INTRODUCTION:

The money you earn is partly spent and the rest is saved for meeting future expenses. Instead of keeping the savings idle you may like to use savings in order to get return on it in the future. This is called Investment. In other words, Investment is ‘the act of committing money or capital to an endeavor with the expectation of obtaining an additional income or profit.’

It's actually pretty simple: investing means putting our money to work for us. Essentially, it's a different way to think about how to make money. There are many different ways we can go about making an investment. This includes putting money into stocks, bonds, mutual funds, or real estate (among many other things), or starting your own business. Sometimes people refer to these options as "investment vehicles," which is just another way of saying "a way to invest."

Gender differences and investing

- Male and female investors both trade excessively, but one sex does it more.
- Women like to network when learning about investing; men prefer to go it alone.

Gone are the days when women were advised to invest for the future by finding a husband. Despite the gains in gender equality over the past century, though, men and women have not quite achieved parity in the field of investing.

Today, the investing gap between the sexes stems either from inborn tendencies or cultural expectations around gender and money. In many cases, it's unclear whether the discrepancies begin in nature or nurture. Either way, men and women have distinctly different outlooks and orientations.

Over the past two decades, researchers have confirmed what hacky comedians have known forever: Men don't like to ask for directions, and women like to do everything in the company of other women.

Those fundamental stereotypes show up in the ways the sexes approach learning about investing. Men tend to enjoy learning on their own, whereas women prefer a group setting.
Basic objectives of investment are follows:

1. Capital appreciation
2. Safety
3. Guaranteed return
4. Tax benefit
5. Liquidity
6. Legal safeguards

**Debt Instruments & Bank Deposits**

These are flexible, liquid and offer good interest rates today. Make use of the two-in-one savings accounts that banks offer (surplus over a specified sum is transferred to a deposit) to get a higher return on the money accumulating in your savings account. In the recent Budget, the benefit of Section 80C was also extended to bank deposits, which are kept with scheduled banks for a minimum period of five years.

Debt instruments protect our capital, therefore the importance of a solid debt portfolio. This not only gives stability, but also offers us optimal returns, liquidity and tax benefits. Debt products, besides safeguarding our capital, can be used to meet short, medium and long-term financial needs.

**Mutual Funds**

A mutual fund is a body corporate registered with SEBI that pools money from the individuals/corporate investors and invests the same in a variety of different financial instruments or securities such as Equity Shares, Government Securities, Bonds, Debentures, etc. The income earned through these investments and the capital appreciations realized are shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. Mutual fund units are issued and redeemed by the Asset Management Company (AMC) based on the fund’s net asset value (NAV), which is determined at the end of each trading session.
**Shares (Equity)**
Equities are often regarded as the best performing asset class vis-à-vis its peers over longer time frames. However equity-oriented investments are also capable of exposing investors to the highest degree of volatility and risk. There are a number of factors, which affect the performance of equities ad studying and understanding all of them on an ongoing basis, can be challenging for most.

**Gold**
In India, gold has traditionally played a multi-faceted role. Apart from being used for adornment purpose, it has also served as an asset of the last resort and a hedge against inflation and currency depreciation. India has more than 13,000 tonnes of hoarded gold, which translates to around Rs.6,50,000 crores. Gold is an asset class that’s associated with safety. However, the ups and down that the yellow metal has seen over the last few months, has made it look similar to other market investment assets. This is due to an unprecedented demand for gold as an investment avenue since the last couple of years.

Gold has attracted a high level of attention in last couple of years, with an image shift from a non-volatile asset to a hot investment avenue. The future outlook for the metal looks positive given its proven linear relationship with the crude oil and non-linear with the US dollar. The much-awaited gold exchange-traded funds would provide a very good vehicle to the investors and a sensible alternative to the current forms available for investment.

**Real Estate**
Real estate is a great investment option, as it gives you capital appreciation and rental income. It’s an investment option since it fights inflation. The fundamentals for investing in property markets remain strong in India - relatively low interest rates, strong capital flows, high employment growth, abundant liquidity, attractive demographics (young population and migration from West), increase in affordability, and a large supply of stock to keep up with demand and focus on quality. The price we pay for a property should reflect the future rent/income at which we let it. As in the stock market, the prices in real estate are also driven by sentiments. All that is required to reverse a price movement is a change in sentiment.

There are several parameters that an investor will think before investing like return, flexibility and etc but the markets will face a question mark in knowing the pulse of an investor. So a study
must be made on the demographics and psychographics of the investor such that the market can know the pulse of an investor and can act upon it. These are the results of such a survey that was made on the investor. Investor behavior analysis deals with analyzing the behavior of an investor based on his demographic and psychographic factors like age, gender and income groups. This states what would be a preferred portfolio of an investor at an age. This will be helpful to the stock brokers and portfolio managers so that they can offer better portfolios to their investors. This analysis will show the mentality of an investor and his preferences clearly and concisely. Beginning in the early 1970’s, the Efficient Market Hypothesis (EMH henceforth) became dominant in academic circles trying to understand the rules of return in the equity market. After a long period of successes, faith in this hypothesis was gradually eroded by the discovery of several anomalies. The last decades showed immense research efforts to find new models accurately predicting market behavior. These efforts build the foundation for what is called “Behavioral Finance”. During all this time researchers have identified two major reasons why the EMH fails to deliver correct results in so many cases.