



An Assessment of Saving and Investment Pattern in Mauganj Tehsil

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Citation: Mr. Sukhendra Choudhary, et al (2022), An Assessment of Saving and Investment Pattern in Mauganj Tehsil, *Educational Administration: Theory and Practice*, 28(4) 526-530

Doi: 10.53555/kuey.v28i4.10396

ARTICLE INFO	ABSTRACT
	<p>The main motto of the study is to determine the investment pattern of the investors in Mauganj Tehsil which would be helpful for the fund managers and others companies who seeks funds. The data was collected from 111 people of different income group through structured questionnaires. In this study we tried to find out the objectives, factors and preferences of the investors. Also we tried to find out the association between occupation and annual saving and association between saving and income of the investors. Both primary and secondary data are used in this investigation. We have used simple percentage and table to reflect the data.</p>
	<p>Keywords: Savings and Investments, Annual income.</p>

INTRODUCTION

As the blood is necessary for the survival of individual in the same way saving and investment is also necessary for the survival of any economy. Savings protect individuals from unpredictable future and contingencies at the time of emergencies. What would happen if you were lost your job tomorrow? or your family faces severe illness ? When someone saves for the future, they can deal with uncertainty and experience less stress. Numerous investment possibilities have become available as a result of recent developments in the capital and financial markets. Investors decide what to invest in and how much risk and return they can tolerate based on the possibilities that are available to them. Saving means to sacrifice the current consumptions and short term desires to achieve long term desires and enhance the living standard in future. Savings are the backbone of any economy because savings reflects in investments and investment generates the income and income regulates the economy. Any countries economy depends on the financial system of that country. Financial system can be strong by the saving and investment habits of citizens, and saving depends on the income where income is directly related with employment and employment can be generate by more investments and more investments can be done only by savings. So the knowledge of saving and investment habits of people is highly important for development of any economy. People with money need guidance to identify the correct chances at the right moment, as is necessary for any successful endeavor, and this study will help to create opportunities for both investors and investees. Both investors and investees will benefited from this study.

OBJECTIVE OF THE STUDY

1. To assess investment patterns and saving habits in the Mauganj tehsil.
2. To examine how people in Mauganj choose their investments.

REVIEW LITERATURE

(Das & Kumar, 2016) was found that the combined effects of "Type of Employment" and "Monthly Income" do not significantly affect the respondents' "Saving Behaviors," whereas the respondents' "Investment Behaviors" is only significantly impacted by the individual effect of "Monthly Income."

(Geetha & Ramesh, 2011) Revealed that respondents had a moderate level of awareness about different investing options, they were ignorant of the stock market, equities, bonds, and debentures. All age groups place a higher value on bank deposits, NSCs, PPFs, and insurance investments. One irrelevant element that has no bearing on a respondent's portfolio is their income level. Respondents in the middle-aged and less

income categories prefer to invest in Bank deposits; NSCs, PPFs, and insurance are preferable to other investment options.

(DAS & JAIN, 2014) founds that there are relationship between the different demographic factors and the investing objectives. Gender and occupation rank highest among the demographic factors taken into account for the study in terms of their impact on the investing goals.

(samudra & Burghate, 2012) discovered that while some middle-class households had solid saving practices, they had no interest in setting aside money for the future or amassing a large financial reserve.

(Bishnoi, 2014) In his survey finds a substantial correlation between investment aims and demographic variables. The most popular way to save and invest is through insurance, which is followed by property, post office savings, PPFs, NSCs, and bank accounts.

Bonds are the least popular investment option, followed by equities and debentures.

(Jain & Mandot, 2012) study's findings indicate that a range of demographic parameters, including as age, marital status, income bracket, market expertise, profession, and educational background, significantly impact investors' choices to invest in Rajasthan.

Also the factor gender and city have no impact on the investment decision of the investors.

(Kausha & Arora, 2009) attempted to investigate the associated facets of investor behavior in order to comprehend the mindset and impression of investors about mutual funds in India. They gathered primary data from 225 respondents in their sample. The findings indicate that a sizable portion of Indian investors now favors mutual funds. The majority of investors were drawn to open-ended equity schemes because they hope to benefit from capital appreciation.

METHODOLOGY

A convenient sampling was used in this research. This study is conducted in the first quarter of year 2024. The responses are collected by structured questionnaire. In this study 150 candidates are selected by random sampling method. Out of which 38 candidates were not respond or avoid the giving answers. They are mostly illiterate and low income group from rural areas. Also 8 respondents provide incomplete information. The geographical area of research was rural and urban area of Mauganj tahsil of Mauganj district of Madhya Pradesh. In this study simple average, percentage, table, are used to analyse and present the data. The limitation of the study is that, the research work is mostly based on literate male people having government job. Because illiterate and female candidates generally avoid to responds.

DATA ANALYSIS AND INTERPRETATION

Demographic profile of 111 respondents.

DEMOGRAPHIC VARIABLE	PARTICULAR	FREQUENCY	PERCENTAGE
Gender	Male	91	82
	Female	20	18
	Third gender	00	00
Age (in years)	Below 25	23	20.7
	25-35	53	47.7
	35-45	20	18
	45-55	09	8.1
	55-65	06	5.4
Residential status	Urban	25	22.9
	Rural	41	36.7
	Urban & rural both	45	40.4
Education	10 th	01	0.9
	12 th	19	17.3
	Graduation	28	25.1
	P.G./ Ph.d	62	55.9
	Others	01	0.8
Occupation	Govt. job	61	55
	Private job	18	16.2
	Business	08	7.2
	Others	24	21.6
Annual income (in Rs)	Below 100000	32	28.7
	100000-300000	17	15.7
	300000-500000	17	15.7
	500000-1000000	33	29.6
	Above 1000000	12	10.3

Annual savings of income (in percentage)	Below 10%	49	43.9
	10-20%	29	26.2
	20-30%	18	15.9
	30-40%	10	9.3
	40-50%	02	1.9
	Above 50%	03	2.8

Source – Primary Data

According to the survey, we send the questionnaire to 150 people where only 111 people respond. Many of them (mostly female) hesitate in answering the questionnaire and many of them directly reject to answer the questionnaire. Out of 111 respondents, 82% are men and 18% are women. The maximum respondents belongs to the age group of 25-35 years (47.7%), followed by below 25 years (20.7%), 35-45 years (18%) and above 55 years (5.4%). The survey is mostly based on educated people. There are 81% respondents are graduate and post graduate. The income of these respondents has ranged from below Rs. One lack p.a. to more than Rs.10 lack p.a. Savings have ranged from less than 10% to more than 50%, but the most of them (43.9%) saved less than 10% of their income. The source of income of respondents is government job (55%), private job (16.2%), business (7.2%) and from others (21.6%).

The objective of saving and investment

Objectives	No of respondents	In percentage
For education and health	34	30.8
For home	23	20.6
For marriage	3	2.8
For tax savings	3	2.8
Combination of these	28	25.2
Others	20	17.8
Total	111	100

Source – Primary Data

According to the study, now a days in this area the most of the people prefer to save or invest for education and health that is 30.8% followed by combination of these with 25.2% (for education and health, for home, for marriage, for tax savings), for others , for marriage and for tax savings. We have seen that there are 39.9% people having income more than five lacks. Which are more than exemption limit in income tax although only 2.8% people make investment for tax saving purpose.

Factors influencing investment decisions

Factors (first preference)	No of respondents	In percentage
Safety	74	67
Liquidity	18	16
Higher return	11	10
Not answered	08	7
Total	111	100

Source – Primary Data

According to the survey mostly people gave the first preference to the safety of money before investing which are 67% and 16% people gave the first preference to the liquidity of investment and 10% people gave the first preference to the higher return. It does not mean those who gave the first preference to safety not see the other factor like liquidity and higher return and vice- versa. We can say that safety is the first priority, liquidity is second priority and higher return is the third priority of the public.

Preference for savings and investment options (out of 111 respondents)

Investment options	No of respondents	Respondents in %
Saving accounts	91	82
Fixed deposit	56	50
Insurance	61	55
EPF/GPF/NPS	39	35
Mutual funds	44	40
Share market	40	36
Real estate	33	30
None of the above	9	8

Source – Primary Data

*Note – EPF means Employee Provident Fund, GPF means General Provident Fund, NPS means National Pension Scheme

When we asked for the various options for savings and investment, then the most of the people (82%) likes the saving accounts followed by Insurance(55%), Fixed Deposit(50%), Mutual Funds(40%), Share Market(36%), EPF/GPF/NPS(35%), Real Estate(30%) and 8% people do not want to invest in anywhere. So we can say that saving account is the first preference, insurance is the second and fixed deposit is the third preference for the saving and investment of people.

Association between Occupation and Annual Savings (out of 111 respondents)

Occupation	Savings of his income						total
	Below 10%	10%-20%	20%-30%	30%-40%	40%-50%	Above 50%	
Government job	22 (36%)	19 (32%)	12 (20%)	4 (7%)	2 (3%)	2 (3%)	61 (100%)
Private job	7 (39%)	4 (22%)	3 (17%)	2 (11%)	2 (11%)	0	18 (100%)
Business	4 (50%)	2 (25%)	0	2 (5%)	0	0	8 (100%)
Other	17 (70%)	3 (13%)	3 (13%)	1 (4%)	0	0	24 (100%)
Total	50 (45%)	28 (25%)	18 (16%)	9 (8%)	4 (4%)	2 (2%)	111 (100%)

Source – Primary Data

According to the survey we observe that out of 111 respondents 45% respondents save below 10% of his income followed by 25% respondents save between 10 to 20 percent of his income and 16% respondents save between 20 to 30 percent of his income. We can say that 86% respondents save below 30 percent of his income. We can say that the government employee have wide range of saving culture but the other occupation (mostly daily wage labour) respondents having very low saving culture. Overall 70% respondents save below 10% of his income.

Association between savings and income.

Annual income (in lack)	Savings of his income						Total
	Below 10%	10%-20%	20%-30%	30%-40%	40%-50%	Above 50%	
0-1	25 (83%)	3 (10%)	0	2 (7%)	0	0	30 (100%)
1-3	5 (28%)	7 (39%)	4 (22%)	2 (11%)	0	0	18 (100%)
3-5	5 (26%)	7 (37%)	4 (21%)	3 (16%)	0	0	19 (100%)
5-10	8 (25%)	10 (31%)	7 (22%)	1 (3%)	4 (13%)	2 (6%)	32 (100%)
Above10	7 (59%)	1 (8%)	3 (25%)	1 (8%)	0	0	12 (100%)
Total	50 (45%)	28 (25%)	18 (16%)	9 (8%)	4 (4%)	2 (2%)	111(100%)

Source – Primary Data

The survey shows that, the respondents who have very low income (below 1lack) mostly of them (83%) save below 10% and the same manner the respondents who have higher income (more than 10lack) they (59%) also save less than 10%. But the respondents who belong to middle class (1 lack to 10lack) saves in scattered manner. Mostly of them saves between 0 to 40%. Also when we see the overall savings of 111 respondents we found that majority (45%) respondents save below 10% followed by 25% respondents save 10-20 percent and 16 percent respondents saves 20-30 percent.

CONCLUSION

People's standards of living are rising daily in the modern day. People naturally reduced his savings since they spent a large percentage of his income on ostentatious objects to demonstrate his style of living. According to this study, 70% of people only invest 20% of their income. Those in the higher income brackets save less money than those in the middle class. The goal of this study is to evaluate investing and saving habits of the people of Mauganj Tehsil. The survey shows there are only 2.8% of respondents invests for the purpose of save taxes, despite 40% of respondents having more than five lacks income. Earlier many salaried classes and other people invest in LIC, Mutual Funds, and GPF etc. to claim the deduction of 80C but after introducing new tax regime people reduces the investment because there are no deductions available in new tax regime. Most of the people invest for education and health. Safety of the investment is the first priority of investors. Most of the people put their money in saving accounts and invest in insurance and fixed deposit.

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