



Department of Business Administration
Jawaharlal Nehru School of Management Studies
Assam University, Silchar-788011
(A Central University)

DECLARATION

This is to declare that the thesis entitled “Factors Determining the Investment in Gold by Marwari Businessmen: Evidences from Exploration in Guwahati City, Assam is an original piece of my research work submitted for the award of the degree of Doctor of Philosophy in the Department of Business Administration, Jawaharlal Nehru School of Management Studies, Assam university, Silchar. Any part or in full thereof has not been submitted to any other University or Institution for award of any other research degree or diploma.

Place:

Date:

(Dinesh Agarwala)

Preface and Acknowledgement

To live a peaceful and secured life there is need of investment. Every individual irrespective of their income and size invest a portion of their income in suitable means of investment. Many investment avenues are available in the market for investment. The investors normally prefer that investment which gives them security and adequate return. Gold investment is considered to be one of the sought after investment by investors. Agarwala and Barman (2014) described that different communities react in different manner and take their decision towards investment in gold. Marwari Businessmen are very much associated with gold. Almost in all the occasions, any kind of celebration, they like to strive towards gold. Liquidity, Security, Stability of return, tradition etc are the influencing factors motivating investors to opt for investment in gold. Marwari Businessmen of Guwahati city prefer gold as means of investment. There are various factors that affect the businessmen to invest in gold. Physical gold is more preferred investment avenue than any other form of gold investment. Marwari Businessmen having any level of financial wellness prefer gold investment.

The whole thesis is organised under the eight chapters. In the first chapter of the thesis concentration was given on the conceptual framework, statement of the problem, research questions, objectives, data source and methodology, scope and limitations of the study and chapter scheme. The second chapter covered the review of the existing literature on the subject chosen for the study. The third chapter emphasizes on the profile of Marwari business community, respondents' investment profile-Real Estates, Securities, Gold etc. The fourth chapter deals with the factors determining the investment in gold by Marwari businessmen in Guwahati city, the dominant factor identification for investing in gold. The fifth chapter explores on relative importance and relationship of factors. The sixth chapter deals with comparison between the investment preference with respect to investment in gold in physical form and non-physical form. The seventh chapter discusses the levels of financial wellness, correlation among the factors and with the level of financial wellness in the context of gold investment by Marwari businessmen. The eight chapter includes summary of findings, limitations of research, implication for future research, conclusions etc. The thesis concludes

with results, exhibit, bibliography, appendix, glossary along with the list of papers published as the outcome of the study.

Every activity of human being is driven by the mind. I have my self doubt that my mind is driven by an academic bent, i.e., pushing toward the exploration, investigation. I understand knowledge is power, therefore, the academic bent of mind has forced me to go ahead with research works relevant to my communities. As a student of commerce and management I was confused to select the research topic with a puzzled set of indistinct questions. In such a state I consulted with my father after the post graduate level to come to a decision of what would be the next course of action to satisfy my inner academic desire. My father had cleared my doubts and motivated me towards the research work. I would like to leave my gratitude to my Maa who initially told me about the research work which I could carry on. She is my inspiration since my childhood who taught me alphabets for my life. Their encouragement and motivation encouraged me to take up the programme like Ph.D. After that my mind never stopped. I made up my mind towards the world of research.

I should thank my Supervisor cum guide Dr. Arup Barman Sir for his enormous support. Without him, I would not have even thought of completing the research work. I will remain obliged for him till the last breadth of my life. Dr. Arup Barman supported me like anything during the period of transmission from one guide to another guide and gave me moral support to continue the Ph.D work. I should acknowledge the support and contribution made by Dr. Ranjit Singh towards the Ph.D work .He was also one of the key member who supported me a lot.

I am paying my sincere gratitude to Dr. Apurbananda Mazumdar Sir and Dr. Amritlal Ghosh Sir and all the member of teaching and non-teaching staff of the department for their positive help and encouragement. I admit the support of my dearest friends Dr. Hemanta Saikia, Dr. Manash Kashyap and Dr. Chayan Paul who have played a pivotal role towards completion of my research work. They always stood as support to me in each and every step of my research work.

My never ending gratitude would go to some people like Late Mohanlal Patuwary, Late Sarbati Patwary, Late Sumitra Agarwala, Binod Agarwala,

Santosh Agarwala, Bindu Agarwala, Ajay Agarwala, Nitu Modi, Bikash Modi, Prabin Agarwala, Jahanbi, Jahan,Piyush, Sushil Modi, Sangeeta Modi, Visisth Modi, Ekta Modi, Dishita Khandelia, Muskan Bhartia, Garima, Harsh, Dilip Sir, Samip Baruah, Lincon Dey, Nilotpal Biswas, Sidartha Ghosh, Sunny Saikia, Ganesh Karthik,Barun Nandi, Munish Kumar Marwah, Abhinash Kumar Sinha, Dhirajmoni Hazarika, Late Jogesh Upadhaya, Maya Upadhaya, Chitrakhar Sarmah, Dulal Das, Kakoli Mahanta, Bornali Mullik, Binoy, Hemanta, Alpana Ajitsaria, Sunil Kr Poddar, for their encouragement, teaching, support, etc.

I should appreciate for the help and support provided by Arun Agarwala, Rajkumar Tiwari, Premi Sankar Patodia, Tanusha Jalan, Akash Patodia ,Alok Patodia ,Akash Bharatia ,Bijay Kumar Agarwal ,Manish Agarwal, Shyam Sundar Agarwal, Onkarmal Agarwal, Uma Nawka, Jitu Beriwal, Nilesh Kanoi, Ankush Jain, Kritika Deorah, Ranjan Ingti, Vivek Shyam(ACS), Biswajit Pegu(IAS), Purvattar Marwari Sanmilan, Marwari Yuva Manch, All Business Associations, Soni Samaj etc. at the time of collecting data.

I express my heartfelt thanks and gratitude to Ali Madam ,Sangeet, Nayanika and my wife Mrs Shipra Dinesh patwary' for their unconditional support and love towards the completion of my research work. I am always indebted to them for their positive reactions, motivations, co-operations and support to me and the sacrifices made during the period of research work.

Dinesh Agarwala

Contents

Contents	Pages
Preface and Acknowledgement	I-III
Contents	IV-IX
List of Tables	X-IV
List of Figures	XV
Abbreviations	XVI
Chapter-I : Introduction	1-20
I.1.Introduction	1-2
I.2.Gold as an Investment	2-4
I.2.(a).Various Forms of Investment in Gold	4-7
I.2.(b).Factors influencing gold investment	7-8
I.3.Gold investment among the NE Community in Context	8-9
I.4.Research Questions	9-10
I.5. Objective of the Study	10
I.6.Tentative Hypotheses	10-12
I.7.Methodology of the Study	12-17
I.7. a. .Resign Design and Type of Study	12
I.7.b.Universe of study	12
I.7.c. Sample Size	12
I.7.d.Sampling Unit	13
I.7. e. Operational Decisions of Research Tools Components	13-14

I.7. f. Factors Selection	14-15
I.7.g.Data Source and tools for Data Collection	16
I.7.h.Sample Selection and Questionnaire Administration	16
I.7.i.Pre-Testing Questionnaire and Schedules	17
I. 7.j.Tools Used for Analysis of Data	17
I.8. Scope and Significance of the Study	17-18
I.9. Limitations of the Study	18
I.10.Chapter Plan	18-19
I.11.References	19-20
Chapter-II : Review of Literature	21-53
II.1.Introduction	21-42
II.1.a.Review on Personal Factors in Gold Investment	21-24
II.1.b.Review on Psychological Factors in Gold Investments	24-29
II.1.c.Review on Financial Factors in Gold Investments	29-33
II.1.d. Review on Societal Factors and Investment in Gold	33-36
II.1.e. Review on Cultural Factors and Investment	37-38
II.1.f.Review on Financial Wellness and Investment	38-39
II.1.g. Review on Marwari and Review Contents along with Symmetry Analysis	39-42
II.2.References	42-53
	54-63

Chapter-III : Respondents' Profile and About the Study Area	
III.1.Profile of the Marwari Business Community	54-55
III.2.Marwari and Businesses in Assam	55-56
III.3.Present Status of Marwari in Assam	56-57
III.4. Marwari Community in Investment in Gold	57-61
III.5.Real Estate	61
III.6.Securities	61
III. 7.Gold	61-62
III. 8.References	63
Chapter-IV : Determinants of Investment in Gold by Marwari Businessmen	64-120
IV. 1. Hypotheses	64-65
IV. 2.Investors' Income and Investment	66-71
IV. 3.Types of Ownership and Investment Avenues	71-72
IV. 4. Uses of Sources of information in Gold Buying	72-76
IV. 5.Types of Business and Sources of Fund	76-79
IV. 6.Businessmen and their Investment Pattern	79-80
IV. 7.Types of Businessmen and their preference towards various attributes	80-85
IV. 8.Types of Gold and percentage of income invested	85-90
IV. 9.Priority to various factors with respect to percentage of income by the different businessmen towards investment in Gold	90-94

IV. 10.Types of businessmen and the factors considered in investing Gold comprising percentage of income invested	94-99
IV. 11.Importance of factors in buying and investment in Gold	100-107
IV. 12.Relationship between Gold Investment and Demographic Variables	108-112
IV. 13. Relationship between Gold Investment and Financial Variables	112-115
IV. 14.Chapter Summary	115-119
IV. 15.References	119-120
Chapter-V : Relational Factors and Interaction Effects on Investment Decision	121-136
V.1.Relational Factors Affecting on Investment in Gold	121-123
V.2.Factors Interactions Effect on Gold Buying	123-124
V.3. Examining the Factors' Interaction Effect	124-126
V.4. Cluster of Factors Influencing on Gold Investment	126-135
V.5. Chapter Summary	135
V.6. References	136
Chapter-VI : Investment Preference in Physical and Non-Physical Form of Gold	137-142
VI.1.Introduction	137-138
VI.2.Methodology and Analysis	138-139
VI.3.Critical Analysis and Findings	139-141

VI.4.Conclusion	141
VI.5.References	141-142
Chapter-VII : Financial Wellness and Gold Investment of Marwari Businessmen	143-151
VII.1.Introduction	143
VII.2. Hypothesis Considered in the Chapter	143-145
VII.3. Analysis and Findings	146-147
VII.3.a. Relationship between investment in physical gold and level of financial wellness	148
VII. 3.b.Relationship between investment in certificate form of gold and the level of financial wellness	148-149
VII.3.c. Relationship between investment in Mixed form of Gold and level of financial wellness	149
VII.3.d. Relationship between shares of gold mining Companies and level of financial wellness	150
VII.3.e.Relationship between investment in gold accounts and level of financial wellness	150-151
VII.4.Conclusion	151
VII.5.References	151
Chapter-VIII : Summary of Findings and Conclusion	152-162
VIII.1.Synchronisation of the Findings of each chapter	152-157
VIII.2. Critical Appreciations and Implications of the Study	157-159

VIII .3. Conclusion	159-160
VIII 4. References	160-162
References and Bibliography	163-176
Appendix-1.1	177-178
Appendix-2.1	179-190
Appendix-4.1	191
Appendix-5.1	192-193
Exhibit-7.1	194
Annexure-1	195-200
List of Papers Published	201

List of Tables

Table No	Title of the Table	Page No
1.1	Sample Calculation	12
1.2	Cluster of Factors	14
2.1	Review Contents along with Symmetry Analysis	39-41
3.1	Respondents' From Different Locations of Guwahati City	58
3.2	Gender wise Marital status of the respondents	59
3.3	Education & Marital Status of the respondents	59
3.4	Marital Status of the respondents as per Age	59
3.5	Marital Status of the respondents as per Annual Income	60
3.6	Marital Status of the respondents and the Type of Ownership of the business	60
3.7	Gender wise details of the type of Ownership of the Business	60
4.1	Fixed Deposits as an Investment Avenue	66
4.2	Postal Savings as an Investment Avenues	67-68
4.3	Gold as an Investment Avenue	69
4.4	Life Insurance as an Investment Avenue	70
4.5	Various Forms of Investment Avenues and its total number of Respondents	71
4.6	Journal as a source of information	72
4.7	Daily News Paper as a source of information	73
4.8	Social Group as a source of information	73
4.9	Internet as a source of information	74

4.10	Broker as a source of information	74
4.11	Gold selling Counter as a source of information	75
4.12	Other source of information	75
4.13	Savings as source of fund for investment in Gold	76
4.14	Money from business as a source of fund for investment in Gold	77
4.15	Personal Borrowings as source of fund for investment in Gold	77
4.16	Reinvestment of Matured Return as source of fund for investment in Gold	78
4.17	Other source of fund for investment in Gold	78
4.18	Types of business and businessmen and their investment pattern	79
4.19	Types of business and businessmen and their preference towards short term profit seeking	80
4.20	Types of business and businessmen and their preference towards steady income	81
4.21	Types of business and businessmen and their preference towards long term profit seeking	82
4.22	Types of business and businessmen and their preference towards future security	83
4.23	Types of business and businessmen and their preference towards liquidity	84
4.24	Physical Gold and annual income in investment	85
4.25	Certificate form of Gold and annual income in investment	87
4.26	Shares of Gold Mining Companies and annual income in investment	88
4.27	Gold Account and annual income in investment	89

4.28	Types of business and businessmen who consider safety in investing in Gold	90
4.29	Type of business and businessmen who prioritise return as factor in investing in Gold	91
4.30	Types of business and businessmen who prioritise liquidity as factor in investing in Gold	92
4.31	Types of business and businessmen who prioritise stability as factor in investing in Gold	93
4.32	Types of business and businessmen who prioritise hedge against inflation as factor in investing in Gold	93
4.33	Types of business and businessmen who consider price as factor in investing in Gold	94
4.34	Types of business and businessmen who consider status symbol as factor in investing in Gold	95
4.35	Types of business and businessmen who consider culture as factor in investing in Gold	96
4.36	Types of business and businessmen who consider common belief as factor in investing in Gold	97
4.37	Types of business and businessmen who consider religious activity as factor in investing in Gold	97
4.38	Types of business and businessmen who consider tradition as factor in investing in Gold	98
4.39	Types of business and businessmen who consider custom as factor in investing in Gold	99
4.40	Behavioural Factors Derived from Literature	100
4.41	Communalities	100-101
4.42	Component Matrix ^a	102
4.43	Investment in Physical Gold (Demographic Variables)	108
4.44	Investment in Certificate Form of Gold (Demographic Variables)	109

4.45	Investment in Mixed Form of Gold (Demographic Variables)	110
4.46	Investment in Shares of Gold Mining Companies(Demographic Variables)	110
4.47	Investment in Gold Account (Demographic Variables)	111
4.48	Investment in Physical Gold (Financial Variables)	112
4.49	Investment in Certificate form of Gold (Financial Variables)	113
4.50	Investment in Mixed form of Gold (Financial Variables)	113
4.51	Investment in Shares of Gold Mining Companies(Financial Variables)	114
4.52	Investment in Gold Account (Financial Variables)	115
5.1	Response towards Factors	124
5.2	Relational Factors and Interaction Effects on Investment Decision	125
5.3	Factors Interaction and Effect Size	126
5.4	Final Cluster Centres	127
5.5	Number of Cases in each Cluster	127
5.6	Risk of Decision-I	128
5.7	Risk of Decision-II	129
5.8	Risk of Decision-III	130
5.9	Risk of Decision-IV	131
5.10	Risk of Decision-V	133
5.11	Comparison of effect of factor Interaction and their relative importance	134
6.1	Investment Preference in Gold	138
6.2	Test Statistics	138
7.1	Gender wise Financial Well Ness	144

7.2	Type of Ownership and Financial Wellness	144
7.3	Pattern of investment in Gold	144
7.4	Financial Wellness and Annual Income	144
7.5	Level of Financial Wellness as per Types of Investment	145
7.6	Reliability Statistics	146
7.7	Level of Financial Wellness as per Attributes	147
7.8	Scale Statistics	147
7.9	Level of Financial Wellness	147
7.10	Physical Gold and the level of Financial Wellness	148
7.11	Symmetric Measures-I	148
7.12	Certificate Form of Gold and the level of Financial Wellness	148
7.13	Symmetric Measures-II	149
7.14	Mixed Form of Gold and the level of Financial Wellness	149
7.15	Symmetric Measures-III	149
7.16	Shares of Gold Mining Companies and the level of Financial Wellness	150
7.17	Symmetric Measures-IV	150
7.18	Gold Account and the level of Financial Wellness	150
7.19	Symmetric Measures-V	151

List of Figures

Figure No	Title of Figure	Page No
1.1	Research Flow	15
4.1	Screen Plot-Factor Status	107
5.1	Physical Gold and Tradition	127
5.2	Physical Gold, Safety and Tradition	129
5.3	Physical Gold and Liquidity	130
5.4	Physical Gold and Steady Income	131
5.5	Physical Gold, Tradition and Culture	132
5.6	Physical Gold, Safety and Liquidity	134
7.1	Financial Wellness	145

Abbreviations

ANOVA	:	Analysis of Variance
ETF	:	Exchange Traded Fund
D-MAT	:	Dematerialised
HUF	:	Hindu Undivided Family
US	:	United States
Sig	:	Significance
Df	:	Degree of Freedom
Std	:	Standard