IMPACT OF DEMOGRAPHIC FACTOR ON INVESTMENT DECISIONS OF INVESTORS IN JAMMU

TABREZ HAQ* & BUSHRA HAQ MALIK**

*THE BUSINESS SCHOOL, BHADARWAH CAMPUS, UNIVERSITY OF JAMMU.
**RESEARCH SCHOLAR, CMJ UNIVERSITY, SHILLONG, MEGHALAYA.

ABSTRACT:
An investment refers to the commitment of funds at present with the expectation of gain that upon thorough analysis has a high degree of security for the principal amount, as well as security of return, within an expected period of time. There are a lot of investment avenues available today in the financial market for an investor. Indians were known for investing in gold, silver, real estate etc. These investments are considered as riskless & yielding good returns. In the modern era investment has taken a different form. The form has although changed, the dilemma behind every investor is same. Investors want more returns with minimum risk. The globalization of financial markets provides a wide variety of market & investment options which increased the number of retail investors in India. This paper aims at identifying the various factors, influencing the investment decisions including demographic factors. Indian economy is developing day by day; there is an increasing demand for investment management functions. This management of investment requires the understanding of investors financial & investment requirements with financial planning & portfolio management services. The professionals of investment management through their experiences, emphasized that investors behavior, psychology & demographics play a vital role in successful & sustaining Investment management relationship.

This study aims to investigate the effect of the demographic profile of the investor on investment decisions. There are many instances where emotions & psychology effects investor’s decision, causing the investor to behave in unpredictable ways. Investors have certain emotional & cognitive weaknesses, which acts as hurdles in their investment decisions. The factors such as age, income, education & marital status affect an individual’s investment decision. So, it is necessary to study the relationship between various demographic factors & the investment personality exhibited by the investors.

To achieve the objective primary research was conducted on 140 investors selected purposively. The data has been collected with the help of structured schedule containing questions about demographic profile, purpose, risk, attitude etc. The data has been analyzed with the help of MS Excel, SPSS & appropriate hypothesis testing tools like Chi-Square.

This study on Investment decisions can help the professionals to advice investors in a better way. When investors become aware of their own unique psychology & demographic profile, they can adapt it to market conditions & can make investment decisions. These decisions will help them to earn higher profits.

KEY WORDS: demographics, investment, investors, Investment Decisions, investor personality.