



INVESTMENT PSHYCOLOGY OF PHYSICIANS' AT UDUMALPET TALUK

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ABSTRACT

Savings and investment are twins for any financial growth. Savings are for shorter period and used for ay contingencies in a short run like a general reserve. On the other hand, investment are meant for long run and for specified purpose like specific reserve. Developing country like India have vibrant opportunities and avenues for all type of investors. Since there are many, the attitude and behavior on choice and opinion of investment varies from person to person. The study finds the behavior of physicians on investment decision and choice of the best portfolios for them. The study used a structured questionnaire through which physicians were asked for their responses. The results shows that, the demographic factor like income of the family, educational qualification and number of dependents in their family affects in decision making. Also factors like savings pattern, investment awareness, investment decision and other influencing factor plays a major role in their investment behavior.

Key Words: Physician, Investment, Investment- decision, Savings Habit, Behavior, Investment- awareness

INTRODUCTION

Money plays an important role in one's life. In order to overcome the problems in future, People have to invest their money. Investment is the commitment of funds that have been saved from current consumption with the hope that some benefits will be received in future. Savings are invested in assets depending on person's awareness on investment options through real estate, jewels, banking, insurance, mutual funds, shares, pension schemes, and offers by the government and so on. However, investments in those portfolios would not always on positive note. Savings form an important part of the economy of any nation, with the savings invested in various options available to the people, the money acts as the driver for the growth of the country¹.

¹ <https://edupediapublications.org/journals/index.php/JSMaP/article/view/8049>

REVIEW OF LITERATURE

Pritam P. Kothari & Shivganga C. Mindargi (2013)², in their study, analysed the impact of different demographic variables on the attitude of investors towards mutual funds. Apart from this, it also focuses on the benefits delivered by mutual funds to investors. To this end, 200 respondents of Solapur City, having different demographic profiles were surveyed. The study reveals that the majority of investors have still not formed any attitude towards mutual fund investment.

Durga et al (2013), in their study, “Demographic variables influencing in the retail investment – A Scientific Analysis” identified the investment pattern of retail investors based on demographic factors. By framing the null hypothesis, retail investors’ investment is not influenced by the demographic factor. The study focused on the personal characteristic of individuals. They concluded that they faced a bitter experience in capital markets due to the change in the attitudes of the investors. And it is purely based on the investors’ awareness towards the share trading.

Kavitha (2015), in her study, “Investors’ attitudes towards stock market investment”, attempted to find out investors attitudes and perceptions towards stock market investments. It was a cross-sectional and descriptive type of study to the extent of measuring the level of awareness of the potential local investors and their attitudes. Primary data were collected with the help of semi-structured questionnaire. The population was 125, which constitute 100 known investors 10 visionary entrepreneurs and 11 officials of broking office. The result showed a positive and significant relationship investor level of awareness and stock market investment ($r = 0.410$, $P < 0.01$). Thus, the more positive attitude enhances, easy for the local investors to invest in the stock market.

STATEMENT OF THE PROBLEM

In India there are number of portfolios offer to invest. In this scenario, options are also open for individuals. In particular, physicians in which they draw up a professional plan when starting and growing up their profession in their areas, such as evaluating strategies, plan expenditures, and motivation. It is primary keeping update records of income and expenses, taxes, and insists upon contracts.³.

In addition, many of the professionals reinvest major proportion of income in developing and expanding the profession. Hardly have they had the tendency to save or invest. In addition, some in favoring tax reduction. Similarly, some of them heavily putting money for family. The above-mentioned factors arises questions such as lead what is their socio-economic profile? How do they know about the investment portfolios? Who motivates? What factor determines their investment decisions?

In this juncture, there is a need to examine physician’s perception and portfolio management. To know the answer for the above questions, following objectives were framed and analysed.

OBJECTIVES OF THE STUDY

- To know socio-economic profile of physicians at Udumalpet Taluk
- To examine the factors influencing portfolios selection of the physicians
- To determine the awareness level of the physicians
- To find out the investment preferences of the physicians.

METHODOLOGY

The physicians at Udumalpet town constitute the sampling frame. The sample were selected on adoption of snow-ball sampling technique. A sample of 37 physicians from Udumalpet Taluk were participated in this survey and based on their response the study was undertaken.

ANALYSIS AND INFERENCES

The table 1 explains the distribution of the respondents on the basis of demographic variables like Gender, Age, Area of living, Marital Status, Educational Qualification, Occupation of Spouse, Type of Family, Number of Dependent in Family, Nature of Resident, Monthly income of Family and Head.

² Pritam P. Kothari & Shivganga C. Mindargi, “A Study of Investors Attitude towards Mutual Fund with special reference to Investors in Solapur City”, International Journal of Accounting and Financial Management Research (IJAFMR), Vol. 3, No. 2, Pp. 1–12.

³ <http://www.referenceforbusiness.com/small/Qu-Sm/Self-Employment.html>

Table 1 – Distribution on the basis of demographic variables

Parameters		Frequency	%	Parameters		Frequency	%
Gender	Male	10	48	Nature of resident	Owned	13	62
	Female	11	52		Leased	3	14
	Total	21	100	Rented	1	5	
				Having own house but living in rented house	4	19	
Age	below 30	3	14		Total	21	100
	31-40	13	62	Monthly income of family	40001-50000	2	9
	41-50	4	19		50001-60000	1	5
	above 50	1	5		<60000	18	86
	Total	21	100		Total	21	100
				Monthly income of head	35000-45000	2	10
Area of living	Urban	19	90		<45000	19	90
	Rural	2	10		Total	21	100
	Total	21	100	Habits of saving	Regular	15	71
Marital status	Married	14	67		Occasionally	6	29
	Unmarried	6	28		Total	21	100
	divorce	1	5	Percentage of saving from monthly income of family	11%-20%	11	52
		21	100		21%-30%	1	5
Educational qualification	MBBS	8	38		31%-40%	7	33
	MD	13	62		above 40%	2	10
	Total	21	100		Total	21	100
				Periods of investment	medium term	10	48
Occupation of spouse	Home maker	2	10		long term	11	52
	Doctor	11	52		Total	21	100
	Advocate	3	14	Preference of the type of investment	Domestic investment	14	67
	Engineer	3	14		Foreign investment	7	33
	Auditor	1	5		Total	21	100
	Pvt Employee	1	5	Which type of investment do you prefer	Direct investment	21	100
	Total	21	100		Indirect investment	0	0
Types of family	Nuclear	18	86		Total	21	100
	Joint family	3	14	Decision of investment is based on	Investment decision	5	24
	Total	21	100		Financial decision	8	38
Number of dependent in family	1	0	0		Dividend decision	8	38
	2	5	24		Total	21	100
	3	5	24	Overall opinion	Not bad	5	24
	4	2	10		Good	15	71
	5	7	33		Very good	1	5
	above 5	2	9		Total	21	100
	Total	21	100				

INFERENCES:

Among 21 respondents majority (52) were female, and 62% were between the age group of 31-40. 90% of them were from urban area and out of 21, 67% were married. 62% of their educational qualification was MD and 52% of the respondents' spouses' occupation were Doctors. 86% were from Nuclear family and 33% of respondents have 5 dependents in their family. 62% of them have their own resident and 86% of the income of their family was more than 60000 and 90% of the income of the head of their family was above 45000. The habit of saving of 71% of respondents were regular and 52% of them kept 11%-20% of savings from their family's monthly income. 52% of them invested in long term investment and 67% preferred domestic investment and all of them invested in direct investment. 76% of the respondents invested on the basis of financial and dividend decision. 71% of overall opinion of the respondents was good.

LIKERT SCALE AND ITS RESULTS

To find the variables like purpose of investment, most influencer, opinion of persons in decision making, factors affecting investment decision, preference on investment, expectation on investing in various investment avenues and awareness level on different investment avenues are categorised on five point scale and analysed.

- ✦ The purpose of investment is based on the following parameters and its result reveals that the welfare of dependent (33%) is very high. Getting regular income (48%), Safe security (52%), Meeting the medical expenses (43%), Capital Growth (38%) and Education of children/Grandchildren (43%) is high. Getting compounding returns (62%), utilizing the opportunities (57%), Availing pension benefits (43%), National building (37%), Speculation (42%) is moderate. Expenses on marriage ceremony (44%) and Others (33%) is low.
- ✦ The motivator of the respondents' like friends/relatives (86%), Newspaper (37%), Excess income (29%), Government (39%) and Post office (32%) are said to be high. Agent/Consultants (62%), Advertisement (74%), Scope for investment (37%), Income from Previous investment is (42%), Banks (33%), Direct (39%) and Others (40%) is moderate.
- ✦ Investment decision made on the opinion by Family (86%), advertisement (55%), Newspaper (43%), Auditors (52%) are agreed. Friends (48%), Relatives (50%), Articles (60%), Employers (55%) are neutral in investment decision making.
- ✦ The factors that influenced the investment decision is high in the following cases: Large family income (62%), Higher savings (38%), Capital growth (55%), Tax benefits (48%), Purchasing power stability (37%), Liquidity (52%), Safety/security (38%) and moderate in the following cases: Stability of return (50%), Less risk (30%), Prestigious issue (36%), Higher rate of return (40%) and low in Speculation (40%).
- ✦ The preference of investment by respondents' is highly agreed on Institutional investment (36%), Insurance policies (31%). They agreed on Fixed deposits (57%), Gold/silver (65%), Real estate (48%), Chit funds (53%) while they were neutral in Pension fund (67%), Post office savings (53%).
- ✦ The respondents expected profitability on Fixed deposits (76%), Institutional investment (62%), Gold/silver (50%), Real estate (55%), Pension funds (42%). They expect security on Insurance Policies (58%), Post office savings (47%) and tax benefit from Chit funds (38%).
- ✦ They have a high level of awareness on Fixed deposits (65%), Institutional investment (45%), Chit funds (35%), Gold/silver (48%), Real estate (29%). They are moderately aware in Insurance policies (38%), Post office Savings (45%) and low in Pension funds (38%).
- ✦ The investment decision is very highly affected by less liquidity (33%) while highly affected by Low rate of interest (48%), Less rate of growth (40%), Uncertainty (40%), More legal formalities (50%). Also, moderately affected by Political inference (35%), Lack of awareness (40%) and less affected by No tax benefits (27%) and by Lack of financial source (35%).

CONCLUSION

The professions like physicians play a major role in one's life. Their income varies from person to person. It is seen that profession make their investment regularly for their future generation and educating their children. As they are well educated and highly have a vibrant network in the society, they seek opinion from their family, friends and foes. Their awareness level seem to be high. It shows that these income group people may take much more interest on working out with new investment strategies and policies as thus may be a model to the future investors.

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