Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 8 | August 2025 -Peer-Reviewed Journal

AN EMPIRICAL STUDY OF THE CHALLENGES ENCOUNTERED BY INVESTORS OF ARUNACHAL PRADESH IN VARIOUS INVESTMENT AVENUES

Mr. Myger Babla
Research Scholar, Department of Management, Rajiv Gandhi University (A Central University), Doimukh Arunachal Pradesh, India.

Article DOI: https://doi.org/10.36713/epra23697
DOI No: 10.36713/epra23697

ABSTRACT
Investment involves the allocation of funds to generate a return on that capital. The process of allocating capital with the expectation of generating greater returns and the belief that these investments will ultimately yield a profit is known as investing. The main purpose of this study is to examine the different investment options available to investors in Arunachal Pradesh, as well as the factors residents of this state should consider before making investment decisions. It is important to recognize that the potential benefits and drawbacks of each investment option vary significantly from one another. A statistical analysis employing SPSS and percentage analysis was conducted to understand the challenges of decision-making processes of investors' investment patterns regarding their livelihoods. The study used purposive sampling methods to obtain data from a structured questionnaire with 284 respondents from the Itanagar capital region, East Siang, and Ziro. It also shows that investors prefer low-risk investments, where traditional investment avenue plays a significant role in overcoming the challenges faced by investors in Arunachal Pradesh. The study results have implications for investors and financial institutions, highlighting the need for customized financial education and investment options that meet the needs of investors in the area.
KEYWORDS: *Investment Avenue, Investment Decision, Challenges, Risk.*

1. INTRODUCTION

A significant amount of capital that businesses obtain comes from the personal funds of individual investors, because a certain amount of capital must be contributed by investors for the economy to operate effectively. The ability and willingness of higher-income individual investors to continue providing the finances and resources needed to sustain the growth of the financial market system is the most crucial and nearly exclusive factor that will influence the future of financial institutions. Investment is vital and can take the form of direct or indirect investment in various investment vehicles, depending on individual investors' accessibility and investment behavior. The main purpose of this study is to examine the different investment options available to investors in Arunachal Pradesh, as well as the factors residents of this state should consider before making investment decisions. It is important to recognize that the potential benefits and drawbacks of each investment option vary significantly from one another. Increasing the returns that one receives on their assets should be the objective of every single person. The supervision or comprehension of an expert is required in order to ensure that a portfolio is managed efficiently. When making investment decisions about investments, one of the most significant factors to take into consideration is the individual's capacity to accept and manage risk. It is important to note that each of the several different investment opportunities comes with its own distinct set of risks and potential rewards. It is possible to invest in a variety of various ways, especially in the age group between 21 to 60 years, for both male and female.

Even though taking on bigger risks often results in greater financial returns and more secure futures, investors in today's world are reluctant to do so. This is even though taking on more risks typically results in higher profits. Investors can decrease the impact of risk by spreading their money over a number of investment vehicles in the hope of attaining a sufficient rate of return. This is true even though it is impossible to eliminate risk due to the fact that it is impossible to completely eliminate risk. This research is being carried out with the purpose of ensuring that persons

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 8 | August 2025 -Peer-Reviewed Journal

are more aware of the numerous investment opportunities that are available to them as well as the considerations that they ought to take into account prior to making any investments. For this reason, the research is being carried out.

2. LITERATURE REVIEW

Prior research conducted by a variety of researchers assists me in understanding the breadth of the subject. Reviewing the following studies was part of the study :

Madhumathi (1998) 450 randomly selected investors from large Indian cities were categorized as risk seekers, carriers, or avoiders based on their perceptions of risk. The study's key conclusions were that most investors were risk-takers and that they made their choices based on the performance of the companies they invested in. They also seek advice from stock brokers and investment experts. When making decisions, risk-takers took into account social changes, industry positions, and market considerations. The majority of their knowledge came from reports and the media. Risk-averse people did not share any characteristics.

Borsan (2009) The researcher found some disputed results on how the market behaved after environmental information was disclosed, and in contrast to how it affected other investment options. Investors have been slow to appropriately identify future business value gains associated with excellent firm environmental performance.

Kumar (2015) Increasing numbers of people are risking their fingers in the stock market, even if they lose. Few have taken life-threatening risks. All of this stems from our restricted money perspective. The investigation shows that attraction rules everything. However, material savings and investments are important too. How investors view their investing options and how they feel about them affects their potential savings. Investigators must examine how investors manage their funds and investments.

Awais (2016). The study analyzed investor decision-making factors. Risk directly affects investors' judgments. They found that if investors understood and analyzed financial data better, they could make riskier investments to generate significant returns through more effective investment management. Several demands affect investment styles and methods.

Mark & WH (2017) This exploratory study addresses the research gap by presenting linear regression models of Hong Kong and Mainland Chinese investors' financial investment behavior. Comparing and contrasting these models will highlight their similarities and differences. The regression study shows that Hong Kong and Mainland China investors have different psychological, sociological, and ethical viewpoints on financial investing.

Ramesh (2019) The study analysis that the factors influencing respondents' perceptions toward various investment possibilities and their investment behavior. According to the survey, individuals with lower incomes favored bank accounts and insurance. Respondents with lower incomes know more about investing possibilities than those with higher incomes.

3. OBJECTIVES OF THE STUDY

- To understand the demographic factors that affect investment opinion.
- To assess the investment options accessible to investors of Arunachal Pradesh.

4. RESEARCH METHODOLOGY

This research is Exploratory and descriptive. A standard questionnaire was provided to the targeted population as part of a field survey for the current study to gather data from scheduled tribe women investors of Arunachal Pradesh:

- **Targeted Population**: Age group between 21 to 60 years, both male and female.
- **Area of the study:** Three districts of Arunachal Pradesh, i.e., East Siang, Papumpare, and Lower Subansiri, are included in the study.
- **Sampling unit:** From the three above districts, Pasighat, Itanagar capital complex (ICR), and Ziro are the sampling units for the study.
- **Sampling Techniques:** Purposive sampling technique.
- **Sample Size:** The study included 284 (Two hundred and eighty-four only) respondents.
- **Source of Data Collection:** Both primary and secondary sources by utilizing statistical packages for social science (SPSS).

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 8 | August 2025 -Peer-Reviewed Journal

5. ANALYSIS AND INTERPRETATION

The analysis and interpretation are made on the basis of the objectives of the study. where the researcher understands the demographic factors that affect investment opinion and assesses the investment options accessible to investors of Arunachal Pradesh.

5.1 Investors Profiles

This study examines a range of demographic and behavioral features of investors in Arunachal Pradesh from the Itanagar capital region (ICR), Ziro, and Pasighat areas based on their literacy rates of the state. The following are given below:

Table: 1

Nature		Number of respondents	Percentages
Age	21 to 30	73	25.70
	31 to 40	98	34.50
	41 to 51	53	18.66
	51to 61	60	21.12
Gender	Male	158	55.63
	Female	126	44.37
Marital status	Married	116	40.84
	Unmarried	148	52.11
	Others	20	7.04
Qualification	10^{th}	45	15.84
	12^{th}	38	13.38
	Graduation	112	39.44
	Post Graduation	89	31.33
Risk preferences	Low	190	66.90
	Medium	80	28.17
	High	14	4.92
Objectives of Investment	Liquidity	34	11.97
	High returns	57	20.07
	Growth	81	28.52
	Safety	72	25.35
	Regular income	40	14.08
How often investing	Daily	8	2.81
	Weekly	11	3.87
	Monthly	10	3.52
	Half yearly	40	14.08
	Yearly	136	47.88
	No specific time	79	27.81
Sources of information	Self	12	4.22
	Friends and relatives	26	9.15
	Internet	152	53.52
	Workshop and seminars	63	22.18
	Agents/ brokers	31	10.91

Source: Field study, compiled by the author

Inferences

The majority of respondents are male, between the ages of 31 and 40, and engaged in low-risk investment avenues. The investor profile presents indicates that the majority of respondents are graduates. Their focus is on the growth characteristics of all investment channels that require annual investments, including those that involve a moderate amount of risk. The vast majority of respondents conduct their research on potential investments through the usage of the internet. It is possible that the investor would face difficulties in the near future as per the survey.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 8 | August 2025 -Peer-Reviewed Journal

5.2 Challenges Encountered by Investors towards any Investment Avenues:

Table: 2

	N	Minimum	Maximum	Mean	Std. deviation	Rank
Equity shares	284	1	5	1.89	.884	XII
Mutual funds	284	1	5	2.35	1.139	IX
Real Estates	284	1	5	3.80	1.221	IV
Chit funds	284	1	5	3.51	1.473	VI
Public Provident Fund	284	1	4	2.56	.997	VIII
National pension scheme	284	1	5	3.26	1.212	VII
Employee Provident Fund	284	1	5	3.64	1.126	V
Bank deposits	284	4	5	4.49	.501	I
Post office deposits	284	4	5	4.25	.432	II
Insurance policies	284	4	5	4.37	.484	II
Bonds	284	2	3	2.04	.196	XI
Others	284	1	3	2.26	.499	X
Valid N (listwise)						

Source: Field study, compiled by the author

Inferences

The aforementioned table lists the many investment options available to the designated Arunachal Pradesh region. The results showed the issues that most survey participants placed their money in post office deposits, insurance policies, and bank deposits, which are common assets that are conventional and low risk. The results also show that most of the respondents were not exposed to the other medium- and high-risk investment sources that were available but only gave preferences and got satisfaction from the risk-averse avenues.

6. RESULTS AND DISCUSSIONS

- There are a greater number of male investors than female investors among the respondents. Additionally, when compared to the population of Arunachal Pradesh, the majority of the residents are male and unmarried. This indicates that investors between the ages of 31 and 40 are more likely to invest in whatever way possible, regardless of the investment vehicle.
- However, the data indicate that respondents have less exposure to medium- and high-risk investment possibilities and favor low-risk investing. This is despite the fact that the majority of respondents are graduates, which implies that respondents are literate and are more knowledgeable of investment outlets. In addition to this, the findings are more indicative of traditional investments, which may present a challenge for the younger generation when it comes to investigating a variety of investment opportunities.
- When it comes to the objectives of an investment, the majority of respondents believe that the growth characteristics in any investment option are the most important components for any investment, regardless of whether it is a direct or indirect investment and whether it is done annually.
- When it comes to making any kind of investment into a variety of different avenues, the Internet is the most important feature that constitutes a vital function as a source of information for an individual investor. In light of this, financial institutions are obligated to provide financial awareness programs in order to assist investors in developing a greater sense of self-assurance regarding the possibility of making additional investments in medium- or high-risk alternatives in the future.

7. CONCLUSION

This study aimed to explore the problems towards attitudes of investors into different investment options, their saving behaviors, and the factors that shape their investment choices. The findings hold significant relevance for online information, as the ongoing investigation presents intriguing insights regarding individual investors. Allocating funds into bank deposits and insurance policies represents the most prevalent methods for utilizing capital effectively. Investors persist in their preference for financial assets that provide a guaranteed return without exposure to downside risk. This suggests that individuals with modest incomes tend to be prudent and favor a conservative approach in their investment decisions. Achieving a satisfactory rate of return has been the primary focus for investors, who tend to favour investments that yield annual returns. Many investors lack comprehensive knowledge regarding the various

investment options available to them. Investment avenues possess the capacity to create financial products that cater to the needs and desires of investors.

8. REFERENCES

1. *Awais, Laber, Rasheed, Khursheed (2016) "Impact of Financial Literacy and Investment Experience on Risk Tolerance and Investment Decisions: Empirical Evidence from Pakistan" International Journal of Economics and Financial Vol. 6, pp.73-79.*
2. *Claudiani (2009), "Investor's perception of value creation in environmental strategies: The impact of past environmental performance on future stock market returns, economics and applied informatics"*
3. *Kumar & Arora, (2013). "Investors' perceptions about mutual funds in India. Indian Journal of Finance", Vol.7(1), pp.44-52*
4. *Madhumathi.R [1998] Risk Perception of Individual Investors and its Impact on their Investment Decisions' ,Ph. D Thesis submitted to Bharathiyar University, Coimbatore, 1998, pp 211-213*
5. *Mane P (2016), "A Study of Investors Perception towards Mutual Funds in the City of Aurangabad. The SIJ Transactions on Industrial, Financial and Business Management" Vol. 4, pp.30-38.*
6. *Mark Mak and WH (2017), "An exploratory study of investment behaviour of investors", International Journal of Engineering Business Management, Vol. 9: pp. 11-12.*
7. *Rajarajan Vanjeko. 2010. Indian Investors' Investment Characteristics. Finance India, 24(4), pp.1275-1294*
8. *Reddy, S. G. (2005). Customer perception towards private life insurance companies policies with special reference to Bangalore City. Indian Journal of Marketing, 35(4), pp. 9-14.*
9. *Sanjay Kanti Das (2012) ―Middle Class Household's Investment Behavior: An Empirical analysis. Asian Journal Of Management, Vol.3 Issue 3, September 2012,*
10. *Shinde (2015) ―A study of investment pattern on the basis of demographic traits‖, Granthaalayah, Volume 3, Issue 11, November 2015, 41-45.*
11. *Velmurugan, Selvam, Abdul Nazar. (2015) "An empirical analysis on perception of investors towards various investment avenues". Mediterranean Journal of Social Sciences, Vol.6(4), pp. 427-435*
12. *Vrushali Shah, P. Z. (201). Stages in Life cycle and investment pattern of Rural Investors. A Case study, BVIMR Management Edge, pp.48-59*