International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 7, No. 04 July-Aug; 2025 Page. No. 403-424

To cite this article: KRISHNAKUMAR K and LISSY P (2025). A STUDY ON INVESTOR PERCEPTION TOWARDS GOLD AS AN INVESTMENT, International Journal of Research in Commerce and Management Studies (IJRCMS) 7 (4): 403-424 Article No. 466 Sub Id 811

# A STUDY ON INVESTOR PERCEPTION TOWARDS GOLD AS AN INVESTMENT

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DOI: https://doi.org/10.38193/IJRCMS.2025.7431

## ABSTRACT

Since ancient times, gold has been valued as a significant investment item and has been essential to financial markets and portfolios. This research investigates how investors view gold as an investment, focusing on the variables that affect their choices to incorporate gold into their investment plans. Utilising both quantitative and qualitative methodologies, the study uses a mixed-methods research design to collect its data. A thorough analysis of the literature is done to determine the historical importance of gold as a store of value and its function in diversifying investment portfolios. Additionally, the main ideas and empirical research on investor behaviour and the reasons people invest in gold are highlighted in this overview. A survey of a variety of investors, including individual investors, institutional investors, and financial specialists, is part of the research's quantitative phase. The poll tries to pinpoint the variables, such as risk tolerance, market sentiment, inflation expectations, geopolitical events, and global economic conditions, which affect investors' perceptions of gold. It also looks into the most popular gold exposure investments, including physical gold, gold-backed securities, gold exchange-traded funds (ETFs), and mining stocks.

**KEYWORDS:** Awareness, Perception, Gold investment, Portfolio diversification

## 1.2 INTRODUCTION

Indian society is built on the foundation of wealth and savings, which is gold. A longer-term increase in the demand for gold jewellery and investments is anticipated as consumers have adjusted their price expectations upward. This trend is expected to continue as local investors buy gold for wealth accumulation purposes. Due to its emotional appeal as well as its significant cultural and economic worth, gold is in high demand among all age groups. However, it is now evident that more and more Indians are realising that gold needs a position in their investment portfolio in addition to the bank safe or the cabinet at home. Up until recently, the foundation of international monetary systems was made up of gold reserves.

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### 1.3 HISTORY OF GOLD

Gold has held immense cultural and economic significance in India throughout history. It has been revered as a symbol of wealth, prosperity, and religious importance. Ancient civilizations like the Indus Valley traded in gold, and scriptures and epics mention its sacredness. Various dynasties issued gold coins, showcasing their power. During the medieval and colonial periods, gold jewellery and coins were used for trade and adornment, after independence, gold remained integral to Indian culture, particularly in weddings and festivals. India is one of the largest consumers of gold globally, with policies in place to regulate its import and sale. Gold continues to be cherished and valued as a precious metal in India.

### 1.3.1 GOLD IS A GOOD INVESTMENT

Investing money in gold is worth because it is hedge against inflation. Over a period of time, the return on gold investment is in line with rate of inflation. It is worth investing in gold for a one more valid reason. That is gold is negatively correlated to equity investments, the equity markets started performing poorly whereas the gold has performed well.

**BENEFITS**

- **RISK**
  - The real risk with buying gold is in the opportunity cost of investing in the other avenues that can actually give higher returns.
- **LIQUIDITY**
  - Gold scores the highest in terms of liquidity, compared to all other investments.
- **TAX TREATMENT**
  - Gold suffers capital gains tax as per the IT act. So, the tax payable will not be much. Gold does not have any other tax benefits.
- **CONVENIENCE**
  - Gold scores very high here. But with the per gram price rising, the smallest single investment is becoming higher.

### 1.3.2 THREE REASONS INVESTORS HOLD GOLD

- **SCARCITY**
  - Gold is scarce, durable, versatile and tangible. As such, it maintains its value and is considered a safe haven investment.
- **PROTECT GLOBAL PURCHASING POWER**
  - Gold is seen as a store of value during times of persistent deflation or extreme inflation. To some, it is considered to be a highly-valued global currency, a reputation earned in the gold standard period.

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- **TO DIVERSIFY**
  - The price of gold often behaves differently to stock and bond markets. It is possible that when a portfolio is suffering because of shocks for shares or bonds, that the gold price can rise, or vice versa

**1.3.3 FOUR REASONS INVESTORS MIGHT SELL GOLD**

- **RISING INTEREST RATES**
  - Rising interest rates damage demand for gold, particularly if central banks are trying to control inflation. Gold is perceived as offering protection from inflation so central bank success in controlling it might hold back the price.
- STRONG US DOLLAR
  - Gold is valued predominantly in dollars. If the dollar is strong, it costs more for international investors to buy therefore demand might fall.
- PACE OF GOLD PRODUCTION
  - Oversupply can dilute the price of gold, just like any other commodity.
- A GROWING NEED FOR INCOME
  - During periods when interest rates are low investors will look for alternative higher yielding investments such as shares. Gold provides no income and may fall out of favour. This factor may have contributed to falls in the price in recent years.

**1.3.4 VARIOUS FORMS OF INVESTMENT IN GOLD**

- Jewellery.
- Gold bullion bars.
- Gold coins.
- Gold certifications or deposit scheme.
- ETF.
- Gold mutual funds.
- E- Gold.
- Futures and options.

- EXCHANGE TRADED FUNDS (ETFS)
  - Buying Gold ETF is purchasing gold in electronic form. You buy them just like you buy stock of any company from your broker. Gold ETF makes it easier for you to invest in gold. Each Gold ETF unit that you buy is roughly equal to the price of 1 gm of gold.

- GOLD COINS AND GOLD BARS

o You can invest in gold coins and bars, by buying them from your jeweller or from the bank. Gold coins are mass produced; they are available at very competitive prices compared with similar size bars. Gold coins are almost universally recognized, they are also easy to resell.

- GOLD ACCUMULATION PLANS

o Gold Accumulation Plans (GAPs) are similar to conventional savings plans in that they are based on the principle of putting aside a fixed sum of money every month. At any time during the contract term or when the account is closed, investors can get their gold in the form of bullion bars, coins, jewellery or cash.

- GOLD FUNDS

o Gold fund of funds is a solution meant for investors who wish to invest in gold but do not have a demat account. It aims to generate returns by investing in units of gold ETF. It works like any other open-ended mutual fund scheme.

- E-GOLD

o You can invest in e-gold just as you invest in shares. The e-gold is held in electronic form or demat form, just like shares. One unit of e-gold is equal to 1 gram of gold.

- FUTURES AND OPTIONS

o Gold futures contracts are binding commitments to make or take delivery of a specified quantity and purity of gold, on a prescribed date, at an agreed price. The initial margin or cash deposit paid to the broker is only a fraction of the price of the gold underlying the contract.

**1.3.5 ADVANTAGES OF GOLD INVESTMENT**

➢ Liquidity.
➢ Holds its value.
➢ Diversification.
➢ Universally desired investment.
➢ Gold is used as input in products.

**1.3.6 DISADVANTAGES OF GOLD INVESTMENT**

➢ A lot of market experts suggest that it is really not suggested to buy gold jewellery as an investment.
➢ No steady income.
➢ Price set by international markets.
➢ Issue with storage.

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### 1.4 NEED FOR THE STUDY

There are various investment portfolios available to the investors, investment in Gold is considered as a safe investment because of its high profitably and liquidity. Moreover, gold is the most popular investment in the country. This study is based on the investor perception towards gold as an investment.

### 1.5 SCOPE OF THE STUDY

➢ To understand the investor perception towards gold as an investment.

➢ The research measures the experience of the investors.

➢ To know investors perception on risk in gold investment.

➢ To identify the satisfaction level of investors and their preferred way of gold investment.

### 1.6 OBJECTIVES OF THE STUDY

➢ To study Investors perception towards gold as an investment.

➢ To study the factors influencing Investors to invest in gold.

➢ To know investors perception on risk in gold investment.

➢ To identify the satisfaction level of investor in gold investment.

### 1.7 LIMITATIONS OF THE STUDY

➢ The analysis of the present study has been carried out based on the information has collected from investors.

➢ Open ended questions are not used.

➢ Due to time constrict only 100 numbers of respondents were considered.

➢ The result fully depends on the information given by the respondents which may be based.

### 2.1 REVIEW OF LITERATURE

Menon, A. (2020), the primary objective of the study is to identify investor preference for different assets during normal market conditions and during or after black swan, events and to identify the preference of investor amongst various gold instruments. The methodology used for research is analytical which is based on primary as well as secondary data, the primary data was collected from 105 respondents residing in India. A structured questionnaire was prepared by Google forms and circulated. Secondary research is carried out based on secondary sources of data collected from reliable sources such as the world Global Council reports and from the website of Bloomberg, economic times and Live Mint. The ranking technique of Garrett has been utilised in this study. This study on review of the existing literature on the subject suggested that investor preference for various asset classes during normal market conditions and black swan event like covid-19. The finding shows that during normal market conditions a majority of investors preferred to invest in high risk and high return instruments like stocks and mutual funds. While during black swan events majority of investors refer to invest in low-risk instruments like Bank deposits and gold. This leads to conclusion that majority of investors have a risk averse attitude during difficult market conditions.

**Santhi, M. (2013),** to know the perception on investment towards gold as the investors invest the avenue in Madurai city. The present study is based on both primary and secondary data. The primary data was collected from respondents and the secondary data from published resources. Both the data were analysed by employing the percentile analysis and mean scores of five-point scale. It is a wellknown fact that gold is an unproductive asset. There is no way to actually value gold other than to compare it with other asset classes. The price of gold, in dollar terms has fallen 12-15 percent in last 6 months. This is the largest period of continuous decline in 16 years.

**Lahoti, J. H. (2017),** the purpose of the study is. To study the factors influencing the choice of investment in gold. To study about the various options available to investor while investing in gold. To identify the reasons for not to invest in gold. To know about the risk options in physical gold and other gold investment options. The methods used in this study are both descriptive and analytical in nature. The data required for the preset study were collected both from the primary as well as from the secondary source. The primary data had been collected from the respondents in the study area directly by using a well-designed interview schedule. The secondary data are collected from magazine, journals, articles, newspapers, booklets etc. The research gives better understanding of investor's attitude and awareness regarding gold investment decisions and shows where currently physical gold's position among the other gold investment instruments is Investor's go through an information search and market analysis before making the gold investment decision.

**Paranjpye, R., & Raghuvanshi, A. A. B. (2020)**, the goal is to study various modes of investment in gold and evaluate the perception of consumers for investing in gold in India. In this research primary and secondary data has been collected. For primary data questionnaire was prepared to know about the age, gender, saving ratio, awareness about gold funds, and reason for investment. To analyse the data various tools are used such as sums, percentage, charts for the quantitative data analysis. The following research conclude that gold is a precious commodity, most popular as an investment and it has sentimental values in India, various options in gold investment are physical gold, gold ETFs and e-gold, and government also announced various schemes such as gold monetization scheme, gold sovereign bonds etc.

**Nagaramyakiran, D. C. (2022),** the objective of this study is to know the socio-economic profile of other respondents and to analyse perception towards gold jewellery in Hyderabad. This study is both descriptive and analytical in nature which covers both primary and secondary data. Primary data is structured through questionnaire and secondary through magazines, journals etc. The suggestion regarding to this this research would be that, The Retailers must create awareness regarding the gold jewellery and try to attract the customers.

**Xavier, A. J., & Kamalam, G. (2016),** the aim of research is to identify the factors influencing consumer's perception towards gold jewellery. The study is both descriptive and analytical in nature. It covers both primary and secondary data. The research analysed through chi square test, Garrett ranking, percentage is used throughout the research. This research concludes that the behaviour on gold jewellery purchase in Sivakasi played a significant role. Gold is leading on the list of investments and value. Gold has resale value and this creates gold a great benefit and great asset value to the buyer. So, this makes gold jewellery a gentle of art in India.

**Joseph, J. K. (2014)**, the goal of research is to analyse the consumer behaviour towards branded Jewellers, small dealers, reputation, shop Ambiance and evaluate the influence of purity of gold, price of gold, influence of advertisement in Kerala. The study was conducted through primary data. It was collected from people living in the Northern, Central, Southern parts of the state, to analyse the data various Statistical Techniques are used such as percentage, ranking, arithmetic mean, standard error of mean etc., is used. This research analyses the difference between small and branded jewellers and it suggest to small dealers to bring professionalism in their business and try to identify, offer those facilities to attract customers through improve its premises, customer service, try to earn more reputation among the customer by adopting appropriate strategies.

**Hundal, B. S., Grover, S., & Bhatia, J. K. (2013)**, the objective of the study the perception of retail investors towards purchase of gold. The present study is mainly based on primary data collected from around 183 respondents from Punjab Region. These respondents were interviewed through a pretested, well-structured questionnaire which was administered personally. Convenient and judgmental sampling method has been used keeping in view the socio-economic characteristic. The perception of retail investors towards purchase of gold in the present scenario has been worked out with the help of questionnaire in this study. The results of factor analysis revealed that variables like profitability, tax aversion, future prospect, time value of money etc. motivates a retail investor to purchase gold as an investment. The purpose for buying gold has clearly come out through the survey

**Sindhu (2013)** stated that in India, gold was one of the foundation assets for households in the form of Investments. It was viewed as secure, liquid investments.

**Shobhana and Jayalakhmi (2009)** revealed that real estate, bank deposit and jewellery were the preferred investment for Indians.

**Lewellen et.al. (1977)** found that age, gender, income and education affected investors' preferences and attitudes towards investment decision based on their investment objectives.

**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.

**Gurunathan and Muniraj (2012)** revealed that jewellery investment is an unstabilizing activity and it also showed that gold jewellery is the prime avenue for investment followed by Silver, Diamond and other platinum jewellery.

**SenthilRaghavan, A., Ahmed, N. Nisar (2012)**, explains that The Indian households are investing more than any other country because they have a strong desire to save. India remains the cornerstone of the global gold physical market.

**Gurgun, Gozde, et.al. (2014)**, state that gold has the hedge and safe haven properties in advanced economies, financial markets. The results of the study also hold in the post-2008 crisis period. During times of extreme losses in equity markets, gold acts as a safe haven in more countries for both domestic and foreign investors.

**Dr. Sindhu (2014)** mentioned that gold is preferred as one of the major investment options especially by the Indian investors. In India, gold is one of the foundation assets for Indian households in the form of investment. It is viewed as secure, liquid investment.

**Eric Sepanek (2014),** stated factors influencing gold prices World events often have an impact on the price of gold because gold is viewed as a source of safety amid economic or geopolitical tumult. Because gold prices tend to rise when people lack confidence in governments or financial markets, it often gets called a 'crisis commodity'.

**Baber, Preranaet.al. (2013)** stated that the gold prices during last decade have been increased by nearly 900%. "Gold has been mesmerizing humankind ever since its discovery. It is one of the most precious metals found till date and also the most liquid asset too. Gold is backbone of all economies

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since its inception.

**Bapna, Ira, et.al. (2012)**, concluded that in contemporary scenario, increase in oil demand depicts increased imports, and stronger inflation which, in turn, requires gold conservation. Volatilities and changes in macroeconomic variables are likely to have an impact on gold prices and vice-versa.

**David, Hillier et.al. (2006)**, states that precious metals have low correlations with stock index returns, which suggest that these metals may provide diversification within broad investment portfolios. All three precious metals, gold, silver and platinum, have some hedging capability, particularly during periods of "abnormal" stock market volatility. Financial portfolios that contain precious metals perform significantly better than standard equity portfolios.

**Umakalyani, B. (2016)** states that Saving of the individual are invested in assets depending on their risk and return demands, safety money, liquidity, the various alternatives available for investment in gold through options like jewelry, coins, bullions, ETF, mutual funds, E-gold etc. Many investors still prefer jewelry, gold coins and gold bullion bars forms of investment and prefer to invest in ETF and Futures and options which gives more profit and easy form of investment.

**Singh, P. K. (2016)**, found that according to investor's perception risk level is different in case of investment in gold and equity. Investor's preference level is different for gold and equity. People prefer to invest in gold either at the time of marriage or for gift purpose or if they don't have knowledge about equity and they adopt traditional mode of investment.

**Shanthi, G., Murugesan, R. (2016)**, states that the investors expect more returns with relatively lesser risks. Investors are investing their money with the different objectives such as profit, security, appreciation and Income stability. Salaried women employees considered the safety as well as high return on investment on regular basis. Most of the investors have made their investment in Gold followed by bank deposits. Lokhande,

## 3.1 RESEARCH METHODOLOGY

### 3.1.1 RESEARCH DESIGN

A research design is considered as the framework or plan for a study that guides as well as help the data collections and analysis of data.

### 3.1.2 DESCRIPTIVE RESEARCH DESIGN

Descriptive research design is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

### 3.1.3 SAMPLING TECHNIQUES

Convenience sampling method A Convenience sample is one of the main types of non-probability sampling methods. This method is used when the part of the population is close to hand. Convenient sampling method is used to select sample and collect the data needed.

### 3.1.4 SOURCE OF DATA

There are two different types of data that are adopted for a project. They are primary and secondary data.

- **PRIMARY DATA**

O Primary data which is collected by using structured questionnaire.

- **SECONDARY DATA**

O Secondary data are collected from magazines, journals, Articles, Newspapers, books and other data that are available online.

### 3.1.5 STRUCTURE OF QUESTIONNAIRE

The Questionnaire basically has two main types of questions and they are open ended or open questions and closed ended or closed questions. Open ended questions are answered as respondents' willingness to answer as they wish. Closed ended questions are answered with a provided list of options. In this study, most of the closed ended questions are with likert scale type of options.

### 3.1.6 SAMPLE SIZE

The sample size of a study is the total number of samples that are selected from the sample unit using which the data are collected. The sample size of the study is 100.

### 3.1.7 TOOLS USED

The analytical tools used are percentage analysis, chart and diagram,

### 4.1 DATA ANALYSIS AND INTERPRETATION

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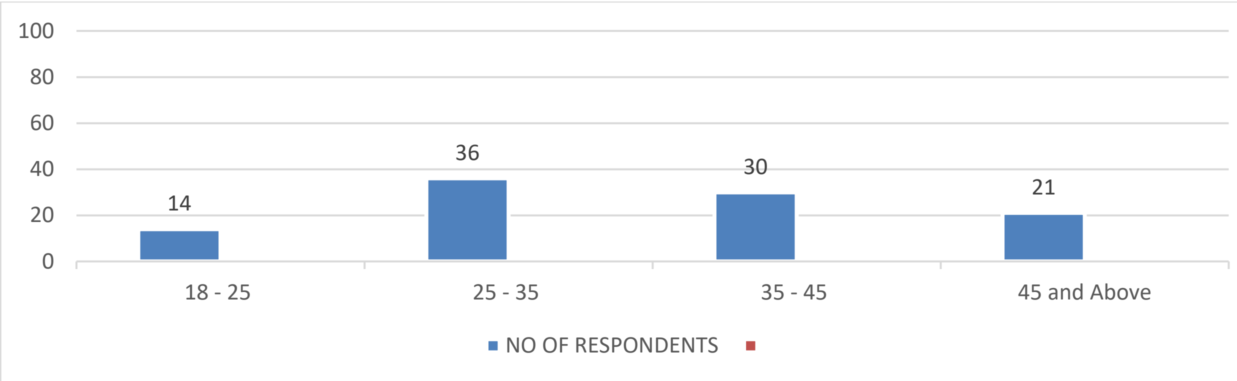
### 4.1.1 AGE OF THE RESPONDENTS

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| 18-25 | 14 | 14 |
| 25-35 | 36 | 36 |
| 35-45 | 30 | 30 |
| 45 and above | 21 | 21 |
| **Total** | **100** | **100** |

*Source: primary data*




**Interpretation**

From the above table it is interpreted that the number of respondents between 18- 25 is 14%, 25-35 is 36%, 35-45 is 30%, 45 and above is 21%.

**Inference**

Majority (36%) of the respondents fall in the age category of 25-35 years.

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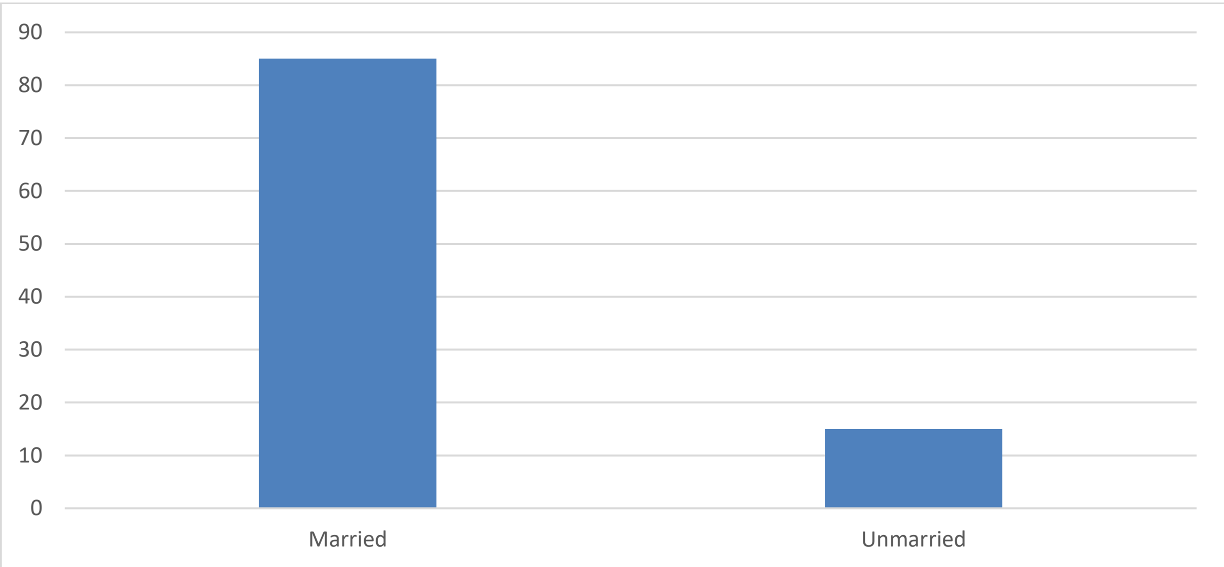
### 4.1.2 MARITAL STATUS OF THE RESPONDENTS

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| Married | 85 | 85 |
| Unmarried | 15 | 15 |
| **Total** | **100** | **100** |

***Source: Primary data.***




**Interpretation**

From the above table it is interpreted that the number of respondents were 85% in married, 15% in unmarried.

**Inference**

Majority (85%) of the respondents are married.

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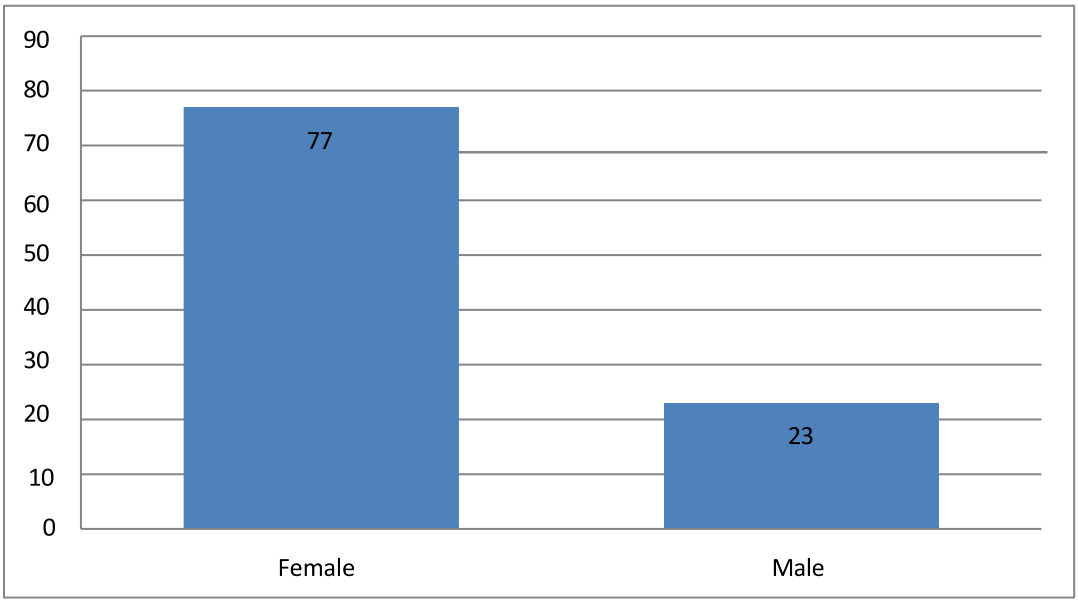
### 4.1.3 GENDER OF THE RESPONDENTS

| **Particulars** | **No. of Respondents** | **Percentage** |
|---|---|---|
| Female | 77 | 77 |
| Male | 23 | 23 |
| **Total** | **100** | **100** |

***Source: Primary data***




**Interpretation**

From the above table it is interpreted that the number of female respondents is 77% and male respondent is 23%.

**Inference**

Majority (77%) of the respondents are female.

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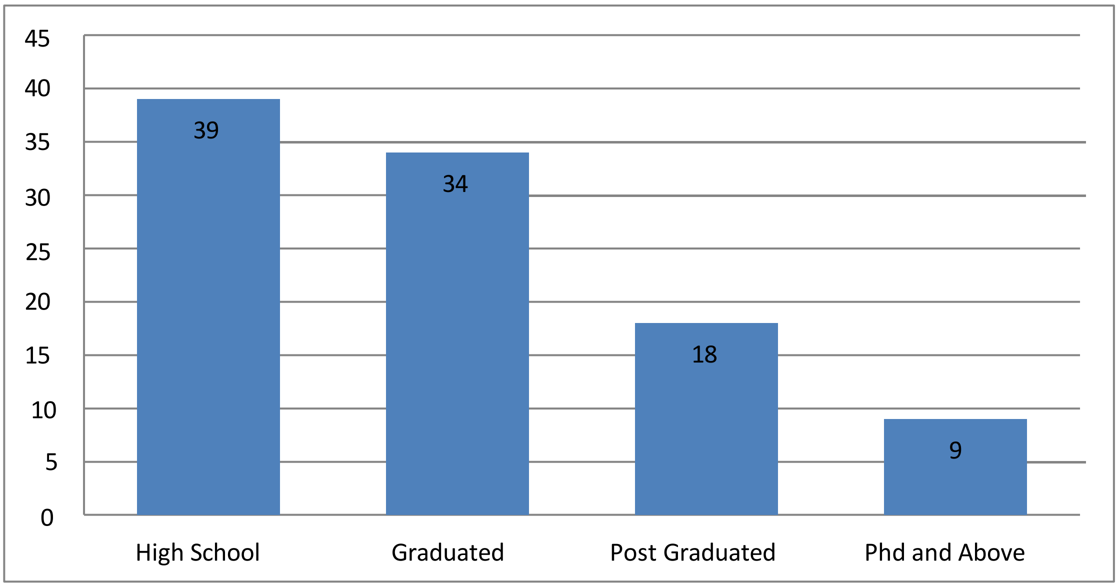
### 4.1.4 QUALIFICATION OF THE RESPONDENTS

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| High School | 39 | 39 |
| Graduated | 34 | 34 |
| Post Graduated | 18 | 18 |
| Phd and Above | 9 | 9 |
| **Total** | **100** | **100** |

**Source: Primary data**




**Interpretation**

From the above table it is interpreted that the number of respondents graduated is 34%, high school is 39%, phd and above is 6%, other is 3%.

**Inference**

Majority (39%) of the respondents are high school.

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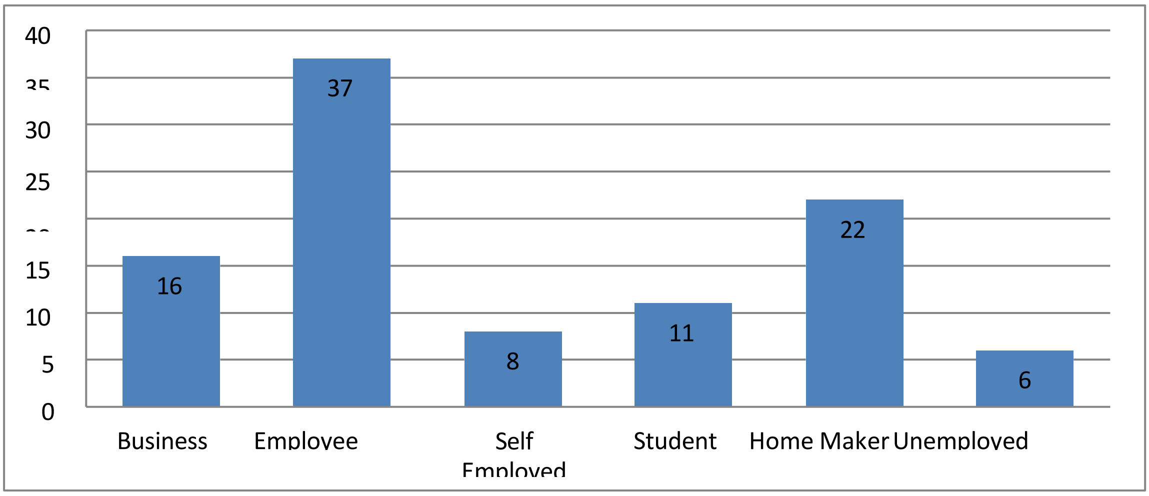
### 4.1.5 OCCUPATION OF THE RESPONDENTS

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| Business | 16 | 16 |
| Employee | 37 | 37 |
| Self Employed | 8 | 8 |
| Student | 11 | 11 |
| Home Maker | 22 | 22 |
| Unemployed | 6 | 6 |
| **Total** | **100** | **100** |

**Source: Primary data**




**Interpretation**

From the above table it is interpreted that the number of respondents were 16% is business,37% is employee, 8% is self-employee, 11% is student, 22% is homemaker, 6% is unemployed.

**Inference**

Majority (37%) of the respondents are employee.

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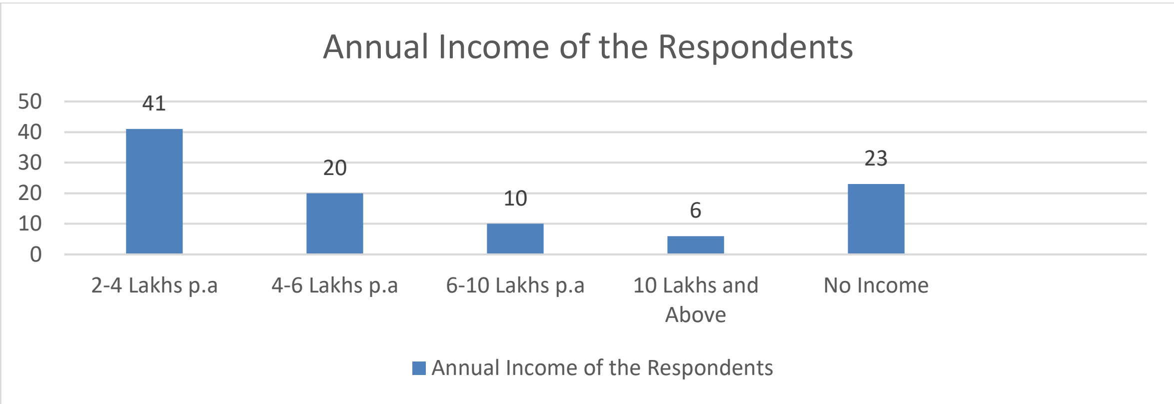
### 4.1.6 ANNUAL INCOME OF THE RESPONDENTS

| **Particulars** | **No. of Respondents** | **Percentage** |
|---|---|---|
| 2-4 Lakhs p.a | 41 | 41 |
| 4-6 Lakhs p.a | 20 | 20 |
| 6-10 Lakhs p.a | 10 | 10 |
| 10 Lakhs and Above | 6 | 6 |
| No Income | 23 | 23 |
| **Total** | **100** | **100** |

***Source: Primary data***




**Interpretation**

From the above table it is interpreted that the number of respondent 2-4 lakhs p.a is 41%, 4-6 lakhs p.a is 20%, 6-10 lakhs p.a is 10%, 10 lakhs and above is 6%, no income is 23%

**Inference**

Majority (41%) of the respondents are in 2-4 lakhs p. a.

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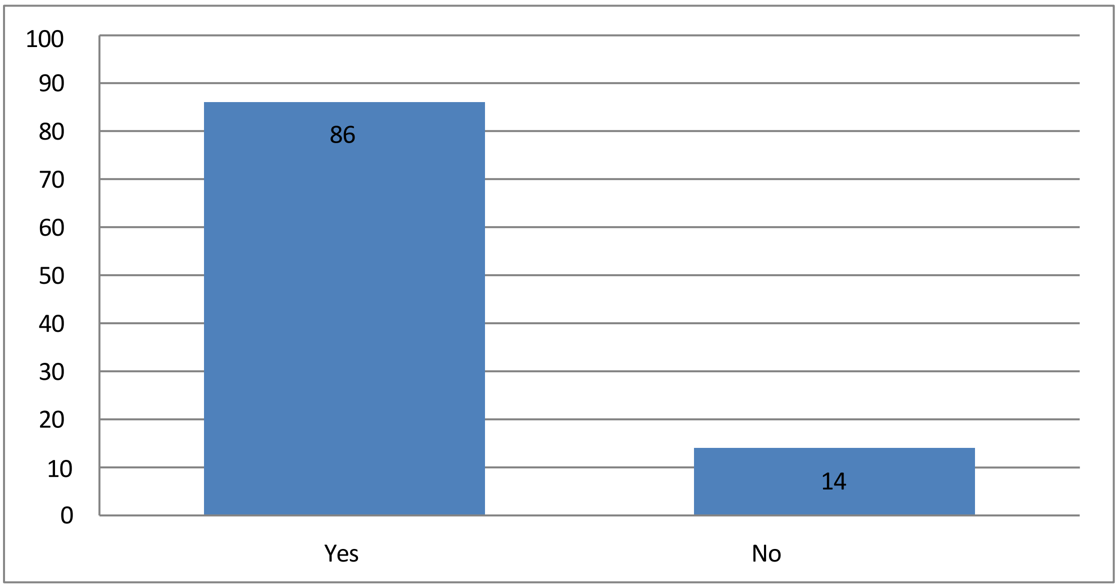
### 4.1.7 NUMBER OF RESPONDENTS INVESTED IN GOLD

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| Yes | 86 | 86 |
| No | 14 | 14 |
| **Total** | **100** | **100** |

***Source: Primary data***




**Interpretation**

From the above table it is interpreted that the 86% of respondent says yes,14% says No.

**Inference**

Majority (86%) of the respondents invested in gold.

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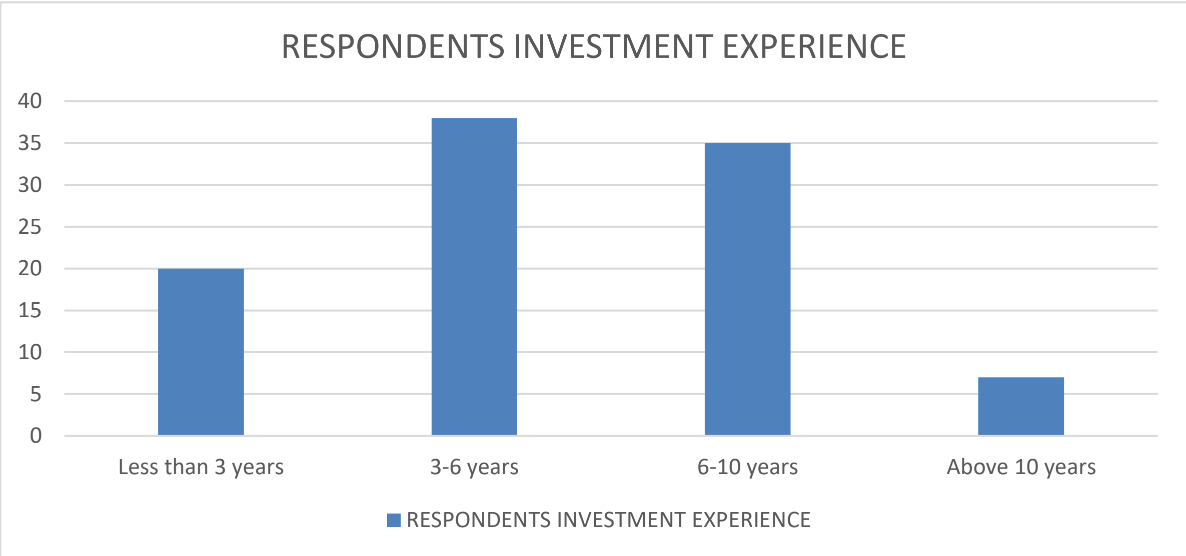
### 4.1.8 RESPONDENTS INVESTMENT EXPERIENCE

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| Less than 3 years | 20 | 20 |
| 3-6 years | 38 | 38 |
| 6-10 years | 35 | 35 |
| Above 10 years | 7 | 7 |
| **Total** | **100** | **100** |

**Source: Primary data**




**Interpretation**

From the above table it is interpreted that the number of respondents experience is less than 3 years is 20%, 3-6 years is 38%, 6-10 years is 35%, above 10 years is 7%.

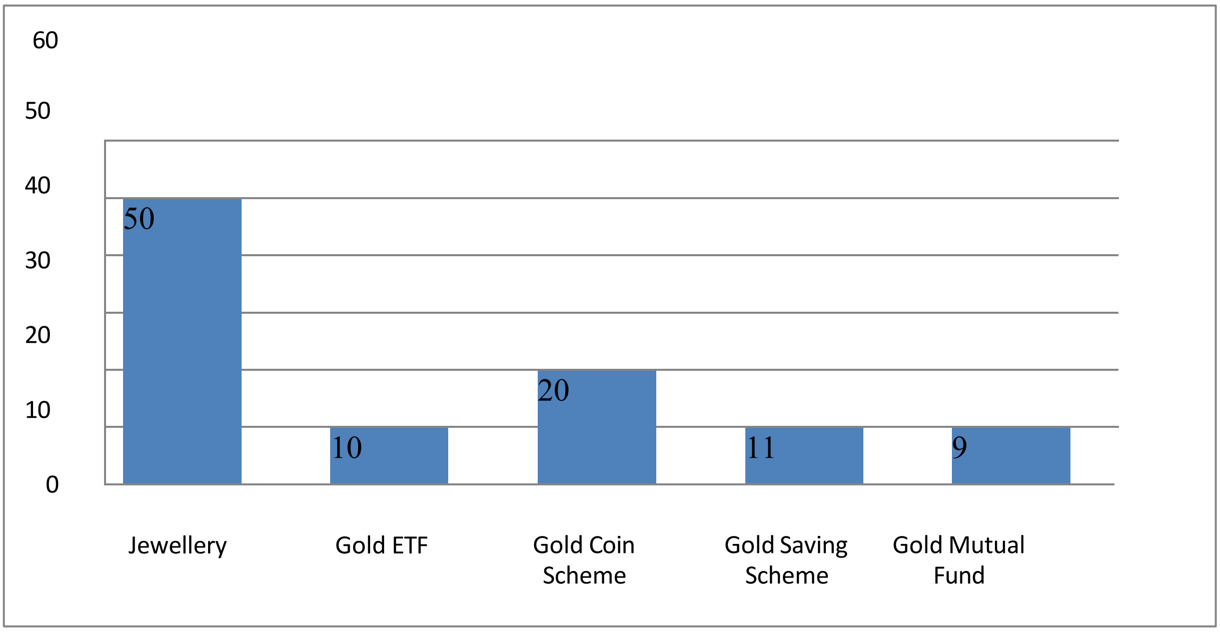
**Inference**

Majority (38%) of the respondents are in 3-6 years' experience.

### 4.1.9 RESPONDENTS PREFERRED WAY OF INVESTMENT IN GOLD

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| Jewellery | 50 | 50 |
| Gold ETF | 10 | 10 |
| Gold Coin Scheme | 20 | 20 |
| Gold Saving Scheme | 11 | 11 |
| Gold Mutual Fund | 9 | 9 |
| **Total** | **100** | **100** |

Source: Primary data




**Interpretation**

From the above table it is interpreted that the 50% of respondent says jewellery, 10% says gold EFT, 20% says gold coin scheme, 11% says gold scheme saving, 9% says gold mutual fund.

**Inference**

Majority (50%) of the respondent prefer in jewellery.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

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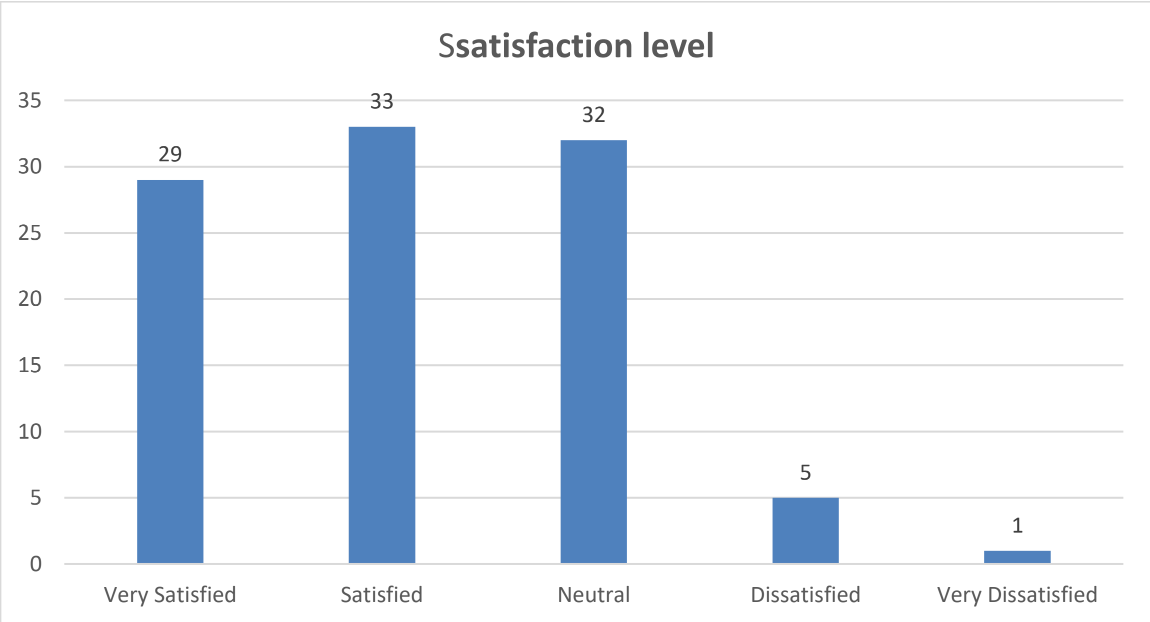
### 4.1.10 RESPONDENTS SATISFACTION LEVEL BY INVESTING IN GOLD

| Particulars | No. of Respondents | Percentage |
|---|---|---|
| Very Satisfied | 29 | 29 |
| Satisfied | 33 | 33 |
| Neutral | 32 | 32 |
| Dissatisfied | 5 | 5 |
| Very Dissatisfied | 1 | 1 |
| **Total** | **100** | **100** |

***Source: Primary data***




**Interpretation**

From the above table it is interpreted that the number of respondents very satisfied is 29%, satisfied is 33%, neutral is 32%, dissatisfied is 5%, very dissatisfied is 1%.

**Inference**

Majority (33%) of the respondents are satisfied with gold investment.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 7, No. 04 July-Aug; 2025 Page. No. 403-424

## CHAPTER 5

## FINDINGS, SUGGESTIONS AND CONCLUSION

### FINDINGS

- 36% of the respondents fall in the age category of 25-35 years.
- 85% of the respondents are married.
- 77% of the respondents are female.
- 39% of the respondents are high school.
- 37% of the respondents are employee.
- 41% of the respondents are in 2-4 lakhs p. a.
- 86% of the respondents invested in gold.
- 38% of the respondents are in 3-6 years' experience.
- 50% of the respondent preffer in jewellery.
- 32% of the respondents are highly satisfied with high retur

### SUGGESTIONS

- The investors are not aware of various forms of gold namely gold accounts, EFT's, gold bullion which yields a high amount of return comparatively to that of physical form of gold. Hence awareness should be created.
- It is suggested for investors to purchase gold jewellery with the known jewellery makers or the standard retail outlets where making charges are comparatively lower.
- Purchasing gold bullion or gold coins attracts service tax and at the time of selling will not get good returns. It is suggested for investors not to purchase gold coins or gold bullions for shorter period. Holding gold coin or bullion for longer period is suggestible.
- It is suggestible for investors to invest in gold ETF where possibilities of loss are limited. EFT's are available at easy and it does not need to high knowledge as it is very easy trading mechanism.
- It is suggestible for investors to go through offer documents, scheme objectives, Performance analysis through experts before investing in gold mutual funds.

### CONCLUSIONS

There are various investment options available to the investors namely securities, real estate, bank deposits, commodity exchange and mutual funds, Gold has been considered as the most preferred investments due to its high liquidity and profitability. Investors are now looking beyond gold as merely a commodity for consumption and are realizing its worth as an investment avenue too. Investments in gold have yielded consistent and assured returns, especially in volatile times. The research gives better understanding of investors perception, factors influencing investors to invest in gold and awareness regarding risk involved in gold investment. Research showed that the investors are not aware of various forms of gold namely gold accounts, EFT's, gold bullion which yields a high amount of return comparatively to that of physical form of gold. Hence awareness should be created.

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