Abstract—Investors tend to look at the Return – the potential return possible from investment; Risk- the variability in returns from an investment in avenues due to value going up and down or market fluctuations; Liquidity – the ease with which the investment can be converted into cash. Based on the preferred risk, return and liquidity each individual selects investment avenues that match with his investment objectives. An individual investor has to confront his/her demographics, lifestyle and investment psychology whether the investor’s age or occupation or annual income plays a significant role while making preference for investment avenues. This Study tried to explore the Investment and Trading Pattern of Individual Investor who resides in Jamnagar City. The Primary objective of the study is to check the investment pattern of people those who are dealing in stock market. Other objectives may include checking the tendency viz., Intraday, Positional, Long Term etc of investors regarding investment; identify the segment in which people are investing more, etc. The scope of this study is geographically limited to Jamnagar city, it include all class of people those who are dealing in stock market. Here, two variables are tested i.e. occupation and investment patter, age and risk taking ability, etc. So, ANOVA is the proper tool to test the hypothesis. It is found during the study that, occupation, age, education does affect the investment decision of individuals dealing in stock market. It was also found that new generation investors (whose age is less than 35) prefer online trading rather than off line.

Keywords—Investment Avenues, Investment Pattern, Investment Tendency, Risk – Return, Stock Market, Trading Pattern

Abbreviations—Analysis of Variance (ANOVA), Future and Options (F&O), Initial Public Offer (IPO), Mutual Fund (MF)

I. INTRODUCTION

According to economics, investment is the utilization of resources in order to increase income or production output in the future. Investment means putting your money to work to earn more money. Done wisely, it can help you to meet your financial goals. Investing even a small amount can produce considerable rewards over the long term, especially if you do it regularly [Arrow, 1971]. But you need to make decision about how much you want to invest and where to invest it. To choose wisely, you need to know the investment options thoroughly and there relative risk exposures [Admati et al., 1997]. Financial planning is the process of meeting your life’s goals through proper management of your finances. An amount deposited into a bank or machinery that is purchased in anticipation of earning income in the long run both are examples of investments [Cohn et al., 1975; Bajtelsmit & Bernasek, 1996]. Although there is a general broad definition to the term investment, it carries slightly different meanings to different industrial sectors. When investment is done in Fixed Income avenues it means that the investment is done in term deposit in bank, post office deposit, insurance saving plan, pension funds, provident funds etc. Nevertheless, there are certain problems in investing this type of avenues. The major problem is that these types of the instruments are Low Returns, Risk of Repayment or Credit Risk and Non-transparency [Guiso et al., 1996; Barberis et al., 1998; Daniel et al., 1998; Froot et al., 1999]. These types of instruments yield very low returns so investor get lower interest rates for the period you have invested it. As far as investing in equity markets or related instruments are concerned the investment is done in shares and stocks, index futures and forwards. Investing in equity also has its drawbacks. The major drawback that is involved in this avenue is that it is highly risky and volatile market, operative expenses are too high because of investment of lot of intermediates. The equity instruments do not have access to technical and fundamental reports [Froot et al., 1999; Berk et al., 1999; Bajtelsmit et al., 1999; Barber et al., 2001; Daniel et al., 2001].
II. REVIEW OF LITERATURE

2.1. Geographical Trade Structure and Patterns of International Portfolio Investment – The Case of Australia by Kevin Daly and Anil Mishra (2002)

In general, the paper attempts to identify and quantify those determinants that drive Australia’s overseas financial investments. In the aftermath of the recent global financial crisis it would appear that information related to those factors that influence investment decisions is now more urgent than at any time in the history of global funds management. More research into the determinants of a country’s international investment position would therefore appear desirable, given that the number of relevant drivers appear to be highly volatile and of a country-specific nature. The paper focuses on understanding the relationship between capital flows and trade flows based on data sourced from CPIS 1997 and 2001 data. To begin the investigation of the determinants of Australia’s geographical allocation of portfolio investment a series of multivariate regressions have been employed. The broad relationships between capital flows and trade flows, financial market shares and shares in world gross national income are examined. Accordingly, variables are used for Australia’s exports and imports as calculated from the IMF Direction of Trade Statistics.

2.2. Investment Behaviour of Individual Investor in Stock Market by Dr. D. P. Warne (2012)

The study attempts to understand the behaviour of individual investor in stock market, specifically their attitude and perception with respect to the stock market. A survey is conducted to attain the objectives of the paper. Respondents are classified in to different categories on the basis of income, profession, education status, sex and age. Primary data is collected from a sample around 50 investors of Ambala District. Finally there are different factors which affect the investment behaviour of individual investors such as their awareness level, duration of investment etc. The study reveals that the respondents integrate the objectives of saving, the factors influencing the saving and the sources of information for decision making. The annual income and the annual saving are given importance of consideration by the respondents, because the level of income decides the level of savings. Today’s investors are fully aware about the stock market. The market movements affect the investment pattern of investors in the stock market.

2.3. Investment Patterns and Performance of Investor Groups in Japan by Akiko Kamesaka, John R. Nofsinger, Hidetaka Kawakita (2010)

There is an ongoing debate whether investor trading decisions are influenced more by information about value or by psychological biases. Two categories of theoretical trading models have been developed to explain the two potential influences of behavior. The information-based category of models posits that trading is based on informational advantages. These models suggest that informed investor trading would exhibit a positive feedback, or momentum, pattern of trading. That is, high (low) returns in one period will be associated with a high degree of investor buying (selling) in the next period. Investor trading may be characterized by specific trading patterns, like positive feedback trading, empirical studies can identify the actual trading patterns of investor groups. The purpose of this study is to empirically characterize the trading style of seven different investor groups in Japan. The groups are individuals, foreign investors, and five types of institutional investors. To be consistent with theoretical models, we first look for the positive and negative feedback trading patterns. Where positive feedback trading exists, we attempt to identify its motivation using the post trading returns. While theory and existing empirical studies can lead to ex ante hypotheses for some investor groups, we find little direction for other groups.

III. RESEARCH METHODOLOGY

3.1. Statement of Problem

A problem statement is a clear concise description of the issues that need to be addressed by a problem solving team and should be presented to them(or created by them) before they try to solve the problem. When bringing together a team to achieve a particular purpose efficiently provide them with a problem statement. Trading and investment pattern in India is not so organized so, to know in which segment people are investing and trading more and which factors influence them to take decision of investment. The problem statement in this research study is “Investment and Trading Pattern of Investors dealing in Stock Market”.

3.2. Objectives of the Study

The main objective of the study is to know literacy and total awareness of current capital market among different investment avenues and their potential market among the people of Jamnagar City.

3.2.1. Some other Secondary Objectives are as under

- To know the awareness of Capital Market.
- To analyze the investment habit of the people of Jamnagar City.
- To check the purpose of investing in selected Investment Avenues.
- To know the influencing force behind the decision making while making investment in currently available investment options.
- To find out the best suitable medium for investing in different investment avenues.
- To identify the segment in which people are investing more.
- To know the popularity of the broking company among investors.
3.3. Scope of the Study
- The research contains people of Jamnagar who are investing in stock market.
- The research involves all income group people of Jamnagar.
- All the different occupations are covered under this study.
- In this research, all the segments viz., Equity, Commodity, Bond, Future and Options, etc in which people of Jamnagar are investing is taken into consideration
- This research also covered all the people investing online and through broking company’s advice.

3.4. Significance of the Study
- This will help the Stock Broking House, how to make people aware about capital market mostly stock market by imparting best education.
- This research is also helpful to the company to know the taste of masses and turn it towards best available investment avenue.
- It would be important for the company to frame effective Marketing Strategy.
- It would play great role in selecting the right media for advertising to create brand awareness as well as to give knowledge of the products.
- Different age group people would get benefit by this research.

3.5. Population and Sample Size
All the individuals who are dealing in stock market in Jamnagar city will be the population for this study whereas 150 individuals have been taken as Sample for the purpose of the study.

3.6. Data Collection
The study is based on Primary data. The main source of data used for this study is primary and it will be derived from structured Questionnaire. Other sources of data are journals, reports on trend and progress of stock broking houses, books and other web sites.

3.7. Tools of Analysis
Current study is based on primary data so collected data have been analyzed in two sections. Section – A is for Graphical Analysis and Section – B is for Hypothesis testing.
- For Section – A: Pie-charts have been used for the purpose of analysis.
- For Section – B: statistical tools like Average and One Way ANOVA tests have been used for testing of hypothesis. Here, two variables like age and investment pattern, occupation with other variables have been tested with the help one way ANOVA.

3.8. Null Hypothesis of the study
1: There is no significant difference in age wise selection of various segments.
2: There is no significant difference in education wise selection of segments.
3: There is no significant difference in occupation wise selection of segments.
4: There is no significant difference education wise selection of tendency in equity.

3.9. Limitations of the Study
- Research Study is conducted in the Jamnagar city only for study purpose. So, it provides idea of that particular regions’ investment pattern and their preference only.
- Sample size may or may not be able to match with population result as it is 150, which may be small.
- Scope of the study is limited to the selected investment instruments only.
- Biasness of Individuals while answering questions, it may affect findings of the study.

IV. DATA ANALYSIS AND INTERPRETATION

4.1. Age Wise Classification of Investors

| Age            | No. of Respondent |
|----------------|-------------------|
| Less than 25   | 16                |
| 25-35          | 32                |
| 35-45          | 56                |
| More than 45   | 46                |
| Total          | 150               |

Figure 1 – Age Wise Classification of Investors

4.1.1. Interpretation
There are 16 people who are less than 25 years are investing in stock market. There are 32 people who are between age of 25 to 35 are investing in stock market, there are 56 people who are between age of 35 to 45 are investing in stock market and in this group people are investing more than any other group, there are 46 people who are more than 45 years are investing in stock market.
4.2. **Education Wise Classification of Investors**

Table 2 – Education Wise Classification of Investors

| Education        | No. of Respondent |
|------------------|-------------------|
| Under Graduate   | 48                |
| Graduate         | 62                |
| Post Graduate    | 28                |
| Professional Degree | 12            |
| Total            | 150               |

![Figure 2 – Education Wise Classification of Investors](image)

4.2.1. **Interpretation**

There are 48 people who are under graduate are investing in stock market, there are 62 people who are graduate are investing in stock market and it is the highest number of people compare to any other education, there are 28 people who are post graduate are investing in stock market, there are 12 people who are professional are investing in stock market.

4.3. **Occupation Wise Classification of Investors**

Table 3 – Occupation Wise Classification of Investors

| Occupation                        | No. of Respondent |
|-----------------------------------|-------------------|
| Businessman                       | 81                |
| Non-Government Employee           | 28                |
| Professional                      | 26                |
| Government Employee               | 13                |
| Any Other                         | 2                 |
| Total                             | 150               |

![Figure 3 – Education Wise Classification of Investors](image)

4.3.1. **Interpretation**

There are 81 people who are businessmen are investing in stock market and it is the highest number of people who are investing in stock market, there are 28 people who are non govt. employee are investing in stock market, There are 26 people who are professional are investing in stock market, There are 13 people who are govt. employee are investing in stock market, There are 2 people who are in other occupation are investing in stock market.

4.4. **Segments Wise Classification**

Table 4 – Segments Wise Classification

| Segments      | No. of Respondent |
|---------------|-------------------|
| Equity        | 90                |
| Commodity     | 61                |
| Future And Option | 36            |
| Mutual Fund   | 28                |
| IPO           | 28                |
| Total         | 4                 |

![Figure 5 – Segment Wise Classification of Investors](image)

4.4.1. **Interpretation**

There are 90 people who are investing in equity and it is the highest number, There are 61 people who are investing in commodity, There are 36 people who are investing in future and option, There are 28 people who are investing in mutual fund, There are 28 people who are investing in IPO.
commodity, There are 36 people who are investing in future and option, There are 28 people who are investing in mutual fund, There are 28 people who are investing in IPO, There are 4 people who are investing in all the segments.

4.6. Age and Different Segments

Table 5 – Age and Different Segment Wise Classification of Investors

| Age        | Equity | Commodity | F & O | Mutual Fund | IPO | All |
|------------|--------|-----------|-------|-------------|-----|-----|
| Less than 25 | 13     | 5         | 4     | 4           | 3   | -   |
| 25-35      | 21     | 10        | 6     | 5           | 4   | 3   |
| 35-45      | 33     | 19        | 17    | 9           | 13  | 1   |
| Above 45   | 23     | 27        | 7     | 10          | 8   | -   |
| Total      | 90     | 61        | 36    | 28          | 28  | 4   |

4.6.1. Interpretation

Above table shows relationship between age of individual and investment in different segment in stock market. People who are between ages of 35-45 mostly are investing in equity. People who are of more than age of 45 mostly are investing in commodity. People who are between the age of 35-35 highest are investing in future and option. In mutual fund highest investment is made by people who are above 45 years. In IPO highest investment is made by people who between age group of 35-45.

\[ H_0: \] There is no significant difference in age wise selection of various segments.

\[ H_1: \] There is significant difference in age wise selection of various segments.

Table 6 – Relationship between Age and Different Segment of Stock Market

| Source of Variation | SS     | df | MS      | F       | F crit  |
|---------------------|--------|----|---------|---------|---------|
| Between Groups      | 1139.208 | 5 | 227.8417 | 6.006811 | 2.772853 |
| Within Groups       | 682.75  | 18 | 37.93056 |         |         |
| Total               | 1821.958 | 23 |          |         |         |

Above table shows relationship between age and different segment of stock market. At 5% level of significance the above table shows that f table value is less than f calculated.

\[ F \text{ Tabulated} < F \text{ Calculated} \text{ i.e. } 2.77 < 6.01 \]

So \( H_0 \) is rejected and \( H_1 \) is accepted. So there is significant difference in age wise selection of segment of investment.

4.7. Education and Different Segments

Table 7 – Education and Different Segment Wise Classification of Investors

| Education       | Equity | Commodity | Future And Option | Mutual Fund | IPO | All |
|-----------------|--------|-----------|-------------------|-------------|-----|-----|
| Undergraduate   | 27     | 22        | 11                | 7           | 5   | -   |
| Graduate        | 41     | 23        | 14                | 11          | 11  | 1   |
| Post Graduate   | 13     | 12        | 5                 | 6           | 8   | 3   |
| Professional Degree | 9   | 4         | 6                 | 4           | 4   | -   |
| Total           | 90     | 61        | 36                | 28          | 28  | 4   |

4.7.1. Interpretation

People who are undergraduates mostly are investing in equity. In commodity mostly graduates and undergraduates are investing. In future and option mostly graduates are investing. In mutual fund and IPO all education group are investing.

\[ H_0: \] There is no significant difference in education wise selection of segments.

\[ H_1: \] There is significant difference in education wise selection of segments.
Table 8 – Relationship between Education and Different Segment of Stock Market

| Source of Variation | SS        | df | MS         | F            | F crit      |
|---------------------|-----------|----|------------|--------------|-------------|
| Between Groups      | 1133.208333 | 5  | 226.642    | 4.10521      | 2.77285     |
| Within Groups       | 993.75    | 18 | 55.2083    |              |             |
| Total               | 2126.958333 | 23 |            |              |             |

The above table shows relationship between education and different segment of stock market. At 5% level of significance above table show that F table value is less than F calculated value.

F Tabulated < F Calculated i.e. 2.77 < 4.11

So, \( H_0 \) is rejected and \( H_1 \) is accepted. Hence, there is significant difference in education wise selection of segments.

4.8. Occupation and Different Segments

Table 9 – Occupation and Different Segment Wise Classification of Investors

| Occupation            | Equity | Commodity | F. & O. | M. F. | IPO | All |
|-----------------------|--------|-----------|---------|-------|-----|-----|
| Businessman           | 56     | 31        | 14      | 10    | 9   | 2   |
| Non-Government Employee | 17    | 9         | 6       | 7     | 7   | 2   |
| Professional          | 12     | 11        | 11      | 9     | 7   | -   |
| Government Employee   | 5      | 9         | 5       | 2     | 4   | -   |
| Any Other             | -      | 1         | -       | -     | 1   | -   |
| Total                 | 90     | 61        | 36      | 28    | 28  | 4   |

4.8.1. Interpretation

In equity mostly businessmen are investing. In commodity and future and option all segments are investing but the highest investment is made by businessmen only. In mutual fund and IPO all segment are investing equally.

\( H_0 \): There is no significant difference in occupation wise selection of segments.

\( H_1 \): There is significant difference in occupation wise selection of segments.

Table 10 – Relationship between Occupation and Different Segment of Stock Market

| Source of Variation | SS        | df | MS         | F            | F crit      |
|---------------------|-----------|----|------------|--------------|-------------|
| Between Groups      | 1352.533  | 4  | 338.1333   | 3.72585      | 2.75871     |
| Within Groups       | 2268.833  | 25 | 90.75333   |              |             |
| Total               | 3621.367  | 29 |            |              |             |

The above table shows relationship between occupation and different segment of stock market. At 5% level of significance above table show that F table value is greater than F calculated. i.e. F calculated > F tabulated 3.725 > 2.759. So, \( H_1 \) is accepted. There is significant difference in occupation wise selection of segments.

4.9. Education and Tendency of Investment in Equity

Table 11 – Education and Tendency Wise Classification of Investors

| Tendency of Investment | Education | Intra Day | Positional | Long Term | Any Other | Total |
|------------------------|-----------|-----------|------------|-----------|-----------|-------|
| Under Graduate         | 28        | 11        | 8          | 1         | 48        |
| Graduate               | 35        | 7         | 18         | 2         | 62        |
| Post Graduate          | 8         | 9         | 11         | 0         | 28        |
| Professional Degree    | 3         | 1         | 8          | 0         | 12        |
| Total                  | 74        | 28        | 45         | 3         | 150       |
4.9.1. Interpretation

People who are undergraduate in that 28 are trading intraday, 11 are trading positional, 8 are trading long term, 1 in any other. People who are graduate in that 35 are trading intraday and it is the highest numbers of people who are trading in intraday, 18 are trading positional, 2 in any other. People who are post graduate in that 8 are trading intraday, 9 are trading positional, 11 are trading long term. Among professionals in that 3 are trading intraday, 1 investor is trading positional and 8 investors are trading long term.

\( H_0 \): There is no significant difference education wise selection of tendency in equity.

\( H_1 \): There is significant difference between education wise selection of tendency in equity.

| Source of Variation | SS     | df | MS    | F       | F crit  |
|---------------------|--------|----|-------|---------|---------|
| Between Groups      | 3198.5 | 4  | 799.625 | 5.238862 | 3.055568 |
| Within Groups       | 2289.5 | 15 | 152.6333 |        |         |
| Total               | 5488   | 19 |        |         |         |

Above table shows education and tendency in equity. At 5% level of significance above table shows that F table value is more than F calculated value.

F calculated > F tabulated 5.238 > 3.055. So, \( H_0 \) is rejected. That means there is significant difference in education wise selection of tendency for investment.

V. FINDINGS OF THE STUDY

- People whose age is less than 25 years out of them only few persons are investing less than 1000. People whose age is between 35-45 years out of them mostly are investing between 1000 to 10000.
- People whose age is more than 45 years out of them most of are investing online. In age group of less than 25 years only 6 persons are investing through broking company advice and it is the lowest number compare to any other group.
- People who are graduates in that 20 are trading intraday and it is the highest numbers of people who are trading in intraday, 18 are trading positional, 1 in any other.
- People who are graduate 41 are investing online 20 are investing through broking company’s advice in these group highest number of people are investing in online and offline both.
- There are 59 businessmen who are trading online and it is the highest number of people compared to any other occupation. 22 businessmen are taking advice from broking companies.
- There are 26 businessmen trading intraday and 11 businessmen are trading positional, 23 businessmen are trading in long-run, 2 businessmen trading in other way. Most of the businessmen are trading intraday and it is the highest number of people trading intraday.
- People whose income is between 15000 to 25000 out of them 7 are investing less than 1000, 36 are investing between 1000 to 10000, only 1 invest between 10000 to 15000 and 2 are investing more than 15000.

VI. CONCLUSION

Most of the investors are very sensitive about safety of their investment. They want more safety and reliability. Current trend and easy access is not affected the investor as much as safety and reliability. Most of the earning people invest their income up to different level in any sector, so investment company have also very much scope of gaining business. Equity market is also popular among investors due to higher return, but due to uncertainty and lack of proper knowledge investors do not invest in that sector. But investors who have proper knowledge and willingness to take risk up to some extent are investing in Equity market. Bank’s interest rate is also decreasing since last few years so, investors move towards other avenues like mutual fund, bond, equity market and others like land, gold, building etc. So, final conclusion on part is that investors of Jamnagar city are investing their money with the balance of safety, reliability and return on investment.

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