

A Study of the factor Determining Saving Instrument and Investment Opportunities

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Abstract - The potential of the new field of behavioral finance is enormous. Policymakers, institutions, market infrastructure institutions, and businesses all have a hard time making sense of individual investors' behavior in the stock market because there isn't enough literature in the Indian context. Responses to various stimuli or characteristics are the root of the observed behavior. In this study determining saving instrument and investment opportunities factors.

Keywords - Investment, factor, opportunities, saving

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INTRODUCTION

Putting money into something with the expectation of seeing a return in the form of increased value, increased profits, or more premium income is what we mean when we talk about investing. Sponsoring organisations direct their resources either toward direct or indirect investments. Investing is both an art and a science, and as such it has its own set of laws and criteria. To be able to assist one in deciding what investment opportunity is best among the many available options, one needs knowledge that has been carefully considered and insight that is grounded in reality. It is necessary to have knowledge and data on the investment cycle, risk spread, and return rates, among other things, in order to have a good investment portfolio.[1]

This cycle of mindfulness is a persistent one, and its practitioners would benefit from the market so long as they adhere to it; yet, it would be prohibitively costly to acquire such awareness the hard way, via a series of unfortunate experiences. The Reserve Bank of India, which is India's central bank, along with other regulators such as the Security and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDA), and the National Stock Exchange (NSE) have been coordinating investment awareness projects to spread information and awareness regarding investments.[2]

The investors' investing savvy is moulded, raged, normed, and brought into performed mode by a variety of outside social mediums, including print and electronic media, investment gurus, and partners.[3]

The inclination of investment roadways was continually persuaded by a variety of components that outlined what financial backers desire and do not want. Monetary Institutions try to improve their monetary products by catering more closely to the preferences of their financial supporters and eliminating characteristics that customers find less appealing.[4] In light of the fact that these characteristics play a big role in the dynamic interaction, the elements that financial backers take into consideration while making an investment choice are those characteristics. The perspectives that are used by the financial backers when selecting the investment instrument are standard and uncomplicated. This is despite the fact that every investment road has its own unique nature, characteristics, and behaviour. It is important to keep in mind that the importance that financial supporters attach to various points of view may differ depending on factors such as their age, marital status, and sexual orientation in order to achieve the goals they have set for their investments.[5]

REVIEW OF LITERATURE

Jinesh Jain, a Jain (2019) It has been shown via research conducted in the field of behavioural

finance that investors engage in irrational behaviour when making choices about their investments. The conduct of investors often deviates from logic and reason, and as a consequence, investors display a variety of behavioural biases, all of which have an effect on the investments they make. This study's objective is to rank the behavioural biases that have an impact on the investment decisions made by individual stock investors in the Indian state of Punjab. This study would assist investors and other players in the capital market improve their investment decision-making by providing them with important insights into the many behavioural biases that affect investment decision-making. Design/methodology/approach: The individuals in Punjab, India who invest their own money in the stock market are the focus of this study.

Admir Beganović (2018) When it comes time to make a choice on an investment, the investor has access to a wide variety of different investment opportunities. The challenge facing the investor is to choose one investment that will be able to achieve the goals of the investment project in the most effective manner. It is standard practise to draught a document that plans and specifically describes the form of the investment project before making an investment. This is done so that the investment may be carried out. Evaluating the project is required before selecting an investment that will help accomplish the objectives of the project in the most effective manner.

Kumar (2006) used the AHP methodology to conduct an evaluation and selection of industrial investment projects. The AHP and TOPSIS methodologies were used by Mahmood Zadeh et al. (2007) while selecting projects. In the process of picking projects for oil development, Amiri (2010) used both AHP and fuzzy TOPSIS. The AHP approach was used for the problem-structure analysis of project selection as well as the determination of the level of difficulty associated with the criteria. On the other hand, the TOPSIS method was utilised for the ranking of the projects in their final form.

Manteghi and Haddadpour Jahromi (2012) used the AHP approach in order to decide which project, an ongoing one or a new one, to prioritise. Aragonés-Beltrán et al. (2014) used AHP and ANP in the process of developing a model that assists investors in selecting projects that are appropriate for investment. For the purpose of selecting an information system project, Triantaphyllou and Mann (2015) used the analytic hierarchy method, also known as AHP. Mohanty and others

According to Dhochak's (2016) research, employing AHP makes it feasible to break down a problem into numerous criteria and sub-criteria. Dhochak utilised AHP to construct a hierarchy model of assessment factors impacting the investment choices of venture capitalists. Through the use of the AHP Safety Scale, we have given the many factors that we considered a weighting in relation to one another. The relative importance of the components determines where they stand in comparison to the several other possible interpretations.

Cheung and Liao (2019) carried out study on the application of an AHP-based decision framework to the process of investing in real-world equities markets. Produce research findings that, in the course of practising responsible investing, should be regarded rationally in terms of how the conditions of a market are, as well as how much money should be put in the market.

Tarek Miloud (2012) Understanding how to place a value on a new business endeavour is essential for venture capital funding. This article develops an integrated theoretical framework to investigate whether or not the valuation of a new venture by venture capitalists can be explained by factors identified in strategy theories as being important to firm performance. The purpose of this investigation is to determine whether or not this can be done.

Jothilingam and Kannan (2013) investigated the choices made by 300 investors in the Namakkal area of Tamil Nadu about their financial backing for businesses. They discovered that gold and other common assets were the investment roads that were most supported by the majority of the financial backers, whilst shares and 39 benefits reserves were the investment roads that were least favored by the majority of the financial backers.

OBJECTIVE

To investigation the factor determining saving instrument and investment opportunities

RESULT

Table 1: Professional profile of the investors

Particulars	Classification	Number of Respondents	Percentage
Designation	Beginners and Intermediate	264	42.50
	Middle level	277	44.60
	Senior level	45	7.20
	Executive level	35	5.60
Total experience in IT Industry	1 - 10 years	218	35.10
	11 - 20 years	317	51.00
	21 - 35 years	86	13.80
Total experience in Financial Industry	Nil	186	30.00
	1 - 10 years	275	44.30
	11 - 20 years	136	21.90
	21 - 35 years	24	3.90

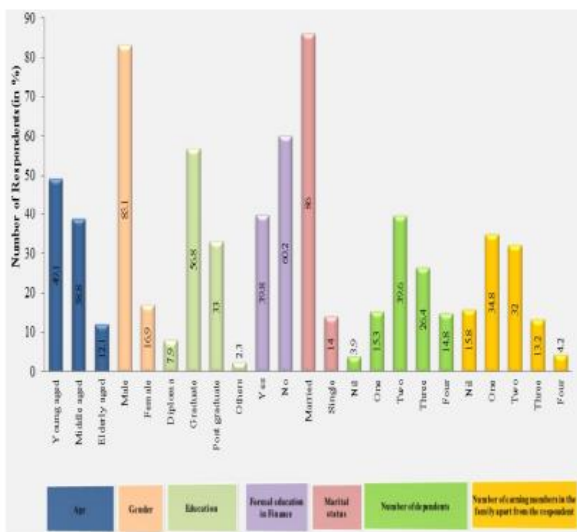


Figure 1: Personal profile of the respondents

Rankings of investment avenues considering desiring aspects

Mean ranks were employed to determine the ranking and pattern that IT experts in Chennai would grade in order to evaluate the investment opportunities after taking into consideration the desirability of the investment opportunities. Investment avenues such as Land & Building, Bullion (Gold & Silver), Shares, NSC/PPF, Bank/PO Deposits, Bonds, Mutual Funds, Chits, and Life Insurance were ranked considering the

desiring aspects of appreciation, no depreciation, liquidity, safety, regular income, less transaction cost, risk protection, compounding returns, less procedure, less maintenance expenses, chance for continuous savings, long term investment, utility value, and prestige value. This ranking was done by the respondents. The rankings of investment opportunities taking desiring factors into account are displayed in table 4.5.

Table 2: Rankings of investment avenues considering desiring aspects

Desiring Aspect	L & B	Bullion	Shares	NSC/PPF	Bank/PO Deposits	Bonds	Mutual Funds	Chits	Life Insurance
Appreciation	1.34	4.43	2.39	4.53	7.07	5.42	3.62	7.77	8.38
No Depreciation	3.80	5.42	7.86	2.23	2.22	4.27	7.47	7.25	4.47
Liquidity	4.35	1.84	3.45	8.54	4.01	5.22	3.72	5.72	8.10
Safety	6.51	6.89	6.91	2.54	2.55	2.50	7.33	7.15	2.57
Regular Income	2.06	8.38	4.96	7.49	3.46	3.30	4.01	5.01	6.29
Less Transaction Cost/Commission	8.38	5.45	6.46	3.53	2.00	3.62	6.06	4.97	4.49
Risk Protection	6.69	5.06	8.49	1.68	2.65	3.39	6.06	7.87	3.07
Compounding Returns	1.71	7.54	2.39	4.23	4.92	4.36	3.71	8.62	7.46

Less Procedure	8.83	2.40	7.85	3.00	3.01	6.31	3.85	4.38	5.32
Less Maintenance Expenses	8.63	2.46	7.96	2.51	3.45	3.67	6.39	5.47	4.43
Chance for Continuous Savings	1.81	4.93	3.11	3.77	4.45	8.65	4.12	6.55	7.57
Long Term Investment	2.18	8.72	2.24	3.46	4.16	5.14	4.08	8.06	6.92
Utility value	1.95	2.11	6.85	3.83	3.84	4.18	6.76	8.21	7.22
Prestige Value	1.49	2.17	3.57	7.22	7.11	3.83	4.36	7.25	7.69

It is clear from looking at table 4.5 that when the factor of "Appreciation" is taken into consideration, Land & Building and Shares have been ranked as the most preferred investment avenues, with ranks 1 and 2, respectively, while Chits and Life Insurance have been ranked as the least preferred investment avenues, with ranks 8 and 9. Taking into account the desirable quality of "No Depreciation," Bank/PO Deposits and NSC/PPF have been ranked as the most preferred investment avenues, earning ranks 1 and 2, respectively, while Mutual Funds and Shares have earned ranks 8 and 9, respectively, as the least preferred Investment Avenues.

Taking into account the desirable quality of "Liquidity," Bullion and Shares have been listed as the most desired investment avenue, with ranks 1 and 2, while Life Insurance and NSC/PPF have received ranks 8 and 9, respectively, as the least preferred Investment Avenue. Bonds and NSC/PPF have been rated as the most preferred investment route with ranks 1 and 2, respectively, whereas chits and mutual funds have been listed as the least desired investment avenue with ranks 8 and 9. This ranking was determined by taking into consideration the factor of "Safety." Land and Building, along with Bonds, have been ranked as the most preferred investment avenues, with ranks 1 and 2, respectively, while NSC/PPF and Bullion have been ranked as the least preferred investment

avenues, with ranks 8 and 9. This is in consideration of the desirable aspect of "Regular Income." Bank/PO Deposits and NSC/PPF have been ranked as the most preferred investment avenue with ranks 1 and 2, respectively, while Shares and Land & Building have been ranked as the least preferred Investment Avenue with ranks 8 & 9.

This was determined by taking into consideration the desirable aspect of "Less Transaction Cost/Commission." NSC/PPF and Bank/PO Deposits have been ranked as the most preferred investment avenue with ranks 1 and 2, respectively, while Chits and Shares have been ranked as the least preferred investment avenue with ranks 8 and 9. This ranking was done in consideration of the desirable quality of "Risk Protection."

It has also been noticed that when the factor of "Compounding Returns" is taken into consideration, Land & Building and Shares have been ranked as the most preferred investment avenues, with ranks 1 and 2, respectively, while Bullion and Chits have been ranked as the least preferred investment avenues, with ranks 8 and 9. Bullion and NSC/PPF have been ranked as the most preferred investment avenue with ranks 1 and 2, respectively, while shares and land and building have been ranked as the least preferred investment avenue with ranks 8 and 9. This ranking was determined by taking into consideration the desiring aspect "Less Procedure." Bullion and NSC/PPF have been ranked as the most preferred investment avenue with ranks 1 and 2, respectively, taking into consideration the desirable aspect of "Less Maintenance Expenses."

On the other hand, shares and land and building have been ranked as the least preferred investment avenues with ranks 8 and 9, respectively. Land and buildings, along with shares, have been ranked as the most preferred investment avenues, with ranks 1 and 2, respectively, while life insurance and bonds have been ranked as the least preferred investment avenues, with ranks 8 and 9. This ranking was determined by taking into consideration the desirable quality of "Chance for Continuous Savings." When taking into consideration the desirable quality of "Long Term Investment," it has been determined that Land & Building and Shares are the most preferred investment avenues, earning the ranks 1 and 2, respectively. On the other hand, Chits and Bullion have earned the ranks 8 and 9, respectively, as the least preferred Investment Avenues. Land and Building, together with Bullion, has been recognised as the most favoured investment channel with ranks

1 and 2, respectively, while taking into consideration the desired element of "Utility Value," whereas

The least favoured forms of investment on Investment Avenue are life insurance and chits, which respectively rank eighth and ninth. Land and Building, along with Bullion, has been ranked as the most preferred investment avenue with ranks 1 and 2, whereas Chits and Life Insurance have been ranked as the least preferred Investment Avenue with ranks 8 and 9. This ranking was determined by taking into consideration the desirable quality of "Prestige Value."

Rankings of investment avenues considering non-desiring aspects

Mean ranks were determined to discover the ranking, preference, and pattern that IT professionals in Chennai would grade in order to rate the investment opportunities after taking into consideration the features of the investment opportunities that were not desirable. Investment avenues such as Land & Building, Bullion (Gold & Silver), Shares, NSC/PPF, Bank/PO Deposits, Bonds, Mutual Funds, Chits, and Life Insurance were ranked by the respondents belonging to the IT Industry in Chennai, taking into consideration non-desirable aspects such as duration of investment, low awareness level, low return, poor service, operational difficulty, not catering to my needs, non-availability, and unreliability. The rankings of potential investment routes taking into account undesirable characteristics are presented in table 4.6.

Table 3: Rankings of investment avenues considering non-desiring aspects

Non-Desiring Aspects	L & B	Bullion	Shares	NSC/PPF	Bank/PO Deposits	Bonds	Mutual Funds	Chits	Life Insurance
Duration of Investment	7.94	2.05	4.87	7.03	4.72	2.86	4.07	4.58	6.83
Low Awareness Level	3.04	2.43	6.25	7.68	7.40	4.54	4.03	4.46	5.13
Low Return	1.28	5.47	2.62	6.43	7.29	3.78	3.83	7.28	6.99

Poor Service	5.34	3.46	1.99	6.92	8.38	2.75	2.40	6.35	7.38
Operational Difficulty	5.89	3.17	1.36	7.73	8.16	2.89	2.79	6.51	6.46
Not catering to my needs	3.05	4.05	6.51	7.17	7.17	2.98	5.73	3.40	4.89
Non-Availability	7.86	3.07	4.39	3.06	3.22	7.79	3.89	7.67	4.01
Unreliable	7.56	7.22	7.32	2.24	2.27	3.14	3.87	7.00	4.34

It can be seen from table that when the undesirable aspect of "Duration of Investment" is taken into account, bullion and bonds have been ranked as the most preferred investment avenue, with ranks 1 and 2, while NSC/PPF and land and building have been ranked as the least preferred investment venue, with ranks 8 and 9. Taking into account the undesirable feature of "Low Awareness Level," Bullion and Land & Building have been ranked as the most preferred investment avenue with ranks 1 and 2, respectively, while Bank/PO Deposit and NSC/PPF have been ranked as the least preferred Investment Avenue with ranks 8 and 9, respectively. Land and Building and Shares have been listed as the most desired investment avenues with ranks 1 and 2, respectively, whilst Chits and Bank/PO Deposit have been ranked as the least preferred investment avenues with ranks 8 and 9. This is because of the undesirable attribute of "Low Return." Shares and mutual funds have been ranked as the most preferred investment avenue with ranks 1 and 2, respectively, whereas life insurance and bank or post office deposits have been ranked as the least preferred investment avenue with ranks 8 and 9. This is because of the undesirable aspect of "poor service."

It has also been noticed that when the undesirable quality of "Operational Difficulty" is taken into account, shares and mutual funds have been ranked as the most preferred investment avenues, with ranks 1 and 2, respectively, while NSC/PPF and bank/PO deposits have been ranked as the least preferred investment avenues, with ranks 8 and 9. Bonds and Land & Building have been ranked as the most preferred investment avenue with rank 1 & 2,

whereas NSC/PPF and Bank/PO Deposit have been ranked as the least preferred Investment Avenue with rank 8 & 9. This ranking was done taking into consideration the non-desirable aspect of "Not catering to my needs." NSC/PPF and Bullion have been listed as the most preferred investment avenue with rank 1 and 2, respectively, whilst Bonds and Land & Building have been ranked as the least desired Investment Avenue with rank 8 and 9, respectively. This is because to the undesirable element of "Non-Availability." Taking into account the undesirable quality of "Unreliability," NSC/PPF and Bank/PO Deposit have been ranked as the most preferred investment avenues, earning ranks 1 and 2, respectively, while Shares, Land, and Building have earned ranks 8 and 9, respectively, as the least preferred Investment Avenues.

CONCLUSION

According to the findings of this research, the most attractive investment opportunities are those that involve land and buildings, shares, bullion, and NSC/PPF accounts; insurance and chits are the least attractive investment opportunities considering desired aspects. Also, it has been observed that bullion, National Savings Certificates or Personal Retirement Accounts, Shares, and Mutual Funds are the most preferred investments, whereas Bank or Post Office Deposits are the least preferred considering non-desirable factors. This is because Bank or Post Office Deposits do not have a better preference due to the characteristics that these products exhibit. In order to remain in the financial market and enjoy the glory of preference, the financial institutions that own these goods need to develop and strengthen the desirable characteristics that are present in them while simultaneously minimising the non-desired factors that are present. The findings of this study represent the preferences of the people working in Software/IT/ITES, and they are distinct from the findings of other studies done on Government employees or other populations that have been investigated by a variety of authors in the past. This should not come as a surprise given that the research population that was considered for the current study has a greater propensity toward risky instruments such as Shares and the ability to raise money for heavier investment avenues such as Land and Building, whereas other populations may be more inclined to favour traditional investment avenues. This finding is not surprising.

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