AN ANALYSIS OF INVESTMENT AVENUES AND INVESTMENT PATTERNS OF INVESTORS: A STUDY OF SELECTED DISTRICTS IN HIMACHAL PRADESH

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ABSTRACT

Behavioral finance study of the influence of psychology on the behavior of investors and financial analysis. It focuses on the fact that investor is not always rational, they have limits to their self-control and are also influenced by their own bias. Finance is a term for the management, creation, and study of money and investments. Finance can be broadly divided into three categories i.e., personal finance, public finance, and corporate finance. Personal financial planning generally involves analyzing an individual's or family's current financial position and predicting short-term and long-term needs within the individual's financial constraints. The matter of personal finance is not only limited to purchasing financial products for personal reasons, like credit cards, life health, home insurance mortgages, and retirement products. To plan finances is not an easy task. We know that each individual is different and they have different preferences for different investment plans, have different risk-taking capacities, and their perceptions are also different. This means each individual has different behavior for investment. Sometimes because of poor financial planning people have to face failures and bear losses. On the other hand, some people succeed in their financial plans and enjoy life. The need for the study arises because of the unperceived situations that come in one's life as an individual, social being, economic being, and factors affecting changes in an environment. All this has a bearing on the investor's financial planning and investment pattern. The research gaps depicted by the review of the literature raise the relevant research issues in the present research. The foremost purpose of the study is to find out the investment patterns of the individuals of Himachal Pradesh about their pattern of behavior as an investor. There is a great need to know how the people of the state invest in various avenues based on their psychological and demographic factors.

Keywords: Behavioral Finance, Investment, Financial Planning, Behavioral Bias

INTRODUCTION

Human financial decision-making behavior is not always rational due to which public may lose interest in economy. The economic activity drive everyone to do business, seek employment and profess a profession. Therefore, every human being involve himself/herself in certain vocation and strive to earn and save without knowing about the pure and applied concepts of the field of finance. If we provide financial literacy and knowledge about this specialized field simply, then they may generate financial prudence. People earn, save and invest in different avenues as per their requirements, like purchase of house, car, children's education, for old age etc. Generally, Saving and investment often are used interchangeably, but there is a difference. On the other hand, Investment is buying assets such as stocks, bonds, mutual funds or real estate with expectation that your investment will make money for you. Investment usually selected to achieve long-term goals Investment can be categorized as income investment or growth investment. Investing fundamentally different to buying goods, when we purchase furniture for home it's one-off transaction, we are not going to return the furniture in next ten years and get back your investment. But investing in long-term relation us not one-off sale and we do hope to get our money back with a return in future. We may

have our long term or short-term financial objectives. Generally, our investments are based on these objectives. Finance is basically an activity concerned with the flow of funds. If we elaborate it further, the inflow and outflow of funds in an entity. It gave rise to a system called a financial system whose major function is to transferring money from those who want to invest to those wishing to borrow.

Here, we are concerned with personal finance. Personal finance defines all the financial decisions or activities of an individual or household including budgeting, insurance, saving, investment, retirement planning, etc. Financial planning is a step-by-step approach to meeting one's financial goals. It's just estimating the needs and according to needs how we precure finance and where one has to invest for better results, this process is called financial planning. Personal finance may be considered a recent development because now the economist or financial analyst are involved in analyzing an individual or family's current financial position, predicting their current financial short-term and long-term financial need within the individual's financial constraints. How one plans one's finance, will depend upon their pattern of behavior. The behavior of each investor is always different, because, the thinking, perception, and psychology of each investor are different. To know much about the behavior of investors, we have to peep into the concept of behavioral finance. Behavioral finance is the study of the influence of psychology on the behavior of investors or financial analysts. It focuses on the fact that individual is not always rational, they have limits to their self-control and are also influenced by their own bias. Because of the shortcomings of traditional theories of finance new theory has originated with the name of behavioral financial theory.

LITERATURE REVIEW

Sanjay Kanti Das **(2012)**, studied the saving and investment pattern of middle-class income households is bank deposits as it is the most popular instrument of investment followed by insurance and small saving schemes with a maximum number of respondents. It was also found that majority of respondents look for tax benefits and high returns while investing in any instruments. Slight variation is observed when respondents are classified on age and income group only some respondents on high income group show keen interest to build huge corpus. *E Leppinen* **(2013)**, used relevant theories of behavioral finance his paper after careful research. The behavioral finance models implemented were Herding, Anchoring, Prospect theory and regret aversion. The study was divided into three objectives. First, was to reveal the main issue of the individual investor and second was to expose consequences of individual stock investor is being affected by behavioral models. Third objective was to study whether there is correlation between major stock investment strategies and behavioral finance theories. *Lubna Ansari and Sana Moid* **(2013)**, through their study helped in throwing light on factors that creates an impact on investing activities of young professionals. Investing activities of young professional are independent of gender but dependent on income and age. Majority of investors invest for growth and additional income. The major factor that guides their investment decision is risk factor which means that investors mostly are risk averse. *Naela Jamal Rushdi* **(2014)**, according to their research, it has been concluded that

psychographic factors affect investment decisions to a very large extent. The psychology and the demography of investors make him a unique individual and must be treated uniquely by the investment industry. In spite of various limitations, the results and findings of study clearly prove that making a financial decision is a complicated process and there is no one 'correct' plan for every investor. *Navjot Kaur* **(2015)**, stated that financial literacy is a vital element to predict household financial attitudes in developing nations. From the empirical studies it has been revealed that females are not much aware with the credit card ideology and compound interest rate calculations. Empirical result of study concluded that financial literacy is vital element not only for female but also to balance household budget, retirement saving, income assurance, when the source of income is lost. *Yann Massol, Alexis Molines* **(2015)**, found that when it comes to student investors, neither nationality nor gender nor religion play a role in influencing their risk tolerance. Students never reacts like adults. They are overconfident about their financial plans and have a high level of risk tolerance. *Amlan Jyoti Sharma* **(2016)**, stated that behavioral finance alone cannot be perfect one because thoughts which are descriptive and advisory in nature. More studies and discussions are required to point limitations of behavioral finance itself so as to refine it a good theory. Till then we must admit that it is just a theoretical frame work, which is definitely a positive attempt for the refinement of theory. *J. Fieger* **(2017)**, has found that behavioral finance is a valuable tool for financial advisor to better understand implement recommendation for clients. Understanding the behavior pattern of client can make the financial advisor more effective and strengthen the client – advisor's relationship. *Kumari Asmita* **(2017)**, through her research concluded that most of teachers used to save a major part of their incomes in bank and also use cash for their expenditures. Most of teachers save their money in banks as it is most preferred avenue due to safety reasons and invest in government sector due to moderate risk. On the other hand, college teacher was positively and highly significant with different variables like education, family income etc. *Jyoti Kumari* **(2017)** found that demographic factors don't put much impact on their risk tolerance capacity different set of strategies for different cluster with demographic variations. Investor don't invest in equity because of variable factor like being cheated, stock market volatility, lack of knowledge, lack of risk-taking capacity, misleading data, lack of investible surplus, negative words of mouth and lack of time to be vigilant every now and then. *D. Srijanani, T.Vijaya* **(2018)** through their research provides evidence of risk taking difference between males and females. The study reveals that males are more risk taking than females and basis upon their risk-taking power they choose their investment avenues. *Simon Garima* **(2019)** after researching British Consumer behavior, it has been found that individuals have difficulties in comparing products if they don't have similar features and options to compare. It's a tough task to take decisions based on comparison. *Bharti Wadhwa, Aakanksha Uppal, Anubha, Devinder Kaur* **(2019)** studied the awareness of investment knowledge among people is not much high. For Indians public money is everything. They are more sensitive about their money. They will think hundred times before investing. They are over confident as they think they have some knowledge of financial market and economic condition of India, yet the lack the edge above as this field is very unpredictable and volatile.

NEED OF THE STUDY

The research gaps being depicted by the review of literature, raises the relevant research issues in the present research. The foremost purpose of the study is to find out the investment pattern of the individuals of Himachal Pradesh with regard to their pattern of behavior as an investor. There is a great need to know that how the people of state invest in various avenues basis on their psychological and demographic factors. As we know that each individual has different behavior and perception, it become evident to know the impact and relevance of behavioral finance in investment decision of investors. To analyze the behavior of Himachal Pradesh investors, there is a need to find out the ratio of income, saving and investment of individual.

OBJECTIVES OF THE STUDY

The present research study is conducted to achieve the following objectives:
- To study the behavior of individual investors of Himachal Pradesh with regards to behavioral finance.
- To study the different investment avenues based on investor's demographic and psychological factors for future investors.

RESEARCH METHODOLOGY

The present research study is a descriptive study which has been conducted in Himachal Pradesh. As per Administrative division, Himachal Pradesh has been divided into three divisions viz., Shimla, Mandi and Kangra. Both Primary and secondary data has used for the study. For primary data, 736 random individuals from the different area of Himachal Pradesh have taken as respondent and data from these respondents has collected through well designed questionnaires. The data analysis tools used for the present study are percentage, Mean, Standard Deviation, Skewness, Kurtosis, and Chi Square Test.

RESULTS AND DISCUSSIONS

Data Analysis in the present research has been done through various statistical methods using SPSS 23. After filling up the questionnaires, tabulation has been done to draw meaningful inferences from them.

Section-A: In this section, the researcher has made efforts to provide the data of respondents collected from the questionnaire given to the respondents to know about the role of behavioral financial planning and the investment decisions of individual investors.

Table 1: Age-wise distribution of respondents

Age (in Years)	No. of Respondents	Percentage
21-30	454	61.7
30-40	133	18.1
40-50	113	15.4
50-60	33	04.4
Above 60	3	00.4
Total	736	100.0

Source: Primary data collected by the researcher

The classification of respondents based on age is shown in Table 1. The sample selected for the present study has included the highest percentage i.e., 61.7 percent of the respondents belong to the age group of 21-30 years of the age which been followed by 18.1 percent coming under the age group of 30-40 years, 15.4 percent are 40-50 years of age. While 4.4 percent of the respondents belong to the age group of 50-6- years of age and only 0.4 percent of the respondents are above the age of 60 years. Thus, from the above table, it has been found that the majority of the respondents belong to the working age group of 21-60 years of age i.e., 99.6 percent. A negligible percentage of the respondents i.e., 0.4 percent are above the age of 60 years. The 21-30-year-old age group mostly includes working-class people in the different sectors of the economy who are keen to focus on financial planning and investment decisions to secure the future of themselves and their family members.

Table 2: Gender-wise distribution of respondents

Gender	No. of Respondents	Percentage
Male	486	66.0
Female	250	34.0
Total	736	100.0

Source: Primary data collected by the researcher

Table number 2 reveals the gender-wise distribution of the respondents which includes 66 percent male respondents and the rest of the 34 percent female respondents. Therefore, it has been evident from the above table that the participation ratio of the male respondents is higher than compared of the female respondents.

Table 3: Marital Status-wise distribution of respondents

Marital Status	No. of Respondents	Percentage
Married	287	39.0
Unmarried	449	61.0
Total	736	100.0

Source: Primary data collected by the researcher

From the above table, it has been presented that out of 736 respondents' the majority of the respondents i.e., 61 percent (449) are unmarried while 39 percent (287) are married.

Table 4: Education-wise distribution of respondents

Educational Qualification	No. of Respondents	Percentage
Senior Secondary	8	1.1
Graduation	340	46.2
Post Graduation	287	39.0
Doctoral	90	12.2
Other	11	1.5
Total	736	100.0

Source: Primary data collected by the researcher

The table depicts the distribution of respondents based on their educational level possessed by them. It is evident that 46.2 percent of the respondents are graduates while 39 percent have

post-graduate degrees. 12.2 percent of the respondents have a doctoral degree as their highest qualification and 1.5 percent possess any educational qualification other than those mentioned in the table. Only 1.1 percent of the respondents have studied up to the senior secondary level. So, it is clear from the table that the majority of the respondents have had their education up to graduation level.

Table 5: Employment Status-wise distribution of respondents

Employment Status	No. of Respondents	Percentage
Govt. Employee	237	32.2
Private Employee	169	23.0
Self Employed	312	42.4
Retired	18	2.4
Total	736	100.0

Source: Primary data collected by the researcher

In table number 5, it has been presented that out of 736 respondents' 42.4 percent are self-employed i.e., they are involved in doing their business to earn their living while 32.3 percent are employed in the different sections of the Government sector. 23 percent of the respondents are working in different companies in the private sector and the rest of the 2.4 percent are retired employees. Therefore, it has been found that the majority of the respondents i.e., 42.4 percent (312) are self-employed and as per the research study, it is essential for financial planning and investment decisions to have respondents like those who have the capacity to bear the risk. Self-employed individual already focused on the financial planning and investment aspect to run their businesses whether small, medium, or large.

Table 6: Annual Income (Individual)-wise distribution of respondents

Annual Income (Individual)	No. of Respondents	Percentage
Less Than 2.50 Lakh	385	52.3
2.50 - 5.00 Lakh	152	20.7
5.00 - 10 Lakh	140	19.0
More Than 10 Lakh	59	8.0
Total	736	100.0

Source: Primary data collected by the researcher

The aforementioned table shows the distribution of respondents based on an individual's annual income. 52.3 percent of the respondents have income less than Rs. 2.50 lakh while 20.7 percent of the respondents have income more than Rs. 2.50 lakh and up to 5 lakhs. Further, 19 percent of the respondents have an annual income between 5 to 10 lakhs which is followed by 8 percent of respondents having income more than 10 lakh. Thus, the table reveals that the majority of the respondents i.e., 52.3 percent have annual income on an individual level is less than 2.50 lakh. It is beneficial for such individuals to focus on financial planning and proper investment because of increasing inflation levels, living costs, education expenditure, and other unforeseen circumstances they may face in the future.

Table 7: Annual Income (Family)-wise distribution of respondents

Annual Income (Family)	No. of Respondents	Percentage
Less Than 2.50 Lakh	155	21.1
2.50 - 5.00 Lakh	196	26.6
5.00 - 10 Lakh	249	33.8
More Than 10 Lakh	136	18.5
Total	736	100.0

Source: Primary data collected by the researcher

The division of respondents based on family's annual income has been shown in the present table and it reveals that 33.8 percent of respondents have income between 5 to 10 lakhs while 26.6 percent belong to the annual family income level of 2.50 to 5 lakh. 21.2 percent of the respondents have a family income of fewer than 2.50 lakhs and the rest of the 18.5 percent have a family income of more than 10 lakhs. From the above discussion, it has been found that out of 736 respondents, 249 (33.8 percent) respondents have annual family income between the slab of 5 to 10 lakhs.

Table 8: Responses of the Respondents regarding having an active DEMAT account

DEMAT Account	No. of Respondents	Percentage
Yes	262	35.6
No	474	64.4
Total	736	100.0

Source: Primary data collected by the researcher

From the table, it has been inferred that the majority of the respondents (64.4 percent) of the respondents responded that they do not have active DEMAT accounts while 35.6 percent of the respondents responded that they have active DEMAT accounts used by them to hold the shares, mutual funds and securities in the electronic format they have. It has been concluded that only 35.6 percent of the respondents agreed that they have an active DEMAT account for financial planning and investment-related decisions. These respondents have the knowledge, awareness, and information related to financial planning and investments to be made by them for future planning.

Table 9: Region Wise distribution of respondents

Region	No. of Respondents	Percentage
Shimla	452	61.4
Mandi	116	15.8
Kangra	168	22.8
Total	736	100.0

Source: Primary data collected by the researcher

The table explains the region-wide distribution of the respondents to which they belong. Out of 736 respondent's majority of respondents 452 (61.4 percent) are from the Shimla region which is followed by 168 (22.8 percent) from the Kangra region and the rest of the 116 (15.8 percent) are from the Mandi region.

Table 10: Responses of respondents regarding the sources of investment information

Sources of Information	No. of Respondents	Percentage
Print Media	42	5.70
Electronic Media	320	43.48
Financial Advisor	194	26.36
Friends and Family	180	24.46
Total	736	100.0

Source: Primary data collected by the researcher

When respondents were asked about the source from which they get information related to investment decisions and financial planning, out of 736 respondents 43.48 percent responded that they received the information related to investment from electronic media which includes websites, YouTube channels, blogs, and others whereas 26.36 percent of the respondents consult the financial specialists known as financial advisor or financial consultants whose specific task is to provide suggestion where to invest, how to invest and how much to invest for the proper financial planning of the finance they have with them. 24.46 percent of the respondents follow the suggestions or advice provided by their near and dear which includes their family members and friends who know about financial planning and investment respectively. These are the people who have already invested their finances in shares mutual funds etc. The rest of the 5.70 percent of the respondents gathered information from the print media which includes newspapers, newsletters, magazines, and journals published by various agencies to make the people aware about financial planning and investment decisions.

Table 11: Responses of respondents regarding the tenure they looking to invest their money

Tenure (in Years)	No. of Respondents	Percentage
0 - 5 Years	287	39.0
5 - 10 Years	205	27.9
10 - 15 Years	123	16.7
Open Term	121	16.4
Total	736	100.0

Source: Primary data collected by the researcher

Table number 11 discloses the information about the period they take into consideration to invest their money to secure the future of their family. About 39 percent of the respondents expressed their opinion that they want to invest their money for up to five years while 27.9 percent of them want to invest their money for a tenure of 5 to 10 years of period. Almost equal percentage of the respondents i.e., 16.7 percent for a period of 10-15 years of time period and the rest of the 16.4 percent considered open term which is more than 15 years.

It has been revealed that the majority of the respondents think that they want to invest their money for a shorter period i. e. five-year term to get the benefit of the investments to be made by them.

Section – B: This section deals with the various items of the questionnaire that reflect investors' behavioral preferences concerning different investment avenues.

Table 12: Responses of respondents regarding savings from their regular income

Statements	No. of Respondents	Percentage
Save as per the planned schedule	206	28.0
Save something every money	278	37.8
Save whatever is left after meeting expenses	122	16.6
Do not save regularly	130	17.7
Total	736	100.0

Source: Primary data collected by the researcher

The table reveals the opinion of the respondents about the savings pattern they used to save some amount of money from their regular income. Out of 736 respondent 37.8 percent save something from the money they earned from any source while 28 percent save a certain amount of earnings as per the planned schedule. 17.7 percent of the respondents do not have the habit of saving money regularly, which means whenever they get a chance to save money from their earnings, they save money otherwise they spend money to satisfy their needs, wants, and desires. The rest of the 16.6 percent of the respondents responded that they save whatever money is left with them after meeting their expenses.

Therefore, it has been found that the majority of the respondents i.e., 37.8 percent have the habit of saving any amount the money they earned from any source of their income. It is a good habit to save even a penny to make the financial planning concept and investment pattern more effective and to earn more and more returns from the money invested in the form of shares, debentures, Fixed Deposits, Insurance investments, securities, gold investments, etc.

Table 13: Responses of respondents regarding their monthly income they save

Statements	No. of Respondents	Percentage
Less than 20%	404	54.9
20% - 30%	202	27.4
30% - 40%	72	9.8
More Than 40%	58	7.9
Total	736	100.0

Source: Primary data collected by the researcher

When asked about how much respondents save from their monthly income, their opinion regarding the same has been revealed in the table given above. It presents the highest number of respondents i. e. 404 (54.9 percent) save less than 20 percent of their income every month which is followed by 27.4 percent (202) respondents who save 20 to 30 percent of their income every month. 72 (9.8 percent) respondents responded that they saved 30 to 40 percent of the amount from their monthly income earned and the rest of the 58 (7.9 percent) saved more than 40 percent of the amount they earned every month.

From the above discussion, it has been found that the sample taken for the purpose of the present study has the habit of saving money they earned every month. All the respondents provided their positive opinion regarding the savings whether in a small amount (less than 20 percent of the income they earned every month) or in a large amount (more than 40 percent

of their monthly income). Saving some portion of income is a good habit as this amount may be invested by the respondents in any form by taking into consideration the financial planning concept or investment pattern to secure their future.

Table 14: Responses of respondents regarding the percentage of their savings they invested in different investment avenues

Statements	No. of Respondents	Percentage
Less than 20%	530	72.0
20% - 30%	102	13.9
30% - 40%	45	6.1
More Than 40%	59	8.0
Total	736	100.0

Source: Primary data collected by the researcher

The above table presents the responses of the respondents about the amount they invested from the savings in the different investment avenues such as Fixed Deposits, Mutual funds, Recurring Deposits, Public Provident Funds, Stocks, Health Insurance, Life Insurance, Real Estate, Securities and Gold investment, etc.

From the above table, it has been revealed that the majority of the respondents i.e., 72 percent (530) invested less than 20 percent of their savings in the different investment avenues which is followed by 13.9 (102) percent of the respondents who invested 20 to 30 percent share of their savings. 8 percent (59) of respondents responded that they invested more than 40 percent of their savings and the rest of the 6.1 percent i.e., 45 respondents provided that they have invested 30 to 40 percent of their savings in the different avenues available for investment and financial planning.

Table 15: Responses of respondents regarding the Cost of Capital kept in mind by them before Investment

Statements	No. of Respondents	Percentage
Always	356	48.4
Sometimes	304	41.3
Never	76	10.3
Total	736	100.0

Source: Primary data collected by the researcher

The table shows the responses of the respondents regarding the cost of capital i.e., the return expected by them from the investments they have made. Out of the 736 respondents' 356 respondents provided that they always take into consideration the return before investing amount of money in the different investment avenues available while 304 respondents responded that they sometimes take into consideration the cost of capital concept while investing their money in the investment avenues available. And rest of the 76 respondents never focused on the cost of capital concept before investing their money in the different investment avenues.

It has been concluded that the majority of the respondents i. e. 48.4 percent always take into consideration the cost of capital concept before investing their money in the investment avenues available like Fixed Deposits, Mutual funds, Recurring Deposits, Public Provident Funds, Stocks, Health Insurance, Life Insurance, Real Estate, Securities and Gold investment etc. Thus, it is essential to keep in mind the return on the investment made by any individual.

Table 16: Responses of respondents regarding the amount of Funds Set Aside by them for Emergencies

Statements	No. of Respondents	Percentage
Yes	493	67.0
No	184	25.0
Other	59	8.0
Total	736	100.0

Source: Primary data collected by the researcher

Table number 16 presents that the majority of the respondents i.e., 67 percent (493) set aside some amount of funds for unforeseen circumstances or emergencies they can face in the future. These emergencies can be health-related, disease, accidents, floods, disasters, spread of pandemics, and other unforeseen circumstances that are beyond the control of humans. 25 percent (184) responded that they do not save money for such emergencies and the rest of the 8 percent (59) respondents responded that they cannot save money for the emergency but save money for other occasions such as marriages, vacations, recreational activities, tour and travels, excursions, purchasing a new house, purchasing a new vehicle and for the marriage of siblings and children, etc.

Table 17: Responses of respondents regarding their opinion leader

Statements	No. of Respondents	Percentage
Financial planner/advisor	135	18.3
Charted Accountant	53	7.3
Relatives & Friends	235	31.9
YouTube Vloggers	80	10.9
None	233	31.6
Total	736	100.0

Source: Primary data collected by the researcher

The aforementioned table demonstrates the responses of the respondents about the opinion leaders whose advice they followed to invest their money in the different investment avenues available in the financial market. The investment avenues available are Fixed Deposits, Mutual funds, Recurring Deposits, Public Provident Funds, Stocks, Health Insurance, Life Insurance, Real Estate, Securities and Gold investment etc. Investment in such avenues is a risky factor, therefore to cover the risk factor, the advice of an opinion leader is essential before investing.

Out of 736 respondents' 31.9 percent of the respondents follow the advice of relatives and friends before making investments which is followed by 31.6 percent of the respondents who do not take the suggestions of any opinion leader before making any investments in the

investment avenues available. 18.9 percent of the respondents follow the instructions provided by the specialists known as financial planners/advisors before making investments which is followed by 10.9 percent of the respondents who followed the ideas provided by the YouTube vloggers regarding which investment avenues individuals have to invest their money and rest of the 7.3 percent took the help of their chartered accountants for the investment purpose.

Table 18: Responses of respondents regarding the type of investment avenues they prefer for their investment portfolio

Statements	No. of Respondents	Percentage
High-risk, high return	142	19.3
Moderate risk, moderate return	470	63.9
Less risk, less return	124	16.8
Total	736	100.0

Source: Primary data collected by the researcher

According to the table majority of the respondents, 63.9 percent (470) responded that they invested their money in investment avenues that have moderate risk and moderate returns which is followed by 19.8 percent (142) investing their money in high-risk and high-return investment avenues and rest of the 16.8 percent (124) respondents invested their amount of savings in the less risk and less returns investment avenues available in the financial market. From the above explanation, it can be concluded that the individuals can be invested as per their capacity to bear the risk factor associated with the investment plan, they chose for the investment purpose in the investment avenues available in the financial market.

Table 19: Responses of respondents whether they review the experience of other investors before investing

Statements	No. of Respondents	Percentage
Yes	524	71.2
No	212	28.8
Total	736	100.0

Source: Primary data collected by the researcher

The given table predicts the responses of respondents regarding the review of the experience of other investors before investing their money in the investment avenues available in the financial market. A review of the experience of other investors is essential to know about the level of risk and cost of capital associated with the investment avenues. Out of 736 respondents' the majority of respondent 71.2 percent (524) responded that they focus on the statement given above while the rest of the 212 (28.8 percent) respondents responded negatively that they do not consider the review of the experience of other investors before investing their amount of money in the investment avenues available.

Table 20: Responses of respondents regarding Financial Planning, Risk, and Investment

Statements	Responses of the Respondents					Total	Mean	SD	Sk	Kur	Chi-sq	p-Value
	SD	D	NAND	A	SA							
I consider myself to	54	91	226	359	6	736	3.24	0.940	-.953	.038	562.845	0.000

have sufficient knowledge about financial planning and investment	(7.3)	(12.4)	(30.7)	(48.8)	(0.8)	(100.0)					
I shall try to recover losses in investment by increasing the horizon of investments.	54 (7.3)	65 (8.8)	225 (30.6)	386 (52.4)	6 (0.8)	736 (100.0)	3.31	0.847	-1.147	.541	668.878	0.000
Safety is important to me compared to returns	126 (17.1)	31 (4.2)	60 (8.2)	512 (69.6)	7 (1.0)	736 (100.0)	3.33	1.164	-1.285	-.039	1184.041	0.000
I always prefer high growth in investment even at the cost of losses	41 (5.6)	266 (36.1)	118 (16.0)	267 (36.3)	44 (6.0)	736 (100.0)	3.01	1.089	.000	-1.172	348.144	0.000
Risk associated with investments makes me anxious	73 (9.9)	122 (16.6)	109 (14.8)	406 (55.2)	26 (3.5)	736 (100.0)	3.26	1.091	-.822	-.528	606.432	0.000

Source: Primary data collected by the researcher

Statement-1- I consider myself as having sufficient knowledge about Financial Planning and Investment: It is indicated in table 20 that the majority of the respondents (48.8) percent agree that they consider themselves capable of having enough nonweldable about financial planning and investment while 0.8 percent are strongly agree, 30.7 percent respondents are uncertain regarding the given statement, 12.4 percent respondents are disagree and 7.3 percent of the total respondents have been found strongly disagree. The calculated Mean value is 3.24, which is slightly higher than the average standard score of a five-point Likert scale. It depicts that the majority of the responses of the respondents lies toward strongly agree to agree and it also indicates that the majority of the respondents agree that they have sufficient knowledge about financial planning and investment. The standard deviation shows that 0.940 variation from the mean score. The calculated value of skewness is (-0.953). The negative value of skewness reveals that the majority of the respondents shifted to the higher side of the standard score on a five-point Likert scale. The value of kurtosis is 0.038 which explains that the distribution is platykurtic. The value of X^2 is 562.854 and the p-value is 0.000 found to be highly significant at a one percent level of significance. The value of chi-square has also shown that there is a significant difference in the distribution of opinion on a five-point scale which also supports the above finding.

Statement-2- I shall try to recover Losses in Investment by increasing the Horizon of Investments: It is observed from the table that out of 736 respondents, 0.8 percent respondents strongly agree that the respondents shall try to recover the losses in investments by increasing the horizon of their investments in the different investment avenues while 52.4 percent respondents agree and 30.6 percent respondents were uncertain regarding the above statement. On the other hand, 8.8 and 7.3 percent of respondents disagree and strongly disagree respectively with the given statement. The table shows that the mean score of total responses is 3.31 which is higher than the average score on a five-point Likert scale. It shows that respondents feel that they are capable of recovering the losses in investments by increasing their horizons of investments in the investment avenues. The value of the standard deviation is 0.847 from the mean score. The value of skewness is -1.147 which is negative, it reveals that the maximum number of respondents are shifted to the higher side of the standard score at five Likert scale. The calculated value of kurtosis is 0.541 which shows that the

distribution is kleptocratic. Therefore, it has been found that the value of X^2 is 668.878 and the p-value is 0.000 which is found to be highly significant at a one percent level of significance. The test of goodness of fit also supports the above statement as there is a significant opinion of respondents.

Statement-3- Safety is important to me compared to Returns: It is presented from the table that 1 percent of respondents strongly agree while 69.6 percent of respondents agree, while 4.2 and 17.1 percent of respondents disagree and strongly disagree respectively with the given statement, and 8.2 percent respondents are found neutral. The table shows that the mean score of total responses is 3.33 which is higher than the average score of the five-point Likert scale. The value of the standard deviation is 1.164 from the mean score. The value of skewness is -1.285 which is negative, it reveals that the maximum number of respondents are shifted to the higher side of the standard score at five Likert scale. The calculated value of kurtosis is -0.039 which shows that the distribution is platykurtic. Therefore, it has been found that the value of X^2 is 1184.041 and the p-value is 0.000 which is found to be highly significant at a one percent level of significance. This supports the above findings.

Statement-4- I always prefer high growth in investment even at the cost of losses: It is presented from the table that 6 percent of respondents strongly agree while 36.3 percent of respondents agree, while 36.1 and 5.6 percent of respondents disagree and strongly disagree respectively with the given statement, and 16 percent respondents are found neutral. The table shows that the mean score of total responses is 3.01 which is almost equal to the average score of the five-point Likert scale. The value of the standard deviation is 1.089 from the mean score. The calculated value of kurtosis is -1.172 which shows that the distribution is platykurtic. Therefore, it has been found that the value of X^2 is 348.144 and the p-value is 0.000 which is found to be highly significant at a one percent level of significance. This supports the above findings.

Statement-5- Risk associated with investments makes me anxious: It is presented from the table that 3.5 percent of respondents strongly agree while 55.2 percent of respondents agree and 14.8 percent of respondents are neutral regarding the above statement. While 16.6 and 9.9 percent of respondents are disagreeing and strongly disagree with the given statement. The table shows that the mean score of total responses is 3.26 which is higher than the average score of the five-point Likert scale. The value of the standard deviation is 1.091 from the mean score. The value of skewness is -0.822 which is negative, it reveals that the maximum number of respondents are shifted to the higher side of the standard score at five Likert scale. The calculated value of kurtosis is -0.528 which shows that the distribution is platykurtic. Therefore, it has been found that the value of X^2 is 606.432 and the p-value is 0.000 which is found to be highly significant at a one percent level of significance. This supports the above findings.

FINDINGS OF THE STUDY

The major findings of the study are as follows:

- The survey revealed that 64.4% of respondents do not have an active DEMAT account, while 35.6% do have an active DEMAT account for electronic securities. Only 35.6% agree with having an active DEMAT account for financial planning and investments, indicating they are well-equipped with the necessary knowledge and information for future planning purposes. This indicates that most respondents are aware of the importance of having an active DEMAT account for financial planning and investments.

- About 43.48 percent received investment information from electronic media such as websites, YouTube channels, and blogs. However, 26.36 percent consulted financial consultants, who help people make decisions about their finances and investments. 24.46 percent followed advice from family members and friends, who know about financial planning and investing. The remaining 5.70 percent obtained knowledge from print media, such as newspapers, newsletters, magazines, and journals, issued by various organizations. These sources provide valuable information about financial planning and investing choices, helping individuals make informed decisions about their financial future.

- The study reveals that 39% of respondents plan to invest their money for up to five years, while 29% plan for up to ten years. The remaining 1% does not have an opinion. 16.7% plan for 10-15 years, while 16.4% consider an open term of over 15 years. Most respondents believe they want to invest their money for a shorter term, ideally five years, to maximize the benefits of their investments. Many respondents are willing to invest for a shorter period to protect their family's future.

- The study revealed that 37.8% of respondent saved at least part of their income from any source, while 28 percent set a specific savings schedule. 17.7% did not consistently save money, indicating they only save when they have the opportunity, spending money to fulfil their needs and wants. The remaining 16.6% saved after paying all their bills. Most respondents, equivalent to 37.8%, saved whatever amount they received from any income source. This reflects that even small amounts of money can make financial planning and investment patterns more effective, resulting in higher returns on investments in shares, debentures, fixed deposits, insurance, securities, and gold. It is a good habit to save even a penny to make financial planning and investment patterns more effective. Overall, the survey highlights the importance of saving for effective financial planning and investment patterns.

- The data shows that 72% of respondents have invested less than 20% of their savings in various investment opportunities, including fixed deposits, mutual funds, stocks, health insurance, life insurance, real estate, securities, and gold investment. The remaining 13.9% have invested between 20 and 30% of their savings. Interestingly, 8% of

respondents have invested more than 40% of their savings, while the remaining 6.1% have invested between 30 and 40% of their savings in various investment and financial planning opportunities. The data highlights the importance of diversifying savings and investing wisely to maximize financial returns.

- The study reveals that 48.4% of respondents consider the cost of capital when investing in various investment opportunities, including fixed deposits, mutual funds, stocks, health insurance, life insurance, real estate, securities, and gold investment. 356 out of 736 respondents always consider the return they anticipate from their investments, while 304 sometimes do. The remaining 76 respondents never give the cost of capital concept any consideration. Most respondents, or 48.4%, always consider the return before investing in various investment opportunities, such as fixed deposits, mutual funds, recurring deposits, public provident funds, stocks, health insurance, life insurance, real estate, securities, and gold investment. Therefore, it is crucial to consider the expected return from an investment.

- The survey revealed that 67% of respondents (493) have saved money to prepare for unanticipated events or emergencies, such as health-related emergencies, diseases, accidents, floods, catastrophes, and pandemics. 25% do not save for unexpected expenses, while 8% do but do not. The remaining respondents save for other occasions like weddings, vacations, recreational activities, travel, excursions, new homes, vehicles, and family marriages. The study reveals that a majority of respondents (736) do not consider the advice of an opinion leader before investing in the financial market. They follow various investment options such as Fixed Deposits, Mutual Funds, Recurring Deposits, Public Provident Funds, Stocks, Health Insurance, Life Insurance, Real Estate, Securities, and Gold Investment. However, a significant number of respondents (31.6%) do not consider the advice of an opinion leader before making investments. The majority (31.9%) follow the advice of family and friends. Additionally, 18.9% follow the advice of financial planners or advisors, while 10.9% follow the ideas of YouTube vloggers. The remaining 7.3% use the help of their chartered accountants for investment purposes. The study highlights the importance of seeking advice from opinion leaders to mitigate the risk associated with investing in these businesses. Most respondents do not save for unexpected expenses but do save for other occasions like weddings, vacations, and other expenses.

- The study revealed that 19.8% of respondents invested in high-risk and high-return investment avenues, while 16.8% invested in low-risk and low-return options. Most respondents (470) invested in moderate risk and moderate returns, while the remaining 16.8% invested in less risk and less returns. This suggests that people can invest based on their ability to bear the risk associated with their chosen investment plan, as they can choose from various investment avenues available in the financial market. This suggests that people can make informed decisions about their investment choices.

- The study surveyed 736 respondents about their experience before investing in the financial market. The majority, 71.2% (524), emphasized the importance of researching previous dealings of other investors to understand the risk and capital cost associated with investment opportunities. However, 28.8% (212) did not consider the review of other investors' experiences before investing in available avenues. The majority of respondents emphasized the importance of researching previous dealings to understand the potential risks and costs associated with investment opportunities.

CONCLUSION

As a conclusion we can say that personal financial planning generally involves analyzing an individual's or family's current financial position, predicting short term and long-term needs within the individual's financial constraints. Personal finance largely depends upon one's earnings, living requirement, individual goals and desires. Matter of personal finance not only limited to purchasing of financial products for personal reasons, like credit cards, life health, home insurance mortgages and retirement products. Personal banking is also considered as part of personal finance. As specialized field personal finance is recent development as economists have repeatedly stressed widespread education in matter of personal finance as integral to macro performance of overall national economy. If we take a closer look at above content of personal financial planning, we will find the one factor that connects all of them i.e., money one need to have adequate amount of finance money to fulfil one's goal and desires. More importantly one need to have money at the right point in time. The study discloses the various aspects and dimensions related to the different investment avenues, perceptions of the investor concerning investment options, expectations of the respondents concerning their investment, and the investor's behavior about the different options available for the investments. The study is highly important to the investors while planning for a fresh investment, analyzing their position concerning the current investment made by them in any investment avenue, and keeping in mind various important things concerning the investment. Also, the present research study is highly important for the government, and various agencies such as SEBI, RBI, and Banks to understand the investment behavior of the investors and understand their demographic characteristics to plan various policies related to investment products that are based on these all things.

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