

Predilection and Inclination of Individual Investor's Behaviour - An Intendment of India

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Abstract: Investment decision making is influenced through investment behaviour by various factors involved. one of the parameter for investment decision making is Demographic profile of investors by tax determination. The aim of this paper is to find out the various demographic factors in India (Punjab and Chandigarh) and to examine the effect of demographic factors on investor's level of preference and attitude towards tax determination and other various modes of investment avenues. 600 investors were selected as sample percentage, Mean, Standard deviation, Reliability analysis and chi square test was conducted to explore the effect. Result of the paper has shown that there is no effect of age, sex, marital status demographic factors on level of preference and attitude of investors and others demographic factors like occupation and education etc. has significant effect on level of preference and attitude investors and there is significance difference between demographic factors and level of attitude towards various modes of investment available by tax determination.

Keywords: Demographic factors, Tax, Modes of Investment, Level of awareness, Level of preference and attitude, Punjab and Chandigarh

I. INTRODUCTION

The study examined Investors' attitudes towards the various forms of investment and savings. A specific objective is better to understand the ratio for preference level of financial investments. Much type of investment areas is available in India. Some investment areas are marketable and liquid, others are nonmarketable and some of them also highly risk and less risk. The Investors' investment depend their specific need, feature profit, savings, high return expected and etc. Commonly it is categorized under the following heads.

1. Share Market
2. Commodity
3. Mutual funds
4. Life Insurance
5. Post Office Savings
6. Deposit in Bank
7. Real Estate
8. Gold & Silver
9. Bond & Govt. Securities
10. Medical Insurance

Different researches are conducted to determine the behaviour influencing factors and attempt to understand and explain the degree to which these factors influence the decision- making process. Characteristics assigned to age, sex, education, income, marital status, job, religion, birth rate, death rate, family size, and marriage age. It is done to every member of the population. Investment involves making of a sacrifice in the present with the hope of deriving future benefits. Investment has many meanings and facets. The two most important features of an investment are current sacrifice and future benefit. Traditional financial theories presume that investors are rational. Among factors investor behaviour is affected by demographic characteristics. Before making an investment decision an investor has to know about Medias or range of investment schemes so that investor can use his discretion and save in those investments or investment options which best satisfy of goals. There is lot of investment options available for investors and one must select the best from the available alternatives to full fill the investments programs. Different research papers are conducted to identify the effect of demographic factors on investment decision and shown contradictory results from country to country and area to area. The aim of this paper is to investigate the extent to which demographic factors affect an investor's decision making with the context of India. This study is primary data based collected from various respondents through a questionnaire.

The respondents who were interested in investment were interacted from two places of India i.e. Punjab and Chandigarh.

II. REVIEW OF LITERATURE

People having different gender, ages, income level, knowledge, marital status and occupation shows different attitudes towards decision making, some are aware and some are not. Brief literature about the effect of demographic factors on investor's behaviour with international evidence is there. Marital status is also an effective factor influencing the decision making of investor. Single individuals are more aware than married because married individuals have responsibilities for themselves and dependents and Investors invest their funds in more volatile portfolio composed of more volatile stocks when they have higher level of income.1 Investors reduce their risk, who is less risk tolerant engaged in more information search than those who are more risk tolerant.2 Older people are more aware as compare to the young investors.3 Level of education obtained and risk tolerance have a positive relationship.4 Risk taking ability and the awareness level towards investment option has influenced by the factor that is one is married or unmarried.5 Investor's family size is also effects their financial awareness towards various investments. Investors having small family size are more aware, where increase in family size caused less level of awareness.6 Persons with upper level of income and millionaires tend to take higher risk as than individual with lower level of income. Occupation means the activity in which people engaged for pay. Those people who generate their income directly from their own business, trade, or profession leads to higher levels of awareness as compare to the people of straight salary work for others.7 Marital status is the one of the import demographic factor effecting decision making of the investors. Occupational status is also affecting the level of risk taking ability; people with higher ranking occupational status are more risk seeker as compare to low ranking occupational status.8 Better-educated Investors have a more extensive knowledge structure and are more capable of identifying, locating, and assimilating relevant information. Therefore, Investors with a higher education level would be able to search using sources that require more knowledge, such as books, newspapers, or the Internet. Moreover, Investors with higher educational levels may be more realistic about their own ability to invest and more open-minded toward professional service providers.9 Education, demographic factor which caused a higher financial risk tolerance during decision making process is education i.e. formal attained academic training.10 Age, Sex, Education, Income level and Occupation moreover influence investments like PPF and LIC more and people are more aware about the investment option.11 Indian investors are now aware about various investment modes available to them.12

III. RESEARCH METHODOLOGY

3.1. OBJECTIVES OF STUDY

3.1.1 To find out demographic factors important for study.

3.1.2 To analyze the relationship between demographic factors and level of preference and attitude level of investors about various investment options available.

3.2 HYPOTHESIS OF STUDY

H₀: There is no significance difference between demographic factors and level of attitude towards various modes of investment available by tax determination.

To conquer the above hypothesis the other supporting hypothesis are as given below:

H_{0a}: There is no significant difference between male and female investors in their level of attitude towards various modes of investment available by tax determination

H_{0b}: There is no significant difference between age of investors in their level of attitude towards various modes of investment available by tax determination.

H_{0c}: There is no significant difference between married and unmarried investors in their level of attitude towards various modes of investment available by tax determination.

H_{0d}: There is no significant difference between the investors with different educational qualifications in their level of attitude towards various modes of investment available by tax determination.

H_{0e}: There is no significant difference between the investors with different Occupation in their level of attitude towards various modes of investment available by tax determination.

H_{0f}: There is no significant difference between the investors with different Income Levels and in their level of attitude towards various modes of investment available by tax determination.

H_{0g}: There is no significant difference between the investors with different Area of Residence and in their level of attitude towards various modes of investment available by tax determination.

H_{0h}: There is no significance difference between Nature of residence and level of attitude towards various modes of investment available by tax determination.

H_{0i}: There is no significant difference between status in the family of the investors and level of attitude towards various modes of investment available by tax determination

H_{0j}: There is no significance difference between no. of earning members and level of attitude towards various modes of investment available by tax determination

H_{0k}: There is no significance difference between no. of dependents and level of attitude towards various modes of investment available by tax determination

H_{0l}: There is no significant relationship between spouse working status and level of attitude towards various modes of investment available by tax determination

H_{0m}: There is no significance difference between annual expanses and level of attitude towards various modes of investment available by tax determination

H_{0n}: There is no significance difference between annual investments and level of attitude towards various modes of investment available by tax determination.

3.3 *Period of the Study*

The study covers a period of 1 year that is January 2013 to December 2013. The data collected, and opinions and expectations revealed pertain to the same period.

3.4 *Area of the Study*

The Area of the study is Punjab and Chandigarh (India). Panjab is a state in the northwest of the Republic of India, forming part of the larger Punjab region. The state is bordered by the Indian states of Himachal Pradesh to the east, Haryana to the south and southeast, Rajasthan to the southwest, and the Pakistani province of Punjab to the west. Chandigarh is the Union territory out of 7 UT's present in India. Chandigarh, also known as The City Beautiful, is a city in the northern part of India that serves as the capital of the states of Haryana and Punjab. As a union territory, the city is ruled directly by the Union Government of India and is not part of either state.

3.5 *Data Collection, Sampling and Survey*

The sources of data were primary as well as secondary. The data collected in the consumer survey constitute primary data. A structured questionnaire was prepared for the study. The drafted questionnaire was tested with 50 individual sample investors and the exercise ensured the adequacy of the questions in the questionnaire. The information gathered from books, journals, magazines, reports, and dailies was the secondary data. The data collected from both these sources were scrutinized, edited, and tabulated. The sample size of tax payers was 600. Convenience sampling method was followed in selecting these salary class investors. The questionnaire was distributed to the investors at their work places. Adequate time was given to them to fill the questionnaire and complete it in all respects. Though, 886 questionnaires were issued and collected the researcher was able to use only 600 properly responded questionnaires, complete in all respects. The study had confirmed the feasibility of the inquiry and the quality of the items in the questionnaire.

3.6 *Tools of Analysis*

The data collected were analyzed by preparing suitable tables. The information collected with the help of questionnaire were tabulated and analyzed by using various statistical and research measures like % analysis, mean and standard deviation analysis, Reliability analysis and Chi-square test.

3.7 *Limitations of the Study*

This study is confined to a particular selected region, that is, Punjab and Chandigarh and hence conclusions are drawn with due care when an attempt is made to generalize the results. Further, the findings may not be applicable to other regions. Due to paucity of time and fund, the size of the sample is restricted to 600. The study is confined to the Individual investors. As this study is concerned with financial matters, investors' reluctance to disclose information on some items in the questionnaire had to be encountered. Many of the responded questionnaires could not be considered because the respondents were not willing to disclose the amount of investments in various schemes, etc.

IV. DISCUSSION

4.1 *Profile and awareness of the investors on different modes of investment*

4.1.1 *Profile of the Sample Investors*

The profile of the sample investors is discussed by taking into consideration their personal data viz., Sex, Age, Marital status, Nature of residence, Educational qualification, Nature of work, Place of Residence, Status in the family, Number of earning members in the family, Number of dependents in the family, Employment of spouse, Annual income, Annual Expenses and Annual investments of the investors and the profile enumerated according to questionnaires filled by sample investors and profile has shown from Table 1 to Table 16 respectively.

4.2 *PREFERENCE AND ATTITUDE OF INDIVIDUAL INVESTORS*

The focus in this chapter is the attitude and satisfaction of the individual investors towards investments. This chapter is divided into three sections. First section deals with the attitudes of the individual investors. The

attitudes of the individual investors in various investment patterns are dealt in the second section and third section deals with the satisfaction of the individual investors over their investment.

4.2.1 Preference and Attitude of Investors towards Investments

To measure the attitude of the investors, Rensis Likert's summated a scaling technique prepared from a search of literature and discussions with Financial Advisors, Chartered Accountants, Academic Experts, etc. These statements were framed relating to the importance of saving, habit of saving, investment decision, etc. To facilitate the purpose of preparing questionnaire this was administered. According to Table 17, the statements are framed and arranged in such a way that one statement has no relevance or resemblance to the others. A pre-test was conducted for which 50 respondents (investors) were asked to indicate their response with each statement and the statement were reduced from the total set of 25 to 20, checking one of the following directions — intensifying descriptions using 5 points scale. The various responses are assigned as scale values. In this study 5, 4, 3, 2 and 1 scale values were used to measure investors' attitude. A rating of 5 indicates that the statement is strongly agreed, a rating of 4 indicates that the statement is agreed, a rating of 3 indicates that the statement is neutral, a rating of 2 indicates that the statement is disagreed and a Rating of 1 indicates that the statement is strongly disagreed. The twenty statements and their scores are given in the table 17. The scores of the 600 sample investors were calculated. An individual's is the mere summation of the scores secured from the 43 statements. The scores of the respondents range from 43 to 215. The average score is 129. The respondents were grouped into two on the basis of average score - in the first group, those who scored above 129 and in the second group, and those who scored below 129. Based on the above procedure out of the 600 sample investors, 33.3 percent of the respondents are found to be below the average score, while 66.7 percent of the respondents are found to be above the average score.

Further, in Table 18, for the purpose of in depth analysis the respondents were grouped into four groups of attitude level, viz. Poor, Fair, Good and Excellent. Those who scored between 43 and 86 are poor, those who scored between 86 and 129 are fair, those who scored between 129 and 172 are good and those who have scored between 172 and 215 are excellent. From the above table 18 it is observed that among the male sample investors, 8 percent have poor attitude level, 22 percent have fair level, 51 percent have good level of attitude, and 19 percent have excellent attitude level. Among the female sample investors, 16 percent have poor level, 28 percent have fair level, 48 percent have good level of attitude, and 8 percent have excellent level of attitude.

From the table 19, it is observed that among the male sample investors, 8 percent have poor attitude level, 22 percent have fair level, 51 percent have good level of attitude, and 19 percent have excellent attitude level. Among the female sample investors, 16 percent have poor level, 28 percent have fair level, 48 percent have good level of attitude, and 8 percent have excellent level of attitude. The almost equal good attitude % is for males and females it shows that Women have a positive attitude and they are optimistic now in today's scenario where investment opportunities are numerous in nature.

From the table 20, it is observed that among the investors of the age between 25 and 30 years, 10 percent have poor level, 50 percent have good, and 15 have excellent level of attitude towards investment. Among the investors of the age group 30-35 years, 9 have poor level, 25 percent have fair level, 85 percent have good level, and 20 percent have excellent level of attitude. Among the sample investors in the age group 40-45 years, 12 percent have poor level, 45 percent have fair level, 22 percent have good level, and 22 percent have excellent level of attitude. Among the sample investors in the age group 45-50 years, 14 percent have poor level, 13 percent have fair level, 44 percent have good level, and 25 percent have excellent level of attitude towards investment. According to table 20, the highest percentage, that is, 85 percent each of the sample investors in the age group 30-35 and 35-40 years have good attitude while 10 percent of the sample investors in the age group 25-30 years have poor level of attitude. The sample investors in their middle or late middle ages have good attitude while the young sample investors' attitude is poor.

From the table 21, it is observed that among the married sample investors, 13 percent have poor attitude level, 25 percent have fair level, 50 percent have good level of attitude, and 13 percent have excellent attitude level. Among the unmarried sample investors, 13 percent have poor level, 25 percent have fair level, 50 percent have good level of attitude, and 13 percent have excellent level of attitude. The almost equal good attitude percentage is for married and unmarried sample investors it shows that unmarried have a positive attitude and they are optimistic now in today's scenario.

The table 22 reveals that among the sample investors in the salaried class, 4 percent have poor, 18 percent have fair, 52 percent have good, and 25 percent have excellent levels of attitude. Among the sample investors in the business, 11 percent have poor, 31 percent have fair, 49 percent have good level, and 9 percent have excellent levels of attitude. Among the sample investors who are of professional cadre 20 percent have poor, 13 percent have fair, 50 have good, and 18 percent have excellent levels of attitude. Among the sample investors who are retired 25 percent have poor, 20 percent have fair, 48 percent have good, and 8 percent have excellent levels of attitude. Among the "Others" category sample investors 18 percent have poor, 38 percent have fair, 45 percent have good, and no one is in excellent levels of attitude. The highest percent of attitude and preference level is of

salaried class people and the lowest % of attitude is among the sample investors who are students. This shows that they realize the importance of investments and their benefits.

It is evident from the table 23 that among the sample investors who have studies up to under graduate level, 6 percent have poor level, 34 percent have fair level, 44 percent have good level, and 16 percent have excellent level of attitude towards investment. Among the sample investors with a degree, 9 percent have poor level, 30 percent have fair level, 40 percent have good level, and 21 percent have excellent level of attitude towards investment. Among the sample investors who are post-graduates, 10 percent have poor level, 22 percent have fair level, 54 percent have good level, and 13 percent have excellent level of attitude towards investment. Among the sample investors who have in the category of others, 14 percent have poor level, 11 percent have fair level, 55 percent have good level, and 20 percent have excellent of attitude towards investment. The highest percent is for graduates and almost equal is to others and the lowest percentage are among the sample investors with under graduate level. 55 percent of them have good attitude over their investments while 4 percent have poor attitude. They realize the Importance of investments.

From the table 24, it is observed that among the urban sample investors, 7 percent have poor attitude level, 24 percent have fair level, 52 percent have good level of attitude, and 17 percent have excellent attitude level. Among the rural sample investors, 25 percent have poor level, 20 percent have fair level, 40 percent have good level of attitude, and 15 percent have excellent level of attitude. The good attitude percentage is for married and unmarried sample investors is high it shows that married and unmarried have a positive attitude and they are optimistic but urban sample investors are have high preference and attitude towards modes of investments available .

From the table 25, it is understood that among the sample investors whose annual income ranges up to 2 Lakh, 10 percent have poor level of preference and attitude, 12 percent have fair level of preference and attitude, 50 percent have good level of preference and attitude and 28 percent have excellent level of preference and attitude. In the case of the sample investors whose family's annually income range from Rs.2-4 Lakh, 3 percent have poor level of preference and attitude, 33 percent have fair level of preference and attitude, 54 percent have good level of preference and attitude and 10 percent have excellent level of preference and attitude. Among the sample investors whose income ranges from Rs.4-6 Lakh, 10 percent have poor level of preference and attitude, 20 percent have fair level of preference and attitude, 48 percent have good level of preference and attitude and 22 percent have excellent level of preference and attitude. Among the sample investors whose income ranges above Rs. 6 Lakh, 30 percent have poor level of preference and attitude, 10 percent have fair level of preference and attitude, 40 percent have good level of preference and attitude and 20 percent have excellent level of preference and attitude.

From the table 26 it is disclosed that among the sample investors with one member earning in the family, 10 percent have poor, 23 percent have fair, 50 percent have good, and 17 have excellent levels of attitude. Among the sample investors with two members earning in the family, 8 percent have poor, 23 percent have fair, 50 have good, and 20 have excellent levels of attitude. Among the sample investors with more than three members earning in the family, 15 percent have poor, 25 percent have fair, 50 percent have good, and 10 percent have excellent levels of attitude. The highest %, that is, 50 percent and the lowest %, that is, 8 percent are among the sample investors with 2 earning members in the families. 50 percent have good level of attitude and only 8 percent have poor level of attitude. It could be interpreted that their perspective of investment is good, as they have some extra money to invest.

From the table 27, it is made clear that among the sample investors with no dependents, 6 percent have poor, 12 percent have fair, 12 have good, and 70 percent have excellent levels of attitude. Among the sample investors with 1-2 dependents, 7 percent have poor, 18 percent have fair, 54 percent have good, and 21 percent have excellent levels of attitude. Among the sample investors with 3- 4 dependents, 6 percent have poor, 32 percent have fair, 56 percent have good, and 10 percent have excellent levels of attitude. Among the sample investors with 5 or more dependents, 22 percent have poor, and 19 percent have fair, 48 percent have good, and 11 percent have excellent levels of attitude. Both the highest % and the lowest % of attitude level are among the sample investors with no dependents. 70 percent of them have good level of attitude and 6 percent of them have fair level of attitude. As they do not have any dependents, these sample investors will have much to for other purposes and this reflects on their attitude towards investments.

From the table 29, it is ascertained that 5 percent have poor level of attitude, 20 percent have fair attitude of the spouse employed and 30 percent have fair attitude of the spouse unemployed, 56 percent of the spouse employed and 38 percent of the spouse unemployed sample investors have good level of attitude, and 19 percent of the spouse employed and 13 percent of the spouse unemployed sample investors have excellent level of attitude. The highest %, that is, 56 percent of the sample investors whose spouses are employed have good level of attitude and the lowest %, and that is, 5 percent of them have poor level of attitude towards investments. This may be because the earnings of two members enable them to have a positive view towards investments.

From the table 30, it is understood that among the sample investors whose annual expenses range up to 60000, 20 percent have poor, 18 percent have fair, 45 have good, and 18 percent have excellent levels of attitude. In the case of the sample investors whose family's annually expenses range from Rs.60000 to 80000, 4 percent have poor, 24 percent have fair, 56 have good, and 16 percent have excellent levels of attitude. Among the sample investors whose expenses range from Rs.80000 to 100000, 5 percent have poor, 30 percent have fair, 45 have good, and 20 percent have excellent levels of attitude. Among the sample investors whose expenses range above Rs.100000, 10 percent have poor, 30 percent have fair, 50 have good, and 21 percent have excellent levels of attitude. When the expenses are moderate the money left for investment also will be moderate and so they tend to invest only in the well-known modes of investment. Among the sample investors there is no one whose expenses range above Rs.100,000 having low level of preference and attitude and this may be because they search for all the avenues of investment that could give them good yield since their expenses are high.

From the table 31, it is made clear that among the sample investors with annually investments ranging from Rs.0 to 40000, 45 percent have poor, 18 percent have fair, 53 have good, and 10 percent have excellent levels of attitude. In the case of the sample investors with investments ranging from Rs.40000 to 60000, 5 percent have poor, 30 percent have fair, 53 have good, and 13 percent have excellent levels of attitude. Among the sample investors with annually investments ranging from Rs.60000 to 80000, 4 percent have poor, 25 percent have fair, 50 have good, and 21 percent have excellent levels of attitude. Among those sample investors who have annually investments ranging above Rs.80000, no one has poor, 14 percent have fair, 14 have good, and 71 percent have excellent levels of attitude. The highest percent and the lowest percent, that is, 71 percent and 0 percent are among the sample investors with investments ranging above Rs. 80000. This is because they realize that if the investments have to be effective, they have to explore all the avenues of investments.

It has inferred from the table 32 that Most of the hypotheses has rejected. So, it can be inferred that hypothesis (H0) is rejected and therefore, there is significance difference between demographic factors and level of preference and attitude on modes of investment

V. FINDINGS AND RESULTS

5.1 On examination of the profile of the individual investors, it is found that:

- Male investors dominate the investment scene as they constitute 79.167 percent of the sample investors and the rest were female investors.
- A majority, i.e. 26.7 percent each of the sample investors belong to the age group of 30-35 and 35-40 years and only 13.3 percent belong to the age group of 45-50 years.
- 66.7 percent of the individual investors are married and the rest were unmarried investors.
- 75 percent of the sample investors are in their own residence and rest were in rental houses.
- 8.33 percent of the sample investors have under graduate level of education, 25 percent of the sample investors were degree holders, 50 percent of the sample investors are Post-Graduate degree holders, 16.7 percent of the sample investors had other levels of education.
- In Occupation, 50 percent of the sample investors were of salaried class, 16.7 percent are in business, 6.67 percent each were belong to housewives, students, professionals, retired and in others category.
- 33.333 percent were engaged in administrative type of Job/work and 16.7 percent are in academic sand 50 percent are in Technical Job/work.
- 83.3 percent sample investors were belongs to urban area and rest is to rural area.
- 66.7 percent investors had moderate investment experience, 16.7 percent are beginners and 8.33 percent each have knowledgeable and experienced in investment matters.
- 66.67 percent of the sample investors were heads of the families, and the rest are members of the families.
- 50 percent of the sample investors had one earning member in the families, 33.33 percent have 2 earning members in the families, and 16.67 percent have 3 and above earning members in the families.
- 41.67 percent of the sample investors had 3-4 dependents in the family, 27.5 percent have 1-2 dependents and 22.5 percent have above 5 dependents and only 8.33 percent with no dependent in the family.
- 66.67 percent of the sample investors had their spouse not employed and 33.33 percent with their spouse employed.
- 8.33 percent of the sample investors had no dependents in their families, 27.5 percent have 1-2 dependents and 41.67 percent had 3-4 dependents and 22.5 percent with 5 or more dependents in the families.
- 50 percent of the sample investors had a annually income ranging between 2-4 Lakhs, 16.7 percent each have a annually income ranging up to 2 Lakhs, from Rs. 4-6 Lakhs, above 6 Lakhs.
- 33.33 percent of the sample investors had families' annual expenses ranging up to Rs.60000, 41.67 percent of the sample investors have families' annually expenses ranging between Rs. 60000-80000, 25 percent of the sample Investors had families' annually expenses ranging between Rs. 80000-100000 and 8.33 percent of the sample investors have families' annually expenses ranging above Rs. 100,000.

- 40.83 percent of the sample investors have a annually investments ranging up to Rs. 40000, 16.67 percent of the sample investors have annually investments ranging between Rs.40000-60000, 20 percent of the sample investors had annually investments ranging between Rs. 60000-80000, and only 5.83 percent have annually investments ranging above Rs.80000.

5.2 Predilection and inclination of the Individual investors by tax determination

Among the identified investment avenues, 75.2 percent knew about Provident Fund and PPF, 91.8 percent know Insurance Products. 75.2 percent were aware of bank deposits as a saving medium. 75.2 percent know about Postal Savings and Deposits as saving media, 66.9 percent know about Gold and Jewellery as a saving medium. 75.2 percent know about real estate, 24.6 percent knows about Mutual funds, 50.2 percent knows about shares, debentures, and bonds as saving media. Four levels of awareness of the individual investors had been identified through awareness scale. They are: Poor (43-86), fair (86-129), Good (129-172) and Excellent (172-215). With regard to overall awareness level out of the 600 sample investors, 10 percent scored between 43 and 86, and 23.3 percent scored between 86 and 129, 50 percent scored between 129 and 172, and 16.7 percent scored between 172 and 215.

There was no significant difference between the investors with different Sex, Age, Marital Status, Number of earning members in their awareness on their investments and there was significant difference between the investors with different Educational Qualifications, Occupation Level, Natures of Work, Places of Residence, Types of Residence, and Numbers of dependents Status in the family, Spouse employments, levels of Annual income, levels of Annual family expenses, and levels of Annual investments in their awareness of their investments.

VI. CONCLUSION

It has concluded from the discussion, findings and results that:

1. The most of the investors in India (Punjab and Chandigarh) are aware about various modes of investment as according to their demographic characteristics.
2. It makes difference at different levels Preference an attitude level of Investors but they are aware about tax determination
3. The results are important for managers to advise their clients about better area of investment by increasing critically examine the stages of Predilection and inclination of investors according to their demographic profile by tax determination.

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VII. APPENDICIES

Table 1: Distribution of Sample Investors Based on Sex

S.No.	Sex of investors	No. of investors	%
1	Male	475	79.167
2	Female	125	20.833

Table 2: Distribution of Sample Investors Based on Age

S.No	Age	No. of investors	%
1	25-30	100	16.7
2	30-35	160	26.7
3	35-40	160	26.7
4	40-45	100	16.7
5	45-50	80	13.3

Table 3: Distribution of Sample Investors Based on Educational Qualification

S.No	Qualification	No. of investors	%
1	Under Graduate	50	8.33
2	Graduate	150	25
3	Post Graduate	300	50
4	Others	100	16.7

Table 4: Distribution of Sample Investors Based on Occupation

S.No	Occupation	No. of investors	%
1	Salaried	300	50
2	Business	100	16.7
3	Housewife	40	6.67
4	Student	40	6.67
5	Professional	40	6.67
6	Retired	40	6.67
7	Others	40	6.67

Table 5: Distribution of Sample Investors Based on Annual Income

S.No	Annual Income (Rs.)	No. of investors	%
1	Below Rs. 2,00,000	100	16.7
2	Rs. 2,00,000 - Rs. 4,00,000	300	50
3	Rs. 4,00,000 - Rs. 6,00,000	100	16.7
4	Above Rs. 6,00,000	100	16.7

Table 6: Distribution of Sample Investors Based on Marital Status

S.No	Marital status	No. of Investors	%
1	Married	400	66.7
2	Unmarried	200	33.3

Table 7: Distribution of Sample Investors Based on Nature of Job/Work:

S.No	Job and Business nature	No. Of investors	%
1	Administrative	200	33.3
2	Academic	100	16.7
3	Technical	300	50

Table 8: Distribution of Sample Investors Based on Place of Residence:

S.No	Area	No. Of investors	%
1	Urban	500	83.3
2	Rural	100	16.7

Table 9: Distribution of Sample Investors Based on Investment Experience:

S.No	Investment Experience	No. of investors	%
1	Beginner	100	16.7
2	Moderate	400	66.7
3	Knowledgeable	50	8.33
4	Experienced	50	8.33

Table 10: Distribution of Sample Investors Based on Nature of Residence

S.No	Nature of Residence	No. of investors	%
1	Own	450	75
2	Rental	150	25

Table 11: Distribution of Sample Investors Based on the Status in the Family

S.No	Status in the family	No. Of investors	%
1	Head	400	66.67
2	Member	200	33.33

Table 12: Distribution of Sample Investors Based on Number of Earning Members

S.No	No. Of Earning Members	No. Of investors	%
1	One	300	50
2	Two	200	33.33
3	Three & above	100	16.67

Table 13: Distribution of Sample Investors Based on the Number of Dependents in the Family

S.No	No. of Dependents in the family	No. of investors	%
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1	None	50	8.33
2	1-2	165	27.5
3	3-4	250	41.67
4	5 and Above	135	22.5

Table 14: Distribution of Sample Investors Based on Spouse Employment

S.No	Spouse Employment	No. of investors	%
1	Yes	200	33.33
2	No	400	66.67

Table 15: Distribution of Sample Investors Based on Annual Expenses

S.No	Annual Expenses	No. of investors	%
1	Below 60000	200	33.33
2	60000-80000	250	41.67
3	80000-100000	150	25
4	100000 & Above	50	8.33

Table 16: Distribution of Sample Investors Based on Annual Investments

S.No	Annual Investments	No. of investors	%
1	Below 40000	245	40.83
2	40000-60000	200	16.67
3	60000-80000	120	20
4	80000 & Above	35	5.83

Table 17: Tax Determination

S.No	Particulars	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
1	Saving objective is returns	0	0	0	100	500
2	Saving objective is Tax benefit	0	0	0	200	400
3	Saving objective is Medical illness	0	0	50	250	300
4	Saving objective is House Purchase	50	50	50	250	200
5	Saving objective is Children Education	0	0	0	200	400
6	Saving objective is Children Marriage	50	50	150	250	300
7	Saving objective is Retirement	10	10	10	250	300
8	Investment is because of returns	0	0	0	100	500
9	Investment is because of minimum investment amount	0	0	0	190	410
10	Investment is because of lock in	0	0	50	250	300

	period					
11	Investment is because of risk	50	50	50	260	190
12	Investment is because of type of investment option	0	0	0	195	405
13	Investment is because of other factors	50	50	150	250	100
14	Investment option where risk less is Mutual Funds	50	100	300	50	100
15	Investment option where risk less is Life Insurance /ULIP Plans	0	0	20	200	380
16	Investment option where risk less is Fixed Deposit	0	0	100	200	300
17	Investment option where risk less is Post Office Deposit	20	20	60	200	300
18	Investment option where risk less is Real Estate	50	50	50	180	270
19	Investment option where risk less is Share / Commodity Market	100	90	260	50	100
20	Investment option where risk less is Other Investment Options\Gold	100	90	310	50	50
21	Investment option where returns is Mutual Funds	50	100	300	40	110
22	Investment option where returns is Life Insurance /ULIP Plans	0	0	20	190	390
23	Investment option where returns is Fixed Deposit	0	0	100	200	300
24	Investment option where returns is Post Office Deposit	20	20	60	200	300
25	Investment option where returns is Real Estate	50	50	50	205	245
26	Investment option where returns is Share / Commodity Market	100	100	250	50	100
27	Investment option where returns is Other Investment Options\Gold	100	100	300	50	50
28	Primary sector companies for investment	100	200	100	100	100
29	Government sector companies	0	0	20	230	350
30	Public sector companies for investment	0	0	20	350	230

31	Foreign sector companies	20	20	260	200	100
32	Investment decisions taken by self	50	50	50	185	265
33	Investment decisions taken by spouse	50	50	50	201	249
34	Investment decisions taken by family	200	100	100	100	100
35	Investment decisions taken by father	100	100	50	100	250
36	Investment decisions taken by others	100	100	300	150	50
37	Investor will prefer an investment strategy designed to grow steadily and avoid sharp ups and downs.	50	50	50	198	252
38	To meet your financial goals, your investments must grow at a higher rate of return	50	50	50	197	253
39	You are unwilling to wait several years to recover from losses you incur in an extended down market	100	100	100	210	90
40	You prefer investments that are low risk, even if returns are lower than the rate of inflation.	200	200	150	45	55
41	You always choose investments with the highest possible Return.	50	50	50	204	246
42	You do not foresee any major expenses that might cause you to make withdrawals from your investment before that time.	50	50	100	200	200
43	When you start making withdrawals from this investment, will they be used to fund your living expenses.	50	50	50	188	162

Table 18: Level of preference and attitude

S.No	Level of preference and attitude	No. of investors	%
1	Poor (43-86)	60	10.0
2	Fair (86-129)	140	23.3
3	Good (129-172)	300	50.0
4	Excellent (172-215)	100	16.7
Total		600	100

Table 19: Sex and Level of Investor's preference and attitude

S.No	Sex	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Male	40	8	105	22	240	51	90	19	475	100
2	Female	20	16	35	28	60	48	10	8	125	100
Total		60		140		300		100		600	

Table 20: Age and level of Preference and Attitude

S.No	Age	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	25-30	10	10	20	20	50	50	15	15	100	100
2	30-35	15	9	40	25	85	53	20	13	160	100
3	35-40	12	8	40	25	85	53	23	14	160	100
4	40-45	12	12	30	30	45	45	22	22	100	100
5	45-50	11	14	10	13	35	44	20	25	80	100
Total		60	10	140	23	300	50	100	17	600	

Table 21: Marital status and level of Preference and Attitude

S.No	Marital Status	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Married	35	9	90	23	200	50	75	19	400	100
2	Unmarried	25	13	50	25	100	50	25	13	200	100
Total		60		140		300		100		600	

Table 22: Occupation and level of preference and attitude

S.No	Occupation	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Salaried	13	4	55	18	157	52	75	25	300	100
2	Business	11	11	31	31	49	49	9	9	100	100
3	Housewife	7	18	13	33	18	45	2	5	40	100
4	Student	4	10	13	33	19	48	4	10	40	100
5	Professional	8	20	5	13	20	50	7	18	40	100
6	Retired	10	25	8	20	19	48	3	8	40	100

7	Others	7	18	15	38	18	45	0	0	40	100
Total		60		140		300		100		600	

Table 23: Qualification and level of preference and attitude

S.No	Qualification	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Under Graduate	3	6	17	34	22	44	8	16	50	100
2	Graduate	13	9	45	30	60	40	32	21	150	100
3	Post Graduate	30	10	67	22	163	54	40	13	300	100
4	Others	14	14	11	11	55	55	20	20	100	100
Total		60		140		300		100		600	

Table 24: Area and level of preference and attitude

S.No	Area	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Urban	35	7	120	24	260	52	85	17	500	100
2	Rural	25	25	20	20	40	40	15	15	100	100

Table 25: Annual Income and level of preference and attitude

S.No	Annual Income	Level of Investor's Preferences and Attitude								No. Of investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Below Rs. 2,00,000	10	10	12	12	50	50	28	28	100	100
2	Rs. 2,00,000 - Rs. 4,00,000	10	3	98	33	162	54	30	10	300	100

3	Rs. 4,00,000 - Rs. 6,00,000	10	10	20	20	48	48	22	22	100	100
4	Above Rs. 6,00,000	30	30	10	10	40	40	20	20	100	100
Total		60	10	140	23	300	50	100	17	600	

Table 26: Nature of residence and Level of Preference and attitude

S.No	Nature of residence	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Own	20	4	80	18	255	57	95	21	450	100
2	Rented	40	27	60	40	45	30	5	3	150	100
Total		60		140		300		100		600	

Table 27: Earning members and Level of awareness

S.No	Earning Members	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	One	30	10	70	23	150	50	50	17	300	100
2	Two	15	8	45	23	100	50	40	20	200	100
3	Three and above	15	15	25	25	50	50	10	10	100	100
Total		60		140		300		100		600	

Table 28: No. of Dependents and Level of Preference and attitude

S.No	No. of Dependents	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	0	3	6	6	12	6	12	35	70	50	100
2	1-2	12	7	29	18	89	54	35	21	165	100
3	3-4	15	6	80	32	140	56	25	10	250	100

4	5 and above	30	22	25	19	65	48	15	11	135	100
Total		60		140		300		100		600	

Table 29: Status in the Family and level of preference and attitude

S.No	Status in the family	Level of Investor's Preferences and Attitude								No. Of investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Head	5	1	20	5	290	73	85	21	400	100
2	Member	55	28	120	60	10	5	15	8	200	100
Total		60		140		300		100		600	

Table 30: Working Spouse status and level of preference and attitude

S.No	Working Spouse Status	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Yes	20	5	80	20	225	56	75	19	400	100
2	No	40	20	60	30	75	38	25	13	200	100
Total		60		140		300		100		600	

Table 31: Annual expenses and Level of Preference and attitude

S.No	Annual expenses	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Below 60000	40	20	35	18	90	45	35	18	200	100
2	60000-80000	10	4	60	24	140	56	40	16	250	100
3	80000-100000	5	5	30	30	45	45	20	20	100	100
4	100000 & above	5	10	15	30	25	50	5	10	50	100
Total		60	10	140	23	300	50	100	17	600	

Table 32: Annual Investments and Level of Preference and attitude

S.No	Annual Investments	Level of Investor's Preferences and Attitude								No. of Investors	%
		Poor (43-86)	%	Fair (86-129)	%	Good (129-172)	%	Excellent (172-215)	%		
1	Below 40000	45	18	45	18	130	53	25	10	245	100
2	40000-60000	10	5	60	30	105	53	25	13	200	100
3	60000-80000	5	4	30	25	60	50	25	21	120	100
4	80000 and above	0	0	5	14	5	14	25	71	35	100
Total		60	10	140	23	300	50	100	17	600	

Table 33: Results

S.No.	Hypothesis	Test	Calculated Value	Degree of freedom	Table value at 5% L.O.S	Ho=Accepted /Rejected.
1	H0_a	Chi-Square Test	5.458	2	5.99	Accepted
2	H0_b	Chi-Square Test	17.42	12	21.026	Accepted
3	H0_c	Chi-Square Test	5.357	3	7.81	Accepted
4	H0_d	Chi-Square Test	24.24	9	16.9	Rejected
5	H0_e	Chi-Square Test	71.40	18	28.269	Rejected
6	H0_f	Chi-Square Test	99.25	9	16.9	Rejected
9	H0_g	Chi-Square Test	30.17	3	7.81	Rejected
10	H0_h	Chi-Square Test	116.7	3	7.81	Rejected
11	H0_i	Chi-Square Test	401.4	3	7.81	Rejected
12	H0_j	Chi-Square Test	7.929	6	12.59	Accepted
13	H0_k	Chi-Square Test	145.7	9	16.9	Rejected

14	H0₁	Chi-Square Test	48.21	3	7.81	Rejected
15	H0_m	Chi-Square Test	42.77	9	16.9	Rejected
16	H0_n	Chi-Square Test	119.6	9	16.9	Rejected