A STUDY ON "INVESTMENT PREFERENCES OF YOUNG INVESTORS IN THE CITY OF ERNAKULAM"

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BONAFIDE CERTIFICATE

This is to certify that this dissertation entitled A STUDY ON "INVESTMENT PREFERENCES OF YOUNG INVESTORS IN THE CITY OF ERNAKULAM" is a record of original work done by ROMY DOMINIC (REG NO: 200021077057) SANJAY GOPAL DP (REG NO: 200021077061) and SREYA MB (REG NO: 200021077063), in partial fulfilment of the requirement for the Degree of Bachelor of Commerce – Finance and Taxation under the guidance of Asst. Prof . ARUNA DEVI, Department of Finance and Taxation, the work has not been submitted for the award of any other degree or title of recognition earlier.

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DECLARATION

We, ROMY DOMINIC, SANJAY GOPAL DP AND SREYA MB hereby declare that the project report titled A STUDY ON "INVESTMENT PREFERENCES OF YOUNG INVESTORS IN THE CITY OF ERNAKULAM", is a Bonafide Record of work done by us under the guidance and supervision of Asst. Prof. ARUNA DEVI, Department of Finance and Taxation, BHARATA MATA COLLEGE, THRIKKAKARA. We also declare that this report embodies the findings based on our study and observation and has not been submitted earlier for the award of any Degree or Diploma to any institute or university

Place: THRIKKAKARA **ROMY DOMINIC**

SANJAY GOPAL DB

SREYA M B

Date:

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CHAPTER 1

INTRODUCTION

1. INTRODUCTION

Saving is a crucial aspect of every person's life and has a big impact on how the economy of a country is shaped. Every person in the world aspires to put some of their earnings into an investment vehicle in order to increase their returns and prepare for unforeseen challenges and future aspirations. In the case of a closed economy, savings are equal to investments unless and until they are withdrawn from the income flows. Investing is a challenging activity. It encompasses several numbers of other factors in addition to investing or putting money into diverse ventures today in order to receive higher rewards later. Investing success results from investor knowledge of available investment avenues, rewards and dangers connected with investment products, selecting the appropriate financial products in accordance with the investor's risk tolerance, investable funds, and investment aim, among other factors.

The past ten years have seen a significant increase in investment in financial assets. There are many investment opportunities due to the diversity of financial assets. But, it can only be done if investors are sufficiently knowledgeable about financial assets. Young professionals make up the majority of investors in a nation like India with a highly young demographic profile. Investors must be knowledgeable of financial assets, various investing strategies, and associated dangers in order to be financially independent. It has been noted that young professionals are not so familiar with this fundamental knowledge.

An analysis of the factors influencing investors' investment decision-making processes is attempted in this research. It includes an investigation of how investors' decisions are influenced by demographic parameters like gender, age, income, and education. The study's goals include determining the degree of investor awareness of various financial instruments, learning the investor's preferred medium of investment, and comprehending the investor's investment style or pattern. The current research will assist in determining the current level of public understanding of financial instruments. At this point, it was deemed vital to investigate and comprehend investors' awareness, preferences, and patterns of investment in different financial assets.

The main objective of this essay is to understand the investment preferences of the younger generation in India, specifically whether they are gravitating towards the equity market and mutual funds or sticking to the tried-and-true methods of gold, real estate, and post office deposits that have been used historically. One of the most important things to invest in is to outpace inflation costs. As money loses value, you get inflation because you can no longer purchase the same number of products for the same amount of money. Financial products serve as an investor safety net based on an investor's risk tolerance, financial situation, and the risk and return associated with the financial product. In India, "Bank Deposits, Post Office Deposits, LIC Scheme, and Gold" were the conventional investment options employed by investors. However, the young generation's preferences have altered as a result of the expansion of India's finance sector in recent years, and they are now gravitating towards investment opportunities including mutual funds, the equity market, and commodities. According to the census, the young generation is defined as being between the ages of 15 and 30, however, the age range chosen for this study is between the ages of 20 and 30 because many people begin thinking about investing at this age. For this study, young investors between the ages of 20 and 30 have been taken into consideration.

1.1 AVAILABLE INVESTMENT OPTIONS

1.1.1 Mutual Fund

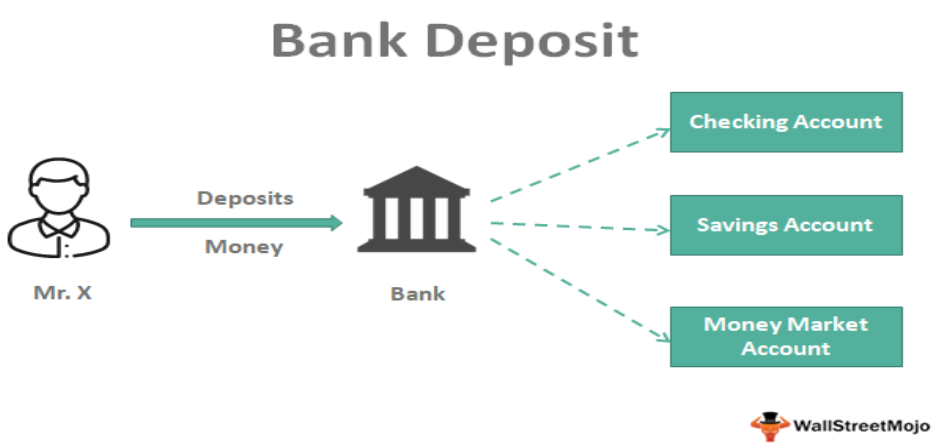
A mutual fund is an employer that swimming pools coins from many buyers and invest the coins in securities which include shares, bonds, and short-term debt. The blended holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds. Each share represents an investor's part of ownership inside the fund and the income it generates. In exceptional words, a tiny investor can use professional wealth management services supplied with the resource of the usage of an asset management employer through investment in a mutual fund. Their crucial function is to help buyers earn income or assemble their belongings with the resource of the usage of appealing inside the possibilities available in particular securities and markets.

1.1.2 Equity Market

Equity shares are defined as long-term financing options for firms looking to raise capital. Each equity share represents a unit of part ownership in the company. Equity shares are also referred to as common stock, or common shares, and are offered as an investment opportunity to the public. Equity shares offer a fraction of ownership of the company. Therefore, equity shareholders are considered part owners of a firm. A company issues equity shares to raise funds while diluting its ownership. It allows the investors to purchase units of equity shares and share the firm’s ownership with them. Investors owning the equity shares of a company contribute towards the company’s total capital and becomeshareholders. Investors can get monetary benefits in capital appreciation, dividends, and voting rights in crucial company matters through equity investment.

1.1.3 Bank Deposits

A bank deposit is money someone places into a bank account. The depositor lets the bank safe keep their money for some time, in return for which the bank pays the depositor interest payments. The bank uses this money to invest or provide loans to its borrowers and, in return, receive interest payments from them. Specific deposit accounts include checking, savings, and money market accounts. Depending on the terms and rules agreed to by the bank and its customer, bank deposits are available for withdrawal by the customer. They are also free to transfer the money to another person or use it to pay for their various requirements. Primarily, banks offer two kinds of deposit accounts. These are demand deposits like current/saving accounts and term deposits like fixed or recurring deposits. When you open a deposit account in a bank, you become an account holder or a depositor. Saving accounts are used to meet the daily on-demand requirements of cash. A term deposit account is used to hold money for a fixed period. In return for this, the bank pays interest on the term deposits.



1.1.4 Post Office Deposits

Specific deposit accounts include checking, savings, and money market accounts. Depending on the terms and rules agreed to by the bank and its customer, bank deposits are available for withdrawal by the customer. They are also free to transfer the money to another person or use it to pay for their various requirements. The special feature of these systems is their sovereign assurance, i.e. the state supports it. Section 80C of the Income Tax Act also provides tax benefits in some of the post office systems. The interest rate provided on the schemes is evaluated and set by government authorities every quarter. Some schemes provided by the Department of Post Office are (Senior Citizen Saving Scheme, PPF, Period Deposit, and Recurring Deposit (Post Office).

1.1.5 Real Estate

Real estate is referred to as the land as well as any permanent, whether natural or man-made, structures or improvements related to the property, such as a house. A type of real property is a real estate. It contrasts from personal property, such as cars, yachts, jewelry, furniture, and farm equipment, which is not permanently affixed to the land.

One of India's most common practices that has been pursued for a very long time and will likely continue in the future is investing in real estate. Real estate is one of the biggest investments that can be made in India, and people have been doing it for at least ten years. Investors in immovable property might make money from their assets by renting them out. Real estate can provide a considerable capital gain through time sales due to the expansion of infrastructure.

One of the most tested methods of generating wealth worldwide is real estate investment. The beautiful thing about investing in real estate is that you can always choose to rent it out, so you don't have to wait for the appropriate time to make a profit. The majority of newcomers in this industry are aware of how to profit from their real estate investment both actively and passively. They are unaware of the variety of real estate properties available. According to experts, each sort of real estate investment has potential advantages and disadvantages. There is therefore no safest or most advantageous investing route; everything relies on the state of the market. Let's learn about the various real estate investing types.

1.1.6 Gold

Gold is regarded to be one of the most precious investment instruments in India because it can also be used as an investment and in the form of jewellery. Not only can one invest in gold by getting it in physical form, but also Paper Gold can invest in it through Exchange Traded Funds and Sovereign Gold Funds, Gold Saving Scheme, and now a day's gold is also accessible through PAYTM, GOLDRUSH (maintained by Stock Holding Corporation of India) in Digital Form.

DETERMINANTS OF INVESTMENT DECISIONS

Today, financial institutions and online investment organisations offer a wide range of investment possibilities to new investors. There are a number of things to consider when choosing options for our portfolio, regardless of whether we like to make our investment decisions on our own or with the assistance of a professional.

- Rates of interest

Investments can be financed by borrowing money or using current savings. Interest rates so have a significant impact on investment. Borrowing becomes more expensive at high interest rates. A higher rate of return is provided by keeping money in the bank while interest rates are high. Because you forfeit the interest payments at higher interest rates, investing has a larger opportunity cost.

- Evaluation

According to the marginal efficiency of capital, an investment must provide a higher rate of return than the interest rate in order to be worthwhile. An investment project must have a rate of return of at least 5% or more if interest rates are 5%. Fewer investment initiatives will be profitable if interest rates climb. A greater number of investment projects will be profitable if interest rates are reduced.

- Economic Development

Companies invest to satisfy future demand. If demand is declining, businesses will reduce their investment. Businesses will increase investment if the economy looks better because they anticipate increased demand in the future. Strong empirical data supports the cyclical nature of investing. Investment declines during a recession and rises with economic expansion. According to the accelerator idea, investment is influenced by the pace of economic expansion. In other words, if the economy improves, a rise in investment spending will result from an increase in the growth rate of the economy, which would happen if it went from 1.5% to 2.5% annually. According to the accelerator theory, investment is influenced by the economic cycle.

- Productivity of Capital

Long-term technological advancements may have an impact on how appealing investments are. Businesses had a strong incentive to invest in new technology in the late nineteenth century since it was far more efficient than earlier technology, thanks to developments like Bessemer steel and improved steam engines. Businesses will reduce investment if the rate of technological advancement slows down since the returns on the investment will be reduced.

- Be confident

Savings are safer than investing. Only businesses who are optimistic about future costs, demand, and economic prospects will invest. Keynes alluded to businessmen's "animal spirits" as a major factor in determining investment. Keynes observed that lack of confidence always sensible. Economic expansion and interest rates, as well as the general political and economic environment, will have an impact on confidence. Businesses may delay making investment decisions if there is uncertainty (such as political unrest), waiting to see how the situation plays out.

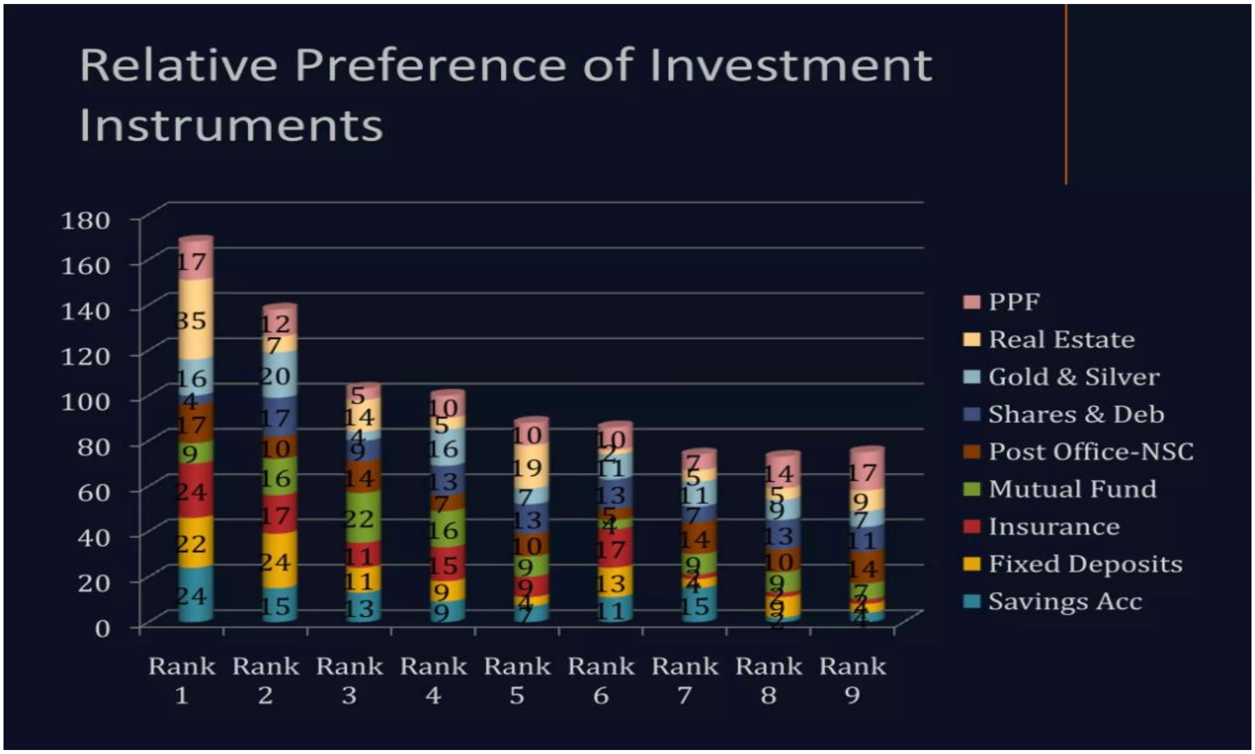
• Governmental Policies

Investments may be more challenging due to certain governmental laws. For instance, restrictive planning regulations may deter investment. Government tax cuts and subsidies, on the other hand, can promote investment.

• Investment expertise

The knowledge and experience of an investor have a big role in the investments they make.

No dishonest investor will chose to follow the recommendations of friends and family when selecting an investment strategy. More seasoned investors frequently make their own selections.



INVESTMENT PREFERENCE OF YOUTH

1.2 SCOPE OF STUDY

The purpose of the study is to comprehend how young investors choose their investment vehicles and how savings and investments are related. It will be easier for our government to create laws that encourage young investors to invest in the financial market and its instruments if the young investors' choice of investment opportunities is good. There are many youthful generations in the study area, including students and workers. This study will also assist the young investors in selecting the financial product in which they should invest so that they may set goals appropriately.

1.3 OBJECTIVES

The main purpose of this analysis is to find investment preferences among young investors.

- To study the behaviour of investment in the youth.
- What parameters are taken into consideration before investing.
- To study the factors of investment.
- To understand the level of awareness regarding the investment of youth.

1.4 RESEARCH METHODOLOGY

DATA COLLECTION TOOL

The study is done based on data collected through primary and secondary methods. Primary data is collected through well designed and structured questionnaire. Secondary data are collected from journals, textbooks, articles, publications, and the internet etc.

SAMPLE SIZE

The study consists of 100 random people.

1.5 LIMITATIONS OF THE STUDY

- The study is restricted to a certain city. People's investment tastes and viewpoints may vary depending on where they live.
- The study's findings might not be entirely generalizable because the sample size was capped at 100 participants.
- The study was conducted at the elementary level and did not consider all possible investment routes.
- This is an academic effort and it is limited to cost, time, and geographical area.
- The response may be biased and prejudiced or may not be always accurate.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Gupta et al. (2001) studied the preferences, future intentions, and experiences of Indian family investors and discovered that bonds were considered an investment for retired individuals but had little attraction to young individuals. For all age groups, the market penetration attained through mutual funds was discovered to be significantly smaller than equity shares.

2.2 Gupta and Jain (2008) Investor preferences were found among the major categories of economic assets, such as share investment, indirect investment through various mutual fund schemes, other types of investment, such as exchange-traded gold funds, bank deposits, and public savings plans, according to the study of 1463 homes. The study provides fascinating information on the relationship between investors' attitudes towards various investment types and their income, age, portfolio diversification habits, and perceptions of the overall quality of market regulation.

2.3 Verma (2008) When the effect of personality and demography on Indian investors' investing decisions was examined, it was found that practitioners, students, and self-employed individuals frequently invested in mutual funds. Retirees demonstrated their risk aversion by avoiding mutual funds and equity shares. Additionally, it was found that higher education had a higher level of comprehension of investment complexity. Higher education holders preferred to invest in mutual funds and stocks.

2.4 Davar and Gill (2009) The basic criteria for choosing among different investment options for families were investigated. The research's findings suggested that familiarity, satisfaction, opinion, and demographic factors should be prioritised for all investment opportunities.

2.5 Shanmugasundaram and Balakrishnan (2011) conduct research on the factors influencing tbehaviour of investors in the capital market. They concluded that demographic factors influence investors' investment decisions.

2.6 Gina Chowa, Mat Despard & Isaac Osei-Akoto (2012) In their article "Youth saving patterns and performance in Ghana," the authors sought to determine whether, given the chance, young people would save money through formal financial services. According to the study's findings, the majority of the sample's youngsters regularly save away money and use it mostly for short-term consumption. The study came to the conclusion that although young people in developing nations have a strong inclination to save, they are often prevented from doing so because they lack the necessary knowledge and information.

2.7 Brahma Bhatt, P.S. Raghu Kumari, and Dr. Shamira Malekar In spite of suffering significant losses, people still continue to engage in the stock market, according to a study on investor behaviour and investment channels conducted in Mumbai in September 2012. They provide savings with a higher desire for safety but also demand higher interest for shorter terms with lower risk.

2.8 Abhijeet Birari & Umesh Patil (2014) investigated young people's spending and saving behaviours in Aurangabad. According to the survey, students with different levels of education have spending patterns that differ significantly. The majority of the young people in the study's sample spend a significant percentage of their income on consumables, and as a result of their ignorance, they invest or save very little money.

2.9 Giridhari Mohanta, Dr. Sathya Swaroop Debasishin (2016) their research revealed that both male and female investors' income and occupation have a significant effect in choosing investment opportunities. Male investors choose investment opportunities more frequently than female investors, and they are also generally more savvy than female investors in both areas.

2.10 Dr. D. Harikanth, B. Pragathithis (2017) The results of the study, for which a systematic review was conducted by taking into account primary data obtained using a standardised questionnaire and secondary data, show that income and occupation play a significant role in the choice of investment avenues by male and female investors.

2.11 J. Sidharthul Munthaga, Dr.M. Nazerthe (2018) The goal of the study on people's investment preferences is to examine people's investment preferences in Thanjavur District. With the aid of the survey, the study's analysis was carried out. After data analysis and interpretation, it has been determined that respondents in Thanjavur District have a medium level of knowledge about different types of investments, although they are unaware of the stock market, equities, bonds, and debentures. As was previously indicated, just a few sample sizes were used in the investigation. Additionally, the respondents who live in Thanjavur District are an exception in this study.

2.12 Neha S Shukla (2019) through this research paper, an analysis has been made about investor’s preference towards investment avenues & the study focused on the salaried personnel only. Though different respondents invest in different avenues, it was evident that they tend to invest much in Fixed Deposits, Post office scheme and Gold and Silver. Majority of respondents invest for purchasing home and long-term growth.

2.13 “Prudent Financial Behaviour among Youth: The Role of Financial Attitude”, By- “Mohd Zamri Abu Bakar, Saridan Abu Bakar,2020” This article's discussion of the younger generation's financial issues, including those that have led to bankruptcies, provides compelling evidence that today's youth are struggling to manage their finances wisely. It has been determined that having positive FA is the greatest way to provide kids with the knowledge, information, and life skills they need to help them make the best financial decisions and to change their financial behaviour.

2.14 “A study on investment preferences of young Investors in the city of raipur Chhattisgarh, India” by Shinki K Pandey, Abhishek Vishwakarma (2022) The article discusses the available investment opportunities as well as the preferences of young investors in Raipur. It teaches us about the mindset of youthful investors.

2.15 “The youth interest to invest in stocks: education, advertising and motivation”, By Niknik Ahmad Munawar and M. Ridho Mahaputra (2022) The article talks about youth preferences, and attitudes toward investments.

CHAPTER 3

THEORETICAL FRAMEWORK

Investment

An investment is an asset or an item that is acquired/purchased to generate income or appreciation. So basically, it is anything bought to multiply the long run, in terms of its financial value. Some examples of investment are estate, shares, fixed deposits and gold etc.

Investment = savings + risk

Objectives of investment

•Safety

By parking your funds in investment schemes, you can ensure that you do not outlive your savings. If your primary goal is to safeguard your hard-earned money, you must invest in a guaranteed fixed-return investment like a fixed deposit or a PPF. For employed individuals, an EPF similarly serves the purpose.

•Capital Growth

If your money is not growing, it is not an investment. That is why we have two different terms – savings and investments. We save our money and then this saved money is invested for capital growth. If it’s not growing, it’s mere savings.

To multiply your money, your investment portfolio must have some exposure to high-risk options like mutual funds, the stock market, real estate and equity. With a high-risk possibility, you also get a high return probability.

•Income

Another popular objective of the investment is a steady source of income. Fixed deposits or post office time deposits that pay out regular interest or stocks that pay dividends regularly are examples of such investments. After you retire, income-generating investments might help you pay for your daily expenses.

•Tax Deduction

Apart from the three objectives of investment discussed above, getting tax deductions is the next most popular benefit of investment. Some of the best examples of investments that help with taxes are life insurance policies (80C for deductions on premium paid and 10 (10D) for sum insured received), pension plans (80CCC) and NPS etc.

Why Should You Invest?

In today's world, there are two ways to make money. The first choice is to earn a living by working for someone else or yourself. Another strategy to expand your fortune is investing your assets to rise in value over time. However, the best way is to blend the two ways and make the most of your money.

Whether you invest in stocks, bonds, precious metals, real estate, small businesses, or a mix of these, the end objectives of investment are income generation and capital growth. Investing provides current and future financial security. It allows you to accumulate wealth while still exceeding inflation.

Thus, if you want to see your money earn for you, make your future secure and beat inflation, you should start investing.

Types of Investments

•Stocks

One of the most prevalent investment options is stock investing. When you buy stock of a company, you become its shareholder. Stocks are ownership shares. Whether you profit or lose money on a stock is determined by the company's success or failure, the overall state of the stock market, and other factors.

•Bonds

A bond is a fixed-income security representing an investor's debt to a borrower. Buying bonds implies that you are essentially lending money to the institution or the government. On this loan, you get a fixed rate of interest which becomes your return on investment. The risk factor is present in bonds as well. This risk will depend on the type of bond you buy.

•Mutual fund

Mutual funds are essentially pooling of money collected from multiple investors and invested in various products to attain mutually agreed-upon goals. A fund manager manages these funds.

•Unit-linked insurance plan (ULIP)

ULIP is a plan sold by insurance firms that combines the benefits of a life insurance policy and investment into a single package, unlike a traditional insurance policy. Plus, you get to save on income tax as well. This makes it a 3-way win at the cost of one!

•Public provident fund (PPF)

PPF is a straightforward investing option that yields profitable returns post-retirement. It’s a government-sponsored savings program that deposits your money for a fixed period and pays you interest. Starting October 1, 2018, it offers an 8% interest rate.

Why is Investing So Important

Through investing, one can achieve their goals and ensure their financial future. Here are a few advantages of investing that demonstrate their significance.

•Earn returns

Through investing, one can earn higher returns than saving. Different investment vehicles can fetch investors high returns in favorable market conditions. By investing, one can make their money work for them.

•Reach financial goals

Through investing, one can accumulate wealth. This will help them fulfil their financial goals and also secure their future. Investing with a goal in mind will motivate investors to invest regularly and help achieve the goal.

•Beat Inflation

Inflation has the power to eat up one’s savings and reduce their purchasing power. In other words, the worth of one rupee will be less than what it is after a year. This is mainly due to inflation. To beat the rising costs, one has to ensure their money grows. This can only happen through investing.

•Financial discipline

The market has so many investment routes, and one of them is systematic investing. By investing regularly, one doesn’t just fulfill their goals, and they are also inculcating a practice. One will be financially disciplined by investing regularly. Moreover, it will also help them keep a check on their expenses.

Risk

The risk, in terms of finances, is the likelihood that an investment or outcome won't yield the expected returns. The risk of losing the entire or part of the initial investment is what constitutes danger.

Typically, historical behaviour and outcomes are used when calculating risk. In finance, the standard deviation is a frequent indicator for assessing risk. The standard deviation measures the degree of price volatility of an asset in comparison to its historical mean over a given time period.

Overall, it is possible and wise to control investment risks by understanding the basics of risk and how it is quantified. By becoming aware of the risks that may be applicable to various circumstances and some of the holistic management approaches for controlling them, all sorts of investors and business managers will be able to avoid needless and expensive losses.

Every saving and investment decision have its own set of rewards and hazards. Financial theory frequently divides investment risks into two categories: systematic risk and unsystematic risk. Both of these categories have an impact on asset values. Generally speaking, both systematic and unsystematic risks can affect investors.

1. Systematic risk: Dangers that could have an effect on the majority of the market or the entire economy are sometimes referred to as market hazards. Market risk is the possibility of losing money on investments as a result of factors like political risk and macroeconomic risk that affect the performance of the market overall. By diversifying your portfolio, market risk can be reduced but not easily. Additional common kinds of systematic risk include interest rate risk, inflation risk, currency risk, liquidity risk, nation risk, and sociopolitical risk.

2. Unsystematic risk: Also known as specific risk or idiosyncratic risk, this form of risk only affects one particular industry or type of organisation. Unsystematic risk is the danger of losing money on an investment as a result of a company- or industry-specific hazard. Examples include a change of management, a recall of a product, a change in legislation that can affect a

company's sales, and the introduction of a new competitor with the potential to take market share away from an established company.

By investing in a variety of assets, investors can control unsystematic risk using the diversification technique.

History of investments in India

•Savings and financial inclusion

Savings and investments are important not only for families but also for the development of the country. Savings and investments have been an important priority for India as a nation, ever since we got our independence from the colonial era on the 15th of August 1947.

The Government of India constituted the National Savings Organization (now the National Savings Institute) in 1948. This started the history of investment in India. The Post Office Savings Bank is listed in the Constitution of India. The Government Savings Certificate Act passed in the Parliament in 1959 and the Public Provident Fund Act of 1968 set up the framework of the government’s Small Savings Schemes. The very idea of small savings is hat, savings and investments should be inclusive, right down to the village level. Successive Governments continued to build upon the idea of financial inclusion leading up to the Prime Minister Jan Dhan Yojana announced on our Independence Day in 2014, which has been a huge success. The success of Jan Dhan Yojana will go a long way in history of investment in India.

•Financial Markets and mutual funds in history of investments in India

Along with savings, building a strong financial market with broad participation is essential for a developed economy. Pre-independence, equity markets in India did not have wide public participation. To encourage public participation in the industrial growth of India, the Government passed the Unit Trust of India (UTI) Act in 1963. This led to the formation of the first mutual fund in India, a major milestone in the history of mutual funds in India.

Mutual fund is a financial instrument which pools the money of different people and invests them in different financial securities like stocks, bonds etc. The Government’s stated objective in setting up UTI was “encouraging saving and investment and participation in the income, profits and gains accruing to the Corporation from the acquisition, holding, management and disposal of securities”.

•Financial Markets and mutual funds in history of investments in India

As per Unit Trust of India Act of 1963, Unit Trust of India functioned under the regulatory and administrative control of the Reserve Bank of India (RBI). In 1964, UTI launched Unit Scheme 1964 (US ’64) – the first mutual fund scheme launched in India. This scheme became very popular and subsequently, Unit Trust of India launched several other mutual fund schemes. In 1978, the Government de-linked RBI from the regulatory and administrative control of UTI and the Industrial Government Bank of India (IDBI), a Public Sector Undertaking (PSU) took over the regulatory and administrative control of UTI.

In 1987, the Government allowed public sector banks and public financial institutions (e.g. Life Insurance Corporation of India) to launch their mutual funds. State Bank of India (SBI) mutual fund was the first non UTI mutual fund to be established in India. Subsequently, other PSU banks like Canara Bank, Punjab National Bank, Indian Bank, Bank of Baroda etc. also entered the mutual fund industry. LIC entered the mutual fund industry in 1989.

Economic reforms instituted in 1991 provided further impetus to the financial market in India. The securities and Exchange Board of India (SEBI) was set up in 1992 to act as the regulator of capital markets in India. SEBI also became the regulator of mutual funds in India. As part of economic liberalization, the Government also allowed private-sector asset management companies (AMCs) to participate in mutual funds. This was the pivotal change in the mutual fund industry. The first private-sector fund was launched in 1993 and subsequently many other AMCs entered the mutual fund industry; there are currently 43 AMCs in the mutual fund industry.

Subsequent reforms enacted by the Government and SEBI, including the setting up of National Stock Exchange (NSE), introduction of derivative trading, the repealing UTI Act of 1963, abolition of entry load, the introduction of direct mutual fund plans, allowing Employee Provident Fund (EPF) to invest in stocks and numerous other regulations led to further growth of financial markets and mutual funds in India.

1992 Indian stock market scam

The 1992 stock market scam is often referred to by the perpetrator’s name who brought about the downfall of the stock market: Harshad Shantilal Mehta. The scam featured an embezzlement of Rs 1439 crores ($3 billion) that led to a severe crunch and drastic loss of wealth in the life savings of many investors that amounted to Rs 3542 crores ($7 billion). Harshad Mehta is also framed as a victim due to alleged political alliances that included prominent governmental figures. However, it remains true that Mehta exploited the loopholes for his personal benefit, manipulated the market and was heavily involved in many banking frauds.

The key instruments used in the great scam were stamp papers, bank receipts, ready forward deals, and higher interest rates. Sucheta Dalal exposed Mehta’s crimes and involvement in the columns of Times of India in 1992 after taking keen interest in his overly luxurious lifestyle. As valued in 2019, the Harshad Mehta scam had swindled nearly Rs. 250

Billion from the banking system. The effects of the scam, while not persisting directly, still affect the conservative investors' mindsets. Ketan Parekh, an associate working under Mehta, would later go on to reanimate a similar crime in the stock market in 2008 and be convicted for his involvement in market manipulation in 1992.

Effects of the stock market fraud

The market index and share prices fell precipitously immediately, which led to a breakdown in the operation of the RBI's and commercial banks' securities control system. The withdrawal of about 35 billion from the 2,500 billion market caused the share market to crash. The trading system records were tampered with by the Bombay Stock Exchange. Public panic ensued, and banks suffered significantly as a result. Banks including Standard Chartered and ANZ Grindlays were linked to the scam since they forwarded money into Mehta's personal account while forging bank receipts. The lack of computerised systems, which had an influence on the entire stock market, was the government's realization that the underlying issue with the financial structure of the stock markets.

The Indian stock market was destroyed by the 1992 swindle; almost 40% of the market value, or $1 billion, was lost. It prompted the government to reevaluate and reform the banking system. In transactions, all banks were changed to custodians rather than principals. The Reserve Bank of India was to oversee the independent portfolio audit mechanism that banks were required to establish. Due to these events, the National Stock Exchange (NSE) was established, and the SEBI Act of 1992 was passed along with some statutory authority. The Securities Board made investor education one of its top priorities. The National Securities Depository and the NSE were under the SEBI's supervision. The government introduced 10 acts of parliament and one constitutional amendment for the equities market. The dynamics of stock buying and selling were altered by NSE's launch of internet trading. Due to these events, the NSE was established, and the SEBI Act of 1992 was passed along with some legislative authority. The Securities Board made investor education one of its top priorities. The National Securities Depository and the NSE were under the SEBI's supervision. Based on the ideas of economic reform and legislative changes, the government adopted 10 acts of parliament and one constitutional amendment for the equity market. The dynamics of stock buying and selling were altered by NSE's launch of internet trading.

Moves savings for investment

Savings that might have been spent or kept in idle bank deposits are instead mobilised and redirected to assist management boards in funding their organisations when people withdraw their savings and invest in shares (through an initial public offering or the seasoned equity offering of an already listed company). This might encourage commercial activity, which would be advantageous for many economic sectors, including agriculture, trade, and industry. This would lead to faster economic growth and higher company productivity levels. Since all orders are placed through brokers, they are essential to the stock exchange market's trading structure.

An overlook to the Objectives of SEBI

1. Investor Protection: This is one of the most important objectives of setting up SEBI. It involves protecting the interests of investors by providing guidance and ensuring that the investment done is safe.

2. Preventing the fraudulent practises and malpractices which are related to trading and regulation of the activities of the stock exchange

3. To develop a code of conduct for the financial intermediaries such as underwriters, brokers, etc.

2. To maintain a balance between statutory regulations and self-regulation.

Need or Importance of investor's Education

The SEBI's investor education program has been christened "Securities Market Awareness Campaign" (SMAC). The motto of the campaign is— 'An Educated Investor is a Protected Investor.' The campaign was launched at the national level by the then Prime Minister, Shri Atal Bihari Vajpayee, on January 17, 2003. The national launch was closely followed by state level launches. The structural foundation of the campaign is based on workshops that are being conducted across all over the country with continued and active participation of market participants, market intermediaries, Investors Associations etc., to spread SEBI's message of "invest with knowledge". The workshops aim at reaching out to the common investors and are held primarily in small and medium towns and cities all over the country. The investors are familiarized with the functioning of the securities market, fundamentals of investment, risk management and investors' rights and responsibilities. Till date, more than 2188 workshops have been conducted in around 500 cities and towns across the country. SEBI has prepared a standardized reading material and presentation material for the workshops. In addition, reference guides on topics concerning investors have been prepared and distributed to investors during these investor education campaigns. In addition, these messages are spread across the investor base by way of advertisements in newspapers, especially in the regional newspapers. Till date, over 700 advertisements relating to various aspects of Securities Market have appeared in 48 different newspapers/magazines, covering approximately 111 cities and 9 regional languages, apart from English and Hindi. With regard to educating investors through the medium of radio, SEBI Officials regularly participate in programs aired by All India Radio. With a view to use the electronic media to reach out to a larger number of investors, a short cautionary message, in the form of a 40 seconds film, has been prepared and the same is being aired on television. With a view to make information relevant to the investor available at one place, a dedicated investor website (http://investor.sebi.gov.in) has been set up and operated. A simple and effective internet-based response to investor complaints has been set up. On filing a complaint electronically, an acknowledgemental would be sent to investor's specified email address along with a complaint registration number instantaneously. Different investment avenues are available to investors. These investments offer good investment opportunities to the investors. All investments carry certain risks. The investors should compare the risks and expected yields after adjustment of tax on various instruments while taking investment decisions. The investors may seek information from various sources and advice from experts and consultants including agents and distributors while making investment decisions. Many investors do not possess adequate expertise or knowledge to take informed investment decisions. Some of them may not be aware of the complete risk-return profile of the different investment options. Some investors may not be fully aware of the precautions they should take while dealing with market intermediaries and dealing in different securities.

CHAPTER 4

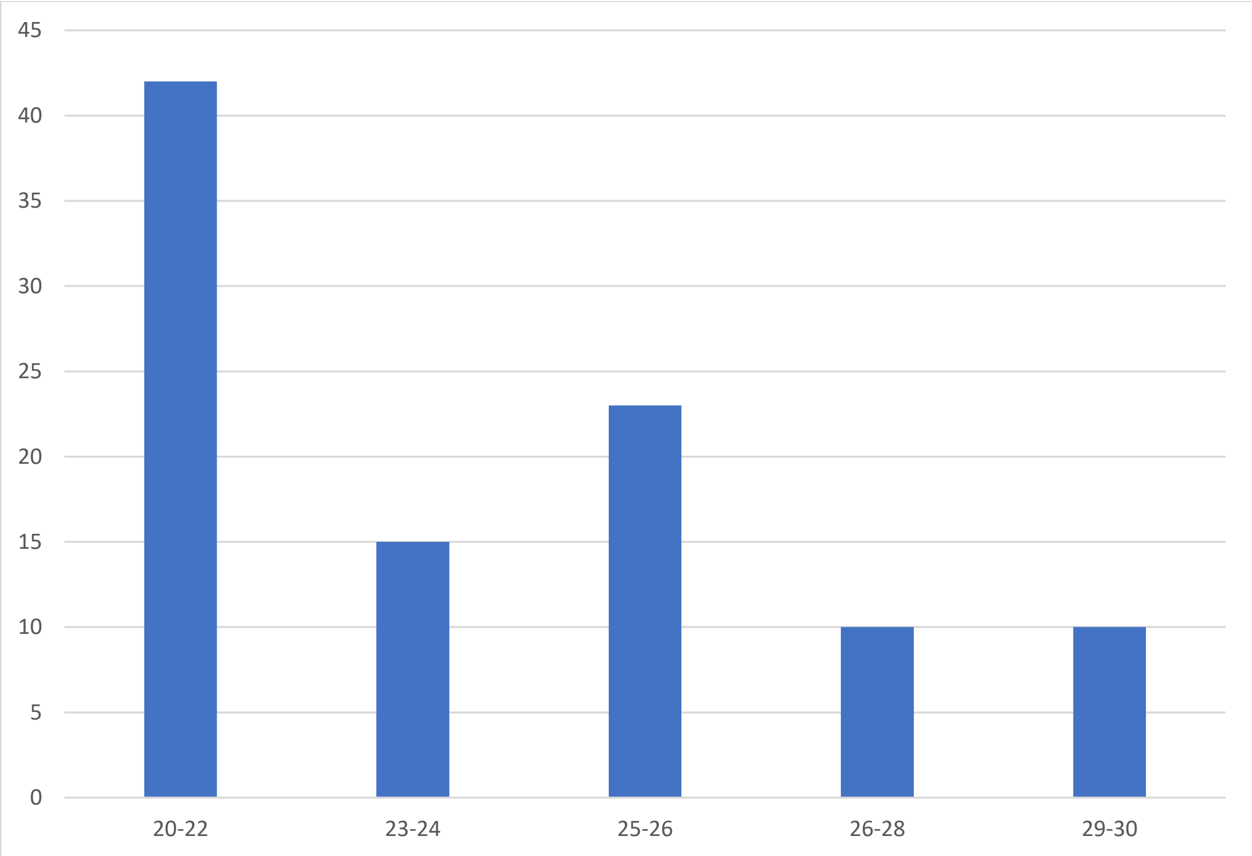
DATA ANALYSIS AND INTERPRETATION

4.1. AGE-WISE CLASSIFICATION OF RESPONDENTS

Table No. 4.1.AGE WISE CLASSIFICATION

AGE	NO. OF RESPONDENTS	PERCENTAGE
20-22	42	42%
23-24	15	15%
25-26	23	23%
26-28	10	10%
29-30	10	10%

Fig No.4.1.AGE WISE CLASSIFICATION



INTERPRETATION:

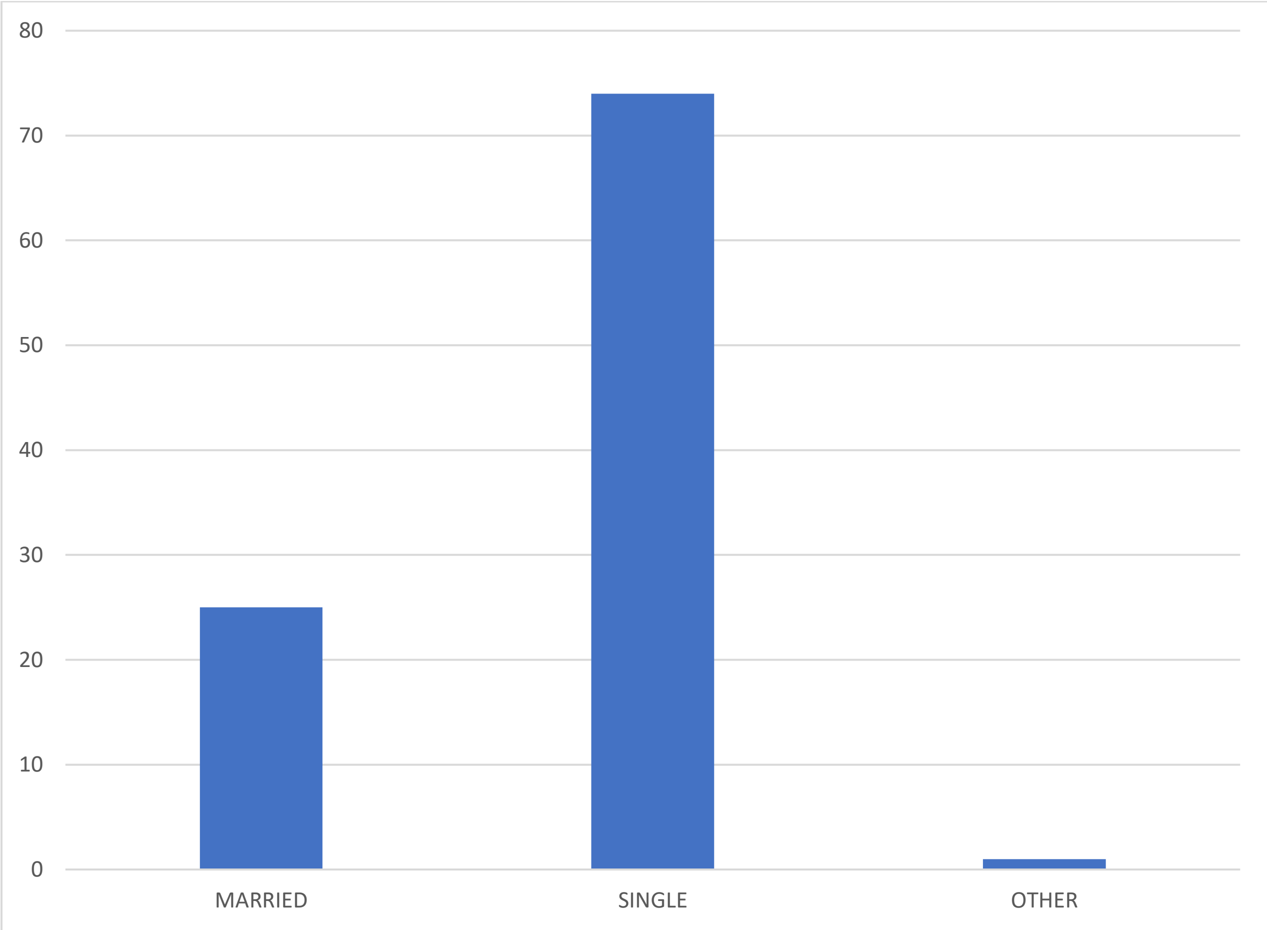
From the above data collected 42% of the respondent is between 20yrs and 22yrs,15% of respondents are between 23yrs to 24yrs age group,23% of the respondent are between 25 to 26 age group, 10% of the respondents are between 23 to 28 age group and remaining 10% of respondents are from the age group 29 yrs – 30yrs.

4.2. MARITAL STATUS-WISE CLASSIFICATION

Table no.4.2. MARITAL STATUS WISE CLASSIFICATION

MARITAL STATUS	NO. OF RESPONDENTS	PERCENTAGE
MARRIED	25	25%
SINGLE	74	74%
OTHER	1	1%

Fig No.4.2. MARITAL STATUS WISE CLASSIFICATION



INTERPRETATION:

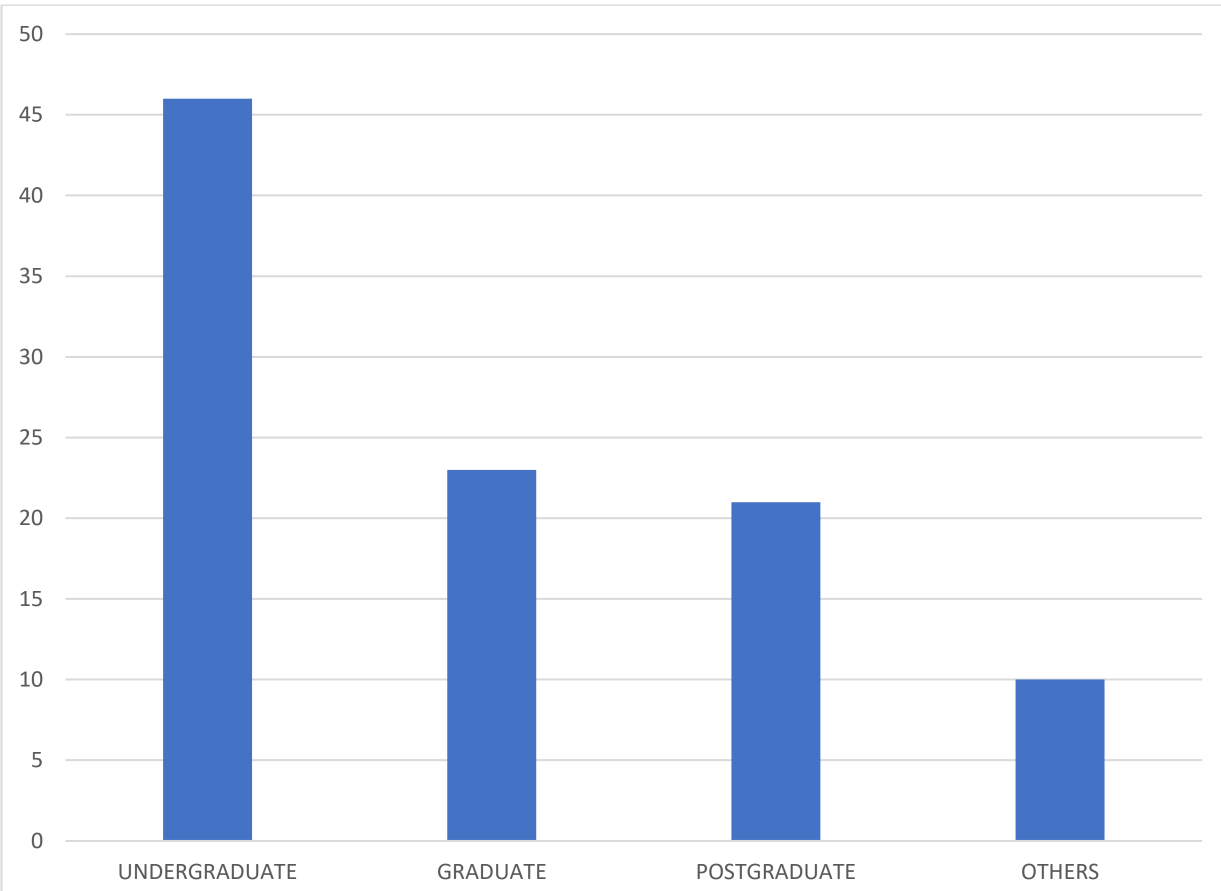
As shown above,74% of the respondents are single,25% of the respondents are married and 1% are others.

4.3. EDUCATION-WISE CLASSIFICATION OF RESPONDENTS

Table no.4.3. EDUCATION WISE CLASSIFICATION

EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
UNDERGRADUATE	46	46%
GRADUATE	23	23%
POSTGRADUATE	21	21%
OTHERS	10	10%

Fig No.4.3 EDUCATION WISE CLASSIFICATION



INTERPRETATION:

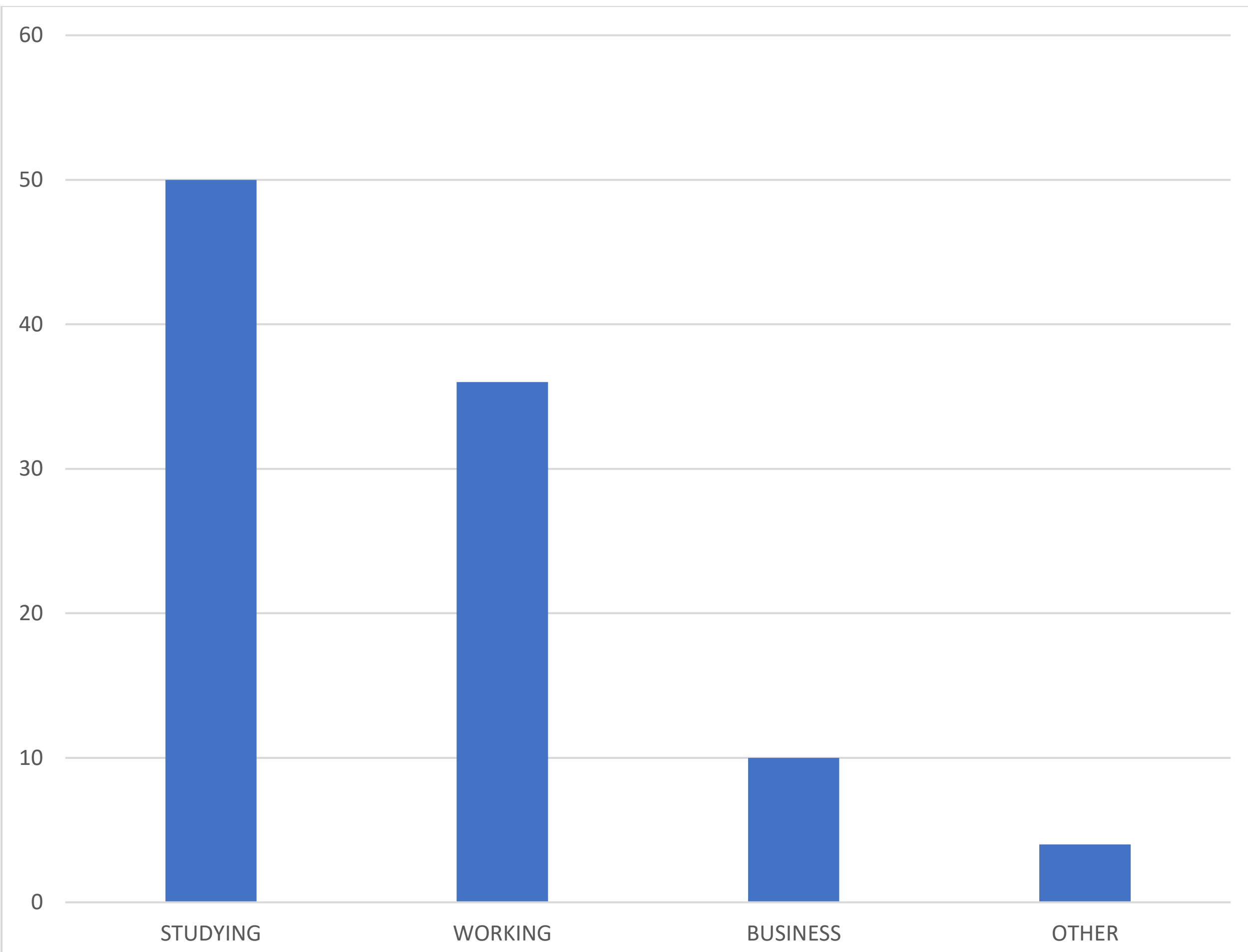
As shown above,21% of the respondents are post-graduates,45% of the respondents are undergraduates,23% of the respondents are graduates, and 10%of the respondents are others.

4.4 OCCUPATION WISE CLASSIFICATION

Table4.4. Occupation wise classification

OCCUPATION	NO. OF RESPONDENTS	PERCENTAGE
STUDYING	50	50%
WORKING	36	36%
BUSINESS	10	10%
OTHER	4	4%

Fig No.4.4 OCCUPATION WISE CLASSIFICATION



INTERPRETATION:

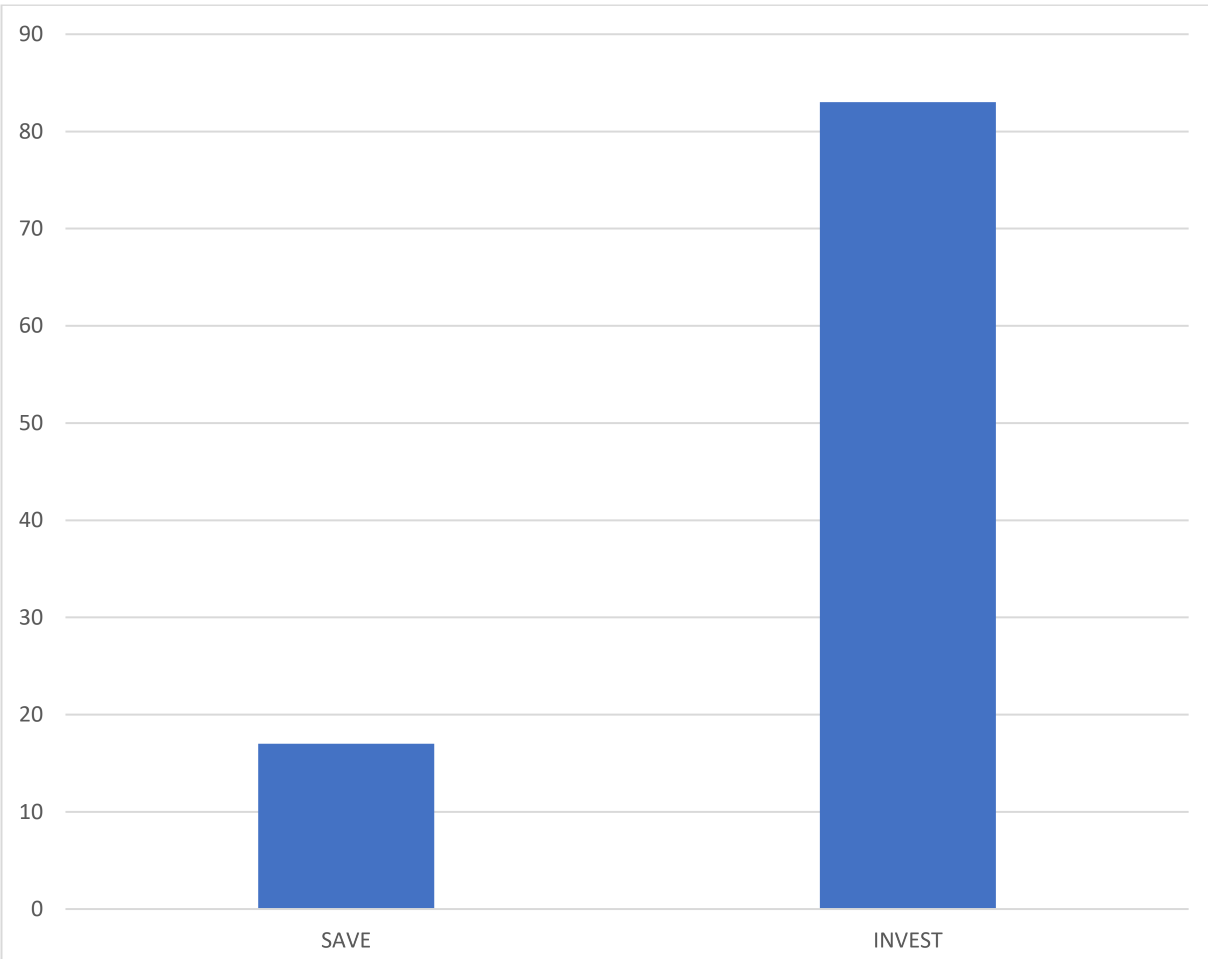
As shown above,50% of the respondents are studying,10% of the respondents are business people,36% of the respondents are working professionals, and 4% are in other occupations.

4.5 DO YOU SAVE OR INVEST YOUR INCOME

Table4.5 Do You Save or Invest Your Income

SAVE OR INVEST	NO. OF RESPONDENTS	PERCENTAGE
SAVE	17	17%
INVEST	83	83%

Fig No.4.5 Do You Save or Invest Your Income



INTERPRETATION:

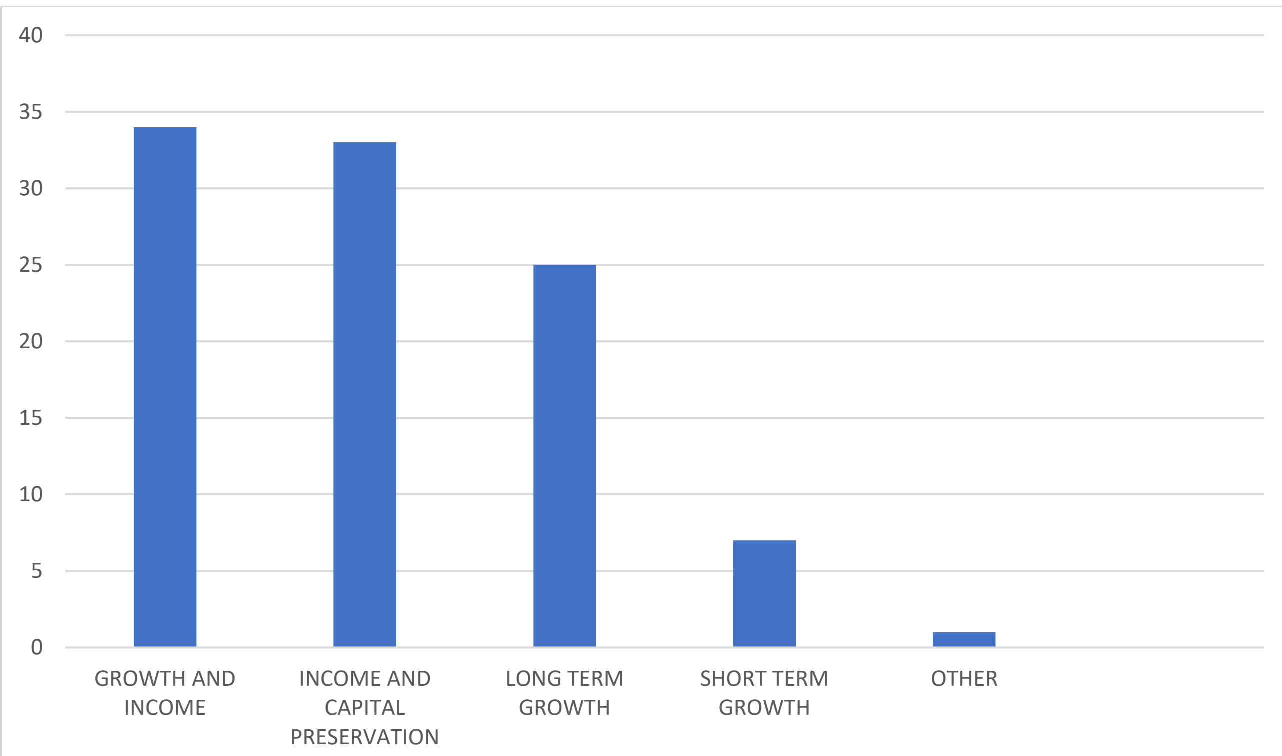
As shown above,83% of the respondents are investing their income while remaining 17% are saving their income

4.6 HOW FAMILIAR ARE YOU WITH THE INVESTMENT MARKET

Table4.6. How familiar are you with the investment market

FAMILIARITY	NO. OF RESPONDENTS	PERCENTAGE
EXTREMELY FAMILIAR	34	34%
VERY FAMILIAR	22	22%
SOMEWHAT FAMILIAR	29	29%
NOT SO FAMILIAR	13	13%
NOT AT ALL FAMILIAR	2	2%

Fig No.4.6 How familiar are you with the investment market



INTERPRETATION:

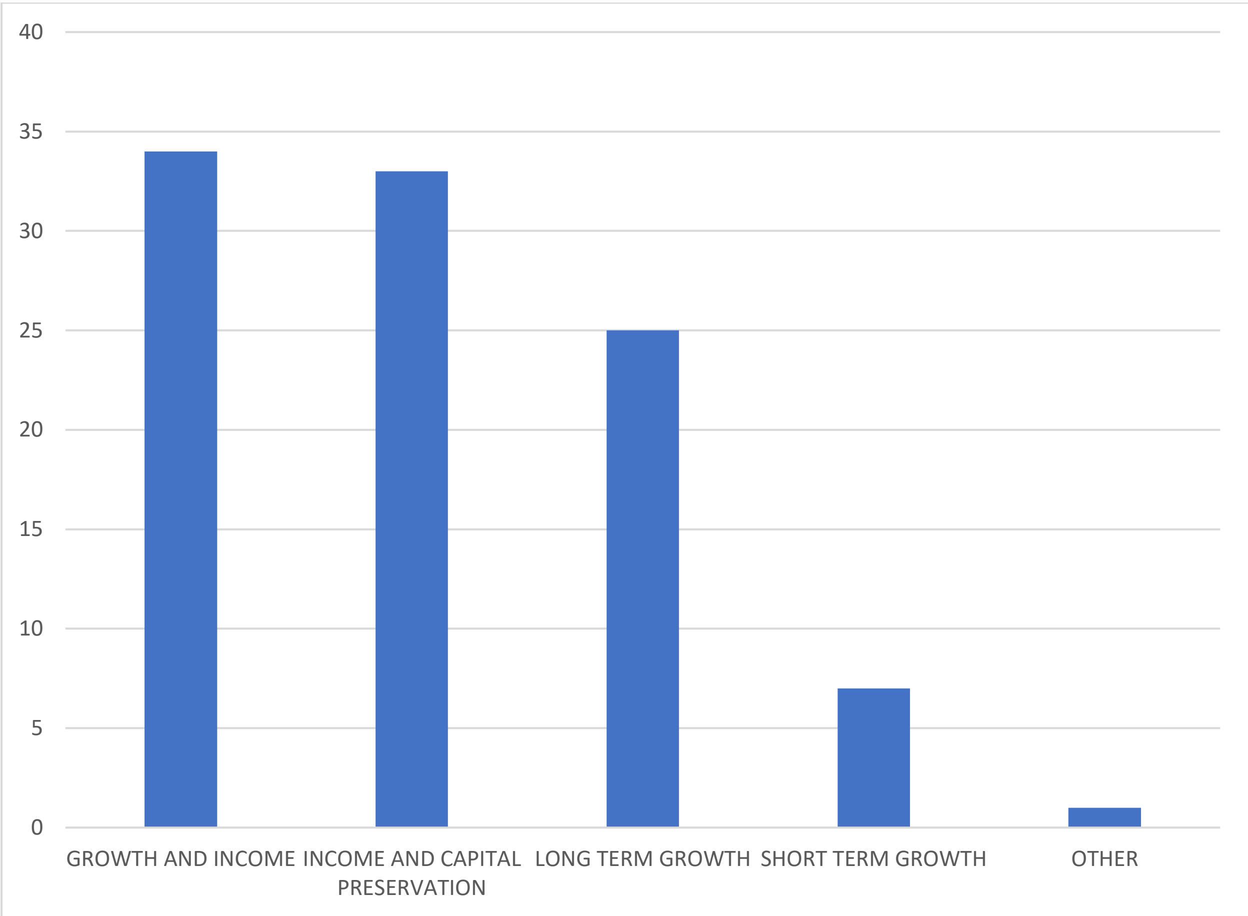
As shown above, 34% of the respondents are extremely familiar with the investment market, 22 are very familiar, 29% are somewhat familiar, 135 are not so familiar and the remaining 2% are not at all familiar with the investment market.

4.7 WHAT IS YOUR INVESTMENT OBJECTIVE

Table4.7. What is your investment objective

OBJECTIVE	NO. OF RESPONDENTS	PERCENTAGE
GROWTH AND INCOME	34	34%
INCOME AND CAPITAL PRESERVATION	33	33%
LONG TERM GROWTH	25	25%
SHORT TERM GROWTH	7	7%
OTHER	1	1%

Fig no.4.7 investment objective



INTERPRETATION:

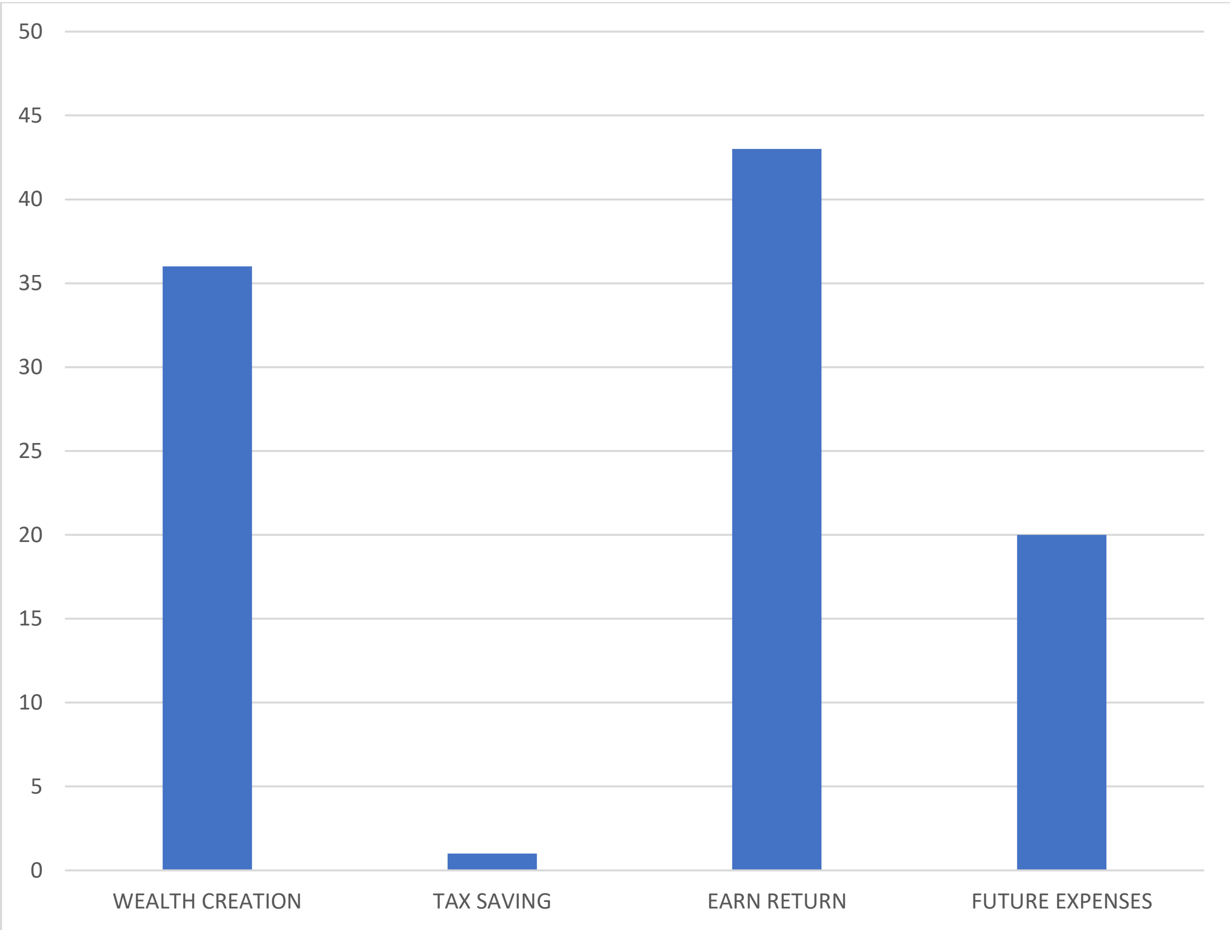
According to this analysis, 33% think of income and capital preservatives as their investment objective.25% think long-term growth is their investment objective.7% think of short-term growth as their objective.34% think of growth and income as their investment objective.1% have other objectives.

4.8. PURPOSE OF INVESTMENT

Table No.4.8. Purpose of investment

INVESTMENT PURPOSE	NO. OF RESPONDENTS	PERCENTAGE
WEALTH CREATION	36	36%
TAX SAVING	1	1%
EARN RETURN	43	43%
FUTURE EXPENSES	20	20%

Fig No.4.8. PURPOSE OF INVESTMENT



INTERPRETATION:

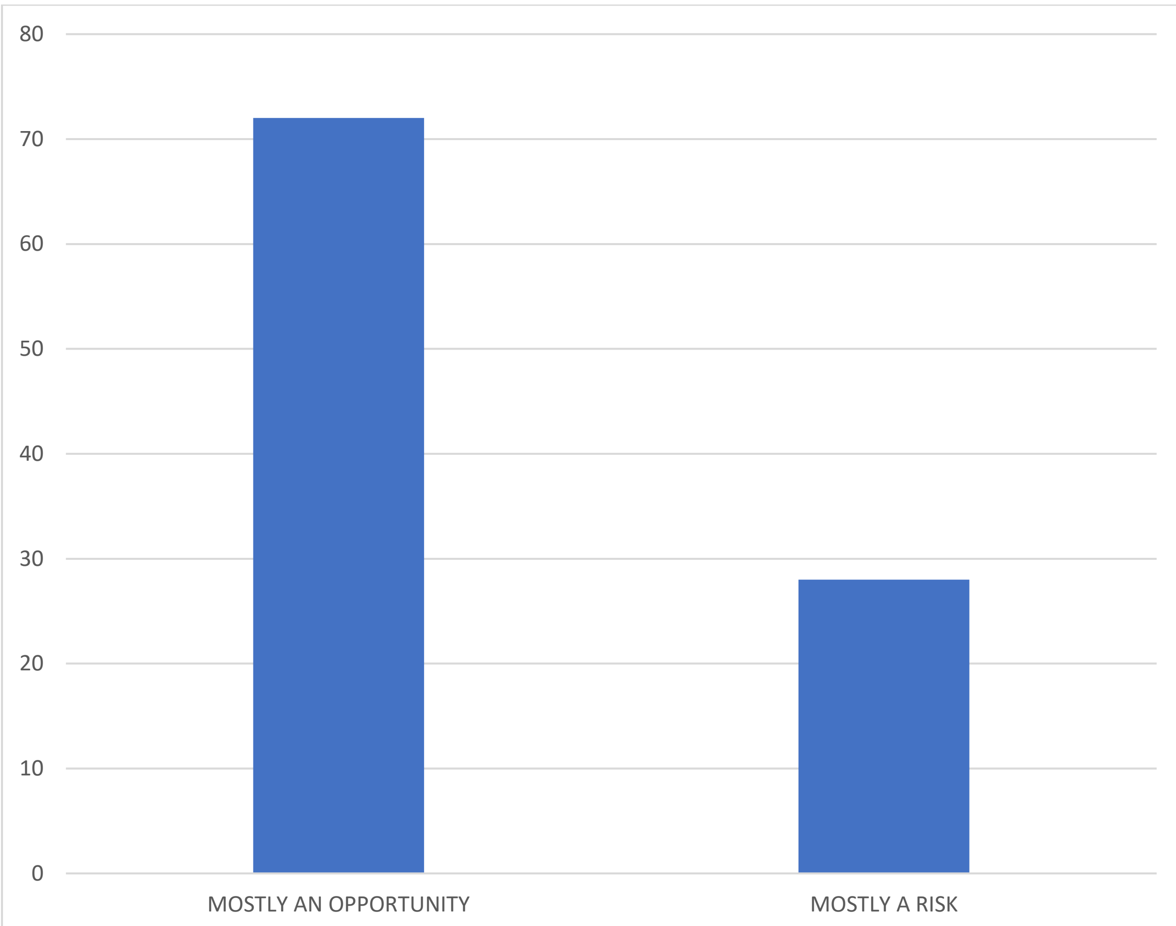
According to this analysis, 36% of opinion is that their purpose of investment is for wealth creation.1% opinion is that their purpose of investment is for tax saving.43% is of opinion that their purpose of investment is for earning returns.20% opinion is that their purpose of investment is for future expenses.

4.9. INVESTING IS MOSTLY AN OPPORTUNITY OR MOSTLY A RISK

Table No.4.9. when thinking of investment, do you feel that investing is mostly an opportunity or mostly a risk?

CHOICES	NO. OF RESPONDENTS	PERCENTAGE
MOSTLY AN OPPORTUNITY	72	72%
MOSTLY A RISK	28	28%

Fig No.4.9 INVESTING IS MOSTLY AN OPPORTUNITY OR MOSTLY A RISK



INTERPRETATION:

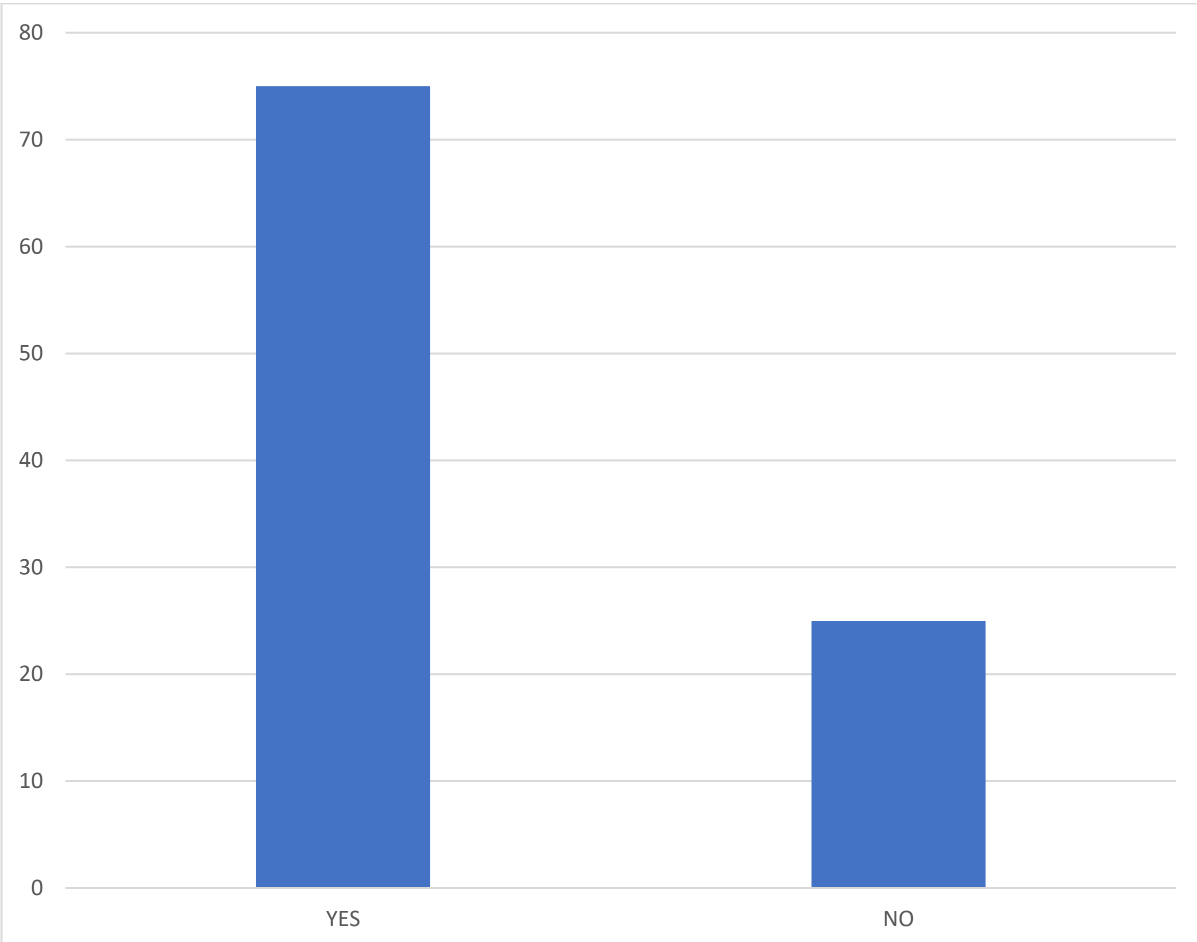
According to this analysis, 72% of the respondent sees investing as an opportunity and the remaining 28% thinks it is a risk.

4.10. DO YOU CURRENTLY HAVE ANY TYPE OF INVESTMENT

Table No.4.10. Do you currently have any type of investment

YES/NO	NO. OF RESPONDENTS	PERCENTAGE
YES	75	75%
NO	25	25%

Fig No.4.10 Do you currently have any type of investment



INTERPRETATION:

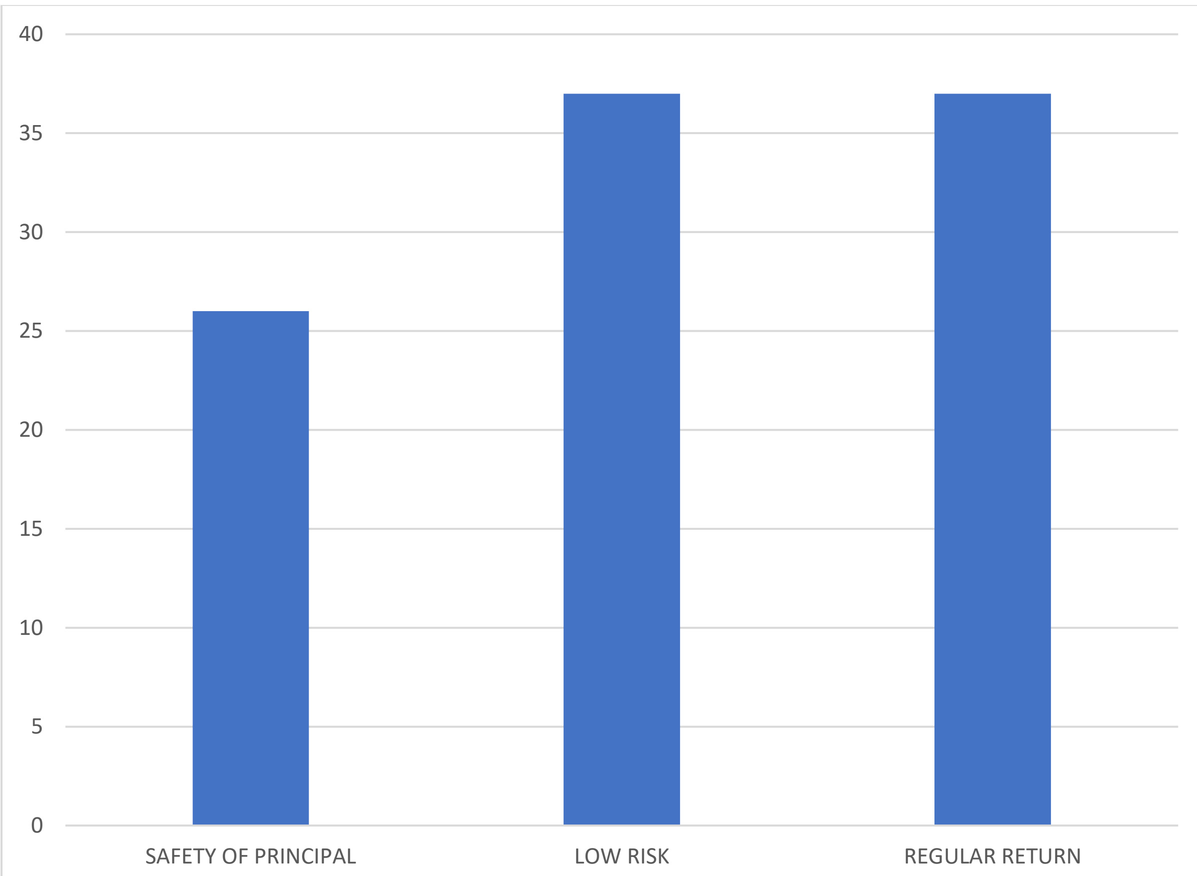
As shown above, 75% of the respondents have invested their income and 25% have not invested their income.

4.11. FACTORS TO CONSIDER BEFORE INVESTING

Table No.4.11. Factors to consider before investing

FACTORS	NO. OF RESPONDENTS	PERCENTAGE
SAFETY OF PRINCIPAL	26	26%
LOW RISK	37	37%
REGULAR RETURN	37	37%

Fig No.4.11 Factors to consider before investing



INTERPRETATION:

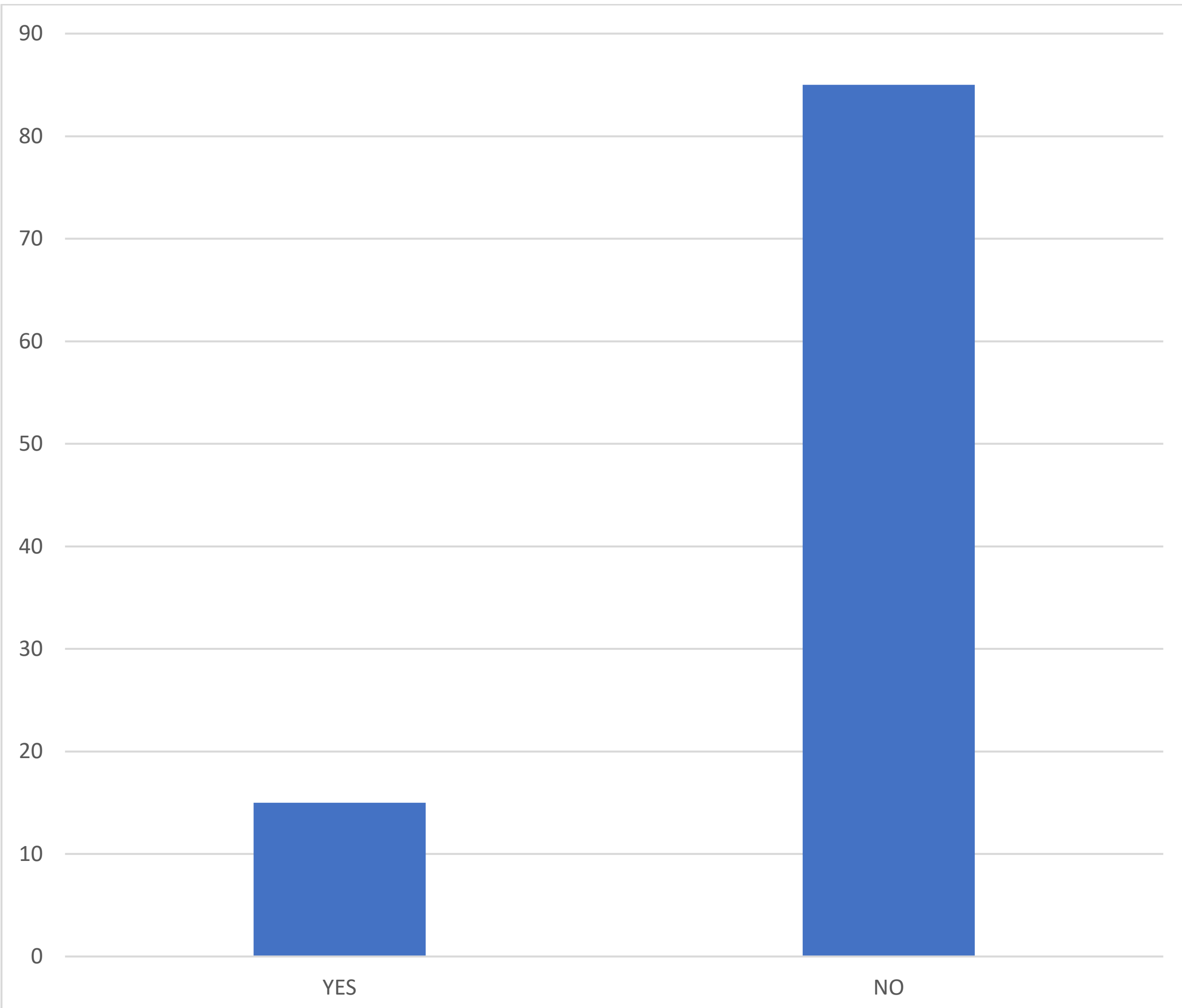
Based on the analysis 26% are considering the safety of the principal amount.37% are considering low risk and 37% are considering high returns.

4.12. RISK OF LOSING YOUR PRINCIPAL INVESTMENT AMOUNT

Table No.4.12. Can you take the risk of losing your principal investment amount?

OPINION	NO. OF RESPONDENTS	PERCENTAGE
YES	15	15%
NO	85	85%

Fig No.4.12 RISK OF LOSING YOUR PRINCIPAL INVESTMENT AMOUNT



INTERPRETATION:

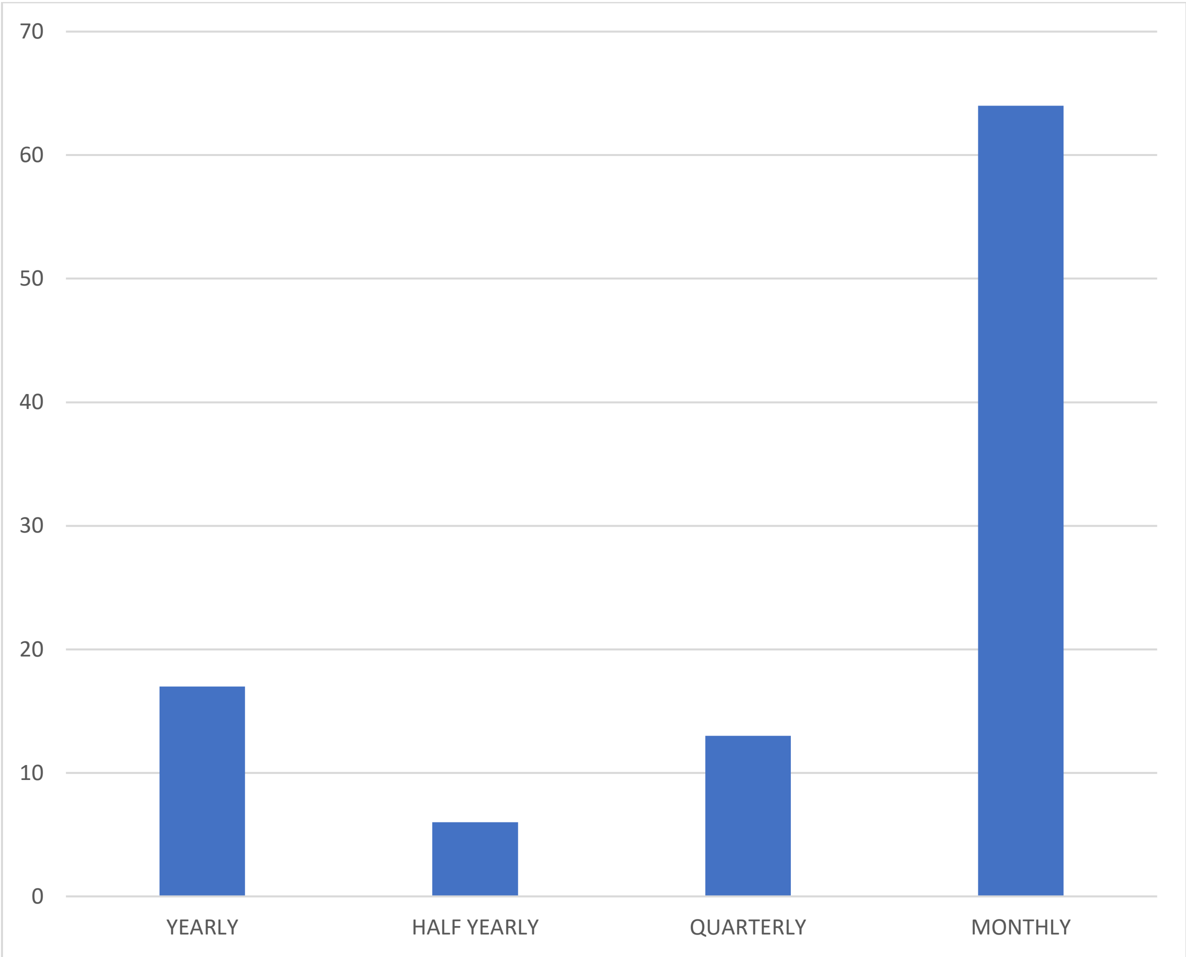
By this analysis, 15% of the respondents can risk the principal amount but the remaining 85% cannot take the risk of losing the principal amount.

4.13. RETURN OF THE INVESTMENT

Table No.4.13. RETURN OF THE INVESTMENT

PERIOD	NO. OF RESPONDENTS	PERCENTAGE
YEARLY	17	17%
HALF YEARLY	6	6%
QUARTERLY	13	13%
MONTHLY	64	64%

Fig No.4.13 RETURN OF THE INVESTMENT



INTERPRETATION:

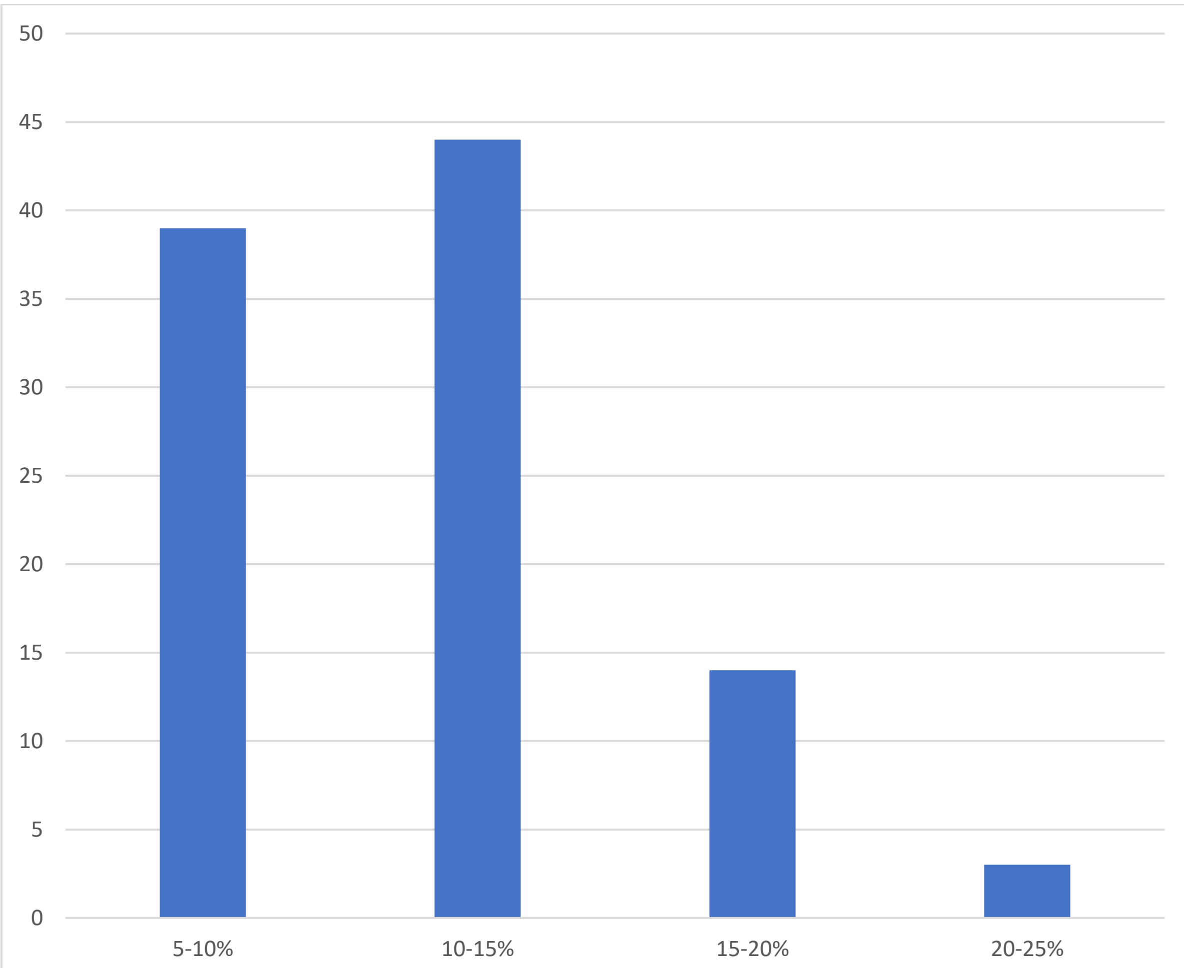
Based on the analysis 17% of the respondents prefer the annual return, 6% half yearly, 64% of them prefer monthly return and the remaining 13% prefer quarterly return.

4.14. PERCENTAGE OF YOUR INCOME DO YOU INVEST

Table No.4.14. what percentage of your income do you invest?

PERCENTAGE	NO. OF RESPONDENTS	PERCENTAGE
5-10%	39	39%
10-15%	44	44%
15-20%	14	14%
20-25%	3	3%

Fig No.4.14 PERCENTAGE OF YOUR INCOME DO YOU INVEST



INTERPRETATION:

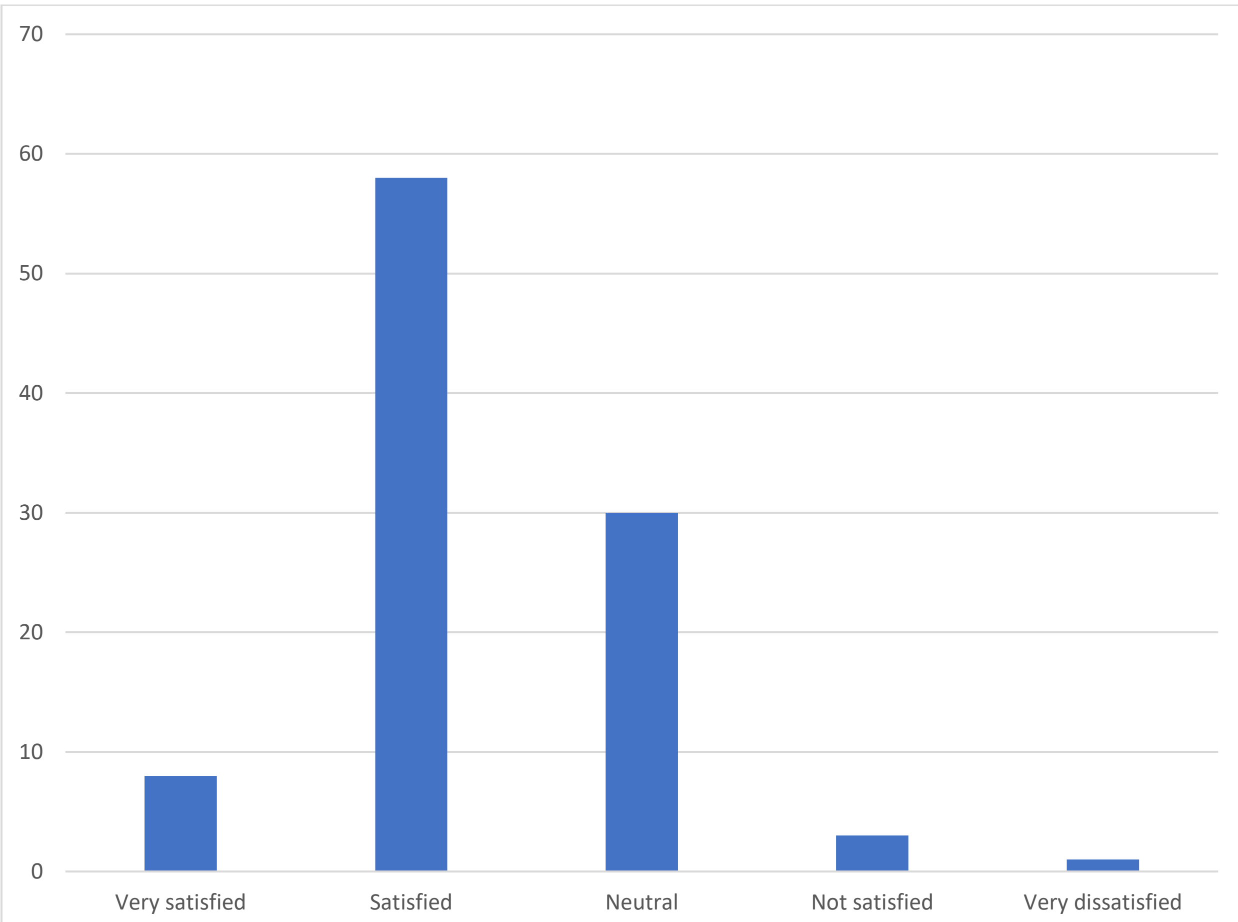
As shown above, 44% of the respondents invest 10-20% of their income, 39% of them invest 0-10%, 14% invest 20-30% of their income and remaining 3% of them invest above 30% of their income in investment.

4.15. SATISFACTION WITH THE RETURNS

Table No.4.15. SATISFACTION WITH THE RETURNS

AGREES	NO. OF RESPONDENTS	PERCENTAGE
Very satisfied	8	8%
Satisfied	58	58%
Neutral	30	30%
Not satisfied	3	3%
Very dissatisfied	1	1%

Fig No.4.15 SATISFACTION WITH THE RETURNS



INTERPRETATION:

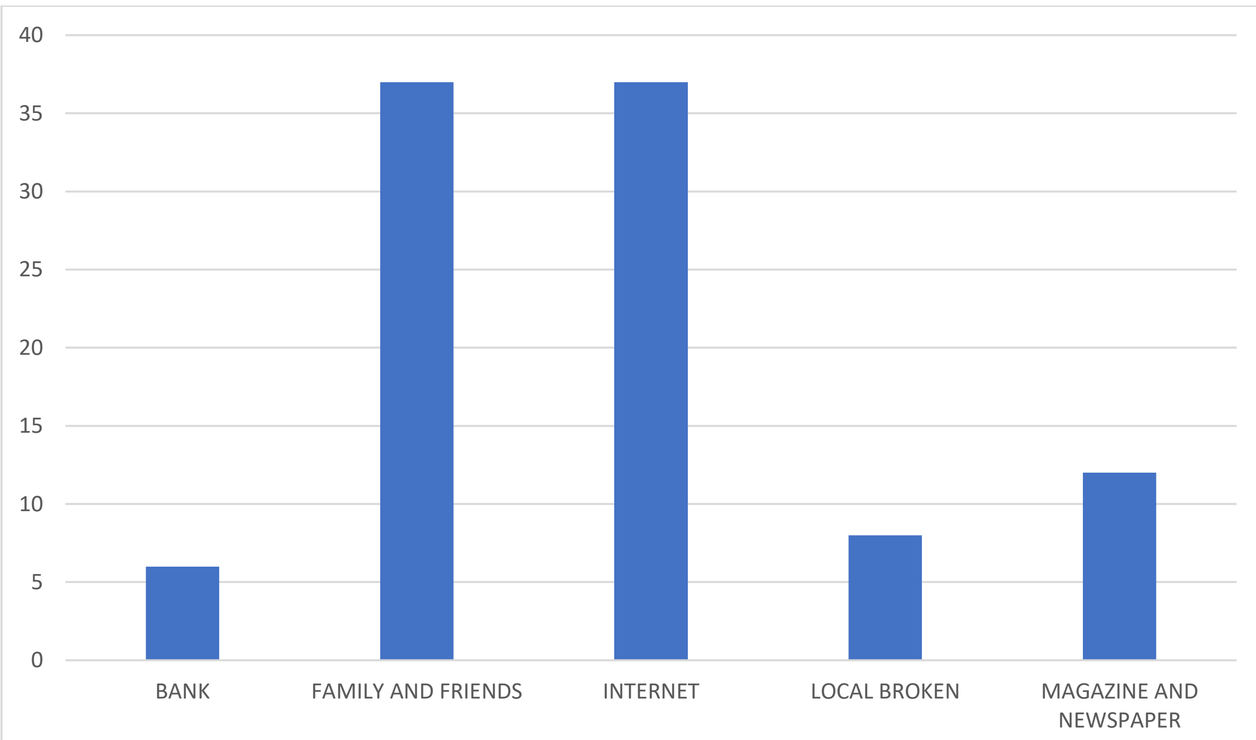
Based on the analysis majority are satisfied with the return

4.16. INVESTMENT DECISION

TABLE NO.4.16. WHOSE ADVICE DO YOU SEEK ON YOUR INVESTMENT DECISION?

SOURCE	NO. OF RESPONDENTS	PERCENTAGE
BANK	6	6%
FAMILY AND FRIENDS	37	37%
INTERNET	37	37%
LOCAL BROKEN	8	8%
MAGAZINE AND NEWSPAPER	12	12%

Fig No.4.16 INVESTMENT DECISION



INTERPRETATION:

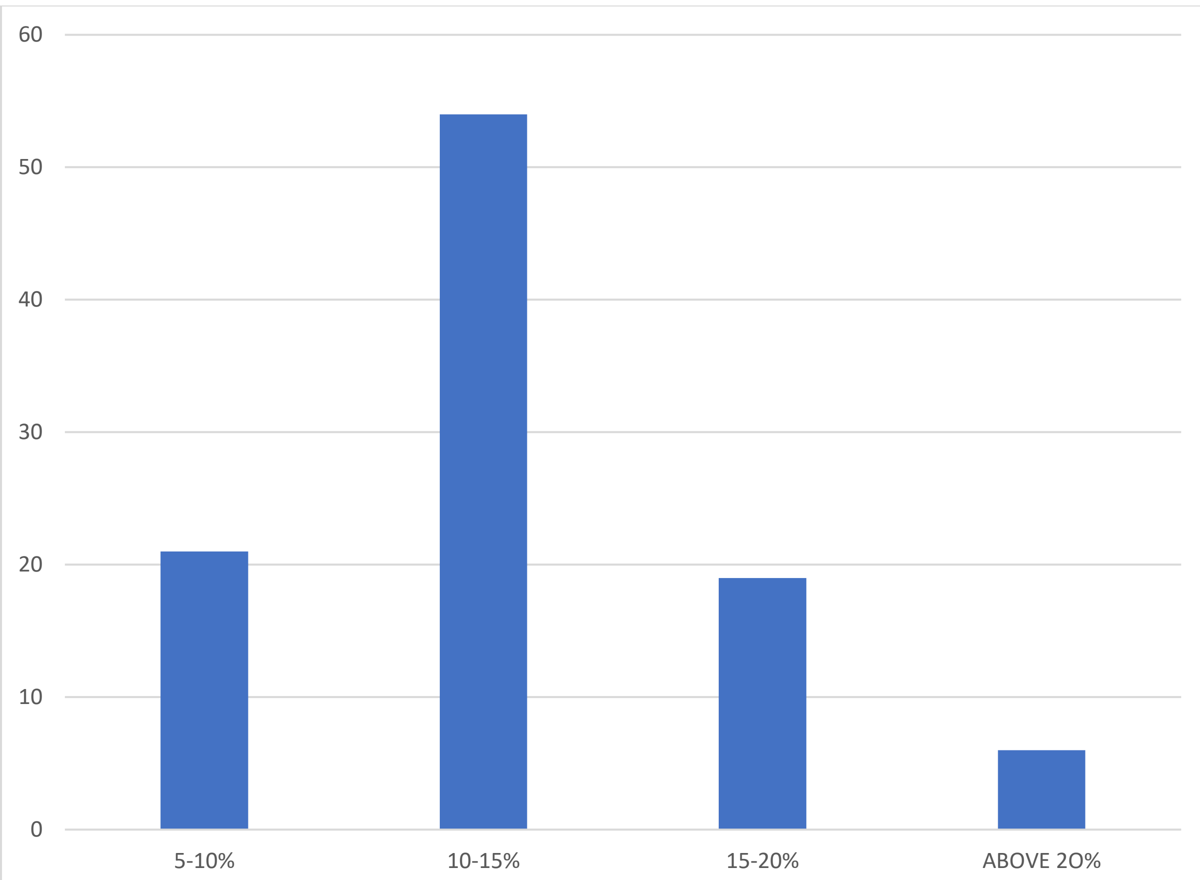
As shown above 37% of the respondents seek advice from family & friends, 12% of them from magazines newspaper , another 37% from internet , 6% from banks ,8% from local brokers

4.17. PERCENTAGE OF RETURN THAT YOU ARE EXPECTING

TABLE NO.4.17. WHAT PERCENTAGE OF RETURN THAT YOU ARE EXPECTING FROM INVESTMENT

PERCENTAGE	NO. OF RESPONDENTS	PERCENTAGE
5-10%	21	21%
10-15%	54	54%
15-20%	19	19%
ABOVE 2O%	6	6%

Fig No.4.17 PERCENTAGE OF RETURN THAT YOU ARE EXPECTING

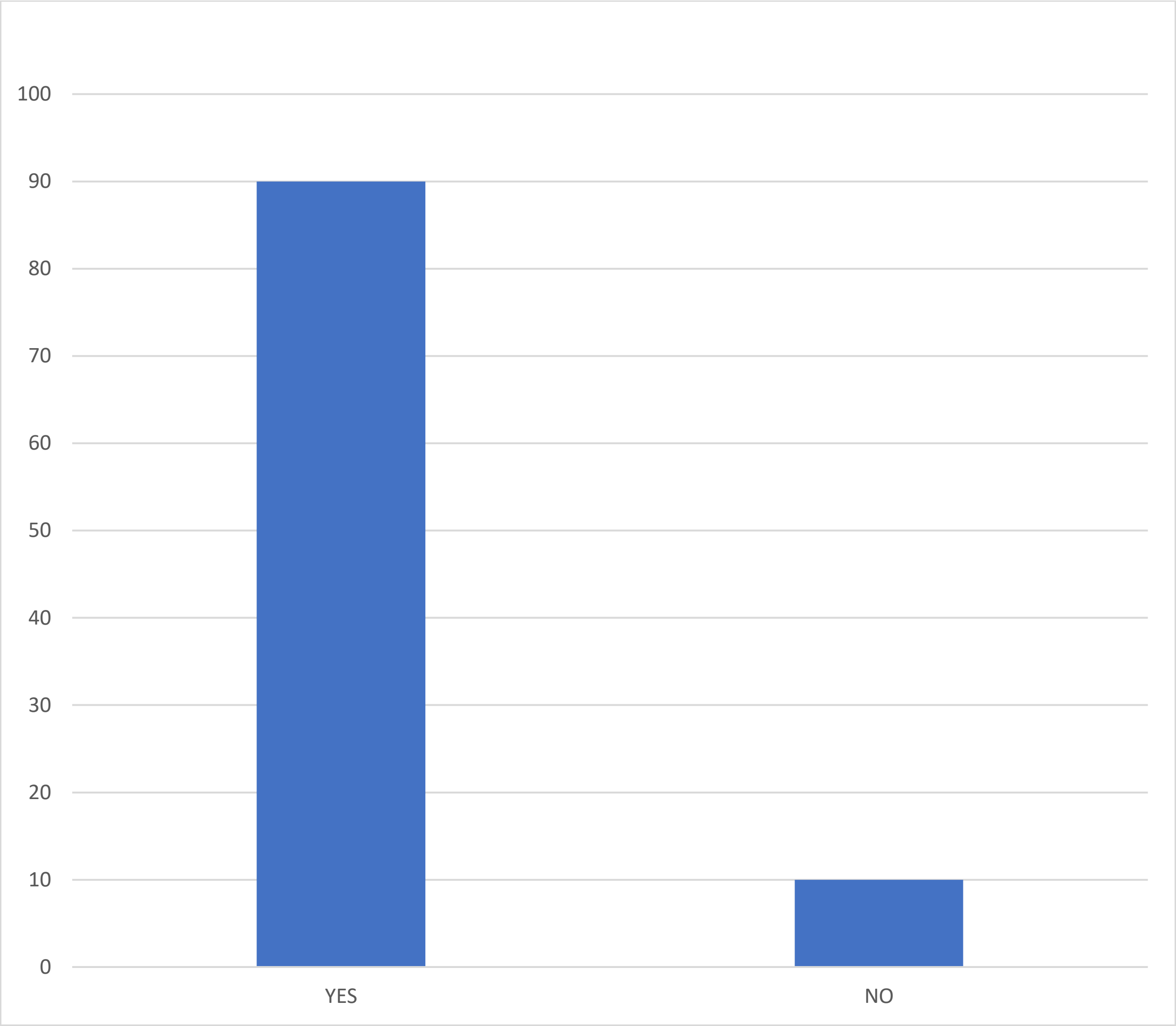


INTERPRETATION:

As shown above, 21%% of the respondents expect 5-10% returns, 54% of them 10-15% , 19% of them 15-20% and remaining 6% of them expect above 20% return from the investment.

4.18WHAT IS YOUR OPINION, IF SEBI IS CONDUCTING A TRAINING PROGRAMME REGARDING INVESTMENT IN STOCKMARKET

Fig No.4.18



INTERPRETATION:

As shown above, majority of respondents support if SEBI is conducting training programme and remaining wants class session from brokers , people who have been investing for a long time.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSIONS

FINDINGS

Based on the flow charts given in the project, we can assume a clear picture regarding the factors which is to be taken into consideration.

The findings of the study are as follows:

• Considering the age group, 42% falls under age category of 20-22 years. They are followed by 15% of 23-24 years, 23% between 25-26 years of age, 10% between 26-28 years of age and 10% between 29-30 years of age.

• Here 74% of the respondents are single, 25% of the respondents are married and 1% of the respondents are of others.

• Considering the education, 46% of the respondents are under graduate, followed by 23% graduate, 21% post graduate and the rest are others.

• Considering the occupation factor, 50% of them lies in the category of studying, 36% lies under working, 10% in business and rest under others.

• On considering their preference, 83% of the respondents wanted to invest their money and 17% of the respondents wanted to save their money.

• Regarding their familiarity with the investment market, it was noted that 34% of respondents are under the category of 'extremely familiar', followed by 22% under the category of 'very familiar', 29% are under the category of 'somewhat familiar',13% are under the category of 'not so familiar' and 2% are 'not at all familiar'.

• Considering of the investment objectives, 34% of the respondents are eyeing towards the category of 'growth and income' followed by 33% of respondents eyeing towards the 'income and capital preservation', 25% eyeing towards 'long term growth' and 7% towards 'short term growth'. The rest 1% is others.

• 72% of the respondents sees investing as an opportunity and 28% sees it as a risk.

• On considering their current investments, 75% of the respondents have current investments and 25% of the respondents doesn't have current investments.

• On analyzing the purpose behind their investment, it was found that, 43% of the respondents were having mind set to earn return followed by 36% were in the mind set of wealth creation. 20% were eyeing towards future expenses and the rest targeting tax savings.

• On considering the factors before investment, it is noted that 37% of the respondents wanted high return, 37% of the respondents wanted low risk and 26% of the respondents was assuring safety of principles.

• Considering their risk on losing the principle amount, 85% of the respondents have a negative impact and 15% of the respondents had a positive approach, ie, they were okay with it.

- On analyzing,64% of the respondents prefer the monthly return, 17% prefer annual return,13% prefer quarterly return and 6% prefer half yearly.
- On considering their interest in investment from income,44% of the respondents invest 10-15% of their income,39% of them invest 5-10%,14% invest 15-20% of their income and 3% invest 20-25% of their income.
- On considering their satisfaction with the returns, 58% of the respondents are satisfied,30% belongs to neutral, 8% is very satisfied,3% is not satisfied and 1% is very dissatisfied.
- When it comes to their investment decision,37% of the respondents follow family and friends and internet,12% follow magazine and newspaper,6% follow bank and 8% follow local broken.
- On considering their expectations regarding return,54% of the respondents wanted 10-15%,21% of the respondents wanted 5-10%,19% of the respondents wanted 15-20% and 6% of the respondents wanted above 20%.
- The major finding of the study was that a positive approach among almost more than 50% of the respondents were found in regards to a question that was based on a programme which will be conducted by the SEBI in order to raise awareness about the investment area and to educate the interested regarding this forum and its factors.

SUGGESTIONS

We can assume that majority of the respondents are having a positive approach towards investment. These are few recommendations and suggestions for the study as follows:

. •First and foremost, conducting an awareness program for the interested respondents so that they get a clear picture in investing, educating themselves with the affairs on how the market is running and thereby they can clear all their doubts.

•As above mentioned, conducting an awareness program should be an important factor but the question arises when it comes to the authorities whose conducting it. Therefore, SEBI should take the driving seat in taking the respondents to the required investment areas and making them knowledgeable about their needs, rights and affairs.

•There are many new investment avenues entered in the market. Awareness must be created among the youngsters.

•The youngsters should go for expert advice before investing. The youngsters need to understand the market situations and invest accordingly.

•A proper mind set must be maintained while entering a stock that they should be tactical once they have invested their money by regular monitoring as well as investing in authorised fortunes.

•The youngsters should understand the risk involved in each investment avenues.

•Risk factor maintenance is one of the key points in succeeding in this field. Therefore, they should not be afraid to take decisions that might welcome risk. This can be avoided by giving proper idea/training on how the market fluctuates.

•Incorporating an extra hour for youngsters and thus educating them in their pivotal age regarding the stock markets and how to earn and protect their money.

•Proper guidance should be given to young investors on how to invest, which investment avenue is good for them, etc it will help them to be a good investor.

•Proper guidance should be given so that they don’t fall into any kind of traps.

<u>Some Recommendations for investors</u>

(1) Investment Safety

The elements that an investor needs to consider before making an investment decision will change depending on the type of investment. For instance, in the case of stocks, the safety may be partially determined by quantitative information such as the historical trend in the stock price and the financial success of the firm, and it may also be complemented by qualitative information such as the company's reputation.

However, analysing balance statements and project reports necessitates a lot of knowledge and effort, which is typically outside the purview of the retail investor. As a result, the sole available indicator is the issuer's reputation.

(2) Credit Score

An investor can rely on credit ratings when it comes to deposits or bonds issued by publicly traded firms or financial institutions. A credit rating is an assessment of an instrument's security made by a company. These organizations do a thorough examination of the issuer's advantages and disadvantages. The rating is determined using a system that also takes volatility and prior performance into account. They may make financial decisions that are beyond the purview of a single retail investor thanks to their extensive and knowledgeable infrastructure.

(3) Return Type

The increase in the investment's value, the receiving of income, or a combination of the two may constitute the return on investment. Real estate typically generates the first form of return, whereas the second type is acquired through interest on loans, fixed deposits, savings certificates, bonds, or debentures. Equity shares of reputable companies can be purchased for income as well as value growth.

(4) Linkage of Risk and Return

The return on investment and the risk of losing them are directly correlated, and the investor needs to be aware of this. The risk of loss increases with higher returns.

According to the current Reserve Bank of India regulations, the savings bank account offers interest based on how long a deposit has been made. The interest rate on a long-term deposit is higher. Except in rare circumstances involving tiny co-operative banks, the likelihood of losing money in a savings account is essentially nonexistent. While there is absolutely no chance of losing money.

(5) The Effect of Inflation

Real return, as was previously established, is return that is post-tax and post-inflation. The quantity that the invested money can buy determines the investment's value, which decreases as inflation rises. Therefore, it is important to consider whether a plan is providing returns that are higher than the rate of inflation while evaluating its return.

The biggest issue with investment options like gold, silver, diamonds, and jewellery has been that they haven't been very good inflation hedges.

To conclude, the following advice was given to a few successful investors:

"Ask questions; Seek help; Do your homework; and Set goals". This holds true for all investors.

CONCLUSION

The primary aim of this research was to analyze the investment preference of young generation in the Ernakulam city. From the study it is clear that the young investors are more inclined towards investment avenues like Mutual Fund, Equity Market for maximizing their capital but still some of the people are interested in less dangerous options like Bank deposits, Post office deposits, gold. The young investors wanted to gain high return. They wanted to enhance their growth and income. 72% of the youngsters consider investment is mostly an opportunity. The young generation is ready to take a good risk for getting good returns.

The job market has been doing well, the economy is expanding, and the salary graph has increased. If they can transition from the conventional bank account savings to the capital market, the new generation of young people in India will have money in their pockets and plenty of opportunities to put it to good use. They are aware of the value and advantages of investing, and they are clear on their financial goals for the present and the future.

Due to the lower rate of return offered by post office programmes and fixed deposits compared to other accessible investment choices, these options are not very well-liked by young people. Savings accounts, however, are still commonly recognised. Safety and security, which have always been key factors in investment decisions, continue to have an impact on how investments are made. The youthful investors are getting more willing to take risks as they have money in hand and experience on their side. These days, fixed deposits are not a very appealing investment choice for young people. One of the reasons why young people invest is to avoid paying taxes. Traditional savings plans deter young people from them because they do not offer any tax advantages.

The younger generation now prefers mutual funds. The Systematic Investment Plan (SIP) is a popular option for young investors to invest in mutual funds. This is particularly true for the young salaried class, which has only recently begun to earn and does not yet have a sizable bank balance. In the case of Systematic Investment Plans, a monthly contribution in lieu of a lump sum is required. Because of this, they are particularly well-liked by the salaried class, who find it challenging to pay a huge sum all at once. In addition, since they are managed by professionals, mutual funds have the advantage of requiring less financial acumen while offering larger returns and better prospects than bank accounts. additional conventional investment choices, such as the Fixed Deposits or Post Office Schemes (PPF/ NSC/ NSS/ KVP/ IVP) are deteriorating as a result of blocked funds and decreased yields. Particularly when it comes to women, gold is still somewhat preferred. Nowadays' youth are capable of making the best choices for themselves since they are aware of the world around them and have the intelligence to do so. Before deciding to spend the hard-earned money, every alternative is thoroughly examined against its advantages and disadvantages. Due to the recent quick dissemination of information, today's youth are aware of the possibilities available to them. Seminars and workshops are no longer viable possibilities for them to consider because of their lifestyle. The young generation learns through tutorials, forums, internet videos, and podcasts. The social media platforms, in particular

Facebook, Twitter, and LinkedIn, as well as e-groups and websites, can be a tool for educating people about the range of possibilities that are available to them. As a result, investor education can be extremely important in increasing investors' active engagement in the market, which can assist them in making educated investments and generating profitable returns. Through newspaper columns, television, and other media, young investors can also be highlighted, which would inspire more young people to participate in the stock market.

Finally, to wrap up, the following counsel from Warren Buffet is noteworthy & deserving: "Do not save what is left after spending but spend what is left after saving."

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WEBSITES:

www.google.in

www.stockmarket.com

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ANNEXURE

QUESTINNAIRE-SAMPLE

Name

Email

1. Age

- Between 20yrs-22yrs
- Between 23yrs-24yrs
- Between 25yrs-26yrs
- Between 27yrs-28yrs
- Between 29yrs-30yrs

2. Marital status

- Single
- Married
- Others

3. Education

- Post graduate
- Under graduate
- Graduate
- Others

4. Occupation

- Business
- Other
- Studying
- Working

5. Do you save / invest your income?

- No
- Yes

6. How familiar are you with the investment market

- Extremely familiar
- Not at all familiar
- Not so familiar
- Somewhat familiar
- Very familiar

7. What is your investment objective?

- Growth and Income
- Income and capital preservation
- Long term growth
- Other
- Short term growth

8. What is the purpose behind investment?

- Earn return
- Future expenses
- Tax saving
- Wealth creation

12. when thinking of investment, do you feel that investing is mostly an opportunity or mostly a risk?

- Mostly a risk
- Mostly an opportunity

13. Do you currently have any type of investment

- No
- Yes

14. Which factor do you consider before investing?

- High return
- Low risk
- Safety of principal

15. Can you take the risk of losing your principal investment amount?

- No
- Yes

16. which period of return you refer the most?

- Annually
- Half annually
- Monthly
- Quarterly

17. what percentage of your income do you invest

- 0-10%
- 10-20%
- 20-30%
- 30-40%

18. Are you satisfied with the returns?

- Neutral
- Not satisfied
- Satisfied
- Very dissatisfied