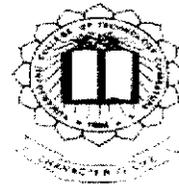


P-2761



**A STUDY ON INVESTMENT PATTERN OF CUSTOMER WITH SPECIAL  
REFERENCE TO BMA WEALTH CREATOR, CHENNAI.**

A PROJECT REPORT  
submitted by

M.GNANASEKARAN  
0720400012



In partial fulfillment of the requirements  
for the award of the degree

of

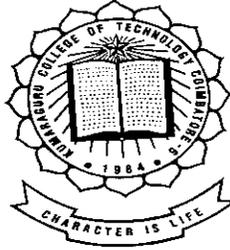
**MASTER OF BUSINESS ADMINISTRATION**

**April, 2009**

KCT Business School  
Department of Management Studies  
**Kumaraguru College of Technology**  
( An autonomous institution affiliated to Anna University, Coimbatore )  
Coimbatore-641 006

*CERTIFICATE*



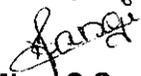


DEPARTMENT OF MANAGEMENT STUDIES  
KUMARAGURU COLLEGE OF TECHNOLOGY  
COIMBATORE

**BONAFIDE CERTIFICATE**

Certified that this project titled “**A STUDY ON INVESTMENT PATTERN OF CUSTOMER WITH SPECIAL REFERENCE TO BMA WEALTH CREATOR, CHENNAI**” is the bonafide work of **M.GNANASEKARAN (Reg. No. 0720400012)** who carried out this research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

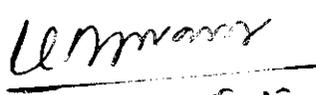
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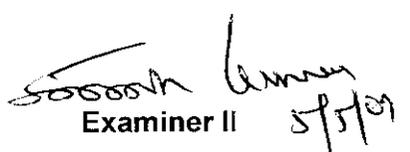
  
**Miss. S.Sangeetha MBA,M.Phil**

  
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**Dr.S.V.Devanathan Ph.D**

Evaluated and viva-voce conducted on..... 5/5/09 .....

  
**Examiner I** 5.5.09.

  
**Examiner II** 5/5/09



**BMA Wealth Creators Pvt. Ltd.**

30.04.09

**To Whomsoever it may concern**

This is to certify that **Mr.M.Gnanasekaran** final year MBA student of **M/S. Kumaraguru College of Technology**, Coimbatore has undergone project study on investment patterns of Customer with special reference to our organization.

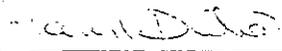
The period of his study during the month of March and to April his attendance, performance, conduct and character are found good.

We wish him all success in his future endeavors.

Thanking You

For BMA Wealth Creators Pvt. Ltd.

Authorized Signatory

  
\_\_\_\_\_  
Harish Dutia

Vice President & Regional Head - South

*DECLARATION*



## DECLARATION

I hereby declare that the dissertation entitled “**A STUDY ON INVESTMENT PATTERN OF CUSTOMER WITH SPECIAL REFERENCE TO BMA WEALTH CREATOR, CHENNAI**” submitted for the **MASTER OF BUSINESS ADMINISTRATION** degree is my original work and the dissertation has not formed the basis for the reward of any Degree, Associate ship, Fellowship or any other similar titles.

  
Signature of the student

# *ACKNOWLEDGEMENT*



## ACKNOWLEDGMENT

Right from the genesis of the every idea to work on the subject to the submission of the research report, I have incurred both intellectual and moral debts to many eminent personalities. Hence, I would like to express my sincere gratitude to them.

First and foremost I am very thankful to the Chairman **Dr. N. Mahalingam** for giving me an Opportunity to pursue this research in the esteemed institution.

I am equally indebted to Principal **Dr. Joseph V. Thanikal**, Kumaraguru College of Technology for his encouragement and inspiration in successful completion of this dissertation.

I wish to extend my gratitude and respectful regards to my guide **Miss.S.Sangeetha MBA, MPhil**, Assistance professor for his benevolent, constant encouragement, untiring help and critical reading of the manuscript to complete this thesis successfully.

I would like to extent my thanks to Library Staff Members of Kumaraguru College of Technology.

I earnestly thank all **My Parents** and **Friends** for their support and constant encouragement given throughout the period of my study.

Above all, I am grateful to God for bestowing me with patience for completion of this research work.

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## **ABSTRACT**

The study entitled “**A study on investment pattern of customer**” was conducted in Chennai with special reference to BMA WEALTH CREATOR. This study was undertaken to know the Investment pattern of investors.

The choice of Investment Avenue of individual investors mainly depends on annual income and the percentage of income allotted for savings. The study on investment pattern gives an idea of the investor's choice based on returns, rating of Mutual fund etc., particularly relating to city.

In this study, I have comprehensively studied the investment pattern, awareness about equity, debt, mutual fund and performance of the investor in various ways of investment avenues. The results have been derived out by the way of analysis and interpretation of the collected data using various criteria like purpose of investment, percentage of income saved and objective of savings.

# *CHAPTER - I*

## *INTRODUCTION*

---

## *INTRODUCTION OF THE STUDY*



# CHAPTER I

## INTRODUCTION

### 1.1 INTRODUCTION OF PROJECT

#### 1.1.1 MEANING OF INVESTMENT:

Investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality of an investment is that it involves "waiting" for a reward. It involves the commitment of resources, which have been saved or put away from current consumption in the hope that some benefits accrue in future.

Broadly speaking, an investment decision is a trade off between risk and return. All investment choices are made at points of time in accordance with the personal investment ends and in contemplation of uncertain future. Investment choices or decision are found to be the outcome of three different but related classes of factors. They are:

#### 1. **Informational premises:**

The factual premises of investment decision are provided by many streams of data which taken together, represent to an investor the observable environment and general as well as particular features of the securities and firms in which he may invest.

#### 2. **Expectation premises:**

Expectation relating to the outcomes of alternative investment is subjective and hypothetical in any case but their foundations are necessarily provided by the environmental and financial facts available to investors.

#### 3. **Valuation premises:**

For investor generally these comprise the structure of subjective preferences for the size and regularity of the income to be received from and for the safety and negotiability of specific investments or combinations of investments, as these are appraised from time to time.

#### **Features of investment:**

- Safety of principal
- Liquidity
- Income stability
- Appreciation and purchasing power stability
- Legality and freedom from care
- Taxability

## **Safety of principal**

The investor to be certain of safety of principal should carefully review the economic and industry trends before choosing the types of investment. Adequate diversification, mixing investment commitments by industry, geographically, by management, by financial type and by maturities, proper combination of these factors would reduce losses. Diversification helps to a great extent in proper investment programming. But it must be reasonably accomplished and should not be carried out to extremes.

## **Liquidity**

Every investor requires a minimum liquidity in his investment to meet emergencies. Liquidity will be ensured if the investor buys a Proportion of readily saleable securities out of his total portfolio. He may therefore keep a small proportion of cash, fixed deposit and units, which can be immediately made liquid. Investment like stocks, property or real estate cannot ensure immediate liquidity.

## **Income stability:**

Regularity of income at a consistent rate is necessary in any investment pattern. Not only stability, it is also important to see that the income is adequate after taxes. It is possible to find out some good securities, which pay practically all their earnings in dividends.

## **Appreciation and purchasing power stability:**

Investor should balance their portfolio to fight against any purchasing power instability. Investors should judge price level inflation; explore the possibility of gain and loss in the investment available to them, limitations of personal; and family considerations. The investors should also try and forecast which securities will possibly appreciate. Purchase of property at the right time will lead to appreciation in time. Growth stock will also appreciate over time. These, however, should be done thoughtfully and not in a manner of speculation or gamble.

## **Legality and freedom from care:**

Law should approve all investment. Law relating to minors, estates, trusts, shares and insurance should be studied. Illegal securities will bring out many problems for the investor. One way of being free from care is to invest in securities like Unit Trust of India or

The management of securities is then left to the care of the trust that diversifies the investment according to safety, Stability and liquidity with the consideration of their investment policy. The identity of legal securities and investment in such securities will also help the investor in avoiding many problems.

### **Tangibility:**

Intangible securities have many times lost their value, due to price level inflation, confiscatory laws or social collapse. Some investors prefer to keep a part of their wealth invested in tangible properties like building, machinery and land. It may, however, be considered that tangible property does not yield an income apart from the direct satisfaction of possession of property.

Investment is a commitment of funds made in the expectation of some positive return. If the investment is properly undertaken, the returns will match with the risk the investor assumes. Investment goals vary from person to person, business to business. While some want security, others give more weightage to returns alone.

There are various types of investments such as real estate, stocks and shares, bonds and debentures, mutual funds, fixed deposits, insurance, national saving certificate etc. As far as the returns are high the risk involved is also more. A concept, which balances the risk and returns, is mutual funds.

Investment is parting with one's fund, to be used by another party, user of fund, for productive activity. It can mean giving an advance or loan or contributing to the equity (ownership capital) or debt capital of a corporate or non-corporate business unit.

Generalized, investment means conversion of cash or money into a monetary asset or a claim on future money for a return. This return is for saving, parting with saving or liquidity and lastly for taking a risk involving the uncertainty about the actual return, time of waiting and cost of getting back funds, safety of funds, and risk of the variability of the return.

The cornerstone of any investment strategy is to maximize the return while maintaining a tolerable risk. The process of allocating assets among several investment categories is a way of achieving the goal. Younger people can assume greater risk than one who is retired; a highly paid executive will be less dependent on current portfolio income

The goal of an individual may be current income, capital appreciation or an acceptable balance. If the investor decides on capital appreciation, the investors should have the personality to ride out major decline in the market . These are decisions that only the investor can make after careful consideration.

## **1.2 CHARACTERISTICS OF INVESTMENT:**

### **1. Risk:**

The risk depends of maturity, creditworthiness, nature of instrument, tax liability, variability of returns, etc

### **2. Return:**

A major factor influencing the pattern of investment is its return, which is the yield plus capital appreciation.

### **3. Safety:**

The safety of capital is the certainty of return of capital without loss of money or time involved.

### **4. Liquidity:**

If a capital asset is easily realizable, saleable or marketable, then it is said to be liquid. An investor generally prefers liquidity for his investments, safety of his funds, a good return with a minimum risk and maximization of return.

## **1.2.2 CLASSIFICATION OF INVESTORS**

Investors can be classified into different groups depending on their attitude towards risk, expectation etc., Each investor also has an indifference point at which his own expectation of return matches with the risk that he can take.

The investor should also be able to assess his own behavior pattern before he aims at a particular goal, which he wishes to attain. In some cases, most of the investors are willing to sacrifice some expected income or return if the income is certain. The higher the income group of an investor the greater will be his desire for purchasing assets which will give him a favorable tax treatment.

**TABLE 1.1**

**Classification of Investors**

TYPE	RISK ACCEPTABLE	TYPE OF INVESTMENT	BEHAVIOR
RISK AVERTERS	LOW RISK	LIFE INSURANCE ,UNIT CERTIFICATES, GOVT CERTIFICATES.	WILL PAY LESS FOR AN UNCERTAIN RETURN
RISK NEUTRALS	MEDIUM RISK	LIFE POLICIES, FIXED DEPOSITS ,MUTUAL FUNDS	WILL PAY EQUAL TO EXPECTED RETURN
RISK TAKERS	HIGH RISK	COMMON STOCKS, BONDS, CONVERTIBLE SECURITIES	WILL PAY MORE THAN EXPECTED RETURN.

## **PSYCHOLOGICAL ASPECTS OF INVESTING:**

It is relatively easy to gain a theoretical understanding of market movements up and down. Beating the market on paper is not that difficult, but actually putting that knowledge to work in the market place on a day-to-day basis is a more difficult task.

Common sense dictates that periodic monitoring of portfolio performance is a necessary part of the investment process, but if we get too close to the market, the tendency is to respond to the events and prices instead of carefully laid criteria. The asset allocation approach as described here makes a valuable contribution to this on going psychological battles that investors have to face. First, the very adoption of the principles of allocation implies that establishment of reasonable investment goals and the employment of a plan. If the investor can make a plan and stick to it, he is far less likely be side tracked by the latest news and investment fashion.

## **1.3 INVESTMENT AVENUES**

### **1.3.1 FIXED DEPOSIT**

The term "fixed" in fixed deposits denotes the period of maturity or tenor. Fixed Deposits, therefore, presupposes a certain length of time for which the depositor decides to keep the money with the bank and the rate of interest payable to the depositor is decided by this tenor. The rate of interest differs from bank to bank and is generally higher for private sector and foreign banks. This, however, does not mean that the depositor loses all his rights over the money for the duration of the tenor decided. The deposits can be withdrawn before the period is over. However, the amount of interest payable to the depositor, in such cases goes down (usually 1% to 2% less than the original rate).

### **BENEFITS OF FIXED DEPOSIT:**

Fixed deposits remain the most popular instrument for financial savings in India. They are the middle path investments with adequate returns and sufficient liquidity. There are basically three avenues for parking savings in the form of fixed deposits. The most common are bank deposits for nationalized banks, the yield is generally low with a maximum interest of 8 to 8.5% per annum for a period of three years or more.

As opposed to that, NBFCs and company deposits are more attractive. The idea is to select the right company to minimize the risk. Company deposits as a saving instrument have declined in popularity over the last three years.

### **1.3.2 POST OFFICE SAVING SCHEMES:**

Post office is a very safe and secure investment avenue. The money is used in the development of the society as a whole, while it provides steady returns. The biggest advantage of investing in post office schemes is the tax benefit that they provide. Thus a lot of savings go through this channel to dual advantage- tax benefits and steady returns.

There are many schemes available in post office savings schemes. The schemes are

1. National saving schemes.
2. Kisan vikas patra.
3. Monthly income schemes.
4. Recurring deposit.
5. Post office savings deposit.

### **1.3.3 LIFE INSURANCE:**

A contract of insurance can be defined as a co-operative device to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to ensure themselves against that risk, Risk is uncertainty of a financial loss. Every risk involves of the loss of one kind or other. The object of the insurance is to spread the loss over a large number of the insurance is to spread the losses over a large number of persons who are agreed to co-operative each other at the time of loss. Though the risk cannot be averted yet the loss occurring due to a certain risk can be Distributed among the agreed persons. Such persons agree to share the loss because the chances of loss i.e., The time and amount to a persons are not known.

Benefits of Insurance:

1. Risk is covered.
2. Capital Appreciation of funds.

### **1.3.4 MUTUAL FUNDS**

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities

The income earned through these investments and the capital appreciations realized are shared by its unit holders in proportion to the number of units owned by them.

### **1.3.5 SHARES/DEBENTURES (NEW ISSUE MARKET):**

New issue market deals with 'new' Securities, i.e., securities which were not previously available and are offered to the investing public for the first time. The market, therefore, derives its name from the fact that it makes available a new block of securities for the public subscription. The stock market on the other hand, is a market for 'old securities' i.e., those, which have already been issued and have been granted stock exchange listing.

### **Secondary Market**

Stock Exchange is an organized market place where securities are traded. These securities are issued by the Government, semi-Government Bodies, Public sector undertakings and companies for borrowing funds and raising resources. Securities are defined as any monetary claims (promissory notes or I.E.) and include stock, shares, debentures, bonds etc. if these securities are marketable as in the case of Government stock; they are transferable by endorsement and are like movable property. They are tradable on the stock Exchange.

### **Benefits of Investment in Shares:**

1. Investors may be entitled to bonus issue that may be made by the company out of the free reserves accumulated through retained earnings over years.
2. Rights: The equity shareholders may be entitled to any further issue of Capital, either as debentures, fully or partly convertible debentures or equity shares, as may be made by the company, depending on its requirements.
3. The equity shareholders being the owners of the company have the right to get the interim dividend within a period of 42 days from the date of declaration of dividends.

4. Any investment in shares is wealth of the investor, which is free from wealth tax.
5. In addition to all the above benefits, the investor in equities enjoys some unique advantages of safety, liquidity and marketability. The investor can readily find a market for selling the equity shares in the Stock Market and encasing the investments at short notice.

### **1.3.6 GOLD**

There are a number of ways of buying gold for investment purposes. Jewellery is not dealt with in this section, although in many countries it is purchased with the dual purposes of adornment and saving.

The distinction between the purchase of physical gold and gaining an exposure to movements in the gold price is not always clear, especially since physical gold can be purchased in some forms without the owner needing to take delivery.

### **1.3.7 REAL ESTATE**

Land and house property is called real estate. This investment is taken by a large number of people for hedging against inflation rate. The investment in the real estate is also very risky. Although the average rate of return is high a cautious investor should not think of property because it has very low liquidity and subject to wide fluctuations in valuation .

### **1.3.8 Equity Share**

Part of the ownership of a company. A person who buys a portion of a company's capital becomes a shareholder in that company's assets and as such receives a share of the company's profits in the form of an annual dividend. Lucky or astute investors may also reap a capital gain as the market value of the shares increases. Shares come in different forms: ordinary shares No special rights (except voting rights) are attached to these, and the bulk of a company's capital is issued this way.

## Types of shares

A company may have many different types of shares that come with different conditions and rights.

There are four main types of shares:

- **Ordinary** shares are standard shares with no special rights or restrictions. They have the potential to give the highest financial gains, but also have the highest risk. Ordinary shareholders are the last to be paid if the company is wound up.
- **Preference** shares typically carry a right that gives the holder preferential treatment when annual dividends are distributed to shareholders. Shares in this category have a fixed value, which means that a shareholder would not benefit from an increase in the business' profits. However, usually they have rights to their dividend ahead of ordinary shareholders if the business is in trouble. Also, where a business is wound up, they are likely to be repaid the par or nominal value of shares ahead of ordinary shareholders.
- **Cumulative preference** shares give holders the right that, if a dividend cannot be paid one year, it will be carried forward to successive years. Dividends on cumulative preference shares must be paid, despite the earning levels of the business.
- **Redeemable** shares come with an agreement that the company can buy them back at a future date - this can be at a fixed date or at the choice of the business. A company cannot issue only redeemable shares.

## 1.4 INDUSTRY PROFILE:

In the 1920s, Mr Bhuramal Agarwalla, founder of the BMA Group, had made a foray into the obscure energy industry with a mission to assume eminence in the coal mining business. Taking inspiration from this, the group has scaled many heights venturing into Refractories, Smelting, Ferrous Alloys, Coke and is leading by example.

The group has successfully fused traditional methods with modern mantra of management to come out with flying colors. The group has taken multifarious initiatives, some of which have already yielded dividends. The group are manufacturers and exporters of ferrous alloys, refractories etc. The holistic production process combines a perfect balance between product availability, manufacturing procedure, quality supply chain and a geographical dispersion of marketing and operations. Over the years the BMA Group has become a single reliable source for resources and a Group you can count on for delivery and quality. Service to the customer goes beyond the sale of products by providing technical advice for economic and efficient applications and maintenance for products supplied by the group companies.

Group companies are:

National Refractories (Prop. Snowtex Udyog Ltd)	Refractories Unit	West Bengal
The Behar Potteries Ltd.	Refractories Unit	West Benga
Anjanery Ferro Alloys Ltd.	Ferro Alloys Unit	Jharkhand
Maithan Alloys Ltd.	Ferro Alloys Unit	West Bengal
Maithan Smelters Ltd.	Ferro Alloys Unit	Meghalaya
Premium Fuels	Metallurgical Coke Unit	West Bengal

Corporate Social Responsibility should be the inherent motive of every business house. The Group BMA takes its commitment seriously and has imbibed this responsibility into its mission. It actively participates in community development through three ways: philanthropy, civic leadership & public policy and grass root efforts. The company provides generous support & leadership to a wide range of organizations that cater to cultural, civic, environmental, health and human services.



BMA Group have substantially contributed to the constructions of the following:

- ▣ Health center in Barakar (W.B)
- ▣ Sri Marwari Vidyala, Barakar (W.B)
- ▣ Sanskrit Vidyala, Vrindavan (U.P)
- ▣ Guru Gangeshwar Bhuramal Nishulk Chikitsa Seva Sansthan, Vrindavan (U.P)
- ▣ Shri Gopalrai Harsukdas Vidya Mandir, Loyal (Rajasthan)

#### **1.4 COMPANY PROFILE :**

It was establish in the year of November 2005. It is three years old company. BMA means that Bharumal agerwala. This head office is in kolkota. The BMA Group is manufactured in manganese ferroloys for the purpose of steel manufacturing. It is number 2<sup>nd</sup> place in the world. The manganese ferroloys is listed in BSE in the name of maithan alloys. BMA wealth creator has more than 600 office in India. The company is trading NSE, BSE, MCX, NCDEX and also mutual fund. This company has 31 mutual fund office around the world.

BMA Wealth Creator model of business is three types. There are

- Direct business
- Indirect through franchisee
- Indirect through remissor.

#### **BMA satisfied customer includes:**

SAIL, TISCO, JINDAL, Usha Martin, Mukand, Electrosteel Casting Ltd., Shah Alloys Ltd. Etc

#### **Products**

- High carbon Ferro Manganese
- High Carbon Ferro Manganese ( Low phos)
- Medium Carbon Ferro Manganese
- Low Carbon Ferro Manganese
- High Carbon Silico Manganese
- Medium Carbon Silico Manganese
- Low Carbon Silico Manganese
- Ferro Silicon

A premier financial services organization providing individual and corporate with customized financial solutions. BMA Wealth Creator work towards understanding investor financial goals and risk profile. BMA expertise combined with thorough understanding of the financial markets results in appropriate investment solutions for investor.

BMA Financial Services primarily focuses on offering diversified financial planning services to corporate & individuals. BMA spectrum of services include financial planning, advising, executing, monitoring of investments & more. With BMA team of financial consultants & experts we ensure to deliver customized solution to all their clients.

BMA offer a wide range of financial services and solutions through company varied services. Wealth Management Services

- Investment Advisory Services
- Securities Broking Equities and Derivatives
- Distribution of Financial Products
- Marketing of Equity and Mutual Fund IPO
- Commodities Broking

#### **HISTORY OF GLANCE:**

Commencement of year	:	Nov 2005
Head office	:	KOLKOTA
Branches	:	600 Branches around india.
Company trading	:	NSE, BSE, MCX, NCDEX.

#### **Schemes offered**

##### **1. Equity scheme**

Nifty plus fund,  
Tax saving fund.

##### **2. Debt fund**

Gilt fund,  
Liquid fund,  
Income fund

## **MISSION**

To be a premier financial supermarket providing integrated investment services.

## **VISION**

To provide integrated financial services building investor wealth and confidence.

### **Financial objective:**

BMA provide full service functions, which include:

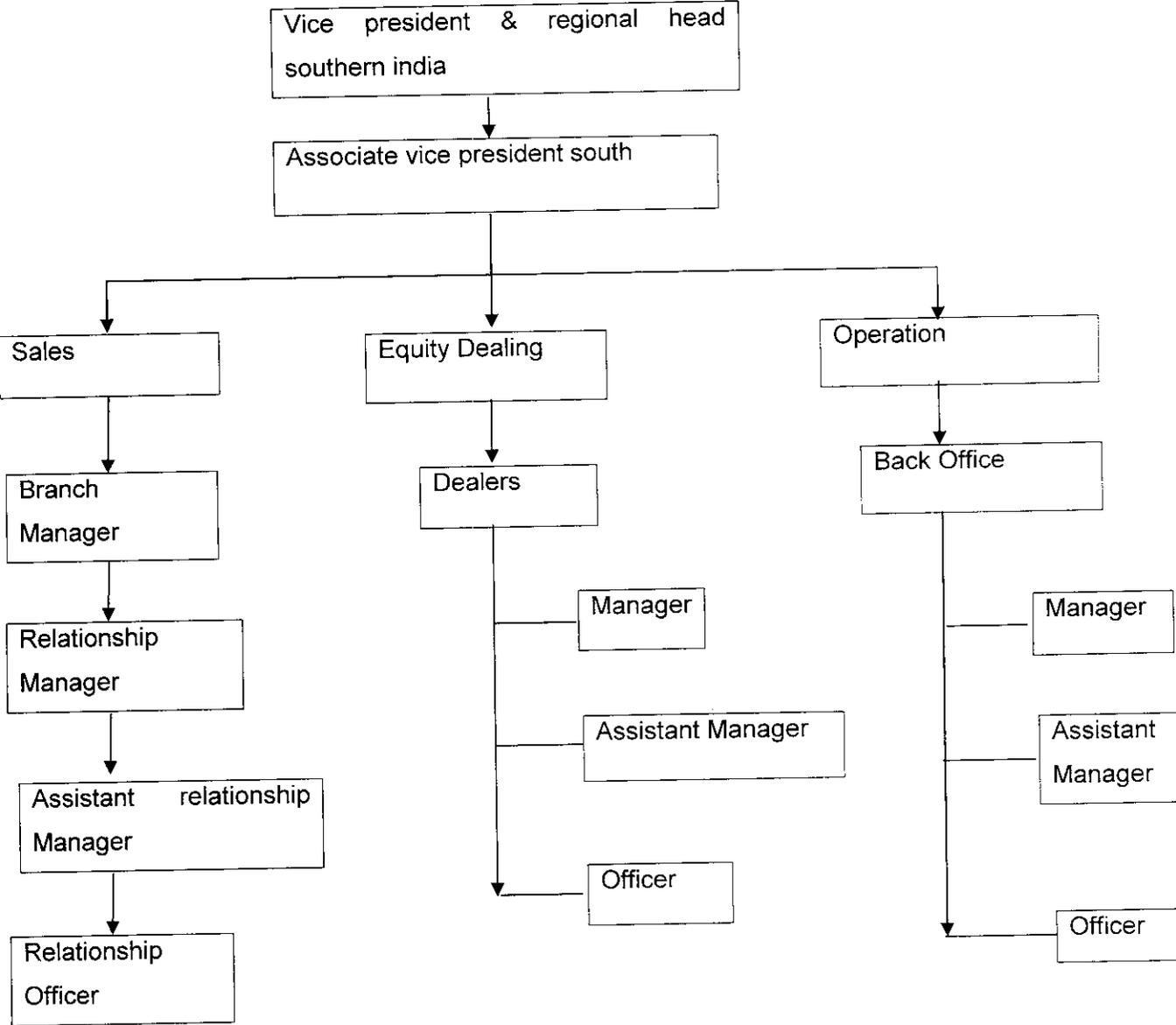
- Planning
- Advising
- Executing

BMA WEALTH CREATORS PVT.LTD. - which holds corporate membership in National Stock Exchange Ltd, Bombay Stock Exchange Ltd. and Central Depositories Securities Ltd

BMA COMMODITIES PVT. LTD. - which holds corporate membership in commodities exchange of NCDEX and MCX. It is also is SEBI approved AMFI registered Mutual Fund advisory and intermediary.

BMA wealth creator inherit the legacy of BMA group which has been one of the dominant entities in Ferrous and Ferro Alloy industry in India. The BMA Group has created its niche in by promoting successful ventures in the fields of coal mining, refractory, steel and ferro alloy. The strive to achieve excellence and dynamic growth has been possible through optimum mix of technology, customer orientation, best business practices, forging alliances, high quality standards and proactive business culture.

**ORGANISATION CHART:**



## *CHAPTER - II*

### *THEMES OF THE PROJECT*

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## **CHAPTER II**

### **THEMES OF THE PROJECT**

#### **2.1 OBJECTIVES OF STUDY**

##### **Primary Objective:**

- To study the investment level of investors in Chennai.
- To study the factors influencing the respondents to invest in BMA.

##### **Secondary objective**

- To identify investors profile.
- To find out the factors which influence the investors to invest in the share market.

To bring out the factors which the investors keep in mind before selecting a particular security

#### **2.2 SCOPE OF THE STUDY:**

This study helps to know about the factors that influences the investor to invest securities, and awareness they have towards the various securities that are available

- 1 This study can extend to get the feedback from the customer about the company strategies.
- 2 Today though mutual funds is one of the preferred areas of investment, it has its own drawbacks such as its dependence on equity markets, liquidation is available only on the fourth working day, attracts capital gain taxes etc.
- 3 The study is carried out at BMA because; BMA Stock Broking Limited is supposed to be one of the largest distributors for all the securities across India.

#### **2.3 LIMITATIONS OF THE STUDY**

- The time period of study was confined to only for 2 months.
- The study was conducted to only 150 individuals.
- The geographical area restricted to Chennai T.nagar area only.

## **2.4 RESEARCH METHODOLOGY**

### **2.4.1 RESEARCH DESIGN**

The research design that is adopted in this study is **descriptive design**. Descriptive research is used to obtain information concerning the current status of the phenomena to describe, "what exists" with respect to variables or conditions in a situation. The focus of this study was on self-reported decisions made by various investors regarding the investment patterns of investor in various securities. Thus it involves Statement of the problem, Identification of information needed to solve the problem, Selection or development of instruments for gathering the information, Identification of target population and determination of sampling procedure, Design of procedure for information collection, Collection of information, Analysis of information, Generalizations and/or predictions.

### **2.4.2 SAMPLING DESIGN**

#### **2.4.2.1 Sample size:**

The study based only on the opinion and expectation of investor. Total number of sampling size of investor is 150.

### **2.4.3 SAMPLING TECHNIQUE:**

The sampling technique used is **simple random sampling**. Simple random sampling is also known as "probability sampling" or "chance sampling". Under this sampling design, every item of the universe has an equal chance of inclusion in the sample.

### **2.4.4 SAMPLE UNIT:**

Individuals, families, corporate, partnership firms and sole proprietors were the target respondent groups from which the data were collected.

### **2.4.5 DATA SOURCES**

Data were collected through both primary and secondary data sources. Primary data was collected through questionnaires. The research was done in the form of direct personal

#### **2.4.5.1 PRIMARY DATA**

A primary data is a data, which is collected afresh and for the first time, and thus happen to be original in character. The primary data with the help of questionnaire were collected from various investors.

#### **2.4.5.2 QUESTIONNAIRE DESIGN**

Proper care has been taken to ensure that the information needed match the objectives, which in turn match the data collected through the questionnaire. The basic cardinal rules of Questionnaire design like using simple and clear words, the logical and sequential arrangement of questions has been taken care of. A well structured questionnaire was used for this study.

#### **2.4.5.3 SECONDARY DATA**

Secondary data consist of information that already exists somewhere, have been collected. Secondary data is collected from company websites, company fact sheets, magazines and brochures.

#### **2.4.6 STATISTICAL TOOLS**

The statistical tools used for this analysis are:

##### **Chi-square test:**

Chi Square tests can be used to determine whether the two attributes are independent of each other if the population is classified into several categories with respect to two attributes. Chi-square is a non-parametric test of statistical significance for bi variate tabular analysis. A non-parametric test, like chi square, is a rough estimate of confidence.

Chi-square is used most frequently to test the statistical significance of results reported in bivariate tables and interpreting bivariate tables is integral to interpreting the results of a chi-square test.

## CHI - SQUARE TEST METHOD

The Chi - square method is the application of testing the significant difference between observed and expected values.

### STATISTICAL TEST:

$$\begin{aligned} \text{Chi - square test } (\chi^2) &= \sum \frac{(O - E)^2}{E} \\ \text{Degree of freedom} &= (R - 1) (C - 1) \\ \text{Whereas, } O &= \text{Observed frequency} \\ E &= \text{Expected frequency} \\ R &= \text{Number of rows} \\ C &= \text{Number of columns} \end{aligned}$$

$$\text{Expected Frequency} = \frac{\text{Row Total} \times \text{Column Total}}{\text{Grand Total}}$$

Level of significance ( $\alpha$ )

A value indicating the percentage of sample values that is outside certain limits, assuming the null hypothesis is correct, that is, the probability of rejecting the null hypothesis when it is true.

### Simple Percentage analysis:

Percentages are calculated and in certain cases percentages along with cross tabulation has been calculated. Percentage refers to a special kind of ratio in making comparison between two or more data and to describe relationships. Percentage can also be used to compare the relation terms the distribution of two or more sources of data.

$$\text{Percentage of Respondents} = \frac{\text{Number of Respondents}}{\text{Total Respondents}} \times 100$$

## 2.5 REVIEW OF LITERATURE

### 2.5.1 INTRODUCTION

The literature review section examines recent (or historically significant) research studies, company data, or industry reports that acts as a basis for the proposed study. The literature review may also explain the need for the proposed work to appraise the shortcomings and / or informational gaps in secondary data sources. The researcher may review two types of literature – the conceptual literature, and the empirical literature. The purpose is “to locate the present research in the existing body of research on the subject and to point out what it contributes to the subject.

### 2.5.2 REVIEW OF LITERATURE

**Giofré, Maela.M<sup>1</sup>** (2008) said that using weekly aggregate investment flow from Japan, the researcher study the investment patterns and performance of foreign investors, individual investors, and five types of institutional investors. Securities firms, banks, and foreign investors perform well over the sample period. Individual investors perform poorly. The researcher also find that foreign investor trading is associated with positive feedback market timing and that this trading earns high returns.

Alternatively, individual investors use positive feedback trading in their market timing but earn low returns. Consequently, researcher document evidence consistent with information-based models (foreign investors) and behavioral-based models (individual investors). It is a particularly new and interesting finding that evidence of both information-based trading and behavioral-based trading occurs in the same market.

**Garland, M. W<sup>2</sup>** said that non professional investors display a much higher degree of home bias than financial investors suggesting that they might be more severely affected by information asymmetry issues. In particular, non professional investors, having less easy access to information on foreign firm-specific characteristics than institutional investors, will rely more heavily on country-specific factors. They test this conjecture restricting the analysis to foreign equity portfolios of four European investing countries -France, Italy, Spain and Sweden. We find, indeed, that households' portfolios are more strongly influenced by proximity variables, transparency of the destination stock market and, even more interestingly, by common-listing in the Euronext platform.

**Li and Resnick<sup>3</sup>** said that the acceleration of foreign direct investment flows has spawned a vast body of scholarly research designed to assess both the qualitative impact of increasingly mobile capital on host countries, and the determinants surrounding its geographic location in the international system. Much of the work on the causes of FDI inflows arising from the political economy subfield investigates investors' preferences for democratic versus non-democratic governments.

**Carey and Shugart<sup>4</sup>** said that borrowing from the growing institutionalist literature positing a connection between institutional design and aggregate economic outcomes. I test the proposition that candidate-centered electoral systems that necessitate legislators cater to parochial interests, as opposed those of wider interest, increase total incoming FDI. Succinctly, because of the localized benefits connected to foreign investment, legislators elected from decentralized electoral systems are drawn into an aggressive competition for scarce capital. The theorized link between electoral systems and the pursuit of FDI reconciles the discrepancy between political economy's concentration upon regime's commitment to MNEs property rights influences investment decisions and the voluminous economics literature exploring competition within the OECD for FDI. I test this hypothesis for a sample of OECD countries from 1973 to 1996 and find compelling statistical and qualitative support for this relationship.

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Garland, M. W<sup>2</sup>"The Institutional Determinants of Foreign Direct Investment Patterns: Evidence from the OECD.

Li and Resnick<sup>3</sup> (2003).

Carey and Shugart<sup>4</sup> (2007)

**Michael J. Robinson**<sup>5</sup> said that provide a systematic analysis of the bilateral factors driving portfolio equity holdings across countries. they find that bilateral equity holdings are strongly correlated with bilateral trade in goods and services. Larger bilateral positions are also associated with proxies for informational proximity.

Classical or neo-classical economic theories do not adequately explain institutional investment patterns in troubled corporations. Macroeconomic perspectives contend that abstract market forces direct investment capital away from troubled companies, and that bankruptcy weeds weak firms out of the economy for the general good. Microeconomic perspectives focus on the seemingly autonomous decisions of firms and their managers, where bad management leads to troubled and bankrupt firms and a corresponding loss of investment in these companies. Neither perspective is useful for understanding recent patterns of institutional investment. A more critical, sociological perspective for understanding these investment patterns has two main threads.

First, investment activity is embedded in more general social relationships and cannot be understood strictly on "economic" grounds and with "economic" ideas. Second, social power—rather than abstract market forces—is critical in fostering specific investment patterns. More specifically, the organizational power of large financial firms may be the pivotal factor shaping investment patterns in troubled companies. Recent case studies of troubled and bankrupt corporations demonstrate the usefulness of this more sociological perspective, and suggest areas for future research.

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**Michael J. Robinson**<sup>5</sup> Investment Patterns of Informal Investors in the Alberta Private Equity Market, 2006.

## *CHAPTER - III*

### *ANALYSIS & INTERPRETATION*

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**CHAPTER III**  
**DATA ANALYSIS AND INTERPRETATION**  
**Simple Percentage Analysis**

**Table No: 3.1**

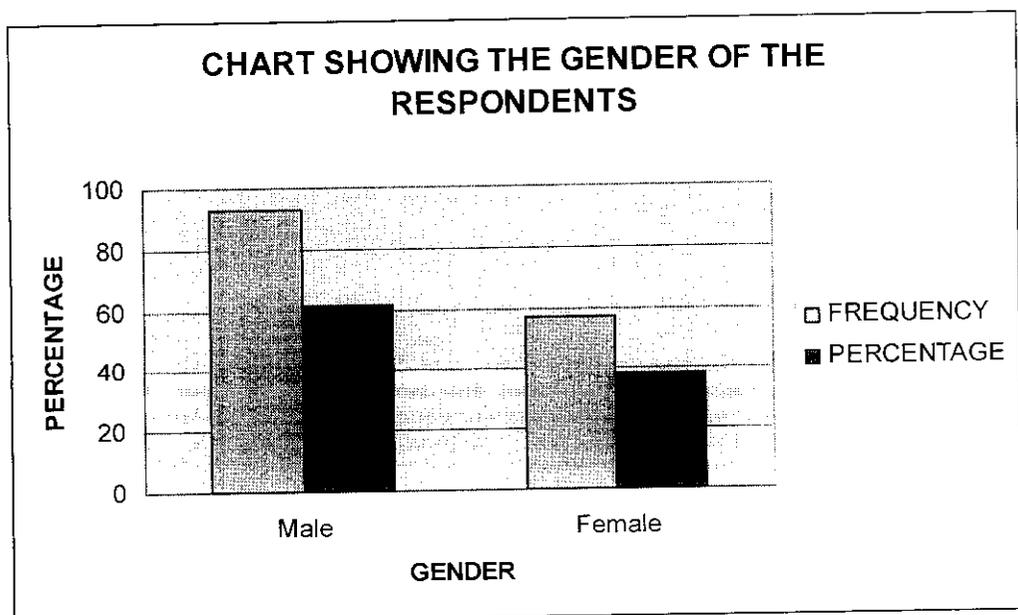
**Table showing the gender of the respondents**

S.NO	GENDER	FREQUENCY	PERCENTAGE
1	Male	93	62
2	Female	57	38
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 62% of respondents are the male and 38% of respondents are the female.

**CHART NO: 3.1**



**Table No: 3.2**

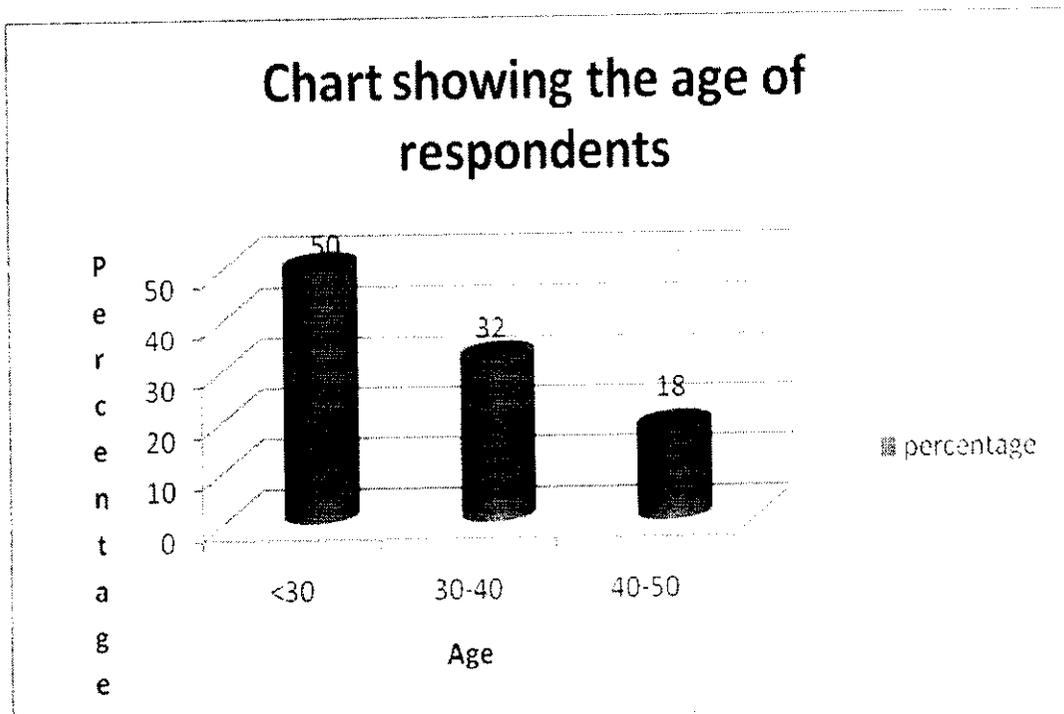
**Table showing the age of the respondents**

S.NO	AGE	FREQUENCY	PERCENTAGE
1	Below 30	75	50
2	30 – 40	48	32
3	40 – 50	27	18
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 50% of respondents are belong to the age group of below 30 years, 32% of respondents are belong to the age group of 30-40 years, 18% of respondents are belong to the age group of 40-50 years, 0%of respondents are belong to the age group of above 50 years.

**CHART NO: 3.2**



**Table No: 3.3**

**Table showing the qualification of the respondents**

S.NO	QUALIFICATION	FREQUENCY	PERCENTAGE
1	School Level	30	20
2	Under Graduate	66	44
3	Post Graduate	42	28
4	Professional	12	8
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 20% of the respondents are the qualification up to school level, 44% of the respondents are Under Graduate, 28% of the respondents are Post Graduate, 8% of the respondents are professionals.

**CHART NO: 3.3**

**Chart showing the qualification of respondents**

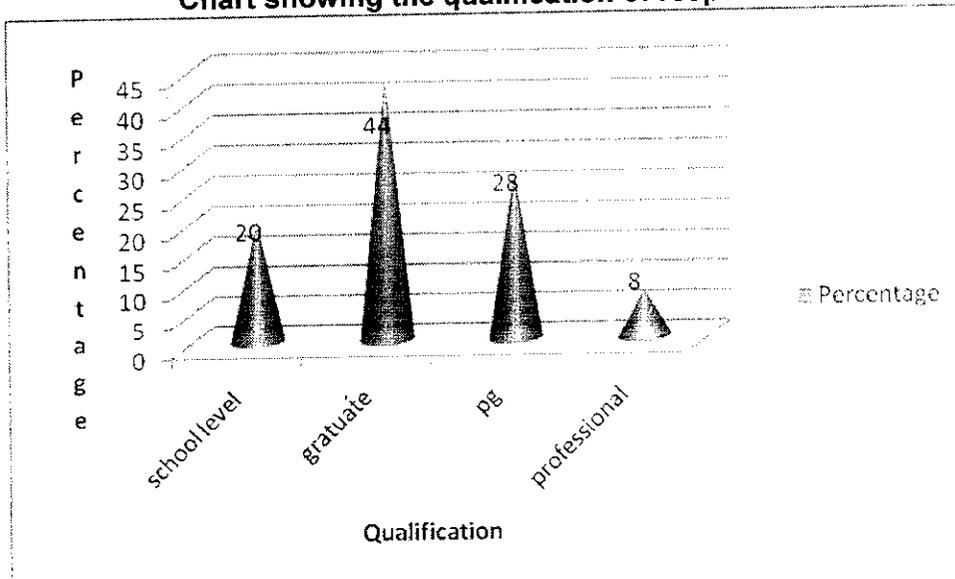


Table No: 3.4

Table showing the occupation of the respondents

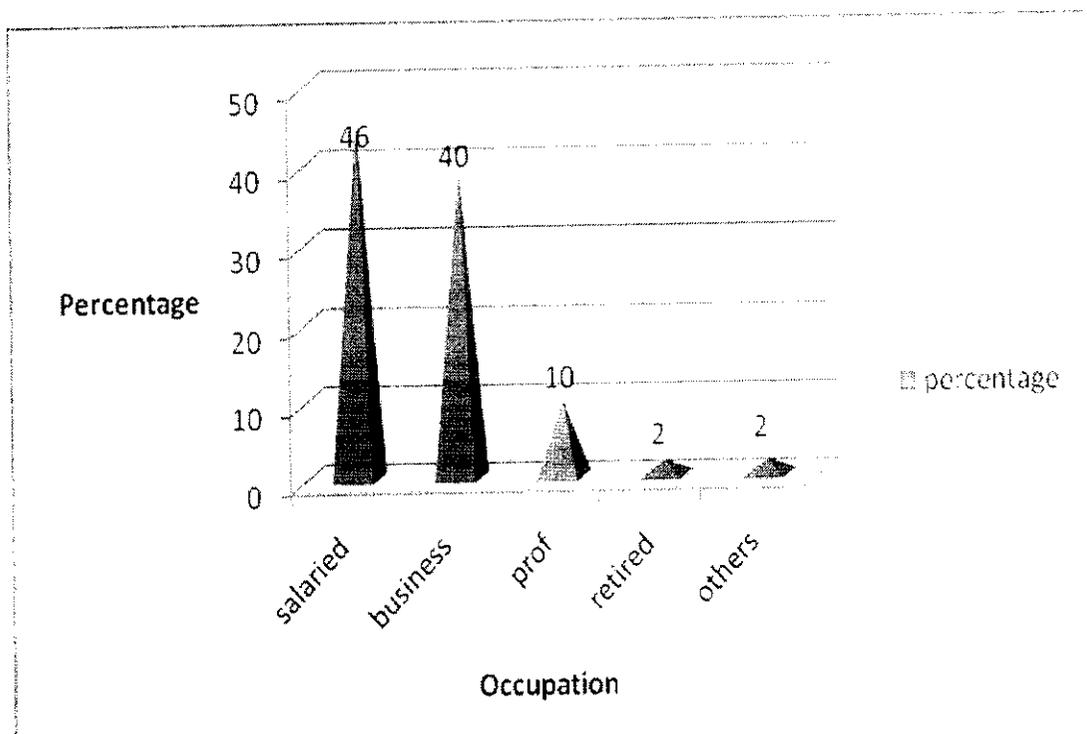
S.NO	OCCUPATION	FREQUENCY	PERCENTAGE
1	Salaried	69	46
2	Business	60	40
3	Professional	15	10
4	Retired	3	2
5	Others	3	2
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 46% of respondents are salaried, 40% of respondents are business people, 10% of respondents are professional, 2% of respondents are retired, 2% of respondents are others.

CHART NO: 3.4

Chart showing the occupation of respondents



**Table No: 3.5**

**Table showing the annual income of the respondents**

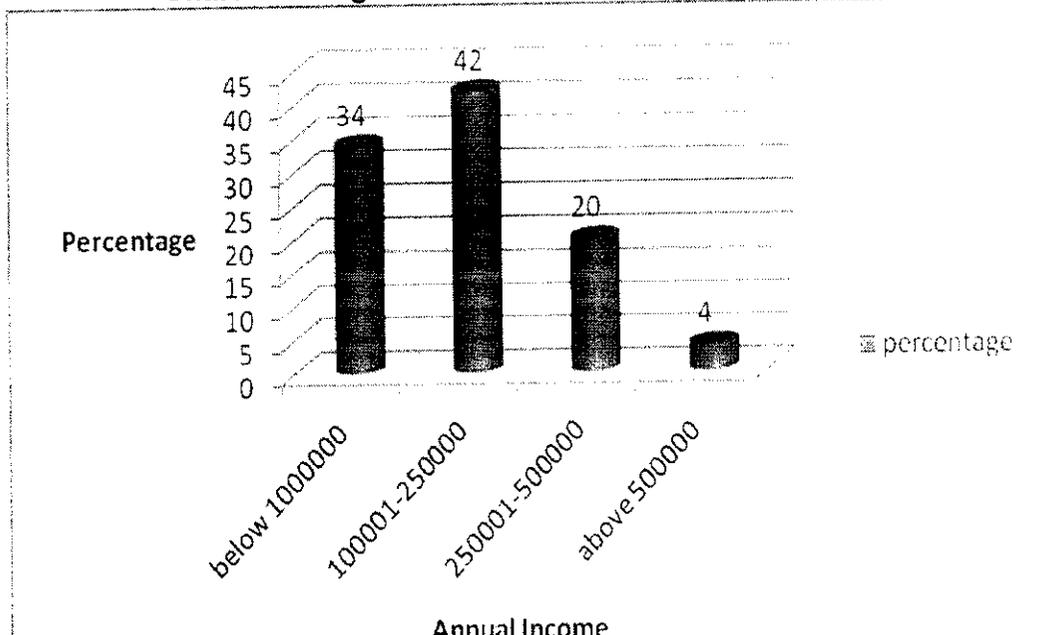
S.NO	ANNUAL INCOME	FREQUENCY	PERCENTAGE
1	Below Rs100000	51	34
2	Rs 100001 –Rs 250000	63	42
3	Rs 250001 – Rs 500000	30	20
4	Above Rs 500000	6	4
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 34% of respondent's income is below 100,000, 42% of respondent's income is Rs 100,001 to Rs 250,000, 20% of respondent's income Rs 250,000 to Rs 500,000, 4% of respondent's income is above Rs 500,000.

**CHART NO: 3.5**

**Chart showing the annual income of respondents**



**Table No: 3.6**

**Table showing the investment in stock broking centre**

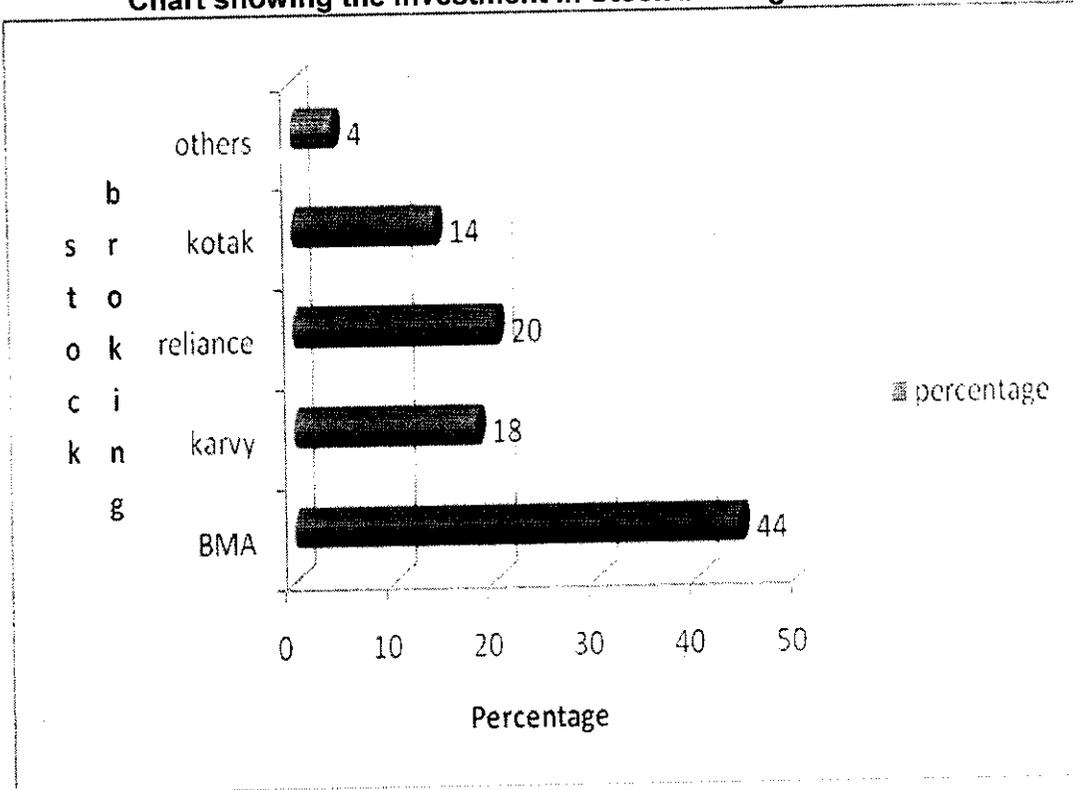
<b>S.NO</b>	<b>STOCK BROKING</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>1</b>	BMA	66	44
<b>2</b>	Karvy	27	18
<b>3</b>	Reliance	30	20
<b>4</b>	Kotak	21	14
<b>5</b>	Others	6	4
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 44% of the respondents invest in BMA, 18% of the respondents invest in Karvy, 20% of respondents invest in Reliance, 14% of respondents invest in Kotak Securities, 4% of respondents invest in others.

CHART NO: 3.6

Chart showing the Investment in Stock broking centre



**Table No: 3.7**

**Table showing the year of investment in share market**

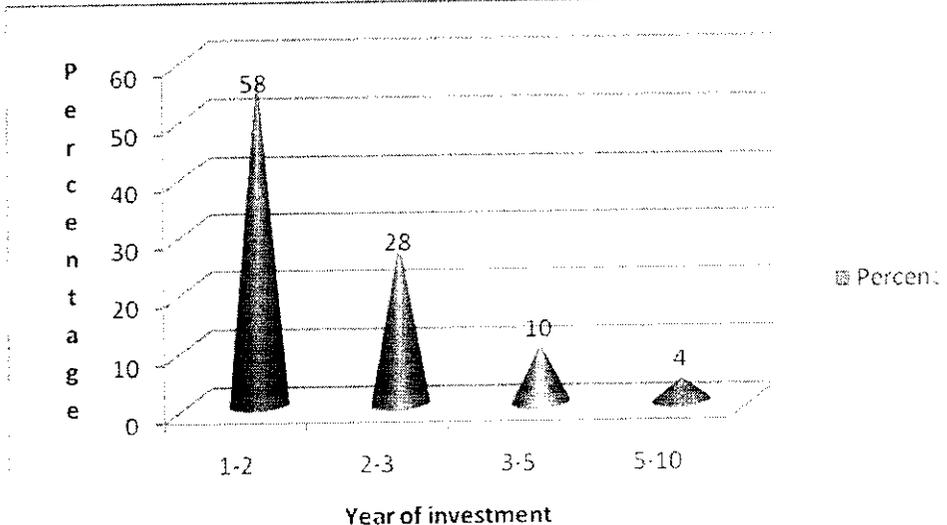
S.NO	YEARS	FREQUENCY	PERCENTAGE
1	1 – 2	87	58
2	2 – 3	42	28
3	3 – 5	15	10
4	5 – 10	6	4
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 58% of respondents time horizons of investment is 1 to 2 years, 28% of respondents time horizons of investment is 2 to 3 years, 10% of respondents time horizons of investment is 3 to 5 years, 4% of respondents time horizons of investment is 5 to 10 years.

**CHART NO: 3.7**

**Chart showing Year of investment in share market**



**Table No: 3.8**

**Table showing the value of investment**

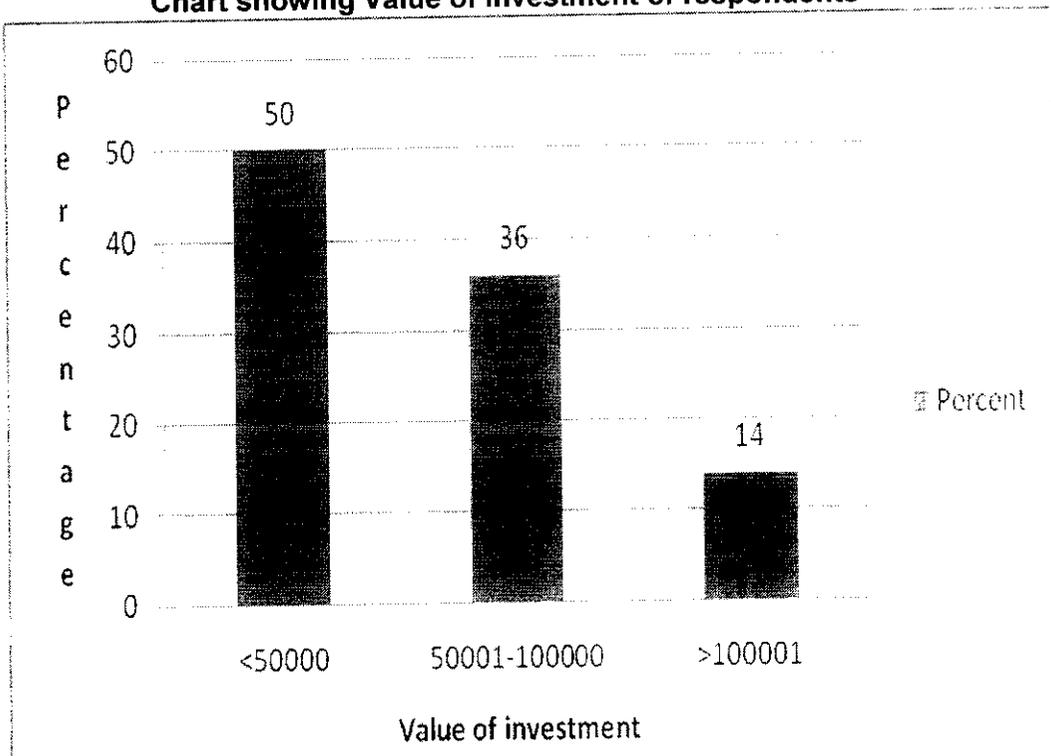
S.NO	VALUE	FREQUENCY	PERCENTAGE
1	Below Rs 50000	75	50
2	Rs 50001 – Rs 100000	54	36
3	Above Rs 100000	21	14
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 50% of the respondents investment is less than Rs 50,000, 36% of the respondents investment is Rs 50,001 to Rs 100,000, 14% of respondents investment is above Rs 100,000.

**CHART NO: 3.8**

**Chart showing Value of investment of respondents**



**Table No: 3.9**

**Table showing the frequency of the respondents**

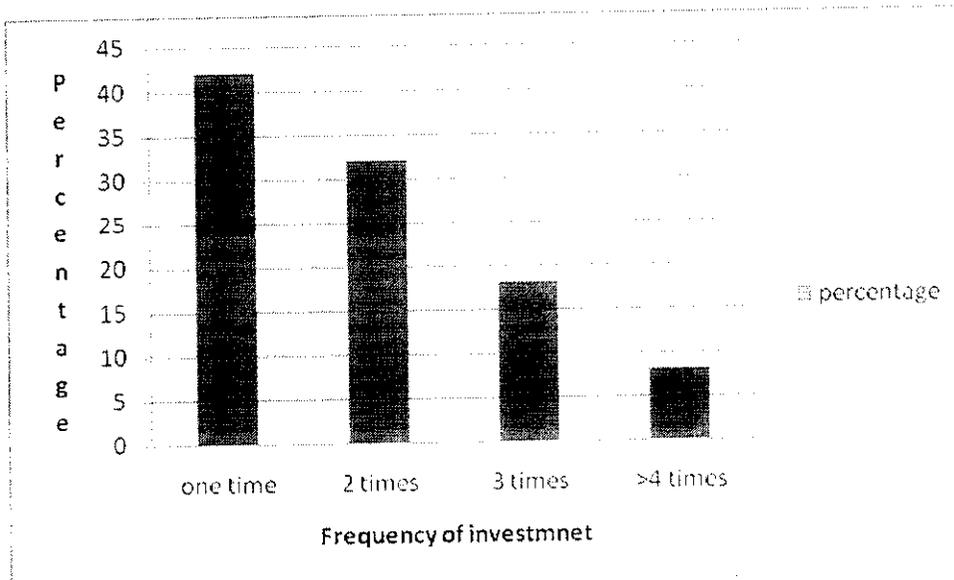
S.NO	FREQUENCY OF INVESTMENT	FREQUENCY	PERCENTAGE
1	ONE TIME	63	42
2	2 TIMES	46	32
3	3 TIMES	27	18
4	ABOVE 4 TIMES	12	8
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 42% of the respondents frequency of investment is one time per year, 32% of the respondents frequency of investment is 2 times per year, 18% of respondents frequency of investment is 3 times per year, 8%of respondents frequency of investment is above 4 times per year.

**CHART NO: 3.9**

**Chart showing the Frequency of investment of respondents**



**Table No: 3.10**

**Table showing the source of influence of the respondents**

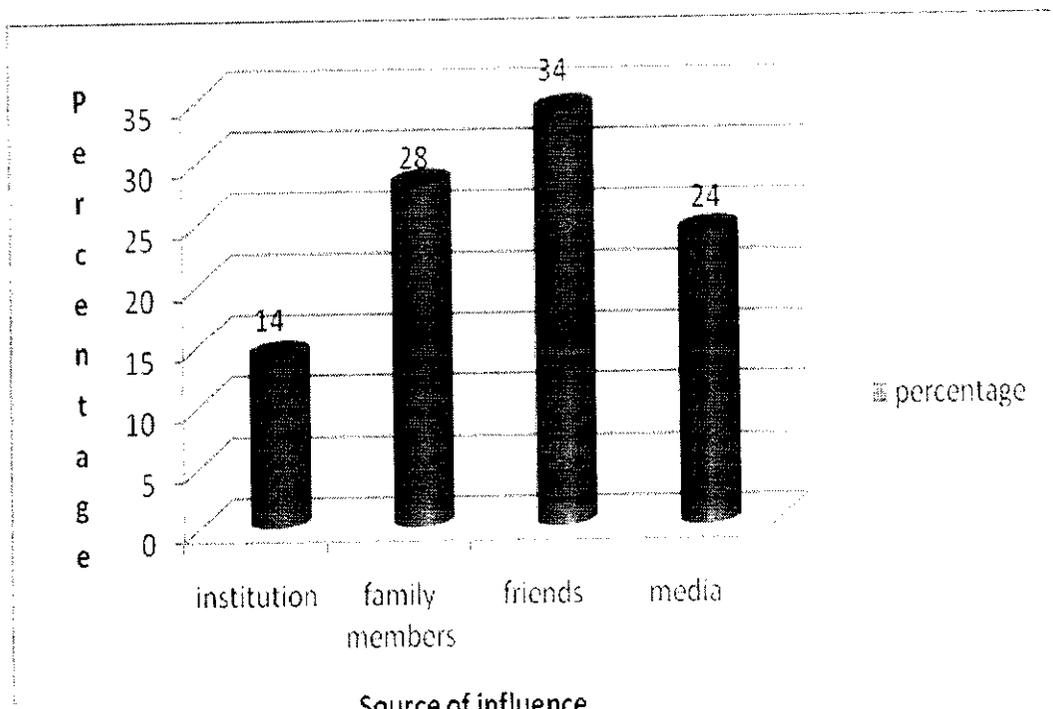
S.NO	SOURCE OF INFLUENCE	FREQUENCY	PERCENTAGE
1	Institution	21	14
2	Family Members	42	28
3	Friends	51	34
4	Media	36	24
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 14% of investors are influenced through Institution, 28% of investors are influenced through family members, 34% of investors are influenced through friends, 24% of investors are influenced through media.

**CHART NO: 3.10**

**Chart showing the Influenced to invest in share market**



**Table No: 3.11**

**Table showing the factor consider before investing in share market**

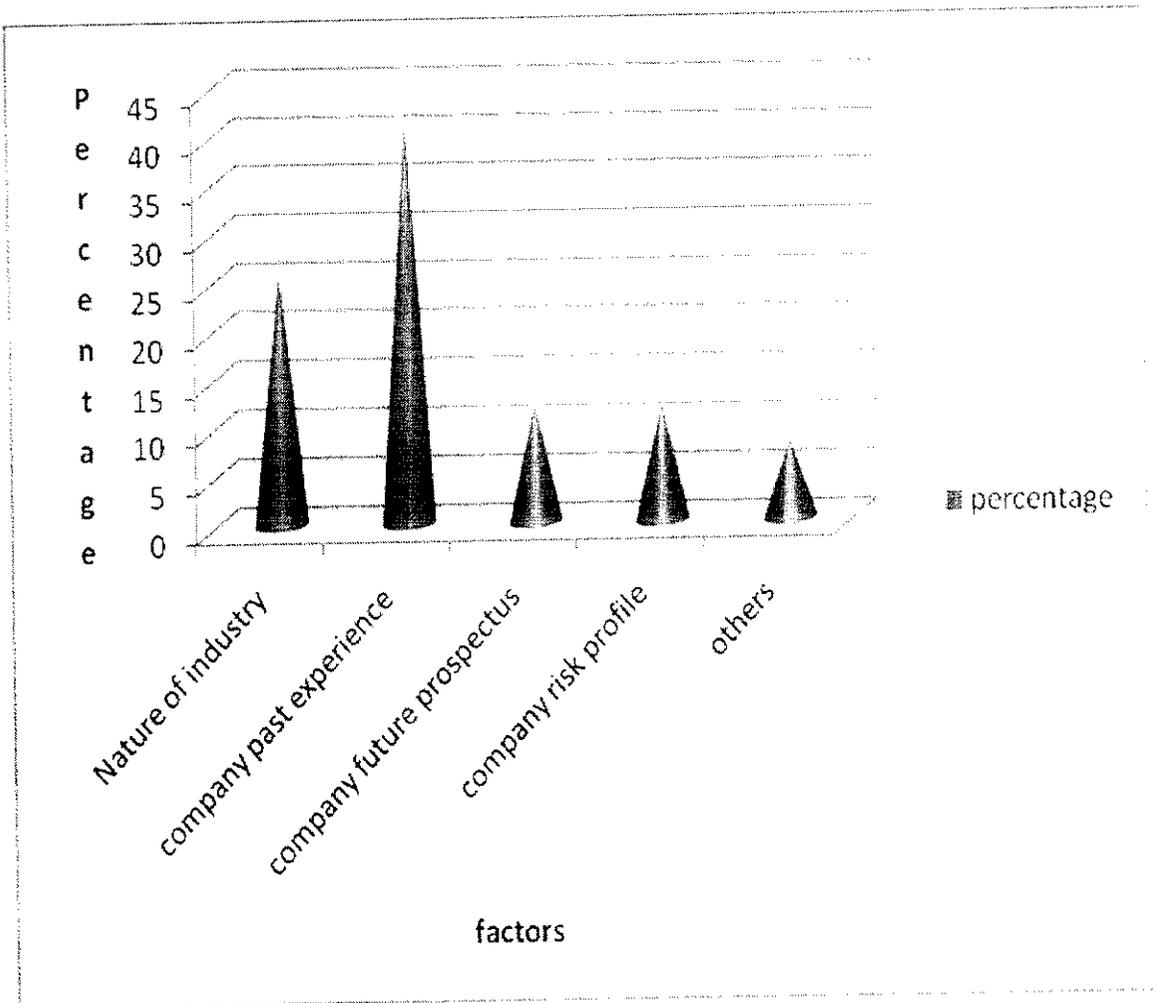
<b>S.NO</b>	<b>FACTORS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
1	Nature of industry	39	26
2	Company past experience	63	42
3	Company future prospectus	18	12
4	Company risk profile	18	12
5	Others	12	8
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

### **Inference**

The above table shows that 26% of the investors considered nature of industry, 42% of the investors considered Company past performance before making investment, 12% of the investors considered Company future prospects, 12% of the investors considered Company risk profile and 8% of investor considered others.

CHART NO: 3.11

Chart showing the factor consider before investing in share market



**Table No: 3.12**

**Table showing the selecting a specific securities of the respondents**

<b>S.NO</b>	<b>SELECTING A SECURITIES</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>1</b>	Fundamental analysis	45	30
<b>2</b>	Technical analysis	36	24
<b>3</b>	Tips from investment broker	42	28
<b>4</b>	Own experience	27	18
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

### **Inference**

The above table shows that 30% of the investors select securities based on their fundamental analysis, 24% of the investors select securities based on their technical analysis, 28% of the investors select securities based on their tips from investment consultant / broker, 18% of the investors select securities based on their own experience.

CHART NO: 12

Chart showing the selecting a specific securities

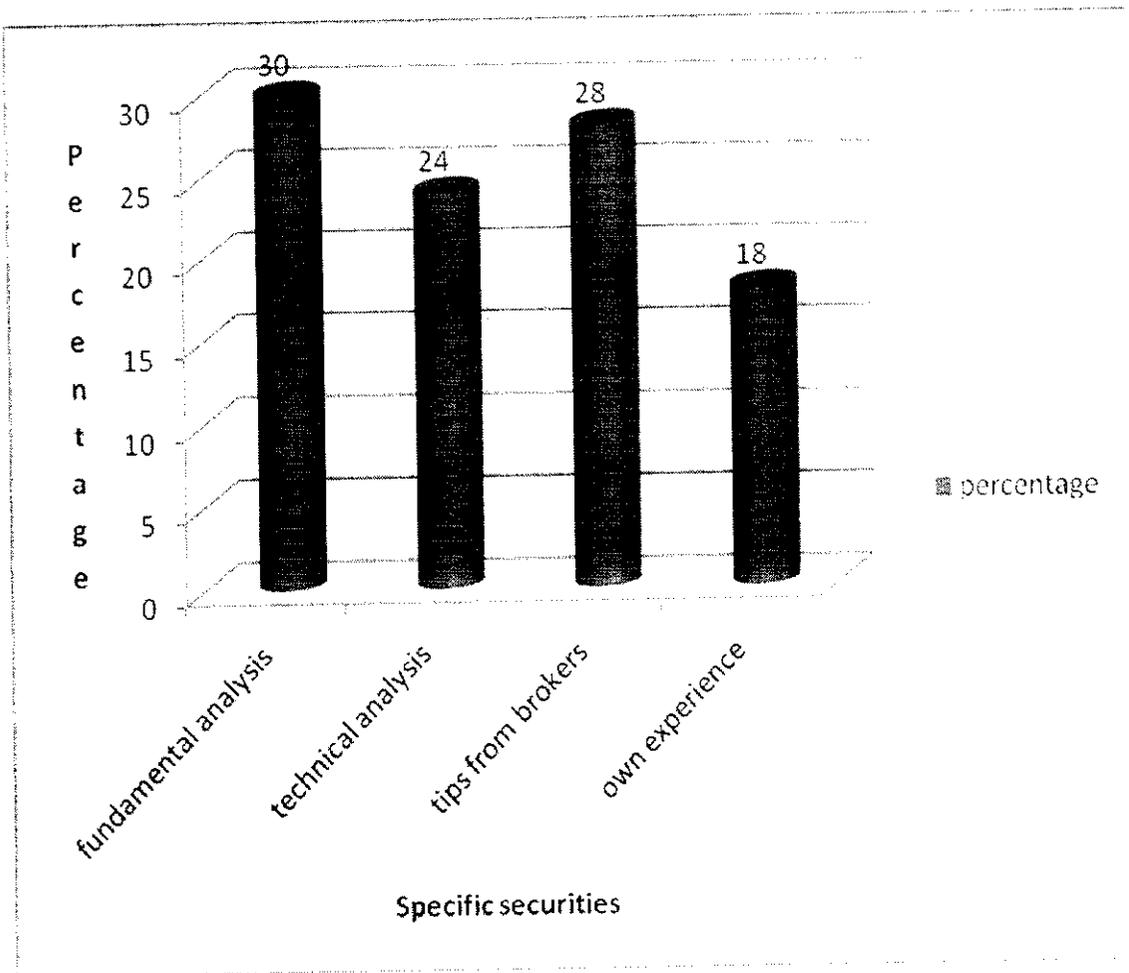


Table No: 3.13

Table showing the mode of investment of the respondents

S.NO	MODE OF INVESTMENT	FREQUENCY	PERCENTAGE
1	Equity	69	46
2	Debt	36	24
3	Mutual fund	36	24
4	Commodities	9	6
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 46% of the respondents invest in equity, 24% of the respondents invest in debt, 24% of respondents invest in Mutual fund, 6% of respondents invest in Commodities.

CHART NO: 3.13

Chart showing the mode of investment

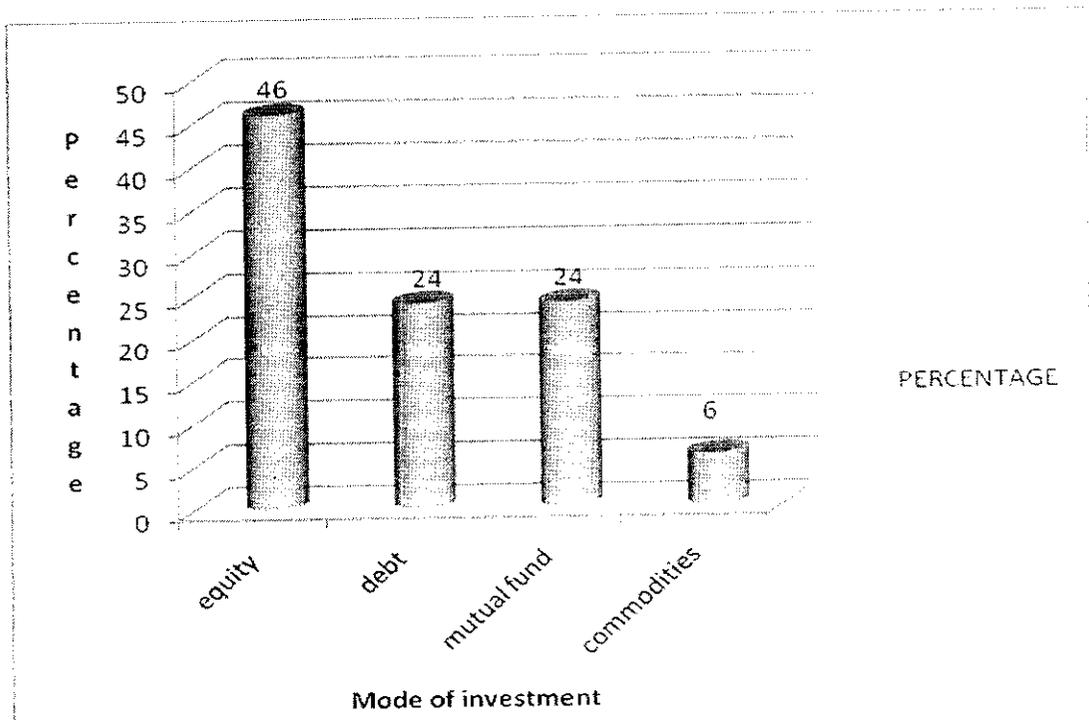


Table No: 3.14

Table showing the satisfy of return on securities of the respondents

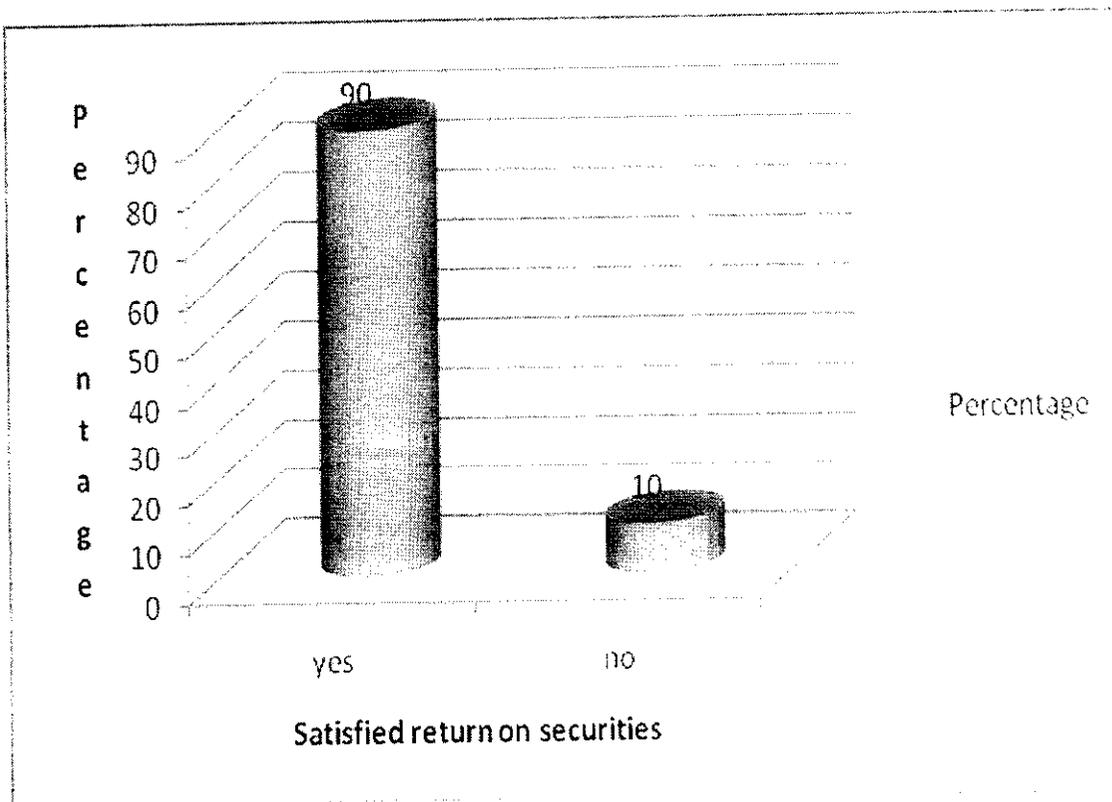
S.NO	SATISFY OF RETURN ON SECURITIES	FREQUENCY	PERCENTAGE
1	Yes	135	90
2	No	15	10
	TOTAL	150	100

**Inference**

The above table shows that 90% of the respondents are satisfied with return on securities, 10% of the respondents are not satisfied with return on securities.

CHART NO: 3.14

Chart showing the satisfy of return on securities



**Table No: 3.15**

**Table showing the equity of the respondents**

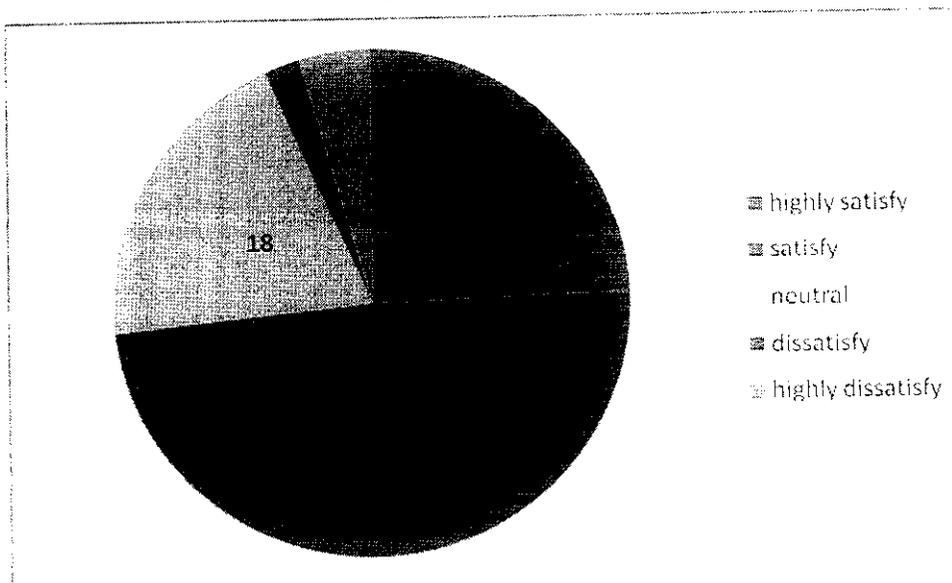
S.NO	EQUITY	FREQUENCY	PERCENTAGE
1	Highly satisfied	33	22
2	Satisfied	66	44
3	Neutral	27	18
4	Dissatisfied	3	2
5	Highly dissatisfied	6	4
6	Total	135	90
7	Missing system	15	10
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 22% of the respondents are highly satisfied, 44% of the respondents are satisfied, 18% of the respondents are neutral, 2% of the respondents are dissatisfied, 4% of the respondents are highly dissatisfied.

**CHART NO: 3.15**

**Chart showing the Equity of the respondents**



**Table No: 3.16**

**Table showing the debt of the respondents**

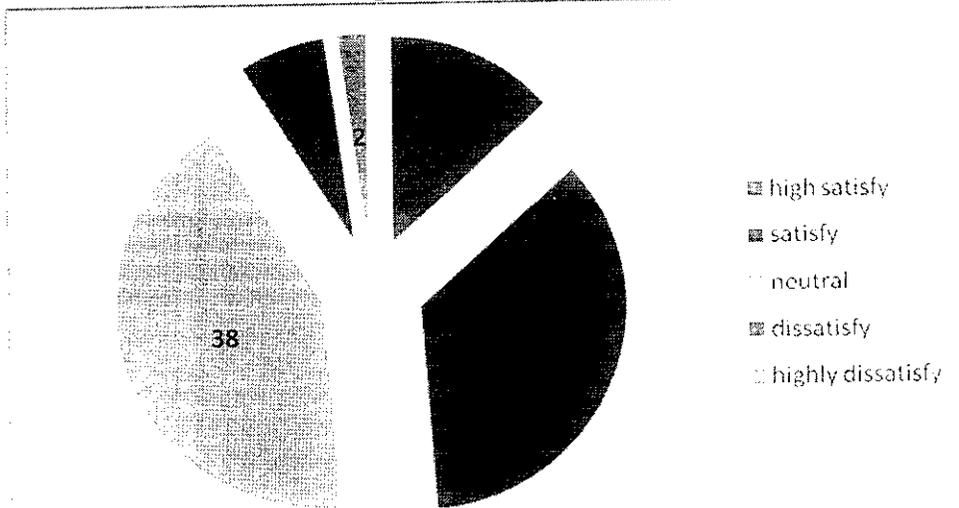
S.NO	DEBT	FREQUENCY	PERCENTAGE
1	Highly satisfied	18	12
2	Satisfied	48	32
3	Neutral	57	38
4	Dissatisfied	9	6
5	Highly dissatisfied	3	2
6	Total	135	90
7	Missing system	15	10
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 12% of the respondents are highly satisfied, 32% of the respondents are satisfied, 38% of the respondents are neutral, 6% of the respondents are dissatisfied, 2% of the respondents are highly dissatisfied.

**CHART NO: 3.16**

**Chart showing the Debt of the respondents**



**Table No: 3.17**

**Table showing the mutual fund of the respondents**

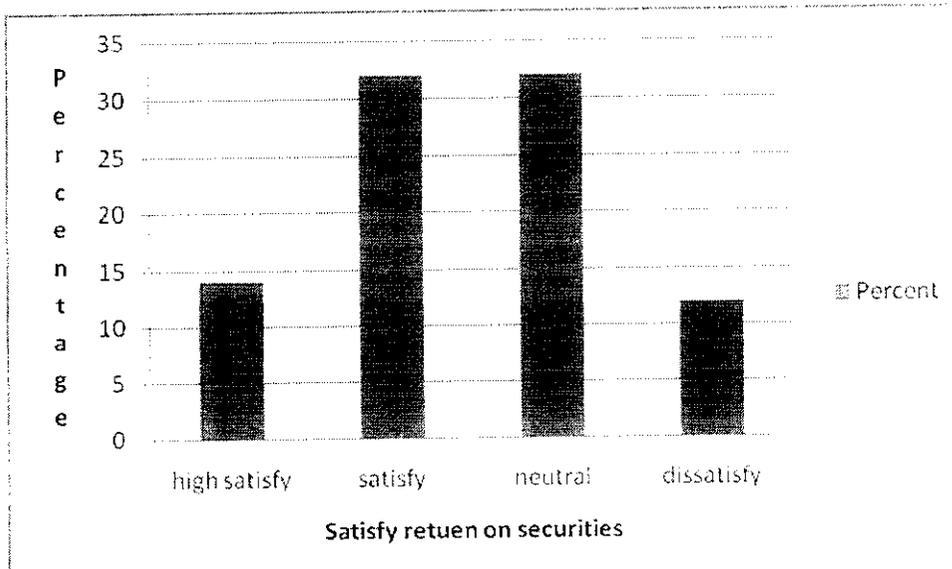
S.NO	MUTUAL FUND	FREQUENCY	PERCENTAGE
1	Highly satisfied	21	14
2	Satisfied	48	32
3	Neutral	48	32
4	Dissatisfied	18	12
5	Total	135	90
6	Missing system	15	10
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 14% of the respondents are highly satisfied, 32% of the respondents are satisfied, 32% of the respondents are neutral, 12% of the respondents are dissatisfied.

**CHART NO: 3.17**

**Chart showing the mutual fund of the respondents**



**Table No: 3.18**

**Table showing the insurance of the respondents**

<b>S.NO</b>	<b>INSURANCE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
1	Highly satisfied	66	44
2	Satisfied	45	30
3	Neutral	12	8
4	Dissatisfied	9	6
5	Highly dissatisfied	3	2
6	Total	135	90
7	Missing system	15	10
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 44% of the respondents are highly satisfied, 30% of the respondents are satisfied, 8% of the respondents are neutral, 6% of the respondents are dissatisfied, 2% of the respondents are highly dissatisfied.

CHART NO: 3.18

Chart showing the Insurance of the respondents

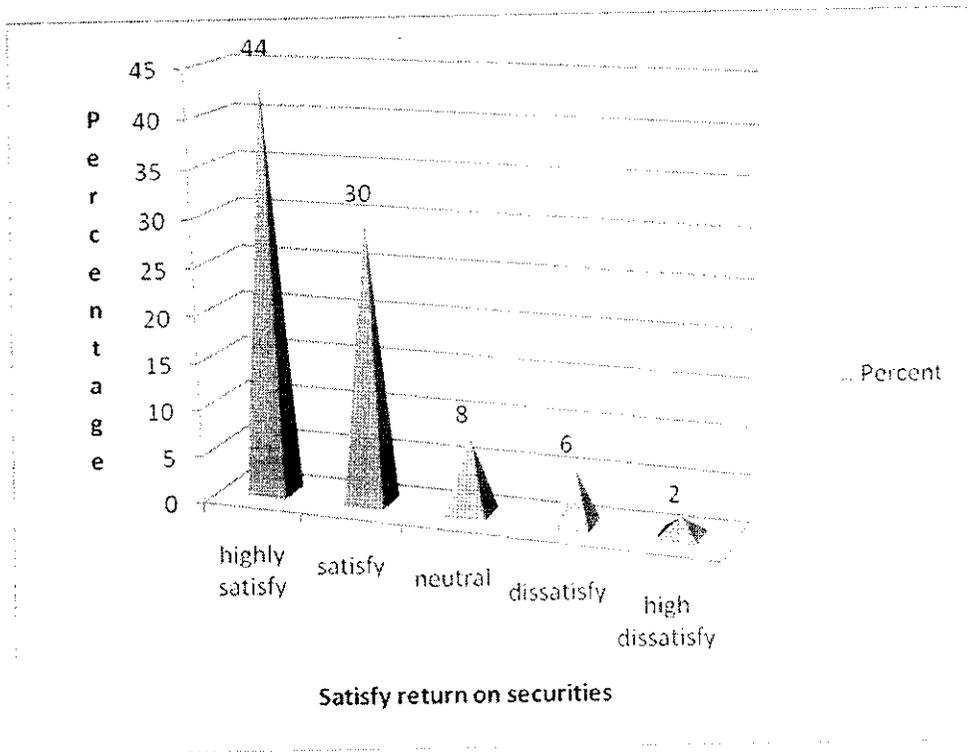


Table No: 3.19

Table showing the changing the investment

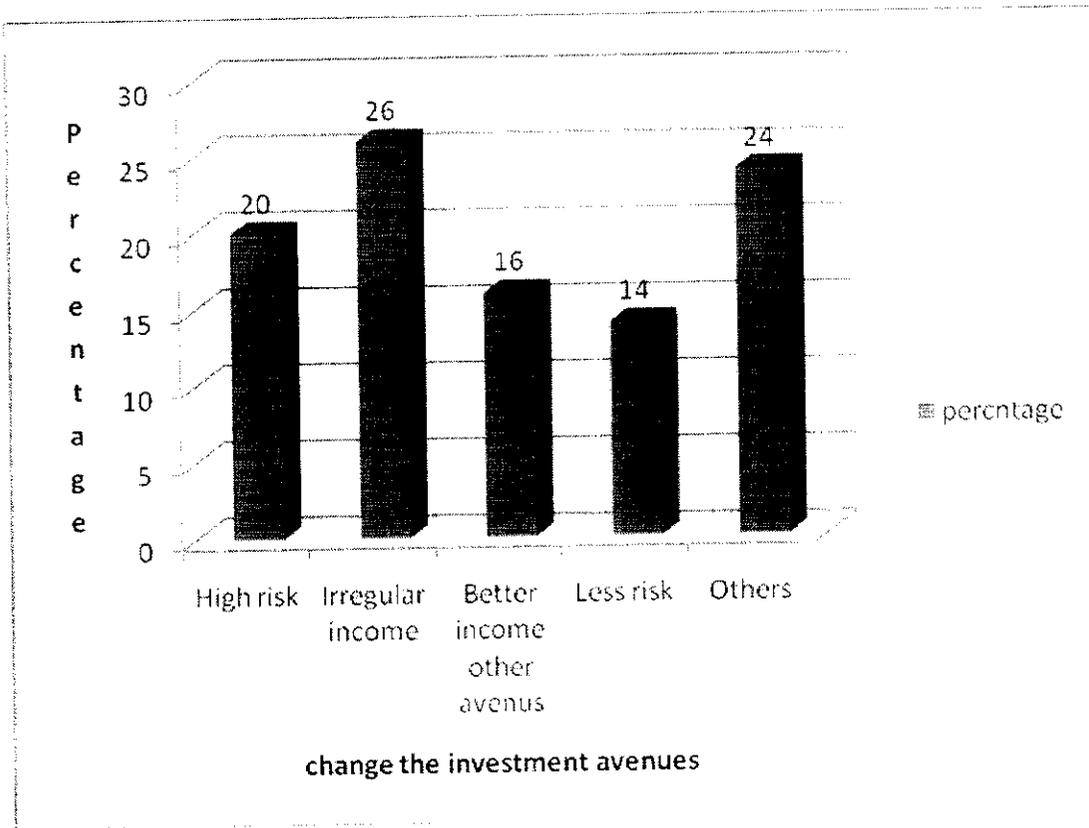
S.NO	CHANGE THE INVESTMENT AVENUE	FREQUENCY	PERCENTAGE
1	High risk	30	20
2	Irregular income	39	26
3	Better income other avenues	24	16
4	Less risk in other avenues	21	14
5	Both (c) and (d)	36	24
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**Inference**

The above table shows that 20% of the respondents are changing the investment avenues due to high risk, 26% of the respondents are changing the investment avenues due to irregular income, 16% of the respondents are changing the investment avenues due to better income other avenues, 14% of the respondents are changing the investment avenues due to less risk in other avenues, 24% of the respondents are changing the investment avenues due to both (c) and (d).

**CHART NO: 3.19**

**Chart showing the Change the investment avenue**



## CHI – SQUARE TEST

**AIM:** To find out the relationship between qualification and level of awareness about the various investment avenues.

**H0:** There is no significant relationship between qualification and level of awareness about the various investment avenues.

**H1:** There is a significant relationship between qualification and level of awareness about the various investment avenues.

TABLE NO: 3.20

### RELATIONSHIP BETWEEN QUALIFICATION AND LEVEL OF AWARENESS

S.NO	QUALIFICATION	LEVEL OF AWARENESS		TOTAL
		AWARE	UNAWARE	
1	SCHOOL LEVEL	27	6	33
2	GRADUATE	42	18	60
3	POST GRADUATE	45	12	57
	TOTAL	117	56	150

(Note: The figures given in the parenthesis are observed frequencies)

Calculated value : 2.068  
Table value : 5.99  
Degrees of freedom : 2  
Level of significance : 5%

#### Inference:

From the above table it could be inferred that the calculated value (2.068) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between qualification and level of awareness about the various investment avenues.

**AIM:** To find out the relationship between age and level of awareness about the various investment avenues.

**H0:** There is no significant relationship between age and level of awareness about the various investment avenues.

**H1:** There is a significant relationship between age and level of awareness about the various investment avenues.

**TABLE NO: 3.21**

**RELATIONSHIP BETWEEN AGE AND LEVEL OF AWARENESS**

S.NO	AGE	LEVEL OF AWARENESS		TOTAL
		AWARE	UNAWARE	
1	BELOW 30 years	57	18	75
2	30-40 years	42	6	48
3	40-50 years	18	9	27
	TOTAL	117	33	150

Calculated value : 4.720

Table value : 5.99

Degrees of freedom : 2

Level of significance : 5%

**Inference:**

From the above table it could be inferred that the calculated value (4.720) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between age and level of awareness about the various investment avenues.

**AIM:** To find out the relationship between year of investment and level of awareness about the various investment avenues.

**H0:** There is no significant relationship between year of investment and level of awareness about the various investment avenues.

**H1:** There is a significant relationship between year of investment and level of awareness about the various investment avenues.

**TABLE NO: 3.22**

**RELATIONSHIP BETWEEN YEAR OF INVESTMENT AND LEVEL OF AWARENESS**

S.NO	YEAR OF INVESTMENT	LEVEL OF AWARENESS		TOTAL
		AWARE	UNAWARE	
1	1 TO 2 YEARS	72	15	87
2	2 TO 3 YEARS	30	12	42
3	ABOVE 3 YEARS	15	6	21
	TOTAL	117	33	150

**Calculated value** : 2.733

**Table value** : 5.99

**Degrees of freedom** : 2

**Level of significance** : 5%

**Inference:**

From the above table it could be inferred that the calculated value (2.733) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between year of investment and level of awareness about the various investment avenues.

**AIM:** To find out the relationship between value of investment and level of satisfaction.

**H0:** There is no significant relationship between value of investment and level of satisfaction.

**H1:** There is a significant relationship between value of investment and level of satisfaction.

**TABLE NO: 3.23**

**RELATIONSHIP BETWEEN VALUE OF INVESTMENT AND LEVEL OF SATISFACTION**

S.NO	VALUE OF INVESTMENT	LEVEL OF SATISFACTION		TOTAL
		SATISFIED	DISSATISFIED	
1	BELOW Rs 50,000	51	27	78
2	Rs 50,001- Rs 100,000	45	9	54
3	ABOVE Rs 100,000	12	6	18
	TOTAL	108	42	150

Calculated value : 5.3876

Table value : 5.99

Degrees of freedom : 2

Level of significance : 5%

**Inference:**

From the above table it could be inferred that the calculated value (5.3876) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between value of investment and level of satisfaction about the various investment securities.

**AIM:** To find out the relationship between mode of investment and level of satisfaction.

**H0:** There is no significant relationship between mode of investment and level of satisfaction.

**H1:** There is a significant relationship between mode of investment and level of satisfaction.

**TABLE NO: 3.24**

**RELATIONSHIP BETWEEN MODE OF INVESTMENT AND LEVEL OF SATISFACTION**

S.NO	MODE OF INVESTMENT	LEVEL OF SATISFACTION		TOTAL
		SATISFIED	DISSATISFIED	
1	EQUITY	45	24	69
2	DEBT	24	12	36
3	MUTUAL FUND	39	6	45
	TOTAL	108	42	150

**Calculated value** : **6.884**

**Table value** : **5.99**

**Degrees of freedom** : **2**

**Level of significance** : **5%**

**Inference:**

From the above table it could be inferred that the calculated value (6.884) is more than the tabulated value (5.99). Hence null hypothesis rejected. It is concluded that there is significant relationship between mode of investment and level of satisfaction about the various investment securities.

**Table No: 3.25**

**Average investor profile**

Gender	Male
Age	Below 30 years
Annual income	Rs 100,001 – Rs 250,000
Qualification	Under graduate
Occupation	Salaried
Year of investment	1 to 2 years
Value of investment	Below Rs.50,000
Frequency of investment	One time per year
Influenced to invest in share market	Friends
Factor consider before investing	Company past experience
Selecting a specific securities	Fundamental analysis
Mode of investment	Equity
Satisfied return on securities	44% of respondents are agreed
Change the investment avenues	Irregular income

**Inference**

From above table an inference can be made that when an investor enters into a share market, they belong to above categories. Therefore the company should concentrate different other strategies.

*FINDINGS & SUGGESTIONS*



## 3.2 FINDINGS AND INFERENCE

### FINDINGS

- The majority (62%) of the respondents belongs to male category.
- The majority (50%) of the respondents belongs to the age group of Below 30 years
- The most (44%) of the respondents belongs to under graduate category.
- The higher (46%) of the respondents belongs to salaried category.
- The most (42%) of the respondents belongs to annual income is 100,001-250,000.
- The most (44%) of the respondents belongs to Investment in Stock broking centre is BMA Wealth Creator.
- The majority (58%) of the respondents belongs to Year of investment in share market is 1 to 2 years.
- The majority (50%) of the respondents belongs to value of investment has below Rs 50,000.
- The most (42%) of the respondents belongs to frequency of investment is one time per year only.
- The most (34%) of the respondents belongs to influence to invest in share market is friends.
- The most (42%) of the respondents belongs to factor considered before investing in share market is company past experience.
- The most (30%) of the respondents of selecting the securities is fundamental analysis.
- The most (46%) of the respondents belongs to mode of investment is equity.
- The majority (90%) of respondents satisfied return on securities.
- The most (44%) of respondents are satisfied on equity.
- The most (38%) of respondents are neutral return on debt.
- The most (32%) of respondents are both satisfied and neutral return on mutual fund.
- The most (44%) of respondents are highly satisfied with return of insurance.
- It could be inferred that the calculated value (2.068) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between qualification and level of awareness about the various investment avenues.

- It could be inferred that the calculated value (4.720) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between age and level of awareness about the various investment avenues.
- It could be inferred that the calculated value (2.733) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between year of investment and level of awareness about the various investment avenues.
- It could be inferred that the calculated value (5.3876) is less than the tabulated value (5.99). Hence null hypothesis accepted. It is concluded that there is no significant relationship between value of investment and level of satisfaction about the various investment securities.
- It could be inferred that the calculated value (6.884) is more than the tabulated value (5.99). Hence null hypothesis rejected. It is concluded that there is significant relationship between mode of investment and level of satisfaction about the various investment securities.

### 3.3 RECOMMENDATIONS AND SUGGESTIONS

#### SUGGESTIONS:

- As majority of the respondents are salaried, this is the core market segment, which should be concentrated on.
- Majority of the respondents are salaried people. So, the company should promote schemes like Systematic Investment Plan.
- The group of people has to be ensured about the risk diversification concept in Mutual fund.
- Nearly three-fourth of the respondents are tax payers, tax savings schemes shall be preferred by the company.
- Since company deposits are not popular, the company should publicize distribution of company deposits.
- Majority of the respondents may not seek the advices of financial consultants; this provides the great opportunity for the company to increase their market penetration through promotional activities.

*CONCLUSION*



### **3.4 CONCLUSION**

#### **Conclusion:**

The study was conducted in T.Nagar for BMA Wealth Creator, an investment stock broking company.

The study revealed that the investors have greatest preference for safety. Most of the respondents have invested in insurance, bank deposits and small savings.

The level of awareness about small and medium capitalization companies can be enhanced through the efforts of the company. Since many investors expressed their interest to learn more about such companies.

The statistical analysis of data has given insight into investor demographics and their investment preferences.

Based on the investor profile and investor preferences, suggestions have been made for the company to increase its market penetration.

*APPENDICES*



## QUESTIONNAIRE

### Personal Data

- Name :
1. Gender :  
(a). Male (b) female
2. Age :  
(a) Below 30 (B) 30-40 (C) 40-50 (D) above 50
3. Qualification :  
(a) Under graduate (b) graduate (c) Post Graduate  
(d) Professional
4. Occupation :  
(a) Salaried (b) Business (c) Professionals (d) Retired  
(e) If others mention \_\_\_\_\_
5. Annual income :  
(a) Up to Rs.100, 000 (b) Rs.100, 001 – Rs.250, 000  
(c) Rs.250, 001 - Rs.500,000 (d) Above Rs.500,000
6. Name of the stock broking firm in, which you have invested?  
(A) BMA Wealth creator (b) Karvy (c) Reliance money  
(d) Kodak securities (e) If others mention \_\_\_\_\_
7. How long are you engaged in investment in share market?  
(a) 1to 2 years (b) 2to3 years (c) 3to5 years (d) 5 to 10 years
8. What is the approximate value of your investment?  
(a) Below Rs.50,000 (b) Rs. 50,001 – Rs.100,000 (c) Above Rs.100,000
9. Frequency of investment per year  
(a) 1 time (b) 2 times (c) 3 times (d) above 4 times , Specify\_\_\_\_\_
10. Have you invested in share market?  
(a) Yes (b) No
11. Who influenced to invest in share market?  
(a) Institution (b) family members (c) friends  
(d) media (e) If others mention \_\_\_\_\_
12. What are the factors that you considered before investing?  
(a) Nature of industry (b) company past performance  
(c) Company future prospects (d) company's risk profile  
(e) if others specify\_\_\_\_\_
13. How do you select the specific securities?

(c) Tips from investment consultant / broker (d) Own past experience

14. Your awareness level about the various investment avenues:

	Know very well	Aware of it	Not at all aware
Real estate			
Fixed deposits			
Bonds/Debentures			
Mutual funds			
Shares/Stocks			
Insurance			

15. Please rank your preference investment

(Most preferred as 1 and least preferred as 6)

- (a) Real estate [     ]  
 (b) Fixed deposits [     ]  
 (c) Bonds/debentures [     ]  
 (d) Mutual funds [     ]  
 (e) Shares/stocks [     ]  
 (f) Insurance [     ]

16. Mode of investment in stock broking

- (a) Equity (b) Debt (c) Mutual funds (d) Commodities

**If equity**

17. What is the expected rate of return of your equity investments?

- [a] 5%-10% [b] 10%-15% [c] 15%-20% [d] >20%

18. Do you have opinion to shift from equity?

- (a) Yes (b) No

19. If yes, what would be your preferences?

- (a) Debt (b) mutual Fund (c) Real Estate (d) insurance  
 (e) If others specify \_\_\_\_\_

20. At what reason will you change the investment avenue?

- (a) High risk  
 (b) Irregular Income  
 (c) Better income other avenues  
 (d) Less risk in other avenues

**If Debt**

21. What is the expected rate of return of your debt investments?  
(a) 4%-5% (b) 5%-6% (c) 6%-7% (d) Above7%
22. Do you have shift from debt?  
(a) Yes (b) No
23. If yes, what would be preferences to investment other than equity?  
(a) Real Estate (b) Mutual fund (c) insurance  
(d) Fixed Deposits (e) If others specify\_\_\_\_\_
24. What is the reason for shift from debt to equity?  
(a) High return (b) diversifying the portfolio (c) Spreading risk  
(d) If others specify\_\_\_\_\_

**If Mutual Fund**

25. If the answer to question 16 is "mutual fund"
- a. Are you aware of the various schemes offered by Mutual Funds?  
 Yes  No  Few
- b. Do you know that Mutual Funds offer Liquidity to your funds?  
 Yes  No  Not Sure
26. Which mutual fund you have invested?  
(a) SBI MF (b) ICICI MF (c) UTI MF (d) Reliance MF (e)kotak MF  
(f) If Other specify\_\_\_\_\_
27. Your opinion about the risk involved in mutual fund?  
(a) Too High (b) moderate (c) Low
28. Are you satisfied with return of the securities ?  
(a) Yes (b) No

29. If yes, to what extend you are satisfied?

Factors	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Equity					
Debt					
Mutual fund					

30. Do you view following factors / source of information satisfied while investing the securities?

Factor	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Safety					
Liquidity					
Return earned					
Tax saving					
Performance of past scheme					
Advertisement					
Recommendation of friends/relatives					

31. At what reason will you change the investment avenue?

- (a) High risk
- (b) Irregular Income
- (c) Better income other avenues
- (d) Less risk in other avenues
- (e) Both (c) and (d)

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