

A STUDY ON INVESTORS PREFERENCE TOWARDS LAND AND GOLD IN THOOTHUKUDI

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ABSTRACT

Investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality of incomes is that, it involves waiting for reward. It involves a commitment of resources which have been saved or put away from current consumption in the hope that benefits will occur in future. The term investment does not appear to be simple it has been defined investment has been categorized by financial experts of economist. It has also often been confused with the term speculation. India comes under the grade of developing countries. The reason for the rapid growth and development of the economic prosperity of the country is attained by means of investment. Diverse investments are commercialized and capture the eyes of the investors. Investors are in a flow to invest their capital in shares, bonds, gold, land and mutual funds. Due to fluctuations in the price of gold and land investors are clever in investing in the aforesaid assets. Thus, study has been taken to analyze the investors' preferences toward gold and land.

KEYWORDS: Investment, Land, Gold

INTRODUCTION

Investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality of incomes is that, it involves waiting for reward. It involves a commitment of resources which have been saved or put away from current consumption in the hope that benefits will occur in future. The term investment does not appear to be simple it has been defined investment has been categorized by financial experts of economist. It has also often been confused with the term speculation.

DEFINITIONS

According to Personal Finance, theories an investment is the implementation of money for buying shares, mutual funds, and assets with capital risk.

STATEMENT OF THE PROBLEM

India comes under the grade of developing countries. The reason for the rapid growth and development of the economic prosperity of the country is attained by means of investment. Diverse investment is commercialized and captures the eyes of the investors. Investor is in a flow to invest their capital in shares, bonds, gold, Land and mutual funds. Due to fluctuations in the price of gold and land investors are clever in investing in the foresaid assets. Thus, study has been taken to analyze the investor's preferences toward gold and land.

The study has attempted to understand the investment pattern of gold and land investors towards purchase of gold and land but our study not only focuses on exploring the pattern of investment regarding purchase of gold and but also the

factors effecting gold purchase and land purchase.

OBJECTIVES OF THE STUDY

- To find out the reason for Investing in Land and Gold.
- To examine the satisfactory level of investors in Land and Gold.
- To study the Investment pattern of Savings.
- To find out the Investment in improve our status.
- To find out the opinion about the price of Land and Gold.
- To study the market movement affects the Purchase of land and Gold.
- To analyze the relationship between the Investors in Land and Gold.

PRIMARY DARA

Primary data were collected from a sample of 60 investors. For the collection of primary data, a structured questionnaire with 60 questions was developed.

FRAME WORK ANALAYSIS

The following framework has been used in the analysis to represent the different views of the analysis.

- Percentage Analysis
- Rank Analysis
- Correlation

Table 1: Reason for Land Investment

REASONS	NO. OF INVESTORS	PERCENTAGE
SAVINGS	15	25
SAFETY	20	33
TO SATISFY FUTURE NEEDS	25	42
TOTAL	60	100

Source: Primary Data

From this table it is clear that 25% of the investors prefer to invest for saving, 33% of the investors prefer to invest for safety purpose, and 42 % of the investors prefer investment for satisfy their future needs.

Table 2: Reasons for Gold Investment

CLASSIFICATION	NO. OF INVESTORS	PERCENTAGE
HIGH RETURN	15	25
INCREASE IN SOCIAL STATUS	28	47
ATTRACTIVE SCHEMES	7	12
MODERATE	10	17
TOTAL	60	100

Source: Primary Data

From this table, it is clear that 25% of the investors invested in gold because of high return, 47% of the investors

invested in gold because of increase in social status, 12% of the investors in gold because of attractive schemes and 17% of the investors invested in gold because of moderate.

REASONS FOR GOLD INVESTMENT

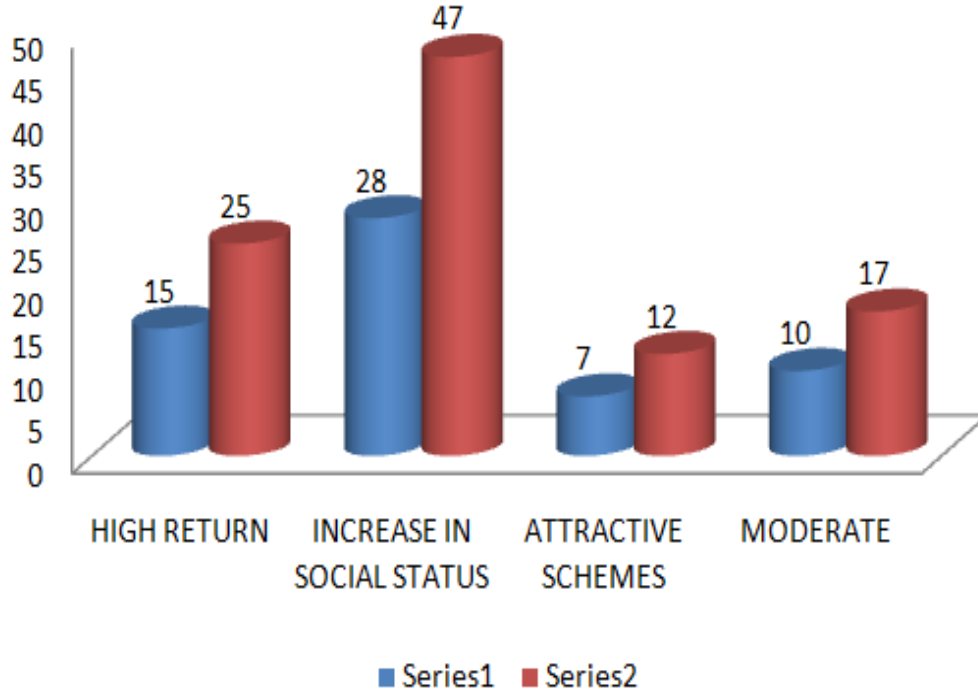


Figure 1

Table 3: Reasons for Purchasing Land in Rural Area

CLASSIFICATION	NO. OF INVESTORS	PERCENTAGE
PURCHASE AT CHEAP RATE	33	55
AGRICULTURAL PURPOSE	9	15
EASY REGISTRATION	10	17
OTHERS	8	13
TOTAL	60	100

Source: Primary Data

From this table, it is clear that 55% of the investors invest in land in rural area for its cheap rate, 15% of the investors invest in land in rural area for its agricultural purpose, 17% of the investors invest in land in rural area for its easy registration, 13% of investors invest in land in others.

Table 4: Reasons for Purchasing Land in Urban Area

REASONS	NO. OF INVESTORS	PERCENTAGE
MARKETABILITY	23	38
APPRECIATION OF VALUE	30	50
PRESTIGE	7	12
TOTAL	60	100

Source: Primary Data

From this table, it is clear that 38% of the investors are buying land in urban area because of its marketability, 50% of the investors are buying land in urban area because of its appreciation of value and 12% of the investors are buying land in urban area because of its prestige.

REASONS FOR PURCHASING LAND IN URBAN AREA

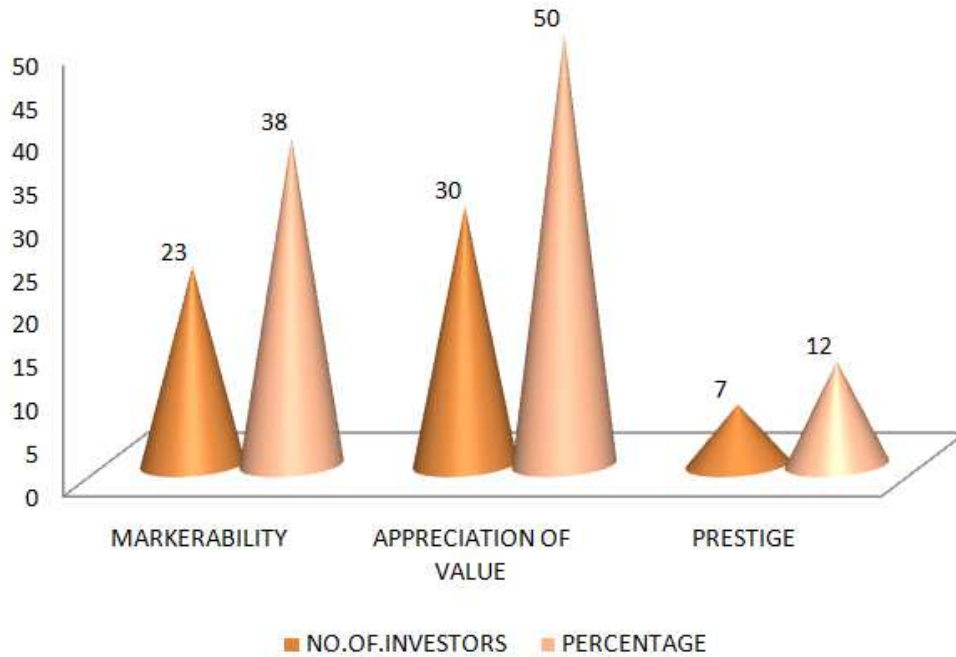


Figure 2

Table 5: Reasons for Purchasing Gold

CLASSIFICATION	NO. OF INVESTORS	PERCENTAGE
TO BUILD RESIDENTIAL PALCE	22	36.6
TO BUILD FACTORY	1	16
TO BUILD RENTAL HOUSE	17	28
TO BUILD SHOPPING COMPLEX	7	11.6
TO RESALE THE LAND	13	22
TOTAL	60	100

Source: Primary Data

From this table, it is clear it is clear that 37% of the investors invest in purchasing land for its residential place, 2% of the investors invest in purchasing land for its factory, 28% of the investors invest in purchasing land for its rental house, 12% of the investors invest in purchasing land for its shopping complex, 22% of the investors invest in purchasing land for its resale the land.

Table 6: Reasons for Purchasing Gold

CLASSIFICATION	NO. OF INVESTORS	PERCENTAGE
MARRIAGE PURPOSE	40	60
STATUS	13	22
GIFT	3	5
OTHERS	4	7
TOTAL	60	100

Source: Primary Data

According to the above table, it is clear that 66% of the investors purchasing gold for its marriage purpose, 22% of the investors purchasing gold for its status, 5% of the investors purchasing gold for its gift, 7% of the investors purchasing gold for its others.

REASONS FOR PURCHASING GOLD

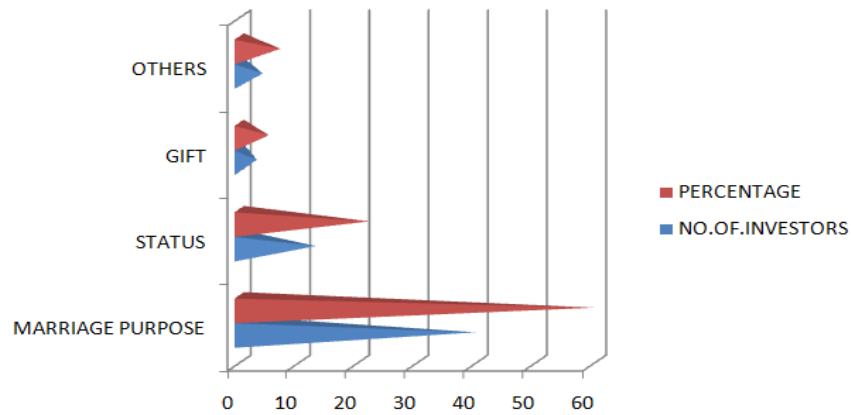


Figure 3

Table 7: Rank the Priority of Investment in Gold

CATAGORY	I	II	III	IV	TOTAL SCORES	% OF SCORES	RANK
HIGHER LIQUIDITY	64	42	30	15	151	25	III
MORTGAGE USE	104	42	36	2	184	31	I
EASY TO SELL	60	78	34	2	174	29	II
STANDARD PRICE	12	18	20	41	91	15	IV
					600	100	

Source: Primary Data

From the table, it is clear that some investors selected their investment, because of mortgage use. The investors giving 2nd preference for easy to sell in selecting their investment and the next preference given to higher liquidity. The last rank given to standard price

RANK THE PRIORITY OF INVESTMENT IN GOLD

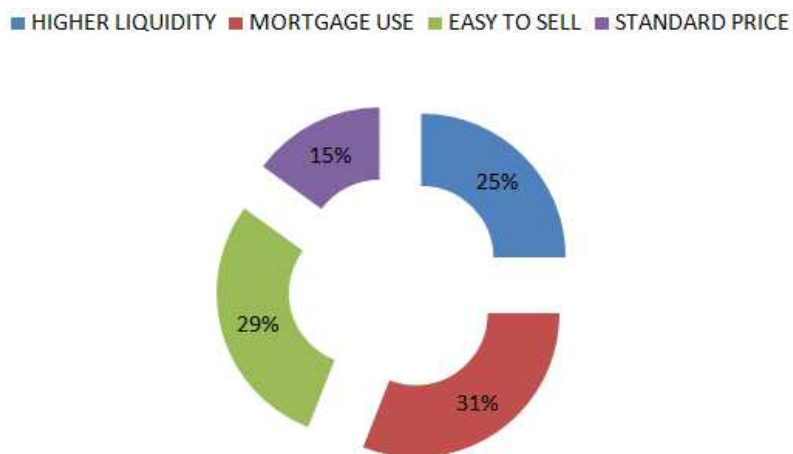


Figure 4

Correlation refers to the relationship between the reason for investing in gold and reason for investing in land. There may be co-variation or fluctuation between the values of them about to variables. From the correlation we can find

out the change and closeness of the relationship of found are found.

Table 8: Relationship between the Reason for Investing in Gold and Reason for Investing in Land

INVESTORS	X	Y	X=X-x	Y=Y-y	x2	y2	XY
1.	3	2	0.15	1.78	0.0225	3.1684	0.267
2.	3	2	1.15	-0.22	1.3225	0.0484	-0.253
3.	4	4	2.15	1.78	4.6225	3.1684	3.827
4.	4	2	2.15	-0.22	4.6225	0.0484	-0.473
5.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
6.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
7.	3	2	1.15	-0.22	1.3225	0.0484	-0.253
8.	4	2	2.15	-0.22	4.6225	0.0484	-0.473
9.	3	3	1.15	0.78	1.3225	0.6084	0.897
10.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
11.	3	3	1.15	0.78	1.3225	0.6084	0.897
12.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
13.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
14.	2	4	0.15	1.78	0.0225	3.1684	0.267
15.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
16.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
17.	1	4	-0.85	1.78	0.7225	3.1684	-1.513
18.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
19.	1	3	-0.85	0.78	0.7225	0.6084	-0.663
20.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
21.	2	3	0.15	0.78	0.0225	0.6084	0.117
22.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
23.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
24.	3	2	1.15	-0.22	1.3225	0.0484	-0.253
25.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
26.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
27.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
28.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
29.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
30.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
31.	3	3	1.15	0.78	1.3225	0.6084	0.897
32.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
33.	1	4	-0.85	1.78	0.7225	3.1684	-1.513
34.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
35.	2	4	0.15	1.78	0.0225	3.1684	0.267
36.	1	3	-0.85	0.78	0.7225	0.6084	-0.663
37.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
38.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
39.	1	4	-0.85	1.78	0.7225	3.1684	-1.513
40.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
41.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
42.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
43.	2	4	0.15	1.78	0.0225	3.1684	0.267
44.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
45.	2	4	0.15	1.78	0.0225	3.1684	0.267
46.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
47.	2	1	0.15	-1.22	0.0225	1.4884	-0.183
48.	3	3	1.15	0.78	1.3225	0.6084	0.897
49.	2	2	0.15	-0.22	0.0225	0.0484	-0.033
50.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
51.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
52.	4	4	2.15	1.78	4.6225	3.1684	3.827

53.	1	2	-0.85	0.22	0.7225	0.0484	0.187
54.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
Table 8: Contd.,							
55.	2	3	0.15	0.78	0.0225	0.6084	0.117
56.	4	2	2.15	-0.22	4.6225	0.0484	-0.473
57.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
58.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
59.	1	1	-0.85	-1.22	0.7225	1.4884	1.037
60.	1	2	-0.85	-0.22	0.7225	0.0484	0.187
	111	133			51.65	60.184	12.95

$$X = \Sigma X/N$$

$$= 111/60$$

$$X = 1.85$$

$$Y = \Sigma Y/N$$

$$= 133/60$$

$$Y = 2.22$$

$$\text{Co-efficient } r(x, y) = \frac{\Sigma XY}{\sqrt{\Sigma X^2 \cdot Y^2}}$$

$$= \frac{12.95}{\sqrt{51.65 \times 60.184}}$$

$$= \frac{12.95}{\sqrt{3108.5}}$$

$$= \frac{12.95}{\sqrt{55.75}}$$

$$r = 0.232$$

The correlation co-efficient between the reason for investing in gold and reason for investing in land is 0.232 Hence the relationship between the reasons for investing in gold and land is correlated.

FINDINGS

- From this survey 47% of investors prefer gold investment for increase in their social status.
- Through this survey 62% of the investors most prefer area of selection in land for its urban area.
- Through this survey 55% of the investors invest in land in rural area for its cheap rate.
- From this survey it was found that 50% of the investors are buying land in urban area because of its appreciation of value.
- From this survey it was found that majority of 37% of investors invest in purchasing land for its to build residential place.
- From this survey it was found that more than 50% of the total investors purchasing gold for its marriage purpose that are 66%.

- From this survey it was found that more than 50% of the investors says investing in land yield high return that are 58%.
- From this survey it was found that 30% investors improve our status by society value.
- It was investors in 92% of the investors gold investment helps in emergency period.

SUGGESTIONS

- Investment agency can introduce more short term investment and long term investment in land & gold.
- Investors must be aware of fraudulent activities for investing in land & gold.
- Minimize the procedure for buying land should be reduced so that we can increase the land investors.
- Comparing to land & gold. The investors prefer land. It is a fixed asset for us.
- Indian economy can be improved by initiating compulsory investment or saving schemes to enhance the thrift of public saving.
- The quality of the agency service at thoothukudi can be increased in order to satisfy the investors so that there will be increase in investment.
- More number of schemes and discounts can be introduced for land investment.
- Various offers should be introduced and conveyed to the investors of gold.
- Proper advertisement should be given to bring about the awareness to the public regarding the other advantages of investments are land & gold.

CONCLUSIONS

Investment is time, energy or matter spent in the hope of future benefit actualized within a specified date or time frame. A good investment strategy will diversify the portfolio according to the specified needs.

Gold has proved itself time and again to be the perfect hedge for the inflation. Gold only beats inflation its fares poorly when compared to real estate on the basis of real inflation adjusted return.

So the research concludes that Land investment is the best mean of saving their money which gives riskless return in a short period.

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