# Title: “The investment pattern and banking needs of the housing societies”

**ABSTRACT**

The Investment Industry is highly growing amidst the pandemic issues. With the development of infrastructure today, we have a wide range of investment alternatives. There are two main categories of investments: active and passive. Active investing calls for expertise, patience, and time as the investor must adjust the assets in their portfolio in accordance with market developments. The passive, sometimes known as the industry's "buy and hold" strategy, doesn't require you to be active. This is for those who are unable to fully indulge. High investments are considered active, whereas lower investments are considered passive. While passive risk decreases over time as securities are held, active risk rises with an increase in the buying and selling of assets and securities. As a result, the study only considers these two variables and evaluates how Indian citizens' investment behavior has changed. Their actions are monitored based on majority criteria and the advancements in technology.

# INTRODUCTION

History of investment in India lies far back in the 1850’s. The history didn’t start from India, but rather started as a war in the foreign countries. The war was USA against the Britishers. This war led to shortage of cotton supply for clothing to the British. Now the British had to explore ways to find alternative for this supply. Seeing options of roadways, railways and waterways, they thought that the waterways is the cheapest and convenient options for the import of cotton. Now they sighted their eyes to the Indian market for supply of cotton as India served as the biggest market of cotton. Calcutta being the major market for export of cotton, the British couldn’t find a way to reach Calcutta since they had to cross the whole of Africa and travel through the peninsula of India to reach there. Now the British found another route famously called as the Swiss Canal route which led them directly to Bombay. Now Bombay become the hub of export for cotton to the British. Hence new business emerged in Bombay for the purpose of exports. Now to run the business, the companies seek large capital investments . Now this investment need gave rise to Securities in India. This is how the concept of Securities emerged in India. Now understanding how the concept emerged, we’ll move back to the time of 1855 where 2 Indians who were Parsi and Gujrati sitting under the Banyan Tree thought of using security as means of business. But in 1874 they found a permanent place called as the “Dalal Street” in Bombay. This was the place all the ones in support of securities came forward to grow this business. Now in 1875 they officially became the organization called “The Native Share And Stock Broker Association”. This organisation was then converted to BSE in 1925. This BSE was categorised as AOP- Association of Person. This maybe was an unregistered company. But after Independence, it was converted and recognised as the first stock exchange of India in 1957. Now this is the proper registered company. Now talking about rules and regulations as every organisation requires regulations to function. Going back to 1925, BSE made a Law for itself known as the BSE Regulations Act ,1925. But this was a law for just the functioning of BSE. Now they needed a law and regulations for the companies listing, or the investors investing or brokers etc. that under which law will trading be possible. For that purpose, Capital Issue Control Act 1945 came into the scenario.

##### **INVESTMENT PATTERN OBSERVED BY CONSUMERS IN THE SECURITIES MARKET**

After the Brief overview of the Securities market, we shall now observe how Indian citizens have taken advantage of the investment market. If we take the statistics of Investment in India versus investment in USA, we realise that only 5% of Indian population invest in markets whereas in the USA, 50% of the citizens invest. This is simple logic of understanding that how vast is the awareness created in the USA market and lack of awareness in the Indian Market. As we understood earlier that the better the investment pattern the better is the economy. The more the demand, the more the supply and the more the growth the county shall observe.





# RESEARCH OBJECTIVES

The research object of the investment pattern and banking needs of housing societies encompasses several key aspects:

* 1. **Investment Portfolio Composition**: This includes analyzing the types of investments held by housing societies, such as equities, bonds, mutual funds, real estate, and alternative assets. Understanding the allocation and diversification within the investment portfolio provides insights into risk management strategies and potential returns.
	2. **Risk Management Practices**: Investigating how housing societies assess, mitigate, and monitor investment risks is crucial. This involves examining risk tolerance levels, the use of hedging instruments, and strategies to preserve capital while seeking returns commensurate with the society's objectives.
	3. **Banking Relationships**: Exploring the banking relationships of housing societies involves studying their interactions with banks and financial institutions. This includes assessing the types of accounts held, transactional activities, credit facilities utilized, and the quality of banking services received.
	4. **Financial Goals and Objectives**: Understanding the financial goals and objectives of housing societies provides context for their investment and banking decisions. Research should delve into whether societies prioritize capital preservation, income generation, capital appreciation, or a combination thereof.
	5. **Technological Adoption**: Investigating the technological adoption levels within housing societies is important, particularly regarding banking services. This includes assessing the use of online banking platforms, mobile apps, electronic payment systems, and other digital tools to manage finances efficiently.
	6. **Regulatory Compliance**: Researching the regulatory framework governing housing societies' investment and banking activities is essential. This involves examining compliance requirements, reporting obligations, and any constraints or opportunities presented by regulatory authorities.

# SCOPE AND LIMITATIONS

The following constraints could have an impact on the analysis of housing societies' banking requirements and investment patterns:

1. **Sample Bias**: Research conducted on a subset of housing societies may not be representative of the broader population. Sample bias can arise from factors such as self-selection bias, where only certain societies participate in the study, or non-response bias, where certain groups are underrepresented in survey responses.
2. **Data Quality**: The accuracy and reliability of data collected on investment patterns and banking needs depend on the quality of data sources and collection methods. Inaccurate reporting, incomplete records, or measurement errors can compromise the validity of findings and interpretations.
3. **Limited Access to Information**: Housing societies may not disclose sensitive financial information or may lack transparency in reporting their investment portfolios and banking relationships. Limited access to information can hinder researchers' ability to conduct comprehensive analyses and draw meaningful conclusions.
4. **Heterogeneity of Societies**: Housing societies vary widely in terms of size, demographics, financial resources, and governance structures. Generalizing findings across diverse societies may overlook unique characteristics and challenges faced by different types of societies, limiting the applicability of research findings.
5. **Regulatory Constraints**: Regulatory restrictions on data collection, privacy regulations, and confidentiality requirements may limit researchers' ability to access certain types of financial data or conduct detailed analyses on specific aspects of investment and banking practices within housing societies.
6. **External Factors**: External economic conditions, market fluctuations, and unforeseen events such as natural disasters or political instability can influence investment patterns and banking needs, introducing variability and uncertainty into research findings.

# LITERATURE REVIEW

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# METHODOLOGY

Sampling is a part of the whole research method. Once market researchers decide to conduct a field survey, they must decide whether to use a census survey or a sample survey. In place of complete censuses, sample surveys are often used due to their numerous advantages. In order to perform a sample survey, it is necessary to first identify the target population. After that, choosing a suitable method of sampling is possible. What kind of sample design is used is decided by how easily obtainable the required sample frame is. Because of the need for substantial human engagement in the data gathering process, a sample survey was selected as the sampling technique. Their involvement is also unnecessary since every housing cooperative has the same fundamental framework and procedures. In addition, open-ended replies cannot be gathered through census. A lack of benefit would also cause frightened people to lose interest. This is why a survey based on a representative sample is superior than a census. A random sample does not favour any one segment of the population over any other segment since each individual is picked at random. Since all housing cooperatives are bound by the same set of bylaws, it stands to reason that their investment policies, revenue streams, and banking needs are all fairly standard across the board. Therefore, there is no need for a massive sample size. In addition, the time required to complete the project will skyrocket if the sample size is very huge. A community of 50 dwellings is an adequate target for social improvement.

# TYPES OF RESEARCH

**The basic types of research are as follows:**

* + - **Descriptive Research Design**: traits, actions, and viewpoints of a group of people. Surveying members of housing societies to learn about their banking practices,

investment choices, and level of satisfaction with current financial services could be part of this design.

* + - **Cross-Sectional Design**: In a cross-sectional design, information is gathered from a subset of participants at one particular moment. This method could be applied to housing societies' investment portfolios and banking partnerships, giving an overview of their present financial operations.
		- **Longitudinal Design**Data collection from the same participants over an extended period of time is the goal of a longitudinal design. Researchers may be able to spot

trends and variables impacting financial decision-making by utilizing this method to monitor changes in banking requirements and investment patterns over time inside housing societies.

* + - **Mixed-Methods Design**: Techniques for gathering and analyzing data, both

quantitative and qualitative, are used in a mixed-methods approach. In order to collect quantitative data on housing society members' banking and investment preferences,

this strategy would involve surveying them. Focus groups or interviews would then be used to further investigate the underlying motives and decision-making processes.

* + - **Case Study Design**: A case study design involves in-depth analysis of one or more

housing societies to understand their investment patterns and banking needs in detail.

This approach could involve collecting data from financial records, interviews with key stakeholders, and observation of governance processes to provide a

comprehensive understanding of financial management practices within specific societies.

# DATA COLLECTION METHODS

After deciding that primary data collection is necessary, picking the right method is the next step. In this case, you may either (1) use a purely observational method or (2) conduct a survey. The word "observation" is used to describe a method of study in which data is collected by simply watching events unfold. The observational approach would be unsuitable for this research since the necessary data cannot be acquired without conducting in-depth interviews with the persons involved. Surveys: Primary data from respondents is commonly gathered via field surveys in marketing research. Surveys may be conducted via a variety of channels, including in-person meetings, phone calls, written replies, and diaries. Most polls in India are taken either in person or over the mail. It's crucial to choose the optimal strategy for gathering information. There are advantages and disadvantages to doing each sort of survey. A telephone survey is a good choice when just a little quantity of information has to be gathered fast. Responders should have quick and easy access to this information. In this situation, neither time nor information constraints are an issue. As a result, a survey by telephone is inappropriate. The use of personal diaries or letters is likewise not acceptable for this study. In-person meetings might be useful here. It is common routine to collect data from respondents using structured questionnaires. It is crucial for the researcher to conduct pilot studies of the questionnaire to identify any issues before finalising it. The final, thoroughly tested survey may be found in the appendices.

* **Surveys**: Surveys are a good way to get quantitative data from members of housing societies about their demographics, banking practices, satisfaction levels, and investment choices. Structured questionnaires designed to gather pertinent data can be used for online, email, or in-person surveys.
* using structured questionnaires tailored to capture relevant information.
* **Interviews**: Interviews allow for in-depth exploration of participants' perspectives, motivations, and experiences related to investment and banking. Conducting semi-structured interviews with housing society committee members, financial advisors, and banking representatives can yield valuable insights into decision-making processes, challenges, and opportunities.
* **Focus Groups**: Focus groups bring together a small group of housing society members or stakeholders to discuss investment and banking topics in a facilitated setting. This method enables researchers to observe interactions, probe participants' responses, and uncover shared perceptions, preferences, and concerns.
* **Document Analysis**: Analyzing financial statements, investment reports, banking agreements, and regulatory documents provides valuable secondary data on the investment pattern and banking needs of housing societies. Document analysis helps validate findings from other data collection methods and offers insights into historical trends and performance metrics.

# RECOMMENDATIONS

* + The financial institutions should be more active in spreading awareness about the development schemes and securities to the local customers on regular basis with adequate updates .
	+ The investors should understand the importance of investment in today’s scenario where their decisions shouldn’t be reliable on brokers but they should be self reliant in understanding the markets.
	+ Since the investors are expecting better services, the financial institutions and stock market should provide with better facilities and Infrastructure.
	+ Advertising is the key to success in today’s scenario. With the global pandemic hit, advertising over social media and using the social media to reach the hardest of the areas is necessary.
	+ The government must provide with virtual drives through social media to explain what the government is providing and how citizens can benefit.
	+ Indians must understand the need of the hour and start making changes from traditional thought to new and reliable thinking with broader visions.

# CONCLUSION :

The main aim of the study was to understand Indian investment patterns in the securities and banking industry. Through this investigation, the researcher came to the conclusion that the investment patterns of investors are mostly determined by the economic stability and GDP factors of the country, which include policy, taxation, employment rate, inflation, and other financial elements. This study shows that how different financial instruments have their own pattern of risks and return factor. The study shows the readers the importance of investing with benefits to self and country economy and sufficient statics have proved that growth in the economy has resulted in better showing strengths to perform better in the near future. The market is a super volatile place. No one can exactly guess the situation of the market in the future. One thing is definitely definite that we cannot predict future but we can create it. The study explains that how one can take advantage of this volatility and move towards better developmental situations. The study shows uniqueness of each financial service provided to increase the vastness in choices for the investors. The market has shown rapid growth over the years due to the securities market and banks have shown growth as per RBI norms of amalgamations of small banks into large banks and create fewer banks with better capital and effective sustainability. Today we talk about saving money. This study proves the statement wrong as saving will never increase your money value, investing with right choices will do.

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 **Thank You**