

## A STUDY ON INVESTMENT OPTIONS TO INVESTORS IN FINANCE COMPANIES: JP MORGAN

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### ABSTRACT

Investment plays a vital role in wealth creation, financial security, and economic development. The increasing availability of investment avenues has provided investors with numerous opportunities to allocate their savings according to their risk appetite and return expectations. This study focuses on analysing the investment options preferred by investors in finance companies, with special reference to JP Morgan. The primary objective of the study is to understand investor behaviour, investment preferences, risk-taking capacity, and factors influencing investment decisions. The study also examines the awareness level of investors regarding different investment products and the role of financial advisors in shaping investment choices. The research adopts a descriptive research design and utilizes both primary and secondary data. Primary data were collected through a structured questionnaire administered to 240 respondents selected using a simple random sampling technique. Secondary data were gathered from journals, books, reports, websites, and financial publications. Statistical tools such as percentage analysis were used to interpret the collected data. The findings reveal that investors prefer investment avenues that offer safety of principal, moderate returns, and lower risk. Government-backed investment schemes are more preferred than private sector investments due to their perceived security and reliability. The study further indicates that most investors possess moderate risk-taking capacity and rely significantly on family members, friends, and social media for investment-related advice. The results demonstrate that demographic factors such as age, income, occupation, and savings pattern significantly influence investment behaviour. Investors are increasingly becoming aware of modern investment products; however, risk perception remains a major determinant in investment decision-making. The study concludes that financial institutions should focus on investor education, personalized financial planning, and innovative investment products to attract a wider investor base. Effective awareness programs and financial literacy initiatives can further enhance investor confidence and promote informed investment decisions.

**Keywords:** Investment Options, Investor Behaviour, Risk Perception, Financial Planning, JP Morgan, Investment Decisions, Finance Companies, Savings Pattern, Financial Literacy, Investment Preferences.

### I. INTRODUCTION

Investment is the process of allocating financial resources with the expectation of generating future returns and enhancing wealth over time. It plays a crucial role in the economic growth of individuals as well as nations by facilitating capital formation and efficient utilization of resources. The modern financial system offers a wide range of investment opportunities including equities, mutual funds, fixed deposits, bonds, insurance products, government securities, real estate, and gold. Investors select investment avenues based on factors such as risk

tolerance, expected return, liquidity, tax benefits, and investment horizon. The rapid growth of financial markets and technological advancements have transformed the investment landscape, making financial products more accessible to retail investors. Financial institutions such as JP Morgan provide diversified investment services that cater to the varying needs of investors. Understanding investor behaviour has become increasingly important as investment decisions are influenced by demographic, psychological, and economic factors [1]. Investor awareness significantly affects investment choices and portfolio diversification [2]. Risk-return trade-off remains a fundamental principle in investment management [3]. Financial literacy enhances investment efficiency [4]. Investment behaviour varies across age groups [5]. Income levels influence investment preferences [6]. Investor confidence affects market participation [7]. Diversification minimizes portfolio risk [8]. Financial planning promotes wealth accumulation [9]. Technological innovation has improved investment accessibility [10]. Mutual funds have gained popularity among retail investors [11]. Government-backed securities remain preferred among conservative investors [12]. Market volatility impacts investment decisions [13]. Investment knowledge enhances decision quality [14]. Behavioural biases influence investor choices [15].

The growing complexity of financial markets necessitates a comprehensive understanding of investor preferences and decision-making patterns. Financial institutions continuously introduce innovative products to meet changing investor expectations and market conditions. Investors seek investment avenues that provide a balance between safety, liquidity, and profitability. In developing economies, investment behaviour is often shaped by social influences, economic conditions, and financial awareness. The role of advisory services has become significant in assisting investors to make informed decisions and manage risks effectively. JP Morgan, as a leading global financial institution, offers a broad spectrum of investment services designed to maximize investor value. Understanding the factors that influence investment decisions helps financial institutions develop customer-centric products and strategies. Investor perception influences portfolio allocation [16]. Risk tolerance differs among demographic groups [17]. Investment objectives determine asset selection [18]. Financial advisors improve investment outcomes [19]. Economic conditions affect investor sentiment [20]. Market information enhances investment confidence [21]. Savings habits influence investment capacity [22]. Return expectations drive investment behaviour [23]. Investor education promotes rational decisions [24]. Social media influences financial awareness [25]. Inflation affects investment planning [26]. Portfolio diversification improves performance [27]. Long-term investments create sustainable wealth [28]. Financial inclusion expands investment participation [29]. Effective investment strategies enhance financial security [30].

## II. LITERATURE REVIEW

Several researchers have examined investor behaviour and investment preferences across different financial markets. Prasanna P. K. reported that corporate performance significantly influences investment decisions and attracts investors toward financially sound companies [1]. Deleep Kumar and Deyanandan highlighted the importance of investor confidence in capital market participation [2]. Ramakrishna Reddy and Krishnudu found that investors are more familiar with traditional investment avenues than modern financial instruments [3]. Logeshwari and Ramadevi emphasized the role of commodity markets in wealth creation and risk management [4]. Walia and Kiran observed that mutual funds are increasingly designed to satisfy varying investor risk appetites

[5]. Mishra and Bhatnagar identified derivatives as effective tools for managing financial risks [6]. Vashishtha and Kumar emphasized the growing importance of derivatives in emerging markets [7]. Dorn highlighted the significance of professional financial advice in complex investment decisions [8]. Nicolaus reported that retail derivatives support advanced investment and hedging strategies [9]. Kabra et al. identified security and return as primary determinants of investment behaviour [10]. Gupta emphasized the growth of Indian capital markets and investor participation [11]. Rajamohan highlighted the importance of financial knowledge in investment decision-making [12]. Chen and Tsai found that age, income, and education influence risk tolerance [13]. Chou et al. demonstrated that investors choose products based on risk-return preferences [14]. Liu et al. reported that experienced investors make more sophisticated portfolio decisions [15].

Recent studies have further explored the relationship between investor characteristics and investment outcomes. Suvanam and Trivedi emphasized the importance of derivatives in enhancing market liquidity and price discovery [16]. Sathish et al. found that socio-economic factors significantly influence investment preferences [17]. Gupta et al. observed that safety and return are more important than liquidity in investment decisions [18]. Saravanakumar et al. noted that investors prefer cash markets due to lower perceived risk [19]. Bansal et al. evaluated mutual fund performance using risk-adjusted measures [20]. Veeraiah and Kumar reported that mutual funds outperform naïve investment approaches [21]. Mehta highlighted the growing significance of tax-saving mutual funds among investors [22]. Surender Kumar Gupta and Bansal analysed debt mutual fund schemes and their risk-return characteristics [23]. Vanaja and Karrupasamy emphasized performance evaluation as a tool for investment selection [24]. Markowitz introduced portfolio diversification theory [25]. Sharpe developed the Capital Asset Pricing Model [26]. Fama proposed the Efficient Market Hypothesis [27]. Kahneman and Tversky introduced Prospect Theory explaining investor biases [28]. Barber and Odean studied behavioural influences on investment decisions [29]. Pompian highlighted the role of behavioural finance in portfolio management [30]. Collectively, these studies indicate that investor behaviour is influenced by financial literacy, demographic factors, risk perception, and market conditions.

### III. RESEARCH METHODOLOGY

The study adopts a descriptive research design to analyse the investment preferences and behaviour of investors with reference to JP Morgan. Both primary and secondary data sources were utilized to ensure comprehensive analysis. Primary data were collected through a structured questionnaire distributed among investors. The questionnaire consisted of demographic details, investment preferences, risk perception, savings habits, and factors influencing investment decisions. Secondary data were obtained from journals, books, annual reports, websites, financial magazines, and research publications related to investment behaviour and financial markets. A simple random sampling technique was employed to select respondents, ensuring equal opportunity for participation. The total sample size consisted of 240 respondents. The study focused on understanding investment patterns across different demographic categories including age, gender, occupation, income level, and savings behaviour.

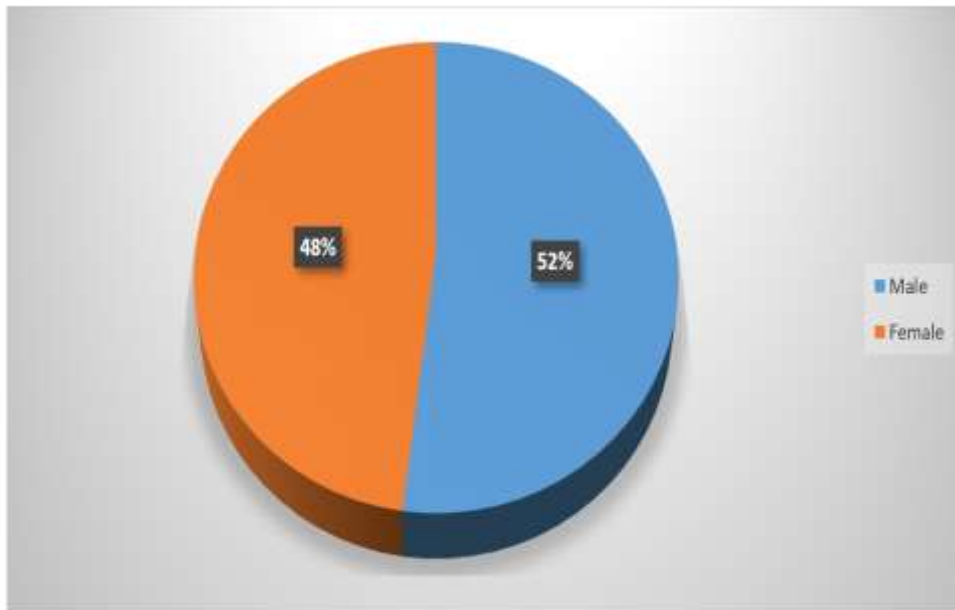
Data collected from respondents were classified, tabulated, and analysed using statistical tools. Percentage analysis was primarily used to identify trends and patterns in investor preferences. Descriptive statistical

techniques were employed to interpret demographic characteristics and investment behaviour. Variables such as risk-taking capacity, investment objectives, sources of financial advice, and sector preferences were analysed to understand investor decision-making processes. The findings were presented using tables, charts, and graphical representations for better interpretation. The methodology enabled the identification of major factors influencing investment choices and provided valuable insights into investor attitudes towards financial products offered by finance companies. The study ensures reliability and validity through systematic data collection and structured analysis procedures.

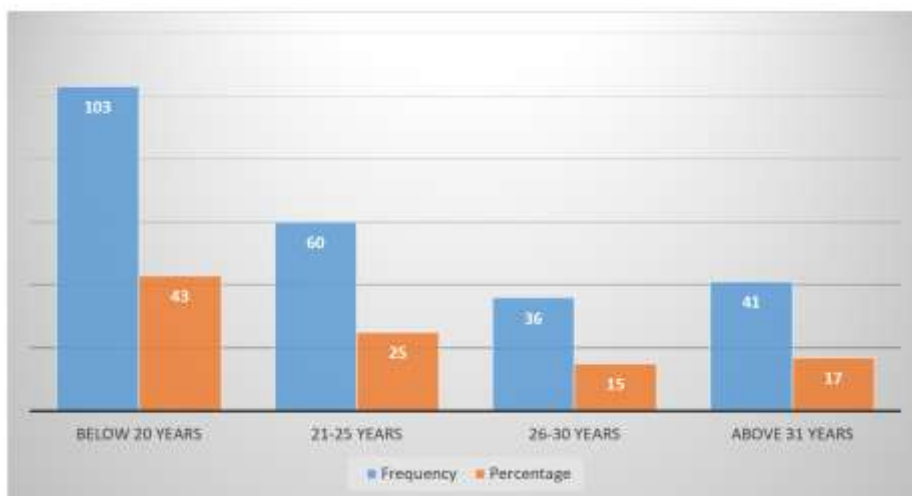
## IV. RESULTS & DISCUSSION

The analysis reveals that male respondents constituted 52% of the sample, while female respondents represented 48%, indicating relatively balanced participation among investors. A significant proportion of respondents belonged to younger age groups, suggesting greater interest in investment activities among younger individuals. The majority of respondents were salaried employees, followed by self-employed individuals. Most respondents reported monthly incomes below ₹20,000, highlighting the importance of affordable and low-risk investment products. Savings behaviour analysis showed that a substantial proportion of respondents saved between 10% and 20% of their monthly income. The findings indicate that savings habits directly influence investment capacity and participation in financial markets. Furthermore, a majority of respondents did not seek professional financial advice, relying instead on personal judgment and informal information sources.

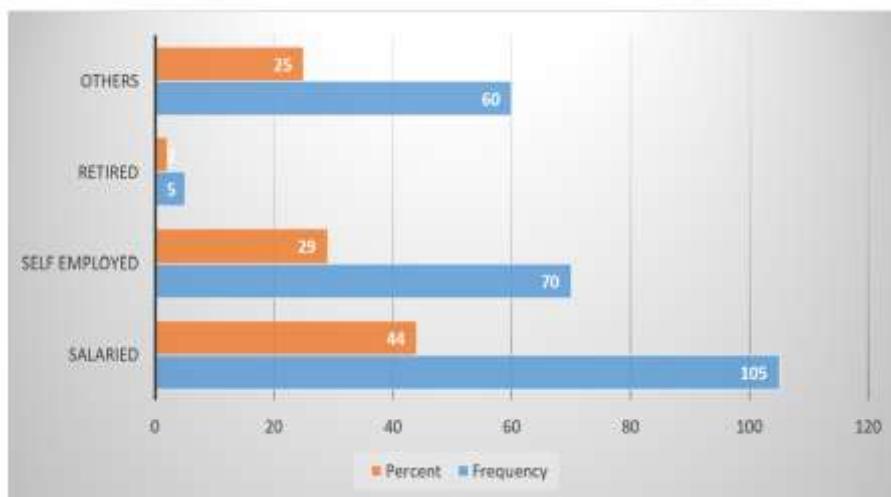
S.No	Gender	Frequency	Percentage
1	Male	125	52
2	Female	115	48
TOTAL		240	100



S.No	Age	Frequency	Percentage
1	Below 20 Years	103	43
2	21-25 Years	60	25
3	26-30 Years	36	15
4	Above 31 Years	41	17
Total		240	100

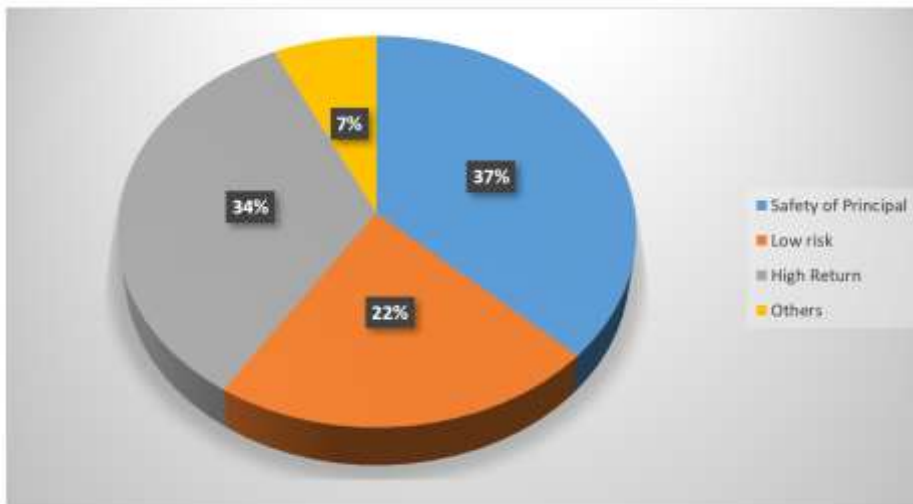


Occupation	Frequency	Percent
Salaried	105	44
Self Employed	70	29
Retired	5	2
Others	60	25
Total	240	100

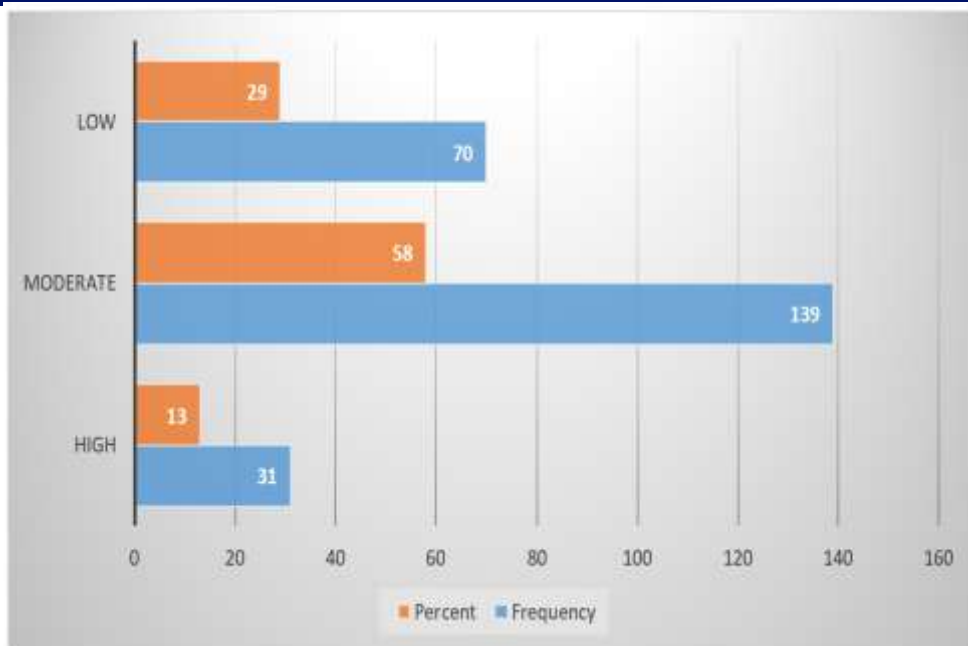


Investment preference analysis revealed that government-sector investment options were slightly more preferred than private-sector alternatives due to their perceived safety and reliability. Safety of principal emerged as the most important factor influencing investment decisions, followed by high returns and low risk. Most respondents exhibited moderate risk-taking capacity, indicating a preference for balanced investment portfolios. Family members and friends were identified as the primary sources of investment advice, followed by social media platforms. These findings suggest that social influence plays a critical role in shaping investor behaviour. The results also indicate that investor awareness and financial literacy significantly affect investment decisions. Financial institutions such as JP Morgan can leverage these insights to design customer-oriented investment products, improve financial education initiatives, and provide personalized advisory services to enhance investor participation and satisfaction.

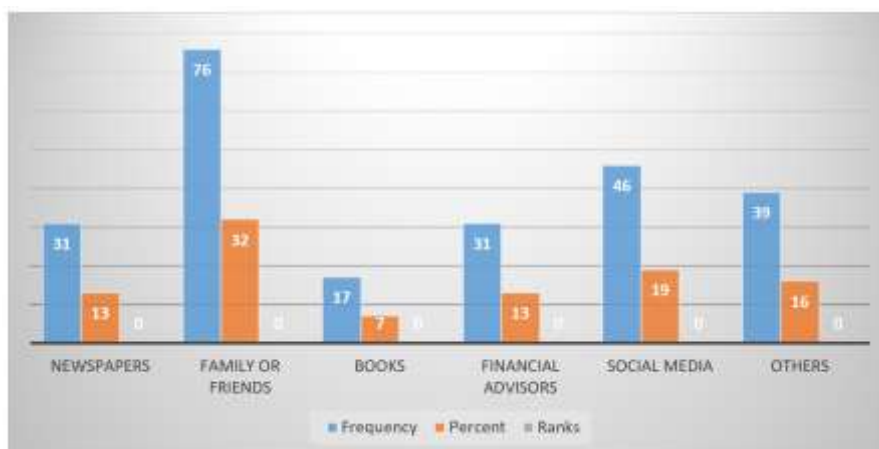
Factor	Frequency	Percent
Safety of Principal	89	37
Low risk	53	22
High Return	81	34
Others	17	7
Total	240	100



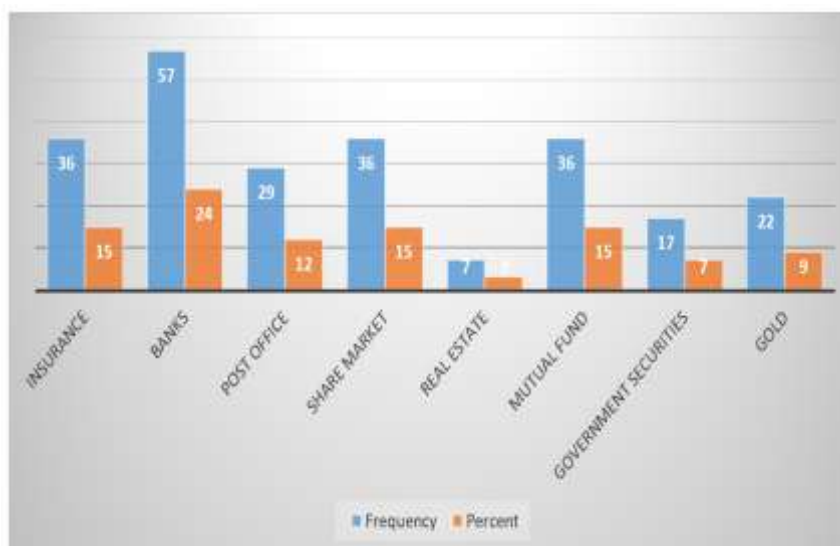
Risk taking Capacity	Frequency	Percent
High	31	13
Moderate	139	58
Low	70	29
Total	240	100



Respondent	Frequency	Percent	Ranks
Newspapers	31	13	V
Family or friends	76	32	I
Books	17	7	VI
Financial advisors	31	13	IV
Social Media	46	19	II
Others	39	16	III
Total	240	100	



Investment	Frequency	Percent
Insurance	36	15
Banks	57	24
Post Office	29	12
Share Market	36	15
Real Estate	7	3
Mutual Fund	36	15
Government Securities	17	7
Gold	22	9
Total	240	100



VARIABLES	Gender		F VALUE	P VALUE	Significance level
	MALE (Mean)	FEMALE(Mean)			
Shares	2.71	2.58	3.965	0.048	Significant**
Bonds	2.32	2.38	0.162	0.205	Not Significant
Debentures	2.28	2.21	1.227	0.270	Not Significant

## V. CONCLUSION

The present study examined the investment preferences, behaviour, and decision-making patterns of investors with special reference to JP Morgan. The findings reveal that investors are increasingly aware of various investment opportunities and demonstrate a growing interest in financial planning and wealth creation. However, safety of investment remains the foremost concern for most investors, followed by return expectations and risk considerations. Government-backed investment avenues continue to attract significant investor interest due to their perceived stability and security. The study also highlights the influence of demographic variables such as age, income, occupation, and savings patterns on investment decisions. Most investors exhibit moderate risk tolerance and prefer diversified investment portfolios that balance risk and return. Family members, friends, and social media serve as important sources of investment information, indicating the significance of social and informational influences in financial decision-making. The research further suggests that financial literacy and investor education are essential for promoting rational investment behaviour and enhancing participation in financial markets. Financial institutions should focus on providing transparent information, customized investment solutions, and effective advisory services to address the diverse needs of investors. JP Morgan and similar financial organizations can strengthen investor confidence through innovative products, digital platforms, and educational initiatives. Overall, the study concludes that informed investment decisions contribute significantly to financial well-being and long-term wealth creation. Continuous efforts toward improving investor awareness, financial inclusion, and access to professional guidance will support sustainable investment growth and enhance the effectiveness of financial markets.

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