Behavioral Finance In The Context Of India's Gold Market

Krishna Gadasandula (Corresponding Author)[1], Anitha Lourdu James[2], Nageswara Rao Thadvuai[3], N. Balakrishnan[4], Mohamed Zaheeruddin[5]

Abstract

Rationale*: The primary goal of this paper is to assess gold investor activity in terms of gold demand generators, rationale for gold purchases, and the motives of gold buying.*

Research Design: *The research was created using a combination of secondary data analysis and a large primary survey with a sample of 600 gold investors' selected by using convenience sampling technique and tried to take opinions through online questionnaire. Finally, 449 investors responded after a prolonged persuasion and efforts.*

Findings: *According to the survey, Indian households purchase gold for a variety of purposes, despite the fact that gold is regarded as a key cost in both good and bad times. India's people desire to invest in gold to protect themselves against market volatility and uncertainty.*

This survey reveals that uncertainty is the most significant aspect to consider when it comes to the impact of stock market circumstances on gold. Factors such as income tax, retail investors' decision-making is influenced by the intrinsic worth of properties, future opportunities, and profitability, and gold is the most sought-after commodity due to its high liquidity, conventional value, and cultural value features.

Keywords: *Behavioral finance, gold demand, buying and selling patterns of gold in India, Motives of gold buying in India.*

JEL classification: *G4: Behavioral Finance*

I.   Introduction

Gold has long been an important aspect of the Indian household's socioeconomic mentality. As a commodity, it has a1lways elicited a feeling of cultural and emotive

[1]Professor in Finance and Dean: Academic Connect, ICBM-School of Business Excellence, Hyderabad – India. ORCID: 0000-0002-5180-2148

[2] Associate Professor, Department of Economics, Werabe University -Ethiopia

[3]Associate Professor, Department of Accounting and Finance, Werabe University

Ethiopia.

[4]Faculty of Accounting and Finance, College of Business and Economics, Wachemo University,

Ethiopia. Post Box 667

[5]Lecturer, Department of Business Administration, University of Technology and Applied Sciences- Shinas, Sultanate of Oman.

Gold has long been an important aspect of the Indian household's socioeconomic mentality. As a commodity, it has a2lways elicited a feeling of cultural and emotive attachment, distinguishing its consumption and investment in India from that of other countries.3

While gold is primarily a monetary asset, it also serves as a commodity. It is the world's oldest foreign currency and a major component of global monetary reserves.

India is the world's most populous democratic gold-loving nation. Gold is primarily a monetary asset, although it can also be used as a commodity. Gold is the world's oldest currency and accounts for a significant portion of global monetary reserves. Gold, on the other hand, contributes significantly to the government's current account deficit, an issue that requires further investigation.

Henry Ford once expressed, "Assuming I had asked my clients what they need, they would have basically answered a speedier horse" "He intended to propose that clients know nothing about what they need (4Ps Business and Marketing, 2018)". This statement by Henry Ford is an extraordinary representation of the Indian gold purchaser's attitude. In each area of the Indian economy as a rule, and the gold market specifically, emotional changes in customers, in the past a few decades, commercial centers and advertisers have arisen. The Indian market, as the world's most dominant consumer, has been dubbed "the most vulnerable nation" in the decades since liberalization.

India's favorable demographic patterns, such as its rising affluent middle class and aging population, should ensure robust utilization increase ("World Gold Council, 2018a"). Beside with these factors, factors such as treating gold as a major investment choice, the use of gold ornaments by the male and younger population, the widespread availability of credit facilities, and the increasing trend of industrial demand all contributed to the increase in gold demand (Greely D. and Currie J. (2019)

II.   Literature Review

Behavioral finance studies have shown that anchoring bias influences both men and women when investing in gold. Community-wise investors in Guwahati are investing in gold at a higher rate per year, while rejecting Gold ETFs as a viable investment alternative. Most investors prefer to invest in jewelry and ornaments, but they are also interested in gold coins and bars. Demeanor, assessment, and exercise are three types of insights that influence gold purchasing behavior. Factors such as productivity, charge abhorrence, future possibilities, and the time value of money are considered when urging retail financial backers to purchase gold as a speculation.

In India, gold consumption decisions are influenced by factors such as bank deposit interest rates, political stability, oil price volatility, inflation rate, investment risk, and government

[1]Professor in Finance and Dean: Academic Connect, ICBM-School of Business Excellence, Hyderabad – India. ORCID: 0000-0002-5180-2148

[2] Associate Professor, Department of Economics, Werabe University -Ethiopia

[3]Associate Professor, Department of Accounting and Finance, Werabe University Ethiopia.

[4]Faculty of Accounting and Finance, College of Business and Economics, Wachemo University, Ethiopia. Post Box 667

[5]Lecturer, Department of Business Administration, University of Technology and Applied Sciences- Shinas, Sultanate of Oman.

[3] Federation of Indian Chambers of Commerce and Industry (FICCI)- Study on Jems and Jewellery Industry – 2008.

financial laws. Behavioral finance is the study of financial practitioners' psychology and how it affects markets by looking at the influence variables. Gold is an inactive material, but Indians, especially women, are enchanted with gold ornaments, which has brought about an enticing interest for gold all through happy and marriage seasons. Consumer spending patterns in India vary significantly from those in the Western world and previous generations of Indians. Consumer preferences, shopping designs, preferred styles of stores and retail scenes, attire and style, and ways of investing their recreation and leisure time are all covered. However, there are particular differences in Indian utilization designs due to fast monetary turn of events.

III.   Gold Markets in India

Gold remains an indicator of luxury and security in India, with the country's love for gold spreading across generations and social layers. Indian consumers view gold jewelry as an opportunity to generate wealth and are aware of its significant value. Gold is considered a rudimentary commodity and a way of generating wealth for Indian households. India is the world's largest gold market, with 964.2 tons worth $56491 million in buyer interest before the end of 2018, compared to 886.3 tons worth $38,973 million in 2017. Despite challenging domestic economic conditions, gold remains a significant force in India's emerging financial industry. The Indian gold market is a business opportunity for trading genuine gold and gold-like jewelry, with mass shippers designated by the discount division. Indian families own 18,000 tons of gold, accounting for 11% of the global total and valued at about $950 billion.

IV.   Statement of the problem and Research Gap

Gold and India have a long history, with gold once seen as a superficial interest and a venture. However, Indian customers are now realizing that gold offers more than just a bank account, such as portfolio diversification, hedge, and safe haven. India is on track for strong economic expansion, which will have a significant impact on gold purchases. With over a quarter of India's population under 25 and an expected 150 million relationships in the next ten years, understanding gold buying practices is crucial. Gold is the oldest foreign currency in the world and a significant component of global monetary reserves. The Indian government is trying to curb gold imports and jewelry investments to curb the current account deficit. However, these measures have had unexpected repercussions, including increased piracy. In this unique situation, a careful assessment of gold's current and expected jobs in India is needed to understand why Indian consumers buy and sell gold, and how they will respond to gold-adaptation activities and their gold purchasing behavior.

V.   The study objectives

This article's main goal is to assess gold inventor activity in terms of gold demand drivers and reasoning for gold purchases.

IV. Hypothesis of the study

Based on the observed data collected, the researchers have framed the subsequent hypotheses:

Total of 22 hypotheses are used to test the significance between demographic variables of gold buying and selling patterns (purchase occasion, purchase frequency, purchase places, selling reasons, and awareness of Hallmark, KDM, and gold deposit schemes).

6.1 Hypothesis

Table No. 1 Hypothesis	
Sl. No	**Statement**
Monthly Income and Purchase Occasions	
1.	**Ho1**: The distribution of responses on (v1) purchase occasion 'B**irth of child'** is not independent of the distribution of responses by (v2) Monthly income.
2.	**Ho2**: The distribution of responses on (v1) purchase occasion '**Owns wedding'** is not independent of the distribution of responses by (v2) Monthly income.
3.	**Ho3**: The distribution of responses on (v1) purchase occasion '**Dependent wedding'** is not independent of the distribution of responses by (v2) Monthly income.
4.	**Ho4**: The distribution of responses on (v1) purchase occasions '**Birthdays'** are not independent of the distribution of responses by (v2) Monthly income.
5.	**Ho5**: The distribution of responses on (v1) purchase occasion '**Bonus and extra money'** is not independent of the distribution of responses by (v2) Monthly income.
6.	**Ho6**: The distribution of responses on (v1) purchase occasions '**Festivals'** are not independent of the distribution of responses by (v2) Monthly income.
7.	**Ho7**: The distribution of responses on (v1) purchase occasion '**Akshaya Tritiya'** is not independent of the distribution of responses by (v2) Monthly income.
Monthly Income and Purchase Frequency	
8.	**Ho8**: The distribution of responses on (v1) '**Purchase Frequency**' is not independent of the distribution of responses by (v2) Monthly income.
Monthly Income and Purchase Places	
9.	**Ho9**: The distribution of responses on (v1) '**Purchase places**' is not independent of the distribution of responses by (v2) Monthly income.
Monthly Income and Selling Gold (Did you sell gold anytime)	
10.	**Ho10**: The distribution of responses on (v1) '**Selling gold'** is not independent of the distribution of responses by (v2) Monthly income.
Monthly Income and Reason for Selling Gold	
11.	**Ho11**: The distribution of responses on (v1) '**Reasons for selling gold'** is not independent of the distribution of responses by (v2) **Monthly income.**
Education and Purchase Places	

12.	**Ho12**: The distribution of responses on (v1) '**Purchase places'** is not independent of the distribution of responses by (v2) Education.
Education and Asking Gold Quality Certificate	
13.	**Ho13**: The distribution of responses on (v1) '**Asking gold quality certificate'** is not independent of the distribution of responses by (v2) Education.
Education and Awareness of Hallmark, KDM, and Gold Deposit Schemes	
14.	**Ho14**: The distribution of responses on (v1) '**Awareness of Hallmark Symbols'** is not independent of the distribution of responses by (v2) **Education**.
15.	**Ho15**: The distribution of responses on (v1) '**Awareness of KDM Jewellery'** is not independent of the distribution of responses by (v2) **Education**.
16.	**Ho16**: The distribution of responses on (v1) 'A**wareness of gold deposit schemes'** are not independent of the distribution of responses by (v2) **Education**.
Gender and Purchase Frequency and Places	
17.	**Ho17**: The distribution of responses on (v1) '**Purchase Frequency'** is not independent of the distribution of responses by (v2) Gender.
18.	**Ho18**: The distribution of responses on (v1) '**Purchase Places'** is not independent of the distribution of responses by (v2) Gender.
Age and Purchase Places	
19.	**Ho19**: The distribution of responses on (v1) '**Purchase Places**' is not independent of the distribution of responses by (v2) Age.
Age and Awareness of Hallmark, KDM, and Gold Deposit Schemes	
20.	**Ho20**: The distribution of responses on (v1) '**Awareness of hallmark symbols'** is not independent of the distribution of responses by (v2) Age.
21.	**Ho21**: The distribution of responses on (v1) '**Awareness of KDM jewellery'** is not independent of the distribution of responses by (v2) Age.
22.	**Ho22**: The distribution of responses on (v1) '**Awareness of Gold Deposit Schemes**' is not independent of the distribution of responses by (v2) Age.

In tests of independence, a contingency table of observed (data) values is utilized. The same test statistic is used in a test of independence as in a goodness-of-fit test:

VII.   Research Methodology

7.1 Strategy for Sampling

The research was created using a combination of secondary data analysis and a large primary survey with a sample of 600 gold investors' selected by using convenience sampling technique and tried to take opinions through online questionnaire. Finally 449 investors responded after

a prolonged persuasion and efforts from Telangana state (Hyderabad). The analysts gathered the expected data with the assistance of both self-managed polls and took sentiments and meetings with gold industry financial specialists, policymakers, controllers, and different partners. A principle overview was led to catch the buying and selling examples of gold, as well as individuals' view of the metal and their longing for gold-based monetary instruments. Polls were circulated by the questioners and helped with filling those main willing shoppers and money managers who were simply finished their gold exchanging.

7.2 Analyzing tools

The assembled information dissected with the help of dominate alongside arithmetical instruments like rates, mean, and the scientists applied Analysis of chi-square to test the picked speculations, with the assistance of SPSS.

VIII. Analysis and Discussion

8.1 India's Gold Market Drivers

According to the survey, Indian households purchase gold for a variety of purposes, despite the fact that gold is regarded as a key cost in both good and bad times.

8.2 Bringing Security and Beauty Togethr

Table No.2 Purchase Motivations for gold		
Why does one purchase gold?	**Frequency**	**% Out of 449**
secure Investment	346	77%
For ornamentation	238	53%
Festivals	189	42%
For the Marriage of Dependents	157	35%
Special Days for Marriage/Engagement	148	33%
particular Occasions	139	31%
guarantee	135	30%
Gifts	112	25%
In the future, turn into jewelry to achieve a particular target	103	23%
Towards precise purpose	54	12%
Others	9	2%
Source: Primary Data Opinion Survey		

From the above table it is revealed that, about 77 percent of respondents cited protection as a consideration, while more than half cited adornment as a reason for buying gold.

The World Gold Council's data in Table No. 3 indicates that customers are rapidly purchasing gold as an investment commodity. Jewelry accounted for 86 percent of demand in 2000, with 14 percent purchased for investment. Investment accounted for 23% of demand in 2014, while jewelry accounted for 77% of demand.

Table No.3 Gold jewelry demand vs. investment demand				
Year	**Jewelry**	**% of Jewelry**	**Coin and Bar**	**% of Bar and Coin**

2000	620	86	103	14
2001	615	85	112	15
2002	490	85	86	15
2003	475	84	90	16
2004	518	84	100	16
2005	589	81	135	19
2006	527	73	196	27
2007	552	72	218	28
2008	502	70	211	30
2009	443	77	136	23
2010	658	65	349	35
2011	619	63	368	37
2012	552	64	312	36
2013	613	63	362	37
2014	612	77	181	23
Total	**8385**	**73%**	**2959**	**27%**
Source: World Gold Council Annual Reports				

8.3 Protection from Unpredictability

Individuals in India need to put resources into gold to protect themselves from market variances and vulnerability. With regards to the effect of financial exchange conditions on gold, this overview uncovers that vulnerability is the main element to consider. Another 12% said they would purchase gold assuming that the financial exchange was blasting, while another 12% said they would purchase gold assuming that the financial exchange was declining. Be that as it may, 24% said they would purchase gold assuming the financial exchange turned out to be eccentrically unstable (See the Table No.4)

Table No. 4.
Rationale behind gold purchases relating to stock market

Why does one buy gold?	Frequency	Percentage out of 449
When stock market falls	54	12%
When stock market is in boom	54	12%
In a volatile market condition	107	24%
When price of gold fall	99	22%
When the price of gold increases	54	12%
Only on special occasions	81	18%
Total	449	100%
Source: Primary Data Opinion Survey		

The preceding table shows Indian consumers' preference for tangible assets. It also represents the appeal of gold as a protected haven or commodity to purchase while other property in India are trailing value, demonstrating its worth as a valuable asset in both good and terrible times.

8.4 Demand Elasticity of Gold

The survey also attempted to determine the essence of the market after identifying the main drivers of gold demand in India, and discovered that increasing prices had little effect on demand for gold. Almost a fourth of respondents said they would purchase more assuming rates increased, while 34% said they would sit idle. Simply 14% said they would quit purchasing gold assuming costs rose, while just 6% said they would sell in the event that costs rose.

Table No.5
Actions taken when the price of gold increased

Responses	Frequency	Percentage of 449
Nothing to do	156	34%
Purchase additional gold in anticipation of a price increase.	89	20%
Avoid purchasing gold.	62	14%
Reduce your gold purchases.	58	13%
Purchase other precious metals such as silver and platinum.	53	12%
Gold selling	27	6%
Don't know	4	1%
Total	449	100%
Source: Primary Data Opinion Survey		

8.5 Frequency of Buying Gold

Table No.6
How frequently does one purchase gold?

Responses	Frequency	Percentage of 449
Once in a Month	112	25%
More than once in a Month	27	6%
Once in a Year	220	49%
More than once a year	90	20%
Total	449	100%
Source: Primary Data Opinion Survey		

According to table 6, 49% of respondents said they buy gold at least once a year, and 20% said they buy more than once a year. People who buy gold once a month and more than once a month have also been observed. As a result, it represents consumers' aversion to changing their purchasing patterns, regardless of economic conditions. As a result, it can be inferred that gold investment is a part of a family's financial plan. 2013 was a fantastic year, and the price reduction would have pleased many consumers. The cutoff points went into force in July after this occurred in the principal half of the year. From January to September 2014, India's interest was 620 tons.

8.6 Monthly income and purchase occasions # Birth of child
  Ho1: The distribution of responses on (v1) purchase occasion birth of child is not independent of the distribution of responses by (v2) Monthly income.

Table No.7(B)
Test of Chi-square

	Values	Dff.	Sig. (Two-sided)
Chi-Square	110.647[a]	4	.000
Ratio of Likelihood	120.953	4	.000
Association of Linear-by-Linear	.000	1	.990
Valid Cases no	449		

a. Zero cells (0.0%) have expected count less than 5. The smallest amount expected cou is 11.66.

From above Tables 7(A) as well as 7(B), the hypothesis may be safely rejected. That indicates a statistically significant dependence between 'Monthly income' and 'Purchase occasions birth of child'. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in Purchase occasions birth of child.

8.7 Monthly income and purchase occasions # Own wedding

Ho2: The distribution of responses on (v1) purchase occasion '**Own wedding**' is not independent of the distribution of responses by (v2) Monthly income.

Tables 8(B)
Test of Chi-square

	Values	Dff.	Sig. (Two-sided)
Chi-Square	26.233[a]	4	.000
Ratio of Likelihood	31.626	4	.000
Association of Linear-by-Linear	7.356	1	.007
Valid Cases no	449		

.Zero cells (0.0%) have expected count less than 5. The least expected count is 16.81.

From Tables 8(A) and (B), the above hypothesis may be safely rejected. That indicates a statistically significant dependence between 'Monthly income' and 'Purchase occasions own wedding'. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in purchase occasions own wedding.

8.8 Monthly income and purchase occasions # Dependent wedding

Ho3: The distribution of responses on (v1) purchase occasion '**Dependent wedding**' is not independent of the distribution of responses by (v2) Monthly income.

Table No. 9(B)
Chi-square

	Values	Dff.	Sig. (Two-sided)
Chi-Square	109.710[a]	4	.000
Ratio of Likelihood	116.097	4	.000
Association of Linear-by-Linear	60.099	1	.000
Valid Cases no	449		

a. zero cells (0.0%) have estimated count less than 5. The least amount estimated count is 29.99.

From above tables 9(A) as well as 9(B), the hypothesis may be safely rejected. That indicates a statistically significant dependence between 'Monthly income' and 'Purchase occasions dependent wedding'. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in purchase occasions dependent wedding.

8.9 Monthly income and purchase occasions # Birthdays

Ho4: The distribution of responses on (v1) Purchase occasions #'**Birthdays'** are not independent of the distribution of responses by (v2) Monthly income.

Table No.10(B) Test of Chi-square			
	Values	**Dff.**	**Sig. (Two-sided)**
Chi-Square	106.252[a]	4	.000
Ratio of Likelihood	98.572	4	.000
Association of Linear-by-Linear	81.987	1	.000
Valid Cases no	449		

a. Zero cells (0.0%) have knowable count up less than 5. The least expected count is 18.63.

The above hypothesis can be confidently rejected based on Tables 10(A) and (B). This suggests that 'Monthly income' and 'Purchase occasion's birthday' have a statistically significant relationship. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in purchase occasion's birthday.

8.10 Monthly income and purchase occasions # bonus and extra money

Ho5: The distribution of responses on (v1) purchase occasion '**Bonus and extra money'** is not independent of the distribution of responses by (v2) Monthly income.

Table No.11(B) Test of Chi-square			
	Values	Dff.	Sig. (Two-sided)
Chi-Square	417.178[a]	4	.000
Ratio of probability	440.824	4	.000
Association of Linear-by-Linear	182.011	1	.000
Valid Cases no	449		

a. zero cells (0.0%) have probable count less than 5. The least amount predictable cour is 16.36.

The aforementioned hypothesis can be confidently rejected based on Tables 11(A) and (B). That indicates a statistically significant dependence between 'Monthly income' and 'Purchase occasions Bonus and extra money'. In simpler words, this means that the survey respondents

classified by their monthly income profile did indeed exhibit selective behavior in purchase occasions bonus and extra money.

8.11 Monthly income and purchase occasions # Festivals

Ho6: The distribution of responses on (v1) purchase occasions '**Festivals'** are not independent of the distribution of responses by (v2) Monthly income.

Table No.12(B) Test of Chi-square			
	Values	**Dff.**	**Sig. (two-sided)**
Chi-Square	146.684[a]	4	.000
Ratio of Likelihood	167.479	4	.000
Association of Linear-by-Linear	35.895	1	.000
Valid Cases no	449		

a. Zero cells (0.0%) have unsurprising count less than 5. The least expected count is 12.87.

The above hypothesis can be confidently rejected based on Tables 12(A) and (B). That indicates a statistically significant dependence between 'Monthly income' and 'Purchase occasions # Festivals'. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in purchase occasions # festivals.

8.12 Monthly income and purchase occasions # Akshaya Tritiya

Ho7: The distribution of responses on (v1) purchase occasion '**Akshaya Tritiya'** is not independent of the distribution of responses by (v2) Monthly income.

Table No.13(B) Test of Chi-square			
	Values	**Dff.**	**Sig. (Two-sided)**
Chi-Square	19.808[a]	4	.001
Ratio of possibility	14.389	4	.006
Association of Linear-by-Linear	10.320	1	.001
Valid Cases no	449		

a. Five cells (50.0%) have expected count less than 5. The least estimated count is .61.

The aforementioned hypothesis can be confidently rejected based on Tables 13(A) and (B). That indicates a statistically significant dependence between 'Monthly income' and 'Purchase occasions 'Akshaya Tritiya'. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in purchase occasion Akshaya Tritiya.

8.13 Monthly income and purchase frequency

Ho8: The distribution of responses on (v1) '**Purchase frequency**' is not independent of the distribution of responses by (v2) Monthly income.

Table No.14(B) Test Chi-square			
	Values	**Dff.**	**Sig. (Two-sided)**
Chi-Square	93.834[a]	16	.000
Ratio of probability	111.538	16	.000
relationship of Linear-by-Linear	.199	1	.656
Valid Cases no	449		

a. Two cells (8.0%) have expected count less than 5. The least estimated count is 4.39.

Tables 14(A) and (B) show that the aforementioned hypothesis can be confidently dismissed. That indicates a statistically significant dependence between 'Monthly income' and 'Purchase frequency'. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit, in the behavior of purchase frequency.

8.14 Monthly income and purchase places

Ho9: The distribution of responses on (v1) '**Purchase places**' is not independent of the distribution of responses by (v2) **Monthly income**.

Table No. 15(B) Test of Chi-square			
	Values	**Dff.**	**Sig. (bilateral)**
Chi-Square	84.016[a]	16	.000
Ratio of probability	87.901	16	.000
Association of Linear-by-Linear	27.088	1	.000
Valid Cases no	449		

a. Fifteen cells (60.0%) have expected count less than 5. The least estimated count is .15.

The above hypothesis can be confidently rejected based on Tables 15(A) and (B). This suggests that 'Monthly income' and 'Purchase locations' have a statistically significant relationship. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit selective behavior in choosing their purchase places.

8.15 Monthly income and selling gold

Ho10: The distribution of responses on (v1) '**Selling gold'** is not independent of the distribution of responses by (v2) Monthly income. **Chi-Square Tests**

Table No. 16(B) Test of Chi-square			
	Values	**Dff.**	**Sig. (Two-sided)**
Chi-Square	449.000[a]	4	.000
Ratio of Likelihood	622.426	4	.000
Association of Linear-by-Linear	340.902	1	.000
Valid Cases no	449		

a. 0 cells (0.0%) have Estimated count less than 5. The lowest expected count is 33.77.

Tables 16(A) as well as (B), the above hypothesis may be safely rejected. That indicates a statistically significant dependence between 'Monthly income' and 'Selling gold''. In simpler

words, this means that the survey respondents classified by their monthly income profile did indeed exhibit, in selling gold.

8.16 Monthly income and reason for selling gold

Ho11: The distribution of responses on (v1) '**Reasons for selling gold'** is not independent of the distribution of responses by (v2) **Monthly income.**

Table No. 17(B)
Test of Chi-square

	Values	Dff.	Sig. (two-sided)
Chi-Square	994.123[a]	36	.000
Ratio of Likelihood	836.308	36	.000
Association of Linear-by-Linear	12.735	1	.000
Valid Cases no	449		

a. Twenty five cells (50.0%) have expected count up less than 5. The least expected count is .30.

The above hypothesis can be confidently rejected based on Tables 17(A) and (B). That indicates a statistically significant dependence between 'Monthly income' and 'Reasons for selling gold''. In simpler words, this means that the survey respondents classified by their monthly income profile did indeed exhibit, in reasons for selling gold.

8.17 Education and purchase places

Ho12: The distribution of responses on (v1) 'Purchase places' is not independent of the distribution of responses by (v2) Education. **Table No. 18(B)**
Test of Chi-square

	Values	Dff.	Sig. (Two-sided)
Chi-Square	110.337[a]	12	.000
Ratio of Likelihood	124.038	12	.000
Association of Linear-by-Linear	.047	1	.828
applicable Cases no	449		

Twelve cells (60.0%) have expected add up less than 5. The least expected count is .13.

Tables **18(A)** and (B), the above hypothesis may be safely rejected. That indicates a statistically significant dependence between 'Education' and 'Purchase places'. In simpler words, this means that the survey respondents classified by their education profile did indeed exhibit selective behavior in choosing their purchase places.

8.19 Education and awareness of hallmark symbols

Ho14: The distribution of responses on (v1) '**Awareness of hallmark symbols'** is not independent of the distribution of responses by (v2) **Education**.

Table No. 20(B)
Test of Chi-square

	Values	Dff.	Sig. (Two-sided)
Chi-Square	19.718[a]	3	.000
Ratio of Likelihood	25.077	3	.000
Association of Linear-by-Linear	3.021	1	.082
Valid Cases no	**449**		

a. Zero cell (0.0%) have expected count less than 5. The least expected count is 14.22.

The aforementioned hypothesis can be confidently rejected based on Tables 20(a) and (b). This suggests that 'Education' and 'Awareness of trademark Symbols' have a statistically significant relationship. In simpler words, this means that the survey respondents classified by their education profile did indeed exhibit, relating to awareness of hallmark symbols.

8.20 Education and awareness of KDM jewelry

Ho15: The distribution of responses on (v1) '**Awareness of KDM jewelry'** is not independent of the distribution of responses by (v2) **Education**.

Table No. 21(B) **Test of Chi-square**			
	Values	Dff.	Sig. (Two-sided)
Chi-Square	43.639[a]	3	.000
Ratio of Likelihood	48.838	3	.000
Association of Linear-by-Linear	.940	1	.332
Valid Cases no	449		

a. Zero cell (0.0%) have expected count less than 5. The least expected count is 16.88.

The aforementioned hypothesis can be confidently rejected based on Tables 21 (a) and (b). This demonstrates a statistically significant relationship between 'Education' and 'KDM Jewelry Awareness.' In simpler words, this means that the survey respondents classified by their education profile did indeed exhibit, relating to awareness of KDM jewelry.

8.21 Education and awareness of gold deposit schemes

Ho16: The distribution of responses on (v1) '**Awareness of gold deposit schemes'** is not independent of the distribution of responses by (v2) **Education.Chi-Square Tests**

Table No. 22(B) **Chi-square Test**			
	Values	Dff.	Sig. (Two-sided)
Chi-Square	271.136[a]	3	.000
Ratio of Likelihood	347.211	3	.000
Association of Linear-by-Linear	219.058	1	.000
Valid Cases no	449		

a. Zero cells (0.0%) have expected count less than 5. The least   expected count is 21.96.

The aforementioned hypothesis can be confidently rejected based on Tables 22(A) and (B). This suggests that 'Education' and 'Awareness of gold deposit programs' have a statistically significant relationship. In simpler words, this means that the survey respondents classified by their education profile did indeed exhibit, relating to awareness of gold deposit schemes.

From Tables 23(a) and (b), the above hypothesis may be safely rejected. It also shows that 'Gender' and 'Purchase frequency' have a statistically significant relationship. In other words, the survey respondents classified by their gender profile did indeed exhibit their purchase frequency.

IX.   Results and Discussion

The motivation behind this study is to decide why Indians purchase gold, why they sell it, and how they will respond to drives pointed toward adapting gold in India. This research also aims to demonstrate how gold can be used as an asset rather than a liability for the Indian economy. Looking at the gold market as a whole, research shows that 25000 tonnes of gold that is currently unused by the Indian public can be put to use in the Indian economy.

A detailed primary survey of 449 respondents was done in the cities of Hyderabad and Secunderabad in Telangana, India. The survey questionnaire was designed to gather information on respondents' gold buying and selling behaviors, investment trends, drivers for gold sale and purchase, motives for gold purchase, and reactions to new gold-backed products (both real and fictitious) and their likelihood to invest in them. The critical finding of the review is that Indian buyers view gold as both a venture and a design embellishment. Defense was mentioned by nearly 77 percent of respondents, while adornment was mentioned by more than half of those who bought gold. This conclusion is shared by Jaana Lisette (2008).

Another important finding is that Indians prefer to keep gold in their possession to shield themselves from volatility and uncertainty. With regards to the effect of securities exchange conditions on gold, this overview uncovers that vulnerability is the main component to consider. Another 12% said they would purchase gold on the off chance that the securities exchange was blasting, while another 12% said they would purchase gold assuming the financial exchange was declining. Assuming the financial exchange is erratic; in any case, 24% said they would purchase gold. The survey also attempted to determine the essence of the market after identifying the main drivers of gold demand in India, and discovered that increasing prices had little effect on demand for gold. Almost a fourth of respondents said they would purchase more assuming rates increased by, while 34% said they would sit idle. Simply 14% said they would quit purchasing gold on the off chance that costs expanded. According to the survey, 49% of respondents said they buy gold at least once a year, and 20% said they buy more than once a year. People who buy gold once a month and more than once a month have also been observed.

The above findings suggest that the hypothesis of the distribution of responses on (v1) purchase occasions is not independent of the distribution of responses by purchase occasion (v2) Monthly income was rejected in any case with a rejection rate of less than 0.5 percent. It suggests that gold buying is highly unpredictable and existent, but that this is primarily controlled by individuals in the higher income community who combine occasions and invest in gold consumption based on their earning capacity, which is directly linked to suggestive money activity. In their examination on group conduct and gold venture by retail financial backers, Dr. B.S.Hundal, Dr. Saurabh Grover, and Jasleen Kaur Bhatia deviate (2013), observing that financial backers have an assortment of character types and social predispositions that influence their venture choices. Retail financial backers' direction is impacted by elements, for example, personal expense, time worth of properties, future open doors, and productivity, and gold is the most sought-after ware because of its high liquidity, conventional worth, and social worth perspectives.

X.   Conclusion:

Gold has for some time been a significant part of the Indian family's financial attitude. It has consistently tended to bring out a feeling of social and emotive connection as an item, so recognizing its utilization and interest in India from that of different nations. Gold utilization has been characteristically tied 100% of the time to the monetary desires of Indian families. Gold is constantly remembered for each family's monetary portfolio, whether bought as bullion or adornments, for individual utilization, speculation, or even as a gift. For centuries in India, gold has been the evident and normal decision of putting something aside for all families. This review uncovered two key ends: first, nostalgic connection to gold gems seems to have faded over the long haul, and individuals are currently more ready to leave behind

their gold; and second, numerous customers need some sort of normalization in the actual market, especially as far as quality and cost.

XI.   References:

1.   Mishra. P.A(2018),"The Nature and Efficiency of Gold Market", Journal of Portfolio Management, Vol. 14, No. 3.
2.   Bhattacharya H(2017) "Deregulation of Gold in India", A Case Study in Deregulation of a Gold Market, World Gold Council Research Study no 27.
3.   F Mahapatra and Mehta (2017) F. and Adibe K, (2017), "Theories of gold price movement: Common wisdom or myths",   Undergraduate Economic Review: Vol. 6: Issue. 1, Article.
4.   Ghosh, D., Levin, E. J. and Macmillan, P. (2019), Gold as an Inflation Hedge?
5.   Gold Demand Trends (2011), World Gold Council.
6.   Greely D. and Currie J. (2019)," Forecasting Gold as a Commodity", Volume 183 Global Economics paper.
7.   Haubrich J, (2018) "Gold Prices" Federal Reserve Bank of Cleveland.
8.   Karunagaran A. (2011), "Recent Global Crisis and the Demand for Gold by Central Banks: An Analytical Perspective", Reserve Working Paper series, Department Of Economic and Policy research.
9.   Khannan R and Dhal S (2008), "India's Demand For Gold: Some Issues for Economic Development And Macroeconomic Policy", Indian Journal of Economics & Business, Vol.7, No. 1, (2017) : 107-128.
10. Kim M. and Dilts D, (2011) "The Relationship of the value of the Dollar, and the Prices of Gold and Oil: A Tale of Asset Risk", Economics Bulletin, Vol. 31 no.2 pp. 1151-1162.
11. Le T and Chang Y (2011), "Oil and Gold Prices: Correlation or Causation?", Vietnam Economist Annual Meeting (VEAM).
12. Mani, Ganesh and Srivyal Vuyyuri (2013), "Gold Pricing in India: An Econometric Analysis", Economic Research, Vol. 16, No. 1.