Investment Behaviour of Rural Investors

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Abstract

Investment culture among the people of a country is an essential prerequisite for capital formation and the faster growth of an economy. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets, more popularly known as securities. A study on the investors perceptions and preferences, thus, assumes a greater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and house-hold investors in particular. The structure of Indian Securities Market has transformed beyond recognition since 1990s. The profile of the investing public, investment vehicles available, the investment environment and the nature of problems encountered by the small and household investors are substantially different today from what they were a decade ago.

I. Introduction

INVESTMENT CULTURE AMONG the people of a country is an essential prerequisite for capital formation and the faster growth of an economy. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets, more popularly known as securities. A study on the investors perceptions and preferences, thus, assumes a greater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and house-hold investors in particular.

The Indian securities market has made substantial progress during the post-independence period. The structure as well as the functioning of Indian

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securities market has been transformed beyond recognition since 1990s. The profile of the investing public, investment vehicles available, the investment environment and the nature of problems encountered by the small and household investors are substantially different today from what they were a decade ago.

II. The Study : Need, Objective, Methodology and Sample

Most of the studies covered the aspects at macro level, like the ownership patterns in the capital market, occupation-wise break up of paid up value of share holdings of individuals, ownership pattern of shares/ debentures, geographical distribution of share ownership in India. There are only a few studies covering the issue of investor perceptions and behaviour at micro/ regional level. Especially in the context of decline in the participation of small and household investors in the primary market operations, withdrawal of investors from the capital market, diversion of household savings into safer investment avenues like bank deposits, real estate, and unproductive assets like gold and silver, it becomes all the more important to study and analyze the investor awareness, perceptions and preferences of various investment avenues available to them in the securities markets. This may help the policy makers in evolving the suitable strategies to get small and household investors once again in large numbers into the capital market operations. Hence, the present investigation is an attempt in that direction. The issues investigated in the present study include awareness of investment avenues, investment pattern, the most preferred objectives of investors, and investment evaluation.

2.1 *Statement of the Problem*

As stated in the preceding paragraph, the small and household investors constitute a vital segment of the Indian securities market and greater understanding of the perceptions, preferences, and behaviour of these investors is very vital in the policy formulation on development and regulation of the securities market to ensure the promotion and protection of interests of small and household investors. The present research work, thus attempts to study the socio-economic profile of the investors in one of the backward regions of Andhra Pradesh; their perceptions; and behaviour in respect of various investment avenues. The study also aims to study the needs, concerns, and problems of the small investors in the given socio-economic backdrop. The present research work also provides a foundation of facts relating investors' behaviour towards various types of securities and assessment of investment risks.

Most of the investors generally have limited information about the developments in the securities market. Information about the financial performance of the companies and data of share market available to investor is also limited. The information available from newspapers, television, internet and media some times may not be sufficient for investment decision making. All these problems made them rely on share brokers, fund managers

and experts to invest in securities. Investors desiring to invest in stocks require a lot of preparation and homework. It is very important for them to know their risk appetite and investment objectives for better decision-making.

Hence, the present study is an attempt to know the investment pattern of investors. The study is made to examine investor's awareness of investment avenues, investment objectives of investors and the evaluation of investment by the investors.

2.2 *Objectives of the Study*

The basic objective of the present research work is to study the investment culture among the people of a backward region and to evolve suitable programmes of investor awareness and education. The specific objectives of the research work are as follows:

i.   to study the socio-economic profile of investors vis-à-vis the profile of Rayalaseema Region, one of the backward regions of the State of Andhra Pradesh with a view to assess their impact on the investment habits of the people;
ii. to analyse the awareness, preferences, and experiences of small and household investors in respect of various investment avenues;
iii. to study the investor's objectives, perceptions and the resultant behaviour of investors and
iv. to offer suitable suggestions in evolving better programmes of investor awareness and education.

2.3. *Methodology of the Study*

The present study is mainly based on primary data and is behavioural in nature. However, the secondary data is also made use of at some places of the study wherever it became necessary. The primary data is collected through a structured schedule. The schedule is designed keeping in view the objectives of present research work and it is pre-tested by means of a pilot study. The relevant secondary data is gathered from the reports, books, journals, periodicals, dailies and magazines, and websites. The data and the information collected with the help of schedule are processed and analyzed using SPSS software.

2.4 *Sampling Design*

As the universe of the study is entire Rayalaseema Region, an attempt is made to stratify the region into strata. The stratification is done on the basis of geographical and administrative factors. The Rayalaseema Region constitutes four districts, divided into 11 revenue divisions. In order to collect primary data for the purpose of the study, multi-stage sampling technique is adopted. At the first stage all four districts were selected. In the second stage all revenue divisions of each district were chosen for the study. In the final stage, from each of the revenue division, a modest sample of 50 investors/respondents were selected on the purposive basis for the study. While selecting sample, considerations such as rural- urban back ound,

economic status, professional background and educational qualification of the respondents were taken into account. On this basis, the total respondents of the study should have been 550, but some of the respondents who did not respond were eliminated from the study. Actual sample size is presented in Table I.

Table I
Disribution of Sample Respondents-Revenue Division

Revenue Division	Number of Respondents	Percent
Kurnool	50	9.5
Nandyal	50	9.5
Adoni	50	9.5
Kurnool Distrcit	**150**	**28.5**
Kadapa	48	9.1
Rajampet	46	8.7
Jammulamadugu	50	9.5
Kadapa Distrcit	**144**	**27.3**
Anantapur	46	8.7
Hindupur	42	8.0
Gooti	46	8.7
Ananthapur Distrcit	**134**	**25.4**
Chittoor	48	9.1
Madanapalli	50	9.5
Chittoor Distrcit	**98**	**18.6**
Total	**526**	**100.0**

Source: Field Survey

III. Profile of the Study Area

Rayalaseema, one of the backward regions of the State of Andhra Pradesh, enjoyed enormous prosperity both in agriculture and trade and commerce just four centuries ago. The decline of this prosperity of Rayalaseema started with the fall of Vijayanagar Empire after the Tallikota battle in 1565 A.D.

Topographically, Rayalaseema Region is composed of four districts Anantapur, Chittoor, Kadapa and Kurnool - with 24.5 percent of geographical area of total 2.75 lakh square kilometers; 17.8 percent of population of 7.6 crores and 174 persons per square kilometer density of population out of 275 for the Census Year 2001 in Andhra Pradesh State. Out of 1.3 crores population in Rayalaseema, 74 percent were living in rural areas and remaining were in 52 urban towns and 26,586 inhabited villages. According to 2001 census, among 1.3 crores population in Rayalaseema, these are cultivators (13.89%), agricultural labour (17.6%), household industry (1.24%), other workers(10.4%), marginal workers (2.64%) and non-workers (54.23%). The literacy rate is 53 percent. Thus, the region be considered as a microcosm of Andhra Pradesh[1].

3.1. *Demographic Distribution*

With a view to understand the demographic profile of Rayalaseema region, the relevant information is analyzed and presented in Table II. The Table reveals that in terms of area, Anantapur is the largest district in

Rayalaseema region, and is followed by Kurnool, Kadapa, and Chittoor districts in the order. However, interestingly, in terms of population and also population density, the Chittoor district dominates the other three districts of the Region. It may also be noted that in terms of literacy rates, both between male and female, Chittoor district overtakes the other districts of the Region. In terms of urbanization and size of workers, Kurnool dominates the other three districts.

Table II
Demographic Distribution of Rayalaseema Region

S. no.	Indicators	Anantapur	Chittoor	Kadapa	Kurnool
1.	Area (Thousand Sq. Km)	19130.00	15152.00	15359.00	17658.00
2.	Population (in Lakhs)	3639.30	3735.20	2573.48	3512.26
3.	Population Density (Person / Sq. Km)	190.00	247.00	168.00	199.00
4.	Population Growth (Decadal in %)	14.31	14.54	13.48	18.14
5.	Literacy (Total)	56.69	67.46	64.02	54.43
	Male	68.94	78.29	76.98	67.36
	Female	43.87	56.48	50.76	41.07
6.	Urbanization	23.49	19.80	24.03	25.84
7.	Workers as Percentage of Total Population	46.20	45.93	43.95	46.51

Source: District Profiles, Government of Andhra Pradesh.

IV. Profile of the Sample Investors

An attempt is made to study the socio-economic profile of the sample-investors with a view to analyze the influence and impact of various socio-economic factors such as age, gender, education, family size, earning capacity, occupation, and income on investment habits and behaviour of the investors.

4.1 *Age-wise Distribution*

The age group of the investors plays an important role in the selection of investments. The investment objectives may tend to vary with the variations in the age of investors. For instance, investors in the age group of 50 years or more are generally do not like to take higher risks while making investments and instead they may prefer to invest in risk-less and safe investments like bank deposits, fixed income securities, Government bonds etc.

Thus, age is an important factor, which affects the investment preferences and choice of the investors. The data relating to age-wise distribution of the sample-respondents is furnished in Table III. For the purpose of the analysis, the sample respondents are classified into five different age groups to understand the differences in investment and risk preferences of the investors and to trace out the influence of age as an influencing factor.

Table III
Age-Wise Distriustion

Age Group in Years	Number of Respondents	Percent
Below 30	63	12.0
31 – 40	88	16.7
41 – 50	145	27.6
51- 60	146	27.8
60 and Above	84	16.0
Total	526	100.0

Source: Field Survey

It may be noted from the information contained in Table III that majority of the sample respondents chosen for the study are in the age-groups of 41 to 50 years (27.6 percent of the 526 total respondents) and 51 to 60 years (27.8 percent of the 526 respondents). The remaining respondents are almost equally distributed into the other age groups. The percentage of respondents in these age groups varied between 12 and 17 percent of the total 526 respondents.

4.2 *Education-wise Distribution*

The education level of the investors is another important factor that determines the awareness and preferences of the investors. An investor with little education or no education is usually unaware of the investments available to him in the security markets. Moreover, these investors may not properly understand the information available on various investment alternatives. As a result, they are forced to confine or limit their investments to the assets traditionally known to them. Examples of such investments include agriculture lands, residential plots, gold, private chit funds, bank deposits etc.

It is also true that the level of awareness will differ based on the level of education of investors, which will influence the investment decisions of investors, because educated investors consider many factors while making investments in corporate securities.

In India, people get into equity only after SENSEX has touched 4000-5000 points. They won't buy at 2800 points. All this is a function of awareness.[2].

To study the impact of educational levels of investors on investor awareness and preferences, the sample respondents have been grouped into four categories based on their qualifications, namely, Post graduate, Graduate, Intermediate, and No formal education. This is presented in the Table IV.

Table IV
Educational Status of Respondents

Educational Qualification	Number of Respondents	Percent
Post Graduate	111	21.1
Graduate	210	39.9
Intermediate	188	35.7
No Formal Education	17	3.2
Total	526	100.0

Source: Field Survey

The data presented in Table IV shows that majority of the respondents are graduates (210), and the respondents with intermediate (188), and Post-Graduates (111) follow them. A very negligible number of respondents are with no formal education (17). In terms of percentage, graduates constitute almost 40 percent of sample, and respondents with intermediate or below level of education with 35.7 percent, post-graduates with 21.1 percent follow them. The respondents having no formal education constitute a low of 3.2 percent of the total sample. At this juncture, it is to be noted that the distribution of sample respondents based on their educational levels is very much suitable to a study of this sort, where educational level of the respondents assumes greater significance.

4.3. *Earning Capacity Distribution*

The earning capacity of the households is another factor to be considered while analyzing the influence of various economic factors on investor preferences and behaviour. The number of earning adults in that household can gauge the earning capacity of a household. Normally, it is found that most of the households may have one or two earning adults. It is rare to find the households having more than two earning adults. The data pertaining to the classification of sample-investors based on number of earning adults in a household is shown in Table V.

Table V
Number of Earning Adults

Number of Earning Adults	Number of Respondents	Percent
One	219	41.6
Two	259	49.2
Three	32	6.1
More than Three	16	3.0
Total	526	100.0

Source: Field Survey

From Table V, it can be noted that most of the households are having two earning adults, constituting 49.2 percent of the total sample and 41.6 percent of the sample respondents having one earning adult in the household. The rest of the respondents have more than 2 earning adults in the household.

4.4 *Occupation-wise Distribution*

The occupation of an investor is also another determinant of his investment preferences and behaviour as it directly affects his income, savings, and choice of investments. For the purpose of analyzing the impact of occupation on investor preferences and behaviour, the sample investors have been classified into three categories based on their occupation, namely, self-employed persons consisting of professionals like doctors, lawyers and business men, full-time salaried persons, and retired persons. Occupation-wise classification of sample investors is shown in Table VI.

Table VI
Occupational Distribution of Respodents

Occupation	Number of Respondents	Percent
Self-employed persons	268	51.0
Full-time salaried persons	227	43.2
Retired Persons	31	5.9
Total	526	100.0

Source: Field Survey

It is clear from Table VI that self-employed persons constituted the larger percentage of the total respondents, i.e., around 51 percent. The full-time salaried persons constitute 43.2 percent of the total and the rest of them are retired persons.

4.5 Income –wise distribution
Income of an investor plays an important role in his preferences and choice of investments. Investors with larger incomes can only think of investing in corporate securities and they can only take higher risks while making investments. Thus, income constitutes the most important factor influencing the investor preferences and behaviour. The sample-investors are classified into six income groups based on their monthly income, namely, up to Rs.5000; Rs.5001-10000; Rs.10001-15000; Rs.15001-20000; Rs.20001-25000; and above Rs.25000. The income-wise distribution of the sample respondents is shown in Table VII.

TableVII
Income-Wise Distribution of Respondents

Income per Month	Number of Respondents	Percent
Up to Rs.5000	164	31.2
Rs.5001- Rs.10000	174	33.1
Rs.10001-Rs.15000	105	20.0
Rs.15001-Rs.20000	47	8.9
Rs.20001-Rs.25000	17	3.2
Above Rs.25000	19	3.6
Total	526	100.0

Source: Field Survey

The Table VII throws light on the income-wise distribution of sample investors. 31 percent of the investors belong to the income group of up to Rs.5000; 33 percent are in the income group of Rs.5001–10000; 20 percent are in Rs.10001-15000; 9 percent are in Rs.15001–20000; and 3 to 4 percent each in the income groups of Rs.20001–25000 and above Rs.25000. Income of the family is one of the factors, which play a vital role in influencing the investment pattern, investment behaviour and investment decisions of investors.

V. Investor Awareness
The concept of "investor awareness" refers to the stage wherein a prospective investor is conscious of and is having the knowledge of the existence of an investment product or avenue for his consideration to place the savings.

Awareness is a continuing process by which investors come to learn about the investment particulars. In certain cases they try to know about the modes clearly and eventually adopt it or reject it. Awareness is commonly described as the first step in the process of investment. When the investors are aware of the existence of numerous investment modes, their inquisitiveness stimulates them to seek more information. After becoming well versed of investment modes, the investor turns to evaluate each channel by making comparison with each other. At last, the investor decides to make investment in an advantageous mode or modes. Thus, awareness creates attitude in investor towards investment channels. This sense of 'awareness' of investors towards investment is created, modified and shaped by various external sources of information such as dailies, weeklies, electronic media, friends and relatives, broker's advice etc. Awareness is an abstract concept and, hence, it is not possible to measure precisely and directly in quantitative terms, but can be measured and assessed indirectly.

5.1 *Awareness of Investment Avenues*

To study the awareness of investment avenues among the investors, Ten(10) investment products are identified and placed before the sample-respondents to ascertain their level of awareness in four levels, namely, *'know very well'*, *'know well'*, *'know some what'*, and *'do not know'*. The responses of the sample-respondents are tabulated and presented in Table VIII.

Table VIII
Awareness of Investment Avenues

Investment Avenues	Know Very Well	Know Well	Know Some what	Don't Know	Total
Bank Deposits	220	199	77	30	526
	(41.8)	(37.8)	(14.6)	(5.7)	(100.0)
Company Deposits	65	123	133	205	526
	(12.4)	(23.4)	(25.3)	(39.0)	(100.0)
Small Saving Schemes	182	213	99	32	526
	(34.6)	(40.5)	(18.8)	(6.1)	(100.0)
Life Insurance Schemes	207	191	90	38	526
	(39.4)	(36.3)	(17.1)	(7.2)	(100.0)
Mutual Funds	57	90	151	228	526
	(10.4)	(17.1)	(28.7)	(43.3)	(100.0)
Bullion	234	133	122	37	526
	(44.5)	(25.3)	(23.2)	(7.0)	(100.0)
Real Estate	65	350	87	24	526
	(12.4)	(66.5)	(16.5)	(4.6)	(100.0)
Corporate Securities-Bonds	77	80	162	207	526
	(14.6)	(15.2)	(30.8)	(39.4)	(100.0)
Equity Shares	58	81	140	247	526
	(11.0)	(15.4)	(26.6)	(47.0)	(100.0)
Preference Shares	67	70	143	246	526
	(12.4)	(13.3)	(27.2)	(46.8)	(100.0)

Note : Figures mentioned in parenthesis are percentages
Source: Field Survey

An examination of the Table VIII unveils the following facts:

i.   Most of the respondents stated that they are highly aware (*know very well*) of investment avenues like bullion (45 percent), bank deposits (42 percent), life insurance policies (39 percent), and small saving schemes (35 percent);

ii. Many of the respondents also expressed that they are well aware (*know well*) of investment opportunities such as real estate (67 percent); small saving schemes (41 percent); bank deposits (38 percent); and life insurance policies (36 percent); and

iii. Majority of the sample investors expressed their unawareness (*do not know*) of investment avenues, which included equity shares (47 percent); preference shares (47 percent); mutual funds (43 percent) corporate debt securities (39 percent); and company deposits (39 percent).

From the above facts, it can be summarized that a majority of the investors in Rayalaseema region are quite unaware of corporate investment avenues like equity, preference shares, mutual funds, corporate debt securities and deposits. At the same time, they are highly aware of traditional investment avenues like real estate, bullion, bank deposits, life insurance schemes and small savings schemes.

5.2 *Investors Behaviour*

An understanding of the small investors behaviour constitutes the focal point for evolving suitable and effective strategies for development of securities markets in any country. The investor behaviour need to be studied and analysed from the dimensions like – What motivates a small investor to make an investment? How frequently he prefers to make investment? In whose name the investor would like to hold the investment?

In this context, an attempt is made to study and analyse the behaviour of investors in terms of motives of investments, periodicity of investments, factors influencing the investment decisions, and methods of evaluation of the investments. For this purpose, the sample-investors are asked, a number of questions relating to the various aspects stated above, and their responses to such questions are tabulated and analysed here under with the help of SPSS. The results of this exercise are likely to depict the investment behaviour of small and individual investors of a backward region of the country.

5.3 *Motives of Investment*

To identify the major motives of investment among the sample investors, five major motives such as – earning interest/dividend income, tax savings, capital gains, speculative profits, and other motives consisting of education and marriage of children, are placed before them and asked to indicate their preference in the descending order. An analysis of the responses of the sample investors towards principal motives of investment revealed the following

5.4 *Income – The Dominant Motive*

The primary motive of investment among the small and individual investors is to earn a regular income either in the form of interest or dividend on the investments made. Information furnished in Table IX prove this fact. It may be observed from Table IX that 264 out of a total of 526 sample respondents, constituting 50.2 percent of the total sample, stated that their principal motive of investment is to earn interest/ dividend income.

Table IX
Primary (First Preference) Motives of Investment

Motive of Investment	Number of Respondents	Percentage to Total
Earning Interest/ Dividend Income	264	50.2
Tax Savings	71	13.5
Capital Gains	40	7.6
Speculative Gains	20	3.8
Others-Education and Marriage of Children	131	24.9
Total	526	100.0

Source: Field Survey

Besides income, a significant number of sample respondents, i.e., 131 out of a total of 526 respondents (nearly 25 percent of the total) expressed that meeting the commitments of education and marriage of children is the next dominant motive of the investment among the investors. It is also significant to note from the information provided in Table IX that the investors did not attach much importance to the motives like capital gains and speculative profits instead they considered tax savings can be one of the motives of investment. The other motives like capital gains, tax benefits, and speculative profits are stated to be the secondary motives of investment.

5.5 *Periodicity of Investment*

To ascertain the periodicity of the investment, the sample investors are asked to indicate their savings habits in terms of time – monthly, quarterly, half-yearly, and yearly and the responses obtained from them are tabulated and presented in Table X and Figure 1

Table X
Periodicity of Savings

Periodicity	Number of Respondents	Percent of Respondents
Monthly	227	43.2
Quarterly	47	8.9
Half-yearly	118	22.4
Yearly	134	25.5
Total	526	100.0

Source: Field Survey

Periodicity of Savings - Repondents View

🔲 Monthly ☐ Quarterly ◼ Half-yearly ◼ Yearly
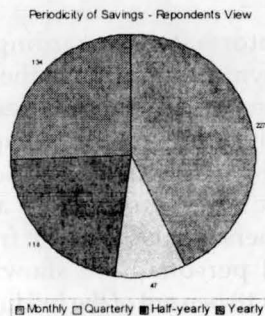
Figure 1

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It may be noted from the data presented in Table X that majority of the sample investors preferred to adopt and follow monthly investment plans rather than the investment plans of other periodic intervals. It may be seen that 43 percent of the sample investors expressed that they preferred monthly investment plans, and yearly plans (25 percent), and half-yearly plans (22 percent) follow this. An attempt is also made here to identify the factors responsible for the popularity of monthly investment plans by cross-tabulating these results vis-a-vis the monthly incomes and the employment category of the sample respondents.

Table XI furnishes the data relating to periodicity of investment vis-a-vis the monthly incomes of the sample investors. It may be clearly noted that the investors of all income groups have shown greater preference for monthly investments as compared to the investment plans of other periodicity. This indicates that without regard to the levels of monthly income, the investors preferred to channel their savings in to the investments on monthly basis. A part from monthly investment plans, the investors have chosen either annual or half-yearly investment plans in large number in every income group. It can also be noted that quarterly investment plans are the least preferred choice of the investors.

Table XI
Periodicity of Savings and Monthly Income

Income Per Month	Periodicity of Savings				Total
	Monthly	Quarterly	Half-yearly	Yearly	
Up to Rs.5000	69	10	48	37	164
	42.1%	6.1%	29.3%	22.6%	100.0%
Rs.5001- Rs.10000	69	15	44	46	174
	39.7%	8.6%	25.3%	26.4%	100.0%
Rs.10001-Rs.15000	48	17	13	27	105
	45.7%	16.2%	12.4%	25.7%	100.0%
Rs.15001-Rs.20000	18	4	13	12	47
	38.3%	8.5%	27.7%	25.5%	100.0%
Rs.20001-Rs.25000	13	1	0	3	17
	76.5%	5.9%	00.0%	17.6%	100.0%
Above Rs.25000	10	0	0	9	19
	52.6%	00.0%	00.0%	47.4%	100.0%
Total	227	47	118	134	526
	43.2%	8.9%	22.4%	25.5%	100.0%

Source: Field Survey

Table XII presents information regarding the periodicity of the investment and the employment category of the respondents. It is noted that nearly 54 percent of the full-time salaried persons have shown greater inclination to make monthly investments as compared to 45 percent of the retired and 34 percent of the self-employed persons. It may also be noted that yearly investments are somewhat popular among the self-employed persons as compared to others. This is evident from the fact that nearly 32 percent of self-employed persons have shown preference for yearly investments as compared to 18 percent of the full time salaried and 29 percent of the retired persons. These observations may lead authors to conclude

that the employment category of the investor is an important determinant of the periodicity of the investments among the small and individual investors.

5.6 Holder of the Investment

More often than not, it is very much necessary to identify the holder of the investment as it speaks about the ultimate beneficiary of the investment. With a view to identify the ultimate beneficiaries or for whose benefit the investments are actually made, the sample investors are asked to indicate in whose name (s) the investments are actually made. The responses given by the investors are tabulated and presented in Table XIII.

Table XII
Periodicity of Saving and Employment Category

Employment Category	Periodicity of Savings				Total
	Monthly	Quarterly	Half-yearly	Yearly	
Self Employed Persons	91	23	69	85	268
	34.0%	8.6%	25.7%	31.7%	100.0%
Full-time Salaried Persons	122	19	46	40	227
	53.7%	8.4%	20.3%	17.6%	100.0%
Retired Persons	14	5	3	9	31
	45.2%	16.1%	9.7%	29.0%	100.0%
Total	227	47	118	134	526
	43.2%	8.9%	22.4%	25.5%	100.0%

Source: Field Survey

Table XIII
Holders of the Investment

Sl. No	Holders Name	No. of Respondents	Percentage to Total
1	Own Name	178	33.8
2	Spouse	17	3.2
3	Children	54	10.3
4	Joint	277	52.7
	Total	526	100.0

Source: Field Survey

It is found that a majority of the investors, i.e., 277 out of a total of 526 investors, that works out to 52.7 percent of the total, preferred to hold the investments in the joint names either with spouse or children or even both. Nearly 34 percent of the sample investors stated that they have made investments in their own names. It is also interesting to note that only a small number of the investors held their investments in the name of either spouse or children alone. From these observations, one may surmise that the individual investors while making the investments normally take the interests of their family members into consideration and in the process they make them as partners to the investment.

VI. Findings

i.   An analysis of the information revealed that in terms of area, Anantapur is the largest district in Rayalaseema Region, and is followed by Kurnool, Kadapa, and Chittoor districts in the order. However,

interestingly, in terms of population and also population density, the Chittoor district dominates the other 3 districts of the region. It may also be noted that in terms of literacy rates, both between male and female, Chittoor district overtakes the other districts of the region. In terms of urbanization and size of workers, Kurnool dominates the other districts.

ii.   It was observed that majority of the respondents selected for the purpose of the study are male investors and they constituted 69 percent of the total respondents of 526. Whereas the female investors constituted 31 percent of the total respondents and this may be because of the fact that generally the economic independence among females is rather very low and they participate in investment decisions in lower proportions.

iii.   The analysis of the data showed that majority of the respondents are graduates, and the respondents with intermediate or below level of education follow them. A very negligible number of respondents are with no formal education. In terms of percentage, graduates constitute almost 40 percent of sample, and respondents with intermediate or below level of education with 35.7 percent, post-graduates with 21.1 percent follow them. The respondents having no formal education constitute a low of 3.2 percent of the total sample.

iv.   The earning capacity of the households is another factor to be considered while analyzing the influence of various economic factors on investor preferences and behaviour. The number of earning adults in that household can gauge the earning capacity of a household. Normally, it is found that most of the households may have one or two earning adults. It is rare to find the households having more than two earning adults.

v.   It is found that a majority of the investors in Rayalaseema Region are quite unaware of corporate investment avenues like equity and preference shares, mutual funds, corporate debt securities and deposits. At the same time, they are highly aware of traditional investment avenues like real estate, bullion, bank deposits, life insurance schemes, and small savings schemes.

VII. Conclusions

In the olden days, investing funds was confined to rich and business people. But, now a day it has become a household word and is very popular with people from all walks of life. The objective of motivating the public to invest their savings in the stock market will be achieved only if the regulatory authorities succeed in providing a manipulation free stock market. With the rate of interest offered by banks on deposits being very unattractive, more people could think of investing in the stock market. This could happen only if the stock market is transparent and free from scams because those who invest in bank deposits are basically averse to risk.