# A STUDY ON
# INVESTMENT BEHAVIOUR AMONG YOUTH
# WITH SPECIAL REFERENCE TO THRIKKAKARA

**Dissertation Submitted to**

**MAHATMA GANDHI UNIVERSITY, KOTTAYAM**

**In partial fulfilment of the requirement for the award of**

**DEGREE OF BACHELOR OF COMMERCE**

**SUBMITTED BY**

**SAM SONY M**

**SREE VIDYA N**

**AMAL KRISHNA**

**Under the supervision of**

**Asst Prof. ARUNA DEVI**

**Department of B. Com Finance and Taxation**

**BHARATA MATA COLLEGE, THRIKKAKARA**

**KOCHI, KERALA 2021 - 2024**

## BHARATA MATA COLLEGE, THRIKKAKARA

**DEPARTMENT OF FINANCE AND TAXATION**

(Affiliated to Mahatma Gandhi University, Kottayam)

## CERTIFICATE

This is to certify that this dissertation entitled **"A STUDY ON INVESTMENT BEHAVIOUR AMONG YOUTH WITH SPECIAL REFERENCE TO THRIKKAKARA"** has been prepared by SAM SONY M, SREE VIDYA N, AMAL KRISHNA under the supervision and guidance in partial fulfilment of the requirements for the award of the Degree of Bachelor of Commerce of the Mahatma Gandhi University. It has not previously formed the basis for the award of any degree, fellowship and associate-ship etc.

**ASST. PROF. ANCY ANTONY**
**(Head of Department)**

**ASST. PROF.ARUNA DEVI**
**(Project guide)**

**Place: THRIKKAKARA**

**EXTERNAL EXAMINER**

**Date:**

# DECLARATION

We, SAM SONY M, SREE VIDYA, and AMAL KRISHNA, hereby declare that the project report titled **"A STUDY ON INVESTMENT BEHAVIOUR AMONG YOUTH WITH SPECIAL REFERENCE TO THRIKKAKARA"**, is a Bonafede 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** **SAM SONY M**

**Date:** **SREE VIDYA N**

**AMAL KRISHNA**

# ACKNOWLEDGEMENT

This study has been made possible due to the cooperation, assistance and valuation of many to whom we would like to express our sincere gratitude and thanks, first and foremost, we thank our **GOD ALMIGHTY**, who helped me to complete this project successfully.

We would like to extend my gratitude and indebtedness towards **Asst Prof. ANCY ANTONY**, Head of the Department, **Bharata Mata College, Thrikkakara** for her valuable suggestions regarding the project.

We proudly utilise this opportunity to express our thanks and sincere gratitude to our esteemed guide **Asst Prof ARUNA DEVI**, Department of Commerce for her timely and valuable guidance, encouragement, enthusiasm and dynamism which enabled us to bring out the project.

We express our profound gratitude to all the teachers of the Department of Commerce for their valuable suggestions regarding the project.

We remember with a great sense of gratitude, the encouragement and support given by our parents, friends and well-wishers in the successful completion of the project.

**SAM SONY M**

**SREE VIDYA N**

**AMAL KRISHNA**

# ABSTRACT

The purpose of this research project is to better understand the investment behaviours and knowledge of young individuals. The study uses an appealing scientific approach with the main goal of finding patterns and trends in the investment behaviour of young individuals. Data from a sample size of 100 respondents are obtained through the gathering of primary and secondary data. The collection of primary data is done using a well-designed questionnaire. The data collected is examined using the percentage approach, and the results are displayed as tables and pie charts that provide a thorough picture of young investors' behaviour. This study adds significantly to our understanding of young individual's financial habits by revealing their knowledge, preferences, and factors to take into consideration when navigating the complicated world of investments.

# LIST OF TABLES

# LIST OF FIGURES

# CHAPTER 1

# INTRODUCTION

# INTRODUCTION

Investing is like planting seeds with the hope of growing a fruitful garden. Investing is deciding where to put the cash so that it will grow over time, just as one would carefully select the correct seeds and provide them with water and sunlight. Investing options include stocks, bonds, and real estate, each with different levels of risk and possible return. To reduce the danger that one of those investments will not grow, it is essential to spread them out, much like when planting different kinds of seeds. Investing can help you achieve financial goals and create a better future to keep aware and make responsible choices.

Young individual investing behaviours have been receiving an increasing amount of attention recently because they have an important effect on both society and the economy. The framework for an individual's long-term financial stability is established as they start managing their finances and choosing investments. Understanding the financial decision-making behaviours of youth is important for several reasons. Policymakers and financial institutions can develop resources and programs that inform young individuals about safe spending habits through understanding their investing decisions, willingness to take risks, and behavioural patterns.

**Income - Investment = Expense (I - I = E)** is a useful tool for analysing, evaluating, and influencing youth investment behaviour. It is used to provide an understanding of the proper use of financial resources and to show the connections between income, decisions about investments, and spending. It can be helpful in budgeting and personal finance management to help young people make good investment decisions because it shows the importance of maintaining a balance between income, investments, and spending. Its impact comes from developing an attitude based on careful investing and saving, and in turn, promotes careful investment behaviour. Young people can more effectively prepare for their long-term objectives, asset buying and selling, and financial stability in the future. Youth will eventually grow stronger and more financially stable as a result of this.

A growing number of young individuals are conducting detailed examinations of financial statements and the financial framework of businesses. Forming informed investment decisions is becoming more essential as investors consider a company's development potential, profitability, and financial condition. This pattern represents this trend. Young investors analyse capital allocation, financial reports, and important indicators of performance to reduce risks and maximize returns.

## STATEMENT OF THE PROBLEM

This study focuses on several types of factors such as financial knowledge, preferences, and the effect of experience to understand more about the young individuals handle investment. Our goal is to survey young individuals between the ages of 21 and 30 to gather information. The goal is to identify the factors that impact their investment decisions, such as family, education, and financial situation. In conclusion, we all anticipate the research we conduct will provide information that helps administrators and policymakers to more effectively help young individuals in making profitable choices, improving their financial well-being, and improving the economy.

## SIGNIFICANT OF THE STUDY

The importance lies in helping to better understand young people's investment behaviour, which will allow for more effective governmental interventions and financial education to safeguard their financial prospects. The significance of this study is in its ability to shed light on the complex investment behaviour of young people and their methods for making financial decisions. With this knowledge, the government may create interventions that are more focused and successful in encouraging younger people to make responsible investments. Such initiatives can equip young individuals with the financial literacy and skills necessary to make wise decisions by addressing knowledge gaps and behavioural patterns. The following will ultimately improve the long-term financial well-being and financial stability of these individuals. It enhances the population's general level of financial literacy and produces a generation that is more equipped to handle the complexity of the fields of finance.

## OBJECTIVE OF THE STUDY

1. To study the importance of investment among youth.

2. To understand the different types of investment avenues.

3. To know investing behaviour among youth.

# METHODOLOGY

### PRIMARY DATA:

A questionnaire that is completed by people between the ages of 21 and 30 is used to gather primary data. A pie chart is created using the data obtained.

### SECONDARY DATA:

Secondary data is created using research reports and analysis from earlier studies published by other publishers.

### POPULATION:

Youth between the ages of 21 and 30 are the target audience for the poll. 100 respondents are surveyed, and the results are then analysed.

### TOOLS USED:

Pie charts are commonly employed as tools to analyse and understand investment behaviour among youth.

# LIMITATIONS OF THE STUDY

1. The study was limited to a specific age group so the conclusion drawn may not show the exact position of the problem.

2. The time allowed for the study is less.

3. It had been collected by using primary data, so the results can’t be cross-checked for accurate information.

## SCHEME OF REPORT

1. Chapter 1 includes the introduction, significance of the study, statement of the problem, objective of the study, methodology, and limitations of the study.

2. Chapter 2 includes 15 literature reviews based on the investment behaviour of youth conducted by various authors published in different journals with their inferences.

3. Chapter 3 includes a theoretical framework, investment, savings, tax benefit, types of investment, risk-free investments, types of savings, high return investment, factors influencing investment, challenges faced, investment pattern, the importance of the study of investment behaviour, recent trends, motives of investment behaviour.

4. Chapter 4 includes the analysis of data collected through tables and pie charts.

5. Chapter 5 includes findings, recommendations, a conclusion of the collected data and a bibliography of the project.

# CHAPTER 2

# LITERATURE REVIEW

# LITERATURE REVIEW

Literature review as the name shows is the process of reviewing research literature which has been done by any researcher in past. A literature review is an exploration to identify the related research to make or set a relation with the current research project with a conceptual and theoretical context:

1. **Shah, Mrinalini and Anurag Verma (2011):** In 2010, young Indians aged 25 to 35 emerged as the country's second-highest income earners. High disposable income and less family responsibility make the youth segment a careless investor. The study is an attempt to investigate the behavioural aspect of Indian youth investors during recovery phase of Indian stock market. The study investigates the impact of demographics on sources of information collection. The article explores the portfolio of investors during recession and recovery phase and tries to find the difference between the two.

2. **Sahu, Priyanka and Dr Monica Sainy (2023):** The study investigates the financial choices and long-term growth impact on Central Indian youth. A mixed-methods approach will be used, combining a survey of 140 youth aged 18-30 with qualitative interviews with a subset of participants. The survey will collect data on investment behaviour, financial literacy, risk perception, socioeconomic status, and cultural factors, while the interviews will provide deeper insights into participants' experiences and perceptions of investment.

3. **Saika, Sudarshana (2018):** A country's production capacity relies on capital formation, primarily driven by strong investment and a high savings rate. These two variables significantly impact economic growth and contribute to dynamic market stability. Per Capita Income in India has been on the rise since all of the last decade. With growth in the PCI, savings and investment in the country too has shown a northbound movement. This study examines the savings and investment pattern of select college going students (Age: 17-25 years) in the city of Mumbai who has just begun to earn. This positive trend aligns with the expansion of the young population, positioning India as the world's youngest country, poised to leverage a demographic dividend. The influx of young labour is anticipated to drive sustained economic growth.

4. **Nigam, Paheli and Neetu Kumari (2022):** In the present scenario, the global financial market and the changing financial objectives have enhanced its responsibility in managing its finances. Individuals with financial literacy gain the knowledge, skills, and resources they need to make confident financial decisions, manage personal money efficiently, and improve their financial competence. Primary data is gathered using the random sampling method, 200 respondents aged between 19 and 35 years were selected from Bangalore city. The selected respondents were administered with a questionnaire, and the collected data has been analyzed using the non-parametric statistical test.

5. **Ansari, Lubna and Sana Moid (2013):** Investment behaviour reveals how the individual investor allocates the surplus financial resources to various instruments available. This paper analyses the trading or investing behaviour of professionals who are in the age bracket of 25 years to 35 years. This paper attempts to find out the factors responsible for increased investing activities among young professionals. The present has examined the trading behaviour of young investors by using a structured questionnaire. A survey of 200 young investors in the age bracket of 25 years to 35 years across Lucknow region was undertaken to collect primary data.

6. **Thiyagarajan, Savitha and D Durairaj (2022):** The investment trend gets changes day after day. It became the need of the day to make the investments more sustainable. The concept of Socially Responsible Investment (SRI) became popular in 2017's. Investors of companies around the world believe and support the fact of the SRI investment strategies to attract national and global investments. This paper covers the current strategy of investment format and pattern in portfolio investment assumptions, beliefs of investment (myths), and its effect on the investment behaviour of young investors.

7. **Chong, Lee-Lee, Hway-Boon Ong, and Siow-Hooi Tan (2021):** This study therefore aims to investigate the antecedents of mobile stock trading adoption among young investors. Using the structural equation modelling technique, this study develops an integrated theoretical framework from both the Technology Acceptance Model and Theory of Planned Behaviour using survey data from 373 young retail investors. The suggested model incorporates the six constructs of perceived risk, perceived benefits, perceived usefulness, attitude, perceived behavioural control and social influence and assesses how they affect the intention to adopt mobile stock trading.

8. **Priyanka, Jain and L.K, Tripathi (2019):** The study covers that there are numerous variables that direct an investor's decision to invest. It also proposes the further studies which can be done to study the saving and investment behaviour of professional women of Indore. The outcomes of present study would be of great relevance to investors, financial planners, policy makers and wealth managers etc. In the present review, literature related with individual saving and investment behaviour has been reviewed to identify the factors which influence the investment behaviour.

9. **Sumardi, Ummu Salma Ai Azizah, Herri Mulyono, Anisa Maulita Suryana (2022):** The dataset examines the two perceived benefit and risk factors that continuously influence university students' willingness to use financial technology (Fintech). A non-probability sampling technique was employed to target the study participants. A total of 436 students from a private university in Jakarta, Indonesia, completed a self-administered online questionnaire. The collected quantitative data were screened and analysed using Partial Least Square Structural Equation Modelling (PLS-SEM).

10. **Mishra, Mansi, Shailja Mishra, S M Athar Shabaz (2023):** This study aims to investigate the investment behaviour of youth in India and identify the factors that influence their investment decisions. The study will explore the attitudes and behaviours of Indian youth towards investment, including their level of financial literacy, access to financial education, and cultural and social norms. The findings of this study will provide valuable insights for policymakers, educators, and financial institutions to better understand and address the investment needs of India's youth population, helping to secure their financial future and contributing to the overall economic growth of the country.

11. **Subbaiyan, Rajikummar, Krishna Chanchal, Manisha Tyagi (2021):** The purpose of this paper is to investigate the investment pattern of youth in current times. The major objective of the study is to understand saving patterns, risk taking capacity of youngsters and to find out whether they are looking for long term growth or high returns or liquidity. The study shows that the youngsters are aware of all kinds of investment options – Traditional, Low risk, Moderate risk, High risk investment. As the rates all were dropping, people are switching to other avenues which fetch better results. The study also shows the interest of youngsters in IPO but they lack knowledge but IPO can be a good guide for a common man to invest in share market.

12. **K Pandey, Shinki, Abhishek Vishwakarma (2020):** The study's primary objective is to find what are the preferences among the Young Investors who belong to the age group of 21-35 years in today's world. The attitude of the investors may vary from person to person within the same age group. The researchers have studied the various preferences among the young investors with help simplified questionnaire and personal interaction with the investors. The study is being conducted with reference to Raipur City. The primary data is gathered by using simplified questionnaire with the sample size of 119. The expected result of the study is that young investors are more inclined towards investment avenues like Equity Market, Mutual Funds.

13. **Godfred Matthew Yaw Owusu, Theodora Aba Abekah Koomson (2022):** This study examines the savings and investment behaviour of young adults, their levels of financial literacy and ascertains whether financial literacy is an important predictor of savings and investment behaviour. Additionally, the study investigates the role of parental financial behaviour on financial literacy, savings and investment behaviour of young people. The empirical results of the study based on a sample of 646 students show that financial literacy positively correlates with savings and investment behaviour of young adults.

14. **Garg, Priyanshi, Zain Mehdi, Farhina Sardar Khan (2022):** This paper aims to investigate the investment pattern of youth in current times. The major objective of the study is to understand the saving patterns risk-taking capacity of youngsters and find out whether they are looking for long-term growth or high returns or liquidity. Most Youngsters have invested 0-20% of their income and following with 20-40%; less income may be one of the reasons behind it. Youngsters know about the various investment options available to them due to the rapid spread of information via various channels.

15. **Panja, Soma (2021):** This present study aims to know the impact of education level and behavioural biases namely investment sentiment, overconfidence, overreaction & underreaction and herd behaviour on the investment decision which is measured through two aspects-one through fundamental analysis and another through technical analysis, in selecting the appropriate security. Partial regression model is used to see the direct effect of education level and the mediating effect of behavioural biases. Investors' behaviour is highly dependent on rational and irrational thinking. Investors' behaviour plays a vital role in driving the fundamental as well as the market value of the securities.

## REFERENCES


1. Shah, Mrinalini and Anurag Verma, (2011). Analysis of investment behaviour during recovery phase among youth investors of Indian stock market vision, 15.1, 1-9.

2. Sahu, Priyanka and Dr Monica Sainy (2023). Investment behaviour among youth in central India.

3. Saika, Sudarshana (2018). Investment pattern of youth in India with particular reference to Mumbai.

4. Nigam, Paheli and Neetu Kumari (2022). Impact of financial literacy on sustainable investment behaviour employed youth in Bangalore.

5. Ansari, Lubna and Sana Moid (2013). Factors affecting investment behaviour among young professionals. International journal of technical research and applications.

6. Thiyagarajan, Savitha and D Durairaj (2022). Investment myths and their effects on investment behaviour of young investors influencing socially responsible investment.

7. Chong, Lee-Lee, Hway-Boon Ong, and Siow-Hooi Tan (2021). Acceptability of mobile stock trading application. A study of young investors in Malaysia. Technology in society 64.

8. Priyanka, Jain and L.K Tripathi (2019). Investment behaviour an analytical review. Advances in Management vol 12.

9. Sumardi, Ummu Salma Ai Azizah, Herri Mulyono, Anisa Maulita Suryana (2022). Data in brief. Elsevier.

10. Mishra, Mansi, Shailja Mishra, S M Athar Shabaz (2023). Study on the behaviour of youth on investment.

11. Rajkumari, Subbaiyan**,** Krishna Chanchal, Manisha Tyagi (2021)**.** Investment pattern of youth in India.

12. Shinki K Pandey, Abhishek Vishwakarma (2020). A study on investment preference of young investors in the city of Raipur Chhattisgarh, India.

13. Godfred Matthew Yaw Owusu, Theodora Aba Abekah Koomson (2022): Savings and investment behaviour of young adults. The role of financial literacy and parental financial behaviour.

14. Garg, Priyanshi, Zain Mehdi, Farhina Sardar Khan (2022). Financial literacy and its impact on investment pattern of youth in Lucknow, Uttar Pradesh.

15. Panja, Soma (2021). Impact of behavioural biases on the investment decisions of youths.

# CHAPTER 3
# THEORETICAL FRAMEWORK

## INVESTMENT BEHAVIOUR AMONG YOUTH

Youth investment behaviour is a complicated and constantly changing event that is influenced by several factors. This introduction aims to provide an in-depth theoretical basis for understanding the complicated nature of young individual's investment behaviour.

Investing is like planting seeds with the hope of growing a fruitful garden. Investing is deciding where to put the cash so that it will grow over time, just as one would carefully select the correct seeds and provide them with water and sunlight. Investing options include stocks, bonds, and real estate, each with different levels of risk and possible return. To reduce the danger that one of those investments will not grow, it is essential to spread them out, much like when planting different kinds of seeds. Investing can help you achieve financial goals and create a better future to keep aware and make responsible choices.

The most important aspect of making good financial choices is investing, especially for young individuals beginning their path to financial independence. Youth investing behaviour is influenced by many different kinds of psychological, socioeconomic, environmental, technological, and personal factors along with reasonable financial concepts.

The concept of financial literacy, or the knowledge and understanding of financial ideas, products, and markets, is important to the theoretical framework. To understand the details of finance to make profitable investments, young investors must have significant financial literacy. The term risk tolerance, which defines an individual's ability to accept uncertainty and potential losses in the search for investment returns, develops upon financial literacy. For investors to develop investment strategies that suit young individuals with risk tolerance and financial objectives, it is essential to understand their risk preferences.

Socioeconomic factors are also very important in determining the investment behaviour of young individuals. Income level, work status, and debt load all influence the financial environment in which young individuals decide to invest. Youth investing behaviour is influenced by a variety of environmental factors, such as market trends, economic conditions, and regulatory environments. Young investors' opinions toward investing and their views of risk are influenced by regulatory changes, market performance, and financial stability.

In conclusion, a thorough theoretical framework that includes knowledge from several areas such as financial literacy, risk tolerance, decision-making confidence, socioeconomic factors, environmental effects, and regulatory environment is necessary for understanding the investment behaviour of young individuals.

## FACTORS INFLUENCING INVESTMENT BEHAVIOUR AMONG YOUTH

Factors influencing investment behaviour among youth were categorized into 4 dimensions. They are personal factors, socio-economic factors, technological factors, psychological factors, and environmental factors.

### 1. PERSONAL FACTORS

Investment behaviours are greatly influenced by personal characteristics, such as financial literacy, risk tolerance, and decision-making confidence.

- **Financial Literacy: -** To evaluate options and make correct choices that are in keeping with the individual's financial objectives and factors, an individual must have an excellent knowledge of financial ideas and investing methods.

- **Risk Tolerance: -** Investment decisions are influenced by an individual's comfort level with risk. If some individuals select safer options with guaranteed results, others favour riskier investments with a chance of larger profits.

- **Confidence in Decision-Making: -** It requires trust in an individual's ability to analyse and knowledge of finance to remain loyal to an investment plan in a time of fluctuation in the market or unpredictability.

## 2. SOCIO-ECONOMIC FACTORS

Socio-economic factors which include things like income, work status and debt levels have a significant impact on investment behaviour.

- **Income Level: -** Income influences investment decisions and establishes the amount of available funds for investments. Higher wages provide for a greater number of investment options, while lesser incomes might require a more careful approach.

- **Employment Status: -** Though unemployment may cause people to place their immediate needs above their long-term investments, stable work gives individuals the trust needed to make such decisions. Risk management and investing methods are influenced by the nature of employment.

- **Debt Level: -** High debt reduces the amount of money that can be invested, and repayment agreements have an impact on willingness to take risks and financial stability. Repayment of debt must be managed with goals for investment to ensure long-term financial growth.

## 3. TECHNOLOGICAL FACTORS

Technological factors which include things like access to technology, and technological advancements have an important impact on investment behaviour.

- **Access to technology: -** The availability of online services and platforms for portfolio management, operation, and research on investments.

- **Technological advancements: -** New products that make investing simpler and cheaper for investors include automated advisors and mobile trading apps.

## 4. PSYCHOLOGICAL FACTORS

Psychological factors which include things like risk perception, behavioural biases and emotions have an important impact on investment behaviour.

- **Risk perception: -** The emotional assessment of risk factors related to different opportunities for investment influences when decisions are made.
- **Behavioural biases: -** Fear of loss and overconfidence are two behavioural traits that might influence investing decisions and affect reasonable decision-making processes.
- **Emotions: -** An individual's behavioural responses to changes in the market or the performance of an investment may cause them to act quickly or unreasonably.

## 5. ENVIRONMENTAL FACTORS

Environmental factors include things like economic conditions, market trends, and regulatory environment.

- **Economic conditions: -** This involves factors like inflation rates, interest rates, and growth expectations. The opportunity to make profits on investments can be significantly influenced by changes in the market.
- **Market Trends: -** This is an overview of the current state of performance and potential growth of the stock, bond, and real estate markets, among other investment markets.
- **Regulatory Environment: -** The regulatory environment is formed up of the laws and guidelines that guard investors and regulate the financial markets. Regulation changes can have an impact on market stability and investment decisions.

## IMPORTANCE OF INVESTMENT BEHAVIOUR AMONG YOUTH

Young individual investment behaviour is essential for the economy and their financial future. when investing early, individuals can benefit from compound interest, which allows their money to increase over time. It helps in their savings for significant life goals. In addition, youth investment in start-ups and new technologies boosts employment and advances the economy. They encourage innovation and advancement, bringing life and energy to our society. In addition, their willingness to experiment with new investment ideas keeps the financial industry active and innovative.

Investing early can also break the cycle of poverty and inequality. By building up wealth and passing on financial knowledge to future generations, young investors pave the way for a better future for themselves and their families. Young investors can contribute to improving society by making investments in businesses that value issues like equality and the environment. By investing in these businesses, they may contribute to the development of a more equal and sustainable world. The financial decisions that young people today make have a significant influence on both enhancing everyone's quality of life and their financial well-being.

The money those young individuals invest reflects the way they feel about saving, spending, and making plans for the future. Young people who have the opportunity to save and invest have a greater opportunity to be financially stable and prepared for life's unpredictability. It motivates individuals to give the most importance to their financial objectives. The investment behaviours of young individuals affect stability and growth in the economy. Young people promote investment and growth in the economy as they direct their resources toward profitable businesses like stocks, bonds, or companies. Innovation, the development of jobs, and general economic growth can result from this.

Young individuals encourage entrepreneurship and innovation by investing in start-ups and innovative projects, that promote advances in technology and increase the economy's competitiveness. Engaging a part in investment activities is an excellent method to learn about risk management, financial markets, and making decisions. It promotes critical thinking and financial literacy. By allocating funds toward profitable businesses, youth investing behaviour promotes economic stability and promotes job creation, infrastructure development, and economic progress.

# DIFFERENT TYPES OF INVESTMENT

1. **Stocks based on market capitalisation:** - Stocks are a representation of ownership in a company. When purchasing a stock, individuals turn into shareholders and are eligible to receive dividends indicating a percentage of the company's earnings.

- **Large-cap stocks:** - These are stocks of large, well-established companies with a significant market capitalization. Large-cap stocks are usually considered safer investments because they are considered to be more stable. Ex - Reliance Industries, HDFC Bank, and Tata Consultancy Services.

- **Mid-cap stocks:** - These are medium-sized company stocks, which are bigger than small-cap but smaller than large-cap stocks. Mid-cap stocks are a good option for investors looking for low returns because these companies can provide a mix of potential for growth and safety. Ex - Adani Ports, Apollo Hospitals, and Bajaj Finance.

- **Small-cap stocks:** - These are tiny-company stocks with relatively small market capitalizations. Small-cap stocks usually have higher volatility, but investors who are prepared to accept more risk may also have higher growth opportunities. Ex - Indian Hotels, India Bulls Housing Finance, and Zee Entertainment.

- **Dividend-paying stocks:** - These are the stocks of companies that pay out dividends to shareholders regularly, taking a percentage of the profits they make. Dividend-paying companies are usually chosen by investors looking for steady earnings. Ex - Oil India, Power Grid Corporation, and Coal India.

2. **Bonds:** - Debt instruments issued by companies or governments are called bonds. Purchasing a bond is effectively lending the issuer money in return for regular interest payments and the principal amount being repaid when the bond matures.

- **Government Bonds:** - The Indian government is issuing these bonds to fund its operations and infrastructure initiatives. They are government bonds are regarded as the safest type of investment. Ex-State Development Loans, Government Securities and Sovereign Gold Bonds.

- **Corporate Bonds:** - Private companies issue these bonds to raise money for a variety of uses, including repayment of debt and company growth. Corporate bonds have higher returns, but they also come with more credit risk. Ex - Tata Motors, Reliance Industries, and HDFC Bank.

- **Municipal Bonds:** - Governments at the state or local level issue municipal bonds to pay for public infrastructure improvements like hospitals. It is seen as riskier than government bonds, these bonds provide investors with tax benefits and are safer than corporate bonds.

3. **Mutual Funds:** - A mutual fund is an investment pooling that is handled effectively by a fund manager. It is a trust that pools funds from several individuals with similar investing goals and uses those funds to purchase stocks, bonds, money market instruments, or other securities.

- **Equity Funds:** - Most of the investments made through these funds are in stocks or shares of publicly traded companies. Long-term increase in capital is the aim of equity funds.

- **Debt Funds:** - Debt funds make investments in assets with fixed income, including money market instruments, corporate and government bonds, and treasury bills. Regular earning and maintaining assets are the goals of debt funds. They are comparatively less unpredictable.

- **Index Funds:** - Index funds aim to copy the performance of a particular stock market index. Ex - Sensex or Nifty 50. They need less research and portfolio management than funds that are actively managed, index funds often offer lower expense rates.

- **Hybrid Funds:** - Balanced funds, a different term for hybrid funds, make investments in a mix of debt and equity securities. The fund's investment purpose determines the asset allocation between debt and equity. Investments that require a moderate level of risk can consider hybrid funds, which provide a balance between income and growth

4. **Exchange-Traded Funds:** - ETFs trade on stock exchanges as individual equities. They are similar to mutual funds. They usually have cheaper costs and provide liquidity and diversification.

- **Gold ETFs: -** Gold ETFs give investors access to changes in gold prices by investing in real gold. An easy and affordable option to invest in gold without requiring physical storage is to invest in gold exchange-traded funds.
- **Index ETFs: -** Index exchange-traded funds track a particular stock market index, like the Sensex or Nifty 50. Investing in a Nifty 50 ETF will allow you to track the performance of the Nifty 50 index.
- **International ETFs: -** International ETFs provide investors access to global markets by investing in stocks listed on foreign stock exchanges. Indian investors can benefit from the growth of foreign markets and diversify their portfolios by using international exchange-traded funds.
- **Commodity ETFs: -** Commodity exchange-traded funds transfer investments to commodities like gold, silver, and crude oil. Investors can get access to commodity markets without holding real assets by using these exchange-traded funds to track the price movements of the primary commodities.

## OPPORTUNITY COST

Young people's overall investing behaviour is greatly affected by the patterns of investments that are observed in individuals. a growing pattern among young investors is to use tech-driven investing platforms and applications. These platforms make it easier for young individuals to begin investing a small amount of money by providing them with user-friendly interfaces. Young individuals are growing more interested in environmentally friendly and alternative assets when making investments. For younger investors looking for differences and cryptocurrency, real estate crowdfunding, and environmental, social, and governance (ESG) funds are becoming more popular. As a result of young people providing sustainability, social impact, and the creation of long-term value the most important in their investment portfolios, this is evidence of an overall pattern towards responsible investing and careful purchasing.

Young individual investment patterns are significantly affected by social networks and peer pressure. Peers may share investment ideas, tactics, and success stories on social media sites and in online communities. Young investors are frequently impacted in their investment behaviour and choices by the "fear of missing out" (FOMO) phenomenon, causing them to follow patterns and investment recommendations offered within their social networks. Youth who have access to this social influence may develop a herd mentality and take part in risky investing behaviour, which may affect their risk tolerance and investment returns. Young investors can select less risky investing methods during times of economic uncertainty selecting safer assets like gold or bonds over riskier alternatives like stocks. Young individuals will be able to make wise investment decisions and use suitable investment methods if they've developed a strong understanding of risk management, financial markets, and investment principles.

## RECENT TRENDS IN YOUTH INVESTMENT

Youth investing behaviour trends recently show an increasing interest in ethical and sustainable investing. An increasing percentage of younger investors are giving preference to institutions and firms that share their values in terms of environmental, social, and governance (ESG) factors. An increasing number of young individuals have shown interest in investing in businesses and investments that promote social responsibility and sustainability. Their preference is to promote businesses that deal with issues affecting society, and ethical business methods. It is the result of the youth's increased knowledge of global problems like inequality. Individuals feel they can still profit financially from their investments and maintain a positive effect. One significant trend is the use of digital banking and financial technologies, such as online platforms and applications, which facilitate managing money and investing without requiring physical bank visits. A growing number of people, particularly younger individuals, are using these computer or phone-based digital tools to manage their finances. there is a growing trend of diversifying investing portfolios beyond traditional equities and bonds. These include items like crowdfunding for real estate, cryptocurrencies, and internet direct financing to individuals.

## CHALLENGES FACED BY YOUNG INVESTORS

- Young individuals who make inexperienced investment decisions suffer the risk of losing money, especially if they take on high-risk businesses before fully understanding the risks involved.

- Young individuals are more inclined to follow trends in investing, which may lead to irrational choices based on market anticipation rather than careful consideration.

- Due to a lack of knowledge about investment ideas, an under-diversified portfolio of investments may be more exposed to market swings and potential losses.

- Over-investment activity, caused by the need for quick profits, can lead to excessive trading and financial strain, risking financial resources rather than encouraging long-term wealth creation.

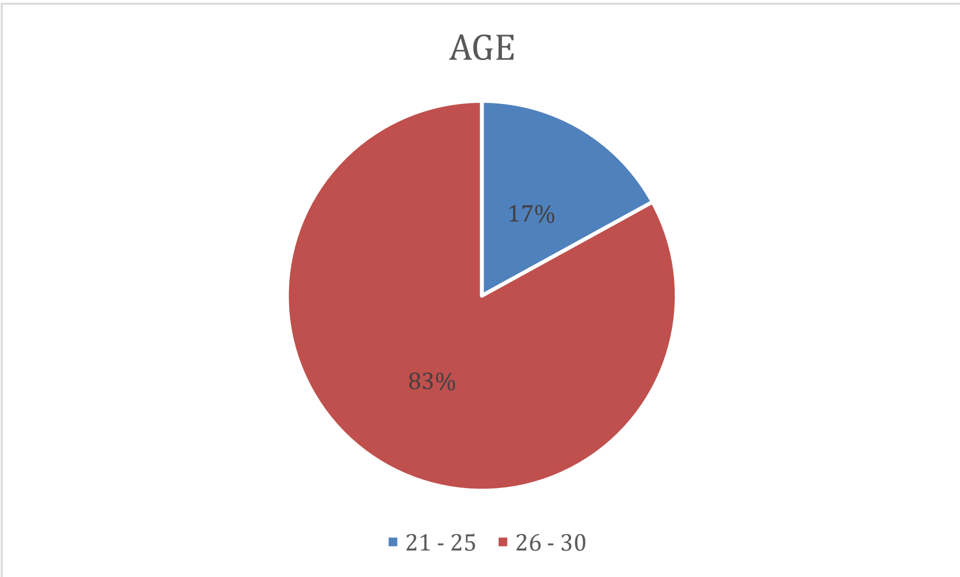
# CHAPTER 4

# ANALYSIS

Table 4.1 - Table showing the age of respondents

| AGE | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| 21 - 25 | 17 | 17 |
| 26 - 30 | 83 | 83 |
| TOTAL | 100 | 100 |

Fig 4.1 - Pie chart showing the age of respondents



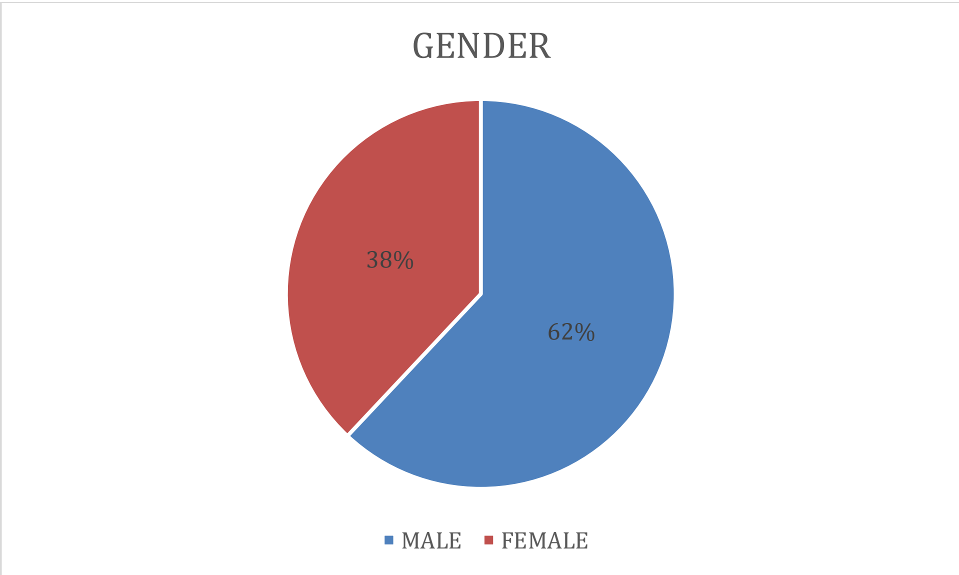

## INTERPRETATION:

The data shows that 17% of respondents are aged 21-25, while only 83% fall in the 26-30 age group.

Table 4.2 – Table showing the gender of respondents

| GENDER | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| MALE | 62 | 62 |
| FEMALE | 38 | 38 |
| TOTAL | 100 | 100 |

Fig 4.2 – Pie chart showing the gender of respondents



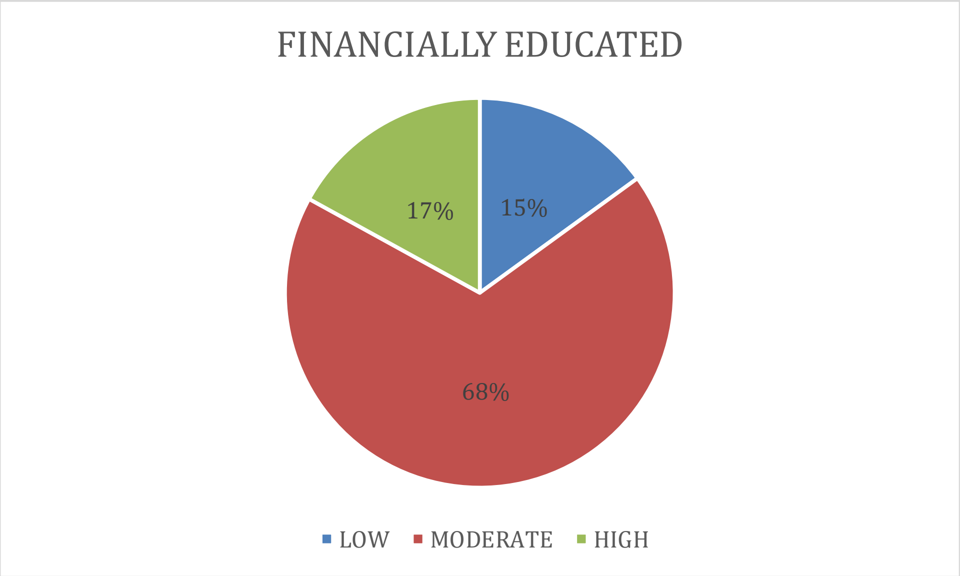

## INTERPRETATION:

The data shows that 62% of respondents are male, while 38% are female, indicating a male majority in the surveyed group.

Table 4.3 – Table showing the financial education of respondents

| FINANCIALLY EDUCATED | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| LOW | 15 | 15 |
| MODERATE | 68 | 68 |
| HIGH | 17 | 17 |
| TOTAL | 100 | 100 |

Fig 4.3 – Pie chart showing the financial education of respondents



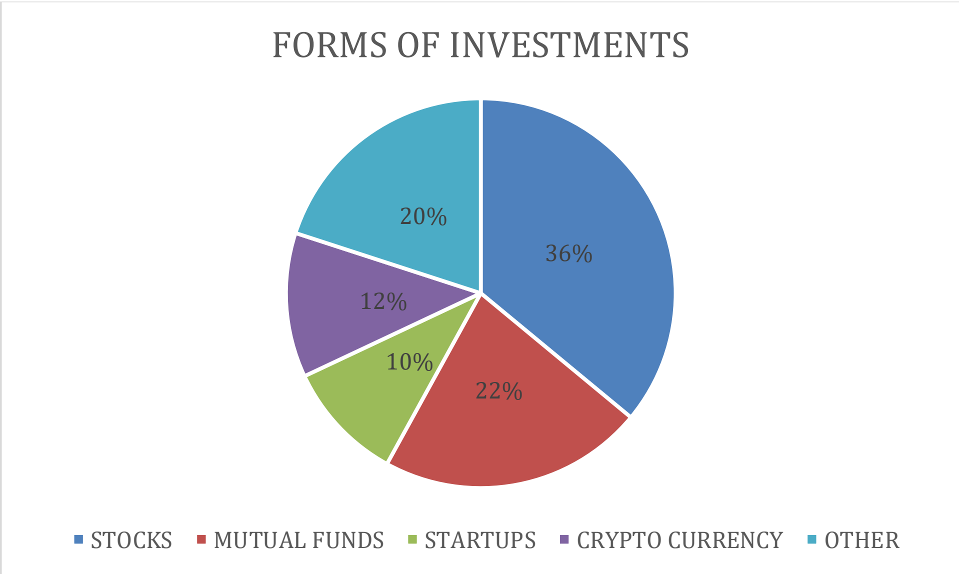

## INTERPRETATION:

The data shows that 68% of respondents have a moderate level of financial education, with 15% having low knowledge and 17% having a high level of financial education.

Table 4.4 – Table showing forms of investments of respondents

| FORMS | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| STOCKS | 36 | 36 |
| MUTUAL FUNDS | 22 | 22 |
| STARTUPS | 10 | 10 |
| CRYPTOCURRENCY | 12 | 12 |
| OTHER | 20 | 20 |
| TOTAL | 100 | 100 |

Fig 4.4 – Pie chart showing forms of investments of respondents



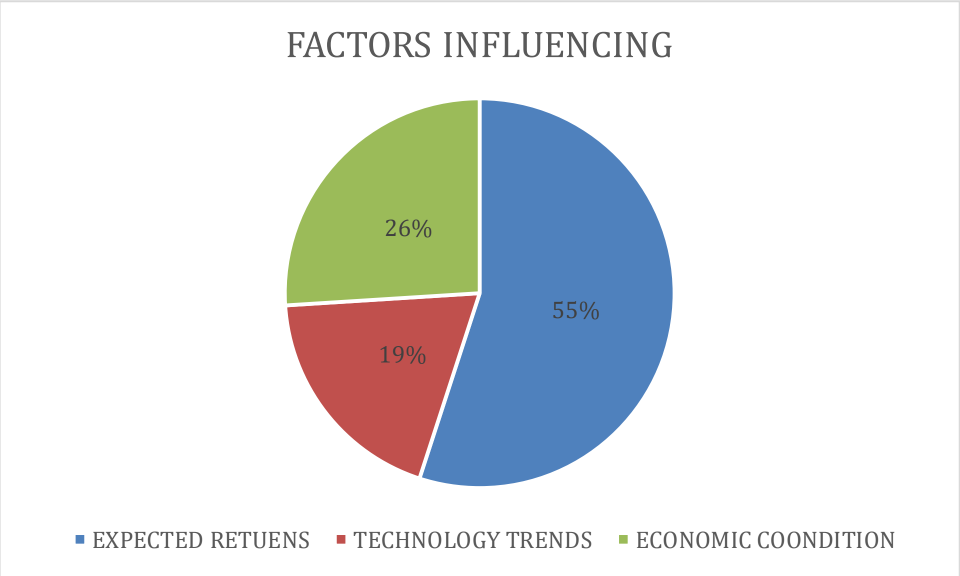

## INTERPRETATION:

The data shows that top investment choices include stocks at 36%, mutual funds at 22%, startups at 10% and cryptocurrency at 12%. Some respondents 20% have diverse or unspecified investment preferences.

Table 4.5 – Table showing factors influencing the investment decisions of respondents

| FACTORS INFLUENCING | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| EXPECTED RETURNS | 55 | 55 |
| TECHNOLOGY TRENDS | 19 | 19 |
| ECONOMIC CONDITION | 26 | 26 |
| TOTAL | 100 | 100 |

Fig 4.5 – Pie chart showing factors influencing investment decisions of respondents



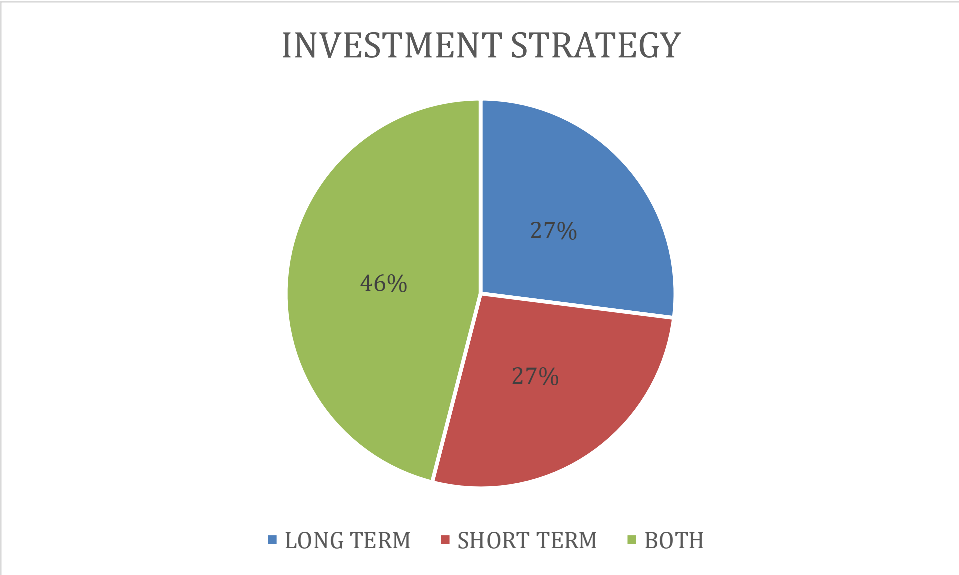

## INTERPRETATION:

The data shows that the primary factor determining investment decisions for respondents is expected returns of 55%, followed by economic conditions at 26% and technology trends at 19%.

Table 4.6 – Table showing investment strategy for short-term and long-term goals

| INVESTMENT STRATEGY | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| LONG TERM | 27 | 27 |
| SHORT TERM | 27 | 27 |
| BOTH | 46 | 46 |
| TOTAL | 100 | 100 |

Fig 4.6 – Pie chart showing investment strategy for short-term and long-term goals



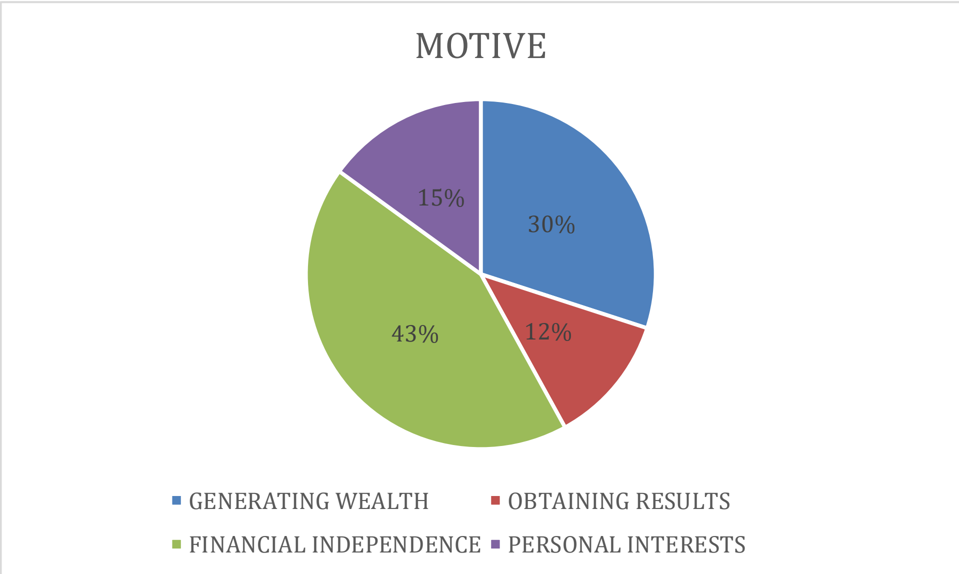

## INTERPRETATION:

The data shows that most respondents 46% favour using both long-term and short-term investment strategies, while an equal percentage opt for either long-term 27% or short-term 27% strategies.

Table 4.7 – Table showing the interest of respondents in investment

| MOTIVE | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| GENERATING WEALTH | 30 | 30 |
| OBTAINING RESULTS | 12 | 12 |
| FINANCIAL INDEPENDENCE | 43 | 43 |
| PERSONAL INTERESTS | 15 | 15 |
| TOTAL | 100 | 100 |

Fig 4.7 – Pie chart showing the interest of respondents in investment



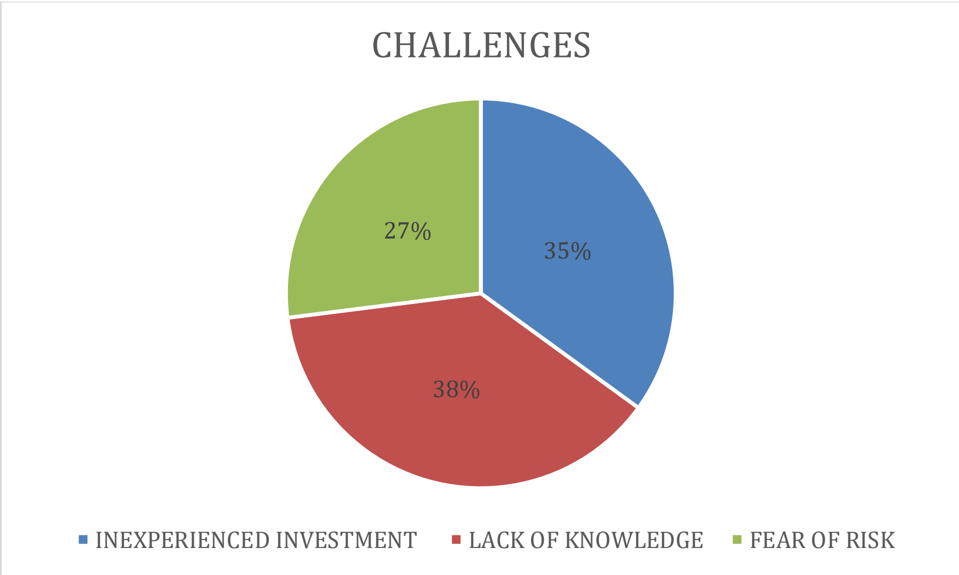

## INTERPRETATION:

The data shows that 43% of respondents are motivated by achieving financial independence, 30% aim to generate wealth, 15% follow personal interests, and 12% seek to obtain results.

Table 4.8 – Table showing challenges to investing in respondents

| CHALLENGES | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| INEXPERIENCED INVESTMENT DECISIONS | 35 | 35 |
| LACK OF KNOWLEDGE | 38 | 38 |
| FEAR OF RISKS | 27 | 27 |
| TOTAL | 100 | 100 |

Fig 4.8 – Pie chart showing challenges to investing in respondents



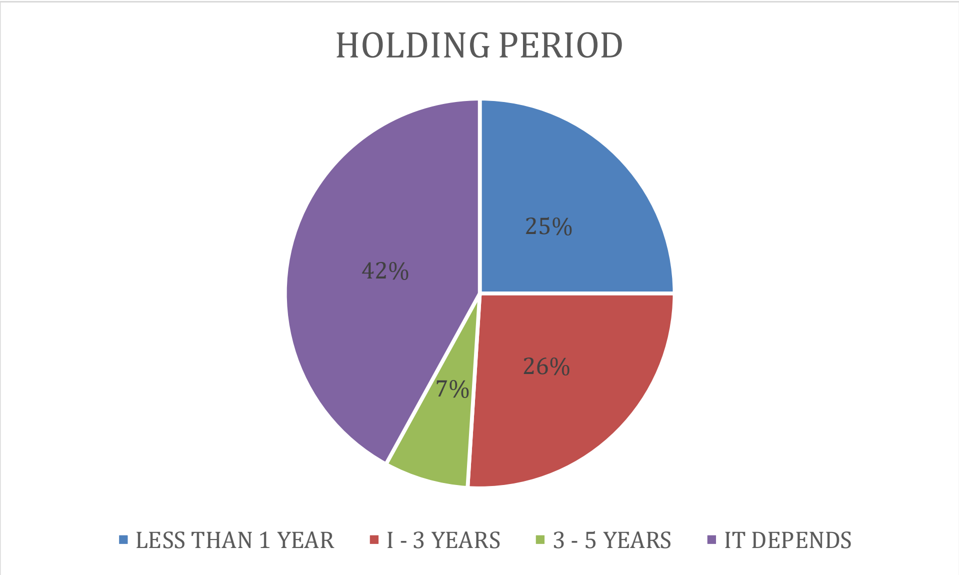

## INTERPRETATION:

The data shows that 35% of respondents face challenges due to an Inexperienced investment decision, 38% due to a lack of financial knowledge, and 27% due to a fear of financial risks

Table 4.9 – Table showing the holding period of investment before sale

| HOLDING PERIOD | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| LESS THAN 1 YEAR | 25 | 25 |
| I - 3 YEARS | 26 | 26 |
| 3 - 5 YEARS | 7 | 7 |
| IT DEPENDS | 42 | 42 |
| TOTAL | 100 | 100 |

Fig 4.9 – Pie chart showing the holding period of investment before sale



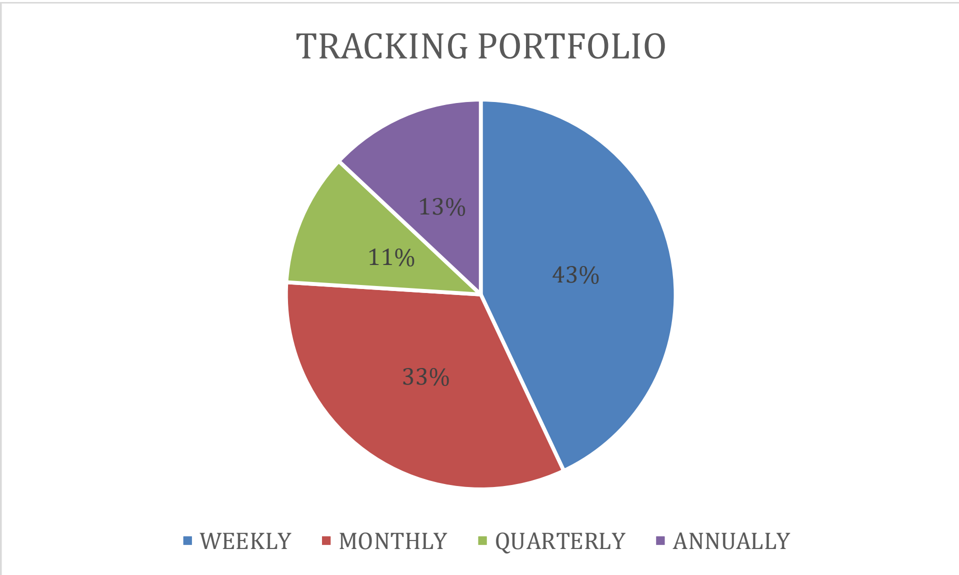

## INTERPRETATION:

The data shows the holding periods for investments 25% for less than 1 year, 26% for 1-3 years, 7% for 3-5 years, and the majority 42% stating that it depends.

Table 4.10 – Table showing track on investment portfolio

| TRACKING PORTFOLIO | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| WEEKLY | 43 | 43 |
| MONTHLY | 33 | 33 |
| QUARTERLY | 11 | 11 |
| ANNUALLY | 13 | 13 |
| TOTAL | 100 | 100 |

Fig 4.10 – Pie chart showing track on investment portfolio



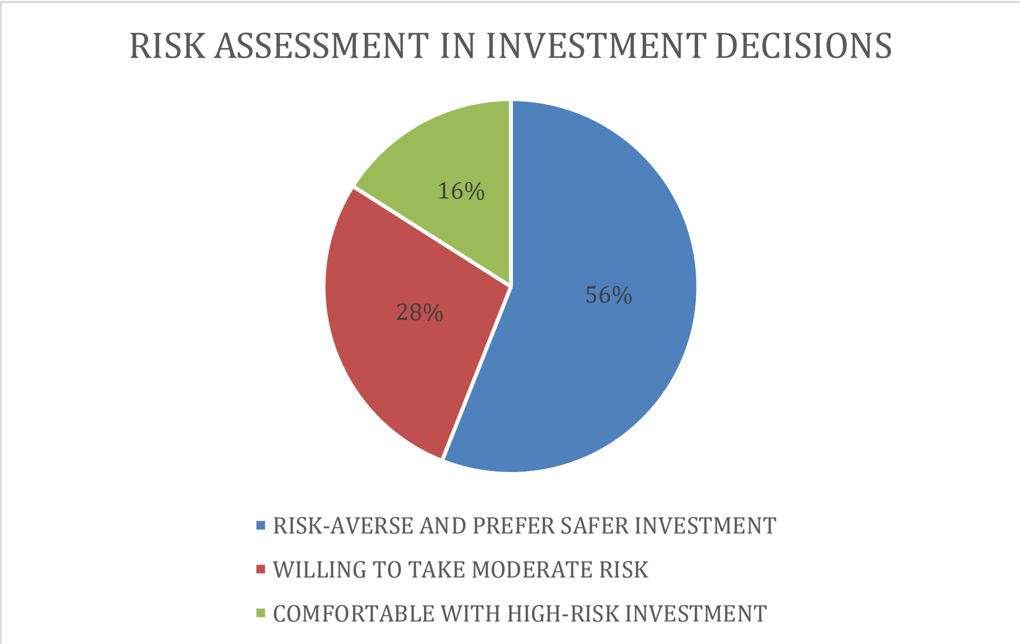

**INTERPRETATION:**

The data shows that of the respondents, 43% track their portfolios weekly, 33% do so monthly, 11% quarterly, and 13% annually.

Table 4.11 – Table showing risk assessment in investment decisions

| RISK ASSESSMENT IN INVESTMENT DECISIONS | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| RISK-AVERSE AND PREFER SAFER INVESTMENT | 56 | 56 |
| WILLING TO TAKE MODERATE RISK | 28 | 28 |
| COMFORTABLE WITH HIGH-RISK INVESTMENT | 16 | 16 |
| TOTAL | 100 | 100 |

Fig 4.11 – Pie chart showing risk assessment in investment decisions



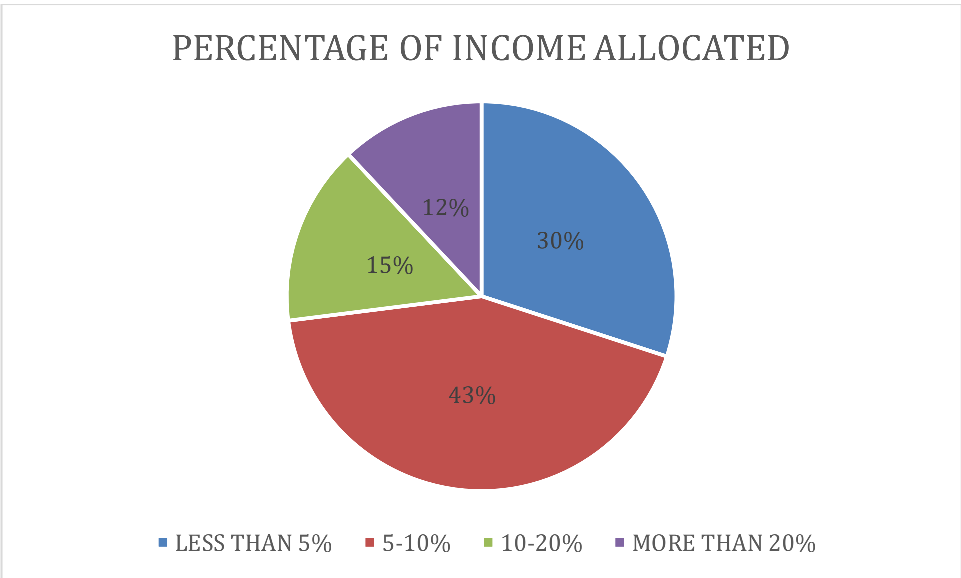

## INTERPRETATION:

The data shows that of the respondents, 56% are risk-averse and prefer safer investments, 28% are willing to take a moderate risk and 16% are comfortable with high-risk investments.

Table 4.12 – Table showing percentage of income allocated towards investments

| PERCENTAGE OF INCOME ALLOCATED TOWARDS INVESTMENTS | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| LESS THAN 5% | 30 | 30 |
| 5-10% | 43 | 43 |
| 10-20% | 15 | 15 |
| MORE THAN 20% | 12 | 12 |
| TOTAL | 100 | 100 |

Fig 4.12 – Pie chart showing percentage of income allocated towards investments



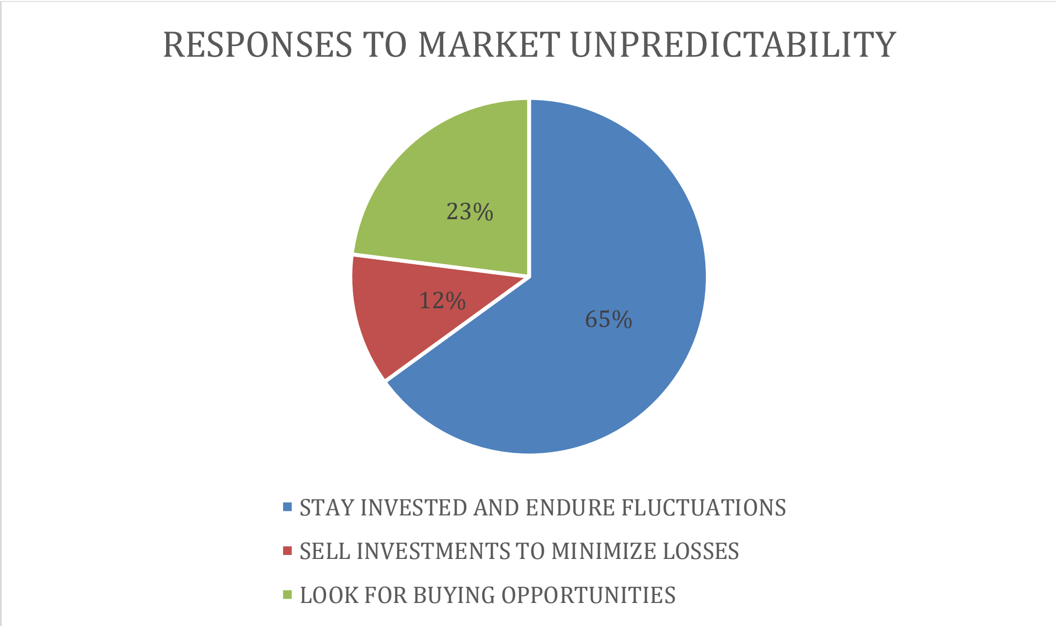

## INTERPRETATION:

The data shows that the majority of respondents allocate less than 5% or 5-10% of their income towards investments, while a smaller percentage allocate 10-20% or more than 20% of their income towards investments.

Table 4.13 – Table showing responses to market unpredictability among investors

| RESPONSES TO MARKET UNPREDICTABILITY AMONG INVESTORS | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| STAY INVESTED AND ENDURE FLUCTUATIONS | 65 | 65 |
| SELL INVESTMENTS TO MINIMIZE LOSSES | 12 | 12 |
| LOOK FOR BUYING OPPORTUNITIES | 23 | 23 |
| TOTAL | 100 | 100 |

Fig 4.13 – Pie chart showing Responses to Market unpredictability Among Investors



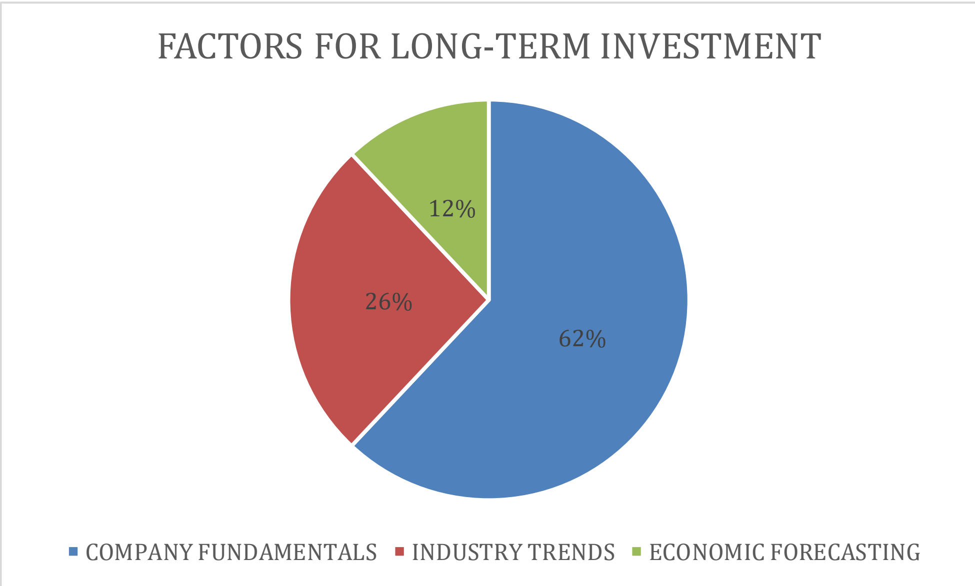

## INTERPRETATION:

The data shows that the respondents, where 65% stay invested and endure fluctuations and 12% of the respondents sell their investments to minimize losses, while 23% look for buying opportunities.

Table 4.14 – Table showing factors considered for long-term investment growth

| FACTORS FOR LONG-TERM INVESTMENT GROWTH | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| COMPANY FUNDAMENTALS | 62 | 62 |
| INDUSTRY TRENDS | 26 | 26 |
| ECONOMIC FORECASTING | 12 | 12 |
| TOTAL | 100 | 100 |

Fig 4.14 – Pie chart showing factors considered for long-term investment growth



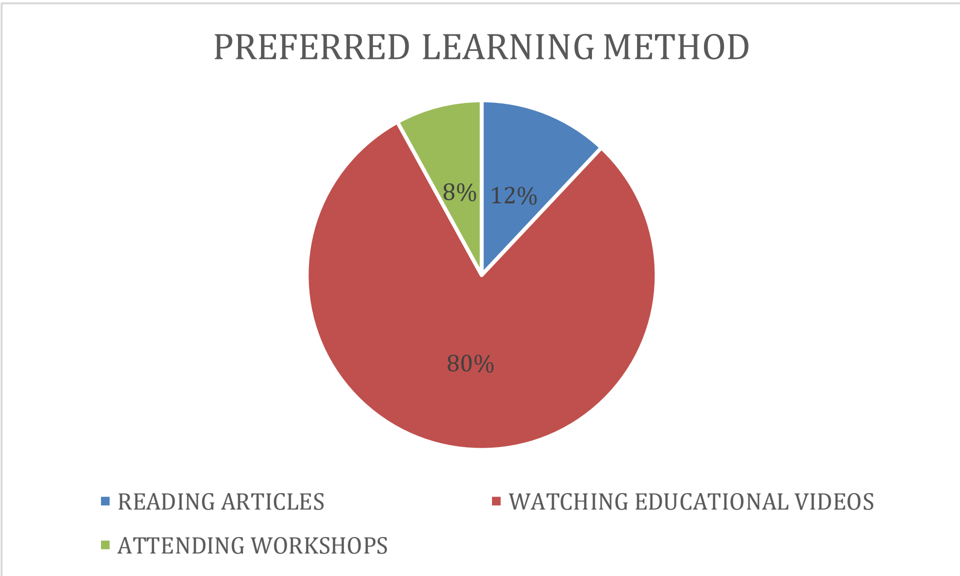

## INTERPRETATION:

The data shows that of the respondents, 62% are company fundamentals, 26% are industry trends and 12% are economic forecasting.

Table 4.15 – Table showing Preferred Learning Methods for Investing

| PREFERRED LEARNING METHOD | NO. OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| READING ARTICLES | 12 | 12 |
| WATCHING EDUCATIONAL VIDEOS | 80 | 80 |
| ATTENDING WORKSHOPS | 8 | 8 |
| TOTAL | 100 | 100 |

Fig 4.15 – Pie chart showing preferred learning methods for investing




## INTERPRETATION:

The data shows that of the respondents, 12% are reading articles, 80% are watching educational videos and 8% are attending workshops.

# CHAPTER 5

# FINDINGS AND SUGGESTIONS

## FINDINGS

- The majority of responses are from the age group of 26 – 30.
- Data shows respondents aged 21 – 30 are moderately financially educated about investment.
- Expected returns are the main factor affecting investment decisions.
- Both long-term and short-term investment strategies are preferred by this age group.
- Financial independence is what motivates candidates to invest.
- Lack of knowledge and lack of funds is found to be a barrier among this age group for investment.
- The data shows that the holding period before selling an investment depends upon the market conditions.
- The majority of the respondents track their investment portfolios weekly

## SUGGESTIONS

- Youth have to be more educated about investment-related activities.
- Respondents should be made more aware of the uncertainty in returns acquired by investing.
- Long-term goals are more beneficial when it comes to investing rather than short-term goals.
- Financial independence grows over a period when invested consistently.
- Strategies and ways to invest in different platforms are being taught professionally for youth who are unaware of the same.
- The holding period of an investment depends totally on the market and the rates it offers.
- Constant check on investment portfolios helps in gaining the best rates.

# CONCLUSION

Youth have to be well educated about the importance of saving in any form. Consistency is what helps to gain financial independence in the long term. A portion of income should always be saved on investment by their personal preferences and the rest should be only used for expenses and other leisure activities.

The earlier they have an idea about wisely spending money, the better stability they will be assured in the future. As per the data collected candidates are moderately aware of the investment opportunities for them. We have gathered a few important questions for the youth just to analyse the amount of education they have about investment in our questionnaire.

# BIBLIOGRAPHY


1. en.wikipedia.org
2. scholar.google.com
3. investopedia.com
4. bloomberg.com
5. grammarly.com
6. economictimes.com
7. businesstoday.in

# APPENDIX

## QUESTIONNAIRE

1. What is your age?

☐ 21 - 25

☐ 26 - 30

2. What is your gender?

☐ Male

☐ Female

3. How financially educated would you consider yourself?

☐ Low

☐ Moderate

☐ High

4. Which of the following forms of investments have you considered?

☐ Stocks

☐ Mutual Funds

☐ Start-ups

☐ Cryptocurrency

☐ Other

5. What factors influence your investment decisions?

☐ Expected Returns

☐ Economic Conditions

☐ Technology Trends

6. What is your investment strategy for short-term and long-term goals?

☐ I prioritize long-term goals

☐ I prioritize short-term goals

☐ I balance short-term and long-term goals

7. What motivates you to make investments?

☐ Generating wealth

☐ Obtaining results

☐ Financial independence

☐ Personal interests

8. What are the challenges to investing?

☐ Inexperienced investment decisions

☐ Lack of funds

☐ Lack of knowledge

9. What is your typical holding period before selling an investment?

☐ Less than one year

☐ 1-3 years

☐ 3-5 years

☐ It depends

10. How often do you review and track your investment portfolio?

☐ Weekly

☐ Monthly

☐ Quarterly

☐ Annually

11. How do your investment decisions take into consideration risk?

- ☐ Risk-averse and prefer safer investment
- ☐ Willing to take moderate risk
- ☐ Comfortable with high-risk investment

12. What percentage of your income do you usually put into investments?

- ☐ Less than 5%
- ☐ 5-10%
- ☐ 10-20%
- ☐ More than 20%

13. How do you typically respond to market unpredictability?

- ☐ Stay invested and endure fluctuations
- ☐ Sell investments to minimize losses
- ☐ Look for buying opportunities

14. What factors influence your long-term investment decisions?

- ☐ Company fundamentals
- ☐ Industry trends
- ☐ Economic forecasting

15. How do you prefer to learn about investing?

- ☐ Reading articles
- ☐ Watching educational videos
- ☐ Attending workshops