



A STUDY ON BEHAVIOURAL FINANCIAL STUDY WITH REFERENCE TO SMALL INDIVIDUAL INVESTOR IN THOOTHUKUDI DISTRICT

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ABSTRACT:

The pattern of the retailing store is changing as a developing number of retailers are moving their centre from general physical retailing to new organizations like electronic retailing or e-retailing. Electronic shopping offers the best worth, extraordinary things and absolutely basic shopping. The achievement of any e-tailor association in India is reliant upon its commonness. Online shopping has obtained importance in the high level business environment. The headway of web shopping for food has opened the doorway of a chance to give a high ground over firms. Online shopping has filled in noticeable quality throughout the span of the years basically as people imagine that it's fitting for the comfort of their home or workplace. In the new past, the web keeps a significant spot inside monetary activities. As of now-a-days individuals show their benefit on the web. So this study attempts to inspect investor in Thoothukudi district.

KEYWORDS:

Business Investors, Monetary activities, Individual beneficiary.

INTRODUCTION:

Finance is the study of scarce resources are allocated by humans, and how these resources are managed, acquired and invested over time. There are two key paradigms within the traditional Theory of Finance. There is no investment strategy which can earn excess risk-adjusted average returns consistently. Over the past fifty years, there has been a lot of focus on the development and testing of variance sophisticated asset pricing models. The presumption is that, since people value wealth, they behave rationally while making financial decisions. Even though these models revolutionized the study of finance, many gaps were left unanswered by the theories. Academics were prompted to look to cognitive psychology to account for irrational and illogical investor behavior. Behavioural finance is a relatively new paradigm of finance, which seeks to supplement the standard theories of finance by introducing behavioural aspects to the decision making process. It attempts to explain and increase the understanding of the reasoning patterns of investor, including the emotional processes involved and the degree to which they influence the decision making process. Essentially, it explain the what, why, and how of finance and investing. It takes into account the individual investor's decision making formula as well as his/her behaviour, which, in turn, sheds light on the observed departures from the traditional finance theory. Thus, behavioural finance is the application of scientific research on the psychological, social, and emotional contributions to market participants and market price trends.

STATEMENT OF THE PROBLEM:

The research is about behavioural finance is concept to study the cognitive behavior factors affect investment decisions making process towards preferred more than one investment avenues. Global financial markets are influenced by economic processes which take place in the country and the world. As a researcher has observed that the problem of this study is that a few research works have proved that there is a great impact one or two behavioural factor influences the small individual investors preferred investment avenues for stock market and mutual funds but this research has focuses that not only stock market, mutual fund investments are influenced by the small individual investors behavioural factors and also reflect result on investment performance. This study attempts to small individual investors who invests small amounts of money in his/ her account in more than one investment avenues. The small individual investors generally consider their investment needs, goals, objectives and constraints while making investment decisions. But it impossible for them to make a successful investment decision at all times because behaviour factors highly influenced by the small individual investors preferred more than one investment avenues. In this

study, half of small individual investors in the early and late results of this study help to control it, to explore behavioural factors and earn better investment returns.

DATA COLLECTION METHOD:

The study has been made by using both primary data and secondary data. The primary data collected through well structured interview schedules were classified and tabulated for analysis in accordance with the outline laid down for the purpose, at the time of developing the research plan. The secondary data were sourced from variance international and national level research theses and research articles related to this research work.

TOOLS USED FOR ANALYSIS:

The collected primary data have been statistically processed, classified and tabulated using appropriate methods, tables and figures. The statistical results have been derived with the help of Computer Package called Statistical Packages for Social Sciences (SPSS). The following statistical tools have been employed in the study to obtain torrent of results from the primary data

AREA OF STUDY:

The geographical coverage of the study survey will be limited to Thoothukudi district.

SOURCES OF DATA

The study is based on primary data collection. The data has been collected from the women users of organic beauty products. The secondary data was collected from the articles, journals, newspapers and various websites; it has been used in the review of literature, chapter and profile of the organizations.

SAMPLING DESIGN OF STUDY:

Sample design of the present study includes the following points:

Type of Universe:

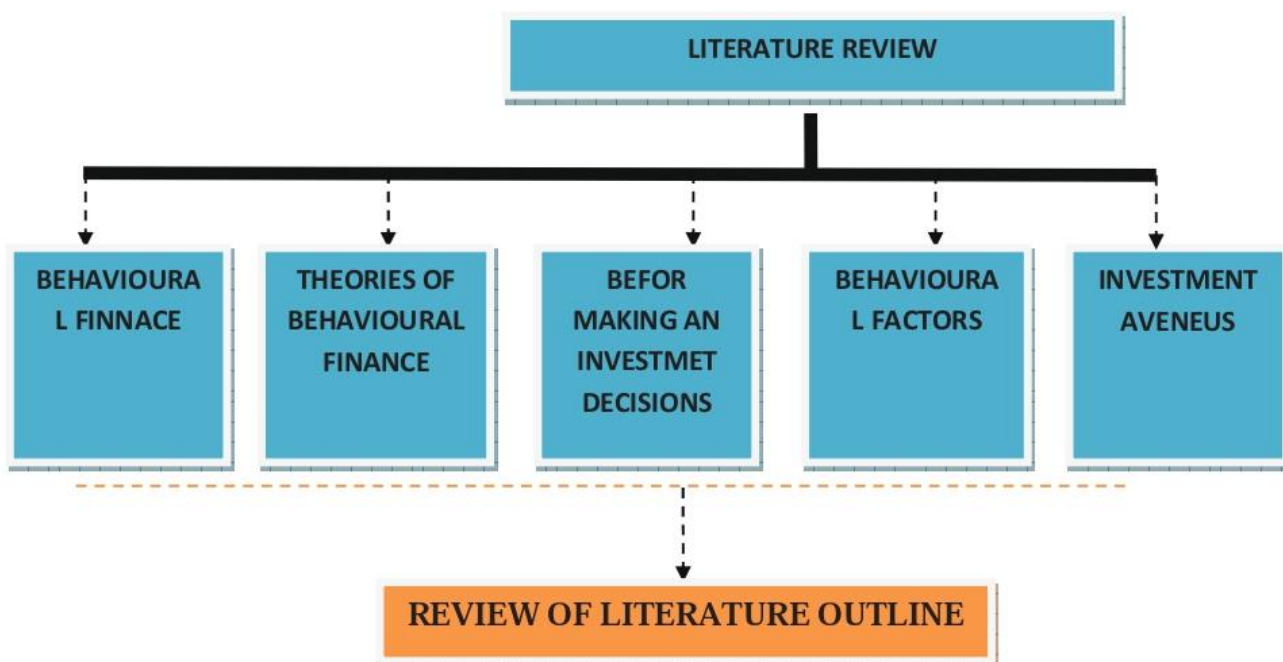
The first step in developing any sample design is to clearly define the set of objects, technically called the universe to the studies. There are two types of universe finite or infinite universe. The present research is based on the finite universe and the number of items is finite.

Population:

There are 32 districts available in Tamilnadu; the districts are divided into four regions: East, West, South, and North. The present only concentrate one South Zone only. The Zone includes five districts Dindigul, Madurai, Tuticorin, kanyakumari and Thoothukudi. The current study deals with the higher level population of Thoothukudi district.

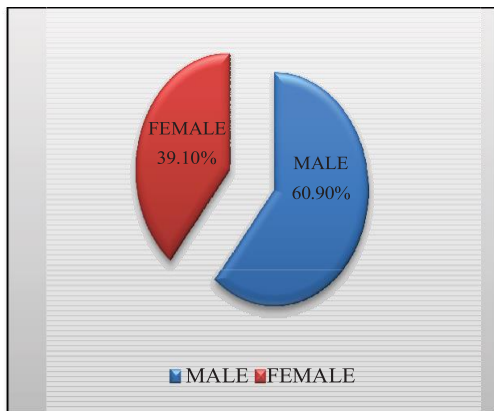
LITERATURE REVIEW:

Review of the relevant literatures on behavioural finance is done in this chapter. The first one is, the background and causes of Behavioural finance, the comparison between traditional and behavioural finance; Second one, the main principles of behavioural finance; the third one is, the factors before making decision on investments. The fourth one is behavioural factors. From the above mentioned studies to identify research gaps and overcome the problem statement undergoing the study:



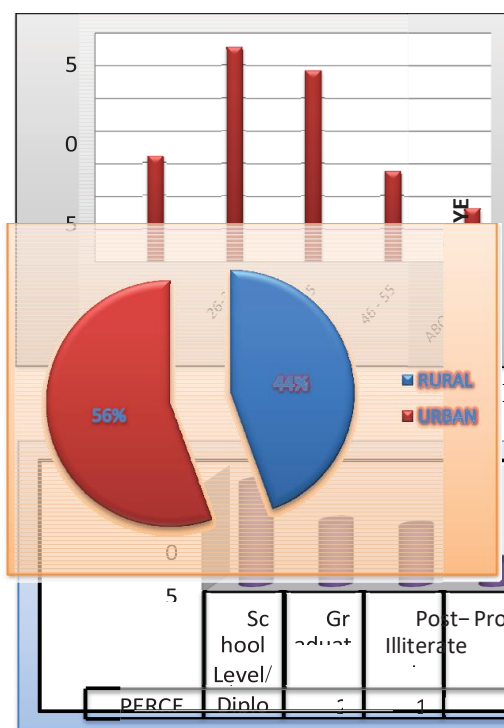
DATA ANALYSIS & INTERPRETATION:

Genderwise Classification of the Respondents



From the above table it is clear that 60.90% of the 384 respondents belong to the gender group of males followed by 39.10% of females. It is inferred that majority of respondents belongs to the gender of males (60.90%).

Agewise Classification of Respondents



The results indicate that about 32.8% of the 384 respondents belong to the age group of 26 – 35 years followed by the 36 – 45 years (29.2%), 18 – 25 years (16.1%), 46 – 55 years (13.8%) and above 56 (8.1%) of the respondents. The majority of the respondents belong to the age group of 26 – 35 years (32.8%) and the lowest among of the respondents belong to the age group of above 56 (8.1%).

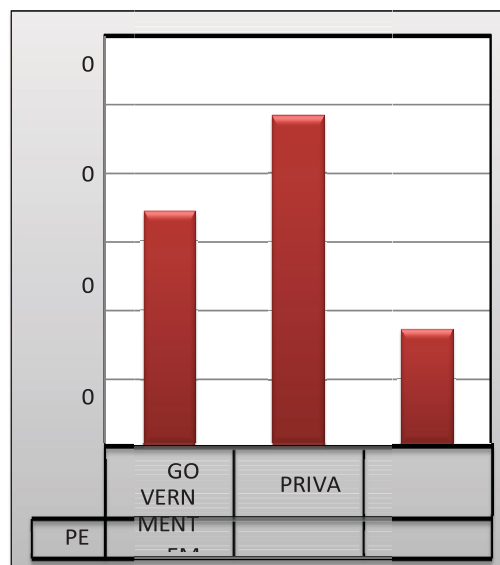
Education Levelwise Classification of Respondents

It is observed that about 32.8% of the respondents belonging to the education level is school/ diploma/ ITI 20.6% of the respondents are illiterate, 20.3% of the respondents are graduates, 18.8% of the respondents are post graduates and 7.6% them are professional degree holders. It is inferred that the majority of the respondents belong to the educational level school/ diploma/ ITI and lowest proportion respondents are professional degree.

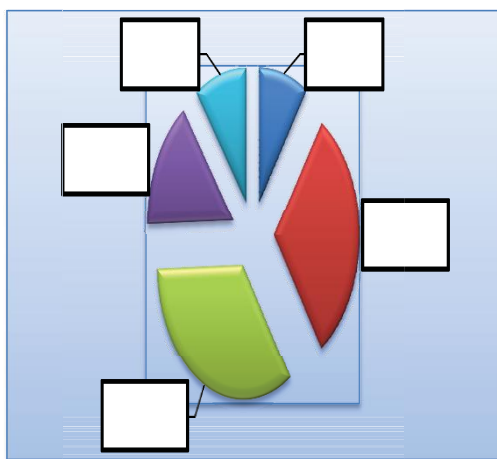
Areawise Classification of the Respondents

It is apparent that about 56% of the 384 respondents belong to rural area and 44% of the small individual investor belongs to urban areas. It is inferred that the majority of the respondents belong to rural area.

Occupation Levelwise Classification of Small Individual Investors



It is clear that about 48.4% of the respondents are private employees followed by 34.4% of the respondents who are government employee and 17.2% of the respondents have own – business. It is inferred that the majority of the respondents belong to the occupation level of private employees and the lowest percent there respondent have their own business.



Income Levelwise Classification of Respondents

4.1.6 and Graph 1.6 show that 9.4% of the respondents monthly is below Rs.20000, 31.3% of the respondents monthly income is between Rs. 20001 – 30000, 33.9% of the respondents monthly income ranges from Rs.30001 – 40000, 15.6% of the respondents monthly income is between Rs.40001 – 50000 and 9.9% of the respondents have a monthly income of above Rs.50001. Thus it depicts a higher proportion of monthly income in 20001 – 300000 and lower proportion of monthly income in small individual investors who have than Rs.20000 as monthly income.

FINDING:

- Majority of respondents belongs to the gender group of males (60.90%).
- The majority of the respondents belong to the age group of 26 – 35 years (32.8%) and the lowest among of the respondents belong to the age group of above 56 (8.1%).
- Majority of the respondents belong to the educational level school/ diploma/ ITI and lowest proportion respondents are professional degree.
- Majority of the respondents belong to rural area.
- Majority of the respondents belong to the occupation level of private employees and the lowest percent the respondent have their own business.
- Higher proportion of monthly income in 20001 – 300000 and lower proportion of monthly income in small individual investors who have less than Rs.20000as monthly income.

SUGGESTIONS:

The findings of this study, based on the recommendations of small individual investors who preferred more than one investment products are offered as well as investment service provider. The study's findings are based on small individual investors in the stock market, mutual funds, life insurance, such as investments in the more money brokers based on the recommendation of the low experience of the investment carried out and representativeness, anchoring, external information, overconfidence, gambler's fallacy, Loss aversion, regret aversion, Mendel accounting, herding, emotional self-intelligence behavioural factors such as the investment of more than one small individual investors to invest in the most heavily impacted. All of these behavioural factors also impact investment activity and capability. The above mentioned factors influences the behavior of investment is very high. Therefore, small individual investors in the future more than one investment patterns option is selected when the brokers of there commendation on the basis of the study recommends that the need to get more profit. Investment service providers present study suggest that the current period of variance investment types are on the market in which investment could invest in the future more profitable investment that small individual investors are upset, so the investment is the correct information for small individual investors to reach the investment service providers, information flows the right way to provide a more they have no impact on the behavior of the factors endangering the means to achieve their investment service providers have to make more profit. The current study, replacing the old theory of behavioural finance has developed new behavioural finance theory. This new theory of behavioural finance analyst has recommended the use of future researchers.

CONCLUSION:

Behavioural finance is a field of finance that proposes psychology-based theories to explain stock market anomalies. Within behavioural finance, it is assumed that the information structure and the characteristics of market participants systematically influence individuals' investment decisions as well as market outcomes. Behavioural factors influencing to prefer more than one investment avenues in small individual investors is a significant topic within the behavioural finance literature is the notion of behavioural factors influencing pertaining to novice small individual investors. There are a substantial number of behavioural factors that influence an investors preferred more than one investment avenues. The present study has

been ever- growing body of research that has attempted to delineate behavioural factors influence by preferred more than one investment avenues. Behavioural factors influence is not only a theoretical issue but also forms the basis for behavioural finance theories. If financial institutions understand their small individual investors needs and the way they use the information given they are able to fulfill their needs and satisfy their small individual investors. The results from this study also can help financial advisors to give appropriate information to their clients. it is hoped that the findings of the study would encourage further development of the knowledge concerning complex nature of investors behavioural factors influence the preferred more than one investment avenues in broad - spectrum.

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