

Most Preferred Investment Avenues: An Empirical Study of Rajkot City

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Abstract: This study is about the various investment avenues. This study primarily employed the weighted average method, based on respondents' preferences. There are three types of preference, i.e. most preferred, moderately preferred, and least preferred. This study utilises primary-based data, specifically 100 questionnaire forms. The study analyses the ranking among investment avenues and the wise distribution of respondents using the weighted average method. This study shows the behaviour of investors among selected investment avenues. This study focused on understanding the behaviour of households as investors in various financial instruments, which are traded in markets regulated by SEBI and other instruments. As investors, the households evaluate multiple options, including those traded in formal markets under regulation. To this end, the study has examined various financial savings instruments. The study is based on a random sampling of 100 household respondents in Rajkot city. It is estimated that there are 24.5 million investors in India. The study highlights the relatively low participation rates of households in the securities market, despite growth in the investor population over the past decade. In this study there is deeper analysis of the economic well-being of the Indian population flowing through socio-economic and demographic indicators at the level of the household (e.g. rural-urban, sector of employment, primary source of income, state of residence, social group), and chief earners (their occupation, education, and age, etc.). These have a significant bearing on earning, spending, and saving.

Keywords: Investment Behaviour, Investment Preferences, and Investment Avenues.

Abbreviation:

SEBI: Securities and Exchange Board of India.

I. INTRODUCTION

Indian households save for various reasons. Most households prefer to have an easily accessible corpus for emergencies, weddings, social occasions, children's education, and gifts. Although India has no social security scheme, saving for old age remains a low priority for its households. The demographics of India are inclusive of being the second most populous country in the world, with over 1.21 billion people (2011 census), accounting for more than a sixth of the world's population. Already containing 17.5% of the world's population, India is projected to be the world's most populous country by 2025, surpassing China, with its population reaching.

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1.6 billion by 2050. Its population growth rate is 1.41%, ranking it 102nd in the world as of 2010. The Indian population reached the billion mark in 2000 [1].

II. REVIEW OF LITERATURE

- Dr. Sushil Kumar Mehta & Neha Aggarwal (2011) "The Effect of Demographics on Investment Choice: An Empirical Study of Investors in Jammu" [2].
- Gordon J. Alexander, Leffery U. Bailey (2003) wrote a book, "Fundamentals of Investments" [3].
- "Investment Management" (2008) by Dr. Preeti [4].
- "Security Analysis and Portfolio Management" (2009) written by S. Kevin [5].

III. OBJECTIVES OF THE STUDY

- To analyse the Demographic & Social Economic profile of the respondents.
- To analyse the respondents' level of knowledge regarding various investment avenues.
- To study the present investment practices of respondents in Ahmedabad city.
- To study the critical Sources of information that the respondents use to make their investment decisions.
- To analyze the awareness and practices of investment.
- To analyze the investment behaviours of the respondents.
- And to analyze the investor's Portfolio Management.
- To analyze the objective of the investment of the respondents.
- To analyse the relationship between demographic factors and the investment choices of investors and savers among respondents.

IV. DATA ANALYSIS

A. Preferences Among Investment Avenues: Wise Distribution of Respondents

Table-I: Preferences Among Investment Avenues Wise Distribution of Respondents

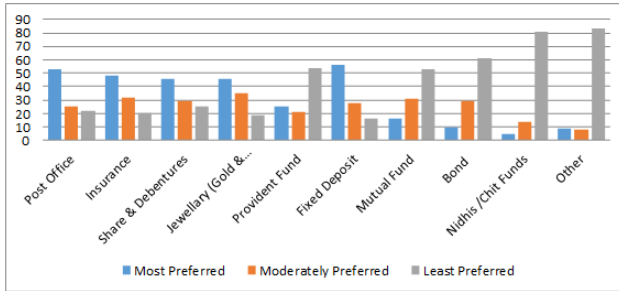
Investment Avenues	Most Preferred	Moderately Preferred	Least Preferred	Total Respondents
Post Office	53	25	22	100
Insurance	48	32	20	100
Share & Debentures	46	29	25	100
Jewellery (Gold & Silver)	46	35	19	100
Provident Fund	25	21	54	100
Fixed Deposit	56	28	16	100
Mutual Fund	16	31	53	100
Bond	10	29	61	100
Nidhis /Chit Funds	5	14	81	100
Other	9	8	83	100
Total	314	252	434	1000

Source: Primary Data From Survey



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Source: Primary Data from Survey

[Fig.1: Preferences Among Investment Avenues Wise Distribution of Respondents]

V. INTERPRETATION

The table and figure above indicate Preferences among various Investment Avenues, with a wise distribution of respondents. Of the 100 respondents, 53% prefer it mostly, 25% prefer it moderately, and 22% prefer it least in the post office investment avenue. Because post office investments are very safe, people generally don't take risks when investing. However, 48% of respondents prefer most, 32% prefer moderately, and 22% prefer least in the insurance as an investment avenue. 46% of respondents prefer most, 29% prefer moderately, and 25% prefer least in the share and debentures as an investment avenue. 46% of respondents prefer most, 35% prefer moderately, and 19% prefer least in the gold and silver(jewellery) as an investment avenue. 25% of respondents prefer most, 21% prefer moderately, and 54% prefer least in the Provident fund as an investment avenue. 56% of respondents prefer most, 28% prefer moderately, and 16% prefer least in the fixed deposit as an investment avenue. Sixteen per cent of respondents prefer it most, 31% prefer it

moderately, and 53% prefer it least as an investment avenue. 10% of respondents prefer most, 29% prefer moderately, and 61% prefer least in the Bond as an investment avenue. 5% of respondents prefer most, 14% prefer moderately, and 81% prefer least in the Nidhis/Chit fund as an investment avenue. 9% of respondents prefer most, 8% prefer moderately, and 83% prefer least in the other investment avenues.

Thus, Post office, insurance, share and debenture, jewellery and fixed deposit are preferred mostly for investment because these avenues have less risky and safe for investment so majority of the people who does not have more investment knowledge, they like these investment avenues while remaining investment avenues like PF, mutual fund, bond, nidhis/chit fund, and other investment avenues are least preferred because here the risk is very high. Most people in Rajkot prefer to invest in risk-free avenues, as they are wary of taking on high-risk investments.

A. Ranking Among Investment Avenues Wise Distribution of Respondents

i. Weighted Average Method

Rank is assigned to investment avenues from 1 to 10, with Rank 1 being the most preferred and Rank 10 being the least preferred. In the weighted average method, the weight is given in the following way:

Rank	1	2	3	4	5	6	7	8	9	10
Weight (W)	10	9	8	7	6	5	4	3	2	1

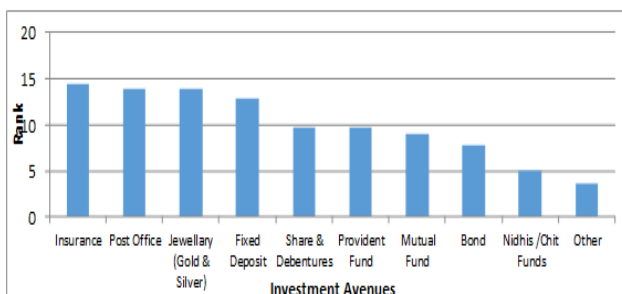
Source: Primary Data from Survey

Thus, the following calculates the total weighted average rank among investment avenues. The rank is given in order of priority, with the highest weighted average given the first rank, and so on.

Table-II: Ranking Among Investment Avenues Wise Distribution of Respondents

Investment Avenues	1 st Rank 10	2 nd Rank 9	3 rd Rank 8	4 th Rank 7	5 th Rank 6	6 th Rank 5	7 th Rank 4	8 th Rank 3	9 th Rank 2	10 th Rank 1	Total	WA= ($\sum X / \sum W$)	Rank
Insurance	25	12	26	14	12	8	1	0	2	0	100	14.43	1
Post Office	20	31	13	11	8	3	8	2	3	1	100	13.96	2
Jewellery (Gold & Silver)	24	18	13	17	14	4	4	4	2	0	100	13.84	3
Fixed Deposit	14	16	16	19	11	11	7	5	1	4	100	12.93	4
Share & Debentures												9.8	5
Provident Fund	1	6	15	11	13	18	16	9	5	1	100	9.78	6
Mutual Fund	0	7	4	3	21	19	16	36	9	1	100	8.98	7
Bond	2	2	2	10	3	19	16	36	9	1	100	7.78	8
Nidhis /Chit Funds	1	0	1	0	5	5	11	14	52	11	100	4.98	9
Other	5	3	0	3	0	1	0	0	12	76	100	3.69	10

Source: Primary Data from Survey



Source: Primary Data from Survey

[Fig.2: Ranking Among Investment Avenues Wise Distribution of Respondents with the Help of Weighted Average Method]

B. Interpretation

The above table and figure indicate the Rank Among Investment Avenues, Wise Distribution of Respondents, with the help of the weighted average method. The respondent gave the insurance the highest rank, indicating that these investment avenues are safer and offer a secure return. However, it is also very popular among investors, and through this type of investment, people want to secure their future.

The respondent ranked the post office second, which is also very safe and offers investment opportunities. Thus, people believe that this investment. Avenues give a reasonable return



compared to other investment avenues.

The respondent ranked gold and silver (jewellery) third, which is also considered safe, secure, and a very popular investment. This suggests that the inclination to invest in gold and other precious metals remains consistent compared to other established avenues. The respondent ranked fixed deposits fourth, which investors prefer most.

However, the respondents gave shares and debentures a fifth rank because they believe these investment avenues are riskier. Some respondents are unaware of these avenues and do not know how to invest in them.

The respondents gave the sixth, seventh, and eighth ranks to provident funds, mutual funds, and bonds. These investment avenues are less preferred than previous avenues because the respondents are less aware of them and have less information about them.

VI. RESULT AND DISCUSSION

The respondents assigned the ninth and tenth ranks to Nidhis/Chit funds and other investment avenues, respectively, because people considered these avenues to be of the least importance. However, some respondents are also investing in chit funds or night funds, which suggests that the unorganised sector in the financial market still plays a significant role.

DECLARATION STATEMENT

I must verify the accuracy of the following information as the article's author.

- **Conflicts of Interest/ Competing Interests:** Based on my understanding, this article has no conflicts of interest.
- **Funding Support:** No organisation or agency has sponsored or funded this article. The independence of this research, as it has been conducted without any external sway, is crucial in affirming its impartiality.
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- **Data Access Statement and Material Availability:** The adequate resources of this article are publicly accessible.
- **Author's Contributions:** This article's authorship is solely contributed by the author.

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AUTHOR'S PROFILE



Ms. Bharadia Mital completed their Master of Commerce (Banking and Finance) in 2014 and cleared the UGC NET exam in 2015. She has been an assistant professor at Vivekananda College of Commerce in Ahmedabad since January 2016. She attends many conferences and presents a research paper at the meetings. Most of her research work is related to the finance sector, especially in personal finance and investment behaviour among investors. She has also delivered various lectures on commerce subjects, including financial accounting, Accountancy, Human resource management, the Indian financial system, Production management, Marketing management, statistics, and others. She has also delivered lectures at the graduation and post-graduation levels in the commerce college. She not only helps and teaches commerce students but also teaches and assists law students in subjects such as income tax law, business law, commercial law, mercantile law, capital and securities market law, company law, industrial law, labour law, general law, and economic and commercial law, among others.

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