PERCEPTION OF INVESTORS TOWARDS INVESTMENT WITH SPECIAL REFERENCE TO BHOPAL DISTRICT: AN EMPIRICAL STUDY

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ABSTRACT

Awareness of investors with regard to their investment is considered to be crucial while studying their savings and investment pattern. Awareness of an investor towards investment is created modified and shaped up by various external sources. The print and electronic media such as the dailies, weeklies, television, radio etc., and personal contact with friends, relatives, investment consultants etc, contribute a lot in creating awareness among investors. In order to enhance the financial literacy of individuals there is a need for financial education. While designing an effective financial education program, current awareness level as well as investment behavior of individuals towards financial market and its products must be taken into consideration. With this prospective this paper, based on primary date, collected through questionnaire; is an attempt to examine the level of awareness on investment and their perception while dealing with the investment. The study concludes with the fact that there a need for educating the investors about the opportunities of investment and to motivate them in investing in various avenues of investment available in the market. The area of research is confined to district Bhopal of Madhya Pradesh India.

Keywords: Investors, Investment, Awareness, Risk Perception, Return Perception, Experience

INTRODUCTION:

Bhopal is essentially an administrative city with large number of population engaged in various state and central government organizations. So far as the total employment is concerned Bhopal has 39% of working population engaged in informal sector. In Bhopal most of the households have regular income. This is important indicator as it suggests that the population have steady consumption rate. In terms of occupational type most of the work force belongs to service class and a significant number of populations is salaried under various heads. Bhopal being an administrative city and centre of political activities there are large number of central and state government employees. This class of population enjoys reasonably good purchasing power. Bhopal being the capital city is not so financially sound when compared to Indore, the financial capital of Madhya Pradesh. The people of Bhopal are not so investment conscious and enough courageous to take the risk of investing in various other instruments of Capital market. They believe only in traditional ways of investment. This paper is an attempt to measure the level of awareness, perception and to find out the ways which could be helpful in improving the knowledge and potential of investors of the city under study.

REVIEW OF LITERATURE:

Gupta L.C. (1991)[1] has given a suggestion to the markets that they must keep in mind the investor's objectives. The author also warns that excessive speculation in the market may lead to loss of genuine investors which is not a good sign for healthy development of the market. The stock exchange should be investor driven. The market not driven by investment interest but by speculative forces lead to almost total apathy towards genuine investment interests and problems related thereto like lack of liquidity, delay in deliveries and payments.

Carter Randal[2] (1992) provided to investors the underlying principles of winning on the stock market. The researcher emphasised on long-term vision and a plan to reach the goals. In order to become successful investors, according to the researcher they need not to be pessimists. The author also revealed that though there has been a major economic crisis almost every year, it remains factual that patient investors have consistently made good in the equities market. It was concluded that investing in the stock market should be an un-emotional endeavour and suggested that investors should own a stock if they believe it would perform well.

Donald E Fischer and Ronald J. Jordan[3] (1994) analysed the relation between risk, investor preferences and investor behaviour. The risk return measures on portfolios are the main determinants of an investor's attitude towards them. Most investors seek more return for additional risk assumed. The conservative investor requires large increase in return for assuming small increases in risk. The more aggressive investor will accept smaller increases in return for large increases in risk. They concluded that the psychology of the stock market is based on how investors form judgments about uncertain future events and how they react to these judgements.

Avadhani V.A. (1998)[4] gives a brief outline of investor's expectations from the markets. While deliberating the expectations, he also explains concern about growing complaints of the investors. 'Investors in the capital market expect regular dividends as they are owners of the fund. But, the investing class may have complaints like non-receipt or delayed receipts of dividend, delay in listing and manipulation of prices, delay in transfer of shares etc.

Madhumati R.[5] (1998) has pointed out the mindset of the investors of Indian capital market. He also stressed that the risk is an important element which dominates investment decisions among the investors. 'Preferences of the investors and their perception about the risk in Indian market

[1] Gupta, L. C. (1991). *Volume and nature of Speculation of Indian Stock Exchanges*. Regulatory Implications, Vol. II.
[2] Carter, R. (1992). *Non - stop winning on the stock market*. New Delhi, Vision Books, Bombay.
[3] Dona1, E., Fisher, R. & Jordan (1994). *Security Analysis and Portfolio Management*, New Delhi, Prentice Hall of India (Pvt.) Ltd.
[4] Avadhani, V.A. (1998). *Treasury Management in India*, Himalaya Publishing House, 135-145.
[5] Madhumati, R. (1998*).* Risk perception of Investors, Indian Capital Markets : Theories and Empirical Evidence — UTI *Institute of Capital Markets and Quest Publications* 51-61

can be presented as follows: Three classes of investors have been identified based on risk perception namely, risk seekers, risk bearers and risk avoiders. The majority of investors in India are risk bearers. The risk perception influences the investment decisions of the investors.

OBJECTIVES OF THE STUDY:

- To measure the level of awareness among investors about their investment
- To underline the various objectives of the investment reserved by the investors.
- To analyse the risk and return perception of investors regarding investment avenues.
- To provide fruitful suggestions based on findings of the study.

HYPOTHESES OF THE STUDY:

- There is no significant Relationship between the shareholder's Risk Perception and their investment in Capital Market in India.
- There is no significant Relationship between the shareholder's Return Perception and their investment in Capital Market in India.
- There is no significant Relationship between the shareholder's experience and their investment in Capital Market in India.

RESEARCH METHODOLOGY:

This research work is micro, descriptive as well as analytical in nature, based primarily on primary data collected with the help of questionnaire. In order to measure the level of awareness, perception, preferences and the experience of investors regarding their investments, Indian Capital Market, questionnaire, as an instrument, has been distributed among investors and agents for data collection. The number of respondents for survey has been 250 including investors and agents from which only 243 respondents duly filled and returned the questionnaire. The area of sampling is confined to district Bhopal of Madhya Pradesh only. In order to test the hypotheses student's 't' test have been applied by the researchers.

DATA ANALYSIS:

A. Demographic profile
This Part of the Study Deals with the Personal and Demographical Information of the Investor, The Questions asked During the Survey is as under:

Q.1 Age(in years)

Table No. 1: Statement of Age of Respondents

Age in Years	No. of Respondents	Percentage
20-30	62	25.51
30-40	60	24.69
40-50	51	20.99
50 & above	70	28.81
Total	**243**	**100.00**

Source: Primary survey of Bhopal District

INTERPRETATION:

During the analysis of the above table and graph, it is revealed that the age group of 50 and above claim majority of the investors i.e. 28.81%, followed by 25.51%, which belongs to 20-30years age group. The lowest percentage of investors belongs to 40-50 years age group consisting only 20.99% of total investors surveyed. However it is determined that there is no large difference between the numbers of investors belonging to different age groups.

Q.2 Gender

Table No. 2: Statement of Gender of respondents

Gender	No. of Respondents	Percentage
Male	206	84.77
Female	37	15.23
Total	**243**	**100.00**

Source: Primary survey of Bhopal District

INTERPRETATION:

It is ascertained during the survey, as depicted from the above table and graph that the majority of respondents belong to male group consisting 206 respondents, i.e. 84.77% and the rest belong to the female group i.e. 15.23% only.

Q.3 Family Size

Table No. 3: Statement of Family Size of respondents

Family Size	No. of Respondents	Percentage
01 to 03	67	27.57
03 to 05	145	59.67
05 to 07	26	10.70
07 & above	5	2.06
Total	**243**	**100.00**

Source: Primary survey of Bhopal District

INTERPRETATION:

While analysing the above table and graph, it is revealed that majority of respondents i.e. 145 (59.67%) have 3-5 members in their family as depicted during the study, followed by 67 (25.57%) respondents whose family size lie between 1-3 members. The lowest number of respondents is revealed where the family size is 7 and above i.e. 5 (2.06%) only.

Q.4 Educational Qualification:

Table No. 4: Statement of Educational background of respondents

Educational Background	No. of Respondents	Percentage
School Education	5	2.06
College Education	150	61.73
Professional	77	31.69
Others	11	4.53
Total	**243**	**100.00**

Source: Primary survey of Bhopal District

INTERPRETATION:

It is depicted from the above table that majority of respondents i.e. 150 (61.73%) claimed to have pursed college education. The number of respondents with professional education is 77 (31.69%) followed by 11 respondents who had pursed other education. The lowest number of respondents i.e. 5 (2.06) have only pursued school education.

Q.5 Occupation

Table No. 5: Statement of Occupation/Profession of respondents

Occupation	No. of Respondents	Percentage
Government Employee	62	25.51
Professional	52	21.40
Pvt. Firm Employee	36	14.81
Self Employed	67	27.57
Business Person	16	6.58
Agriculturist	0	0.00
Others	10	4.12
Total	**243**	**100.00**

Source: Primary survey of Bhopal District

INTERPRETATION:

While examining the above table and graph, it is revealed that majority of respondents are self-employed claiming 27.57% of investors, followed by government employees with 25.51% of total respondents. It is also disclosed during the study that none of the respondent belong to the agricultural group, when it comes to occupation. It is also revealed those professionals are also involved in investment claiming 21.40% of total respondents.

Q.6 Monthly Income

Table No. 6: Statement of Monthly Income of respondents

Monthly Income	No. of Respondents	Percentage
Below Rs 25000	88	36.21
Rs 25000 – Rs 50000	31	12.76
Rs 50000 – Rs 75000	26	10.70
Rs 75000- Rs 100000	26	10.70
Rs 100000 – Rs 125000	5	2.06
Rs125000 & above	67	27.57
Total	**243**	**100.00**

Source: Primary survey of Bhopal District

INTERPRETATION:

It is ascertained from the above table and graph, that majority of the respondents i.e. 88 (36.21%) have less than Rs 25000 monthly income, followed by 67(27.57%) respondents, having monthly income Rs 125000 and above. The lowest group is found where the monthly income of respondents is between Rs100000 to Rs125000 i.e. 5 (2.06%) only.

Investment Pattern and Market Trend:

This portion of the survey strives for analysing the pattern of investment and market trend as perceived by the investors.

Q.7 State the various investments in your portfolio.

Table No. 7: Investment status of respondents

Investments	Frequency	Percentage
Shares	109	44.86
Debentures/Bonds	26	10.70
Mutual Funds	103	42.39
National Saving Certificate	62	25.51
Fixed Deposits/Bank Deposits	165	67.90
Insurance Polices	160	65.84
Real Estate	67	27.57

Investments	Frequency	Percentage
Gold /Silver	62	25.51
Public Provident Fund	51	20.99
Others	62	25.51

Source: Primary survey of Bhopal District

INTERPRETATION:

During the survey it is revealed that majority of respondents believe in fixed deposits as 165(67.90%) repondents are investing in fixed deposits. This is followed by insurance policies where 160(65.84%) respondents are investing. The number of respondents investing in shares is 109(42.39%), followed by mututal funds where 103(42.39%) respondents have made investment. The lowest number of respondents are believing in debentures and bonds as only 10.70% respondents are investing in them.

Q.8 State the various sectors in you have investments.

Table No. 8: Investment status of respondents Sector wise

Sectors	Frequency	Percentage
Fast Moving	31	12.76
Consumer Goods	26	10.70
Public Sector	77	31.69
Enterprises	15	6.17
Multinational Companies	67	27.57
Service Sector	26	10.70
Energy Sector	36	14.81
Pharma Sector	51	20.99
Infrastructure	62	25.51
Capital Goods Sector	26	10.70
Energy & Power	41	16.87
Others	72	29.63

Source: Primary survey of Bhopal District

INTERPRETATION:

While analysing the status of investment sector wise, it is revealed from the above table and graph that majority of respondents believe in public sector as 77 (31.69%) respondents have made investment in public sector. This is followed by others category of sector where 72(29.63%) respondents have made investment. Respondents have also made a significant investment in Multinational Companies where 67(27.57%) of respondents have made investment. The lowest number of investors is found in enterprises sector where only 15(6.17%) respondents have made investment.

INVESTMENT OBJECTIVES:

One of the significant and prominent objectives of this study is to recognize the objectives of the investment reserved by the investors. Here are some questions asked in this regard.

Q.9 State the various objectives of your investment.

Table No. 9: Statement of Investment Objectives of Respondents

Investments	Frequency	Percentage
Dividends	83	34.16
Capital Appreciation	93	38.27
Quick Gain	36	14.81
Safety/Security	150	61.73
Liquidity	78	32.10
Tax Benefits	171	70.37
Diversification of Asset Holding	116	47.74
Future prospectus	109	44.86

Source: Primary survey of Bhopal District

INTERPRETATION:

While examining the objectives of investment revealed by the investors, it is determined from the above table that 171(70.37%) investors believe in safety/security as the key objective of their investment, followed by 150 (61.73%) investors who think safety and security comes after tax benefit as the basic objective of their investment. Most of the investors also believe in diversifying their assets as 116(47.74%) investors have signified it. Only 36(14.81%) investors think quick gain as their basic objective.

Q.10 State the level of importance of the following investment objectives.
Table No. 10: Statement of Investment Objectives of Respondents based of Rank

Scale	Scale					Total
	Very High	High	Moderate	Low	Very Low	
Investments	**1**	**2**	**3**	**4**	**5**	
Dividends	83	76	39	21	24	243
Capital Appreciation	7	11	19	87	119	243
Quick Gain	46	42	38	68	49	243
Safety/Security	152	45	26	15	5	243
Liquidity	4	6	17	81	135	243
Tax Benefits	167	49	21	6	0	243
Diversification of Asset Holding	21	10	69	102	41	243
Future prospectus	117	67	33	17	9	243
Grand Total	**597**	**306**	**262**	**397**	**382**	**1944**

Source: Primary survey of Bhopal District

INTERPRETATION:

While analysing the objectives of investment rank wise, it is ascertained from the above table that out of 243, 167 investors have assigned rank 1 to the tax benefit followed by safety and security where 152 investors have put it at rank 1. 135 investors have given rank 5 to liquidity as the objective of their investment. 5 investors have placed the objective of safety and security at rank 5 and none of the investor has given rank 5 to tax benefit, signifying the importance of this objective.

Investor's perception about investment:
In order to measure the perception of invertors regarding their investment, following questions were asked:

Q.11 State the level of Risk Associated with the folowing investments.

Table No. 11: Investors Perception regarding Risk Associated with the Investment

Level of Risk	Scale					Total
	Very High	High	Moderate	Low	Very Low	
Investments	1	2	3	4	5	
Shares	139	41	28	23	12	**243**
Debentures/Bonds	117	38	49	16	23	**243**
Mutual Funds	112	57	32	19	23	**243**
National Saving Certificate	17	43	22	14	147	**243**
Fixed Deposits/Bank Deposits	0	0	5	56	182	**243**
Insurance Polices	14	19	20	57	133	**243**
Real Estate	16	34	28	76	89	**243**
Gold /Silver	12	23	18	36	154	**243**
Public Provident Fund	0	7	3	62	171	**243**
Others	27	3	79	53	81	**243**
Total	**454**	**265**	**284**	**412**	**1015**	**2430**

Source: Primary survey of Bhopal District

INTERPRETATION:

From the above table it is revealed that 139 investors perceive that shares have very high risk, followed by 117 investors who think that debentures and bonds have high risk. Mutual fund is placed at number three with regard to high risk investment. 182 investors believe that investments in Fixed Deposits have very low risk, followed by 171 investors who believe that the investment in Public Privident Fund is very less risky.

Q.12 State the level of Return Associated with the folowing investments.
Table No. 12: Investors Perception regarding Return Associated with the Investment

Level of Return	Scale					Total
	Very High	High	Moderate	Low	Very Low	
Investments	1	2	3	4	5	
Shares	143	40	28	23	9	**243**
Debentures/Bonds	113	42	47	21	20	**243**
Mutual Funds	108	39	47	33	16	**243**
National Saving Certificate	13	26	57	14	133	**243**
Fixed Deposits/Bank Deposits	0	0	43	49	151	**243**
Insurance Polices	3	13	17	51	159	**243**
Real Estate	93	61	36	30	23	**243**
Gold /Silver	81	57	27	36	42	**243**
Public Provident Fund	0	7	23	92	121	**243**
Others	37	16	65	48	77	**243**
Total	**591**	**301**	**390**	**397**	**751**	**2430**

Source: Primary survey of Bhopal District

INTERPRETATION:

It is depicted from the above table that 143 investors think share a very high return investment, followed by 113 investors who believe debentures and bonds provide a very high return. 108 investors have selected Mutual Fund as high return investment. 159 investors have placed insurance as a very low return investment, followed by 151 investors who perceive Fixed Deposits a very low return investment.
HYPOTHESES TESTING:

Ho₁: There is no significant Relationship between the shareholder's Risk Perception and their investment in Capital Market in India.

Table 13: Relation between investor's Risk perception and Investment

Investments	Frequency	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Shares	109	139	41	28	23	12
Debentures/Bonds	26	117	38	49	16	23
Mutual Funds	103	112	57	32	19	23
National Saving Certificate	62	17	43	22	14	147
Fixed Deposits/Bank Deposits	165	0	0	5	56	182
Insurance Polices	160	14	19	20	57	133
Real Estate	67	16	34	28	76	89
Gold /Silver	62	12	23	18	36	154
Public Provident Fund	51	0	7	3	62	171
Others	62	27	3	79	53	81

Source: Primary survey of Bhopal Dirstrict

$$r = \sum DX * DY \div \sqrt{\sum (DX)^2 \; * \; \sum (DY)^2}$$

(Calculated with the help of Microsoft Excel)

Calculation of Coefficient of Correlation 'r'	
Between Frequency and Rank 1	0.13
Between Frequency and Rank 2	0.21
Between Frequency and Rank 3	0.39
Between Frequency and Rank 4	0.23
Between Frequency and Rank 5	0.22

Calculation of student's t test:

$$t_{0.05} = r * \sqrt{N - 2} \div \sqrt{1 - r^2}$$

Degree of Freedom (DF) = N-2 = 10-2=8

Based on Risk Perception	t calculated	t critical @0.05
Rank 1	0.36	2.31
Rank 2	0.61	2.31
Rank 3	1.18	2.31
Rank 4	0.67	2.31
Rank 5	0.63	2.31

INTERPRETATION:

The above hypothesis **(Ho$_1$)** is tested with the help of Rank placed by investors with regard to their risk perception about their investment. All these parameters (Ranks) were tested individually and the on the basis of the results all the sub hypothesis were accepted as the value of **t calculated** being less than **t critical**. Hence it is concluded that there is no significant relationship between the shareholder's Risk Perception and their investment in capital market.

Ho$_2$: There is no significant Relationship between the shareholder's Return Perception and their investment in Capital Market in India.

Table 7.6: Relation between investor's Return perception and Investment

Investments	Frequency	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Shares	109	143	40	28	23	9
Debentures/Bonds	26	113	42	47	21	20
Mutual Funds	103	108	39	47	33	16
National Saving Certificate	62	13	26	57	14	133
Fixed Deposits/Bank Deposits	165	0	0	43	49	151
Insurance Polices	160	3	13	17	51	159
Real Estate	67	93	61	36	30	23
Gold /Silver	62	81	57	27	36	42
Public Provident Fund	51	0	7	23	92	121
Others	62	37	16	65	48	77

Source: Primary survey of Bhopal Dirstrict

$$r = \sum DX * DY \div \sqrt{\sum (DX)^2 \ * \ \sum (DY)^2}$$

(Calculated with the help of Microsoft Excel)

Calculation of Coefficient of Correlation 'r'	
Between Frequency and Rank 1	0.30
Between Frequency and Rank 2	0.45
Between Frequency and Rank 3	0.32
Between Frequency and Rank 4	0.11
Between Frequency and Rank 5	0.46

Calculation of student's t test

$$t_{0.05} = r * \sqrt{N - 2} \div \sqrt{1 - r^2}$$

Degree of Freedom (DF) = N-2 = 10-2=8

Based on Risk Perception	t calculated	t critical @0.05
Rank 1	0.88	2.31
Rank 2	1.44	2.31
Rank 3	0.95	2.31
Rank 4	0.32	2.31
Rank 5	1.48	2.31

INTERPRETATION:

The above hypothesis (**Ho₂**) is tested with the help of Rank placed by investors with regard to their return perception about their investment. All these parameters (Ranks) were tested individually and the on the basis of the results all the sub hypothesis were accepted as the value of **t** calculated being less than t critical. Hence it is concluded that there is no significant relationship between the shareholders' Return Perception and their investment in capital market

Ho₃: There is no significant Relationship between the shareholder's experience and their investment in Capital Market in India.
For the purpose of testing this hypothesis, the researcher has taken age in years as X and Number of respondents as Y. This hypothesis is tested with the help of students't' test calculated on the basis of Karl Pearson Coefficient of Correlation 'r'.
For the purpose of testing this hypothesis, the researcher has taken Years of Experience as (X) variable and Number of respondents as (Y) variable.

Table 7.7: Statement of Experience of respondents in Capital Market

Years	Mid Value X	No. of Respondents Y	DX (X- $\bar{X}$)	DY (Y- $\bar{Y}$)	Product of Deviations (DX*DY)	(DX)²	(DY)²
Less than 4	2	134	-10.00	93.5	-935	100	8742.25
04 to 08	6	41	-6.00	0.5	-3	36	0.25
08 to 12	10	21	-2.00	-19.5	39	4	380.25
12 to 16	14	21	2.00	-19.5	-39	4	380.25
16 to 20	18	21	6.00	-19.5	-117	36	380.25
More than 20	22	5	10.00	-35.5	-355	100	1260.25
N=06	$\bar{X}$ = 6803.62	$\bar{Y}$ = 52.72	$\sum$ X- $\bar{X}$ = 0	$\sum$ Y- $\bar{Y}$=0	$\sum$(DX*DY) = -1410	$\sum$(DX)² =280	$\sum$(DY)²= 11143.5

Calculation of Karl Pearson's Coefficient of Correlation

$$r = \sum DX * DY \div \sqrt{\sum (\text{DX})^2 * \sum (\text{DY})^2}$$

$$r = -1410 \div \sqrt{280 * 11143.5}$$

$$r = -0.798$$

Degree of Freedom (DF) = n-6 = 6-2 = 4
Calculation of student's t test

$$t_{0.05} = r * \sqrt{N-2} \div \sqrt{1-r^2}$$

$$t_{0.05} = -0.798 * \sqrt{6-2} \div \sqrt{1-(-0.798)^2}$$

$$t_{0.05} = 4.394$$

t critical @0.05 at 4 degree of freedom = 2.776

INTERPRETATION:

The second hypothesis (Ho₃) is tested with the help of student's t test. This hypothesis is tested between the variable of Shareholder's Experience and their investment. While testing this hypothesis it is revealed that null hypothesis is rejected (Ho₃), as the calculated value of 't' is more than critical value of 't' (t $_{0.05}$ calculated = 4.394> t crictical$_{0.05}$ at 4 degree of freedom $_=$ 2.776). Hence it is concluded that there is significant Relationship between Shareholder's experience and their investment.

FINDINGS:

• During the analysis, it is revealed that the age group of 50 and above claim majority of the investors followed by those which belong to 20-30years age group. The lowest percentage of investors belongs to 40-50 years age group
• It is revealed that majority of respondents are self-employed, followed by government employees. It is also disclosed during the study that none of the respondent belong to the agricultural group, when it comes to occupation.

- It is ascertained that majority of the investors have less than Rs 25000 monthly income, followed by those investors, having monthly income Rs 125000 and above. The lowest group is found where the monthly income of investors is between Rs 100000 to Rs125000.
- During the study it is revealed that majority of investors believe in fixed deposits followed by insurance policies. The lowest number of investors are believing in debentures and bonds as only 10.70% investors are investing in them.
- It is revealed that majority of investors invest in public sector. Investors have also made a significant investment in Multinational Companies. The lowest number of investors is found in enterprises sector.
- It is determined that majority of investors believe in tax benefit as the key objective of their investment, followed by the investors who think safety and security comes after tax benefit as the basic objective of their investment.
- It is revealed that majority investors perceive that shares have very high risk, followed by those investors who think that debentures and bonds have high risk. Majority of investors believe that the investment in Public Provident Fund is very less risky.
- While examining the experience of investors in Capital Market, it is revealed that majority investors have less than 3 years of experience and minimum investors have more than 20 years of experience in Capital Market.
- During the analysis of surveyed questionnaires, it is revealed that 97% investors are with the statement that there is need for creating awareness among the public of Bhopal about the benefits of investment.

SUGGESTIONS:

- **Never expect too much or never use someone else's expectations**
  Investing for the long term involves creating a well-diversified port-folio designed to provide the investors with the appropriate levels of risk and return under a variety of market scenarios. But even after designing the right portfolio, no one can predict or control what returns the market will actually provide. It is therefore important not to expect too much and to be careful when figuring out what to expect.
- **Clear investment goals**
  The axiom, "If you don't know where you are going, you will probably end up somewhere else," is as true of investing as anything else. Everything from the investment plan to the strategies used, the portfolio design, and even the individual securities can be configured with your life objectives in mind.
- **Diversified Investment**
  The only way to create a portfolio that has the potential to provide appropriate levels of risk and return in various market scenarios is adequate diversification.
- **Avoid too much and too often trading**
  While investing, patience is a virtue. Often it takes time to gain the ultimate benefits of an investment and asset allocation strategy. Continued modification of investment tactics and portfolio can not only reduce returns through greater transaction fees, it can also result in taking unanticipated and uncompensated risks.
- **Focusing too much on taxes may not always prove beneficial**
  Although making investment decisions on the basis of potential tax consequences is a bit like the tail wagging the dog, it is still a common investor mistake. Investors should be smart about taxes, tax loss harvesting can improve your returns significantly, but it is important that the impetus to buy or sell a security is driven by its merits, not its tax consequences.

- **Review investments frequently**
  Having invested in a diversified portfolio, there is an excellent chance that some things will go up while others go down. At the end of a quarter or a year, the portfolio built with careful

planning will start to look quite different. Investors must not get too far off track, they should check regularly (at a minimum once a year) to make sure that the investments still make sense as per the situation and prominently that the portfolio does not need rebalancing

- There is a need of creating education and awareness among the public for investing their money in share market as well as in mutual funds.
- There is also a need for creating of education about the unit linked plans of insurance companies, which are investing hard earned money of people in equity market.

CONCLUSION:

The researchers tried to measure and examine the various factors of investors that steers them towards the particular investment avenue. The parameters which were studies were demographical factors, investment pattern and trend, investment objectives, investor's perception and preference, experience and awareness about investment. The most crucial finding during the study is that majority of investors believe that there is a need for creating awareness among the public of Bhopal about the benefits of investment.

Hence it is worth to conclude and end this discussion with saying that there is a need for educating the investors about the opportunities of investment. They should be steered with some serious policies leading them towards their perceived objectives and goals. It is quite significant that if we have to develop our nation, development of each individual is very imperative. With this view investors should be treated like those children who are afraid of going to the schools because of the threat that schools are dangerous places and they should be given knowledge about the same so that the misconception is corrected and the same applies to investors as they can groom and gain confidence to make investment. They should be encouraged to see opportunities in every risk and not risk in every opportunity. They should be motivated to "manage it" and not "risk it".

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