

“A COMPARATIVE STUDY ON INVESTMENT BEHAVIOUR OF UNIVERSITY TEACHERS: A CASE STUDY OF GAUHATI UNIVERSITY AND TEZPUR UNIVERSITY”

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ABSTRACT

People save their money with different objectives and ideologies for meeting the unending wants in the future, which creates a need to invest the same in some revenue generating sources and hence they try to find out the different alternatives of investment. This paper, by taking a case study of two different Universities namely Gauhati and Tezpur, tries to understand and review the different alternatives of investments being taken up by the respondents and review the different sources and criterion based on which such decisions are made and the rational behaviour of the investors are identified towards investment. Garrett Rank Test and Friedman Test were applied to identify the most important sources. From Garrett Rank test it was revealed that the most important factor in decision of the choice of investment for the respondents is the safety of their money. Friedman test reveals that the respondents prefer talking and exchanging views with their professional colleagues to collect information.

Keywords: Invest, university, investment alternatives, behaviour, Garrett, Friedman

I. INTRODUCTION

Humans need for money in unending and with the growing time and economic scenario of the nation and also with the inception of many new laws and rules by the government like GST, the prices of all the commodities has taken a sharp turn. The Prices of few commodities has increased drastically and few reduced. But the crabbing for more money is never going to stop so as to meet the needs of life and living. Hence, there is a need for all of us to understand the basic requirement of money and its preservation and consumption. People want to enjoy the benefits of money which they have earned by their hard work but it is not advisable to spend all the money today itself without thinking about the future. Here comes the need of understanding the importance of savings. People save their money with different objectives like self marriage,

children's education, health, future contingencies, etc. But saving the money alone is not enough until the money is not generating enough revenue so as to beat the inflationary rates. Even when the money generates a return equal to the inflationary rates, than an investor is just keeping the value of the money intact and hence the value of the money doesn't get depreciated. We need to make a distinction between saving and investment and start investing our hard-earned money so that even after beating inflation we are left with something extra to spend on. People as an investor has different frame of mind-set and hence they tend to behave differently while selecting the avenues of investment like shares, debentures, bonds, PPF, fixed deposits and recurring deposit, real estate, etc. This decision varies from individual to individual depending on many criteria's like risk taking capability, period of investment and other extraneous factor which changes the behaviour of the investor. The behaviour of an individual towards the selection of an investment avenue also depends on how much disposable income is left out with them after meeting all the needs and requirements, the time period for which they can keep their funds blocked as an investment, etc. This paper is an attempt to study the Savings and Investment Behavior of University Teachers in a comparative manner taking into consideration the respondents of Gauhati University and Tezpur University.

II. OBJECTIVE OF THE STUDY

1. To identify the important factors considered before investing.
2. To find out the important source of information considered by an investor before investing.

III. RESEARCH METHODOLOGY

The nature of study is descriptive and qualitative. For the purpose of the proposed paper, the population comprises of all the permanent faculty members of Gauhati University (GU) and Tezpur University (TU). In this paper, a comparative study is done, of the sample collected from GU and TU i.e. 98 and 68 samples respectively. Sample Size from the population is calculated with the help of Cochran's formula and the samples of the respondents were selected with the help of Random Number Tables.

This paper is mainly based on the primary data which was collected with the help of Structured Questionnaire. For secondary data official records, reports, journals, books, etc. is referred. The data so collected is analysed by using SPSS. Garrett Rank Test and Friedman Test were used. These tools were applied for identifying the most important variables and parameters of the respondents in assessing their investment behaviour.

IV. RESULTS AND ANALYSIS:

Table 1: showing the distribution of the profile of the respondents

SL. No.	PARAMETERS		UNIVERSITIES	
			GU (%)	TU (%)
1.	Gender	Male	52 (53%)	46 (68%)
		Female	46 (47%)	22 (32%)
2.	Marital Status	Married	78 (80%)	57 (84%)
		Unmarried	20 (20%)	11 (16%)
3.	Age	25 to 30	04 (4%)	02 (3%)
		31 to 35	23 (24%)	14 (21%)
		36 to 40	21 (21%)	21 (31%)
		41 to 45	20 (20%)	14(21%)
		46 to 50	12 (12%)	08 (12%)
		51 to 55	08 (8%)	07 (10%)
		56 to 60	06 (6%)	01 (2%)
		61 and above	04 (4%)	01 (2%)
4.	Designation	Assistant Professor	48 (49%)	37 (54%)
		Associate Professor	26 (26%)	14 (21%)
		Professor	24 (25%)	17 (25%)
5.	Annual Income	5 to 7 Lakhs	35 (36%)	12 (18%)
		7 to 9 lakhs	17 (17%)	23 (34%)
		9 to 11 lakhs	06 (6%)	07 (10%)
		11 to 13 lakhs	11 (11%)	04 (6%)
		13 to 15 lakhs	10 (10%)	10 (15%)
		15 Lakhs and above	19 (19%)	12 (18%)

Source: Field Survey

From Table 1; it is seen that the number of male respondent at GU is 53 % and 68 % at TU and the number of female respondent is 47 % at GU and 32 % at TU respectively. Also it is evident that the numbers of married respondents in both the universities comprises of more than 80%. Only 20% and 16 % of the respondents were unmarried from GU and TU respectively. Majority of the respondents, i.e. around 45% and 52% of GU and TU of the population belongs to the age group of 31 to 40. Around 32% and 33% of GU and TU respectively falls in the age group 41 to 50. The respondents in the age group 51 and above comprises of 18% and 14% from GU and TU respectively. It is also evident that around 49 % and 54% of the respondents are Assistant professor of GU and TU respectively and remaining 51 % and 46% of the respondents from GU and TU together comprises of Associate Professor and Professor respectively. The Annual Income of the respondents falling in the Income group of 5 to 9 Lakhs is 53% and 52% from GU and TU respectively; in the group of 9 to 13 lakhs is 17% and 16% from GU and TU respectively and in the group of 13 lakhs and above is 29% and 33% of GU and TU respectively.

V. GARRETT RANKING TEST

Table 2: showing the factors that are considered by the respondents of GU before investing

Parameters ↓	Rank ⇒	PERCENTAGES (%)							
		1	2	3	4	5	6	7	8
Safety of Principal		29	20	10	17	6	10	5	3
Risk		4	4	9	19	11	8	34	11
Liquidity		3	15	16	6	18	20	8	14
Stability of Return		14	21	18	10	14	9	8	6
Maturity Period		3	10	15	19	14	14	15	10
Wealth Creation		18	10	19	13	18	4	12	16
Good Customer Service		0	10	2	6	7	21	11	43
Tax Saving		32	10	8	9	10	17	8	6

Source: Field Survey

Table 3: Garrett Ranking Test for GU

Sl. NO.	FACTORS	RANK								No. of Respondents	Total Score	Mean Score	RANK
		1	2	3	4	5	6	7	8				
1	SAFETY OF PRINCIPAL	28	19	10	17	6	10	5	3	98	6352	64.81633	1
2	RISK	4	4	9	18	11	8	33	11	98	4957	50.58163	7
3	LIQUIDITY	3	15	16	6	17	19	8	14	98	5288	53.95918	5
4	STABILITY OF RETURN	14	20	17	10	14	9	8	6	98	5911	60.31633	3
5	MATURITY PERIOD	3	10	15	18	13	14	15	10	98	5273	53.80612	6
6	WEALTH CREATION	17	10	18	13	18	4	12	6	98	5830	59.4898	4
7	GOOD CUSTOMER SERVICE	0	10	2	6	7	20	11	42	98	4472	45.63265	8
8	TAX SAVING	31	10	8	9	10	16	8	6	98	6108	62.32653	2

Source: Data Collected and computed through questionnaire

The Garrett Ranking Test is applied for the purpose of identifying the most desirable factor that is considered by the respondents of GU before investing. The test reveals that the respondents prefer *Safety of Principal* of their money before investing, followed by *tax saving*, *stability of return* and the like.

Table 4: showing the factors that are considered by the respondents of TU before investing

Parameters ↓	Rank →	PERCENTAGES (%)							
		1	2	3	4	5	6	7	8
Safety of Principal		29	19	12	13	9	7	7	29
Risk		6	7	15	18	15	8	12	19
Liquidity		7	9	4	9	19	24	16	12
Stability of Return		15	15	18	22	18	7	4	1
Maturity Period		7	21	12	15	10	22	4	9
Wealth Creation		10	10	12	14	15	10	13	16

Good Customer Service	0	3	4	7	10	9	39	28
Tax Saving	27	13	24	4	6	10	7	9

Source: Field Survey

Table 5: Garrett Ranking Test of TU

Sl. NO.	FACTORS	RANK								No. of Respondents	Total Score	Mean Score	RANK
		1	2	3	4	5	6	7	8				
1	Safety of Principal	19	13	8	9	6	5	5	3	68	4364	64.17647	1
2	Risk	4	5	10	12	10	6	8	13	68	3616	53.17647	7
3	Liquidity	5	6	3	6	13	16	11	8	68	3561	52.36765	5
4	Stability of Return	10	10	12	15	12	5	3	1	68	4172	61.35294	3
5	Maturity Period	5	14	8	10	7	15	3	6	68	3900	57.35294	6
6	Wealth Creation	7	7	8	9	10	7	9	11	68	3720	54.70588	4
7	Good Customer Service	0	2	3	5	7	6	26	19	68	3047	44.80882	8
8	Tax Saving	18	9	16	3	4	7	5	6	68	4258	62.61765	2

Source: Data Collected and computed through questionnaire

The Garrett Ranking Test is applied for the purpose of identifying the most desirable factor that is considered by the respondents of TU before investing. The research of Garrett ranking reveals that the respondents prefer the *Safety of Principal* of their money before investing, followed by *tax saving, stability of return* and the like.

Table 6: A comparative view of Garrett Rank of the respondents of GU and TU

Sl. NO.	FACTORS	GARRETT RANK	
		GU	TU
1	Safety of Principal	1	1
2	Risk	7	7
3	Liquidity	5	5
4	Stability of Return	3	3
5	Maturity Period	6	6

6	Wealth Creation	4	4
7	Good Customer Service	8	8
8	Tax Saving	2	2

From table 6, it is seen that there is no difference among the rank's generated by the Garrett Rank Test for Gauhati University and Tezpur University. It signifies that for the respondents of both the universities the most important factor for investing is *Safety of the Principal*, followed by *tax savings* and the like.

VI. Friedman Test:

Friedman Test of GU:

Table 7: Mean and Standard Deviation

Sl. No.	FACTORS	N	Mean	Std. Deviation
1	Family	98	3.1429	1.66219
2	Friends & Relatives	98	2.9184	1.56425
3	Conversation/ Exchange of views with professional colleagues	98	3.8980	1.22255
4	Financial advisors/Broker/Agents and Analysts Recommendation	98	2.7041	1.47284
5	Advertisements	98	2.0714	1.06732
6	Annual Reports of the company	98	2.1735	1.36997
7	Company's website	98	2.2449	1.40001
8	Publications in financial magazines, press releases, news papers, etc.	98	2.1531	1.33434

Sl. No.	FACTORS	Mean Rank	RANKS
1	Family	5.19	2
2	Friends & Relatives	4.73	3
3	Conversation/ Exchange of views with professional colleagues	6.29	1
4	Financial advisors/Broker/Agents and Analysts	4.62	4

5	Advertisements	3.55	8
6	Annual Reports of the company	3.89	5
7	Company's website	3.88	6
8	Publications in financial magazines, press releases, news	3.85	7

The result of Friedman Rank Test for the respondents of Gauhati University discloses that majority of the investors prefer to collect information before investing by *talking and exchanging views with their professional colleagues*, followed by *family, friends and relatives, financial advisors, annual report, company's website, publication in financial magazines*, etc. and lastly *advertisements*.

Friedman Test of TU:

Table 8: Mean and Standard Deviation

Sl. No.	FACTORS	N	Mean	Std. Deviation
1	Family	68	3.3235	1.52042
2	Friends & Relatives	68	3.2206	1.24404
3	Conversation/ Exchange of views with professional colleagues	68	3.3824	1.17218
4	Financial advisors/Broker/Agents and Analysts Recommendation	68	3.2941	1.47677
5	Advertisements	68	2.3971	1.35095
6	Annual Reports of the company	68	2.3382	1.37797
7	Company's website	68	2.6029	1.33986
8	Publications in financial magazines, press releases, news papers, etc.	68	2.6471	1.47380

Sl. No.	FACTORS	Mean Rank	RANKS
1	Family	5.00	3
2	Friends & Relatives	4.84	4
3	Conversation/ Exchange of views with professional colleagues	5.35	1
4	Financial advisors/Broker/Agents and Analysts	5.26	2

5	Advertisements	3.74	7
6	Annual Reports of the company	3.56	8
7	Company’s website	4.09	6
8	Publications in financial magazines, press releases, news	4.15	5

The results of Friedman Rank Test for the respondents of Tezpur University disclose that majority of the investors prefer to collect information before investing by talking and exchanging views with their *professional colleagues* followed by *financial advisors, family, friends and relatives, publication in financial magazines, etc., company’s website, advertisements* and lastly the *annual report* of the company.

Table 9: showing the Comparative View of Friedman Test for the respondents of GU and TU

Sl. NO.	FACTORS	FRIEDMAN TEST	
		Gauhati University	Tezpur University
1	Family	2	3
2	Friends & Relatives	3	4
3	Conversation/ Exchange of views with professional colleagues	1	1
4	Financial advisors/Broker/Agents and Analysts Recommendation	4	2
5	Advertisements	8	7
6	Annual Reports of the company	5	8
7	Company’s website	6	6
8	Publications in financial magazines, press releases, news papers, etc.	7	5

From the above table it is seen that both the respondents of GU and TU prefer to collect information before investing by *talking and exchanging views with their professional colleagues. Family* is given the second priority by GU whereas for the respondents of TU the second priority is given to *financial advisors* and the like.

VII. CONCLUSION

The saving depends largely on the income of the respondents but the investment depends on the need fulfilment of the respondents. More the urge for the money to suffice the needs and want of the daily life and more the desire for a luxurious life leads to a lesser amount of money left for investment. Moreover very few respondents are investing in high income yielding sources like

shares, bonds, mutual funds, etc. They gather information for investing majorly from their colleagues who are again in the same profession and hence they influence others as well to invest in safe and secured places where majorly the principal amount remains intact and also the need relating to tax benefits gets satisfied.

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