

A STUDY ON FINANCIAL AWARENESS TOWARDS INVESTMENT AVENUES OF THE INVESTOR'S OF HIMACHAL PRADESH

Dr. Meenakshi Gaikwad*

Associate Professor, College of Commerce,
IPS Academy

Shalini**

Research scholar,
Shri Atal Bihari Vajpayee Govt. Arts and Commerce College Indore

Abstract:

This study aims to delve and contribute valuable insights into the financial acumen of investors across Himachal Pradesh. Assessing their knowledge and understanding towards key investment concepts such as risk management, portfolio diversification and financial planning to foster a more informed and resilient investor base in Himachal Pradesh.

Key Words: Financial Awareness, Investment Avenues, Investors Perception, Selection of Best Investment Avenues.

1. Introduction

In the monarchy of personal finance, financial awareness plays a pivotal role in shaping and modelling the prudent investment decisions and securing the financial status well-being. A state, Himachal Pradesh, renowned for its scenic beauty and cultural and social richness, waterfronts a diverse demographic segment of investors who are ranging from urban professionals to rural entrepreneurs' strata.

This endeavour aims to promote sustainable financial practices that align with the long-term economic aspirations of the region. By scrutinizing the aspects, study seek to identify strengths, gaps, and areas for improvement in financial literacy initiatives tailored to the specific needs of Himachal Pradesh's investor community.

2. Review of Literature

Study was purposes to know the awareness of investment, and identify the factors of investors towards investment. It was concluded that the public are well aware of capital market but not aware about the capital market investment. It was suggested that stock broking company should create knowledge and guide to focus on illiterate people and also provide appropriate schemes to investors (R.Ganapathi, 2014).

The findings of the study observed that gold and stocks have recorded significant difference among the affecting variables of investment choices for. High returns were the most important affecting variable, whereas religious reasons were the least influencing variable for investment in stocks. The study suggested that it will be helpful for financial consultants and stock brokerage firms to understand the perception of investors of variables affecting their preferences (Marwaha and Arora, 2015). The results of the study investigated that perception

of investors differs on the basis of demographic factors like age, occupation, income level, experience, and qualification (Sawmya and Reddy, 2016).

This study disclosed that the rural investors emphasize more on safety and liquidity than the returns. (Lokhande, 2016). The study was concluded that the financial awareness among youngsters was influenced by personal interest and financial literacy of investors (Zainal Azhar, 2017). Financial awareness of working women on various investment avenues in Kachchh district was analysed and found that working women possessed sufficient awareness while investing in various investment avenues. Investors found that there was significant relationship between age and selection of investment avenues among investor (Jhatiya Naranbhai.V, 2018).

This study was conducted to know the impact of social and demographic factors such as age, education, income, occupation and marital status on the financial literacy and awareness of women. Descriptive and exploratory analysis was used to represent the trends and pattern in variables and inferential analysis applied to analyse the characteristics of the population. The study was concluded that age, income level and employment have great and positive impact on financial literacy, whereas education and marital status was less associated with financial literacy (Shanti. S. A. V. N. Murty, 2019). The objective of this study is to know the investor's awareness and also the factors affecting the selection types of investment. The study concluded that in today's world investment awareness and products are continuously changing, so, the study demanded that if investors are not aware about this they will going to face and suffer huge loss (Gajanan Nerkar, 2021).

The study was purposes of the general financial awareness and awareness of the financial planning among generation Z. Conclusion state that generation Z was financially focused and fast adopters of technology. All investors support to the awareness of general finance and more over financial planning (Niranjan Kulkarni, 2022). The main purpose of the study was to identify the awareness about wealth management among individuals and to analyse the percentage to know the individual's readiness to save and on at how much risk. People do not know the real meaning of wealth management where as they think it is for a financial planning, and many of the people are aware of it and till they lack proper knowledge about it (Tolawala, 2022).

3. Scope of the Study

This study on financial awareness towards investment avenues of the investor's focuses on individual investors who residing in Himachal Pradesh. The study covers in it different types of investment avenues and the impact of financial awareness on the decision taken by the investors. By analysing the investment patterns and awareness, study will provide insights for similar socio-economic settings.

4. Importance of the Study

The present study is important to explore the level of financial awareness among investors of Himachal Pradesh. It is not providing only benefits to individual investors but also contributes to the overall economic enhancement and development which will maintain the stability of the

state. It lays the foundation for a more resilient and inclusive financial ecosystem where informed decisions drive sustainable growth and prosperity.

5. Objectives of the Study

The main objective of the current research is to explore and analysis the financial awareness levels among the investors which influenced the investment choices in Himachal Pradesh.

6. Hypothesis of the Study

The main hypotheses of the current research are:

H₀₁: There are no differences in level of financial awareness towards Investment Avenues of the investors of Himachal Pradesh.

H₀₂: There is no significant association between the factors which increases the level of awareness towards investment.

7. Research Methodology of the Study

7.1 Mode of Data Collection

A set of questionnaires was used to get all relevant information.

7.2 Type of Data Sources

7.2.1. Primary Data

For the present research, Primary data was collected through the questionnaire, observation, personal discussion, interviews.

7.2.2. Secondary Data

For the current research, secondary data was collected through the previous review of literatures and different journals, online research publications, magazines, books, and websites, were also used.

7.3 Sampling Design

For the present research, convenience sampling technique was adopted for collecting data and sampling design contain respondent's group who belong to Himachal Pradesh.

7.4 Sample Size

In this current research, sample size was 200 respondents. Out of that 197 response was complete and accurate which was used for analytical work.

7.5 Methods of Data Analysis

In this current research, collected data was properly gathered and arranged for the application of methods of analysis. Classification of data, tabulation, pie charts, diagrams, percentage, and Chi-square was tested.

7.6 Period of the Study

The research work covers the period from November 2023 to November 2024.

7.7 Limitations

Area of the study is limited to State of Himachal Pradesh only. Time and data were constrained only to this area only.

8. Analysis and Interpretation of Data

8.1. Description of Demographic Profile of the Respondents

Table No. 1

Demographic Profile of the Respondents

S. No	Group	No. of Respondents	Percentage
1.	Gender		
	Male	105	53.30
	Female	92	46.70
2.	Age		
	Below 25	62	31.47
	26- 35	56	28.42
	36 -45	38	19.29
	46 – 55	17	8.63
	Above 56	24	12.18
3.	Education		
	Undergraduate	66	33.50
	Graduate	41	20.81
	Post Graduate	35	17.77
	Professionals	55	27.92
4.	Income		
	Up to 3 lakh	79	40.10
	3 lakh to 7 lakh	42	21.32
	7 lakh to 10 lakh	42	21.32
	Above 10 lakh	34	17.26
5.	Occupation		
	Salaried	83	42.13
	Professional	61	30.96
	Business	53	26.90
6.	Savings		
	Up to 2 lakh	88	44.67
	2 lakh to 4 lakh	57	28.93
	4 lakh to 6 lakh	33	16.75
	Above 6 lakh	19	9.64
7.	Amount Invested Per Annum		
	Up to 5 lakh	79	40.10
	5 lakh to 10 lakh	56	28.43
	10 lakh to 15 lakh	38	19.29

	Above 15 lakh	24	12.18
8.	Sources of Investment Information		
	Social Media Platforms	72	36.55
	Family /Friends	93	47.21
	Advisors	32	16.24
9.	Awareness		
	Aware	97	49.24
	Well Aware	47	23.86
	Not Aware	53	26.90

(Source: Primary data)

8.2. Financial Awareness of Investment Avenues

Description of Financial Awareness of Investment Awareness of the Respondents

Table No. 2

Financial Awareness on the basis of Investment Avenues

S. No.	Investment Awareness	Aware	Not Aware
1	Bank Deposits	23	4
2	NSC/ PPF/ NSS	15	5
3	Real Estates	13	4
4	Government Securities	10	6
5	Gold / Silver	24	3
6	Insurance	21	3
7	Preference Shares / Equity Shares	8	5
8	Debentures	7	4
9	Mutual Funds	8	3
10	Post Offices	9	2
11	Crypto Currency/ Bullions	6	9
	Total	144	53

(Source: Primary Data)

8.3. Financial Awareness on the basis of Gender

Testing of H_{01} : There are no differences in level of financial awareness towards Investment Avenues of the investors of Himachal Pradesh.

Table No. 3

Financial Awareness on the basis of Gender

Gender	Aware	Not Aware	Total
Male	77	28	105
Female	52	40	92
Total	129	68	197

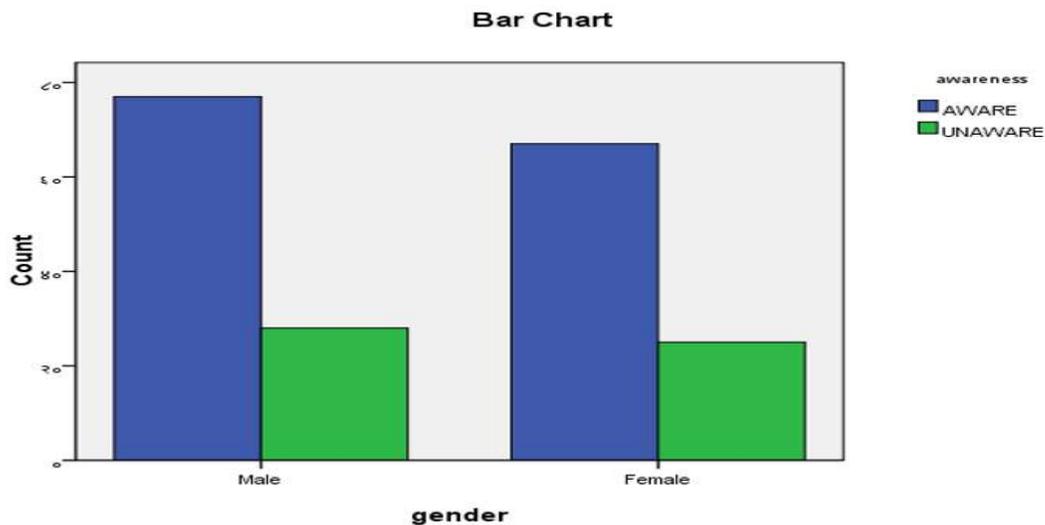
(Source: Primary data)

The above table depicts the gender profile of the respondents. Among the total 105 respondents belongs to the male category and 92 respondents belongs to the female category.

Table No. 4
Crosstabulation

Gender	Awareness			Total
		Aware	Unaware	
Male	Count	77	28	105
	% within gender	73.3%	26.7%	100.0%
	% within awareness	53.5%	52.8%	53.3%
	% of Total	39.1%	14.2%	53.3%
Female	Count	67	25	92
	% within gender	72.8%	27.2%	100.0%
	% within awareness	46.5%	47.2%	46.7%
	% of Total	34.0%	12.7%	46.7%
Total	Count	144	53	197
	% within gender	73.1%	26.9%	100.0%
	% within awareness	100.0%	100.0%	100.0%
	% of Total	73.1%	26.9%	100.0%

(Source: Primary data)



(Source: Primary data)

Table No. 5
Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.006 ^a	1	.936		
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.006	1	.936		
Fisher's Exact Test				1.000	.532
Linear-by-Linear Association	.006	1	.936		
N of Valid Cases^b	197				
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 24.75.					
b. Computed only for a 2x2 table					

(Source: Primary data)

Interpretation - The above table inferred that Pearson Chi-Square value is .006 at the value of 1 of the degree of freedom. This table conclude indicate that significance value is 0.936 which is higher than the $p=0.05$. So, it is concluded that the hypothesis H01: There are no differences in level of financial awareness towards Investment Avenues of the investors of Himachal Pradesh, is accepted.

Table No. 6
Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig. ^a
Nominal by Nominal	Contingency Coefficient	.006			.936
Interval by Interval	Pearson's R	.006	.071	.080	.937 ^c
Ordinal by Ordinal	Spearman Correlation	.006	.071	.080	.937 ^c
N of Valid Cases	197				
a. Not assuming the null hypothesis.					
b. Using the asymptotic standard error assuming the null hypothesis.					
c. Based on normal approximation.					

(Source: Primary data)

8.4. Financial Awareness on the basis of Education

H₀₂: There is no significant association between the factors which increases the level of awareness towards investment.

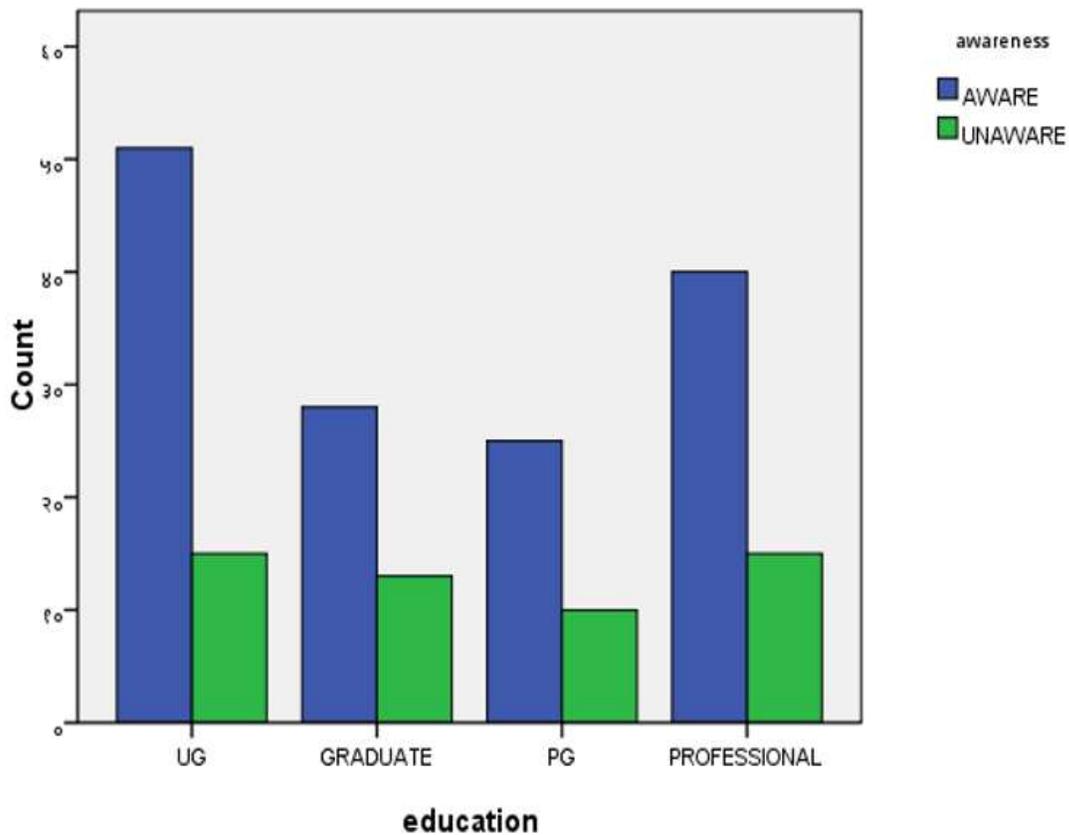
Table No. 7
Financial Awareness on the basis of Education

Education	Aware	Not Aware	Total
Undergraduate	46	20	66
Graduate	26	15	41
Post Graduate	23	12	35
Professionals	37	18	55
Total			197

(Source: Primary data)

The above table depicts the education profile of the respondents. Among the total 66 respondents belongs to the undergraduate category, 41 respondents belong to the graduate category, 35 respondents belong to the Post Graduate category and 55 respondents belongs to the Professionals category.

Bar Chart



(Source: Primary data)

Table No. 8
Crosstabulation

		Awareness			
			Aware	Unaware	Total
Education	UG	Count	51	15	66
		% within education	77.3%	22.7%	100.0%
		% within awareness	35.4%	28.3%	33.5%
		% of Total	25.9%	7.6%	33.5%
	Graduate	Count	28	13	41
		% within education	68.3%	31.7%	100.0%
		% within awareness	19.4%	24.5%	20.8%
		% of Total	14.2%	6.6%	20.8%
	PG	Count	25	10	35
		% within education	71.4%	28.6%	100.0%
		% within awareness	17.4%	18.9%	17.8%
		% of Total	12.7%	5.1%	17.8%
	Professional	Count	40	15	55
		% within education	72.7%	27.3%	100.0%
		% within awareness	27.8%	28.3%	27.9%
		% of Total	20.3%	7.6%	27.9%
Total	Count	144	53	197	
	% within education	73.1%	26.9%	100.0%	
	% within awareness	100.0%	100.0%	100.0%	
	% of Total	73.1%	26.9%	100.0%	

(Source: Primary data)

Table No. 9
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.120 ^a	3	.772
Likelihood Ratio	1.124	3	.771
Linear-by-Linear Association	.245	1	.620
N of Valid Cases	197		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.42.			

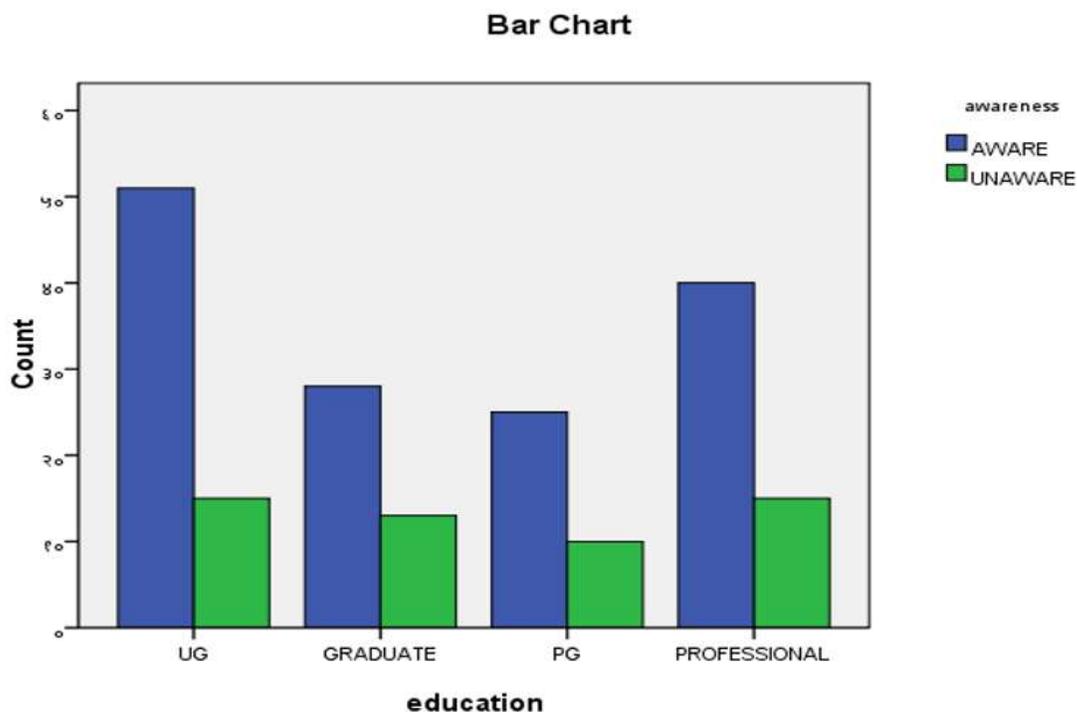
(Source: Primary data)

Interpretation - The above table inferred that Pearson Chi-Square value is 1.120 at the value of 3 of the degree of freedom. This table conclude indicate that significance value is 0.772 which is higher than the $p=0.05$. So, it is concluded that the hypothesis H_{02} : There is no significant association between the factors which increases the level of awareness towards investment, is accepted.

Table No. 10
Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig. ^a
Nominal by Nominal	Contingency Coefficient	.075			.772
Interval by Interval	Pearson's R	.035	.070	.494	.622 ^c
Ordinal by Ordinal	Spearman Correlation	.039	.070	.545	.586 ^c
N of Valid Cases		197			
a. Not assuming the null hypothesis.					
b. Using the asymptotic standard error assuming the null hypothesis.					
Based on normal approximation.					

(Source: Primary data)



(Source: Primary data)

8.5. Financial Awareness on the basis of Age

H₀₂: There is no significant association between the factors which increases the level of awareness towards investment.

Table No. 11

Financial Awareness on the basis of Age

Age	Aware	Not Aware	Total
Below 25	47	15	62
26- 35	39	17	56
36 -45	22	16	38
46 – 55	11	7	17
Above 56	15	9	24
Total			197

(Source: Primary data)

The above table depicts the education profile of the respondents. Among the total 62 respondents belongs to the below 25 group category, 56 respondents belong to the 26 - 35 group category, 38 respondents belong to the 36 -45 group category, 17 respondents belong to the 46 - 55 group category and 24 respondents belongs to the above 56 group category.

Table No. 12
Crosstabulation

		Awareness			Total
			Aware	Unaware	
Age	Below 25	Count	39	23	62
		% within age	62.9%	37.1%	100.0%
		% within awareness	27.1%	43.4%	31.5%
		% of Total	19.8%	11.7%	31.5%
	26-35	Count	47	9	56
		% within age	83.9%	16.1%	100.0%
		% within awareness	32.6%	17.0%	28.4%
		% of Total	23.9%	4.6%	28.4%
	36-45	Count	27	11	38
		% within age	71.1%	28.9%	100.0%
		% within awareness	18.8%	20.8%	19.3%
		% of Total	13.7%	5.6%	19.3%
	46-55	Count	13	4	17
		% within age	76.5%	23.5%	100.0%
		% within awareness	9.0%	7.5%	8.6%
		% of Total	6.6%	2.0%	8.6%
	Above 56	Count	18	6	24
		% within age	75.0%	25.0%	100.0%
		% within awareness	12.5%	11.3%	12.2%
		% of Total	9.1%	3.0%	12.2%
Total	Count	144	53	197	
	% within age	73.1%	26.9%	100.0%	
	% within awareness	100.0%	100.0%	100.0%	
	% of Total	73.1%	26.9%	100.0%	

(Source: Primary data)

Table No. 13
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.840 ^a	4	.145
Likelihood Ratio	7.006	4	.136
Linear-by-Linear Association	.940	1	.332
N of Valid Cases	197		

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.840 ^a	4	.145
Likelihood Ratio	7.006	4	.136
Linear-by-Linear Association	.940	1	.332
a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 4.57.			

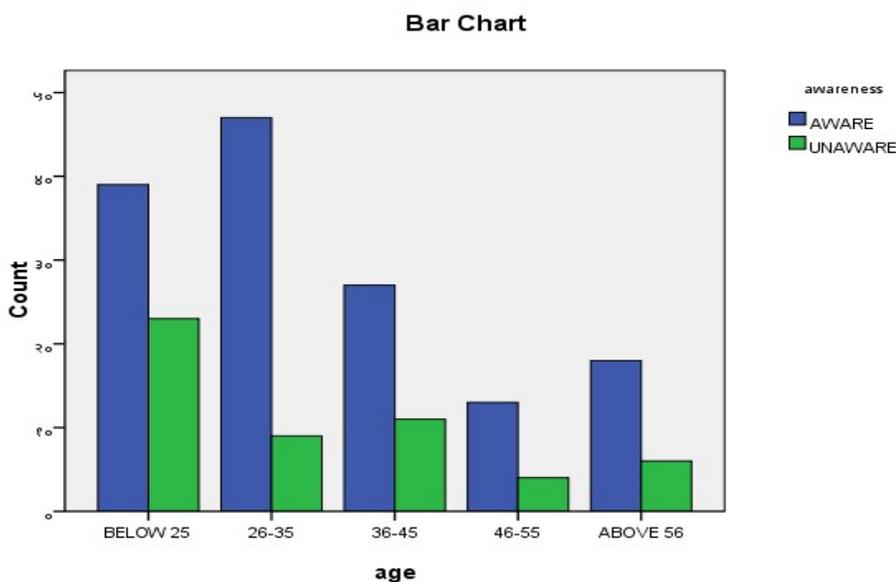
(Source: Primary data)

Interpretation - The above table inferred that Pearson Chi-Square value is 6.840 at the value of 4 of the degree of freedom. This table conclude indicate that significance value is 0.145 which is higher than the $p=0.05$. So, it is concluded that the hypothesis H_0 : There is no significant association between the factors which increases the level of awareness towards investment, is accepted.

Table No. 14
Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig. ^a
Nominal by Nominal	Contingency Coefficient	.183			.145
Interval by Interval	Pearson's R	-.069	.073	-.969	.334 ^c
Ordinal by Ordinal	Spearman Correlation	-.088	.074	-1.232	.219 ^c
N of Valid Cases		197			
a. Not assuming the null hypothesis. b. Using the asymptotic standard error assuming the null hypothesis. c. Based on normal approximation.					

(Source: Primary data)



(Source: Primary data)

9. Conclusion

Enhancing financial awareness among investors in Himachal Pradesh is not just a matter of imparting knowledge but also a critical step towards fostering economic growth, reducing inequality, and promoting financial inclusion. By investing in comprehensive and inclusive financial education programs, stakeholders can empower individuals to navigate the complexities of the financial landscape confidently and responsibly, ultimately contributing to the overall prosperity of the region. The level of financial awareness among these investors is not only insightful but also instrumental in fostering economic stability and growth within the region.

8. Recommendation and Suggestions:

Study suggested that there is a need to develop and implement targeted financial literacy programs specifically for different class/segments of individual investors in Himachal Pradesh. Programs should be based on investment strategies, financial concepts and retirement planning and risk management. Collaborate should be made to disseminate financial education across urban and rural areas of Himachal Pradesh. Interactive tools, tutorials and educational materials will be helpful. Financial counselling services should be staffed with trained professionals to provide personalized guidance to investors in Himachal Pradesh. Financial education at the young age will help to cultivate responsible financial behaviours and prepares future generations to make informed financial decisions.

Regulatory authorities need to enforce consumer protection laws and regulations that will safeguard investors in Himachal Pradesh from fraudulent or misleading financial products. Foster a culture where continuous learning and improvement in financial literacy are prioritized at both individual and community levels. Suggestions and recommendations based on the

present study will contribute to raising the level of financial awareness among investors in Himachal Pradesh and empowering them to make informed decisions and achieve greater financial stability and security.

References

D. P. (2020). A Study on creating investment awareness among salaried employees with focus on financial planning. **Journal of Emerging Technologies and Innovative Research**, 1086-1096.

Tolawala, S. P. (2022). A Study on awareness and knowledge about wealth management among individual. **International Journal of Academics Management Science Research**, 78-84.

Azhar, J. N. Zainal (2017). Investment awareness among young generation. **Advances in Economics, Business and Management Research**, 10.

Ganapathi, R. (2014). Public awareness towards capital market investment with special reference to JRF securities limited, Hyderabad. **Journal of Management Research and Analysis**, 9- 18.

Lokhande, M. A. (2016). A study of investment awareness and pattern of savings and investment of rural investors. **Indian journal of finance**, 9(7), 24.

Nerkar, Gajanan and Mate, Rashmi (2021). An Analytical study of investment awareness level of salaries class in Pune region. **Cheatan Dattaji Gaikwad Institute of Management Studies, Pune**, 89-100.

Sowmya, K. and Reddy, J. M. (2016). A study on investors' perception towards investment avenues. **International Journal of Research in Finance and Marketing**, 6(4), 141-148.

Marwaha, K. and Arora, S. (2015). A comparative study of variable influencing preference of individual investors for gold vis-à-vis stocks. **IPE Journal of Management**, 5(2), 1-15.

Shanti, S. and Murty, A.V.N. (2019). The Impact of Financial Literacy on women in Several Districts of Andhra Pradesh. **International Journal of Recent Technology and Engineering**, 8 (1S4), ISSN: 2277-3878.

Naranbhai V., Jhatiya (2018). A study on investment awareness among working women in Kachchh District. **International Journals of Multidisciplinary Research**, 6(3), pp.107-111.

Websites

www.researchgate.com

www.academia.com