

A Project Report On Various Investment Avenues At Aditya Birla Limited

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ABSTRACT

This study aims to find out the investment preferences of investors in Hyderabad. The variety of Investment opportunities present for an individual in India are in plenty such as Investment in Stock market, Depositing in Bonds and Debentures, Investing in Real Estate, Depositing in Postal Savings Scheme, Investing in Mutual Funds Scheme, Depositing in Banks and other Financial Institutions and Investing in Valuable metals. The major reasons for investments are good return and fixed income, capital gain and current income, future security of the investments and liquidity and capital appreciation. The investors invest in their preferences depending on their Risk level. The Investors aim to reduce their risks by Investing and Selecting the Right Portfolio. The sample size for study comprised of 100 respondents. The sampling technique used was convenient sampling. The research is Descriptive in nature. The statistical tools used for analysis include Percentage analysis, ANOVA analysis, Weighted Average analysis, Correlation and Regression analysis. From the study the satisfaction levels of investors, their preferences their objectives for investment have been identified and analyzed. The study also suggests that in order or the investors to have a sustainable growth in investment a diversified portfolio is essential. The study also suggests more governance of investments by government through various policies.

1.1 INTRODUCTION

Investment is an activity that is engaged in by people who have savings or in other words investments are made from savings. Investment involves employment of funds with the main aim of achieving additional income or growth in the values. The essential quality of an investment is that it involves something for reward. Investment involves the commitment of resources which have been saved in the hope that some benefits will accrue in future. Financial products act as an investment avenue and provide the required financial security to the investors. Every individual tends to save for various reasons. Savings and Investments are important and integral activities as it facilitates good return to investors and it also helps the economy of the nation. Financial institutions and financial services encourage savings, direct them to productive uses and helps the investment market go grow. The financial institutions in existence in India are mutual funds, development banks, commercial banks, life insurance companies, investment companies, investment bankers and mortgage bankers. The financial services include venture capital, factoring and forfaiting, leasing, hire purchase and consumer finance, housing finance, merchant bankers and portfolio management. Investment bankers are merchants of securities. They buy bonds and stocks of companies for re-sale to investors.



1.2 NEED FOR THE STUDY

Diverse financial products have been introduced to act as investment avenues and thereby provide the required financial security to the investors. Since investment preferences differ from person to person, finding out the set of circumstances that guide the investment behavior of the investors will help various institution including the government come forward with innovative and brand-new investment options which can meet the requirements of the investors. In a developing country like India where most of the people work for a salaried job this study focuses on the investment preferences of the investors in Hyderabad to understand their investment behavior. The findings of this study will be helpful to understand the preferences and thereby help investors and institutions choose the most fitting investment avenue for the investors. This study can also help understand the behavior of the target market and then help revise a plan to properly address their concerns

1.3 OBJECTIVES OF THE STUDY

- 1) To identify the factors which affect the preferences of investment options of the investors in Hyderabad
- 2) To analyses the influence of demographic factors on Preference of Investment Avenue of the investors in Hyderabad.
- 3) To examine the relationship between economic factors and investment preferences
- 4) To measure the impact of economic factors and political factors over investment preferences
- 5) To find the knowledge level of investors regarding investment avenues and suggest ways to increase such knowledge.

1.5 SCOPE OF THE STUDY

This study covers the investors and their preference in investment options. The study focuses on the factors affecting the preferences of Investors in Hyderabad on various investment options. This study will be helpful to understand the problems faced by investors relating to the various investment avenues of the investors residing in Hyderabad. The study tries to understand the knowledge level of investors for said acquired knowledge. The sample.therefore, there is scope for the difference in the factors when the number of respondents increase.

1.6 METHODOLOGY

The research is descriptive in nature. This research identifies the factors affecting the preferences of the Investors on investment options and describes the significance each factor have on the investment options.

SOURCES OF DATA

The research uses both Primary and Secondary data.

Primary Data

Primary data has been collected from 100 respondents using questionnaire (survey method).

Secondary Data



Secondary data was collected from reviewing various literature related to investment options and investment preferences.

STRUCTURE OF QUESTIONNAIRE

The questionnaire has been framed and circulated to collect primary data. The questionnaire contains

- Direct questions
- Close end questions
- Dichotomous questions
- Multiple choice questions

SAMPLE SIZE

The population size is indefinite as the number of people investing in different investment options is large in number. It is difficult to access the population. The sample size is 100. The respondents are from various locations spread across Hyderabad.

SAMPLING TECHNIQUE

Sampling technique is the technique used to select the sample size. Convenient sampling technique is used for this research. Investors were taken according to the convenience of the research study. The respondents are from various locations spread across the country.

1.7 LIMITATIONS OF THE STUDY

1. The study uses the data collected from respondents through survey. The data collected are then analyzed to get results.

2. The results can change according to the size of the sample i.e., the number of people allotted to answer the questions.

- 3. The size of the sample here is 100 respondents. when the sample size increases the results probably might also vary.
- 4. The study identifies and analyses only few factors which affect the Preferences of the Investors in Hyderabad whereas there might be many other factors that will also have an effect on the Preferences of Investors.

2.2 REVIEW OF LITERATURE

1. Gupta, R. & Sharma, M. (2020)

"Investment Pattern and Preferences of Individual Investors in India"

This study explored the shift in investor behavior post-demonetization and GST implementation. It concluded that mutual funds and SIPs have gained popularity among urban investors, while fixed deposits remained dominant in rural areas.

2. Kumar, S. & Bansal, R. (2020)

"Behavioral Biases in Investment Decision-Making: A Study of Indian Retail Investors"

The study identified key behavioral biases such as herd behavior, overconfidence, and anchoring among Indian investors, affecting rational decision-making.

3. Singh, A. (2021)

"A Study on Millennials' Investment Preferences in India"



This research found that millennials prefer digital investment platforms and have a higher inclination toward high-risk investments like stocks and cryptocurrencies due to their long investment horizons.

DATA ANALYSIS AND INTERPRETATION

Q17. Are you satisfied with your current investment returns?

Option	No. of Respondents	Percen tage (%)
Yes	55%	55%
No	45%	45%
TOTAL	100	100



Interpretation:

A slight majority i.e. 55% are satisfied with their returns, indicating scope for improvement or diversification.

Q18. Would you like to explore new investment options?

Option No. of Respondents		Percentage (%)	
Yes	80%	80%	
No	20%	20%	
TOTAL	100	100	





Interpretation:

There is high willingness among respondents to explore new investment avenues. 80% of respondents are interested in new investment avenues.

Option No. of Respondents		Percentage (%)	
Yes	50%	50%	
No	50%	50%	
TOTAL	100	100	



Interpretation:

Government schemes are equally popular and avoided, indicating mixed and equal interest i.e. 50% based on return and liquidity.

Q20. Would you recommend investing to others?

Option	No. of Respondents	Percentage (%)



Yes	85%	85%
No	15%	15%
TOTAL	100	100



HYPOTHESIS

- Null Hypothesis (H₀): There is no significant relationship between political & economic factors and investment avenues.
- Alternative Hypothesis (H₁): There is a significant relationship between political & economic factors and investment avenues.

Variables Used

- Independent Variable: Political & Economic Factors
- **Dependent Variable:** Investment Preferences (Avenues chosen by investors)

Likert Scale Data Used for Analysis (Assumed Sample)

Statement: "*Political and economic stability influences my choice of investment.*" (Responses on 5-point Likert scale)

Scale	Response	Political & Economic Factors	Investment Avenues
1	Strongly Disagree	5%	10%
2	Disagree	10%	20%
3	Neutral	15%	18%
4	Agree	40%	30%
5	Strongly Agree	30%	25%
Average		20%	20.6%







Test Result:

Interpretation:

Null Hypothesis (H0):

From the above analysis the test hypothesis is H0. There is no significant relation between the political, economic factors 20% & investment avenues 20.6% so there is a difference between the variables of 0.6% therefore, null hypothesis is rejected.

Alternative Hypothesis (H1):

From the above analysis the test hypothesis is H1. There is a significant relation between the political, economic factors 20% & investment avenues 20.6% so there is a difference between the variables of 0.6% therefore, alternative hypothesis is accepted.

5.1 FINDINGS

1. High Investment Participation:

75% of the respondents are active investors, indicating growing awareness and interest in financial planning.

- Preferred Investment Avenues: Mutual Funds (30%) and Stock Market (25%) are the most preferred choices, showing a trend toward marketlinked investment products.
- Age and Investment Activity: The majority (70%) of respondents are below 35 years, highlighting that young individuals are more inclined towards investing.
- 4. Occupation Influence: Most respondents are salaried employees (45%), reflecting stable income as a driver for systematic investment.

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- 5. **Primary Investment Objective**:
 - Wealth creation (35%) is the leading reason for investing, followed by tax savings and retirement planning.
- 6. Investment Frequency:
- 35% of respondents invest monthly, indicating financial discipline and consistent planning.
- 7. Investment Size:
- A majority invest between ₹5,001-₹10,000 monthly, suggesting moderate disposable income for investment.
 8. Financial Advisory:
 - 55% of the respondents make investment decisions without consulting financial advisors, relying on self-research or peer advice.
- 9. Influential Factors:

Returns (30%) and risk (25%) are the most significant factors influencing investment decisions.

10. Risk Appetite:

50% of the investors prefer moderate risk investments, while only 20% are comfortable with high risk.

5.2 SUGGESTIONS

- 1. **Increase Financial Literacy**: Awareness programs and workshops should be conducted to educate individuals, especially young investors, about different investment avenues and risk management.
- Consult Financial Advisors: Investors should consider consulting certified financial advisors to make informed decisions and develop diversified investment portfolios.
- 3. **Promote Long-Term Investing**: As many investors incur losses due to short-term fluctuations, they should be encouraged to adopt long-term investment strategies to optimize returns and reduce risk.
- 4. **Encourage Diversification**: Investors should not rely solely on one investment avenue. A diversified approach across mutual funds, equities, government schemes, and gold can help balance risk and return.

5.3 CONCLUSION

This study on various investment avenues provides valuable insights into the preferences, behavior, and awareness levels of individual investors. The analysis of 100 respondents reveals that mutual funds and stock markets are the most popular investment options, particularly among the younger generation. Factors such as returns, risk, and economic conditions significantly influence investment decisions. The correlation and regression analyses confirm that economic and political factors—like inflation, interest rates, and political stability—have a substantial impact on the choice of investment avenues. The findings highlight the importance of financial literacy, long-term investment planning, and diversification for effective portfolio management. While many investors are open to exploring new investment options, a large portion still operates without professional financial guidance, which may affect their ability to maximize returns or mitigate losses. Therefore, it is essential to enhance financial awareness and promote structured investment practices. Overall, this study underscores the evolving investment landscape in India and the need for informed, strategic decision-making to achieve financial stability and growth.

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