

RESEARCH PROJECT ON
AN ANALYSIS OF FACTORS IMPACTING INVESTMENT DECISIONS OF THE
INVESTORS IN GHAZIABAD

FOR THE PARTIAL FULFILMENT OF THE REQUIREMENT
FOR THE AWARD OF
MASTER OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF:
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SCHOOL OF FINANCE AND COMMERCE
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All praise to the almighty with whose auspicious blessings I have been able to accomplish my research project report successfully. Equal credit goes to my parents and teachers who made me what I am today by their hard labor, devotion, support & prayer.

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I am grateful to my guide **PROFESSOR JYOTI DUA** for his efforts during my project work. My sincere thanks to all other who were associated with the project directly or indirectly for providing me the excellent guidance during the project.

DECLARATION

I, **HEMANT SHARMA** Roll No.**18GSFC2020013** student of School of finance and commerce, Galgotias University, Greater Noida, hereby declare that the project report on “**AN ANALYSIS OF FACTORS IMPACTING INVESTMENT DECISIONS OF THE INVESTOR S IN GHAZIABAD**” is an original and authenticated work done by me.

I further declare that it has not been submitted elsewhere by any other person in any of the institutes for the award of any degree or diploma.

Name:.

Signature of the Student:

HEMANT SHARMA

CERTIFICATE

This is to certify that the project report "**AN ANALYSIS OF FACTORS IMPACTING INVESTMENT DECISIONS OF THE INVESTOR S IN GHAZIABAD**" has been prepared by HEMANT SHARMA under my supervision and guidance. The project report is submitted towards the partial fulfillment of MASTER OF BUSINESS ADMINISTRATION.

Name.

& Signature of Faculty:

PROF. JYOTI DUA

INDEX

S.NO	PARTICULARS	PAGE NO.
1	ABSTRACT	
2	INTRODUCTION	
3	LITERATURE REVIEW	
4	RESEARCH METHODOLOGY	
5	QUESTIONNAIRES	
6	ANALYSIS AND INTERPRETATION	
7	OVERALL FINDINGS	
8	RECOMMENDATIONS	
9	CONCLUSION	
10	BIBLIOGRAPHY	

1. ABSTRACT

For the occasion of any nation capital markets plays a basic and noteworthy job. The created capital markets give different advantages like high monetary procedure , high work, infrastructural advancement and created money related areas. Created markets benefits a provincial as well as offers abundant chances to retail financial specialists for riches age and expansion. The vast majority of the reserve funds in India are in physical resources like gold, land yet now the tendency is expanding towards value and it's developed considerably. Retail investors' who are putting resources into little stocks to make a quick increase, are changing their methodology and now setting their cash in quality stocks. It is continually intriguing to know the most widely recognized roads in which individuals like to contribute. In Ghaziabad additionally, we attempted to search out which is that the most smoking method of investment. The objective is to search out which age gatherings of financial specialists are effectively taking an interest inside the stock trade , people's observation and inclination towards value advertise in Ghaziabad. The financial specialists additionally vary in hazard taking capacity. The goal is to discover in Ghaziabad financial specialists are having forceful methodology or preservationist approach. So as to get more significant yields individuals, want to put resources into the value advertise. Despite the fact that they're daring people yet their significant venture isn't in Value. Watchwords: Value, Forceful methodology, Traditionalist Approach, Risk.

2. INTRODUCTION

For the occasion of any nation capital markets plays a basic and noteworthy job. The created capital markets give different advantages like high monetary procedure , high business, infrastructural improvement and created budgetary divisions. Created markets benefits a rural as well as offers abundant chances to retail speculators for riches age and augmentation.

The complete market top of all the Indian organizations is practically 65%of the Gross domestic product today when contrasted with the US at about 90% as reflected during an investigation titled Extending of capital markets by the Boston Counseling Gathering and Confederation of Indian Industry in December 2012.

In India the family investment funds rate is expanding and right around one-portion of the reserve funds are in physical resources like gold, land and thusly the rest one-half is in budgetary resources. The estimation of private value interests in the nation developed in excess of multiple times in under 10 years. The exhibition of Market has enrolled a major upward pattern lately. Retail financial specialists who are putting resources into little stocks to frame a quick addition, are changing their methodology and now they put her cash in qualitystocks.

The NSE has determined that it's seen retail financial specialist investment increment significantly over the most recent one year, with Maharashtra recording the most noteworthy pace of increment.

On the NSE stage, Maharashtra had the most number of individuals exchanging the most recent one year (up 38 percent) while Gujarat saw the most elevated bounce in esteem terms, by more than 50 percent.

Maharashtra, Goa and Gujarat together saw 32 percent spray in the quantity of individuals effectively exchanging the most recent one year. India has around 2.5 crore enlisted customers across trades, as per the NSE explanation.

It is continually intriguing to know the most well-known roads in which individuals like to contribute. In Ghaziabad additionally, we attempted to discover which is the most famous method of speculation.

The goal is to search out which age gatherings of speculators are effectively partaking inside the financial exchange, people's recognition and inclination towards value advertise in Ghaziabad.

The speculators additionally contrast in hazard taking capacity. The goal is to discover in Ghaziabad speculators are having forceful methodology or moderate methodology. A Forceful financial specialist esteems boosting returns and is happy to just acknowledge significant hazard. A speculator accepts amplify long haul returns is a higher priority than ensuring head. A Forceful financial specialists are those speculators which are make a venture where, there is probability of exceptional yields.

A second type if investors are conservative investors. That are not investing their investment in high risky securities. They also believe in protecting their principal. These investors are approaching that securities which gives lower returns they comfortably adopt that.

A Value speaks to proprietorship in the firm and comprises of held benefits and offers gave either secretly or through a securities exchange.

A equity is shows the ownership of a firm and it consists a two more things that isretained earnings
Share issued privately or through a stock market.In a balance sheet a equity share capital represents
the funds contribute by the owner or we say that stakeholders of a firm plus retained earnings or
deducting the accumulated losses bear by the firm.

3. LITERATURE REVIEW

Venture Roads In India

For every nation a saving plays an important role in an economy. A savings refers to that amount which is remaining after payment of all expenses or consumers spending a given period of time. A saving amount is used by the people for investment to earn a more income. A cash is treated as a driving force for growth of any country. In India there are various alternative investment avenues available.

Different options for investment like-

- **Equity shares.**
- **Debentures or Bonds.**
- **Money market instruments.**
- **Mutual funds.**
- **Life insurance and General insurance.**
- **Real estate.**
- **Precious objective.**
- **Derivatives.**
- **Non-marketable securities.**
- **Public Provident Funds (PPF).**
- **National Pension System (NPS).**
- **Senior Citizens' Saving Scheme (SCSS).**

An Indian government also provides a tax deduction when the investors make an investment in like PPF, LIC, NSC, etc. upto 1,50,000 under the section 80C of income tax act, 1961.

Speculation Choices In India

A. Non attractive resources: These are such budgetary resources which gives decently exceptional yield yet can not be exchanged market.

- **Bank Stores**
- **Mail station Plans**
- **Organization FDs.**
- **PPF**

B. Equity shares: A equity shares represents the ownership of a company. That shares receive a dividend against her capital that they invested. A dividend is given after the payment of all liabilities. A amount of dividend is not fixed that can be fluctuate according to the profit amount. They have also give a vote inboard meting. These share cannot convertible. Equity shares are classified as follows-

- **Blue chipshares**
- **Growthshares**
- **Incomeshares**
- **Cyclic offers**
- **Speculativeshares**

C. Debentures or Bonds- Debentures or Bonds are the long term capital market instruments. In this a investors received a fixed rate of interest. That are less risky as compare than equity shares. Generally a time period of that investment is more than one year. Their are different alternatives available under the debentures and Bonds that are-

- **Government Protection securities.**
- **Saving Bonds.**
- **Public sector unit Bonds.**
- **Preference shares.**
- **Debentures of private companies.**

D. Currency showcase securities : It is another type of investment platform which is growing very fast . It is managed by the professionals portfolio managers. In a mutual funds a so many numbers of investors pool their investment together diversified their securities. These mutual funds are managed by AMC(Assets Management company). They have a transparency that they quarterly disclosure of holdings. A government also gives a tax reduction for making a investment in mutual funds. It involves a different types of schemes like-

- **T.Bills**
- **Certificate of deposit**
- **Commercial paper**
- **Repurchase understanding**
- **Bankers acceptance**

E. Life insurance and General insurance - These are also treated as a good investment portfolio. It

helps in protecting the life of insurer. A main objective of other investment is to earn a return but the main objective of that insurance to protect families for the unfortunate event of death. A life insurance is mostly taken by the individual and general insurance is taken by the corporate. That involves a different types of policy like-

- **Money back policy.**
- **Whole life policy.**
- **Endowment insurance policy.**
- **Term insurance policy.**
- **General insurance policy.**

F. Extra security: Presently a-days life coverage is likewise being considered as an investment avenue. Protection premiums speak to the penance and the guaranteed total the advantage. Under it various plans are:

- **Gift confirmation strategy**
- **Cash back strategy**
- **Entire life strategy**
- **Term confirmation strategy**

G. Real estate - In India a every investor individual or corporate wants to invest her investment in real estate because they always give profit. Real estate investment options are-

- **Farm house**
- **Agricultural land**
- **Semi-urban land**
- **Commercial property.**

H. Precious objects- A precious objects are involved like a gold, silver and other precious stones like a diamond. A so many investors are also invest her savings in paintings, ancient coins.

I. Derivatives - A derivatives is a financial instrument whose value is derived from the value of another assets, which we called as underlying. A derivatives means making a indirectly investment in assets. A derivatives market is growing very fast in our nation. A main objective of derivatives is that is helps in reducing the risks. It includes

- **Forward contract**
- **Future contract**
- **Options**
- **Swaps**

Research Methodology

4.1 Research Problem:

- The study investigates the kind of investment is preferred in Ghaziabad, the level of risk prefer by people who can undertake and their perception towards equity investment.

4.2 Objectives:

- A main objective of that project report is to find out the most preferred avenues for investment in Ghaziabad and the level of risk people can undertake in Ghaziabad.
- A another object of this report to find out the major factos that affect the investors behaviour while taking a decision regarding the investment.

4.3. Data Type:

- The research is based on primary data. A questionnaire was framed and got it filled by 50 respondents.

4.4. Data Collection Tool:

- A Structured questionnaire was designed to collect the response of individual towards investment and particularly in equity.

4.5. Sample Size:

- Fifty respondent were contacted who provided the details through the questionnaire.

4.6. Sampling Technique:

- Convenience.

5.QUESTIONNAIRES.

Q1 Name-

Q2 Gender

- (A) Male
- (B) Female

Q3 Age Group-

- (A) 20-30
- (B) 30-40
- (C) 40-50
- (D) 50 and above

Q4 What kind of investment preferred by you?

- (A) Equity
- (B) Equity Market
- (C) Gold
- (D) Debt market
- (E) Insurance
- (F) Real Estate
- (G) Fixed Deposit

Q5 What aspect behind making investment?

- (A) Profit Aspect
- (B) Regular Income
- (C) Risk Aspect
- (D) Dividend Aspect
- (E) Safety
- (F) Other

Q6 Occupation-

Q7 What amount of investment invested yearly?

- (A) Less than 50 thousand
- (B) Between 50 thousand to 1 lakh
- (C) More than 1 lakh

Q8 Motive of investment?

- (A) Short term capital gain
- (B) Long term capital gain
- (C) Dividend

Q9 Market preference?

- (A) Primary Market
- (B) Secondary Market

Q10 Type of sector preferred by you?

- (A) I.T.
- (B) Pharmacy
- (C) Banking
- (D) Petroleum
- (E) Real Estate
- (F) Other

Q11 How many years you trading?

- (A) Less than 1 year
- (B) Between 1 year to 3 year
- (C) More than 3 year

Q12 Loss incurred during past years?

- (A) Yes
- (B) No

Q13 Sources of investment information which you prefer most?

- (A) Newspaper
- (B) Magazine
- (C) Television
- (D) Internet

Q14 While investing in shares do you go through prospectus?

- (A) Always
- (B) Occasionally
- (C) Not at all

Q15 Do you go through the following before making investment in a company?

- (A) Annual report
- (B) Half-yearly report
- (C) Quarterly report

Q16 Are you a member of investment forum?

- (A) Yes
- (B) No

Q17 Specify form of dividend.

- (A) Cash dividend
- (B) Bonus share
- (C) Both A and B

Q18 Taking advice of stock brokers?

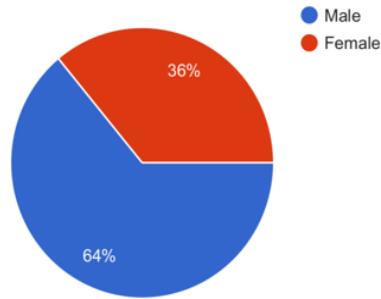
- (A) Yes
- (B) No

Q19 Specify the factor you consider while buying shares?

- (A) Debt equity position
- (B) Return on investment
- (C) Dividend Policy
- (D) Management
- (E) Risk Factor
- (f) Other

6. ANALYSIS AND INTERPRETATION

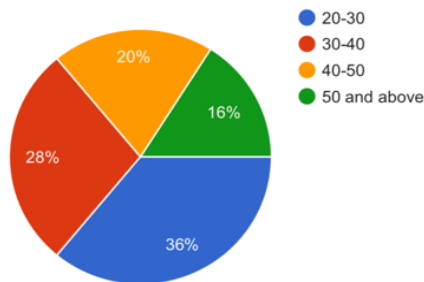
6.1. Gender



INTERPRETATION

- Out of the total respondents, 32% are male and 18% are female

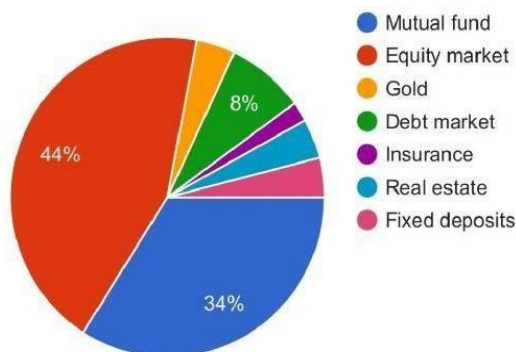
6.2. Age group



INTERPRETATION

- From the above chart 18 belonged to the youngest age group that is 20-30, were from 30 to 40 age category it can be interpreted that there are second large no. of individuals investing in the market that are 14. Which are between the age of 40 and 50 there is only 20% and after 50 there is a slight decline in the percentage of people investment that is 16%.

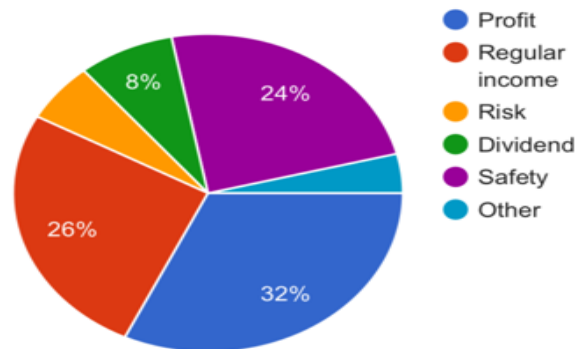
6.3. What kind of investment preferred by you?



INTERPRETATION

- The most preferred mode of investment in Ghaziabad is investment in market that is 44% in a equity market and 34% are investing in mutual funds . Though the real estate market prices are soaring high and the gold price are increasing day bay day, many banks have increased their fixed deposit rate but according to above chart a people prefer that market which gives more return, they doesn't fear about risk

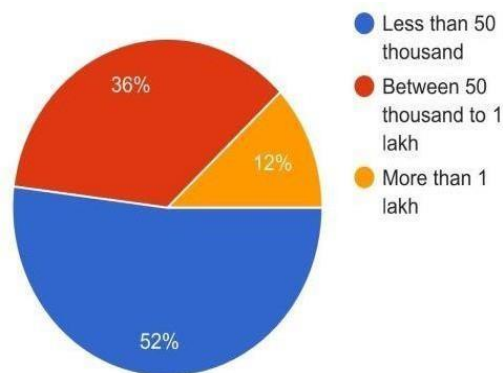
6.4. What aspect behind making investment?



INTERPRETATION

- According to above chart, a respondents are ready to take risk as their investment decisions are mainly focused to the profit aspect that is 32% and dividend aspect that is 8%. The respondents are interested in regular income and that is why they invest in different schemes of mutual funds and debt market. Mainly respondents are risk takers in Ghaziabad.

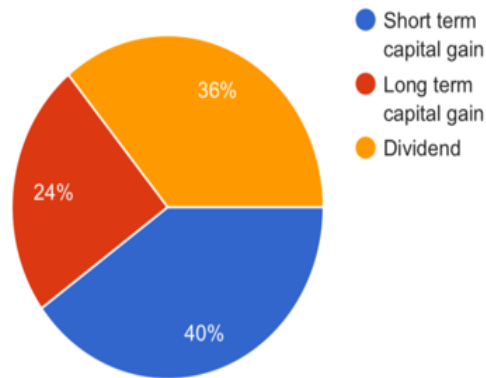
6.5. What amount of investment invested yearly?



INTERPRETATION

- From the data collected it can be interpreted that there is a large percentage of people who invest less than 50,000 that is 52% as compared to those who invest more than 1 lakhs that is 36% and between 0.5 to 1 lakh that is 12%. This Shows that folks with less income don't tend to take a position their money while the upper middle class and upper class who have high level of earning tend to invest more.

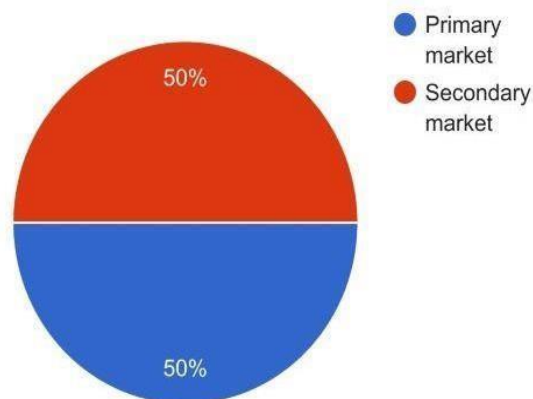
6.6. Motive of investment?



INTERPRETATION

- Out of the total respondents, 40% investors believe in short term capital gain, 36% believe for dividend receiving and remaining 24% believe in long term capital gain.

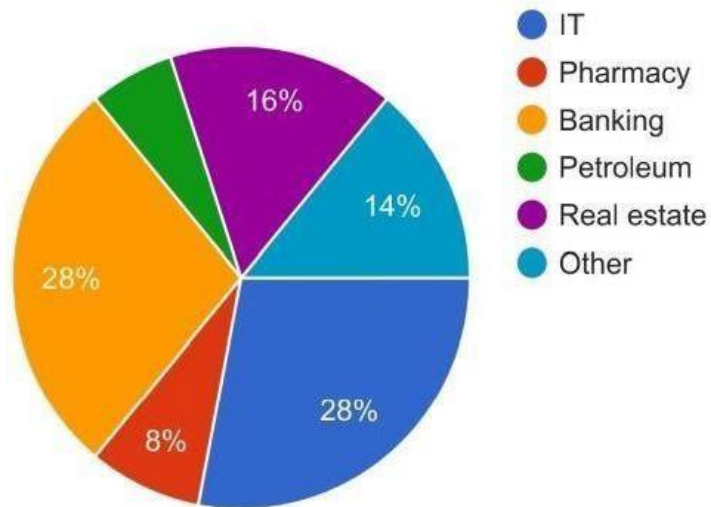
6.7. Market preference?



INTERPRETATION

- There are two types of market available for investing a money that is primary and secondary market . So out of 50 respondents they approach both market equally that is primary market is 50% and secondary market is also adapted 50% respondents.

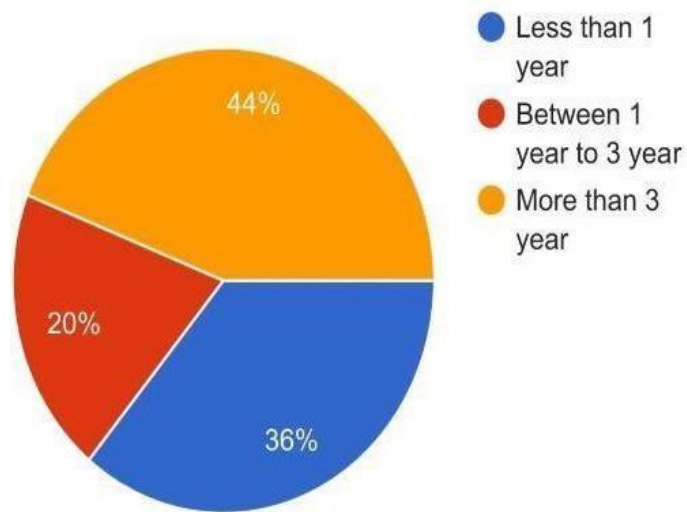
6.8. Type of sector you preferred?



INTERPRETATION

- It can be concluded from the following data that people tend to invest more in the banking sector 28%, the reason behind this may be because it is regulated by the RBI and the health of the economy is closely related to the soundness of its banking system. Hence it is less subject to the market risk and induces people to invest in it. While there is also a good proportion of people who do invest in the real estate sector that is 16% and the petroleum sector is also a 6% because there is high level of speculation in these sectors. Investors are risk takers and need to take a position in companies which are giving returns during a short period.

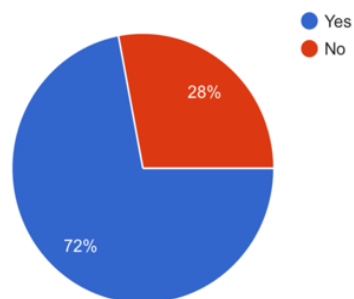
6.9. How many years you trading?



INTERPRETATION

- Form the data there is a 44% investors investing more than 3 years, 36% are less than 1 year and between 1 to 3 year is 20%

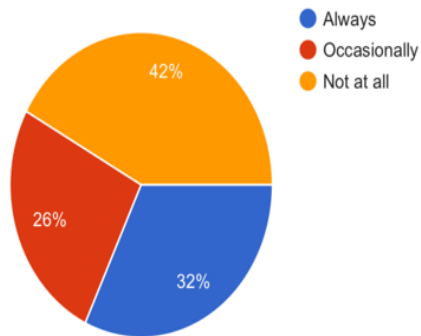
6.10. Loss incurred during past years?



INTERPRETATION

- According to above chart there is 72% investors are bearing losses and 28% are not bearing losses.

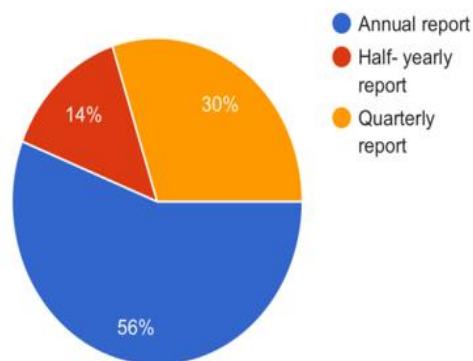
6.11. While investing in shares do you go through prospectus?



INTERPRETATION

- There are 32% investors who always go through the prospectus before making the investment, but the large proportion 42% do not go through the prospectus.

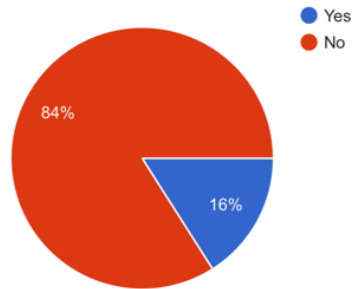
6.12. Do you go through the following before making investment in a company?



INTERPRETATION

- Out of the respondents, there is a 56% of investors who check an annual report of the company, 30% go for quarterly reports and 14% check half-yearly reports.

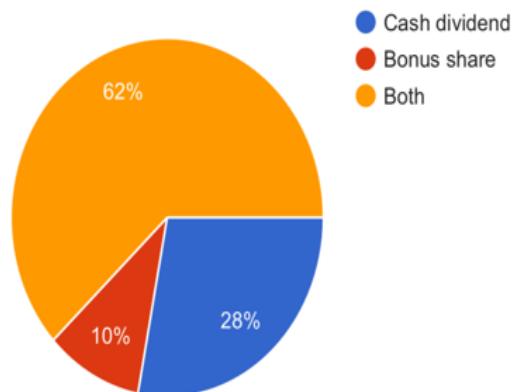
6.13. Are you a member of investment forum?



INTERPRETATION

- According to above chart there is a good thing that 16% are the member of forum but 84% are not member of any forum.

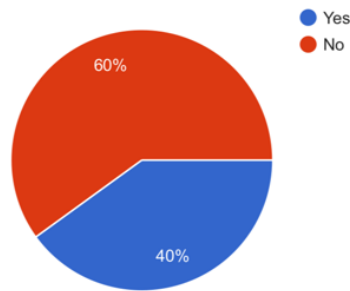
6.14. Specify form of dividend?



INTERPRETATION

- Out of respondents, a 62% investors believe in both cash dividends and bonus share, 28% believe in cash dividend and 10% believe in bonus share.

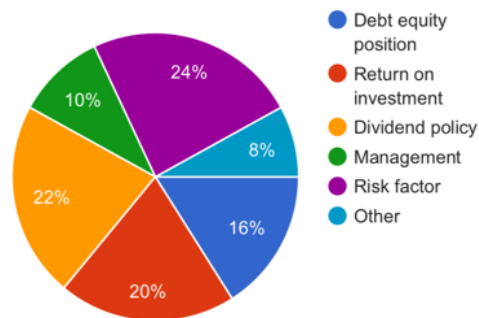
6.15. Taking advice of stock brokers?



INTERPRETATION

- Out of the respondents, only 40% respondents taking a advice of brokers and remaining 60% are not taking a advice of any broker.

6.16. Specify the factor you consider while buying shares?



INTERPRETATION

- There are a so many factors considered while buying shares but out of respondents there 24% investors considering risk factors while buying shares, after risk factor a 22% investors consider dividend policy of the company and 16% also consider debt equity position of the company.

7. Overall Findings:

After a thorough study of the questionnaires and interviews conducted, we have come up with the following findings: -

- ★ It has been found from the data that equity is the preferable area of investment with a proportion of 44%.
- ★ It has been comprehended from the data analysis that investment in equity market by the individuals is mostly the range of less than 50,000.
- ★ It can be concluded that from among 50 people surveyed, around 50% of people prefer to invest in primary market and 50% prefer to invest in secondary market.
- ★ Although the stock market is highly volatile, people still prefer to invest in sectors such as petroleum and real estate while the investment in banking sector remains the highest 28%, followed by real estate sector with 28% and petroleum sector with 6%.
- ★ It has been found that people having capital more than 1,00,000 are interested in delivery mode of transaction and they form 12% of the total sample.
- ★ The small investors are mostly willing to trade for less than 3 years as they are more interested in the short-term gains.
- ★ It has been found that the maximum number of investors are young investors which belong to 20-30 age group in Ghaziabad.
- ★ There are a so many factors considered while buying shares but out of respondents there 24% investors considering risk factors while buying shares, 20% investors consider return on investment, after risk factor a 22% investors consider dividend policy of the company and 16% also consider debt equity position of the company but there is amazing thing also that 10% investors also considering management.

8. Recommendations:

- For the small investors having capital less than Rs.1,00,000 should chose the option totransact some of their investment in delivery mode as relying entirely on intra day mode could provide constructive.
- For the large investors, who clearly chose to transact in the delivery mode should also consider the option to transact in intraday as their huge capital maygenerate huge number of sums in shorter period oftime.
- It is recommended for the individual investor to be in contact with a good broker and be upgraded with latest news about the stock market before investing into it.
- The investors should rely on fundamentals and take the decision of investment inequity after a detailed study of various accounting as well as non-accounting variables.
- Small investors should not be indulging into speculative activities.

9. Conclusion:

After the survey, it is found that people in Ghaziabad are risk takers and their investment decisions are guided by the profit motive.

Investors are investing in various avenues but the foremost preferred is equity and therefore the respondents consider banking sector as the most preferable sector for investment.

The amount of investment is related to type of investment and sort of transaction.

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