

## **Factors Determining the Investment in Gold by Marwari Businessmen: Evidences from Exploration in Guwahati City, Assam**

### **1. Introduction**

Gold is one among the most precious metals in the world. Ever since its discovery it has been considered as an instrument of pride for its owners and the best form of investment for the common masses. At the time of Vedas, it was used as ornaments, besides being used as a medium of exchange. This was the legacy which continues even today. Most developing and developed countries used gold as their mode of transaction during international trade.

In India, a substantial proportion of investors choose gold as their primary asset for investment. One of the major reasons that can be attributed to this is simply for the obsession of the Indians with gold. Gold holds both a monetary and a social value for the Indians. But, just as every individual in the country differs with respect to various demographic factors, such as -age, sex race, community, educational level etc; so does every investor differs due to the influence of the factors, such as- risk taking ability, risk aversion and financial wellness. It is for this reason that study on various factors determining investment (especially in gold) emerges as a subject for study.

### **2. Gold as an Investment**

There are various investment avenues available for the investors to invest their money. Traditional and Modern both avenues are equally preferable to the investors. The whole ambit of investment portfolio constitute equity shares, bonds, debentures, mutual funds, securities, real estates, bank deposits, postal services and precious metals like gold, silver, diamond etc. Out of all the available options, gold gets a special patronage from the investing population. Irrespective of the size of their income as well as various restrictions, people invest in gold. People do invest in bars and coins. Slowly, the concept of Cyber Gold has also taking its shape and attracting the investors to invest in gold exchange traded fund (Gold ETF). Investors generally buy gold as a way of diversifying risk like a hedge against inflation if perceived economically. Gold investments are normally not restricted to one form. Gold Investors invest in the gold constitutes physical gold form like jewellery, bars, coins, etc and also in the present form of cyber gold. The concept of Cyber Gold is not very much

prominent among the investors. The person who wishes to invest must know all the investment choices/avenues and the ways of choosing this. Geetha and Rames, (2011) stated that any investment operation accomplished with thorough analysis which promises safety of principal and its adequate return attracts more investors towards investment. There is a famous saying, “a friend in need, is a friend indeed”. If, we relate this statement with investment terms, it can be rephrased as “a financial assets in need, is a financial assets indeed” (SKI, [WWW.skicapital.net](http://WWW.skicapital.net)). Today, investment is considered as the crucial determinant and the capital formation tool at the time of economic crisis, such as, currency failure, inflation and stock market crash. Therefore, a large number of investment avenues are available for the investors in India. Some of them are marketable and liquid, while others are non-marketable and sometimes highly risky (Geetha and Ramesh, 2011).

## **2. (a) Various Forms of Investment in Gold**

In the present scenario, innumerable investment opportunities are available in the market for the people. The investors should have detailed knowledge of all the investment choices along with the method of investing in them. The process of capital formation for economic growth largely depends on the quality of investment. There are various forms of investment in Gold are available in the market, i.e., Bars, Coins, Certificate form of Gold ,Shares of Gold Mining Companies, Gold Mutual Fund ,Jewellery ,Mixed form of Gold Investment and Gold Account

## **2. (b) Factors influencing gold investment**

Jain, D. and Mandat, N. (2012) stated the relationship between the level of risk and demographic factors of investors’ confined to Rajasthan state. Depending upon risk appetite, there is an increase in number of investment avenues available for investors like bank deposits, government / private bonds, shares and stocks, exchange traded funds (ETF), mutual funds, insurance, derivatives, gold, silver, currencies, real estate, etc. Most of the investors’ primary objective of investment is to earn regular income and expected rate of return which differs from individual to individual based on their level of market knowledge and risk taking ability. It also further reveals that there is a negative correlation between marital status, gender, age, educational qualification and occupation of the investors’ and a positive correlation between cities, income level and knowledge of the investors’. Gold investors’ investment decisions based on cultural upbringing or may be influenced by social

norms, psychological biases, role of friends, relatives and financial advisors. From an investment perspective, 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. A majority of institutional investors and pension funds are drastically investing in gold. In short, decision of investing in gold requires detail discussion of the various factors like personal, psychological, financial, social and cultural factors.

### **3. Gold investment among the NE Community in Context**

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. Assam, being the gateway of north east India attract almost all the communities of India like Marwari, Bengali, Punjabi, Behari, Nepali, South Indian, different communities and tribes of neighbouring north-eastern states .Out of all communities , Marwari Mahajans, (Goswami, 2007) the non-indigenous trading community came from outside and got settled down in Assam for establishing their trade and commerce. Marwari community has migrated to almost all the parts of world in the 19th Century. Marwari community that is synonymous with business in India. This is the one community that pays the perfect ode to the business of India, (Society, 2013). Marwari people are considered as good and successful businessman. They were ahead of their times in terms of understanding risk and cash (Jagannathan, 2014). It is also evident that Marwari businessmen are not only limited to their business rather they also put interest in their portfolio management. They keep aside their part of income and invest it in different avenues. Gold is also one of the desired avenues for investment considering its liquidity and stability with respect to return. Some businessmen are risk oriented and some of them are risk averse by nature keeping other factors remaining same. There are some businessmen who give importance on traditional values, customs, belief, culture while investing. Investing in gold during festivals is the tradition of Marwari community specially on Dhan Teras, Akshay Tritiya etc. Financial Wellness is also another import factor associated with gold investment. Until and unless, the investor has got financial wellness, he cannot even think for investment.

The presence of Marwari Businessmen is seen almost in all the thirty two (earlier, it was twenty seven) districts of Assam. Guwahati is one of the major cities of Assam, is a north east business hub. As we know, Marwari people are business centric, hence, population wise,

Guwahati occupies the highest share. To carry out any study on Marwari Businessmen, Guwahati would be the ideal city to draw any conclusion. Studies on various factors impacting gold investment are rarely noted in North Eastern Region as well as on the behaviour of Marwari businessmen in Assam. This demands a full range of study. Therefore, a study was conducted on the factors determining the investment in Gold by Marwari businessmen: Evidences from Exploration in Guwahati city. We can set a series of questions linking investment behaviour and psychology of community's on the gold. There are considerable live evidences available with respect to Marwari businessmen in Assam that they invest in gold.

#### **4. Research Questions**

It is observed that Marwari businessmen are investing in gold due to the social compulsion. The social factors like religion, community, market situation, social influence, knowledge level also influence on the decision making of investment in the gold. Considering these logics, the following questions may arise- (a) how does religion or community affect the investors in investment in gold? (b) do the market situation or knowledge influence the gold investment by Marwari businessmen of Guwahati city? (c) if yes, how much?

The another set of questions on the basis of the logic posed towards gold investment decision appears as (d) whether there is any relative importance among the factors with respect to gold investment by Marwari businessmen? (e) which form of investment in gold is being preferred by Marwari businessmen?, (f) how do the financial wellness of Marwari gold investors affecting their decision related to investment in gold?

In this given backdrop, a host of questions in the context of investment in gold by Marwari community could be asked. The lead question could be –What factors force the Marwari businessmen to invest in the gold? Answer to this core question, exploration to be done with following series of research questions, such as, (g) why do the Marwari businessmen in Guwahati city invest in the gold? (h) do they invest due to any of the psychological factor? (i) do the Marwari businessmen in Guwahati city invest in gold for either profit motive or any other financial factor?

Study based on these questions and the evidences from the available literatures reviewed indicated an absolute absence of any study .To investigate these questions and to

answer these questions , a full range of study on the gold investment among the Marwari businessmen was planned and conducted.

## 5. Objectives of the Study

To get the answers to the questions asked raised above, the study attempts to achieve the following objectives-

1. To identify the factors influencing gold investment by Marwari businessmen in Guwahati city;
2. To determine the relative importance of the identified factors influencing gold investment;
3. To compare between investment preferences with respect to investment in gold in “physical form” and “non-physical form”;
4. Finally, to examine the relationships between investment behaviour of Marwari businessmen with respect to gold and their financial wellness.

## 6. Tentative Hypotheses

To carry forward the study based on statistical test, the following tentative hypotheses are framed-

- H<sub>01</sub>:** There is no significant association between investment in physical gold and demographic variables of respondents (Marwari Businessmen investing in Gold );
- H<sub>02</sub>:** There is no significant association between certificate form of gold investment and demographic variables of the respondents (Marwari Businessmen investing in Gold );
- H<sub>03</sub>:** There is no significant association between mixed form of gold investment and demographic variables of the respondents (Marwari Gold Investors);
- H<sub>04</sub>:** There is no significant association between the investment in the shares gold mining companies and demographic variables of the respondents (Marwari Gold Investors);
- H<sub>05</sub>:** There is no significant association between the investment in gold account the demographic variables of the respondents (Marwari Gold Investors);
- H<sub>06</sub>:** There is no significant association between physical gold investment and financial variables of the respondents (Marwari Gold Investors);
- H<sub>07</sub>:** There is no significant association between investment in certificate form of gold and financial variables of the respondents (Marwari Gold Investors);

**H<sub>08</sub>:** There is no significant association between investment in mixed form of gold and financial variables of the respondents (Marwari Gold Investors);

**H<sub>09</sub>:** There is no significant association between investment in shares of gold mining companies and financial variables of the respondents (Marawri Gold Investors);

**H<sub>010</sub>:** There is no significant association between the investment in gold account and financial variables of the respondents (Marwari Gold Investors);

**H<sub>011</sub>:** There is no significant association between financial wellness and investment in gold;

## 7. Methodology of the Study

(a) **Research Design and Type of Study-** The proposed study adopted mixed method of the research. It is partly qualitative and partly quantitative in nature.

(b) **Universe of Study-**The Marwari Businessmen in Guwahati city constituted the population for the study. Total number of Marwari population in Guwahati city was approximately 17,000 (*from various sources*).

(c) **Sample Size-**A sample at 5% level of significance and 5% confidence interval has been taken randomly for the purpose of the study.

<b>Table-1.1 Sample Calculation</b>		
<b>Raosoft Calculator Parameters</b>	<b>Raosoft Calculator</b>	<b>Sample Error</b>
Acceptable Margin of Error	5%	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%.
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	

*Source: Compiled from Raosoft Calculator*

### (d) Sampling Unit

The Marwari Businessmen of Guwahati city were the sampling unit of the study.

### (e) Operational Definitions of research tools components

**Gold Investors (Attributes)** -Every Individual is different from others due to various factors which include age, sex, community, race, educational level, common belief, financial knowledge, culture, attached emotions, social and economic background; same is the

situation with the investors. The most critical challenge faced by them is the investment decision. Palanivelu, VR. and Chandrakumar, K. (2013) highlights that certain factors like education level, level of awareness about current financial system, age of investors, living pattern, income level etc make significant impact while deciding the investment avenues. In the present days, behavioural finance is becoming an integral part of the decision making process because it greatly influences investor’s behaviour regarding decision making. Here, it is also necessary to understand various factors which prompt the investors to make investment decision.

**Financial wellness:** Here, financial wellness describes the overall financial health of an individual, financial satisfaction, objective status of financial situation, financial attitudes, and behaviour. It can be stated that the happy person is a young ,healthy, well educated, well paid, extroverted optimistic, worry free, religious, married person with high self esteem, job morale, modest aspirations of either sex and of a wide range of intelligence.

**Marwari Businessmen:** Marwari are renowned all over India for having emerged in the nineteenth century as the most prominent group of traders. Under colonial rule, they played the role of intermediary traders for the British and facilitated Britain’s commercial expansions. In the early twentieth century, they invested in modern industries and some of them became industrial giants. It is estimated that more than half of the assets in the modern industrial sector of the Indian economy are controlled by a group of trading castes originating in the northern half of Rajasthan, popularly called the Marwaris. The non-indigenous trading community was mainly the Marwari Mahajans (moneylenders), who came from outside and got settled down in Assam for establishing their trade and commerce. A direct outcome of new economy was an improvement in the communication network with the construction of roads, the introduction of streamers on the Brahmaputra and the setting up of railways in Assam opened up the province largely.

**(f) Factors Selection**

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

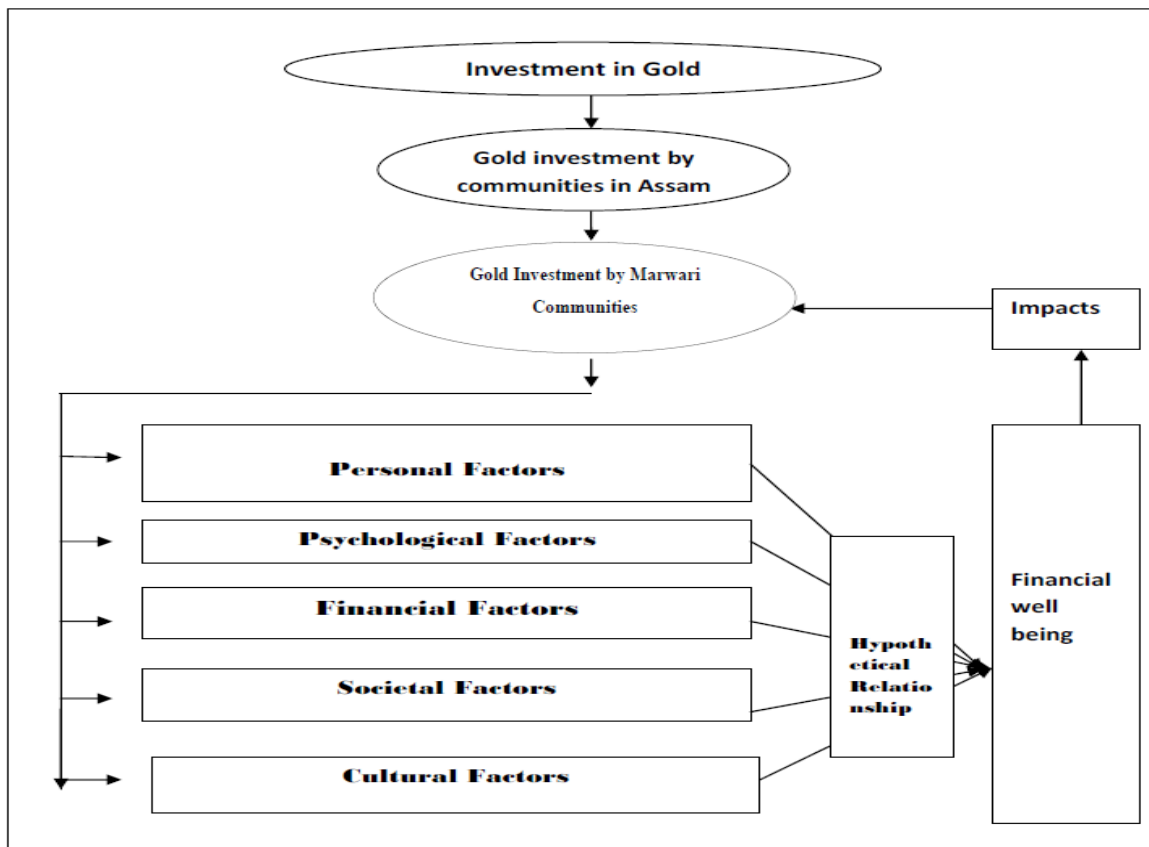
<b>Table- 1.2</b> <b>Cluster of factors</b>		
<b>SL NO</b>	<b>Factors</b>	<b>Attributes</b>
<b>1</b>	<b>Personal</b>	Age, Marital Status, Gender, Lifestyle, Biasness, Education, Occupation, Frequency of Investment And Income.
<b>2</b>	<b>Psychological</b>	Attitude, Behaviour, Preference Level, Perception, Family Background, Expectation and Experience.
<b>3</b>	<b>Financial</b>	Return on Investment, Price of Gold, Certainty of Return, Safety and Liquidity, Stable Return, Hedging against Inflation.

4	<b>Social</b>	Religion, Community, Time, Market Situation, Information and Communication, Knowledge, Social Influence and Network.
5	<b>Cultural</b>	Common Belief, Emotions, Customs, Tradition, Culture and Status of Symbol.
6	<b>Financial Wellness</b>	Financial Stress, Financial Situation, Current Financial Situation, Financial Limit, Pay check to Pay check, Living Expenses, Financial Emergency and Finance in general.

Source: Compiled from Questionnaire

From any literature related to factors influencing investment decision or the supporting literature clarifies that there are 5 principal factors which affects on investment. They are Personal, Psychological, Financial, Societal and Cultural Factors. In case of gold investment also, the same set of factors may influence. On the other hand, financial wellbeing/wellness is intermixing with all the factors stated may create influence on gold investment. Thus, how these factors interact in gold investment can be examined in the back ground of Marwari gold investors.

**Figure-1.1: Research Flow**



Source: Compiled by Dinesh and Barman (2013)

**(g) Data Source and tools for Data Collection**

For the purpose of the study, data were collected from primary as well as secondary source both. Previous Literature was reviewed to formulate the research problem and to



justify the relevant findings of the study. For collecting primary data a questionnaire was constructed. The questionnaire contained 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 was 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 was formatted as multidimensional scale. For secondary data, several Journals, Books, News Paper, Websites etc. were consulted.

#### **(h) Sample Selection and Questionnaire Administration**

To carry out the present study, i.e., the Factors Determining the Investment in Gold by Marwari Businessmen, Evidences from exploration in Guwahati city and also keeping the objectives in mind, a questionnaire was prepared and circulated among 850 Marwari Businessmen and Women residing in various parts of Guwahati city, out of which only 404 responded/returned the filled up questionnaire. The whole process of questionnaire administration and collection took around seven months time. During Data collection, some areas (zones of guwahati) were merged under single heading like “Guwahati”-it includes basically the areas of GS Road, Rehabari and also 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.

#### **(i) Pre-Testing of Questionnaire and Schedules**

From the universe, i.e., 17000 Marwari Businessmen and Women, 5 persons against 100 men were selected randomly for administration of the questionnaire. Out of 17000 populations, the sample required was 376. At the time of pretesting of questionnaire, it was found that almost 1 businessman or woman 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 for pre-testing of tool for the field. Considering the experiences in pretesting of question, 850 questionnaires were distributed for the sample size

376 even though the estimated ratio is 1:1. Later on 404 fully filled questionnaires were received were considered for final analysis, even though the sample size was 376 as calculated by Raosoft calculator. Since, this study was partly qualitative and partly quantitative in nature, hence, it was decided to use 404 questionnaires for further analysis and to derive the inferences for making a meaningful research report.

#### **(j) Tools used for Analysis of data**

To analyse the data collected, from the statistical packages, various statistical tools and techniques such as mean, co-relation, chi-square, Cramer's V test, ANOVA and the factor analysis were also applied.

### **8. 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 were collected. The study conducted on the Marwari businessmen in Guwahati city. The study 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 was also covered under the study. All types of Marwari businessmen of Guwahati city were covered. There were 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. The present study covered both. Basically, the study focussed on the various factors like, personal, Psychological, Financial, Social and Cultural factors in broad sense.

There were rare literature of evidences of study on the Marwari Businessmen and their investment behaviour in regard to gold at the Guwahati city. No evidence of study was found with respect to the various factors determining Gold Investment by Marwari Businessmen and the relationship between financial wellness and the investors' behaviour. Hence, this study proposed to fill up literature gap and also to fill the study gap on investment in gold by these businessmen in regards to Assam. This piece of study may serve as the unique source for further study on investment behaviour among the members of this community in future.

## **9. Limitations of the Study**

The study conducted only on the Marwari Businessmen, Guwahati city which may not be generalised. Generalisation of the findings for all groups of individual investors is restricted as because the findings were limited to geography, community and representative investors in concern.

## **10. Chapter Plan**

The outcomes of the study will be presented through following chapters-

### **Chapter –I**

This chapter is a introductory one and included conceptual framework, statement of the problem, research questions, objectives, data source and methodology, Scope and limitations of the study & chapter scheme.

### **Chapter-II**

This chapter covered the review of existing literature on the subject chosen for study.

### **Chapter-III**

This chapter included the profile of the study areas, profile of Marwari business community, Respondents' Investment profile- Real Estate, Securities, Gold etc.

### **Chapter IV**

This chapter covered the factors determining the investment in gold by Marwari Businessmen in Guwahati city, dominant factor(s) identification for investing in Gold.

### **Chapter-V**

This chapter included exploration on relationship of factors .

### **Chapter –VI**

This chapter dealt with comparison between the investment preferences with respect to investment in gold in physical form and non-physical form.

### **Chapter - VII**

This chapter discussed about the levels of financial wellness, inter co-relation among the factors and with the level of financial wellness.

### **Chapter-VIII**

This chapter included, summary of findings, policy implication of the study, suggestions with conclusions.

## 11. Chapter wise Findings

The summary of the chapter wise findings of the study along with a discussion on how far the objectives of the study were achieved through the analysis are presented as follows. In the chapter - IV, the study revealed the factors determining the investment in gold by marwari businessmen. The first objective of the study, i.e., to find out factors influencing gold investment by Marwari businessmen in Guwahati city was achieved by the study. The study revealed that sole proprietors were the key players as far as gold investment was concerned in Guwahati city. The study revealed gold as one of the best investment avenue followed by fixed deposits and life insurance as perceived by majority of Marwari businessmen in Guwahati city. In the same way Sindhu (2013) in his study stated that in India, gold was one of the foundation assets for households in the form of investments. Aggarwal and Lucey, (2007) in their study categorically mentioned that for most of the ordinary Indians who sought safety of their capital, gold was the alternative to fixed deposits. They have no where mentioned that gold investment was a better investment than gold rather it was as like as fixed deposit.

Regarding the source of information for making investment decision with respect to gold, this study made it clear that the daily news paper was the prime source of information for the investors investing in gold followed by social groups. Highest numbers of the respondents reported that the daily news papers were the main source of information for them while investing in gold. In the previous study also, conducted by Warne (2012) it was appeared that agents/newspapers/magazines played major significant role in influencing the decision of the investors with respect to investment in gold.

It was perceptible that Marwari businessmen considered savings as source of fund for investment in gold followed by personal borrowing. In the study of World Gold Council (2010) it was reflected that every class of the Indian society, whether its urban or rural investor, would prefer to possess it or make savings to purchase it in their life span. The obvious reason for this was that possessing gold for Indians is more to do with the sign of purity, prosperity and good luck in their lives.

The study also revealed that majority of the Marwari businessmen invested on yearly basis in gold followed by the other businessmen investing in once in six months.

This study portrayed the preference level given by Marwari Businessmen of Guwahati city to various factors while investing in gold. They ranked long term profit seeking and future security as 1<sup>st</sup> followed by liquidity, steady income and short term profits. This finding was backed by Lutter and Soone (2008) where they conceptualised the fact that gold was a long term stable backbone of investment portfolio. It was appeared from the study that majority of Marwari businessmen having their annual income within the range of 2 lakhs to 4 lakhs invested less than 25% of thier income in gold investment.

The study also noted that majority of the respondents considered liquidity, tradition, culture as a determining factor while investing in gold. Tradition, common belief, status symbol, buying gold as the family culture, customs were emerged as the top influencing variable under the group of cultural factors followed by financial factors which included liquidity, future security, safety, return, tax benefits, short term profit, stability of income, long term profit seeking, hedge against inflation and price. Similarly, psychological factors, i.e., own knowledge, status symbol, strong belief about positive return, emotions, experience along with social factors like religious activity, traditional values and personal factors, i.e., biasness and right attitudes were the determining factors while investing in gold. In line of our findings, the previous authors like Fei and Adibe (2010) also mentioned that there was a significant relationship between the price movement of gold, real interest rates and the exchange rate. Similarly, Parikh and Vaish (2013) in their study stated that in India different cultures, sub-cultures, customs, religions, a deep affection for gold impacted a lot on gold purchase. It was the only commodity which was universal across the length and breadth of the country.

It was obvious from the study that the demographic factors like education, gender were significantly affecting physical gold investment. In the similar way, it was apparent that annual income was significantly affecting the mixed form of gold investment and the number of family members (0.013), annual income (0.030) and education (0.002) significantly affected the investment in the shares of gold mining companies. The present findings substituted the earlier findings of Verma (2008) who concluded that investment choice depended on and was affected by the demographic variables, i.e, gender, age, income, education, occupation as well as by the personality types such as conservative, medium moderate and aggressive and the findings of Palanivelu and Chandrakumar (2013) who

opined certain factors like education level, awareness about the current financial system, age of investors etc made significant impact while deciding the investment avenues.

Financial factors like liquidity ( $P= 0.000$ ), stability ( $P= 0.004$ ) and price ( $P= 0.000$ ) significantly affected the decision of investment in physical gold. It was also visible from the study that safety ( $P= 0.014$ ), return ( $0.009$ ) stability ( $0.000$ ), hedge against investment ( $0.005$ ) and Price ( $0.010$ ) significantly affected the decision of Marwari businessmen in Guwahati city and the marwari community in Assam in general towards the investment in the mixed form of gold. In contrast to the present findings, Sireesha, B.P. and Laxmi, S.C. (2013) revealed that the study 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 was concluded that the respondents of the study were conservative in nature and showed less concern for money multiplication and liquidity. In line with our findings, Wright and Levin (2006) found that gold investor tends to have a proportion of gold in their portfolios due to the fact that the price of gold is expected to rise in line with the inflation and act as an inflation hedge. Lutter and Soone (2008) showed that gold is already known and valued by the people for its stable nature and long tradition. In the same way, Ghosh,et.al (2004) had pointed that people buy gold for two purposes. The first is the “Use Demand”, where gold is used directly in the production of jewellery, medals, coins, electrical components and so on. The second is “asset demand” for gold, where it is used by governments, fund managers and individuals as an investment. The asset demand for gold is traditionally associated with the view that gold provides an effective “hedge” against inflation and other uncertainty.

The test results rejected the hypothesis-Ho1,Ho3,Ho4 revealing that there were significant relationship between investment in physical gold & the demographic variables, mixed form of gold investment and the demographic variables of the respondents, shares of gold mining companies and the demographic variables of the respondents. The test results also confirmed the acceptance of the hypothesis-Ho2 and Ho5 that there was no significant association between certificate form of gold investment along with gold account and the demographic variables of the respondents.

Financial variables of the respondents showed different associations between the different types of gold investment avenues. The results of the test confirmed that there was

significant relationship between investment in physical gold & the financial variables of the respondents and mixed form of gold investment and the financial variables of the respondents and rejected Ho6 and Ho8. Adversely, there was no significant association between the certificate form of gold investment and the financial variables of the respondents, investment in shares of gold mining companies and the financial variables of the respondents, the investment in gold account and the financial variables of the respondents and accepted Ho7, Ho9 and Ho10.

The second objective of the study in the chapter -V was to determine the relative importance of the identified factors influencing gold investment. To justify the objective, the study was carried out and the meaningful results, facts and findings were drawn from the study. The study revealed that there were always two types of factors which impacted on the investment decision of Marwari businessmen. They were categorised as fixed factor and variable factor. Interaction of both the factors affected the decision of investing in gold. There were some fixed factors, i.e., safety, return, liquidity, stability, hedge against inflation and price along with the variable factors those were status symbol, culture, common belief and religious activity. In the literature it was described that how fixed factors and covariates interacted together, re established the fact by the study made by Das, S and Jain, R.(2014) that the return from the gold as an objective was influenced by education. With different educational qualification, the ability to choose the investment will vary based on the return benefits that different investment avenue provided. They had established that the interaction between two factors, i.e., fixed and variable factors was required to take investment decision, no individual factor or the set of factors could absolutely influences investment decision in gold. Here, this part of the study enabled to hypothesise that financial factor, financial ability of consumers were not the absolute determinants but the cultural and social , psychological factors along with interaction with financial factors and abilities mostly determined the decision to invest in gold in reference to Marwari Businessman and the Marwari community in Assam. The study also evidenced that the Marwari businessmen of Guwahati City relatively considered tradition, liquidity, steady income and culture as the prime determinant for investing in gold .They did not consider safety as significant factor for taking the decision.

The third objective of the study in the chapter -VI was to compare between investment preferences with respect to investment in gold in “Physical form” and “Non-

physical form” was also achieved. The study evidenced that 70 % of the Marwari businessmen of Guwahati city preferred physical form of gold over non physical form of gold investment. But, Baur (2013) had contradicted with our findings. He had argued that gold ETF being more liquid was more preferred by the investors over physical gold and credited the increase in the recent demand for gold to the introduction of ETF. He further claimed that the volatility of gold had been increased because of the ease of the trading facilitated by gold ETFs. The present study revealed that there was significant difference in the investment behaviour of Marwari businessmen between physical gold and non-physical form. There were 14 % of the businesses who preferred both the forms of investment. Earlier authors like Pullen, T., et al. (2011) also viewed that the investors need to take positions directly in bullion or gold ETFs since gold stocks and gold mutual funds displayed very little evidence of the safe heaven characteristics. Tourani-Rad and Kirkby (2005) advocated towards the preference of investment. Investors normally preferred to invest in local and known companies. It means that investors preferred to invest in those avenues, the physical existence of which was known. Thus, investment in physical form of gold was such which could be verified and its physical existence was known to the investors. The reason for greater demand for gold in India was investigated by Starr and Tran (2008). They stated that there was a much higher ‘physical demand’ for gold – that was, acquisitions of gold in physical forms such as jewellery, bars, coins and medallions- in Eastern countries, such as, India, Pakistan, Turkey, than in Western countries. Starr and Tran (2008) further asserted that culture seems involved since the countries that demanded more gold than would be expected from their characteristics were those known for having traditions in which gold played a part, as in India, Turkey, China where gifts of gold jewellery were customarily given to newly married couples, new-born babies. Thus, in Eastern countries, the role of gold as precautionary savings was at least as important as, if not more important than, its personal adornment aspect. Mondal, D. (2010) suggested that investors should take exposure in gold by buying either physical gold, gold exchange traded funds or even units of mutual fund which invested in the stocks of gold mining companies.

The fourth objective of the study in the chapter -VII was to examine the relationships between investment behaviour of Marwari businessmen with respect to gold and their financial wellness .To attain this objective statistical test like Cramer's V test was executed. The results depicted that there was no significant association between financial wellness and



investment behaviour of respondents in any form of gold. The overall level of financial wellness of the investors in Guwahati City is of moderate degree.

## **12. Conclusions**

The present study asserts that cultural factors like tradition, common belief, and status symbol, custom were the central factors followed by financial factors like liquidity, stability, price which were significantly influencing the gold investment decision. Psychological and social factors also played an important role with respect to investment decision in gold. The study had given importance on the relative importance of both dependent and independent variables. This study portraying the investors' preference level towards physical form and non physical form of gold is significant. Physical form of gold investment was the most desired investment avenue for the Marwari Investors. The study also revealed that there was no association between financial wellness and investment decision among the investors (respondent) belong to Marwari business community. Most of the investors investing in Gold were having moderate level of financial wellness.

Fortunately, towards the end of the study, Government of India has launched the Sovereign Gold Bond Scheme. This shows that the study is really a demand of time which was executed in matching way. The government has set the objective of the presently launched gold bond scheme is to cut down the import of Gold and also to generate habit of buying paper gold among the masses. These bonds are marketed through various channels like Post Office, NBFCs (Non Banking Financial Companies), brokers, nationalised banks like, SBI, UCO Banks etc. This scheme will not only benefit the buyers but also benefit the bankers too. This will improve the Statutory Liquidity Ratio and Cash Reserve Ratio of the banks too. Buyers need to buy at least 2 units of Gold, i.e., 2 grams and maximum upto 500 grams. This study also supports and relevant to the presently launched Government scheme from the ground of investors' preference, decisions, behaviour, different factors such as cultural, financial, social etc and their resulting impacts.