

## Investors Preferences On Investment In Returns Basis

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**Abstract:** Investors always want to maximize their return on investments. Return may take several forms. Investors expect to receive interest on debentures and dividends on shares. It is essential for the investors to distinguish between realized return and expected return. Realised return means return that was earned or could have been earned. Expected return is the return from an asset that investors anticipate over a future period. So, expected return is a predicted return. It may or may not occur. An investor will be willing to make investment only if the expected return is adequate. But in reality investors do not realise the expected return always. This study is conducted to analyse the returns basis for investor's preference on investment in Thoothukudi District

**Keywords:** Investors, Returns, Investments, Preferences

### 1. Introduction

A course in investments teaches how we can use our accumulated assets to earn a monetary return in exchange for waiting to spend those assets on consumption. Investment is the purchase of an asset to produce a return. Before one can invest, however, one must accumulate some assets. This is done through the process of saving or spending less than our incomes. This simple truth applies to all financial entities, be they households, businesses, or units of government.

According to **Donald E. Fischer and Ronald J. Jordan**, Investment may be defined as “a commitment of funds made in the expectation of some positive rate of returns. If the investment is properly undertaken, the returns will commensurate with the risk the investors assumes”

### 2.Objectives Of The Study

The prime objectives of this paper is

- To study the demographic profile of the investors in Thoothukudi.
- To analyse the satisfaction level of investment in returns basis.
- To identify the investors preference for return on investment.

### 3.Methodology Of The Study

- **Primary data:** The research is done through collection of data using questionnaire.
- **Secondary data:** The secondary data were collected from books, thesis and journals.
- **Sample Size:** The sample size is 150 investors who are selected based on convenient sampling technique from Thoothukudi.
- **Statistical Tools:** For analyzing the data, the appropriate statistical tools like percentage, tables and rank test were used.

### 4.Limitations Of The Study

- The scope of the study is restricted to the area of Thoothukudi, it may not be applicable to another area.
- Sample size is confined to 150 which may not be sufficient to reflect the true picture of the investor's attitude.

## 5.Review Of Literature

\*Amudhan s, Poornima j, Dr S Senthilkumar (2016), This study facilitates the Individual investors towards appropriate savings and investments in order to maximize the returns. The detailed extensive analysis of the behavioral pattern of the investors would help the government to work out various schemes to mobilize finance from the Individual investors by launching tax saving schemes, retirement benefit schemes, etc. The research edifies the subsequent points. • A significant percentage of the Individual investors of Salem know to make good investment decisions. • 60% Investors of Salem opt for the Bank deposits are Highly Satisfied. • 120% of the investors are highly satisfied in bank deposit. • 100% of the investors are highly satisfied in Insurance Schemes. • A resourceful research may be pursued to help the middle class in making best investments clubbed with imparting appreciable tax-planning strategies. • An explorative study can be promoted to other section of the community namely, businessman, senior citizen in such a way to make a win-win situation for the individual as well the nation.

\*Kasirajan G. (2004) has undertaken “A study on the attitude of investors towards various styles of investment in Tuticorin” with the most objectives: to check the assorted investment opportunities available in Tuticorin city; to analyse the investment pattern of investors in Tuticorin city; to judge the assorted factors influencing the investment decisions of the investors and to supply suggestion for improving the investors attitude in taking investment decisions. For this study, the researcher has used both primary and secondary data. Primary data collect the interview schedule well framed questionnaire. The researcher used chi-square test. He observed that majority of the investors in real estate; jewels and bank deposits belong to the Rs.10001-15000 income group; All the investors are the opinion that savings are the most source of investment; Most of the investors feel that returns on investment are moderate; Bank deposits of them feel that there's no risk; Majority of the respondents are aware to tax concessions.

## 6.Data Analysis And Interpretation

**Table: 1** Demographic profile of the investors

Variables	No. of Respondents (150)	Percentage (%)
<b>Gender</b>		
Male	95	63
Female	55	37
<b>Age</b>		
Below 30 Years	25	17
30-40 Years	58	39
40-50 Years	47	31
Above 50 Years	20	13
<b>Marital Status</b>		
Married	105	70
Un Married	45	30
<b>Nature of the family</b>		
Nuclear Family	85	57
Joint Family	65	43
<b>Family Size</b>		
Below 4 Persons	60	40
4-6 Persons	49	33
Above 6 Persons	41	27
<b>Occupational Status</b>		
Government Employee	40	27

Private Employee	36	24
Business Man	30	20
Professional	24	16
Others	20	13
<b>Monthly Income</b>		
Up to Rs.20,000	30	20
Rs. 20,000- 40,000	37	25
Rs. 40,000- 60,000	58	39
Above Rs. 60,000	25	16
<b>Nature of Return</b>		
Short Term	52	35
Long term	98	65

**Source: Primary Data**

Table 1 exhibits that; most of the respondents are male investors, 39% of the respondents fall under the age group of 30-40 years, 70 % of the respondents who get married are major players of making investment, majority of the respondents family set up is nuclear, 40% of the investors family size is below 4 members, majority of the investors are Government employees, and this investors monthly income is Rs. 40000 to Rs. 60000. 65 % of the investors preferred long term returns

**Table:2** Satisfaction on Actual Returns from Investment

Investment	Satisfaction on Actual Returns					Total
	Very high	High	Moderate	Low	Very Low	
<b>Chit fund</b>	10 (12.35)	9 (11.11)	30 (37.04)	25 (30.86)	7 (8.64)	81 (100)
<b>LIC</b>	48 (47.52)	28 (27.72)	15 (14.85)	7 (6.93)	3 (2.97)	101 (100)
<b>Bank Deposits</b>	30 (34.48)	43 (49.43)	10 (11.49)	3 (3.45)	1 (1.15)	87 (100)
<b>Postal Savings</b>	7 (12.5)	5 (8.93)	23 (41.07)	20 (35.71)	1 (1.78)	56 (100)
<b>Stock and Shares</b>	55 (50)	30 (27.27)	18 (16.36)	5 (4.55)	2 (1.82)	110 (100)
<b>Gold</b>	65 (54.17)	30 (25)	22 (18.33)	2 (1.67)	1 (0.83)	120 (100)
<b>Real Estate</b>	63 (54.78)	28 (24.35)	21 (18.26)	2 (1.74)	1 (0.87)	115 (100)
<b>Mutual Fund</b>	3 (4.11)	10 (13.70)	25 (34.25)	20 (27.40)	15 (20.55)	73 (100)
<b>Others</b>	–	–	–	–	2 (100)	2 (100)
<b>Total</b>	281 (37.72)	183 (24.56)	164 (22.01)	84 (11.28)	33 (4.43)	745 (100)

**Source: Primary Data**

Table 2 reflects that 37.04 percent investors of Chit Fund, 41.07 percent Postal savings, and 34.25 percent Mutual Funds are moderately satisfied on actual returns from investment. About 47.52 percent of investors in LIC, 50 percent Stock and shares, 54.17 percent Gold, 54.78 percent Real estate and 49.43 percent Bank Deposits are highly satisfied on actual returns. Others are very low satisfaction on actual returns. Thus it can be concluded that the investors of Chit Fund, Postal Savings and Mutual Funds are moderately satisfied on the returns of investment. But those who invested in Shares, Gold, Real Estate, Bank Deposits and LIC are highly satisfied on the return of their investment.

**Table: 3** Ranking the Returns on Investment

(Weighted Average Method)

S. No.	Investment	I (9)	II (8)	III (7)	IV (6)	V (5)	VI (4)	VII (3)	VIII (2)	IX (1)	Total	Percentage	Rank
1.	<b>Chit Fund</b>	13 117	9 72	10 70	26 156	18 90	21 84	22 66	31 62	-	150 717	10.62	VI
2.	<b>LIC</b>	23 207	12 96	29 203	14 84	31 155	21 84	16 48	4 8	-	150 885	13.11	IV
3.	<b>Bank Deposits</b>	11 99	24 192	19 133	25 150	20 100	29 116	18 54	4 8	-	150 852	12.62	V
4.	<b>Postal Savings</b>	8 72	8 64	7 49	14 84	21 105	24 96	38 114	30 60	-	150 644	9.54	VIII
5.	<b>Stock &amp; Shares</b>	35 315	18 144	23 161	15 90	10 50	14 56	15 45	20 40	-	150 901	13.35	III
6.	<b>Gold</b>	24 216	33 264	30 210	22 132	20 100	11 44	4 12	6 12	-	150 990	14.68	I
7.	<b>Real Estate</b>	27 243	32 256	18 126	16 96	18 90	13 52	18 54	8 16	-	150 933	13.82	II
8.	<b>Mutual Fund</b>	9 81	14 112	14 98	18 108	12 60	17 68	19 57	47 94	-	150 678	10.04	VII
9.	<b>Others</b>	-	-	-	-	-	-	-	-	150	150	2.22	IX
	<b>Total</b>										6750	100	

**Source: Primary Data**

Table 3 reveals that the investors on return of the investment rank first as Gold, second rank is Real Estate, third rank is Stock and Shares, fourth rank is LIC and followed by Other Investments. Hence it is concluded that the investors ranked first on the investment in gold as it gives higher and most safe.

**FINDINGS**

- Most of the respondents are male investors.
- 39% of the respondents fall under the age group of 30-40 years.
- 70 % of the respondents who get married are major players of making investment.
- Majority of the respondents family set up is nuclear.
- 40% of the investors family size is below 4 members.
- Majority of the investors are Government employees, and this investors monthly income is Rs. 40000 to Rs. 60000.
- 65 % of the investors preferred long term returns.
- The investors of Chit Fund, Postal Savings and Mutual Funds are moderately satisfied on the returns of investment. But those who invested in Shares, Gold, Real Estate, Bank Deposits and LIC are highly satisfied on the return of their investment.
- Most of the investors to choose the return basis of investment is Gold.

**7.Conclusion**

Returns on assets vary considerably from time to time and investment from investment. If returns are accurately predicted, the investor would be in an advantageous position. Apart from variations in returns, the investment alternatives are many and varied. The investor cannot expect the same return from the alternative forms of investment. So, A wise investor can remember and follow the principle of Do not put all your eggs in one basketm.

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