A STUDY OF PORTFOLIO (INVESTMENT) PATTERN OF SALARIED PEOPLE - WITH REFERENCE TO AMRELI

ABSTRACT

The portfolio management is very important for every salaried person. The study object of this topic is to determine behavior of salaried people for investment. The major part of population of Amreli is depend upon salary. Data was collected through different institutions in Amreli and 400 peoples as sample for survey of study. During the survey and matched the data it was found that relation in-between age, salary and portfolio (savings). Finding has done through one way ANOVA technique. It was found that most of the portfolio of salaried people is tradition and some was highly modernized about recent opportunities for investments. Most of the factors influencing decision for investment were tax benefit, safety and future advantages.

Keywords: *Income, savings, Investment, Salaried people.*

INTRODUCTION

Money is important for life of salaries people. Today many opportunity is available for investment in the market. Every person want safe investment for their income earned through hard work and efforts. Due to inflation and high living standard smart investment is important for everyone is tuff. Saving is the second brother of income. The word 'Uncertainty' is the thought of savings for future. Job there are two types, one is permanent and second is temporary and many questions are related for life. Savings is the instrument for uncertainties and for that reduce the tress in life for future. Saving are also two types risky and safe, risky give high return and safe give low return. Saving is done through smart purchasing behavior or remove unnecessary purchases of goods. Secondly they reduce luxurious expanses.

Thus, your saving not only benefits you but also helps in preserving the environment by preventing wastage and contributes to the economic growth of country. Few reasons why saving has great importance for people. Every person have first emergency for renovation of house, medical expenses.

Priority for emergency, out of pocket medical expenses or a sudden loss of income due to a job layoff. Retirement is the second part on thinking, so need money kept as savings and investment to take income for a longer period from your job. Life is as unfortunately play a role, each and every stage need finance and it's depend upon present investment and mange portfolio. One can determine how much you save towards this each month depending on his circumstances. In other words investments refers to a commitment of income/expenses to one or more assets that will held over some future time. Some not consumed for today saved for future convert termed as investment. Essentially, it's a different way to think about how to make money.

Gambling and investment are not same. Risk is consider with gambling through betting on uncertain incomes. On this thought, distinguish between certain activities which are in the nature

of gambling and those which are genuine investment. Gambling is high rate of returns on the basis of hope, but one may not investment here. Investor not being a speculator, assumption is not a process where as investment is a process related with decision making. Genuine investors would mostly appropriate information, which is good analyzed in relation to risk and return on the portfolio. Real thought in life is "Gambling is every life step". Investment is important because, of financial interdependence, increase wealth, reduces future risk and fulfilling personal achievements.

OBJECTIVES OF THE STUDY

1. To evaluate the saving habits and investment pattern of salaried class people at AMRELI.

2. To analyze investment selection behavior of salaried class people at AMRELI.

RESEARCH METHODOLOGY

- **Research Design:** This research paper is based on exploratory study as well as descriptive study.
- **Sampling Unit:** Sampling unit implies that who are the respondents from the salaried class people (Investors).
- **Sample Size:** Sampling size is taken to be 200 for convenience.
- **Sampling Technique:** Sampling technique is used to select the sample size. Convenient sampling technique is used. In this research paper, investors were taken according to the convenience of the research study.
- **Sampling design:** A questionnaire was prepared for studying the saving habits and investment pattern of salaried class people at AMRELI.
- **Data collection source**: The research study is based on both secondary and primary data. The secondary data are collected from different published materials vis. Books, Journals, magazines & websites etc. And primary data collected by personal interview with respondents through a structured questionnaire.

* Analyses to be used:

a) Diagrams and Tables: Tables are used to describe the performance of different financial instruments.

b) SPSS: Data analysis are done through Statistical methods for Social science by applying various techniques.

* Analysis and Evaluation:

Table 1 : Sample of Demographic Information about people at AMRELI

Demographic Variable	Particulars	Total	%
Gender	Male	113	56.5
	Female	87	43
Total		200	100
Age(years)	Less than 25	62	31

	25-40	81	41
	40-50	30	15
	50-60	20	10
	60& Above	7	3
Total		200	100
Education	Graduate	100	50
	Post graduate	54	27
	Professional	38	19
	Others	8	4
Total		200	100
Marital Status	Married	132	66
	Unmarried	68	34
Total		200	100
Annual income (₹.)	Less than 240000	45	23
	240000-360000	58	29
	360000-500000	65	33
	500000 & above	32	15

As per the above table there are 200 salaried persons has been selected.

As per **gende**r analysis out of 200, 113 respondents (56.5%) are males and 87 respondents (43%) are females.

As per **age groups** analysis less than 25 age group are 62 (31%) respondents, 25 to 40 age group 81(41%) respondents, 40 to 50 age group 30(15%) respondents, 50 to 60 age group 20(10%) respondents and above 60age group 7(3%) respondents.

Analysis as per **educational qualification** basis 100(50%) respondents are graduate, post graduate respondents are 54(27%), 38(19%) respondents are professional and 8(4%) other respondents.

As per **Marital status** analysis, out of 200 respondents 132(66%) are married and 68(44%) are unmarried.

Analysis as per **annual income**, range from less than ₹ 2,40,000 respondents are 45(23%), ₹ 2,40,000 to ₹ 3,60,000 respondents are 58(29%), ₹ 3,60,000 to 5,00,000 respondents are 65(33%) and above ₹ 5,00,000 respondents are 32(15%).

Table: 2 Annual savings:

Annual savings (Rs.)	Less than 20000	70	35	
	20000-40000	41	20.5	
	40000-60000	77	38.5	
	60000-80000	10	5	
	80000& above	2	1	
Total		200	100	

From above table 70(35%) respondents are saving less than ₹ 20,000 p.a., 41(20.5%) respondents are range of ₹20,000 to ₹40,000 p.a., 77(38.5%) respondents are range from ₹40,000 to ₹60,000, 10(5%) respondents are range from ₹60,000 to ₹80,000, 2(1%) respondents are range from ₹80,000 and above.

Table 3: Sample classification of job allocation and apportionment of   people at AMRELI.

Particular	No. of Respondents.	%
Govt.	114	57
Private	65	32.5
Semi – govt.	21	10.5
Total	200	100

From above table as per categorization on the basis of job, Government employees are 114(57%), Private sector employees 65(32.5%), Semi government sector employees 21(10.5%).

Table 4: Sample classification (Sector Wise) of people at AMRELI.

Particular	No. of Respondents
Education sector	79
Banking and Insurance Sector	58
Manufacturing Sector	48
Others	15
Total	200

As per the survey, above table classified on the basis of the sector wise. Out of 200 sample size 79 respondents are from Education sector, 58 respondents are from Banking and Insurance sector, 48 respondents are from manufacturing sector and 15 respondents are from other sectors.

Table 5: Preference of Investment Options by investors in AMRELI.

Particular	Eq	Deb.	SD	P.S.	MF	DI	PS	LIC	PPF	RE	PD	RIB	OTH	Total
No. of respondents	15	10	5	4	15	10	10	52	40	20	5	4	10	200

From the above table most of the respondents in a big portion should be invested and interested in government and safe tools. Here mostly respondents are preference has given to LIC, PPF and RE.

Table 6: Objectives of Investment:

Particular	No. of Respondents
Returns	69
Tax Benefits	60
Emergency	40

Need	10
Child Education	5
Child Marriage	7
Retirement	9
Total	**200**

From the table no 06 most of the no of respondents 69 out of 200 interested to invest because of Returns from the investment is related with their objective, 60 respondents are interested for tax benefits, 40 respondents are emergency purposes and 10 respondents are for future needs. Very small respondents are consider the child education and child marriage and retirement viz., 5, 7 and 9.

Table 7: Investment selection decision making:

Particular	No. of respondents Respondents
Self-decision	65
Spouse	30
Family	43
Father	42
Others	20
Total	**200**

As per table no 7, 65 respondents take their decisions self, 30 respondents take decision on help of spouse, 43 respondents are help with family, 42 respondents are take decision with the help of father and 20 respondents are randomly take decisions.

Table 8: Factors Influencing Investment Decisions.

Factors	No. of respondents
High rate of return	65
Tax benefit	40
Safety	35
Regular return	25
Liquidity	15
Good services	15
Convenience	5
Total	**200**

As per above table no 08, 65 respondents high rate of return is the one of the factor is influencing for investment decision, 40 respondents are considered with tax benefit factor, 35 respondents are consisted with safety in investments and 25 respondents are consisted with

regular return from their investment and remaining are consisted with liquidity, good service and convenience.

Table 9: Expected Rate of Returns.

No	Expected rate of return (%)	No. of
1	Below 7%	50
2	8to12%	30
3	13to18%	95
4	Above 18%	25

Above table no 09, from 200 respondents 50 are expected below 7% rate of return, 30 are expected 8% to 12% rate of return, 95 are expected 13% to 18% and 25 are expected above 18%.

Table 10: Relationship between Annual Savings and Age of people at Amreli.

S. No.	Age (years)	Annual Savings (Rs.)					Total
		Less than 20000	20000-40000	40000-60000	60000-80000	80000& above	
1	Less than 25	32	13	10	5	2	62
2	25-40	22	15	44	0	0	81
3	40-50	8	7	11	4	0	30
4	50-60	7	5	7	1	0	20
5	60& Above	1	1	5	0	0	7
	Total	70	41	77	10	2	200

According to Table No. 10, relationship between Age and Annual savings has specified which is as follows: **Null Hypothesis:** There is no significant relationship between Age and the Annual savings.

Analysis through F –Test (One Way ANOVA)

Sources of variations	Sum of squares	Degree of freedom	Mean sum of square	F-ratio
Between samples	1153.5	4	288.5	4.74
Within samples	1145.5	19	60.763	
Total	2308	23		

Since the calculated value of F -Ratio 4.74 is more than the table vale at 5% level of

Significance which is 2.90 at V1=4, V2=19; there is significant relationship between the Age and Annual Savings. Hence the Null Hypothesis has rejected.

According to Table no. 10, there is an effort to find out the relationship Income and Annual Savings

Null Hypothesis: There is no significant relationship between Income and the Annual savings.

Analysis through F –Test (One Way ANOVA)

Sources of variations	Sum of squares	Degree of freedom	Mean sum of square	F-ratio
Between samples	1153.5	4	288.5	17.42
Within samples	314.5	19	16.55	
Total	1468	23		

Since the calculated value of F -Ratio 17.42 is more than the table vale at 5% level of significance which is 2.90 at V1=4,V2=19; there is significant relationship between the Income and Annual Savings. Hence the Null Hypothesis has rejected.

Table11: Relationship between Annual Savings and Income of people at AMRELI.

	Income(Yearly)	**Annual Savings (Rs.)**					
		Less than 20000	20000-40000	40000-60000	60000-80000	80000& above	Total
1	**Less than 240000**	20	9	16	0	0	45
2	**240000-360000**	16	19	15	8	0	58
3	**360000-500000**	23	11	27	2	2	65
4	**500000 & above**	11	2	19	0	0	32
	Total	**70**	**41**	**77**	**10**	**2**	**200**

Table12: Relationship between Annual Savings and Education of people at AMRELI

		Annual Savings (Rs.)					
		Less than 20000	**20000-40000**	**40000-60000**	**60000-80000**	**80000& above**	**Total**
Education	**Graduate**	42	20	30	7	1	**100**
	Post graduate	17	20	17	0	0	**54**
	Professional	8	1	26	2	1	**38**
	Others	3	0	4	1	0	**8**
	Total	**70**	**41**	**77**	**10**	**2**	**200**

From above table no. 12, Relationship between Education and Annual Savings is propounded:

Null Hypothesis: There is no significant relationship between Education and the Annual savings.

Analysis through F –Test (One Way ANOVA)

Sources of variations	Sum of squares	Degree of freedom	Mean sum of square	F-ratio
Between samples	1153.5	4	288.5	3.2
Total	2864	23		

Since the calculated value of F -Ratio 3.2 is more than the table vale at 5% level of significance which is 2.90 at V1=4,V2=19; there is no significant relationship between the

Education and Annual Savings. Hence the Null Hypothesis has rejected.

According to Table no. 12, there is an effort to find out relationship between Employment and Annual Savings

Null Hypothesis: There is no significant relationship between Employment and the Annual savings.

Analysis through F –Test (One Way ANOVA)

Sources of variations	Sum of	Degree of freedom	Mean sum of square	F-ratio
Between samples	1153.5	4	288.5	5.205
Within samples	1052.5	19	55.394	
Total	2206	23		

Since the calculated value of F -Ratio 5.20 is more than the table vale at 5% level of significance which is 2.90 at V1=4,V2=19; there is significant relationship between the Employment and Annual Savings. Hence the Null Hypothesis has rejected. **SUGGESTIONS**

1. Today there are so many special investment schemes in market which encourage people for the saving.
2. The investors have to identify the market situation and price fluctuations in the precious metals.
3. Most of the teachers prefer Bank F.D and Govt. Securities 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.
4. To enhance the saving habits, the saving mode must attract people by providing many offers and new attractive schemes.

CONCLUSION

Today, the living standard of the people increasing day by day so salaried class community has started realizing the importance of savings and proper investment of their savings. They avoid spending money on heavy luxurious life style and preferring the normal living standard. It is evident from the study undertaken that most of the people are saving their money for children's education, marriage and to fulfill the other goals of life. There is bright chances to increase the saving and investment habits of salaried class people at Amreli.

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APPENDICES

Table13: Relationship between Annual Savings and Sector wise employment (Job) of people at AMRELI.

Sector wise job	Annual Savings (₹.)					Total
	Less than	20000-40000	40000-60000	60000-80000	80000& above	
Education sector	32	20	16	9	2	79
Banking and Insurance Sector	26	14	17	1	0	58
Manufacturing Sector	10	6	32	0	0	48
Others	2	1	12	0	0	15
Total	70	41	77	10	2	200

Table14: Relationship between Investment Options and Annual income of people at AMRELI.

Annual income (₹.)		Investment Options													Total
		Equity	Deb.	SD	P.S.	MF	DI	PS	LIC	PPF	RE	PD	RIB	OTH	
	Less than 240000	5	2	1	1	2	2	1	12	7	2	1	1	8	45
	240000-60000	4	4	1	1	2	3	5	19	10	4	1	3	1	58
	360000-500000	3	2	1	2	5	2	4	20	18	5	3	0	0	65
	500000 & above	3	2	2	0	6	3	0	1	5	9	0	0	1	32
	Total	15	10	5	4	15	10	10	52	40	20	5	4	10	200

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