

An Examination of Investors' Perceptions Regarding Contemporary Investment Prospects in Rajasthan

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Abstract

India's rapid economic growth has led to an expanding array of investment opportunities, attracting modern investors seeking diversification. This study examines investor perceptions of contemporary investment options in the Didwana-Kuchaman District of Rajasthan. It explores how demographic factors influence investment decisions and evaluates preferences for instruments such as mutual funds, equities, sovereign gold bonds, REITs, ULIPs, small cases, cryptocurrency, and portfolio management services. The research, based on primary data from 145 respondents, reveals a preference for low-risk, long-term investments, with mutual funds and equities emerging as top choices. Findings suggest that income level, financial literacy, and past investment experiences significantly shape investor behavior. The study underscores the importance of awareness initiatives to enhance decision-making and optimize investment strategies.

Keywords

Investment behavior, contemporary investment options, mutual funds, equity, investor perception, Rajasthan.

1. Introduction

India has emerged as one of the fastest-growing economies globally in recent years, presenting a lucrative and thriving investment opportunity. A vital transition towards economic achievement has been observed globally, reflecting impressive growth rates across the planet. Increasing income levels and strong market returns have drawn in more investors, resulting in a greater amount of money accessible for investment. Due to their modern perspective, these investors are more inclined to investigate unique investment options to diversify their portfolio. As a result, investors have various options to choose from, such as sovereign gold bonds, REITs, stocks, mutual funds, smallcase cryptocurrency, and portfolio management services (PMS). The main aims of this research are to examine the various choices accessible to investors and explore their perspectives on different financial tools. The primary objective of the study is to carry out an initial inquiry into modern investment options in Didwana-Kuchaman District of Rajasthan. This study indicates that investors generally believe that acquiring assets with a long to medium-run outlook is more beneficial for wealth accumulation. Additionally, this study indicates that demographic variables significantly influence the selection of an investment option. This research also discovered that investors could enhance their decision-making ability by analyzing past errors, allowing them to avoid making repeated mistakes and ultimately increasing their possibility of success.

2. Contemporary Investment Prospects in Rajasthan

Contemporary investments are those specifically designed products which satisfy the modern age investors needs and are distinct from traditional investment products. Investors may allocate their resources to the most suitable contemporary investment options based on their associated risk factors. Given that investments inherently carry risk, they often lead to minimal or nonexistent returns even sometime carry loss, implying that all investment prospects encompass some degree of risk. The inclination towards contemporary investment avenues arises from the appreciation in value, earnings potential, and the emergence of new sectors within the financial industry.

- **REIT:** A Real Estate Investment Trust (REIT) is an organization that owns and usually manages real estate or assets that generate income. These could consist of office complexes, retail centers, residential buildings, lodging establishments, vacation destinations, storage units, distribution centers, as well as home loans or financing.
- **ULIP:** ULIP is a type of insurance plan that gives dual advantage investing opportunities to help you achieve your long-term objectives and life insurance to safeguard your family's finances in the event of an untimely accident.
- **Equity:** Direct investment in equities involves participating in primary markets through IPOs or purchasing securities from secondary markets like stock exchanges. Equities carry the highest risk but may also yield the highest returns and dividends.
- **Mutual Funds:** These are financial tools formed with pooled funds from various investors with similar goals and are overseen by professionals. Investors put money into different assets like stocks, bonds, gold, and international stocks to create a varied portfolio
- **Smallcase:** Smallcases are new age investment products that support investors to build a low-cost, long-term & diversified portfolio easily. A smallcase is a pool of stocks/ETFs representing an idea – an aim, theme, or strategy.
- **Crypto currency:** A crypto currency is an alternative payment method made possible by encryption techniques. Because they employ encryption technology, cryptocurrencies can be used as a virtual accounting system in addition to a medium of exchange.
- **Sovereign Gold Bonds:** SGBs are government securities displayed in grams of gold. They are substitutes for holding gold physically. Investors need to pay the issue price in cash and the bonds will be redeemed in on maturity.
- **PMS:** Portfolio Management Service is different from small case, under this investor does not have decision of when



to buy and sell here decision taken by fund manager only who charge fees for that. This type of service taken mostly by high net worth individuals.

2. Research Methodology

For the purpose of data analysis, primary data have been utilized. Primary data have been collected from 145 sample respondents through field visits. In this research, the data was collected with the help of a meticulously designed structured questionnaire. The respondents were residents of Didwana - Kuchaman District, representing various fields of employment, including both men and women.

3. Research Objective

- To investigate Didwana-Kuchaman District residents' investment choice.
- To evaluate the variables impacting investor decision to select contemporary Prospects.

4. Literature Review

Gaurav et al, 2023 [3] The researcher's study intends to comprehend how corporate professionals invest as well as the many aspects that affect their investing behavior regarding mutual funds. The research study is predicated on primary data collected using a structured questionnaire from 175 distinct respondents. To find research study participants, convenience sampling—a non-probability sampling techniques were employed. In order to determine the different characteristics that impact corporate professionals' investing behavior with respect to mutual fund investments, exploratory factor analysis, or EFA, was employed. In terms of mutual fund investments, the current research study was successful in clarifying seven important aspects that affect corporate professionals' investment behavior.

Jhanwar & Agarwal, 2022 [5] Researchers discovered that investors consistently seek new methods to increase their wealth and face a dilemma due to the abundance of investment choices in the market. The investor seeks an affordable, uncomplicated, adaptable, clear, and high-control investment choice.

Shukla, 2016 [8] Attempted this research report on investors' inclinations for investment channels, with a sole focus on salaried individuals. The author came to the conclusion that most respondents based their financial decisions on their level of schooling. background, and they made long-term investments and bought a house. The respondents' investment criteria are minimal risk and safety.

Ganapathi, 2015 [2] Showed that the socioeconomic profile of government workers and their attitude toward investments differ significantly. Furthermore, the results showed that the socioeconomic profile of government personnel and investment decisions differ significantly. The author recommended that government workers change their investment strategy if the market is extremely.

Jayasatha, 2014 [4] Tried to demonstrate the three main requirements that big investors conceal from them: appreciation, income stability, liquidity, and principal protection. Easy transferability and the International Journal of Advanced Engineering and Recent Technology. This study used chi-square and percentage analysis. There are many other ways to invest, including stocks, banks, businesses, gold and silver, real estate, life insurance, postal savings, and more. The author came to the conclusion that the majority of investors favored investing in mutual funds, with life insurance companies coming in second.

Patil & Nandawar, 2014 [7] discovered that the studies used a standardized questionnaire and in-person interviews with salaried individuals. Actually, the current study used self-assessment to determine the investors' favorite investment paths. According to the researchers' analysis, paid staff regularly assessed both safety and a strong return on in-



vestment. With the exception of female investors, all respondents are aware of the investing opportunities in India.

Barber & Odean, 2013 [1] According to this research, individual investors tend to hold undiversified stock portfolios, underperform standard benchmarks, and sell winning investments while holding losing ones. Individual investors' financial well-being is negatively impacted by these actions.

5. Analysis and Interpretation

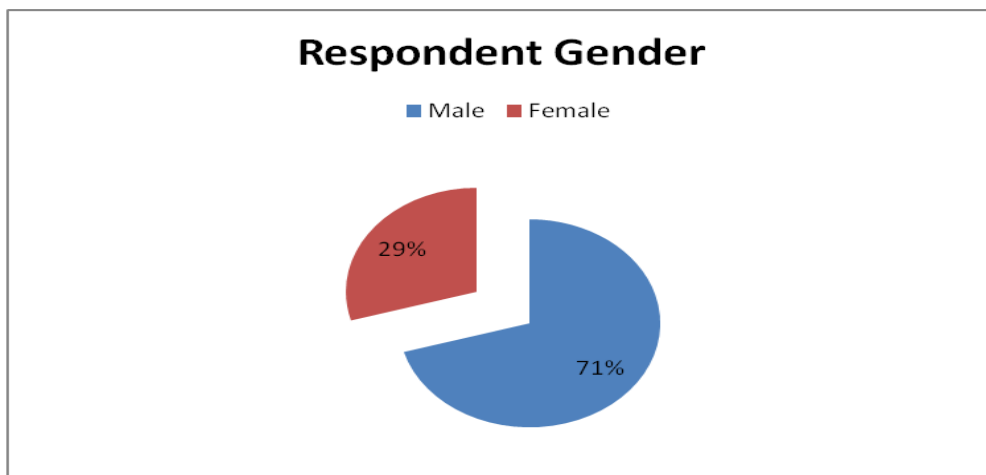


Figure 1. Parts of the respondent's gender

A significant part of the respondents, 71%, are male and 29% are female. It is noted that male respondents express their opinions freely where female respondents hesitate to respond.

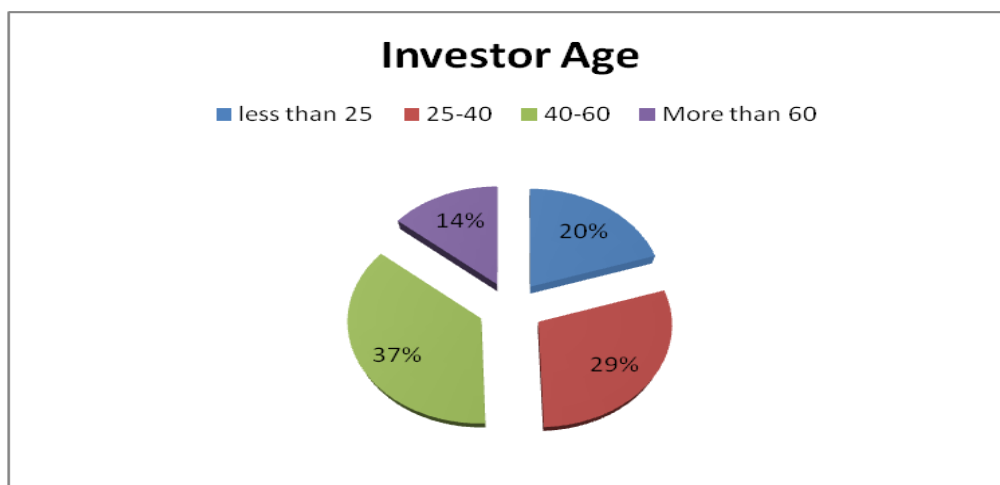


Figure 2. Parts of the respondent's investor age

A significant part of the respondents, 37%, fall within the 40-60 age range, while 29% are aged 25-40, suggesting that investors are both young and mature enough to grasp the advantages and disadvantages of various investment options.

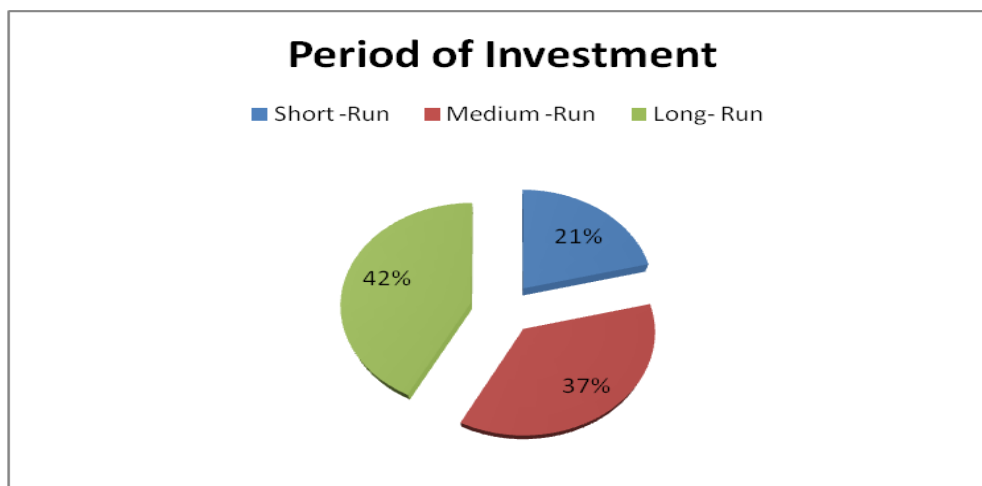


Figure 3. Parts of the respondents' period of investment

The analysis points out the fact that most of the respondents 42% prefer long-run period of investments followed by 37% medium term investment because they have a safety mindset and prioritize safe returns than risk.

The analysis clearly points out the fact that saving habit is comparatively low among the respondents. Majority of the respondents select long run period of investments. The investment decision of the respondents is mainly dependent on the mindset as their risk level low. Majority of the respondents expect a safe return more than the prevailing market rate for their investment.

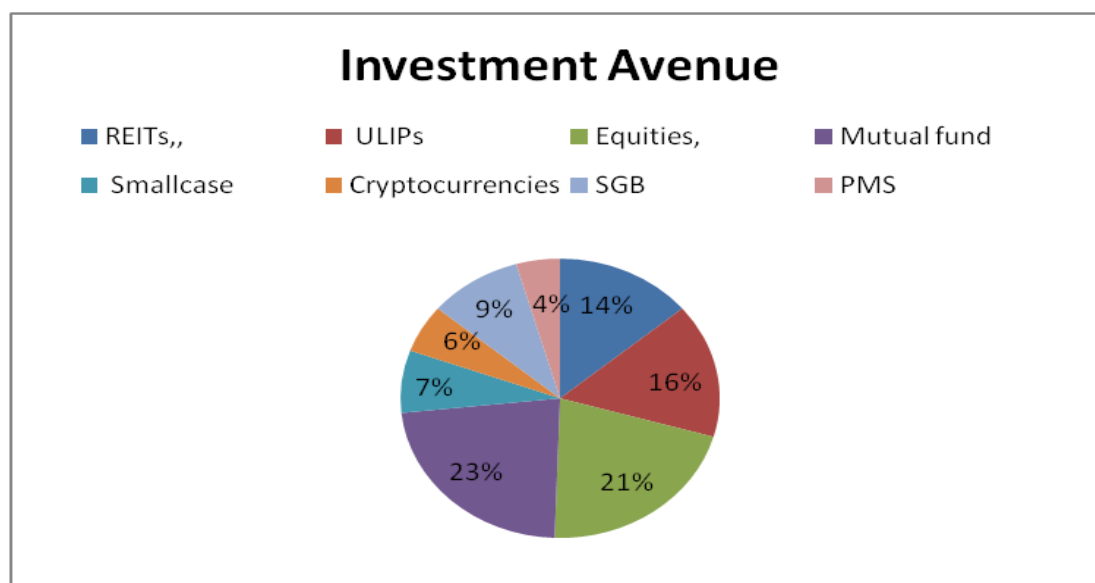


Figure 4. Parts of the respondent's investors avenue

Respondents were requested to choose their top preference from the modern investment offered alternatives. A significant portion of the respondents, 23%, favor investing in mutual funds for its potential to yield good returns, followed by 21% opting for equity, 16% of participants prefer ULIPs which combines mutual funds and insurance benefits. It is also noted that very few individuals, 6%, invest in cryptocurrency and due to its inherent risks and legal concerns. where only

4% of participants opt for portfolio management service because of ignorance of its benefit. It is important to highlight that individuals prefer to invest in instruments that offer safe returns while simultaneously providing easy access.

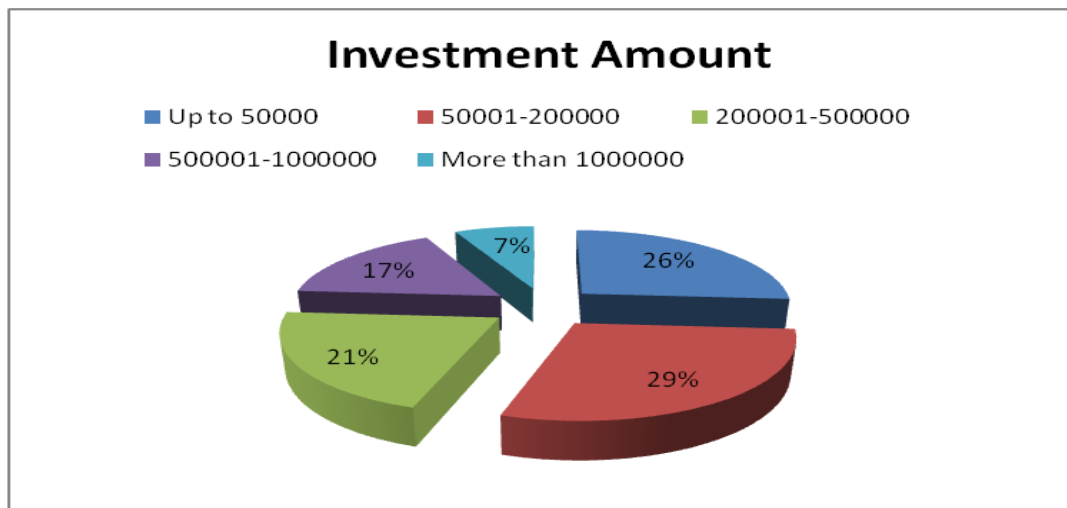


Figure 5. Parts of the respondent's investor amount

Investment depends on income level and saving habits. It is observed that the majority of investors have very little amount to invest in due to their low level of income. In which nearly 29% invest between 50001-200000 where 26% invest up to 50000 and only 7% are able to invest more than 10 lakhs annually. It is required to uplift their income level for their better future.

6. Conclusion

Based on the findings of this study most participants invest a modest sum of money. They prefer investment in mutual fund and equity followed by ULIPs and REITs are given more priority. The study points out the fact that most of the respondents prefer low risk with safe return from the investment.

1. Respondents have fair knowledge about all alternatives, especially equity and mutual funding.
2. Respondents' investment trend has increased in recent years as they understand the importance of investment.
3. Respondents risk perception on investment is low.
4. Respondents expect a safe and secure return for REITs and mutual funds.

The investment's long-run objective is wealth creation most of the respondents said they preferred long-run investments with a low risk and reward. One of the key factors influencing investment decisions is the income. While most respondents are happy with the current yield, many do anticipate a larger return. The respondents received information from various sources that nearly every investor prefers to invest in mutual funds due to its consistent return and easy availability.

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