



TO STUDY ON PERCEPTION LEVEL OF INVESTORS TOWARDS SYSTEMATIC INVESTMENT PLAN (SIP) WITH RESPECT TO CHIKHLI REGION

Luhar Hardik Tejendrakumar¹, Dr. Vijay Gondaliya²

¹Student, B.V. Patel Institute of Management, Uka Tarsadia University, Bardoli, Gujarat

²Associate Professor and Head, B.V. Patel Institute of Management, Uka Tarsadia University, Bardoli, Gujarat

ABSTRACT

The primary purpose of this study is to investigate how investment choice gets affected by the demographics and perceptions of the investor. Investor's behaviour is influenced by many factors at the time of investment decision making. Demographic profile and perceptions play an important role to select a particular choice of investment. This paper helps to enhance the knowledge on different investment platforms like Systematic investment plan, Gold, Public Provident fund, Equity Share Market, Bonds, and many other platforms which will be highly useful to the investors as it will help them to get better returns with respect to their demographic profiles. However, the result of this research shows that the most investors have little knowledge on the Systematic Investment Plan. One Sample Test has been conducted to test the hypotheses with the help of SPSS. A logistic regression result of this study proves that investors' Age, Gender, Qualification and Occupation significantly influence the selection of investment. Overall, it found still investors are not willing to take more risk and they invest more in save and less risky investment Platforms.

KEYWORDS: Mutual Funds, SIP, Portfolio, Investments

1. INTRODUCTION

The Systematic Investment Plan (SIP) is a smart financial planning tool that helps you to create a wealth by investing small sum of money every month, quarter and yearly basis over a period of time in mutual fund scheme of our choice and it inculcate the habit of saving. Systematic investment plan may be either quantity based or amount based. In SIP the investor get a benefit of power of compounding that underlines the essence of making money work if only invested at an early age. In rupee cost averaging one need not worry about where share prices or interest are headed as investment of a regular sum is done at regular intervals; with fewer units being bought in a declining market and more units in a rising market. Systematic investment plans is a plan of mutual fund, in which the investments are done by paying a fixed amount at every predetermined date. Systematic Investing in a Mutual Fund is the answer to preventing the drawbacks of equity investment and still enjoying the high returns. Mutual Fund SIP is a monthly based investment plan through which an investor could invest a fixed sum into mutual funds every month at pre-decided dates.

2. RESEARCH METHODOLOGY

Objective of the Study: - 1) To study the investors awareness level of SIP among investors in Chikhli region. 2) To study the factors affecting selection of SIP. 3) To study the investors perception

towards investment in SIP among investors in chikhli region. The research is exploratory followed by descriptive one because the entire project is based on questionnaire and analysis which is of exploratory nature followed by the detailed description and analysis so the project is of descriptive design. I have used Primary data for the present study. Primary data was generated through questionnaire for this study. The study has been conducted in Chikhli region where the population was general people. For this study, the sample size taken for the survey is of 120 people from chikhli region. The sampling techniques used in the study are non-probability convenience sampling. Statistical techniques like simple percentage analysis, frequency distribution table, correlation, T-test, Normality Test various charts from MS Excel and SPSS has been used for data analysis.

3. LITERATURE REVIEW

Mr.S.Balamurugan,(2020) have done research on "Study on Investor Behaviour in Systematic Investment Plan of Mutual Fund the objective of the research was To Study on investor behaviour towards SIP scheme of Mutual Fund in Tamil Nadu, mutual fund sectors are one of the fastest growing sectors in Indian Economy and have awesome potential for sustained future growth. Mutual funds make saving and investing simple, accessible and affordable. The advantages of mutual funds include professional



management, diversification, variety, liquidity, affordability, convenience and ease of recordkeeping, as well as strict government regulation and full disclosure. The data and information collected will be classified, tabulated and processed and its findings presented in a systematic manner. Statistical tools as Chi-square test, Frequency tally, mean and median are used.

Anich Uddin (2017) has done research on “Investor Perception about Systematic Investment Plan (SIP) Plan: An Alternative Investment Strategy”. The Objective of Systematic investment plan (SIP) has emerged at alternative investment plan for large number of investors interested in high returns but less risk with investments in instalments. The purpose of the study is to find out the motivating factor to invest in systematic investment plan and the problem in this scheme. Sample of 100 respondents who are SIP holder belonging in Gandhinagar city in Gujarat has been taken for the purpose of the study. Data have been collected from primary sources using questionnaire method. Collected data were analysed using various statistical tools. Results of the study found that for higher return with low risk the investor motivates to invest in systematic investment plan on the other hand knowledge and operational platform is one of the main barrier that investor are facing of scheme.

Mrs. Jayalakshmi. S, Dr. K. P. Saraswathy Amma (2019) have done research on “A Study on Investor’s Attitude towards Systematic Investment Plan in Mutual Funds - Kozhikode City Kerala State the objective of this paper the impact of various demographic factors on investor’s attitude towards

systematic investment in mutual funds have been studied. For analysing the data chi –square (χ^2) test has been used. Ranking was done on the basis of weighted score and scoring was also done on the basis of scale.

Mr.S.Balamurugan,(2020) have done research on “Study on Investor Behaviour in Systematic Investment Plan of Mutual Fund the objective of the research was To Study on investor behaviour towards SIP scheme of Mutual Fund in Tamil Nadu, mutual fund sectors are one of the fastest growing sectors in Indian Economy and have awesome potential for sustained future growth. Mutual funds make saving and investing simple, accessible and affordable. The advantages of mutual funds include professional management, diversification, variety, liquidity, affordability, convenience and ease of recordkeeping, as well as strict government regulation and full disclosure. The data and information collected will be classified, tabulated and processed and its findings presented in a systematic manner. Statistical tools as Chi-square test, Frequency tally, mean and median are used.

Laxman Prasad and Dr. S.K Sharma (2012) has done a research on “Identifying the consumer’s investment behaviour towards SIP in Bhilai Region”. The objectives to study investor’s attitude towards investment option selection, to identify factors affecting investor towards investment option selection with special reference to SIP. The study found was financial transaction involving several risk factors. SIP is instrumental in alienating those risk factors from traditional instruments and shifting risks to those entities that are ready to take them.

4. DATA ANALYSIS

Table: 1 Data Analysis and Interpretation

Particular	Percent
Gender:	
Male	82.6
Female	17.4
Age:	
18-25 Years	35.5
26-40 Years	46.3
41-50 Years	15.7
51-60 Years	2.5
Marital status:	
Married	68.6
Unmarried	31.4
Divorced	-
Occupation:	
Housewife	7.4
Employee	47.9
Entrepreneur	44.6
Student	-

From the table it is interpreted that majority are male, age group of 26 to 40 years are major, investors are major married, they major profession is Employee, Mostly there are two members earning in a family, and majority of the investors have monthly income between Rs. 1, 00,000-3, 00,000. Monthly saving per month is 10,000.



Other	-
No. of Earning Members:	
One	24.8
Two	66.1
Three & Above	9.1
Monthly Income:	
Up to Rs. 1,00,000	22.3
Rs. 1,00,000-3,00,000	38.0
Rs. 3,00,000-5,00,000	27.3
Rs. 5,00,000 and Above	12.4
Monthly Savings:	
Up to Rs. 10,000	38.0
Rs. 10,000- 25,000	37.2
Rs. 25,000-50,000	15.7
Rs. 50,000-1,00,000	5.0
Above Rs. 1,00,000	4.1

Table: 2 Frequency of how do you come to know about SIP

Frequencies			
How do you come to know about SIP?	Responses		Percent of Cases
	N	Percent	
Friends and Relatives	68	26.6%	56.2%
Professional/ Agent/ Broker	70	27.3%	57.9%
Advisor	38	14.8%	31.4%
Media (Magazine, newspaper, journals)	42	16.4%	34.7%
Electronic Media (Internet, TV)	38	14.8%	31.4%
Total	256	100.0%	211.6%

Interpretation

From the above table it is suggested that majority of the responses came to know about SIP through Professional/ Agent/ Broker and Friends and

Relatives i.e. 70 of the people prefer Professional/ Agent/ Broker and 68 of them prefer through Friends and Relatives.

Table: 3 Frequency of Monitoring Investment SIP

Investment Monitor frequencies		
	Frequency	Percent
Daily	15	12.4
Monthly	66	54.5
Quarterly	24	19.8
Semi- Annually	5	4.1
Annually	11	9.1
Total	121	100.0

Interpretation

From the above table it is suggested that majority of the Investors monitor their investment monthly i.e.

54.5% of investors, and 19.8% of investors monitor their investment quarterly.

Table: 4 Gender Cross Tabulation:

Gender Cross tabulation			
What do you prefer for investing	Gender:		Total
	Male	Female	
Systematic Investment Plan	100	21	121
Gold	55	12	67
Public Provident Fund	18	3	21
Equity Share market	56	9	65
Bond	4	1	5
Post office savings	25	8	33
Debentures	5	0	5

**Interpretation**

From the above table it is suggested that majority of the respondent invest in SIP is Male gender i.e. 100 respondents invest in SIP.

Table: 5 Occupation Cross Tabulation

Occupation Cross-tabulation				
	Occupation:			Total
	Housewife	Employee	Entrepreneur	
Long term growth	7	45	44	96
Wealth creation	3	29	32	64
Children education	0	12	13	25
Children Marriage	0	3	4	7
Own Retirement Planning	1	13	10	24
Tax benefit	2	10	14	26
Safety of capital	7	34	36	77

Interpretation

From the above table it shows that majority of the investors who are employees and entrepreneur they

invest for the long term growth and safety of capital i.e. 45 are Employees and 44 are Entrepreneur in long term growth.

Table: 6 Monthly Income Cross Tabulation

Monthly Income Cross-tabulation					
	Income:				Total
	Up To Rs.1,00,000	Rs.1,00,000-3,00,000	Rs.3,00,000-5,00,000	Rs.5,00,000 and Above	
Long term growth	22	35	27	12	96
Wealth creation	11	24	17	12	64
Children education	3	13	5	4	25
Children Marriage	0	4	1	2	7
Own Retirement Planning	4	10	6	4	24
Tax benefit	4	7	7	8	26
Safety of capital	20	27	24	6	77

Interpretation

From the above table it shows that whose monthly income is between Rs.1,00,000-3,00,000 they prefer long term growth and Safety of capital.

Table: 7 Normality Test

H_0 : Investors don't prefer other avenues for investment
 H_1 : Investors prefer to invest in SIP as given in below table

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
I made wise decision for investing in SIP	.363	121	.000	.690	121	.000
I set a long term financial goals and strive to achieve them.	.323	121	.000	.744	121	.000
I examine different plan of the SIP	.242	121	.000	.839	121	.000
I review my investment decision frequently.	.275	121	.000	.849	121	.000
Investment decisions do have impact on lifestyle.	.286	121	.000	.850	121	.000
I pick up the plan from the SIP after in-depth analysis	.293	121	.000	.822	121	.000
I never put all money in a	.252	121	.000	.844	121	.000



single investment option.						
I have invested in SIP after consult with mutual funds experts	.322	121	.000	.795	121	.000
I have invested repeatedly in SIP	.317	121	.000	.821	121	.000
I recommend others to invest in mutual funds through SIP	.293	121	.000	.791	121	.000

5. FINDINGS

- Reason for male in the study was that investment decisions are in majority taken by males instead of females.
- The analysis of the data shows that in Chikhli out of 120 respondents 48% investors invest 10-20% part of their salaries so we can say that they have invested only some part of their money.
- Majority of the respondents still prefer to invest in SIP. It shows that most of the respondents feel SIP is a safe investment for them.
- The most essential objective behind the savings made by the respondents are for Children's education, safety of capital, high returns and retirement and health care respectively while their high priority objective for savings are income and capital preservation and to meet the future contingency.
- In Chikhli almost all the investors have monthly investment pattern for their SIP.
- Out of the 120 respondents 27% investors has been using professional, agent and brokers services for any kinds of information about the SIP.
- It is shows that there is more scope for the agents and Broker. They are more demanded for the information.

6. CONCLUSION

This report is a reflection of the objective of savings, perception and factors taking into consideration before making an investment considering the various categories of Individual Investor individuals. Selection of the perfect investment avenue is a difficult task to an individual. An effort is made to identify the taste and preference of a sample of individuals selected by convenience sampling. This report concentrated in identifying the factors considered by the employed individuals before investment, perception level of Individual Investor and entrepreneur individuals towards various investment avenues are identified based on their occupations in selecting a particular avenue. The presents study has important implication for investment manager as it has come out with certain interesting facets of Individual Investor individual. The individual investor still prefers to invest in

financial products which give risk free returns. This confirms that individuals even if they are of high income, well educated, independent are conservative individual prefer to play safe.

REFERENCES

1. Binod Kumar Singh (2011) "A Study on Investors' Attitude towards Mutual Funds as an Investment Option", *JOURNAL OF ASIAN BUSINESS STRATEGY*, VOL. 1(2): 8-15.
2. Almazan, A.; Brown, K.; Carlson, M.; and Chapman, D. A. "Why Constrain Your Mutual Fund Manager?" *Journal of Financial Economics*, 73 (2004), 289–321.
3. Asness, C.; Krail, R.; and Liew, J. "Do Hedge Funds Hedge?" *Journal of Portfolio Management*, 28 (2001), 6–19.
4. Boyson, N. M. "Another Look at Career Concerns: A Study of Hedge Fund Managers." *Working Paper, Northeastern University* (2008).
5. Brown, K.; Harlow, V.; and Starks, L. "Of Tournaments and Temptations: An Analysis of Managerial Incentives in the Mutual Fund Industry." *Journal of Finance*, 51 (1996), 85–110.
6. Brown, S. J.; Goetzmann, W. N.; and Ibbotson, R. "Offshore Hedge Funds: Survival and Performance 1989–1995." *Journal of Business*, 72 (1999), 91–117.
7. Carpenter, J. F., and Lynch, A. W. "Survivorship Bias and Attrition Effects in Measures of Performance Persistence." *Journal of Financial Economics*, 54 (1999), 337–374.
8. Chen, Y.; Fresno, W.; and Peters, H. "The Timing Ability of Fixed Income Mutual Funds." *Working Paper, Boston College* (2005).
9. Chevalier, J., and Ellison, G. "Risk Taking by Mutual Funds as a Response to Incentives." *Journal of Political Economy*, 105 (1997), 1167–1200.
10. Cooper, M. J.; Gulen, H.; and Rau, P. R. "Changing Names with Style: Mutual Fund Name Changes and Their Effects on Fund Flows." *Journal of Finance*, 60 (2005), 2825–2858.
11. Wermers, R. "The Potential Effects of More Frequent Portfolio Disclosure on Mutual Fund Performance." *Investment Company Institute Perspective*, 7 (2001), 1–12
12. Agapova, Anna, 2011, "The Role of Money Market Mutual Funds in Mutual Fund Families", *Journal of Applied Finance*, Vol. 21, Issue. 1, pp. 87-102.2.
13. Agarwal, Vikas; Boyson, Nicole M.; Naik, Narayan Y, 2009 "Hedge Funds for Retail Investors? An Examination of Hedged Mutual Funds", *Journal of Financial & Quantitative Analysis*, Vol. 44, Issue 2, pp. 273-305.