

**“A STUDY ON SAVINGS AND INVESTMENT BEHAVIOR OF SALARIED
PERSON IN LUNGLEI”**



**A report submitted to Department of Commerce, Higher And Technical Institute,
Mizoram (HATIM) for the academic year 2022-23**

Submitted by:

LALHRIATPUII

University Reg. No.: 2107083

Prepared under the guidance and supervision of:

VANLALKIMLIANI

Assistant Professor, Department of Commerce

Higher And Technical Institute, Mizoram (HATIM)

HIGHER AND TECHNICAL INSTITUTE, MIZORAM

PUKPUI, LUNGLEI – 796691



CERTIFICATE

This is to certify that the dissertation entitled “A study on Savings and Investment Behaviour of Salaried Person in Lunglei” submitted to the Mizoram University for the award of the degree of Bachelor of Commerce, is a record of research work carried out by Lalhriatpuii, Roll No. 2123BCOM022, IV Semester B.Com. She has fulfilled all the requirements laid down in the regulations of Mizoram University. This dissertation is the result of her investigation into the subject. Neither the dissertation as a whole nor any part of it was ever submitted any other University for any degree.

Date: 8th May, 2023

Place: Lunglei, Mizoram

(VANLALKIMLIANI)

Project Supervisor

HEAD
Department of Commerce
Higher And Technical Institute, Mizoram
(VANKHAWPUIMAWII PACHUAU)

Head, Department of Commerce

(VUANSANGA VANCHHAWNG)

Principal, HATIM

Principal
Higher And Technical Institute, Mizoram
Lunglei

DECLARATION

I, Lalhriatpuii, hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form to anybody else, and that the dissertation has not been submitted by me for any research degree in any other university or institute. This is being submitted to the Mizoram University for the degree of Bachelor of Commerce.

Date: 04.05.2023

(Lalhriatpuii)

Place: Lunglei, Mizoram

Student

ACKNOWLEDGEMENT

First and foremost, I would like to give thanks to God for showering his grace upon me through my research period.

I would also like to thank my families for supporting me throughout my research.

I would like to express my heartfelt gratitude to Ms. Vanlalkimlani, the project's supervisor, for her unwavering assistance and guidance.

I would like to extend my gratitude to Mr. Vuansanga Vanchhawng, the Principal of Higher And Technical Institute, Mizoram (HATIM) and Mrs. Vankhawpuimawii Pachuau, Head of Department of Commerce for giving me the opportunity to undertake this study and develop a subject on it.

Thank you,

LALHRIATPUII

CONTENTS

Sl. No.	Title	Page No
1	Acknowledgement	
2	List of Tables	
3	List of Figures	
4	Chapter I	1-8
	Introduction	
	1.1 Conceptual Framework	1-4
	1.2 Literature Review	5-6
	1.3 Rationale of the Project	6
	1.4 Statement of the Project	6
	1.5 Objectives of the Project	7
	1.6 Research Methodology	7
	1.7 Limitation of the Project	8
5	Chapter II	9-22
	Analysis and Interpretation of Data	9
6	Chapter III	23-24
	Results and Discussions	23
7	Chapter IV	25
	Conclusion and Suggestions	25
8	Reference	26-27
6	Appendix: Questionnaire	28-32

LIST OF TABLES

Table no.	Name of the table	Page No.
2.1	Demographic Profile	9-10
2.2	Monthly Income of the Respondents	11
2.3	Awareness level towards different Investment Avenues	15-16
2.4	Preferred time to Invest by the Respondents	18
2.5	Most preferred Investment Avenues	19
2.6	Most preferred Bank Deposits	20
2.7	Factor Influencing Investment Decision	21

LIST OF FIGURES

Fig. No.	Name of the figure	Page No.
2.1	Monthly Income of the Respondents	11
2.2	No. of Respondents Saving/Investing their Income	12
2.3	Percentage of Income saved by the Respondents	13
2.4	Percentage of Income Invested by the Respondents	13
2.5	Awareness level of Savings and Investment	14
2.6	Sources of the Respondents Investment Advice	15
2.7	Savings Objectives of the Respondents	17
2.8	Level of risk preferred by the Respondents	18
2.9	Most preferred Investment Avenues	20
2.10	Factor influencing Investment Decision of the Respondents	22

CHAPTER-I

INTRODUCTION

1.1 CONCEPTUAL FRAMEWORK:

Saving and Investment are two key variables which play a significant role in economic growth, control of inflation, stability and promotion of employment especially in the context of developing countries.

Saving is setting aside money you don't spend now for emergencies or for a future purchase. It is the money you want to be able to access quickly, with little or no risk, and with the least amount of taxes. Financial institutions offer a number of different saving options.

Investment is an asset or item acquired with the goal of generating income or appreciation. Appreciation refers to an increase in the value of an asset over time. When an individual purchase a good as an investment, the intention is not to consume the good but rather to use it in the future to create wealth.

In General sense, the term investment is a type of activity that is being engaged in by the people who have to do savings i.e. investments are made from their savings, or in other words people invest their savings. At present a variety of different investment options are available to the investors that are bank, Gold, Real estate, post services, mutual funds & so on. Investors are always investing their money with the different types of purpose and objectives such as profit, security, appreciation, Income stability. Researcher in this study has studied the different types and avenues of investments available and the factors that are required to be considered while selecting the investment with the sample size of 83 salaried employees by conducting the survey in Lunglei, Mizoram. The analysis established that that salaried employees are considering the safety as top priority before investment.

The major features that is seen in an investment are safety of principal amount, liquidity, income and its stability, appreciation and lastly easy transferability. A different variety of investment avenues in abundance and types are available such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings. All the investors who wish to invest, invest their surplus money in the above mention avenues that are available based on their risk-taking attitude and capacity bearing.

1.1.1 Key differences between savings and investment:

1. Savings means to set keep aside a part of your earned income for future use. Investment is often defined as the act of putting funds into the productive uses.
2. People often save money to meet their unexpected and sudden expenses or urgent money requirements. Conversely, investments are made or done to generate returns over the period so that it can help in capital formation of an individual.
3. With an investment, there is always a risk of losing money. Unlike savings, there are comparatively fewer chances of losing the hard-earned money.
4. Investment provides higher returns than savings, as there is assured and nominal rate of interest on savings. However, the investments in turn can earn money more than the invested amount, if invested wisely.
5. You can easily have access to your savings anytime because they are highly liquid and flexible, but in the case of investment you cannot have easy access to money as compared to saving because the process of selling the investments and making liquid takes some time.

1.1.2 Investment Option Available:

1. *Equity*: An equity investment is money that is invested in a company by purchasing shares of that company in the stock market. These shares are typically traded on a stock exchange.
2. *Debt*: Debt investment refers to an investor lending money to a firm or project sponsor with the expectation that the borrower will pay back the investment with interest.
3. *Mutual Funds*: A mutual fund is a pool of money managed by a professional fund manager. It is a trust that collects money from a number of investors who share a common investment objective and invests the same in equities, bonds, money market instruments and/or other securities.
4. *Corporate*: Investment that is made by companies rather than by governments or individual people.
5. *Debentures*: A debenture is a debt instrument issued by companies and governments to borrow funds for a specified period. Investors buying debenture act as the issuer's creditors; therefore, the issuer needs to repay the principal after the end of that period. Plus, issuers also need to pay interest to debenture holders.

6. *Company Fixed Deposit*: Company Fixed Deposit is a term deposit which is held over fixed period at fixed rates of interest. Company Fixed Deposits are offered by Financial and Non-Banking financial companies (NBFCs)

7. *Fixed Deposits*: A fixed deposit is a specific deposit instrument provided by banks or other financial institutions which provides investors a higher rate of interest than a regular savings account, until the given maturity date. It may or may not require the creation of a separate account.

8. *Post office Savings*: The post office savings includes saving instruments, offering several reliable and risk-free returns on investments. These offer fixed or recurring deposit policies and attractive fixed interest rates.

9. *Public Provident Fund*: Public Provident Fund is a long-term investment option that offers an attractive rate of interest and returns on the amount invested. The interest earned and the returns are not taxable under Income Tax.

10. *Real Estate*: Real estate investing uses real estate properties as an investment vehicle and gains profit through a variety of methods. It can be as simple as owning real estate, collecting cash flow in rental income, and selling the asset for a higher price due to appreciation.

11. *Life Insurance*: Life insurance can be defined as a contract between an insurance policy holder and an insurance company, where the insurer promises to pay a sum of money in exchange for a premium, upon the death of an insured person or after a set period.

12. *Gold/Silver/Others*: Silver and gold are highly sought-after not only because of their lustrous beauty, but also because they are a lucrative investment option.

1.1.3 Importance of Savings and Investment:

1. *Transaction Motive*: People save cash to bridge the interval between receiving the income and expenditure. The amount depends on the interval at which money is received. Businessmen and entrepreneurs have to keep some part of the income to meet the current needs. Amount held in liquid will depend on the business turnover. Transaction demand for money stays constant at all levels.

2. *Precautionary motive*: This means taking precautions. People hold cash to deal with contingencies like unemployment, health issues etc. They want to keep a part of contingency liability aside to use it in case of an emergency.

3.*Speculative motive*: People also hold cash to use it in the financial market. They want to take advantage of the movement in the financial market regarding future changes in price and rate of interest. The ROI and people's tendency to spend money are inversely proportional.

4.*Children's education*: The most important thing for a person is to educate his children and send them to the best school and college. It's important to have savings for that so that you can provide your children with the best education.

5.*Self-reliance*: When you save, you get a feeling of self-reliance and power to do things. It gives you a feeling of independence.

6.*For Family's security*: If something happens to you, your family should be well taken care of. Having a savings and an investment portfolio ensures that Savings and investments are mutually connected. It is important to have a savings nest so that you are more in control of your future and life. Invest in HDFC Life's various savings plan to secure your future.

1.1.4 Investment Behavior:

Personal disposable income of the household is divided between consumption and savings. Savings may be idle or active. Savings becomes active, when it is canalized into return bearing avenues. The act of canalizing savings into return bearing avenues is investment. In this sense, investment refers to the increase in real capital, which leads to the generation of income. An investor, while investing money would try to satisfy the three objectives- safety, profitability, and liquidity. Investment avenues for an individual or family or household are generally known as instruments. The preference shown by an investor in choosing a particular instrument is called investment behavior. The process of investment commences with surplus income, which includes operating and non-operating earnings. Selection of investment would depend on the specific needs, rate of return and risk preference of the respondents and the degree of risk and return varies for different investment avenues. The aim of Investment is to multiply the money at various rates depending upon the term of the investment.

The investment behavior of a person is based on factors like awareness, environment, level of exposure, intentions, beliefs, responsibilities and so on. The investment behavior of the individuals needed to be strengthened and boosted up by awakening up people for which, the role of technology is of key relevance. The technological innovations are being used to attract and convince people about the investment avenues and to develop a sound savings and investment climate.

1.2 LITERATURE REVIEW:

Ramanujan & Devi (2012) shows that lack of awareness of investors about the concept and dealing of the investment pattern. Further, it's observed that the extent of income also influences the investment decisions. Higher income group shows relatively high preference towards investment in share market, conversely lower and average income group shows keen preference towards insurance and banks because it is the most preferred investment avenues.

Palanivelu & Chandrakumar (2013) examined the Investment choices of salaried class in Namakkal Taluk, Tamil Nadu, India with the help of 100 respondents as a sample size & it reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investments.

Patil & Nandawar (2014) conducted a study on investment avenues among salaried people with reference to Visakhapatnam City, India. A sample size of 40 investors has been taken from the Visakhapatnam City, India. The result of finding showed 60% investors were aware about the investment avenues whereas 40% were unaware.

Ramanathan & Meenakshisundram (2015) in their study 'A study of the investment pattern of bank employees' indicate that majority of the respondents are saving money for his or her safety and also the results of the study would be of a guide for private finance and investment.

Sood & Kaur (2015) present that the majority preferred investment options are LIC and bank deposits and most of the factors influencing investment decisions are high returns, tax write-off and safety.

Therasa & Bhuvanewari (2020) in their study 'A study on investment pattern of salaried people with reference to Coimbatore city' evidenced that higher level of awareness was found within the aspects of return on various schemes in life insurance, about bank fixed deposits and various schemes in insurance. And lesser level of awareness was identified within the aspects of requirements to create investments available market, Knowledge about right time to take a position or disinvest mutual funds and about net assets value.

Babu & Giridhar (2021) observed that there's a major difference existing within the income, savings and also investment pattern of those private sector salaried households. But there's no significant change in their pattern of expenses. It's recommended to the govt to confirm guaranteed income and reduced expenses.

Purnima & Lalitha (2021) in their study ‘ An analysis of investment pattern of salaried employees’ shows that there is direct relationship between the income level and awareness of the different avenues of the investment. A person having a high level of income tends to have more knowledge about the different sources and avenues of investment that are available in the market. Bank deposit and mutual funds are the most preferred sources of investments by the respondents in Visakhapatnam. Every respondent feels that there is high level of risk is associated with the investments that they do.

1.3 RATIONALE OF THE STUDY:

Many studies in different parts of the world revealed the savings and investment behavior of salary person. Most of the salaried employees have a consistent flow of income per month therefore their investments patterns are also found to be diverse. There is a great need to analyze investment patter of salaried employees. The present study has tried to find out investment behavior of salaried investors in Lunglei town which could facilitate understanding the investment preferences of investors in the Town. The present study may help investment behavior support research academics and students pursue further education in their field.

1.4 STATEMENT OF THE PROBLEMS:

Saving and Investment behavior has always been an area of interest to the economists. The economic cycles of boom, recession, depression, and recovery affect not just the level of GDP but also household income, and thus the saving ratio and investment behavior. Salaried people often believe that they do not require financial planning because their income and expenses are consistent. In the areas of investor and individual investment patterns in various financial and physical investment avenues, it is important to study and analyze by employing advanced research in the preferences and level of investment towards various investment avenues available to the salaried employees.

1.5 OBJECTIVES OF THE STUDY

- 1) To identify the popular investment avenues and also the level of satisfaction of investors in their investment.
- 2) To know the aim and motivating factors which influence savings and investment decisions.
- 3) To identify the issues faced by the investors towards the investment pattern.
- 4) To analyze the awareness level regarding different investment avenues of salary person.

1.6 RESEARCH METHODOLOGY:

16.1. Scope of the study:

This study is focusing on the preference of Investments by salaried employees and is restricted to Lunglei town. Encompassing a total area of 4,538 square kilometers (1,752 sq. mi), the district of Lunglei has a population of 1,54,094 (2011 census) consisting of 62013 main-workers and 16279 marginal-workers. The aim of the study is to analyzed the behavioral pattern of investment among the professionals. The present study covers level of awareness about various investment alternatives, factors influencing investment decisions, investment portfolio and long and short-term goals of investment.

16.2. Sampling:

The present study is conducted in Lunglei, the 2nd largest district in the state of Mizoram. For the purpose of the study, 82 respondents were selected as samples by using random sampling method.

16.3. Data Collection:

Primary data were collected by using structured questionnaire. The questionnaire was distributed to the respondents through google form. Secondary data were collected through journals and thesis published, books, reports, existing research articles and various website on the internet.

1.7 LIMITATION OF THE STUDY:

- 1) Since time is limited for the Survey and collection of data, the information of this projects is only in brief.
- 2) The primary data collection and interpretation were found to be time consuming.
- 3) Only 82 respondents were covered and included in the study for interpretation and making conclusion.
- 4) The study is mainly concentrated and limited to savings and investment behavior of salary person in Lunglei town.

CHAPTER-II

ANALYSIS AND INTERPRETATION OF DATA

2.1 Socio-Economic background:

This section discusses the socio-economic background of the respondents such as age, gender, marital status, educational qualification, income, occupation, family size and so on. This chapter also analyze and evaluate the factors influencing savings and investment behavior of salaried person.

Table 2.1 Demographic Profile

Demographic Profile	Classification	No. of Respondents (N=82)	Percentage (%)
Gender	Male	53	64.6
	Female	29	35.4
	Others	0	0
Age	0-30	20	24.4
	31-35	12	14.6
	36-40	12	14.6
	41-45	9	11
	46-50	9	11
	50 and above	20	24.4
Marital status	Single	36	43.9
	Married	40	48.8
	Divorced	4	4.9
	Widowed	2	2.4
Family size	0-4 members	27	32.9
	5-7 members	50	61
	8-10 members	3	3.7
	More than 10 members	2	2.4
Educational Qualification	HSLC \ HSSLC	23	28
	Graduate	33	40.2
	Post Graduate	22	26.8
	Diploma Course	2	2.5
	Others	2	2.5

Occupation	Government Servant	45	57
	Work in private sector	34	39.2
	Pensioner	3	3.8
Work experience	0-5years	22	26.8
	6-10 years	19	23.2
	11-15 years	11	13.4
	16-20 years	9	11
	More than 20 years	21	25.6

Interpretation:

According to table 2.1, out of 82 respondents, 53 (64.6%) were male and 29(35.4%) which is less than half of the respondents are female.

As shown in the above table, 24.4% of the respondents are in the age group of 30 and below years. The age group 31-35 and 36-40 has the same number of respondents i.e 12(14.6%). 22% of the respondents belong to 41-50 age group and 20(24.4%) other respondents belongs to 50 years and above.

Out of 82 respondents, there are 40 married and 36 unmarried salaried people with a percentage of 48.8% and 43.9% along with 4 divorced and 2 widows.

According to table 2.1, out of the total respondents, 32.9% of the respondent's family have upto 4 members. 61% of the respondent's family have 5-7 members, 3.7% of the respondent's family have 8-10 members and 2.4% of the respondents belongs to a family of more than 10 members.

Out of 82 respondents, 40.2% of them were graduate students and the other 26.8% are post graduate. 28% of the respondents have HSLC / HSSLC and 2.5% of them have diploma and the other 2.5% have other qualification.

As shown in the above table, 57% of the respondents are government servant and the other 39.2% work for private sector along with 3 pensioner which is 3.8%

Out of all the respondents, 26.8% of them have worked for 5 years and below. 23.2% of them have a work experience of 6-10 years and 13.4% of them have worked for 11-15 years. 11% of the respondents have worked for 16-20 years and 25.6% of them have a work experience of more than 20 years.

2.2 Savings and Investment Pattern of the Respondents:

This section analyzed the savings and investment pattern of the respondents.

2.3 Monthly income of the respondents:

Monthly income is the the total amount of money received in a given month before any deductions, including taxes. In this section, the respondents are asked their average monthly income.

Table 2.2 Monthly Income of the Respondents

Monthly Income	Frequency	Percentage
Rs. 20,000 and below	15	18.3%
Rs. 20,000 - Rs. 40,000	20	24.4%
Rs. 40,000 - Rs. 60,000	16	19.5%
Rs. 60,000 – Rs. 80,000	19	23.2%
Rs. 80,000 – Rs. 1,00,000	5	6.1%
Rs. 1,00,000 and above	7	8.5%
Total	82	100%

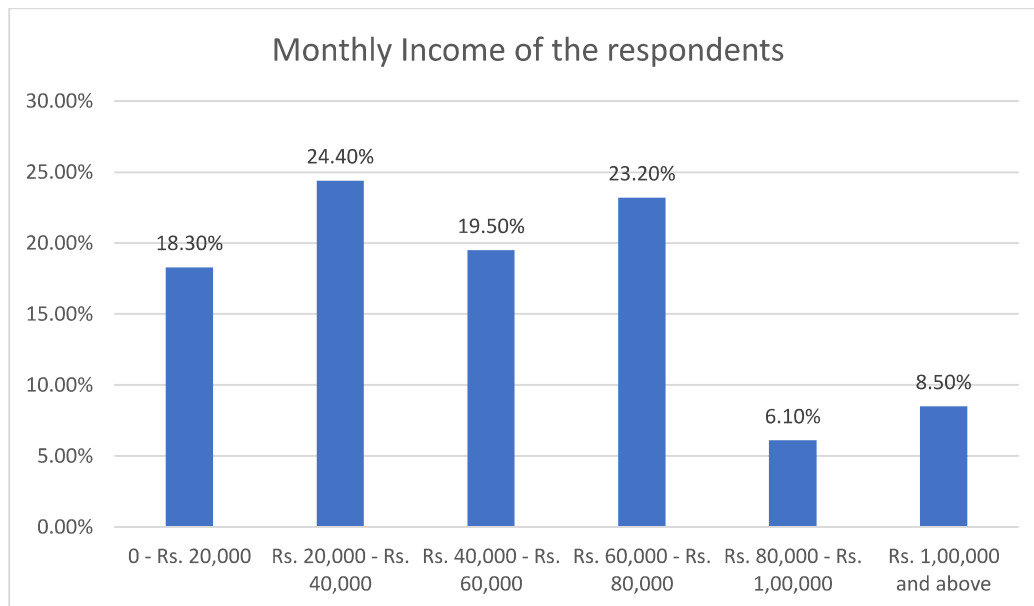


Figure 2.1 Monthly Income of the Respondent

Interpretation:

Table 2.2.1 and fig 2.2.1 shows that 18.3% of the respondent's average income is Rs. 20,000 and below, 24.4% of the respondent's average income is Rs. 20,000 – Rs. 40,000. 19.5% of the respondent's income fall under Rs. 40,000 – Rs. 60,000 and 23.2% of the respondent's income falls under Rs. 60,000 – Rs. 80,000. 6.1% of the respondents have monthly income of Rs. 80,000 – Rs. 1,00,000 and the rest 8.5% of the respondents have monthly income of Rs. 1,00,000 and above.

2.4 Number of Respondents saving\ investing their Income:

Savings means the money one has saved. In this section, the respondents are asked whether they have saved or invested their income monthly. The information is being presented in figure 2.2

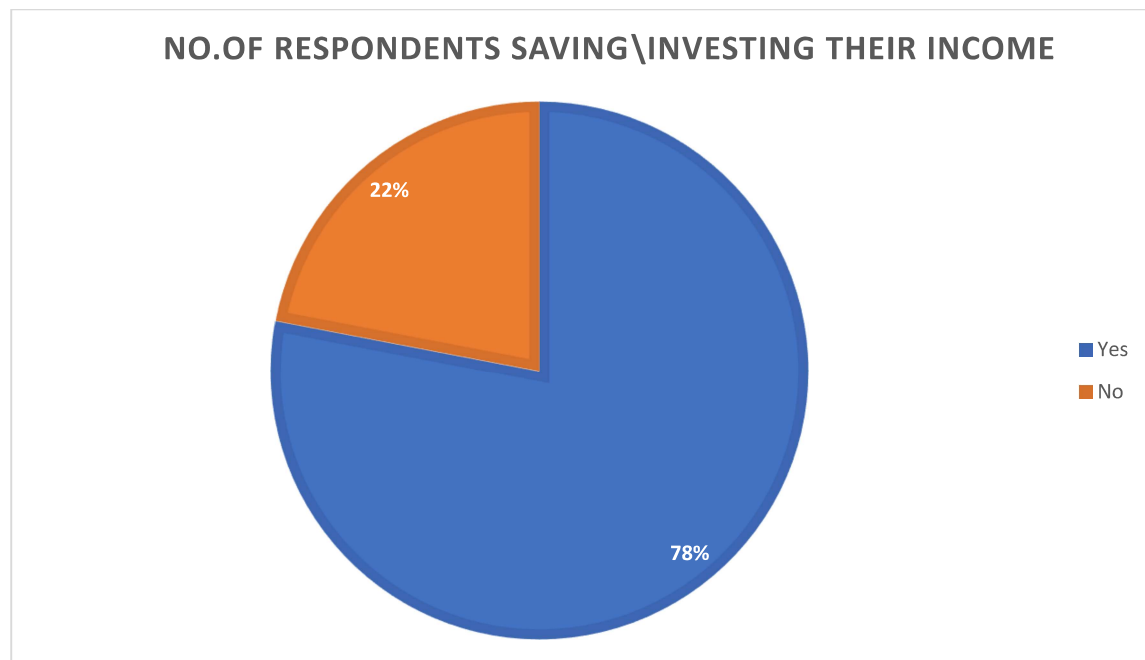


Figure 2.2 No. of respondents saving\investing their income

Interpretation:

Figure 2.2 shows that 78% of the respondents saved\ invested their income and the other 22% of the respondents did not saved or invested their income.

2.5 Amount of income saved by the respondents:

In this section, the respondents are being asked the percentage of income they saved on a monthly basis. The information is being presented in figure 2.3

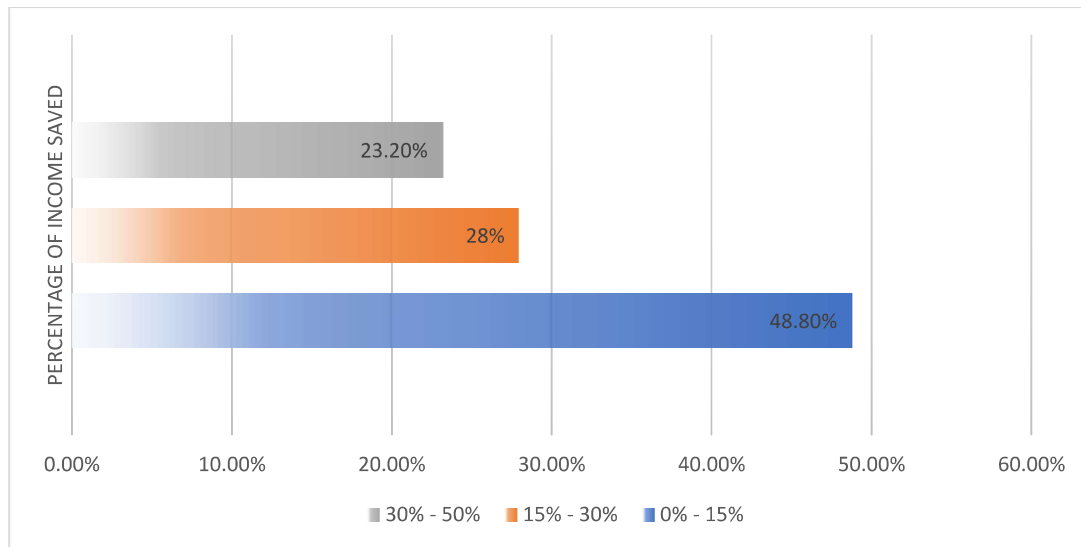


Figure 2.3 Percentage of Income saved by the respondents.

Interpretation:

The above figure show that 48.8% of the respondents saved 15% and below of their income and 28% of them saved 15% - 30% of their income. 23.2% of the total respondents saved 30% - 50% of their income and no respondents saved above 50% of their income.

2.6 Amount of Income invested by the respondents:

In this section, the respondents are being asked the percentage of income they invested on a monthly basis. The information is being presented in the figure 2.4

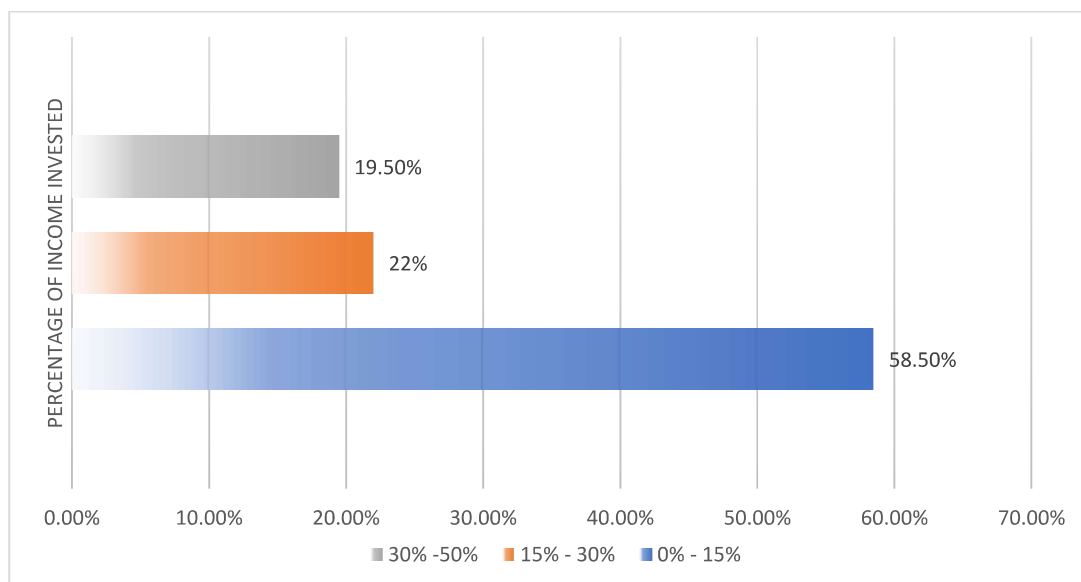


Figure 2.4 Percentage of Income invested by the respondents

Interpretation:

We can see from fig 2.4 that 58.5% of the respondents invested 15% and below of their income and 22% of them invested 15% - 30% of their income. 19.5% of the total respondents invested 30% - 50% of their income and no respondents invested above 50% of their income.

2.7 Awareness level of the respondents:

This section analyzed the awareness level in the area of savings and investment among the respondents.

In this section, the respondents are asked whether they are aware of savings and investment. The information is being presented in figure 2.5

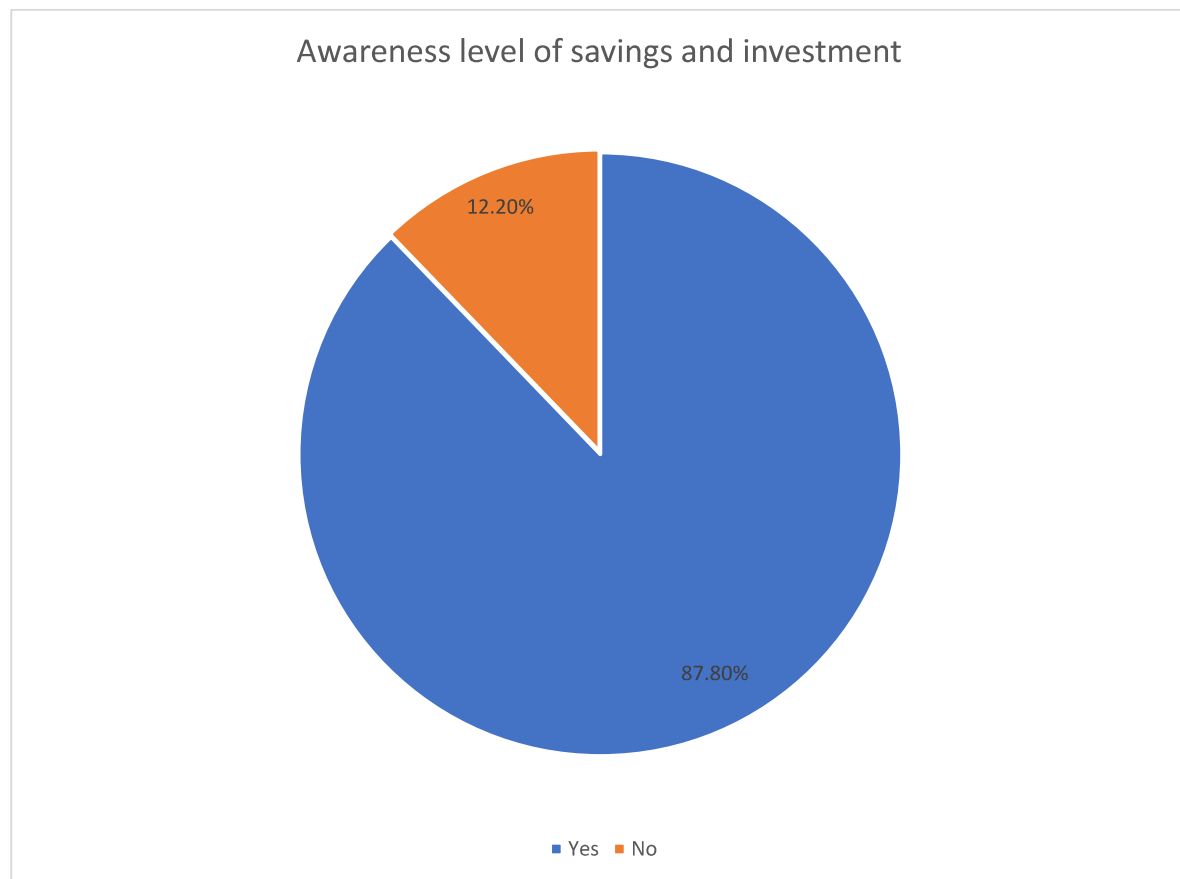


Figure 2.5 Awareness level of savings and investment

Interpretation:

As shown in the above fig 2.5, 87.8% of the respondents are aware of savings and investment and the rest 12.2% are not aware.

2.8 Sources of the respondents Investment advice:

Everyone, including friends, relatives, colleagues and neighbours, doles out free financial advice. In this section, the respondents are asked from which sources do they come to know about various investment options. The information is being presented in figure 2.6

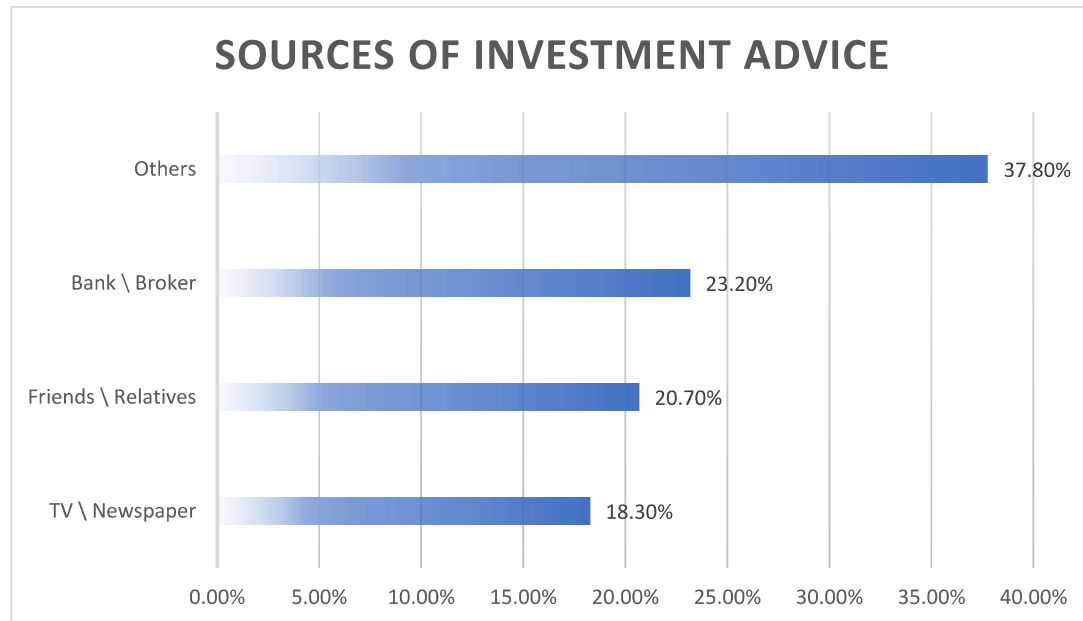


Figure 2.6 Sources of the respondents Investment advice

Interpretation:

Fig 2.6 shows that only 18.3% of the respondents come to know about various investment options. 20.7% of the respondents took the advice of their friends and relatives and 23.2% of them took the advice of bank and broker. The remaining 37.8% of the respondent's come to know about various investment option from other sources.

2.9 Awareness level of the respondents towards different Investment avenues:

There are multiple investment options to choose. In this section, the respondents are asked whether they are aware of different investment avenues. The information is being presented in the table 2.3

Table 2.3 Awareness level towards different Investment avenues

Investment Avenues	Classification	Frequency	Percentage
Post Office Deposits	Yes	51	62.2%
	No	31	37.8%

Health Insurance Scheme	Yes	65	79.3%
	No	17	20.7%
Real Estate	Yes	30	36.6%
	No	52	63.4%
Mutual Funds	Yes	23	28%
	No	59	72%
Life Insurance	Yes	47	57.3%
	No	35	42.7%
Provident Fund	Yes	37	45%
	No	45	55%

Interpretation:

The Post Office Deposit is similar to a bank fixed deposit, where you save money for a definite time period, earning a guaranteed return through the tenure of the deposit. Table 2.3 shows 62.2% of the respondents are aware of post office deposits and 37.8% of them are not aware of it.

According to table 2.3, 58.5% of the respondents invest in life insurance and 41.5% did not invest in it. Health Insurance is a type of insurance that covers medical expenses that arise due to an illness.

Real estate investing involves the purchase, management and sale or rental of real estate for profit. The above table shows that 63.4% of the respondents don't know how to invest their money in real estate and only 36.6% of the respondents are aware of the procedure of real estate investing.

A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. Table 2.3 shows that only 28% of the respondents are aware and invest in mutual funds and 72% of them do not invest in mutual funds. Most of the respondents do not invest in it because they are not aware of it while some prefer other investment options.

Life Insurance is when the insurer promises to pay a sum of money in exchange for a premium, upon the death of an insured person or after a set period. The above table shows that 57.3% of the respondents are aware and invest in life insurance policy and 42.7% do not invest in life insurance. 68% of the respondents who do not invest in life insurance prefer not to say their reason while some state that they prefer other investment options.

A provident fund is an investment fund that is voluntarily established by Employer and employees to serve as long term savings to support an employee's retirement. Table 2.3 shows that 45% of the respondents are aware and invest in provident fund and the rest 55% do not invest in provident fund.

2.10 The Savings Objectives of the respondents:

Savings is crucial for everyone, regardless of their earnings, spending and life stage. People may save for various reasons. In this section, the respondents are asked their savings objectives. The information is being presented in figure 2.7

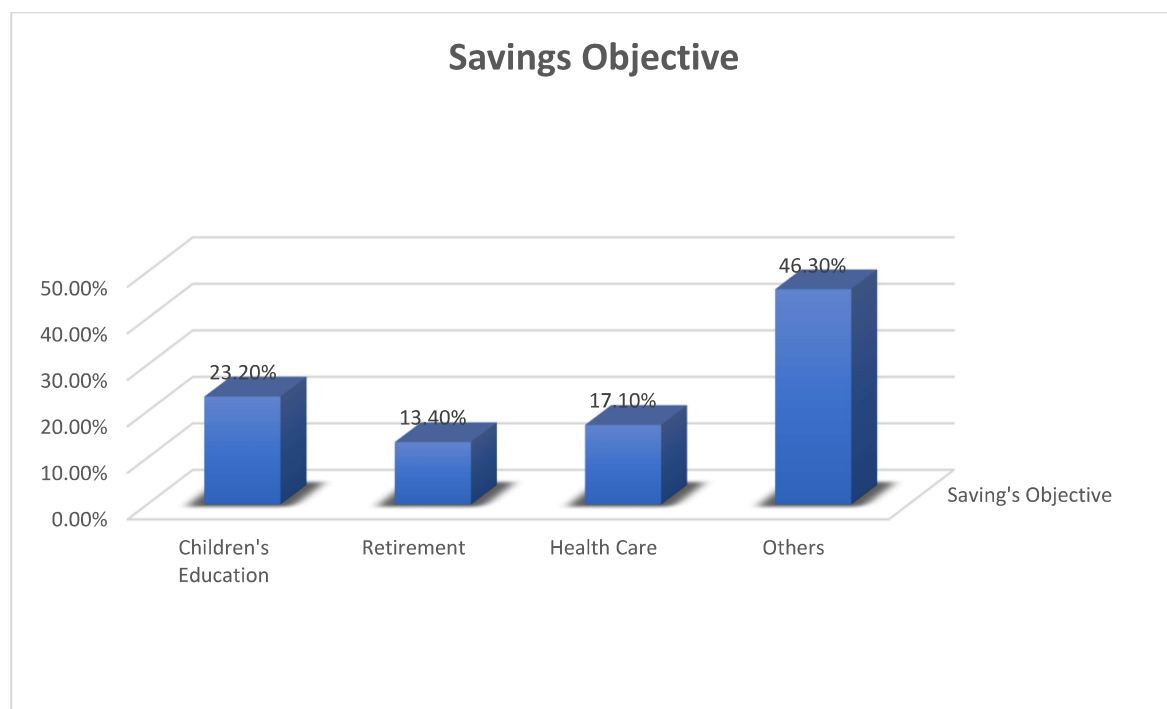


Figure 2.7 Savings Objectives of the respondents

Interpretation:

Figure 2.7 shows that 23.2% of the respondents saves for their children's education and 13.4% of them saves for their retirement. 17.1% of the respondents saved for their health care and 46.3% of them saved for others.

2.11 Preferred time to invest by the respondents:

In this section, the respondents are asked the best time which they preferred to invest their money. The information is being presented in the table 2.4

Table 2.4 Preferred time to invest by the respondents

Preferred Time	Frequency	Percentage
Short-term (0-1year)	15	18.3%
Medium-term (1-5years)	19	23.2%
Long-term (more than 5 years)	25	30.5%
Cannot say	23	28%
Total	82	100%

Interpretation:

Table 2.4 shows that 18.3% of the respondents preferred short-term investment while 23.2% preferred medium-term investment. 30.5% of the respondents preferred long-term investment and the rest 28% does not have any preferred time to invest their money.

2.12 Level of risk preferred while making an Investment:

In this section, the respondents are asked the level of risk preferred while making an investment. The information is being presented in figure 2.8

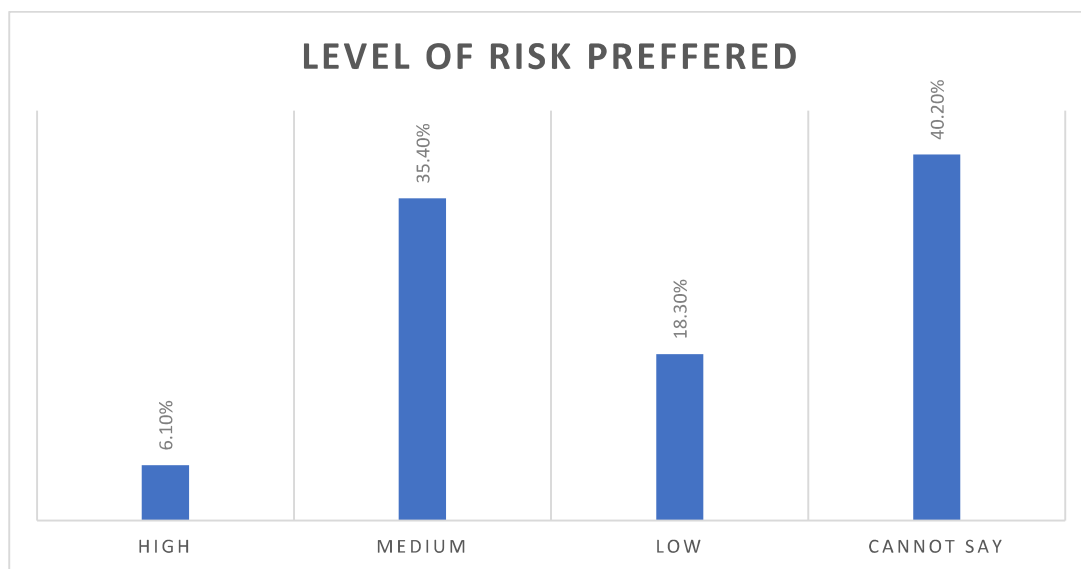


Figure 2.8 Level of risk preferred by the respondents

Interpretation:

The above figure show that only 6.1% of the respondents preferred high level of risk while making an investment and 35.4% of them preferred medium level of risk. 18.3% of the total respondents preferred low level of risk and the rest 40.2% cannot say their preferred level of risk while making an investment.

2.13 Most Preferred Investment Avenues by the respondents:

Investment avenues are the different ways that you can invest your money. In this section, the respondents are asked what investment avenues they prefer. The information is being presented in table 2.5 and figure 2.9

Table 2.5 Most preferred investment avenues

Investment avenues	Frequency	Percentage
Stock Market	6	7.3%
Bank Deposit	42	51.2%
Insurance	14	17.1%
Mutual Fund	5	6.1%
Real Estate	8	9.8%
Others	7	8.5%
Total	82	100%

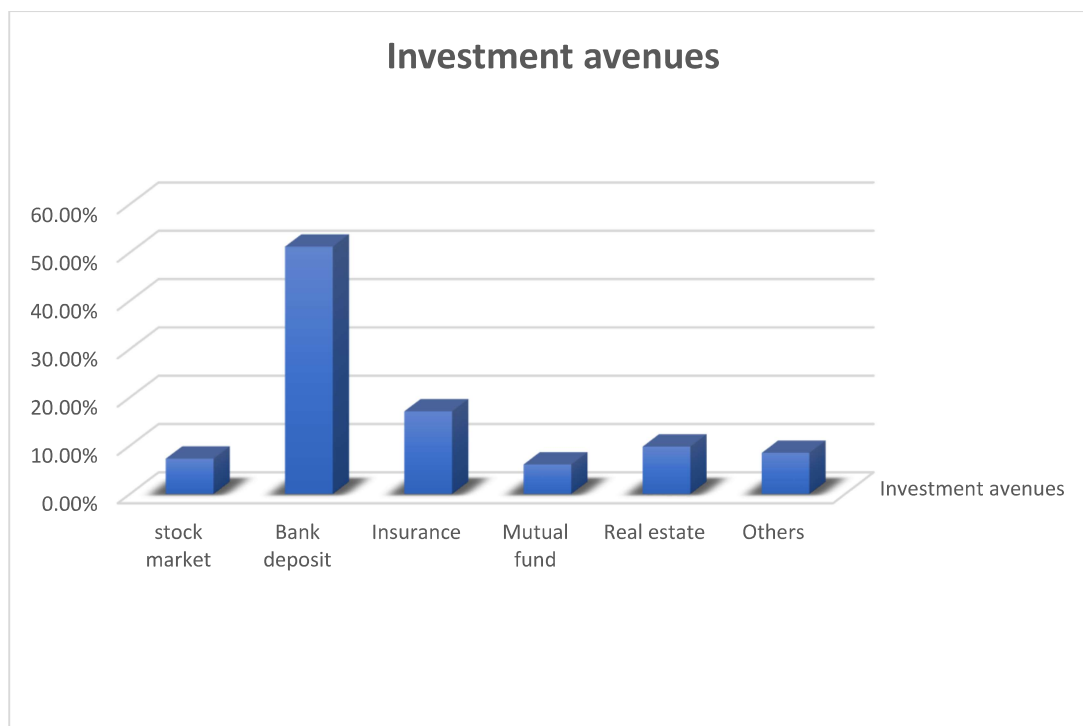


Figure 2.9 Most preferred investment avenues

Interpretation:

Table 2.4 and fig 2.9 show that Bank deposits was the most preferred investment avenues since more than half of the respondents prefer to invest their money in bank deposits. 7.3% of the respondents prefer Stock market while 17.1% prefer Insurance. Only 6.1% of the respondents prefer Mutual fund and 9.8% of them prefer Real estate investing. The remaining 8.5% of the respondents prefer other investment avenues.

2.14 Most Preferred Bank Deposits by the respondents:

Bank deposits are a savings product that customers can use to hold an amount of money at a bank for a specified length of time. In this section, the respondents are asked which one they prefer most in bank deposit. The information is being presented in the table 2.6

Table 2.6 Most preferred bank deposits

Bank deposit	Frequency	Percentage
Savings deposit	54	65.9%
Fixed deposit	19	23.2%
Recurring deposit	9	10.9%
Total	82	100%

Interpretation:

In the above table, we can see that savings deposit is the most preferred bank deposits among the respondents. 65.9% which is more than half of the respondents prefer savings deposit and 23.2% of them prefer fixed deposit. Only 10.9% of the respondents prefer recurring deposit among the bank deposits.

2.15 Factor influencing investment decision of the respondent:

Investment decisions may be influenced by many factors. In this section, the respondents are asked what factor influence them to make investment. The information is being presented in the table 2.7 and figure 2.10

Table 2.7 Factor influencing investment decision

Factors	Frequency	Percentage
Return Potential	18	22%
Safety	36	44%
Tax Benefits	5	6%
Convenience	7	8.5%
Cannot say	16	19.5%
Total	82	100%

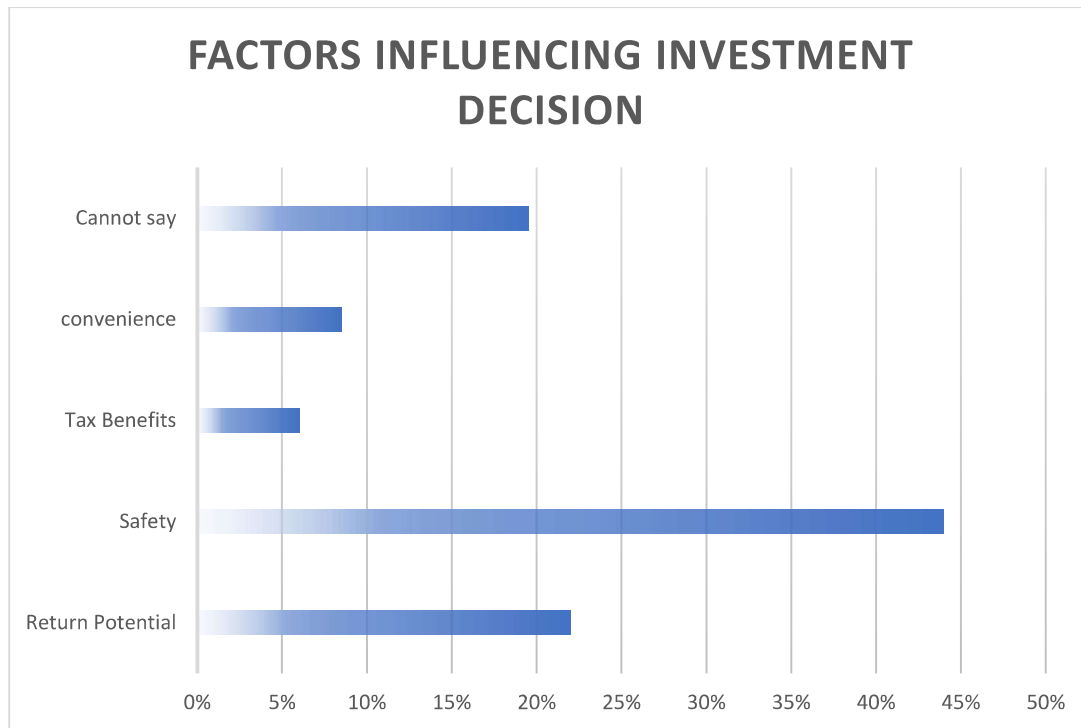


Figure 2.10 Factor influencing investment decision of the respondents

Interpretation:

Table 2.7 along with fig 2.10 shows that safety is the major factor that influence investment decision among the respondents. 44% of the respondent's investment decision are influenced by safety, followed by return potential with 22%. 8.5% of the respondents are influenced by its convenience and only 6% of them are influenced by the tax benefits. The rest 19.5% of the respondents prefer not to say their drive for investment.

CHAPTER-III

RESULTS AND DISCUSSIONS

RESULTS:

This chapter contains the results and discussion of the data. The following are the main findings of the present study.

- 1) It was discovered that out of 82 responders, 53 (64.6%) were male and 29 (35.4%) were female.
- 2) 24.4% of the respondents are in the age group of 30 and below. The age groups 31-35 and 36-40 both have the same number of responders, 12 (14.6%). 22% of respondents are between the ages of 41 and 50, while 20 (24.4%) are over the age of 50.
- 3) It is found that most of the respondents were graduate students and only 2.5% of them have diplomas.
- 4) It is found that 45 respondents are government servant and 34 respondents work for private sector along with 3 pensioners.
- 5) 87.8% of the respondents are aware of savings and investment and the rest 12.2% are not aware.
- 6) 18.3% of respondents had an average salary of Rs. 20,000 or less, while 24.4% have an average income of Rs. 20,000 to Rs. 40,000. 19.5% of respondents' income comes between Rs. 40,000 and Rs. 60,000, while 23.2% fell between Rs. 60,000 and Rs. 80,000. 6.1% of respondents have a monthly income of Rs. 80,000 - Rs. 1,00,000, while the remaining 8.5% have a monthly income of Rs. 1,00,000 or more.
- 7) 78% of the respondents saved and invested their income and the other 22% of the respondents did not saved and invested their income.
- 8) Most of respondents invested 15% or less of their income and none invest more than 50% of their income.
- 9) 23.2% of the respondents saves for their children's education and 13.4% of them saves for their retirement. 17.1% of the respondents saved for their health care and 46.3% of them saved for others.
- 10) The majority of respondents liked a medium level of risk, while just a small percentage selected a high level of risk, and the remainder could not specify their desired level of risk when making an investment.

- 11) Bank deposits was the most preferred investment avenues since more than half of the respondents prefer to invest their money in bank deposits. 7.3% of the respondents prefer Stock market while 17.1% prefer Insurance. Only 6.1% of the respondents prefer Mutual fund and 9.8% of them prefer Real estate investing. The remaining 8.5% of the respondents prefer other investment avenues.
- 12) Among the respondents, safety is the most important element influencing their investment decisions. Safety influences 44% of respondents' investing decisions, followed by profit possibilities (22%). Only 6% of respondents are drawn in by the tax benefits, while 8.5% are influenced by its convenience. The remainder 19.5% of respondents prefer not to state their motivation for investing.

DISCUSSIONS:

The research is conducted on the salaried person in Lunglei town. Through this study, we can see that most of the salaried employees are male mostly in their 30s and 50s. Most of them start their jobs after graduation and some have diploma degree. We can see that most of the salaried person are Government servants and others work for private sector. The Government employees tend to invest in safe investment instruments whereas private employees tend to invest in those investment instruments which offer more returns. A majority of them are married and a large sum of them are still single, married respondents prefer safe investment instruments whereas unmarried respondents prefer Mutual Funds and stock market. The working adults earning annually between Rs.8 to 10 lakhs prefer investing more in those investment instruments which offer more returns whereas working adults earning up to Rs. 2 lakhs prefer investing in safe investment instruments.

Investments in the form of bank deposits have been found more popular among employees these employees attribute safety as the main reason for making investment in bank deposits. During this research, the researcher also found that safety is the most important element influencing their investment decisions which indicate that the salaried person in Lunglei are still not prone to risk-taking behavior.

CHAPTER-IV

CONCLUSIONS AND SUGGESTIONS

SUGGESTIONS:

- 1) Investors should make the investment with proper planning keeping in mind their investment objectives.
- 2) The investors should select a selected investment option on basis of their need and risk tolerance.
- 3) The investors should continuously monitor their investments.
- 4) Employees should channelize their surplus in diversified way so that they may get good return.
- 5) To enhance the saving habits, the saving mode must attract people by providing many offers and new attractive schemes.

CONCLUSIONS

The study provides an overview of the investment preferences and patterns among the salaried person in Lunglei. The study also showed that even though the respondents were aware of the benefits of saving and investing, they still favored using conventional investment vehicles such bank fixed deposits. Everyone wants to be prudent and make investments to achieve their post-retirement aspirations. The salaried class employees have more alternatives for investing, but because they lack knowledge and information, they are unable to put their savings into more secure and profitable options. For this, the government and other organizations must organize camps and programs to raise awareness and offer trustworthy information about available possibilities for savings and investment.

Reference

- Babu K. A. & Giridhar K. V. (2021). Income, savings and investment patterns of private sector salaried households in Karnataka: A study with preference to pre lockdown and post unlock Covid-19 period. *An indexed referred & peer-reviewed Journal of Higher Education*, 13(2), 265-277
- Palanivelu, V., and Chandrakumar, K. (2013). A study on preferred investment avenues among salaried peoples with reference to Namakkal VR Taluk, Tamil Nadu, India. *International Conference on Business, Economics and Accounting*, 20-23.
- Patil, S., and Nandawar, K. (2014). A study on preferred investment avenues among salaried people with reference to Pune, India. *IOSR Journal of Economics and Finance*, 5(2), 09-17
- Purnima. D, & N. Lalitha. (2021). An analysis of investment pattern of salaried employees - A Case Study of Visakhapatnam. *Journal of Contemporary Issues in Business and Government*, 27(1), 3792-38030
- Ramanathan, K., and Meenakshisundaram, K. (2015). A study of the investment pattern of bank employees. In *Proceedings of International Conference on Management Finance Economics* (156-162)
- Ramanujam, V., and Devi, K. (2012). A study on impact of socio-economic profile on investment pattern of salaried and business people in Coimbatore city. *International Journal of Management & Information Technology*, 2(1), 67-77
- Sood, D., and Kaur, N. (2015). A study of saving and investment pattern of salaried class people with special reference to Chandigarh, India. *International Journal of Research in Engineering, IT & Social Sciences*, 5(2) , 1-15

Therasa P. J., N., & S. Bhuvaneswari. (2022). A study on investment pattern of salaried people with reference to Coimbatore City. *International Journal of Creative Research Thoughts (IJCRT)*, 10(6), 787-791

QUESTIONNAIRE

Savings & Investment behaviors among Salaried Person

Part A: Socio- Economic Background

1. Gender of the respondents

(i) Male []

(ii) Female []

2. Marital status:

(i) Single []

(ii) Married []

(iii) Divorced []

(iv) Widowed []

3. Age of the respondents

(i) 30 and below []

(ii) 31 – 35 []

(iii) 36-40 []

(iv) 40 -45 []

(v) 46-50 []

(vi) above 50 []

4. Educational Qualification:

(i) HSLC / HSSLC []

(ii) Graduate []

(iii) Post Graduate []

(iv) Diploma course []

(v) Others []

4. Occupation of the respondents

(i) Government Servant []

(ii) work in private sector []

(iii) Pensioner []

5. Average monthly Income:

- (i) Up to Rs. 20,000 []
- (ii) Rs. 20,000 – Rs. 40,000 []
- (iii) Rs. 60,000 – Rs. 80,000 []
- (iv) Rs. 80,000 – Rs. 1,00,000 []
- (v) Above Rs. 1,00,000 []

6. How long have you been working?

- (i) Less than 5 years []
- (ii) 6 – 10 years []
- (iii) 11 – 15 years []
- (iv) 16 – 20 years []
- (v) Above 20 years []

7. Family Size

- (i) Upto 4 members []
- (ii) 5 – 7 members []
- (iii) 8 – 10 members []
- (iv) More than 10 members []

Part B: Savings and Investment Behavior

1. Are you aware of Savings and Investment concept

- (i) Yes []
- (ii) No []

2. Do you invest/save your money?

- (i) Yes []
- (ii) No []

3. What % of your Income do you save monthly?

- (i) 0% – 15% []
- (ii) 15% – 30% []
- (iii) 30% - 50% []
- (iv) Above 50% []

4. What are your savings objectives?

- (i) Children's Education []
- (ii) Retirement []
- (iii) Health Care []
- (iv) Others []

5. From which source you come to know about various Investment options?

- (i) TV / Newspaper []
- (ii) Friends / Relatives []
- (iii) Bank / Broker []
- (iv) Others []

6. What % of your Income do you save monthly?

- (i) 0% – 15% []
- (ii) 15% – 30% []
- (iii) 30% - 50% []
- (iv) Above 50% []

6. Level of risk you prefer when investing?

- (i) High []
- (ii) Medium []
- (iii) Low []
- (iv) Cannot say []

6. Best time which you preferred to invest your money.

- (i) short- term (0-1 year) []
- (ii) Medium term (1-5years) []
- (iii) Long-term (more than 5 years) []
- (iv) Cannot say []

7. What Investment Avenues do you prefer:

- (a) Stock market []
- (b) Bank Deposit []

- (c) Insurance []
- (d) Mutual Fund []
- (e) Real Estate []
- (f) Others []

8. which one you prefer the most in bank deposit?

- (i) Savings deposit []
- (ii) Fixed deposit []
- (iii) Term deposit []

9. Do you invest in mutual funds?

- (i) Yes []
- (ii) No []

10. If not, give the reason.

- (i) I don't know about mutual fund []
- (ii) return is not good []
- (iii) I prefer other investment avenues[]
- (iv) cannot say []

11. Do you invest in life insurance?

- (i) Yes []
- (ii) No []

12. If not, give the reason

- (i) I don't know the procedure []
- (ii) return is not good []
- (iii) I prefer other investment avenues[]
- (iv) Cannot say []

13. what factor influences you to make investments?

- (i) Return potential []
- (ii) Safety []
- (iii) Tax benefits []

- (iv) Convenience []
(v) Cannot say []

14. Do you aware about post office deposits?

- (i) Yes []
(ii) No []

15. Do you invest your money in Provident Fund?

- (i) Yes []
(ii) No []

16. Do you aware health insurance scheme?

- (i) Yes []
(ii) No []

17. if yes, do you invest in health insurance scheme?

- (i) Yes []
(ii) No []

18. Do you know how to invest your money in real estate?

- (i) Yes []
(ii) No []