



Investment Behaviour of Rural People-A Study in Kurukshetra District

Inderjit Kaur¹, Rajender Kumar²

¹Researcher

²Assistant Professor, Dept. of Commerce, Shyam Lal College (Eve), University of Delhi

Abstract

One of the most pressing concerns for the developing world economy is the mobilization of domestic finance. Investing means with using money to make more money. Even investing small amounts can be the long run depend on making decisions about how much and where to invest. In order to be able to choose wisely, we need a thorough understanding of the investment options and their risks. Investment planning is necessary for everyone to achieve financial goals. For important needs such as the purchase of building assets from financial producers, the education of the children of the marriage, the financing of retirement, etc. Saving is the excess of income over consumption expenditure.

KEYWORDS: Investment Behavior, Investment Avenues, Rural investor

I. INTRODUCTION:

An "investment is a sacrifice of current cash or different assets for destiny benefit" and investment may be described because the internet growth in a nation's physical capital stock. There are several funding alternatives to be had in modern day monetary marketplace scenario. Each funding includes time and risk. Our lengthy-time period monetary wellness relies upon in large part on how accurately or foolishly we invest. "Investing is simple, however now no longer clean" isn't any joke, says Warren Buffet, one of the richest guys in the international and arguably the maximum a hit investor, who made his fortune of extra than \$ forty billion nearly absolutely from investments. There are many buyers in the international. Investing is simple as it simply manner setting a few cash aside. In order that it will become extra precious over time. At the identical time, making an investment is hard as it demanding situations our primary human nature - our urge to spend cash, revel in it, and meet our desires as quick as possible. It is hard due to the fact humans ought to be affected person and disciplined over lengthy intervals of time. It's due to the fact we see humans pass with the aid of using all round us and feature the high-quality time in their lives at the same time as they sacrifice the ones joys. Investing is likewise hard due to the fact we ought



to make many selections that ought to differentiate among desires and wants. Food, clothing, home, remedy and education: those are necessities. Eating out, occurring vacation, looking films are longings and may be decreased to saving to invest, due to the fact it's so clean to offer in to those temptations, making an investment is a extremely good challenge for humans.

II. Review of Literature

Ahmad, M. and Asghar, T. (2004) discovered that in the improvement of a rustic the function of saving and funding cannot be blown up. The records concerning the saving behavior of rural and urban families were taken the usage of records of HIES. This concludes that in the country involved the saving conduct is prompted through some of the demographic elements however the key function is performed through family income.

Syndera, W.D. (2007) examined the funding conduct of the middle-earnings class families in Nagpur. The study has been carried out to discover solutions to few critical questions which include choices of funding instruments, investment patterns, and diverse objectives of funding of middle-class families additionally approximately as the growth in financial savings and its reasons. It is simplest the earnings of families which has a right away have an effect on funding choices however also the age institution to which the head of the family belongs that impact the selection of Investment Avenue. In this have a look at, interest is likewise paid in the direction of locating the distinction in preference of funding avenues in one of a kind age companies and earnings training of the middle-earnings class section in Nagpur.

Nathrudee, S. and Piyarat, K. (2015) investigated saving and investment conduct and determinants of the sorts of saving in Thailand. It became concluded that the common saving price was 29.17%. The principal reason for financial savings became for post-retirement spending. The family tended to make investments extra in traditional saving forms, including financial institution deposits, coverage policies, gold and properties, than in economic belongings including authorities bond, mutual fund, company bonds, and stock.

Geetha, N. and Ramesh, M. (2011) studied the conduct of Indian family approximately their funding possibilities. Data was gathered from 210 respondents via nicely dependent questionnaire. The impact of demographic variables on funding possibilities become additionally focused. It became concluded that human beings had been now no longer privy to all of the funding alternatives to be had to them and that they lack information about securities.



R. Shanmugam & K.Ramya (March 2011) of their studies analyzed that, personality developments have an extra effect on one's conduct. These studies discovered that internals has an excessive correlation with funding expertise and successful funding conduct. Also, it becomes discovered that the investment expertise of internals is better than that of people with the outside locus of control. It becomes, in addition, discovered out that there's considerable distinction in investment conduct among people with excessive and low funding expertise. Hence the observation really indicates that internals with excessive funding expertise displays a successful investment conduct.

III. Statement of the Problem:

Investment-related variables include, have an impact on investment decisions, sources of funding, percent of earnings invested. Sources of statistics about investment & desire of investment, the proportion of earnings invested in diverse investment, the chance desire of girls traders, tracking length, problem traders, and stage of recognition concerning diverse components in investment. Indian financial savings marketplace has been increasing over the length and there may be a regular growth of family financial savings. Moreover trendy profile of traders is converting in track with time. But they lag in diverse spheres of investment including recognition and desire of investment so, a strive has been made via way of means of the researcher to discover the elements influencing traders' conduct to assess the extent of recognition amongst traders.

IV. Objectives of the Study

- To examine the demographic profile of the sample respondents.
- To examine the numerous financial savings schemes to be had for rural investors.
- To discover the saving and investment sample of rural investors.
- To provide appropriate recommendations to enhance saving and investment.

V. Methodology:

The present paper a look at is primarily based on each number one and secondary information. The number one information was accumulated from the respondents with the assist of interview schedule. The researcher has used easy random sampling method. The length of pattern selected for the sample is 100. The secondary information has been accumulated from numerous journals, books, magazines and websites.

VI. Pattern of Saving in Rural India:



Regarding the saving sample in rural India, the scenario is some distance from great due to the fact the huge majority of rural human beings stay in abject poverty. It is futile to besides from the rural poor to generate greater savings who discover it hard to make each end meet. In addition, the bad have the propensity to devour identical to unity, growing expectancies, and the operation of opinion concerning the upward fashion in profits of rural human beings in a few areas below the effect of an organic and technological revolution in agriculture, the major rural monetary activity. But the scenario at the saving the front in rural India remains dismal due to the fact the hastily growing expenses of customer items and agriculture inputs have neutralized the multiplied cash profits in the case of the majority of the rural individuals who discover it extraordinarily hard to hold frame and soul together.

VII. Pattern of Savings/Investment:

Bonds: When purchase bonds; investor mortgage cash to authorities or to a company. Bonds are issued for a hard and fast time period for the duration of which interest bills are made to the bondholder. The quantity of those bills relies upon the interest charge installed with the aid of using the provider of the bond (the Government or Company) while the bond is issued. This is referred to as a discount charge. Coupon fees may be constant or Variable. At the cease of the set time period (referred to as the adulthood date), the bond provider is needed to pay off the par or face cost of the bond.

Debentures: Debenture consists of debenture stock, bonds, and some other securities of business enterprise, whether or not constituting a price at the belongings of the business enterprise or not. The debenture is normally issued through the personal zone corporations as a long-time promissory observe for elevating mortgage capital. The business enterprise promises to pay interest and precept as stipulated.

Mutual Funds: Mutual Fund is an investment accepts as true that collects cash from traders having a not unusual place economic goal. The accumulated cash is invested in diverse capital marketplace devices like shares, debentures, and different securities. The earnings earned via those investments are shared with all of the traders. It is taken into consideration because the maximum appropriate investment for the not unusual place man because it gives each range and liquidity at a decrease fee along with side professional management.



Stock Market: The stock Market is one of the exciting investment options. This is the investment choice that gives an excessive charge of going back coupled with the most risk. Many elements influence inventory fee fluctuation so it is extraordinarily hard to be expecting the destiny proportion fees. The cause is inventory marketplace runs on the opportunity. Based on information & analysis, destiny proportion fees are expected however the opportunity of the percentage fees attaining the goal fee is continually a 50:50 chance.

Paper Gold: The word paper gold meant that Investor has paper and to replace physical gold; Investor does not the owner of the gold; he got a promise to get gold in physical form. In simple terms, this means that investors are a believer in society, and the issuing of the gold certificate on paper involves counterparty risks. Owning physical gold has no counterparty risk and is completely under your control.

Real Estate: Real Estate means land, buildings, apartments, etc. and investing in actual property entails the acquisition of actual property and promoting it for a gain. The majority of the buyers spend money on actual property in the shape of purchasing a house. But actual property funding is past this and the goal at the back of the investment is to make profits. Before creating an actual property investment, the investor needs to compare the risk urge for food and investment amount.

Bank Fixed Deposits: Fixed Deposit (FD) is a term where the people deposit their money in a bank for a long time with a fixed rate of interest rate for gaining assured amount in future.

Post Office Saving: The Post Office Saving is the oldest and largest bank in the country. The reasons for rural development include the postal savings account, the postal savings account for Swiss Post, the fixed deposit for one, two, three and five years, the monthly income system, the public pension fund, the senior citizens' savings system and the national savings bond. Bank of India will provide a range of value-added services (microloans, insurance, etc.) and one-stop financial services (savings, loans, insurance, transfers and pensions) to its 237 million existing Postal Savings Bank customers for small and medium-sized businesses size customers.

Public Provident Fund: The minimal funding required in a PPF account is Rs 500 in keeping with 12 months and the most funding quantity is Rs 1,00,000 in keeping with 12 months. You can take a mortgage at the PPF account after crowning glory of the 1/3 12 months beginning of the account. Partial withdrawal is likewise relevant after four 12 months' crowning glory of account beginning.



Gold & Silver: Silver taken into consideration as a appealing investment options. Normally gold is desired over silver via way of means of all investors. The silver marketplace is less in price than the gold marketplace. Silver is a higher funding in a bull marketplace. The cost of silver is pushed via way of means of hypothesis and deliver and call for. The silver fee is extensively volatile. This is due to decrease marketplace liquidity, and call for fluctuations among businesses and keep of price uses. Investment in silver is a great option. Silver frequently tracks the gold fee because of keep of price demands, even though the ratio can vary.

VIII. FINDINGS: The paper provides results of the collected data and to analyzed the investment pattern of the rural people. The results are presented in tables by using percentage method.

Table 1: Monthly Saving Amount of the respondents

S.NO	Saving Amount	No. of Respondents	Percentage
1	Below 3,000	42	42%
2	Rs.3,000 to less than Rs.6,000	34	34%
3	Rs.6,000 to less than Rs.9,000	16	16%
4	above Rs.9,000	8	8%
Total		100	100%

Interpretation: A question from the questionnaire on the monthly savings of rural populations that respondents replied that 42% were less than Rs.3000, 34% were between Rs.3000 and Rs.6,000 and 16% were between Rs.6,000 and Rs. 9,000. Only 8% of respondents belong to people who save monthly amounts over Rs 9,000.

Table 2: Reason for saving

S.NO	Saving Reason	No. of Respondents	Percentage
1	Safe way to keep money	15	15%
2	For future purpose	60	60%
3	Medical emergencies	3	3%
4	Purpose of children education	20	20%



5	Compulsion	2	2%
Total		100	100%

Interpretation: It is concluded that the majority of respondents, 60% prefer the reason for saving for the future, 20% for children's education, while 15% prefer the reason for saving as a safe way of saving money and 3% for medical purposes specify costs. Only 2% save your money with force.

Table 3: Investment Awareness

S.No	Investment Awareness	No. of Respondents	Percentage
1	Yes	60	60%
2	No	40	40%
Total		100	100%

Interpretation: It is concluded that the majority of respondents, 60%, are aware of the investment plan. Most of the people have a minimal level of education, so there are no details on investment information, while 40% of respondents do not know about government investments.

Table 4: List out of the Preference Investment

S.NO	Investment Scheme	No. of Respondents	Percentage
1	Post office	13	13%
2	Bank deposit	35	35%
3	Modern investment	2	2%
4	Insurance	20	20%
5	Gold & Silver	30	30%
Total		100	100%

Interpretation: It is concluded that the majority of respondents 35% prefer bank deposits and 30% gold and silver. 20% of respondents save their money by investing in insurance, 13% in the post and only 2% in the modern regime of the current government.

**Table 5: Risk Taking Level**

S.NO	Risk Taking Level	No. of Respondents	Percentage
1	High	19	19%
2	Balance	60	60%
3	Low	21	21%
Total		100	100%

Interpretation: It is concluded that most of the respondents 60% prefer the balance of the risk level, most of the people in the rural area is so convenient to balance our life. While 19% were taken high risk and 21% of respondents took low risk, they show that rural people no longer take risks and enjoy life smoothly.

IX. SUGGESTIONS:

- The authorities groups need to provide significance to the agricultural investors.
- The authorities can provide a diverse saving and funding scheme to the agricultural investors.
- The humans are concentrating, simplest put up office, banks, insurance, gold and silvers, and different establishments are blanketed and endorsed to humans for the savings.
- The authorities to create attention and train rural humans in saving and investments.
- To consist of the agricultural humans to put money into banks.
- The authorities offer diverse saving and funding scheme is effortlessly comprehensible with the aid of using the agricultural investors.

X. CONCLUSIONS:

Economic establishments and banks can mobilize the profits of rural human beings, that's a more tough task. People in rural regions select protection and go back from their investments and they're having much less understanding of banking and different economic terms. The financial group can make use of this possibility via way of means of teaching the agricultural human beings and developing recognition amongst them on economic offerings and banking offerings. Saving and funding dependency of rural human beings consists of neighborhood chit fund, publish workplace deposit, funding in gold and a much less component in banks and insurance (LIC) and a different



small saving. Therefore, the banks, publish office and different economic establishments can inspire the agricultural human beings for making an investment and saving of money, as an aid to enhance general of residing and financial improvement of a country.

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