

Project Dissertation Report
A Study on Investor's Perception Towards
Non-Physical Forms of Gold

Submitted By

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Declaration

I, Nikita, a student of Delhi School of Management, Delhi Technological University hereby declare that the Major Research Project Study on “**Investor’s Perception Towards Non-Physical Forms Of Gold**” submitted in partial fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA) is the original work conducted by me. I also confirm that neither I nor any other person has submitted this project report to any other institution or university for any other degree or diploma. I further declare that the information collected from various sources has been duly acknowledged in this project.

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Certificate

This is to certify that Nikita, 2K22/DMBA/85 has submitted the report titled “A Study On Investor’s Perception Towards Non-Physical Forms Of Gold”, under the guidance of Dr. Rajan Yadav, as a part of Master of Business Administration (MBA) curriculum of Delhi School of Management, New Delhi, during the Academic year 2023-24.

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Executive Summary

Gold, traditionally synonymous with stability and wealth preservation, has historically been acquired in physical forms like bars and coins. But in addition to conventional physical holdings, investors now have new options thanks to the modern financial landscape, including digital gold, sovereign gold bonds, gold ETFs, and gold mutual funds.

This study explores investor opinions regarding digital alternatives such as sovereign gold bonds, gold ETFs, and gold mutual funds, which are becoming more and more integrated into the traditional definition of gold investment. The goal of the research is to identify the variables—from hurdles and preferences to regulatory concerns—that affect investors' decisions. By clarifying the factors that influence investors' preferences for or apprehensions about non-physical gold investments, the research seeks to offer significant understandings that can guide decision-making procedures.

The research aims to provide investors with improved information through a thorough analysis of survey data, empowering them to navigate the ever-changing world of gold investment confidently. In the end, the results aim to support financial literacy and give investors the power to make knowledgeable decisions about gold investments by illuminating the doubts and hopes associated with non-physical gold investments.

The research aims to support the promotion of financial resilience and wealth-building among investors by enabling them to make well-informed decisions based on a fuller understanding of the risks and opportunities associated with non-physical gold investments. The significance of the study in illuminating the changing terrain of gold investing and its consequences for investors is concluded. The study intends to offer practical insights that might guide investment strategies and decision-making procedures in the field of non-physical gold investments through a thorough examination of investor attitudes and views. In the digital age of gold investing, the research's conclusions ultimately hope to promote investor empowerment, increase financial literacy, and build a more knowledgeable and resilient investor community.

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1. INTRODUCTION

1.1 Background

For thousands of years, gold has been associated with wealth and prosperity. It is a dependable method of transferring and protecting wealth throughout time, unlike coins, paper money, or any other assets. The largest consumer of gold is China, followed by India. However, India produces far less gold than it needs, thus imports are used to make up the difference, which causes the Indian rupee to drastically devalue and the country's foreign exchange reserves to dangerously low levels. Due to its inherent value, stability, and capacity to protect money, gold has been a highly prized precious metal for generations.

In India's cultural, economic, and social fabric, gold has a special and complex place. Its importance exceeds its monetary worth since it is ingrained in customs, values, and financial methods.

Cultural Importance: In India, gold is deeply ingrained in social conventions, religious observances, and auspicious occasions. The predominant religious group, Hindus, identify gold with the goddess of wealth and prosperity, Lakshmi. Given at marriages, childbirth celebrations, and holidays like Dhanteras and Akshaya Tritiya, gold ornaments and jewelry are seen as auspicious. It is said that wearing gold will fend off evil, and bring prosperity, and good luck.

Investment Tool: As a safe haven investment, gold has historically been strongly preferred by Indians. Gold is a popular option because of its perceived stability and resistance to inflation, particularly during uncertain economic times. A significant portion of the public prefers physical gold, mostly in the form of jewellery and bars, either because they have less faith in financial institutions or because they value tangible assets more. This deeply ingrained belief system still accounts for a large amount of India's demand for gold.

Social Symbolism: In India, gold jewelry is a sign of social standing and financial prosperity. In the past, one's social status and financial strength were shown by the quantity and caliber of gold jewelry. To some extent, this association still exists, with families taking great pride in heritage gold pieces that have been handed down through the centuries. For women in particular, gold acts as a kind of social security because it can be easily turned into cash when needed.

Even in the modern era, gold remains a crucial component of financial portfolios across the globe. When markets are volatile or the economy is unclear, investors typically go to gold for security in the face of volatile currencies and tense geopolitical situations. For many years, the customary approach to obtaining gold in tangible forms, such as bars and coins, has been the standard.

However, a new era of gold investing has begun with the rise of technology and financial innovation. Non-physical forms of gold are now available to investors, providing ease, accessibility, and diversification. Sovereign Gold Bonds, Gold Mutual Funds, Digital Gold, and Gold Exchange-Traded Funds (ETFs) are some examples of these products.

1. Sovereign Gold Bonds:

Sovereign Gold Bonds are government securities valued in grams of gold that were introduced by the Indian government through the Reserve Bank of India (RBI). They give investors a means to buy gold without needing to keep the metal themselves. The value of these bonds, which investors purchase from authorized banks or other financial institutions, is based on the price of gold. These bonds are purchased from authorized banks or other financial institutions; their value is based on the market price of gold at the time. SGBs typically feature an eight-year term, an annual interest rate that enables investors to get additional returns, and an exit option after the fifth year by actual gold. The tradability and liquidity of these bonds on the secondary market are enhanced by their stock exchange listing. Investors also benefit tax-wise because capital gains from the redemption of SGBs after the eighth year are not subject to capital gains tax. The assurance of a government guarantee, the diversification of portfolios with a stable asset class, and the yearly interest payments that provide an additional source of income are all advantages for investors. Its issuance price must be paid in cash, and when it matures, redemption must also be made in cash.

2. Gold Mutual Funds:

Gold mutual funds provide a convenient and professionally managed option for investors to access various forms of gold, including physical gold, gold ETFs, and Sovereign Gold Bonds (SGBs). Supervised by skilled fund managers, these mutual fund programs distribute investments in alignment with fund goals and market

conditions, aiming to optimize returns for investors. One major benefit is diversification, which exposes investors to a wide range of gold assets and lowers the risks connected with particular investments. Gold mutual funds accommodate a diverse array of investors by providing easily traded units and flexibility in investment sizes. Investing in gold mutual funds allows investors to hold gold without having to worry about storage or security issues that come with real gold ownership. Skilled fund managers give investors confidence as they navigate market fluctuations by giving frequent updates on fund performance. With returns akin to those of gold exchange traded schemes, gold mutual funds, also referred to as gold funds of funds, invest predominantly in gold ETF units. The availability of a structured investment plan (SIP), which enables investors to ride the highs and lows of the gold market by making a fixed monthly contribution, is a major advantage. The fund's assets are accessible to investors at all times, and they will be reimbursed in accordance with the payment plan. Fund houses pool investor cash from their corporate assets and distribute it to gold exchange-traded funds (ETFs). This results in an improved average purchasing cost, often known as the "rupee cost average." This feature sets gold mutual funds apart from gold exchange-traded funds (ETFs), where units can only be purchased at different prices.

3. Gold ETFs

Through gold exchange-traded funds (ETFs), which provide direct exposure to fluctuations in gold prices, usually measured in grams, investors can simply purchase genuine gold bullion. Because these ETFs are listed and traded on stock exchanges, investors can easily buy and sell units due to the high liquidity provided by these offerings. Gold ETFs are an affordable investing alternative since they offer less expense ratios than actively managed funds. Their Net Asset Value (NAV), which is established using the prices of the gold market at the time, is clearly valued. Because gold ETFs provide an easy way to include a physical asset without incurring additional storage costs, they aid in portfolio diversification. The option to trade gold ETF units gives investors the same ease and flexibility as trading stocks. They are listed and traded on major stock exchanges and require a Demat (Dematerialized) account for investing purposes.

4. Digital Gold

India's digital gold marketplaces provide investors with an easy way to purchase, sell, and store modest amounts of gold online. Gold is accessible to everyone thanks to characteristics like fractional ownership, which allows investors to buy as little as 1 gram of the metal. For gold kept in safe vaults, these platforms guarantee transparency through reasonable pricing and robust security measures. Digital transactions provide investors convenience by enabling them to transact in gold from any location at any time, using a computer or mobile device. Because of its accessibility and cost, anyone with an internet connection can start small and progressively increase their gold holdings. This democratizes gold investing. Busy investors in the gold market benefit even more from the convenience of digital buying and selling of gold. Paytm Gold, PhonePe Gold, Google Pay Gold, HDFC Securities Digital Gold, SafeGold, MMTC-PAMP India Pvt. Ltd., Augmont Gold, Motilal Oswal Gold, Stock Holding Corporation of India Ltd. (SHCIL) Gold, and GoldRush by ETMONEY are a few of the well-known digital gold platforms in India. These platforms make gold available to a broad spectrum of investors by enabling users to conveniently buy, sell, and store modest amounts of gold digitally. Digital gold platforms offer an easy and cost-effective option for people to invest in precious metals from the comfort of their homes using computers or mobile devices. elements like fractional ownership, transparent pricing, and strong security measures are just a few of the elements that set these platforms apart.

1.2 Objective

1. Examine investors' awareness and familiarity with non-physical forms of gold investment options.
2. Understand the factors influencing investors' preference for non-physical gold
3. Assess investors' perception of risk associated with non-physical gold compared to physical gold.

Literature Review

The study on “Understanding Investor Behavior in Gold Investment: A Comparative Study of Physical and Non-Physical Forms” Smith et al. (2020), examines how gold investors behave, contrasting their inclinations and viewpoints about tangible and intangible forms of the metal. This study examines how gold investors behave, contrasting their inclinations and viewpoints about tangible and intangible forms of the metal. The researchers investigate factors influencing investment decisions, perceived benefits and drawbacks of various gold investment options, and the impact of risk perception on investor behavior through a thorough survey administered to a varied population of investors. According to the study, younger investors are becoming more interested in non-physical forms of gold, such as Gold ETFs and Digital Gold, while conventional investors continue to favor real gold due to its tangibility and perceived security.

The study “Impact of Regulatory Changes on Non-Physical Forms of Gold Investment: Evidence from Emerging Markets” Gupta and Sharma (2021), looks into how regulatory changes affect the popularity and performance of investing in non-physical forms of gold in emerging markets. The researchers examine the effects of changes in taxation, disclosure laws, and investment limitations on investor sentiment and market dynamics using information from regulatory announcements and market indexes. The study emphasizes the significance of stable and transparent regulations in creating an atmosphere that is favorable for the expansion of virtual gold marketplaces, drawing in both local and global investors looking to invest in gold as an asset class.

The study “Diversification Benefits of Non-Physical Gold Investments: Evidence from Portfolio Analysis” Kumar and Das (2020), looks at the advantages of diversifying investment portfolios by using non-physical forms of gold, like gold mutual funds and exchange-traded funds (ETFs). The impact of gold investments on portfolio risk and return characteristics is evaluated by the authors using portfolio optimization techniques and historical return data. According to the study, adding non-physical gold assets to diverse investment portfolios can boost long-term portfolio performance and risk-adjusted returns. The ideal proportion to gold, however, may differ based on personal risk tolerance and investing goals.

The study “Factors Influencing Investors' Decision to Invest in Gold ETFs: A Case Study of Indian Investors” Patel et al. (2021), examines the variables affecting Indian investors' choices of Gold ETFs, with a particular emphasis on awareness levels, investing goals, and demographic traits. The study uses a mixed-method approach to gather information about investor preferences and perceptions of gold exchange-traded funds (ETFs) as a non-physical gold investment alternative. Survey data and qualitative interviews are combined. Initiatives to raise investor awareness and education are essential in encouraging the use of Gold ETFs because many investors are not familiar with the characteristics and advantages of the product. Programs for financial literacy and focused advertising efforts can aid in closing this information gap and boosting investor trust in Gold ETFs as a sound investment choice.

In terms of risk-adjusted returns and the advantages of portfolio diversification, the study “Performance Evaluation of Gold Mutual Funds: A Comparative Analysis with Traditional Gold Investments” Gupta and Singh (2022), compares the performance of gold mutual funds to more conventional gold investments, such as actual gold holdings and gold exchange-traded funds (ETFs). The researchers examine the risk-return profiles of gold mutual funds and contrast them with benchmark gold indexes using statistical methods and past performance data. The study's conclusions show that, in comparison to more conventional gold investing options, gold mutual funds provide competitive risk-adjusted returns with less volatility and drawdowns under choppy market conditions. Gold Mutual Fund managers' active management techniques reduce downside risk and produce better performance results.

Research Methodology

The research technique for the study on investors' perceptions of non-physical forms of gold is intended to methodically look into several aspects of individual Indian investors' preferences, attitudes, and actions toward gold investments.

Research Design: A mixed-method approach is used in the research design of the study on investors' perceptions of non-physical forms of gold, using both descriptive and inferential research methodologies. A thorough grasp of the demographic traits, investment preferences, awareness levels, and risk perceptions of individual Indian investors about gold investments is achieved through the use of descriptive research.

Data Collection: The primary data collection method involves administering a structured questionnaire containing 20 questions to MBA students, working professionals, and retired persons. The purpose of the well-designed questionnaire is to extract information on several topics, such as sources of information, risk perceptions, awareness levels, investing preferences, and demographics. To supplement the quantitative data, qualitative insights can also be obtained using follow-up interviews or open-ended questionnaires.

Sampling size: The sampling technique utilized in this study employs a combination of non-probability sampling and convenience sampling methods. Convenience sampling facilitates the recruitment of participants by distributing the questionnaire to individuals across various age groups, educational backgrounds, and other demographic variables. The questionnaire is administered to various people of varied backgrounds, age groups, income groups, etc. Only 109 people filled out the questionnaire. Hence, the sampling size is 109.

Variables: The study's dependent variables include investors' opinions and methods of making decisions about non-physical gold investments, such as Gold Mutual Funds, Digital Gold, Sovereign Gold Bonds (SGBs), and Exchange Traded Funds (ETFs). Demographic traits (e.g., age, gender, income), investment choices, awareness levels, and risk perceptions are examples of independent variables.

Data analysis technique: The data analysis technique involves descriptive statistics to summarize the questionnaire responses, and graphical representations for visualization. Inferential statistics, such as regression analysis and chi-square testing, are then applied to

explore relationships and associations between variables, providing insights into investors' perceptions of non-physical gold investments.

Data analysis tool: SPSS is the data analysis tool used in this investigation. To compile the results of the questionnaire, descriptive statistics are produced, such as measures of central tendency and dispersion. The visualization of the data is aided by graphic representations. Regression analysis, chi-square testing, and Krushkal Wallis test are examples of inferential statistics that are used to investigate relationships and associations between variables. The analysis of correlations, relationships, and variables pertaining to investors' perceptions of non-physical gold assets is made possible by these tests.

Data Analysis

- The Chi-square test is being used to see if there is a relationship between people's perception of the risk associated with non-physical forms of gold compared to physical forms of gold and their comfort level with investing.

H0: There is a significant relationship between the perception of risk associated with non-physical forms of gold and the idea of investing in non-physical forms of gold.

H1: There is no significant relationship between the perception of risk associated with non-physical forms of gold and the idea of investing in non-physical forms of gold.

Test Statistics		
	What is your perception of the risk associated with non-physical forms of gold compared to physical gold?	How comfortable are you with the idea of investing in non-physical forms of gold compared to physical gold?
Chi-Square	36.651 ^a	20.954 ^b
df	3	4
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.3.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 21.8.

Fig 1.1 Chi-square test

With a chi-square value (χ^2) of 36.651 and three degrees of freedom (df), it is clear that there is a correlation between people's perceptions of risk and their preferences for various types of gold investments. There is a strong correlation between the variables, as evidenced by the large chi-square value of 0.000.

Hence, we fail to reject the null hypothesis.

- The Kruskal-Wallis test is used to determine whether there are statistically significant differences between the perception of risk and the educational qualification.

H0: There is no significant difference in the perceptions of risk associated with non-physical forms of gold across different levels of educational qualification.

H1: There is a significant difference in the perceptions of risk associated with non-physical forms of gold compared across different levels of educational qualification.

With three degrees of freedom, the Kruskal-Wallis H statistic is 3.655, yielding a p-value of 0.301. We reject the null hypothesis because the p-value (0.301) is higher than the significance level (usually 0.05). Thus, we can conclude that risk perceptions

associated with non-physical forms of gold differ significantly across educational qualifications.

Ranks			
	Educational Qualification:	N	Mean Rank
What is your perception of the risk associated with non-physical forms of gold compared to physical gold?	1	9	63.78
	2	42	50.06
	3	54	58.45
	4	4	40.50
Total		109	

Test Statistics ^{a,b}	
What is your perception of the risk associated with non-physical forms of gold compared to physical gold?	
Kruskal-Wallis H	3.655
df	3
Asymp. Sig.	.301

a. Kruskal Wallis Test
b. Grouping Variable: Educational Qualification:

Fig 1.2 Krushkal Wallis test

- Linear regression is a statistical method that is used to model the relationship between a dependent variable and one or more independent variables.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.493 ^a	.243	.206	.722

a. Predictors: (Constant), I prefer to invest in non-physical gold because of trust in the system and regulations., I prefer to invest in non-physical gold because a lower investment amount is required., I prefer to invest in non-physical gold because it's convenient and easy to purchase or to sell. , I prefer to invest in non-physical gold because there are no storage costs or security concerns associated., I prefer to invest in non-physical gold because it has the potential for higher returns compared to physical gold.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.243	5	3.449	6.616	.000 ^b
	Residual	53.693	103	.521		
	Total	70.936	108			

a. Dependent Variable: What is your perception of the risk associated with non-physical forms of gold compared to physical gold?
b. Predictors: (Constant), I prefer to invest in non-physical gold because of trust in the system and regulations., I prefer to invest in non-physical gold because a lower investment amount is required., I prefer to invest in non-physical gold because it's convenient and easy to purchase or to sell. , I prefer to invest in non-physical gold because there are no storage costs or security concerns associated., I prefer to invest in non-physical gold because it has the potential for higher returns compared to physical gold.

Fig 1.3 Linear Regression

The model explains about 24.3% of the variability in people's preference for investing in non-physical gold. The linear regression model is not statistically significant in explaining the reasons why people prefer to invest in non-physical gold. This can be seen by the fact that the p-value is more than 0.05 for all the reasons listed except "there is no storage cost or security concerns".

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.672	.368		12.701	.000
	I prefer to invest in non-physical gold because a lower investment amount is required.	-.004	.075	-.006	-.056	.955
	I prefer to invest in non-physical gold because it's convenient and easy to purchase or to sell.	-.219	.092	-.265	-2.379	.019
	I prefer to invest in non-physical gold because there are no storage costs or security concerns associated.	-.312	.106	-.321	-2.929	.004
	I prefer to invest in non-physical gold because it has the potential for higher returns compared to physical gold.	.023	.104	.025	.219	.827
	I prefer to invest in non-physical gold because of trust in the system and regulations.	-.027	.116	-.026	-.232	.817

a. Dependent Variable: What is your perception of the risk associated with non-physical forms of gold compared to physical gold?

Fig 1.4 Linear regression model

4. Kruskal-Wallis test to examine whether there are differences in the perception of risk and the different levels of knowledge.

H0: There is no difference in the perception of risk associated with non-physical forms of gold across different levels of knowledge about non-physical forms of gold available for investment.

H1: There is no difference in the perception of risk associated with non-physical forms of gold across different levels of knowledge about non-physical forms of gold available for investment.

	How would you rate your knowledge about the various non-physical forms of gold available for investment?	N	Mean Rank
What is your perception of the risk associated with non-physical forms of gold compared to physical gold?	1	22	69.68
	2	32	53.03
	3	44	53.25
	4	10	40.15
	5	1	20.50
	Total	109	

	What is your perception of the risk associated with non-physical forms of gold compared to physical gold?
Kruskal-Wallis H	9.579
df	4
Asymp. Sig.	.048

a. Kruskal Wallis Test
b. Grouping Variable: How would you rate your knowledge about the various non-physical forms of gold available for investment?

Fig 1.5 Kruskal Wallis test

Among people with different levels of knowledge about non-physical forms of gold accessible for investment, there is a statistically significant difference ($p = 0.048$) in the perception of risk associated with non-physical forms of gold.

Hence, we reject the null hypothesis.

5. The Kruskal-Wallis test was conducted to examine if there are significant differences in the comfort level of individuals with various age groups regarding investing in non-physical forms of gold.

H0: There is no significant association between age groups and comfort level regarding investing in non-physical forms of gold compared to physical gold.

H1: There is a significant association between age groups and comfort level regarding investing in non-physical forms of gold compared to physical gold.

Kruskal-Wallis Test

	Ranks		
	Age group:	N	Mean Rank
How comfortable are you with the idea of investing in non-physical forms of gold compared to physical gold?	1	42	54.10
	2	42	60.63
	3	9	45.56
	4	11	35.18
	5	5	75.90
Total		109	

Test Statistics ^{a,b}	
How comfortable are you with the idea of investing in non-physical forms of gold compared to physical gold?	
Kruskal-Wallis H	9.261
df	4
Asymp. Sig.	.055
a. Kruskal Wallis Test	
b. Grouping Variable: Age group:	

Fig 1.6 Kruskal Wallis test

With four degrees of freedom (df) and a test statistic of 9.261 (Kruskal-Wallis H), the asymptotic significance level (p-value) is 0.055. This p-value shows that when comparing the mean rankings of various age groups for comfort level with investing in non-physical gold, there is no statistically significant difference.

Hence, we fail to reject the null hypothesis.

6. The Kruskal-Wallis test was conducted to examine if there are significant differences in the comfort level of individuals with perceived knowledge.

H0: There is no significant difference in the perceived knowledge about various non-physical forms of gold available for investment across different comfort levels with investing in non-physical forms of gold.

H1: There is a significant difference in the perceived knowledge about various non-physical forms of gold available for investment across different comfort levels with investing in non-physical forms of gold.

With four degrees of freedom (df) and a test statistic of 38.734, the asymptotic significance level (p-value) is 0.00. This suggests that the mean ranks of perceived knowledge about non-physical forms of gold across different comfort levels with investing in non-physical forms of gold vary statistically significantly.

Hence, we reject the null hypothesis

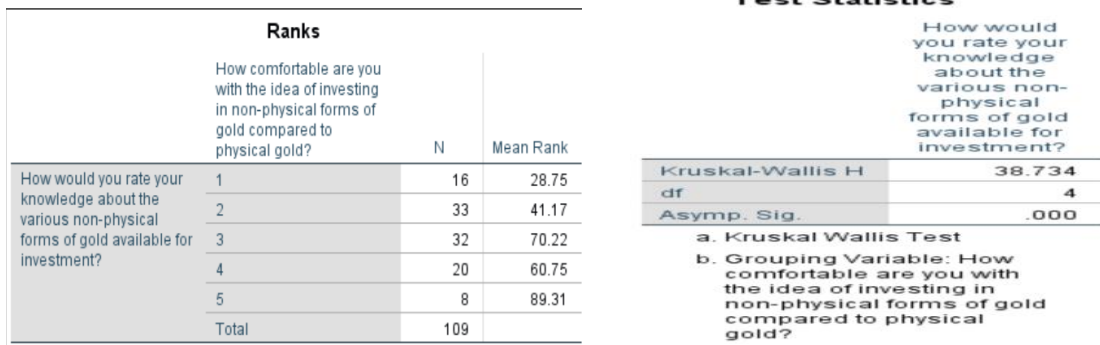


Fig 1.7 Kruskal Wallis test

7. The Kruskal-Wallis test was conducted to examine if there are significant differences in the consideration of increasing investment in non-physical gold and the knowledge of investors.

H0: There is no significant difference in the consideration of increasing investment in non-physical forms of gold in the future across different levels of perceived knowledge about non-physical forms of gold.

H1: There is a significant difference in the consideration of increasing investment in non-physical forms of gold in the future across different levels of perceived knowledge about non-physical forms of gold.

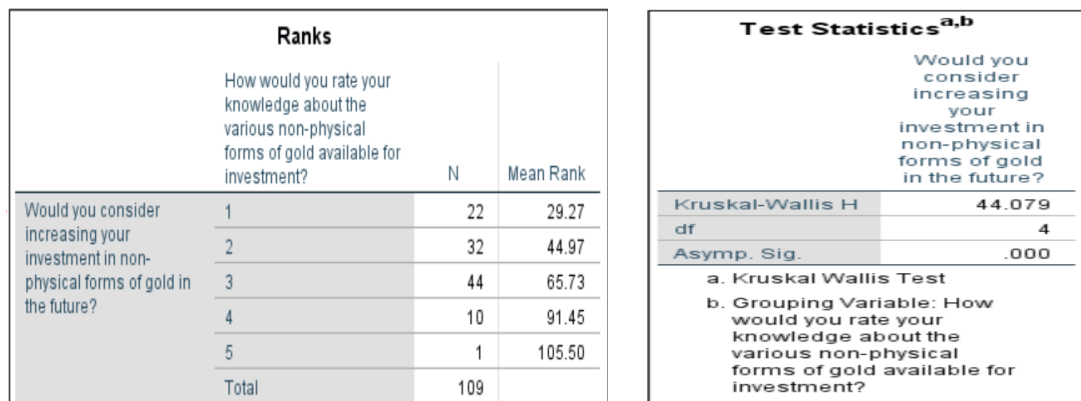


Fig 1.8 Kruskal Wallis test

A significant result ($H = 44.079$, $df = 4$, $p < .001$) was obtained using the Kruskal-Wallis test, suggesting that the degree of perceived knowledge influences the decision to increase investment in non-physical forms of gold.

Hence, we reject the null hypothesis.

Have you heard of the following non-physical forms of gold investment (select all that apply)?
109 responses

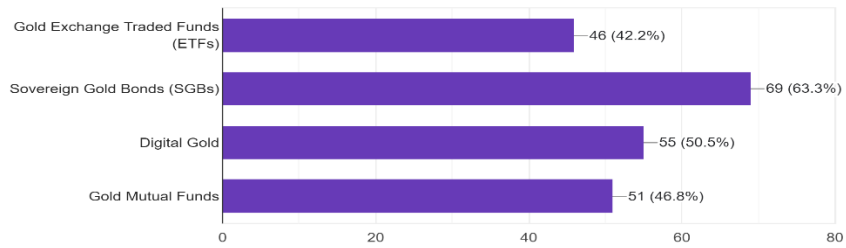


Fig 1.9 Obtained from responses

The data suggests high awareness of Sovereign Gold Bonds (63.3%), moderate awareness of Digital Gold (50.5%) and Gold Mutual Funds (46.8%), and lower awareness of Gold ETFs (42.2%) among 109 respondents.

Which of the following sources do you trust the most for information on non-physical forms of gold investment?
109 responses

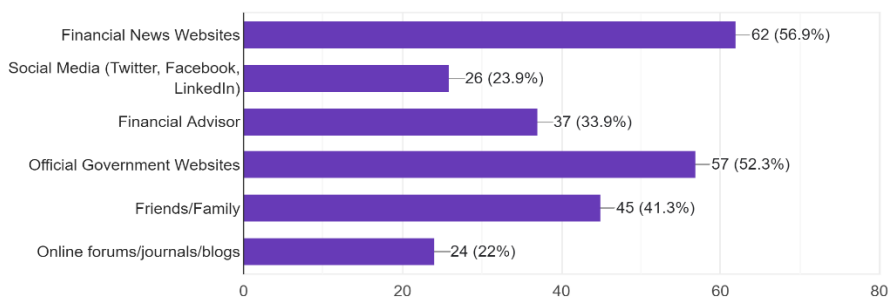


Fig 1.10 Obtained from responses

The data shows financial news websites (56.9%) and government websites (52.3%) are the most trusted for gold investment info, while social media (23.9%) and blogs (22%) are the least trusted.

Findings and Recommendations

The study explored the complex interplay between investors' desires and perceptions of non-physical types of gold investing. Investors' perceived awareness of non-physical gold and their propensity to expand their investment in such assets were found to be significantly correlated. This emphasizes how important knowledge and education are in influencing investing choices, showing that those who regard themselves to be more knowledgeable are more likely to think about increasing their non-physical gold holdings. Gender differences also emerged, indicating that men and women are not at all comfortable investing in non-physical gold. These results imply that there may be gender-specific views or preferences in the field of gold investing. Moreover, the research established several significant variables impacting investors' inclinations about non-physical gold. Reduced investment requirements became apparent as a key factor, indicating investors' preference for easily accessible and reasonably priced investment opportunities. Furthermore, the lack of storage expenses and security issues significantly influenced the inclination towards non-physical gold, emphasizing the allure of hassle-free investing alternatives. The study revealed an interesting finding: investors' choices for non-physical gold were not significantly impacted by their trust in regulations. According to this, accessibility and cost-effectiveness may have a bigger influence on investment decisions than regulatory oversight, which is crucial for fostering investor confidence. The study also showed that people with varying levels of knowledge perceived varied levels of risk when it came to non-physical gold. It follows that people's perceptions of risk associated with gold investments are highly influenced by their educational backgrounds. To build trust, post in-depth articles on financial news websites, make government websites clearer, promote positive word-of-mouth from contented investors, and provide comprehensive training for financial advisors. Financial institutions should promote the advantages of gold exchange-traded funds (ETFs) and mutual funds. For improved product positioning, do investor preference research. For less well-known products, such as Gold ETFs, use focused marketing. These observations will direct educational initiatives about non-physical gold investing choices.

Overall, the results emphasize the intricacy of the variables affecting decisions about gold investments and the significance of customized tactics to support ethical and knowledgeable investing practices in the changing field of non-physical gold investments.

Based on the study's findings, the following suggestions can be made to improve investor education and encourage well-informed choices when investing in non-physical forms of gold:

Education and Awareness Campaigns: Targeted education and awareness campaigns would be crucial given the emphasis on comprehending investors' attitudes and preferences about non-physical forms of gold investment. These campaigns can assist in gathering information and insights while informing investors of the range of available investment possibilities.

Partnership with Financial Institutions: Work together with banks, brokerage houses, and financial advisors to offer investors interested in non-physical gold investments individualized advice and services. To better assist their clients, financial professionals should be encouraged to complete training and certification in gold investment products.

Strong investor protection mechanisms should be put in place to protect investors' interests and uphold the integrity of the market for non-physical gold investments. This could involve procedures for resolving disputes, obligations for transparency, and regulatory control.

Gender-Specific Outreach: Acknowledge and resolve the differences between the sexes in terms of comfort levels while investing in non-physical gold. To ensure inclusion and fair access to knowledge, modify instructional materials and outreach initiatives to the unique preferences and perceptions of various genders.

Limitations

Sampling bias: It's possible that the sample population is not a true representation of the whole investment community. The findings' generalizability may be limited by the study's bias towards particular demographics, such as age, gender, or economic level.

Survey responses are susceptible to self-reporting bias, whereby respondents may give answers that are deemed socially acceptable or may intentionally misrepresent their genuine opinions and actions about gold investment.

External Factors: Investor impressions of non-physical gold may be influenced by external factors not taken into consideration in the study, such as geopolitical tensions, market volatility, or economic developments.

Reference

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Annexure

Major Research Project

Study on investor's perception about non-physical forms of Gold.

Non-physical forms of gold include Gold Exchange Traded Funds (ETFs), Sovereign Gold Bonds (SGBs), Digital Gold and Gold Mutual Funds.

** Indicates required question*

1. Name:

2. Age group: *

Mark only one oval.

- 18-25
 26-34
 35-44
 45-54
 55 and above

3. Gender: *

Mark only one oval.

- Male
 Female
 Others

4. Employment Status: *

Mark only one oval.

- Employed full-time
 Employed part-time
 Self employed
 Unemployed
 Retired
 Student

5. Educational Qualification: *

Mark only one oval.

- High school or equivalent
 Undergraduate
 Postgraduate
 Doctorate

6. Occupation: *

Mark only one oval.

- Salaried
 Traders/ Businessman
 Self-occupied professionals
 Retired
 Housewife
 Students
 Others

7. Monthly Income: *

Mark only one oval.

- Below 50k
- 51k - 1 lakh
- 1 lakh - 2 lakh
- Above 2 lakh

8. In general, how would you describe your attitude towards investment risks? *

Mark only one oval.

- 1 2 3 4 5
- Very Very risk-taking

9. Do you currently invest in gold? *

Mark only one oval.

- Yes
- No

10. What are your primary reasons for investing in gold? *

Mark only one oval.

- Safety and security
- Long-term wealth preservation
- Hedge against inflation
- Religious or cultural reasons
- Speculation on price increases

11. Have you heard of the following non-physical forms of gold investment (select all that apply)? *

Tick all that apply.

- Gold Exchange Traded Funds (ETFs)
- Sovereign Gold Bonds (SGBs)
- Digital Gold
- Gold Mutual Funds

12. How comfortable are you with the idea of investing in non-physical forms of gold compared to physical gold? *

Mark only one oval.

- 1 2 3 4 5
- Muc Much more comfortable

13. I prefer to invest in non-physical gold because a lower investment amount is required. *

Mark only one oval.

- 1 2 3 4 5
- Stro Strongly agree

14. I prefer to invest in non-physical gold because it's convenient and easy to purchase or to sell. *

Mark only one oval.

- 1 2 3 4 5
- Stro Strongly agree

15. I prefer to invest in non-physical gold because there are **no storage costs or security concerns associated.** *

Mark only one oval.

1 2 3 4 5
Stro Strongly agree

16. I prefer to invest in non-physical gold because it has the **potential for higher returns compared to physical gold.** *

Mark only one oval.

1 2 3 4 5
Stro Strongly agree

17. I prefer to invest in non-physical gold because of **trust in the system and regulations.** *

Mark only one oval.

1 2 3 4 5
Stro Strongly agree

18. What is your perception of the risk associated with non-physical forms of gold compared to physical gold? *

Mark only one oval.

1 2 3 4 5
Non Non-physical Gold is more risky

19. How would you rate your knowledge about the various non-physical forms of gold available for investment? *

Mark only one oval.

1 2 3 4 5
Not Very knowledgeable

20. Which of the following sources do you trust the most for information on non-physical forms of gold investment? *

Tick all that apply.

- Financial News Websites
 Social Media (Twitter, Facebook, LinkedIn)
 Financial Advisor
 Official Government Websites
 Friends/Family
 Online forums/journals/blogs

21. Would you consider increasing your investment in non-physical forms of gold in the future? *

Mark only one oval.

1 2 3 4 5
Defi Definitely

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