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Investment Awareness among Youth a Study of Western Mumbai: Review of Literature

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Young generation is techno-savvy and always active on social media and cultural platforms. The lifestyle of youth have changed not only in the social aspects but also their mind-set towards their life have acquired tremendous change. This change can be attributed towards their educational prospects, career goals and also towards their financial planning. The present section focuses on studying various aspects studied by various researchers on investment awareness and pattern of investment by youth in the society.

1. Investment: Meaning and Concept:

Investment means the purchase by an individual of a financial or real asset that produces returns, proportionate to the risk assumed over some future investment period. For achieving this, one has to decide on how and where to deploy the savings, so that the future requirements for money can be best met. An investor should always have three types of financial investments. i) Liquid Investments such as Savings Account. ii) Liquid Funds – regular income investments like Fixed Deposits, Bonds and Debentures.

Shantilal Sarupria (1963) in the study captioned “Individual Savings in an under Development Economy-India-A Case Study” has made an attempt to disprove certain widely held views about the individual’s savings behaviour in an under developed country like India and suggested the ways of potential savings which could be mobilised for investment. **Fama (1972)** in the study titled “Components of Investment Performance” analysed the Investment and introduced two terms ―Selecting‖ and ―Timing‖ which were more important compared to risk and return. Further, he suggest methods for measuring the efforts of foregone diversification when an investment manager decides to concentrate his holdings in which he thinks that there are only a few winners.

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Lewellen Wilbur.G et.al. (1977) in their study "Pattern of Investment Strategy and Behaviours among Individual Investors" ascertained the portfolio decision process of individual equity investors. Data was collected from 972 individual investors residing in the U.S. The result shows that age has a strong influence on the portfolio goals of the Investors. Older Investors have interest in long term capital gains and young investors have a desire for short-term capital gains. Age and risk taking propensities were found to be inversely related. The study concluded that the women investors were found to be broker reliant unlike men.

Bhagawati Prasad and Subhas. M.S (1991) in their study entitled, "Problems faced by the Investors" have examined the problems faced by the investors by surveying 200 small investors. The study reveals that majority of the investors in the middle income group were very active. High returns motivated them to invest in capital market and majority of the shareholders were not satisfied with the content of published information.

Jawaharlal (1992) in his study entitled "Understanding Indian Investors" identified the behaviours of individual investors using a questionnaire method. The study covered major cities in India. 1200 shareholders and debenture holders were selected at random for the study. The study revealed that individual investors generally invest in more than five companies and preferred a large portfolio. They lacked knowledge and experience in accounting matters. There was a strong positive association between level of understanding and volume of shareholdings. The study indicated that the disclosures made by the companies, need to be improved for the benefit of the investors.

2. Awareness on Investment:

While making an investment activity, investors normally tolerate the sacrifice of certain present value for the uncertain future reward. A standard finance theory assumes that investor decision towards investment must be made rationally, while the behavioural finance assumes that the investors are basically deviated from rational decision making **(Sewwandi, 2015).** People easily fall into confusion between savings and investments, while thinking about the investment as a means of savings. This becomes as one of the factors to reduce the tendencies of making investment among people **(Lokhande, M.A., 2015).**

3. Importance of financial literacy and financial planning:

According to **Hung, A. et.al (2012),** there is a positive impact of financial literacy on financial attitudes of people. Financial literature people manage their income and expenditure on better grounds. They also have good retirement planning and less financial concerns. The same have been concluded by **Capuano, A. & Ramsay, I. (2011) and Lusardi, A. et.al (200).**

Gallery N, Newton C. & Palm C (2011) had presented the model on variables which influences financial wellbeing. It is evident from model that financial wellbeing is dependent on Personal financial behaviour, which in turn depends on financial literacy.

4. Personal Interest towards investment activities:

Recently it has been found that the level of debt and its burden have increased among the college going youthy. This is basically because they try to maintain a lifestyle to match up with the social standards. However, this attitude takes them in a deep trouble where they are unable to cope up with the situation. This situation has direct influence on their career, job takings and marriage proposals. Gradually, throughout their lifetime they just try to cope with things, where personal motive and interest towards investment activities goes completely missing **(Boushey, 2005).** It is also noted that unlike purchasing consumer goods, the youth do not go for brands when it is the time of investment in financial product. Here more than the brand name, they are actually interested in the returns in near future. Thus, they take opinion of their future. Thus, they take opinion of their financial advisors about the investment activity **(Shefrin and Statman, 1985).** Same has been even confirmed **by (Lewis, 2008)**

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