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## INVESTORS ATTITUDE TOWARDS POST OFFICE DEPOSIT SCHEMES

### Article Particulars

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### Abstract

*Post office schemes and deposits grab a huge importance over investor's investment. The researcher in his study focuses on the investment attitude towards post office deposit schemes. Post office deposits schemes are more attractive and most useful for various investments. The area of the study is limited to Coimbatore city. The sample design of the study is convenience sampling. The source of researcher study is based on primary data collection among 100 respondents. The statistical tools used in the study are percentage analysis and Average rank analysis.*

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### Introduction

Various Investment opportunities are available for an individual to invest his savings and he has to choose the appropriate investment schemes, which suit his need. There are different types of investment opportunities provided by many financial institutions, such Institutions are

1. Commercial Bank
2. Co-operative Bank
3. Post Office Savings Bank
4. Life Insurance Corporation
5. Public Limited Companies

From the above institutions Post Office Savings Bank plays an important role. It provides numerous benefits to the investors.

Post Office Savings Bank is the largest savings Institution in the country. Post Offices are doing Savings Bank work. With a view to mobilizing savings of people with relatively small income and circulating in them a spirit of thrift, the Central Government has endeavored to make the National Savings Movement popular by offering higher returns than those given by Scheduled Banks. There are a number of attractive

schemes, well designed to meet the individual's requirements of different investors. Tax saving feature of these schemes attract the higher income group more than the small savers.

The investment avenues provided by the Post Offices are generally non marketable as they are saving media. The major instruments of Post Office Schemes enjoy tax benefits such as exemption of investment contribution from tax or interest income from tax or both up to certain limits.

### **Role of Post Office Savings Bank**

The Post Office Savings Bank is now the biggest Bank serving the smallest main the country and truly be called the people's bank. It has a network of 1, 46,000 branches throughout India out of which 1,25,000 are in rural sector serving the simple banking needs of the rural population. The Post Office Savings Bank has become a medium of mobilizing large resources running into hundreds of the cores every year for plan projects. The Post Office Savings Bank is now a major instrument available to the Government for mopping up savings both in the urban and rural areas.

### **Role of National Savings Organization**

The rules of Savings Schemes are framed by the Ministry of Finance in consultation with the National Savings Commissioner and Postal Department. Promotion of business in the Post Office Savings Bank is mainly the concern of the National Savings Organization, which is under the control of Ministry of Finance, Government of India.

### **Role of Department of Posts**

The Department of Posts runs the Savings Bank as an agent of the Ministry of Finance. Most of the National Savings Schemes are operated and serviced through a vast network of 1.46 lakh Post Offices spread over throughout the country.

For coordination, there is Small Savings Board at the Headquarters level and Coordination Committees with officers of the Department of Posts, National levels, which hold their meeting periodically.

### **Statement of the Problem**

This study was taken up with the main idea of studying the investors attitude for the Post Office Deposit Schemes. Most of the persons are not in a position to know fully about the various schemes of the Post Office. There is no proper advertisement to know the various Post Office Deposit Schemes. Most of the investors are influenced to make investment in Post Office Deposit schemes for tax benefit purpose only. Now-a-days people are interested to invest their money only in Banks compare to Post Office Deposit schemes. In this context there is a possibility in the reduction of deposits in Post office. Hence the researcher decided to study and indentify the effect and the attitude of investors towards Post Office Deposit schemes.

### **Objectives of the Study**

- To find out the awareness of various schemes of Post Office among the Public.
- To find out the purpose of investments in various Schemes of Post office.
- To study the problems faced by the depositor depositing in Post Office Deposit Schemes.
- To study the investors opinion regarding Tax benefit and Returns from Post Office Deposits Schemes.
- To study the relationship between the Occupational Status and the Amount of Investment in Post Office Deposit Schemes
- To study the relationship between the Educational Qualification and the Amount of Investment in Post Office Deposit Scheme.

### **Scope of the Study**

The study aims to create awareness among the investor about various Post Office Deposit Schemes. It helps the working people to invest in various Post Office Deposit Schemes and it will also help the National Saving Organisation and Post Office to know the problems faced by the investors. On the basis of this the Government can make the suitable changes to promote Post Office Saving Schemes.

### **Limitations of the Study**

- The study is of micro level which covers only Coimbatore city.
- The respondents to the questionnaire may behave differently under different circumstances.
- Some of the respondents hesitate to give all the needed information of their investment
- Information collected from respondents during the process of research were considered and reconsidered again and again. But still there is likelihood of exaggerated response. However reasonable care has been taken in this regard.

### **Research Methodology**

#### **Area of Study**

The study was conducted in Coimbatore City.

#### **Sources of Data**

The source of researcher study is based on primary data collection among 100 respondents.

#### **Sampling Design**

The sampling design used in the study is convenience sampling

#### **Statistical Tool Used**

- Percentage Analysis
- Average Rank Analysis
- Chi square Analysis

## Analysis and Interpretation

Table 1 Percentage Analysis Personal Factors in the Respondents

	No. of Respondents	Percentage
<b>Age</b>		
20-30	27	27
30-40	27	27
40-50	29	29
Above 50	17	17
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Gender</b>		
Male	60	60
Female	40	40
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Marital Status</b>		
Married	85	85
Un Married	15	15
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Education Qualification</b>		
Illiterate	10	10
Up To +2 Level	39	39
Graduate Level	23	23
Post Graduate	26	26
Others	2	2
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Occupation</b>		
Agriculture	9	9
Business	15	15
Employed	56	56
Professional	7	7
Others	13	13
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Family Members</b>		
Up To 2	10	10
3 Person	27	27
4 Person	38	38
Above 4 Person	25	25
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Monthly Income</b>		
Below 5000	47	47
5000-10000	31	31
10000-15000	9	9
15000 And Above	13	13
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Source Of Awareness</b>		
Advertisement		
Agents	47	47
Friends And Relatives	31	31
Other Members	4	4
Agents, Friends And Relatives	3	3
Advertisement, Friends	2	2
Agents And Other Members	4	4
<b>Total</b>	<b>100</b>	<b>100</b>

**Table 2 Average Rank Analysis**

S.NO	Reasons	Ranking score						Total respondent	Total score	Mean score	Rank
		1	2	3	4	5	6				
1	Security	1920	1876	1860	636	100	280	100	6672	62.9434	2
		24	28	31	12	4	7				
2	Rate of interest	800	1474	1020	1696	325	480	100	5795	54.66981	3
		10	22	17	32	13	12				
3	Safety	4080	1273	1020	477	150	160	100	7160	67.54717	1
		51	19	17	9	6	4				
4	Pre-matured closure	240	737	720	901	800	1240	100	4638	43.75472	6
		3	11	12	17	32	31				
5	Tax rebate u/s 88	560	871	1020	954	825	720	100	4950	46.69811	5
		7	13	17	18	33	18				
6	Deposit can be pledge	880	871	720	901	450	1400	100	5222	49.26415	4
		11	13	12	17	18	35				

**Table 3 Chi-Square Analysis**

The chi-square test is an important test amongst the several tests of significances developed by statisticians'. Chi-square test is a statistical measure in the context of sampling analysis for comparing a variance to a theoretical variance. It is also used to make comparisons between theoretical population and actual when categories is used.

The Chi Square is denoted by the formula is given as:

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Here,

**O** = Observed frequency

**E** = Expected frequency

$\sum$  = Summation

X<sup>2</sup> = Chi Square value

Here for the following factors Chi-Square test was applied.

- Gender and investor attitude.
- Area of the Respondents Residence and investment scheme.
- Educational qualification and rate of interest on deposits.

### Hypothesis

- There is no significant difference between Gender and investor attitude.
- There is no significant difference between Area of Respondents Residence and investment scheme.

- There is no significant difference between Educational qualification and rate of interest on deposits.

S.No.	Test Statistics	Calculated Value	Table Value	Result
1.	Gender and Frequency of Switching to other mobile brand	0.335	0.50	*
2.	Area of the Respondents Residence and Brand Loyalty	2.545	0.50	**
3.	Educational Qualification and Brand Loyalty	1.803	0.50	**

\*\* = Significant

\* = Not Significant

### Inference

- From the above table it is clear that the calculated value is less than the table value i.e. ( $0.133 < 0.50$ ) hence the hypothesis is accepted. Therefore there is no significant difference between Gender and investor attitude.
- From the above it is clear that the calculated value is more than the tables value i.e. ( $2.545 > 0.50$ ) hence the hypothesis is rejected. Therefore there is significant difference between Area of the Respondents Residence and investment scheme.
- From the above table it is clear that the calculated value is more than the tables value i.e. ( $1.803 > 0.50$ ) hence the hypothesis is rejected. Therefore there is significant difference between educational qualification and rate of investment on deposits.

### Findings

Majority of the respondent are male employees belong to the age group of 40-50 years having up to 12<sup>th</sup> std level of education with an income level of below rs.5000. Most of the respondents are aware of post office deposits schemes through agents. Mostly the respondents are aware of various post office deposits schemes and also invested in more than one schemes. Majority of the respondents are invested in recurring deposit because of pay roll savings schemes. Majority of the respondents have invested in kisan vikas patra because the amount gt doubles in 7 years and 8months. Majority of the respondents have invested in national savings certificate because of tax rebate u/s 88. Majority of the respondents are motivated to deposit in post office monthly income schemes because of monthly return. Majority if the respondents have invested in post office deposit schemes with objective to avoid tax and also majority of the respondents are satisfied with their investments' in post office deposit schemes. Majority of the respondents gives first rank towards security in post office deposit schemes.

### Suggestions

- Many people are not aware of post office schemes, awareness of these schemes may be improved by proper advertisements especially television media should be used for the advertisement purpose for this, the government has to spend more on such advertisement.
- Schemes of post office should be organized similar to that of banks that is one year /two year recurring deposit.
- The interest rate is low when compared with non banking financial institutions. It should be increased.
- The post office should introduce new methods and procedure to operate various schemes.
- The price offered by post office deposit schemes and incentives must be made available to the deposits holders as previously available.

### Conclusion

The various small savings schemes are mainly meant to help the small investors and also those who are in high tax brackets. Proper advertisement must be made to post office savings schemes, so that even a layman come to know about these Schemes and deposits can increases Government should take proper steps to modify the existing procedures to improve small savings schemes then only Government can collect large amount from the rich and poor persons. Loan against various certificates and patras must be given to the investors directly in Post office where they hold the deposits. Investing our amount in Post office deposit schemes ensures high rate of return and it provides safety and security for the amount invested.

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