



## ATTITUDE OF THE COLLEGE TEACHERS TOWARDS INVESTMENT IN SATARA DISTRICT

**Dr. Dattatraya T. Chavare**

D. G. College of Commerce, Satara, (MS), India.

E-mail: [dt\\_chavare@rediffmail.com](mailto:dt_chavare@rediffmail.com)

### ABSTRACT

*This study has been conducted with an objective to analyze the expertise used while making the various investments of the college teachers in Satara District. 450 Sample respondents were selected from various higher education institutions in Satara District. This study highlights the important sources of information that the respondents used to make their investment decisions. Further, this study revealed that a majority of the respondents had invested in Post Office Saving Schemes, Bank Deposits, Systematic Investments Plans, Employment Provident Fund, Company Sponsored Fixed Deposits, and Real- Estate and also in Gold and Silver.*

**Key words:** Investment Policy, Investment Avenue, Risk Covering Instrument, Frequency of Review.

### INTRODUCTION

The term investment refers to funds invested in various securities, consisting of Government and Semi-government Securities, Loans, Debentures of Local authorities and Shares and Debentures of various companies.

The financial and economic meaning of investment is related to each other, because investment is a part of savings of individuals, which flows into the capital market either directly or through institutions divided into new and secondary capital financing. Investors as suppliers and users of long term funds will find a meeting place in the capital market. In short, investment is a commitment of persons funds to derive future income in the form of interest, dividends, rent, premium, pension benefits or the transfer of financial assets will be made from one person or institution to an investors.

According to F. Amling- ‘ Investment may be defined as the purchase by an individual or institutional investor of a financial or real assets that produces a return proportional to the risk assumed over some future investment period.’

### REVIEW OF LITERATURE

In this section, a brief review of existing studies has been presented with the available secondary sources of literature. It is found that, the study has been conducted from various aspects of the investment policy and pattern.

Miller et al. (1991) addressed a study to understand the needs in the banking industry under the title, ‘Banking Segmentation Strategy : A Lifestyle Approach.’ The research attempted the development of segmentation strategies.

Schwaezkopf (2003) pointed out that the attraction effect occurs when an inferior items change a decision makers’ perception. Singh and Chander (2006) pointed out that since interest rates on investments are falling, the question to be answered is : what investment



alternative should a small investor adopt? Mittal and Dhade (2007) observed that, risktaking involves the selection of options that might result in negative outcomes.

R. Kasilingam and G. Jayabal (2008) studied Keynes eight factors which were believed to lead individuals to abstain from spending out their income. Srivatsa (2009) focused on Psychographic Segmentation in Banking Industry under the title Psychographic Segmentation of Retail Banking Consumers in Karnataka.

Lalit Mohan Kathuria and KanikaSinghania (2010) focused on important sources of information that respondents used to make their investments from 19 private sector banks in Ludhiana. This study reveals the various investments avenues.

Dr. SarangBhola and Ms. PriyankaZanvar (2011) focused on various investment instruments preferred by the investors belonging to socio economic class A-1 in Koregaon, a Taluka place in Satara District.

Dr. Vitthal K. Sawant and Dr. T. D. Mahanwar (2013) have been highlighted various types of tax saving investments. This study also helpful for plugging both the points i.e. tax saving and investment.

#### **STATEMENT OF RESEARCH PROBLEM**

The title of this paper is “Analytical Study on Expertise Used in Investments by College Teachers”. It has highlighted on the study of Investment knowledge and expertise used by the male investors in teaching profession at college level in the Satara District, which is a one of the leading districts in the Western Maharashtra.

#### **OBJECTIVES OF THE STUDY**

Following are the objectives of the study-

1. To study the awareness of investment among the male investors in teaching profession.
2. To study investments preferred by the investors.
3. To ascertain the objectives behind the investment of investors.
4. To know the guiding factors for the investment pattern of investors.
5. To understand the preferential sequence of Investments of the male investors in teaching profession.

#### **SCOPE OF THE STUDY**

This study includes the various concepts such as introduction of investment, investment preference, objective of investment, factors influencing on investment, sources of information, knowledge of investment etc.

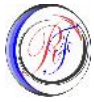
#### **IMPORTANCE OF THE STUDY**

The research is conducted to study investing pattern and policies of male investors who are College Teachers. The importance of the study is as follows:

##### **1. Importance of the Society**

- i. The study will helpful to know the influencing factors for investment and investment objectives of investors.
- ii. The study will throw light on different information sources according to their opinions.

##### **2. Importance to the Investors**



- i. The sample investors would become aware of various investments avenues available for investment.
- ii. The investors would be able to get some information, which would help them for future investments.
- iii. The sample respondents would know various investment for tax saving.
- iv. The sample investors would know various sources of information.

### **3. Importance to the Researcher**

- i. The study will be helpful to know the various investment avenues.
- ii. The study will be guide for future investments.
- iii. The study will be helpful to save tax and earn maximum benefit.

### **HYPOTHESIS**

Researcher will formulate following hypothesis for study-

1. Investors prefer less risky investment avenues.
2. Investors have a little knowledge about investment policy.

### **RESEARCH DESIGN**

Research design of study deals with understanding the investment pattern of the male investors in College Teachers. Research design for this study is as follows.

### **DATA REQUIRED FOR THE STUDY**

To carry out the research, data such as conceptual knowledge about investment and different investment avenues, objectives of investment, information sources of investment and guiding factors for investment etc. were required.

### **DATA SOURCES**

#### **a. Primary Data**

For understanding investor's psychology, investment pattern, investment objectives, influencing factors on investment and sources of information are required. This all information is collected from primary sources like discussion with sample investors and the questionnaire are filled up from sample investors.

#### **b. Secondary Data**

Conceptual and other information relating to various investment avenues is collected from secondary sources like Books, Journals, Reports and Web sites.

### **Instruments**

To collect the primary data, structured questionnaire was prepared. This questionnaire is consisted with the preferred investment, objectives behind the investment and introductory information.

#### **i. Sampling**

Sample units are selected where the teachers are teaching to conventional, professional and technical at +2 Level, Under Graduate and Post Graduate Courses in Satara District.

#### **ii. Data Analysis**

Data collected from primary sources and secondary sources is analyzed. Such analyzed data is presented in the tabular and graphical form.

In order to achieve meaningful results researcher has been analyzed the data using simple statistical tools such as tables, preferences, weighted average, and ranks.

### LIMITATIONS OF THE STUDY

All research work is based on whatever information will be provided by *malesample* respondents/investors and available from secondary sources.

#### i. Limitation in Testing of Hypothesis

No specific method is used for testing hypothesis. It is done by crude methods i.e., by observation only.

#### ii. Geographical Limitation

This study is geographically limited to Satara District only.

#### iii. Sampling Limitation

This study is limited to selected samples only.

#### iv. Time limitation

This study is limited to the last three financial years only.

### AREA WISE COLLEGES IN SATARA DISTRICT

Table 1. Area wise Colleges in Satara District

Sr. No.	Stream/s	Urban	Rural	Total
01.	Arts	3	2	5
02.	Commerce	2	--	2
03.	Science	3	--	3
04.	Arts and Commerce	7	11	18
05.	Arts and Science	--	2	2
06.	Commerce and Science	--	1	1
07.	Arts, Commerce and Science	9	6	15
08.	Medical	2	--	2
09.	Engineering	8	2	10
10.	Pharmacy	3	6	9
11.	Management	4	--	4
12.	Law	2	1	3
13.	Education	5	3	8
14.	Fine Arts	1	--	1
15.	Social Work	--	1	1
<b>Total</b>		<b>49</b>	<b>35</b>	<b>84</b>

(Source: Primary Data)

As per Table No.1. there are 84 colleges in Satara District. These colleges and institutes are imparting the education related with different streams like Arts, Commerce, Science, Medical, Engineering, Pharmacy, Management, Law, Education, Fine Arts and Social Work etc.

**PROFILE OF THE RESPONDENTS**

**Table 2: Profile of the Respondents**

Sr. No.	Variable	Classification	Frequency			Percentage
			JCT	SCT	Total	
01.	Age	Less than 25 years	06	27	33	07.33
		26 years to 35 years	16	45	61	13.56
		36 years and above	38	318	356	79.11
		<b>Total</b>	<b>60</b>	<b>390</b>	<b>450</b>	<b>100.00</b>
02.	Academic Qualification	Post Graduate	--	47	47	10.45
		PG and above	60	234	294	65.33
		Professional	--	109	109	24.22
		<b>Total</b>	<b>60</b>	<b>390</b>	<b>450</b>	<b>100.00</b>
03.	Annual Salary	3 lakhs to 6 lakhs	--	241	241	53.56
		6 lakhs to 9 lakhs	48	101	149	33.11
		Above 9 lakhs	12	48	60	13.33
		<b>Total</b>	<b>60</b>	<b>390</b>	<b>450</b>	<b>100.00</b>
04.	Number of Dependents in the Family	Non	09	27	36	08.00
		One	10	103	113	25.11
		Two	16	207	223	49.56
		Three	22	48	70	15.56
		More than three	03	05	08	01.77
		<b>Total</b>	<b>60</b>	<b>390</b>	<b>450</b>	<b>100.00</b>
05.	Annual household savings (%)	Up to 20%	12	77	89	19.78
		21-30%	26	253	279	62.00
		31-40%	22	60	82	18.22
		<b>Total</b>	<b>60</b>	<b>390</b>	<b>450</b>	<b>100.00</b>

(Source: Primary Data)

Above Table No.2 indicates that, a majority (356) 79.11% of the samples were of 36 years or above. They followed by 61 (13.56%) who were between 26 years and 35 years. Only 33 (07.33%) investors were up to 25 years old.

Post Graduate and above education has been completed by 294 (65.33%) samples. 109 Investors were completed their professional education and remaining teachers are only Post Graduates.

Annual income of majority (53.56%) of respondents was in between Rs. 3 to 6Lakhs. 149 Investors are having their annual income between 6 to 9 Lakhs and 60 investors are having their annual income above Rs. 9Lakhs.

223 Respondents are having 2 dependents in their family. 70 Respondent Investors are having 3 dependents, 8 Respondents are having more than 3 dependents. 113 Respondents have only 1 dependent. There is not a single dependent on 36 respondent investors.

Annual household savings of 62.00% of the total respondents was 21 to 30% of their income. 89 Investors were saving up to 20% of their household. But, 18.22% of the respondents investors saving was 31 to 40% of their total income.

**Table 3 : Demographical classification of Sample Respondents**

Sr. No.	Respondents	Urban	Rural	Total
01.	Senior College Teachers	202	188	390
02.	Jr. College Teachers	33	27	60
**	<b>Total</b>	<b>235</b>	<b>215</b>	<b>450</b>

(Source: Primary Data)



Graph No. 1

Out of total 450 sample respondents, 235 respondents were selected from urban area and remaining 215 respondents from rural area.

**Data Analysis**

Data collected from primary sources and secondary sources are analyzed. In order to achieve meaningful results researcher has used simple statistical tools such as tables, preferences, and ranks.

**Sector wise Investment in Stock Market**

Table No.4 shows that, majority of the respondents have preferred Real Estate for investment. It followed by the Technology, Auto Industry, F. M. G. C., Pharma, Power, Fertilizers, Oil/Gas respectively. Respondents have also invested in Telecom, Cement, Banking and Finance, Health, Transport sector, Metal and Paper industry respectively.

*H : Investors prefer less risky investment avenues.*

From the above Table No, 3, it is cleared that, sample respondents have been preferred Real Estate due to the reason of less risk. Out of the total 450 respondents, 231 (51.33%) respondents have been preferred this option. So, this hypothesis is *accepted*.

**Table 4 : Sector wise Investment in Stock Market**

Sr. No	Sectors	Frequency		
		SCT	JCT	Grand Total
01.	Banking and Finance	66	--	66 (14.67)
02.	Technology	161	38	199 (44.22)
03.	Oil/Gas	87	17	104 (23.11)
04.	Power	89	36	125 (27.77)

05.	Fertilizers	107	7	114 (25.33)
06.	F.M.C.G.	130	25	155 (34.44)
07.	Auto	131	36	167 (37.11)
08.	Cement	90	17	107 (23.77)
09.	Real Estate	191	40	231 (51.33)
10.	Health	27	11	38 (08.44)
11.	Pharma	113	33	146 (32.44)
12.	Metal	--	9	09 (02.00)
13.	Telecom	51	30	81 (18.00)
14.	Transport	29	--	29 (06.44)

(Source: Primary Data)

**Sources of Information**

Table No.5 indicates that, 450 Investors (100%) have received information about investments from their friends and relatives, 371 (82.44%) respondents also used a source of brokers and investment agents, 313 respondent investors have got the information of about investment from their Spouses/Family. News Papers/Magazines/Books were used by the total 303 respondent investors, Banks, Post offices, Insurance Companies are also marketing their various plans and policies of investments, those were considered for taking the decision of investment. it is followed by the other sources of information.

**Table 5 : Sources of Information for Investments**

Sr. No	Source of Information	Frequency			
		SCT	JCT	Total Staff	
				N	%
01.	News Papers/Magazines/Books	270	33	303	67.33
02.	Websites	17	05	22	04.88
03.	Banks/Post Office/Insurance Cos.	233	31	264	58.66
04.	T.V.Channels	11	07	18	04.00
05.	T.V. Ads	17	15	32	07.11
06.	Brokers and Agents	317	54	371	82.44
07.	Friends and Relatives	390	60	450	100.00
08.	Spouses/Family	291	22	313	69.55
09.	Personal Selling	19	41	60	13.33
10.	Cold Calls	25	--	25	05.55
11.	Handouts	90	10	100	22.22
12.	News Letters/Bank Mailing	20	--	20	04.44

(Source: Primary Data)

**Classification of Respondents on the basis of Frequency of Review**

100% of the respondents investors were reviewed their investments monthly without fail. It followed by quarterly, annually and a few of them were also reviewed biannually which clears from the following Table No.5.

**Table 6 : Classification of Respondents on the basis of Frequency of Review**

Sr. No.	Frequency of Review	Senior College Teachers	Junior College Teachers	Total Respondents	
		Male	Male	N	%
01.	Monthly	390	60	450	100
02.	Quarterly	307	41	348	77.33
03.	Biannually	57	20	77	17.11
04.	Annually	271	33	304	67.55

(Source: Primary Data)

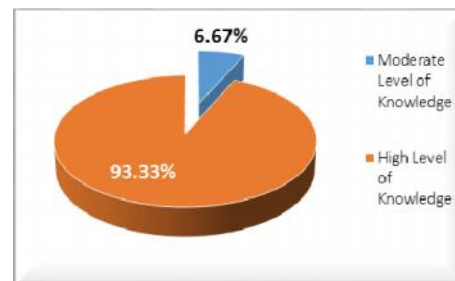
**CLASSIFICATION OF RESPONDENTS ON THE BASIS OF LEVEL OF KNOWLEDGE**

**Table 7: Classification of Respondents on the basis of Level of Knowledge**

Sr. No.	Awareness	Senior College Teachers	Junior College Teachers	Grand Total
01.	Moderate Level of Knowledge	75 (19.23%)	04 (06.67%)	79 (17.56%)
02.	High Level of Knowledge	315 (80.77%)	56 (93.33%)	371(82.44%)
Total		390 (100%)	60 (100%)	450 (100%)

(Source: Primary Data)

Mode of Investment and Amount of investments is decided by the investor as per their knowledge about the investment sectors. If the investor has a high level of knowledge, large and secured investment is possible and vise-a-versa. Among the total investors, 82.44% investors were having a high level of knowledge and remaining 17.56% investors were having a Moderate Level of Knowledge. This will be cleared from the above Table No.7 and following Graph No.2.



**Graph No.2**



*H: Investors have a little knowledge about investment policy.*

As per the above Table No.6 and its graph, majority (82.44%) of the respondents have high level of knowledge about investment policy. So, this hypothesis is rejected.

**PRIORITIES OF MOTIVES**

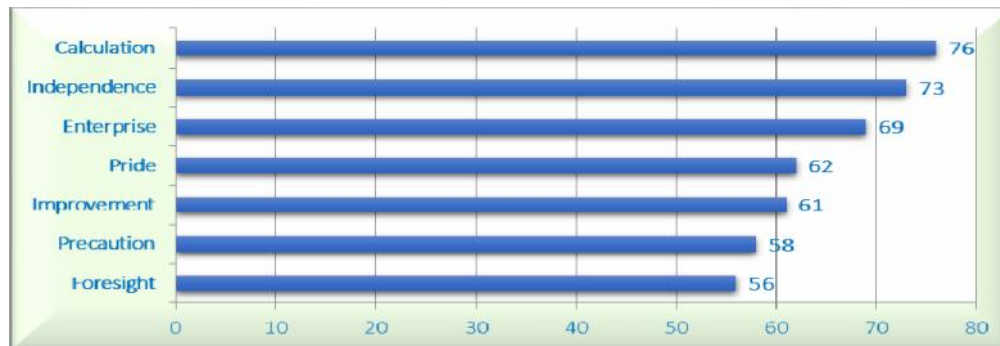
There should be some motives for making investments. Such motives we can understand with the help of following table.

**Table 8: Priorities of Motives**

Sr. No.	Motives	Senior College Teachers	Junior College Teachers	Average Rank
01.	Precaution	50	08	58 VI
02.	Foresight	52	04	56 VII
03.	Calculation	60	11	76 I
04.	Improvement	51	10	61 V
05.	Independence	67	06	73 II
06.	Enterprise	53	16	69 III
07.	Pride	57	05	62 IV
*	<b>Total</b>	<b>390</b>	<b>60</b>	<b>450</b>

(Source: Primary Data)

Table No.8 reflects that, Mostly 76 investors were expected certain benefit on their investments. 73 Investors have given importance to live independently after retirement. It means that people want to enjoy their future life in their own styles. It will also more clear from the following graph.



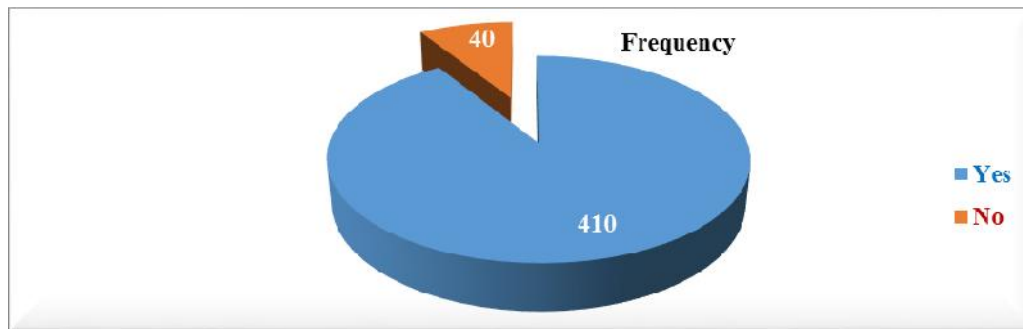
**Graph 3**

**GOVERNMENT POLICY ABOUT INVESTMENTS**

**Table 9 : Is the Government Policy favorable to Investments?**

Sr. No.	Option	Senior College Teachers		Junior College Teachers		Total	
		Frequency	%	Frequency	%	Frequency	%
01.	Yes	354	90.77	56	93.33	410	91.11
02.	No	36	09.23	04	06.67	040	08.89
**	<b>Total</b>	<b>390</b>	<b>100%</b>	<b>60</b>	<b>100%</b>	<b>450</b>	<b>100%</b>

(Source: Primary Data)

**Graph 4**

As per opinion of majority of the respondents (91.11%), Government is trying to increase the amount of investment. Its policy regarding to the investments is favorable for the investments. We are stable in the European Slow Downs due to our strong Economic situation. But, few of the respondents (8.89%) were not agreed with this statement. They were saying that, Government policy is not favorable for the investors; they were expecting more motivated schemes from the government. This is more cleared from the above Table No.9 and its Graph No.4.

#### CONCLUSION

The success of investment sector depends on complete understanding of the psychology of the small investors. Amount of saving depends up on the type and level of motivation received by the investors. There are different investment avenues available for the investors. *Investors have to become more alert and choosy.* Numbers of investment counselors are also working in the investment sectors. They have to study and try to understand them clearly. This will help the investors to select proper and beneficial avenue.

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