human life. Educated people or working people can aware about the investment avenues in different sectors like post office, bank deposit, LIC., investors can invest their money in different avenues for long term investment or short-term investment according to their investors convivence.

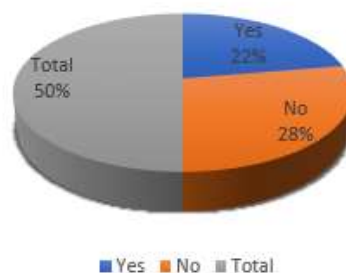Figure No. 02 Awareness Level about Various Financial Avenues

■ Yes ■ No ■ Total

Table No.03 Preference towards investment choice of the respondents

Factors	Strongly Agree	Agree	Neutral	Disagree	Total score	Mean score
Safety	86	34	20	10	177	1.18
Higher return	43	64	35	8	442	2.95
Liquidity	32	57	54	7	414	2.76
Less risk	43	57	35	15	428	2.85
Good customerservice	34	74	34	8	360	2.4
Tax benefits	29	65	49	7	416	2.77
Regular return	36	63	36	15	420	2.08
Convenience	51	52	38	9	445	2.96
Cost of investment	27	66	51	6	414	2.76
Availability ofincome	40	53	43	14	419	2.79
Professional management of service provides	23	60	55	12	394	2.62

Source: Primary Data

Table reveals that most of the respondents (86) gives preferences to their safety while they investment their savings. Next high return of the investment is the considering factors for their investment (64). 43 respondents provide medium score tothe risk factor. Among the Respondents 34 gives preference to customer service and least importance given by the customers to the avability of income. Over all convenience is the first priority for most of the respondents. Second priority mentioned by the respondents is higher return from the investment and less risk is mentioned as important for investment. The investors need both safety and high return in their investment. They are all invest their money to their convenience. They need their money to safe first.

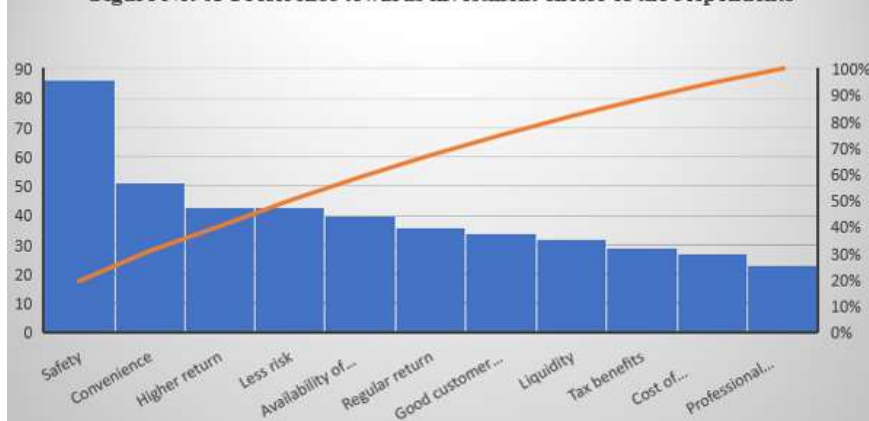Figure No. 03 Preference towards investment choice of the respondents

Table No.04 Investment Pattern of the Respondents

Variables	Total Score	Meanscore	Rank
Emergency needs	619	4.12	1
Children's Education	583	3.88	2
Children's Marriage	409	2.72	3
Retirement Benefit	358	2.38	4
Tax benefit	306	2.04	5

Source: Primary data

From the above table, crisis need (4.12 mean score) is the main objective of the respondents for their venture. Next, they like to invest their investment in kids' schooling and invest their money for the youngsters' marriage also. Investors invest their money for their future purpose in different schemes in the financial avenues. Retirement benefit and tax concession were the profitable factors while they invest. The large portion of their savings taken to invest forcrisis needs.
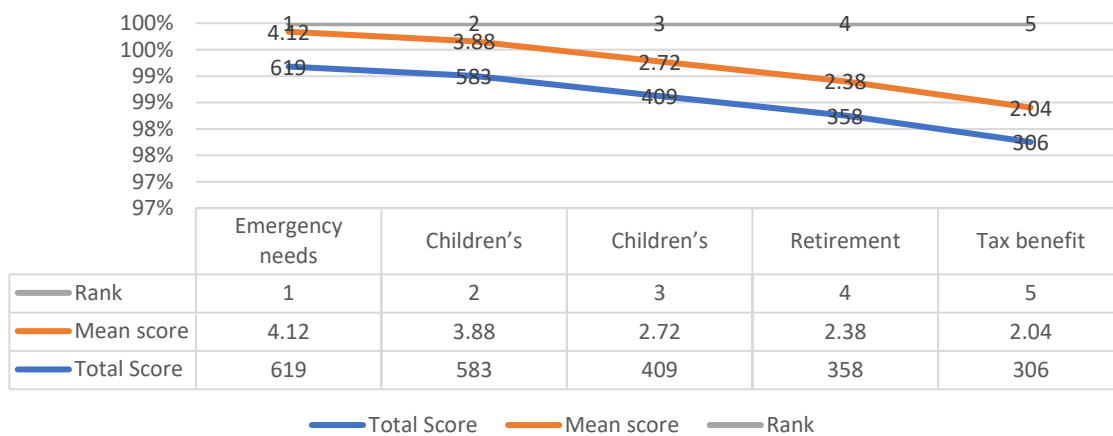

Figure No. 04 Investment Pattern of the Respondents

	Emergency needs	Children's	Children's	Retirement	Tax benefit
Rank	1	2	3	4	5
Mean score	4.12	3.88	2.72	2.38	2.04
Total Score	619	583	409	358	306

Table No.05 Awareness of investment avenues with Socio-economic Profile

| Variables		N	Mean	F Value	Significance
Age	Up to 25 years	70	16.62		
	26-50 years	61	16.14	.962	.385
	Above 50 years	19	16.44		
Educational	Up to school	27	16.35		
	Under graduate	78	16.28	.502	.607
	Post graduate	45	16.66		
occupation	Private sector	37	16.67		
	Public sector	16	16.83		
	Self-employed	30	15.76	1.228	.303
	Business/professionals	26	16.24		
	Others	41	16.63		
experience	Up to 5 years	92	16.61		
	6-10 years	35	15.88	1.800	.170
	Above 10 years	23	16.08		
Family size	Up to 3 members	46	16.47		

	From 4-6 members	84	16.39	.088	.915
	Above 6 members	20	16.20		
Earning members in the family	Only 1	32	16.32	.224	.799
	2 to 3	91	16.45		
	Above 3	27	16.00		
Monthly income	Below Rs.10000	18	16.63	.291	.748
	Rs.10000-Rs.25000	81	16.30		
	Above Rs.25000	51	16.54		
Monthly income of the family	Below Rs.15000	50	16.03	1.462	.236
	Rs.15000-Rs.30000	60	16.68		
	Above Rs.30000	40	16.43		

Source: Computed data   * Significant at 5% level;   ** Significant at 1% level

The above table illustrates that the age group of up to 25 years has high mean score (16.62) towards the awareness of investment but the age factor is insignificant (.385) towards the awareness of the financial avenues. In terms of educational qualification, the post-graduation of respondents has high mean score (16.66) towards the awareness of saving money but the education of respondents was insignificant (.607) with awareness of the financial derivates. Among the occupation of respondents, public sector respondents have high mean score (16.83) towards the awareness of investment but the occupation factor of respondents insignificant (.303) with awareness of the financial avenues.

In case of experience, up to 5 years of experience respondents has a high mean score (16.61) towards the awareness of various investment avenues but it is insignificant (.170) with the awareness of the investment. In terms of family size, up to 3 members has a high mean score (16.47) towards the awareness of bank deposits, but the family size of respondents is insignificant (.915) with awareness of the mutual funds. Further, 2 to 3 earning members in the family category has a high mean score (16.45) towards the awareness of investment but it is insignificant towards the awareness of the respondent with the value of (.799). Monthly income of below Rs.10,000 has a high mean score (16.63) towards the awareness of post office and it is insignificant (.748) with awareness of the respondents.

In terms of family income, the category of Rs.15,000 to Rs.30,000has a high mean score (16.68) towards the awareness of investment avenues but family income of respondents is insignificant (.236) with awareness. From the above table it has been derived that probability value of ANOVA does not establish good relationship between awareness level of investment and socio-economic profile. Since majority of the variables tested were insignificant, the hypothesis framed stands rejected and it has been concluded that the demographic and socio–economic status of investors does not influence their awareness towards investment avenues. However, it is exceptional in the case of socio–economic status of investors, where it has been observed that their Residential area influences with awareness of various investment choices made for investors.

FIGURE NO. 05 AWARENESS OF INVESTMENT AVENUES WITH SOCIO-ECONOMIC PROFILE
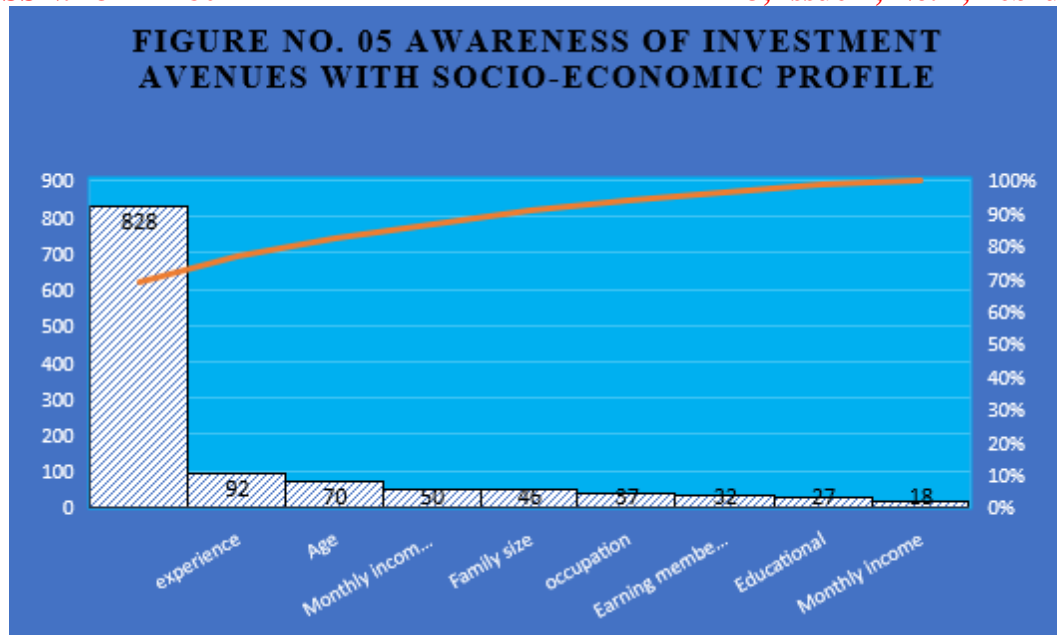
Conclusion

The study shows the preferred investment choice has been undertaken with the objective to analyse the investment behaviour of earning people. The investors ready to invest their money to their convenience. They need high return in the investment pattern. There is probably the threat that the choice of the respondents can be distinction due to distinctive of their attention degree, earnings degree etc., All the age organizations some of the respondents deliver greater significance to make investments their financial savings in financial institution deposit and gold/silver.

In this present study majority of the respondents are receiving expected rate of return from various financial avenues options. Investment hence, entails the dedication of assets at gift which have been stored within side the desire that a few blessings will accrue from them within side the future. Behavioural Finance is an exciting and interesting new field in terms of stock exchange research. The evidence of behavioural finance theory helps us understand behavioural psychology deeply and provides more insight into securities market anomalies and investment strategy selection.

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