An Empirical Analysis of Systematic Investment Plan Preferences among District Amritsar Residents

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Abstract-- **Investment means giving up something to gain advantage in future, that can be either in the form of physical assets such as gold, land, building or in the form of financial assets such as stocks, deposits or bonds. A number of systematic investment plans are available to them. The present study deals with systematic investment plan preferences among investors of Amritsar district, Punjab. For the study 218 respondents are taken as sample, they are analysed for their preferences in systematic investment plans. In the study their most preferred systematic investment plan is carved out, along with determining association between demographic variables and preference for systematic investment plans. Besides it the factor affecting preference level of investors while choosing any systematic investment plans. In the study it was found that majority of investors in Amritsar district prefer fixed deposits , considering safety of principal amount is the most important factor that affects their preference level. However no significant association was found between systematic investment plan preference and demographic variables.**

Keywords-- **Investment preference, Systematic Investment Plans, Investor, Amritsar, demographic variables.**

I. INTRODUCTION

Investment means giving up something to gain advantage in future, that can be either in the form of physical assets such as gold, land, building or in the form of financial assets such as stocks, deposits or bonds. "It's about putting your money to work for you, rather than letting it sit idle." An investment market can be termed as a place where buyers and sellers with varied potential risk come together to deal in different investment products. Every individual investor has different so many options (Garg and Mishra, 2020) based on their risk appetite. The investment preference depends on the risk appetite, rate of return, financial literacy level, peer group advice (Priyanka and Tripathi, 2019) that determines the investment behaviour (Veena,2020). District Amritsar is a place with investors with varying characteristics, every investor has a different risk profile based on previous experiences, knowledge, demographic and socio economic variables, peer advice and global environment. (Goel, 2020)

Every individual invests systematically whether annually, quarterly, bimonthly or monthly in various investment options available as per one's own income and risk taking ability. Systematic investment plans allow an investor to make regular investment in a particular investment option and make gains in future. One may invest in investment plans viz. bank deposits, post office schemes, gold and silver, retirement plans, children saving schemes, personal provident fund, mutual funds etc. as per one's own need and convenience.

II. REVIEW OF LITERATURE

Sharma K. B. (2024) had an "Empirical analysis of systematic investment plan sip of mutual fund as an investment avenue with reference to Ahmedabad district" with the objectives to understand saving habits, patterns and preferences and the awareness of investors towards Mutual Fund systematic investment plan. Moreover it also factors and objectives which encourage the investors as well as barriers affecting their decisions in a systematic investment plan .

Aravind B. (2023) compared the investment performance of equity and debenture holder investors from a sample of 125 members. Correlation, regression analysis and t- test were applied to analyze the factors that affect investment returns like interest rates, market volatility and company performance in the study "A comparative study in Equity investment or Debenture investment" and concluded that equity investment is better than investment in debentures.

Ajeesh A. (2022) examined the perception of gold investors on a range of determinants of investment as well as the dimensions and problems of gold investment in the state of Kerala. It was a descriptive cum analytical study, where both primary and secondary data collection techniques were used. Primary data were collected directly from the customers and investors across the state on the basis of three investment dimensions such as "jewellery, gold bars and coins and gold backed funds". Secondary were gathered from a mixture of sources such as libraries, research centres, text books, research reports, Government Departments, autonomous bodies and online sources etc.

A sample Size of 398 investors, 400 jewellers and traders and 400 employees of e-gold broking firms was taken employing the Judgement Sampling technique, after analysing data through SPSS 20.0 and AMOS, many restrictions and regulations were found in gold trade as well as in its possession as an asset in different forms, even then a significant proportion of population invest in gold in the state of Kerala.

Gaud M.M. (2022) attempted to understand the profile and characteristics of investors, so as to be acquainted with their tastes, preferences and objective behind their savings. Study was carried on by administering a questionnaire to 250 professional investors and found that how do the socio economic factors and demographic factors affect the decision making of the investors and selecting a particular investment option.

Gujar R. (2021) put an effort to study the investment design, number of avenues available for investment, age groups to take a decision regarding investment, the reasons affecting the choice of investors for any particular investment option and the factors influencing investment behavior of an investor from Mumbai city. Sample size of 50 respondents was taken who were customers of different insurance companies, real estates and financial services. After collecting and analyzing the primary as well as secondary data it was observed that a larger proportion of the respondents was highly interested in exploring new opportunities in the market and the respondents above the age group of 45 years were least keen to explore any new investment opportunities and majority of the respondents insisted to invest for short term.

III. OBJECTIVES

1. To determine the most preferred systematic investment plan by investors in Amritsar district.
2. To identify association between preference of systematic investment plan and demographic profile of investors in Amritsar district.
3. To determine factors affecting the preference level of systematic investment plans by investors in Amritsar district.

IV. HYPOTHESES

- There is a significant association between age and systematic investment plan preference among the investors of district Amritsar, Punjab.
- There is a significant association between gender and systematic investment plan preference among the investors of district Amritsar, Punjab.

- There is a significant association between annual income and systematic investment plan preference among the investors of district Amritsar, Punjab.

V. RESEARCH METHODOLOGY

This study is based on certain selected investment options available in district Amritsar, moreover the popular ones also. These are fixed deposits, saving deposits, post office saving schemes, real estate, gold and silver. The study is descriptive in nature and a sample of 300 respondents is taken on convenient basis from the residents of Amritsar. Primary data is collected through Google forms, for study purpose 218 completely filled questionnaires are considered. For analysis purpose MS-Excel was followed and percentage analysis, ranking and Chi- square test were applied for study.

VI. DATA ANALYSIS

Table 1:
Table showing demographic profile of respondents

Demographic variable		Frequency	%age
Gender	Male	119	54
	Female	99	46
Age (years)	18-30	32	15
	30-45	68	31
	45-60	59	27
	60 Onwards	59	27
Marital status	Married	115	53
	Unmarried	103	47
Qualification	Matric	22	10
	Senior Secondary	64	29
	Graduate	113	52
	Post Graduate	19	9
Annual Income	less than 2 lakh	68	32
	2 lakh - 5 lakh	96	44
	above 5 lakh	54	24

Respondents were asked to rate different systematic investment plans preferred by them among the given options viz. fixed deposits, saving deposits, post office saving schemes, real estate, gold and silver. The preferences given by them are shown in table below

Table 2:
table showing preferred systematic investment plan by investors

S. No.	Systematic Investment plan	No. Of responses	Percentage	Rank
1	Fixed deposits	88	40.3	1st
2	Saving deposits	67	30.7	2nd
3	Post Office saving schemes	28	12.9	3rd
4	Gold and Silver	20	9.2	4th
5	Real estate	15	6.9	5th

In the study it was found that majority of investors prefer fixed deposits (40.3%) for systematic investment, while their second preference was found to be saving deposits (30.7%), there after post office saving schemes(12.9%) stood third, gold and silver (9.2%) investment options were in the row with fourth position and the last option was real estate (6.9%). Along with it association was also found between preference of systematic investment plan and demographic profile viz. Age, gender and annual income of investors in Amritsar district and it was seen that there is no significant association between age, gender and investment preference of investors of Amritsar district at 5% level of significance.

Table 3:
Table showing association between demographic variables and preference for systematic investment plans

Demographic variables	Chi square value	Degree of freedom	P value
Age	3.61	3	.3065
Annual Income	12.55	2	.0019
Gender	2.90	1	.0881

Table 4:
Table showing the factors affecting the preference level of systematic investment plans

S. No.	Factors	No. Of responses	Percentage
1.	Safety of Principal	67	30
2	Return on investment	54	25
3	Wealth accumulation	32	15
4	Children education	24	11
5	Old age benefits	20	9
6	Maturity period	13	6
7	Medical	8	4

Among the factors affecting the preference for systematic investment plans among the investors of Amritsar district it was seen that while taking any investment decision their foremost requirement is safety of principal amount, as 30% of the sample in study reported, thereafter second factor affecting their investment preference is return on investment with 25% responses, third one is wealth accumulation with 15% responses, fourth preference children education 11% responses, fifth preference old age benefits with 9% responses, sixth preferred factor while taking any investment decision maturity period 6% responses and the last in the study on 7th place they while preferring for any systematic investment plan they consider medical benefits with 4% responses.

VII. CONCLUSION

It was concluded from the study that among the investors of Amritsar district, while analysing their preference for systematic investment plans, it was found that majority of them prefer traditional sources of investment like fixed deposit and saving deposits and no significant association was found between their age, gender, and preference for systematic investment plans, on the contrary a significant association was found between annual income and preference for systematic investment plans, while preferring any systematic investment plan they still consider safety of principal amount as most important factor, tailing with return on investment but a little proportion of sample prefer the systematic investment plans for medical.

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