**1.1 INTRODUCTION**

In the present day investing money has become a complex task. Most of the investors are unaware of the fact that investing is both an art and science. Majority of people irrespective of their education, status, occupation etc are fascinated by investments. Investment is an economic activity in which every person is engaged in one firm or another. Even though the basic objective of making investment benefit from it. Those who incur losses have not managed their funds scientifically and have just followed others blindly. All investments are risky to some degree or other as risk and return go together.

The developing countries like India face the enormous tasks of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of various circle of poverty of low income, low saving, low investment, low employment etc. With high capital output ratio, India needs very high rate of investments to make a leap forward in their efforts of attaining high level of growth. Since the beginning of planning, emphasis was on investment as the primary instruments of economic growth and increase in national income. In order to production as per target, investment was considered the crucial determinant and capital formation had to be supported by appropriate volume of saving.

Investment is the process of ‘sacrificing some thing now for the prospects of gaining something later’. Our definition implies that those are three dimensions to an investment time which involves creation of assets or exchange of assets, with profit motive. It is the employment of funds with purpose of earning additional income or growth in value. The person making investment has to part with his funds. The funds may be converted to monetary assets or a claim on future money for a return. This return is an award for abstaining from present consumption for parting with the money or liquidity and for taking a risk. The risk may be about the return on investment, time of waiting, the cost of getting back funds, safety of funds and variability of the return.

**1.2 STATEMENT OF THE PROBLEM**

People earn money by undertaking different activities and they spent money for different purposes. When they reduce consumption that will result into savings. The saved portion of income may be temporarily put to avenues until they are to be utilized for future expenditures. This results into savings and investments. The quantum of earnings, consumption behavior, attitude towards various savings and available investments avenues etc. determines savings and investments of the people. This study aims at exploring different savings and investments avenues used by the Govt. employees. Hence the study is entitled as **“**A STUDY ON THE SAVINGS AND INVESTMENTS BEHVAIOUR OF GOVT. EMPLOYEES”

**1.3 SIGNIFICANCE OF THE STUDY**

There are many investment alternatives available for investors in order to secure their savings. It is important to know whether these alternatives are used by them seriously as investment involves many crucial decisions which would affect the rate of return and also contributes to the economic development. This is a study which deals with various investment alternatives of government employees.

**1.4 OBJECTIVES OF THE STUDY**

* To identify the major savings and investment avenues currently used
* by the Govt. Employees.
* To analyze the duration of investment the Govt.employees prefer.
* To identify the level of awareness of teachers on investment avenues.
* To examine the perception of the Govt. Employees in respect of their

current savings and investment behaviour patters.

* To find the problems faced by the investors.
* To identify factors responsible for varying savings and investment pattern across different categories of Govt. Employees in the study region.

**1.5 SCOPE OF THE STUDY**

The study covers the savings and investments pattern of selected persons from govt. employees.. The details about savings and investments of salaried people, used in this study, were related to the year 2019-2022 only.

**1.6 RESEARCH METHODOLOGY**

The study focuses on the savings and investments pattern of salaried class by collecting information from selected Govt. employees. Information was collected from selected respondents of govt. employee through survey, by issuing a structured questionnaire.

 **SOURCES OF DATA**

Both primary and secondary data are used for the study. Primary data were collected from Teachers, Bank employees, Clerks, Nurses, Police Personnel, Soldiers, Pharmacists and other employees with the help of preset questionnaires. Secondary data were collected from text books, journals, internet etc.

**SAMPLE DESIGN**

To gather primary data, convenience sampling technique was used. For the purpose of the study, samples are selected from salaried people. Salaried people are those who are working under an employer and receiving salary every month for their services. For data collection, survey was conducted among 25 employees including Teachers, Bank employees, Clerks, Police, Soldiers, Pharmacists and other officers and employees in Government and Non-Government offices, non teaching staffs in schools and colleges etc.

**ANALYSIS OF DATA**

The data collected were analyzed with the help of tabular and graphical presentation tools.

**1.7 LIMITATIONS OF THE STUDY**

 The major limitations of the study are:-

* The study confines only to selected samples of the salaried class. Hence generalization cannot be possible.
* To represent a large population only a small number of samples are selected, that is 50 respondents, due to lack of time.
* Respondents hesitate to reveal some financial details. So the accuracy of findings depends upon the information supplied by respondents.

**1.8 CHAPTER SCHEME**

The study has been divided in to 5 chapters

* The first chapter deals with Introduction of the study.
* The second chapter deals with Review of literature
* The third chapter deals with Theoretical frame work of the study.
* The fourth chapter deals with Data analysis and interpretations of the study.
* The final chapter furnishes the findings, suggestions and conclusion for the study.

**2.1 REVIEW OF LITERATURE**

**Thulasipriya (2015)** examined the investment preference of Coimbatore based Government employees on various investment avenues. She confirmed that investors still prefer to invest in financial products which give risk free returns. This confirms that Indian investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe. Most of the Licensed Under Creative Commons Attribution CC BY investors prefer Bank FD and Govt. Securities as the investment option, there is lack of awareness about other avenues like equity and mutual fund etc. so it is mandatory to be aware and invest in them by reading newspapers, journals and articles related to stock market.

**Dusenberry (1949)** has examined that the saving rate depends not only on the level of income but also on the relative position of the individual on the income scale and the saving rate is dependent on the ratio of the current income to the peak level income previously reached.

**Ruddar Dutt (1972)** has noticed two phenomenon regarding savings and investment First there is a competitive increase in non functional consumption on ceremonies like marriage etc, Secondly there is a race in the use of prestige articles and services which are rapidly becoming the indices of high living standards. The continuous rise in prices eroded whatever little savings the less well to do could make earlier. Thus, the growing inequality has acted in a two fold manner to act into the savings potential of the household sector.**Ezekiel Hannan (1982)** has pointed out that an increase in the savings rate is necessary if the planned rate of growth of income is to be achieved. The capacity to save depends upon the per capita income level. Increasing the marginal savings ratio further can only hit the already pitiably low level of taxation and it will hit savings ratio too.

**The NCAER (1980)** study has found the average investment level to arise with an increase in the level of education of chief earner. The pattern of investment varied with the share of physical assets to the total and declined with the increase in levels of education. The share of financial assets in household investment declined as the households moved up in the wealth scale, more or less similar trends were noticed in both rural and urban areas.

**Tomola Marshal Obamuyi (2013**) The study seeks to determine the main factors influencing investment decisions of investors and how these factors are related to the investors„ socio-economic characteristics in the Nigerian Capital Market. The study covers individual investors using convenient sampling method to obtain information From 33 respondents through a modified questionnaire developed by Al-Tamimi (2005).

**Prof. Priya Vasagadekar (2014)** In this papers the author says that from ancient times, women have been managing homes. Hence they are called Home makers.„ But since the last 10 to 15 years, this situation has been changing. These days, in all sorts of fields, women are working efficiently and enthusiastically along with men or if it is said that women work more efficiently than their male colleagues, it wouldn„t be an exaggeration. In the metro cities, the percentage of working women is more and Pune is getting transformed into metros. Previously Pune was known only for the best education; but with the rapid paced development in the industry sector in the recent past, it is now known as Employment Hub too. As the name suggests, the present research has been done to know the investment awareness among Indian working women with reference to Pune region. Now- a- days, women want to be financially independent & secure their future with enough funds.

**Sindhu (2013)** studied the investment preference with respect to various investment avenues of 900 investors of Kerala, India. She revealed that the most preferred investment avenue is bank deposits, followed by life insurance. Investments in mutual funds came in the third position. Chits, Shares and Postal deposits managed to get fourth, fifth and sixth position, Gold, Pension & Provident Fund and Real Estates are ranked seventh, eighth and ninth, Bonds & Debentures, Company Deposits, Small Savings Scheme and Art Fund hold tenth, eleventh, twelfth and thirteenth rank among investors. She also found that there exists significant difference in the preferences of male and female investors on various investment avenues. She witnessed that age has influence on the investment preferences of the investors on various avenues of investments. She concluded that the income level has influence on their preferences of various avenues of investments

**3.1 THEORETICAL FRAMEWORK**

**AN OVERVIEW OF SAVINGS AND INVESTMENTS**

Savings and investments constitute an important component of total assets of people. When people have surplus cash after meeting present needs, they will put it into savings and investments avenues. Generally savings and investments are used in a similar sense. But they are different and distinct. Savings is that part of income which is not spends for present consumption. It refers to money or assets kept for future periods. In deposit terminology, the term savings is defined as money or assets set aside for the purpose of future use. Savings generally represent only one part of an individual’s assets and have a minimal exposure to risk. It represents an important part of an individual’s as well as a nation’s basic assets. committing funds in any financial or physical form in the present with the expectation of receiving additional income in the future. In other words investment is the sacrifice of certain present value for the uncertain future reward. According to Fisher and Jordan investment is “commitment of funds made in the expectation of some positive rate of return. If the investment is properly undertaken, the return will commensurate with the risk the investor assumes”

According to F. Amling “investment may be defined as the purchase by an individual or institutional investor of a financial or real asset that produces a return proportional to the risk assumed over some future investment project” The Business Dictionary defines investments as “money committed or property acquired for future income.” In short investment means income set aside for the purpose of earning additional return or growth in value.

 **FACTORS AFFECTING SAVINGS**

 The following factors influence the savings of individuals.

**INCOME**

 If a person’s income is more than sufficient to meet all the needs and wants, then there will have surplus funds left over at the end of each pay cycle or pay period. This fund can be directed into savings avenues.

**MARGINAL PROPENSITY TO COSUME (MPC**)

After receiving income a majority of it will spend for food, shelter, clothing, etc. In Economic terms the percentage of the income which is consumed is referred to as the Marginal Propensity to Consume. The Marginal Propensity to Consume helps to know the relationship between rupee earned and rupee expended. That is when an additional rupee is earned, how much of that will be expended. The Marginal Propensity to Consume plus the household savings ratio will always equal to 100 percentage. As such anything which affects MPC will affect saving levels also.

**INTEREST RATES**

 Interest rates will have a significant impact on the willingness to save money. When interest rate increases, it will results into a higher financial return on the money that is saved. This will make saving a more attractive option.

**AVAILABILITY OF APPROPRIATE SAVING SCHEMES**

 If more options are available to put the money saved, people will be attracted to save more.

**INCOME TAX**

 When pursuaded income tax rates increase, it will affect disposal income. Disposal income is the income left after paying taxes. If income tax rates increase, people won’t have much money to save. On the other hand, when income tax rates fall, it is possible to save more money. Any money that one earns from savings is subject to taxation. Any decision by the Government to alter the way in which savings are taxed will also have an effect on whether or not to choose saving avenues.

**RATE OF INFLATION**

When inflation is high people have less money left with them to save because a major part of their disposal income will be spend to satisfy their needs and wants.

**SAVE FOR A FUTURE PURCHASE**

People may save with the motive to carry out a future purchase such as purchase of vehicle, house etc.

**PRECAUTIONARY MEASURES**

 Future is uncertain. So to cover future and its uncertainty people might save as a precaution and to meet unforeseen contingencies.

**TASTES AND PREFERENCES OF CONSUMERS**

Savings of an individual always depends upon individual’s preference. Some people save more than others.

**CONSUMER CONFIDENCE OR EXPECTATION ABOUT FUTURE CHANGES IN THE ECONOMY**

The consumers’ confidence or trust in financial institutions and expectation about future changes in the economy will affect savings level. Poor expectation of future economic growth, wages and job opportunities will result in increase in savings as a precautionary measure.

**CONCEPTS OF INVESTMENT**

Investment or investing is a word which may have many interpretations. Basically there are three concepts of investment. They are:-

* Economic Investment
* Commitment Investment
* Financial investment

**ECONOMIC INVESTMENT**

The term economic investment has a precise meaning. Economic investment means net addition to the capital stock of society. Capital stock of society refers to the goods which are used in the production of other goods. In this sense investment refers to an increase in buildings, equipments or inventories over the amount of equivalent goods that existed. This is a gross, societal or aggregate point of view.

**COMMITMENT INVESTMENT**

Commitment investment refers to money committed to satisfy personal desires. Since no rate of return is involved in such investments no capital growth is expected.

**FINANCIAL INVESTMENT**

 The term financial investment is the commitment of funds to derive future income in the form of interest, dividend, premium or appreciation in the value of initial investment. It involves assets such as shares, debentures, bonds, real estate, gold etc.

**CHARECTERISTICS OF INVESTMENTS**

The characteristic features of investments are return, risk, safety and liquidity.

**RETURN**

 All investments are charecterised by the expectation of a return. Investments are made with the primary objectives of deriving a return. The return may be received in the form of yield plus capital appreciation. Capital appreciation is the difference between sale price and the purchase price of the investments. The dividend or interest from the investment is the yield. Different type of investment promise different rates of return. The return from an investment depends upon the nature of investments, the maturity period, market demand and a number of other factors.

**RISK**

Risk is inherent in any investment. The risk may relate to loss of capital, delay in repayment of capital, nonpayment of interest or variability of returns. The risk of an investment depends on the following factors.

* **MATURITY PERIOD**

 The longer the maturity period, the longer is the risk. When the expected time in which the investments has to be returned is longer, the uncertainty surrounding the return flow from the investment increases. This uncertainty leads to a higher risk level for the investment with longer maturity than on an investment with shorter maturity.

* **THE REPAYMENT CAPACITY**

The lower the repayment capacity of the borrower, higher is the risk. This factor is termed as the credit worthiness or value generation capacity of investment.

* **VARIABILITY OF RETURN**

The risk of variability is more in the case of ownership capital as the return varies with the net profits after all commitments are met. So equity share and preference share all more risky than debentures or bonds.

* **THE NATURE OF INVESTMENTS**

The nature of investment namely debt investment or fixed deposit or ownership investment like equity or preference share also determines risk.

* **THE NATURE OF TAX LIABILITY ON THE INSTRUMENTS**

The tax provision would influence the return as the net effective return for a tax payer would be higher for tax free instruments or those whose interest income is tax free up to a limit.

**SAFETY**

The safety of an investment implies the certainty of return on capital without loss of money or time. Safety is another feature which an investor desiresfor his investment. Every investor expects to get back his capital on maturity without loss and without delay.

**LIQUIDITY**

An investment which is easily saleable or marketable without loss of time is said to posses liquidity. Some investments like company deposits are not marketable. Some investment instruments like share are marketable. If there is no buyer in case of any investment instrument their liquidity is negligible. Equity shares of companies listed on stock exchanges are easily marketable through the stock exchanges.An investor generally prefers liquidity for his investment, safety of his funds, a good return with minimum risk or maximisation of return.

**REASONS FOR INCREASING POPULARITY OF INVESTMENTS**

In the past, investing has been an activity related to the rich and business class. But today investing is popular with people from all walks of life. The following factors contributed in the increasing popularity of investments.

* **INCREASE IN WORKING POPULATION**

 Increased working population results into larger family incomes. This will consequently result in higher savings and increase in investing.

* **PROVISION OF TAX INCENTIVES**

 A tax planning could lead to substantial increase in amount of savings. Various tax incentives offered by the governments make this possible. Provisions of income tax and wealth tax act are important to an investor in planning investments.

* **AVAILABILITY OF INVESTMENT OPPORTUNITIES**

There are various schemes available to the investors which are offered by the Government of India, public sector financial institutions, public limited companies, public sector enterprises and other institutions.

* **INCREASE IN RELATED INFORMATION SOURCES**

 For taking a right investment decisions, investors generally need to know the best source of information. The investors are now having better information of market conditions to reap more benefit. The best source of information to an investor is financial periodicals, satellite channels, global affairs, national economic affairs, associations, company information quotations, publications etc.

* **ABILITY OF INVESTMENTS TO PROVIDE INCOME AND CAPITAL GAINS**

The ability to provide return by the investment also attracts people to make investments.

 **ESSENTIALS OF INVESTMENT PLANS AND POLICIES**

Before choosing specific investment plan, investors should have definite ideas regarding expected return and risk for their investments. For successful investments and for choosing right investments, the investor must follow the investment principles.

**SAFETY OF PRINCIPAL**

nvestors are concerned with safety of their investment. They expect adequate protection against the risk of loss of capital. A safer investment will generate relatively low return and revenue.

**LIQUIDITY**

An investment is liquid if it is easily convertible into cash without any delay. For an investment to be liquid it must be reversible or marketable. Reversibility is the process whereby the transaction is reversed or terminated while marketability involves the sale of investment in the market for cash. A liquid investment would enable investor to encash his investment whenever a need arises.

**STABILITY OF INCOME**

An investment must consider stability of monitory income and stability of purchasing power of income. The emphasis upon income stability may not always be consistent with other investment principles. If monetary income stability is stressed, capital appreciation and diversification will be limited.

**CAPITAL APPRECIATION**

Capital appreciation is the difference between the net selling price and purchase price. Investors constantly seek for capital appreciation of the investments also.

**TAX IMPLICATIONS**

Some investments enjoy tax benefits and hence their net return will be higher. The other forms of tax benefit are the exemption or rebate with respect to wealth tax or capital gains tax etc. Therefore important taxation provisions and tax planning possibilities are to be kept in mind while planning an investment strategy.

**PURCHASING POWER CONSIDERATIONS**

An investment always involves the commitment of current funds with the objective of receiving greater amounts of future funds. So the purchasing power of the future fund should be considered by the investor. For maintaining purchasing power stability, investors should carefully study the following.

* The degree of price level inflation they expect in the near future.
* The possibilities of gain and loss in the investment available to them.
* The limitations imposed by personal and family considerations.

**GOVERNMENT CONTROL**

Various Government statutes and controls like, The Gold Control Act, The Urban Land Ceiling Act etc. affect investment decisions.

**LEGALITY**

Laws relating to Minors, Estates, Trusts, Shares and Insurance should be studied and investments should be approved by law.

**TRANSFERABILITY**

The financial or physical assets must be easily and legally transferable both on monitory terms and non monitory terms.

**TANGIBILITY**

Some investors prefer Tangible investments because intangible assets may have lost their value due to price level changes, regulations of laws or collapse etc.

To conclude, savings are money or other assets kept over a long period of time without much risk of loss or making profit. Investments are money or other assets purchased with the hope that it will generate income, reduce costs, or appreciate in future.

The objectives of savings are short term. The main purpose of savings is to use them for a specific purpose. They are liquid and available when they need. The objective of investment is long term capital growth or higher return.

The risk factor in savings is very low. There is no chance of losing the principal amount. In the case of investments the risk factor varies depending on the type of assets owned.

The returns for savings are low. The returns from investments are much higher than savings. The return may be in the form of interests, dividends or capital gains etc.

The major form of savings are Bank Deposits ,Insurance Policies, Chit funds, Pension Fund, Provident funds etc. while investments are in corporate securities, Government securities, Mutual funds ,Debentures ,Gold ,Commodities etc.

 The main benefit of savings is that money is safe and accessible at any time. Whereas the main benefit of investments is that some investments may give inflation adjusted rate of return.

The major drawback of savings is that they are idle and there will be some kind of risk due to inflationary changes. The major drawback of investments is that there is a possibility to lose money if investments decline in value.

**TABLE NO 4.1**

**GENDER OF RESPONDENTS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Male | 6 | 24 |
| Female | 19 | 76 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.1**

**GENDER OF RESPONDENTS**

**INTERPRETATION**

Table no. 4.1 shows that 76% of the respondents are female and 24% of the respondents are male.

**TABLE NO 4.2**

**DESIGNATION**

|  |  |  |
| --- | --- | --- |
|  **Category** | **No. of respondents** | **Percentage** |
| Clerical officers  | 6 | 20 |
| Mangers  | 12 | 40 |
| Professionals  | 7 | 24 |
| Others  | 5 | 16 |
| **Total** | **25** | **100** |

 Source: Primary data

**CHART NO 4.2**

**DESIGNATION**

**INTERPRETATION**

Table no.4.2 shows that 40% of the respondents are managers. 24% of the respondents are professionals, 20% of the respondents are clerical officers and 16% of the respondents belonging to other job category.

**TABLE NO 4.3**

**EDUCATION QUALIFICATION**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| SSLC | 4 | 16 |
| Plus two  | 6 | 24 |
| Degree  | 8 | 32 |
| Diploma | 5 | 20 |
| PG  | 2 | 8 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.3**

**EDUCATION QUALIFICATION**

**INTERPRETATION**

Table no.4.3 shows that 32% of the respondents have Degree. 24% of the respondents have plus two, 20% of them completed Diploma, 16% of the respondents have the qualification of SSLC and 8% completed their PG.

**TABLE NO 4.4**

**YEAR OF EXPERIENCE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Below 1 year  | 2 | 8 |
| 1-2 Years | 1 | 4 |
| 2-3 Years  | 5 | 20 |
| 3-4 Years  | 10 | 40 |
| Above 4 Years | 7 | 28 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.4**

**YEAR OF EXPERIENCE**

**INTERPRETATION**

Table no. 4.4 shows that 40% of the respondents have 3 to 4 years of experience. 28% of them have above 4 years’ experience, 20% have 2-3 years, 8% of them have below 1 year and 4% of the respondents have 1 to 2 years of experience.

**TABLE NO 4.5**

**ANNUAL INCOME**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Up to 2,00,000 | 12 | 48 |
| 2,00,000 to 3,00,000 | 10 | 40 |
| 3,00,000 to 4,00,000 | 2 | 8 |
| Above 4,00,000 | 1 | 4 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.5**

**ANNUAL INCOME**

**INTERPRETATION**

Table no.4.5 shows that 48% of the respondents have annual income upto 2, 00,000. 40% have 2,00,000 to 3,00,000, 8% have 3,00,000 to 4,00,000 and 4% of the respondents have above 4,00,000.

**TABLE NO 4.6**

**INTEREST IN SAVINGS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Yes | 18 | 72 |
| No | 7 | 28 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.6**

**INTEREST IN SAVINGS**

**INTERPRETATION**

Table no.4.6 shows that 72% of respondents invest their savings while 28% of the respondents don’t invest their savings.

**TABLE NO 4.7**

**PROPORTION OF INCOME IN INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| less than 10% | 6 | 24 |
| 10%-20% | 8 | 32 |
| 20%-30% | 9 | 36 |
| Above 30% | 2 | 8 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.7**

**PROPORTION OF INCOME IN INVESTMENT**

**INTERPRETATION**

Table no.4.7 shows that 36% of the respondents invested 20% to 30% of their income. 32% of the respondents invested their 10% to 20% of their income. 24% of the respondents invested less than 10% of their income. 8% of them invested above 30% of their income.

**TABLE NO 4.8**

**AWARENESS ABOUT FIXED DEPOSIT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 15 | 60 |
| High  | 4 | 16 |
| Average  | 3 | 12 |
| Low | 2 | 8 |
| Very low | 1 | 4 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.8**

**AWARENESS ABOUT FIXED DEPOSIT**

**INTERPRETATION**

Table no.4.8 shows that 60% of the respondents very highly aware about fixed deposit. 16% of them highly aware, 12% of them average, 8% of them rate low and 4% of the respondents rate very low.

**TABLE NO 4.9**

**AWARENESS ABOUT GOLD/SILVER**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 12 | 48 |
| High  | 10 | 40 |
| Average  | 3 | 12 |
| Low | 0 | 0 |
| Very low | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.9**

**AWARENESS ABOUT GOLD/SILVER**

**INTERPRETATION**

Table no.4.9 shows that 48% of the respondents are very highly aware about gold/silver investment. 40% of them highly aware and 12% of the respondents have average knowledge about gold/silver.

**TABLE NO 4.10**

**AWARENESS ABOUT REAL ESTATE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 2 | 8 |
| High  | 3 | 12 |
| Average  | 14 | 56 |
| Low | 5 | 20 |
| Very low | 1 | 4 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.10**

**AWARENESS ABOUT REAL ESTATE**

**INTERPRETATION**

Table no.4.10 shows that 56% of the respondents have average knowledge about real estate. 20% of them have low knowledge, 12% highly aware about it, 8% very highly aware and 4% of them have very low knowledge.

**TABLE NO 4.11**

**AWARENESS ABOUT LIFE INSURANCE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 25 | 100 |
| High  | 0 | 0 |
| Average  | 0 | 0 |
| Low | 0 | 0 |
| Very low | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.11**

**AWARENESS ABOUT LIFE INSURANCE**

**INTERPRETATION**

Table no.4.11 shows that the entire respondents have very high knowledge about life insurance.

**TABLE NO 4.12**

**AWARENESS ABOUT POST OFFICE DEPOSIT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 10 | 40 |
| High  | 10 | 40 |
| Average  | 5 | 20 |
| Low | 0 | 0 |
| Very low | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.12**

**AWARENESS ABOUT POST OFFICE DEPOSIT**

**INTERPRETATION**

Table no.4.12 shows that 40% each very highly & highly aware about post office deposits. 20% of the respondents have average knowledge.

**TABLE NO 4.13**

**AWARENESS ABOUT PROVIDENT FUND**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 4 | 16 |
| High  | 6 | 24 |
| Average  | 8 | 32 |
| Low | 5 | 20 |
| Very low | 2 | 8 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.13**

**AWARENESS ABOUT PROVIDENT FUND**

**INTERPRETATION**

Table no.4.13 shows that 32% of the respondents have average knowledge about provident fund. 24% of them are highly aware, 20% have low knowledge, 16% highly aware and 8% of them have low knowledge.

**TABLE NO 4.14**

**AWARENESS ABOUT SHARES OR DEBENTURES**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 0 | 0 |
| High  | 0 | 0 |
| Average  | 25 | 100 |
| Low | 0 | 0 |
| Very low | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.14**

**AWARENESS ABOUT SHARES OR DEBENTURES**

**INTERPRETATION**

Table no.4.14 shows that the entire respondents have average knowledge about shares or debentures.

**TABLE NO 4.15**

**AWARENESS ABOUT MUTUAL FUNDS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 1 | 4 |
| High  | 2 | 8 |
| Average  | 15 | 60 |
| Low | 4 | 16 |
| Very low | 3 | 12 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.15**

**AWARENESS ABOUT MUTUAL FUNDS**

**INTERPRETATION**

Table no.4.15 shows that 60% of the respondents have average knowledge about mutual funds. 16% have low knowledge, 12% have very low knowledge, 8% highly aware and 4% very highly aware about mutual funds.

**TABLE NO 4.16**

**AWARENESS ABOUT TREASURY BILL**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 20 | 80 |
| High  | 5 | 20 |
| Average  | 0 | 0 |
| Low | 0 | 0 |
| Very low | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.16**

**AWARENESS ABOUT TREASURY BILL**

**INTERPRETATION**

Table no.4.16 shows that 80% of the respondents very highly aware about Treasury bill and 20% of the respondents highly aware about it.

**TABLE NO 4.17**

**AWARENESS ABOUT CHITTIES AND KURRIES**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Very high | 9 | 36 |
| High  | 8 | 32 |
| Average  | 7 | 28 |
| Low | 1 | 4 |
| Very low | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.17**

**AWARENESS ABOUT CHITTIES AND KURRIES**

**INTERPRETATION**

Table no.4.17 shows that 36% of the respondents very highly aware about chittis and kurries. 32% highly aware, 28% have average knowledge and 4% of the respondents have low knowledge.

**TABLE NO 4.18**

**AVAILABILITY OF INVESTMENT INFORMATION**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Brokers  | 2 | 8 |
| Financial institutions  | 3 | 12 |
| Internet  | 5 | 20 |
| Journal and Magazines  | 4 | 16 |
| Advertisement in media | 6 | 24 |
| Word of mouth  | 2 | 8 |
| Financial consultants  | 3 | 12 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.18**

**AVAILABILITY OF INVESTMENT INFORMATION**

**INTERPRETATION**

Table no.4.18 shows that 24% of the respondents get information about investment option from advertisement in media. 20% from internet, 16% from journals and magazines, 12% each from financial institutions and financial consultants and 8% each from brokers and word of mouth.

**TABLE NO 4.19**

**BEST INVESTMENT OPTION**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Saving Bank A/c | 2 | 8 |
| Fixed Deposit | 1 | 4 |
| Gold/Silver | 3 | 12 |
| Real Estate | 4 | 16 |
| Life Insurance | 5 | 20 |
| Post office Deposit | 3 | 12 |
| Provident Fund | 2 | 8 |
| Share or Debentures | 1 | 4 |
| Mutual Funds | 1 | 4 |
| Treasury Bill | 2 | 8 |
| Chitties and Kurries | 1 | 4 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.19**

**BEST INVESTMENT OPTION**

**INTERPRETATION**

Table no.4.19 shows that 20% of the respondents prefer life insurance. 16% prefer real estate, 12% each prefer gold/silver & post office deposit. 8% each prefer saving bank A/C, provident fund and treasury bill. 4% each prefer share or debenture, fixed deposits, mutual funds and chitties and kurries.

**TABLE NO 4.20**

**FACTORS INFLUENCING INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Safety  | 10 | 40 |
| Liquidity  | 5 | 20 |
| Less risk  | 6 | 24 |
| Good customer services  | 4 | 16 |
| Others  | 0 | 0 |
| Total | 25 | 100 |

 Source: Primary data

**CHART NO 4.20**

**FACTORS INFLUENCING INVESTMENT**

**INTERPRETATION**

Table no.4.20 shows that 40% of respondents consider safety return while they choose an investment option. 24% consider less risk, 20% prefer liquidity, and 16% of the respondents prefer good customer care services,

**TABLE NO 4.21**

**EXPECTED RATE OF RETURN FROM INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Below 6%  | 10 | 40 |
| 7-10%  | 12 | 48 |
| 10-15% | 3 | 12 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.21**

**EXPECTED RATE OF RETURN FROM INVESTMENT**

**INTERPRETATION**

Table no.4.21 shows that 48% of the respondents expect 7 to 10% return from investment. 40% expect below 6% and 12% of the respondents expect 10 to 15% return from investment.

**TABLE NO 4.22**

**FREQUENCY OF INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Weekly  | 10 | 40 |
| Monthly  | 7 | 28 |
| Quarterly | 5 | 20 |
| Yearly  | 2 | 8 |
| Half yearly  | 1 | 4 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.22**

**GIVE FREQUENCY OF YOU INVESTMENT**

**INTERPRETATION**

Table no.4.22 indicates that 40% of respondents invest weekly. 28% invest monthly, 20% invest quarterly, 8% yearly and 4% of the respondents invest half yearly.

**TABLE NO 4.23**

**INVESTMENT TIME FRAME**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Less than 1 year | 4 | 16 |
| 1-3 year  | 5 | 20 |
| 3-5 year  | 15 | 60 |
| More than 5 year | 1 | 4 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.23**

**INVESTMENT TIME FRAME**

**INTERPRETATION**

Table no. 4.23 shows that Table no.4.23 shows that 60% of the respondents invest for 3 to 5 years. 20% invest for 1 to 3 years. 16% invest for less than 1 year and 4% of the respondents invest for more than 5 years.

**TABLE NO 4.24**

**REDEEMING OF INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Yes | 15 | 60 |
| No | 10 | 40 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.24**

**REDEEMING OF INVESTMENT**

**INTERPRETATION**

Table no.4.24 shows that 60% of the respondents redeemed investment and 40% of the respondents don’t redeem any investment.

**TABLE NO 4.25**

**REASONS FOR REDEMPTION**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Non-performance  | 3 | 12 |
| Huge risk  | 2 | 8 |
| Low return  | 9 | 36 |
| Life situation  | 9 | 36 |
| Non-availability of information from service providers | 2 | 8 |
| Others  | 0 | 0 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.25**

**REASONS FOR REDEMPTION**

**INTERPRETATION**

Table no.4.25 shows that 36% each of the respondents redeem their investment because of low return and life situation. 12% redeem from non performance and 8% each redeemed because of huge risk and non-availability of information from service providers.

**TABLE NO 4.26**

**EFFECT OF EXPERT OPINION WHILE MAKING INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Yes | 24 | 96 |
| No | 1 | 4 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.26**

**EFFECT OF EXPERT OPINION WHILE MAKING INVESTMENT**

**INTERPRETATION**

Table no.4.26 shows that 96% of the respondents consider expert opinion while making investment. 4% of them don’t consider expert opinion while making investment.

**TABLE NO 4.27**

**TYPE OF INVESTMENT OPTION**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Security  | 0 | 0 |
| Debentures  | 7 | 28 |
| Bank deposit  | 10 | 40 |
| Govt. security  | 8 | 32 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.27**

**TYPE OF INVESTMENT OPTION**

**INTERPRETATION**

Table no. 4.27 shows that Table 4.27 indicates that 40% of respondents prefer bank deposit. 32% of the respondents prefer Govt. security and 28% of the respondents prefer debentures investments.

**TABLE NO 4.28**

**RETURN OF INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Yes | 20 | 80 |
| No | 5 | 20 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.28**

**RETURN OF INVESTMENT**

**INTERPRETATION**

Table no.4.28 shows that 80% of the respondents said that their investment option ensure them a constant return and 20% disagreed with it.

**TABLE NO 4.29**

**FACTORS INFLUENCING NON INVESTMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Lack of awareness  | 10 | 40 |
| Not ready to take risk  | 5 | 20 |
| Family burden  | 9 | 36 |
| Lack of safety measures to secure investment  | 1 | 4 |
| Others  | 0 | 0 |
| Total | 25 | 100 |

Source: Primary data

**CHART NO 4.29**

**FACTORS INFLUENCING NON INVESTMENT**

**INTERPRETATION**

Table no.4.29 shows that 40% of the respondents said that lack of awareness is the factor which leads them to non-investment. 36% said family burden, 20% of them not ready to take risk and 4% of the respondents said lack of safety measures to secure investment leads them to non- investment.

**5.1 FINDINGS**

* Most of the respondents are female.
* Majority of the respondents are managers.
* Most of the respondents have Degree.
* Majority of the respondents have 3 to 4 years of experience.
* Most of the respondents have annual income upto 2, 00,000.
* Majority of respondents invest their savings.
* Most of the respondents invested 20% to 30% of their income.
* Majority of the respondents very highly aware about fixed deposit.
* Most of the respondents are very highly aware about gold/silver investment.
* Majority of the respondents have average knowledge about real estate.
* The entire respondents have very high knowledge about life insurance.
* Majority each very highly & highly aware about post office deposits.
* Most of the respondents have average knowledge about provident fund.
* The entire respondents have average knowledge about shares or debentures.
* Majority of the respondents have average knowledge about mutual funds.
* Most of the respondents very highly aware about Treasury bill
* Most of the respondents very highly aware about chittis and kurries.
* Majority of the respondents get information about investment option from advertisement in media.
* Majority of the respondents prefer life insurance.
* Most of respondents consider safety return while they choose an investment option.
* Majority of the respondents expect 7 to 10% return from investment.
* Most of respondents invest weekly.
* Majority of the respondents invest for 3 to 5 years.
* Most of the respondents redeemed investment.
* Majority each of the respondents redeem their investment because of low return and life situation.
* Majority of the respondents consider expert opinion while making investment.
* Most of respondents prefer low risk investment.
* Majority of the respondents said that their investment option ensure them a constant return
* Most of the respondents said that lack of awareness is the factor which leads them to non-investment.

**5.2 SUGGESTIONS**

* Investment in mutual funds being a safe and profitable investment should selected as an important form of investment by the respondent.
* The study reveals that the majority of the Govt. employee tend to invest their funds in real estate and bank only a negligible percentage has opted LIC, mutual fund. Hence the study recommends that more and more funds may be directed towards real estate since it is a profitable one.
* Hence the study strongly recommends the preparation of family budget so as to improve savings which in turn will result in to economic development
* Investment in securities is found to be comparatively less risk. Hence it is suggested that amount should be invested in securities there by leading to increase capital formation.
* Today there are so many special investment schemes in market which encourage people for the saving.
* The investors have to identify the market situation and price fluctuations in the precious metals.
* Most of the teachers prefer Bank F.D and insurance as the investment option, there is lack of awareness about other avenues like equity, and mutual fund etc. so if they want to invest in them they should regularly read newspapers, journals and articles related to stock market.
* To enhance the saving habits, the saving mode must attract people by providing many offers and new attractive schemes.

**5.3 CONCLUSION**

The study, “A study on the Savings and Investments behvaiour of Govt. employee” undertaken is an attempt to find out the savings and investments pattern of Govt. employees. The study reveals the various avenues of savings and investments used by salaried people, the portion of income put into various avenues of savings and investments, their preferences regarding savings and investments avenues, preference with regard to type of mutual funds, type of bank accounts and insurance policies and investment awareness among salaried people.They put money into various savings avenues for different purposes. But they use a very less investment avenues and put only small portion of their income into such avenues. From this, it can be concluded that salaried people are good savers but poor investors. So it is necessary to create investment awareness among the salaried people to facilitate the flow of money into productive purposes.

**BIBLIOGRAPHY**

**BOOKS:**

* Avadhani V. A., *Investment Management*, Mumbai; Himalaya Publishing House, 1996.
* Bhalla V. K., *Investment Management*, New Delhi; S Chand and Company Ltd., 2001.
* Gangadhar V. and Rameshbabu G., *Investment Management*, New Delhi; Anmol Publications Pvt. Ltd., 2006.
* Kevin S., *Portfolio Management,* New Delhi; Prentice – Hall of India Pvt. Ltd., 2005.
* Kothari C.R., *Research Methodology – Methods and Techniques*, New Delhi; New Age International Publishers, 2009

**WEBSITES**

* [www.wiki.answers.com](http://www.wiki.answers.com/)
* [www.investopedia.com](http://www.investopedia.com/)
* [www.businessdictionary.com](http://www.businessdictionary.com/)

**QUESTIONNAIRE**

Name :

1.Gender :

 Male

 Female

1. Designation

 Clerical officers Managers

 Professionals Others

1. Educational Qualification

 SSLC +2 Graduate

 Diploma Post graduation

1. Years of Job Experience.

Below 1 year

1-2 year

2-3 year

3-4 year

Above 4 year

1. Annual Income.

 Up to 2,00,000 2,00,000 to 3,00,000

 3,00,000 to 4,00,000 Above 4,00,000

1. Do you invest your savings ?

 Yes No

1. If yes, what portion of Income is invested?

 Less than 10% 10% - 20%

 20% - 30% Above 30%

* 1. State your level of awareness about the following investment

 Opportunities ?

(VH-Very High, H-High, A- Average, L-Low, VL-Very Low)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Savings bank A/c** | **VH** | **H** | **A** | **L** | **VL** |
|  |  |  |  |  |
| Fixed Deposit |  |  |  |  |  |
| Gold/Silver |  |  |  |  |  |
| Real Estate |  |  |  |  |  |
| Life insurance |  |  |  |  |  |
| Post office deposit |  |  |  |  |  |
| Provident fund |  |  |  |  |  |
| Shares or Debentures |  |  |  |  |  |
| Mutual Funds |  |  |  |  |  |
| Treasury Bill |  |  |  |  |  |
| Chitties and Kurries |  |  |  |  |  |

1. From where do you get awareness about investment option ?

 Brokers

 Financial institutions

 Internet Journal and Magazines

 Advertisement in Media Word of mouth

 Financial consultants

1. Which is the investment option according to you ?

|  |  |  |
| --- | --- | --- |
| Investment Avenue | Yes | No |
| Saving Bank A/c |  |  |
| Fixed Deposit |  |  |
| Gold/Silver |  |  |
| Real Estate |  |  |
| Life Insurance |  |  |
| Post office Deposit |  |  |
| Provident Fund |  |  |
| Share or Debentures |  |  |
| Mutual Funds |  |  |
| Treasury Bill |  |  |
| Chitties and Kurries |  |  |

1. What are the factors which you consider while choosing an investment option.

 Safety Liquidity

 Less risk Good Customer Service

 Others

1. What is the expected rate of return from investment ?

 Below 6% 7-10%

10-15%

1. Give frequency of you investment?

 Weekly Monthly Quarterly

 Yearly Half yearly

1. What is your investment time frame ?

 Less than 1 year 1-3 years

 3-5 years More than 5 years

1. If you redeemed any Investment ?

 Yes No

1. If yes, what are the reasons for redemption
2. Non-performance
3. Huge risk
4. Low return
5. Life situation
6. Non -availability of information from service providers
7. Others
8. Do you consider any expert opinion while making interment ?

 Yes No

1. Which type of investment option would you like to prefer ?

 Security Debentures

 Bank deposit Govt. Security

1. Whether your investment option ensure you a constant return ?

 Yes No

1. What do you consider as the factors leading to non-investment ?

 Lack of awareness Not ready to take risk

 Family Burden

Lack of safety measures to secure investment

Others