GOLD PRICE TREND AND INVESTIGATION OF PURCHASING PATTERNS OF ORNAMENTAL GOLD BUYERS IN TAMILNADU

Dr. K. PRABHAKARRAJKUMAR
Assistant Professor and Research Guide, Department of Commerce,
Periyar University, Salem - Tamil Nadu

Mr.S.MOHANDASS
PhD Part time Research Scholar and Assistant Professor, Department of Commerce,
Periyar University, Salem -636011

ABSTRACT
Gold is a symbol of prestige of human being. The people’s social status and their value are determined by the quantity of a gold worn by them. The buying behaviour of people towards gold is different from the buying behaviour of other goods and services. There are many factors attributed to gold purchase by the people. It is common among the people that wherever the prices of gold and other precious metals are increasing, people start buying them with future expectation.

KEYWORDS: Buying Behaviour, Gold Ornaments, Jewellery products, Price Fluctuations of Gold, Investigation, and Purchasing Patterns.

INTRODUCTION
A notable character of gold and gold ornaments is that it has a higher liquidity than any other metals and products. Wherever there is need for money, there is gold to take its place. By pledging gold, money can be easily raised. Therefore, due to this liquid character of gold, people want to reserve it more and thus gold can be easily converted into cash. There are many investment alternatives in the business world. Among them, investment in gold becomes an important and significant one. People find it easy to invest is gold without any speculative risk. Life is uncertain and at any time any unexpected event may happen in everybody’s life. There will be a need for maintaining cash to meet such demands. Therefore, the gold is purchased now for future protection. The price changing advantage is another reason for increasing the purchase of gold and golden ornaments. Gold is a precious treasure in all the countries.
HISTORY OF GOLD (GENESIS)

The history of gold goes back to the millennium. Gold as money, as a concentrated economic power, as an object of desire and greed appeared in ancient times. Balzac's Philosophizing user Gobseck says, ‘What is life if not a machine which money sets in motion …. Gold is the spiritual essence of all present society’. Gold as a metal and a useful natural raw material has been known to man for about 600 years ago. It acquired certain monetary features in the most developed parts of the ancient world. When the first gold coin appeared, they marked the beginning of its life as money. Karl Marx says in Capital that ‘Throughout this work, I assume for the sake of simplicity, gold as the money-commodity’. Thus gold played an important role in the development of Capitalism, in the formation of its economic mechanism, and in social relations. It is an important element of the whole of bourgeois civilization.

Gold has very old history of its own. There are many precious metals in the world. Of them, gold is an important metal which is loved by all. In scientific term, “gold contains water and sunlight along with the certain molecules of inorganic particles”. It comes to be used as a precious metal during 550 B.C. Most of the gold minerals and ores were found in streams, in those days gold was associated with water. In ancient times, rich minerals of gold were found in Rome, Greek and Egypt. At that time, people considered gold as a true asset. Its glitter attracts people and they love to wear it as ornaments. Foreign trade was carried out in terms of gold. Gold was used as medium of exchange and thereby its commercial value started to increase. In the world, gold minerals were mostly found in African continent.

The colour of gold is associated with the colour of ores and minerals. Gold gets its yellow colour when its minerals and ores get refined stage by stage. Due to chemical bond and organic nature, it gets yellow colour. There are many mines operated in many parts of the world especially in the regions of Greek and Egypt. They are owned by the private and public authorities. When they mined minerals and ores, they accidentally found the presence of gold. The relative importance of gold became very significant one. Its long lasting durability was another significant feature. The Romans mined gold extensively throughout their empire, and advanced the science of gold mining considerably. They diverted streams of water to mine hydraulically they mined underground and efficiently extracted the gold from rock.

MULTIPLE USES OF GOLD

The primary use of gold is used to make jewellery. Making jewellery is the first use of gold over 6000 years ago. It was the first method used by the man. Pure gold cannot be used for making jewellery. A particular percent of copper is mixed along with and the ever-lasting rigid gold is made. Gold has been used in the field of financial sector. Minting of coinage, currency and bullion are the some of the financial use of gold. “Gold standard” was famous during the time of 1930s and 40s in maintaining the money supply in a country. Gold was backed by the central bank and on the basis of the gold reserve paper currency is being printed. Trading on bullion like gold, silver is considered nowadays as part of commodity trading.

The most important industrial use of gold is in the manufacture of electronic accessories. Gold is highly efficient conductor that carries current and remains free of erosion. Electronic components made with gold are highly reliable. Larger electronic appliances such as television sets also contain gold. It is also used in desktop and laptop computers. Gold is used as the first place winner’s medal for trophy in almost any type of contest. First place winners in the Olympic Games are given gold medal. Awards and honors are given with the gold medals.
GOLD PURCHASING BEHAVIOUR IN INDIA

The purchasing behaviour of Indians towards gold is something different from the gold purchase of the world people. The important aspect of gold purchasing among the Indians is that it is a better investment. Buying of gold is considered as buying of an asset. Indians feel that buying of gold is process asset maximization. Another important reason for this purchase is festival meals. During marriage occasions, people present gold ornaments as gifts. They exchange gold as a valuable thing. During Deepavali, and other religious festivals and personal and family festivals, purchase of gold is common among Indians. Nowadays, ‘Atchayatirutiya’ becomes very popular. Indians purchase gold and gold ornaments during that day with a sense of feeling of wealth maximization. Social prestige and status also determine the purchasing behaviour of gold among Indians. If one has more amount of gold, he feels that the lines in the society with certain prestige. It is a common tendency among the Indians to have more amount of gold. Moreover, Indians purchase gold and other precious metals for future protection. The future days will be safer if they have more gold reserves, because gold is one of the easily convertible assets into cash. It is a highly liquid asset. The immediate encasement is possible in the case of gold. Therefore, Indians want to reserve more amount of gold. A notable point to be mentioned here is investment in gold is risk-free one when compared to other investment alternatives. The price of gold once goes up it will never come down, therefore, Indians prefer investment in gold to other investment. Marriage is the most important one which affects the gold purchase. Marriages are determined at the cost of gold among the Indian families. Such a kind of social obligation is an important aspect of buying behaviour of Indians towards gold.

PURCHASING PATTERN OF GOLD IN TAMILNADU

As far as history of gold in TamilNadu is concerned, it dates back to Sangam Age and before it. The purchasing pattern of gold among the people of TamilNadu is more or less equal to the purchase pattern of Indians as a whole. The buying intention towards gold is more among the females than that of males in TamilNadu. Most of the women think that wearing more gold shows their prestige and enhances their status among the others. There is high degree of beauty consciousness among the working women. They enhance their beauty by wearing more gold ornaments. Besides, there is more intention to purchase gold and gold ornaments among the village girls and women. They are always willing to accumulate the gold reserve. Wearing gold is more popular among the college girls. The boys also have started to wear gold ornaments for their status and social prestige. There is a high intention to purchase gold among the poor people since gold shows their social status. They augment gold for the purpose of their children’s marriage. Moreover, they pledge gold with the financial institutions for emergency purposes. The farmers in village use gold not only for pledging purpose but also it shows their economic status. Nowadays, people in TamilNadu have started to invest their money in gold and gold ornaments. They get great awareness on online commodity trading and thus they divert their investment portfolios towards gold.

PRE-PURCHASE BEHAVIOUR

Demand for gold is the primary factor that determines the purchase of gold. There is a greater demand for gold from the people for many purposes. It has store of value like money and it is equally treated as money. People’s purchasing power is one of the important factors. There is a direct relationship between purchasing power and gold quality. Higher the purchasing power more will be the demand for gold. Price of the gold is another important factor that determines the purchasing of the gold and gold ornaments. People like to buy gold and gold ornaments during the time of slight decrease in the prices of gold.
Fear of price hike in future is a notable thing which affects the purchasing behavior of the people to buy gold and gold ornaments. People want to buy gold and other gold materials at the current price due to price appreciation in the future. Gold are considered as a good investment. Like that of other investment, investing in gold fetches a good amount of profit at the same time there is no loss while selling the gold. Therefore, people those who have surplus money want to invest in gold when compared to other ornaments. There is a common tendency among the people that buying of gold and gold ornaments is an avenue of saving. There are many saving methods in the economy; among, of them buying gold is one of the important saving methods. Since human wants are unlimited, accumulation of wealth in the form of buying gold is highly significant, & vital.

POST- PURCHASE BEHAVIOUR

After purchasing gold by the people, they firstly want to save them in a proper place. A substantial amount of gold is stored in the locker which is facilitated by the banks. Those who have smaller amount of gold, they keep them in their house safety. Most of the people, after buying their gold, want to buy more and more of gold for the future purpose. The gold has many uses in the future. Parents accumulate the amount of gold for celebrating the marriage of their female children. Moreover, whenever they need money, they pledge them in the banks or financial institutions for encasing money. Thus, during the time of financial crisis, they pledge their gold and get money readily without longer delay.

Some people will indulge in buying and selling of gold as a part of their economic activities. They buy gold when the price slightly decreases, and sell them for better price in near future. Nowadays they play in “online commodity trading” considering gold as a commodity. Meanwhile, some people exchange their old gold ornaments for new one. For some people, gold is available in the form of gold bars. This will help to make any type of ornaments in the future. Gold traders prefer this form of gold for exchanging purposes.

SOCIAL STATUS OF GOLD USAGE AMONG THE PEOPLE OF TAMILNADU

There are many symbols and identities in the society to show the social status of people of TamilNadu. They are political power, possession of assets, education, possession of gold reserve higher posts held and the like. Among these factors, possession of gold is more significant which enhances social status of the people in TamilNadu. Enhancement of powers in the society is considered as an important one. The power of a person in a society is determined by many factors, but gold reserve possessed by a person is seen as powerful person in terms of economic power. Those who have huge quantity of gold are backed by higher purchasing power since the gold has highly liquid asset.

Another important aspect of using gold is enhancement of beauty. There is a common tendency among the women in TamilNadu that if they wear gold, it will improve their beauty than before. Thus, the role of gold in beautification of feminine bodies is very notable one. Besides, gold determines marriage. There is a proverb in Tamil that “marriages are fixed in the heaven”. But, nowadays, it is considered that marriage is fixed by gold. Thus, the gold plays a crucial role in determining marriage. The wedding rings, gold ornaments are demanded by the bridegroom and it shows status of bride’s family. Thus, marriage power and status are shown with the help of gold and ornaments.

On the other side, gold is equally treated as wealth in the society. Like other assets, gold is considered as above the ordinary assets due to increasing value and high purchasing power gold can be easily converted into cash. Therefore, the possession of gold shows social status of every man and woman in the society. Ornaments like chain, bracelets, rings, watches, ear ornaments; nose rings show
the social status of young girls and boys. They express their economic and social position in the society by way of wearing gold ornaments.

**REVIEW OF LITERATURE**

Blose, Laurence E. (1995) analyzed that the value of a gold mine is shown to be a function of the return on gold, production costs, the level of gold reserves, and the proportion of assets unrelated to gold price risk. Assuming that forward gold prices are the market's unbiased expectations of future spot prices, a model is derived that estimates the theoretical gold price elasticity of gold mining stock.

Blose, Laurence E. (1995) discussed the changes in expected inflation affect gold prices. Consumer price index has been used in his study. The results indicate that investors anticipating changes in inflation expectations should design speculation strategies in the bond markets rather than the gold markets.

Neely, Christopher J (1995) studied that targeting the price level, rather than the inflation rate, permits the future price level to be known and long-run plans to be made more easily. Despite these advantages, countries have adopted inflation targets because price level targets require policymakers to reduce the price level to a pre-announced value after an inflationary shock.

Blose, Laurence E A (1996) studied that which is presented for theoretical elasticity shows that if the funds are invested in companies whose assets are comprised primarily of operating gold mines, then the return of an investment in the fund will be at least as great as an investment in gold (i.e., the gold price elasticity of the gold fund is greater than 1). Empirical tests of the above propositions are presented.

Chappell, David (1997) presented a model of the gold standard in which technology and preferences are modeled explicitly and account is taken of both the durability of gold and the exhaustibility of gold ore. The authors examine the steady state and its associated dynamics and show how the steady-state price level responds to changes in exogenous factors.

Saeid, Mahdavi (1997) compared the performance of gold and commodity prices as leading indicators of the inflation rate (INFR) and explored the possibility of improving INFR forecast by specifying Error-Correction Models (ECM). We found some evidence of co-integration between commodity prices and the Consumer Price Index (CPI). Comparisons of out-of-sample forecast errors indicate that an ECM of the CPI including commodity prices significantly outperforms a CPI.

**STATEMENT OF THE PROBLEM**

While buying any kind of goods and services, the buyers have different kinds of behaviours towards different kinds of goods, commodities and services. More attention, awareness and decisions usually involve more buying participants and more buyer deliberation. While buying more valuable products like gold ornaments, the buyers must need all kinds of satisfaction. Hence the buyers need certain pre-purchasing decision and behavior. When they are highly involved in a purchase, they perceive significant differences among ordinary products and precious products like gold ornaments. Because buying of gold ornaments are very rare purchasing activity involving future investment decision and highly expressive one. The buyers of gold ornament will pass through a learning process, first developing awareness about gold and gold ornaments, then determining pre and post purchasing importance and finally making a thoughtful purchase choice. Gold market is more emotional market involving lot of unpredictable facts. When the buyers of gold ornaments have proper understanding, gathering market information and evaluation of gold price movement then only their investment becomes more meaningful. In this aspect the researcher developed the following research problems.
SCOPES OF THE STUDY

This study is an attempt to identify gold price movement and its trends in India, and measure the buyer’s awareness, and purchasing behavior of gold ornaments in Tamil Nadu, particularly Chennai, Trichy, Madurai and Coimbatore. For this purpose the researcher identify awareness about the gold ornaments, buyers buying behaviour of before purchasing, buying pattern and usage of gold ornaments after purchase. Moreover, the study measures the relationship between awareness of gold and purchasing pattern of ornaments gold in Tamil Nadu. This study brings out the importance of awareness of gold and gold price trend. Hence, the present study was conducted in Chennai, Trichy, Madurai and Coimbatore. Due to time constraints the study is limited to the area of four major corporation of Tamil Nadu. This study mainly focusing in what are the various psychological factors to determine purchasing pattern of ornamental gold, does not consider social and economic status of the gold jewellery.

OBJECTIVES OF THE STUDY

The main objectives of the present study are;
1. To evaluate the gold price trends during 2005-2012
2. To discover purchasing sequential patterns of ornamental gold buyers in Tamil Nadu and
3. To identify the investment size and usage pattern of ornamental gold buyers.

TESTING OF HYPOTHESES

1. There is no zigzag gold price movement from 2005 to 2012.
2. There is no significant association between purchasing sequential patterns of ornamental gold buyers in Tamil Nadu.
3. There is no association between investment size and usage pattern of ornamental gold buyers.

METHODOLOGY

Sample size

The sample size of population for the present study is 600. The area of the study selected is four districts in Tamil Nadu: Chennai, Coimbatore, Madurai and Trichy.

NATURE OF THE DATA

The nature of the data is purely primary and secondary. The primary data were collected from the respondents. The secondary data were collected through information gathered from books, journals, magazine and website related to gold business in Tamil Nadu.

SOURCES OF DATA

The research has collected all the primary data from respective respondent in selected areas for the study period. The secondary data collected from IFMR, MIDS, and Connemara library, Chennai and the like. Prior to this attempt a formal approach and request were made with this organization through proper channel and the permission was obtained to collect the data.

SAMPLING DESIGN

The researcher intended to use a convenient sampling method because the respondents were selected in the most convenient way and often allowed to choose or volunteer to take part. For this purpose the researcher had to meet and collect information from 402 respondents from four major districts in Tamil Nadu, particularly 96 respondents from Chennai, 89 respondents from Madurai, 126
respondents from Coimbatore and 91 respondents from Trichy. The researcher stopped to collect when he got the reliability among the variables in the interview schedule using Cranach’s alpha criterion (0.896). The selection of these major four districts was made on the basis of the result obtained from pilot study which was conducted in 11 Corporations in Tamil Nadu. From these 11 Corporations the researcher collected 84 samples and obtained reliability value which was a not acceptable one.

**STATISTICAL TOOLS USED**

The following tools have been employed to analyse the collected data.

1. Time series analysis
2. Chi – Square test
3. Multiple Regression
4. Correlation
5. ANOVA
6. Principal Factor Component analysis

**ANALYSIS AND INTERPRETATIONS**

**Table 1 Month and Year wise Average Ornamental Gold Price Movements - 2005 to 2012**

<table>
<thead>
<tr>
<th>Year/month</th>
<th>2005 (Rs)</th>
<th>2006 (Rs)</th>
<th>+/-%</th>
<th>2007 (Rs)</th>
<th>+/-%</th>
<th>2008 (Rs)</th>
<th>+/-%</th>
<th>2009 (Rs)</th>
<th>+/-%</th>
<th>2010 (Rs)</th>
<th>+/-%</th>
<th>2011 (Rs)</th>
<th>+/-%</th>
<th>2012 (Rs)</th>
<th>+/-%</th>
<th>Mon Month (Rs)</th>
<th>+/- %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>465</td>
<td>738</td>
<td>59</td>
<td>845</td>
<td>14</td>
<td>1043</td>
<td>23</td>
<td>1248</td>
<td>20</td>
<td>1559</td>
<td>25</td>
<td>1889</td>
<td>21</td>
<td>2599</td>
<td>37</td>
<td>1298</td>
<td>28</td>
</tr>
<tr>
<td>Feb</td>
<td>498</td>
<td>750</td>
<td>51</td>
<td>885</td>
<td>18</td>
<td>1099</td>
<td>24</td>
<td>1371</td>
<td>25</td>
<td>1547</td>
<td>13</td>
<td>1899</td>
<td>23</td>
<td>2564</td>
<td>35</td>
<td>1326</td>
<td>27</td>
</tr>
<tr>
<td>Mar</td>
<td>556</td>
<td>744</td>
<td>34</td>
<td>870</td>
<td>17</td>
<td>1166</td>
<td>34</td>
<td>1419</td>
<td>22</td>
<td>1550</td>
<td>9</td>
<td>1947</td>
<td>26</td>
<td>2289</td>
<td>17</td>
<td>1317</td>
<td>23</td>
</tr>
<tr>
<td>Apr</td>
<td>576</td>
<td>835</td>
<td>45</td>
<td>868</td>
<td>4</td>
<td>1098</td>
<td>26</td>
<td>1353</td>
<td>23</td>
<td>1557</td>
<td>15</td>
<td>2000</td>
<td>28</td>
<td>2420</td>
<td>21</td>
<td>1338</td>
<td>23</td>
</tr>
<tr>
<td>May</td>
<td>566</td>
<td>931</td>
<td>64</td>
<td>827</td>
<td>-11</td>
<td>1127</td>
<td>36</td>
<td>1357</td>
<td>20</td>
<td>1677</td>
<td>23</td>
<td>2075</td>
<td>24</td>
<td>2720</td>
<td>31</td>
<td>1410</td>
<td>27</td>
</tr>
<tr>
<td>Jun</td>
<td>573</td>
<td>840</td>
<td>46</td>
<td>810</td>
<td>-3</td>
<td>1147</td>
<td>42</td>
<td>1361</td>
<td>19</td>
<td>1748</td>
<td>28</td>
<td>2101</td>
<td>20</td>
<td>2815</td>
<td>34</td>
<td>1424</td>
<td>26</td>
</tr>
<tr>
<td>Jul</td>
<td>566</td>
<td>896</td>
<td>58</td>
<td>813</td>
<td>-9</td>
<td>1208</td>
<td>48</td>
<td>1368</td>
<td>13</td>
<td>1709</td>
<td>25</td>
<td>2139</td>
<td>25</td>
<td>2867</td>
<td>34</td>
<td>1445</td>
<td>28</td>
</tr>
<tr>
<td>Aug</td>
<td>584</td>
<td>896</td>
<td>53</td>
<td>821</td>
<td>-8</td>
<td>1102</td>
<td>34</td>
<td>1350</td>
<td>22</td>
<td>1725</td>
<td>28</td>
<td>2455</td>
<td>42</td>
<td>2842</td>
<td>16</td>
<td>1471</td>
<td>27</td>
</tr>
<tr>
<td>Sep</td>
<td>606</td>
<td>847</td>
<td>40</td>
<td>863</td>
<td>2</td>
<td>1127</td>
<td>30</td>
<td>1459</td>
<td>29</td>
<td>1781</td>
<td>22</td>
<td>2731</td>
<td>53</td>
<td>2887</td>
<td>6</td>
<td>1537</td>
<td>26</td>
</tr>
<tr>
<td>Oct</td>
<td>637</td>
<td>818</td>
<td>28</td>
<td>901</td>
<td>10</td>
<td>1181</td>
<td>31</td>
<td>1478</td>
<td>25</td>
<td>1813</td>
<td>23</td>
<td>2790</td>
<td>54</td>
<td>3007</td>
<td>8</td>
<td>1578</td>
<td>25</td>
</tr>
<tr>
<td>Nov</td>
<td>664</td>
<td>858</td>
<td>29</td>
<td>954</td>
<td>11</td>
<td>1129</td>
<td>18</td>
<td>1600</td>
<td>42</td>
<td>1874</td>
<td>17</td>
<td>2826</td>
<td>51</td>
<td>3772</td>
<td>2</td>
<td>1584</td>
<td>24</td>
</tr>
<tr>
<td>Dec</td>
<td>706</td>
<td>856</td>
<td>21</td>
<td>955</td>
<td>12</td>
<td>1160</td>
<td>21</td>
<td>1601</td>
<td>38</td>
<td>1914</td>
<td>19</td>
<td>2868</td>
<td>50</td>
<td>2873</td>
<td>0.1</td>
<td>1616</td>
<td>23</td>
</tr>
<tr>
<td>Ave</td>
<td>583</td>
<td>834</td>
<td>44</td>
<td>868</td>
<td>5</td>
<td>1132</td>
<td>30</td>
<td>1413</td>
<td>25</td>
<td>1704</td>
<td>20</td>
<td>2310</td>
<td>35</td>
<td>2721</td>
<td>20</td>
<td>1445</td>
<td>25</td>
</tr>
</tbody>
</table>

**Source.** Secondary data

It is observed from the analysis Table 1 shows that of the ornamental gold price movements from 2005 onwards it is found that there was a continuous hike in the average ornamental gold price per gram and this shows that there was a steady increase in the price from 2005-2012. During 2005 to 2007, the average ornamental gold price increased 49 per cent whereas from 2007 to 2010 the average ornamental gold price increased by 96 per cent and from 2010 to 2012 the price further increased by 60 per cent. The overall percentage of price increase from 2005 to 2012 was 367. The maximum price increase was by 35 per cent during 2011. During 2005 to 2006, the price increased by 44 per cent followed by 5 per cent during 2006 to 2007, 30 per cent during 2007 to 2008, 25 per cent during 2008 to 2009, 20 per cent
during 2009 to 2010, 35 per cent during 2010 to 2011 and 20 per cent during 2011 to 2012. During the eight years period the average price of one gram ornamental gold was Rs.1,445 and its movement was in bullish trend.

Chart 1 Per Gram Average Ornamental Gold Price in Year-Wise-2005-2012

Month Wise Analysis: During the month of January in 2005 and 2006 the price increased by 59 (highest) per cent and it was followed by 14 (lowest) per cent during 2006 and 2007, 23 per cent during 2007 and 2008, 20 per cent during 2008 and 2009, 25 per cent during 2009 and 2010, 21 per cent during 2010 and 2011 and 37 per cent during 2011 and 2012. The average price during the month of January was Rs.1,298 and average increase in percentage was 28.

During the month of February in 2005 and 2006 the price increased by 51 (highest) per cent and it was followed by 18 per cent during in 2006 and 2007, 24 per cent in 2007 and 2008, 25 per cent in 2008 and 2009, 13 (lowest) per cent in 2009 and 2010, 23 per cent in 2010 and 2011 and 35 per cent in 2011 and 2012. The average price increase during the months of February was Rs.1,326 and it increased by 2 per cent from previous months average ornamental gold price. During the months increase in average price was 27 per cent.

During the month of March in 2005 and 2006 the price increased by 34 (highest) per cent and it was followed by 17 per cent in 2006 and 2007, 34 (highest) per cent in 2007 and 2008, 22 per cent in 2008 and 2009, 9 (lowest) per cent in 2009 and 2010, 26 per cent in 2010 and 2011 and 17 per cent in 2011 and 2012. The average price during the months of March was Rs.1,317 and it decreased by 0.7 per cent from previous months average ornamental gold price. During the months the increased average price per cent was 23.

During the month of April in 2005 and 2006 the price increased by 45 (highest) per cent and it was followed by 4 (lowest) per cent in 2006 and 2007, 26 per cent in 2007 and 2008, 23 per cent in 2008 and 2009, 15 per cent in 2009 and 2010, 28 per cent in 2010 and 2011 and 21 per cent in 2011 and 2012. The average price during the months of April was Rs.1,338 and it increased by 1.6 per cent from previous month’s average ornamental gold price. During the months the increased average price per cent was 23.

During the month of May in 2005 and 2006, the price increased by 64 (highest) per cent. In 2006 and 2007 the price fell to 11 per cent and increased by 36 per cent in 2007 and 2008 and it was followed, 20 per cent 2008 and 2009, 23 per cent in 2009 and 2010, 24 per cent in 2010 and 2011 and 31 per cent in 2011 and 2012. The average price during the months of May was Rs.1,410 and it increased by 5 per cent from previous month’s average ornamental gold price. During the months the increased average price per cent was 27.

During the month of June in 2005 and 2006, the price increased by 46 (highest) per cent. In 2006 and 2007 the price fell by 3 per cent and increased by 42 per cent in 2007 and 2008 and it was followed by 19 per cent in 2008 and 2009, 28 per cent in 2009 and 2010, 20 per cent in 2010 and 2011 and 34 per cent in 2011 and 2012. The average price during the months of June was Rs.1,424 and it increased by 1
per cent from previous months average ornamental gold price. During the months the increased average price per cent was 26.

During the month of July in 2005 and 2006, the price increased by 58 (highest) per cent. In 2006 and 2007 the price fell to 9 per cent and increased by 48 per cent in 2007 and 2008 and was followed by 13 per cent in 2008 and 2009, 25 per cent in 2009 and 2010, 25 per cent in 2010 and 2011 and 34 per cent in 2011 and 2012. The average price during the months of July was Rs.1,445 and it increased by 1.5 per cent from previous month’s average ornamental gold price. During the months the increased average price per cent was 28.

During the month of August in 2005 and 2006, the price increased by 53 (highest) per cent. In 2006 and 2007 the price fell by 8 per cent and increased by 34 per cent in 2007 and 2008 and was followed by 22 per cent in 2008 and 2009, 28 per cent in 2009 and 2010, 42 per cent in 2010 and 2011 and 16 per cent in 2011 and 2012. The average price during the months of August was Rs.1,471 and it increased by 1.8 per cent from previous month’s average ornamental gold price. During the months the increased average price per cent was 27.

During the month of September in 2005 and 2006 the price increased by 40 per cent and it was followed by 2 (lowest) per cent in 2006 and 2007, 30 per cent in 2007 and 2008, 29 per cent in 2008 and 2009, 22 per cent in 2009 and 2010, 53 (highest) per cent in 2010 and 2011 and 6 per cent in 2011 and 2012. The average price during the months of September was Rs.1,537 and it increased by 4 per cent from previous months average ornamental gold price. During the months the increased average price per cent was 26.

During the month of October in 2005 and 2006 the price increased by 28 per cent and it was followed by 10 per cent in 2006 and 2007, 31 per cent in 2007 and 2008, 25 per cent in 2008 and 2009, 23 per cent in 2009 and 2010, 54 (highest) per cent in 2010 and 2011 and 8 (lowest) per cent in 2011 and 2012. The average price during the months of October was Rs.1,578 and it increased by 3 per cent from previous month’s average ornamental gold price. During the months increased average price per cent was 25.

During the month of November in 2005 and 2006 the price increased by 29 per cent and was followed by 11 per cent in 2006 and 2007, 18 per cent in 2007 and 2008, 42 per cent in 2008 and 2009, 17 per cent in 2009 and 2010, 51 (highest) per cent in 2010 and 2011 and 2 (lowest) per cent in 2011 and 2012. The average price during the months of November was Rs.1,584 and it increased by 0.4 per cent from previous months average ornamental gold price. During the months increased average price per cent was 24.

During the month of December in 2005 and 2006 the price increased by 21 per cent and was followed by 12 per cent in 2006 and 2007, 21 per cent in 2007 and 2008, 38 per cent in 2008 and 2009, 19 per cent in 2009 and 2010, 50 (highest) per cent in 2010 and 2011 and 0.1 (lowest) per cent in 2011 and 2012. The average price during the months of December was Rs.1,616 and it increased by 2 per cent from previous months average ornamental gold price. During the months increased average price per cent was 23. From every year January to December, the price increased by 25 per cent and it moved in bullish trend.
Table 2 Difference among the Ornamental Gold Price Movements - 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>t- value</th>
<th>Sig (2-Tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1</td>
<td>3</td>
<td>2484</td>
<td>169.7793</td>
<td>98.02211</td>
<td>-1.087</td>
<td>0.34</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>2651</td>
<td>206.1755</td>
<td>119.0355</td>
<td>-1.784</td>
<td>0.213</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3</td>
<td>2865</td>
<td>22.54625</td>
<td>13.01708</td>
<td>-0.269</td>
<td>0.811</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>3</td>
<td>2884</td>
<td>117.8855</td>
<td>68.06125</td>
<td>-0.170</td>
<td>0.869</td>
</tr>
</tbody>
</table>

Source: Computed from Primary data

From the Table 2 shows that value for first and second quarter, second and third quarter and third and fourth quarter is -1.087, -1.784 and -0.269 respectively and they are not statistically significant at 5 percent level. It indicates that there was no significant difference in the ornamental gold price movement in all the quarters of the year 2012. The demand for the ornamental gold was more or less same in these quarters.

FINDINGS AND DISCUSSIONS

1. The mean wise comparison indicates that the average ornamental gold price of third and fourth quarter was 585 and 669 respectively. There is no significant difference in the ornamental gold price in the remaining quarters. It indicates that the ornamental gold purchase demand was more in third and fourth quarters.

2. T-value for first and second, second and third and third and fourth quarter is -2.441, -0.312, and 1.708 respectively and which are not statistically significant at 5 percent level. It indicates that there is no significant difference in the ornamental gold price movement in all the quarters of the year 2006.

3. T-value for first and second quarter, second and third quarter and third and fourth quarters - 557, -0.619, and -311 are not statistically significant at 5 percent level. It indicates that there is no significant difference in the ornamental gold price movement in all the quarters of the year 2008.

4. T-value of third and fourth quarter -3.159, 0.036 is statistically significant at 5 percent level. It indicates that there was a significant difference in the ornamental gold price movement in third and fourth quarter in the year 2009. The mean wise comparison indicates that the ornamental gold price, in third and fourth quarter was 1392 and 1559 and they differ significantly.

5. T-value for third and fourth quarter -3.517 is statistically significant at 5 percent level. It indicates that there was a significant difference in the ornamental gold price movement during third and fourth quarter of the year 2010. The mean wise comparison indicates that the ornamental gold price in third and fourth quarter, 1738 and 1867, differs significantly.

6. T-value for first and second quarter is -4.179 and is statistically significant at 5 percent level. It indicates that there was a significant difference in the ornamental gold price movement in first and second quarter of the year 2011. The mean wise comparison indicates that the ornamental gold price in first and second quarters was 1911 and 2058, respectively.

7. Gold is the standard metal to fix the value of the currency among the world so that fixed uniform price in India

8. The government has reduced balanced custom duty against
Gold is a kind of metal so it should not be given much importance. Since 2011 the gold price is increasing continuously due to high demand and various rules formulated by the government. In the international gold market fixes the currency value even though price is not uniformly fixed.

CONCLUSION

The present study concluded that, the price movement of ornamental gold in the years 2006, 2008 and 2012 but in the years 2005, 2007, 2009, and 2010, the third and fourth quarter and in case of the year 2011 first and second quarters showed significant difference among the price movement of ornamental gold. This shows that the bullish or bearish trend of ornamental gold price was decided not only by the demand increased by the buyers due to festivals, important social occasions and feel best investment, but also by other external factors like overall demand of other countries for gold, monetary policy and inflation status of the nation. After analyzing the year and month wise ornamental gold price movements, the researcher has found the per gram average ornamental gold price during the near future. WGC has fixed the uniform price for gold throughout India.

REFERENCES

2. The Associated Chambers of Commerce and Industry of India, India’s Gold Rush: Its Impact and Sustainability, (2011) and RBI websites (www.rbi.org.in)
8. The Hindu, gold price to remain bullish, May 4, 2011.