



A Study on Student's Awareness on various investment avenues with Reference to Vijayanagara Sri Krishnadeveraya University, Ballari

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Abstract: *The main cornerstones of any economy are savings and investment. Investments are the foundation of a country's capital formation. Only public investments will result in capital formation. It is critical to assess and analyze people's investment awareness levels, since only then can we determine what sources are contributing to a country's capital formation. Because today's students will be the country's future earners, this research is carried out to assess students' awareness of various investment options. The researchers investigated the level of awareness as well as the factors that influence student investment choices. Selected 54 MBA students at Vijayanagara Sri Krishnadevaraya University, Ballari by way of Purposive Sampling and conducted a survey through a structured questionnaire. The present study ascertains the preferred investment avenues and awareness level among individual students using a self-assessment test. This study relies on primary sources of data, which are gathered via a closed-ended structured questionnaire. The data has been scrutinized by using percentages, the Chi-Square test, the Man Whitney U test with the help of the Statistical Package for the Social Sciences (SPSS). The results of the study discovered that students are more aware of shares and bank deposits. Students' risk and return profiles did not differ by gender. The gender of students influences their investment preferences. The most important influencing factors before investment are safety and affordability for both male and female students.*

Key Words: *Students, Risk, Return, Gender, Awareness.*

1. INTRODUCTION:

In terms of the demographic dividend, India has a very young population. It has more than 54% of the total population below 25 years of age, as per the 2014-15 census data. According to the Statista Research Department, approximately 15 lakh students received postgraduate degrees during the 2019 academic year¹. Hence, students are the future earners of our country. There are various innovative financial products available in the financial markets. These financial securities are tailored to the investor's goals and needs. There are risks involved in financial securities, such as diversified and undiversified risks. Students should be aware of these risks, and then, only should they be prepared to invest in a variety of financial securities. Male and female students have different risk and return profiles.

India need extremely high rates of investment to make significant progress in its efforts to achieve high levels of growth. Investment has been emphasized as the key instrument of economic growth and rise in national income since the commencement of planning. Investment was seen as a critical driver in achieving target production, and capital formation needed to be backed up by adequate savings and investments.

Based on investors risk appetite and financial condition, as well as the risk and return from the financial product, financial products serve as a safety net for investors. "Bank Deposits, Post Office Deposits, LIC Scheme, and Gold" were the conventional investment options in India. However, the rise of India's finance industry in recent years has transformed the young generation's preferences, and they are now pushing toward investment avenues such as mutual funds, equity markets, and commodities.



2. LITERATURE REVIEW:

Ariffin et al. (2014)² have conducted research on students' perceptions of financial literacy and saving behavior. The main purpose of the study was to evaluate financial literacy and students' perceptions of saving. The primary data was gathered from 194 first-year and final-year undergraduate students in Universiti Putra Malaysia's executive Bachelor of Business Administration programme. The survey was done from 2012/2012 to 2013/2014. The statistical tools used for the study are descriptive statistics and correlations. The study's statistical techniques used descriptive statistics and correlations. The findings of the study showed that before making a purchase, the majority of students agreed to think about their real needs. The respondents expressed their support for their parents' financial advice and guidance. The majority of respondents felt that they could prepare their own weekly and monthly budgets. The Cronbach Alpha test is used to check the reliability of data. The test revealed that except peer influence all variables such as savings behavior, parental socialization, self-control and financial literacy have more than 0.70 Cronbach alpha value. The findings of the correlation test showed that there is a positive correlation between savings behavior, parental socialization, and peer influence and financial literacy.

Ramkumar, (2018)³ has conducted a study on factors influencing youngster's perceptions towards choice of investment avenues. The main aim of the study is to investigate the factors that influence young people's perceptions of alternative investments. The primary data was acquired from 100 youngsters in Chennai using a structured questionnaire. The sample size was calculated through G-power statistics 3.1 software. The samples were chosen based on simple random sampling. Factor analysis – Principal component analysis, rotated component matrix are used as statistical tools for analysis. The Cronbach's Alpha value is used to check the internal consistency of the scales. The test results revealed the Cronbach's Alpha value of 0.802 indicates that the scales have a good level of internal consistency. The study's sample adequacy is assessed, and factor analysis in the form of the KMO test gives a result of 0.756, which is extremely significant. The findings of factor analysis discovered that under Factor one-investment advisory, variables such as personal guidance, operational efficiency of the company, risk of investment avenues, and financial requirements have become more significant. Under factor 2, investment factor variables such as desired rate of return, current market performance, and issue price are important. Factor 3 market considerations variables such as inflation, GDP, nature of investment and market trend have significant. Factor 4 investor background variables such as time of investment, financial background and past performance have prominence. Factor 5 other considerations such as documentation procedure and family and other reference groups variables have significant.

Shenoy et al., (2016)⁴ examined on students' perceptions of financial literacy - A study with a focus on degree students at SDM College in Ujire. The study's major goal is to identify and analyses students' expectations and satisfaction with financial literacy. The primary data was collected from fifty-degree students from SDM College in Ujire, which is located in a rural location. The samples were chosen for their ease of use. For data analysis, percentages were used. The study's findings revealed that the majority of students saved money for investment by using their pocket money. The majority of students said that their parents inspire them to invest and save, and that they learned about financial literacy through the internet.

Rajesh et al., (2011)⁵ suggested that the saving and investment patterns of salaried class school teachers in private and government schools are dependent on income. They both receive a salary, but the scale of the salaries and saving patterns are different, which is why they are so different. Government teachers prefer to save money for emergencies, whereas private teachers place a greater focus on children's marriage and education.

Jain and Parul Jain (2012)⁶ found that money is a major concern for the majority of teachers, so they began to prepare budgets and future forecasting for income and expenditure, as well as a comparison of future and standard budgets to determine deviations in order to meet certain financial constraints. According to the findings of the study, the majority of school teachers are putting money aside for their children's education, marriage, and retirement security.

3. STATEMENT OF THE PROBLEM:

Students' awareness of various investment avenues is extremely important since, when they become earners, either salaried or self-employed, they must know how to invest money intelligently in various investment avenues based on their risk appetite and desired return. There are many investment securities available in the market, but the question is how to select them wisely based on aspects such as safety, liquidity, return, and investment appreciation. As students, they should be aware of the factors that should be taken into account prior to making investments. Education and educational qualifications aided in the ability to choose from a variety of investment options. There have been numerous studies on the level of investment awareness among salaried and self-employed individuals, but there has been very



little research on the level of investment awareness among students. Hence this research paper undertaken to analysis investment awareness of students of MBA from VSKUB, Ballari.

4. OBJECTIVES OF THE STUDY:

- To Study the investment preference across gender of MBA Students of VSKUB Ballari.
- To find the association between return, risk and gender of students.
- To determine the investment objectives of students across gender.
- To assess the sources of investment-related information used by students.
- To evaluate the factors that influence the decision to invest in various investment avenues.

5. HYPOTHESIS OF THE STUDY:

Hypo 1: There is a clear association between students' investment preferences and their gender.

Hypo 2: There is a significant relationship between student risk and gender.

Hypo 3: There is a significant association between student return and gender.

Hypo 4: There are a significant differences between factors affecting investment and gender.

Hypo 5: There are gender differences in the investment information sources used by students.

Hypo 6: There is a strong connection between the investment period chosen and the gender of the students.

Hypo 7: There are significant differences exist between student investment objectives and gender.

6. LIMITATION OF THE STUDY:

- The study is limited to MBA students of Vijayanagara Sri Krishnadevaraya University, Ballari Only.
- Due to time constraints and the quality of the respondents, the sample size had to be confined to 54.
- Students respond to the questions by recalling facts from their minds. As a result, personal bias and recall bias could be present.

7. RESEARCH METHODOLOGY:

Data Collection:

The primary data is gathered from MBA students at VSKUB in Ballari, Karnataka, India, using a Google Form. Secondary sources of data, such as books, magazines, journals, newspapers, and websites, were also gathered for this research work.

Sampling Technique:

Purposive sampling was used to collect data for the study. MBA students from VSKUB in Ballari were used to choose 54 samples.

Inferential statistical Tools: The data is analyzed through Pearson's chi-square test, Mann-Whitney Test.

Mann-Whitney test is applied when we have independent variable with two groups/levels and dependent variable is to be categorical/ordinal data (Gulati, 2020)⁷

Chi-square test is applied when we measure association between two variables which is categorical nature (Sangeet, 2017)⁸

Data Representation tools: Tables, Percentages



8. RESULTS AND DISCUSSION:

Student’s preferences towards various investment avenues:

The survey has been conducted among the students about their preferences towards various investment and the result of that have been presented in the below table.

Awareness about The Various Investment Avenues (Table1)

Gender * Preferred Investment Crosstabulation										
			Preferred Investment						Total	
			Stock market	Bank Deposit	Real Estate	Mutua l Funds	Gold and Precious Metals	Insuran ce		Others
Gender	Male	Count	6	10	8	2	1	1	4	32
		% within Gender	18.8%	31.2%	25.0%	6.2%	3.1%	3.1%	12.5%	100.0%
	Female	Count	13	7	1	0	1	0	0	22
		% within Gender	59.1%	31.8%	4.5%	0.0%	4.5%	0.0%	0.0%	100.0%
Total		Count	19	17	9	2	2	1	4	54
		% within Gender	35.2%	31.5%	16.7%	3.7%	3.7%	1.9%	7.4%	100.0%

(Source : Primary Data SPSS)

The above table it is revealed that both male and female students are preferred to investment in stock market i.e 18.8% and 59.1% followed by bank deposits i.e 31.2% and 31.8% respectively

Testing of Hypothesis 1:

“There is a clear association between students' investment preferences and their gender”

Table 2

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.187 ^a	6	.028
Likelihood Ratio	17.212	6	.009
Linear-by-Linear Association	6.577	1	.010
N of Valid Cases	54		

a. 9 cells (64.3%) have expected count less than 5. The minimum expected count is .41.

Source (Primary data SPSS)

Chi – square statistics were used to examine association between categorical variables. There is a clear association at 5% significance level between investment preference of students and gender ($\chi^2 = 17.212$, df = 6, p = 0.009)

Note : Since expected count of 9 cells were less than 5 hence we considered have likelihood ratio to draw inference from the test.

Testing of Hypothesis 2:

“There is a significant relationship between student risk towards investment and gender”

Testing of Hypothesis 3:

“There is a significant association between student return and gender”



Table 3

Test Statistics ^a		
	Risk Profile	Return on Investment
Mann-Whitney U	263.000	337.000
Wilcoxon W	516.000	590.000
Z	-1.663	-.287
Asymp. Sig. (2-tailed)	.096	.774

a. Grouping Variable: Gender

Source : (Primary data SPSS)

Hypothesis 2: to evaluate the relationship between risk of students and gender was tested using Mann – Whitney U test. The test revealed insignificant relationship between risk of students and male (Median = 3, n =54) and female (Median = 2, n= 54), U = 263, z = -1.663, p = 0.096.

Hypothesis 3: to assess the association between return of students on investment and gender was tested using Mann – Whitney U test. The test revealed insignificant relationship between return on investment of students and male (Median = 2, n =54) and female (Median = 2, n= 54), U = 337, z = -0.287, p = 0.774.

Factors affecting on students for investment selection (Table 4)

Factors	male	Percentage	female	Percentage	total	Total Percentage
Safety	32	20.78	19	14.39	51	17.83
Liquidity	20	12.99	17	12.88	37	12.94
Tax Savings	18	11.69	14	10.61	32	11.19
Diversification	15	9.74	11	8.33	26	9.09
Simplicity	14	9.09	18	13.64	32	11.19
Affordability	19	12.34	19	14.39	38	13.29
Time Horizon	17	11.04	16	12.12	33	11.54
Risk Tolerance	19	12.34	18	13.64	37	12.94
	154	100.00	132	100.00	286	100.00

Source: Primary data SPSS

From the above it is revealed safety (20.78%) is the most important factor followed by liquidity (12.99%) in case of male students. Whereas in case of female student’s safety (14.39%) followed by affordability (14.39%) factors are important.

Note : Some of the investors have responded multiple times, as seen in the tables above. The number of responses is greater than the number of people who responded (Table 4 to Table 6).

Hypothesis 4: “There are significant differences between factors affecting on students and gender”

Table 5

Factors	Pearson’s Chi Square Value	Significance P value
Safety	4.62	0.032
Liquidity	1.319	0.251
Tax Savings	0.295	0.587
Diversification	0.051	0.821
Simplicity	7.826	0.005
Affordability	4.554	0.033
Time Horizon	2.108	0.147
Risk Tolerance	3.044	0.081

(Source: Primary Data Spss)



Pearson’s Chi-square statistics were used to examine significant differences between factors affecting on student investment and gender. There was significant differences at 5% significance level between safety, simplicity, affordability factors and gender ($\chi^2 = 4.62, 7.826 \& 4.554, df = 1, p = 0.032, 0.005, 0.033$ respectively).

Investment information sources used by students

Sources of Information * Gender Cross tabulation (Table 6)					
			Gender		Total
			Male	Female	
Sources of Information	Self-Awareness	Count	15	11	26
		% of Total	27.8%	20.4%	48.1%
	Financial Advisor	Count	6	2	8
		% of Total	11.1%	3.7%	14.8%
	Friends or Relatives	Count	6	4	10
		% of Total	11.1%	7.4%	18.5%
	Media	Count	0	1	1
		% of Total	0.0%	1.9%	1.9%
	News paper/Journals	Count	0	1	1
		% of Total	0.0%	1.9%	1.9%
	Faculties/Teachers	Count	2	3	5
		% of Total	3.7%	5.6%	9.3%
	Others	Count	3	0	3
		% of Total	5.6%	0.0%	5.6%
Total	Count	32	22	54	
	% of Total	59.3%	40.7%	100.0%	

Source : primary data SPSS

The above table represents about source of information referred by students before investing in various investment avenues. It is revealed in case of male students self-awareness followed by financial advisor i.e 27.8% and 11.1% respectively most referred sources before investment. In case of female students self-awareness followed by friends and relatives i.e 20.4% and 7.4 % most referred sources before investment.

Hypothesis : 5 “There are gender differences in the investment information sources used by students”

Chi-Square Tests (Table 7)			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.590 ^a	6	.360
Likelihood Ratio	8.384	6	.211
Linear-by-Linear Association	.016	1	.898
N of Valid Cases	54		

a. 11 cells (78.6%) have expected count less than 5. The minimum expected count is .41.

Source : Primary Data SPSS

Chi – square statistics were used to examine gender differences in the investment information sources used by students. There is no differences at 5% significance level between Investment information sources and gender ($\chi^2 = 8.384, df = 6, p = 0.211$)

Note : Since expected count of 11 cells were less than 5 hence we have considered likelihood ratio to draw inference from the test.



Investment Period chosen by students (Table 8)

Investment Period * Gender Crosstabulation					
			Gender		Total
			Male	Female	
Investment Period	Long Term	Count	10	7	17
		% of Total	18.5%	13.0%	31.5%
	Medium Term	Count	7	6	13
		% of Total	13.0%	11.1%	24.1%
	Short Term	Count	8	5	13
		% of Total	14.8%	9.3%	24.1%
	Partially Long Term	Count	6	1	7
		% of Total	11.1%	1.9%	13.0%
	Partially Medium Term	Count	1	2	3
		% of Total	1.9%	3.7%	5.6%
	Partially Short Term	Count	0	1	1
		% of Total	0.0%	1.9%	1.9%
Total	Count	32	22	54	
	% of Total	59.3%	40.7%	100.0%	

The above table represents period of investment chosen by students. It was found the male students preferred to invest for long term(18.5%) followed by short term(13%). In case of female students preferred to invest for long term(13%) followed by medium term(11.1%).

Hypothesis 6: “There is a strong connection between the investment period chosen and the gender of the students”

Chi-Square Tests (Table 9)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.506 ^a	5	.479
Likelihood Ratio	5.134	5	.400
Linear-by-Linear Association	.018	1	.894
N of Valid Cases	54		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .41.

Source: Primary data SPSS

Chi – square statistics were used to examine strong connection between the investment period chosen and the gender of the students. There is no connection at 5% significance level between investment period and gender ($\chi^2 = 5.134$, $df = 5$, $p = 0.400$)

Note : Since expected count of 6 cells are less than 5 hence we have considered likelihood ratio to draw inference from the test.

Investment objectives of students (Table 10)

Main Objective of Investments * Gender Cross tabulation

			Gender		Total
			Male	Female	
Main Objective of Investments	Future Security	Count	23	5	28
		% of Total	42.6%	9.3%	51.9%
	Good Returns	Count	6	14	20
		% of Total	11.1%	25.9%	37.0%
	Tax Savings	Count	0	1	1
		% of Total	0.0%	1.9%	1.9%
	Others	Count	3	2	5



		% of Total	5.6%	3.7%	9.3%
Total		Count	32	22	54
		% of Total	59.3%	40.7%	100.0%

Source : Primary Data SPSS

The above table represents investment objectives of students. It was found the male students main objectives of investment are future security (42.6%) followed by good returns (11.1%). In case of female good returns (25.9%) followed by future security (9.3%).

Hypothesis 7: “There are significant differences exist between student investment objectives and gender”

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.621 ^a	3	.002
Likelihood Ratio	15.556	3	.001
Linear-by-Linear Association	2.253	1	.133
N of Valid Cases	54		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .41.

Source : Primary Data SPSS

Chi – square statistics were used to find significant differences exist between student investment objectives and gender. There is a significant difference at 5% significance level between objectives of investment and gender ($\chi^2 = 15.556$, $df = 3$, $p = 0.01$)

Note : Since expected count of 5 cells are less than 5 hence we have considered likelihood ratio to draw inference from the test.

		Gender		Total	
		Male	Female		
education qualifications helpful in choosing various investment avenues	No	Count	3	1	4
		% of Total	5.6%	1.9%	7.4%
	May be	Count	12	8	20
		% of Total	22.2%	14.8%	37.0%
	Yes	Count	17	13	30
		% of Total	31.5%	24.1%	55.6%
Total	Count	32	22	54	
	% of Total	59.3%	40.7%	100.0%	

Source : Primary data SPSS

From the above table it is revealed that the male students (31.5%) have expressed education qualification helpful to choose various investment followed by may be answer (22.2%) expressed. In case of female students (24.1%) have expressed education qualification helpful to chose various investment followed by may be answer (14.8%) expressed.

9. FINDINGS :

- Male and female students prefer to invest in the stock market (18.8% and 59.1%, respectively), followed by bank deposits (31.2 percent and 31.8 percent).
- There is a significant relationship between student investment preferences and gender at the 5% significance level.
- There is no association between students risk taking ability and male and female gender.
- There is no association between return on investment expected by students and male, female.
- The most important factor for male students is safety (20.78%), followed by liquidity (12.99%). Safety (14.39 percent) and affordability (14.39 percent) are major factors for female students.



- The investment factors of safety, simplicity, affordability, and gender all had significant variations at the 5% significance level.
- Male students' self-awareness was followed by financial advisors as the most referred sources before investing, with 27.8% and 11.1 percent, respectively. Female students' most referred sources were self-awareness, friends, and relatives, with 20.4 percent and 7.4 percent respectively.
- The male students preferred to invest for long term (18.5%) followed by short term (13%). In case of female students preferred to invest for long term (13%) followed by medium term (11.1%).
- At the 5% significance level, there is no connection between investment period selected by students and gender.
- The male students main objectives of investment are future security (42.6%) followed by good returns (11.1%). In case of female good returns (25.9%) followed by future security (9.3%).
- At the 5% significance level, there is a significant difference between investment objectives and gender.
- The male students (31.5%) have expressed education qualification helpful to choose various investment followed by may be answer (22.2%) expressed. In case of female students (24.1%) have expressed education qualification helpful to choose various investment followed by may be answer (14.8%) expressed.

10. CONCLUSION:

The study was conducted on the investment awareness of MBA students from VSKUB, Ballari. Analysis of the study was undertaken with the help of a purposive sampling method. After analysis & interpretation of data, it was concluded that students are more aware of shares and bank deposits. Students' risk and return profiles did not differ by gender. The gender of students influences their investment preferences. The most important influencing factors before investment are safety and affordability for both male and female students. Among students, there are differences in investment factors such as safety, simplicity, and affordability. Self-awareness is the most frequently cited source of investment information prior to investment; students acknowledge that they are aware of the investment sources themselves. The main investment objectives of students are future security and good returns. There is a strong correlation between investment objectives and gender. The majority of students have stated that qualification is useful in selecting various investment avenues. Both male and female students prefer to invest in the long term and there is no relationship between the investment period chosen by students and their gender.

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