**PERCEPTION TOWARDS RISK AND RETURN ON INVESTMENT**

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**ABSTRACT**

Investment is a vital element of everyone's life and also plays a significant role in shaping a country's economy.  The researcher selects the eight types of investment avenues. These are bonds, Share Market, Mutual Fund, Precious Metal, Life Insurance, Post Office Investment and Bank Deposits. The primary data were gathered from ninety professors from Madurai Kamaraj University in Madurai and the remaining one hundred and ten professors from Manonmaniam Sundaranar University in Tirunelveli. The Weighted Average Method proved that the Share Market, Mutual Funds and Bonds are highly risky investment by the University Professors. The study revealed that the high level return indulged with Real Estate, Mutual Funds and Life insurance.

Keywords : Investment Avenue, University Professors.

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**INTRODUCTION**

Investment is a vital element of everyone's life and also plays a significant role in shaping a country's economy. Every person in the world wishes to put a portion of their income in some type of investment tool in order to maximize their returns, for future aspirations and unforeseeable issues. The main goal of this paper is to understand the investment perception of southern university professors towards investment avenues such as Mutual Funds, Equity Market, or whether they are following the same traditional pattern of investment such as gold, real estate, and post office deposits, bonds, and life insurance. The current study seeks to ascertain university teachers' attitudes regarding investing opportunities.

**SCOPE OF THE STUDY**

The current study is primarily concerned with university professors' perceptions of risk and return on investment. The geographical range is limited to southern Tamil Nadu. The perception of university professors towards investing avenues is treated as a topical scope. Time Scope denotes the study period, which runs from January 2023 to June 2023.The Weighted Average Method is used to demonstrate the validity and dependability of the analytical scope. The functional scope is centered on making appropriate recommendations to the government and university professors.

**REVIEW OF LITERATURE**

The complete examination and evaluation of literature relevant to the current topic is critical in offering insight into the investigation. As a result, the research work conducted from 2015 to 2016 in relation to this topic was reviewed and is shown below.

**Mohanraj (2016)** suggested in their study entitled “Impact of Demographic Variables and Risk Tolerance on Investment Decisions: An Empirical Analysis” the investigation is concerned on factors influencing the individuals investment patterns. The investigation includes 101 investors based on convenience sampling technique. The data are analysed using rank correlation and chi-square test. The analysis inferred that there was significant association between demographic variables and risk tolerance on investment. Most of the investors invested in gold and silver. The investigation concluded that safety factors are influencing the investment decisions.

**Priti Mane (2016)** , discussed the customer perception with regard to the mutual funds that the schemes they preferred, the plans they are opting, the reasons behind such selections. This research dealt with different investment options, which people prefer along with and apart from mutual funds, like postal saving schemes, recurring deposits, bonds, and shares. Conclude that mutual fund linked with share market and investors are not taking advice from authority advisor to lead them for their investment in mutual fund so it creates the difficulty to select the mutual fund plan favorable for them.

**Shukla (2016)** attempted this research paper, about investor’s preference towards investment avenues and the study focused on the salaried person only. The author concluded that majority of the respondents invested their money based on education background and they invested in purchasing home and long-term investment. Respondents have the criteria of investment as safety and low risk.

**Amudhan et al. (2016) a**nalyzed the performance investment behaviour concerned with choices about purchases of small amounts of securities, deposits, mutual fund, insurance, Chit Funds. Researcher confirmed that there looks to a positive degree of correlation between the factors that behavioral finance theory and previous empirical evidence identified the average investor. The result described investment offer to a person’s money to gain future income in the form of interest, dividends, rent, premium, pension profit or approval of the value of their standard capital.

. **Mishra Ramakrishna (2015)** Author explained that this study aimed to investigate perception of investor towards mutual funds with travel the important aspects of mutual funds affecting perception of investors and it examined difference of perception of large and small investors based on explored factors. Data for the study were collected form 136 sample respondents residing in Bhubaneswar City of Odisha using a structured questionnaire and analysed by exploratory factor analysis and t-test. As a result of factor analysis three factors namely investment, return and future were explored and through t-test it was proved that there is a difference of perception among the small and large investors with respect to ‘return’ and ‘future’ aspects of mutual fund. Small investors focused on tax returns and savings, but large investors expect future return. Thus, mutual fund companies must give due significance to these size for their survival and growth in Indian context.

The evaluated research work found that the geographical and topical focus differed from the current study. These differences aid academics in identifying study gaps. Furthermore, the previous research's targeted demographic and objectives open up new doors for researchers to find University Professors' perceptions of investment avenues.

**OBJECTIVES OF THE STUDY**

The prime purpose of the present research is

* To study the University Professors perception towards risk associated with various investment avenues.
* To identify the University Professors perception towards retun associated with various investment avenues.

**RESEARCH METHODOLOGY**

The path through the research conducted the assurance of validity and reliability of the study described by the researchers as follows.

**SOURCE**

The study made use of both primary and secondary data. A systematic questionnaire was used to obtain primary data. Secondary information was gathered from books, articles, and websites.

**STUDY AREA**

Professors of Southern State University are chosen from Madurai Kamaraj University in Madurai and Manonmaniam Sundaranar University in Tirunelveli.

**STUDY PERIOD**

The study was conducted between January 2023 and June 2023.

**SAMPLING TECHNIQUE**

* ***Sampling Method***

The Convenient Sampling Method was used to choose 200 University Professors.

* ***Sample Size***

Ninety Professors were chosen from Madurai Kamaraj University in Madurai, with the

remaining 10 Professors chosen from Manonmaniam Sundaranar University in Tirunelveli.

**STATISTICAL TOOL**

The researchers have applied the following statistical tools to identify the risk and return associated with various types of investment avenues.

* Weighted Average Method

**ANALYSES AND INTERPRETATION OF DATA**

**RISK INDULGED WITH INVESTMENT AVENUES**

The University Professors perception towards Risk indulged with investment are collected in Likert five point scale. The risk is measured by Very High Risk (VHR), High Risk (HR), No Opinion (NO), Low Risk (LR) and Very Low Risk are converted into scores by giving 5 points for very high risk, 4 for high risk, 3 for no opinion, 2 for low risk and 1 for very low risk. Eight investment avenues related to risk are given to investors to obtain their opinion on risk. The statements and the number of respondents who have given their opinion on very high risk, high risk, no opinion, low risk and very low risk the investment avenues are given in Table No 1. The analytical scope has been attained by adopting Weighted Average Ranking Method. The result is tabulated in Table 1 and Table 2.

**TABLE NO.1**

**RISK INDULGED WITH INVESTMENT AVENUES**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Investment Pattern** | **VHR** | **HR** | **NO** | **LR** | **VLR** | **Weighted Score** | **Rank** |
| Share Market | 405 (81\*5) | 396  (99\*4) | 210  (70\*3) | 0  (0\*2) | 0  (0\*1) | 1,011 | I |
| Bonds | 105  (21\*5) | 156  (39\*4) | 225  (75\*3) | 138  (69\*2) | 0  (0\*1) | 624 | III |
| Mutual Funds | 0  (0\*5) | 236  (59\*4) | 312  (104\*3) | 126  (63\*2) | 0  (0\*1) | 674 | II |
| Life Insurance | 35  (7\*5) | 12  (3\*4) | 153  (51\*3) | 16  (8\*2) | 75  (75\*1) | 291 | VIII |
| Post Offices | 0  (0\*5) | 0  (0\*4) | 222  (74\*3) | 102  (51\*2) | 84  (84\*1) | 408 | VI |
| Real Estate | 225  (45\*5) | 40  (10\*4) | 162  (54\*3) | 182  (91\*2) | 0  (0\*1) | 609 | IV |
| Precious Metal | 0  (0\*5) | 48  (12\*4) | 183  (61\*3) | 122  (61\*2) | 66  (66\*1) | 419 | V |
| Bank Deposits | 105  (21\*5) | 32  (8\*4) | 0  (0\*3) | 136  (68\*2) | 95  (95\*1) | 368 | VII |

Source: Primary Data

The Table 1 exhibit that the scores for the risk indulged with Investment Avenue by the University Professors. The Weighted Average Score proved that the Share Market have high risk because of fluctuating rate of return. The second high risk associated with Mutual Fund. The neutral risk of four and five associated with Bonds and Real Estate. Post Office ranked as sixth rank. Bank deposits ranked as seventh rank. The last and very low risk associated with Life Insurance.

**RETURN INDULGED WITH INVESTMENT AVENUES**

The University Professors perception towards Return indulged with investment are collected in Likert five point scale. The risk is measured by Highly Satisfied (HS), Satisfied (S), No Opinion (NO), Dissatisfied (DS) and Highly Dissatisfied (HDS) are converted into scores by giving 5 points for very high risk, 4 for high risk, 3 for no opinion, 2 for low risk and 1 for very low risk. Eight investment avenues related to return are given to investors to obtain their opinion on return on investment. The statements and the number of respondents who have given their opinion on Highly Satisfied, Satisfied, No Opinion, Dissatisfied, Highly Dissatisfied the investment avenues are given in Table No 2.

**TABLE 2**

**RETURN INDULGED WITH INVESTMENT AVENUE**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Investment Pattern** | **HS** | **S** | **NO** | **DS** | **HDS** | **Weighted Score** | **Rank** |
| Equity Shares | 190  (92\*5) | 328  (82\*4) | 45  (15\*3) | 22  (11\*2) | 0  (0\*1) | 585 | VIII |
| Bonds | 50  (10\*5) | 200  (50\*4) | 420  (140\*3) | 0  (0\*2) | 0  (0\*1) | 670 | VII |
| Mutual Funds | 525  (105\*5) | 164  (42\*4) | 90  (30\*3) | 0  (0\*2) | 11  (11\*1) | 790 | II |
| Life Insurance | 295  (59\*5) | 196  (49\*4) | 255  (85\*3) | 0  (0\*2) | 7  (7\*1) | 753 | III |
| Post Offices | 125  (25\*5) | 260  (65\*4) | 330  (110\*3) | 0  (0\*2) | 0  (0\*1) | 715 | VI |
| Real Estate | 720  (144\*5) | 224  (56\*4) | 0  (0\*3) | 0  (0\*2) | 0  (0\*1) | 944 | I |
| Precious Metal | 280  (56\*5) | 248  (62\*4) | 171  (57\*3) | 50  (25\*2) | 0  (0\*1) | 749 | IV |
| Bank Deposits | 125  (25\*5) | 340  (85\*4) | 270  (90\*3) | 0  (0\*2) | 0  (0\*1) | 735 | V |

Source: Primary Data

The Table 2 exhibit that the scores for the return indulged with Investment Avenue by the University Professors. The Weighted Average Score proved that the Real Estate yield high return. The Mutual Fund gives the second highest return. The Life Insurance gives third highest return of University Professors. The neutral rank of fourth and fifth rank assigned to Precious Metal and Bank Deposits. The sixth rank assigned to Post Office investment. Seventh rank declared to Bonds. And the last rank of eight positions is assigned to Share Market investment due to high fluctuation.

**FINDINGS**

**RISK INDULGED WITH INVESTMENT AVENUE**

* The Weighted Average Method proved that the Share Market, Mutual Funds and Bonds are highly risky investment by the University Professors.
* The traditional investment of Real estate and Precious Metal are moderate level risky investment.
* Post Office, Bank Deposits and Life Insurance are having the very low level risky investment.

**RETURN INDULGED WITH INVESTMENT AVENUE**

* The study revealed that the high level return indulged with Real Estate, Mutual Funds and Life insurance.
* Precious Metal and Bank Deposits are having low level and consistent level of return on investment.
* Post Office, Bonds and Equity Shares are the very low level return on investment.

**SUGGESTION**

* The University Professors should assess the risk tolerance level before making investment decisions.

**CONCLUSION**

The study revealed that all investments carry some level of risk, and returns are not guaranteed. An individual's risk tolerance, financial goals, and investing time horizon should all be considered before selecting an investment option. Diversification across multiple investment types can help manage risk and enhance the potential for consistent returns. Before making any investment decisions, it’s advisable to conduct through research or seek advice from a financial advisor.

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