

# Investors Perception towards Investment Avenues



U M Gopal Krishna, Aliya Sultana, T Naraya Reddy

**Abstract:** Investment is the commitment of funds, which have been saved from current consumption with in this hope that some benefits will be received in future. Based on the factors such as Demographic factors, Socio-Economic Background, Life Style, etc., a lot of investment avenues will be available to the investors for parking their idle funds. Generally the initial step in the Investment process is understanding the objectives of Investment and framing out the investment policy. This may rely on investor's perception. In this study an attempt has been made to find out the investors perception in primary and popular investment avenues in Kurnool District of Andhra Pradesh. From the respondents all Demographic variables and investors objectives have been collected and computing the relationship between these variables and objectives of the investment. Furthermore the study also finds the investor's investment decision making behaviours in their investment avenues.

**Key Words:** Investor Perception, Investment Avenue, Investment Objectives

## I. INTRODUCTION

Investment in any of the alternatives depends on the needs and requirements of the investor. Corporate and individuals have different needs. Before investing, the investor has to analyze alternatives of investments in terms of their risk, return, term, convenience, liquidity etc.

Different investment avenues include share market, Bonds, mutual funds, life insurance, precious objects like Gold, Silver, Platinum, non-marketable securities (Bank Deposit and Post Office Savings). All are differentiated based on their different features in terms of risk, return, term etc.

### A. Share Market Investment Avenue

Stock Market is an Organised market recognition from the central government and it deals with the shares issued by the company. Buying and selling of shares at the Share market are governed by the SEBI guidelines, rules and regulations of the stock market. A stock market is also known as Share Market in all over the world. Indian stock market is also known as National Stock Exchange (NSE) & Bombay Stock Exchange (BSE).

The general public interest in investing in the Stock market has been an important component in Investment process. In recent decades; Statistics shows a large portion of household financial assets in Shares in many countries as well as India.

### B. Bonds Investment Avenue

Bonds are long-term investment options with a fixed stream of cash flows depending on the quoted rate of interest. They are considered relatively less risky.

An amount of risk involved in debentures or bonds is dependent upon who the issuer is. Following alternatives are available under bonds:

Government securities, Savings bonds, Public Sector Units bonds, Debentures of private sector companies.

### C. Mutual Funds Investment Avenue

Mutual funds are an easy and tension free way of investment and it automatically diversifies the investments. A mutual fund is an investment only in debt or only in equity or mix of debts and equity and ratio depending on the scheme. They provide with benefits such as professional approach, benefits of scale and convenience. Investment in Mutual Funds will provide professional management services at a lower cost. In case of open ended mutual fund scheme, mutual fund is giving an assurance to investor that mutual fund will give support of secondary market. There is an associate absolute transparency regarding investment performance to investors. On real time basis, Investors are informed about the performance of investment.

### D. Bank and Post Office Investment Avenue

These are financial assets which give moderately high return but cannot be traded in market.

### E. Gold and Silver Investment Avenue

In India, real assets such as gold and silver find a place in the portfolio of the investors in rural and semi-urban areas. The bullion market offers investment opportunity in the form of gold, silver, art objects (paintings, antiques), precious stones and other metals (precious objects), specific categories of metals are traded in the metal exchange.

## II. STATEMENT OF PROBLEM

The study area Kurnool district has three revenue divisions such as Kurnool, Nandyal, Adoni. Consisting of people from rural, urban areas and small towns and peoples having various levels of professions. The problem and gap of this study to check the Government authority bodies derived many tremendous modern financial investment planes to the investors, whether the planes are reaching to ultimate investors or not, by the way the present study attempts to investigate and understand the investors investment behaviour in different investment avenues. The study conducted to identify the investors investment preference reasons,

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### III. OBJECTIVES OF THE STUDY

- ❖ To study the Investors' Investment Preference reasons for the Investment Avenue
- ❖ To Study the impact of the Investor's Investment Decision making on Preference of the Investment Avenue.

### IV. HYPOTHESIS OF THE STUDY

- ❖ There is no significant relation between Investors' Demography profile and Investment Avenues
- ❖ There is no significant difference between the decision making behaviour variables and investment preference.

### V. LITERATURE REVIEW

**Akhilesh Mishra (2008)**, 'Mutual funds is the better investment plan' the study concludes Because of lack of awareness, most of the people are not interested in Mutual funds investment and also suggested that the Mutual Funds investors need knowledge about its related terms.

**Jain Dhiraj, et.al (2012)**, "Investor's Attitude towards Post Office Deposits Schemes – Empirical Study in Udaipur District, Rajasthan" The Study explores about Post office savings. And it has played a vital role to connect the whole of the country. It provides banking facilities in the absence of banks. Its role has been changed and it becomes a one of the best investment avenues to wealthy investor and uses them fruitfully in nation building activities.

**Murugan (2012)**, "Investors attitude towards investment option in Nellore region" The research explores most of the investors are relatively unaware of the corporate investment avenues like equity and preference shares, mutual funds, corporate debt securities and deposits. The study explores respondents are highly aware of traditional investment avenues like real estate, bullion, bank deposits, life insurance schemes, and small savings schemes. Further, the economic independence females are very low participation in investment decisions.

**Sarita Bahl (2012)**, "Investment Behaviour of Working Women of Punjab" the study explores that the respondents take a large amount of time to plan for the investment.

**Sidharthul Munthaga, J. (2013)**, "Investment Pattern of Rural Investors in Nagappattinam District of Tamilnadu" , The Study concludes most of the respondents are interested to invest in insurance, Post Office Savings (NSC), Public Provident Fund (PPF) and Bank Deposit (BD) except Investors having more than fifty years.

**Sidharthul Munthaga, J., et.al (2014)**, "A Study on the Attitude of the Respondent towards Investment Choices in Thanjavur District" The Study concluded Most of the investors are interested to invest in bank deposits, post office savings schemes and insurance and

some of the respondents are interested in mutual funds and equity shares.

**Bennet, et.al (2011)**, "Investors' Attitude on Stock Selection Decision" the study concluded that the Decision making statements of the companies have been influenced by the average value of the five factors. the factors are Return on Equity, Quality of Management, Return on Investment, Price to Earnings Ratio and various ratios and the retail investors give lowest priority to the other five factors such as Recommendation by analysts, Broker and study Reports, Recommended by Friend, Family and Peer, Geographic allocation of the Company and Social Responsibility.

**Palanivelu, et.al (2013)**, "A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India" the study concludes 29% of the respondents are self decision makers and 21% from advertisement in choosing investment avenue.

**Deep Kantilal Thakkar (2013)**, "Investor's Behavior towards Share Investment in Kolhapur City" the study Concludes most of the investors investment decision are highly dependent on broker.

**Gaurav Agrawal, et.al (2013)**, "Investor's Preference towards Mutual Fund in Comparison to other Investment Avenues" The study explores almost all of the investors are aware about Banks & Life Insurance Companies, Mutual Funds and Real Estate, National Saving Certificates, Gold. Some of the investors have unaware about the Public Provident Fund, Equity Shares & Bonds.

### VI. RESEARCH METHODOLOGY

The research methodology depicts the flow of research process and serves as guidance for the researcher to carry out the research smoothly. It includes the data source (primary data and secondary data), Sample size, Sampling Technique (Multi Stage Sampling method), and Statistical Tools of analysis (SPSS STATISTICS & SPSS AMOS). In this study, the primary data obtained from 216 respondents the researcher has used Multistage sampling technique in Kurnool District, The Statistical tools applied SPSS STATISTICS 25 & SPSS AMOS 25 versions.

#### A. Research Design & Sampling Technique

In this study Descriptive Research Design has been used, because of the data has been collected in single time period and this study explains a common trend of investors' perception.

#### B. Sampling Technique

As the research aims at exploring the Investors behavioural factors at the Kurnool district area, a relative large sample size is recommended. The larger sample size is more representative and more reliable result (Saunders et al., 2009, p.219). The sample size consists of 216 respondents from Kurnool district area, regarding this study the Multistage sampling method is chosen, for getting high response from the investors, it is the best technique it would help to save time and money.

**C. Limitations of the Study**

- ❖ The Study is limited to Kurnool District
- ❖ Some of the respondents feel hesitated to reveal the personal investment details.

- ❖ Some of the respondents are not interested in answering the questionnaire, because of an Interruption of Works.

**VII. DATA ANALYSIS AND INTERPRETATION**

**Investors Preference Reasons of the Investment in Various Investment Avenues:**

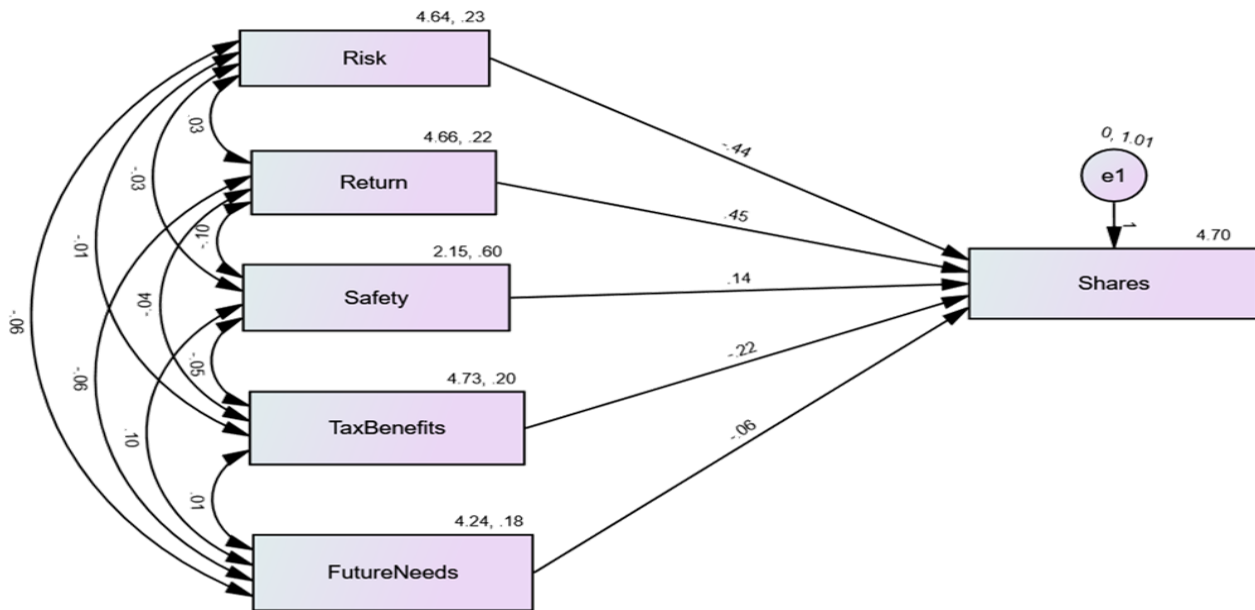
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Preference in Shares	.309	.095	.095	.93331

**Table:1.1(a) Model Fit Summary:**

The model summary table 1.1(a) interpret that  $R$ ,  $R^2$ , adjusted  $R^2$ , Standard error of the estimate and model fits. Multiple Correlation coefficients 0.309 is good level of predication.

The coefficient of determination like Well Return, Safety & Security, Regular Income, Tax Benefits, and Future Needs variables are 95% dependent in Preference reasons on Share market.

**Figure1:1 Multiple Regression Path Analysis of Investors' Preference Reason in Share Market Investment Avenue**



The path diagram represents that preference reason of Share investment, the preferred reasons of Investors' are like Well Return, Safety and Security, Regular Income, and Future Needs. We employed multiple regression analysis of all five reasons; the variable return is only significant with share market Investment Avenue. The regression weight is 0.453.

The squared multiple correlation estimates is 0.095. It has concluded from the analysis most of the investors' highest preference reason of the investment in the share market is Returns.

Regression Weights	Estimate	S.E.	C.R.	P
Preference Shares < --- > Risk	-.443	.210	-2.111	.035
Preference Shares < --- > Return	.453	.223	2.033	.042
Preference Shares < --- > Tax Benefits	-.221	.224	-.983	.326
Preference Shares < --- > Safety	.141	.136	1.039	.299
Preference Shares< --- > Future Needs	-.062	.253	-.245	.807

**Table1:1(b) Regression Weights of Investors' Preference reasons in Share Market Investment Avenue:**

## Investors Perception towards Investment Avenues

**Table: 1:1(c) Correlation Matrix of the Investors' Preference reasons in Share Market Investment Avenue:**

Correlation Matrix	Risk	Return	Safety	Tax Benefits	Future Needs	Preference in Shares
Risk	1.000					
Return or Income	0.15	1.000				
Safety	-0.086	-0.291	1.000			
Tax Benefits	-0.03	-0.168	-0.154	1.000		
Future Needs	-0.258	-0.252	0.243	0.07	1.000	
Preference in Shares	-0.178	0.159	0.084	-0.144	-0.02	1.000

The above table 1:1(c) shows correlation matrix of all the variables in the model of Preference Reasons in Share market Investment. The results concluded that the variable of future needs and safety is highly correlated among variables. The correlate value is 0.243; the next higher

correlate value is 0.150, Risk and Return. The next correlation ship variables are future needs and Tax benefits. The remaining variables are negatively correlated. The preference in Share market variables are highly correlated in Return Income and Safety, the correlated values are 0.159 & 0.084.

**Table: 1:1(d) Covariance of Investors' Preference reasons in Share Market Investment Avenue:**

SHARE COVARIANCES	Estimate	S.E.	C.R.	P
Tax Benefits < ---> Future Needs	0.01	0.018	0.546	0.585
Tax Benefits < --- > Safety	-0.049	0.033	-1.457	0.145
Return < --- > Safety	-0.103	0.036	-2.81	0.005
Risk < --- > Return	0.032	0.022	1.466	0.143
Safety < --- > Future Needs	0.100	0.033	3.023	0.003
Risk < --- > Safety	-0.026	0.036	-0.714	0.475
Return < --- > Tax Benefits	-0.037	0.02	-1.817	0.069
Risk < --- > Future Needs	-0.06	0.02	-2.919	0.004
Return < --- > Future Needs	-0.057	0.02	-2.845	0.004
Risk < --- > Tax Benefits	-0.008	0.021	-0.402	0.687

The above table 1:1 (d) interprets Covariance relationship of investors' preference reason in Share Market Investment. The non – significant relationship are Tax Benefits and Future Needs; Tax Benefits and Safety; Risk and Return; Risk and Safety; Return and Tax Benefits; Risk and Tax Benefits. There is significant relationship among only on Safety and Future Needs, the covariance estimate value is

0.1 respectively which is highly interrelationship. Remaining relationship is significant from one another but it is negative values. The result concluded that Share Market Investors' Preference reasons is Safety and Future Needs which is highly interrelationship, the covariance estimate values are 0.1 respectively.

**Table: 2:1(a) Model Fit Summary**

The model summary table 2:1(a) interpret that  $R$ ,  $R^2$ , adjusted  $R^2$ , Standard error of the estimate and model fits. Multiple Correlation coefficients 0.313 is good level of predication. The coefficient of determination like Well

Risk, Return, Safety, Tax Benefits and Future Needs variables are 98 % dependent in Preference reasons on Bond.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Preference in Bond	.313	.098	.090	.7666

**Table: 2:1(b) Regression Weights of Investors' Preference Reason in Bond Investment Avenue:**

Regression Weights	Estimate	S.E.	C.R.	P
Preference in Bonds and Risk	0.359	0.108	3.333	***
Preference in Bonds and Return	0.078	0.062	1.257	0.209
Preference in Bonds and Safety	0.168	0.095	1.771	0.077
Preference in Bonds and Tax Benefits	0.061	0.088	0.696	0.487

Preference in Bonds and Future Needs -0.065 0.070 -0.923 0.356

The path diagram represents the preference reasons of Bond investments, the preference reasons of the respondents are Well Risk, Return, Safety, Tax Benefits, and Future Needs. Multiple regression analysis has employed on all five reasons; only one variable is highly significant with the

overall preference reasons. The Squared Multiple Correlation estimate is 0.098. Though the first foremost leading reason is Risk, the estimate value is 0.359. It has been concluded from the analysis most of the investors' highest preference reason in Bond is Risk.

Figure 2.1 Multiple Regression Path Analysis of Investors' Preference Reason in Bond Investment Avenue

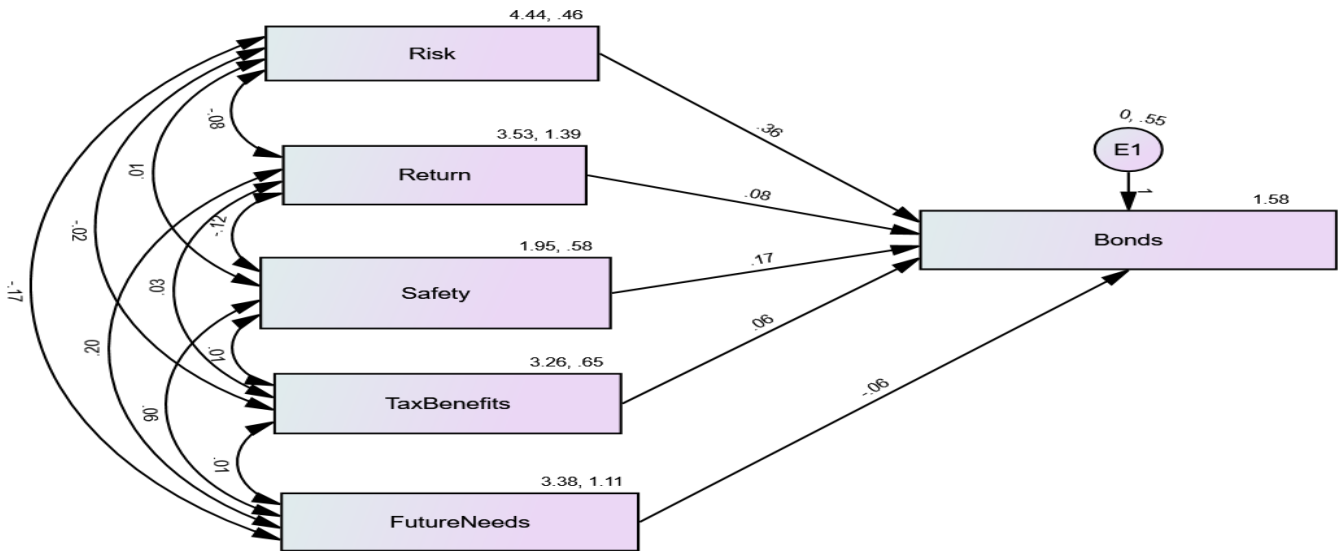


Table: 2:1(c) Correlation Matrix of Investors' preference Reasons in Bond Investment Avenue:

Correlation Matrix	Risk	Return	Safety	Tax Benefits	Future Needs	Preference in Bonds
Risk	1.000					
Return	-0.105	1.000				
Safety	0.011	-0.13	1.000			
Tax Benefits	-0.027	0.035	0.009	1.000		
Future Needs	-0.232	0.16	0.071	0.01	1.000	
Preference in Bonds	0.313	0.05	0.142	0.058	-0.126	1.000

The above table 2.1(c) shows the correlation matrix, all the variables in the model of Preference Reasons in Bond Investment. The resulted variable of Well Return and Future Needs is highly correlated among the variables, correlate value is 0.160; Variables are Return and Tax Benefits, Risk and Safety are 0.35 and 0.11 respectively. The remaining

relationship variables are Risk and Safety, Future Needs and Tax Benefits, The correlation values are 0.11 and 0.10 respectively. The preference in bond investment variable is highly correlated in Risk and Safety and Tax Benefits, the correlated values are 0.313, 0.142 and 0.058 respectively.

Table: 2:1(d) Covariance of Investors' preference Reasons in Bond Investment Avenue:

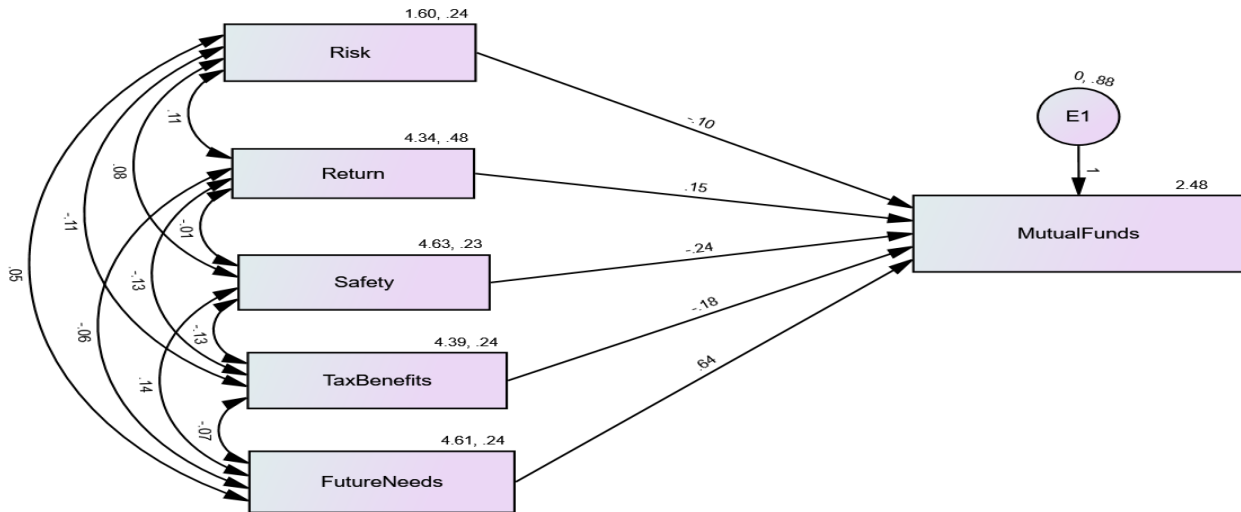
Bond Covariance			Estimate	S.E.	C.R.	P
Tax Benefits	<-->	Future Needs	.008	.081	.104	.917
Safety	<-->	Tax Benefits	.005	.059	.090	.928
Return	<-->	Safety	-.117	.087	-1.345	.179
Risk	<-->	Return	-.085	.077	-1.092	.275
Safety	<-->	Future Needs	.057	.077	.743	.457

## Investors Perception towards Investment Avenues

Return	<-->	Future Needs	.199	.121	1.647	.100
Risk	<-->	Future Needs	-.167	.071	-2.362	.018
Return	<-->	Tax Benefits	.034	.091	.370	.711
Risk	<-->	Safety	.006	.050	.113	.910
Risk	<-->	Tax Benefits	-.015	.053	-.286	.775

The above table 2:1(d) Interprets Covariance relationship of investors' Preference reason in Bond investment. The results of multiple Regression path analysis conclude the variables Risk, Return, Safety, Tax Benefits, and Future Needs is not significant with one another, that is P-Values are greater than 0.05. The significant relationship is Risk and Future Needs, but it is negative.

**Figure 3:1 Multiple Regression Path Analysis of Investors' Preference Reason in Mutual Fund Investment Avenue**



**Table: 3.1(a) Model Fit Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Preference in Mutual Funds	.243	.059	.050	.9609

The model summary table 3.1 (a) interprets  $R$ ,  $R^2$ , adjusted  $R^2$ , Standard error of the estimate and model fits. Multiple Correlation coefficients 0.243 is good level of predication. The coefficient of determination like Well

Return, Risk, Safety, Tax Benefits and Future Needs variables are 50 % Dependents in Preference reasons on Mutual Fund.

**Table: 3.1(b) Regression Weights of Investors' preference reason in Mutual Funds**

Regression Weights	Estimate	S.E.	C.R.	P
Preference in Mutual Funds and Risk	-.101	.214	-.471	.638
Preference in Mutual Funds and Return	.149	.156	.956	.339
Preference in Mutual Funds and Safety	-.241	.267	-.905	.366
Preference in Mutual Funds and Tax Benefits	-.175	.256	-.685	.493
Preference in Mutual Funds and Future Needs	.637	.232	2.748	.006

The path diagram represents the preference reasons of Mutual Fund investments, the investor's preference reasons. Multiple regression analysis employed on the all five reasons. The squared multiple correlation estimate score is 0.059. Though first and foremost leading preference reason

is Future Needs the Estimate value is 0.637. It has been concluded from the analysis, most of the investors' highest preference reason of the investment in mutual fund is Future Needs.

**Table: 3.1(c) Correlation Matrix of Investors' preference reason in Mutual Funds:**

Correlation Matrix	Risk	Return	Safety	Tax Benefits	Future Needs	Preference in Mutual Funds
Risk	1.000					
Return	.317	1.000				
Safety	.330	-.033	1.000			
TaxBenefits	-.449	-.390	-.538	1.000		
FutureNeeds	.221	-.176	.577	-.275	1.000	
Preference in Mutual Funds	.053	.071	.091	-.129	.243	1.000

The below table 3.1 (c) shows the correlation matrix of all the variables in the model of Preference Reasons in Mutual Fund Investment. The variable of Safety and Future Needs is highly correlated among the variables, the correlated value is 0.577; the next higher correlated value is 0.330 is

Risk and Safety. The next variables followed by 0.317 in Risk and Safety, 0.221 in Risk and Future Needs. The other variables are negatively correlated. The preference in mutual fund investment variable is highly correlated in Safety and Future Need.

**Table: 3.1(d) Covariance's of Investors' preference reason in Mutual Funds:**

Mutual Fund Covariance	Estimate	S.E.	C.R.	P	Label
Tax Benefits <--> Future Needs	-.065	.024	-2.764	.006	
Safety <--> Tax Benefits	-.127	.026	-4.949	***	
Return <--> Safety	-.011	.032	-.343	.731	
Risk <--> Return	.107	.034	3.153	.002	
Safety <--> Future Needs	.136	.026	5.217	***	
Return <--> Future Needs	-.059	.033	-1.811	.070	
Risk <--> Future Needs	.053	.023	2.249	.025	
Return <--> Tax Benefits	-.131	.035	-3.792	***	
Risk <--> Safety	.078	.024	3.272	.001	
Risk <--> Tax Benefits	-.107	.025	-4.274	***	

The above table: 3.1(d) interprets the covariance inter relationship of the investors' preference reasons in Mutual Fund investments. There is significant relationship among the Risk and Return; Safety and Future Needs; Risk and Future Needs; Risk and Safety; the estimate values are The result concluded that mutual fund investors' preference reasons like Risk and Return, Safety and Future Needs, Risk and Future Needs, Risk and Safety are having highly interrelationship.

0.107, 0.136, 0.053, 0.078. There is no significant relationship among the Tax Benefits and Future Needs; Safety and Tax Benefits; Return and Safety; Return and Future Needs; Return and Tax Benefits; Risk and Tax benefits. The estimate values are very low and negative.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Preference in Bank and Post Office	.237	.056	.047	.9543

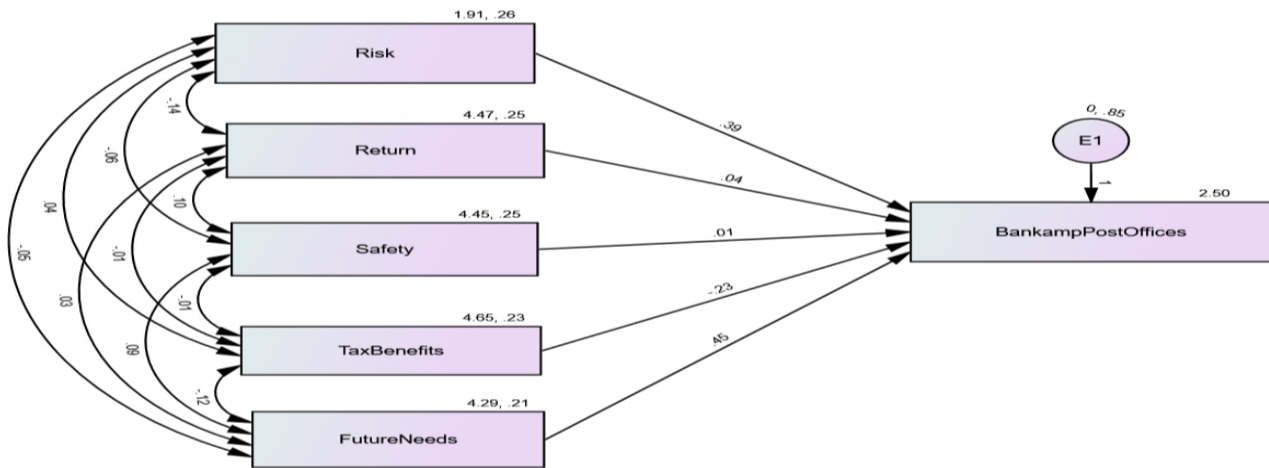
**Table: 4.1(a) Model Fit Summary**

The model summary table4.1 (a) interprets the  $R$ ,  $R^2$ , Adjusted  $R^2$ , Standard error of the estimate and model fits. Multiple Correlation coefficients 0.237 is good level of predication. The coefficient of determination like Well

Return, Safety & Security, Regular Income, Tax Benefits and Future Needs variables are 56% dependent in preference reasons on Bank and Post office.

## Investors Perception towards Investment Avenues

**Figure4 .1 Multiple Regression Path Analysis of Investors' Preference Reason in Bank and Post Investment Avenue**



variables are future needs and Tax benefits. The remaining variables are negatively correlated. The preference in Share market variables

**Table: 4.1(b) Regression Weights of Investors' Preference Reasons in Bank and Post Office Investment Avenue:**

Regression Weights		Estimate	S.E.	C.R.	P
Preference in Bank and Post Office	<--> Risk	.388	.208	1.862	.063
Preference in Bank and Post Office	<--> Return	.041	.225	.183	.855
Preference in Bank and Post Office	<--> Safety	.012	.216	.057	.955
Preference in Bank and Post Office	<--> Tax Benefits	-.230	.232	-.989	.322
Preference in Bank and Post Office	<--> Future Needs	.446	.266	1.677	.094

The path diagram represents the preference reasons of Bank and Post office investments, the preference reasons of Investors' are like Well Return, Risk, Safety, Tax Benefits, and Future Needs. Here multiple regression analysis employed on all five reasons; the results of multiple

regression analysis concludes the investors' preference reason in Bank and Post Office investment avenue is not significant with variables like Return, Risk, Safety, Tax Benefits, and Future Needs., that is P-Values are greater than 0.005.

**Table: 4.1(c) Correlation Matrix Investors' Preference Reasons in Bank and Post Office Investment Avenue**

Correlation Matrix	Risk	Return	Safety	Tax Benefits	Future Needs	Preference in Bank & Post Office
Risk	1.000					
Return	-0.541	1.000				
Safety	-0.233	0.397	1.000			
Tax Benefits	0.165	-0.06	-0.062	1.000		
Future Needs	-0.198	0.115	0.392	-0.571	1.000	
Preference in & Post Office	0.132	-0.056	0.056	-0.2	0.237	1.000

The above table 4.1(c) shows the value of correlation matrix of all the variables in the model of Preference Reasons in Bank and Post Office Investment. The result reflects the variables of Returns and Safety are highly correlated among the variables, the correlate value is 0.397, and the next higher correlate value 0.392 is Safety and Future Needs. Next positive correlation relationship variables are Risk and Tax Benefits, the value is 0.165 respectively. The remaining relationship variables are like Risk and Return, Risk and

Safety, Risk and Future Needs, Return and Tax Benefits, Safety and Tax Benefits, Tax Benefits and Future Needs are having negative Correlation.

The Preference reason in Bank and Post Office variable is highly correlated in Future needs and Risk variables, the correlated value is 0.237 and 0.132 respectively. The remaining variables like Return and Tax Benefits are negatively correlated.



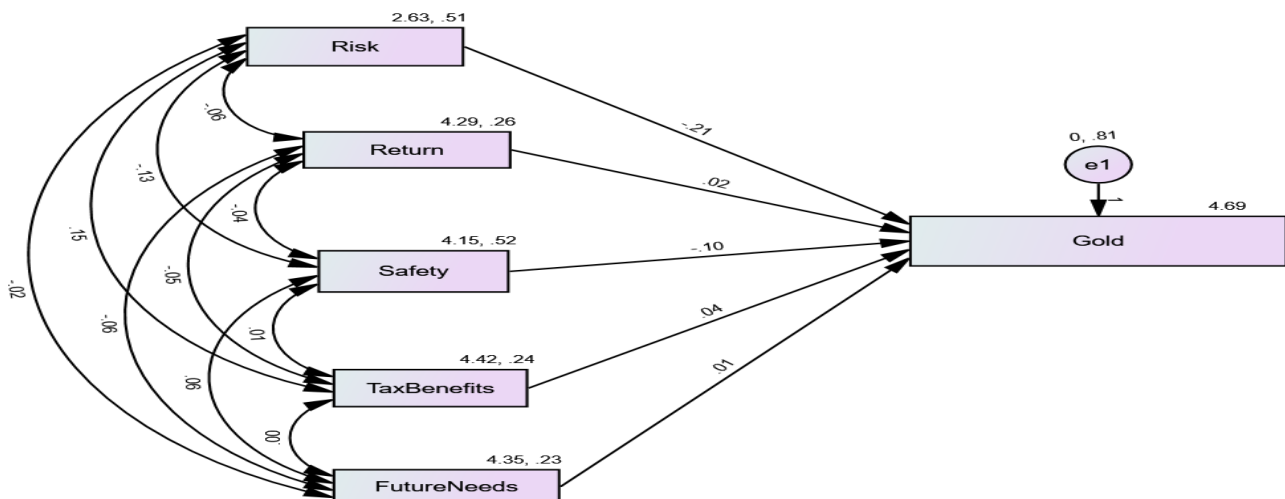
**Table: 4.1(d) covariance of Investors' Preference Reasons in Bank and Post Office Investment Avenue**

Bank and Post Office COVARIANCES	Estimate	S.E.	C.R.	P
Tax Benefits <-->Future Needs	-0.124	0.024	-5.179	***
Safety <-->Tax Benefits	-0.015	0.023	-0.648	0.517
Return <-->Safety	0.099	0.026	3.852	***
Risk <-->Return	-0.139	0.028	-4.966	***
Safety <-->Future needs	0.089	0.023	3.814	***
Return <-->Future needs	-0.014	0.023	-0.62	0.535
Risk <-->Future needs	-0.06	0.025	-2.367	0.018
Return <-->Tax Benefits	0.026	0.022	1.195	0.232
Risk <--> Safety	-0.046	0.023	-2.029	0.042
Risk <-->Tax Benefits	0.04	0.024	1.696	0.09

The above table 4.1(d) interprets covariance relationship of the investor's preference reasons in Bank and Post office investment. The significant relationships are Return and Safety, Safety and Future Needs, the estimated values are 0.099 and 0.089; P-value of these variables is less than 0.05. There is significant relationship in Tax Benefits and Future

Needs, Safety and Tax Benefits, Risk and Future Needs, Risk and Safety but it is negative value. The remaining variables are highly differing from one another. The result concluded that Bank and Post Office investment avenue investors' preference reasons Return, Safety and Future Needs are in the interrelationship.

**Figure: 5.1 Multiple Regression Path Analysis of Investors Preference Reason in Gold Investment Avenue:**



**Table 5:1(a) Model Fit Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Preference in Gold	.158	.025	-.022	.9271

The model summary table 5.1(a) interprets  $R$ ,  $R^2$ , adjusted  $R^2$ , Standard error of the estimate and model fits. Multiple Correlation coefficients 0.158 is average level of prediction. The coefficient of determination like Well

Return, Safety & Security, Regular Income, Tax Benefits and Future Needs variables are 25 % Dependents in Preference reasons on Mutual Fund.

**Table: 5.1(b) Regression Weights of Investors' Preference Reasons in Gold Investment Avenue:**

Regression Weights	Estimate	S.E.	C.R.	P
Preference in Gold and Risk	-0.21	0.141	-1.487	0.137
Preference in Gold and Return	0.022	0.181	0.12	0.905
Preference in Gold and Safety	-0.102	0.127	-0.8	0.424

## Investors Perception towards Investment Avenues

Preference in Gold and Tax Benefits	0.042	0.196	0.214	0.830
Preference in Gold and Future Needs	0.014	0.191	0.073	0.941

The path diagram represents the preference reasons of gold investment and the preference reasons of Investors' are like Well Return, Risk, Safety, Tax Benefits, and Future Needs. Here multiple regression analysis employed on all five reasons; the results of

multiple regression analysis concludes the investors' preference reason in gold investment avenue is not significant with all of the variables like Return, Risk, Safety, Tax Benefits, and Future Needs., that is P-Values are greater than 0.005.

**Table: 5.1(c) Correlation Matrix Investors' Preference Reasons in Gold Investment Avenue**

Correlation Matrix	Risk	Return	Safety	Tax Benefits	Future Needs	Preference in Gold
Risk	1.000					
Return	-.177	1.000				
Safety	-.248	-.114	1.000			
Tax Benefits	.418	-.194	.033	1.000		
Future Needs	-0.49	-0.264	0.171	0.004	1.000	
Preference in Gold	-.137	.044	-.040	-.051	-0.002	1.000

The above table 5.1(c) shows the value of correlation matrix of all the variables in the model of Preference Reasons in Gold Investment. The result reflects the variables of Risk and Tax Benefits are highly correlated among the variables, the correlate value is 0.418, and the next higher correlate value 0.171 is Safety and Future Needs. The remaining

relationship variables are having negative Correlation. The Preference reason in Gold investment variable is highly correlated only in Return, the correlated value is 0.044 respectively. The remaining variables are negatively correlated.

**Table: 5.1(d) covariance of Investors' Preference Reasons in Gold Investment Avenue:**

Bank and Post Office covariance			Estimate	S.E.	C.R.	P	Label
TaxBenefits	<-->	Future Needs	.001	.022	.044	.965	
Safety	<-->	Tax Benefits	.012	.034	.348	.728	
Return	<-->	Safety	-.042	.036	-1.187	.235	
Risk	<-->	Return	-.064	.035	-1.819	.069	
Safety	<-->	Future Needs	.059	.033	1.759	.079	
Risk	<-->	Safety	-.128	.051	-2.509	.012	
Return	<-->	Future Needs	-.064	.024	-2.666	.008	
Risk	<-->	Future Needs	-.017	.032	-.514	.607	
Risk	<-->	Tax Benefits	.147	.036	4.027	***	
Return	<-->	Tax Benefits	-.049	.025	-1.990	.047	

The above table 5.1(d) Interprets Covariance relationship of the investor's preference reasons in Gold investment. The significant relationships are only in Risk and Tax, the estimated values are 0.147; P-value of these variables is less than 0.05. There is significant relationship in Risk and Safety, Returns and Future Needs, Risk and Future Needs, but the values are negative. The remaining variables are highly differing from one another. The result concluded that Gold investment avenue investors' preference reasons Risk and Future Needs are in the interrelationship.

3) The Mutual Fund Investors' preference reason is Future Needs.

### VII.FINDINGS AND SUGGESSTIONS

The Study reflects the results of the Investors' Investment Preference Reasons in the different investment avenues.

- 1) The Share market investors' preference reason is Returns.
- 2) The Bond investors' preference reason is Risk.

#### A. Suggestions for Investors:

Investors ought to have a scientific investment plan. It provides precious profits for the investors. The arrangement quills are reasonable investment even minimal amount of every month, systematically payments, deliberately growth in dividend and plan to show better long-run returns.

For every investor, It is necessary to know the current Stock market fluctuations economic issues and other factors for analysing and valuing their investment. **Investor Responsibilities:**

- Investor has to analyse the level of risk for every investment.



- Investors should concentrate on Time Value of Money.
- Either in the long-run or short-run, the investor should have clearness about their investment objectives.
- Investor must know about the Tax Implications on Investment – under Section 80C & 80D – Income Tax Act – 1961.
- Investors must aware about the happenings in financial markets and investor can understand how investments might be effected.
- Based on the needs of the investor, the investment avenue will be chooses.
- Investor should know about the costs to buy and sell the investment.

### CONCLUSION

The Study reveals that the investor's investment preference reasons are different in different investment avenues. The investor's preference reason in Investment Avenue is depends upon the investment objectives such as Risk, Return, Safety and Liquidity of the investment.

Most of the Investors enter into the Share Market for Returns and Bond Investors take Risk and gains returns periodically. Risk aversion investors like to invest in Mutual Fund Investment avenue for Future Needs.

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