

# **A STUDY OF ECONOMIC DEVELOPMENT AND TELECOMMUNICATIONS**

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## **ABSTRACT**

Investment is referred to as the commitment of existing financial assets so as to accomplish larger benefits in the near future. At times, it brings in some actions, known as uncertainty domains. With the above explanation, the significance of time and future takes place since they are two significant components in the context of investment. A large number of investors find investment actions to be interesting since they could take place in the decision-making process and witness the impacts of their choices. In the present day, the investment field is even more active and effective like never before. The fundamental key to an effective financial plan is to set apart a vast amount of funds and capitalize it logically, by making use of a longer time period. Not every investment decision will be beneficial and productive, since investor might fail to choose the correct investment choices.

**KEYWORD:** Investment, Economics, Development, Telecommunication, Financial

## **INTRODUCTION**

The role of the financial scheme is to direct funds from excess sectors to scarcity areas. Enabling such flows will increase the investment level and efficient demand and therefore increases financial development. Financial literacy witnessed the good reach in India, and this paved the good way for financial organisations providing investors with investment-related schemes. There is a change in the people mind-set in terms of investment. Besides, when it comes to selecting a financial scheme, there is a divergence from the conventional way of choosing a fixed deposit (FD) to the products such as mutual funds, gold, term insurance, etc. As stated by Lakhmani et al (2020) investor's one's risk-bearing capacity has a major role to play in choosing specific investment option.

Investing is not obviously an easy task but a serious topic, which will positively influence investor's future and well-being. Almost everyone will be inclined to investments or any assets. Even when the investor does not choose particular assets for example stock and shares, investments are still taken through contribution in retirement funds, and employee benefit plan or by choosing life insurance schemes or purchasing a home or investment in Banks or in saving schemes in post offices. However, each investment scheme has very common characteristics for example potential returns and the risk an investor should bear. With regards to financial measures, investment is to utilizing the funds with an objective of increasing income. Patel and Pujara (2019) found no relationship between the awareness and demographic factors relating to investment schemes and the author recommended that, before utilizing the assets a due care

is to be expended in terms of the factors influencing the investment choice of a specific investor.

Investment has an important role in financial growth of any country. It is the basic goal of every investment schemes to acquire some positive return. Though, there are some new investment schemes and policies introduced, but still individuals largely choose to prefer traditional investment avenues. Mithra, (2021) examined the factors influencing the investors of Gujarat decision on investment choices and found a positive relation between selection of investment and demographic characteristics. The research also reported that the majority of the investors preferred bank deposits followed by Gold and share.

Investment decision is particularly made to capitalize the funds on any assets in order to earn income in the near future. In terms of investment, the more the risk they likely to bear the more the profit, an investor can expect; however, an investor should overcome various factors influencing investment decision so to make a decent amount of profits. Patel and Pujra (2019) made an attempt to know how the demographic factors influence the investors' investment decision and found no link between the investment decision and investors' demographic factors. Haruna, (2011) found that the age factor and assets do not influence the investment decision, but the occupation status does. Palanivelu & Chandrakumar, (2013) found income and age factor are likely to influence the investors' investment decisions.

### **Problem statement**

Financial field has obviously a considerable role the economic growth of any nation, consequently, the utilisation and delivery of savings is extremely important in the growth process. Gujarat offers a standard for financial development for the developing countries. Its major contribution to overall Indian Economy has obviously made country noticeable to a competitive market. However, when it comes to investment, people of Gujarat still choose traditional investment scheme and the current study sets out to examine the choice of financial instruments available for investment towards attaining the goals. Investment decision-making is absolutely not an easiest task. There are number of factors that influence investors' investment decision. It is important for every investor to follow and predict the potential risks involved in the investment they actually choose. It is obviously investors' duty to keep themselves updated in different investment schemes in order to accomplish their preferred objectives in business. Economic theories put forward that individual act sensibly and consider all available information for decision-making of investment.

### **LITERATURE REVIEW**

Investors and investment managers make investment decisions. Investors frequently do investment analysis using fundamental analysis, technical analysis, and their own opinion. It is thought that numerous decision-making criteria and market knowledge impact both "individual" investment decisions and market results. Investor behavior is derived from decision-making psychological concepts to explain why individuals purchase and sell equities. These considerations will centre on how investors understand and act on information when making investing decisions. Investment decisions are also influenced by factors such as age, career, gender, income, marital status, education, demographic background, risk tolerance, and the advice of a financial expert or mentor. Economic growth is a circumstance that transforms

an emerging country into a developed country. In India, the new administration is likewise aiming to transform the Indian economy into a rich USD 5 trillion GDP by 2024 during the following five years. Investment Decision is concerned with determining the overall quantity of assets to be held in the firm, the mix of these assets, and the firm's business risk profiles as seen by its investors. It is the most significant financial choice. Because funds have a cost and are limited in number, appropriate utilization is critical to achieving the aim of wealth maximization. When making investing decisions, investors examine the predicted returns on their financial instruments. Traditional financial theories suggest that investors strive to maximize the amount of return on their investment portfolios, and that the riskier the investment, the bigger the projected return. The study attempted to identify the primary elements influencing investors' investment decisions in Karnataka, India.

### **Various financial goals of investors**

The Financial Industry Regulatory Authority (FINRA), when discussing investment strategy, defines three types of goals as long-term (more than 10 years), mid-term (3 to 10 years) and short-term (less than 3 years).

Long-term goals, such as paying off the mortgage or becoming financially secure in retirement, are far off in the future. Short-term and mid-term financial goals are often incorporated into long-term objectives. To achieve larger goals, it's always a good idea to break them down into smaller, more immediate ones.

It is important to set short-term goals, such as renovating a bathroom or taking a trip to another country, in addition to setting more concrete, narrowly focused goals that contribute to long-term ones. To some extent, financial psychology helps achieve one's goals through encouraging visualization and visualizing what success looks like in the future. Not just for short-term goals but for long-term ones as well.

### **Various tax-saving schemes preferred by investors**

Singhania (2021) say that in addition to gaining deductions from 80 C and other deductions; tax saving plays a very important role in tax planning. Through the use of various investment options listed under 80 C of IT Act, 1961, it is possible to gain benefits of Indian tax systems. Deductions are allowed up to Rs. 1,50,000 under this section. In addition to PPF, NSS, and NPS, these investments include ELSS as well. This study was mainly designed to find out the respondents' awareness about Tax deductions and tax planning, their source of information, and the reasons for why they preferred investments. According to the 1961 Income Tax Act, tax planning reduces the tax amount and ensures that the taxpayer utilizes the various deductions, exemptions, and rebates applicable to the tax act. The research by Arora & Garg (2019) seeks to ascertain the awareness and perception of higher education teachers about various tax saving instruments. Taxation laws in India provide various exemptions, reliefs, and rebates for teachers.

### **Research Methodology**

Research comprises of various processes and procedures to produce a valid and reliable outcome that remains constant throughout. Each research follows a systematic procedure where researcher had to acquire dataset that are relevant, process the datasets to gain results and

compare the same with expected outcomes, to validate the objectives. The procedures and methods used for a research are classified under the research methodology section. Methodology as research procedure includes, paradigm, approach of researcher, design chosen, tools and techniques adopted by researchers for acquiring, analysing and interpreting data. The research could be of primary combined with the secondary datasets based study or just either a primary dataset or a secondary dataset based research. For analyzing datasets both manual and machine (software) based approaches are majorly adopted by researchers for valid, reliable and accurate outcomes.

### **Research Data collection**

The data in research is normally classified as the primary dataset (acquired by researcher himself through tools and processes) and secondary dataset (gathered from existing studies). Each research varies and thus the dataset accumulation process too. A study that examines the histories and literatures deals with the secondary data alone. Whereas, the studies that analyses the factors (i.e. the dependent and independent variables) deals with primary datasets accumulated through different tools (Creswell, 2014). Primary datasets are mainly gathered by various techniques like, survey, interviews (direct: telephonic and face-to-face; indirect: voice mails), ground/ field visit based datasets, questionnaire, experimentation-based observations, and more. To acquire the secondary datasets, researchers adopt tools in research methodology based on their necessity where tools like case studies, documents, records, ledgers, books, journals, articles, news, internet as sources and more are often used by the researchers as secondary tools.

### **CONCLUSION**

Investment is an act of “keeping something now in account for the possibility of multiplying something later”. In the present economic situation, money is everything and considered as the source for all happiness. The primary Data gathered using questionnaire from 393 investors from Karnatka region. The findings of the study will positively contribute to managers to direct their clients regarding better field of investment and risk level in line with their investment decision. This research adds value to the existing works in two all-embracing ways. Primarily, to the best of authors’ knowledge, this is one of the very few studies that proposes a model showing investment decision of investors on selected financial instruments for attaining three-tier goals with special reference to Karnatka region. Secondly, this research provides experiential evidence of the preferences towards various investment schemes. Many studies exhibited that the demographic elements might impact over some of the investors’ investment decision; however, the current study does not consider this factor as an influencing factor. This study is based on the investment decision of investors on selected financial instruments, with special reference to Karnatka region.

### **Importance of investment decision of investors**

People start capitalizing for a safe life and a happy future. In this context, the primary problem is that investors are confounded with different avenues. This is because there are different investment modes accessible in the financial market for any investor. They could choose bank as an investment mode for deposits, bonds in share market, and schemes like RD in post office saving etc. where, they can expect low-risk level with low return. Though, there are various

investment avenues, the choice differs from one investor to another, which is on the basis of their financial literacy and potentials. Investors' lifestyle mostly determines the risk-taking ability of investors. Financial investment helps investors give direction to their business decisions. Financial planning for a better investment allows investor to comprehend how every financial decision influences other fields of financing. For instance, purchasing a particular investment product might assist investors in such a way to settle their children's school payment faster or choose a specific investment product, which might help investors creating emergency fund.

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