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**INFLUENCE OF INVESTORS INCOME
ON SHORT-TERM INVESTMENT V/S
LONG-TERM INVESTMENT IN DELHI**

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ABSTRACT: In Indian financial market, there are various kind of investing tools are present whether its short-term investment or long-term investment. It's difficult task to investors to select the appropriate investment for themselves. Each and Every investor has a different mindset when they choose a certain investment avenue for own. In differ stages, every investor expects that his/her well deserved money to put into a secure and healthier investment. This study Analyze the influence of investors income on the choice of short-term investment or long-term investment. To achieve this, 100 respondents of Delhi, were surveyed. As a result, also focus those specific factors like gender, age, awareness regarding the investment avenues, occupation etc. can influence the decision. Further, it noted that income level of investors can influences the choice of the investor's decisions.

KEYWORDS: Investment, Investors, Income, Short-term investment, Long-Term Investment, Delhi

INTRODUCTION:

Investments have become a basic necessity for everyone. In our country there is large growth in financial investment sector. Investors investing their capital in various types of investing tools opportunities. Investing wisely is a function if investors' specific needs and goals. The major characteristics that are seen in all investment that investors are pretend to their principal amount are safe, appreciation of their capital, income stability and transferability of income. In financial market there are numbers of various investment tools are present whether its short-term investment or long-term investing tools such as like banks deposits (FDs), mutual funds (MFs) and equity market and gold, real estate(property) etc. as per their needs and goals investors are presumed to be select best suitable investment for themselves.

REVIEW OF LITERATURE:

Davar and Suveera Gill (2007) this study concluded that on investigation of the role of gender revealed that in males there is higher level of awareness in context to different investment avenues, and females are not aware. And females are less confident and less risk takers.

Manish Mittal and Vyas (2008) made an attempt to categorize different investors in accordance to capacity of risk tolerance level and what type of investment decision that made. Past studies imply certain components such as income, age, education and marital status affects the decision of an investors. In paper its also classify that Indian investors has different personalities and they explore investment as per personalities between demographic variables and other psychographic variables.

Gaurav Kabra et al. (2010) study want to examine that what factors affects investors behavior while taking decisions and effect on investors personalities line risk tolerance capacity of an investors, and different mindsets of males and female's investors while taking decisions.

Girdhari and Satya (2011) analyzed that decisions of different investors depend on their gender age, income, marital status and education.

Geetha and Ramesh (2012) conducted a study, 'on Demographic Factors in Investment Decisions' and factors like role of gender, age, financial literacy, income, influencing the tenure of investment, regularity of investment, getting information and systematic abilities. It is noted that demographic factors play a vital role while taking investment decisions. It noted that understanding of investors are different while taking investment.

Saugat Das et al. (2014) study analyzed demographic factors such as income age, gender, education, employment type plays a vital part in investment decision.

Sonali Patil, Dr. Kalpana Nanda war (2014) study examine mainly investor from salaried class and also observed their investment pattern and what up to extent they invest their savings in investment avenues. study's main purpose is to know the preferences of salaried class employees and what factors affects to them. while selecting investment avenues they are more conservative and choose safe and secure investment options. While choosing proper investment avenues they face problems who have not proper information regarding investment and its securities. 40 respondents have taken for the data collection. Chi-square and person correlation coefficient used as statistical tools. It is observed, mostly investors are aware regarding investing options that present in the market but they prefer mainly low risk investment or safer investment such as banks (FDs), real estate(property), gold, PO deposits etc.

Thulasipriya (2015) identified that security & safety of principal amount, various Tax benefits, expected high returns, liquidity these factors considered by investors before investing.

Bais Fitria Arianni (2018) analyzed and examine whether education of an investor and behavior of an investor, income to what extent influence the individual decision of an investor while making investment.

Davinder Kaur, (2019), had flashed a light on the behavior on investors and investors choice on various alternatives risk level involvement of each investor. The main focus area of this concept was on choice of a single investors and that was explained in this paper. The sampling size of study is limited to age group. The area of study is from Delhi and Noida.

Ajinkya Kumawat and Alka Parkar (2020) noted how age, income, and education are the major elements that influence an individual's investment decision.

Sestina, Hasna Wati, & Hendra wary (2022) study on the COVID-19 pandemic has caused various economic upheavals all over world, especially in the finance area. The results identify

that heuristic and market behavioral bias have a notable influence on individual investors' investment decisions.

OBJECTIVE OF THE STUDY:

1. To find out influence of investors income on the type of short-term investment and long-term investment.

HYPOTHESIS OF THE STUDY:

H0: There is significant influence of income on choice of level of investment whether its short-term or long-term investment.

H1: There is no significant influence of income on choice of level of investment whether its short-term or long-term investment.

MATERIALS AND METHODS:

Exploratory study

Sampling design: Random convenience sampling

Sample size: 100

Statistical tool: Z-test

$$Z = \frac{(\bar{X} - \mu_0)}{s}$$

Tool and source of data collection: For data collection the questionnaire was used. And source of data collection for the study is primary in nature.

Limitations of the Study:

1. The sample size taken for analysis is only 100.

RESULT AND DISCUSSION:

Annual Income of Respondents:

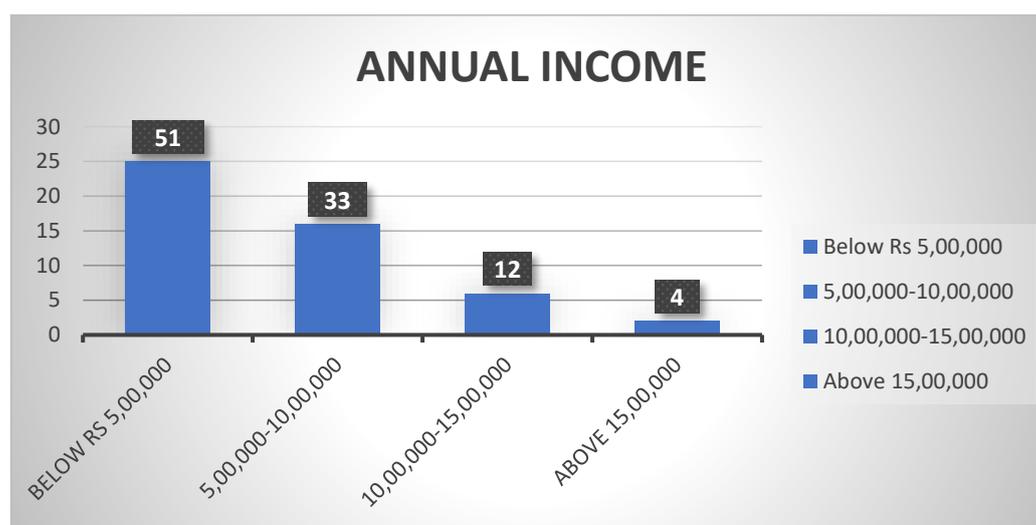


Figure No: 1

In the above pie-chart diagram, out of 100 respondents 51% of respondents are in below Rs. 5,00,000 income category and 33% of respondents are in 5,00,000-10,00,000 income category and 12% of respondents are in 10,00,000-15,00,000 income category and 4% of respondents are in above 15,00,000 income categories. it is interpreted that majority of the respondents belongs to below Rs. 5,00,000 income categories, followed by 5,00,000-10,00,000 belongs to 5,00,000- 10,00,000 income category.

Occupation

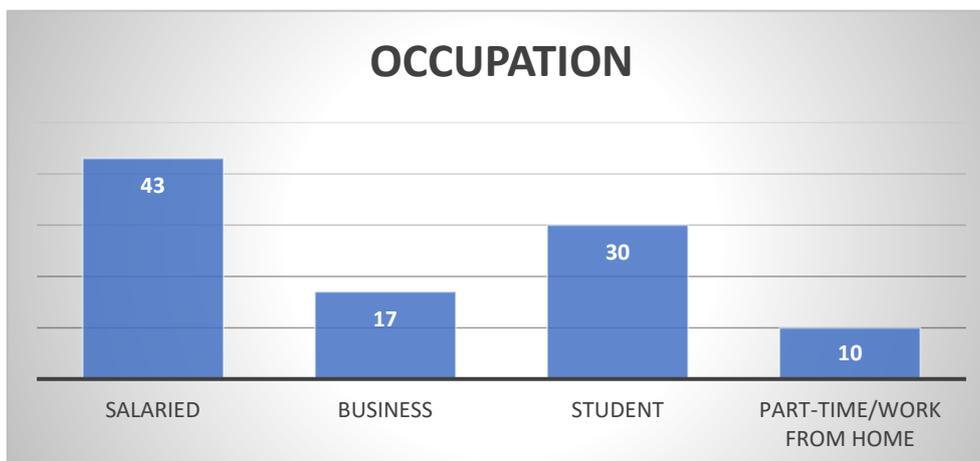


Figure No. 2

Above pie-chart shows, 43% of investors are belongs to salaried category 30% of respondents are student’s category 17% of respondents are belonging to business category and 10% of respondents are part-time /work from home category, it is interpreted that majority of the respondents belongs to salaried class.

Where you prefer to invest money in short-term investment or long-term investment?

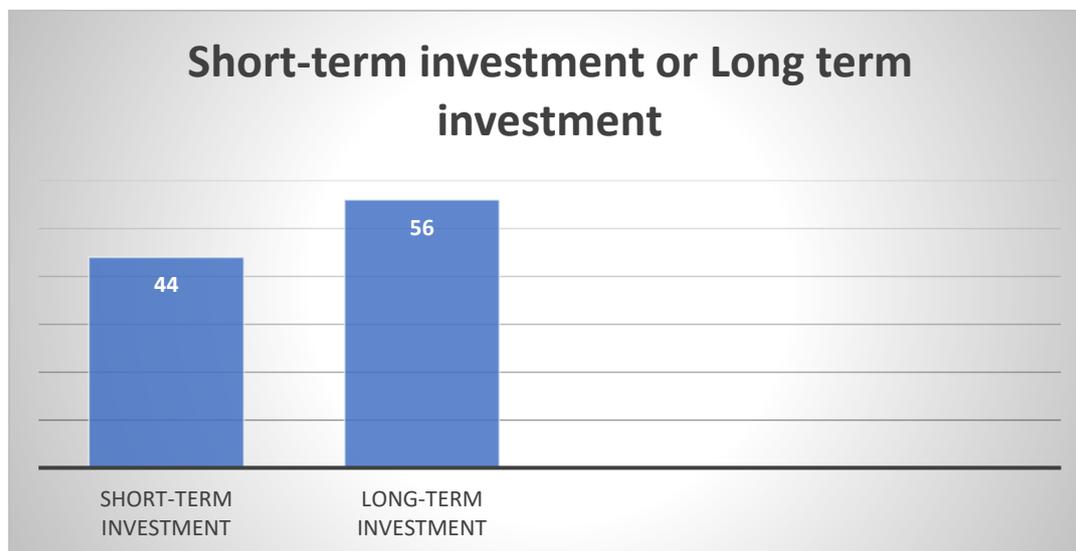


Figure No. 3

Above pie-chart shows, 56% of respondents choose long-term investment and 44% of respondents choose short-term investment. it is interpreted that majority of the respondents

choose long-term investment, followed by 44% respondents choose short-term investment.

Factors that Investors consider before Investing:

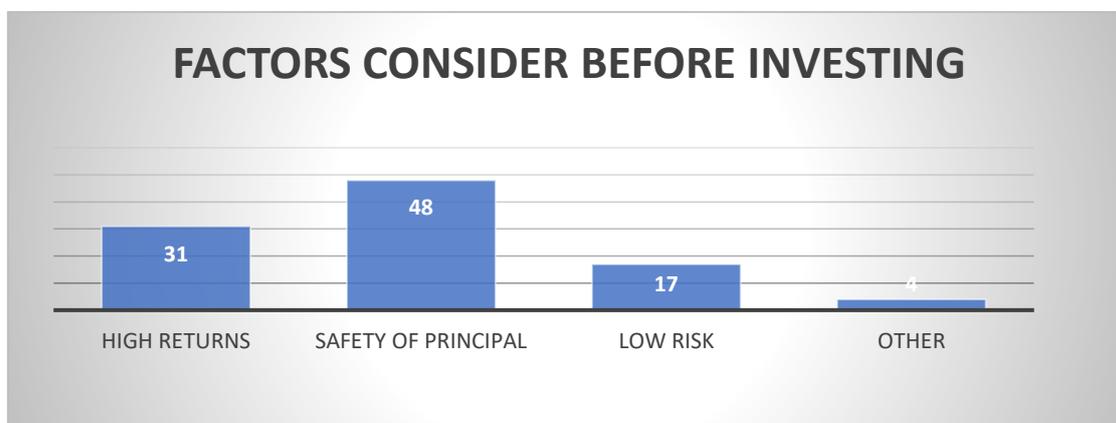


Figure No: 4

In the above pie-chart diagram, 48% of the respondent are consider safety of principal amount and 31% of the respondent’s investors consider high returns while making investment, 17% of respondent’s investors consider low risk investments while 4% of the respondents considered others it is interpreted that majority of the respondents considered safety of principal amount.

what is your short- term goal of investment

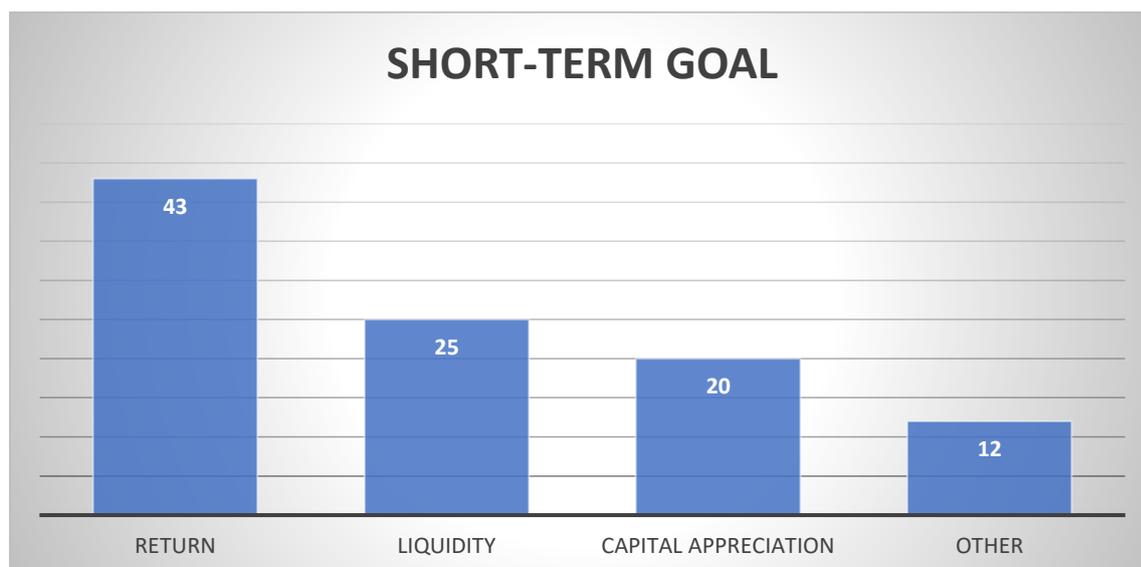


Figure No.5

In the pie-chart, 43% respondents choose short-term investment for getting quick returns, 25% of respondent’s short-term goal liquidity, 20% of respondents choose capital appreciation and 12% respondents choose others while making short-term goals. it is interpreted that majority of the respondents choose returns followed by 25% respondents choose liquidity.

What is your long- term goal of investment?

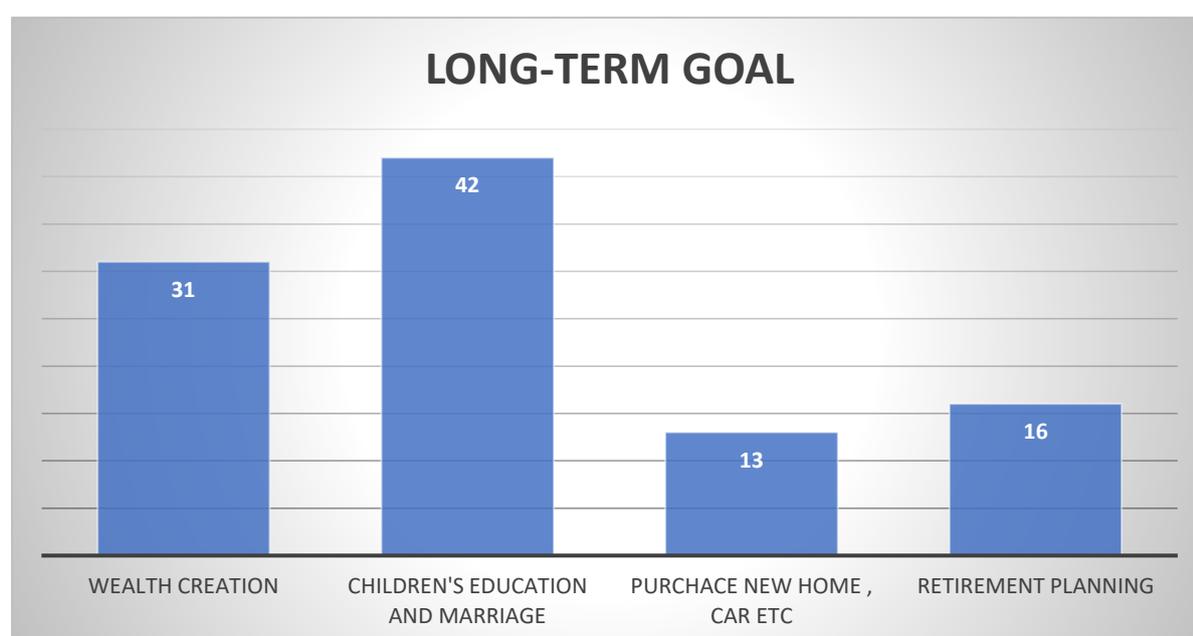


Figure No. 6

Above pie-chart shows, 42% respondents choose Children’s marriage & education as long-term goals and investment their money long-term investment, 31% of respondents choose wealth creation, 16% respondents planning to retirement and 13% respondents choose purchasing new home, new car etc. for long-term goal. it is interpreted that majority of the respondents choose children’s educations and marriage followed by 31% respondents choose wealth creation.

Hypothesis Testing:

Z-test method is used in this section to test the hypothesis:

$$Z = \frac{(\bar{X} - \mu_0)}{s}$$

Hypothesis: H0: There is significant influence of income on choice of level of investment whether its short-term or long-term investment.

$$Z = \frac{(\bar{X} - \mu_0)}{s}$$

$$Z = (3-2)/2.5=0.4$$

As the calculated value of Z-test (0.4) is less than is Z-score which is 1.96.

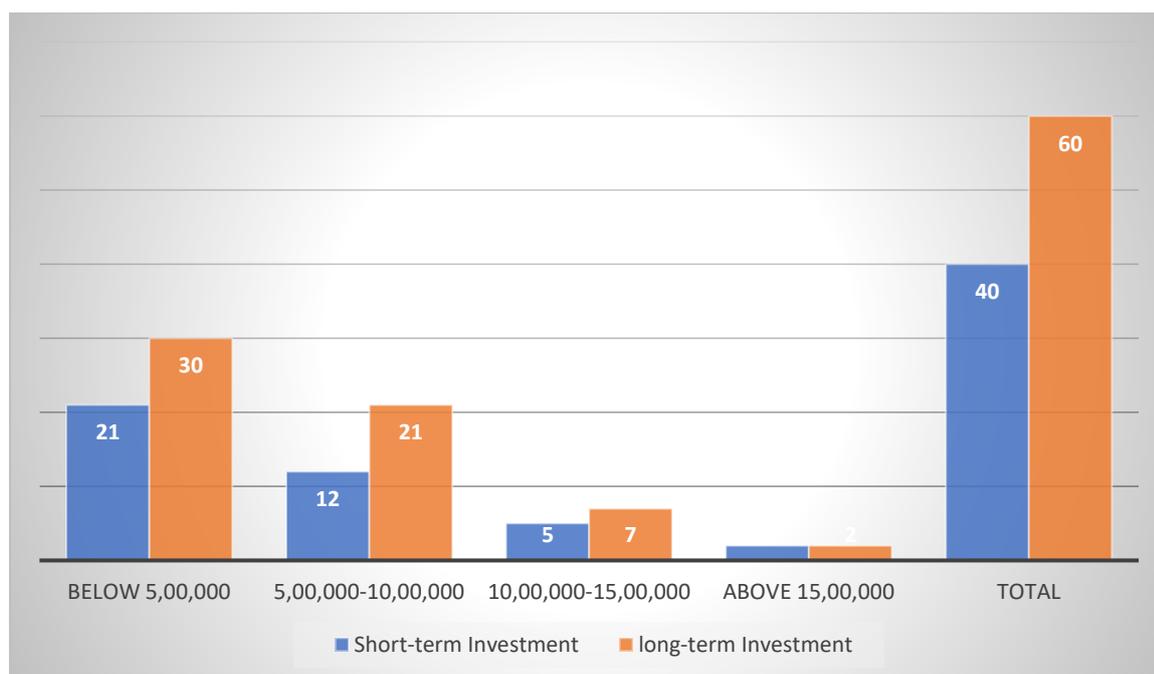
So, the Null Hypothesis is accepted.

Hence it is concluded that, there is significant influence of income on choice of level of investment whether its short-term or long-term investment.

FINDINGS AND CONCLUSION:

In the study, out of 100 respondents 51% of respondents are in below Rs. 5,00,000 income category and 33% of respondents are in 5,00,000-10,00,000 income category and 12% of respondents are in 10,00,000-15,00,000 income category and 4% of respondents are in above 15,00,000 income categories.

S. No	Annual Income	Short-term Investment	Long-term Investment	Total
1	Below 5,00,000	21	30	51
2	5,00,000-10,00,000	12	21	33
3	10,00,000-15,00,000	5	7	12
4	Above 15,00,000	2	2	4
	Total	40	60	100



In the study, out of 100 respondents majorly 43% investors are belonging to salaried class and 17% investors are belongs to Business class. Out of 100 respondents, 56% investors choose long-term investment and 44% investors choose short-term investment. Investor income can influence the investors decisions. Investors are aware, whether its short-term investments or long-term investments. on the other hand, income play a major role while taking investment decisions, as majorly investors are belonging to salaried class, mostly investors choose long-term investment as they want to maximize their wealth. Investors choose long-term investment to get higher returns for their children's education and marriage, for purchasing new home and car, and for their retirement plans. So, majorly investors prefer long-term investments over short-term investments.

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