

मध्य भारती

मानविकी एवं समाजविज्ञान की द्विभाषी शोध-पत्रिका

ISSN 0974-0066

CERTIFICATE OF PUBLICATION

This is to Certify that the article entitled

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USERS

Authored By

Ms. Abeda Shaikh

Published in

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Vol-83, January-June 2023

ISSN: 0974-0066 Peer Reviewed Refereed UGC Care Listed Journal

Impact Factor: 6.4



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TO EXAMINE THE EFFECTS OF PORTFOLIO INVESTMENT DECISIONS ON END USERS

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ABSTRACT

The purpose of this study is to look into the various factors that influence investor decisions. Investment is a type of activity in which people who need to save make investments from their savings, or in other words, people invest their savings. There are numerous investment options available, including banks, gold, real estate, post services, mutual funds, and many others.

The study also looks into the youth's basic financial literacy, such as how they educate themselves, how they perceive risk, returns, and various investing forms, and what variables influence them. To collect primary data, a survey method was used.

The goal of this research is to identify why portfolio evaluation is required for making investment decisions, how far they normally go when selecting a firm for investment, and how portfolio evaluation helped them make the right choice. Alternatively, consider profit forecasting. The basic data acquired via the questionnaire exposes each investor's unique thoughts and how they diversify their portfolio. Both qualitative and quantitative information was acquired during the data collection process.

Alternatively, consider profit forecasting. The basic data acquired via the questionnaire exposes each investor's unique thoughts and how they diversify their portfolio. Both qualitative and quantitative information was acquired during the data collection process.

SPSS was used to analyze the data, which included descriptive statistics and ANOVA procedures. The hypothesis has been proved using a 0.05 significant level. After conducting the analysis, the interpretation and conclusion related to the research have been conducted. The research also shows the behavior of end users related to different portfolio management and they influence decisions relating to the investment.

Keywords: Portfolio, Investment decision, end users

INTRODUCTION

A portfolio is a collection of investing tools that include stocks, shares, mutual funds, bonds, and cash, among other things, based on the investor's income, budget, and time period. Portfolio management is the art of establishing the best investment policy for an individual in terms of least risk and maximum return. The portfolio management process considers diversity, risk level, maturity, and investment time. It is tough to find attractive securities or build a portfolio for higher returns. An investor's principal goal is to maximize return. An investment is a monetary item purchased with the expectation of future income or appreciation and sale at a higher price. Investing typically entails the building of wealth. To reduce risk, each investor should diversify his portfolio. Typically, such an efficient portfolio is chosen with the assistance of some analysis.

The return on investment is defined as the increase in the value of the investment. The return on an investment portfolio assists an investor in evaluating the investment's financial performance. The primary goal of this essay is to research the investor in order to select an appropriate portfolio of securities. The banking sector is regarded as the backbone of the Indian economy. The banking

industry's task is especially important because it is one of the most important and widely used service sectors. Since the Indian economy is still growing, the Indian banking industry is dealing with asset quality improvements, prudent risk management techniques, and capital sufficiency.

Diversification of securities ensures that the portfolio will provide the expected return. Some assets in a diverse portfolio may not perform as predicted, while others may outperform, bringing the portfolio's actual return pretty near to the anticipated one. Maintaining a single security portfolio may increase the likelihood of the actual return differing from the predicted return. As a result, diversifying securities in a portfolio is typical practice. A portfolio is a collection of securities. The portfolio is designed to meet the investor's aims and objectives.

REVIEW OF LITERATURE

1. **V. Dinesh Kumar , 2018**, had studied and had carried out research on the pattern of individual investor's investment. Their strategies while investing and their expectations from the investment made by them. The main concept of investing strategies and expectations from investment done by them is been explained in this paper. The sample is been limited to certain age group and individuals of different occupations. The area of research has been selected from Hyderabad. The data has been collected by doing a primary survey of 250 individual of different age group and different occupations. The paper concluded that the age difference and different occupations of individual effects their strategies and expectations towards investments.
2. **Davinder Kaur , 2019**, had flashed a light on investment behaviour and choice investments on various alternatives and the risk taking level of involvement of each investors. The main focus area of this concept was on choice of an individual the investors and that was explained in this paper. The sample size of study is limited to age group. The area of research has been selected from Delhi and Noida. This study was based on primary survey of 300 individual response of ICR, Delhi and Noida.
3. **Sohail Akhtar Hussain Ansari , 2020**, This paper has main focus on relating Investment and savings. The concept of reason of investment is been individuals in this paper. The sample size of the study is salaried employees. The area of research is selected from Pune. A questionnaire was prepared for data analysis of a salaried people. This paper concluded that the respondent's investment in different investment Avenues to get good returns and mostly use it for their future safety and also concluded that the Investment and savings should go hand in hand as an investment can be done only if one has savings and savings can be done with the returns we get on Investment.
4. **Sudarshana Saikia , 2018**, This paper has main focus on the savings and investment pattern of college going students who have just begun to earn. The main concept of awareness of Investment among the youths and risk-taking capacity was explained in this paper. The sample size of the study is limited to the students belonging to the age-group of 18-25 years. The area of research is selected from colleges of Mumbai. A questionnaire was prepared to collect primary data for data analysis of college going students. This paper concluded that most of the young investors were aware about the investment options but were not sure about how to go about it in newer ways , Returns on investment was the most considered factor followed by risk and also that the safety and security are still influential in determining the direction of investment.
5. **Mital. S. Bhayani and Dr. Sanjay Patankar , 2016** , had studied and had carried out research on a comparative analysis of investment behaviour of urban and rural investors. The main concept of comparison of investors behaviour with respect to currently available investment alternative factors such as returns, Risk, etc. Was explained in this paper. The sample is been selected from urban and rural investors. The area of research has been selected from Nashik. The data has been collected by doing a primary survey of urban and rural area investors. The paper Revealed that there was a difference in investment behaviour of urban and rural



investors in terms of risk-taking level and choosing investment avenues.

6. **Disha. A. Popat , 2018**, This paper has main focus the rural and urban investor's. The concept of financial knowledge and sensibility of urban and rural investors towards risk and returns of different investment avenues is been explained in this paper. The sample size of the study is urban and rural youth investors. The area of research is selected from Gandhinagar. A questionnaire was prepared and administered to 100 rural and 100 urban investors. This paper concluded that perception of rural investors is faced towards less risky and moderate return avenues and urban investors are towards high risk and high return options.

OBJECTIVE

1. To investigate investor awareness and perceptions of various sorts of investment opportunities.
2. To learn about the investors' investment preferences and knowledge.
3. Knowing how to make intelligent alternative investments between securities.
4. To comprehend the various securities mixes in a portfolio decision

PROBLEM STATEMENT

1. This topic is selected to research the impact of investment decision among the youth who is frequently end users.
2. To find out how investment decisions impact the different portfolios and return on investment for Youth investors.

LIMITATIONS

1. Time spend on the study is limited and thus is a major constraint.
2. Area of research is limited to Mumbai places where the sample is collected and therefore cannot be taken as a universal sample is thus also a major constraint.

METHODOLOGY

1. **Research design:** The research conducted was descriptive and analytical, so a Survey method was used. A Survey was conducted through a structured questionnaire tested for reliability and data was collected throughout Mumbai.
2. **Primary data:** Primary data was collected randomly through the structured questionnaire in Mumbai, by using simple random sampling.
3. **Sample size:** The study was limited to those participants who willingly elected to complete the instruments in their entirety. There was a total of 75 respondents.

The sample to which the questionnaire was administered was based on random sampling techniques. The sample distribution was given in Table 1. Socio-Demographic profile

Parameters	Classification	Sample (N)	Percentage (%)
Gender	Male	46	61.30
	Female	29	38.70
	Total	75	100
Age (in years)	18-25	67	89.30
	25-29	06	8.00
	30-35	01	1.30
	36 and above	01	1.30
	Total	75	100
Area	Urban	69	92.00
	Rural	06	8.00
	Total	75	100



Income Group (In Rupees)	Below 10,000	54	72.00
	10,000-30,000	15	20.00
	31,000 -50,000	05	6.70
	50,000 and above	01	1.30
	Total	75	100
Education	Less than HSC	07	9.30
	Under Graduate	47	62.70
	Graduate	14	18.70
	Post Graduate	07	9.30
	Total	75	100

Table 1. Source: Primary data

- 1. Sample design:** The researcher relied upon simple random sampling technique, considering the research methodology and research type as per guidelines. A caution was exercised during the study that the respondents who did not show inclination to be a part of the study were not covered.
- 2. Area of research:** Mumbai.
- 3. Secondary data:** The secondary information or data was collected from newspapers, research articles, magazine and websites.
- 4. Research instruments:** A summated closed-end questionnaire was used with different viewpoints of respondents. In this questionnaire, all the questions were positively framed to study the impact of independent variables like age, gender, and profession on the dependent variable.
- 5. Statistical analysis:** Efficient and effective data analysis is the result of effective data preparation. This was found to be very crucial between the completion of the fieldwork and the statistical processing of the collected data. Based on the datasheet, tables, and graphs were prepared for the analysis.

HYPOTHESIS

- H0: There is no high level of awareness among young people about many options regarding investments.
Ha: There is a high level of awareness among young people about many options regarding investments.
- H0: There is no substantial relationship exists between the age group and different sorts of investments.
Ha: There is a substantial relationship exists between age groups and different sorts of investments.
- H0: There is no link between age and knowledge of the importance of investing in young people.
Ha: There is a link between age and knowledge of the importance of investing in young people.

DATA ANALYSIS

- 1. There is no high level of awareness among young people about many options regarding investments.**

Are you aware of different types of investments?			
Valid	Parameters	Sample (N)	Percentage (%)
	Yes	44	58.70
	No	31	41.30
	Total	75	100

Source of information regarding different investment avenues?			
Valid	T.V	16	21.30
	Newspaper	04	5.30
	Family	17	22.70
	Friends and	27	36.00
	Relatives	03	4.00
	Bank	08	10.70
	Social Media		
	Total	75	100

Table 2: Source: Primary Survey

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Are you aware about different types of investments	75	106	1.413333	0.245766		
Source of information regarding different investment avenues	75	246	3.28	2.339459		
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	130.6667	1	130.6667	101.0873	1.89E-18	3.90506
Within Groups	191.3067	148	1.292613			
Total	321.9733	149				

Table 3: Source: Primary Survey

CONCLUSION

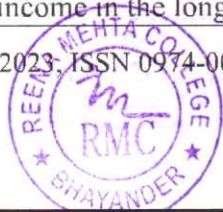
1. There is no high level of awareness among young people about many options regarding investments.
2. The above-stated hypothesis is rejected.

INTERPRETATION

According to the survey, it was analyzed that most of the respondents are aware of the different types of investment. 58.70 % of the respondents say "YES" that they are aware of the different types of investment available in the market. Almost, 36% of the value that perceives say "Friends and Relatives" about the sources of investment. It is also observed 10.70% of the respondents are "Social media" sources of a medium of information. Most of the respondents are aware of the different avenues of investment.

2. There is no substantial relationship exists between age groups and different sorts of investments.

I will prefer to invest my money in?			
Valid	Parameters	Sample (N)	Percentage (%)
	Share Market	27	36.00
	Gold	13	17.30
	Real Estate	10	13.30
	Mutual Funds	9	12.00
	F. D	11	14.70
	Others	6	8.00
	Total	75	100
The purpose of investment is income in the long term as well as capital growth.			



Valid	Strongly Disagree	1	1.30
	Disagree	3	4.00
	Neutral	9	12.00
	Agree	50	66.70
	Strongly Agree	12	16.00
	Total	75	100

Table 4: Source: Primary Survey

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
I will prefer to invest my money in?	75	204	2.72	2.88		
Purpose of investment is income in long term as well as capital growth	75	294	3.92	0.561081		
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	54	1	54	31.38549	1E-07	3.90506
Within Groups	254.64	148	1.720541			
Total	308.64	149				

Table 5: Source: Primary Survey

CONCLUSION

1. There is no substantial relationship exists between the age group and different sorts of investments.
2. The above-stated hypothesis is rejected.

INTERPRETATION

According to the analysis, it was observed that there is no correlation between the sorts of investments. 36 % of respondents would like to increase their interest in investment in share markets performance. According to the survey, it was also analyzed that 17.30% of the respondents say that "Gold" investment .13.30% of the respondent agree to investment "Real Estate" market. It was also observed that 14.70% of the respondents have "Fixed Deposits".

3. There is no link between age and knowledge of the importance of investing in young people.

Descriptive Statistics									
Parameters	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error		Std. Error
Investment is important for future?	75	1	5	4.31	.805	-1.418	.277	3.040	.548
I am aware that investment is good for	75	1	5	4.16	.916	-1.411	.277	2.547	.548

financial planning!									
I know investment has both good and bad effect.	75	1	5	3.97	.822	-.851	.277	1.448	.548
I know exactly from where to get information regarding investment.	75	1	5	3.29	1.088	-.614	.277	-.162	.548
The main objective of investment is safety.	75	1	5	4.01	.814	-1.417	.277	3.826	.548
The main objective of investment is taking risk to get high returns.	75	1	5	3.84	1.040	-1.520	.277	2.315	.548
Purpose of investment is income in long term as well as capital growth.	75	1	5	3.92	.749	-1.255	.277	3.217	.548
Investment is a part of retirement plan.	75	1	5	3.84	1.040	-1.002	.277	.699	.548
I want my invested money to be safe even if it means low returns.	75	1	5	3.76	.928	-.854	.277	.884	.548
I believe in phrase 'High Risk High Returns'	75	1	5	3.97	.944	-1.035	.277	1.285	.548
Valid N (listwise)	75								

Table 6: Source: Primary Survey



CONCLUSION

1. There is no link between age and knowledge of the importance of investing in young people.
2. The above-stated hypothesis is rejected.

INTERPRETATION

According to the survey, there is a correlation between factors affecting investment avenues among the respondents. 48.60% of the respondent "Strongly Agree" with the factor's influencing the investment avenues. 4.30% of respondents "Disagree" with the investment avenues. 18.70% of the respondent say that the investors adopted the "Neutral" behavior of investment. 40% of the respondent "Agree" that they should adopt the long-term and fewer risk factors.

RECOMMENDATIONS / SUGGESTIONS

1. Individually, we can see people investing in securities, rather than bank deposits.
2. People are willing to know about the various options available for making investments.
3. The return on an investment is the most important component; most individuals put their money in bank accounts because they get the security of principal, risk, and return.
4. They will take a bigger return with less investment whenever the opportunity arises. Previously, few people were aware of investment possibilities; however, we discovered that the majority of people have a basic comprehension of high, medium, and low-risk investment options as a result of our research.
5. People are becoming more aware and cautious about their investments as a result of greater financial literacy.

CONCLUSION

When analyzing a portfolio, investors should evaluate the guaranteed average returns, which should be average or lower than the market scenario. The first requirement is to choose proper securities. This sort of research provides information on the market performance of various securities in terms of risk and return. Analyzing people's spending and investment behavior can help us learn how to entice them to participate in projects with long gestation periods. Tax breaks can be structured to encourage people to invest in long-term projects that assist the country's development. A larger sample with the ability to cross-reference is required to acquire a deeper understanding of investor psychology. The respondents' responses could not be double-checked due to time constraints. Put your money in the stock market. They understand the significance and benefits of investing, and they understand how they intend to spend their money now and in the future. As a result, it is vital to educate youngsters about the importance of investing, as well as the various investment possibilities available in the market, and to assess their investment attitude at a young age. The current study may be valuable in determining Indian investors' investing habits, attitudes, and behaviors. The research risk-return investigation assists the investor in selecting stocks depending on his preferences. This type of research provides information on the performance of various securities in the market in terms of risk and return. According to the findings of this study, portfolio performance is dependent on market conditions, thus it is preferable for investors to seek the advice and assistance of a portfolio manager in order to limit the risk associated with investment sources. The entire study of each facet of this topic reveals that portfolio management is a dynamic and adaptable concept that requires regular and systematic investigation.

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