

# A Study on Investor Awareness Prevalent Among College Students on Emerging Investment Avenues with Special Reference to Coimbatore City.

Dr. C Poornima

Assistant Professor, BCom Accounting & Finance,

Mr. Saravanakumar M, Mr. Sidharth S Gopal

III BCom Accounting & Finance “A”,

Sri Ramakrishna College of Arts & Science, Coimbatore-641006, India.

## ABSTRACT

The sustainable development goals adopted by the UN emphasizes the need for inclusive economic growth and quality education. By promoting investment awareness among college students, enhancement of financial literacy and economic empowerment promoting economic growth. The present study aims to unravel the level of awareness prevalent among college students in Coimbatore city. It attempts to explore the depth of their awareness regarding emerging opportunities for investments such as hybrid mutual funds, Digital Gold Scheme, Crypto-currency, digital gold schemes and many others. Response is collected from 122 respondents selected through simple random sampling method and these responses were collected through questionnaire method. SPSS and Excel was used for the study. One way ANOVA and frequency analysis were used to analyse the collected responses. The findings template valuable insights for educators policy makers and financial institutions to design targeted initiatives that enhance financial literacy students with the tools to inform that confident investment decisions.

**Keywords:** Investment avenues, college students, financial literacy, awareness.

## INTRODUCTION

Investment is the act of committing money or other assets to gain a financial return or security with the goal of increasing wealth. In this rapidly changing financial environment, the ability or knowledge of investment has become an identification tag for today's youthful generation. With the ever-changing dimensions of global economy, a person especially a student must understand the prevailing sense of investment avenues available in market. Despite growing avenues of financial literacy's importance, many college students lack adequate knowledge good modern investment options leading to delay or uninformed financial decisions. Moreover, the influence of technology, social media and network has transformed how the demographic factors perceive and engages with investments to explore their awareness and behaviour in this domain. This study is essential to identify the extent of knowledge students have about emerging investment government and how factors like socio economic background access to technology influences their due choices. By having a deep understanding of investment principles and practices empowering young individuals can be motivated to invest

## OBJECTIVES

- To identify the demographic characteristics of the respondents.
- To identify the most popular investment avenues among college students.
- To assess the level of awareness of various investment avenues among college students.

## SCOPE OF THE STUDY

This study aims to explore the investment awareness and behaviour of college students in Coimbatore city, aged 17-22 years, studying in various disciplines and streams. Additionally the research will also examine various factors influencing students awareness on emerging investment avenues. These factors include socio-economic background, accessibility of investment platforms and peer to peer influence. Special emphasis will be placed on the impact on year of the college the student is pursuing, their ability to assess and choose appropriate investment avenues. By focusing on students from diverse

academic and demographic backgrounds, it will provide a clearer picture of how college students approach investment in the fast-changing financial world.

## **STATEMENT OF THE PROBLEM**

Despite the increasing prevalence of emerging investment avenues, a significant gap exists in the financial literacy and investment awareness of college students. This lack of knowledge and understanding hinders their ability to make informed investment decision-making and optimal financial output. Many college students are only aware of traditional investment avenues like bonds, mutual fund, fixed deposits etc. Only some are aware of emerging investment avenues like crypto-currency and hybrid mutual funds. The problem at hand was to study and measure the awareness level of college students regarding these investment options.

## **RESEARCH METHODOLOGY**

Research Methodology is a standard way to identify the problems of the study with the help of various tools and techniques, giving interpretation for the data of the study and concluding the data. Both Primary and secondary data have been used in this study. Simple random sampling method was used to collect the data, which is a probability type of sampling. The data was collected by means of a questionnaire. A total of 150 questionnaires were sent, out of which 122 responses were received. SPSS software was used for the analysis part of this study. Frequency analysis, Mean Score and ANOVA tests were used for analysing the data. The study is conducted within Coimbatore city between November 2024 – March 2025.

## **HYPOTHESIS**

H<sub>0</sub> - There is a significant relationship between the stream selected by respondents and the awareness level prevalent among them.

## **LIMITATIONS OF THE STUDY**

1. The area of the study is restricted within the Coimbatore city.
2. Only 122 respondents have been taken for the study, if the responses increase, the result may differ.
3. This study results may vary in future according to students perception.

## **LITERATURE REVIEW**

In the upcoming lines, review of literature takes place which includes review of past studies. **Harsha Vijaykumar Jariwala (2020)<sup>1</sup>**, the study aimed to make a significant contribution to the field of financial literacy in India, where no baseline data exists, and the concept has only recently gained attention from policymakers. It explored the financial literacy levels of investors in Gujarat and examined how this literacy relates to investment decisions. The study also analysed the association between demographic and socio-economic profiles of investors and their financial literacy levels. It was conducted to investigate the differences in preferences for selected informative variables and their impact on investment decisions, as well as to explore the relationship between investors' financial literacy and their monthly expenditure-to-income ratio. A non-probability convenience sampling technique was used, with a total sample size of 385 investors from Gujarat. The findings indicated that most investors lacked knowledge of basic and advanced financial literacy concepts.

**J. Vijaykumar (2022)<sup>2</sup>**, This research demonstrated that family communication significantly influenced students financial attitudes and behaviours, shaping lifelong habits. It examined the impact of family-based financial socialization on financial self-efficacy and autonomy among 1,300 college students in India. The study aimed to explore how discussions with parents and peers influence financial behaviours and to assess the relationship between family financial socialization and students confidence in managing their finances. Financial socialization was assessed through financial discussions with parents and peers, as well as

observations of family financial practices. Using multiple regression models, the study found that discussions particularly with parents greatly improved students financial confidence and autonomy, while peer observations did not affect autonomy notably. These findings offer valuable insights for policymakers, counsellors, and educators, highlighting how family socialization can be integrated into financial education programs to enhance financial confidence and independence in young people.

**S. Sakthivelu and K. Karthikeyan (2023)<sup>3</sup>**, This research was conducted to investigate investors' preferences toward various investment avenues. The purpose of the study was to provide insights into the current investment preferences among investors for different investment options. The study employed a convenience sampling method, selecting 585 respondents from the Puducherry territory. The researcher chose samples from a larger population using a non-probability approach, which allowed for a more practical selection of participants based on availability. The findings revealed that the most preferred investment options were Gold & Silver (G&S), followed by Bonds & Public Offerings (B&PO), and then Cryptocurrency (CC). On the other hand, investments such as Mutual Funds (MF) and Real Estate (RE) were less favoured by the respondents. The study also highlighted that investor showed an interest in both traditional and modern investment avenues, indicating a balanced approach to diversifying their portfolios. These insights suggest that while traditional investments like Gold & Silver continue to dominate, newer options like Cryptocurrency are gaining attention, reflecting changing trends in investor preferences.

**Kumari D.A.T (2020)<sup>4</sup>**, This study explored the impact of financial literacy on the investment decisions of undergraduates in Sri Lanka's Western Province. It involved 200 students from four government universities in the region. The research assessed financial literacy using several key determinants: knowledge of financial products, access to financial services, money management, understanding of investment options, and financial skills. The study examined how financial literacy influenced students' financial opinions, decisions, and practices. The findings revealed a positive and significant relationship between financial literacy and investment decisions among undergraduates. Among the dimensions assessed, financial skills emerged as the most influential, while knowledge of financial products had the least impact. Based on the findings, the study offered recommendations for financial institutions and policymakers to enhance financial literacy. Emphasis was placed on promoting financial knowledge to empower young people in Sri Lanka to make informed investment decisions.

## FINDINGS

**Objective 1:** To identify the demographic characteristics of the respondents.

DEMOGRAPHIC FACTORS		FREQUENCY	PERCENT
<b>GENDER</b>	Male	58	47.2
	Female	65	52.8
	<b>Total</b>	<b>123</b>	<b>100</b>
<b>STREAM SELECTED</b>	Commerce	77	62.6
	Management	28	22.8
	Science	18	14.6
	<b>Total</b>	<b>123</b>	<b>100</b>
<b>YEAR OF COLLEGE PURSUING</b>	First year	45	36.6
	Second year	37	30.1
	third year	41	33.3
	<b>Total</b>	<b>123</b>	<b>100</b>

## INTERPRETATION

The study shows that the sample population shows a balanced gender representation with the female forming a slightly larger share with 52.8% against 47.2% held by male. Here, most of the respondents are

mostly hailing from the commerce stream holding 62.6% followed by students hailing from Management stream with 22.8% and the balance 14.6% belonging to science stream. Students are distributed relatively evenly across all years of study. The first-year students constitute the largest group at 36.6%, reflecting fresh enrolment trends. Third-year students form 33.3%, indicating a strong retention rate, while the second year has a slightly lower representation at 30.1%.

**Objective 2:** To identify the most popular investment avenues among college students.

MODE OF INVESTMENT	FREQUENCY	MEAN	RANK
SIP IN MUTUAL FUNDS	41	0.35	2
STOCKS VIA SIP	27	0.25	5
HYBRID MUTUAL FUNDS	26	0.21	6
DIGITAL GOLD SCHEMES	40	0.33	4
CRYPTO-CURRENCY	44	0.36	1
POST OFFICE MONTHLY INCOME SCHEME	41	0.33	2
UNIT LINKED INSURANCE POLICY	15	0.12	7

### INTERPRETATION

Cryptocurrency ranks as the most popular investment mode, with a frequency of 44 and a mean score of 0.36. SIP in Mutual Funds and the Post Office Monthly Income Scheme are equally preferred, both ranking 2nd with a frequency of 41 and a mean score of 0.35 and 0.33, respectively. These options reflect a balance between systematic and traditional approaches to investment. Digital Gold Schemes are ranked 4th, with a frequency of 40 and a mean score of 0.33. This highlights growing interest in alternative digital investment options, Stocks via SIP (rank 5), Hybrid Mutual Funds (rank 6), and Unit Linked Insurance Policies (rank 7) show relatively lower frequencies (27, 26, and 15, respectively) and mean scores (0.25, 0.21, and 0.12). This indicates that traditional and hybrid options are less favoured compared to digital and systematic investment modes. These trends suggest a shift in investor preferences towards more modern, flexible, and high-return investment options while traditional and hybrid options are gradually falling out of favour, potentially due to their complexity, lower returns, or lack of alignment with modern financial goals.

**Objective 3:** To assess the level of awareness of various investment avenues among college students.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
I am aware that these investment avenues allows small monthly investment starting at a minimum amount	Between Groups	4.930041	2	2.46502	1.81	0.169
	Within Groups	163.7529	120	1.364607		
	<b>Total</b>	168.6829	122			
I understand that these investments are flexible and can be pause or stopped at anytime.	Between Groups	4.104389	2	2.052194	1.70	0.187
	Within Groups	144.6436	120	1.205363		
	<b>Total</b>	148.748	122			
I understand that these investment offers mix of high returns and moderate risk.	Between Groups	1.694902	2	0.847451	0.72	0.488
	Within Groups	140.8092	120	1.17341		
	<b>Total</b>	142.5041	122			
I am aware about investment options that combine multiple asset	Between Groups	0.858322	2	0.429161	0.34	0.713
	Within Groups	151.6457	120	1.263715		

classes to balance risk and returns	<b>Total</b>	152.5041	122			
I understand that certain investment options can be volatile but have high potential for high long-term returns.	Between Groups	2.659188	2	1.329594	1.01	0.367
	Within Groups	157.8449	120	1.315374		
	<b>Total</b>	160.5041	122			
I am familiar with platforms lor apps that enable easy and regular investments.	Between Groups	1.581195	2	0.790598	0.56	0.571
	Within Groups	168.4351	120	1.403626		
	<b>Total</b>	170.0163	122			
I am familiar with the concept of compounding and its benefits in long term investment.	Between Groups	5.594041	2	2.797021	2.34	0.101
	Within Groups	143.4466	120	1.195388		
	<b>Total</b>	149.0407	122			
I am aware of the tax benefits associated with various investment options.	Between Groups	7.830395	2	3.915197	3.45	0.035
	Within Groups	136.1371	120	1.134476		
	<b>Total</b>	143.9675	122			
I am aware of investment options suitable for achieving short term financial goals.	Between Groups	1.202689	2	0.601344	0.56	0.574
	Within Groups	129.4315	120	1.078595		
	<b>Total</b>	130.6341	122			
I am aware of low-risk investment options that provide stable returns over time.	Between Groups	0.073743	2	0.036871	0.03	0.973
	Within Groups	160.4628	120	1.33719		
	<b>Total</b>	160.5366	122			
I am aware of investment avenues that balance moderate risk with potential growth.	Between Groups	0.654278	2	0.327139	0.29	0.748
	Within Groups	134.8254	120	1.123545		
	<b>Total</b>	135.4797	122			

Source: Primary data

\*1% level of significance

\*\*5% level of significance

## INTERPRETATION

Hypothesis: H0 - There is a significant relationship between the stream selected by respondents and the awareness level prevalent among them.

The ANOVA results show that for most of the statements, there are no significant differences in investment awareness among the groups. For example, factors like understanding small monthly investments, flexibility in investment options, and the balance of high returns with moderate risk all have p-values greater than 0.05. This suggests that these aspects of investment knowledge are similarly understood by the respondents, regardless of group membership. One notable exception is the statement about being aware of tax benefits tied to various investment options, which has a p-value of 0.035.

This indicates a significant difference in awareness of tax-related benefits across the groups, suggesting that some groups are more informed about the tax advantages of certain investments. In contrast, statements regarding familiarity with investment platforms, the concept of compounding, and low-risk investment options show no significant differences, as their p-values are much higher than 0.05. This implies that these topics are understood in a similar manner across all groups.

Overall, the results suggest that while most aspects of investment awareness are consistent, tax benefits stand out as an area where differences in knowledge are more pronounced. Therefore, the hypothesis is rejected and there is no significant relationship between the stream selected by respondents and the awareness level prevalent among them.

## **SUGGESTIONS**

The study can focus on teaching financial literacy in colleges to help students learn about different investment options, like cryptocurrency and mutual funds, and fill gaps in their knowledge. Workshops can be held to improve tax awareness, and expanding the research beyond Coimbatore can make the findings more useful. It can also look at how things like risk-taking and social media affect students' choices. Tracking changes over time and creating easy learning tools like apps or games can make the lessons fun and practical. Activities like mock trading or small investment projects can give students real-life experience. Highlighting the benefits of starting investments early and studying how alumni manage their money can make the study more complete and useful.

## **CONCLUSION**

In conclusion, enhancing financial literacy among college students is essential to equip them with the knowledge and skills needed to make informed financial decisions and secure their future. By addressing gaps in awareness, especially about modern investment options like cryptocurrency and hybrid mutual funds, students can gain a broader understanding of the financial landscape. Integrating tailored programs, engaging tools like apps and gamification, and practical activities such as mock trading or small-scale investments can make the learning process more effective and relatable. Furthermore, incorporating behavioural insights into the study, such as analysing the role of social media and risk appetite, provides a deeper understanding of students' financial decision-making patterns. Expanding the scope beyond Coimbatore and including longitudinal research can ensure the findings are relevant and applicable across different contexts. Lastly, emphasizing the importance of long-term strategies like compounding and examining alumni investment behaviours will help measure the lasting impact of financial education during college, ultimately fostering a generation that is financially empowered and responsible.

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