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A Study of Investment Avenues of Information Technology (IT) Professional Towards Selected Investment Routes with Respect to Delhi City

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Abstract:
In the present times, investment has become a major activity undertaken by individuals to generate wealth and increase their earnings. Investment decisions of IT professionals also pave the way for them to save income tax. In the present scenario, investor behavior is playing a more important role in investment decision making. Therefore, this paper focuses on a behavioral dimension. The investment avenues selected by IT professionals are equity investments, mutual funds, insurance, provident funds, fixed deposits, postal savings products, government bonds, real estate and gold.
This paper examines the path they chose through primary data. And for this with a questionnaire based on random sampling technique, where 90 questionnaires were randomly sent over email. Of those, 84 responses were received and analyzed.
This paper also throws light on previous research papers for which secondary data was collected through doctoral theses, articles and websites. Ultimately, the results showed that less than 10% of savings are invested by professionals.
A large number of professionals are investing monthly, half-yearly and annually. SIPs (Systematic Investment Plans) of mutual funds, term insurance, fixed deposits, provident funds, residential property and jewelery are the types of investments that have been chosen in greater number among the investment avenues chosen for the study. Finally, chi-square results presented that "there is a significant relationship between the annual income of IT professionals and the type of investment avenue chosen".
Key words: Investment Avenues, IT Professionals, Investment Avenues, Delhi City.

1. Introduction

At present short-term investment is the major source that creates employment and acts as one of the determinants of increasing productivity. Increase in investment contributes to the country's gross domestic product (GDP). Investments are key indicators and show a vital part in the economic growth of any nation which ultimately generates additional income which leads to wealth creation. And additional money is received in the form of savings.

Investing is the allocation of resources i.e. money to generate income in the future with

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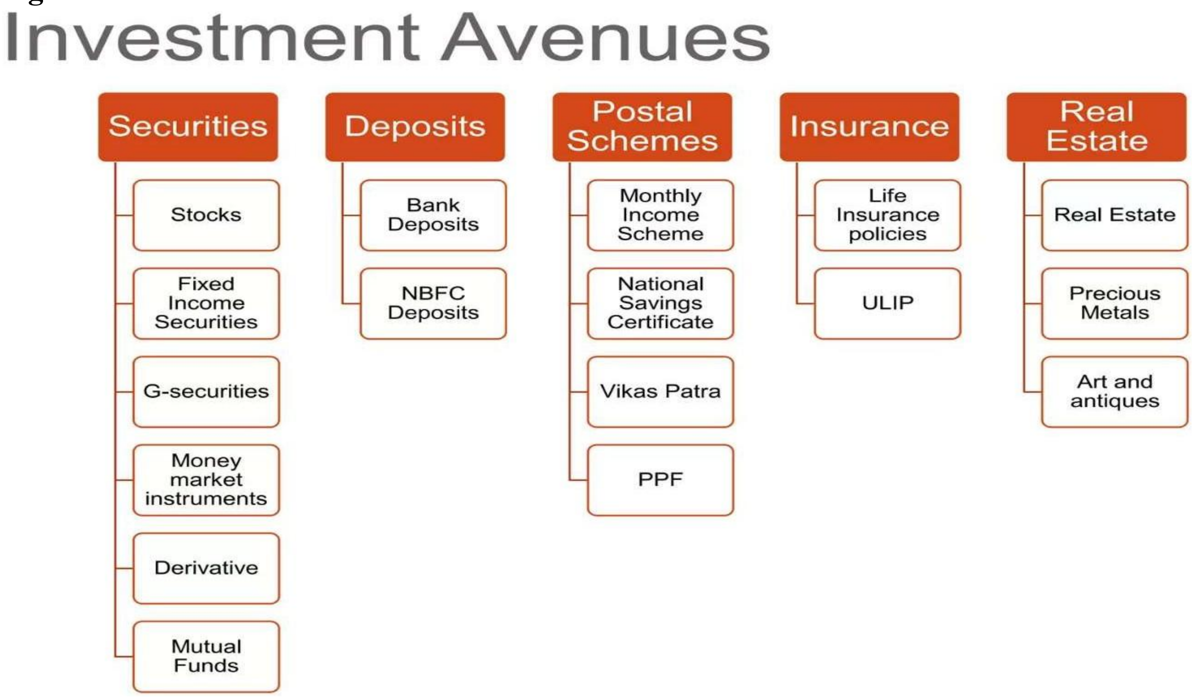
the intention of building health and wealth. It is an activity that involves all categories of people, unrelatedly of their status, occupation, education and family background.

Fig.-1



Source- https://www.slideshare.net/namratawagle/investment-avenues-180595603

The main objective of investment is the commitment of present sacrifice of money to achieve future gains over a specific period. Wealth is sacrificed through acquiring various assets such as physical assets and financial assets through the purchase of bonds, stocks, etc. Saving implies that a person keeps his money away from current consumption to get future appreciation after meeting his personal obligations and all expenses.

At present, IT professionals look for other sources of income because they are not able to give extra time to any business. The ways where a person can invest his savings are called investment avenues or investment options. money market instruments, Equity investments, mutual funds, bonds or debentures, life insurance and general insurance, precious commodities, real estate, derivatives, non-marketable securities etc. are the various investment avenues available for investment.

2. Review of Literature

1. Priyanka Zanwar and Dr. C. M. Shinde (2015) in their paper "A study of investment Avenues based on demographic characteristics" was examined the impact of demographic characteristics on investor's risk tolerance level in relation to investment selection through parametric or non-parametric tests. In conclusion, the paper found that there are significant differences in investment pathways across demographic characteristics i.e. age, income and educational attainment.

2. **Abhinandan, Aiman Al-Asbahi, Ibrahim Al-Gamal (2019)** The article "Analyzing Investment Avenues of Different Class of People: A Review" emphasizes on the investment path of 3 classes of people i.e. working women, salaried professionals and teachers. The study concluded that the investment behavior of 3 categories of people differs from each other with respect to awareness, risk perception etc. Bank deposits are preferred by all 3 categories.

3. **Yogesh B. Dhoke and Akshay Bhisikar (2020)** paper "An analysis on investment and savings avenues of salaried professionals in the context of Nagpur city" studied the types of investment avenues chosen and also examined the factors required for making investment decisions. A convenience sampling technique with 100-sample size is used for data collection. Finally, the paper concludes that mutual funds and bank deposits are preferred by investors and future security and well-being are considered important factors for investment.

3. Objective

To study the socio-economic background of IT professionals and the path of investment made by them in relation to Delhi city.

4. Hypothesis

H0: "There is no significant relationship between the annual income of IT professionals and the investment avenues chosen".

H1: "There is a significant relationship between the annual income of IT professionals and the investment avenues chosen".

The present study "A Study of Investment Avenues of IT Professional Towards Selected Investment Routes with Respect to Delhi City" is limited to IT professionals only. Investment avenues refer to only nine selected investment avenues i.e. equity investments, mutual funds, insurance, provident funds (PF), fixed deposits, postal savings products, government bonds, gold and real estate. The results of which have been obtained.

Research Method

In this research paper, the target population has been taken as IT professionals who are investing in various investment routes for the selected investment routes with respect to Delhi city. Since the population of information technology professionals is very large, in the study 90 samples were taken randomly through random sampling technique and responses were collected through questionnaires. A total of 90 questionnaires were sent to IT professionals and 84 responses received were used for the study.

Both secondary and primary data were considered in the study. Primary data was composed concluded organized questionnaires and secondary data was composed from various external sources such as doctoral theses, articles, online sources and journals. The collected data has been tabulated and percentages have been calculated. Chi-square is applied to test the significant relationship between the socio-economic background of IT professionals and the type of investment avenue they choose.

5. Analysis of Data and Interpretation

Table 1

IT Professionals Socio-Economic Profile

Gender	**Frequency**	**Percentage**
Female	21	25%
Male	63	75%
Total	**84**	**100%**
Age	**Frequency**	**Percentage**
21 to 30 years	50	59%
31 to 40 years	16	19%
41 to 50 years	18	22%
Above 50 years	0	0
Total	**84**	**100%**
Marital Status	**Frequency**	**Percentage**
Single	50	59%
Married	34	41%
Total	**84**	**100%**
Educational Qualifications	**Frequency**	**Percentage**
Graduate	50	59%
Post Graduate	34	41%
Doctorate	0	0
Total	84	100%
Annual Income	**Frequency**	**Percentage**
Up to Rs.3 Lakhs	5	6%
3 - 5 Lakhs Rs.	34	41%
5 - 7 Lakhs Rs.	5	6%
7 Lakhs Rs. & above	39	47%
Total	**84**	**100%**

Source- Primary Data Analysis

Estimate:

From the above table, it is clear that among the IT professionals for the selected investment routes in respect of Delhi city, 63 (75%) are males and 21 (25%) are females. The above data shows that 50 (59%) professionals are in the age group of 21 to 30 years, 16 (19%) professionals are in the age group of 31 to 40 years and the remaining 18 (22%) are in the age group of 41 to 50 years. Are of class. The above information shows that 50 (59%) professionals are single and 34 (41%) of them are married. The above table shows that 50 (59%) professionals are graduates and 34 (41%) of them are postgraduates. The above data shows that 5(6%) of the respondents have annual income less than Rs. 3 lakhs, 34(41%) have annual income between Rs. 3 to 5 lakhs, 5(6%) have annual income between Rs. 5 and 7 lakhs and an annual income of 39 per cent. (47%) professionals have more than Rs. 7 lakhs.

Table 2

Investment Avenues of IT Professionals

Income Spent Percentage on Investment	**Frequency**	**Percentage**
Less than or equal to 10%	34	41%
11 to 20%	16	19%
21 to 30%	24	28%
31 to 40%	8	9%
More than 40%	3	3%
Total	84	100%
Type of Investment Avenue opted	**Frequency**	**Percentage**
Equity Investments	42	50%
Mutual Funds	32	38%
Insurance	34	41%
Provident fund	55	66%
Term Deposits	13	16%
Postal Savings Products	11	13%
Government Bonds	3	3%
Real Estate	21	25%
Gold	32	38%

Source- Primary Data Analysis Estimate:

The data for IT professionals for selected investment routes with respect to Delhi city says that 34 (41%) professionals invest up to 10% of their income, 16(19%) invest between 11 to 20% of their income. Of these, 24(28%) respondents invest between 21 to 30% of their income. 8(9%) respondents invest between 31 to 40% of their income and only 3(3%) of them invest above 40%. The above data shows that IT professionals have invested in a variety of ways for the investment routes selected with respect to Delhi city. Among the nine methods given, provident fund is highly preferred and government bond is least preferred.

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Table 3
Frequency of investments in a year

Type of Investment Avenue opted	Monthly	Quarterly	Semi-Annually	Annually	Total
Equity Investments	55	16	5	8	84
Mutual Funds	66	8	8	3	84
Insurance	8	8	13	55	84
Provident fund	68	3	11	3	84
Term Deposits	8	11	11	55	84
Postal Savings Products	3	8	68	5	84
Government Bonds	0	8	76	0	84
Real Estate	3	8	66	8	84
Gold	11	11	8	55	84

Source- Primary Data Analysis Estimate:

The above data shows that the largest number of IT professionals are making monthly investments in respect of equity investments, mutual funds and provident funds for the selected investment routes in respect of Delhi city. The frequency of investment of most professionals in insurance, fixed deposits and gold is on an annual basis. It is also observed that the investment frequency of most professionals is semi-annually in postal savings products, government bonds and real estate.

6. Hypothesis Testing

H0: "There is no significant relationship between the annual income of IT professionals and the investment avenues chosen".

H1: "There is a significant relationship between the annual income of IT professionals and the investment avenues chosen".

Table 4
Type of Investment Avenue opted * Annual Income Crosstabulation

			Annual Income				Total
			Up to Rs.3 Lakhs	3 - 5 Lakhs Rs.	5 - 7 Lakhs Rs.	7 Lakhs Rs. & above	
Type of Investmen	Equity Investments	Count	1	21	17	3	42
		Expected	8.3	20.7	10.7	2.2	42.0

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t		Count					
Avenue		% of Total	0.4%	8.6%	7.0%	1.2%	17.3%
opted	Mutual Funds	Count	0	18	12	2	32
		Expected Count	6.3	15.8	8.2	1.7	32.0
		% of Total	0.0%	7.4%	4.9%	0.8%	13.2%
	Insurance	Count	8	18	7	1	34
		Expected Count	6.7	16.8	8.7	1.8	34.0
		% of Total	3.3%	7.4%	2.9%	0.4%	14.0%
	Provident fund	Count	18	22	11	4	55
		Expected Count	10.9	27.2	14.0	2.9	55.0
		% of Total	7.4%	9.1%	4.5%	1.6%	22.6%
	Term Deposits	Count	2	7	4	0	13
		Expected Count	2.6	6.4	3.3	.7	13.0
		% of Total	0.8%	2.9%	1.6%	0.0%	5.3%
	Postal Savings Products	Count	6	4	1	0	11
		Expected Count	2.2	5.4	2.8	.6	11.0
		% of Total	2.5%	1.6%	0.4%	0.0%	4.5%
	Government Bonds	Count	1	1	1	0	3
		Expected Count	.6	1.5	.8	.2	3.0
		% of Total	0.4%	0.4%	0.4%	0.0%	1.2%
	Real Estate	Count	9	7	4	1	21
		Expected Count	4.1	10.4	5.4	1.1	21.0
		% of Total	3.7%	2.9%	1.6%	0.4%	8.6%
	Gold	Count	3	22	5	2	32
		Expected Count	6.3	15.8	8.2	1.7	32.0

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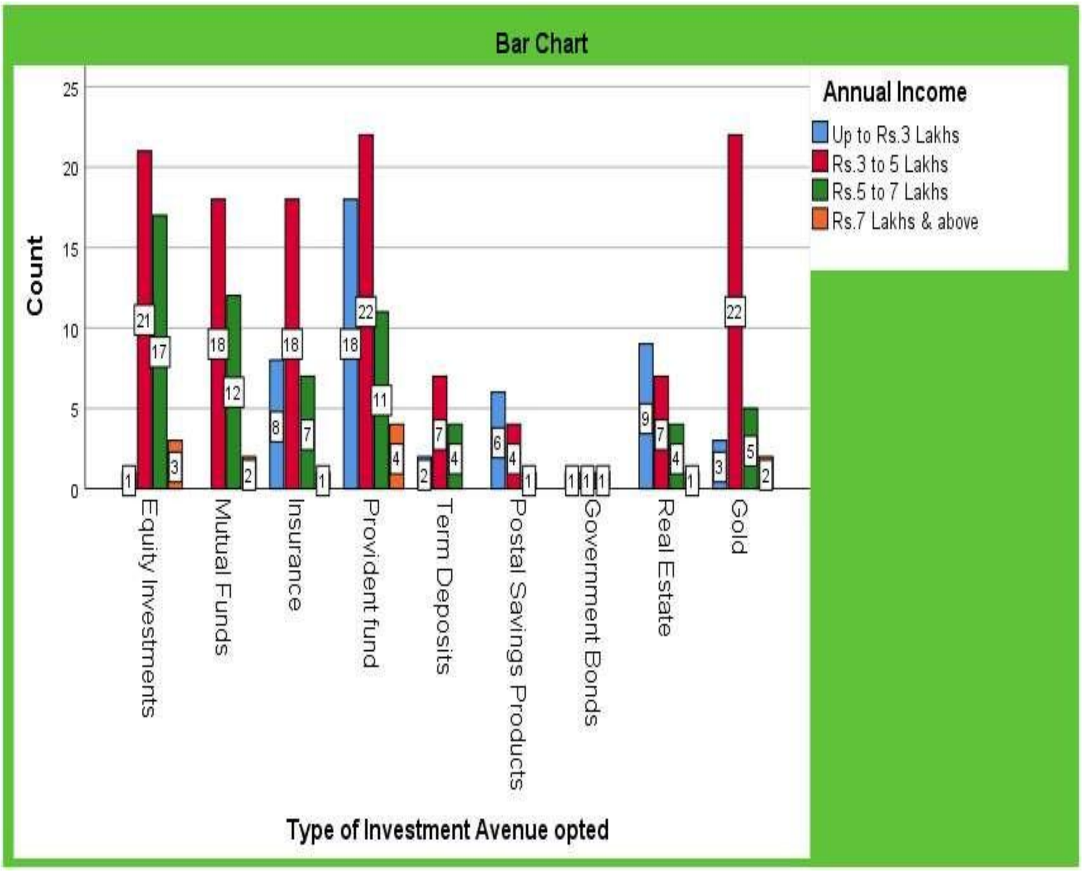
		% of Total	1.2%	9.1%	2.1%	0.8%	13.2%
Total		Count	48	120	62	13	243
		Expected Count	48.0	120.0	62.0	13.0	243.0
		% of Total	19.8%	49.4%	25.5%	5.3%	100.0 %

Source- Primary Data Analysis



It is clear from the above table that IT professionals have invested more in equity investment and provident fund. At the same time, it can also be seen that those whose income is between Rs 3 to 5 lakh have shown more interest in equity investment and investment in provident fund.

Table-5

"Chi-Square Tests"

	Value	df	ptotic Significance (2-sided)
Pearson Chi-Square	49.694a	24	.002
N of Valid Cases	243		

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a. 17 cells (47.2%) have expected count less than 5. The minimum expected count is .16.

Explanation: From the above table we can say that since p value is less than 0.01. Therefore, "there is no significant relationship between the annual income of IT professionals and the investment path chosen". This null hypothesis is rejected. and was found that "there is a significant relationship between annual income of IT professionals and the type of investment avenues opted for".

7. Findings

In this Study The majority of the professionals are male. Most of the professionals fall in the age group of 21 to 30 years. It was found that the majority of the professional's marital status is single. Observed that the highest percentages of the professionals are graduates. The highest percentages of the professional's annual income are above Rs. 7 Lakhs. Most of the professionals spend 10% of their income on investments. It is observed that among the nine investment avenues, the majority of the professionals prefer provident fund, equity investments, insurance, mutual funds & gold, followed by real estate, term deposits, postal savings products and Government bonds. It is noticed that with respect to Equity investments, Mutual funds, and Provident fund greatest number of the professionals are investing monthly, majority of the professional's frequency of investment is on annual basis towards Insurance, Term deposits, Gold and Postal savings products, Government bonds & Real estate most of the professional's frequency of investment is Semi-annual.

In equity investments, most of the professionals invest in shares. In mutual funds, the majority of them invest in SIPs. Greater percentages are investing in term insurance. Most of the professionals are investing in fixed deposits. Greater numbers of professionals are investing in Public Provident Fund. Most of them are investing in treasury bills. The majority of them are investing in residential property. With regard to the gold investments, most of them are investing in jewellery. Greater numbers of professionals are reviewing their investments on monthly basis.

8. Suggestion

- To fulfill life dreams, every earning professional should plan his/her current savings for better money prospects.
- Government should start more awareness programs so that everyone in the society should be aware of all the avenues available in the market and the factors like safety, affordability, returns, risks etc.
- Suggestions from financial experts should be taken from time to time to get more information about the various investment options available in the market.

9. Conclusion

The paper concludes that out of 84 respondents examined for investment path of IT professionals towards selected investment paths in relation to Delhi city, IT professionals prefer equity investments, insurance, mutual funds, provident funds and gold as means of investment.

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These are given more priority, followed by real estate, fixed deposits, postal savings products. And last but not least, government bond investment options are the least preferred investment option.

The investment frequency of most professionals is monthly, half-yearly and annually. Finally, out of the nine investment avenues, a large percentage of professionals invest in shares, SIP, term insurance, fixed deposits, provident funds, treasury bills, residential property and jewelery and they review the investments on a monthly basis. Finally, the Chi Square results concluded that there is a significant relationship between the income of IT professionals and the type of investment routes chosen.

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