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**COMMUNITIES’ BEHAVIOUR IN GOLD INVESTMENT:
AN EXPLORATION IN GUWAHATI CITY**

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ABSTRACT

Investment in gold still gets a special patronage from the investing public in India. Irrespective of the size of their income, people invest in gold even though the various restrictions are imposed by the Central Government and RBI. People do invest in bars and coins. Today, the concept of cyber gold is also emerging and becoming popular in the form “Gold ETF”. Investors generally buy gold as a way of diversifying risk like a hedge against inflation if perceived economically. Gold investors are normally not restricted to one form; they do their investment almost in all the forms, i.e., in physical gold, like, jewelry, bars, coins etc. and Cyber Gold.

The investment in gold having socio-traditional, socio- economic, psycho-behavioral, beliefs and values, capacity to pay, preference, lifestyles. This paper attempts to investigate the community behavior of investment in gold with special reference to Guwahati city. With a limited sample, this study compares gold investing behavior three major communities in the city for furthering the next course of research on Gold Investment among various communities of Assam.

KEYWORDS

Investment, Gold, Community, Gold Saving Plan, Piggy Bank etc.

INTRODUCTION

A community is a social unit of any size that shares common values. The word “community” is derived from the old French *comunete*, which is derived from the Latin *communitas* (from Latin *communis*, things held in common), a broad term for fellowship or organized society. One broad definition which incorporates all the different forms of community is “a group or network of persons who are connected (objectively) to each other by relatively durable social relations that extend beyond immediate genealogical ties, and who mutually define that relationship (subjectively) as important to their social identity and social practice.” There are many religious communities in India namely the Hindus, Muslims, Christians, Sikhs etc. Among the religious communities, there are many sub-divided communities; they are Assamese, Marwaries, Biharies, Bengalis, Punjabis and many others. MacQueen et., al. (2001)¹ stated a common definition of community emerged as a group of people with diverse characteristics who are linked by social ties, share common perspectives, and engage in joint action in geographical locations or settings. The participants differed in the emphasis they placed on particular elements of the definition. Community was defined similarly but experienced differently by people with diverse backgrounds.

Investment refers to the process of investing money with the expectation of financial return. Every investor always tries to earn as much profit as they can. The intention of investor depends upon various factors, which may be demographic or financial. There are investors who give priority in the safe investment and at the same time, there is another class of investors who take risks and enjoy the return. Investment may be made for short term or long term. Generally, the primary concern of an investor is to minimize risk while maximizing return, as opposed to it, there are people who willing to accept a higher level of risk in the hopes of collecting higher-than-average profits.

Gold Investment

Now a days, there are various investment avenues are available for the investors to invest their money. Investors normally prefer both traditional and modern avenues. Equity Shares, bonds, debentures, mutual fund, securities, real state, bank deposits, postal savings, and precious metals like Gold, Silver and Diamond etc. constitute the whole gambit of investment portfolio. Out of all the available options, gold gets a special patronage from the investing public. Irrespective of the size of their income, people invest in gold even though the various restrictions are imposed by the Central Government and RBI. People do invest in bars and coins. Slowly, the concept of cyber gold is also knocking at the door of investors in the form “Gold ETF”. Investors generally buy gold as a way of diversifying risk like a hedge against inflation if perceived economically. Gold investors are normally not restricted to one form; they do their investment almost in all the forms, i.e., in physical gold, like, jewelry, bars, coins etc. and Cyber Gold. The concept of cyber gold is not very much prominent among the investors.

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Gold Investment is considered to be traditional and ancient practice. The decision of investing in gold is influenced by both financial and demographic factors. Income level, age, religion, gender, race etc., plays an important role while selecting suitable avenue of investment. Like any other factor, community also stands as a determining factor towards gold investment. Various communities in India are known for their unique characteristics. Each community has their own ideology and principle and each community reacts in different manner in similar situation. It may be related to financial decision, household related decision, political decision, etc. In case of investment in gold also, different communities react in different manner and take their decision towards investment in gold.

REVIEW OF LITERATURE

Parkash, R., Awais, M. and Warraich, A.U.(2014)²concluded that investors belonging to different communities in Karachi Pakistan shows similar risk taking behaviors. The perception that few communities like Memons, Chinoiti and Dehli Merchant take higher risk than other can be rejected in this study. It may be due to current political and economic conditions of Pakistan. Investors are uncertain about the future market condition hence feels reluctant to take risk and invest in less risky assets. Farrell, J. (2010)³, investigated the association between gender/race and investors' risk tolerance. He found that blacks and women take investment decision more conservatively whereas whites and men take high risk and seek higher returns. Gutter, S.M., Fox, J. J., and Montalto, P. C. (1999)⁴studied the racial difference in investment behaviour by using financial, attitudinal and socioeconomic data of individual investors from Survey of Consumer Finance. He suggested that ethnic variances in asset ownership are described by ethnic variances in the individual determinants of risk in race itself. Mittal, M. and Vyas, R. K (2008)⁵Observed that investors have certain cognitive and emotional weaknesses which come in the way of their investment decisions. According to them, over the past few years, behavioral finance researchers have scientifically shown that investors do not always act rationally. They have behavioral biases that lead to systematic errors in the way they process information for investment decision. Many researchers have tried to classify the investors based on their relative risk taking capacity and the type of investment they make. Gai, P., and Vause, N. (2005)⁶, suggests that investors' risk appetite fluctuates within a relatively narrow gauge during 'normal' times, but falls sharply during crisis. Pati, A.A., and Shome,D. (2011)⁷suggested that households prefer the safer channels of investments rather than switching over to high yielding but risky channels of savings.

STATEMENT OF PROBLEM AND THE OBJECTIVE OF THE STUDY

Every individual of any community always want to make his future secured irrespective of his income. He/she has to ensure that his savings should be invested in such an avenue, which prevents him from drowning in times of economic crisis and gives suitable and ensured return. If someone is a serious investor then he probably knows the answer is investing in gold. Like "gold", no other investment option endures the test of time so well. Hence, gold is universally accepted as one of the best financial assets to possess in rough economic conditions. Not only investors but nations also try to hoard gold at the time of crisis. Very recently, there were reports on how China and India bought tons of gold to hedge against dollar risk.

North East is truly a frontier region. It has over 2000 km of border with Bhutan, China, Myanmar and Bangladesh and is connected to the rest of India by a narrow 20 km wide corridor of land. One of the most ethnically and linguistically diverse regions in Asia, each state has its distinct cultures and traditions. India's North East has been a point of congregation of many communities, faiths and cultures. North East India comprises of seven states commonly known as the "Seven Sisters". They are Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. Out of which, Assam the most populous state in North-East India located between 24.3°N and 28°N latitudes and of 89.5°E and 96.1°E longitudes. Assam, being the gateway of northeast India attracts all most all the communities of India like Marwari, Bengali, Punjabi, Behari, Nepali, South Indian, different communities and tribes of neighboring northeastern states.

Each of the community has its own preferences, taste, and reacts differently in similar situation. Objective and purpose also varies from community to community. Like any other decision, the investment decision is also influenced by the objectives of the different community. Each community has its own judgment and belief with respect to investment. Some communities believe in traditional investment, i.e., physical gold and some others in upcoming avenues like Cyber Gold.

OBJECTIVES OF STUDY

- To determine which community is being interested more to invest in gold?
- What is the central source of fund, investing in gold among the community members in Guwahati city?
- How do the gender factor influences on gold investment in the selected Communities in the city?
- What is portion of customer do have the investment plan for saving in the form of Gold?

SCOPE AND SIGNIFICANCE

This study will focus on the community, which is investing more in gold. The study will cover the investor of different communities dealing through local traditional jewelers along with the Jewelry Showrooms located in Guwahati City.

No evidence is found with respect to the influence of community in gold investment. Hence, this study may fill up literature gap and fill the study gap on the various communities investing in gold in Guwahati city. This piece of study may serve as the unique source for further study on investment behavior among the members of the various communities.

METHODOLOGY OF RESEARCH

Research Design: The proposed study will adopt mixed qualitative research design. It is partly exploratory and partly descriptive in nature. May be a part of exploration will be devoted for causal analysis to establish the factorial relations for further research.

Universe of Study: The Various Community in Guwahati city will constitute the population for the study. Guwahati is a part of Kamrup District and is situated between 25.43 and 26.51 North Latitude and between 90.36 and 92.12 East Longitude. Located on the banks of the Brahmaputra River, it is the largest commercial, industrial and educational center of the N-E region(City Development Plan,2006). There are many Showrooms and Jewelry Shops in Guwahati,viz, Tansukhrai Jewellers, L. Gopal Jewellers, Tanishq, MP Jewellers, Manikchand Jewellers, Mahendra Jewellers, Mitra Jewellers, Gold Palace, Kolkata Jewellers, M K Jewellers and Puspa Jewellers.The Investors of various communities dealing through these showrooms and shops will constitute the universe for the proposed study.

Sample Size: 95 numbers of persons responded during one months of survey constitutes the representative sample for this study (table-1).

Table-1: Gold Investing Communities and Gender Representative

Community	Male	Female	Total
Assamese	18 (52.9%)	16 (47.1%)	34
Bengali	03 (25.0%)	09 (75.0%)	12
Bihari	06 (85.7%)	01 (14.3%)	07
Marwari	25 (67.6%)	12 (32.4%)	37
Punjabi	02 (66.7%)	01 (33.3%)	03
Others	01(50.0%)	01(50.0%)	02
Total	55	40	95

Sources: Authors Compilation

Sampling Unit:The people of different community purchasing gold from the above stated outlets are interviewed to collect data.

Tools of Data Collection: For the purpose of the study, data is collected from primary source using questionnaire and secondary data, and from relevant Journals.

Tools of Analysis:Acquired data are analyzed with frequency.

INVESTMENT IN GOLD BY COMMUNITIES

First questions generated in this paper who are those investors invest in gold i.e. what is their profession or livelihood of investor in gold in the city- Guwahati. The respondents of representative communities are engaged in business, services and others. Marwari community engaged in businesses showing largest 33 numbers (i.e. 89.2%) investor in gold. Assamese respondents engaged in services investing in gold, i.e., 19 numbers out of 34 numbers of Assamese respondents i.e. 55.9% (table-2).

Table-2: Investors Profession

Community	Business	Service	Others	Total
Assamese	09 (26.5%)	19 (55.9%)	06(17.6%)	34
Bengali	04 (33.3%)	02 (16.7%)	06 (50.0%)	12
Bihari	07 (100%)	00	00	07
Marwari	33 (89.2%)	03(08.1%)	01(02.7%)	37
Punjabi	02 (66.7%)	01(33.3%)	00	03
others	02 (100%)	00	00	02

Sources: Authors Compilation

The second question of the study is where do the investors of gold invest? In other words in what form of gold do they invest? The Table-3 explains the community representative gold investor investment. Assamese (97.1%), Marwari (86.5%), Bengalis (100%) are mostly investing in their gold investment for purchasing jewellery. Compared to purchase of jewellery, investment in Gold Coin is negligible. No respondents reported on investment in Gold ETF of certificates or other forms of gold investment.

Table-3: Forms of Gold Investment

Community	In Gold Coin	in Jewellery	Total
Assamese	01 (2.9%)	33 (97.1)	34
Bengali	00	12 (100%)	12
Bihari	01(14.3%)	06 (85.7%)	07
Marwari	05(13.5%)	32 (86.5%)	37
Others	00	02 (100%)	02
Punjabi	00	03 (100%)	03

Sources: Authors Compilation

The third question is the “what is the sources of fund for investment in the gold invested by the representative community investors”? The sources of fund for the Assamese gold investors are reported by the respondents were mostly of salaries 10 persons out of total 34 respondents (29.4%). Out of 12 Bengali respondents 4 numbers i.e. 33.3% are funded by husbands for purchasing ornaments and jewellery. The Marwari community mostly invest from the sources of business i.e. 29.7% and investment plan 27%, and Piggy bank is the third source of fund for gold investment among the Marwari community respondents. The table-4 explains the sources of fund for investment in Gold.

Table-4: Sources of Investment

	Business	Gold Saving	Husband	Investment Plan	Own Savings	Piggy Bank	Business Profit	Salary
Assamese	01(2.9%)	2(5.9%)	04(11.8%)	04(11.8%)	03(8.8%)	9(26.5%)	01(2.9%)	10 (29.4%)
Bengali	00	01(8.3%)	04(33.3%)	01 (8.3%)	01(8.3%)	1 (8.3%)	01 (8.3%)	03 (25.0%)
Bihari	01(14.3%)	01(14.3%)	01(14.3%)	01 (14.3%)	01(14.3)	2 28.6%	00	00
Marwari	11(29.7%)	00	04(10.8%)	10 (27.0%)	03(8.1)	6 (16.2%)	01(2.7%)	02(8.1%)
Punjabi	01(33.3)	00	00	01 (33.3%)	00	01(33.3%)	00	00
Others	00	00	00	01(50.0%)	00	1 (50.0%)	00	00

Sources: Authors Compilation

The fourth question is “how much the community do invests in gold in the Guwahati city? 35 numbers of reporting respondent invest within the range (Indian Rupees) 10,000 to 40,000 and 37 numbers of reported respondents invest in the range of 41,000 to 80,000 (Indian Rupees) yearly in gold. Out of total 95 investors only 12 numbers are investing yearly within the range of 80,000 to 1,20,000 (Indian Rupee) in gold. 12 numbers of Assamese respondents investing in gold which indicates that Marwari’s are investing lesser than that of Assamese gold investors by the range of yearly investment in gold.

Table-5: Amount of Investment

Community Members	Rupees In Thousand (10-40)	Rupees In Thousand (41-80)	Rupees In Thousand (80-120)
Assamese	05	17	12
Bengali	06	06	00
Bihari	04	03	00
Marwari	17	19	01
Punjabi	01	02	00
others	02	00	00
Total	35	37	13

Sources: Authors Compilation

Major Observations

1. Community wise Assamese investors in Guwahati city are investing in gold/yearly at higher range than the other community investors but by numbers, Marwaris are larger investors in gold/yearly.
2. More Assamese females are investing more on gold than Marwari and Bengali females.
3. Assamese gold investors are mostly belonging to Service, the Marwaris and Bengalis mostly belong to Business.
4. Husbands, piggy bank, and investment plans are the major sources of fund for family investing in gold especially in gold jewelries.
5. No respondents could report about the investment for gold ETF when it is asked or might have avoided willingly.
6. Gender wise males in Guwahati are investing more on gold than the females.



LIMITATIONS OF THE STUDY

The study area of the proposed research work is different communities of Guwahati City investing in gold. Each community has its own locational, demographic and other specifications. It was conducted only on the different communities of Guwahati City dealing through the jewelry Shops and the Showrooms. Therefore, it cannot be generalized for all the individual investors. The chances of biasness in selecting sample for the proposed study could not be completely eliminated.

FUTURE RESEARCH SCOPE AND CONCLUSIONS

Though this study suffers limitation to draw a generalized conclusion, still it posits a few fundamental queries for future research based on the findings of the study. Study to finalize where the Assamese investors in Guwahati city are investing in gold/yearly higher in range than that of other community investors such as Marwaris, Beharis, Bengalis etc. The next whether really Assamese females are investing more on gold than that of Marwari and Bengali females; whether gold investors belong to service holders or belong to business holding, who is investing how much. How do piggy bank, and investment plans are the major sources of fund for family investing in gold especially in gold jewelries; why in Guwahati gold investors do not prefer to invest in gold ETF.

By selecting an adequate and systematic sample, a full range study can be conducted to know the communities as the gold investors' investment, their behaviors as well as to know the status of gold market in Guwahati City. As the study on Gold Market is still meaningful in an emerging city, to know about the investment and consumer behavior in regards to the durable consumption goods, as well as the house hold capital and liquid assets. The gold consumption and investment on gold can be the best descriptor of a community's consumption and liquid asset holding pattern of community members in urban and rural asset holding segment of community.

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A CASE STUDY

Investment in gold- businesses along the symbolic interpretation in Asia

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ABSTRACT

Behavioural aspects of investment in gold are an interesting issue for research. In Asian context, study on behavioral aspects of research need to unfurl many interesting phenomenon though the economist discourage that gold investment is an unproductive investment. But, historically Asia was gold rich country. The culture, emotions and history told about rich deposit that attracted the ancient invaders to come to Asia, especially India, due to gold reserve. China as Asian economic dragon of Asian century, still has been occupying a leading position in investment in gold. Since, the gold is useful for modern advanced sciences and industrial applications, the gold reserve and investment may potentially augment in the economic development. Thus, the present research attempts to analyse symbolic interpretation of gold in Asian countries, their gold reserve and popularity of investment in Cyber gold. Finally analyses about the attitude over the investment in gold in the select Asian countries. The methodology adopted for this paper is desk research and debates in support of investment in gold with an idea to propose for shift for golden Asia for Asian century. This paper depicts an interesting picture of on cultural interpretation of gold and its relationship with gold business, reserves, and consumption. Also, depicts a clear picture of awareness on investment in cyber-gold select Asian countries along with a proposition for enhancing Asian wealth position.

KEY WORDS : Price, Interpretation, Gold Reserve, Investment, ETF-Gold

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Gold is a chemical element. The scientific name of gold is Aurum represented by AU and the atomic number is 79. Gold is a dense, shiny metal and the most malleable and ductile metal. In ancient times, value of gold had already been discovered. People took gold to make jewellery and currency. It is a symbol of wealth, beauty and heritage carrying memories and cultures. However, besides these, gold also makes significant contribution to a wide range of technologies.

Due to its physical features as corrosion resistance and highly malleable and ductile, gold is being applied in space exploration, Nano practice technology and medicines. Moreover, it is also used as the bonding wire at the core of an i-phone. Though, gold is no longer monetary standard, governments elsewhere of the world are still holding gold as a portfolio in their reserves to back the paper currency.

The price of gold has continuously grown since the year 2000 onwards. From an investment prospective, besides the static price increasing, gold is very different from stocks and bonds. Stocks and bonds may face default risk if the issuer cannot afford to pay but gold has its inherent value. To some extent, its inherent value ensures investor's wealth comparing to the other assets. In addition, gold has a more stable price trend in the long term. Therefore, gold is one of the fundamental assets within any long term investment portfolio. There are direct or indirect ways of investing in gold. One can

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buy physical gold, like gold coins and small bars, or, one can buy gold mining stocks and funds and also other financial derivatives. Gold market has several players on it. These players can have a significant influence on the price and investment decision. They can be categorized as government and central banks, institutional investors and funds, private gold mining corporate.

Gold, the "Yellow metal" attracts the attention of almost all the individual. It may be for investment or as jewellery. The "Yellow metal" is popular among all the people irrespective of their financial position. People have got tendency to keep at least a piece of gold with them. Demand for gold is increasing even after the restrictions imposed by the government. The "Yellow metal" is accepted as status symbol among people of some communities, cultural heritage among some communities and as an avenue of secured investment among some people. Interpretation of gold is different considering different situation, back ground, cultural values, common belief etc. Now-a-days, different form of gold avenues are available for investment in the market. Along with our traditional form, *i.e.*, physical gold, jewellery, bar, coin etc., there is one more form of gold in the market which is termed as certificate form of gold, *i.e.*, ETF (Exchange Traded Fund), Gold Mining Shares, Gold Account, etc. Love towards gold is not only restricted to India but it is seen in the entire universe. In Asian countries, consumption of gold is pretty high in comparison to other countries. In Asian countries, people invest in gold comparatively for a long period of time. They do not sale unless it is very urgent.

Objectives :

- To understand the historical background of gold as a metal in Asian context.
- To understand the cultural linkage of gold reserve and gold business in the context of selected countries of Asia.
- To examine the popularity of cyber gold in Asian economic giants and linkages to investment in gold and consumption.

Historical background of gold as 'metal' :

The words 'gold' and 'golden' are often associated with place names throughout the Southeast Asian region – Ptolemy's *Geography* refers to the 'Golden Khersonese', and an early name for Thailand is *Laem Thong*, which translates as 'golden peninsula'. Gold is fairly widely, though irregularly, distributed throughout Southeast Asia in igneous and metamorphic hard rock deposits and in sedimentary placer deposits. There is some evidence of ancient gold mining in Southeast Asia. Most of the gold in the prehistoric and early historic periods would, however, undoubtedly have been extracted by panning alluvial sediments, a technique requiring

little capital investment in equipment and no specialist technology, but unfortunately leaving no discernable archaeological signature. Many of the secondary deposits, which are today regarded as containing too little gold to be worked commercially, would have been quite successfully panned in the past.

Historical sources inform us that the Chinese were clearly impressed by the quantities of gold available in Southeast Asia, and one of the earliest recorded descriptions of the pre-Angkor Funan Kingdom is that of the Chinese emissaries who visited it during the Jin Dynasty (265-419 PE). They referred to the Funan Kingdom as having already expanded its sphere of influence to encompass parts of the Malay Peninsula, and as having a tax on gold, suggesting that the metal was readily available, if not locally produced. "There are many walled towns, palaces and houses... They mostly take their food on silver utensils. The taxes are paid in gold, silver, pearls and perfumes" (Dube, 2003). Another early Chinese text, known as "The History of Southern Ch'i", which was written in the fifth century, described the inhabitants of Funan as having gold, silver and silk: "The inhabitants of Funan make rings and bracelets of gold and plates of silver" (Coedès, 1968).

It seems quite probable that the gold ores available in Southeast Asia were not only partly responsible for the early trade with China, but that they were one of the stimulating factors in developing early contacts with India. The Ramayana mentions Sugriva sending his envoys to Hiranyanabha Mountain to the east, *i.e.* in the direction of Southeast Asia, which was known to be rich in gold, in search of Rama's wife Sita. Sanskrit synonyms for gold, such as Hiranya, Kanaka, Hema and Suvarna, have been used to name rivers and mountains containing either alluvial or vein deposits of gold, and the region was known to the Indian merchants of the Mauryan Empire (321-185 BPE) as *Suvarnabhumi*: 'Land of gold', which is thought to refer to the mainland, including lower Burma and the Thai Malay Peninsula, and *Suvarnavipa*: 'Islands of gold', which may correspond to the Indonesian Archipelago, including Sumatra.

A fifth century Sanskrit text narrates the story of merchants who travelled to *Suvarnabhumi* by sea. Having crossed the 'unfathomable' sea, they arrived at a coast, and embarked on a long voyage on foot, past the forested-foothills of high mountains, which they then crossed, finally reaching a forest and a shallow river rich in gold sands (Dube, 2003). An eighth century Indian text known as the *Samaracikakaha* describes a sea voyage to *Suvarnavipa* and the making of bricks from the gold rich sands which they inscribed with the name *Dharana* and then baked (Dube, 2003). The sintering of such gold rich sands, by mixing the sand with water, which were shaped into bricks and then baked, would have offered the early gold explorers a relatively easy method of transporting the raw material, which could then be carefully

separated from its sand matrix in the more suitable environment back in their homeland, where the workforce would be plentiful.

A gold and silver currency had been in place since the tenth century, and although copper coins imported from China during the Late Classical Majapahit period in the early 14th century replaced it, this replacement seems to have been more for the convenience of small denominations than because of a shortage in the supply of gold. In 1225 PE, the Chinese writer Zhao Rukuo referred to the Majapahit's commander in chief and his 30,000 soldiers being paid in gold (Miksic, 1999 and Miksic, 2004). Elaborate descriptions of the complex jewellery representing gods, goddesses, kings, queens, warriors and priests were used in the Javanese literary texts and inscriptions to provide to the reader precise information pertaining to the status of the characters concerned (Hinzler, 1999). The early explorers were aware of the differences in compositions of gold. The goldsmith themselves would probably only rarely, if ever, have been able to acquire sufficient capital to control their own stocks of metal and would generally have obtained their gold from the wealthy individual or institution who was commissioning the desired article. Their sources of raw material would have included recycled, damaged, or no longer sought after goods, which may have contained other base metals, such as copper. Given the amount of gold available in Southeast Asia, remarkably little archaeological evidence has been found in the late prehistoric sites, and presently none can be dated to a period before 400 BPE. Much of the gold retrieved from archaeological sites has not been adequately recorded but, because of its metal value, has been melted or in some cases sold into the art market. Today, the economic viability of gold panning will in part be determined by the price of gold on the international market. When gold prices are at their highest, it becomes more economically viable to pan the streams – the villagers sell their gold to middlemen who themselves sell on to merchants, and the number of transactions through which the gold may pass before finding its way to a town jeweller may be considerable.

This is how gold has been treated in ancient Asia. The entire of all the countries included in the study is not discussed. A portion of the story has been portrayed. This study can be detailed by the researchers during their study.

Gold in Asia :

Rudarakanchana (2014) mentioned that when gold flows east, when it goes to individual investor that becomes family wealth that passed down to the family. It's unlikely that those individual investors will sell gold unless the markup is incredibly high. The National (2014), stated that consumer demand was strongest in China, where it increased 29 per cent to 164 tonnes in the third quarter compared with last

year. In India, government regulations curbed enthusiasm – consumer demand slumped 32 per cent from the same quarter last year. However, Indian demand for gold since the start of the year has risen 19 per cent from last year, following the surge sparked by two price declines earlier in 2013. Asian Review (2013), revealed that the popularity of gold bullion stems from investors' recent preference for liquid assets and the belief that Yen-denominated assets are likely to hold their value better than those priced in Dollars. The puzzle is why the metal itself is more popular than gold futures. According to Koichiro Kamei in Asian Review (2013), a precious metals analyst, investors are seeking safety, managing their assets for the medium to long term, due to concerns over Japan's fiscal outlook. Kamei said investors tend to select tangible assets rather than futures, which are mainly traded over the short term. Daiichi Commodities' Company Limited, Japanese Company. The Company's commodities of bullion are also on the rise. The commodity trading firm's sales of gold bullion for January-October jumped 68 per cent on the year to 3.9 tons, surpassing the figure for all of last year. People in 50s and 60s, accounted for about half of all buyers in Japan purchased gold. In the past that age group made up the majority of gold purchasers, but their share is declining. The number of buyers in their 20s and 30s now stands at around 10 per cent, but their share is rising quickly. The number of investors outside of Tokyo is also increasing.

Kim and Shen (2012) mentioned that South Korea is Asia's fourth largest economy and its central bank said that it now holds 70.4 tonnes of gold, after paying \$ 810 million last month for the purpose. The increase barely lifted goods prices but supported expectations that central banks will remain gold's key buyer as increased volatility in global markets and waning confidence in the U.S. dollar fuel a global drive to vary foreign reserves away from the U.S. currency and government debt securities. According to Ibrahim *et al.* (2014), gold investment in Malaysia offers a rewarding and secure asset class for investors through two different ways, physical gold or gold account Malaysia, the pros and cons of the different ways of gold investment. Samana (2009) states gold is "paper gold". Gold account allows investor to make deposits when gold prices are low and withdraw the funds at profit when the gold price rises. This paper provides a clear picture of gold investment in adjacent to Thai people for centuries. Presents of gold ornaments are given to all stages of their lives. Gold ornaments are given to newborn babies for comfort and used as dowries or sin sot in marriages. This value gold as not only a precious metal made for jewelry, but also a financial security. Gold is also often used to create Buddha statues and other religious items.

Myanmar Market Intelligence (2014) put that in terms of uncertainty avoidance, the indicator of how much adventurous or willingness to take risk, is considerably low in

Myanmar, perhaps even lower than neighbouring countries. This may be caused by country's previous military rulings which effected consumer sentiment and confidences in the past fiscal policies they made. Banks are still not trusted and gold bars are still the best way to invest the money in Myanmar. Consumers are in general skeptical to promises and warrants from companies and advertisements. They are likely to buy the product, either they have put their trust or someone in their environment has recommended.

Fig. 1 represents the trend of price change during the period of 13 years. In the diagram, it appeared that as compared to 2001, in the year 2013, gold price has been increased by almost 6.43 times in India, 3.9 times in China, 3.4 times in Thailand and 4.4 times in Korea. The price changes of gold in Korea revealed a different trend different from the price changes in India, China, and Thailand evidenced by the above trend line.

Interpretation of gold colour in Asian countries :

In China, yellow is a heroic colour which corresponds with earth, considered as the most beautiful and prestigious colour. The Chinese saying, "Yellow generates Yin and Yang" implies that yellow is the centre of everything. Yellow signifies neutrality and good luck. Yellow is sometimes paired with red in place of gold. Like China, each and every country interprets the colour of gold in their own way. How the other Asian countries interpret the colour of gold and yellow are as follows:

Interpretation of the colour of gold varies from country

to country (Table 1). In China, it is interpreted as sign of Good luck, Status, Prestige and Wealth. In the same way, in Singapore, it is read as the symbol of royalty and authority. In all the countries, gold is either referred as symbol of Status, Happiness, Good luck or Authority.

The information given reveals that in Asian countries, the demand of gold is very significant (Table 2). Out of 3863.5 tones, almost 60 per cent is being consumed by these seven countries.

Gold as investment avenue in Asia :

In India, like any other avenues, gold is also treated as a good investment option. Investment in gold in India is mostly associated with jewellery purchase. But, logically, it is not healthy investment because it involves around 10 to 20 per cent as making charges which is irrecoverable at the time of re-selling. People do invest in bars and coins. Slowly, the concept of cyber gold is also knocking at the door of investors in the form "Gold ETF". Investors generally buy gold as a way of diversifying risk like a hedge against inflation if perceived economically. In India, investing in gold is only a tradition. Irrespective of the size of their income, people invest in gold. According to Chakrabarty (2012) Deputy Governor, RBI, investment in gold is the most-unproductive investment. The Reserve Bank of India (RBI) urged the public against choosing gold as an asset for saving or investment as interest rates are very low. But the poor should never invest in gold for whenever they have purchased gold, it either lands up in

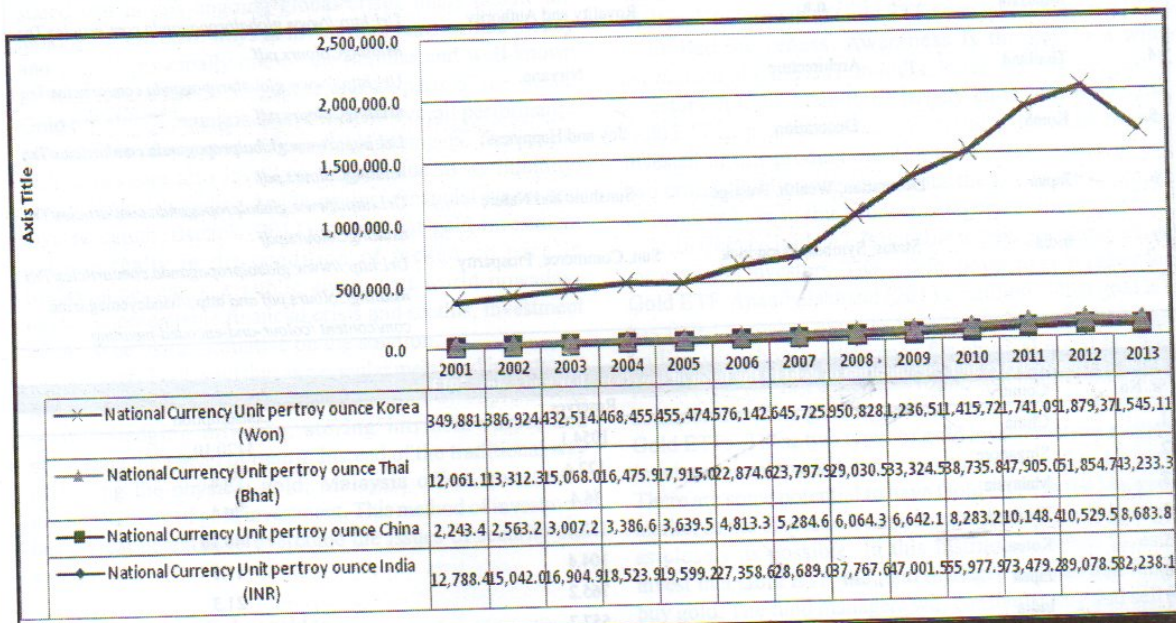


Fig. 1: Gold price trends in Asian consuming nations (Decades)

*Sources: World gold council-2013, URL: www.worldeconomic.com/rankingsworld-gold-reserves, URL: en.wikipedia.org/wiki/gold

Sr. No.	Country	Reserves	Consumption
1.	China	1054.1	1120.10
2.	Singapore	127.4	n.a.
3.	Malaysia	36.4	n.a.
4.	Thailand	152.4	140.10
5.	Korea	104.4	17.5
6.	Japan	765.2	21.3
7.	India	557.7	97.4

Sr. No.	Name of the country	Gold	Yellow	Sources of evidence
1.	China	Preciousness, Prestige, Earth, Power, Royalty and Wealth, Status, Good luck	Happiness	http://en.wikipedia.org/wiki/Color_in_Chinese_culture
2.	Singapore	n.a.	Royalty and Authority	http://www.globalpropaganda.com/articles/Tra
3.	Malaysia	n.a.	Royalty and Authority	http://www.globalpropaganda.com/articles/Tra
4.	Thailand	Architecture	Nirvana	http://www.globalpropaganda.com/articles/Tra
5.	Korea	Decoration	Joy and Happiness	http://www.globalpropaganda.com/articles/Tra
6.	Japan	Decoration, Wealth, Prestige	Sunshine and Nature	http://www.globalpropaganda.com/articles/Tra
7.	India	Status, Symbol, Good luck	Sun, Commerce, Prosperity	http://www.globalpropaganda.com/articles/Tra and http://handeyemagazine.com/content/colour-and-encoded-meaning

Table 1: Country wise interpretation of the colour of gold

in 500 g, 1 kg, 2 kg and 5 kg with purity of 99.9 per cent. Figures show that gold was fifty times more expensive than silver in 2007, but now that figure has reached over seventy times. Analysts say that silver has been undervalued in recent years. They add that "the metal is the right investment for individual investors and could be a good way to cash in". Prior year 2002, the private ownership of gold was prohibited in China but since early 2009, the Chinese government has been promoting the accumulation of gold by its citizens, presumably to help the nation diversify away from a devaluing dollar. Through China's Central Television, the main state-owned television company, running news programmes and commercials encouraging it's citizens to purchase gold and silver as an investment. It can be easily ownership of silver and gold to it's citizens since September 2009. The main state-owned television company, China's Central Television, has been running news programme informing the public how easy it is to buy precious metals as an investment. On silver investment, the announcer is quoted as saying "China has introduced its first ever investment opportunity for silver bullion. The bars are available

Whereas in China, Government encouraging its citizens to hoard gold as much as possible. China is believed to be the only country promoting gold and silver among its citizens. Noblecoins.Com (2014), China has been promoting the ownership of silver and gold to it's citizens since September 2009. The main state-owned television company, China's Central Television, has been running news programme informing the public how easy it is to buy precious metals as an investment. On silver investment, the announcer is quoted as saying "China has introduced its first ever investment opportunity for silver bullion. The bars are available

correlated to equity investments. Say for example 2007 onwards, the equity markets started performing poorly whereas the gold has performed well. So, having gold as an investment option in portfolio mix will help to reduce the overall volatility of portfolio. This investment proved remarkable from 2006 to 2011. During that time span gold has given average return of 29 per cent per annum which was any day better than other investment options. However, the long term average return on gold investment is less than 10 per cent p.a.

In the work of Wied (2010) revealed that in Thailand, on the Thai cultural front, gold has played a large part in Thailand's history. It has been used as a form of currency for thousands of years, as well as serving as the main precious metal used in ornate temple decorations, statues of the Buddha and other forms of Thai art. Thais place a higher value on gold than other metals such as silver, and gifts of gold jewellery are commonly viewed as high quality and a payment of respect to the receiver. Gold is also used on such occasions as providing payments for marriage dowries, etc. In Thailand, the gold trade has become a normalized part of Thai culture. Currently, there is only one regulation in Thailand covering the purchasing and selling of gold which is the Thailand Consumer Protection Law. As anyone visiting Thailand knows, there is an abundance of gold shops and gold is used almost as an alternative currency in Thailand. The rates are set by the Thailand Gold Association and products are standardized. Gold shops in Thailand have been long established and as such the process to buy gold seems secure. Imone (2013) stated that in this ongoing global crisis, many people are looking for effective ways to invest their hard-earned money and gold is principally one of the popular and well-known form of investment in Singapore and all parts of the world. Gold has always maintained an excellent overall performance compared to other types of financial instruments. The people of Thailand are also investing in gold due to its liquidity, hedge against liquidity, hedge against financial stress and diversification. Bachok (2013), stated that gold investment activity really in the condition of picked up pace in Malaysia because the public aware that world nowadays having unpredictable financial crisis and seethis, investment seems to be like an initiative on the solution.

Hafizi (2012) said that as a popular metal and investment instrument, gold is believed to be a stable way of preserving wealth, hedging inflation, storing intrinsic value, and generating high level of return. Instead of the traditional way of buying the physical gold, Malaysia offers investors a unique platform of gold investment. This method of investment has a great potential to overcome the issues of security and storage.

Gold ETF in Asia- Cyber gold :

Gold ETFs provide an opportunity to investors to

accumulate gold over a given period of time. Since it can be purchased in small quantities, one can plan the procurement as per future requirements, say, for the marriage of children, etc. But, there are certain drawbacks too, like, it involves assets management charges for managing the fund and broking charges at the time of buying and selling. Liquidity may be the one of the criterion since, some ETFs are illiquid too. Patil (2012) stated that gold Exchange Traded Funds (Gold ETF) is the unique product offering from the exchange that allows investment in gold in dematerialized form through normal demat accounts. This product is designed to overcome most of the difficulties faced while investing in gold. With Gold ETF there is no risk of losing precious investment due to theft. Being in the demat form; investment remains safe from the prying eyes. Another trouble of putting money in physical gold is that a lot of hard earned money gets spent on making charges (in case of jewellery) or premium pricing (in case of coins or bars from banks). With Gold ETF, the gold is available at the standard international market rates which are available transparently. Gold ETF is a pure investment product that is traded on the exchange platform. To convert Gold ETF holdings into physical form, a Gold ETF investor can liquidate his position on the exchange and buy gold or gold based products from the physical market from the proceeds. Few AMCs (Asset Management Companies) have now started offering redemption in physical gold to the investors. The investors who hold Gold ETF units of these AMCs can opt for redemption in the form of bars and coins, subject to minimum number of units required for conversion. The key challenge for growth of Gold ETF as an investment asset class is limited awareness. Awareness is the key to a wider acceptance of Gold ETF in India. In terms of awareness, the investors in India seem to be largely un-informed about the Gold ETF as an investment product. Only 4 lac retail investors invested in this product out of a total investor base of over two crores. Public awareness holds the key to the expansion of investor base in this product category of investment.

In China, Gold ETF is not able to gain popularity among the common investors. They prefer physical gold rather than Gold ETF. Ananthalakshmi (2013) mentioned that gold ETF has failed to make splash as investors in the world's biggest bullion user show a preference for physical metal in China. Hafizi *et al.* (2012), stated that Malaysian market should also consider the other gold instruments such as gold shares and Gold ETFs. These two types of gold investment are available in international market, but are yet to be offered in Malaysia. There are some potential to have Gold ETFs in the Malaysian market as the instrument aims to mimic the price of spot gold as closely as possible. In this instrument, when investors invest in a Gold ETF, the fund manager will use that fund to buy gold. The fund managers will constantly buy and sell the metal to ensure that the price of spot gold and ETF closely

Table 3: Total reserves (US\$ Millions) last quarters of year in the decade 2004-2013

Country	Q4 2004	Q4 2005	Q4 2006	Q4 2007	Q4 2008	Q4 2009	Q4 2010	Q4 2011	Q4 2012	Q4 2013
China ¹	6,22,902.26	8,31,409.63	10,80,684.31	15,46,364.66	19,66,037.43	24,52,899.06	29,13,711.65	32,54,674.12	33,87,292.69	38,80,368.28
India	1,31,603.54	1,37,824.83	1,78,007.23	2,76,578.10	2,57,422.73	2,84,682.89	3,00,480.15	2,98,739.49	3,00,308.96	2,98,092.48
Japan	8,44,608.13	8,46,895.92	8,95,230.24	9,73,296.75	10,30,762.76	10,48,991.12	10,96,068.59	12,95,838.78	12,67,925.61	12,66,851.42
Korea	1,99,194.40	2,10,552.01	2,39,146.54	2,62,532.67	2,01,544.91	2,70,437.14	2,92,143.48	3,06,934.54	3,27,706.77	3,45,694.10
Malaysia	66,390.74	70,458.19	82,871.76	1,01,994.77	92,166.46	96,704.05	1,06,528.12	1,33,571.69	1,39,723.18	1,34,853.70
Singapore	1,14,151.47	1,18,061.33	1,38,637.46	1,66,160.59	1,77,543.47	1,92,046.03	2,31,259.74	2,43,798.28	2,65,883.57	2,77,797.71
Thailand	49,840.13	52,075.78	66,997.81	87,472.47	1,11,009.22	1,38,419.12	1,72,027.93	1,74,891.03	1,81,449.41	1,67,230.22

Data source: World Gold Council-2013

Findings of the study and conclusion :
 This study is depicting an interesting picture of business on gold business. The Asian economic giant China, India, Japan are consecutively raising their gold reserve position. The gold price change trend in India, China, and Thailand are showing almost parallel to each other. The cyber Gold in Asia is still not considered as investment option. As the China interprets gold the symbol of Preciousness, Prestige, Wealth, Status, and Good luck, the gold reserve and gold business in China also symbolizes its richness of wealth. In consumption, China holds first in ranks as appeared in Table 2 above. Thailand considers gold as the symbol of architecture and in consumption it poses the 2nd position. Japan interprets gold as decoration, wealth, and prestige falls as the second order

Table 3 indicates the total gold reserve (US \$) million in the selected few countries of Asia. The Asian Dragon-China gold reserve position revealing the constant rise in the gold reserve in the last quarter each year and China occupies the top rank in the gold reserve followed by the Japan as second. In the gold reserve, India's rank is third in the last decade.

Future of gold in Asia :
 In all the Asian countries almost gold is a desired metal. People love to keep the gold in their possession. In India, restrictions are imposed on import of gold with the assumption that the investment in gold does not generate any income. But, on the contrary to that in China, Government is encouraging its citizens to hoard gold. In Japan, when the sales tax rate has been increased from 5 to 8 per cent, the people were purchasing gold like anything. In Thailand, trading on gold does not require so much formality. Only, a authority (Thailand Consumer Protection Law) is entrusted responsibility to look after the full range of trading activity. Regarding investment in Gold ETF, like India, China, Malaysia etc. are also lagging behind. People do not want to invest money electronically. This has happened due to awareness level of the common people. Government or the related organization should take the initiative to popularize the avenue by imparting education to the investing public. Gold is no longer a metal meant for jeweller rather, in modern technology, it is used like anything. In the medicine industry, it is used for life saving drugs. In electronic industry also, gold plays an important role.

correlates and there are minimal arbitrage opportunities. Gold ETF is one of the best ways to get on the exposure and ride against owning physical gold, namely low minimum investible amount, no storage fees or security concerns and the units being more liquid compared to the physical gold. Like India and China, Gold ETF is also not much popular in other Asian Countries.

of interpretative importance and occupies second position in gold reserve but in Japan consume lesser quantity of gold compared to china. Very interestingly, India culturally interprets gold as symbol of Status, Symbol, Good luck as like as China, but in gold reserve and consumption shown contrastively low in ranks compared to the selected few countries in Asia.

Cultural interpretation, gold consumption, gold reserve, and gold price level have a phenomenal relation with gold price fluctuation. Whatever the relation exists, gold is as essential material that symbolizes the strength of countries wealth and power. But, the attitude of gold consumption and business is also related to the outcome those maneuvering wealth further for a nation. In India, gold is considered as an unproductive investment. But, to remain competitive in wealth position and to play the role in Asian century, Asian power houses all the countries must have to change the attitude toward gold business and gold reserve. These power houses must have to the gold reserve more than the present level because many of the twenty first century's high-tech industries would have utilizes gold. To compete with high tech in Asian century and to lead in the world as global wealth house, the attitude toward business in gold and reserve requires thoroughly a change.

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Interactive Covariates on Decision to Buy or Investment in Gold (An empirical examination on Marwari Gold Investors)

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Abstract

Literatures on gold buying and investment supports in classifying two types of factors, i.e. variates factors, and the other set is covariates those having their inter-connection with resultant effects on Gold Buying. As the inter connection of the factors we can presume, obviously, these interaction among the factors anyhow effects on the decision of gold buying or gold investment by anyone who are consuming or investing in the gold of the world. The main objective of the study is to examine the interactions of fixed set of determinants with the mix of covariates in gold buying and investment decision by the investors in Assam (India). Secondly, aims to observe empirically on the layers of effects of interaction of the factors on decision to buy or to invest in the gold by gold buyers.

The study adopted mixed qualitative research design. It is partly exploratory and partly descriptive and empirical in nature. May be a part of exploration will be devoted for causal analysis to establish the factorial relations in the universe of the Marwari Businessmen in Guwahati City with population approximately 17,000. A sample at 5% level of significance and 5% confidence interval will be taken randomly for the purpose of the study. For the purpose of the study, data is proposed to be collected from primary as well as secondary source both. For collecting primary data the tool of questionnaire will be constructed. Data was analysed by using the various statistical tools and techniques. The statistical software-SPSS and Microsoft Excel will be deployed as the added facilitating tools for data analysis.

Key Words: Gold, Investment Decision, ETF, Gold Certificate, Buying Decision, Marwari Community, Assam

Relational Factors Effecting on Investment in Gold

We understand that gold investment is influenced by various factors which may be financial, societal, personal, demographic and cultural factors. Studies are illustrating the importance of these factors. There are some fixed factors, i.e., safety, return, liquidity, stability, hedge against inflation and price along with the variable factors that are status symbol, culture, common belief and religious activity. In the literature it is described that how fixed factors and covariates interact together. Das, S. and Jain, R (2014)ⁱ stated that the return from the gold as an objective is influenced by education. With different educational qualification, the ability to choose the investment will vary based on the return benefits that different investment avenue provides. As per Das, S and Jain, R., return is the fixed factor and the qualification is the variable factor. Arulmurugan, P., Balanagaguruthan, K. and Mirudhubashiniⁱⁱ (2013) stated in their paper on investment behaviour of professor towards Gold that Gold acts as a natural hedge against two

important macro-economic factors namely inflation(internal) and other currencies, however for the common man more than these factors the sheer values, the yellow metal is associated with, is mainly responsible. They revealed that hedge against inflation or other currencies is the fixed factor and the sheer value associated with gold is variable. Hundal, B.S., Grover, S. And Bhatia, J.K.ⁱⁱⁱ(2013),in their study on herd behaviour and gold investment by retail investors observed that investors are of varied personality type and have behavioural biases which impact the investment decision process. Factors such as income tax, time value of money, future prospects and profitability influence the retail investor's decision making process & gold is the most sought after asset due to its high liquidity, conventional value and cultural value features. They also stated high liquidity, conventional value and cultural value as the fixed factor in case of gold investment. Factors such as income tax, time value of money, future prospects and profitability are also important factor while deciding investment in gold. But, Sireesha, B.P. and Laxmi, S.C.^{iv}(2013) presented the results of empirical testing of impact of demographic factors on investment avenues selected by investors in the twin cities of Hyderabad and Secunderabad, India. It is found that gender, age and friends are mostly influencing the investment decisions of the respondents. It is concluded that the respondents of the study are conservative in nature and show less concern for money multiplication and liquidity. According to them, money multiplication and liquidity are not the fixed factor rather gender, age and friend are the fixed factor. Money multiplication and liquidity may be treated as the variable factor here. In the same way Singh and Nadda^v (2013) stated that Investment at any point of time in gold will yield some positive returns, so it is not risky for an investor while it is very tough task for an individual to invest in stocks until and unless he possesses technical knowledge involved with it. In their statement, it is appeared that time and return are the fixed factor and knowledge is the covariate. Kumar (2012)^{vi} stated that gold is considered as an investment with high value making it a reliable form of wealth. The actions of the people and the market trends drive the prices of gold. For the perspective gold buyer, it is important to understand the factors which influence the gold prices. This will help the buyer to analyse and invest in gold to direct towards more profit. Prices of gold are influenced by market trend and the action of the people. Market trend and the action of the people are acting as fixed factor and the price is covariate. Lutter and Soone^{vii} (2008) mentioned that one of the issues that could postpone or break the investment process (and also gold purchasing) is sudden price movements. People put investment decisions off when the price is shaking. If the price is increasing suddenly, investors feel as they have missed the right buying time and if it drops suddenly, they wait for the lowest place to buy or lose faith in the investment all together. Overall, sudden price drops are more discouraging than increases for the investors. This is proved by both this research and sales figures. The researcher had remarked that price is the fixed factor and the decision of the investment is dependent on it. The decision of the investment varies as according to the price varies. Lutter and Soone^{viii} (2008) showed that gold is already known and valued by the people for its stable nature and long tradition. This is a great advantage during the current uncertain economic times where trust-based investment instruments lose ground. Trust-based investment instruments (like stocks and bonds) are used more for earning profit whereas gold is regarded as long-term stable backbone of the portfolio. All the interview respondents said that they plan to hold gold and buy more if possible. They have stated stability and long tradition as the prime factor for investment in gold. Baur and McDermott^{ix} (2010) further examined the role of gold by testing the hypotheses that gold represents a safe haven against equities of developed and major emerging markets. Using data from 1979 to 2009, they showed that gold is both a safe haven and a hedge for major European equity markets and the US but not for Australia, Canada, Japan or other major emerging markets such as the BRIC countries (Brazil, Russia, India and China). They also showed that during the peak of the recent financial crisis gold demonstrated safe haven properties in most developed markets, but this was not the case for the Asian crisis.Cineret. al.^x (2013) examined the return relations between five financial asset classes to determine whether these assets can be

considered as a hedge or safe haven against each other. In the earlier study Agarwala and Barman (2012)¹¹ in work entitled Investment in Gold--Businesses along the Symbolic Interpretation in Asia examined the how cultural as the variables effects on gold business in Asian Tigers. Using daily data from the US and the UK for the period of January 1990 and June 2010, they find that gold can be considered as a safe haven against exchange rates in both countries, highlighting its monetary asset role. These scholars had viewed that hedge or safe heaven as the fixed factor upon which return depends.

Factors' Interactions Effects on Gold Buying

Literatures on gold buying and investment supports in classifying two types of factors, i.e. variates factors, and the other set is covariates those having their inter-connection with resultant effects on Gold Buying. As the inter connection of the factors we can presume, obviously, these interaction among the factors anyhow effects on the decision of gold buying or gold investment by anyone who are consuming or investing in the gold of the world. We also can presume that there may be different degrees of interaction among the various factors. Such interaction may be positive interaction or negative interaction. In the literatures cited above, we have found positive as well as negative interaction. The factors such as safety, return, liquidity, stability, hedge against inflation, price are the main factors or fixed factors followed by the additional factors, such as status symbol, culture, common belief, religious activity, traditions and customs as the variables. Combining together both fixed and variable factors we may derive our desired result. Positive interaction among the factors always gives positive result and the negative interaction among factors may not give positive result.

Objectives of the Study

1. To examine the interactions of fixed set of determinants with the mix of covariates in gold buying and investment decision by the investors in Assam (India).
2. To observe empirically on the layers of effects of interaction of the factors on decision to buy or to invest in the gold by gold buyers.

Scope and Significance of the Study

This study mainly concentrated on the factors determining the investment in gold by Marwari businessmen and the relevant data would be collected. The study has highlighted the relative importance among the various factors influencing the decision of investment in gold by Marwari businessmen in Guwahati City. The relationships between investment behaviour of Marwari businessmen on gold and their financial wellness will also be covered under the study. All types of Marwari businessmen of Guwahati City will be covered. There are two forms of gold investment, i.e., Physical form of gold investment and non-physical form of gold investment or certificate form of gold investment.

Basically, the study will focus on the various factors like, personal, Psychological, Financial, Social and Cultural factors in broad sense. In this study, an empirical model of the factors determining the gold investment by Marwari community is tried to be developed.

Methodology

(a) Research Design and Type of Study

The study adopted mixed qualitative research design. It is partly exploratory and partly descriptive and empirical in nature. May be a part of exploration will be devoted for causal analysis to establish the factorial relations.

(b) Universe of Study

The Marwari Businessmen in Guwahati City will constitute the population for the study. Total number of Marwari population in Guwahati City is approximately 17,000.

(c) Sample Size

A sample at 5% level of significance and 5% confidence interval will be taken randomly for the purpose of the study.

(d) Sampling Unit

The Marwari Businessmen of Guwahati City will be the sampling unit of the study.

(e) Tools of Data Collection

For the purpose of the study, data is proposed to be collected from primary as well as secondary source both. For collecting primary data the tool of questionnaire will be constructed. The questionnaire will have three parts- Part-1 (personal profile related information); Part-II (Factors for investment decision). The first two parts contained mix of uni-dimensional questions and scale pattern. The Part-III of the questionnaire is financial wellness descriptors (Financial Wellness Metre comprised of statement to be assessed in 5 point attribute weight scale). Considering the nature of questions the entire questionnaire is formatted as multidimensional scale.

For secondary data, several Journals, Books, News Paper, Websites etc. will be consulted.

(f) Tools of Analysis

Once the data is collected, that will be analysed by using the various statistical tools and techniques. The exact tools and techniques to be used will be decided after the collection of data because only after looking into the nature and type of data, exact statistical tool can be used and applied. The statistical software-SPSS and Microsoft Excel will be deployed as the added facilitating tools for data analysis.

Sample Selection and Questionnaire Administration

To carry out the study “Factors Determining the Investment in Gold by Marwari Businessmen in Guwahati City, Assam” and also keeping the objectives in mind, prepared questionnaire and circulated among 850 Marwari Businessmen and Women residing in various parts of Guwahati City. Out of 850, only 402 have responded. It took around Seven Months

Factors Selection
Data will be collected based on the factors relevant to the investment decision.

Table-1		
SL NO	Factors	Attributes
	Personal	Age, MaritalStatus, Gender, Lifestyle, Biasness, Education, Occupation, Frequency of Investment And Income.
	Psychological	Attitude, Behaviour, Preference Level, Perception, Family Background, Expectation and Experience.
	Financial	Return on Investment, Price of Gold, Certainty of Return, Safety and Liquidity, Stable Return, Hedging against Inflation.
	Social	Religion, Community, Time, Market Situation, Information and Communication, Knowledge, Social Influence and Network.
	Cultural	Common Belief, Emotions, Customs, Customs, Tradition, Culture and Status of Symbol.
	Financial Wellness	Financial Stress, Financial Situation, Current Financial Situation, Financial Limit, Pay check to Pay check, Living Expenses, Financial Emergency and Finance in general.

time. During Data collection, some areas were merged under single heading like "Guwahati"-it includes basically some areas of GS Road, Rehabari includes certain adjacent areas. This is also to note that there are some businessmen who belong to the nearby towns and operate from Guwahati City. Names and Addresses appeared in the Trade Journal, Marwari Yuva Munch, Different Business Societies and Community Magazines were scanned and sequentialised to get the detailed list of Marwari Business Population in Guwahati City. Through this process, total of 17000 of Marwari Business People were found out and considered as the Universe of the sample. From the universe, i.e, 17000 Marwari Businessmen and Women, 5 persons against 100 men are selected randomly for administration of the questionnaire. Out of 17000 populations, the sample required is 376. At the time of pretesting of questionnaire, it was found that almost 1 Businessmen/women accepted and the other denied filling up the form but the situation was not same all the time. To get the filled up 40 questionnaires we had approached around 90 persons. Considering the experiences, 850 questionnaires were distributed for the sample size 376 even though the estimated ratio is 1:1. Later on 404 dully filled questionnaires was received whereas the sample size was 376 as calculated by Raosoft calculator. Since, this study is an exploratory study hence it is decided to use 404 questionnaires for further analysis and to derive the inferences.

Table-2 Sample Calculation		
Raosoft parameters	Calculator	Raosoft calculator
Acceptable Margin of Error		5%
Confidence level Typical Choices are: 90%,95%,or 99%.		95%
The population size If you don't know, use 20000.		17000
The response distribution? Leave this as 50%		50
Your recommended sample size is		376

The threshold Marginal error at the sample 300 will create error of 5.61% but the sample size created with the calculator determines 376. Therefore, the threshold limit of sample error will be reduced from the 5.61% to 5%.

Examining the Factors Interaction Effects

Here, in this section, how the different factors are interacting to create effect on investment decisions as well as gold buying are examined empirically. To examine empirically first classified the respondents who considers safety, return, liquidity, stability, hedge against inflation and finally price of gold while buying or investing the gold.

The table 5.1 states the numbers of respondents who considers those factors in investment of gold.

Table-3		
Factors Considered in Gold Investment	Between-Subjects Factors	
	(Yes)	(No)
Safety	146	258
Return	78	326
Liquidity	121	283
Stability	100	304
Hedge against Inflation	40	364
Price	51	353

In the table 5.2 is an examination of interaction effect of various factors in selection of various forms of gold.

Source	Dependent Variable	Type III Sum of Squares	Df	Mean Square	F	Sig.	Partial Eta Squared(ϵ^2)
Model	Physical Gold	823.758	13	63.366	294.106	.000	.907
	Certificate Form of Gold	1484.081	13	114.160	1491.931	.000	.980
	Gold mining share	1584.302	13	121.869	6189.708	.000	.995
	Gold Accounts	1564.864	13	120.374	3878.342	.000	.992
Interaction Between Factors With the treating together whole fixed factors (Safety+ Return+ Liquidity+ Stability+ Hedge Against Inflation+ Price)+ Covariates (Status Symbol+ Culture+ Common Belief+ Religious Activity+ Traditions + Custom) ; Interaction of aggregate factors and the Interaction of individual covariates are treated in this predictive model.							
Error	Physical Gold	84.242	391	0.215			
	Certificate Form of Gold	29.919	391	0.077			
	Gold mining share	7.698	391	0.020			
	Gold Accounts	12.136	391	0.031			
Total	Physical Gold	908.000	404				
	Certificate Form of Gold	1514.000	404				
	Gold mining share	1592.000	404				
	Gold Accounts	1577.000	404				

In this analysis (Table-5.2), the interaction effects were statistically significant (level of Sig=0.000). The effects of interactions of independent over the dependent variables were shown in the table-5.2. Column labelled source lists incorporates variables which effects distinctively the outcome in the model. The second column displays the sum of squares for each effect. The degrees of freedom for each sum of squares is displayed in the column labelled df. The mean square of each effect is calculated by dividing the sum of squares by its degree of freedom. The F distribution & its significance value are displayed in the next column. The F statistics were calculated by dividing the mean square by mean square error which is very negligible by value indicates the variability of interactions of the fixed factor along with the covariates those directs in interpreting the result.

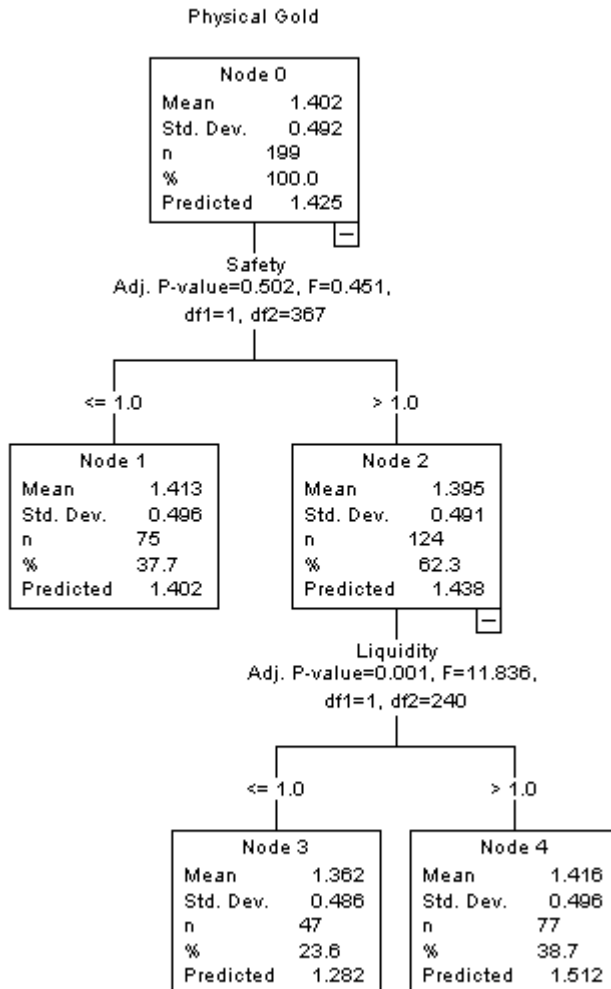
Factors Interaction	Effect Size		Interpretation
	Buying and investing	Partial Eta Square Value	
Fixed factors (Safety+ Return+ Liquidity+ Stability+ Hedge Against Inflation+ Price) + (Plus) Covariates (Status Symbol+ Culture+ Common Belief+ Religious Activity+ Traditions + Custom)	Physical Gold P= 0.000	0.907	Significantly High Interactive effects
	Certificate Form of Gold P=0.000	0.980	Significantly High Interactive effects
	Gold mining share P=0.000	0.995	Significantly High Interactive effects
	Gold Accounts P=0.000	0.992	Significantly High Interactive effects

In the table 5.3, it is appeared that in all the forms of investment in gold, i.e, in physical gold, certificate form of gold, gold mining shares, and in gold account, the variability of interactions between the fixed and variable factors are having significantly high impacts. All the factors irrespective of fixed factor along with the covariates plays a significant role while investment in gold as initiated by the Marwari Businessmen of Guwahati City.

Interactive Effects on Decision to buy 'Gold'

Considering both financial and social factors (Return, Liquidity, Stability, Hedge against Inflation, Price, Status Symbol, Culture, Common belief, Religious Activity, Tradition , Custom, Buying Gold is our Family Culture, Gold is a Status Symbol for me, I buy gold due to my emotion attached to it, Buying Gold is our custom, investment in gold is backed by our traditional values, I have an unknown feeling (biasness) that gold is one of best option to invest in it, short term profit seeking, steady income, long term profit seeking, future security, liquidity, safety) all together twenty three factors and their influences on the decision of investing in gold were executed the cluster analysis. Two factors, i.e.,safety and liquidity are the significant factors. The operation of the both the factors produce the level of influence while making investment in gold. After the analysis safety appeared as an insignificant factor **with** $P=0.502 > 95\%$ significance, $F= 0.451$, with Degree of freedom= 367 indicating as the insignificant factor out of all operated factors for investment in the gold as dependent value of Physical Gold Purchase in the figure-4.7. This exactly created on the basis of two exhibiting nodes on the extreme of node ≤ 1.0 with $n=75.0$ and ≥ 1.0 with $n= 124$ with a standard error count= $0.008 < 10$ percent .Moreover, along with safety, liquidity also emerges as one of the significant factorwith $P=0.001 < 95\%$ Significance, $F= 11.836$, with Degree of freedom= 240 indicating as the significant factor out of all operated factors for investment in the gold as dependent value of Physical Gold Purchase in the figure-4. 7. *This analysis emerge liquidity along with safety as one of the significant factor those influence on investing in physical gold by Marwari businessmen .Liquidity also has got two extreme of node ≤ 1.0 with $n=47.0$ and ≥ 1.0 with $n= 77$ with a standard error count= $0.008 < 10$ percent.*

Figure-1



Findings

The study mainly exposed the two outcomes empirically. They are-

1. Fixed factors (Safety+ Return+ Liquidity+ Stability+ Hedge Against Inflation+ Price) + (Plus) the covariates (Status Symbol+ Culture+ Common Belief+ Religious Activity+ Traditions + Custom) having high level significance on investing in any form of gold as examined in the study appeared in the table-4.
2. More investors who invest in gold considered physical gold as the safety and liquidity. Safety and liquidity impacts on the decision to buy the gold by the investor as reflected in this study. The study could expose to factorial and hierarchical structure of buyers and investors decision in investing gold.

Limitations and Conclusion

There are rare literature of evidences of study on the Marwari Businessmen and their investment behaviour in regard to gold at the Guwahati City. No evidence was found with respect to the various factors determining Gold Investment by Marwari Businessmen. Hence, this study may fill up literature gap and also fill the study gap on these businessmen in regards to Assam. Though the study suffered many initial limitations for empirical deduction and exploration, but the study could meaningfully achieve the objectives as stated on the above. The study could rigorously examined the interactions treating together the whole set whole fixed factors (such as safety+ return+ liquidity+ stability+ hedge against inflation+ price) plus the covariates (such as, status symbol+ culture+ common belief+ religious activity+ traditions + custom). Interactions of these aggregate factors with its individual covariates were treated separately to get a predictive model on fixed set of determinants with their covariates in gold buying and investment decision with special reference to the investors in Assam (India). The result of the study satisfied the hypotheses of earlier study made by Agarwala, Barman, and Sharma(2014)¹² under the caption of communities' behaviour in gold investment: an exploratory study in Guwahati City". The researcher could observe empirically on the layers of effects of interaction of the factors on decision to buy or to invest in the gold by gold buyers. This piece of study may serve as the unique source for further study on investment behaviour among the members of this community.

Declaration:

This paper is a part of outcome of the research leading to Ph.D. conducted by Mr. Dinesh Agarwala under the guidance of Dr. Arup Barman.

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