

Rural Investors' Awareness on Various Investment Avenues in Erode District

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Date of Submission: 18-02-2024

Date of Acceptance: 26-02-2024

ABSTRACT

Investment decisions are an important component of financial planning. The study aimed to determine rural investors' awareness levels regarding different investment avenues, as well as their preferences and investment considerations in Erode District. 100 rural investors were chosen as sample by applying convenience sampling. Questionnaire method was used to collect primary data. An investment is the purchase of an asset with the objective of creating wealth by profiting, through regular income or through the sale of an asset. The study revealed that the majority of investors, especially those in rural areas, are found to be ignorant of investment opportunities as well as laws and guidelines. India's savings mobilisation pace is slower despite the country's economy growing at an impressive rate and its population's income levels rising. There are various investment modalities, and not all of them involve direct investment participation. Savings in rural areas are not properly invested or mobilized in these avenues.

Keywords: Investment, Economic decision, Revocable, Environment, Financial performance.

I. INTRODUCTION

In the present day, the financial markets are quite complex, with each investor having his or her own specific financial needs based on his financial goals and risk appetite. There are a large number of investment instruments available like equity, bond, bank fixed deposit, company fixed deposit, insurance, post office schemes, mutual funds, real state, share market, gold, silver, PPF etc. Some of them are marketable and liquid while others are non-marketable and some of them are also highly risky while others are almost riskless. The people have to choose proper avenue among them, depending upon her/his specific need, risk preference, and return expected. Making sound investment decisions requires both knowledge and skill. The rural investor should not always follow the majority. They should try to research their

investments before investing. Investors should focus on safe investment avenues. In today's world, having money is crucial to one's existence. They must invest their money if they are to overcome the issues in the future. Putting their hard-earned money to use is an essential human activity. The commitment of money saved from current consumption towards investments is done in the hopes of earning returns down the road. It is therefore compensation for waiting for money. People's savings are allocated to assets based on a variety of factors, including risk and return requirements, money safety, liquidity, and the availability of investment opportunities and financial institutions.

Statement of the problem

Despite increasing involvement in financial decision making, rural investors still face the most crucial challenges compared to urban investors when it comes to preserving and enhancing their assets. Some rural investors are less confident about investing compared to urban investors and, therefore are unsurprisingly less comfortable about making investment decisions. Confidence also fluctuates to the degree to which rural investors are breadwinners.

Aim of the study

The study aimed to determine rural investors' awareness levels regarding different investment avenues, as well as their preferences and investment considerations in Erode District.

Materials of the study

Chandra and Sharma (2019) aimed to investigate the current level of knowledge among investors about various financial assets. The study found differences in the preferences of investors based on their characteristics like gender, academic credentials, age, occupation, and annual income. Umesh et al. (2015) stated that India Post is a vital contributor to the country's economic growth, offering a wide range of financial services

and luring people in with investment opportunities to secure their future. The goal of the current study was to determine investor awareness levels and challenges, particularly in rural areas, when they invest in post-Indian financial products. The study revealed that, despite significant efforts by the government and other departments, only a small number of India Post programmes are well-known. For example, rural residents are not aware of the Sukanya Samriddhi Yojana, the Five Years Recurring Deposit Scheme, or the India Post Saving Deposit. Since many post offices in India lack the newest technology necessary to provide customers with faster service, Bhushan (2014) investigated the degree of awareness and investment habits of salaried individuals regarding financial products. He discovered, with the assistance of 516 respondents, that while the general public has a low awareness of new-age financial products, respondents are well aware of traditional and safe financial products. Additionally, most respondents keep their money in conventional, secure investment vehicles. Compared to the stock market, mutual funds are invested in by more people, and debentures and the

commodity market are invested in by relatively few people.

Research methodology

The sample respondents who have been living in rural areas were selected. Convenience sampling method was used to collect the data from the 100 investor belonging to various Taluks of Erode district. For this purpose, field survey methods were employed and interview techniques were used by the researcher to collect the pertinent data with the help of structured questionnaire.

II. RESULTS AND DISCUSSIONS

Multiple regression analysis was used to know the association between independent variables and awareness of rural investors. A statistical method called multiple regression analysis examines the relationship between two or more variables and uses the results to calculate the values of dependent variables. Creating a model that relates a dependent variable (y) to multiple independent variables is the goal of multiple regression analysis. The model summary of the present study is revealed below.

**Table 1
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 ^a	.721	.693	5.047

It is understood from the table that the multiple linear regression components are found statistically a good fit. It shows the four independent variables contribute to the awareness of rural investors towards investment in various avenues and statistically significant at 1% level. It is observed that R square value is 0.849 which shows that four variables such as gender, age, annual income and investment period are contributing 85%

on the awareness of rural investors on various investment avenues and these are significantly associated at 1% level.

The multiple regression analyses that present the relationship between independent variables and rural investors' awareness of different investment avenues are displayed in the following table.

**Table 2
Multiple Regression Analysis**

Variables	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	46.122	3.995	11.545	.000 ^{NS}
Gender	-11.953	1.124	-10.633	.000*
Age	2.643	.882	2.998	.004*
Occupation	1.366	.834	1.638	.105 ^{NS}
Annual income	-1.173	.492	-2.381	.019*
Marital status	-1.122	1.097	-1.023	.309 ^{NS}
Educational qualification	-.578	.649	-.891	.375 ^{NS}

Investment period	2.099	.671	3.129	.002*
Experience	.939	.615	1.528	.130 ^{NS}
Type of investment	-.117	.772	-.151	.880 ^{NS}

- Significant at 1% level, NS- Not Significant.

The above table shows that variables such as gender, annual income, marital status, educational qualification, and type of investment are positively associated with the awareness of rural investors on various investment avenues.

The rate of increasing the level of awareness of rural investors on various investment

avenues shows better results of the independent variables such as respondents' age with 2.643, with 1.366 units change in occupation, with 2.099 units change in investment period and with 0.939 units change in experience. The following table shows the Anova value of the study.

Table 3

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5918.496	9	657.611	25.812	.000 ^b
	Residual	2292.944	90	25.477		
	Total	8211.440	99			
a. Dependent Variable: Awareness of rural investors towards various investment avenues						

The above anova table shows that the F value is significant at 1% level. Therefore, it is revealed from the study that the independent variables such as four variables such as gender, age, annual income, and investment period are contributing 85% on the awareness of rural investors on various investment avenues and these are significantly associated at 1% level. At the same time, variables such as gender, annual income, marital status, educational qualification, and type of investment are positively associated with the awareness of rural investors on various investment avenues.

III. RECOMMENDATIONS AND CONCLUSION

This research will assist a financial company in determining the current level of public awareness regarding financial instruments and in developing strategies to raise public awareness of the different investment options. Educating rural people about this is essential before trying to sell them on the different products. The NSE places great emphasis on empowering small retail investors by raising their level of knowledge and understanding so they can make well-informed investment decisions. NSE works to make sure that the investor understands financial concepts, gets

and uses the information needed to make an investment, assesses different investment options to meet his unique goals, determines his rights and obligations in a given investment, transacts through registered intermediaries, takes the appropriate safety precautions, and gets assistance in the event of a grievance, among other things. Investor awareness programmes are held all over the nation to educate people about the financial and securities markets and give them the tools they need to be wise investors. The study concluded that in order to raise awareness, rural investors need to be well-informed about investment opportunities and receive investment education from sources like TV, the internet, newspapers, and trade journals. The two most significant information sources that assisted rural investors in making investment decisions were print media and websites. The investors had favoured public provident funds, insurance, and postal deposits.

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