

# **Investors Preferences and Awareness towards Various Investment Avenues in Delhi-The Capital City of India**

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## **ABSTRACT:**

This research explores into investors' investment preferences and awareness levels in Delhi- the capital city of India. Exploring a dynamic marketplace brimmed with traditional and contemporary avenues, this study sheds light on the following:

This study identifies the most popular investment options among Delhiites and considering factors such as risk appetite and financial literacy and income levels. It analyzes whether traditional instrument's such as bank deposits & real estate prevail or whether modern instrument's such as mutual funds and the stock market are gaining popularity.

This study investigates the level of awareness among different investors segments across a diverse spectrum of investment possibilities. It examines how factors such as age, education and occupation affect investors' knowledge of different options and highlights potential shortcomings and opportunities for financial literacy initiatives.

This study examines the key factors influencing investment decisions in Delhi. It goes beyond risk return tradeoffs and analyze how the factors such as investment horizon and tax implications and emotional comfort levels shape investors choices. This research proposes targeted solutions by understanding the unique preferences and knowledge gaps in Delhi's investment landscape. It recommends strategies to bridge information gaps and promote responsible investment practices and promote a prosperous and inclusive financial ecosystem in the city. The aim of this research is to contribute to a more informed and empowered investment environment and ultimately boosting financial well-being and economic growth within the city by illuminating the motivations and behaviors of Delhi's investors.

**Keywords:** *Delhi investment preferences, Traditional vs. modern avenues, Investor awareness disparities, Decision-making drivers, Risk tolerance.*

**INTRODUCTION:**

Investment is committing investor money, time and energy, for future benefits. Investment is utilized of finances with the goal of generating extra revenue and increasing the worth of an asset. an investment imply it requires a period of waiting for a better reward. In financial context investment is buying an asset with the high expectation of capital growth and appreciation, expected dividends returns, returning interest returns. Most of all forms of investment avenues involve different risk and returns. In finance, investment is buying of an asset and sale it with the hope of maximum returns in the future. A good investment is that who gives capital growth, capital appreciation, liquidity and easy transferability. The main points seen in all investment that are investors are pretend to their principal amount are safe, appreciation of their capital, income stability and transferability of income. In market there are numbers of different Traditional and Modern investment tools are present such as, safe/ low risk investments like banks deposits (FDs), moderate risk investments like mutual funds (MFs) and high-risk investment like equity market and traditional investment like gold etc. as per their needs and goals investors are presumed to be select best suitable investment for themselves. The preferences of investor's regarding Investment Avenue are mainly depends upon the investment objectives such as Return, Risk, Safety and Liquidity of the investment.

- Mutual funds: mutual funds refer an easy way of investment and tension free way to invest investor money. Mutual funds are mix investment of equity and debt and ratio depends on the mutual fund's schemes.
- Bank deposits/FDs: A bank deposits/FDs is a safe choice of investment. Also bank deposits is secure and popular investment options.
- Gold: gold is considered as traditional investment. It is a most precious investment avenue Without any doubt gold as an investment gives better future benefits to investors.

**REVIEW OF LITERATURE:**

**Shanmugam (2000)** In the study he concluded as per survey of 201 single investor to study the gather information by different individual investors, and their perception of many investment strategy elements and the factors motivating to share financial investment decisions. study showed that, demographic factors and psychological and sociological factors influence the investors investment decisions.

**Millender and shanti Kumar (2003)** In this study, the researchers examine the different pattern of small investors and large investors and in study they conclude that small investors are conservative and somehow fail to hold their investment decisions. On the other hand, large investors are hold and invest their money to buy recommendations. Some reason for their trading behavioral pattern like pays high cost to get information etc.

**Kiran and Rao (2005)** examined by conducting a sample survey, whether demographic variables and psychographic variables were effective on risk tolerance capacity of Indian investors. By analyzing the data from survey through different statistics formulas. they found a strong relationship between attitude of risk tolerance capacity and demographic variables and psychographic variables influence the investment decisions.

**Davar and Suveera Gill (2007)** this study concluded that on investigation of the role of gender revealed that in males there is higher level of awareness in context to different investment avenues, and females are not fully aware. And females are less confident and less risk takers.

**Ayyappan. S (2009)** made an attempt to analyze investor's awareness regarding investing tools and investors satisfaction level regarding investment. he found that if decisions made carefully in respect to different investment tools by investors by selecting proper choice of investment tools as per their needs/wants carefully decision regarding returns and risk. compare investment avenues past performances and get updated regarding investment decision. In keeping with, awareness plays key role in investment decisions.

**Giridhari Mohanta and Debasish Sathya Swaroop (2011)** study on investment choice of investors in Orissa and in studied has seen there is prominent part between savings and employment type of investors spending money by the men's and women's investors.

**Murugan (2012)** examines attitude of different investors towards many investments option in Nellore region "the research explores investment awareness, preferences, and involvement of little scale and large household investors. The research finds that mostly respondents are quite not aware of marketable investing tools like equity and preference share market, mutual funds (MFs). Whereas major part of investors choose traditional investments like, gold, silver, real estate property etc. and low risk investments like banks, PO deposits, public provident funds etc.

**PariMala kantha & Kumar (2015)** concluded a study in Coimbatore city and observed the part of education of investors while taking decisions and its evident that education role in investment decision. and in study it also concluded investors generally gather information their family members, friend's financial advisors etc. Mostly investors invested their money in savings accounts followed by tangible assets like Gold & Silver.

**U M Gopal Krishna (2019)** Study concluded that each investor is differ from other investor and their preferences of investment also differ while taking decisions. Their preference of investing tools mostly depends upon their investment objectives like return on principal, risk bearing capacity, safety of amount and liquidity etc. more numbers of investors main aim of getting returns so they enter into share market to getting more returns periodically.

**Sestina, Hasnaa, & Hendra warty (2022)** study on the COVID-19 pandemic has caused various economic upheavals global world, mostly in area of finance. The results identify that heuristic and market behavioral bias have a positive influence on individual investors' investment decisions.

### **STATEMENT OF THE PROBLEM:**

As investing play vital role in investor's life. But alternatively, there are various traditional and modern investment tools available in market. So, it's a difficult task to investor to choose proper avenue whether its traditional or modern investment according to their needs and goals. Also, investors having lack of awareness regarding different

investment alternative avenues. While making decision investors pay more attention to safety of principal amount, risk and returns etc. in this circumstance the present paper become essential.

### **OBJECTIVE OF THE STUDY:**

1. To study the awareness of Investment options among Investors in Delhi.

### **HYPOTHESIS OF THE STUDY:**

H0: There is a significant level of awareness about Investment avenues.

H1: There is no significant level of awareness about Investment avenues.

### **RESEARCH METHODOLOGY:**

Exploratory study

**Sampling design:** Random convenience sampling

**Sample size:** 100

**Statistical tools:** z-test

**Tool and source of data collection:** For collection of data, questionnaire was used. And source of collected data of study is primary in nature.

### **LIMITATION OF THE STUDY:**

The sample size taken for analysis is only 100.

### **DATA ANALYSIS AND INTERPRETATION:**

#### **Question 1: Are you aware of the investment/saving concept?**

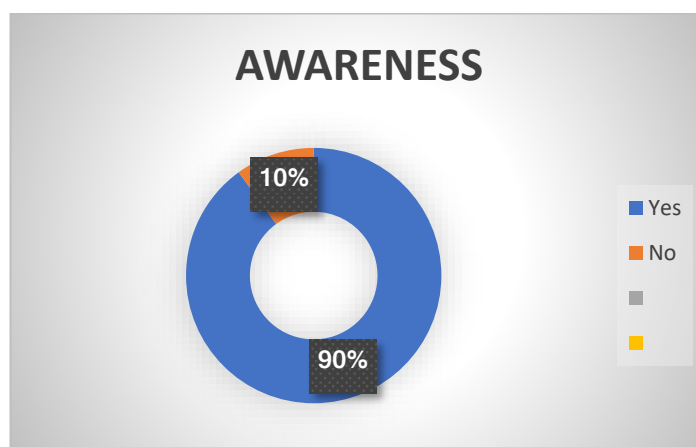


Figure no. 1

In the above pie-chart from 100 respondents 90% of investors are aware, and 10% of respondents are not aware about investment avenues.

### Questions 2: Gender of Respondent

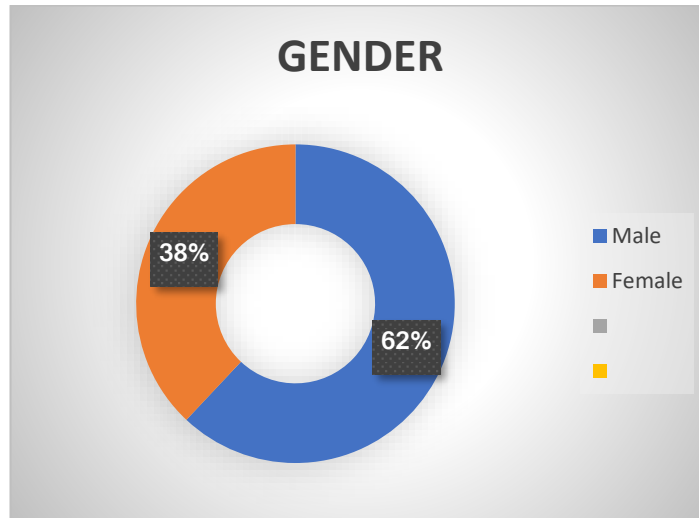


Figure no. 2

In above pie-chart out of 100 respondents 62% of the investors male category and 38% are female category.

### Question 3: Age of Respondents.

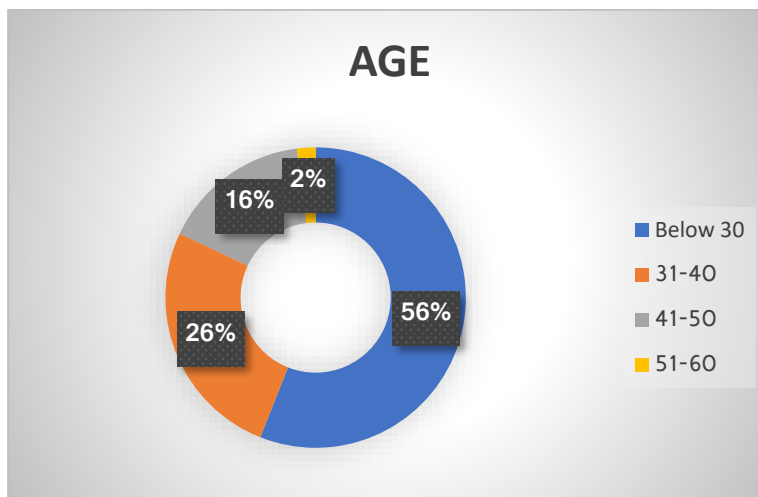


Figure no. 3

In the above pie-chart, out of 50% respondents 56% of the investors are below age category 30 and 26% investors are between 31-40 age category and 16% investors are between 41-50 age category and 2% of respondents are between 51-60 age category.

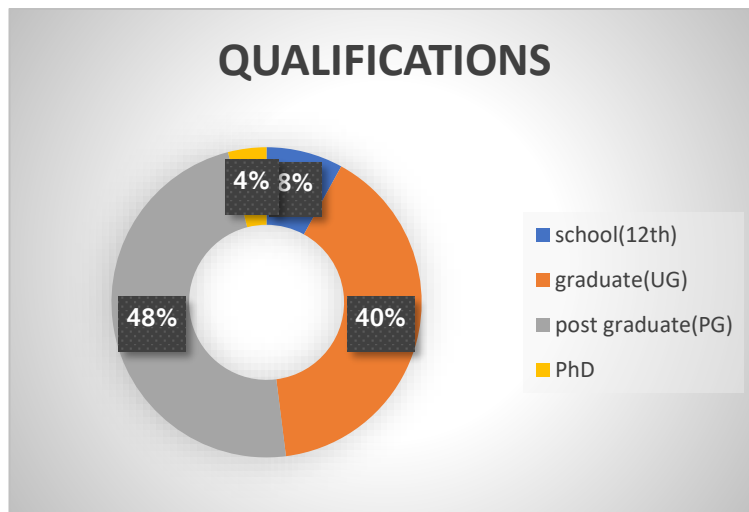
**Question 4: Qualifications Level of Respondents**

Figure no. 4

In the above pie-chart out of 100 respondents 48% investors are post graduate (PG) category and 40% investors are graduated (UG) category and 8% investors are PhD category and 4% investors are school category.

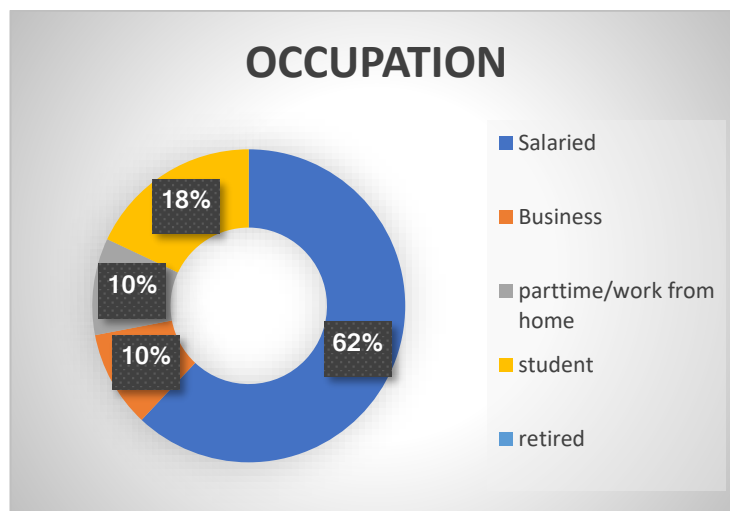
**Question 5: Nature of Employment?**

Figure no.5

In the above pie- chart diagram, out of 100 respondents 62% investors are salaried category 18% investors are students and 10% investors are business category and 10% investors are part-time/work from home category.

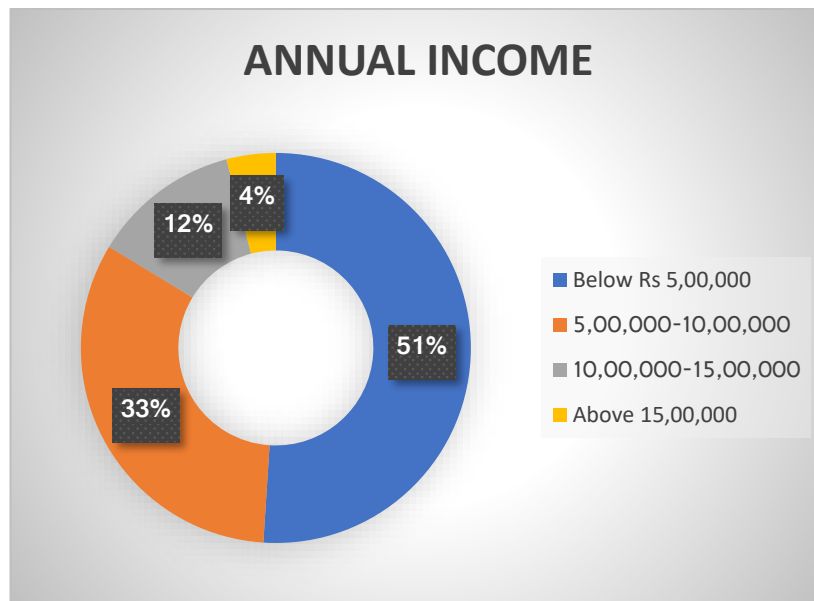
**Question 6: Annual Income Level?**

Figure no.6

In the above pie-chart diagram, out of 100 respondents mostly respondents are 51% investors are in below Rs. 5,00,000 income category and 33% investors are in 5,00,000-10,00,000 income category and 12% investors are in 10,00,000-15,00,000 income category and 4% are in above 15,00,000 income categories.

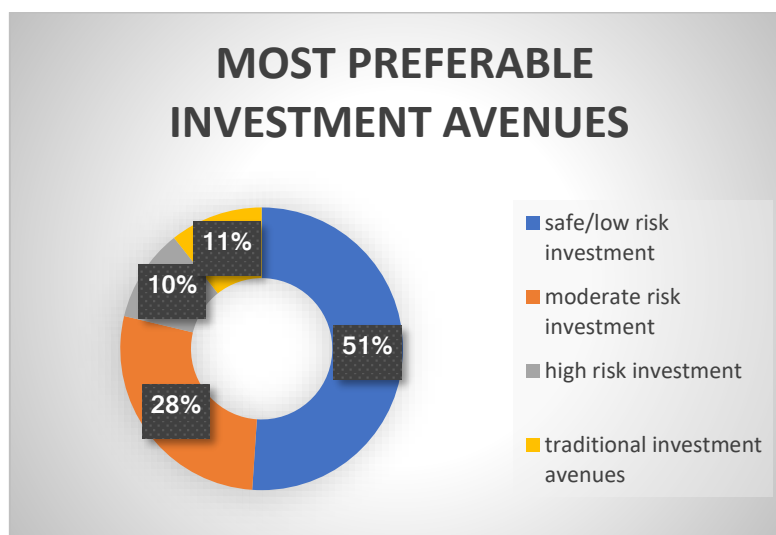
**Question 7: Are you aware of the following Investment Avenues**

Figure no.7

In the above pie- chart diagram, out of 100 respondents 51% investors are prefers safe/low risk investment and 28% investors are prefers moderate risk investment and 11% investors are prefers traditional investment avenues and 10% investors prefers high risk investment.

**Question 8: Which of the following avenues have you opted for?**

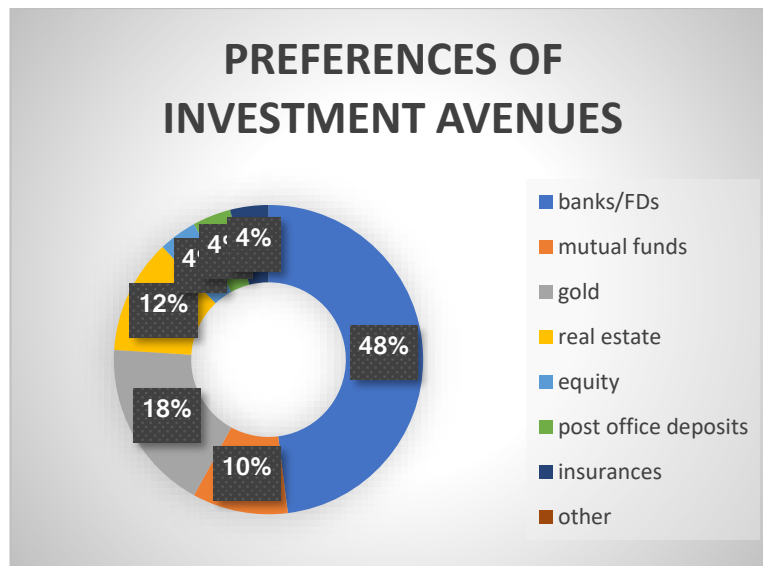


Figure no.8

Above pie-chart diagram, from 100 respondents 48% investors prefers banks/FDs and 18% of the respondents prefers gold and 12% investors prefers real estate and 10% investors prefers mutual funds (MFs) and 4% investors prefers equity, PO deposits and insurances category.

**DATA ANALYSIS AND INTERPRETATION:**

**Hypothesis Testing:**

$$Z = \frac{(\bar{X} - \mu_0)}{s}$$

$$Z = (3-2)/2.5 = 0.4$$

As the calculated value of Z-test (0.4) is less than is Z-score which is 1.96.

So, the Null Hypothesis is accepted.

Hence it is concluded that “There is a significant level of awareness about investment avenues.”

**FINDINGS:**

- For study 100 respondents has investigated of Delhi and its shows that 90% are aware whereas 10% are unaware.
- In study mostly investors are prefers safe/low risk investments.
- Investors choose Traditional investment like banks/FDs and gold real estate(property) these avenues are safe and not high risky.

**SUGGESTION:**

- More Awareness programs and workshops regarding different investment tools should be conducted by various financial organizations/institutions.

**CONCLUSION:**

The present study has made an attempt to study the preferences and awareness regarding different investing tools in Delhi. Among the many investment avenues investors choose safe/low risk investment such as: banks/FDs and gold. Traditional instruments such as bank deposits & Gold are gaining popularity when it's come to save their money, whether modern instrument's such as mutual funds and the stock market are also popular but for investing somehow investors are not fully prepared to invest money in it as they are risky. The major reason for selection is to safety and security of money. study shows males are willingly to take risk whereas females are less risk takers. Investors choose traditional investing tools such as Bank FDs, gold, real estate for investment. factors such as age, education and occupation affect investors' knowledge of different options of investment.

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