A STUDY ON INVESTORS' PERECEPTION TOWARDS INVESTMENT DECISION IN RURAL AREAS OF SABARKANTHA DISTRICT

Dr. Dharmendra Thaker, Jyoti Babulal Thakkar

Professor
Department of Commerce & Management
Hem. North Gujarat University patan
I/C Head of Department of Law (LLM)
Hem. North Gujarat University patan

Research Scholar
Hemchandracharya North Gujarat University,
Patan, Gujarat

Abstract

Human life is risky and uncertain. In the same way future is also non-committal. But still, we think of future and future of our family with respect tofinancial security, balanced life, and a manageable livelihood. There comes the role of investment and investment does not include only future butsacrifice of some of the present aspirations. We invest only to prevent the uncertainties by getting good returns. Different financial and investmentcompanies are in market to attract customers with different mouth-watering return plans, but the investors choose the one, which is stable, consistentand has a good track record. The present study is an attempt to explore the mindset of the investors and their perception towards different investmentplans.The purpose of the study is to examine investors' degree of awareness in rural areas, with a particular focus on the Sabarkantha district. The majority of investors, especially those in rural areas, are found to be ignorant about investment opportunities as well as laws and guidelines. Even though our economy has grown remarkably and people's incomes are rising, India's savings mobilization rate is lower. Savings in rural areas are not appropriately invested in and mobilized. Investment is a type of economic activity that produces capital needed by different economic sectors. Thus, everyone who makes a living need to be encouraged to invest and save money. The purpose of the study was to determine rural investors' awareness levels regarding different investment routes, as well as their preferences and considerations while making financial decisions.The study's primary focus is on primary data. Data was gathered in the rural Rajkot district utilizing a suitable sampling technique and a standardized questionnaire with 600 respondents. The ANOVA test was used to evaluate the data. According to the researcher's analysis, 90% of investors in those remote areas are aware of investment opportunities. The bulk of investors' preferred investment routes were bank deposits, insurance, real estate, pensions, and provident funds; some investors were also aware of mutual funds, shares, and other investment options. The study comes to the conclusion that an investor's preferred investment routes and gender have a big impact on how aware they are of rural areas investing.The majority of investors choose safe investments, with moderate and high yield options being favored. The respondents' order of choice for investments suggested that they only wanted to store their money in "safe" possibilities. For most of the investors, the most popular investment options were bank savings, gold and jewelry, and real estate.

Keywords: *Investment avenues, Gender, Age, Awareness Level, Preferences, Rural Area and Sabarkantha District.*

INTRODUCTION

Investment is the sacrifice certain present value forthe uncertain future reward. It is faced with a crucialdecision - whether to invest, Where to invest and howto invest. In last few years there are a lot ofinvestment avenues available in the financial marketfor an investor with an inevitable surplus. He caninvest in Bank Deposits, Corporate Debentures andBonds where there is low risk but low return. He mayinvest in Stock of companies where the risk is highand the returns are also proportionately high. Peoplebegan opting for portfolio managers with expertise instock markets who would invest on their behalf. Thuswe had wealth management services provided bymany institutions.At present, a wide variety of investment avenues are open to the investors to suit their needs and nature. Knowledge about the different avenues enables the investors to choose investment intelligently. The required level of return and the risk tolerance decide the choice of the investor. The investment alternatives range from national savings certificates, Indira Vikas Patra, Kisan Vikas Patra, Provident Fund, Mutual Fund Schemes, Insurance Schemes, Chits, Bank Fixed Deposits, Company Fixed Deposits, Company Shares, Bonds /Debentures, Government Securities, Postal Savings Schemes and Real Estate etc.

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Investment decisions are still found to be complicated as there are various factors to be considered to choose equity or a stock to invest in or trade into. These socioeconomic, demographic, and attitudinal factors act as key drivers for investment decisions. There is always something that is underpinning an investment decision making process as the probabilities of returns are a concern. Most of the investors feel insecure in managing their investment on the stock market because it is difficult for an individual to identify companies which have growth prospects for investment. Even after identifying the growth oriented companies and their securities, the trading practices are also complicated, making it a difficult task for investors to trade in all the exchange and follow up on post trading formalities. Hence this is very much important to the stock dealers especially who are new to the market. The equity investment decisions are influenced by few factors like good corporate earnings, stock marketability, stock affordability, dividend announcements, Price earnings ratio, Momentum effect, Contrarian effect, Investment behaviour of FIIs, firm's reputation, socially responsible investing, Current economic indicators, Opinion from family/friends/colleagues, broker's recommendation, and other professional advice.

INVESTMENT-DEFINITION

An investment is an asset or item acquired with the goal of generating income or appreciation. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.

INVESTMENT OBJECTIVE

INVESTMENT PROCESS
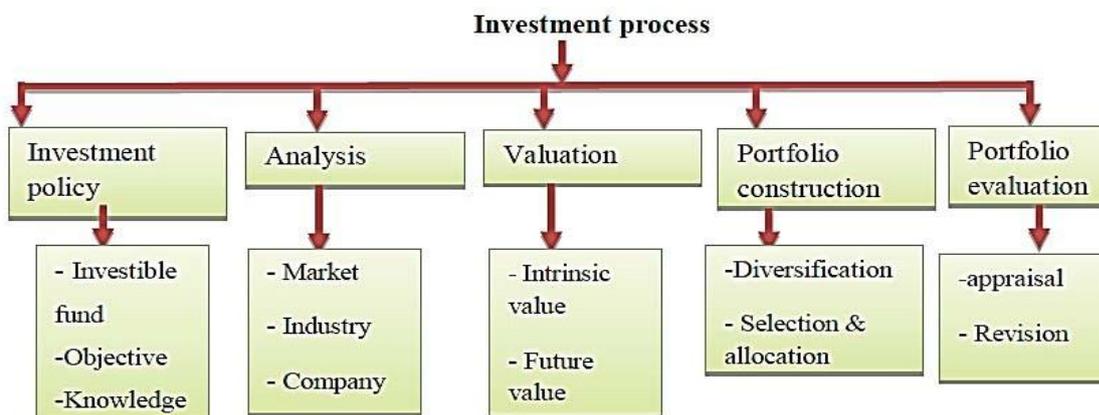
LITERATURE REVIEW

Pradeesh.G(2020),has undertaken the study on Impact on Investors attitude towards Various Investment Avenues in Thanjavur. The study has been conducted among 1000 investors of Thanjavur City Corporation, Published in Emperor Journal of Applied Scientific Research. Convenience sampling method was adopted. The data was analyzed using ANOVA. The study concludes that if the younger generation starts investing at the early stage at regular basis, they can able to save more money for their future.

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Dr. Priyanka Bhatt, Margi Soni (2019), the researcher had made the study on behavior and investment Pattern of investor for different investment avenues with reference to Ahmedabad City. Descriptive Cross Sectional research design has been used. The study has been conducted among 417 investors of Ahmedabad City. Conveniencesampling method is used and Frequency statistics, Correlation, ANOVA, Cross tabulation has been used to analyze the data. The study concludes that the investors are a keen to invest in long term and less risk products, High return and low risk and much interested to good return on their take string decisions while investing money.

G.C. Venkataiah, Prof. B.K. Surya Prakasha Rao (2018),has attempted to study the perception of investors towards various investment avenues in Vijayawada City of Andhra Pradesh. The study tells that the investors preferential choice on investment avenues are same across the gender and the decision-making process on various investment avenues are same on investment aspects like gold. They had done research using descriptive research design and have taken 120 as a sample size. The sampling technique adopted was convenience sampling technique. The data was analyzed and interpreted with the help of Statistical tools like mean, Standard Deviation, Chi-Square test, ANOVA, Mann-Whitney U test and Kruskal-Wallis test. The study concludes that investment by the investors towards various investment avenues were done with the expectations of capital appreciation and earnings comprising both short term and long-term periods.

Mr. Atchyuthan& MS. Yogendrarajah (2017) studied on investment awareness and preference of working women in Jaffna district in Sri Lanka it is evident that most of the working women are aware of various investment avenues. The study discloses that working women have more prefer to invest in bank deposits. Majority of the working women under the study supports this.

OBJECTIVES OF THE STUDY

[1] To assess the awareness level of respondent perception towards investment avenues of the investors in rural areas of Sabarkantha district.
[2] To compare the awareness level of male and female investors perception towards investment avenues in rural areas.
[3] The study aims to find out the most preferred avenues of rural investors in Sabarkantha district.
[4] To make suitable suggestions to enhance investment awareness among rural investors in Sabarkantha district.

HYPOTHESIS

H_1: There is significant difference between Gender and investment awareness level of rural investors.
H_2: There is significant difference between Age and investment awareness level of rural investors.
H_3: There is significant difference between Educational qualification and investment awareness level of rural investors.
H_4: There is significant difference between Occupation and investment awareness level of rural investors.
H_5: There is significant difference between investor's awareness and investment avenues.

RESEARCH METHODOLOGY

RESEARCH PROBLEM:
The study investigates the kind of investment is preferred by rural investors in Sabarkantha district, the awareness level of people and their perception towards investment avenues.

DATA TYPE:
The research is based on primary data. A questionnaire is framed and got it filled by 600 respondents.

DATA COLLECTION TOOL:
A structured questionnaire was designed to collect the response of people towards investment avenues.

SAMPLE SIZE:
One Thousands sample respondents were selected on the basis of convenience sampling method.

SAMPLE AREA:
As my sample area the research shall be carried out in rural areas of Sabarkantha district. In that Hugh population, the researcher selected 4 villages for the purpose of the study.

SAMPLING UNIT:
There are various investment avenues available to discretion of rural investors in that I am going to target on rural areas of investors who are investing in various investment avenues available in the market. The awareness level of investors towards investment avenues will analyzed in this study.

SAMPLING METHOD:
Convenience sampling method will followed to choose the respondent from the investors of rural areas of Sabarkantha district. Which is classifying as non- probability sampling methods will use.

STATISTICAL TOOLS USED:
In this regard statistical tools like, ANOVA and SPSS-27 used. ANOVA is a statistical test commonly used to compare observed data with data we would expect to get according to a specific hypothesis.

SCOPE AND PERIOD OF THE STUDY:
This study defined to the rural investors considering four villages viz., **Idar, Himmatnagar, Prantij and Khedbrahma** from Sabarkantha district in Gujarat. This study survey were conducted during research studywith the help of structured questionnaire abide of relevant questions. The study focus on rural investor's perception with reference to investment avenues, their investment awareness level.

DATA ANALYSIS AND INTERPRETATION

DISTRIBUTION OF THE SAMPLE INVESTORS:

Sr. No.	Village	Male	Female	Total
1	Idar	120	36	156
2	Himmatnagar	120	30	150
3	Prantij	120	51	171
4	Khedbrahma	66	24	123
Total		**459**	**141**	**600**

(Source:SPSS 27.0**)**

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

AgewiseDistribution	No.ofrespondents	Percentage
Below20	57	9.5
21-30	315	52.5
31-40	168	28
Above-40	60	10
Education wise Distribution	**No.ofrespondents**	**Percentage**
Non Graduate	147	24.5
Graduate	174	29
Post Graduate & above	159	26.5
Professional Degree	66	11
Others	54	9
Marital Status	**No.ofrespondents**	**Percentage**
Unmarried	366	61
Married	234	39
Occupation	**No.ofrespondents**	**Percentage**
Farmer	30	5
Pvt. Sector Service	315	52.5
Government Sector Service	66	11
Business	54	9
Retired	36	6
Others	51	8.5
Labour Work	48	8
Annual Income	**No.ofrespondents**	**Percentage**
Less than 1 lakh	147	24.5
1 lakh – 2 lakh	186	31
2 lakh- 3 lakh	156	26
Above 3 lakh	111	18.5
Annual Savings	**No.ofrespondents**	**Percentage**
Up to Rs.10000	270	45
Rs.10001 – Rs.20,000	177	29.5
Rs.20,001–Rs.30,000	54	9

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Rs.30001 – Rs.50,000	66	11
Above Rs.,50,000	33	5.5

(Source:SPSS 27.0**)**

Interpretation:

The above table shows that 52.5% respondent is in the age group of 21-30 years. Respondent is in the age group of 31-40 years constitute 28%. 10%of respondent are in the age group of 40 and above. The analysis shows that 24.5% respondent who are Non-graduate. Inthat 29% majorityofrespondent are qualified withGraduation. 26.5%respondent are qualified with degree of post graduate and above. Remaining are qualified professional degree and others constitute 11% and 9%. This analysis shows that 61% of respondent are unmarried and the rest of the respondent are married. Annual saving of 45% of respondent saving up to Rs. 10000 and 9% of respondent are saving Rs. 20000-30000. With regards tooccupation52.5% are Private sectors and 11% respondent are workinginGovernment sector, remainingare workingas a Farmer, Businessman, Retired and laborer whichis makes up as 5%, 9%, 6% and 8%. 31% ofrespondent annual income is between 1 lakh-2 lakh and 26% of respondent annual income is between 2 lakh-3 lakh. 24.5% respondent annual income is less than 1 lakh. 18.5% constitute of annual income of 3 lakh and above.

HYPOTHESISANALYSIS:

1.   Thereissignificantdifferencebetween Genderandinvestmentawarenesslevelofruralinvestors.

Investment Awareness Responses	MaleRespondents	Female Respondents	TOTAL
YES	438	114	552
NO	21	27	48
TOTAL	**459**	**141**	**600**

(Source:SPSS 27.0**)**
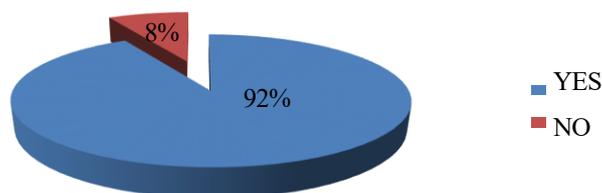
(Source:SPSS 27.0**)**

Interpretation:

In order to know about investment awareness level of male and female respondents from rural areas under the study, the responses depicted in the table indicated that out of 600 respondent, 552 respondents were aware about investments whereas 48 respondents were found unaware. Out of 459 male respondents, 438 respondent agreed that they were enough aware about various investment opportunities. Of 141 female respondent, 114 were found aware about investment opportunities.

2.   Thereissignificantdifferencebetween Ageandinvestmentawarenesslevelofruralinvestors.

AGE	AWARENESS LEVEL		TOTAL
	YES	**NO**	
BELOW20	66	6	72
21-30	306	24	330
31-40	126	6	132
ABOVE40	48	18	66
TOTAL	**546**	**54**	**600**

(Source:SPSS 27.0**)**

Interpretation:

To test the null hypothesis, signal factor ANOVAa was applied. As shown in above table the calculated P value, this is greater than 0.05, that there is no significant difference between the age and awareness level of rural investor. P value is 0.07 so, here null hypothesis should accept.

3.   Thereissignificantdifferencebetween Educationalqualificationandinvestmentawarenesslevelofruralinvestors.

EDUCATION QUALIFICATION	AWARNESSLEVEL		TOTAL

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	YES	NO	
NonGraduate	102	6	108
Graduate	258	18	276
PostGraduate&above	144	6	150
ProfessionalDegree	42	6	48
Others	12	6	18
TOTAL	558	42	600

(Source:SPSS 27.0)

Interpretation:

As a resultant of ANOVAa signal factor P value is 0.04 which is less than 0.05, hence it clearly that there is a significant relationship between Educational qualification and Awareness level of rural investors. So reject null hypothesis; they concluded that there is no significant difference between education qualifications with investment awareness.

4.   Thereissignificantdifferencebetween Occupationandinvestmentawarenesslevelofruralinvestors.

OCCUPATION	AWARNESSLEVEL		TOTAL
	YES	NO	
Farmer	6	24	30
Pvt.SectorService	282	30	312
GovernmentSector Service	54	12	66
Business	48	6	54
Retired	32	15	36
Others	30	21	51
Labourwork	36	15	51
TOTAL	477	123	600

(Source:SPSS 27.0)

Interpretation:

Finally for occupation, we also found there is no significant difference between occupation and investment awareness of rural investors in Sabarkantha. Asymptotic significance was 0.185 which is more than 0.05; hence it clearly states that there is a significant relationship between occupation and investment awareness level of rural investors in Rajkot.(Accept null hypothesis), they also signifies there is no significant difference between occupation and awareness of investment Avenue.

5.   Thereissignificantdifferencebetweeninvestor'sawarenessandinvestmentavenues.

INVESTMENTAVENUES	YES	NO	TOTAL
Bank Deposit	117	0	117
Gold	60	0	60
Real estate	60	0	60
Pension and Provident fund	69	0	69
Shares	54	9	63
Mutual funds	27	6	33
Insurance	105	0	105
Postal savings	60	3	63
Any other	30	0	30
TOTAL	582	18	600

(Source:SPSS 27.0)

Interpretation:

The above table shows that out of 600 respondents 117 the investors prefer to invest their money in Bank deposits, 60 of the investors invest their money in gold and Real Estate and reaming 69 of the investors invest their money in PF and pension. 54 of investors invest their money in shares, 27 of the investors invest in Mutual Funds. Remaining 105, 60, 30 respondents invest their money in Insurance, Postal saving, any other respectively. Most of the investors invest their money in Bank deposits, gold, Insurance, Red Estate, PF and postal saving because they want only safety to their investment amount. To apply the test of Null hypothesis is reject and accept the Alternate hypothesis because P value of signal factor of ANOVAa was 1.19. Which is more than 0.05, so null hypothesis is accept or fail to reject Null hypothesis.

LIMITATION OF THE STUDY

[1] The study was confined to a small sample of investors from four village in Sabarkantha city of Gujarat state.
[2] The study discussed about the investment preference of rural investors and considerations for investing their money.
[3] Some of respondent were reluctant to share their views on investment decision.
[4] The study focused on awareness level of rural investors and their preference only.
[5] Further research can be undertaken for investing determinates of investmentsdecision,risktolerance levelofruralinvestors.The studycanbe conducted speciallyonruralpoor households'pattern of saving and investment.

CONCLUSION

Sabarkantha is one of Gujarat state's emerging districts financially. As a result, there is a high level of awareness regarding investing options and information. As a result, they are more fiscally sensitive. Before making an investment in any market, they will consider their options carefully and have higher expectations. The study's findings suggest that investors would rather put their money into safer ventures.

According to the report, investors in rural areas have greater faith in the goods and services offered by government banks. It is clear from the report that the majority of male investors are aware of different investment opportunities. The analysis reveals that bank deposits are the investment option that investors favor the most. The majority of the study's investors concur with this. It was discovered that insurance ranked second amongst rural investors' preferences, followed by pension plans and provident funds in third place, real estate, gold, and postal savings in fourth place. It is understandable that investors would naturally favor bank accounts, gold, and insurance above other types of investments. Regarding the association between an investor's age, occupation, educational background, and degree of awareness, this study supports previous findings. According to the study's findings, most rural investors were on the conservative side. Regarding the awareness level of rural investors, it was deduced that there was no statistically significant distinction in the investment awareness levels of the study's male and female participants. There is also no discernible difference in the investors' awareness levels based on age.

In order to draw in the public, numerous new investment vehicles have been launched over the past two decades. The majority of respondents only learned about the various programs via friends, family, and parents, therefore the ads for these new investment schemes are insufficient. Consequently, it is advised that financial institutions implement a wide-ranging advertising campaign to inform investors about the different investment opportunities.

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