REVIEW OF RESEARCH

AN EMPIRICAL STUDY ON INFLUENCE OF INVESTMENT OBJECTIVE TOWARDS INVESTMENT PREFERENCE OF RETAIL INVESTORS IN CHHATTISGARH

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ABSTRACT:

Behavioural fiancé is a new emerging branch of finance which studies the psychological element in financial decision making and challenges the traditional theories of finance and economics. The recent developments in financial and capital market have opened a wide variety of investment options.Investment preference for an avenue is greatly influenced by investment objective of investors and some other factors that influences in this decision making process. Investors depending upon the options available take the investment decisions and the expected level of risk and return they can bear.The main objective of this study is to explore the influence of investment objective towards Investment preference of Retail investors in Chhattisgarh in decision making with regard to the available investment avenues. For this purpose data were collected from 60 respondents from Raipur and Bilaspur district in Chhattisgarh through a structured questionnaire, given the nine investment objectives to study the level of importance. Five point Likert scale has been used to analyze the data. The study revealed that the highest mean of the respondents is investing their money for improving life style followed by the objective of Gain. Safety appears to be the third objective of the respondents. The least preferred objectives are liquidation and Diversification.

KEYWORDS: *Behavioural Finance, Investment objective, Investment Preference, Financial decision.*

1. INTRODUCTION:

In a growing economy like India has witnessed some dynamic changes over the past two decades in the financial environment. With an increasing trend of saving rate and explosion of financial products, investors faced with various investment alternatives to choose from and direct his/her saving towards them.Behavioural finance is a new and emerging field of finance that studies irrational behaviour of investors and which is tested under different market condition. It describes the behaviour of investors and managers and describes the outcomes of interactions between investors and managers in different financial markets; and it prescribes more effective behaviour for investors and managers. In the financial sense, investment is the commitment of a person's funds to derive income in the form of interest, dividend, premiums, pension, benefits or appreciation in the value of their capital, purchasing of shares, debentures, post office savings certificates, insurance policies are all investments in the financial sense. The art of investment is to see that the return is maximized with the minimum of risk, which is inherent in investments. Therefore investment involves employment of funds with the aim of achieving additional

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