
A Study of Level of Awareness Regarding Investment Avenues among Educated Working Women with Special Reference to Mumbai City

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ABSTRACT

The role of the modern Indian woman is changing. From being a simple housewife, she is now a career-oriented woman. Women have also learnt to balance both their household and professional responsibilities. They want financial independence. For this purpose, it is necessary for them to take investment decisions. Many investment avenues are available in India. Each investment avenue has different merits and demerits. An awareness of these investment avenues is extremely important to make the right investment decisions which will suit the different needs of different individuals. An attempt is made to study the different investment avenues available and the awareness level among educated working women of Mumbai City.

KEYWORDS: *Investment Avenues, Awareness of investment avenues, working women*

1. INTRODUCTION

The role of women in traditional Indian society was limited to taking care of their families and doing household work. However, in the modern era, with rapidly changing times, the role of women has also undergone a drastic change. We find women working in all sectors and industries. They know how to manage work-life balance. Today's women are more successful and financially independent. Even their thought process is undergoing a major change. They are more career-oriented and do not mind remaining single throughout their lives. They want individual freedom and financial independence. Along with income, comes savings and investment. For making proper investment decisions, women should have proper knowledge about the various investment options available, their merits and demerits.

2. STATEMENT OF THE PROBLEM

In the urban and semi-urban areas of India, the percentage of career-oriented women is increasing. Many of them prefer to remain single and adopt children. To fulfill this additional responsibility of being a single mother, they need to invest their surplus funds in a secure manner. If women start making investment decisions independently, it will lead to financial empowerment which in turn will reduce crimes against women. It is necessary for women to have adequate awareness and knowledge about the various investment avenues so as to take rational decisions regarding the investment of their savings.

3. REVIEW OF LITERATURE

C Sathiyamoorthy et al (2015): Investment is undertaken with an expectation of return which is in proportion to the risk assumed by the investor. According to them, factors like age of

investor, education level and number of family members are the influencing factors for people while taking investment decisions. **Deepak Sood and Navdeep Kaur (2015)**: People save money for various reasons such as children's education, their marriage and other goals of life. Their study revealed that people still preferred to invest their savings in traditional investment channels due to lack of knowledge in stock and commodity markets. **Ishwara P (2014)**: The author has made an attempt to study the behaviour and levels of satisfaction towards various investment alternatives by salaried class employees. Majority of the people behaved in a positive way while choosing their investments. The awareness level about marketable securities was comparatively low. **Priya Vasagadekar (2014)** studied women working in different industrial sectors in Pune. They were interviewed to understand their investment habits, their role in investment decision-making, preferable investment avenues and risk-bearing capacity. It was found that majority of women did not have detailed knowledge about all the investment instruments. Women also generally preferred to invest in safe investment avenues like Bank Fixed deposits and Post-office saving schemes.

4. OBJECTIVES

1. To study the various investment avenues available in India; and
2. To study the awareness level of educated working women regarding various investment avenues with special reference to Mumbai City.

5. HYPOTHESIS

5.1 Null Hypothesis (H₀): Educated working women have a low level of awareness regarding various investment avenues.

5.2 Alternative Hypothesis (H₁): Educated working women have a high level of awareness regarding various investment avenues.

6. RESEARCH METHODOLOGY

6.1. Sources of Data:

For research work, primary as well as secondary data was collected. A structured questionnaire was used to collect data from respondents. Secondary data was collected from reference books, research papers/articles published in journals and literature from websites.

6.2 Research Design:

Descriptive Cross-sectional design was adopted as the purpose of the study was to understand the awareness level of educated working women of Mumbai city about various investment avenues.

6.3 Sampling Method:

Non-probability Sampling method was used. Under this, Convenience and judgmental sampling method was used. An attempt was made to obtain a sample of convenient elements from which data could be collected. The sampling elements were identified from both the public and private sectors to cover different income groups, age groups and marital status from Mumbai city and its suburbs.

6.4 Sample size:

A sample size of 500 educated (at least graduates) working women employed in both public and private sectors covering different demographic characteristics was considered.

6.5 Research Area: Data was collected from Mumbai City and its suburbs. A limited area was taken due to logistical problem.

6.6 Test of Hypothesis: The hypothesis was tested using Non-Parametric test like Chi-square test. For analysis of data, SPSS (IBM 24 version) was used.

7. INVESTMENT AVENUES IN INDIA

Various investment avenues are available in India to suit investor preferences in terms of safety, risk, return, tax-benefits and liquidity which are as follows:

7.1. Bank Deposits:

Different types of Bank deposit accounts are: Current account, Savings account, Fixed Deposit account and Recurring Deposit account. Rate of interest earned on these accounts varies based on the type of account and time-period.

7.2. Corporate Fixed Deposits:

It is possible to invest in Fixed Deposits offered by Public limited Companies and Non-Banking Financial Companies in India. They provide higher rate of interest as compared to Bank Deposits. However, these deposits are more risky as compared to Bank deposits.

7.3. Provident Fund:

Generally an individual contributes in these funds when one starts as an employee. The contributions are made on a monthly basis by both the employee and the employer. It offers a fixed rate of interest and also has tax benefits. An individual/Individual on behalf of minor/NRI can open PPF account with a nationalized bank. It is for a fixed tenure, generally for a period of 15 years. It also has tax-benefits.

7.4. Post Office Saving Schemes:

Post offices in India offer various avenues such as Post office savings account, Recurring Deposit account, Fixed Deposit account, Kisan Vikas Patra, National Savings Certificate and Senior Citizens' saving schemes. All these schemes offer a reasonable rate of interest, tax benefits and are risk-free.

7.5. Equity Shares:

Equity shareholders collectively own the company. They bear the risk and enjoy the rewards of ownership. Equity shares may be purchased and sold in the stock market. Equity shareholders get income in the form of dividends which is totally tax-free in the hands of the investor. However, dividend is uncertain and the rate also varies. If the company performs well, there is also capital appreciation.

7.6. Preference Shares:

Preference shares carry a fixed rate of dividend. However, dividend may not be declared by a company every year. Such shares are redeemable and may be converted into equity shares. The dividends on such shares are tax-free. They can also be traded in the market, but have limited voting rights.

7.7. Bonds and Debentures:

Bonds/debentures carry a fixed rate of interest which is paid at regular intervals. They are suitable for regular income purposes.

7.8. Mutual Fund:

A mutual fund is a professionally managed intermediary that pools money from a number of investors and invests money in a variety of different financial securities. The income earned is distributed to the unit holders. The mutual funds offer a wide variety of schemes to suit the varying investment needs of different age-groups, income levels, risk-tolerance, return expectations, liquidity needs, etc.

7.9. Life Insurance Policies:

Life insurance is an investment for security of life. There are various types of insurance policies such as Endowment Insurance Policy, Money Back Policy, Whole Life Policy and Term Insurance Policy.

7.10. Unit Linked Insurance Plans (ULIPs):

A ULIP is a market-linked insurance plan. The premiums collected on ULIP may be invested in stock markets in addition to corporate bonds and Government Securities. ULIPs serve two main purposes: of providing life insurance along with savings at market-linked returns.

7.11. Real Estate:

An individual may invest in a residential home as it affords many advantages like income tax benefits and wealth tax benefits in addition to capital appreciation. The other forms of real estate like commercial premises, industrial land, plantations and farm houses also attract 'High Net worth Individuals' (HNIs).

7.12. Pension Funds:

It is a retirement plan in which periodical contributions are made by an individual or on his behalf. These funds yield a regular income after an individual's retirement or after a certain period of time as per the agreed terms.

7.13. Precious Metals, Precious Stones and Art objects:

Gold and silver are the two most widely held precious metals by the Indian investors. Certain investors also like to buy precious stones like diamonds, rubies, emeralds, sapphires, etc due to various reasons. Individuals buy art objects like paintings, sculptures, antiques, sketches, coins, stamps and watches due to their aesthetic appeal.

8. DATA ANALYSIS

Table 1: Cross Tabulation of Investment Avenues * Awareness Level

Investment Options	Awareness Level					Total
	Not aware	Low level of awareness	Average level of awareness	High level of awareness	Very high level of awareness	
Bank Fixed Deposit	7	30	133	138	192	500
PF/PPF	35	61	117	124	163	500
Insurance Policy	13	87	123	156	121	500
Post Office Savings Cert	72	89	116	73	150	500
Government Bonds	108	106	106	85	95	500
Gold and Silver	10	58	85	186	161	500
Company Deposits	144	127	104	83	42	500
Company Debentures	147	134	118	56	45	500
Mutual Funds	117	138	129	56	60	500
Real Estate/Property	74	116	108	112	90	500
Equity Shares	158	82	108	72	80	500
Total	885	1028	1247	1141	1199	5500

Source: Field-work

Table 2: Chi-Square Analysis of Investment Options * Awareness Level

Description	Value
Chi-Square	984.778
df	40
Sig	.000

Source: SPSS

9. FINDINGS:

It can be seen from the table 2 that the significance (0.000) is less than the assumed value (0.05). So we reject H_0 and accept H_1 . This means that educated working women have a high level of awareness regarding various investment avenues.

It may be said that education helps women to become aware of the need to earn, save and invest. It increases their ability to understand various investment avenues, their pros and cons and helps them to make right investment decisions to achieve their investment goals. It empowers them to obtain financial independence which in turn can give them empowerment in other areas as well. When women are educated, they can obtain information about various investment avenues such as newspapers, magazines, other print media, internet and websites in addition to various audio-visual means of communication like Radio and Television. Education gives women confidence and ability to understand the importance and need of making decisions regarding investment for attaining their financial goals. This motivates them to collect information about various investment avenues so that they can maximize returns with minimum risk.

10. SUGGESTIONS:

Women should collect information about various investment avenues through newspapers, magazines, websites, financial advisors, friends, relatives and other sources. Women should watch TV channels like CNBC, Business news channels and others. They should attend financial awareness programmes organized by financial institutions and other agencies like BSE, NSE and mutual fund agents to increase their awareness about new investment avenues. This will give them the confidence to take investment decisions on their own. After collecting information, they should analyze these investments by studying the average returns on them in the past few years. The merits and demerits of each investment avenue should be understood properly. An appropriate portfolio should be made by considering various factors such as short term goals, long term goals and the risk taking capacity.

11. CONCLUSION:

The role of women has undergone tremendous changes in the past few decades. Women have made a mark in all the sectors of Indian economy. They want and deserve equality and respect in society. The Constitution of India has also granted equal rights and status to women. The Government of India has implemented policies and programmes for women empowerment. In spite of all these measures, women face discrimination and harassment, both within their homes and in society. To face such discrimination, women must attain financial independence. This will give them confidence to face all the challenges of life, attain progress and bring about positive changes in society. Only earning income is not sufficient. They must save a major portion of their income and invest such savings wisely so that there is capital appreciation and wealth accumulation. For this purpose, women must have good awareness about all the investment avenues and should manage their portfolios in a rational manner. The maxim "Do not put all your eggs in the same basket" should be kept in mind while making investments.

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