

A Study on Investors Perception and Awareness towards Sovereign Gold Bond in Mumbai

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ABSTRACT

SGB are government securities denominated in grams of gold and are substitutes for holding physical gold. Gold has indeed proven itself as an effective hedge against any downside risk. Due to pandemic buying gold in a physical form may not be possible amidst the COVID-19 restrictions; hence SGB would be a smart and unconventional way of investing in Gold.

The purpose of the study is to understand the perception and awareness of investors towards SGBs in Mumbai. Also, study the reasons for non-investment in SGB. Investor here is regarded as anyone who purchases gold in any form. Perception is understood by preference towards Physical Gold and SGB. Awareness is studied through asking questions related to SGB, tenure, interest rate, etc. The methodology used is primary and secondary research. The study was analyzed and executed with statistical tools like Spearman Rank Correlation, Two -Way ANOVA and Chi-Square Test. The findings analyzed were that there is no relationship between age, income, and awareness of investors related to SGB and towards preference of investment. It shows there is a significant relationship between income and perception of investors towards non-investment in SGBs.

The study suffers from limitations like it is restricted to the responses of 160 investors in Mumbai only. It is suggested that awareness regarding SGB should be increased by conducting workshops through banks. In the present era, investment in SGB is more efficient form rather than investment in physical gold yet, the awareness level about investment in SGBS is still moderate.

Keywords: *Awareness, Gold Bond (SGB), Investor, Perception, Sovereign Physical Gold*

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1. INTRODUCTION

Sovereign gold bonds are tradable government securities with prices linked to the value of the underlying asset—that is gold. They are issued by the Reserve Bank of India on behalf of the government and are denominated in grams of gold (1 unit = 1 gram). The scheme came into the limelight in the Union Budget 2015-16 and was formally launched by the Prime Minister of India Shri Narendra Modi on 5th November 2015. From June 2016 onwards SGB started trading on the NSE and BSE. SGB intends to target that investor who wants to purchase gold for investment purpose.

1.1. Sovereign Gold Bonds Are a Good Investment in This Pandemic, Covid-19.

This can be explained with help of an article - *Why It Makes Sense to Invest in Sovereign Gold Bonds as Covid-19 Plays Havoc*

Gold has indeed proven itself as an effective hedge against any downside risk. It has seen a sharp rise in the price rally since the first case of Novel Coronavirus was reported in November 2019. The current situation considers allocating some portion of our investment portfolio to gold and its equivalents. In the pandemic year buying gold in a physical form from preferred jeweler or gold merchant may not be possible amidst the COVID-19. But one can consider Gold Exchange Traded Funds, Sovereign Gold Bonds, and/or Digital Gold, which are smart and unconventional ways of investing in gold.

Due to the pandemic, SGBs are considered to be a good substitute for physical gold as it has numerous advantages like no purity & storage concerns, higher returns, tax efficiency, etc.

2. LITERATURE REVIEW

(Sudindra & Naidu, 2019) - *Is Sovereign Gold Bond Better Than Other Gold Investment?* The main objective of the study is to find out how Sovereign Gold Bond is superior to other forms of Gold Investment. The methodology used was secondary data. It concluded that SGBs are superior to other forms of Gold Investment as SGB are better in terms of purchase price and benefit of no TDS and can be used as security/collateral for availing loan.

(Shenoy & Ashwitha, 2019) - *Investors Perception and Satisfaction Level on Sovereign Gold Bond Scheme a Study at Belthangady Taluk (D.K)*: The objectives of this research paper are to study the factors considered by investors on investments in SGBs and the perception and satisfaction level of investors. The study was limited to 30 respondents only. The findings were 67% of respondents were satisfied with their investments and 66% prefer to invest in this scheme in paper form and the rest 34% prefer DEMAT form. It suggested that since the scheme is authorized it is safe and secure it is suitable for investor.

(Ninan, 2018) - *Sovereign Gold Bond Scheme - An Alternative to Physical Gold Investment in Kerala*: This research highlights the objective about physical, paper and SGB and awareness. The research methodology used was explorative in nature and based on primary data. The findings were 75.3% lack awareness about SGB, majority that is 90.7% have investments in physical gold only. The conclusion explained SGBS is a preferred option for investment.

(Satijani & Gidwani, 2018) - *Gold Saving Scheme: An unusual way of investing in Gold thrust on Sovereign Gold Bond Scheme (SGBs)*: The main objective is to study the SGB scheme and to compare the performance of Physical gold, Gold ETF and to provide an alternative to buying physical gold. The research methodology adopted for this study is secondary research. It suggested and recommended that Government should formulate and implement policy for gold. The conclusion showed that the study revealed that gold loans were primarily being used for smoothening household consumption and for repaying debts.

(Rathore, 2017) - *Investor's Attitude towards Physical Gold and Sovereign Gold Bonds*: The objective is to study the influence of different factors while investing in physical gold and SGB and to study the investor's preference. Research methodology used is quantitative method and data is collected through primary sources. The findings are that investment in SGB, the investor needs not to pay any transaction cost which makes the scheme more attractive. It suggested and recommended to have awareness workshops for SGBs. Conclusion explained safety, purity and liquidity are the major factors to which investors give importance.

(Rishab, 2018) - A *Financial Innovation in India*: The objective of this paper to study the background of Sovereign Gold Bond scheme, to understand the difference between SGB and physical gold and explained revenue generated from SGB are higher. The research methodology used is based upon the secondary data analysis. It has also highlighted the advantages to SGB that it is considered the safest investment. Some major points of conclusions are the awareness of Sovereign Gold Bond scheme among the investors is moderate. Many investors still believe physical gold as a safer option.

3. PROBLEM STATEMENT

Diversion of investment from the physical form of gold to the non-physical form is the need of the hour. As a result, GOI and RBI have come up with various alternatives like gold ETF, SGB scheme, etc.

The GOI introduced SGBS as a measure for curbing the gold imports, the investment under the scheme proves to be low all over India, especially in Mumbai due to its low awareness among the investors and their sentimental attachment towards holding gold in physical form. Even though it has many benefits, SGB has low investment compared to other financial instruments

4. OBJECTIVES OF THE STUDY

In order to understand the Investors' perception and awareness towards SGBs, the following objectives were framed:

- The purpose of the study is to know the awareness level towards SGB
- To study the investor's perception through preference between physical gold and SGBs
- To study the reasons for non-investment in SGBs by investors
- To study the factors, reasons considered by investors on preference in SGBs schemes.

5. SCOPE AND SIGNIFICANCE OF STUDY

This study attempts to understand investors perception though their preference towards Physical Gold and SGBs. Also, investors awareness towards SGBs in Mumbai. The scope of the study includes background, introduction of SGBs, features and merits. It also covers the statistical test conducted to analyze and interpret the results and arrive at a conclusion.

6. HYPOTHESIS OF THE STUDY

Hypothesis 1: The age, income of the investor and awareness related to SGB are independent.

H0: There is no significant difference between the awareness of SGBs among investors based on their age and income.

H1: There is a significant difference between the awareness of SGBs among investors based on their age and income.

Hypothesis 2: The age, income of the investor and the Preference of Investment in Physical Gold and SGB are independent.

H0: There is no close association between the age, income of investor and preference of investment.

H1: There is a close association between the age. income of investor and preference of investment.

Hypothesis 3: The annual income of the investor and the reason for non-investment in non-conventional forms of Gold are independent. (Here, it is referred to as SGBs)

H0: There is no significant difference in the income and perception of investors for non-investment in SGB.

H1: There is a significant difference in the income and perception of investors for non-investment in SGB.

Hypothesis 4: The annual income and perception on preference of investors towards SGB is independent.

H0: There is no influence of annual income on perception of investors towards preference of SGB.

H1: There is influence of income on perception of investors towards preference of SGB.

7. FEATURES OF SGB-

The main features of SGB as per RBI are -

Eligibility to invest in SGB – Person's resident in India as defined under Foreign Exchange Management Act, 1999 are eligible to invest in SGB. Eligible investors include individuals, HUFs, trusts, universities and charitable institutions.

Minimum and Maximum Limit for investment –Minimum investment in the Bond shall be one gram of gold, where one unit of the bond is equal to one gram of gold with a maximum limit of subscription of 4 kg for individuals.

Interest Rate – The Bonds bear interest at the rate of 2.50% (fixed rate) per annum on the amount of initial investment.

Redemption and Tenure for SGB – On maturity, the Gold Bonds shall be redeemed in Indian Rupees and the redemption price shall be based on simple average of closing price of gold of 999 purity of previous 3 business days from the date of repayment, published by the India Bullion and Jewelers Association Limited (IBJA).

Though the tenor of the bond is 8 years, it offers an exit option, early encashment/redemption of the bond is allowed after fifth year from the date of issue on coupon payment dates. On maturity—after eight years—investors can redeem the bond at the average price of gold in the three preceding days. The interest payments, however, will be made on the face value.

DEMAT Account – The Bonds can be held in DEMAT account and a specific request for the same must be made in the application form itself.

8. ADVANTAGES OF SGBS

It is considered the safest form of investment as zero risk of handling physical gold. One can earn 2.50% assured interest per annum on the issue price. Also, it an assurance of purity: gold bond prices are linked to price of gold of 999 purity (24 carat) published by IBJA. It has an easy exit option that is the tenor of the bond is for 8 years with an option to redeem from 5th year onwards on the date on which interest is payable. And it is easily traded on Exchange and there is an ease of borrowing loan, can be used as collateral for loans. A key benefit is the issue price of the Gold Bonds will be ₹ 50 per gram less than the nominal value to those investors applying online and the payment against the application is made through digital mode.

9. RESEARCH METHODOLOGY

Sample Size - In this study, 160 investors had been considered from Mumbai. The investors (respondents) were targeted by using Snowball Sampling Technique.

Data Collection - The study included Primary and Secondary sources of data. Secondary sources included data from research reports, newspaper articles have been analyzed while Primary data was by way of Questionnaires which was circulated through google forms. The duration was one month only, that is January – 2021.

Statistical Tools - In this study, the hypothesis was made and then analyzed with the help of statistical techniques. of Chi-Square Test and 2 Way ANOVA using Excel, and Spearman Rank Correlation using IBM Statistical Packages for Social Sciences (SPSS) software. The hypotheses were tested with 95 percent confidence level i.e., at 5 percent significant level.

Quantitative data was presented in tables, Charts and graphs were also used for representation of data and interpretation for the same were analyzed and written.

10. DATA ANALYSIS AND INTERPRETATION

10.1. DEMOGRAPHIC PROFILE OF INVESTORS

Demographic factors like educational status and family income play an

important role in investment decision at the time of investment in gold. Safety, purity and liquidity are the major factors to which investors give more weights.

Table 1 shows the demographic profile of investors. It depicts that that 37.5% investors are male, and 62.5% investors are female. The table further shows that 28.13% of the investors were aged between 18 -24, 18.75% between 25 - 34, 29.38% were between 35 – 44, 16.88% were between 45 – 54, whereas the least were from 55-64 and above 65 age group that is 6.25% and 0.63% respectively.

The table further shows the employment and occupation of the investor. It shows maximum investors are employed that is 57.5% that contributes to 92 respondents. Student and self-employed follows the next by 23.75% and 10.63% respectively. Homemaker and retired are the least with 5.63% and 2.5% respectively. The annual income in table shows the maximum investors income fall under 600,000 – 10,00,000 brackets amounting to 33.75%, followed by 25% and 17.50% of Not Earning Currently and 300,000 – 600,000 income brackets respectively. The least amounted to Above 10 Lacs and Below 3 Lacs which were 15% and 8.75% respectively.

10.2. PREFERENCE OF INVESTOR

Figure 1 shows that the majority that is 86.25% prefer Physical Gold, whereas only 13.75% Sovereign Gold Bonds. It explains, further 138 investors prefer physical gold and 22 prefer SGB. This shows that they are not aware of the SGB as an investment.

10.3. AWARENESS TOWARDS SGB

Figure 2 depicts that the majority that is 57.50%, 92 investors are not aware of SGBs, whereas 42.50% that is 68 investors are aware. It is analyzed that the majority that is 86 investors are not aware of the minimum requirement in SGBs, 47 answered May be which shows that are not sure, whereas 27 said they are aware of the minimum requirement. It is analyzed that only 32 investors are aware of the interest rate in SGB, whereas the majority that is 80% are not aware. It can be analyzed that due to lack of awareness, investors are not aware of the tenure of SGBs that is 80.63%, that is 129 investors.

10.4. REASON FOR PREFERENCE IN PHYSICAL GOLD

Table 2 along with Figure 3 explains the ranking of preference; that is which reason or factor the investor prefers, gives first ranking and so on. 5th is the highest rank that is very important and 1 is the lowest that is unimportant. It can be analyzed that the highest among all factors have been given to Popular form of investment that is 62.32% which is very important.

For confidentiality of possession, the highest is 31.88% that is ranked as Important. Easier to invest or purchase is ranked Very Important with highest percentage of 48.55%. Low Risk is ranked important with 35.15% being the highest. Liquidity is ranked moderately important with 31.6%

10.5. REASON FOR PREFERENCE IN SOVEREIGN GOLD BONDS

Table 3 along with Figure 4 explains the ranking of preference; that is which reason or factor the investor prefers, gives first ranking and so on. 5th is the highest rank that is very important and 1 is the lowest that is unimportant. It can be analyzed that the highest among all factors have been given to Easier to Invest that is 59.09% which is ranked Important, along with Ease of Borrowing Loan that is 59.09% ranked Moderately Important, followed by Safe form of investment that is 50% which is very important. It is further followed Earn Interest with 50%, ranked as Moderately Important and Tax Benefits with 45.45% ranked Important.

10.6. REASONS FOR NON- INVESTMENT IN NON-CONVENTIONAL FORMS OF GOLD

Figure 5 depicts the reason for non – investment in SGBS. Investors selected the maximum reason towards lack of awareness and no physical existence that is 24.18% that is 125 investors and 19.54% respectively. Lack of trust is 18.96%, formalities involved is 13.93% and not popular as a reason is 12.96%. The lowest were cost involved and difficulty in maintaining secrecy amounting to 4.06% and 6.38% respectively.

10.7. INVESTMENT IN SGB

Figure 6 can be analyzed that the majority that is 147 investors amounting to 91.88% don't invest in SGB, whereas only a few 13 investors amounting to 8.13% invest in SGBs.

10.8. CHI – SQUARE TEST BETWEEN AGE, INCOME AND AWARENESS OF SGB AND TOWARDS PREFERENCE OF INVESTMENT ANALYSIS

Chi-Square Test is conducted and then analyzed for the **Hypothesis 1 and 2**: The age, income of the investor and awareness related to SGB are independent. The age, income of the investor and the Preference of Investment in Physical Gold and SGB are independent.

Analysis of data using Chi-Square Test is depicted in **Table 4 – 8** in detail. This test is employed to test the significance of influence of one factor over the other. In this study, age and income are tested with awareness of SGBs and Preference of Investment.

The **Table 4** gives an overview of analysis and shows that at 95% confidence interval, the calculated value that is the observed value is less than the critical value obtained from the chi-square table at $X^2_{0.05,5}$ and falls in the acceptance region in all cases. Also, the P value is more than alpha in all four scenarios, thus the null hypothesis is failed to be rejected.

Hence, the null hypothesis is accepted (Not Significant) in all the case, and the alternate hypothesis is rejected. Thus, we can state that there is no relationship between age, income and awareness of investors related to SGB and towards preference of investment.

10.9. TWO-WAY ANOVA – NON – INVESTMENT IN SGB BASED ON INCOME ANALYSIS

It is conducted for **Hypothesis 3** - The annual income of the investor and the reason for non-investment in non-conventional forms of Gold are independent. The **Table 9** shows that at 95% confidence interval, the F Value calculated is more than the F Critical Value, $11.74 > 2.71$ we reject the Null Hypothesis. Also, the P value is less than alpha, $0.0001 < 0.05$, so Reject Null Hypothesis.

Hence, the null hypothesis is rejected, and the alternate hypothesis is accepted. Thus, we can state that there is a significant relationship between income and perception of investors for non-investment in SGBs.

10.10. CORREALTION – PREFERNCE IN SGB BASED ON INCOME ANALYSIS

It is analyzed for **Hypothesis 4**: The annual income and perception on preference of investors towards SGB is independent.

Table 10 shows the Correlation between Income and Preference of SGB. Preference of SGB is a ranked data. Income and Preference is a type of Ordinal data, so Spearman's rho Correlation is used. If the significant value is less than 0.05, then there is a significant Correlation between the variables.

If the Correlation Coefficient value is closer to 1, it has a strong relationship. To understand the correlation of Income with the Preference of SGB, the respondents were asked to rate their preferences towards SGB on a 5-point scale ranging from Most Preferred to Least Preferred.

The correlation matrix indicates that the Correlation between the Annual Income and Preference of Investors towards SGB. Relationship between Annual Income and Ease of Borrowing is strong negative correlation but not statistically significant, as the p -value 0.256 is more than 0.05. It implies that increase in annual income led to reduction in preference towards ease of borrowing.

However, the correlation between Income and other preferences like Earn Interest, Easier to Invest, Safe and Tax Benefit showed a weak positive correlation but not statistically significant as p-value is more than 0.05, in all cases. From this, it can be concluded that as annual income increases, the preference towards these factors increases in similar way although there is some dispersion. Thus, as 4 out of 5 factors have a positive correlation, we conclude that income does have a positive correlation with Preference towards SGB as shown in **Table 11**.

11. FINDINGS

- The demographic findings show that Majority investors are aged between 35 – 44 that is 29.38%. The maximum investors are employed that is 57.5%. Also, Maximum investors income falls under 600,000 – 10,00,000brackets - 33.75%. (**Table 1**)

- It is analyzed that the majority that is 86.25% prefer Physical Gold. **(Figure 1)**
- Awareness of Investors towards various Factors is analyzed as the majority that is 57.50%, investors are not aware of SGBs, 53.75% investors are not aware of the minimum requirement in SGBs, 80% are not aware of interest rate and 80.63% are not aware of the tenure of SGBs. **(Figure 2)**
- It can be analyzed that the highest among all factors have been given to Popular form of investment that is 62.32% which is very important for preference in Physical Gold. **(Table 2 and Figure 3)**
- It can be analyzed that the highest among all factors have been given to Easier to Invest that is 59.09% which is ranked Important, along with Ease of Borrowing Loan that is 59.09% ranked Moderately Important. **(Table 3 and Figure 4)**
- The reason for non – investment in SGBS. Investors selected the maximum reason towards lack of awareness that is 24.18%. **(Figure 5)**
- It can be analyzed that the majority that is 91.88% don't invest in SGB.
- **(Figure 6)**
- **Statistical Findings** - The findings derived from the Statistical Test conducted showed the following results –
- The result showed that there is no relationship between age, income of investor and awareness of investors related to SGB and towards preference of investment. **(Table 4 - 8)**
- It can be stated that there is a significant relationship between income and perception of investors for non-investment in SGBs. **(Table 9)**
- It can be concluded that as annual income increases, the preference towards these factors increases in similar way although there is some dispersion. Thus, as 4 out of 5 factors have a positive correlation, we conclude that income does have a positive correlation with Preference towards SGB. **(Table 10 and 11)**

12. LIMITATION

The study suffers from certain limitations. The constraints of the study are that only 160 investors are taken in the study. The time duration spent for the study is one month only that is January 2021. There may be biases in the responses given by the Investor, but however it is tried to the level best to minimize bias responses.

13. RECOMMENDATION AND SUGGESTION

Following recommendations and suggestions are made after analyzing the responses given by investors (respondents) and understanding about SGB. They are as follows:

- It is observed that still majority of investors prefer to invest in Physical Gold, so it is recommended that awareness regarding SGB should be made.
- Awareness can be increased through conducting workshops, seminars regarding SGB's and explaining them to invest in SGB, educating people about the benefits for the same. This can be done by Banks and social media networks advising the investors to invest in SGBs.
- The mode of investment in SGB is easier and fast compared to Physical Gold, hence SGB should be preferred.
- It is analyzed that high income group have positive relation towards Preference in SGB, so it is recommended to target and educate them.

14. CONCLUSION

The SGB scheme was launched in November 2015 with an objective to reduce the demand for physical gold. From the analysis it is found that investors still prefer physical gold and are not aware of SGBs.

Therefore, necessary steps are required to be taken to educate the investors about benefits of investment in sovereign gold bonds, which will help to strengthen financial sector of our country. In present era, investment in SGB is the more efficient form rather than investment in physical gold yet, the awareness level about investment in SGB is still very moderate. Hence, investment in SGBs is not at par with physical gold.

15. FURTHER RESEARCH

This study will help enhance further research on the subject by researchers and academicians. The further research can be carried on: A survey can be conducted on a larger scale, at different geographical area since greater number of populations, more investors can be taken into consideration to understand the perception and awareness regarding SGBs. The duration of the study can be extended. This will give the next researcher an in-depth idea and will help him or her for the next research project.

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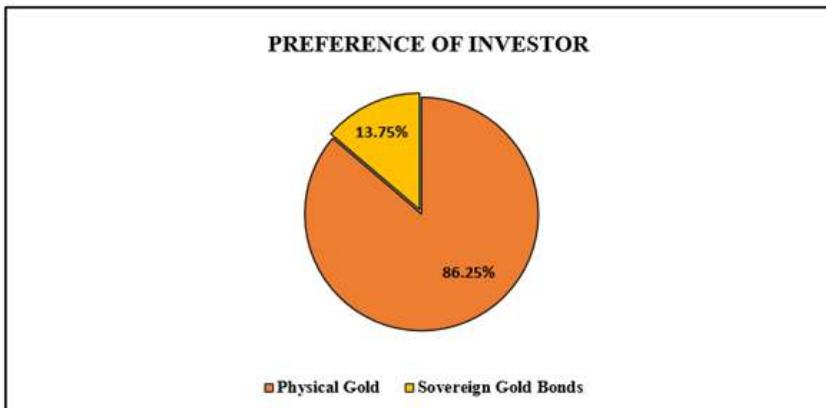
ANNEXURE

A. Table 1: Demographic Profile of Investors

DEMOGRAPHIC PROFILE OF INVESTORS (RESPONDENTS) -			
Variables	Category	No. of Respondents	Percentage
Gender	Male	60	37.50%
	Female	100	62.50%
	Total	160	100%
Age (in years)	18 - 24	45	28.13%
	25-34	30	18.75%
	35-44	47	29.38%
	45-54	27	16.88%
	55-64	10	6.25%
	Above 65	1	0.63%
	Total	160	100%
Professional or Employment Status	A Homemaker	9	5.63%
	A Student	38	23.75%
	Employed	92	57.50%
	Retired	4	2.50%
	Self - Employed	17	10.63%
	Total	160	100%
Annual Income	3,00,000 - 6,00,000	28	17.50%
	6,00,000 - 10,00,000	54	33.75%
	Above 10,00,000	24	15.00%
	Below 3,00,000	14	8.75%
	Not Earning Currently	40	25.00%
	Total	160	100%

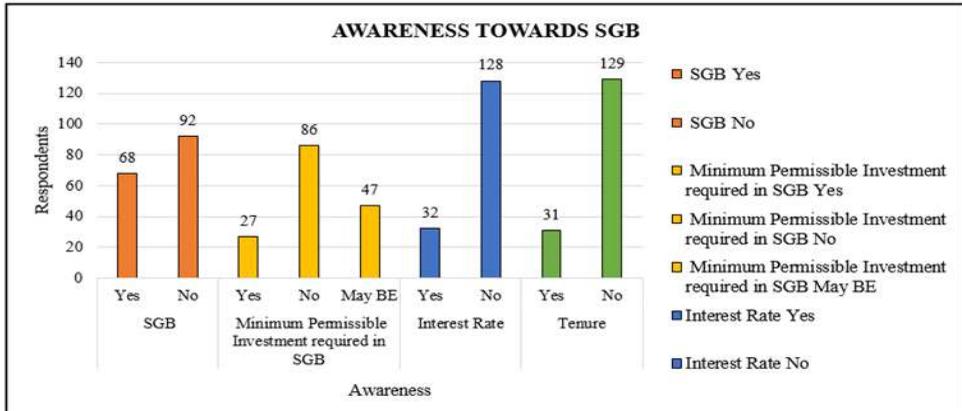
Source: Primary Data Using Excel

B. Figure 1: Preference of Investors



Source: Primary Data Using Excel

C. Figure 2: Awareness Towards SGB



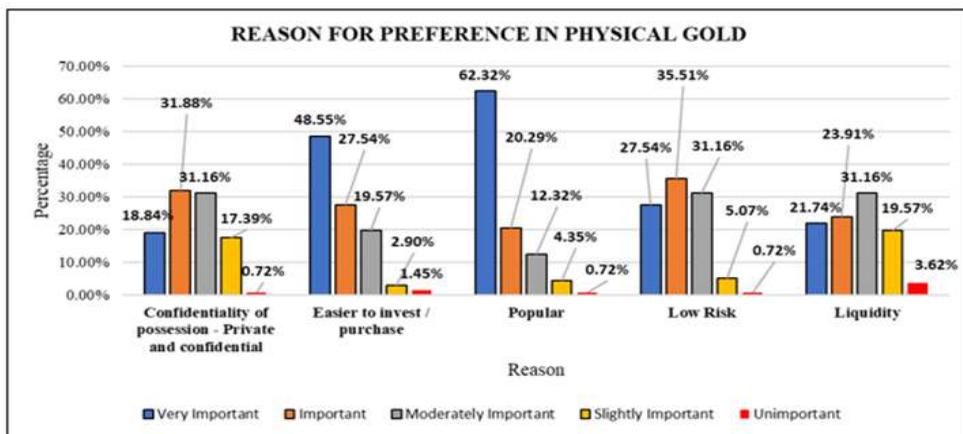
Source: Primary Data Using Excel

D. Table 2: Reason for Preference in Physical Gold

Ranked (5 - Highest, 1 - Lowest)	5	4	3	2	1
Reason for Preference in Physical Gold	Very Important	Important	Moderately Important	Slightly Important	Unimportant
Confidentiality of possession - Private and confidential	18.84%	31.88%	31.16%	17.39%	0.72%
Easier to invest / purchase	48.55%	27.54%	19.57%	2.90%	1.45%
Popular	62.32%	20.29%	12.32%	4.35%	0.72%
Low Risk	27.54%	35.51%	31.16%	5.07%	0.72%
Liquidity	21.74%	23.91%	31.16%	19.57%	3.62%

Source: Primary Data Using Excel

E. Figure 3: Reason for Preference in Physical Gold



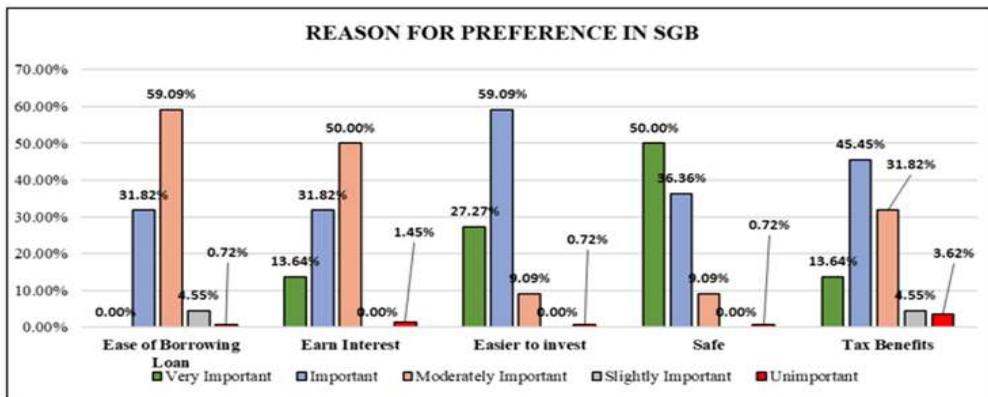
Source: Primary Data Using Excel

F. Table 3: Reason for Preference in SGB

Ranked (5 - Highest, 1 - Lowest)	5	4	3	2	1
Reason for Preference in SGB	Very Important	Important	Moderately Important	Slightly Important	Unimportant
Ease of Borrowing Loan	0.00%	31.82%	59.09%	4.55%	4.55%
Earn Interest	13.64%	31.82%	50.00%	0.00%	4.55%
Easier to invest	27.27%	59.09%	9.09%	0.00%	4.55%
Safe	50.00%	36.36%	9.09%	0.00%	4.55%
Tax Benefits	13.64%	45.45%	31.82%	4.55%	4.55%

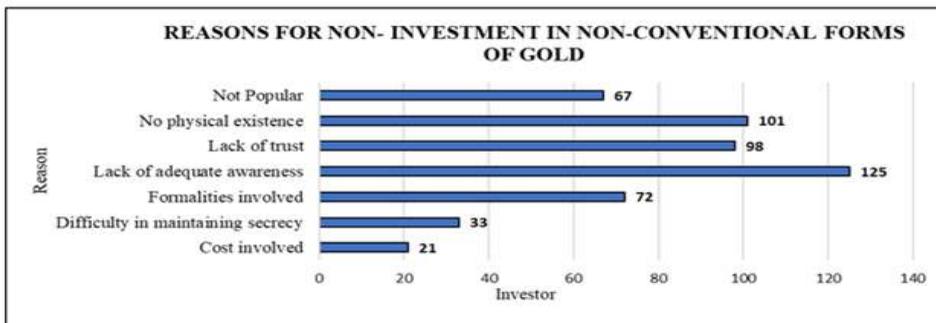
Source: Primary Data Using Excel

G. Figure 4: Reason for Preference in SGB



Source: Primary Data Using Excel

H. Figure 5: Reasons for Non – Investment in Non – Conventional Forms of Gold, SGB



Source: Primary Data Using Excel

L. Table 6: Chi-Square Test Between Income and Awareness of SGB Result Analysis

INCOME AND AWARENESS OF SGB						
OBSERVED FREQUENCY				FO	FE	(FO - FE) ² /FE
Income	Awareness of SGB		Row Total			
	YES	NO				
Below 3,00,000	5	9	14	5	5.950	0.152
3,00,000 - 6,00,000	13	15	28	13	11.900	0.102
6,00,000 - 10,00,000	24	30	54	24	22.950	0.048
Above 10,00,000	9	15	24	8	10.200	0.475
Not Earning Currently	17	23	40	17	17.000	0.000
Column Total	68	92	160	9	8.050	0.112
				15	16.100	0.075
				30	31.050	0.036
				16	13.800	0.351
				23	23.000	0.000
				160.000	1.349	

Expected frequency =	(RT*CT)/N
Alpha =	0.05
DF = (Number of rows - 1) * (Number of columns - 1)	4
Critical X ² value is X ² 0.05,4 >>	9.488
Critical Value =	9.488
P Value =	0.998
Observed Value =	1.349

Source: Primary Data using Excel

M. Table 7: Chi-Square Test Between Age and Preference of Investment Result Analysis

AGE AND PREFERENCE OF INVESTMENT						
OBSERVED FREQUENCY				FO	FE	(FO - FE) ² /FE
Age	Preference of Investment		Row Total			
	Physical Gold	SGB				
18-24	34	11	45	34	38.8125	0.597
25-34	29	1	30	29	25.875	0.377
35-44	40	7	47	40	40.5375	0.007
45-54	26	1	27	26	23.2875	0.316
55-64	8	2	10	8	8.625	0.045
Above 65	1	0	1	1	0.8625	0.022
Column Total	138	22	160	11	6.1875	3.743
				1	4.125	2.367
				7	6.4625	0.045
				1	3.7125	1.982
				2	1.375	0.284
				0	0.1375	0.138
				160	9.923	

Expected frequency =	(RT*CT)/N
Alpha =	0.05
DF = (Number of rows - 1) * (Number of columns - 1)	5
Critical X ² value is X ² 0.05,5 >>	11.07
Critical Value =	11.07
P Value =	0.537
Observed Value =	9.923

Source: Primary Data using Excel

N. Table 8: Chi-Square Test Between Income and Preference of Investment Result Analysis

INCOME AND PREFERENCE OF INVESTMENT						
OBSERVED FREQUENCY						
Preference of Investment				FO	FE	(FO - FE) ² /FE
Annual Income	Physical Gold	SGB	Row Total			
Below 3,00,000	12	2	14	12	12.075	0.000
3,00,000 - 6,00,000	26	2	28	26	24.15	0.142
6,00,000 - 10,00,000	47	7	54	47	46.575	0.004
Above 10,00,000	21	3	24	21	20.7	0.004
Not Earning Currently	32	8	40	32	34.5	0.181
Column Total	138	22	160	2	1.925	0.003
				2	3.85	0.889
				7	7.425	0.024
				3	3.3	0.027
				8	5.5	1.136
				160	2.41	
	Expected frequency =	(RT*CT)/N				
	Alpha =	0.05				
	DF = (Number of rows - 1) * (Number of columns - 1)	4				
	Critical X ² value is X ² 0.05,4 >>	9.48				
	Critical Value =	9.488				
	P Value =	0.983				
	Observed Value =	2.41				
Source: Primary Data using Excel						

O. Table 9: Two – way ANOVA for Non-Investment in SGB based on Income Analysis

ANOVA Two-Factor Without Replication						
SUMMARY	Count	Sum	Average	Variance		
Below 3,00,000	8	26	3.25	5.642857		
3,00,000 - 6,00,000	8	91	11.375	68.55357		
6,00,000 - 10,00,000	8	207	25.875	358.4107		
Above 10,00,000	8	92	11.5	67.71429		
Not Earning Currently	8	101	12.625	58.55357		
Cost involved	5	21	4.2	21.7		
Difficulty in maintaining secrecy	5	33	6.6	13.3		
Formalities involved	5	72	14.4	96.8		
Lack of trust	5	98	19.6	192.3		
Lack of adequate awareness	5	125	25	231.5		
No physical existence	5	101	20.2	205.2		
Not Popular	5	67	13.4	87.8		
Other	5	0	0	0		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Rows	2126.65	4	531.6625	11.7425	1.004E-05	2.714076
Columns	2644.375	7	377.7678571	8.343522	1.6943E-05	2.35926
Error	1267.75	28	45.27678571			
Total	6038.775	39				
Source: Primary Data using Excel						

P. Table 10: Correlation – Coefficient between Income and Preference towards SGB

Correlation between Income and Preference of Investor towards SGB							
Spearman's rho		Annual Income	Ease of Borrowing Loan	Earn Interest	Easier to invest	Safe	Tax Benefits
Annual Income	Correlation Coefficient	1	-0.253	0.015	0.217	0.219	0.08
	Sig. (2-tailed)	.	0.256	0.948	0.333	0.328	0.724
	N	22	22	22	22	22	22
Ease of Borrowing Loan	Correlation Coefficient	-0.253	1	0.24	0.264	-0.087	.558**
	Sig. (2-tailed)	0.256	.	0.281	0.236	0.701	0.007
	N	22	22	22	22	22	22
Earn Interest	Correlation Coefficient	0.015	0.24	1	.438*	0.39	.508*
	Sig. (2-tailed)	0.948	0.281	.	0.042	0.073	0.016
	N	22	22	22	22	22	22
Easier to invest	Correlation Coefficient	0.217	0.264	.438*	1	.457*	0.382
	Sig. (2-tailed)	0.333	0.236	0.042	.	0.032	0.079
	N	22	22	22	22	22	22
Safe	Correlation Coefficient	0.219	-0.087	0.39	.457*	1	0.234
	Sig. (2-tailed)	0.328	0.701	0.073	0.032	.	0.294
	N	22	22	22	22	22	22
Tax Benefits	Correlation Coefficient	0.08	.558**	.508*	0.382	0.234	1
	Sig. (2-tailed)	0.724	0.007	0.016	0.079	0.294	.
	N	22	22	22	22	22	22
** Correlation is significant at the 0.01 level (2-tailed).							
* Correlation is significant at the 0.05 level (2-tailed).							
Source: Primary Data using SPSS							

Q. Table 11: Correlation – Coefficient between Income and Preference towards SGB Result Analysis

Correlation Coefficient			
Parameters	Result - Strength	Relationship	Result - Analysis
Correlation Coefficient between Income & Ease of Borrowing	-0.253	Strong Negative Correlation	There is a negatively strong relationship between income and ease of borrowing
Correlation Coefficient between Income & Earn Interest	0.015	Weak Positive Correlation	There is a positively weak relationship between income and earn interest
Correlation Coefficient between Income & Easier to Invest	0.217	Weak Positive Correlation	There is a positively weak relationship between income and easier to invest
Correlation Coefficient between Income & Safe	0.219	Weak Positive Correlation	There is a positively weak relationship between income and safe
Correlation Coefficient between Income & Tax Benefit	0.08	Weak Positive Correlation	There is a positively weak relationship between income and tax benefit
Source: Primary Data using SPSS			