



A STUDY ON INVESTOR PREFERENCE TOWARDS GOLD COINS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT

The study's goal is to examine gold coin investor's opinion, problems, and degree of satisfaction. Various avenues for investing in gold are creating confusion among investors in the current market scenario of high volatility and a rapidly changing market place. In the middle of several possibilities, gold coins are slowly and steadily carving out a place in the thoughts of investors. The analysis exposes the influencers who advise investors to buy gold coins. Primary and secondary data were collected and thoroughly assessed for the study.

KEYWORDS: Investors, Gold Coins, opinion.

INTRODUCTION

Gold has been a much sought-after precious metal for coinage, jewellery and other arts since long before the beginning of recorded history. Empires and nations possessed gold as a medium of international exchange, as a store of wealth and as a symbol of power and prestige. The metal outweighs other avenues in universal acceptance and liquidity compared to various other physical and financial assets. It also acts as an effective hedge against economic and political uncertainties.

A hedge against inflation and currency depreciation, investing in gold coins is an excellent method to diversify a portfolio of investments. Additionally, gold coins have prestige and are frequently viewed as status symbols. Gold coins are a great way to transfer money to family members since they may be handed down through the generations.

Gold coin investing is the practice of buying and selling gold coins as a form of investment. Gold coins are typically valued by their weight, purity, and rarity, and are often bought and sold as a way of diversifying an investor's portfolio. Gold coins are also popular among collectors who purchase coins of a certain design, mint year, or grade. Gold coins can also be used as an investment vehicle for those looking to gain exposure to the price of gold.

REVIEW OF LITERATURE

1. **Samuel Anbu Selvan & Ramraj, (2022)**, Stated that during this pandemic, most customers switched from making monthly purchases to making purchases once a year. And the survey shows that there are 10 things that affect whether or not someone buys gold jewellery: price, quality, trustworthiness/safety, advertising, brand, liquidity, ease of use, transparency, recommendations from family and friends, and shop display.
2. **Gharib et al. (2021)**, show a bilateral contagion impact of bubbles in the oil and gold market during COVID-19. However, the above-mentioned empirical studies focused on the gold performance during the pandemic; they attempt to forecast the gold prices for the post-pandemic era in India, one of the largest importers of gold globally.
3. **Dey and Sampath (2020)**, while investigating the spillover of five major asset classes in India, find a paradigm shift in the dynamics of gold's impact on the Indian economy post demonetization. The study highlights the emergence of IT sector as a critical mediator between the gold and the rupee-dollar exchange rate markets in India. Indeed, any form of economic reform impacts the gold prices in India.
4. **Mishra (2019)**, investigated the dynamic relationship between gold and silver in the Indian market. They highlighted the weak efficient form of the Indian market. Int. J. Financial Stud. 2023, 11, 83 of 16 that calls for optimal decisions regarding portfolio investment and hedging. The study found a unidirectional relationship between gold and silver using rolling window bootstrap approach.
5. **Jalpa Thakkar, Sheenam Gogia and Vatsala Manjunathan (2017)**, have examined the available gold investment avenues and also the awareness and attitude of the investors towards the alternative methods of gold investments.



OBJECTIVES OF THE STUDY

- To know about the socio-economic factors.
- To study the opinion of the investors on gold coin investment.
- To study the problems faced by investors while investing in gold coins.

SCOPE OF THE STUDY

This study mainly deals with Investors preference towards gold coins. The study covers the awareness and perception towards the gold coins. Investors preference towards gold coins can vary depending on the current market conditions, their investment goals, and the type of gold coin they are interested in. Generally, gold coins are seen as a safe haven asset, and many investors view them as a hedge against inflation and financial uncertainty. Investors may also be attracted to the potential for capital appreciation and the potential for gold coins to act as a store of value over time. For those looking to diversify their portfolios, gold coins may offer a unique opportunity to add an additional asset class. Some investors may prefer to buy gold coins because they have a tangible form of the metal, while others may prefer to invest in gold ETFs or gold mining stocks. Additionally, some investors may prefer to purchase numismatic coins, which are coins with a higher premium due to their rarity and collectability.

RESEARCH METHODOLOGY

The methodical process of gathering data using various methodologies in order to solve a research challenge. In the study, both primary and secondary data were used. An extensive sample of the investor population was used to get the data, and a standardised questionnaire was developed to gather data for the study's conclusion and its research objectives.

- **PRIMARY DATA**

In order to gather the information from the investors, a structure questionnaire approach was used to gather the primary data.

- **SECONDARY DATA**

The secondary data for the current study was gathered from a variety of literary sources, including periodicals, newspapers, textbooks, journals, and the internet.

SAMPLE DESIGN SAMPLE TECHNIQUE

For the purpose of analysis, the data from 120 investors were gathered from a sample of respondents in the city of Coimbatore for the analysis.

SAMPLE SIZE

The sample size for the study was 120 respondents, and the results were gathered using a standardised questionnaire.

AREA OF STUDY

The study has been undertaken only in Coimbatore city.

LIMITATIONS OF THE STUDY

- The sample size of only 120 Respondence was taken from large population.
- The study has been done in Coimbatore city with the limited period of 5 Months.
- Findings of this study purely depends upon the factors, satisfaction level & strategies of the Investors .

STATISTICAL TOOLS AND TECHNIQUES USED

- SIMPLE PERCENTAGE ANALYSIS
- RANK ANALYSIS



DATA ANALYSIS AND INTERPRETATION SIMPLE PERCENTAGE ANALYSIS

Simple percentage analysis is the comparison of two or more series of data using a unique form of rate that is utilised in marketing.

FORMULA

Percentage = Number of Respondents / Total Number of Respondents * 100

TABLE 01
TABLE SHOWING EDUCATION QUALIFICATION OF THE RESPONDENTS

S.NO	EDUCATION QUALIFICATION	NO OF RESPONDENTS	PERCENTAGE %
1	Illiterate	12	10%
2	SSLC	13	10.8%
3	HSC	19	15.8%
4	Graduate	76	63.3%
TOTAL		120	100%

INTERPRETATION

It is observed from the table 01 that, 10% of the respondents are illiterate and 10.8% of the respondents are SSLC and 15.8% of the respondents are HSC and 63.3% of the respondents are graduated.

INFERENCE

Hence the majority of the respondents are Graduates (63.3%).

TABLE 02
TABLE SHOWING OCCUPATION OF THE RESPONDENTS

S.NO	OCCUPATION	NO OF RESPONDENTS	PERCENTAGE %
1	Employee	37	30.8%
2	Home Maker	19	15.8%
3	Professional	13	10.8%
4	Self Employees	51	42.5%
TOTAL		120	100%

INTERPRETATION

It is observed from the table 02 that, showing 30.8% of the respondents are employee and 15.8% of the respondents are home maker and 10.8% of the respondents are professional and 42.5% of the respondents are self-employees.

INFERENCE

Hence the majority of the respondents are Self Employees (42.5%).

TABLE 03
TABLE SHOWING THE PERIOD OF INVESTING MONEY IN GOLD COINS OF THE RESPONDENTS

S.NO	PERIOD OF INVESTING	NO OF RESPONDENTS	PERCENTAGE %
1	Below 1 Year	22	18.3%
2	1-5 Years	43	35.8%
3	5-10 Years	40	33.3%
4	Above 10 Years	15	12.5%
TOTAL		120	100%

INTERPRETATION

The above table 03 reveals that 18.3% of the respondents invest below one year, 35.8% of the respondents invest from one to five years, 33.3% of respondents of the respondents invest from five to ten years and 12.5% of respondents invest above ten years.



INFERENCE

Hence most of the respondents invest from 1-5 years (35.8%).

TABLE 04

TABLE SHOWING WHEN MONEY IS INVESTED ON GOLD COINS OF THE RESPONDENTS

S.NO	INVESTING ON GOLD COINS	NO OF RESPONDENTS	PERCENTAGE %
1	Occasionally	23	19.2%
2	When Gold Price Decreases	49	40.8%
3	Often	28	23.3%
4	Rarely	20	16.7%
TOTAL		120	100%

INTERPRETATION

The above table 04 showing that 19.2% of the respondents invest occasionally ,40.8% of the respondents invest when gold price decreases, 23.3% of the respondents invest often and 16.7% of the respondents invest rarely.

INFERENCE

Hence most of the respondents invest when gold price decreases(40.8%).

TABLE 05

TABLE SHOWING THE PROBLEMS FACED WHILE INVESTING IN GOLDCOINS OF THE RESPONDENTS

S.NO	PROBLEMS FACED	NO OF RESPONDENTS	PERCENTAGE %
1	Security Concerns	19	15.8%
2	Purity	42	35%
3	Making Charges	40	33.3%
4	Storage Concerns	19	15.8%
TOTAL		120	100%

INTERPRETATION

The above table 05 shows that, 15.8% of the respondent’s problem is security concerns, 35% of the respondent’s problem is purity, 33.3% of the respondent’s problem is making charges and 15.8% of the respondent’s problem is storage concerns.

INFERENCE

Hence most of the respondent’s problem is purity(35%).

TABLE 06

TABLE SHOWING THAT REASON FOR INVESTING IN GOLD COINS OF THE RESPONDENTS

S.NO	REASONS	NO OF RESPONDENTS	PERCENTAGE %
1	High Value	27	22.5%
2	Inflation	23	19.2%
3	Demand	36	30%
4	Easy To Sell	34	28.3%
TOTAL		120	100%

INTERPRETATION

The above table 06 shows that, 22.5% of the respondents invest for high value, 19.2% of the respondents invest for inflation, 30% of the respondents invest for demand and 28.3% of the respondents invest for easy to sell.

INFERENCE

Hence most of the respondents invest for demand (30%).

RANKING ANALYSIS

By ranking observations according to size and basing the computation on the rankings rather than the original observation, it is able to avoid putting any assumptions above the population being examined.



FORMULA

$$R = \frac{\sum D^2}{N(N^2 - 1)}$$

TABLE 07

TABLE SHOWING THE LEVEL OF SATISFACTION TOWARDS INVESTING IN GOLD COINS

S.NO	FACTORS	HS	S	N	DS	HDS	TOTAL	RANK
1	Safety	27 (5) 135	75 (4) 300	16 (3) 48	02 (2) 4	0 (1) 0	487	I
2	Profit	07 (5) 35	75 (4) 300	38 (3) 114	0 (2) 0	0 (1) 0	449	II
3	Making Charges	11 (5) 55	37 (4) 148	69 (3) 207	02 (2) 4	01 (1) 01	415	IV
4	Rate of Storage Charges	09 (5) 45	39 (4) 156	63 (3) 189	07 (2) 14	02 (1) 02	406	V
5	Quality	11 (5) 55	46 (4) 184	53 (3) 159	07 (2) 14	03 (1) 03	417	III

INTERPRETATION

The table 07 shows that, Safety ranked 1, Profit Ranked 2, Quality Ranked 3, Making charges Ranked 4 and Rate of Storage Ranked 5.

INFERENCE

It is Concluded that Safety Ranked 1 in Satisfaction level of Investing in Gold Coins.

FINDINGS, SUGGESTIONS AND CONCLUSIONS

FINDINGS

- Majority 63.3% of the respondents are Graduates.
- Majority 42.5% of the respondents are Self Employees.
- Mostly 35.8% of the respondents invest from 1-5 years.
- Mostly 40.8% of the respondents invest when gold price decreases.
- Mostly 35% of the respondent’s problem is purity.

SUGGESTIONS

The study suggests that it is not just a low-risk investment option but also offers better security, hence making it a stress-free way of investment. Gold is said to be a tangible asset and has always commanded a good market value for centuries. Buying gold coins is one of the greatest ways to invest in gold. Gold is seen as a safety net in case of future disasters. Gold coins are simple to sell or use as security for gold loans. As a result, purchasing gold coins for investment allows you to be certain in your future profits.

CONCLUSION

Based on the data analyzed, it can be concluded that there is a substantial preference among investors for investing in gold coins. This desire is motivated by a variety of variables, including economic uncertainty, inflation, and political instability, all of which are seen to raise the value of gold as a safe-haven asset. Investors that choose gold coins are often older and have better incomes, indicating that they have more investment expertise and are less risk-averse. They are also more likely to have a long-term investment strategy and see gold coins as a method of conserving their money over time. They are, however, less liquid and may require more specialised knowledge and experience to invest in efficiently.

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