



Role of Subjective Norm in Investment Decision Making Of Casual Investors

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Abstract: *The present study role of subjective norms in investment decision making of casual investors', the study reveals that casual investors won't take risk always they give the first preference for safety for their invested amount. The demographical factor age, gender, occupation, marital status, income and savings of the casual investors' are considered. The casual investors' awareness level towards investment is too low so awareness program is essential for casual investors' towards the investment avenues.*

Keywords: *investors, decision, Hassan, investment.*

I. INTRODUCTION

The study titled "Role of Subjective Norm in Investment Decision Making of Casual Investors" special reference to Hassan dist. of Karnataka state. The main purposes of the study are to identify how the investment decisions are taken by casual investors. For the study purpose data collected through survey method. The Random Survey used for the study & statistical techniques like chi-square & correlation used for interpretation. The present study conducted for the duration of 3 months from 1st Jan 2015 to 28th Feb 2015.

II. REVIEW LITERATURE

In order to identify the research gap and fix the objective for the specific study certain previous research literature are reviewed. In the literature review earlier studies and articles related to behavioral biases in differences between salaried & business class investor decision making have been read with a view to gain theoretical knowledge in the field of study. Here an attempt is made to look at how age, gender, marital status, income level and savings of affect the investment decision making of the individual investor.

*Masomi and Ghayekhloo (2011)*¹ observed, under the paradigm of traditional financial economics, decision makers are considered to be rational and utility maximizing.

*According to Chandra and Kumar (2008)*² investor rationality is defined as being reasonable and making decisions that are in their best interest.

*Hossain and Nasrin (2012)*³ submission that all possible factors influencing investors' investment decisions are not constant over time and that they may vary widely from investor to investor for distinct demographic features.

*Shaikh and Kalkundrikar (2011)*⁴ argued that the factors influencing investors' investment decisions are based on various demographic factors like age, gender, marital status, level of income, level of market knowledge, educational qualification and the number of dependents.

*Geetha and Ramesh (2012)*⁵ studied the relevance of demographic factors in investment decisions in Tamilnadu, India, and claimed that the demographic factors have a significant influence over some of the investment decision elements, while insignificant influence was found on some other elements.

*Jain and Mandot (2012)*⁶ studying the impact of demographic factors on investment decision of investors in Rajasthan, concluded that various demographic factors like age, marital status, gender, city, income level, market knowledge, occupations and qualifications have a major impact on investment decision of investors.

III. OBJECTIVE OF THE STUDY

- ❖ To study the investors behavior & attitude towards the financial instruments.
- ❖ To identification relationship between demographic & socio economic factors.

IV. METHODOLOGY

For the study purpose the data collected from both primary and secondary sources. The survey method is used for collect the first hand information through structured questionnaires. Secondary data collected from various sources like online search engine, previous research articles, journals etc.

- ❖ Survey techniques : Random survey.
- ❖ Sampling size : 100
- ❖ Sampling unit : Hassan dist. of Karnataka state
- ❖ Statistical techniques : correlation

V. SCOPE OF THE STUDY

1. To know the purchasing power of the people in shares & security.
2. To know about the response of the people regarding the Investment opportunities.
3. The study helps to know the awareness level of the investors about the various investment options available in the market.

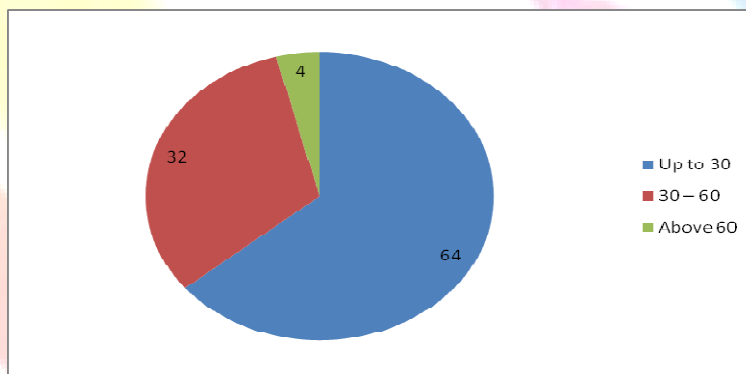
VI. LIMITATIONS

- ❖ The study is restricted to Hassan dist. Of Karnataka state.
- ❖ Some respondents are not provided the proper information about their investment.

VII. DATA ANALYSIS AND INTERPRETATION

Table-1 Age

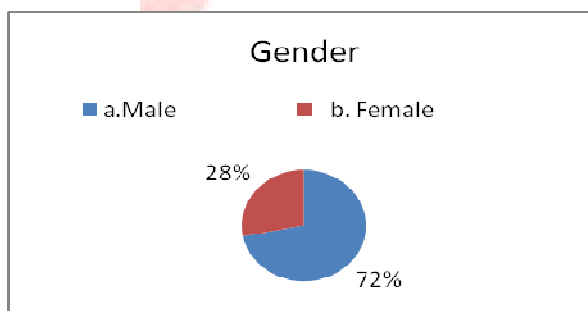
Up to 30	30 – 60	Above 60	Total
64	32	4	100



The above table and graph identifies the age of respondents'. The 64% of respondents are belong to the group below 30 years, 32% of respondents belong to the group of 30 to 60 years and 4% of respondents belong to the age group of more than 60 years.

Table-1 Gender

a. Male	b. Female	Total
72	28	100

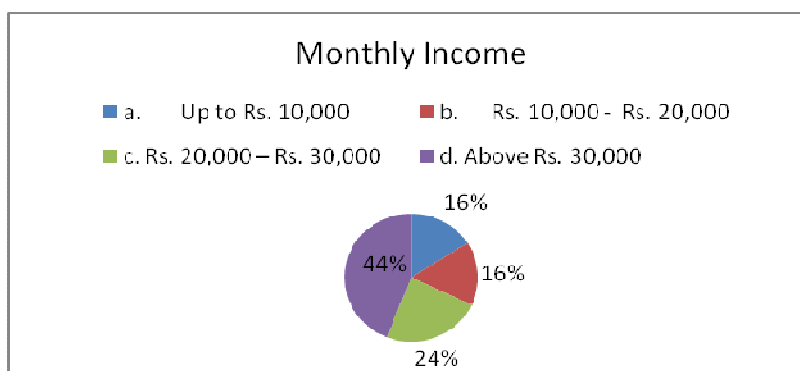


In the above table & charts shows that in the present study 72% of male and 28% of female respondents are selected.

Table-3 Monthly Income



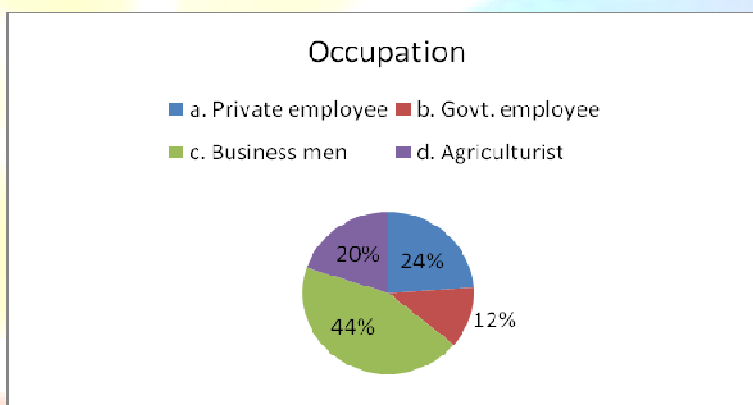
Up to Rs. 10,000	Rs. 10,000 -Rs. 20,000	Rs. 20,000 – Rs. 30,000	Above Rs. 30,000	Total
16	16	24	44	100



The above table and graph shows the monthly income of respondents. 16% of people has the monthly income less than 10000 rupees, 16% of people has the monthly income between 10000 to 20000 rupees, 24% people has the monthly income between 20000 to 30000 rupees and 44% of people has the monthly income of more than 30000 rupees.

Table-4 Occupation

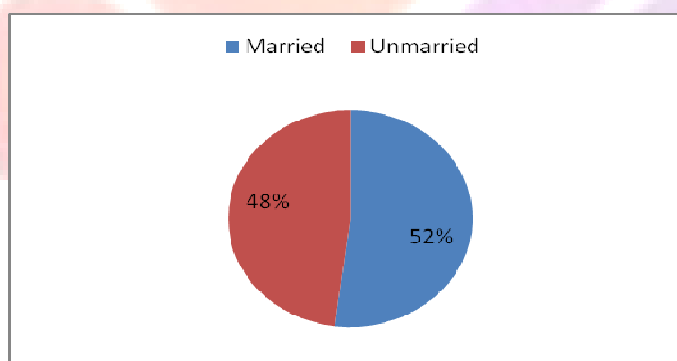
a. Private employee	b. Govt. employee	c. Business men	d. Agriculturist	Total
24	12	44	20	100



The above table and graph identifies the occupation of respondents. 24% of respondents are private employees, 12% are govt. employee, 44% are business men and 20% of respondents are agriculturist.

Table-5 Marital Status

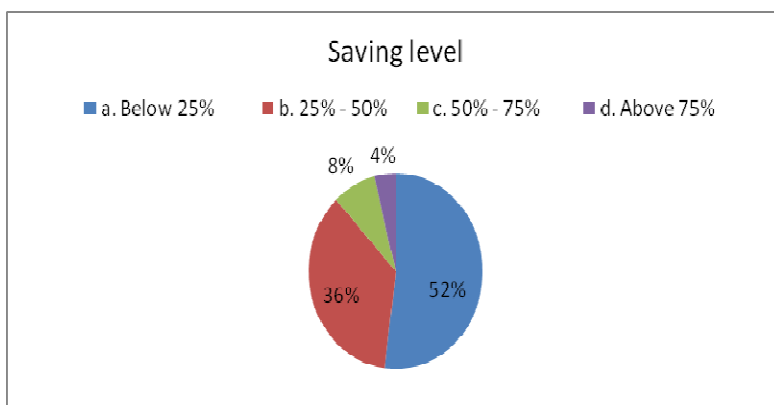
Married	Unmarried	Total
52	48	100



The above table and graph identifies that in the present study 52% are married people and 48% are unmarried people are selected through random sampling method.

Table-6 Saving level on monthly income

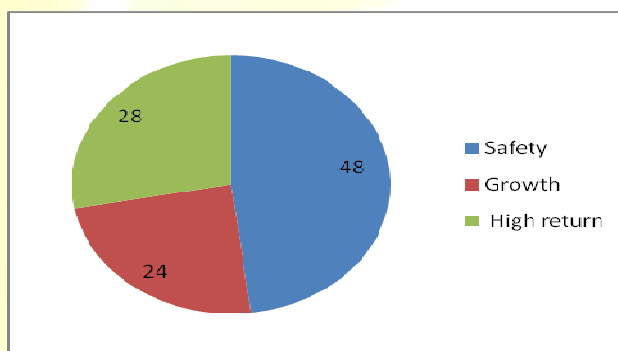
a. Below 25%	b. 25% - 50%	c. 50% - 75%	d. Above 75%	Total
52	36	8	4	100



The above chart and graph shows the saving habit of people. 52% of respondents are saved monthly up to 25%. 36% of respondents are saved monthly 25% to 50%. 8% of respondents are saved monthly 50% to 75% and 4% of respondents are saved monthly above 75% on their monthly income.

Table-7 Factor consider for investment

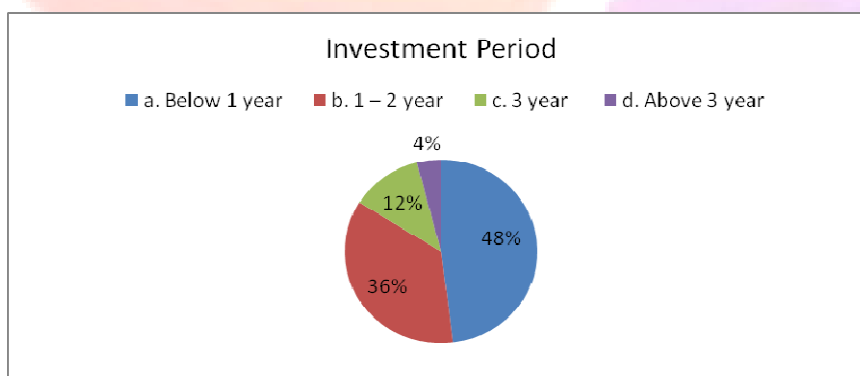
Safety	Growth	High return	Total
48	24	28	100



The above table and graph identified the reasons quoted by respondents for their investment. 48% of respondents invest their saved money for the purpose of safety, only 24% of people opt investment area for growth and 28% people opt the investment for high return.

Table-8 Investment period opt by casual investors

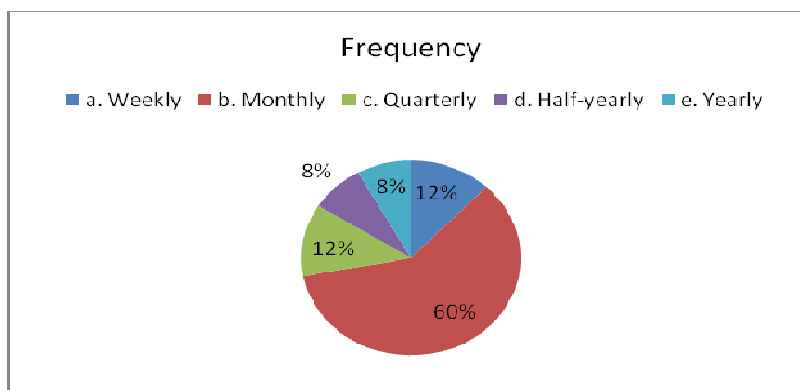
a. Below 1 year	b. 1 – 2 year	c. 3 year	d. Above 3 year	Total
48	36	12	4	100



The above table and graph identify most of the people invest in short term investment i.e, less than 1 year when compare to long term investments.

Table-9 Frequency of investments

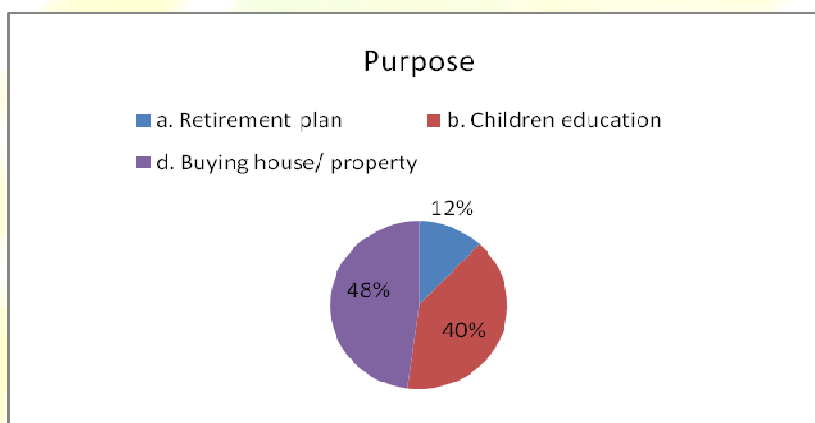
Weekly	Monthly	Quarterly	Half-yearly	Yearly	Total
12	60	12	8	8	100



The above table and graph identify majority of the people consider monthly income for their investment activity. 60% of people invest monthly basis.

Table-10 Purpose you invest the money

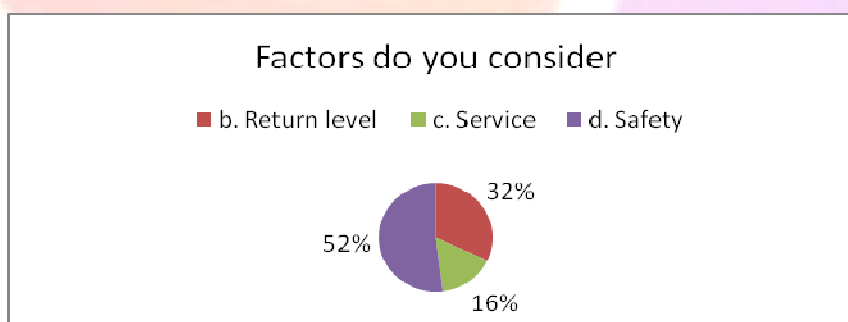
Retirement plan	Children education	Buying house/ property	Total
12	40	48	100



The above table and graph identifies, 48% of the people invest money for purchasing property major reason for invest in property is investors' expect appreciation is taken place in property and other major reason for children education.

Table-11 Factors consider for investing

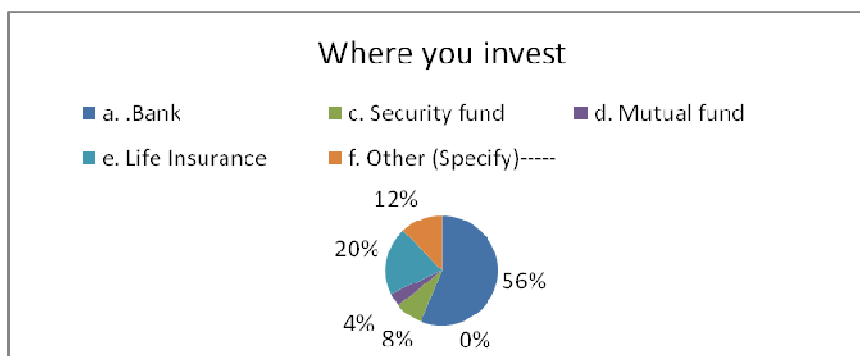
Return level	Service	Safety	Total
32	16	52	100



The above table and graph identifies Safety is considered as one of the major factor for investment and reasonable importance for service. 52% of investors expect high safety, 32% of investors expect high level and 16% of people expect good service from the institution.

Table-12 Where you invest the money

Bank	Security fund	Mutual fund	Life Insurance	Other (Specify)-----	Total
56	8	4	20	12	100



The above table and graph identifies the saving or investment area opted by Hassan people. 56% people preferable to save the money in banks, 8% people preferable for security fund, 4% people preferable for mutual fund, 20% people preferable for life insurance and only 12% people preferable for others. This table clearly identifies the risk bearing and risk free investors' in Hassan.

VIII. FINDINGS

- ❖ In conduct the study most of the people are ready to invest the money in buying house / property.
- ❖ People are most concentrated on safety while investing money.
- ❖ For invest money people are invested in bank. Because of banks is safety for invested money.
- ❖ For a short period Hassan people are ready to invest.
- ❖ Hassan people are not taking too much risk for investing money.
- ❖ In this study people are not consider about the tax saving.



IX. CONCLUSION

The present study briefly identifies the awareness level of casual people in Hassan towards the investment habit. In general all the people blindly investment in investment avenues and expect high level of return so awareness program is essential. The people invest the money in stock market but they expect high level of safety and the same way the person one who save the money in bank expect high level of return. So aware the people towards Investment Avenue, risk and return levels in individual investment avenue must be essential.

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