

The Paradigm Shift from Tangible to Financial Assets: An Empirical Study of Household Investment Portfolios in Rural Bulandshahr Uttarpradesh

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ABSTRACT

The present paper would seek to look into this paradigm shift from tangible assets to financial assets in the investment portfolio of rural investors of Bulandshahr, Uttar Pradesh. Traditionally in India, rural households have been more inclined to invest in physical assets, such as livestock, land, gold, silver and real estate property, because it is believed that these assets appreciate over time and are held in high esteem. But, in the recent years formation of the banking services and development of financial inclusion through the adoption of appropriate technology, government promotions and enhanced financial literacy in the household have instilled a preference towards household investment diversification in financial assets. The study is conducted to analyze what is motivating the rural household's investment preferences changes, the determinants that affect the investment behavior of the rural households, and the ratio of investment in tangible assets and financial assets in the process of creating rural wealth. The method adopted is of empirical nature that involves the collection of primary and secondary data for the purpose of planning to understand the investment behaviour and the portfolio allocation pattern of rural investors. This research shows that the shift to financial instruments (bank deposits, insurance policies, mutual funds, pension schemes and equity-linked products) is gradual yet important. Despite this change, with an attitude of risk and custom, the tangible assets are important in the household portfolios. The study pinpoints a greater importance of financial awareness and institutional accessibility to the recent decisions of rural investment.

Keywords: Household Investment Portfolio, Tangible Assets, Financial Assets, Rural Investors, Investment Behaviour, Financial Inclusion, Portfolio Diversification, Bulandshahr Uttar Pradesh, Financial Literacy.

1.1 Background of the Study

CHAPTER 1 INTRODUCTION

Investment is a crucial element of financial planning and wealth creation at the individual and household level. Households' behavior concerning their investment stems from their socio-cultural preferences, risk perceptions, economic standing, and investment awareness as well as their expectation of the future. Historically, Indian households, especially those in rural areas, have shown a greater inclination towards owning physical assets like gold, silver, farm land, cattle, house, etc. These investment avenues have been viewed favourably as they are thought to be safe and familiar and have the potential to be passed on to future generations, thereby helping one retain wealth. Likewise, in rural India, tangible assets which can be sold are of high interest; owning land, often a source of prestige, or holding valuable items such as precious metals, can mean prestige and economic security for a family.

The financial sector in India has seen a tremendous transformation in the last 20 years. The economic liberalization, technological advancement, financial inclusion policy measures, digitalization of financial services, and investor awareness have contributed to the diversity of financial products available to new households. Even in rural areas, insurance policies, mutual funds, pension schemes, government securities, equity linked investments and even bank deposits are accessible to a far greater extent. Public policy interventions like Jan Dhan Yojana, Indian Digitalisation

programme, Direct Benefit Transfer programmes and increasing banking penetration have also helped promote formal financial services.

This change has ushered in a gradual realignment of investment preferences among households. With the passage of time, rural investors who had been advocating only physical assets are now interested in financial assets as a channel for accumulation, risk management and long-term financial planning. This is due to the increasing exposure to smartphones, the internet, financial education programmes and digital payments platforms.

Bulandsehar, Uttar Pradesh, is an interesting district to see the nature of the changing investment habits. The district can be compared due to its mixture of agricultural, semi-urban and rural attributes, and to analyze the mutation of the typology of the investment in the households. The present study aims at studying the extent of change from tangible assets to financial assets of the rural households and factors which affect its investment decisions.

1.2 Industry Overview

The financial services sector is an important vehicle of mobilizing savings and directing them into productive investments. In India, the industry comprises banking institutions, insurance companies, mutual fund organizations, pension fund managers, stock exchanges, non-banking financial companies and various government-backed savings schemes. Such institutions offer a chance for investing and can help individuals and households reach their financial objectives and, in turn, foster economic development.

Traditionally the Indian financial market was city-based. In rural areas, people were mostly unbanked, and required other traditional methods of savings and investment. However, this context has changed completely with the growth of public and private banks, rural banks, co-operative banks, microfinance institutions and digital financial services.

The growth of the Mutual Fund Industry that followed Systematic Investment Plans, awareness of the investors and regulatory support has been significant. In a similar manner, insurance has established its presence with low-priced life and health insurance products. Financial inclusion of rural population has been improved with the help of government schemes such as Public Provident Fund, National Pension System, Sukanya Samridhi Yojana, Atal Pension Yojana and Kisan Vikas Patra.

In the meantime, these renewables are still doing what they've always done. Many want to invest gold due to cultural significance and perceived security. Agricultural land and real estate holdings are also important long-term assets of rural families. Consequently, the investment scene in rural India is in a balanced form between investment assets and the means of investment.

Thus, a shift of the industry's paradigm occurs: the household makes more diversified investments, both financial and traditional ones. The understanding of this transition is also crucial for policymakers, financial institutions, and researchers aiming for enhancing financial inclusion and investment efficiency.

Theoretical framework of the study is presented in this section.

The study is conceptually structured around the interaction between the socioeconomic and economic (both macro and micro) and demographic and financial (investment) considerations which influence the investment decisions of households. Age, family size, income, awareness of financial institutions, awareness and understanding of investment opportunities, risk propensity of the households, profession and educational attainment are among the factors affecting the investment behavior of households.

Such external factors influence the allocation of household savings, in terms of real assets and financial assets. Tangible assets can be gold, silver, land, livestock or real estate and financial assets can be bank deposits, mutual funds, insurance policies, pension schemes, shares or government securities.

The idea behind the framework is that the literate the household is, the more stable its income and, consequently, the more aware or interested in financial products the higher proportion of their financial assets they save, and the easier it is to access banking services. On the other hand, a lower awareness level and a higher level of risk aversion will probably lead to continued preference for tangible assets.

It examines the effects of these factors and their interplay in household investment portfolio changes in rural Bulandshahr.

1.4 Statement of the Problem

Indian rural households have been traditionally investing a large fraction of their savings in tangible assets, because of their familiarity, safety and culture. Even if, in the last decades, these financial institutions and investment products have become more accessible, there are doubts of how much the rural households have adopted the financial assets.

In a large number of families financial literacy, knowledge of investment products, risk appetite and confidence in the investment markets are still prevalent. Meanwhile, the financial sector developed and government policies have provided and facilitated more people invest into formal channels.

This study aims to examine the overall issue of transition of tangible assets to financial assets of the rural households in Bulandsehar and understand reasons behind this transition.

1.5 Research Questions

Research questions that underpin the study are:

1. What are the major preferences and aversions in investment behavior of Bulandsehar Rural Households?
2. How much do rural households invest in real or money assets?

Q.3. What are the determinants of household investments?

4. Have there been any substantial changes in the ratio of tangible assets to financial allocation?

1.6 Research Objectives

This study was designed to:

1. To analyse the investment tastes of rural households Bulandshahr.
2. To investigate the structure of household investment portfolios.
3. To analyze the shift of balance between assets, non-financial and financial.

1.8 Significance of the study

The study contributes to the understanding of the shift in the investment pattern of the rural household. It offers an account of the impact of a growth of theory and practice for economic development, financial inclusion, and technological advancement on portfolio policy decisions. Findings might be useful for policy makers to design suitable financial education programs and to improve investment awareness.

The results could be used by financial institutions to form products aimed at rural investors. Study results can be a source of material for future studies in the field of income sources and rural investment behavior and their relationship with household finance. The study also makes a larger contribution to the financial inclusion and portfolio diversification literature in developing economies.

1.9 Scope of the Study

This study attempts to report the rural households situation in Bulandsehar district in Uttar Pradesh. It talks about the preference of investments, analysis of the investment portfolio and what influence should investments have. The study covers real assets and monetary assets owned by the households.

The analysis focuses on household level investment behavior, and excludes institutional or corporate investment practices. The study area is confined to the selected rural areas of Bulandsehar District.

The study was limited in the following ways:

There are limitations in the study owing to factors of inaccuracy and unreliability.

1. The study is limited to the selected rural households of Bulandsehar.
2. It may not be the case that results are fully applicable to other regions?
3. Information based on respondent perceptions and self-reported information are used in the research to some degree.
4. Time and resource constraints may limit sample coverage.

5. Investment behavior may change due to future economic and policy developments. The Thesis has the following structure:

This thesis consists of 5 chapters. This chapter presents the introduction to the research topic, research background, industry overview, conceptual framework, research problem, objectives of the study, research hypotheses, significance of the study, scope and limitations of the study. An extensive literature search and discussion of theoretical frameworks relevant to household investment decisions and portfolio choice takes place in Chapter Two. Chapter Three talks about the methodology adopted in the study that include research design, sampling technique, data collecting processes and the data analyzing criteria. Chapter Four is the data analysis, data interpretation and testing of hypotheses. The summary and conclusion is presented in Chapter Five, presenting major findings, conclusions, recommendations, limitations, and directions for future research.

2.1 Introduction

CHAPTER 2 REVIEW OF LITERATURE

Household investment behaviour has been at the centre of attention in the past decade for both researchers and policy makers as well as financial institutions. Household investment decisions impact wealth creation and consequently have very important economic implications for the growth of a nation in the larger picture. What reasoning of household portfolio composition can be drawn from financial awareness, risk preferences, and from the investment opportunity sets and cultural perception and economic conditions prevailing in society? Traditionally, households in developing economies like India have been inclined more towards physical assets like land, gold, livestock and real estate which are relatively safe because of their non-fungibility and relatively durable nature. But over time investment preference has shifted due to the rapid development of the financial sector, high penetration on digital, financial inclusion measures by the government and awareness of financial products.

The structural change in the Indian economy is the shift in household portfolio from mostly tangible assets to a mix of tangible and financial assets. Researchers have been focusing more on understanding the data that causes this transition. Financial literacy, technological progress, digital finance, growing income, level of education, and institutional access have become key factors affecting investment decisions. T.A. data also mention that in rural areas there is an increasing awareness of financial products such as bank deposit, insurance scheme, mutual fund, pension plan and government securities. At the same time, though, traditional assets are significant because of many social, cultural & psychological considerations.

In this chapter, theories and empirical studies pertinent to the behavior of households' investment, financial portfolio structure, financial literacy, and a real-to-financial shift in assets are summarized. The theoretical and empirical bases for the present study and gaps in the literature are identified.

2.2 Theoretical Foundations

There are some theories to understand how household investment decisions and portfolio allocation behavior are made.

Markowitz has advanced the Modern Portfolio Theory in which diversification plays an essential role in maximizing return and minimizing risk. This theory suggests that the investors should diversify the type of assets so they form an optimum portfolio in terms of risk and return. The theory dictates that the household shouldn't be concentrating all its resources on assets yet again: it suggests diversification across the asset types.

The Life Cycle Hypothesis of Modigliani is an idea that talks about how an individual allots his savings and investment at different stages of his life cycle. This way of life suggests that younger people tend to invest more with a target to keep growing whereas middle aged people also invest but with a goal on building wealth and older people invest in low-risk securities to keep their capital untouched.

Behavioral Finance Theory rests on the premise that investment decision-making is not entirely rational. It posits that the psychological biases, emotions, culture, and cognitive limitations have a significant impact on financial decisions. Explanations such as loss-aversion, familiarity bias, and a preference for tangible investments can explain why rural households are attracted to investing in land and gold.

But Prospect Theory (Kahneman and Tversky) says something more: Investors will view gains and losses differently. Losses may make people seek risks whereas gains make them more risk-averse. The action impacts investment decisions and wealth allocation at HIC.

The core principle of the Financial Inclusion Framework is that, financial access to formal services results in increased savings, investment access and portfolio diversification. Rural households' participation in financial markets has improved as a result of expansion of banking infrastructure, digital payment systems and government financial inclusion programmes. Recent research suggests that digital finance makes a substantial impact on portfolio diversification and the share of financial assets held by households (Dong, 2024).

Together these theoretical viewpoints form a basis for interpreting the investment behavior of rural households and their increasing transition to the financial sphere.

Next, the problems that have developed over time are discussed.

Recent literature has emphasized major shifts in household investment, in particular among developing economies. From the result of Dash and Ranjan (2023), it can be inferred that financial literacy plays a major role as determinant on savings and investment behaviour of an Indian household. They also discovered that the more you know about financial matters, the more you diversify your investments and the more you invest through formal financial markets.

In the field of finance services, Dong (2024) examined the link between digital finance and household portfolio diversification and revealed that digital financial services boosts financial asset diversity of households significantly. Therefore, it was found that the access to digital financial platforms positively affects formal financial product adoption.

According to Bhowmick (2024), Indian households still preferred to have their assets in real terms but over the years there has been a shift towards financial assets like mutual funds, insurance products, pension schemes and bank deposits. A special focus was placed on the role of income increase and the development of financial services in this changeover.

Konnur and Byahatti (2025) found that financial literacy has a significant effect on financial asset allocation of the households. Households with higher financial knowledge had more involvement in diversified financial instruments compared to households with low financial knowledge.

Investor awareness programs in rural areas have also come into focus in the research in recent times. Studies suggest awareness campaigns increase knowledge of financial products and motivate the presence in organized financial

markets.

Literature abounds in evidencing how factors like lack of financial literacy, poor access to financial institutions, occupation, education, income, and demographics affect current investment decisions by household units.

A discussion on national studies is done here.

Several studies have investigated the saving and investment behaviour of the households in the country.

To understand the landscape of financial literacy, Dash and Ranjan (2023) examined state-wise financial literacy figures and found that there was notable variation across the different states in terms of investment awareness and financial decision-making. Their results showed that when fiscal literacy is higher in the states, more citizens participate in financial assets and diversified portfolios.

The National Centre for Financial Education has found that as financial inclusion and financial literacy increases access to banking and investment products and services for rural households. It concluded that financial awareness showed a positive relationship with financial participation (formal).

Sahu (2025) studied the financial literacy levels of urban and rural people in Chhattisgarh and highlighted that rural people were highly inclined to invest in fixed deposits and gold, whereas urban people had a higher exposure to mutual funds and the stock market. Education and income had a significant impact on investment behaviors.

According to recent government estimates, there has been continuous progress in India towards financial inclusion. Accessibility, the usage, and the quality of financial services have been gradually improving, as depicted in the Reserve Bank of India's Financial Inclusion Index. Financial product uptake has improved due to greater inclusion.

Earlier studies on the portfolios of Indian households have indicated that assets in the form of tangible assets still hold a greater share of the assets. However, the significant portion of the wealth of the households is still in non-financial assets, primarily real estate and gold, with a gradual increase in the share of financial assets, Dvara Research added.

Overall, Indian research indicates that the process of transition is gradual and is linked to rising financial literacy, education, and the accessibility of digital platforms and institutions.

2.5 Review of International Studies

The results of the international studies contribute to the understanding of the portfolio behavior of households and of investment diversification.

OECD studies find that household financial assets consist of deposits, insurance and pension products, equities, bonds, and investment funds. Developed economies appear to have a higher ownership of financial assets and more diversified portfolios in comparison to developing economies, according to the research.

According to European household finance surveys, the different choices of demography (age, education, income, and occupation) have a significant impact on decisions regarding portfolio allocation. Large differences in distribution of various household groups can be seen in the distribution of financial assets by the Household Finance and Consumption Survey (HFC).

Studies have revealed that there is a strong link between financial literacy and financial market participation in the international arena recently. Financial literacy households are more confident about investing and have higher savings rates, and diversify their portfolios.

Studies on digital finance revealed that technological innovation plays a huge role in portfolio diversification and enhancing financial markets participation. Digital financial platforms cut down transaction cost, render the information transparent, and make it easier for investors to put money toward formal financial products.

A stream of systematic reviews of the household finance literature, as well as research on financial behavior, investment choices, and processes of wealth accumulation, has become increasingly visible. Researchers claim that all three aspects, behavioral, economic, and technological, must be integrated into the study of household investment

behaviour with the help of models.

International evidence therefore suggests that financial literacy and the availability of institutions, as well as technological advances, play a significant role in increasing investment diversification and the use of financial assets.

2.6 Research Gap

According to the literature survey, there have been a wide range of studies on household finance and financial literacy, on financial behaviour and investment and on the diversification of household portfolios. Numerous country and international studies have been done on asset allocation at the household level. Effect of digital finance, financial inclusion and investor awareness on financial decision making is also investigated in previous studies.

While literature is becoming available, it still has some gaps. The limited research there has been primarily focussed on the shift from tangible assets to financial assets by rural households from Uttar Pradesh. Secondly, few studies have analysed the details of investment portfolio at a district level, especially A Bulandsehar district. Third, there is not enough research available that examines financial literacy and financial inclusion in isolation because it does not go deep enough in assessing how strongly they work together to create a strong portfolio transformation outcome. Fourth, the peculiar socio-cultural factors which affect the rural investment behaviour are less explored.

In the light of these gaps the present work aims at annexing it through empirical studies of the investment portfolio of rural households of Bulandshahr (Uttar Pradesh). It looks at how much tangible assets have been turned into financial assets and what some of the factors are that are demographic, economic and behavioural affecting the switch. Therefore, the study makes its contribution to the literature to provide localized evidence on changing investment patterns in rural India.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Scientific field Research methodology is a step by step procedure of solving research problems and obtaining facts or information that always enables the researcher to have knowledge regarding research problems and reach the objectives of the research. It gives a scientific method for analysing research problems and guarantees that the results are accurate, factual and meaningful. Based on the above discussion, the present study entitled “The Paradigm Shift from Tangible to Financial Assets: An Empirical Study of Household Investment Portfolios in Rural Bulandshahr, Uttar Pradesh” focuses upon the understanding of investment habit among the household of rural Bulandshahr, Uttar Pradesh and the factors influencing the shift of investment preference from tangible to financial assets.

The approach used in this paper is concerned on eliciting the relevant information from the respondents, relating to household investment behaviour, financial awareness, investment portfolio allocation and the factors that influence investment decisions. Chapter Three covers research design, type of research, source of data, sampling design, data collection procedures, data analysis techniques and ethics. A structured questionnaire was the major instrument used in collecting data. Data was gathered from respondents in Rural areas, Bulandsehar district. The method presented is used to make the research goals have been delivered effectively and systematically.

3.2 Research Design

Research Design is the overall design or framework that is used by the researcher in conducting a research. It offers a structure for data collection, measurement and analysis. A research design in which the information that is collected is relevant to the research question and facilitates reaching conclusions that are pertinent to the statement of the problem is a good research design.

The type of this study was descriptive research. Descriptive research can be used to describe characteristics, behaviors, opinions and preferences of a particular population. A descriptive approach is adopted as they are supposed to be

knowledgeable about investment behaviour of the household and the pattern of portfolio allocation of rural households.

Investors can be studied in detail through the creation of design to get demographic information, investors' investment preferences, financial awareness level, risk perception, investors' portfolio construction or investors' viewpoints. The research design also enables relationships between different socio-economic factors and investment decisions can be identified.

3.3 Type of Research

This is an empirical study and is based on primary data collected directly from respondents with structured questionnaires. Empirical research depends on observed and evidence gathered from the actual respondents as opposed to theoretical assumptions.

The study is also quantitative as the numerical data gathered by the survey is analyzed using statistical methods. By using quantitative research, variables can be measured objectively and the interpretations that can be drawn are about the investment pattern.

Research can also be categorized as Descriptive Research in which the study does not manipulate the variables, it is just to describe what is the existing investment behavior that can be seen among the rural households. The study tries to have a realistic evaluation of the scenario of investment prevailing in the receiving area.

3.4 Sources of Data

The use of both primary and secondary sources of data. Primary Data

Primary Sources are the most critical Resources of the Research. Primary data was collected from the respondents living in rural areas of Bulandsehar district by using structured questionnaires. The responses of the participants provided first-hand information about their preference for investment, investment portfolio, their financial literacy and attitude towards different investment vehicles.

Secondary Data

Secondary sources of data consisted of books, publications of academic journals, research papers, government publications, publications of various financial institutions, RBI publications, publications of the Ministry of Finance, research databases and relevant websites. Secondary data was helpful for comprehending theoretical aspects and findings of previous research on household investment behavior and portfolio diversification.

3.5 Data Collection Methods

Data collection is another step in research which can also support the quality and reliability of the research results.

In the present study the survey method has been used as the sole method of primary data collection. The survey method is widespread in collecting data directly from respondents (i.e. their opinions, preferences and behaviors) in social science research, as well as in business research.

The questionnaire adopted for the survey contains 15 questions and the survey is conducted through a structured questionnaire. Respondents were requested to provide data on investment decision making behavior, awareness of investment products and preferences as it relates to demographic factors.

The survey method was chosen, as it is economical, effective, easy to use and can be used to gather information over a limited period of time from various respondents in a standardized manner.

3.6 Research Instrument

The main research tool to collect data was the structured questionnaire. The questionnaire was designed to obtain information relating to: Demographic characteristics of respondents.

- Household income levels.

- Preferred investment avenues.

Awareness on financial products.

- Investment objectives.
- Risk tolerance levels.
- Portfolio allocation decisions.
- Factors affecting Investment Behavior.

Popular beliefs regarding real and money goods.

The questionnaire consisted of closed questions with the purpose of creating uniformity of response and aid in statistical analysis.

3.7 Questionnaire Design

To clarify, simplify and make relevant to the research objectives, the questionnaire was carefully designed.

The questionnaire contained 15 questions that are divided into the following sections: Demographic information is provided in Section A.

1. Age Group
2. Gender
3. Educational Qualification
4. Occupation
5. Monthly Household Income Part B: Investing Habits
6. Preferred Investment Avenue Percent of savings invested each year (7).

Also, in the case of long term investment activity, decide on the main purpose of investment.

9. Preferred Asset Category

Section C: Financial awareness and Financial behavior Financial Products Knowledge

Where did the investors get their information about investments?

12. Risk Tolerance Level
13. Banking and Digital Financial Services (DFS)
15. Effect of Financial awareness on Investments decision making
17. Future Preference toward Financial assets

To have easy answers from rural respondents, the questions were kept to the minimum and were simple and self-explanatory.

3.8 Sampling Design

Sampling design is the manner in which the number of individuals were selected from the target population for the study.

The sampling was done as it was not possible to collect information from the individual households of all the villages Bulandsehar. The sampling method allowed for a representation of the characteristics of the entire population studied.

The respondents were the rural households in which the subjects were actively concerned in decision making to invest in the household.

3.9 Target Population

The target population was the rural population or the households they belonged to of Bulandsehar district.

The respondents included:

- Farmers
- Small business owners
- Salaried employees
- Self-employed individuals
- Finding jobs in families where wives are still at home caring for children.

The selection of target population is a specific approach in an attempt to understand the issue of investment practice among the rural populations; household population.

3.10 Sample Size

The study sought responses from 70 respondents.

For the scope, time and resources of the study, it was considered that 60 respondents were deemed to be enough.

The involved respondents belonged to various age groups, occupations, educational background as well as income level. Diverse sample design was done to capture the various aspects of investment behaviour.

Therefore:

The number of Respondents = 70

3.11 Sampling Technique

Convenience Sampling Technique was used in the study.

Convenience sampling is one of the non-probability sampling methods in which the respondents are selected based on their availability and the willingness to respond to the questions.

The choice of the technique was made because:

- It is appropriate for research based on "temporary academic research" within a limited amount of time.
- It allows for easy data collection.

Cost reduction of operation.

It enables the participant to number out those that are ready to provide information on investing.

The respondents were selected from the villages of rural Bulandsehar district.

3.12 Data Collection Procedure

Data collection was done in a systematic manner.

The respondents were selected from Bulandsehar in the rural area. The participants were informed about the aim of the study before giving the questionnaires.

They were reassured that the information that they provided was confidential and would only be kept for study purposes.

The questionnaires were administered by hand, clarification was provided as needed. Questionnaires were returned and judged for validity and completeness and incorporated in the analysis.

The responses collected were subsequently coded and organized for analyses. Here are the results of testing the instrument for reliability and validity.

Validity is a concept as to whether or not an instrument measures what it is supposed to measure and reliability is a concept as to whether or not an instrument measures in a consistent manner.

To improve the reliability and validity several steps were taken: Reliability

- Standardized questionnaire format.
- Uniform administration procedure.
- Consistent response categories.
- Questions clearly written.

Validity

- Questions were framed keeping in view the research needs.
- Items were based upon constructs identified in earlier research.

Ambiguous questions were not used.

The interview instrument (survey) used was directed to investing behavior of the household.

Various measures that ensured that relevant and reliable data from the instrument was provided.

3.14 Tools and techniques for Data Analysis

The data obtained were classified, codified, tabulated and analysed. The following analytical tools were used:

Percentage Analysis

Percentages were used to analyze responses to questions. Frequency Distribution

Frequency tables were created to summarise the characteristics of the respondents and their investment preferences.

Tabular Analysis

Tabulation was done by analysing data in tables. Graphical Representation

To present the findings in visual form, a bar chart and pie chart were used. Descriptive Statistics

Simple descriptive statistical measures were used to summarize the respondents data. The techniques were good to present and interpret the findings.

3.15 Ethical Considerations

Care was taken to ensure the ethical principles in research were fully adhered to. For ethics, the following considerations were taken:

- Participation was voluntary.

The purpose of the study was explained to the respondents. The confidentiality of information was respected.

No information that identified persons was disclosed. Only data of an academic nature were used.

Opt on/opt off of responses was given.

The data was collected and reported in an honest and transparent manner. Ethical standards of academic research have been applied.

3.16 Chapter Summary

The methodology adopted in the research work, for analysing the shift of tangible assets into financial assets for rural households of Bulandsehar district, Uttar Pradesh was devoted to this chapter. The study was based on descriptive and quantitative research design and primary data was collected using structured survey questionnaires. The respondents were selected using a convenience sampling method, obtaining 60 respondents. The questionnaire comprised 15 items pertaining to the demographic characteristics, investment preferences, financial awareness and portfolio-allocation behavior. Debes covered data collection methods, issues of reliability and validity, and analysis methods as well as ethical concerns of the research process. The methodology is designed to give a structured base to analyse the answers that the respondents had given and helps to underpin the findings of the following chapter about the data analysis and interpretation.

CHAPTER 4

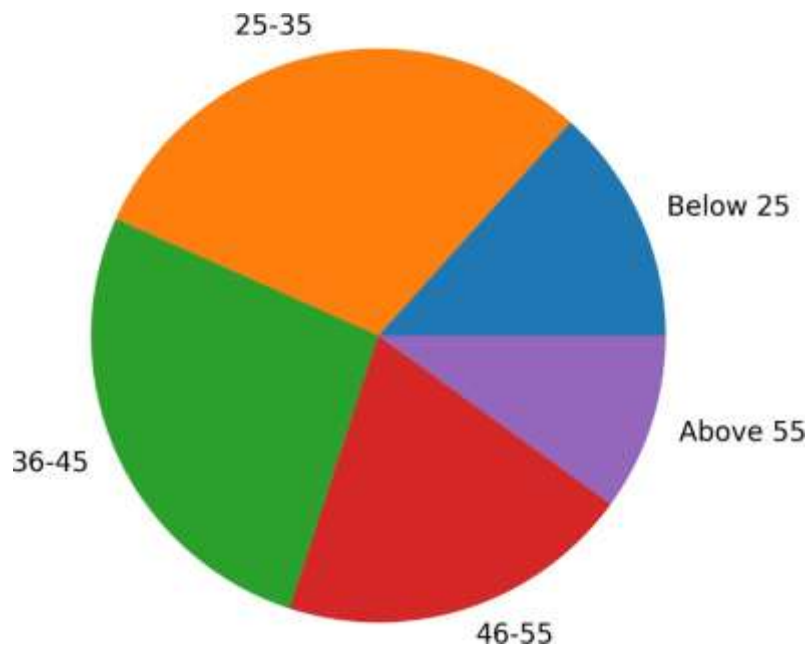
DATA ANALYSIS AND INTERPRETATION

The present chapter analyzes the responses collected from 60 respondents residing in rural Bulandshahr, Uttar Pradesh. The analysis is based on the structured questionnaire comprising 15 questions. The data have been tabulated and interpreted using frequency and percentage analysis.

Table 4.1: Age Group of Respondents

	Freque nc y	Percentag e
Below 25 Years	8	13.3
25–35 Years	18	30.0
36–45 Years	16	26.7
46–55 Years	12	20.0
Above 55 Years	6	10.0

Total	60	100
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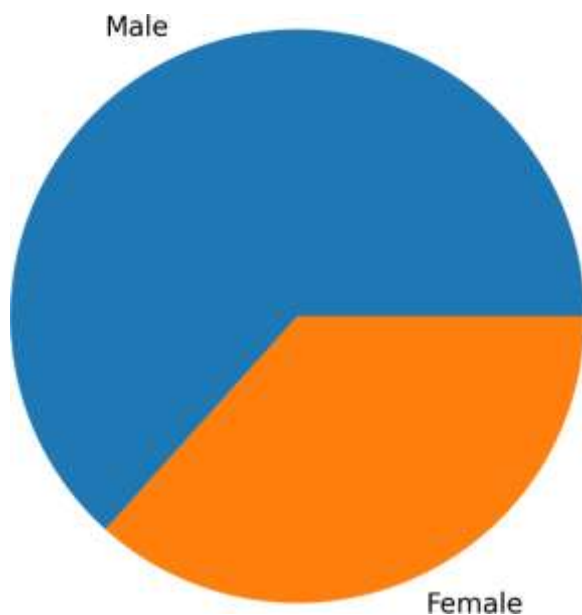


Graph 4.1: Age Group of Respondents (Pie Chart)

Interpretation: Most respondents (30%) belonged to the 25–35 years age group, indicating that young and middle-aged individuals actively participate in household investment decisions.

Table 4.2: Gender of Respondents

	Frequency	Percentage
Male	38	63.3
Female	22	36.7
Total	60	100

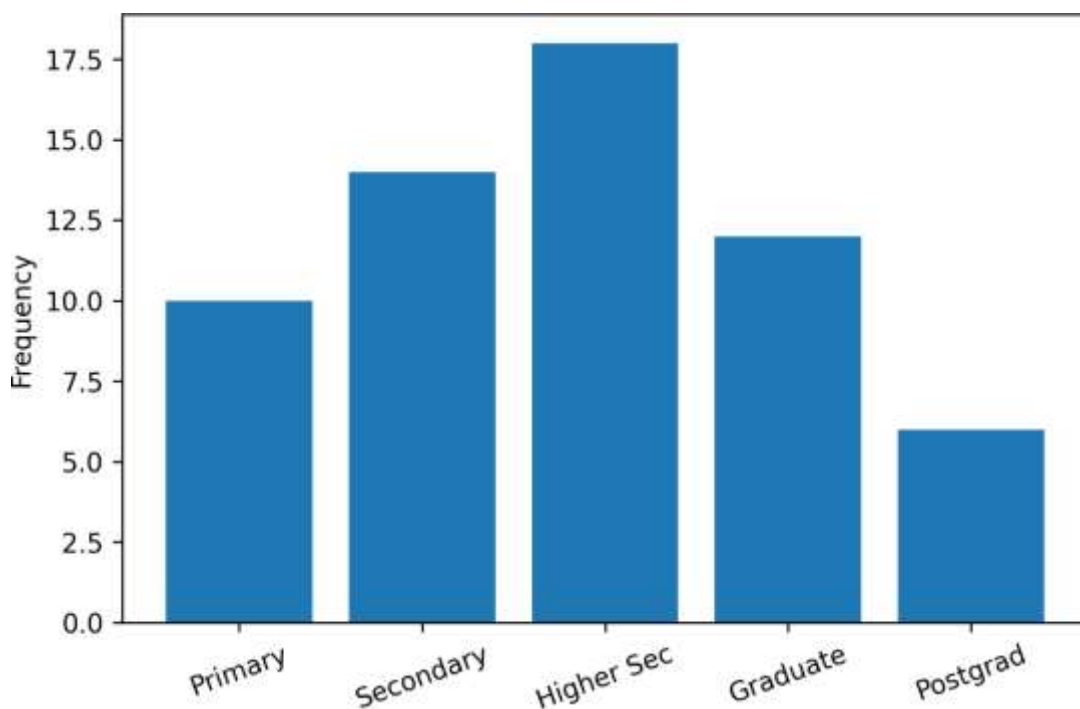


Graph 4.2: Gender Distribution (Pie Chart)

Interpretation: Male respondents constituted the majority (63.3%), suggesting greater involvement of men in household financial decisions in rural areas.

Table 4.3: Educational Qualification

	Frequenc y	Percentag e
Primary	10	16.7
Secondary	14	23.3
Higher Secondary	18	30.0
Graduate	12	20.0
Postgraduate	6	10.0
Total	60	100

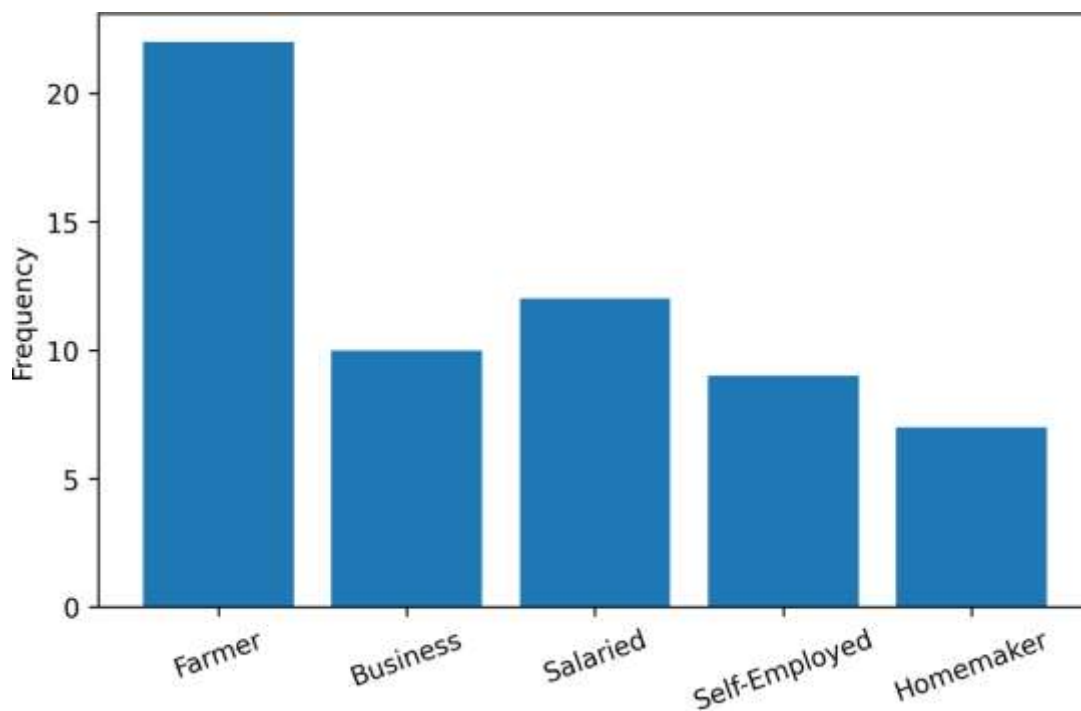


Graph 4.3: Educational Qualification (Bar Chart)

Interpretation: Higher Secondary education accounted for the largest group (30%), indicating moderate educational attainment among respondents.

Table 4.4: Occupation of Respondents

	Frequency	Percentage
Farmer	22	36.7
Business	10	16.7
Salaried Employee	12	20.0
Self-Employed	9	15.0
Homemaker	7	11.6
Total	60	100

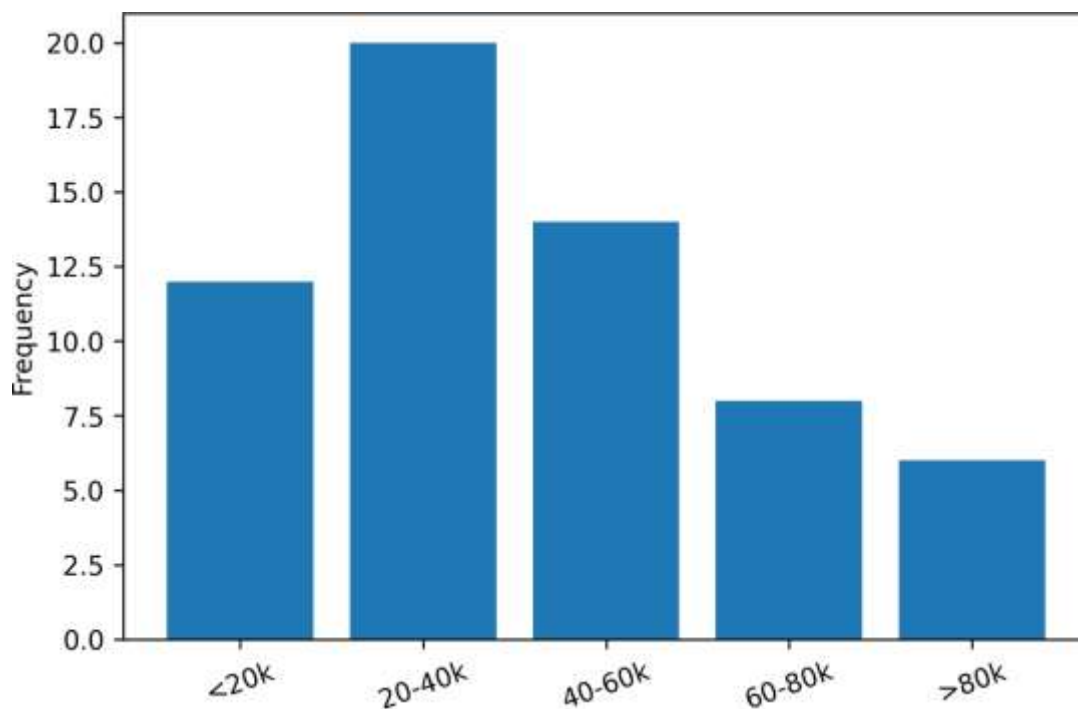


Graph 4.4: Occupation of Respondents (Bar Chart)

Interpretation: Farming remains the dominant occupation (36.7%), reflecting the rural nature of the study area.

Table 4.5: Monthly Household Income

	Frequency	Percentage
Below ₹20,000	12	20.0
₹20,001–₹40,000	20	33.3
₹40,001–₹60,000	14	23.3
₹60,001–₹80,000	8	13.4
Above ₹80,000	6	10.0
Total	60	100

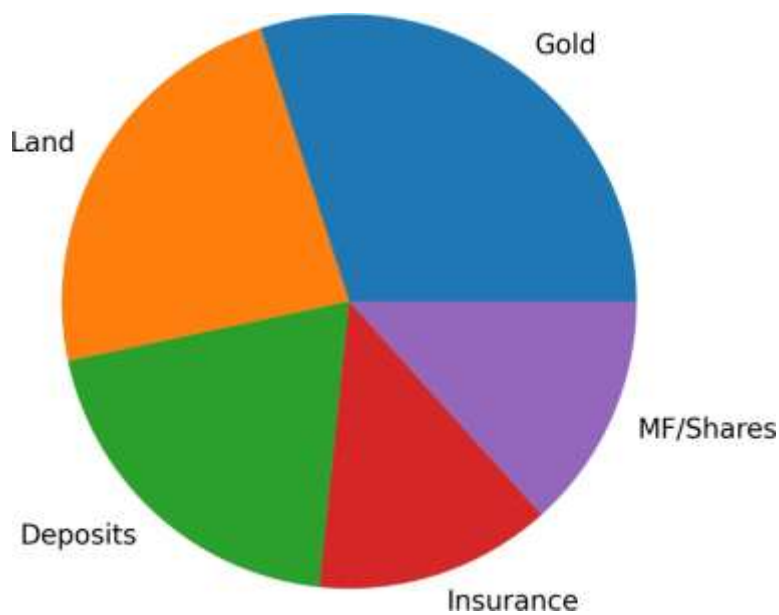


Graph 4.5: Monthly Income Distribution (Bar Chart)

Interpretation: Most households (33.3%) earned between ₹20,001 and ₹40,000 per month.

Table 4.6: Preferred Investment Avenue

	Frequency	Percentage
Gold/Silver	18	30.0
Land/Real Estate	14	23.3
Bank Deposits	12	20.0
Insurance	8	13.4
Mutual Funds/Shares	8	13.3
Total	60	100

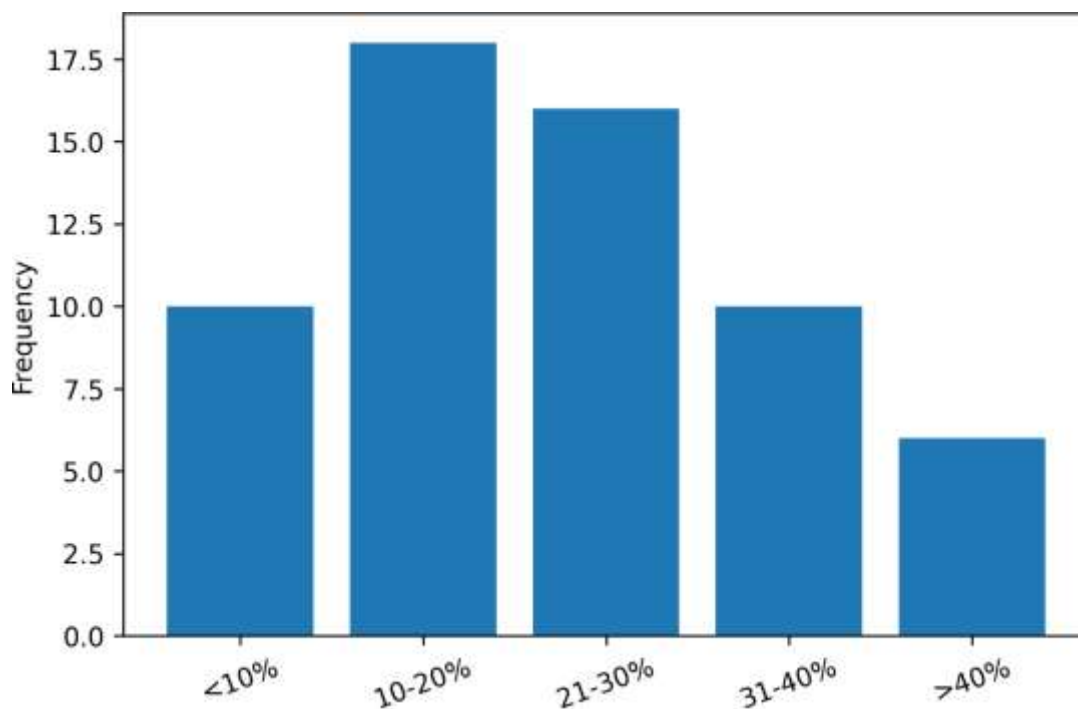


Graph 4.6: Preferred Investment Avenue (Pie Chart)

Interpretation: Gold and silver remain the most preferred investment avenue, chosen by 30% of respondents.

Table 4.7: Percentage of Savings Invested

	Frequency	Percentage
Below 10%	10	16.7
10–20%	18	30.0
21–30%	16	26.7
31–40%	10	16.6
Above 40%	6	10.0
Total	60	100

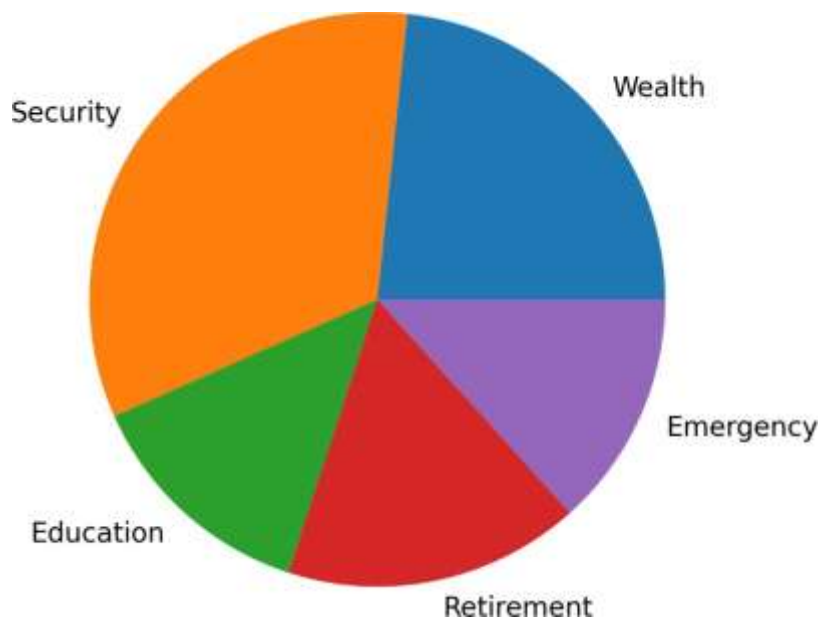


Graph 4.7: Savings Invested Annually (Bar Chart)

Interpretation: The majority of respondents (30%) invest between 10% and 20% of their annual savings.

Table 4.8: Primary Objective of Investment

	Freque nc y	Percentag e
Wealth Creation	14	23.3
Future Security	20	33.3
Children's Education	8	13.3
Retirement Planning	10	16.7
Emergency Needs	8	13.4
Total	60	100

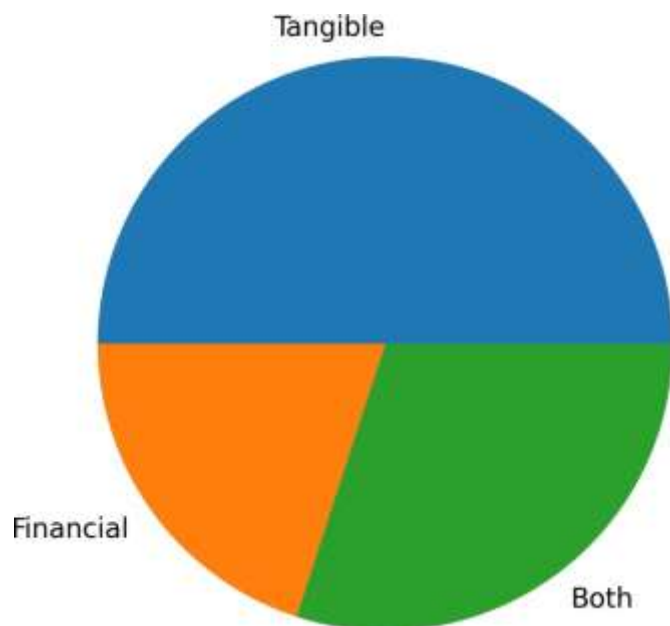


Graph 4.8: Primary Objective of Investment (Pie Chart)

Interpretation: Future security emerged as the most important investment objective with 33.3% responses.

Table 4.9: Asset Category Preference

	Frequenc y	Percentag e
Mostly Tangible Assets	30	50.0
Mostly Financial Assets	12	20.0
Equal Investment in Both	18	30.0
Total	60	100

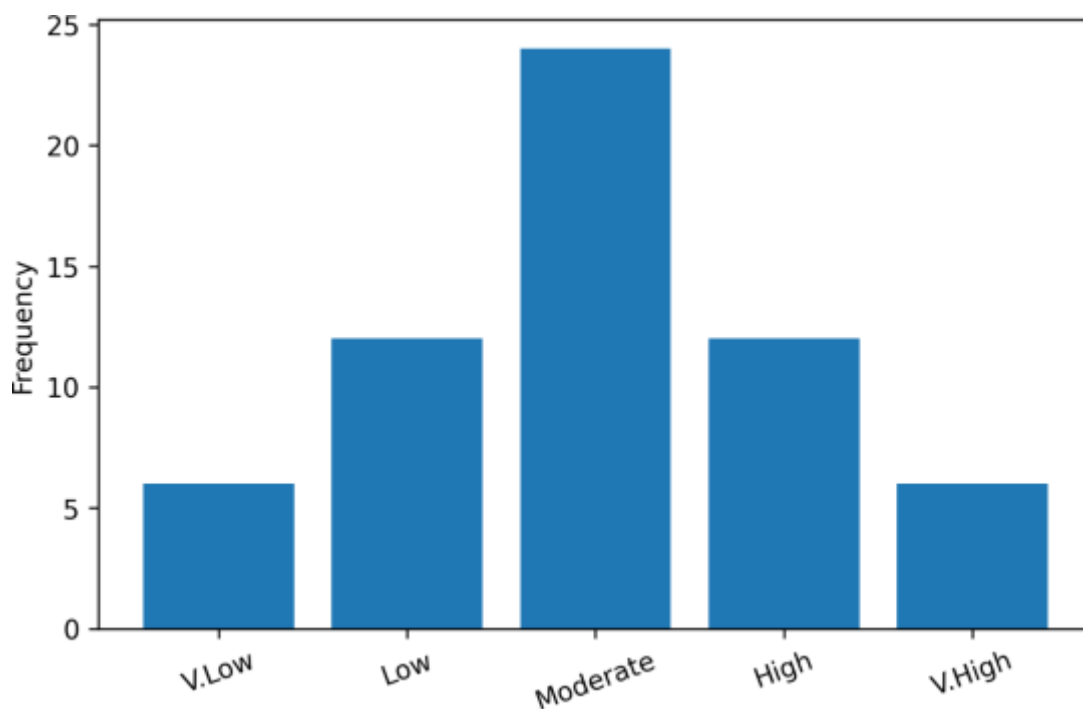


Graph 4.9: Asset Category Preference (Pie Chart)

Interpretation: Half of the respondents continue to prefer tangible assets, indicating their strong cultural and financial significance.

Table 4.10: Awareness of Financial Products

	Frequenc y	Percentag e
Very Low	6	10.0
Low	12	20.0
Moderate	24	40.0
High	12	20.0
Very High	6	10.0
Total	60	100

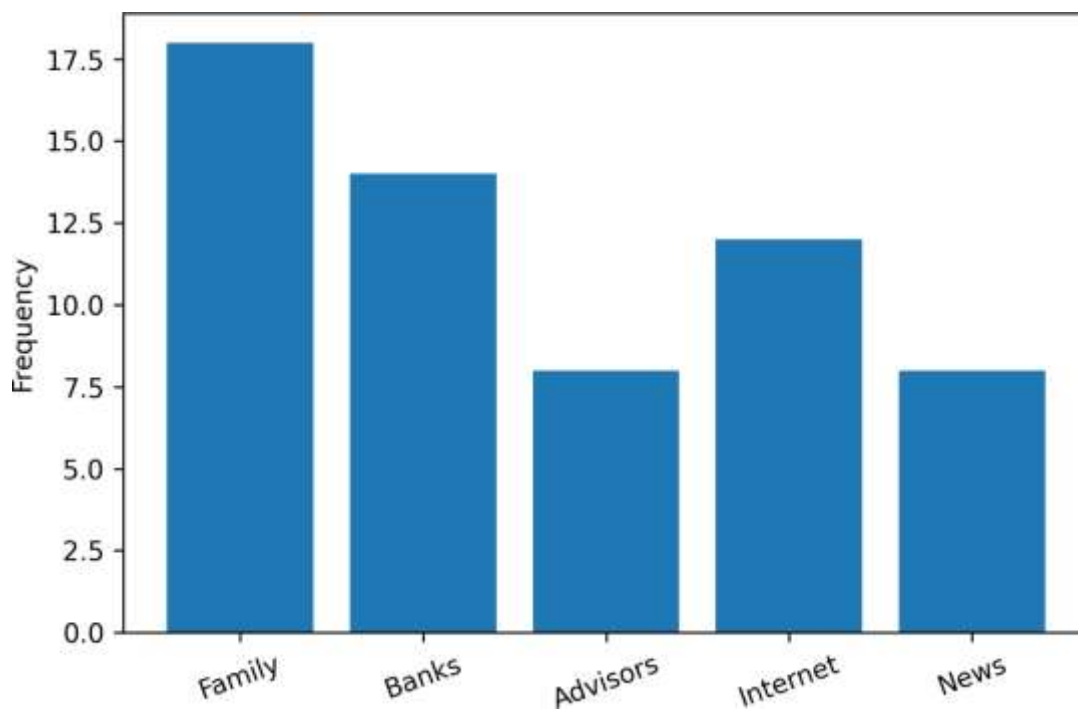


Graph 4.10: Awareness of Financial Products (Bar Chart)

Interpretation: Most respondents (40%) reported moderate awareness regarding financial products.

Table 4.11: Source of Investment Information

	Freque nc y	Percentag e
Family & Friends	18	30.0
Banks	14	23.3
Financial Advisors	8	13.3
Social Media/Internet	12	20.0
Newspapers/TV	8	13.4
Total	60	100

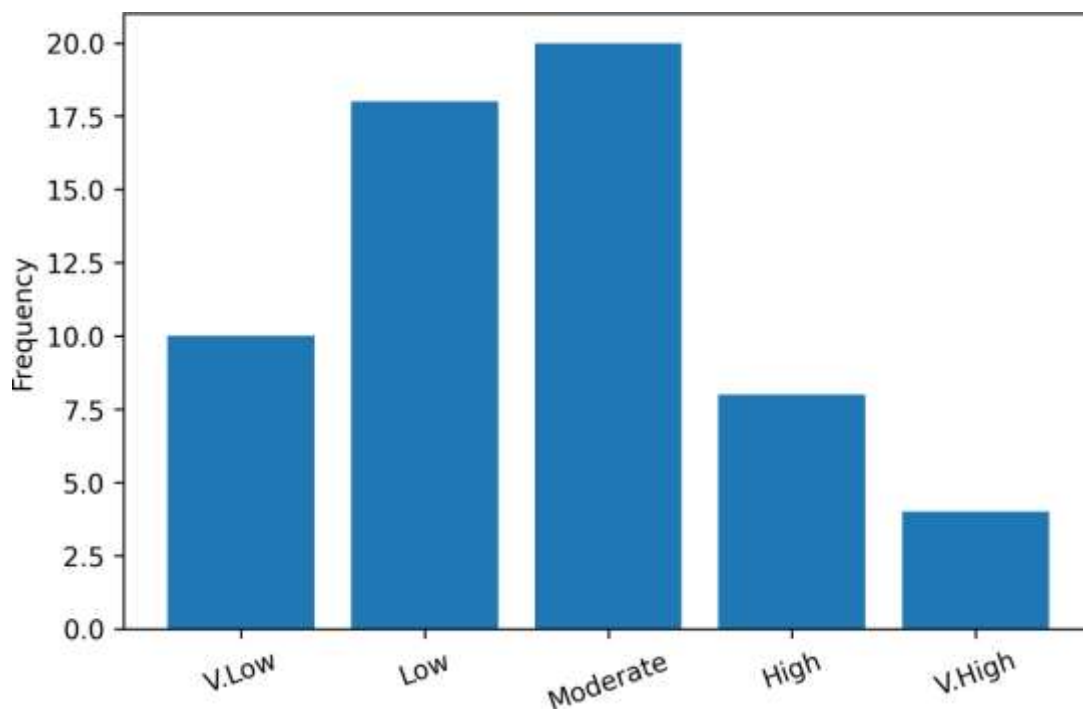


Graph 4.11: Source of Investment Information (Bar Chart)

Interpretation: Family and friends remain the most influential source of investment information.

Table 4.12: Risk Tolerance Level

	Frequency	Percentage
Very Low	10	16.7
Low	18	30.0
Moderate	20	33.3
High	8	13.3
Very High	4	6.7
Total	60	100

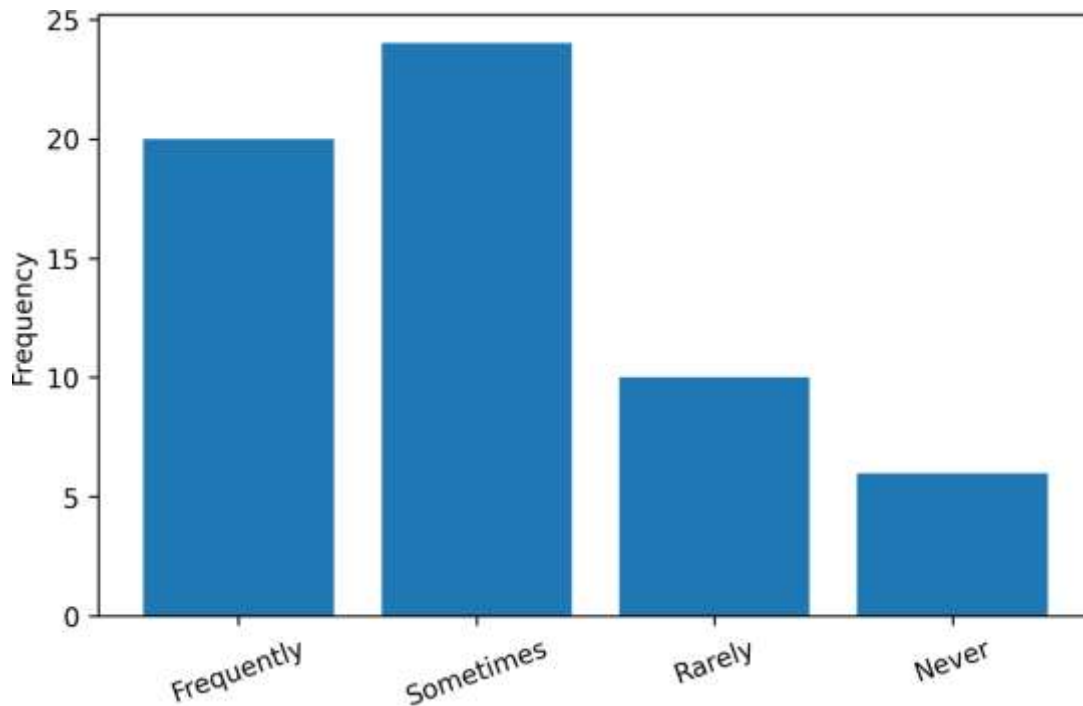


Graph 4.12: Risk Tolerance Level (Bar Chart)

Interpretation: Most respondents exhibit moderate risk tolerance, suggesting cautious investment behavior.

Table 4.13: Usage of Banking and Digital Financial Services

	Frequency	Percentage
Frequently	20	33.3
Sometimes	24	40.0
Rarely	10	16.7
Never	6	10.0
Total	60	100

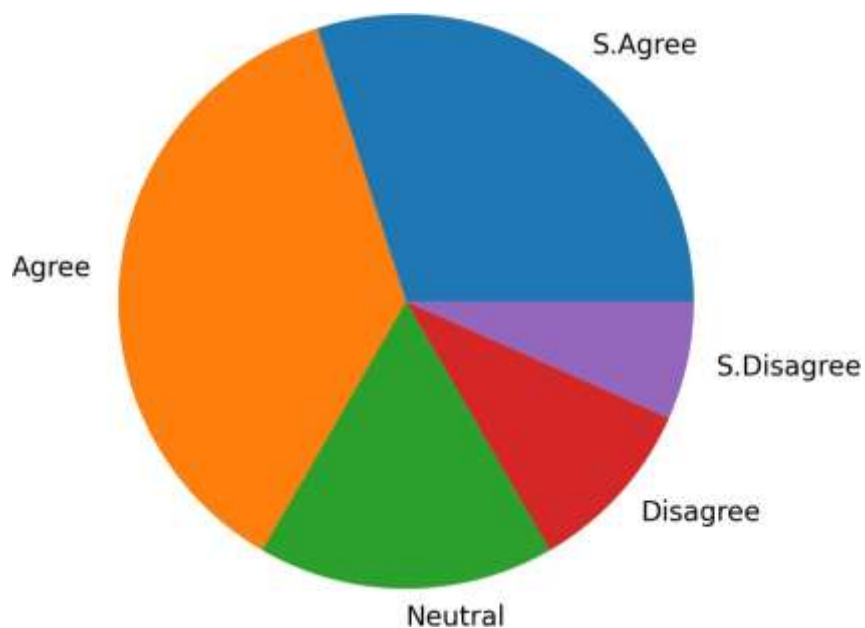


Graph 4.13: Usage of Banking and Digital Services (Bar Chart)

Interpretation: A large proportion of respondents use banking and digital financial services either frequently or sometimes.

Table 4.14: Financial Literacy Influences Investment Decisions

	Frequenc y	Percentag e
Strongly Agree	18	30.0
Agree	22	36.7
Neutral	10	16.7
Disagree	6	10.0
Strongly Disagree	4	6.6
Total	60	100

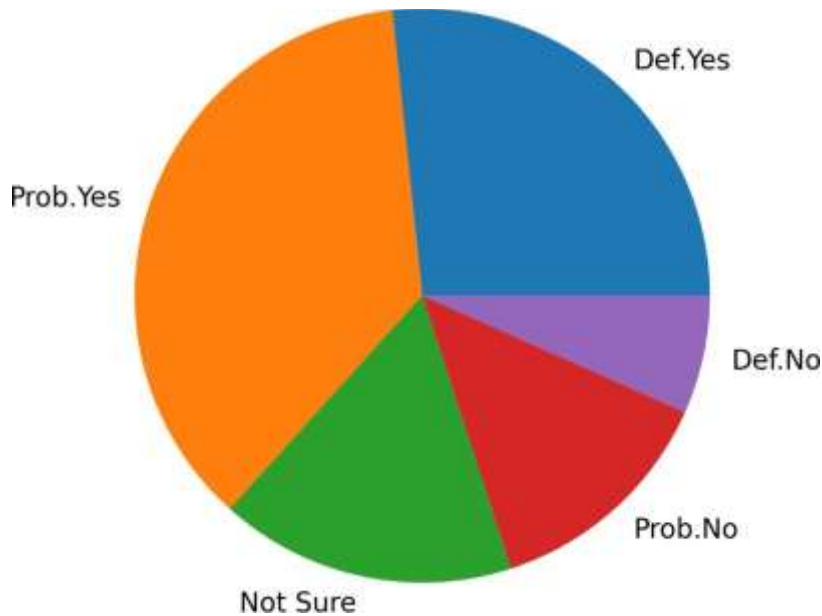


Graph 4.14: Financial Literacy and Investment Decisions (Pie Chart)

Interpretation: More than two-thirds of respondents agree that financial literacy influences investment decisions.

Table 4.15: Future Preference Toward Financial Assets

	Freque nc y	Percentag e
Definitely Yes	16	26.7
Probably Yes	22	36.6
Not Sure	10	16.7
Probably No	8	13.3
Definitely No	4	6.7
Total	60	100



Graph 4.15: Future Preference Toward Financial Assets (Pie Chart)

Interpretation: A majority of respondents expressed willingness to increase investments in financial assets in the future, indicating an emerging shift toward financial instruments.

Overall Findings of the Study

It indicates that in rural areas of Bulandshahr, gold, silver and land assets remain the most preferred means of investment. At the same time, positive attitudes towards financial literacy, deepening of knowledge about financial products, and an uptake of banking and digital financial services all mean a move towards financial assets. The number one driver to invest in the future was a sense of security and the average response was moderate risk tolerance. The results combined showed that, although tangible assets remain the largest assets for rural households, financial assets are increasingly accepted and that there is an eventual paradigm shift in terms of the way rural households invest.

CHAPTER 5 DISCUSSION OF FINDINGS

The scope of this is to study the paradigm shift of tangible assets to banking assets by the rural household of Bulandshahr, UP. Data of sixty respondents can be said that the study results can be used as one of the indicators in mapping investment changes from rural actors and to obtain the determinants of rural investors in investment decisions that can become part of investment portfolio.

Demographic analysis has revealed that the majority of the respondents were of economically productive age group (25- 45 years). It means that the majority of investment choices are made by people that are engaged in an income activity and are concerned about their future financial well being. Concerning the educational profile of the respondents, it was observed that the majority of the respondents had secondary or higher secondary education and they can be termed as having moderate education which translates as awareness of various options of investments.

The occupation distribution revealed that most of the respondents were farmers labourers as occupation. This is the nature of the area studied and reflects the dependence of households on farm income. In this traditional mode of economy, the researcher detected in the study some awareness and the use of formal financial services.

The study reveals one of the most important factors is gold, silver and land still have a commanding position in household investment portfolios. 50% of the respondents said they invest mainly in real estate assets. This is the proof that the choice to invest traditionally corresponds to the traditional choice of people to invest in a tradition related to the rural culture and the sensation of security to invest for a long time in order to preserve the investment. Tangible

assets can be seen as something that is reliable and trustworthy as a store of value, especially in times of economic uncertainty.

The study found positive tendencies of increasing financial assets at the same time. Significant percentages of respondents invested in bank deposits, insurance products and other financial instruments. Rural households are more connected with formal finance as evidenced by their growing levels of access to financial services, including banking and digital finance platforms. Based on the results, it can be seen that two aspects that have contributed to access increase with financial services are financial inclusion and technological changes.

A second important finding is with regard to financial literacy. The majority of the respondents agreed that financial knowledge has an impact on investment decisions. This observation agrees with the current literature which indicates that a financially informed person is likely to consider investing in financial assets as well as conventional ones, and diversify the portfolio. Financial literacy seems to have led to less uncertainty about financial products, and to greater investor confidence.

It also discovered that security is the first motivation for family investment. Risk taking was at average level and in general, people like to invest in a company which is stable and safe. That may be why many people prefer owning homes and cars, and why low risk investment vehicles are finding a new home, such as fixed deposits and insurance schemes.

It can be summarized that the study shows that the rural family of Bulandsehar is in the middle situation. Traditional tangible assets still lead households' balance sheets, but financial assets are starting to be accepted. Results show that rising financial knowledge, awareness, digital uptake and access to financial services are driving this change. Hence, the study confirms the turning-point began in the rural economy in the area of household investment.

CHAPTER 6 CONCLUSION AND FUTURE WORK

The present study aimed to look at the change from real assets to monetary assets in the rural household of Bulandsehar district, Uttar Pradesh. The study was undertaken to find out the reason behind the preference of investment of the households, determinant of household investment and the magnitude of financial asset investment taken by the rural investors besides the traditional type of investment.

The results show that tangible assets like gold, silver, land and real estate continue to be a part of rural households' asset portfolios. All these assets are viewed as safe, familiar and culturally important. They are popular because they have a tradition, and people think that the physical assets are the protection to the bout of uncertainty in the economy. So, investment in physical assets is the top priority investment goal of many rural households.

Traditional assets still dominate but it was clear that there was a rise in the interest of financial assets suggested by the study. Household investment portfolios increasingly include financial instruments (mutual funds, insurance policies, pension schemes and bank deposits). Various factors, such as increased banking infrastructure, the expanded range of digital finance services, government's financial inclusion initiatives and a massive awareness drive on finances in the country have, however, been strong drivers to this transition.

The study also highlighted the significance of Financial Literacy on their Investment Behaviour. Those respondents with higher financial product knowledge had higher preference on diversified investment portfolios, as shown in the illustration. Technically more educated households are more likely to be at least contemplating alternative investment options and not just traditional investments.

Results show rural investors are willing to embrace financial assets but at a slow pace. Today, many people still rely on safety and stability in deciding what investments to make. Hence, low risk financial products find ready acceptance more than high risk investment products.

Based on the results it is inferred that a change in the attitudes of households for investment in rural Bulandsehar is taking place. Now this is not a one time switch from tangible asset to financial asset; it is rather diversification of the portfolio. What is happening is greater cross sectionalization of the household to achieve greater financial security

and long term creation of wealth by using both the traditional investment instruments and financial product instruments.

Future studies could be extended to other districts/states to compare with Bulandsehar. Investigating differences with respect to investment behavior in different age groups, income categories, occupational groups and educational levels might also be studied. Longitudinal studies would be of benefit in providing data for a period of time analysis to help determine the nature of investment trends and financial changes. Further, the effects of e-finance, fintech innovation and governmental financial literacy promotion initiative on investment behavior of the rural people can be explored.

This study's result adds to the literature of household finance, financial inclusion and gives all policy makers, financial institutions and researchers an action sense who are interested in giving growth to an informed investment in a sustainable financial development of rural India.

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QUESTIONNAIRE

The Paradigm Shift from Tangible to Financial Assets: An Empirical Study of Household Investment Portfolios in Rural Bulandshahr, Uttar Pradesh

Dear Respondent,

I am conducting a research study on household investment behavior in rural Bulandshahr, Uttar Pradesh. The information provided by you will be used solely for academic purposes and will be kept strictly confidential. Kindly answer all questions by selecting the most appropriate option.

Section A: Demographic Information Q1. What is your age group?

- ☐ Below 25 years
- ☐ 25–35 years
- ☐ 36–45 years
- ☐ 46–55 years
- ☐ Above 55 years

Q2. What is your gender?

- ☐ Male
- ☐ Female

Q3. What is your highest educational qualification?

- ☐ Primary Education
- ☐ Secondary Education
- ☐ Higher Secondary

- ☐ Graduate
- ☐ Postgraduate and Above

Q4. What is your primary occupation?

- ☐ Farmer
- ☐ Business
- ☐ Salaried Employee
- ☐ Self-Employed
- ☐ Homemaker

Q5. What is your monthly household income?

- ☐ Below ₹20,000
- ☐ ₹20,001–₹40,000
- ☐ ₹40,001–₹60,000
- ☐ ₹60,001–₹80,000
- ☐ Above ₹80,000

Section B: Investment Preferences**Q6. Which investment avenue do you prefer the most?**

- ☐ Gold/Silver
- ☐ Land/Real Estate
- ☐ Bank Deposits
- ☐ Insurance
- ☐ Mutual Funds/Shares

Q7. Approximately what percentage of your annual savings do you invest?

- ☐ Below 10%
- ☐ 10%–20%
- ☐ 21%–30%

- ☐ 31%–40%
- ☐ Above 40%

Q8. What is your primary objective of investment?

- ☐ Wealth Creation
- ☐ Future Security
- ☐ Children's Education
- ☐ Retirement Planning
- ☐ Emergency Needs

Q9. Which category of assets do you currently invest in more?

- ☐ Mostly Tangible Assets
- ☐ Mostly Financial Assets
- ☐ Equal Investment in Both

Section C: Financial Awareness and Investment Behavior**Q10. How would you rate your awareness of financial investment products?**

- ☐ Very Low
- ☐ Low
- ☐ Moderate
- ☐ High
- ☐ Very High

Q11. What is your main source of investment information?

- ☐ Family and Friends
- ☐ Banks
- ☐ Financial Advisors
- ☐ Social Media/Internet
- ☐ Newspapers/Television

Q12. What level of risk are you willing to take while investing?

- ☐ Very Low Risk
- ☐ Low Risk
- ☐ Moderate Risk
- ☐ High Risk
- ☐ Very High Risk

Q13. Do you regularly use banking and digital financial services?

- ☐ Yes, Frequently
- ☐ Sometimes
- ☐ Rarely
- ☐ Never

Q14. Do you believe financial literacy influences investment decisions?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly Disagree

Q15. In the future, would you prefer increasing your investment in financial assets?

- ☐ Definitely Yes
- ☐ Probably Yes
- ☐ Not Sure
- ☐ Probably No
- ☐ Definitely No

Thank You for Your Valuable Participation