ABSTRACT:

This paper examines the behavior of a professional investor from metropolis region (Mumbai) focused on the factors that drive the financial planning of an individual, it assesses the factors that surround the decision making of an individual with regards to influential factors like friends, media etc. and other factors that drive the investment decision. The study was carried out on professionals to check their investment portfolio and avenues invested by them with regards to the risk factor and return factors, the sample data received through interviews was 80 and was carried out in Mumbai. The study revealed that the financial planning of professional investors is majorly in fixed return investments, whereas most of the respondents did self-planning with references from friends and media for investment. We also derived that the financial planning done by professionals is not dependent to the education qualifications as per the responses received.

INTRODUCTION:

Financial planning can be defined as a comprehensive evaluation of someone's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. This often includes a budget which organizes an individual's finances and sometimes includes a series of steps or specific goals for spending and saving in the future. Many people believe that money-saving habits come from parents or caregivers. There are spenders and savers in the same families itself. There are three important factors that would affect financial planning are: lifestyle, personal and socio economic factors. For lifestyle with the average age of the working population, people in their 20s and early 30s have more disposable income to invest in long-term investments like mutual funds. For personal we have the planning of the futures like buying a 2nd home getting married etc. Social and economic policies can also influence your financial planning to a huge extent. These policies define how you create and maintain wealth, as well as how much you have to pay by way of essential expenditures, taxes and fees.

RESEARCH OBJECTIVE:

- Develop a smart savings habit
- Remind yourself that saving money is the key to developing financial security
- Know what drives your investment decision
- Know what is relative to the investment amount with relation to qualification of an individual investing
- Know if the Investment investors invest is dependent to their education qualification
- Know the implication of financial planning in professionals and the trends that help in the market to create
RESEARCH METHODOLOGY :-
The research paper is based on Descriptive research. Various statistical tools were used ranging from descriptive statistics, Chi-square test, t-test, p test etc.

a. Sampling Size: -
The Basic sampling procedure for the study, we have made the decision to carry out 80 respondents and they were selected on randomly within criteria that they should be professionals. The study was carried out in Mumbai as a small scale

b. Sampling Sample: -
Probability kind of sampling is used where it is known which if the units will be picked to be sampled, and where some of the units have a probability of being chosen.

c. Data type and Source :-
The data used includes primary sources collected through the collection of data from working professionals through Google forms, the secondary sources used are for creating the questionnaire and the process of executing the study

PROPOSED RESEARCH HYOPHTHESIS:
Based on the response received following hypothesis are formed to conduct test which include a p-test, t-test, chi-squared

I. Ho: Less that or equal to 50% of the respondents who does self-financial planning rely on friends / relatives as a source of investment decision.
   Ha: More than 50% of the respondents who does self-financial planning rely on friends / relatives as a source of investment decision (p test)

II. Ho: Average amount invested is higher in respondents who does self-planning than who rely on others to do financial planning.
    Ha: Average amount invested is not higher in respondents who do self-planning than who rely on others to do financial planning (t test)

III. Ho: Investment decision is Dependent of Qualification.
     Ha: Investment decision is Independent of Qualification (chi squared)
BASED ON THE RESEARCH  HYPOTHESIS FINDINGS ARE:

Hypothesis: I

Null hypothesis  Ho:µ ≤ 50%
Alternate Hypothesis  Ha: µ > 50 %
Test P test
Tail Right tail
Alpha Alpha 0.1
Probability Probability 0.9
Critical 1.28155157
Observed -0.4472136
P value 0.32736042
Alpha 0.1
Decision p>a Accept the Null

<table>
<thead>
<tr>
<th>n</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>x'</td>
<td>38</td>
</tr>
<tr>
<td>p</td>
<td>50%</td>
</tr>
<tr>
<td>p'</td>
<td>47.50%</td>
</tr>
<tr>
<td>q</td>
<td>50%</td>
</tr>
<tr>
<td>p'-p</td>
<td>(-2.50%)</td>
</tr>
<tr>
<td>sqrt((p'q)/n)</td>
<td>0.055902</td>
</tr>
</tbody>
</table>

Business Decision:

- The respondents who do financial planning rely less on friends and relatives as a source of investment decision
- This can be implied that an investor takes into consideration many other factors as an investment decision
The companies need to help the people understand that they can avail the benefits from financial planners as they can guide people for making people understand better avenues of financial planning.

**Hypothesis: II**

<table>
<thead>
<tr>
<th>Null hypothesis</th>
<th>Ho µ = 215506 mean amount invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternate Hypothesis</td>
<td>Ha µ ≠ 215506 mean amount invested</td>
</tr>
<tr>
<td>Test</td>
<td>t test</td>
</tr>
<tr>
<td>Tail</td>
<td>Two tail</td>
</tr>
<tr>
<td>Alpha</td>
<td>Alpha 0.1</td>
</tr>
<tr>
<td>Probability</td>
<td>Probability 0.9</td>
</tr>
<tr>
<td>Critical</td>
<td>1.28</td>
</tr>
<tr>
<td>Observed</td>
<td>-1.19</td>
</tr>
<tr>
<td>P value</td>
<td>0.12</td>
</tr>
<tr>
<td>Alpha</td>
<td>0.1</td>
</tr>
<tr>
<td>Decision</td>
<td>p &gt; a Accept the null</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>x'</th>
<th>187727.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>mu'</td>
<td>215506.3</td>
</tr>
<tr>
<td>x'-mu</td>
<td>-27779.1</td>
</tr>
<tr>
<td>sd</td>
<td>2.081783</td>
</tr>
<tr>
<td>sqrt n</td>
<td>8.944272</td>
</tr>
<tr>
<td>sd / sqrt n</td>
<td>0.23275</td>
</tr>
<tr>
<td>x'-mu</td>
<td>observed</td>
</tr>
<tr>
<td>sd / sqrt n</td>
<td>observed</td>
</tr>
</tbody>
</table>

**Business Decision:**

- The mean investment is higher in the group of investors doing self-planning than compared to those who rely on others to do financial planning.
- This implies the companies will have to strive harder to gain faith in investments.
Hypothesis: III

<table>
<thead>
<tr>
<th>Count of Your education qualification</th>
<th>Column Labels</th>
<th>Row Labels</th>
<th>C.A.</th>
<th>Doctor</th>
<th>Engineer</th>
<th>Lawyer</th>
<th>MBA</th>
<th>Others</th>
<th>TOTAL</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends/Relatives</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>8</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>27</td>
<td>34%</td>
</tr>
<tr>
<td>Media (News, Magazines, etc.)</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td>31</td>
<td>39%</td>
</tr>
<tr>
<td>Own analysis - Company’s Annual Report, etc</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>10</td>
<td></td>
<td>19</td>
<td></td>
<td></td>
<td>80</td>
<td>100%</td>
</tr>
<tr>
<td>Recommendations by broking agencies</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>4%</td>
</tr>
<tr>
<td>Self Decision</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
<td>13%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>2</td>
<td>13</td>
<td>38</td>
<td></td>
<td></td>
<td>80</td>
<td>100%</td>
</tr>
</tbody>
</table>

Null hypothesis
Ho: Investment decision is Independent of
Alternate Hypothesis
Ha: Investment decision is not Independent

Test
Chi test
Tail
Right tail
Alpha
0.1
Probability
0.9
df
20

Critical
28.41198058

Observed
45.19546308

P value
0.010234922

Decision
p<a reject the null 45.1954631
**Business Decision:**

- The investment decision is not dependent of education qualification
- The companies should take into consideration this fact as they can target in

**MAROJ FINDINGS:**
We found that the professionals prefer taking safe returns and invest more in fixed income securities the investment of the professionals is extensively done either by self or outsourced to charted accountants who help them attain investment options and the factors that drive investment decision:

- **Income groups**

  ![Income Group Chart]

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - Rs. 10 Lacs</td>
<td>72%</td>
</tr>
<tr>
<td>Rs. 10 Lacs - Rs. 20 Lacs</td>
<td>22%</td>
</tr>
<tr>
<td>Rs. 20 Lacs - 30 Lacs</td>
<td>2%</td>
</tr>
<tr>
<td>&gt; Rs. 30 Lacs</td>
<td>1%</td>
</tr>
</tbody>
</table>

The respondents majorly belonged to income group of below ten Laks and the study is close to their financial planning behavior

- **The Education Qualification of the respondents**

![Education Qualification Chart]

Most of the respondents were from other professional backgrounds
• **Sources of Information**

<table>
<thead>
<tr>
<th>Sources of Information</th>
<th>0-10%</th>
<th>10-20%</th>
<th>20-30%</th>
<th>more than 30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends/Relatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media (News, Maga...)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendations</td>
<td>54%</td>
<td>37%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Own analysis - Co...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The professionals referred to their friends for collection of investment options

• **Planning of Investment Decision**

Most of the professional investors did self planning

<table>
<thead>
<tr>
<th>Sources of Information</th>
<th>71%</th>
<th>9%</th>
<th>8%</th>
<th>6%</th>
<th>2%</th>
<th>1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Siblings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants (eg. Portfolio Manager)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

• **Proportion of income invested**
CONCLUSION:-
From this we conclude that, the study carried out proves the financial planning done by professionals is they need trust factor in their investments the financial planning is done the study is helpful to banks and financial investors, we can derive at a better result when the study can be done on a large scale

LIMITATIONS:-
- The study is based on a limited group of people and is limited to the acceptability as the sample taken is only 80 and it would not be sufficient to derive at a strict conclusion
- The study is also done on professionals who belong to various different cultures and it impacts the decision making ability and risk preference

REFERENCES:-
Google.com- google forms for collection of data and conversion in MS excel.
https://docs.google.com/forms/d/1mDidFIFvsCv___wCXMWQhbzPTmu5gXGSGm9U2APGahQ/edit