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Review Research Paper

Challenges of Investors while Undertaking Different Investment Plans- A Study of Investor

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ABSTRACT

Since investing means giving up money that one has worked hard to gain, there is a certain amount of risk involved. A wise investor who has been given the right guidance can reduce risk considerably while raising possible rewards. Investing opportunities abound for anyone looking to put their money to work. The investors assume a comparatively lower degree of risk in exchange for larger expected returns. The research aims to investigate the investment alternatives accessible to investors and identify the demographic factors that impact investment attitude. The study is analytical and descriptive in nature, with an emphasis on investors' perceptions of investment opportunities and the effects these perceptions may have on satisfaction levels and behavior after investments. It depends on information from primary as well as secondary sources.

1. Introduction:

Among the several economic entities that comprise a nation, the household sector—represented by individuals—holds a crucial place since it significantly contributes to the efforts made to conserve money domestically. A thorough understanding of the ways in which people in this profession save their money is crucial for developing savings strategies. In this sense, "savings" refers to the quantity of money that remains after all living expenses—including those associated with consumption—have been satisfied and all loans have been paid off. For the economic system to work, investors must provide a sufficient amount of capital. Individual shareholders' and investors' own funds account for the vast majority of the money invested in firms. The main and nearly only factor that will determine the course of the free market system moving forward is the ability and willingness of individuals with greater incomes to continue contributing the funds and resources required to support the system's expansion. There are two ways that individual investors can support the industry: they can subscribe to the company's debt instruments or they can participate in the equity of the company. The expansion of the industrial sector, in whatever form it takes, depends on this participation, whether it comes from direct investment, indirect investment, or investment vehicles like mutual funds, etc. When it comes to investing, investors prioritize safety and low risk, according to the findings of his study on their preferences for different investment routes. Inappropriate use of funds can result in useless endeavors like gold investments or unethical increases in spending patterns, both of which are detrimental to the state of the economy. The economy will not perform as well as it could and people will not save as much if they do not save in the appropriate manner. The study's primary focus is on the many investment options available to investors and the factors that need to be considered before making an investment. Each of these investment options differs greatly from the others in terms of the possible profits and the degree of risk involved. Despite the fact that taking more risks usually entails bigger financial gains, people in today's culture are not willing to take risks. While investors cannot totally remove risk, they can mitigate its

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effects by distributing their wealth throughout multiple investment vehicles in the hopes of earning a respectable rate of return. The purpose of this study is to increase people's knowledge of the many investment options available to them as well as the factors they should think about before making any decisions.

1.1 Scholarly Granulation:

Investor views on the feasibility of different investment prospects are the main source of capital that is raised to assist with the growth of the country's economy. The development of financial assets, the expansion of asset-related products, the revitalization of household saving, and institutional investment are among the main functions of the capital market. Any country's economy cannot experience sustained growth without a healthy security market; the market serves as a conduit between ultimate investors and key savers, allowing investors to arrange their holdings according to their assessments of investment opportunities and potential profits. Consequently, this presents the opportunity to raise the overall investment and growth level. In order to achieve this, it provides the firms with the limited savings that they are eligible for and forces them to focus on their performance, which is constantly assessed by the market's share prices. It can therefore convert a current cash investment into a sizable supply of goods and services. The amount that people save overall and the kinds of assets they own change as a result of the securities market's expansion. When yield-bearing assets are easily accessible, people will reduce their consumption in order to increase their investments in highly elastic, divisible, and liquid securities. A strong domestic stock market display is a must for a well-connected family group to be able to raise money in the securities markets. The securities market offers a multitude of advantages to the general public and facilitates corporate expansion into new international markets for companies due to the inflow of capital in the form of portfolio investments. There are currently unprecedented and exceptionally fast events taking place in the world's financial markets. Knowledge has fundamentally changed the procedures, and the order explosion it created has resulted in remarkable changes to the way the financial markets have been functioning.

1.3 The way investors see investment opportunities:

When a person's total wealth exceeds what they require for their immediate consumption needs, they are deemed to have the potential to invest. A cash-rich investor could deposit the excess funds into a bank, use them to purchase securities, real estate, gold, or any combination of these. There are many different types of investment opportunities available to investors nowadays, and each one may be customized to meet the unique needs and preferences of the investor. The different investing options—bonds, shares, postal savings plans, recurring deposits, and other options—that people choose over mutual funds. In light of this, investors are better equipped to make wise investment selections when they are aware of the different alternatives. The acceptable level of risk and the desired rate of return ultimately determine the choice of investment. Among the many investment options are national savings certificates, postal savings plans, mutual funds, insurance policies, chits, bank and firm fixed deposits, company shares, bonds and debentures, government securities, and real estate. Investor preferences are clearly shifting in favor of new financial savings mechanisms, as seen by the changing investment landscape. Many investing and savings techniques emerged and gained popularity during the 1980s and 1990s.

1.4 Investing Avenues investors' problems:

According to Gnani Dharmaja, stock brokerage firms can identify the right asset allocation plan for their clients and are in charge of managing the factors that affect them. It is also possible for publicly listed companies to take into account the aspects that are most influential, and to emphasize those factors more in order to attract investors. As a result, the researcher helped the business focus on those aspects in order to give its clients better service and helped it obtain a deeper understanding of the reasons influencing its investors. Supporters of a specific company have the least influence among respondents, but the accounting information offered by the companies sways the majority of respondents. Furthermore, a number of proposals were put out to enhance our understanding of investor behavior. Kumar Investors' diverse viewpoints and interactions with the stock market were noted. Investing in the stock market is becoming increasingly popular among consumers, despite the fact that they are experiencing financial losses. Seldom have people gone to such far as to put their lives at danger. Everything that has happened is a result of our limited viewpoint and mindset around finances. The results of the investigation show that the law of attraction governs everything. All things considered, though, investments and savings in material goods are also significant factors. Investors' perceptions of the investment options at their disposal and how those options affect their degree of satisfaction determine the pattern of their potential savings for investments. Investigating how investors manage their money and savings is crucial. Three groups of investors were identified by Madhumathi: risk seekers, risk bearers, and risk avoiders. The investors were 450 individual investors who were selected at random from India's largest cities to study their perceptions of risk. Most significantly, the study revealed that most investors were risk-takers and that they tended to base their decisions about investments on how well the company they invested in performed. Furthermore, individuals depend on the advice given by stock brokers and investment specialists. Usually, the risk-takers considered the state of the market, their places in the sector, and the changes in society while making their decisions. Reading newspapers and reports was how they learned most of what they know. Risk-averse people did not have any distinctive traits in common. They were very unbiased

and looked for certainty and facts while making investing selections. Their family members and close friends offered advice, which they heeded.

Investment styles and tactics are impacted by a wide range of different criteria, according to Vaidehi et al. Here, the need for paper investors to adopt behavioral patterns more broadly is examined. Investment advisers would be able to better envision investors' responses to market schedules and develop suitable allocation plans for their clients with the use of such a pattern. The investigation was done to find the answers to these queries. The factors that were among the elements that were identified were the equilibrium between short-term and long-term gain, as well as the investment incentives that achieved the long-term gain, which proved to be a crucial factor pursued by dividend and growth possibilities. According to the study, high polluter companies have significantly, abnormally low returns as of the study's suitable release date, while low polluter companies have returns that are, on average, statistically identical to zero. Based on the study's results, investors have not been quick to recognize potential increases in the company's value that are associated with its current excellent environmental performance. Conversely, investors face suitably low-cost future financial repercussions that are commensurate with high-pollution enterprises.

1.5 The Study's Necessity:

The literature assessment that follows makes it abundantly evident that few research has been conducted specifically to investigate the beliefs, inclinations, and actions of modest household investors. This is a key topic to consider when creating rules and processes for the security markets' orderly growth and development, and it must be positively ingrained in the thoughts of investors, who are vital to any country. The bulk of the studies that were examined mainly examined aspects that were relevant on a larger scale, like patterns of ownership in the capital markets, a breakdown of paid-up value of individual shareholdings based on occupation, patterns of ownership of shares and debentures, and the distribution of share ownership geographically in India. Studies that focus more closely on the subject of investors' attitudes and behaviors have been carried out by Mane. The importance of examining investor behavior in terms of perceptions, knowledge levels, preferences, and behaviors following investments across a range of investment channels makes this research even more important. This could prove beneficial for policymakers in devising feasible strategies to draw in a substantial number of residential investors, hence enhancing capital mobilization and the smooth functioning of the security markets.

1.6 Problem Statement:

How investors behave and how they view the different kinds of investments that are offered in India; that is, no attempt is made to identify the crucial underlying elements of investment opportunities, their relative importance, or how they relate to socioeconomic variables. India offers a wide range of investment opportunities. Currently, a variety of criteria are taken into account while making investment decisions. Choosing an investment involves taking a lot of different factors into account. The three categories of participants in the Indian capital market are individual investors, joint stock companies, and institutional investors, Vrushali Shah. Individual investment activity happens during the draw round of the activity run by the institutions. A large share of the stock market's holdings are held by institutional investors, both domestic and foreign. There's a chance that the people's strength will suffer and they'll lose interest as a result of their comparatively smaller investments and associated risk. Researching the topic of individual investors is crucial as a result. The quick entry and departure of institutional investors has the potential to impact stock market volatility. This can be attributed to the evaluation of various socioeconomic and psychological factors that influence investors' choices of investments. The psychological investment strategy employed by investors is based on the idea that sentiments have a greater impact on stock prices than do analytical factors. The following facets of investors' views of investment opportunities are examined in the study, along with the effects they may have on satisfaction levels and behavior following investments. In order to fulfill its purpose of irritating investors, this study has set out to provide suitable responses to the problems posed by investors' views and post-investment behavior. This served as the inspiration for the study's background.

1.7 Aim of Research:

1. Finding out which demographic factors affect people's opinions on investing is the first goal of the study.
2. To assess the investment options accessible to investors.
3. To determine the factors influencing investors' attitudes about investments.

2. Methods of Research:

The study is analytical and descriptive in nature, with an emphasis on how investors view different investment opportunities and the effects these views have on investor satisfaction and behavior after making an investment. It relies on information from primary and secondary sources alike. The methodology is the explanatory portion of the research and it determines the nature of the findings. It takes into account and guides the researcher through a methodical approach that ensures and supports the validity of the results. It also guarantees that the research is conducted in a systematic manner. The data obtained

for the study is discussed, along with its sources, a sample strategy for the study's population, the research site, the equipment used to collect the data, and the data collection technique. In 2015, Premajayantha and Ashok Kumar published. Moreover, it employs an array of statistical instruments for the analysis and interpretation of the gathered data to ascertain the reliability of the data and the constraints of the research. Establishing a suitable framework for a study is the aim of the research design. This report presents the results of descriptive research that was conducted. The research strategy chosen is a critical decision in the process of creating a research study since it determines the methods by which relevant data for an investigation will be obtained. After a group of respondents completed the survey, Google received the results. This made it possible to gather the original data. Furthermore, the investigator obtained secondary data through a comprehensive review of numerous books and published materials, in addition to newspapers, journals, and websites. The purpose of this was to create an analytical and theoretical framework. The study had 150 participants in its sample, and there were no restrictions on the population from which they were drawn. The researcher used what is regarded as a typical sampling technique to choose the items to be sampled.

3. Examination, Results, and Conversation:

Every possible path for the acquisition of investments is usually seen by Indian investors as carrying a high degree of risk. Approval, ease of transferability, security of the initial investment, liquidity, and regularity of income received are the fundamental characteristics of investments. One can invest in a variety of various items, including stocks, banks, companies, real estate, precious metals like gold and silver, life insurance, postal savings, and more. The choice of which investor to choose is determined by the desired rate of return and the investor's comfort level with risk. A plethora of options are available for the investment, including national savings certificates, insurance plans, mutual funds, provident funds, chit funds, bank and company fixed deposits, company shares, bonds and debentures, government securities, postal savings plans, and real estate. Considering how quickly the environment is changing, it becomes sense to conclude that we should try to reduce expenses. There is virtually always a larger potential payoff with greater risk.

3.1 Investors' profile:

The investors come from diverse backgrounds in terms of demography, economics, and behavior. This study looks at the investors' goals, age, gender, ability to take risks, and primary source of information while making investing decisions. They are listed below.

Table 1. Characteristics of the Investors

Nature		No. of persons	%
Risk Taking	Less	67	44.67
	Moderate	51	34.00
	High	32	21.33
Gender	Female	82	54.67
	Male	68	45.33
Age	Less than 35 years	53	35.33
	35-50 years	55	36.67
	More than 50 years	42	28.00
Objectives of investment	Regular Income	26	17.33
	Liquidity	37	24.67
	High Return	31	20.67
	Safety	26	17.33
	Growth	30	20.00
Extreme Source of investment	Newspaper	21	14.00
	Agent	65	43.33
	Television	23	15.33
	Internet	32	21.33
	Others	9	6.00

According to above mentioned table, the bulk of respondents (36.67%) are between the ages of 35 and 50, while 28% are older than 50. Of the respondents, 53 (35.33%) are under 35. There are 68 (45.33%) males and 82 (54.67%) females. Thirty-two respondents, or 21.33%, are willing to take more risk, 51 respondents (34.0%) are prepared to accept moderate risk, and 67 respondents (44.67%) would prefer to take less. 31(20.67%) respondents said they preferred high return generating investments, 26(17.33%) said they preferred regular income choices, 30(20.0%) said they preferred growth-oriented investments, and 37(24.67%) said they preferred liquidity. The agent was the primary source of the investment. 65, or 43.33%.

Table 2. How investors behave when making investments?

Factors	Mean	Std. Deviation	Mean Rank	Rank
Safety	3.48	0.918	3.52	iii
Risk Involvement	3.30	1.115	3.36	iv
Return on investment	3.44	0.853	3.59	ii
Capital appreciation	4.19	1.066	4.63	i
Maturity period	2.21	1.361	2.91	vi
Tax benefits	3.07	1.151	3.00	v
df	5	Asymp. Sig.	0.000	
N	150	Chi-Square	129.146	

According to Table, the majority of investors prefer long-term capital investments (4.63). Out of all the considerations, the return on investment (3.59) is the most favored factor, coming in second. Other significant elements taken into consideration by the respondents when making an investment decision include safety (3.52) and the level of risk associated with the investment (3.36). Other criteria ranked later in fifth and sixth ranks are tax benefits (3.00) and maturity period (2.91). According to the Friedman ranking, the degree of freedom 5's computed Chi-Square value (129.146) is significant at the 1% level. As a result, the rankings provided for the long-term investment are finalized. The three biggest determinants of investment behavior are safety, risk engagement, and regular return.

3.2 Investors' Issues with Investment Avenues:

Since the investor is risking their own money, every investment carries some degree of risk. With the right guidance, a shrewd investor can reduce risk considerably and increase possible rewards. Investment opportunities abound for anyone looking to put their money to work. Regarding the degree of risk involved as well as the possible earnings, there are notable differences throughout different investment choices. When someone says "investment," what they mean is putting money into something with the expectation of making a profit later on. An investment can be made through a wide range of investment vehicles, including real estate, bank deposits, small savings accounts, corporate security bonds, mutual funds, life insurance plans, bullions, commercial deposits, equity and preference shares, and other investment avenues. The majority of Indian investors think that the most alluring investing choice is to save money in bank accounts since they provide the highest level of protection. If economic growth is to be realized, all of a person's savings must be invested in a profitable way. The study's primary goal is to gauge investor issues with banks, post offices, securities, insurance, real estate, equity, chit funds, private savings, and other investment routes.

4. Conclusion:

The idea of reinvesting excess funds in profitable ventures in a way that allows the funds to be recovered while still producing a sizable return on investment serves as the foundation for all investments made in this research by the government, the private sector, independent contractors, and retirees. The typical person will never select a high-risk investing plan when they consider making investments. India's economy is among the fastest-growing in the world. Over the previous ten years, efforts had been undertaken to establish amiable environments by both public and commercial sectors. More disposable money and gradually rising wages for the working population are two ways this is manifested. Savings made across a range of options made available to the public. Over time, the Indian savings market has grown, and the amount of money that people save for themselves has been steadily rising. The financial markets have experienced product innovation, more international integration, and enhanced transparency and coordination as a result of regulatory changes made possible by globalization and liberalization. Due to these monetary modifications, private purchasers have exhibited a higher interest in investing opportunities on the Indian capital markets.

Unidentified funds (ETFs) are attracting less interest from investors. The study's conclusions indicate that female investors are more likely to invest in gold, while male investors are more likely to put their money into insurance and real estate. Individuals who have made their own investments are probably partial to bank and post office deposits because they are safer options. Furthermore, the views of investors are greatly influenced by their age, and an investor's investing strategy may alter dramatically based on their age.

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