RES MILITARIS
Social Science Journal

A Study to Analyze Relationship Between Age and Level of Awareness among Investors of Chhattisgarh Investing in Commodity Market

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Abstract:
Investors are one of the pillars of the economy. Their behavior influences the performance of the market as an individual investor contributes to every investment decision of the market. This paper made an attempt to find a relationship between the age and level of awareness of the investors which leads to investors' decision. It was found that the investors' behaviours are influenced by the level of awareness and also there is a significant difference between the various age groups. When it comes to investment avenues majority of the investors prefer to go the stock or capital market rather than commodity market. This may be because investors are not aware about the investment avenues or categories where they can invest. This ignorance further leads to develop behavioural biases among the investors.
Keywords: Investors Behaviour, Level of Awareness, Behavioural Biasness, Commodith Market.

1. Introduction:

Investment is a very diverse field of knowledge. Investors and investment avenues are the two major pillars of investment. Traditionally studies on investment were majorly focused on the performance of the various investment avenues. Solvic (1972) said that the people are the collection of various behavioural tactics, emotions, etc. this has a great influence in their decision-making process. Behaviour is always unpredictable and is backed by various psychological, demographic, socio-economic factors. Behavioural finance was introduced by this new concept and a new study came up as behavioural finance.

In this study an attempt was made to understand whether various demographic factors have an impact on the investor's behaviour or not. In this context an extensive literature review was done in order to understand whether there is any relationship between the factors influencing the demographic factors and investors behaviour.

2. Literature Review:

Goel S (2014) the researcher studied the impact of herding behaviour on investment and how they influence their investment decision. Researcher found that it affects the rational thinking of the investors to calculate risk and return.

Dhole M. (2014) conducted a study on private practicing doctors of Aurangabad. This research found that herding, representative, overconfidence, cognitive conflict, fear of regret, mental accounting, hindsight, etc. has great impact on investment decision making process.
Sharma A. (2014) researcher compared efficient market hypothesis and behavioral finance in order to find out which one is better. They did conceptual and descriptive study and found that behavioral finance acts as a framework for the investment in stock market and also, they replace the shortcomings of efficient market hypothesis.
Shrikrishna K S & Rakesh, (2014) found that the investors have moderate awareness about the derivatives. They also found that the investors are partly aware about avenue equity Futures and Options.
The research conducted by Muthuswamy (2015) in aimed to investigate the factors influencing investors' behavioral aspects concerning risk perception, information-seeking behavior, and investment decisions within the financial market. Their study revealed a notable influence of various demographic factors on investors' investment behavior. Interestingly, both male and female investors demonstrated an increased presence in this field, attributed to heightened awareness and the availability of surplus investment funds. This suggests that factors beyond gender, such as demographic characteristics, play a significant role in shaping investment decisions within the financial market.
Further Vinay at el. (2015) there are some social cognitive factors and emotional biasness that influence the investors decision making process. There findings shows that behavior plays a very vital role in the investment decision making process of the investors. That defines the investors risk perception. With the extensive literature review it was found that investors' behaviour is influenced by various demographic factors.
This awareness helps the investors to maintain their risk and return trade-off among the various investment avenues available in the market and increase their financial well-being. The financial well-being helps to develop a healthy financial market for the investors to invest and derive satisfaction among the investors Bhattacharjee & Singh, (2017).
Baker H. et al (2018) did an empirical study on the behavioural biases. They studied the impact of financial literacy and demographic variables on investor's behaviour. They found that both financial literacy and demographic factors (age, gender, income level, education, occupation, marital status and investment experience) plays an important role in behavioural biases.

3. Objective of Study:

With the extensive literature review we found that demographic factors have a great impact on level of awareness of the investors.

- To study the existence of various behavioral biases among investors of Chhattisgarh investing in commodity market.

4. Hypothesis of Study:

Null Hypothesis:

H01: There is no significant difference between different age group of commodity traders regarding their Awareness score

Alternate Hypothesis:

HA1: There is a significant difference between different age group of commodity traders regarding their Awareness score

5. Methodology:

The researcher used one-way analysis of variance ANOVA to study the impact of demographic factors on Familiarity biases. The research was carried on the investors of Chhattisgarh with special reference to the commodity market. The sample size was 350 investors residing in Chhattisgarh. A structured Questionnaire was given to the respondents for the primary data collection.

Taking age as a demographic factor and studying their impact on the level of awareness of an individual investor. As we know that awareness is directly influenced by the age of the individual respondents.

6. Data Analysis:

Table 6.1 shows that in the current study the researcher has taken three categories of age group. Where maximum no of respondents are from 30-40 age groups, implies that the investors of this age group are more inclined towards earning profit and are ready to take risk accordingly. Further it can be said that they are more aware about the regular updated in the market. People with the age group of more than 40 years lies in the second position indicating that, the investors are more inclined towards earning with stability rather than taking risk. Finally the age group the 20-30 years they are new to the field and are unaware about the various technicalities in the working of commodity market.

Table 6.1 Group Statistics

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
20-30	21	12.52	3.140	.685	11.09	13.95
30-40	252	15.92	6.450	.406	15.12	16.72
>40	77	17.96	5.113	.583	16.80	19.12
Total	350	16.16	6.143	.328	15.52	16.81

The one-way analysis of variance ANOVA findings revealed that there a significant disparity among the different age groups and the level of awareness among the investors.

Testing the hypothesis H_{01}: There is no significant difference between different age group of commodity traders regarding their Awareness score.

Table 6.2 show that there is a significant difference between the different age groups and the level of awareness among the investors (F= 7.384, p value = .001).

Table 6.2

Age	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	561.196	2	280.598	7.384	.001
Within Groups	13186.693	347	38.002		
Total	13747.889	349			

The findings indicates that the there is variation among the individual investors within the different age groups and also the level of awareness varies between the different age group persons. This implies that people with different age groups have different level of awareness and this influence the investor's behavior related to investment decisions. The p value is 0.001 which is less than 0.05 indicates that H01 is rejected and accepting the alternate hypothesis. It says that there is a significant difference between different age group of commodity traders regarding their Awareness score. This table shows there is difference between age group and level of awareness but the extent of the difference is shown in the table 6.3.

Table 6.3 Multiple Comparisons

Dependent Variable: Awareness
Tukey HSD

(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
20-30	30-40	-3.39*	1.370	.037	-6.62	-.17
	>40	-5.44*	1.485	.001	-8.93	-1.94
30-40	20-30	3.39*	1.370	.037	.17	6.62
	>40	-2.04*	.785	.026	-3.89	-.20
>40	20-30	5.44*	1.485	.001	1.94	8.93
	30-40	2.04*	.785	.026	.20	3.89

Based on observed means.
The error term is Mean Square(Error) = 36.390.
*. The mean difference is significant at the .05 level.

This table indicates that the variances between the groups are significant, as all the p values lies below 0.05 level of significance. It shows that the opinion of investors with different age group varies within the groups.

7. **Suggestion and Recommendation:**

- Awareness plays a very vital role in the decision making process of the investors which influence their behavior. So, efforts must be taken by the various investment avenues to make the investors aware about various other categories where they can invest.
- Level of awareness increases with the exposure and experience. Keeping this into accounts regular awareness campaigning can be conducted for the investors by the agencies.
- To increase the awareness level and make the investment more satisfactory and fruitful the investors need to explore more options rather than following the traditional pattern.

8. Conclusion:

Behaviors of the investors are majorly influenced by the level of awareness. This level of awareness varies with the age. As it is rightly said, that experience and exposure helps in enhancing a better decision making capacity. Risk and return on the investment is directly related to the satisfaction level of the investors and if the investor is more experienced or aware about the various tactics used for the same. Investor can increase it effects. This paper empirically explained that yes individual investors with different age groups have different level of awareness and this has an impact on the individual investors' behavior.

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