

PERSONAL FINANCE

OF GAZETTED OFFICERS IN KERALA

*Thesis Submitted to the
Cochin University of Science and Technology
for the Award of the Degree of
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Under the Faculty of Social Sciences

By

JOY K. J.
*Research Scholar
School of Management Studies*

Under the Supervision of

Dr. P. R. WILSON
*Department of Commerce
School of Management Studies*

**COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY
COCHIN 682 022**

November 1997

Dr. P.R. Wilson
Department of Commerce
Cochin University of Science and Technology.

CERTIFICATE

This is to certify that this thesis entitled “**Personal Finance of Gazetted Officers in Kerala**” is a record of bonafide research work done by **Shri. Joy K.J.**, under my supervision and guidance for the degree of Doctor of Philosophy, under the Faculty of Social Sciences of the Cochin University of Science and Technology.

The original work done by Shri Joy K.J. is the outcome of his own effort and has not formed the basis for award of any degree, diploma, associateship, fellowship or other similar title. This thesis is worth submitting for the Degree of Doctor of Philosophy under the Faculty of Social Sciences.



Dr. P.R. Wilson
Supervising guide

Cochin-22

Date 28.11.1997



CERTIFICATE

This thesis entitled “**Personal Finance of Gazetted Officers in Kerala**” is a bonafide research done by **Mr. Joy K.J.** and is cleared for submission for the award of the degree of Doctor of Philosophy in Commerce under the Faculty of Social Sciences, in the School of Management Studies, Cochin University of Science & Technology.



Dr. P.R. Wilson
(Member Doctoral Committee)
Lecturer,
Department of Commerce
Cochin University of Science and Technology
Cochin.



Dr. K.C. Sankaranarayanan
(Member Doctoral Committee)
Director, School of Social Sciences &
Professor and Head
Department of Applied Economics
Cochin University of Science and Technology,
Cochin.

Cochin

Date: 28-11-1997

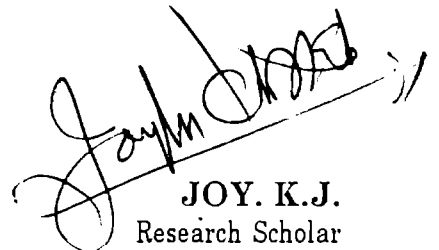


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This is to certify that this thesis entitled “**Personal Finance of Gazetted Officers in Kerala**” is a record of bonafide research work done by me under the supervision of Dr. P.R. Wilson, Department of Commerce, School of Management Studies, Cochin University of Science and Technology. I further declare that this thesis had not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title or recognition.

Cochin-22

Date 28.11.1997



JOY. K.J.
Research Scholar
School of Management Studies
Cochin University of Science & Technology

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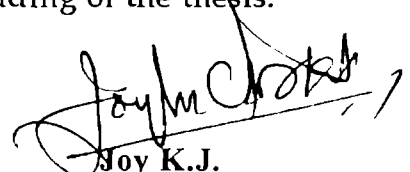
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Joy K.J.
Research Scholar
S M S, CUSAT

Cochin-22

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GLOSSARY

Abbreviations used

TVM	Trivandrum
EKM	Ernakulam
CLT	Calicut
A	Persons without personal financial planning
B	Persons with planning
MBO	Management By Objectives
PF	Provident Fund
LIC	Life Insurance Corporation
FD	Fixed Deposits
%	Percentage
48(1)	TVM
48(2)	EKM
48(3)	CLT
49(1)	A
49(2)	B
NA	Not applicable
Exp I	Expenditure I
Exp II	Expenditure II
P.O	Post Office
I/K/B	Indira Vikas Patra, Kissan Vikas Patra & Bhadratha
T.V	Television
Fridge	Refrigerator
VCR	Video Cassette Recorder
VCP	Video Cassette Player
Lbs	Liabilities
CD	Consumer Durable
R/W/F	Radio, Watch & Fan
T & E	Tools & Equipments

A1	Own Salary
A2	Salary of Spouse
A3	Amount Contributed by Other Members
A4	Income from Agriculture, etc.
A5	Income from Business, Profession and Industries
A6	Income from Investments
A7	Miscellaneous Income
A8	Total Income
A9	Expenditure on Food
A10	Expenditure on Housing
A11	Expenditure on Clothing
A12	Expenditure on Education
A13	Expenditure on Health Care
A14	Expenditure on Conveyance
A15	Miscellaneous Expenditure
A16	Expenditure on Social Obligations
A17	Expenditure on Entertainments
A18	Expenditure on Personal Habits
A19	Other Expenditures
A20	Total Expenditure
A21	Savings in Provident Fund
A22	Savings in Insurance
A23	Repay of Loans
A24	Bank Savings
A25	Chitties & Curries
A26	Debtors, Loans and Advances
A27	Post Office Savings
A28	Indira Vikas Patra, Kissan Vikas Patra, Bhadratha
A29	Shares, Bonds and Debentures
A30	Cash Certificates
A31	Other Savings
A32	Total Savings

A33	Accumulated Balance of Savings
A34	House Loan
A35	Bank Loan
A36	Provident Fund Loan
A37	Loans from Relatives
A38	Creditors
A39	Government Loans
A40	LIC Loans or F.D. Loans
A41	Other Liabilities
A42	Total Liabilities
A43	Current Liabilities
A44	Consumer Durables Purchased
A45	Total Consumer Durables
A46	Total Investments
A47	Total Ancestral Properties
D1	Total Investments in Land
D2	Total Investments in Building
D3	Total Investments in Gold & Silver
D4	Total Investments in Business & Vehicle
D5	Total other Investments in Live Stock & Others
DD1	Total Ancestral Land
DD2	Total Ancestral Building
DD3	Total Ancestral Gold & Silver
DD4	Total Ancestral Business
DD5	Total Ancestral Consumer Durables
DD6	Other Ancestral Properties
Mixie	Mixer
General	309 Respondents

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CHAPTER - I

INTRODUCTION

- 1.1 A Brief History
- 1.2. Significance of the Study
- 1.3. Statement of the Problem
- 1.4. Objectives of the Study
- 1.5. Hypotheses
- 1.6. Methodology
- 1.7 Scope of the Study
- 1.8. Limitations of the Study
- 1.9 Scheme of the Study

Chapter I

INTRODUCTION

1.1. A Brief History

Personal finance is concerned with the management of finance by every family. It deals with the life long financial aspects of the family. It involves the way in which a person gets his income and the way in which he spends it or saves it for future use. It also includes the amount and pattern of investment and management of liabilities, ancestral properties, consumer durables, etc.

Personal finance is based on the Management By Objectives approach. Personal finance deals with personal financial objectives and the financial behaviour of the family in terms of its expenditure, savings and investments.

A notable study in the field was done by Engel who propounded his law in the year 1885. It is widely believed that the aggregate consumption function is an area of Macro-economics where substantial progress has been made ever since the publication of General Theory by Keynes. It is also an area where neo-classical theory is supposed to have thrived. Few areas of economics have been as extensively researched into as the aggregate consumption function. This can be partly attributed to the prominence given to the subject by Keynes in his General Theory. Keynes' consumer appears rather

primitive when contrasted with the sophisticated, forward looking and farsighted consumer of the present.

George Katona one of the founders of the Survey Research Centre, of the University of Michigan, and its Director, has laid down the foundation for the development of Personal Finance. In the year 1948, he found out that apart from the government and from businessmen, consumers can also affect the economy. Amidst considerable criticism, Katona persisted in his view that consumers are important as an independent factor.

1.2. Significance of the Study

The purpose of personal financial management is achievement of personal financial freedom. It is a stage where finance will not be a hindrance against the fulfilment of the financial objectives of persons. After counting individual values and preferences we arrive at a standard or normal financial behaviour. Even though individuals differ in their tastes and preferences, there are a very large amount of commonality among them. The financial manager should list out the various financial objectives of the family. Then he should make the best choice from among the various alternatives on a priority based system. In short personal finance is concerned with the way in which a person manages his income and expenditure to achieve his personal financial objectives. Thus a proper personal financial planning is essential in every family for attaining financial discipline in the family.

The Asian Development Bank has conducted a study on the financial development and household savings and investigated on issues in domestic resource mobilization in Asian developing countries. The report prepared by Wan Soon Kim, in the year 1982, reveals that personal (household) savings account for the larger part of domestic savings.

The development of a nation is largely influenced by its rate of savings and capital formation. If financial discipline can be achieved in every family the household savings can be stimulated which will enhance the financial welfare of the nation.

Personal finance is relevant from the social point of view. A person can become self-sufficient by a systematic personal finance management. It will reduce his dependence on others and avoid conflicts of financial nature. The standard of living of the society can also be increased.

Personal Financial Management allows individuals or families to achieve their personal financial goals more easily. An awareness of financial responsibilities will enable the person to avoid mistakes that are often costly. Each financial question faced by the individual can be solved intelligently only if he realises the importance of the problem, the alternative solutions, and the experience of others exposed to similar situations.

The fall of the joint family system, the growing financial responsibilities of modern families, limited chance of increasing income, growing population, financial insecurity of the government employees, lack of financial freedom, lack of proper personal financial

practice and its awareness, the growing suicide rate on account of financial crisis etc., make the study a necessity.

Even though a number of studies were conducted in the related field, no study has been conducted in Kerala, covering the entire aspects of Personal Finance by emphasizing the life long financial objectives of the family. Hence the study is highly relevant.

1.3. Statement of the Problem

Majority of the Government employees are facing a number of problems like inadequacy of income, rising cost of living, lack of sufficient savings and investments, growing debts and uncertainty about the future financial position. Their income increases over the years but cost of living increases much faster than income. D.A. payments are usually delayed and also not in adequate proportion to the rising cost. Moreover D.A. is also a taxable income. Thus most of the government employees are struggling hard to make both ends meet.

In this context the study is directed to find out how a gazetted officer manages his income to achieve his personal financial objectives. The specific problems investigated are:-

1. (a) Do the gazetted officers in Kerala resort to proper personal financial planning?

- (b) What is the nature of their income, expenditure and savings and investments?
- 2. (a) Is there any significant relationship between their income and expenditure and between their income and savings and investments?
 - (b) Is there any significant difference in the income, expenditure, and savings and investments of the officers with personal financial planning and those without personal financial planning?
- 3. (a) What is the nature of their liabilities and consumer durables?
 - (b) Is there any significant relationship between current liabilities and consumer durables?

1.4. Objectives of the Study

The ultimate objective of the study is to evolve a judicious personal finance practice by which every person can manage his income to achieve his personal financial objectives. Specifically the following are the objectives of the study:-

- 1. (a) To find out whether the gazetted officers in Kerala resort to proper personal financial planning or not.
 - (b) To ascertain the nature of income, expenditure, and savings and investments of the gazetted officers in Kerala.

2. (a) To find out whether there is any significant relationship between their income and expenditure and between their income and savings and investments.
(b) To find out whether there is any significant difference in the income, expenditure, and savings and investments of the officers with personal financial planning and without personal financial planning.
- 3 (a) To ascertain the nature of liabilities and consumer durables of the respondents.
(b) To find out whether there is any significant relationship between current liabilities and consumer durables purchased during the year.
4. To suggest measures for achieving personal financial objectives and thereby to achieve the financial welfare and happiness of the family.

1.5. Hypotheses

Having a theoretical framework through survey, no hypothesis has been formulated, with regard to 1(a), 2(b) and 3 (a) of the objectives of the study. However, for the rest of the objectives, hypotheses have been formed. They are:-

- I (a) Nil
(b) Nil
- II (a) There is significant relationship between income and expenditure and between income and savings and investments of the gazetted officers in Kerala.

- (b) There is significant difference in the income, expenditure, and savings and investments of officers with personal financial planning and without personal financial planning.
- III
- (a) Nil
 - (b) There is significant relationship between current liabilities and consumer durables purchased during the year.

1.6. Methodology

The study is descriptive and analytical in nature. It is analytical with regard to the analysis and interpretation of the data collected. It is descriptive with regard to the theoretical concepts. Both primary and secondary data are used.

1.6.1 Operational Definitions

Person Person is used in the sense of the whole family.

Savings Savings include investments also. For the purpose of the study savings and investments are taken together. All other terms are used in the general sense.

1.6.2 The Universe

The universe of the study is limited to the gazetted officers in Kerala. As per the records taken from the Secretariat there are 1538 gazetted officers working in various

government departments, at district level, in the state excluding gazetted officers on deputation, on long leave and others not working in district level offices.

In the pilot study the researcher found that 20.5% of the above gazetted officers are working in three major city headquarters (civil stations) that is Trivandrum, Ernakulam and Calicut. Their number came to 316. For the purpose of the study the researcher collected data from all the gazetted officers working in these three district headquarters. Of this, 7 schedules were found unusable due to data deficiency and hence were excluded from the study. The remaining 309 were taken for the study. Districts were selected considering the point of parity. Moreover for the researcher's M. Phil., study, gazetted officers of the Secretariat were taken.

1.6.3 Data Collection

Data for the study were collected with the help of a structured schedule. The data collected were verified by visiting the houses of a number of gazetted officers.

1.6.4 Pilot Study

A pilot study was conducted in Trivandrum covering 50 officers. After the pilot study and discussions with experts the schedule was perfected.

Secondary data were collected from books, periodicals, articles, working papers, published, and unpublished reports and documents.

1.6.5 Tools Used for the Study

Statistical and financial management tools were used for the systematic arrangement and analyses of the data. Averages, percentages and ratios were worked out. Detailed analyses were made from three different angles:-

1. General level consisting of 309 officers.
2. Regional level in TVM, EKM and CLT consisting of 105, 103 and 101 respondents respectively.
3. Planning-wise in between group A and group B.

Group A consisted of 218 officers who do not resort to proper personal financial planning. Group B consisted of 91 officers who are more systematic in their personal financial planning.

1.6.6 Five Point Scale

A five point scale was used for rating the power of personal financial planning of the officers. Fifteen major variables were located in the light of the researcher's M.Phil. study, pilot study and literature survey, to find out the officers with and without personal financial planning. Three hundred and nine officers were assessed by considering 15 variables at 5 different levels 1, 2, 3, 4 and 5. A master table of personal financial planning was prepared and those who scored 45 and above points were assessed as

persons with personal financial planning and below 45 points were categorized as without personal financial planning.

Tabulated statements and various ratios were used to find out the nature of income, expenditure, savings and investments, liabilities and consumer durables. Ratio of each item of income to total income, each expenditure to total expenditure, each expenditure I to total expenditure I, each expenditure II to total expenditure II, each savings and investments to total savings and investments, each liability with total liabilities and each consumer durable with total consumer durables; were worked out and expressed in percentages. The analyses were also made from three different angles - general, region-wise and plan wise.

Items of expenditure were divided into ten major heads - food, housing, clothing, education, health care, conveyance, social obligations, entertainments, personal habits and other expenses. The first six items were treated as primary expenses and are headed as expenditure I and the last four items were treated as secondary expenses and are termed as expenditure II.

Correlation and regressions were worked out to verify the significance in the relationship of the hypothetical variables and 't' test is applied to test the significant variations between group A and B. Regional analyses were also made. Chi-square tests were applied to analyse the significant difference in the qualitative data.

ANOVA tables were also prepared to analyse the variations in the regional level.

The regression equation applied is

$$Y = a + bx$$

where Y = dependent variable, x = independent variable, a = constant and b = regression co-efficient. Significance at 5% level of freedom was taken in every case. Analyses were made with the help of a computer.

Tables and charts were drawn to exhibit the relevant data. Definitions were given. Analyses and interpretations were made and conclusions were derived and recommendations were suggested based on the study.

1.7. Scope of the Study

The study is limited to the personal finance management of the gazetted officers in Kerala. It is an M.B.O. approach and covers the following aspects:

- 1 Personal Financial Planning of the Gazetted Officers in Kerala
2. Their Income, Expenditure, Savings and Investment pattern.
- 3 Their Ancestral Properties.
4. Purchase and Holding of Consumer Durables.
5. Personal and Property Insurance.
6. Management of Liabilities.
- 7 Tax Planning

8. Retirement Plan; and
9. Estate Plan.

1.8. Limitations of the Study

1. The study is limited to the gazetted officers in the civil stations of Ernakulam, Calicut and such offices of Trivandrum.
2. Only district level government officers were taken.
3. Data were of a personal financial nature and were collected by means of personal interviews and hence have their limitations.
4. The analyses and printing were done with the help of a computer and have limitations.
5. Savings and investments were taken together.
6. Persons on leave and deputation were not taken
7. Other limitations are of time, resources and personnel.

1.9 Scheme of the Study

The thesis is organised under nine chapters

The first chapter is introductory in nature. It presents a brief history, the significance of the study, the problem, the objectives, the hypotheses, the methodology, the scope and limitations and the scheme of the study.

The second chapter includes a review of related literature.

The third chapter consists of the theoretical aspects of personal finance.

The fourth chapter narrates the personal financial aspects of income and expenditure.

The fifth chapter includes savings and investments, consumer durables, insurance, liabilities, taxation, retirement and estate planning aspects of personal finance.

The sixth chapter shows nature of employees and analysis of personal finance practice of the officers interviewed.

Seventh chapter explains the Income and Expenditure pattern of the gazetted officers and their analyses.

The eighth chapter gives an analysis of the savings and investments, liabilities, total investments, ancestral properties and consumer durables of the respondents; and

The last chapter presents the major findings, conclusions and recommendations of the study.

CHAPTER-II

LITERATURE SURVEY

- 2.1. Pioneers in the Field
- 2.2. Other Studies
 - 2.2.1. M.B.O.
 - 2.2.2. Consumer Behaviour
 - 2.2.3. Personal Finance
 - 2.2.4. Budgeting
 - 2.2.5. Income and Expenditure
 - 2.2.6. Food
 - 2.2.7. House
 - 2.2.8. Health
 - 2.2.9. Education
 - 2.2.10. Credit
 - 2.2.11. Savings and Investments
 - 2.2.12. Tax Planning

Chapter II

LITERATURE SURVEY

In the first chapter introduction is given. In this chapter a review of related literature is given.

Even though personal finance is comparatively of recent origin, a number of studies were made in the International, National and State levels, relating to the various aspects of it. A review of the existing literature is given below:-

2.1 Pioneers in the Field

2.1 1 One of the earliest studies was made, in the related field, by Engel who propounded his law in the year 1885¹ According to him, the smaller the family income, the greater will be the proportion of income spent on food. He stated that as consumption increases, the budget share of food declines, except among the very poor. The Engel Curve shows that the proportion of expenditure devoted to food decreases as the standard of living of the household increases.

¹Prais. S.J. and Houthakker. H.S., *The Analysis of Family Budgets*, Monograph No.4, University of Cambridge, Department of Applied Economics, 1971.

2.1.2 It is widely believed that the aggregate consumption function is an area of Macro Economics where substantial progress has been made since Keynes' study of Propensity to Consume. It is also an area where neo-classical theory is supposed to have thrived. Keynes was mainly concerned with consumption as a major component of aggregate demand. Keynes has come to a permanent income hypothesis that aggregate consumption in any particular period is a stable function of the average income over the current cycle.²

2.1.3 George Katona³ can be regarded as the father of consumer behaviour, who as the Director and one of the founders of the Survey Research Centre, University of Michigan, has laid down the foundation for the development of Personal Finance. Amid considerable criticism and skepticism, Kátona persisted in his view that consumers are important as independent factor affecting the economy of the United States. Katona stressed the psychological aspects of Personal Finance.

²Keynes, J.M., *The General Theory of Employment, Interest and Money*, Macmillan, London, 1936, p. 110.

³Katona, George, *The Mass Consumption Society*, Mc Graw-Hill Book Company, 1964.

2.2 Other Studies

2.2.1. MBO.

Hart L.C.⁴ in his study on human relations in business in the year 1945 pointed out that the real question facing all management is what is to be done next. He said the heart of management is change. As the family passes from one stage to another of its life cycle, new goals become important. As one goal is achieved another takes its place.

2.2.2. Consumer Behaviour

2.2.2.1 Cleo, Fitzimmons⁵ in his study has pointed out that the purpose of consumer-buying is to obtain goods that will most completely care for the greatest number of the most important wants recognised by an individual or a household group.

2.2.2.2 Devendra B. Gupta⁶ investigated on the effect of house hold size on consumer behaviour in India in the year 1969 using the unpublished data on personal consumption collected by the NSS during its 17th round. The study was confined to two major states of India, UP and Madras.

⁴Hart.L.C., "Human Relations in Business" *Personal Journal*, Vol. XXIII, January, 1945.

⁵Fitzimmons, Cleo, *Consumer Buying for Better Living*, John Wiley and Sons Inc., New York, 1961

⁶Gupta, Devendra. B., "Household Size and Expenditure", *Arthavijnana*, Vol. XI, No.1. March, 1969

Nineteen expenditure categories were studied separately for rural and urban sections and found out that household size affects consumer behaviour and the extent of this effect varies between commodities and regions.

2.2.2.3 He also analysed the consumer behaviour in India with the help of Engel Curves in the year 1973.⁷ He focussed on the investigation of inter-regional variations by utilising published and unpublished NSS data on consumer expenditure. He examined the effects of household size and age of household head on consumption for two major states of India, Tamil Nadu and Uttar Pradesh. The results of comparisons show the existence of significant regional differences in consumption behaviour.

2.2.2.4. Burkhard, Strumpel⁸ and others focussed their attention on human behaviour in economic affairs in the year 1972. The major problem area is the role of the private household in economic affairs. In the study, the evolution of behavioural economics and the survey method are linked to the study of George Katona.

2.2.2.5. Jagdish N. Sheth⁹ developed a theory of Family Buying Decisions in the year 1974. After reviewing the existing knowledge on family decision making, he attempted

⁷Gupta, Devendra, B., *Consumption Patterns in India*, Tata MC Graw Hill Publishing Company Limited, New Delhi, 1973.

⁸Strumpel, Burkhard *et al.*, *Human Behaviour in Economic Affairs*, Elsevier Scientific Publishing Company, New York, 1972.

⁹Sheth, Jagdish, N., *Models of Buyer Behaviour*, Harper and Row Publishers, New York, 1974.

to integrate the findings and thoughts that seem to be intimately related to buying decisions of the family.

2.2.2.6. Gershon Wheeler¹⁰ through his study on the behavioural aspects of the consumers guides us as how not to be a “Conned-sumer” and tells us how to protect our money and use it to make wise purchases. He lays down a track which will make people wealthy by enabling them to buy the right goods, to spend and save intelligently and keep from being conned into consuming foolishly.

2.2.2.7 Louis J. De Salvo ¹¹ focused on the major rights of the consumers like the right to safety, the right to be informed, the right to choose, the right to be heard the right to consumer education etc. The study tells us how to spend our money effectively so that we may get 10% - 20% more for every dollar we earn by smart shopping and buying.

2.2.2.8. George Hadji matheou¹² Provided wide ranging discussion of theoretical and empirical issues going back to Keynes. The study is an attempt to supply a wide ranging

¹⁰Wheeler, Gershon, *The Intelligent Consumer*, Reston Publishing Company, Inc., Virginia, 1975.

¹¹De Salvo, Louis, J., *Consumer Finance*, John Wiley and Sons, New York, 1977

¹²Hadjimatheou, George, *Consumer Economics After Keynes*, Wheats Leaf Books Limited, Great Britain, 1987

survey both empirical and theoretical, with particular emphasis on more recent developments, including the application of rational expectations, dynamic adjustments and ultra rationality hypothesis, liquidity of credit constraints, the effect of inflation etc..

2.2.2.9. Peter, D. Bennet and Harold H. Kassarijian¹³ of Pennsylvania State University and University of California, respectively concentrated on the central issues of marketing analysis and policy and made suggestions to meet complete and changing marketing problems. One of the basic assumptions underlying the study was that consumer behaviour always involves choice. The crux of the issue lies in the fact that freedom of consumer choice is relative rather than absolute and the single most important determinant of the freedom of choice is the affluence of consumers and the society in question.

2.2.2.10. Leon G. Schiffman¹⁴ of Baruch College, City University of New York and Leslie Lazar Kanuk were convinced that the major contribution of consumer behaviour studies to the practice of marketing is the provision of structure and direction for

¹³Bennet, Peter, D. and Kassarijian, Harold, H., *Consumer Behaviour*, Prentice Hall of India, 1987

¹⁴Schiffman, Leon, G. and Kanuk, Leslie Lazar, *Consumer Behaviour*, Prentice Hall of India, 1988.

effective market segmentation. They focussed on the study of consumer behaviour and its applications to strategic planning and marketing.

2.2.2.11. Manokjumar Panda¹⁵ framed a price endogenous plan model for India incorporating normative minimum consumption targets in the year 1988. He attempted to incorporate the normative consumption targets into a plan model for India. It postulates consumer behaviour to be influenced by income and prices through a total demand system and considers the price structure and the consumption norms within an integrated frame. On the production side, it assumes perfectly elastic supply at given mark-up rate from base year.

2.2.3 Personal Finance

2.2.3 1. The National Conference on Family Life¹⁶ held in May 1948 concluded that good managers are not born but trained. Much learning of this nature can come through the day to day contacts in a family where the need for effective management is an intelligent concern.

¹⁵Panda, Monojkumar, *A Price Endogenous Plan Model for India*, Working Paper No.13, NCAER, February, 1988.

¹⁶National Conference on Family Life, Unpublished Papers, *Home Management*, Sub-committee, Washington, D.C. May 1948.

2.2.3.2. Edward R. Willet¹⁷ of North Eastern University, has pointed out that each financial question faced by the individual can be solved intelligently only if he realises the importance of the problem, the alternative solutions, and the experiences of others exposed to similar situations. Careful financial planning and an intelligent approach to financial problems can contribute greatly to a happy and satisfying life.

2.2.3.3 Irma H. Gross and Elizabeth Crandall Walbert¹⁸ of Michigan State University and University of Rhode Island, respectively investigated on the managerial aspects for modern families in the year 1967. Their main focus was how the management process can be applied to utilise most effectively the specific resources of the family to achieve family goals that will bring the greatest satisfaction to the family. According to the study, the purpose of management is to bring about change in an orderly way as the resources and goals with which it deals vary.

2.2.3.4 Taylor, W.J. and Watling, T.F.¹⁹ have analysed the income, saving and expenditure on selected items of consumption, both durable and non-durable, of the urban and rural household sectors in India for the year 1967-68, with special reference to the group of households having an annual income between Rs. 5000 and Rs. 15000.

¹⁷Willet, Edward, R., *Personal Finance*, Charles, E. Merrill Books, Inc., Ohio, 1964.

¹⁸Gross, Irma.H. and Crandall, Elizabeth Walbert, *Management for Modern Families*, Meredith Publishing Company, New York, 1967

¹⁹Taylor, W.J. and Watling, T.F., *Personal Finance for Managers*, Business Books Limited, London, 1972.

2.2.3.5. Robert R. Rosenberg and Ralph V Naples ²⁰ focussed on personal income, consumer purchases, automobile ownership, housing costs, personal insurance and investments in the year 1976.

2.2.3.6. Robert H. Burton ²¹ and George J. Petrello have found that:-

1. From birth until death most decisions and consequent behaviours of individuals are anchored to the family.
2. The individual differences in motives, preferences and even values among family members have effects on the process of family decision making.
3. There is greater autonomy of the wife among the upper and lower social classes and less in the middle class.
4. One family's life style may be quite distinct and different from that of another family.
5. All family buying decisions can be classified as autonomous (by one member) or joint (by some members or all of the family).
6. Knowledge can reduce cost.

²⁰Rosenberg, Robert, R. and Naples, Ralph, V., *Personal Finance and Consumer Economies*, Mc Graw Hill Book Company, Inc., USA, 1976.

²¹Burton, Robert, H. and Petrello, George, J., *Personal Finance*, Macmillan Publishing Company, Inc, New York, 1978.

2.2.3 7 Lawrence J Gitman²² of the University of Tulsa focussed on quality of life, consumption and wealth accumulation. According to him personal financial management is for better decisions, proper handling of finance and it satisfies personal financial goals.

2.2.3 8. Charles P. Edmonds III²³ of Auburn University Alabama stressed on the essentials of personal finance in the year 1979. The purpose of the study is to show how everyone is a small part of a giant economic system. He pointed out the relevance of personal budgets, sources of credit, insurance, home ownership, taxation, investments and even the changing role of women.

2.2.3.9. The study of Ronald C. Gable²⁴ on investments and financial planning revealed that each individual must be responsible for his or her financial decision making. Only knowledgeable active decision makers will achieve financial security. All planning is purposeful, and financial planning can be done only by those who set goals and actively strive to implement those goals.

²²Gitman, Lawrence, J., *Personal Finance*, The Dryden Press, Illinois, 1978.

²³Edmonds, Charles, P. III., *Essentials of Personal Finance*, Goodyear Publishing Company, California, 1979.

²⁴Gable Ronald, C., *Investments and Financial Planning, The Complete Picture*, Reston Publishing Company, Inc., Virginia, 1983.

2.2.3 10. Paulena Nickell²⁵ and Jean Muir Dorsey offered a fresh approach towards management in family living. They concentrated on the fundamental concepts in management, management of family resources and the contribution of management in the democratic home to the development of socially adjusted individuals.

2.2.3 11 Baruah M. Pathak ²⁶ and others conducted an investigation on the money management practices of families from low income group in Jorhat sub-division in the year 1988. The major findings revealed that ignorance and lack of appreciation on part of home makers regarding the advantages of budgeting and account keeping act as hindrance to realising how the family income is being spent. Financial insecurity or old age insecurity is a deep rooted feeling in the minds of the sample households and it becomes the motivating factor of their saving programme.

²⁵Nickell, Paulena and Dorsey, Jean Muir, *Management in Family Living*, Wiley, Eastern Limited, New Delhi, 1986.

²⁶Pathak, Baruah, M., *et al.* Money Management practices of some selected families of Low Income Group” *Journal of North-East India Council for Social Sciences Research*, No.1, Vol, 12, April, 1988.

2.2.4. Budgeting

2.2.4.1. Cunningham, B.V.²⁷ in his study on family behaviour in the year 1936, has stated that the best kind of budget, if it is not acceptable to all members of a family group, might do more personal harm than one more carelessly planned.

2.2.4.2. Saul Bernstein²⁸ in his study, “Self-determination King or Citizen In the Realm of Values”, has stated that there is a wide variety of goals from which an individual or family may select.

2.2.4.3. Government of India Studies

In pursuance of the recommendations of the Rau Court of Enquiry, family budget enquiries were conducted for the first time on uniform lines in India during 1944-46 by the government of India with a view to construct and maintain reliable consumer price index numbers for different centres.

Later on, family living surveys were conducted during 1958-59 in fifty important industrial centres and during 1970-71 in 60 important centres based on the latest scientific techniques.

²⁷Cunningham, B.V., *Family Behaviour*, Philadelphia Saunders, 1936.

²⁸Bernstein, Saul, “ Self-Determination:-King or Citizen in the Realm of Values” *Social Work*, vol.5, No.I, January, 1960.

With the passage of time, the consumption pattern of the working class had undergone changes and it was felt that the existing consumer price index numbers, on the base 1960 = 100., should be revised on the basis of new weighting diagram. It was therefore, decided to conduct income and expenditure survey in 76 important industrial centres during 1981 - 82. This task was undertaken by the Labour Bureau, Ministry of labour in accordance with the recommendations of the Technical Advisory Committee on Statistics of prices and cost of living set up by the Government and the guidelines laid down by the I.L.O.

A working class family formed the basic unit of the survey and has been defined as one which is situated within the Centre, which has at least one member working as manual worker in an establishment in any of the seven sectors of employment, namely registered factories, mines, plantations, ports and docks, electricity generating and distributing establishments, public sector transport undertakings and railways, and which derives 50 per cent or more of its income from any manual work.²⁹

2.2.4.4 As per the All India Consumer Expenditure Survey of NCAER,³⁰ in the year 1966, the national income of the country increased by over 50% at 48-49 prices and the per capita income by about 17% over the period 1951-52 to 1962-63. Since the

²⁹ *Report on Working Class Family Income and Expenditure Survey, 1981-82*, Trivandrum, Government of India, Ministry of Labour Bureau, Chandigarh.

³⁰ NCAER, *All India Consumer Expenditure Survey*, Vol. I, Methodology, New Delhi, April, 1966.

ultimate object of planning is to raise the standard of living of the people, one would be interested to know the possible changes that might occur in the levels and in the pattern of household expense on goods and services of the different groups of population.

2.2.4.5. Another Survey was conducted by the NCAER³¹ to compare and contrast the pattern of consumer expenditure and income prevailing in areas which have already been touched by the development process. Consumer behaviour is explained by relating consumer expenditure to income, education, family size; and developmental status of the family's place of residence.

2.2.4.6. Haridasan, V³² of the Rubber Board, Kottayam, has analysed the family budget and social security benefits of rubber plantation workers in India in the year 1967

2.2.4.7 Krishnankutty, P.N. and Haridasan, V³³ of the Rubber Board, Kottayam had conducted another study on the family budget of rubber plantation workers in Kozhikode district in the year 1976. The Board initiated a sample survey of family budget of rubber plantation workers in order to have basic information on the existing working

³¹NCAER, *All India Consumer Expenditure Survey*, Vol. II, New Delhi, 1967

³²Haridasan, V., *Family Budget and Social Security Benefits of Rubber Plantation workers in India*, The Rubber Board, Kottayam, 1967

³³Krishnankutty, P.N. and Haridasan, V., *Family Budget of Rubber Plantation, Workers in Kozhikode District*, The Rubber Board Kottayam, 1976.

and living conditions of rubber plantation labourers. The family was taken as the basic unit of the survey.

2.2.5. Income and Expenditure

2.2.5.1. Prais, S.J. and Houthakker, H.S.,³⁴ have analysed the expenditure pattern of households in the year 1971. Further study of family budgets showed the variations in income and household size on the expenditure pattern of the household. The prices paid by a household for physically similar items of expenditure also vary systematically with the standard of living of the household.

2.2.5.2. Operations Research Group, Baroda,³⁵ conducted research on a long-range perspective to analyse the consumer behaviour by following NSS data in the year 1975 and concluded that

- 1 The material welfare of the people is most directly reflected in their consumption basket.

³⁴Prais, S.J. and Houthakker, H.S., *The Analysis of Family Budgets*, Monograph No.4, University of Cambridge, Department of Applied Economics, 1971.

³⁵Operational Research Group Baroda, *Consumption Pattern and Life Style, 2000 A.D* January, 1975.

2. The rural and urban population sectors exhibit two distinct patterns of consumption.
3. Not only does the size of the consumption basket grow over time but its composition changes.
4. Elasticity of demand for non-food items increases sharply as one moves from the pessimistic to the more optimistic scenarios.

2.2.5.3 Chandola, L.M.³⁶ undertook a study of the consumption pattern of different income groups of the Diesel Locomotive Works Varanasi, in the year 1984. It was an outcome of the analysis of consumer expenditure based on data on family expenditure collected from the employees of the Diesel Locomotive Works, Varanasi.

2.2.5.4. Sunny. K.P.³⁷ has observed the consumption pattern in Kerala in the year 1988 with the help of NSS data. He found that there had not been much relationship between per capita income and per capita consumption expenditure in Kerala unlike the rest of India basis. Consumption expenditure during the NSS 22nd and 38th round showed that the proportion of expenditure on food items have decreased while that on non-food items increased. In 1983, more than 40% of the per capita monthly expenditure share was for non-food items including luxurious items.

³⁶Chandola, L.M., *Consumption Pattern of Different Income Groups of Industry*, Gandhian Institute of Studies, Varanasi, 1984

³⁷Sunny.K.P., *Consumption Behaviour in Kerala*, Thesis submitted to the Centre for Development Studies for the M.phil Degree, 1988.

2.2.5.5 Batty. I.Z.³⁸, Director General, NCAER, New Delhi, investigated on rise in consumption levels in India and consumerism in the year 1989. He analysed the Engle's Curve and stated that a low wealth-income ratio tends to reduce current consumption which might increase savings ratio. The aspirations with regard to children's education as well as other future expenditure are rising, current consumption will tend to decrease further.

2.2.6. Food

2.2.6.1 Tripathy S.C.³⁹ has analysed the availability of nutritional food and purchasing power of the people in the year 1977. He analysed the All India Rural Credit Survey 1962-63 carried out by the NCAER and pointed out that about 31 % of the rural families are quite poor and are not in a position to have necessary purchasing power for consuming the requisite quantities of food, needed for a balanced diet. The illiteracy among the rural poor and lack of proper knowledge of nutrition and balanced food among both the rural and urban women are other factors. Considerable losses in the nutritive value of foods occur in cooking and preparation of foods. Then there are problems of under nutrition and malnutrition.

³⁸Batty I.Z., "Rise in Consumption Levels in India and Consumerism" *Margin*, April, 1989

³⁹Tripathy.S.C "Availability and Purchasing Power, Nutritional Food" *Yojana*, Vol.21, October, 1977

2.2.6.2 Rajaram Das Gupta⁴⁰ investigated on the estimation of nutritional intakes with the help of NSS data in the year 1981. He found that intakes of vitamin A and calcium along with that of calorie are too meagre. Income is the major factor influencing intake of nutrients. Per capita intake of calorie and per capita production of cereals are positively correlated. With the increase of per capita production of cereals, which is an indicator of rise in income, consumption of cereals first increases; later the expenditure is diverted to non cereals items. Also intakes of calorie and protein increase with the size of land holdings. They are least among landless labourers.

2.2.6.3. In the year 1983,⁴¹ he conducted a study on the nutritional inequality in India. By using NSS data. He investigated the average intake of calorie and protein, and the nature of their distribution in different states and found that although nutritional inequality is more in rural than in urban areas, nutritional status is better in rural areas than in urban areas. A sort of nutritional demarcation between geographical north and south was also found.

⁴⁰Gupta, Rajaram Das, *Estimation of Nutritional Intakes*, Working Paper, No.139, Centre for Developmental Studies. 1981

⁴¹Gupta, Rajaram Das, *Nutritional Inequality in India*, Working Paper, Centre for Development Studies, No.163, February. 1983

2.2.6.4. Vaidyanathan. A.⁴² has analysed the food consumption and the size of people of the year 1984. The arguments and evidence marshalled by him showed that size of human beings brings one of the major indicators of nutritional status. The differences in size are to some degree, perhaps to an important degree, a reflection of differences in sustained food intake.

2.2.6.5. Gopalan C. and others⁴³ focussed on nutritive value of indian foods based on work carried out in the National Institute of Nutrition, Hyderabad in the year 1987. It provided an outline of some basic aspects of human nutrition and includes detailed information on the nutritive value of common Indian food stuffs which will be helpful in assessing the nutritive value of existing diets and in correcting inadequacies there in through a judicious choice of available food stuffs.

2.2.7 House

2.2.7.1 The World Bank⁴⁴ has conducted a study on housing in the year 1975. This study approached the housing situation from the stand point of effective housing demand. The costs of dwelling units of varying sizes, standards and locations are compared with the ability of low income groups to pay.

⁴²Vaidyanathan, A., *Food Consumption and the Size of People: Some Indian Evidence*, Working Paper no. 188, Centre for Development Studies, Trivandrum 1984

⁴³Gopalan C. *et al.*, *Nutritive Value of Indian Foods*, National Institution of Nutrition - Indian Council of Medical Research, Hyderabad. 1987

⁴⁴World Bank, *Housing*, Sector Working Paper, 1975

2.2.7.2. Pama, R.P.⁴⁵ and others have edited the low income housing technology and policy following the proceedings of the international conference on low income-housing technology and policy organised by the Asian Institute of Technology in Bangkok, Thailand on June 7-10-1977

The conference has a specific and important task to bring together the various professionals working in the fields of housing in order to chart an effective strategy to meet their common objectives – decent shelter for everyone. The housing of low income people requires low-cost, resource conserving appropriate technology coupled with considerable changes in institutional relationships in society that can enable low income people to gain-access to housing resources such as land, finance, public utilities. and social services.

2.2.7.3 Mathur, G.C.,⁴⁶ Director, National Building Organization has investigated. on the ways of making low cost houses, in the year 1982. He analysed the various efforts made by NBO in reducing the cost of housing construction. The NBO has made concerted efforts to promote improved use of local materials for reducing cost of housing

⁴⁵Pama, R.P. *et al.*, *Low Income Housing - Technology and Policy*, Pergamon Press, Inc. USA, 1977

⁴⁶Mathur, G.C., "Making Houses less Costly" *Yojana*, vol. 26, Feb., 1982.

construction. Another point he stressed was the reduction in thickness of walls by using single-brick walls for the construction of four and five storeyed residential buildings. Apart from saving in the consumption of bricks, cement and steel, such types of load bearing brick structures provide greater covered area, resulting in upto 15% economy in cost of construction. He also stressed the use of modular bricks, flyash bricks, stoneblock masonry, profile brick panel roofing system and lime mortars and plasters for reducing the cost of housing construction to a considerable extent.

2.2.7.4. Joseph K.V⁴⁷ of St. Xavier's College Thumba, has analysed the historical perspective of patterns and dimensions of migration from Kerala. He found out that migration from Kerala which started in trickles became an exodus since the attainment of independence. It is by and large economic motive which prompts people to move out of their places of origin in the modern world.

2.2.7.5 Leela Gulati⁴⁸ has concentrated on the impacts of male migration to the Middle East on the family in the background of Kerala in the year 1983. The major observations of the study were migration from Kerala State to the Middle East has been quite substantial in recent years. The major economic impact of this migration at

⁴⁷Joseph. K.V “Patterns and Dimensions of Migration from Kerala-A Historical Perspective”, *Loyola Journal of Social Sciences*, vol. II., No.2., 1988

⁴⁸Gulati, Leela, *Impacts of Male Migration to the Middle East on the Family: Some Evidence from Kerala*, Working paper No.176 Centre for Development Studies, September, 1983

the family level has been the inflow of remittances and consequential improvement in living standards. The most visible impact of this can be seen already in the widespread improvement of housing.

2.2.7.6. Muhammed Aslam⁴⁹ has conducted, an investigation on the personal financial aspects of housing in the year 1989 by using primary data collected from government employees in Ernakulam district and arrived that

1. People usually make massive investment in house-building which is not necessary.
2. They are not very enthusiastic about economic construction.

2.2.8. Health

2.2.8.1 The World Bank⁵⁰ has conducted a study on health in the year 1975. The study assessed the health situation in developing countries, examined the impact of poverty on ill-health, and of ill-health on economic development, analysed the trends in health policy in member countries and offered suggestions for reform, and outlined the policy the Bank has decided to follow.

⁴⁹Aslam, Muhammed, M.K., *House Building and its Impacts on Personal Finance*, A Project Report submitted to the CUSAT for the M.Phil. Degree, 1989

⁵⁰World Bank, *Health*, Sector Working Paper, March 1975

2.2.8.2. Panikar P.G.K.⁵¹ analysed the financial aspects of health care in the people's Republic of China in the year 1985 and concluded that "Prevention, the stress on rural areas, strategies such as training and deployment of medical personnel, and recourse to the mass line topped the priority list. The Chinese leadership showed an astute understanding of the nature of health problems and the constraint on resources.

2.2.9 Education

2.2.9.1 The World Bank's⁵² study on Education in the year 1974 describes the world wide trends in educational development during 1950-70. It sets out issues and problems which confront developing countries. Serious imbalances were observed between the skills generated by educational systems and actual needs of most developing countries.

2.2.9.2. The study of 1981 of the World Bank⁵³ conceptualises basic education and examines its ability to deliver benefits, particularly to the poor. It gave an input to the Bank-wide work programme on meeting basic needs, coordinated by the policy planning and programme review department.

⁵¹Panikar, P.G.K.. *Financing Health Care in the Peoples' Republic of China*, Working Paper No.211. CDS, September 1985

⁵²World Bank, *Education, Sector Working Paper*, December, 1974

⁵³World Bank, *Education and Basic Human Needs*, Staff Working Paper, No 450

2.2.10 Credit

2.2.10.1 Carl A Dauten⁵⁴ in his study-*Financing the American Consumer*, of 1956, has defined the term consumer credit as credit used by consumers to help finance the purchase of commodities and services for personal consumption or to refinance debts originally incurred for such purchases.

2.2.10.2 Wallace P Mors⁵⁵ through his study on consumer credit has contributed two main rules for preserving a good credit standing. The first is buy only what you know you can pay and make payments promptly when they are due. The second rule is act cooperatively toward your creditors if financial difficulties arise.

2.2.10.3 Victor Morgan E. and Richard Harrington⁵⁶ concentrated on the sources and uses of medium and long-term finance. It focussed on the longer end of the market and the role of the banks as suppliers of medium and long term finance. It contains a series of descriptive and analytical studies of the capital markets of each of the EEC countries separately and comparative studies dealing with major issues of public interest.

⁵⁴Dauten, Carl, A., *Financing the American Consumer*, Consumer Credit Monograph No.I, American Investment Company of Illinois, 1956.

⁵⁵Mors, Wallace, P *Consumer Credit Facts For You*, Educational Pamphlet, No. 1, Bureau of Business Research, Western Reserve University, 1959

⁵⁶Morgan, Victor, E. and Harrington, Richard, *Capital Markets in the EEC*. Wilton Publications, England, 1977

2.2.11 Savings and Investments

2.2.11.1 Enoch Powell⁵⁷ in his studies, 'Savings in a Free Society' in the year 1960, states that the meaning of consumption or savings depends upon the period of time involved. The first point which we notice about consumption and saving is that the distinction between them can be made only in relation to a specific period of time.

2.2.11.2. Taylor, W.J. and Watling, T.F.⁵⁸ have concentrated on the personal financial aspects of the managers in the year 1972. The study covers personal budgeting, the savings media, insurance, investment schemes etc. The objective of the study was to estimate and analyse income saving and expenditure on selected items of consumption, both durable and non-durable, of the urban and rural household sectors in India for the year 1967-68, with special reference to the group of household having an annual income between Rs.5000 and Rs. 15000.

2.2.11.3 The NCAER⁵⁹ has conducted an all India household survey of income, saving and consumer expenditure with special reference to middle class households in the year 1972. A comparative study of primary data of higher income group and secondary data of NSS average figures of 10 years of lower and higher income groups were made.

⁵⁷Powell, Enoch, *Savings in a Free Society*, The Institute of Economic Affairs, London, 1960.

⁵⁸Taylor, W.J. and Watling, T.F., *Personal Finance for Managers*. Business Books Limited, London, 1972.

⁵⁹NCAER, *All India Household Survey of Income, Saving and Consumer Expenditure*, New Delhi. 1972.

The study reveals that major part of urban saving was financial saving in P.F L.I.C and Banks. Major part of rural saving was invested for improving assets in agriculture. Saving for building or purchasing houses and for improving them came next both in rural and urban area. There is a desire among the rural households for accumulation of gold and ornaments. The marginal propensity to save was 35% for entire household sector. It was 34% in rural and 39% in urban sectors. Net saving expressed as percentage of disposable income was 7.9%. It was 6.9% in rural and 10.6% in urban sectors.

This indicates that, other things remaining constant, it is possible to realise even a higher rate of saving with increasing income. Middle class households in the country saved 20% of their income; the MPS was 34%. Rural middle class households saved at some what higher portion of income than the urban middle class. However the MPS of the urban middle class was much higher than that of rural.

Households upto an income level of Rs. 2000 per annum, not only did not contribute to the volume of net saving but they dissaved. On the other hand, the top income households with annual incomes Rs. 15000 and above though around 1% of the households in the country accounted for roughly 1/3 of the total volume of net saving in the household sector. The propensity to save showed a clear tendency to rise with the level of education.

Food accounts for 50% of disposable income. For the country as a whole the expenditure on Consumer durables accounted for 1.5% of the disposable income. The proportion of households which owned consumer durable increases with income.

2.2.11.4 Donald E Fischer ⁶⁰ of University of Connecticut and Jordan, Ronald, J of University of Bridgeport have conducted a study on security analysis and portfolio management in the year 1979. They considered investing as a rational decision-making process in which the investor attempts to select a package or portfolio of securities that meets a pre-determined set of goals. These investor goals are expressed in terms of return on investment and the degree of uncertainty about the return or risk.

2.2.11.5. The Asian Development Bank⁶¹ has conducted a study on the financial development and household savings and investigated on issues in domestic resource mobilisation in Asian developing countries. The report revealed the following:

Household savings are one major source of internally generated investment capital. Domestic savings may be classified as public and private. Private savings are derived from the household sector.

⁶⁰Fischer, Donald, E. and Jordan, Ronald, J *Security Analysis and Portfolio Management*, Prentice-Hall, Inc., New Jersey, 1979

⁶¹Asian Development Bank. *Financial Development and Household Savings*, Economic Staff Paper, No 10, Philippines, July, 1982.

Government (Public) saving rarely exceeds 1-3% of GDP in DMC's (except Bangladesh and Nepal, which have very low domestic saving ratios) Household (personal) savings account for the larger part of domestic savings.

Raising the interest ratio from r^0 to r' increases savings and investment. A progressive income tax is said to have disincentive effects on savings and investment.

2.2.11.6. Varghese Antony ⁶² has analysed the investment pattern of non-resident Keralites of the year 1988. The study was primarily based on empirical data collected from sample household surveys conducted in Pathanamthitta District. He found out that as regards the utilisation of remittances by the emigrant households, a good part is used on current consumption. Regarding the pattern of investment of savings, bulk of it is invested in assets of an unproductive nature. Land and buildings take the major share of the savings. Only 19% of the savings are invested in any sort of income generating schemes.

2.2.11.7 Rajappan Nair, A⁶³ has analysed the savings and investment pattern of college teachers with the help of primary data collected in the year 1989. He found out that a

⁶²Antony, Varghese, *Investment pattern of Non-Resident Keralites*; Report submitted to the Cochin University of Science and Technology, for the Requirement of M.Phil Degree, 1988.

⁶³Rajappan Nair, A., *Savings and Investment Pattern of College Teachers*, A Project Report Submitted for the M. Phil Degree. CUSAT, 1989

good part of the earnings of salaried persons are used for consumption purposes and that a major portion of the savings is applied in non-productive investments. Whatever savings available are invested in conventional and low income yielding sources like P.F Life Insurance, National Saving Certificates, Fixed Deposits etc. People are unwilling to take any pains to select best channels of investments.

2.2.11.8 Arlene Fernandez ⁶⁴ has undertaken a study of the savings and investment pattern of employed women in 1990. She pointed out that savings and investments are positively correlated with the income and that financial planning increases the level of savings and investments. Arlene also noted that majority of the investments are for the requirements of housing, dowry, marriage and educational expenses.

2.2.12. Tax Planning

2.2.12.1 Kapadia, M.B.,⁶⁵ member of the Institute of Chartered Accountants of India has conducted a study on tax planning through public provident fund and the various tax provisions and explained the way in which an investor could avail maximum tax benefits through proper planning.

⁶⁴Fernandez, Arlene. *Savings and Investment Pattern of Employed Women*, Thesis submitted to the CUSAT for the M.phil Degree, 1990.

⁶⁵Kapadia, M.B., "Tax Planning Through Public Provident Fund", *The Chartered Accountant*, No.6, vol. 30, 1981

2.2.12.2. Srinivasa Madhur⁶⁶ of Indian Council for Research on International Economic Relations, New Delhi has undertaken an empirical study on taxation and household savings in India in the year 1984 and showed that

1. Income taxation has significant effects on household savings.
2. A reduction in the tax on interest income can lead to substantial increases in the household savings.
3. Taxation of food is much more detrimental than the taxation of non-food items from the point of view of fostering household savings.

2.2.12.3 Alice Mani⁶⁷ has conducted an observation on the level of tax planning among the university employees at Cochin, using primary data, in the year 1990. She found that majority of the employees do not have a direct financial plan to reduce their tax burden.

⁶⁶Madhur, Srinivasa, *Taxation and Household Savings in India*, Indian Council for Research on International Economic Relations, New Delhi, 1984.

⁶⁷Mani, Alice, *Tax Planning*, Thesis Submitted to the CUSAT for the M. Phil Degree, 1990.

Even though a number of studies were conducted relating to the various aspects of personal finance, in the international level, national and state level, a comprehensive study covering the entire aspects of personal finance considering the life long financial objectives, goals, values and aspirations of an average Indian is not yet undertaken. Hence the significance of defining and developing personal finance under Indian conditions.

CHAPTER -III

PERSONAL FINANCE - THEORY

- 3.1. Definitions of Personal Finance
- 3.2. Objectives of Personal Finance
- 3.3. Importance of Personal Finance
- 3.4. Personal Finance Management
- 3.5. M.B.O. Approach to Personal Finance
- 3.6. Scope of Personal Finance
 - 3 6.1. Personal Financial Planning
 - 3 6.2. Family Budgets.

Chapter III

PERSONAL FINANCE - THEORY

In the previous chapter a review of related literature is presented. In this chapter discussion regarding the theory of personal finance is attempted.

1. Definitions of Personal Finance

As there is no precise and accepted definition of Personal Finance, it may be described as the Science of earning, spending, saving and investing of money based on objectives and protecting the wealth of the family with a view to generate adequate return, achieve financial security and thereby ensure welfare and happiness of the family.

Thus on the one side personal finance demands, a thorough evaluation of the available resources of the family by all means and on the other side the most beneficial utilisation and protection of the same to maximise the earning capacity and welfare of the family based on personal financial objectives.

2. Objectives of Personal Finance

The ultimate objective of personal finance is to enable the households to lead a happy life after attaining financial security and financial freedom of the family. The main objective can be achieved through the following subsidiary objectives:

1	to help the household in the establishment of personal financial objectives and goals.
2.	to facilitate the preparation and adoption of a family budget.
3.	to enable individuals or families to determine or assess personal income and suggest guidelines to improve their income potential.
4.	to facilitate the households in the preparation of financial statements and records.
5.	to give necessary guidance for the better utilisation of family resources.
6.	to point out various ways of reducing the cost of living.
7	to provide necessary guidance for an effective savings plan.
8.	to give proper direction to the investors.
9	to suggest ways and means of protecting individuals and their assets.
10.	to guide the family in managing their liabilities.
11.	to help the family in tax planning.
12.	to provide guidelines for retirement and estate planning.

3.3. Importance of Personal Finance

Personal Finance offers new information that will guide a person through possible problem areas and will enable him to budget the expenditure of his money wisely. Personal Finance enables a person in taking wise decisions in managing his finance. It helps to identify various alternatives in handling money Insight into the principles and

practices of contemporary personal financial management will allow a person to make better decisions relating to education, career, family status, life style and finance.

When a person regularly reviews the actual progress of his financial development and compares it with his schedule of expectations, he benefits in two different ways. First, motivational pressure is exerted on him. Second, personal financial planning tends to remove the anxiety, that results from either erratic or non financial management, and leads him to a state of financial freedom.

If people do not learn how to manage their personal finances early in adulthood, many of them will find themselves encountering financial crisis after crisis, suffering disappointments, and worrying to the point that they can become financially bankrupt and physically ill and may even lead to early death or suicide.

3.4. Personal Finance Management

Personal finance management helps to achieve the personal finance goals more easily. It is defined as

The systematic method of choosing the best and the most practical source of income and the most effective utilisation of the income and wealth by means of proper planning, organizing, directing and controlling, based on the principles of Management By Objectives.

Personal Finance management involves the application of the principles of management in family finance. It covers financial planning of every family, organisation of family financial matters, proper direction of family resources and control by means of a proper family budget.

3.5. Management By Objectives Approach to Personal Finance

The technique of goal identification and strategy development has come to be known as Management by Objectives, or MBO According to Henry Tosi and Others

Management By Objectives is

a process in which members of complex organisations, working in conjunction with one another, identify common goals and co-ordinate their efforts towards achieving them. It emphasizes the changes in future, since an objective or goal is an end state, or a condition to be achieved or have an effect at some future time. The emphasis is on where the organisation is going – the what and how of its intended accomplishments. Objectives can be thought of as statements of purpose and direction, formalized into a system of management. They may be long-range or short-range. They may be general to provide direction to an entire organisation, or they may be highly specific to provide detailed directions for a given individual.¹

¹ Tosi Henry *et al.*. "Setting Goals in Management By Objectives" *California Management Review*, Vol. XII, No.4, P 70. Quoted by Mitra, Sid.op.cit., pp 19-20

3.6. Scope of Personal Finance

Personal finance has a very wide scope. It covers the entire spectrum of a family's finance. It includes:

1.	Personal financial planning
2.	Family budgets and records
3.	Personal income
4.	Personal expenditure
	Personal savings and investments
6.	Personal and property insurance
7.	Personal liabilities
8.	Personal taxes
9.	Retirement and estate planning

3.6.1 Personal Financial Planning

3.6.1.1. The ultimate goal of financial planning is to secure one's financial security. In order to reach the family's financial potential and maintain the desired quality of life, one must initiate a positive personal financial management programme. This will require of him the preparation of plans and budgets that can act as navigational aids in plotting the course towards achievement of both the family's short run and long run financial goals.

“Building a sound financial plan is conceptually similar to erecting a building.”² According to Ronald C. Gable, In both building construction and financial endeavors, a sure foundation and strong framework support the finished structure and help it to last. Comprehensive planning creates the foundation and superstructure for success.

3.6.1.2. A Life Long Process

The family’s financial plan includes general plans and expectations through the family’s life cycle for raising a family, educating the children, and obtaining income through choice of occupation and number of earners. It also involves plans for the family’s way of living, saving and investments etc. The financial plan is in general terms and for the long run period including changes to be made through the life cycle.

3.6.1.3. Establishing Financial Goals

The establishment of financial goals is the first step in the overall financial planning process. These goals once set, provide direction for the financial planning process. After the current financial position is evaluated by preparing personal financial statements, both long run goals and short run goals must be established.

²Gable, Ronald. C., op.cit., p.49

In the words of Lawrence J Gitman,

Money is not necessarily the key to happiness, but its presence in amounts adequate for the fulfilment of financial goals allows people to devote more of their energy to the achievement of life goals and personal happiness. Since most people are not favoured with unlimited funds throughout their life times, their management of personal finances becomes a job of planning how to spend, save and invest income in order to achieve as many life time goals as possible. Although without financial planning it may be possible to achieve certain financial goals, the presence of financial plans should improve goal achievement possibilities.³

3.6.1.4. Long-Run Financial Goals

Every family should specify its long term objectives. They should capture the hopes, aspirations and expectations of all members of the family. Long-run goals must be flexible enough to allow for changes as well as strong enough to shape short-run financial decisions.

3.6.1.5. Short-Run Financial Goals

Short-run financial goals for each year should be consistent with the achievement of the long-run goals. These short-run goals thus become the key input into the budget- a tool used to plan for short-term income and expenditure. The immediate goals of

³Gitman, Lawrence, J., op.cit., p.56

individual family members, the family's expected income and expenditure for the year, and the family's long-term financial goals must all be taken into account when these short-run goals are defined. Short term planning should also include the establishment of an emergency fund containing three to six months of income which serves as a safety valve that can be used in case of financial emergencies.

3.6.1.6. Controlling the Plan in Action

Control in financial planning can be of two types-

1. Checking to see how well the plan is progressing, and
2. Making adjustments where ever necessary.

According to Sid Mitra, "All of us want to be happy We want our families to enjoy the good things of life now. But we also would like to be able to assure them they will be taken care of in the future. Future financial security of the family does not just happen. One must plan for this" ⁴

Although conscientious planning of one's finances may involve short term sacrifices, it should allow him to achieve his long-run goals and so provide him with higher levels of overall satisfaction.

⁴Mittra, Sid, op.cit., p.5

3.6.2. Family Budgets

Once a person has established the short-term goals, he can prepare a budget for the coming year in consistent with these goals. Money is a limited resource for most people, even those whom we might consider rich have to put their money to the best use. The best use of money means getting as much 'want satisfaction' as is possible from the income that one earns. Developing a system of budgeting helps to analyse what one's priorities are, and helps to show families whether they are, in fact, spending for those that are most important to the members.

3.6.2.1 Meaning

The budget is a short-term financial planning device designed to allow a person to achieve his short-term financial goals. In simplest terms, it is a written plan in which one recognizes all regular periodic income and goes about determining how that income will be spent. It contains estimates of income and expenses, including savings and investments, for the coming year. It is necessary to record income and expenditure in order to review whether the plan is working.

3.6.2.2. Qualities of a Good Budget

A good budget helps the family maximise satisfaction from use of income through careful consideration of various alternatives. If one spends too much in one category,

another category must suffer. The budget must be tailored to the individual family's values, needs and resources. It gives appropriate consideration to the family's short-term and long-term financial goals. A good budget helps achieve financial peace of mind by matching expenditure to receipts. It must start with realistic income expectations. The budget includes reasonably definite and practical plans for spending, saving and sharing. At the same time the budget provides some flexibility for unexpected expenses. A good budget increases family co-operation and reduces friction in regard to money.

3.6.2.3. Developing a Budget

The budget preparation process has three stages; viz.

estimating income
estimating expenses, and
balancing the two.

3.6.2.4. Estimating Income

The first step in constructing the budget is to estimate income for the next period, probably a year, from all sources and earners. Since bills are most commonly rendered and paid monthly, it is best to estimate income as well as expenses using monthly time intervals. Any item expected to be received for which repayment is required is not considered income.

Assured Versus Possible Income

In order not to be either too optimistic or too pessimistic, it is helpful to list income under two headings: assured income and possible income. When they are totalled separately, the family can arrange their plans so that necessities are taken care of out of assured income and the 'nice but not necessary' items can be obtained if other sources materialise.

In order to ascertain net income available for family financial planning, list deductions from income that are required of a worker and citizen. They are unavoidable expenses so that the sums are not available for family financial planning.

3.6.2.5 Estimating Expenses

The second stage of the budgeting process involves estimating the expenditures for the coming year using the actual expenditures from previous years along with the stated short-run financial goals. Families without past expenditure data must use a "needs approach" to develop spending forecasts. List the commodities and services needed and wanted by family members throughout the proposed budget period. Discussions of estimated expenditures with friends and relatives should help in developing realistic values for expenses based on current price levels and then to increase these estimates by a percentage that reflects the anticipated rate of inflation.

3.6.2.6. Finalising the Budget

Once income and expense estimates have been made, the budget can be finalised. This involves comparing the projected income and projected expenses or both on an annual and a month to-month basis. A balanced budget results when the total income for the year equals the total expenses for the year. In order to balance the annual budget, it may be necessary to eliminate certain low-priority goals or increase income.

3.6.2.6.1 Cut Lower Priority Expense Items

Low-priority expenses are those items associated with the short-run financial goals believed to be least important. For this purpose, expenses can be divided in to two groups inflexible and flexible. Only flexible expenses can be cut from the budget in order to make it balance.

3.6.2.6.2. Increase income

The traditional method for increasing income of a family has been for the wife to obtain a job. But since a number of wives already work, this is becoming less of an alternative. The presence of small children may also make it unprofitable for a wife to hold a full-time job. Other alternatives would include overtime work, a part-time job or finding a Saturday job.

3.6.2.7 Format

The Budget comes in many shapes and sizes because no one format will fit the needs of everyone. A model form is given (Fig. No. A-1). After getting an idea of what a budget is and what it should do, every person can develop his own format. The preparation of a budget requires careful consideration of possible time, price changes, stability of income, emergency needs and savings.

3.6.2.8. Personal Records

A record book containing accounts for all items of income and expenditure during each budget period provides the type of information necessary for budget control. It permits comparison of current expenditure with the budget to improve control of expenditure. A record of the past year's expenditure gives a better basis for the analysis of the same and prepares an improved budget for the next period. At the end of each year all budget accounts are closed and the financial statements, Balance sheet and Income statement are prepared and analysed. At the end of every budget period all accounts in the record book are closed and any surplus or deficit balances are carried forward to the following month. For budget control purposes, an actual budget summary, which shows actual budget expenditures for each period, is often maintained. This facilitates any adjustments that may be necessary by making it easy to evaluate spending.

Conclusion

Thus a systematic personal finance enables every family to prepare for a financially bright future. An awareness of the personal financial principles stimulates every person to establish proper financial goals, to prepare a suitable budget, to exploit and utilize the existing resources and thereby achieve the financial security of the family. Personal finance enables them to take better decisions relating to income, expenditure, savings and investment and hence to improve satisfaction, quality and wealth of the family. Edward R. Willet said,

“It’s true that money isn’t everything, but the fact must be faced that money is important. Most people need it for economic security and to share in the many material things available to make their lives more enjoyable. Earning all one can, spending it wisely, and giving generously, should help achieve a happy life”⁵

⁵Willet, Edward, R., op.cit., p.41.

CHAPTER - IV
PERSONAL FINANCIAL ASPECTS OF
INCOME AND EXPENDITURE

- 4.1 Personal Income
 - 4.1.1. Sources of Goods and Services
 - 4.1.2. Family Efforts to Increase Earnings
 - 4.1.3. Guidelines in Money Income Management
 - 4.1.4. The Personal Income Statement
 - 4.1.5. The Personal Balance Sheet
- 4.2. Personal Expenditure
 - 4.2.1. Expenditure on Housing and the Shelter Budget
 - 4.2.2. Expenditure on Food and Food Budget
 - 4.2.3. Expenditure on Clothing and Clothing Budget
 - 4.2.4. Expenditure on Health Care and the Medical Budget
 - 4.2.5. Expenditure on Education and the Education Budget
 - 4.2.6. Expenditure on Family Transportation and Conveyance Budget
 - 4.2.7. Other Expenditures

Chapter IV

PERSONAL FINANCIAL ASPECTS OF INCOME AND EXPENDITURE

In the third chapter the theory of personal finance is given. In this chapter it is proposed to discuss personal financial aspects of income and expenditure.

4.1. Personal Income

The key factor ultimately controlling the quality of a person's life is the amount of income that he can expect to earn. In the absence of any inherited or existing wealth, personal income usually depends on a person's age, education and career. According to Lawrence J. Gitman "Generally, in our society, the closer you are to middle age, the more educated you are, and the more professional or managerially oriented your job, the greater your income will be."¹

4.1.1 Sources of Goods and Services

In the words of Paulena Nickell and Jean Muir Dorsey, "Family income is that stream of money, goods, services and satisfactions that come under the control of the family to be used by them to satisfy needs and desires and to discharge obligations."²

¹Gitman, Lawrence. J., op. cit.,p.14

²Nickell, Paulena and Dorsey. Jean Muir, op.cit. p.229

Goods and services for family support may be obtained directly or through the use of money resources.

4.1.2. Family Efforts to Increase Earnings

In the words of Britton, Virginia,

During its life cycle, the family may try to enlarge money earnings by various means, such as multiple jobs, multiple earners, increased education, mobility and choice of industry and occupation. The family may be aided or frustrated in attempts to increase earnings by personal characteristics of the earner as well as by general socio-economic conditions.³

4 1.3 Guidelines in Money Income Management

According to Paulena Nickell and Jean Muir Dorsey, the following seven guidelines are supposed to operate in applying the management concept to the use of money income for a family.⁴

³Britton, Virginia, *Personal Finance*, Van Nostrand Reinhold Company, London. 1968, p.17

⁴Nickell, Paulena and Dorsey, Jean Muir, *op.cit.*, p.235

Guidelines in Money Income Management

1.	Clearly recognizing and defining goals, because they set the pattern for money use.
2.	Analysing probable income through time: the short and long view, including retirement.
3.	Recognizing the stages of the family life cycle, with the phases of each stage, and forecasting needs for money during each.
4.	Co-ordinating plans for shorter and longer periods.
5.	Deciding on the method of handling money that will satisfy all members of the family.
6.	Actuating plans for using the method chosen.
7.	Controlling the use of money as planned and evaluating the plans and results concurrently.

4.1.4. The Personal Income Statement

The personal income statement describes the various financial activities of a family or individual that have taken place over a specified period of time, normally one year. The statement has three component parts: Income, expenses, and contribution to savings and investment. (Model form - Figure No. 2).

4.1.4.1 Income from various heads is shown at the top of the statement, followed by expenses. The contribution to savings or investment, which is the difference between total income and total expenses is shown as the bottom line of the statement.

4.1.4.2. The income statement should be prepared periodically, typically at the end of each year. Both the Balance sheet and income statement can be used to evaluate past performance and as an aid in preparing financial plans and budgets.

4.1.5. The Personal Balance Sheet

The personal Balance sheet or statement of financial position describes the wealth of a family or individual at a certain point in time. This statement is most commonly used as a barometer of long-run progress toward achievement of financial goals. The statement consists of three major items: Assets, Liabilities and Net worth (Net worth is the difference between total assets and total liabilities). It describes the financial condition of a person at a specified point in time. (Model form - Figure No. 3)

Thus family income is that stream of money, goods, services and satisfaction that come under the control of the family to be used by them to satisfy the needs and desires and to discharge obligations. Family income should be properly determined and measured, every effort to increase earnings should be done, use it wisely and record them properly for further reference.

4.2. Personal Expenditure

Families spend their income on a great variety of goods and services which can be classified into two groups viz. capital and revenue expenditure.

Family expenditures are determined generally by three major types of factors.

They are:

1	Family resources, their amounts and kinds.
2.	The market situation, including goods and services available and their prices.
3.	Needs and preferences of families as affected by family size and composition, stage of the life cycle, residence and other conditions.

Consumer expenditures are not always regularly related to current money. Some groups can spend more by using savings or credit, while others can limit expenditures on certain items because they have free goods and services.

In planning its budget, a family should foresee and take into account its values the likely course of its life cycle, with its changing needs, goals and resources. as the beginning family; the expanding family; the launching family; the middle-age family, and the old-age family.

4.2.1. Expenditure on Housing and the Shelter Budget

An understanding of the role a house plays in family living and in the changing patterns of family life makes it easier for the family to analyse its problems and make plans for the future. The shelter budget is of great importance because of its relation to family living conditions as well as the large outlay of funds it involves. In the words of Sid Mitra.

Although no one likes to admit it, almost every home owner is motivated by status considerations. When asked why they chose to buy homes, most house owners answer for investment reasons or “So that the kids will have a place to grow up” But more subtle, seldom admitted notions of status, identity, and security also plays a major role in home-buying decisions.⁵

Every one needs to determine what his housing requirements are, what he can afford to spend, what forms of housing are available, and how he can best go about buying a house. Because of the large-scale commitment associated with house ownership, it is a good idea to analyse the costs and benefits of alternative forms of housing.

⁵Mitra, Sid, op.cit, p.305.

4.2.1.1. Costs

Good housing construction and facilities minimise expenses for maintenance. The amount that a family can spend depends to a large measure on the income and the expenditure that must be made to meet other needs. When the other resources such as time, energy, and abilities of family members can be substituted for the use of money, in building, remodelling or maintenance, the cost of housing may be lowered. A good housing provides healthful, and efficient place for carrying on home making and personal activities. It provides privacy for the family and the individual, companionship and community activities. An attractive home and environment give aesthetic satisfaction and may have prestige value.

4.2.1.2. Types of dwelling Units

Paulena Nickell and Dorsey, Jean Muir observed.

The selection of a suitable dwelling for the family brings up the question: shall the family rent or buy a home of its own? The satisfaction derived from home ownership makes it a goal that many families set up one they wish to attain, one that they are willing to work for a long period of years.⁶

⁶Nickell Paulena and Jean Muir Dorsey, op.cit., p.432.

4.2.1.3. Renting

One of the two most popular methods of fulfilling housing needs is renting, which is especially common among very young adults and retired or childless families. Rented units are available in a wide variety of types, styles, and prices.

4.2.1.4. Owning

Home ownership remains quite popular in India today for various financial and personal reasons. A family owned home is considered to provide more desirable environment for a family with growing children. The Indian way of life considers home ownership and succession as one of the basic indicators of success. Most of the family savings are being utilised in this direction.

4.2.1.5. Building a Home

Most of the families prefer to purchase a site, plan and build their own house by comparing different locations.

A family may engage an architect to design the house, draw up specifications, and estimate the cost. He may enable the house builder to secure a house of better design, arrangement and construction, as well as one which may have a higher future sale value. Real satisfaction in home ownership is possible only when house-keeping standards can be reasonably attained without undue strain and fatigue.

4.2.2. Expenditure on Food and Food Budget

The food budget deserves due considerations since it is by far the most vital part of the family budget. The goal of food management is to provide food that will ensure the physical and mental growth of the family, with a reasonable expenditure of available resources. Decisions begin with the setting of nutritional standards and the planning of meals to meet these standards. They lead to planning the amount that can be spent for food, planning for purchase, choosing the markets, buying the food supplies and storing them and planning for the preparation and serving of the meals. Decisions on ways and means of meeting these demands and the amount a family can afford to spend for food away from home complicate the management of food at home.

Foresight in food planning helps a homemaker to control the type of food she chooses in the market, the family's diet pattern, time and energy costs in food preparation as well as money.

4.2.2.1 Estimating Budget Amount

To estimate the amount of budget for food in the next period, the experienced person or family may start with the record of expenditure and items purchased previous week, studying them for possible changes to improve the quality of the diet or cut costs.

4.2.2.2. An Adequate Diet

The primary goal of a good food plan is nutritionally adequate diet. Knowledge or physiological needs is far greater for food nutrients than for any other item in the family budget, with the possible exception of certain types of medical care. Food must regularly supply needed amounts of proteins, minerals, vitamins, fats, and carbohydrates. In addition to planning for a nutritionally adequate diet, the family may plan to use low-cost sources of nutrients.

4.2.2.3. Organised Shopping

Once menu is planned, it is easy to make shopping lists. Carefully planned and well organised list saves time in shopping, shows the best places to shop for certain articles, and helps the shopper to keep within the family's food allowance. It also ensures the purchase of the right kind and right amount of food often saves money by preventing impulse buying. A note as to possible substitutions that may be made in buying certain items is also helpful.

In the words of Helen A. Hunscher and others,

There is a good evidence that once dietary patterns have become fixed, they tend to be followed for long periods of time, perhaps a life time. Therefore, it becomes the responsibility of all who are in a position to influence the food habits of others-

particularly children - to plan, prepare, serve, eat, and teach a good diet. At present this appears to be a diet relatively high in protein, minerals, and vitamins, with careful calorie adjustment with age and activity ⁷

4.2.3. Expenditure on Clothing and Clothing Budget

The concept of clothing management involves meeting situations and problems connected with clothing the family. The objective of clothing management is to further the physical, social and psychological well being of each member of the family in each stage of the family's life, and to do this with a reasonable expenditure of the family's resources, both human and non-human.

Mary Ryan Shaw has stated "Individual values, interests, and attitudes were related to clothing behaviour and clothing choices. Attitudes concerning the relative importance of clothing were related to basic values. Persons high in economic, political, or aesthetic values assigned greater importance to clothes." ⁸

4.2.3.1 Management Responsibilities in clothing a Family

- 1 Developing in the minds of children and young people intelligent attitudes regarding standards for clothing.

⁷Hunscher, Helen. A. *et al.*, "The Life Cycle and Its Diet", *Journal of Home Economics*, vol 49. Feb 1957, p.112, quoted by Paulena Nickell, *op.cit.*, p.504.

⁸Ryan, Mary Shaw, *Clothing: A Study in Human Behaviour*, Hot Rinehart Winston, New York. 1966.p.105.

2. Analysing family clothing needs
3. Deciding on the amount of money the family can afford to use for clothing.
4. Choosing the market where the best values can be obtained.
5. Selecting and buying the clothes in the market.
6. Training the children in choice-making
7. Planning for the care and upkeep of clothing, and training the children in this phase of clothing management.
8. Planning for the storage of clothing, and teaching the children acceptable standards of clothing storage.
9. Teaching teenagers to plan for their clothing expenditure in the light of the entire family and tempering their extreme desires.
10. Choosing and taking care of the equipment used in the care and construction of clothing.

4.2.3.2. Estimating Budget Amount

In estimating the amount for clothing in the next period, the experienced person or family may draw on records of expenditure and items purchased in the past year to give a broad estimate. But a longer period of records is helpful for items replaced infrequently. The average amount spent on clothing varies decidedly from one group of families to another.

4.2.3.3. Planning Purchases

Good management of the clothing budget improves the quality of the Wardrobe, reduces costs, and increases conveniences through ease of care and ready availability of items for use.

Money cost of clothing a family includes both the amounts paid for the various items of apparel bought for each member and the amounts paid for upkeep, cleaning, repairing, and re-modelling.

4.2.3.4. Home Production and Care in Use

Savings may be made or quality and conveniences may be improved by home production. Limitations on home production are imposed, however, by one's skill, interest, time to use in acquiring skill and in doing the work, and the equipment and space available.

4.2.4. Expenditure on Health Care and the Medical Care Budget

Medical budget deserves special attention because of its importance to family welfare and its complexities. Medical care includes physicians' services, nursing and hospital services, drugs and devices and related items and services. Medical expenditure

includes only those paid directly by families, thus excluding public health services and government support.

4.2.4.1. Estimating Budget Amount

The family or individual need for medical care is to a great extent unpredictable and uncontrollable. Need varies greatly for a specific family from one period to another and among families at a given time.

4.2.4.2. Managing Medical Care Expenses

A family can help to minimise medical costs by its support of public programmes for the control of various hazards to life and health such as air pollution, auto accidents, communicable diseases and impure foods and drugs. In the words of Virginia Britton.

Each family member can work directly to cut medical needs by the development of good health practices and by care to prevent accidents at home, on the street, and on the job. One may select employment and other activities without undue accident or disease rate, or at least be aware of the high rate when such exists. Regular medical check-ups and immunization along with early medical advice help to prevent the development of major disabilities.⁹

⁹ Britton, Virginia., op.cit., p.239

In the words of Gopalan, C., and others “A Balanced diet is one which contains different types of foods in such quantities and proportions that the need for calories, minerals, vitamins and other nutrients is adequately met and a small provision is made for extra nutrients to withstand short durations of leanness.”¹⁰

4.2.4.3. Health Insurance

Because it is difficult to predict the need for large expenditures on medical care some amount of health insurance is needed. The major types of health insurance policies will be considered in three categories of coverage-general medical expense, major medical expense, and loss of income.

4.2.5 Expenditure on Education and the Education Budget

A major portion of disposable personal income is being spent for education. It covers expenditure on education, public libraries and personal purchases of reading materials. Expenditure on education includes all kinds of fees; cost of books, periodicals, journals, tools and equipments meant for education; travel expenses; for carriers, uniforms and for private tuition and other expenses meant for education purpose. Expenses for a student in college are much greater. If the students lives away from

¹⁰Gopalan, C. Ramasastri and Balasubramanian, *Nutritive Value of the Indian Foods*, Indian Council of Medical Research, New Delhi, 1987 p.28.

home, food and accommodation costs will have to be met. A student who attends a public school or college in his own town and lives at home may be able to minimise expenses.

A family needs to plan for future costs for education of their children. For this, savings is to be made ahead of time.

4.2.5.1. Costs

People just do not realise what a college education costs, until they are faced with the necessity of paying for it. Studies of Edward Willet R. indicate that

On the, average, those parents planning to send their children to college have saved a ridiculously small amount of money. As with any large expenditure of money, the further in advance it can be planned, the better it is. It may be advisable to spend some time emphasizing the costs involved in a college education.¹¹

4.2.5.2. Estimating Budget Amount

The experienced family may base its education budget on the previous year and current account and prospective changes in the costs of education. Number of children undergoing education, nature of education and place of education are factors to be considered while estimating the budget amount.

¹¹Willet, Edward, R., op.cit., p.169

4.2.5.3. Cost Reduction

A family needs to consider carefully the advantage of scholarships, gifts, Government assistance and loan facilities and thereby reduce the cost of education. If parents can devote some time to their children and help them in studies, majority of the private tuition can be avoided.

A systematic study with a definite time schedule can reduce wastage of time and energy and thereby reduce cost. Selection of a subject, based on the aptitude of pupils, can reduce the cost of higher education to a great extent. Goal and career oriented education should be given to overcome the growing problem of unemployment and social cost of education.

4.2.6. Expenditure on Family Transportation and Conveyance Budget

Transportation is an important requirement for the internal and external migration that shapes the entire society. It has increased the mobility of individuals and families. As a result, it has influenced shopping practices, changes patterns of recreation and social habits, brought new services and conveniences, and has also made it possible for families to live farther from their place of work.

4.2.6.1. Factors Influencing Transportation Cost

So many factors influence the family transportation cost. Chief among them are: number of persons in the family, nature and place of employment, distance of schools and colleges where children are undergoing education, number of pleasure trips, nature of shopping, distance from present residence to the native place and the type of transportation.

4.2.6.2. Estimating Budget Amount

The experienced family may base its transportation budget on its records for the previous year, after making necessary adjustments for changes in prices, needs and family circumstances. The process is simpler for those using public transportation than for those operating autos. The family auto may require more repairs as it ages and finally the budget has to provide for the purchase of a new one. A credit purchase is more expensive than a cash purchase.

4.2.6.3. Auto ownership

An auto may be faster, more convenient, or more comfortable means of transportation. Higher income and positions have permitted more families to own autos, better autos, and multiple authors, and to drive great distances to places of employment and shopping from suburban areas. Owning an automobile is a necessity for some, a great convenience for others, and a pleasure for still others.

4.2.6.4. Cost Reduction

A family needs to consider carefully the advantages of public transportation and of the private auto in its own situation. Speed for greater safety and economy, adequate insurance, self service (minor repairs) walking short distances, consolidating trips, and using public transportation can all be practised to cut costs of auto operation.

4.2.7 Other Expenditures

The residual category include expenditure on social obligations, recreation; personal habits; and household operations and utilities:

4.2.7 1 Expenditure to Meet Social Obligations

Expenditure to meet social obligations include expenditure on religious and welfare activities as well as gifts of clothing, food and other items to relatives not living with the family, to other persons than relatives and to religious, charitable and cultural organisations. Virginia Britton observed

Many cultures subscribe to the ideal that a person deserves special honor at three or four times in his life, at birth, coming of age, marriage, and death. A family with a low or moderate income sometimes spends a disproportionate amount on such occasions. perhaps as compensation for the privation of daily living. Since these

events are highly charged with sentiment, the extended family and friends need to consider ahead of time the wisdom of elaborate ceremonies in contrast with alternate uses of the money.¹²

A family needs to consider and determine what expenses are necessary to abide by State laws and religious rules.

4.2.7.2. Expenditure for Recreation

Recreation is a need of every person old enough to have assumed responsibility for work that helps others or himself. In the words of Cleo Fitzsimmons.

Recreation is hard to define. At its best it probably recreates the individual and prepares him for responsible tasks. Recreation brings relaxation from effort. It increases interest in living and enables people to look at problems from more than one point of view. It can contribute to health, both mental and physical.¹³

According to Robert H. Burton, and George J. Petrello,¹⁴ “A successful recreational activity must meet three criteria:

¹²Britton, Virginia, op.cit., p.260.

¹³ Fitzsimmons, Cleo, op.cit., p.355

¹⁴ Burton, Robert, H., and Petrello, George, J op.cit., p. 355.

1 It must fit into the leisure time available.
2. It must suit the individual.
3. It must be affordable.

With increased income, expense for recreation increases in amount and tends to increase in percentage. Inexpensive recreation of high quality can be provided at home by entertainment of friends, gardening, reading or playing musical instruments. Free and low cost community facilities such as parks and recreational areas could be availed of. What is important is that the members of each household should measure the cost of their own recreation and make sure that it fits into their budget.

4.2.7.3. Expenditure for Personal Habits

Expenditure for personal habits include expenditure incurred by the family members to meet wants of personal preferences and tastes for comfort. The number of members in the family, their income level and socio-cultural atmosphere influence the amount of expenditure in this head. It includes expenses on certain personal habits and hobbies.

Even though there is a tendency of increasing costs, proper accounting, and personal evaluation can lead to a reduction in the expenditure. An open discussion and creative thinking in the light of personal financial goals and expenditure under other heads may tend to reduce amount of family expenses for personal habits.

Millionaire from the Cost of One Cigarette

Suppose a person used to smoke Cigarette daily which costs approximately Re. 1 per cigarette. If he can reduce the number of cigarettes used by one per day, he can save Rs. 30 (30 days) per month, which comes to Rs. 360-00 per year. If he is prudent to invest the amount, saved by reducing one cigarette. in scheme of 5 years multiplication, (like Indira Vikas Patra or Bhadratha) the following figures shows the real picture.

Savings at the end of the 1st year	=	360.00
After 5 years	=	720.00
After 10 years	=	1.440 00
After 15 years	=	2.880.00
After 20 years	=	5 760.00
After 25 years	=	11.520.00
After 30 years	=	23 040 00
After 35 years	=	46.080 00
After 40 years	=	92.160.00
After 45 years	=	1.84.320 00
After 50 years	=	3.68,640.00

Thus the above figures show only the multiplication of the savings amount of only one year. If this process can be contributed for more years the accumulated amount will also multiply to the same extent.

Concentration of work and avoidance of costly friendship and liquor are possible ways of cost reduction. A person cannot limit his expenses on his bare necessities - food, shelter, clothing, health, education etc., but on comforts and luxuries he can. An ultimate goal oriented life is a sine-qua-non in this respect. By considering the repercussions of costly personal habits and the effects of better savings and investments, the expenditure on personal habits should be reduced as far as possible for a better living.

4.2.7.4 House Hold Operations and Utilities

It includes telephone and telegraph, supplies of laundry and cleaning, domestic services, postage and writing materials and a wide variety of other small items. Expenses for household operations increase with income, but declines in importance.

The family that needs to cut expenses will consider what is necessary in the type and amount of such services. Avoid Wastage where ever possible. Of course, time savings, conveniences, standards and preferences are also important in deciding on methods to use. Expenses for utilities and household operation are closely related to decisions in other budget areas and cannot be considered in isolation.

Thus whatever may be the nature of expenditure, it should be properly planned, budgeted and goal-oriented. Since a savings of Re. 1 can accumulate to lakhs of rupees, the family members should jointly and severally try to reduce the cost of living as far as possible and attain the financial prosperity of the family through proper savings and investment schemes.

CHAPTER - V

PERSONAL FINANCIAL ASPECTS OF SAVINGS AND INVESTMENTS, INSURANCE, LIABILITIES, TAXATION AND RETIREMENT AND ESTATE PLANNING

- 5.1. Personal Savings and Investments
- 5.2. Insurance for Protection
- 5.3. Managing Personal Liabilities
- 5.4. Tax Planning
- 5.5. Retirement Planning
- 5.6. Estate Planning, Wills, Trusts and Taxes.

Chapter V

PERSONAL FINANCIAL ASPECTS OF SAVINGS, INVESTMENTS, INSURANCE, LIABILITIES, TAXATION AND RETIREMENT AND ESTATE PLANNING

In the preceding chapter the personal financial aspects of income and expenditure were dealt with. In this chapter the personal financial aspects of savings, investments, insurance, liabilities, taxation and retirement and estate planning are given.

5.1 Personal Savings and Investments

Postponement of consumption is called savings and these savings are invested in order to obtain reward for such postponement. When and how much a family should save is determined by its personal situation. Current income must first cover current needs. How much a family should save is also determined by the valuation of its future needs and of other resources that will be available for meeting them. According to Virginia Britton,

Families make savings to provide for future needs-certain or uncertain, specific or general. They accumulate funds for future necessities, emergency expenses and large purchases through savings accounts and government bonds, social security, life insurance, annuities, business ownership and real estate.¹

¹Britton, Virginia, op. cit., p.265

The term investment means different things to different people. It has two basic phases. They are:

1. For purchase of assets, and
2. For income or profits.

People save for three basic reasons- emergencies, future consumption, and future income.

5.1.1. The Basic Method

In order to determine the amount of savings one should:

1 reconsider the reasons for savings and set goals realistically.
2. determine the future needs accurately
3 examine the financial obligations.
4 estimate the total income for the year.
5 estimate the living expenses.
6 subtract the estimated living expenses for the current year from the total income expected to receive.
This gives the year's reasonably expected savings.

There are two important ways to accumulate savings. One way is to invest a lumpsum at a predetermined rate and let it grow at a compound rate. The second way is to save a given amount at a regular interval and make it grow at a compounded rate of interest.

5.1.2. Factors Affecting Investment Decisions

Safety, liquidity, simplicity, minimum balance requirements, special service facilities, stability of income, tax advantage, length of time invested, amount of management care required, purchasing power and capital gains are the various factors affecting investment decisions.

5.1.3 Investment and Consumer Goods

The primary purpose of consumer goods is not building wealth but using them to meet the personal needs and desires. Investments should be valued only for their financial potential. An investment should have no sentimental value attached to it. In short, two criteria are used to distinguish a consumer good from an investment: the reason for purchasing the item and the attitude toward it.

5.1.4. The Savings and Investment Media

The basic objectives of an investor is to get the largest possible return on the money invested with the least amount of risk. To make wise decisions, it is

important to know and consider all the alternatives available. In the words of Charles P Edmonds III. "Investment is probably more of an art than a science. Even the most experienced investors make some poor investments. Hard work and good judgement reduce rather than eliminate mistakes. Luck, both good and bad, is a factor in every decision."²

5 1.5 Guidelines that are useful for a Sound Investment

1 Take care of the basic domestic needs as insurance and every emergency savings before starting on an investment programme.
2. Think as much about the possible losses on an investment.
3 Buy securities of well-known companies that are listed on one of the organised exchanges and have established dividend policies.
4. Reduce risk by diversifying
5 Establish the investment objective
6. Subscribe to, and read, investment oriented publications.

²Edmonds, Charles, P III: op.cit., p.333.

5.2 Insurance for Protection

Life in the modern world is filled with many forms of risk - illness and death from diseases, injury and death in automobile accidents, fires and floods, and many other forms of violence. In terms of need and in terms of potential loss, no other area of personal finance is more important than insurance.

Good financial planning, personal asset management and personal liability management could prove useless if adequate protection against unexpected and damaging events is not provided for. Fundamentally, insurance provides protection against an unpredictable loss by the payment of a known charge (premium) in advance.

5.2.1. Life Insurance

Life insurance is early a form of group saving that transfers the burden of risk from one person or family to a business enterprise organised to carry the burden.

According to Paulena Nickell and Jean Muir Dorsey,

Even a modest life insurance plan helps ease the family through a difficult period of adjustment; a generous one, well conceived and carried out, leaves a family in excellent financial position to face the unexpected loss of the husband and father, or mother if she is the primary earner.³

³ Nickell, Paulena and Dorsey, JeanMuir, op.cit., p. 378.

The kind of life insurance policy an individual or a family should choose depends upon the investment needs of the buyer and his ability to pay for these needs. Before purchasing life insurance, careful selection of both the agent and the company is important since differences exist in the quality as well as the cost of various types of life insurance.

Utmost good faith; insurable interest, indemnity, subrogation, contribution, mitigation of loss and 'causa proxima' are the principles of insurance.

Life insurance should be purchased on the basis of need. If a person has no need for it, invest his money in something else. If one's death will create a financial burden for his loved ones, consider life insurance. In the process of determining how much, or what type to levy, consider such things as his debts, the ages of his children, his spouse's ability to earn income, social security benefits, and his ability to pay insurance premium.

The family's need for life insurance is determined first by the necessary expenses of the family after this person's death. In specific terms, money is for the burial expenses, for the readjustment period, rearing the children, support of the widow or widower thereafter and for the settlement of debt left at his death. The family's need for insurance also depends on other resources that will be available for meeting necessary expenses after the person's death.

Some life insurance policies include a savings feature as well as which results in a local value and cash surrender value. In selecting life insurance, a family needs to consider the characteristics of the various plans, the types of insurance, factors affecting costs, and non forfeiture values.

5.2.2. Other Types of Insurance

The family may also consider that a sizable part of its funds not needed for daily expenses should be used for other types of insurance such as:

1. Auto insurance, against liability or damage to the asset.
2. Health insurance, against medical costs and decreased earnings.
3. Property insurance, against loss on damage to the house and furnishings, and householder's liability.
4. Annuities and retirement plans because of declining earning capacity in old age.

The basic coverage of property and liability contracts extend protection to insured against the loss of their real and personal property from numerous types of perils and offer financial security from law suits based on negligence.

5.3. Managing personal Liabilities

According to Sid Mittra "Formerly, debt was taboo. No one liked to be in debt if it could be helped. Today, the old attitudes towards debt have changed. Most people

now believe that debt allows families to raise their living standards and increase their productive capacities.⁴

5.3.1. Benefits of Consumer Credit

Borrowing against a higher income expected in the future is a convenient way of enjoying a variety of consumer goods and services without first saving the money required to purchase them. It has provided the individual consumer with a way to handle financial emergencies and has obviated the need for either borrowing from friends and relatives or postponing present consumption. The repayment of consumer credit is essentially a forced saving from disposable income. Borrowing money at a cost can be justified if it can be put to more productive use.

5.3.2. Drawbacks of Consumer Credit

An injudicious use of credit can result in hardships and even disaster. Unwise use of credit results in the loss of merchandise and valuable property used as collateral. Finally, credit is rarely available free of charge.

5.3.3. Cost of Credit

The cost of credit varies according to a host of factors, such as types and sources of credit, prevailing prime interest rate, duration of loans, credit rating of the borrower,

⁴ Mittra, Sid., op.cit., p.79

and even the value and type of security offered. Inflation and income taxes reduce the effective cost of borrowing. After knowing how to determine the real or true interest rate on the amount to borrow, it should be relatively easy to decide whether or not the cost of credit exceeds its benefits.

Thus when used in modernization, debt can provide the consumer with a higher standard of living that he would otherwise be able to attain.

5.4 Tax Planning

It is better to adopt a tax strategy that is a permanent, year round operation, not just a strategy to be applied a few weeks before or on the eve of the tax deadline. Only through proper tax planning a person will be able to use taxes as an instrument of financial management and succeed in minimising his tax burden.

5 4.1 Tax Reduction

There are two methods of deduction. standard and itemised. The standard deduction allows for a fixed percentage or absolute amount of income to be deducted from gross income in arriving at the tax liability. There are several possible means of manipulating income for reducing the tax burdens, as follows:

1. Use time income and deductions.
2. Take income in a tax-exempt form.
3 Postpone income.
4. Take income subject to a lower tax rate.
5. Divert income to others taxed at a lower rate, and
6. Know all the legal deductions and exemptions.

A sound knowledge of the legal details of deductions and exemptions is essential to maximise tax savings. Taxes are a reality and the more one knows about them the better. Taxes take purchasing power away from a person and give it to some one else, usually the local, state or union government. Any tax can be described in one of three ways - progressive, regressive and proportional.

In the words of C. Donald Gable,

Income tax planning is designed to reduce income taxes by using all the legal tools available, including tax favoured investments. The investment concepts can provide tax sheltered income that will not further aggravate a tax burden or create additional tax deductions that a person can use on his return to reduce taxes by reducing taxable income. Tax favoured investments can also provide excellent potential growth in value.⁵

⁵ Gable, Ronald, C., op.cit., p.68.

5.5 Retirement Planning

Qualified retirement plans can accumulate wealth by deferring taxes and by permitting contributed amount to grow in sound investments. The individual who understands the importance and principles of both retirement and estate planning will work to build and preserve net worth that can provide a source of retirement income as well as benefits for heirs.

Planning for retirement involves taking three major steps:

- | |
|---|
| 1 Determine the income a family would need to maintain a desired standard of living. |
| 2. Estimate the total expected income from all sources |
| 3 If the expected income falls short of the expenditure needs, either purchase an annuity to bridge the deficit or lower the family's expectations. |

5.5 1 The basic foundation of a retirement programme for most families is social security. The social security system is designed to accomplish social objectives more than to provide a savings plan for each individual who participates in it. Social security is financed on a current funding basis.

5.5.2. Another major source of income useful in planning for retirement is the annuity contract. One of its primary advantages is that it can be arranged to provide payments for the entire remaining life of an individual, no matter how long that might be.

5.5.3 Private and government employer pension and retirement plans provide a third source of retirement income.

5.5.4. Thrift plans are special benefits which are supplemental savings plans offered by some employers to encourage and stimulate savings. Profit sharing plans operate in such a way that employer contributions are related to the annual earnings of the employing firm. Non-qualified deferred compensation plans are used to postpone earnings in an effort to defer and reduce the payment of income taxes. And, finally, professional corporations are a form of organization that provides a favourable tax climate for the establishment of retirement and other insurance fringe benefit programmes.

5.6. Estate Planning, Wills, Trusts and Taxes

The estate planning process involves accumulating, conserving, and distributing an estate in a manner that will most effectively achieve an estate owner's personal goals.

5.6.1. Steps in Estate Planning

The estate planning process ideally consists of six elements or steps as follows:

1.	Gathering of data
2.	Identification of possible problems
3.	Formulation of a plan and delegation of responsibilities for executing that arrangement.
4.	Testing of the plan
5.	Plan implementation
6.	Periodic review of the plan.

Any one who has struggled to earn money, save some and invest it wisely wants to assure himself that any estate remaining at his death is conserved and distributed where it will do the most good.

5.6.2. Advantage of Making a Will

The first is the distribution of property in ways that differ from the state law of descent and distribution. The testator has the power to determine how his property will be distributed among the beneficiaries and when distribution is to be made. The testator can set up conditions to be met before the distribution is made.

By leaving a legal will, the testator is able to appoint a guardian for his minor children and thus avoid an expensive court - appointed guardian. Also, he can appoint the executor he prefers for his estate. With a legal will, settlement of the estate may be simpler, speedier, and less costly. Also it may be possible to save taxes by the method of distribution.

5 6.3 Characteristics

A legal will has been written by a testator of sound mind, generally 18 years of age or over, whose will meets the requirements of state law. His signature is at the end, followed by the signatures of the necessary two or three witnesses. Wills can be changed by codicil or revoked by a later will. Both husband and wife would make a will rather than a joint will. The services of a good lawyer, banker, accountant, life insurance agent, or other qualified expert, are absolutely necessary.

Estate administration can be described as a three-part process in which the dependent's personal representation, or executor, must

1.	Collect the decendant's assets
2.	Pay his or her debts and taxes, and
3	Distribute any remaining assets to the appropriate beneficiaries.

5.6.4. Trusts

The trust relationship arises when one party, the grantor, transfers property to a second party, the trustee, for the benefit of third parties, the beneficiaries. Trusts are designed primarily to accomplish one or more of three purposes as follows:-

1.	To save income and estate taxes
2.	To provide asset management, and
3	To conserve trust property.

5 6.5. The gift tax law imposes a gradual tax on the right to transfer property during one's life time.

Thus a proper personal financial planning can, stimulate personal income, reduce expenses, improve savings and investment potential, limit the burden on debt to the minimum, reduce mistakes of financial nature, protect life and assets, reduce tax burden and have a better retirement and estate planning, which can enhance the financial security and overall welfare of the family.

CHAPTER-VI

ANALYSIS OF PERSONAL FINANCE OF GAZETTED OFFICERS IN KERALA

- 6.1. Nature of the Gazetted Officers
- 6.2. Personal Financial Planning of the Gazetted Officers.

Chapter VI

ANALYSIS OF PERSONAL FINANCE OF GAZETTED OFFICERS IN KERALA

6.1 Nature of the Gazetted Officers

6.1.1. Sex

Out of the 309 gazetted officers in Kerala who responded to the questionnaire 105 officers were from Trivandrum, 103 from Ernakulam and 101 from Calicut. They were interviewed by the researcher. Analysis of the personal data has shown that 76 % of the Respondents were men and 24 % women. A detailed analysis further showed that 73 % of officers from Trivandrum, 74 % from Ernakulam and 80 % from Calicut were men. Of the women officers 27 % were from Trivandrum, 26 % from Ernakulam and 20 % from Calicut (Table 6.1).

6.1.2. Age

Age wise classification (Table 6.2) of the respondents showed that 34 % of the officers interviewed belonged to the age group of 51 to 55 and 29 %, 19 % and 18 % to the age groups of 46 to 50, 41 to 45 and below 40 respectively. The major age group of 37 % in Trivandrum came under the category of 46 to 50.

A study of the age groups of the spouses of the respondents (Table 6.3) revealed that the major group of 49 % belonged to the age group of 36 to 45 followed by 36 %, 12 % and 3 % in their respective age groups of 46 and above, 26 to 35 and below 25.

6.1.3. Religion

Classification based on religion (Table 6.4) showed that majority of the officers interviewed belonged to the Hindu religion (63%) followed by Christians (28%) and Muslims (9%).

6.1.4. Native place

As per table 6.5, 35 percent of the Respondents were from Trivandrum, 35 % from Ernakulam and 30 % from Calicut. It further shows that 88 % of employees from Trivandrum, 82 % from Ernakulam and 79 % from Calicut were from the same region itself.

6.1.5. Education

Table 6.6 reveals that 12 % of the gazetted officers are SSLC holders, 6 % Pre-Degree holders, 43 % Graduates, 18 % Post Graduates and 21 % Professional Degree holders.

Classification based on the educational qualifications of the spouses of the respondents (Table 6.7) showed that 3 % belonged to the group of below SSLC, 24 % were SSLC holders, 17 % Pre-Degree holders, 36 % Graduates, 13 % Post Graduates and 7 % Professional Degree holders.

6.1.6. Completed years of Government Service

As per table 6.8, 9 % of the officers have completed 10 years or less, 6 per cent 11 to 15 years, 16 per cent 16 to 20 years, 17 per cent 21 to 25 years and 52 per cent 26 years and above.

6.1.7 Population

Table 6.9 shows that the average population of the respondents' families were 4(59%). It further showed that 2 % of the families had only 2 members, 12 % had 3, 21 % had 5, 5 % had 6 and only 1 % had 7 members.

6.1.8. Number of Children

Distribution based on the number of children showed that (Table 6.10) 14 % of the families had 1 child each, 60 % had 2 children each, 20 % had 3 children each 3 % had 4 each and another 3 % had no children at all.

6.1.9 Sex wise Classification of Children

Table 6.11 shows that 9 % of the Respondents were having only 1 male child. It is further noted that 6 % had only 1 female child, 36 % had 1 male and 1 female each, 10 % had 1 male and 2 females each, 5 % had 2 males and 1 female each, 14 % had 2 males each, 12 % had 2 females each and the rest came to 8 %.

6.1.10. School and College Going Children

Table 6.12 reveals that 15 % of the employees had 1 school going child only, 17 % had 2, and 5 % had 3 children each studying in schools. It further shows that 13 % of the respondents had only one college going child and the number was 2 with regard to 14 % of the respondents. Thirteen per cent had one school going and one college going child each. 3 % had 2 school going and 1 college going children each, and another 3 % had 1 school going and 2 college going children each and 17 % of the children were not studying at all.

6.1.11. Employment Status of the Educated Children of the Respondents

As per table 6.13 only 3 % of the educated children of the respondents were employed. It is also seen from table 6.14, 18 % of the respondents had only 1 educated unemployed child each, 14 % had 2 each, 2 % 3 each and only 1 % had 4 unemployed children each.

6.1.12 Educational Status of the unemployed children

Table 6.15 shows that only 1 % of the unemployed children of the respondents come under the category below S.S.L.C. It further states that 11 % were SSLC holders, 24 % Pre-degree holders, 44 % Graduates, 11 % Post-Graduates and 9 % professional degree holders.

6.1.13 Employment status of the Spouses of the Respondents

Table 6.16 reveals that 57 % of the spouses of the respondents were employed and 43 % were not employed.

6.2. Personal Financial Planning of the Gazetted Officers in Kerala

The ultimate goal of financial planning is to secure one's financial freedom and thereby achieve financial security of the family. This will necessitate the preparation of plans and budgets that can act as navigational aids in plotting the course towards achievement of both the family's short term and long term financial objectives.

Personal financial management is a life long process. Setting a financial goal and developing strategies for achieving are the key to successful financial management of a household. The major elements of personal financial planning are:

1.	A feeling of importance of financial freedom.
2.	Clarity regarding short-term financial objectives.
3.	Clarity regarding long-term financial objectives.
4.	Practice of family budgeting.
5.	Maintenance of family financial accounts.
6.	Comparison of the accounts with the budget.
7.	Planning for non-recurring expenses.
8.	Wise use of loans and borrowing facilities.
9.	Priority based spending plan.
10.	Plan to increase income and decrease expenditure.
11.	Regularity of savings.
12.	Clear investment plan.
13.	Right insurance coverage.
14.	Tax planning and.
15.	Retirement and estate plan.

6.2.1. Importance of Financial Freedom

Table 6.17 reveals that 53 percent of the respondents considered financial freedom important. It can be further seen from table 6.18 that 29 % of the respondents felt it most essential, 7% essential, 17% desirable, 27 % not essential and 20 % felt it least essential.

6.2.2. Clarity Regarding Short-term Financial objectives

While 40 % (Table 6.17) of the government employees were clear about their short-term financial objectives, 60 % of them were not clear about it. Table 6.19 further shows that 8 % of the respondents were very clear about their short-term financial objectives, 15 % clear, 17 % undecided, 29 % not clear and 31 % not at all clear.

6.2.3. Clarity regarding Long-term financial objectives

From table 6.17 it can be seen that only 33 % of the interviewed were clear about their long-term financial objectives and 67 % were not clear about that. To elaborate 4 % of the officers (Table 6.20) were very clear about their long-term financial objectives, 9 % were clear, 20 % were undecided, 28 % were not clear and 39 % were not at all clear.

6.2.4. Practice of Family Budgeting

Fifty five per cent of the interviewed used to prepare family budgets. (Table 6.21). A detailed analysis (Table 22) showed that only 4 % of them practiced family budgeting quite often, 23 % often, 28 % occasionally, 30 % rarely and 15 % never prepared family budgets.

6.2.5. Nature of Maintaining Family Financial Accounts

Table 6.21 shows that only 37 % of the respondents were maintaining family financial accounts. It can be further seen from table 6.23 that only 8 % of them maintained regular accounts, 20 % often, 9 % occasionally, 29 % rarely and 34 % never kept accounts. Only 35 % of the employees were keeping bills and vouchers.

6.2.6. Comparison of Income and Expenditure with the Budget

It is found (Table 6.21) that only 36 % of the respondents used to compare their actual income and expenditure with the budget. It is further noted that (Table 6.24) 18 % of the officers compared quite often, 6 % often, 12 % occasionally, 29 % rarely and 35 % never compared their income and expenditure with the budget.

6.2.7 Planning for non-recurring expenses

Fifty three per cent (Table 6.17) of the employees had planning for non-recurring expenses. That is 9 % (Table 6.25) always planned, 17 % often, 27 % occasionally, 29 % rarely and 18 % never.

6.2.8. Use of Credit Facilities

Only 26 % of the employees made use of credit facilities. (Table 6.26). That is (Table 6.27) 4 % of the employees availed themselves of credit facilities often, 22 % occasionally, 40 % rarely and 34 % of the respondents never availed themselves of loans and borrowing facilities.

6.2.9 Priority based spending plan

Fifty six per cent (Table 6.21) of the government employees had a priority based spending plan and 44 % had none. It can further be noted from table 6.28 that 18 % always followed priority based spending plan, 11 % often, 27 % occasionally, 32 % rarely and 12 % never.

6.2.10. Plan to Increase Income and Decrease Expenditure

While 27 % (Table 6.17) of the respondents were thinking of increasing income and decreasing expenditure 73 % did not do the same. Two per cent had such a plan quite often, 4 % often, 21 % occasionally, 25 % rarely and 48 % of them had never thought of increasing and decreasing income and expenditure respectively (Table 6.29).

6.2.11. Regularity of Savings

Thirty nine per cent of the respondents (Table 6.17) had a regular saving habit. Eight per cent of them (Table 6.30) saved most regularly, 15 % regularly, 16 % were neutral, 31 % were not regular and 30 % were not at all regular.

6.2.12. Aspects of Savings

Fourty nine per cent (Table 6.31) of the officers used to read advertisements relating to various savings schemes, 43 % had a savings plan to meet certain contingencies, 41 % of them had ancestral savings, 50 % of them had their financial position better than that of the ancestral period, 46 % of the officers had their major share of savings invested in buildings and another 8 % of the employees had the major share of savings spent for their daughters' marriage and 19 % of the respondents had enough savings for the financial security of the family

6.2.13 Investment Plan

Thirty three per cent of the interviewed (Table 6.17) had an investment plan and 67 % did not have the same. Table 6.32 reveals that 4 % of them had a very clear investment plan, 11 % had a clear plan, 18 % were undecided, 29 % were not clear and 38 % were not at all clear in this respect.

6.2.14. Awareness about Insurance Schemes

While 38 % of the respondents were aware of various schemes of insurance, 62 % were not aware of the same (Table 6.33). It can be further seen that 11 % (Table 34) were most aware, 11 % were aware, 16 % were neutral, 33 % were not aware and 29 % not at all aware of insurance schemes.

6.2.15. Tax Planning

Thirty per cent (Table 6.35) of the officers had Tax planning and 70 % did not have the same. Among them only 3 % (Table 6.36) always had Tax planning. 16 % often, 11 % occasionally, 21 % rarely and 49 % never.

6.2.16. Retirement and Estate Plan

While 34 % (Table 6.37) of the Gazetted officers had retirement planning. 66 % did not have the same. 25 % (Table 6.38) of them had an estate plan and 75 % did not have the same. In this respect only 1 % (Table 6.39) were highly favourable, 8 % were favourable to some extent, 16 % were neutral 12% were unfavourable and 63 % were most unfavourable.

6.2.17 Agreement relating to Certain financial Statements

All the officers agreed to the statement that everybody wants to live a happy life (Table 6.40). Only 40 % agreed to the statement that rich people are happier than poor people. Ninety four per cent agreed that there is relationship between financial security and happiness of the family. Almost all the officers are of the view that proper financial planning can improve financial status.

6.2.18. Certain personal Financial Aspects

Thirty five per cent of the respondents (Table 6.41) were satisfied with the present income. 32 % of the officers had a definite financial plan, 29 % had financial security, 34 % had enough time to look after children's education, and 33 % used to evaluate expenditure periodically

6.2.19 Social Aspects of personal Finance

Prestige and Social Status influenced the expenditure pattern of 68 % (Table 6.42) of the respondents. Friends and relatives influenced the family financial decisions of 63 %, 38 % of the officers' children were undergoing private tuitions, 71 % were in favour of reducing expenditure on social obligations and 84 % of the gazetted officers intended to plan to Finance properly.

6.2.20. Net Result of Family Budgets

Twenty nine per cent of the officer's budget showed surplus, 9 % deficit and 17 % no balance. Forty five per cent did not prepare budgets. (Table 6.43)

6.2.21. Persons Involved in Family Financial Decisions

Thirty one per cent (Table 6.44) of the officers take family financial decisions by themselves. Spouses of 12 % of them take financial decisions, husband and wife were involved in respect of 36 % and 21 % of the officers involve all members including children in their family financial decisions.

6.2.22. Nature of Shopping

Fifty per cent of the respondents purchased goods for cash (Table 6.45), 13 % on credit and 37 % for cash and on credit. Credit transactions are comparatively lower in Calicut.

6.2.23. Period of Shopping

Distribution based on the period of shopping (Table 6.46) shows that 56 % had their purchases as and when required, 14 % weekly, and 30 % monthly

6.2.24. Nature of buying Consumer Durables

Table 6.47 shows that 58 % of the employees purchased consumer durables when money is available, 11 % influenced by advertisement, and 31 % after thorough planning.

6.2.25 Criteria of buying Consumer Durables

Nineteen per cent (Table 6.48) of the respondents consider low price as the basis for buying consumer durables. 24 % consider best quality, 53 % utility and 4 % prestige for the same.

6.2.26. Priority of Savings

Seven per cent of the employees save before meeting expenditure (Table 6.49) 28 % as per their budget and 65 % save the residue after expenditure (except PF).

6.2.27 Investment Criteria

High security (Table 6.50) was the major criterion for investment in respect of 26 % of the officers. 12 % consider high earnings, 23 % regularity of income, 29 % convenience and 10 % capital gain.

6.2.2.8 Personal Financial Planning

Master Table 6.51 reveals a clear picture of the personal financial planning of the respondents based on a five point scale for 15 important elements. It can be seen that out of 309 only 91 respondents scored 45 points or above. That is 29.4 % of the respondents were having systematic personal finance practice. The same is 24% in Trivandrum, 40 % in Ernakulam and 27 % in Calicut. Thus it can be concluded that majority (70.26 %) of the gazetted officers were not resort to proper personal financial planning.

Table 6.1
Distribution of the Respondents on the Basis of Sex

Region	Male		Female		Total	
	No.	%	No.	%	No.	%
Trivandrum	77	73	28	27	105	100
Ernakulam	76	74	27	26	103	100
Calicut	81	80	20	20	101	100
Total	234	76	75	24	309	100

Table 6.2
Age wise Classification of the Respondents

Years	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
upto 40	19	18	20	20	16	16	55	18
41 - 45	19	18	23	22	16	16	58	19
46 - 50	39	37	27	26	25	25	91	29
51 - 55	28	27	33	32	44	43	105	34
Total	105	100	103	100	101	100	309	100

Table 6.3
Classification Based on the Age of the Spouses of the Respondents

Years	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
upto 25	2	2	5	5	3	3	10	3
26 - 35	10	9	15	14	12	12	37	12
36 - 45	48	46	44	43	58	57	150	49
Above 45	45	43	39	38	28	28	112	36
Total	105	100	103	100	101	100	309	100

Table 6.4
Classification of the Respondents on the Basis of Religion

Religion	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Hindu	60	57	68	66	67	66	195	63
Muslim	11	11	5	5	13	13	29	9
Christian	34	32	30	29	21	21	85	28
Total	105	100	103	100	101	100	309	100

Table 6.5
Distribution Based on the Native Region of the Respondents

Native Regions	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Trivandrum	92	88	9	9	8	8	109	35
Ernakulam	10	9	85	82	13	13	108	35
Calicut	3	3	9	9	80	79	92	30
Total	105	100	103	100	101	100	309	100

Table 6.6
Distribution of the Respondents on the Basis of Educational Qualifications

Educational Level	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
S.S.L.C	6	6	9	9	23	23	38	12
Pre-Degree	9	8	5	5	5	5	19	6
Degree	47	45	47	46	38	37	132	43
Post-Graduate	20	19	20	19	16	16	56	18
Professional	23	22	22	21	19	19	64	21
Total	105	100	103	100	101	100	309	100

Table 6.7
Classification Based on Educational Qualifications of Spouses

Educational Level	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Below S.S.L.C	0	0	3	3	5	5	8	3
S.S.L.C	20	19	19	18	34	33	73	24
Pre-Degree	19	18	16	15	17	17	52	17
Degree	41	39	42	41	30	30	113	36
Post-Graduate	19	18	12	12	10	10	41	13
Professional	6	6	11	11	5	5	22	7
Total	105	100	103	100	101	100	309	100

Table 6.8
Classification Based on Duration of Service of the Respondents

Completed Years	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Upto 10	8	8	13	13	5	5	26	9
11-15	8	8	4	4	7	7	19	6
16-20	19	18	12	12	19	19	50	16
21-25	19	18	21	20	13	13	53	17
Above 25	51	48	53	51	57	56	161	52
Total	105	100	103	100	101	100	309	100

Table 6.9
Distribution Based on Number of Members in the Respondents' Family

Number of Persons	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
2	4	4	2	2	2	2	7	2
3	20	19	10	10	7	7	38	12
4	61	58	62	60	58	57	181	59
5	15	14	23	22	26	26	64	21
6	2	2	6	6	8	8	16	5
7	3	3	0	0	0	0	3	1
Total	105	100	103	100	101	100	309	100

Table 6.10
Classification Based on the Number of Children

Number of Children	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
1	19	18	18	17	7	7	44	14
2	61	58	61	59	63	62	185	60
3	18	17	20	20	23	23	61	20
4	2	2	2	2	6	6	10	3
No Children	5	5	2	2	2	2	9	3
Total	105	100	103	100	101	100	309	100

Table 6.11
Sex-wise Classification of the Children of the Respondents

Particulars	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
1 Male only	13	12	10	10	5	5	28	9
1 Female only	7	7	8	8	2	2	17	6
1 Male and 1 Female	41	39	35	34	35	34	111	36
1 Male and 2 Females	10	10	9	9	12	12	31	10
2 Males and 1 Female	5	5	4	4	5	5	14	5
2 Males only	11	10	16	15	17	17	44	14
2 Females only	10	10	16	15	12	12	38	12
Other Groups	8	7	5	5	13	13	26	8
Total	105	100	103	100	101	100	309	100

Table 6.12
Distribution on the Basis of the Number of Children of the
Respondents Studying in Schools and in Colleges

Categories	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
1 A only	17	16	19	18	10	10	46	15
2 A only	23	22	15	15	15	15	53	17
3 A only	6	6	6	6	2	2	14	5
1 B only	14	13	13	13	15	15	42	13
2 B only	14	13	15	14	14	14	43	14
1 A and 1 B	12	11	10	10	18	18	40	13
2 A and 1 B	4	4	2	2	2	2	8	3
1 A and 2 B	4	4	3	3	2	2	9	3
Not studying	11	11	20	19	23	22	54	17
Total	105	100	103	100	101	100	309	100

A = School Going B = College Going

Table 6.13
Employment Status of the Educated Children of the Respondents

Region	Employed		Unemployed		Total	
	No.	%	No.	%	No.	%
Trivandrum	1	4	26	96	27	100
Ernakulam	2	5	37	95	39	100
Calicut	0	0	46	100	46	100
Total	3	3	109	97	112	100

Table 6.14
Distribution Based on the Number of Employed and Unemployed Children

Particulars	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
1 Employed	1	1	2	2	0	0	3	1
1 Unemployed	16	15	19	18	21	21	56	18
2 Unemployed	10	10	17	17	16	16	43	14
3 Unemployed	0	0	1	1	6	6	7	2
4 Unemployed	0	0	0	0	3	3	3	1
Not Applicable	78	74	64	62	55	54	197	64
Total	105	100	103	100	101	100	309	100

Table 6.15
Distribution Based on the Educational Status of the Unemployed Children of the Respondents

Educational Status	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Below S.S.L.C	0	0	1	2	0	0	1	1
S.S.L.C	6	17	1	2	13	16	20	11
Pre-Degree	12	33	10	18	20	24	42	24
Graduation	13	36	29	52	35	42	77	44
Post Graduation	3	8	9	16	7	8	19	11
Professional	2	6	6	10	8	10	16	9
Total	36	100	56	100	83	100	175	100

Table 6.16
Table Showing the Employment Status of the Spouses of the Respondents

Employment Status	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Employed	65	62	65	63	45	45	175	57
Unemployed	40	38	38	37	56	55	134	43
Total	105	100	103	100	101	100	309	100

Table 6.17
Aspects of Personal Financial Planning

Aspects	General			Trivandrum			Ernakulam			Calicut		
	No.	Yes	Total	No.	Yes	Total	No.	Yes	Total	No.	Yes	Total
Financial Freedom is Important	No.	163	309	54	51	105	36	67	103	56	45	101
	%	53	100	51	49	100	35	65	100	56	44	100
Clear About Short Term Financial Objectives	No.	122	309	67	38	105	53	50	103	67	34	101
	%	40	100	64	36	100	52	48	100	66	34	100
Longterm Financial Objective are Clear	No.	100	309	81	24	105	55	48	103	73	28	101
	%	33	100	77	23	100	53	47	100	72	28	100
Planning for Non-recurring Expenses	No.	165	309	56	49	105	34	69	103	54	47	101
	%	53	100	53	47	100	33	67	100	53	47	100
Plan to Increase Income and Decrease Expenditure	No.	84	309	79	26	105	72	31	103	74	27	101
	%	27	100	75	25	100	70	30	100	73	27	100
Regular Savings	No.	118	309	68	37	105	56	47	103	67	34	101
	%	39	100	65	35	100	54	46	100	66	34	100
Clear Investment Plan	No.	103	309	71	34	105	63	40	103	72	29	101
	%	33	100	67	33	100	61	39	100	71	29	100

Table 6.18
Degree of Importance of Financial Freedom of the Respondents

Degree of Importance	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Most Essential	25	24	34	33	30	29	89	29
Essential	6	6	14	14	3	3	23	7
Desirable	20	19	19	18	12	12	51	17
Not Essential	33	31	21	20	29	29	83	27
Least Essential	21	20	15	15	27	27	63	20
Total	105	100	103	100	101	100	309	100

Table 6.19
Degree of Clarity Regarding Short-Term Financial Objectives

Degree	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Very Clear	7	7	7	7	11	11	25	8
Clear	11	10	22	21	13	13	46	15
Undecided	20	19	21	20	10	10	51	17
Not Clear	31	30	30	29	29	29	90	29
Not at all Clear	36	34	23	23	38	37	97	31
Total	105	100	103	100	101	100	309	100

Table 6.20
Degree of Clarity Regarding Long-Term Financial Objectives

Degree	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Very Clear	0	0	6	6	6	6	12	4
Clear	3	3	13	13	11	11	27	9
Undecided	21	20	29	28	11	11	61	20
Not Clear	36	34	33	32	19	19	88	28
Not at all Clear	45	43	22	21	54	53	121	39
Total	105	100	103	100	101	100	309	100

Table 6.21

Table Showing Various Aspects of Personal Financial Planning

Aspects	General			Trivandrum			Emakulam			Calicut		
	No.	Yes	Total	No.	Yes	Total	No.	Yes	Total	No.	Yes	Total
Preparing Family Budgets	No.	170	309	49	56	105	37	66	103	53	48	101
	%	55	100	47	53	100	36	64	100	52	48	100
Maintaining Regular Accounts	No.	115	309	69	36	105	55	48	103	70	31	101
	%	37	100	65	35	100	53	47	100	69	31	100
Comparison of Actuals with the Budget	No.	113	309	69	36	105	57	46	103	70	31	101
	%	36	100	66	34	100	55	45	100	69	31	100
Priority Based Spending Plan	No.	171	309	50	55	105	33	70	103	55	46	101
	%	56	100	48	52	100	32	68	100	54	46	100
Keeping of Bills and Vouchers	No.	109	309	65	40	105	65	38	103	70	31	101
	%	35	100	62	38	100	63	37	100	69	31	100

Table 6.22
Practice of Family Budgeting

Practice	Trivandrum		Emakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Quite Often	3	3	2	2	7	7	12	4
Often	20	19	34	33	18	18	72	23
Occasionally	33	31	30	29	23	23	86	28
Rarely	41	39	24	23	27	26	92	30
Never	8	8	13	13	26	26	47	15
Total	105	100	103	100	101	100	309	100

Table 6.23
Maintenance of Family Financial Accounts

Practice	Trivandrum		Emakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Always	6	6	9	9	11	11	26	8
Often	19	18	28	27	15	15	62	20
Occasionally	11	11	11	11	5	5	27	9
Rarely	35	33	29	28	24	24	88	29
Never	34	32	26	25	46	45	106	34
Total	105	100	103	100	101	100	309	100

Table 6.24
Frequency of Comparison of Actuals with Budget Amounts

Frequency of Comparison	Trivandrum		Emakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Quite Often	14	13	22	21	20	20	56	18
Often	6	6	8	8	6	6	20	6
Occasionally	16	15	16	16	5	5	37	12
Rarely	33	32	31	30	24	24	88	29
Never	36	34	26	25	46	45	108	35
Total	105	100	103	100	101	100	309	100

Table 6.25
Frequency of Planning for Non-Recurring Expenses

Frequency	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Always	4	4	14	14	10	10	28	9
Often	16	15	20	19	17	17	53	17
Occasionally	29	28	35	34	20	20	84	27
Rarely	38	36	20	19	31	30	89	29
Never	18	17	14	14	23	23	55	18
Total	105	100	103	100	101	100	309	100

Table 6.26
Distribution Based on the Use of Credit Facilities

Region	Use		Do Not Use		Total	
	No.	%	No.	%	No.	%
Trivandrum	20	19	85	81	105	100
Ernakulam	40	39	63	61	103	100
Calicut	21	21	80	79	101	100
Total	81	26	228	74	309	100

Table 6.27
Wise Use of Loans and Borrowing Facilities

Particulars	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Quite Often	0	0	0	0	0	0	0	0
Often	1	1	5	5	7	7	13	4
Occasionally	19	18	35	34	14	14	68	22
Rarely	55	52	33	32	35	35	123	40
Never	30	29	30	29	45	44	105	34
Total	105	100	103	100	101	100	309	100

Table 6.28
Habit of Priority Based Spending Plan

Nature	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Always	5	5	28	27	22	22	55	18
Often	15	14	14	14	5	5	34	11
Occasionally	35	33	28	27	19	19	82	27
Rarely	42	40	24	23	33	32	99	32
Never	8	8	9	9	22	22	39	12
Total	105	100	103	100	101	100	309	100

Table 6.29
Nature of Planning to Increase Income and Decrease Expenditure

Nature	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Quite Often	0	0	0	0	5	5	5	2
Often	1	1	3	3	9	9	13	4
Occasionally	25	24	28	27	13	13	66	21
Rarely	27	26	25	24	24	24	76	25
Never	52	49	47	46	50	49	149	48
Total	105	100	103	100	101	100	309	100

Table 6.30
Regularity of Savings

Regularity	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Most Regular	4	4	9	9	11	11	24	8
Regular	10	9	22	21	13	13	45	15
Neutral	23	22	16	16	10	10	49	16
Not Regular	38	36	30	29	29	29	97	31
Not applicable	30	29	26	25	38	37	94	30
Total	105	100	103	100	101	100	309	100

Table 6.31

Distribution based on Different Aspects of Savings and Investments of the Respondents

Aspects	General			Trivandrum			Emakulam			Calicut		
	No.	Yes	Total	Yes	No.	Total	Yes	No.	Total	Yes	No.	Total
Read Advertisements Relating to Various Savings Schemes	No.	150	309	43	62	105	46	57	103	61	40	101
	%	49	100	41	59	100	45	55	100	60	40	100
Savings Plan to Meet Certain Contingencies	No.	134	309	40	65	105	39	64	103	55	46	101
	%	43	100	38	62	100	38	62	100	54	46	100
Ancestral Savings	No.	128	309	72	33	105	25	78	103	31	70	101
	%	41	100	69	31	100	24	76	100	31	69	100
Present Financial Position Better than Ancestral	No.	155	309	42	63	105	52	51	103	61	40	101
	%	50	100	40	60	100	50	50	100	60	40	100
Major Share of Savings Invested in Buildings	No.	142	309	42	63	105	47	56	103	53	48	101
	%	46	100	40	60	100	46	54	100	52	48	100
Major Share of Savings Spent on Marriage of Daughters	No.	25	309	4	101	105	10	93	103	11	90	101
	%	8	100	4	96	100	10	90	100	11	89	100
Enough Savings for the Financial Security of the Family	No.	59	309	20	85	105	17	86	103	22	79	101
	%	19	100	19	81	100	17	83	100	22	78	100

Table 6.32
Investment Plan of the Respondents

Clarity	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Very Clear	0	0	2	2	11	11	13	4
Clear	10	10	13	13	11	11	34	11
Undecided	24	23	25	24	7	7	56	18
Not Clear	31	29	31	30	28	28	90	29
Not at all Clear	40	38	32	31	44	43	116	38
Total	105	100	103	100	101	100	309	100

Table 6.33
Distribution of the Respondents Based on the
Awareness of Various Schemes of Insurance

Region	Yes		No		Total	
	No.	%	No.	%	No.	%
Trivandrum	30	29	75	71	105	100
Ernakulam	54	53	49	47	103	100
Calicut	33	33	68	67	101	100
Total	117	38	192	62	309	100

Table 6.34
Degree of Awareness of Insurance Schemes

Degree of Awareness	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Most Aware	1	1	16	16	17	17	34	11
Aware	11	11	16	16	8	8	35	11
Neutral	18	17	22	21	8	8	48	16
Not Aware	38	36	27	26	36	36	101	33
Not at all aware	37	35	22	21	32	31	91	29
Total	105	100	103	100	101	100	309	100

Table 6.35
Distribution of the Respondents Based on Tax Planning

Region	Yes		No		Total	
	No.	%	No.	%	No.	%
Trivandrum	28	26	77	74	105	100
Ernakulam	35	34	68	66	103	100
Calicut	29	29	72	71	101	100
Total	92	30	217	70	309	100

Table 6.36
Level of Tax Planning

Nature	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Always	0	0	1	1	8	8	9	3
Often	10	9	21	20	18	18	49	16
Occasionally	18	17	13	13	3	3	34	11
Rarely	29	28	20	19	15	15	64	21
Never	48	46	48	47	57	56	153	49
Total	105	100	103	100	101	100	309	100

Table 6.37
Distribution Based on Financial Planning for Retirement

Region	Yes		No		Total	
	No.	%	No.	%	No.	%
Trivandrum	34	32	71	68	105	100
Ernakulam	37	36	66	64	103	100
Calicut	34	34	67	66	101	100
Total	105	34	204	66	309	100

Table 6.38
Distribution on the Basis of Estate Plan

Region	Yes		No		Total	
	No.	%	No.	%	No.	%
Trivandrum	18	17	87	83	105	100
Ernakulam	31	30	72	70	103	100
Calicut	27	27	74	73	101	100
Total	76	25	233	75	309	100

Table 6.39
Preference of the Respondents for a Retirement and Estate Plan

Particulars	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Highly Favourable	0	0	0	0	4	4	4	1
Favourable to Some Extent	4	4	8	8	12	12	24	8
Neutral	14	13	23	22	11	11	48	16
Unfavourable	18	17	13	13	6	6	37	12
Most Unfavourable	69	66	59	57	68	67	196	63
Total	105	100	103	100	101	100	309	100

Table 6.40

Distribution of the Officers in Respect of Their Agreement Relating to Certain Financial Statements

Statements	General			Trivandrum			Ernakulam			Calicut			
	No.	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total
Everybody Wants to Live a Happy Life	No.	308	1	309	105	0	105	103	0	103	100	1	101
	%	100	0	100	100	0	100	100	0	100	99	1	100
Rich People are Happier than Poor People	No.	125	184	309	38	67	105	52	51	103	35	66	101
	%	40	60	100	36	64	100	50	50	100	35	65	100
There is Relationship between Financial Security and Happiness of the Family	No.	291	18	309	104	1	105	99	4	103	88	13	101
	%	94	6	100	99	1	100	96	4	100	87	13	100
Proper Financial Planning can Improve Financial Status	No.	305	4	309	104	1	105	103	0	103	98	3	101
	%	99	1	100	99	1	100	100	0	100	97	3	100

Table 6.41

Distribution Based on Certain Personal Financial Aspects

Aspects	General			Trivandrum			Ernakulam			Calicut		
	No.	Ycs	Total	Ycs	No.	Total	Ycs	No.	Total	Ycs	No.	Total
Satisfied with the Present Income	No.	109	309	28	77	105	45	58	103	36	65	101
	%	35	100	27	73	100	44	56	100	36	64	100
Definite Financial Plans	No.	98	309	29	76	105	39	64	103	30	71	101
	%	32	100	28	72	100	38	62	100	30	70	100
Financial Security	No.	90	309	23	82	105	38	65	103	29	72	101
	%	29	100	22	78	100	37	63	100	29	71	100
Enough Time to Look after Children's Education	No.	106	309	30	75	105	32	71	103	44	57	101
	%	34	100	29	71	100	31	69	100	44	56	100
Evaluate Expenditure Periodically	No.	102	309	31	74	105	39	64	103	32	69	101
	%	33	100	30	70	100	38	62	100	32	68	100

Table 6.42

Distribution Based on Social Aspects of Personal Finance

Aspects	General			Trivandrum			Ernakulam			Calicut			
	No.	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total
Prestige and Social Status		211	98	309	77	28	105	71	32	103	63	38	101
Influences Expenditure	%	68	32	100	73	27	100	69	31	100	62	38	100
Influence of Friends and Relatives in Family	No.	194	115	309	75	30	105	61	42	103	58	43	101
Financial Decisions	%	63	37	100	71	29	100	59	41	100	57	43	100
Children have Private Tutions	No.	117	192	309	51	54	105	25	78	103	41	60	101
	%	38	62	100	49	51	100	24	76	100	41	59	100
In Favour of Reducing Expenditure on Social Obligations	No.	218	91	309	61	44	105	75	28	103	82	19	101
	%	71	29	100	58	42	100	73	27	100	81	19	100
Intend to plan Finance Properly	No.	261	48	309	89	16	105	89	14	103	82	19	101
	%	84	16	100	85	15	100	86	14	100	81	19	100

Table 6.43
Net Results of Family Budgets

Results	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Surplus	31	30	35	34	24	24	90	29
Deficit	10	9	8	8	10	10	28	9
No Balance	15	14	23	22	14	14	52	17
Not Applicable	49	47	37	36	53	52	139	45
Total	105	100	103	100	101	100	309	100

Table 6.44
Persons Involved in Family Financial Decisions

Persons	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Self	40	38	26	25	31	31	97	31
Spouse	16	15	16	16	6	6	38	12
Both	27	26	38	37	46	45	111	36
All Members	22	21	23	22	18	18	63	21
Total	105	100	103	100	101	100	309	100

Table 6.45
Table Showing the Nature of Shopping

Nature	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Cash	45	43	49	47	59	58	153	50
Credit	23	22	14	14	4	4	41	13
Both	37	35	40	39	38	38	115	37
Total	105	100	103	100	101	100	309	100

Table 6.46
Distribution Based on the Period of Shopping

Period	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
As and When required	50	48	55	53	67	66	172	56
Weekly	18	17	8	8	18	18	44	14
Monthly	37	35	40	39	16	16	93	30
Total	105	100	103	100	101	100	309	100

Table 6.47
Table Showing the Nature of Buying Consumer Durables

Particulars	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
When Money is Available	56	53	53	51	70	69	179	58
On seeing an Advertisement	16	15	13	13	5	5	34	11
After Thorough Planning	33	32	37	36	26	26	96	31
Total	105	100	103	100	101	100	309	100

Table 6.48
Distribution Based on the Criteria of Buying Consumer Durables

Criteria	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Low Price	38	36	11	11	9	9	58	19
Best Quality	14	13	30	29	31	31	75	24
Utility	53	51	52	50	58	57	163	53
Prestige	0	0	10	10	3	3	13	4
Total	105	100	103	100	101	100	309	100

Table 6.49
Table Showing Priority of Savings

Nature	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
Before Meeting Expenditure	13	12	1	1	9	9	23	7
As per Budget	24	23	33	32	28	28	85	28
The Residue After Expenditure	68	65	69	67	64	63	201	65
Total	105	100	103	100	101	100	309	100

Table 6.50
Investment Criteria of the Respondents

Nature	Trivandrum		Ernakulam		Calicut		Total	
	No.	%	No.	%	No.	%	No.	%
High Security	16	15	30	29	34	33	80	26
High Earnings	14	13	14	14	10	10	38	12
Regularity of Income	32	31	15	14	23	23	70	23
Convenience	21	20	38	37	30	30	89	29
Capital Gain	22	21	6	6	4	4	32	10
Total	105	100	103	100	101	100	309	100

Table 6.51

Table showing the Level of Personal Financial Planning Based on a Five Point Scale Value for the 15 Variables

SI No	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	3	2	2	1	1	2	2	3	1	1	3	2	2	1	2	28
2	1	1	2	1	1	1	1	2	1	1	2	1	1	1	1	18
3	2	1	2	1	1	1	2	2	2	1	2	2	2	2	2	25
4	3	2	3	1	1	3	3	2	2	1	3	1	2	2	2	31
5	5	3	4	4	5	4	3	4	3	2	4	3	3	3	3	53
6	5	3	3	4	4	4	2	4	3	2	3	3	3	3	2	48
7	4	3	3	2	2	2	3	3	2	2	3	2	3	2	3	39
8	5	4	3	3	3	3	2	4	2	2	3	2	3	2	4	45
9	3	2	3	1	1	2	1	2	1	1	2	2	1	1	1	24
10	3	2	3	2	2	3	1	2	1	1	3	2	2	1	2	30
11	5	4	3	3	3	3	2	4	2	1	4	3	3	2	3	45
12	5	4	4	4	5	4	4	3	3	3	4	3	4	3	3	56
13	3	3	3	3	3	3	2	3	1	1	3	2	2	1	3	36
14	5	3	4	4	5	4	1	4	3	2	4	3	3	3	3	51
15	3	2	2	2	2	3	3	2	1	1	3	2	2	1	3	32
16	2	1	2	1	1	2	1	2	1	1	1	1	1	1	1	19
17	3	2	4	4	5	3	1	3	3	3	3	3	3	3	3	46
18	5	3	4	4	4	4	2	3	3	3	4	3	3	3	3	51
19	2	1	2	2	1	3	1	2	2	1	2	1	1	2	1	24
20	5	4	4	4	4	4	1	4	4	3	4	3	3	4	3	54
21	1	1	2	1	1	2	1	1	1	1	1	1	1	1	1	17
22	3	2	3	2	2	3	3	2	1	1	2	1	1	1	2	29
23	2	1	2	1	1	3	2	2	1	1	2	1	1	1	1	22
24	2	1	2	1	1	2	2	1	2	1	2	1	1	2	1	22
25	2	2	2	1	1	2	2	2	1	1	2	2	1	1	1	23
26	2	2	2	2	2	1	2	2	2	1	3	2	2	2	2	29
27	2	2	2	1	1	2	1	2	1	1	2	1	1	1	1	21
28	5	2	3	3	3	2	2	3	2	2	3	2	2	2	2	38
29	2	1	2	2	2	1	1	1	3	1	2	1	1	2	1	23
30	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	16
31	2	1	2	1	1	2	1	2	1	1	2	1	1	1	1	20
32	4	3	4	4	3	2	2	3	2	2	3	2	3	2	2	41
33	5	3	3	2	2	3	1	3	1	1	3	2	2	1	2	34
34	5	3	4	4	4	4	2	3	4	4	4	3	4	4	3	55
35	2	1	2	2	2	2	1	1	2	1	2	1	2	2	1	24
36	5	5	5	5	5	4	3	5	4	3	5	3	4	4	3	63
37	5	3	4	4	5	4	2	3	3	2	4	3	3	3	3	51
38	2	1	2	1	1	2	2	1	2	1	2	1	1	2	1	22
39	2	2	2	2	2	2	1	2	2	1	2	2	1	2	2	27
40	3	2	2	2	2	1	2	2	2	1	2	1	1	2	1	26
41	2	1	2	1	1	1	2	1	1	1	2	1	1	1	1	19
42	2	2	3	2	2	3	2	2	2	1	3	2	1	2	1	30
43	2	2	3	1	1	2	1	2	1	1	2	1	2	1	1	23
44	3	2	3	2	2	3	2	2	1	1	3	2	3	1	2	32

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47	2	2	2	2	2	3	3	2	1	1	3	2	2	1	1	29
48	5	4	4	4	4	3	2	3	4	3	3	3	4	4	3	53
49	1	1	2	2	2	1	2	2	2	2	2	2	1	2	1	25
50	1	1	2	2	2	1	2	2	2	1	2	1	1	2	1	23
51	5	5	5	5	5	5	3	5	4	4	5	4	4	4	3	66
52	1	1	2	1	1	1	2	1	1	1	1	1	1	1	1	17
53	5	5	5	5	5	5	3	5	4	4	5	4	4	4	3	66
54	1	1	2	1	1	1	2	1	2	1	2	1	2	2	1	21
55	3	3	3	2	3	2	2	2	2	2	3	2	2	2	1	34
56	3	3	3	2	2	3	2	2	2	1	3	2	3	2	1	34
57	1	1	1	1	1	1	2	1	1	1	1	1	1	1	1	16
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59	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
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61	3	3	3	3	3	2	2	2	3	3	3	2	2	3	2	39
62	2	1	2	1	1	2	2	1	1	1	2	1	2	1	2	22
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64	4	3	3	3	3	4	1	3	1	1	3	2	2	3	3	39
65	4	3	4	4	5	4	3	3	3	2	4	3	4	4	3	53
66	1	1	2	1	1	1	2	1	2	2	2	1	2	1	1	21
67	5	3	4	4	5	4	2	3	4	3	4	3	4	3	3	54
68	2	2	3	2	2	2	2	2	3	2	3	2	3	1	1	32
69	4	3	3	3	3	4	2	3	1	1	3	2	3	3	2	40
70	1	1	2	1	1	2	1	1	1	1	2	1	1	1	1	18
71	2	1	2	1	1	3	1	1	1	1	2	1	2	2	2	23
72	2	2	3	2	2	2	2	2	1	1	2	1	2	2	1	27
73	2	2	3	3	2	3	2	2	1	1	3	2	1	3	1	31
74	2	2	3	2	2	3	1	2	1	1	2	1	2	1	1	26
75	2	2	3	2	2	3	2	2	2	1	3	2	1	2	1	30
76	5	4	4	4	5	4	1	4	3	3	4	3	3	3	2	52
77	3	2	3	2	2	4	1	2	2	1	3	2	3	2	1	33
78	2	1	2	2	2	2	2	1	1	1	2	1	2	2	1	24
79	3	3	3	3	3	2	2	3	3	2	3	2	3	3	2	40
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81	5	4	4	5	5	5	3	4	3	3	5	3	3	5	3	60
82	1	1	1	1	1	3	3	1	1	1	2	1	1	2	1	21
83	2	2	2	2	2	2	3	2	1	1	3	2	1	2	1	28
84	1	1	2	2	2	3	1	2	1	1	2	1	2	2	1	24
85	3	3	3	3	3	2	2	3	3	2	2	1	1	2	2	35
86	2	2	3	2	2	3	3	2	1	1	3	2	1	2	1	30
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88	5	3	4	4	3	2	3	3	3	3	4	3	3	4	3	50
89	2	2	2	1	1	2	2	1	2	1	2	1	1	2	2	24
90	5	4	4	4	4	3	3	4	3	2	4	3	4	4	3	54
91	1	1	2	2	1	1	1	1	1	1	2	1	1	1	1	18
92	2	1	2	2	2	1	2	1	1	1	2	1	1	2	1	22
93	4	3	4	4	3	2	2	3	3	3	3	3	2	3	2	44
94	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
95	5	3	3	5	3	2	2	3	2	1	3	2	3	3	3	43
96	1	1	1	1	1	1	2	1	1	1	2	1	1	1	1	17
97	1	1	2	1	1	2	2	1	1	1	2	1	2	1	1	20

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100	5	4	4	4	3	3	2	3	4	3	4	3	3	3	2	50
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102	1	1	2	1	1	2	1	1	1	1	2	1	1	1	1	18
103	1	1	2	1	1	2	2	1	1	1	2	1	1	2	1	20
104	2	1	2	1	1	2	2	1	2	2	2	1	2	2	1	24
105	1	1	1	1	1	2	2	1	2	1	2	1	2	1	1	20
106	5	4	4	4	5	5	3	4	4	3	5	3	3	5	3	60
107	4	3	3	3	3	3	3	4	4	3	5	3	3	2	2	48
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109	4	4	4	4	3	3	3	4	3	3	5	3	3	4	2	52
110	4	3	4	4	4	2	3	3	4	3	4	3	3	4	3	51
111	5	4	4	4	4	5	3	4	3	3	5	4	3	4	3	58
112	5	3	3	2	2	4	1	3	1	2	3	3	2	3	2	39
113	1	1	2	1	1	2	1	1	1	1	2	1	1	1	1	18
114	2	1	2	1	1	2	1	1	2	1	2	1	1	2	1	21
115	5	4	4	4	5	5	3	4	4	4	5	3	4	5	3	62
116	2	2	3	2	2	3	1	2	1	1	3	2	2	2	1	29
117	5	5	4	5	5	4	3	5	4	4	5	4	5	5	3	66
118	5	4	4	4	5	4	3	4	3	3	5	3	3	4	4	58
119	5	5	5	5	5	4	4	5	4	4	5	5	4	5	3	68
120	3	2	3	2	2	3	2	2	1	2	3	2	2	2	2	33
121	5	4	4	4	5	4	3	4	3	2	4	3	4	4	3	56
122	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
123	4	3	4	4	5	4	3	3	1	1	4	3	3	3	3	48
124	2	1	2	1	1	1	1	1	1	1	2	1	1	1	1	18
125	2	2	2	2	2	3	1	2	1	1	2	2	1	2	2	27
126	1	1	1	1	1	1	1	2	1	1	1	1	1	1	1	16
127	4	4	4	4	4	4	3	4	3	3	4	4	4	4	2	55
128	5	4	4	4	4	4	3	4	4	3	5	4	3	5	2	58
129	5	5	4	5	5	4	3	5	4	4	5	4	4	5	3	65
130	3	2	3	2	2	3	1	2	1	1	3	2	2	2	1	30
131	5	4	4	4	4	5	4	4	3	3	5	4	4	4	3	60
132	3	2	3	3	3	3	2	2	2	2	3	2	2	3	2	37
133	1	1	2	1	1	2	1	1	1	1	2	1	1	1	1	18
134	5	5	5	5	5	4	4	5	4	4	5	5	4	5	4	69
135	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	16
136	1	1	1	2	2	1	1	1	2	1	2	1	1	2	1	20
137	2	2	2	2	2	3	1	1	1	1	2	2	1	1	1	24
138	1	1	1	1	1	1	1	1	2	1	1	1	1	1	1	16
139	2	1	2	1	1	2	1	1	1	2	2	1	1	2	1	21
140	5	3	3	3	3	3	1	3	2	1	4	3	3	2	1	40
141	4	3	4	4	4	4	2	3	3	3	4	3	3	4	3	51
142	5	4	4	5	5	5	3	5	4	3	5	5	4	3	3	63
143	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
144	4	4	4	4	5	4	3	4	4	3	5	3	3	5	3	58
145	4	3	3	3	3	4	3	3	2	2	4	3	2	4	2	45
146	4	4	4	4	5	4	3	4	3	3	5	3	3	5	3	57
147	3	3	3	4	3	4	2	3	4	3	5	3	3	3	2	48
148	2	2	2	3	2	2	2	2	2	1	3	2	2	2	1	30
149	2	2	2	2	2	3	1	2	1	1	2	2	2	2	1	27
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151	5	4	4	5	5	5	3	5	3	3	5	4	4	5	3	63
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153	5	4	4	4	5	4	3	4	3	3	5	4	3	5	3	59
154	1	1	1	1	1	1	2	1	2	1	2	1	1	1	1	18
155	5	5	4	5	5	5	4	5	4	3	5	5	4	5	3	67
156	3	2	2	3	3	3	1	2	2	2	3	2	2	3	2	35
157	2	2	2	1	1	2	1	1	2	1	3	2	1	1	1	23
158	5	4	4	4	5	5	3	4	4	3	5	3	3	5	3	60
159	5	4	4	4	5	4	3	4	4	3	5	4	3	5	3	60
160	3	2	3	2	2	2	2	2	2	1	3	2	2	2	1	31
161	3	3	3	3	3	2	1	2	4	3	4	3	2	3	1	40
162	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	16
163	3	3	4	4	3	4	1	3	4	3	4	3	3	3	3	48
164	5	4	4	4	5	5	3	4	3	3	5	4	4	4	3	60
165	5	4	4	4	5	5	4	4	2	2	5	4	3	4	3	58
166	3	2	3	2	2	3	1	2	1	1	3	2	2	2	1	30
167	2	1	2	2	2	3	1	1	1	1	3	2	1	1	1	24
168	5	4	4	4	5	5	1	4	4	4	5	4	4	4	3	60
169	2	2	2	2	2	3	3	2	1	1	3	2	2	2	1	30
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171	5	4	4	4	4	5	3	4	4	3	5	5	3	4	3	60
172	5	3	3	2	2	3	2	3	2	1	3	3	2	3	2	39
173	2	2	2	1	1	3	2	2	2	1	2	2	2	2	1	27
174	5	3	4	4	3	4	3	3	1	1	4	3	3	3	2	46
175	1	1	2	1	1	1	2	1	1	1	2	1	1	1	1	18
176	5	3	4	4	3	3	1	3	2	1	4	3	3	4	2	45
177	3	2	3	2	2	3	2	2	1	1	2	2	2	2	1	30
178	3	2	3	2	2	3	2	2	1	1	3	2	2	2	2	32
179	3	3	4	4	3	3	3	3	3	2	4	3	3	3	2	46
180	5	3	3	2	2	2	2	3	1	1	3	2	2	3	2	36
181	2	2	2	1	1	2	2	2	1	1	2	1	1	2	2	24
182	4	3	3	3	3	3	2	2	1	1	3	2	2	3	2	37
183	3	2	2	2	2	3	2	1	1	1	2	2	1	2	1	27
184	3	2	3	2	2	2	2	2	1	1	3	2	1	3	1	30
185	5	3	3	3	2	3	3	3	1	1	3	2	2	3	3	40
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187	1	1	1	1	1	1	2	1	2	1	2	1	1	1	1	18
188	3	2	2	2	2	3	2	2	3	3	2	3	2	3	2	36
189	5	5	4	5	5	5	3	5	4	4	5	4	4	5	4	67
190	1	1	1	1	1	2	2	1	1	1	2	1	1	1	1	18
191	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
192	3	2	3	2	2	3	2	2	1	1	2	2	2	2	1	30
193	3	2	3	2	2	2	2	2	1	1	3	3	2	2	1	31
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195	5	4	4	4	3	3	3	4	2	1	4	3	3	3	3	49
196	4	3	3	3	3	3	2	3	1	1	3	3	2	3	2	39
197	5	3	3	2	2	4	3	3	2	1	3	3	3	3	2	42
198	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
199	3	2	3	2	2	3	2	2	1	1	3	2	1	3	1	31
200	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
201	3	2	3	2	2	3	2	2	2	1	3	2	2	3	1	33
202	2	2	3	2	2	2	2	2	1	1	2	2	2	2	1	28
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208	2	1	2	1	1	1	2	1	1	2	2	1	1	2	1	21
209	5	4	4	4	4	4	3	4	4	3	5	5	4	5	2	60
210	1	1	1	1	1	1	2	1	2	1	2	1	1	1	1	18
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213	5	4	4	4	5	5	3	4	4	3	5	5	4	5	3	63
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215	5	4	4	4	5	4	3	4	4	3	5	5	4	3	3	60
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230	5	3	3	4	4	3	2	3	1	1	3	2	3	4	3	44
231	1	1	1	1	1	1	1	1	2	1	1	1	1	1	1	16
232	2	1	2	1	1	2	1	1	2	1	2	1	1	2	1	21
233	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
234	1	1	1	1	1	2	1	1	2	1	1	1	1	1	1	17
235	5	5	4	5	5	4	4	5	5	4	5	4	5	5	4	69
236	2	2	2	1	1	2	1	2	2	1	2	1	2	2	1	24
237	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
238	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	16
239	5	4	4	4	5	4	3	4	4	4	4	5	3	4	3	60
240	2	1	2	1	1	2	1	2	2	1	2	1	1	2	2	23
241	2	1	1	1	1	1	1	1	2	1	2	1	1	1	1	18
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243	1	1	1	1	1	2	2	1	1	1	2	1	1	1	1	18
244	2	2	3	2	2	2	2	2	2	1	3	1	2	2	2	30
245	2	1	2	1	1	1	2	1	2	1	2	1	1	2	1	21
246	5	4	4	4	5	4	2	4	4	3	4	3	5	4	4	59
247	2	2	2	1	1	1	1	2	1	1	2	1	1	2	1	21
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253	1	1	1	1	1	2	2	1	3	2	2	2	1	2	1	23
254	5	4	4	4	4	4	3	4	4	3	5	3	5	5	3	60
255	2	2	2	1	1	2	2	1	1	1	2	1	2	2	1	23
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259	2	1	2	2	2	2	2	2	1	1	2	1	2	2	1	25
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261	2	2	2	1	1	2	2	2	1	1	2	1	1	2	2	24
262	5	5	5	5	5	5	4	5	4	5	5	4	5	5	5	72
263	5	4	4	4	5	4	4	4	4	4	5	4	4	4	4	63
264	2	2	2	1	1	1	2	1	2	1	2	1	2	2	1	23
265	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	16
266	5	3	3	2	2	2	1	3	1	1	3	2	2	2	2	34
267	2	2	2	1	1	2	2	1	1	1	2	1	2	2	1	23
268	2	1	2	2	2	2	1	1	1	2	2	1	2	1	2	24
269	5	4	4	4	4	4	3	4	4	3	5	3	3	5	4	59
270	3	2	3	2	2	3	2	2	1	1	3	2	2	1	2	31
271	2	2	2	1	1	1	1	1	1	1	2	1	1	2	1	20
272	3	2	3	2	2	3	2	2	1	1	3	1	2	2	2	31
273	5	4	4	4	4	4	2	4	4	3	5	3	4	4	3	57
274	3	2	3	2	2	3	2	2	2	2	3	2	2	2	2	34
275	5	4	4	4	5	4	4	4	4	3	5	4	4	4	3	61
276	4	3	3	3	3	3	2	3	3	3	1	1	1	1	1	35
277	5	5	5	5	5	5	4	5	5	4	5	4	5	5	5	72
278	5	4	4	4	5	4	3	4	4	4	5	3	4	4	4	61
279	2	1	2	1	1	2	2	1	1	1	2	1	1	2	1	21
280	3	2	3	2	2	3	2	2	1	1	3	2	2	2	1	31
281	3	2	2	2	2	3	2	2	1	1	2	2	2	2	2	30
282	2	1	2	1	1	2	1	2	1	1	2	1	1	2	1	21
283	5	5	5	5	4	5	3	5	5	5	5	3	5	5	5	70
284	2	1	2	1	1	1	1	1	1	1	2	1	1	1	1	18
285	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	16
286	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
287	2	2	3	2	2	3	2	2	1	1	3	1	2	2	2	30
288	5	3	3	3	3	3	3	3	1	1	3	3	3	3	2	42
289	3	2	3	2	2	2	2	2	1	1	3	1	2	2	2	30
290	3	3	3	2	2	3	2	2	1	1	3	2	2	2	2	33
291	1	1	2	1	1	1	1	1	1	1	1	1	1	1	1	16
292	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
293	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
294	2	2	2	2	2	3	1	2	1	1	2	2	2	2	1	27
295	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15
296	1	1	1	1	1	2	2	1	1	1	2	1	1	1	1	18
297	3	2	3	2	2	3	3	2	1	1	3	2	2	3	1	33
298	2	2	2	2	2	3	1	2	1	1	2	1	2	2	2	27
299	2	1	2	1	1	2	2	1	1	1	2	1	1	2	1	21
300	3	2	2	1	1	3	1	2	2	1	2	1	2	2	2	27
301	2	2	2	1	1	2	2	2	1	1	2	1	1	2	2	24
302	2	1	2	1	1	1	1	1	1	1	2	1	1	1	1	18
303	5	5	4	5	5	5	3	5	5	4	5	5	5	5	3	69
304	2	2	2	2	2	3	2	2	1	1	3	2	1	2	1	28
305	2	1	2	1	1	2	1	1	1	1	2	1	1	2	1	20
306	5	5	5	5	5	5	1	5	5	5	5	4	4	5	4	68
307	2	2	3	2	2	2	1	2	1	1	3	2	1	2	1	27
308	3	2	3	3	3	3	2	2	1	2	3	2	2	3	2	36
309	5	3	3	2	2	4	1	3	1	1	3	2	2	3	2	37

CHAPTER - VII

ANALYSIS OF INCOME AND EXPENDITURE OF THE GAZETTED OFFICERS IN KERALA

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Chapter VII

ANALYSIS OF INCOME AND EXPENDITURE OF THE GAZETTED OFFICERS IN KERALA

In the previous chapter the nature of respondents and the analysis of their personal finances were given. In this chapter, the analysis of income and expenditure are given.

7.1. Income

The researcher has collected data relating to various sources of family income of 309 gazetted officers in Kerala especially from Trivandrum, Ernakulam and Calicut. The major sources of income include;-

- 1 Salary of the gazetted officers
2. Salary of the spouse
- 3 Contribution by other members of the family
- 4 Agriculture, poultry, dairy etc.
- 5 Business and profession including small scale and cottage industries
6. Investments; and
- 7 Miscellaneous Categories

A general analysis was made first about 309 gazetted officers in Kerala. Later on region-wise analyses were made in Trivandrum, Ernakulam and Calicut of 105; 103 and 101 officers respectively Budget-wise analysis was also made. Relationships established, variance analysed, averages worked out and ratios were set up. 't' test is applied for testing the significance of variations among income and other related variables.

7.1.1. Total Income

Classification of the respondents on the basis of total income (Table 7.1) reveals that 8% of the employees have a total income of below Rs. 40000, 30% have 40000 to 60000, 37% have 60000 to 80000, 17% have 80000 to 100000 and 8% have an income of above Rs. 100000 and above. A further classification shows that 6%, 35%, 35%, 14%, 10% in Trivandrum, 10%, 26%, 39%, 18% and 7% of the employees from Ernakulam and 10%, 28%, 36%, 17% and 9% of the employees from Calicut have their total income below Rs. 40000, 40000 to 60000, 60000 to 80000, 80000 to 100000 and 100000 and above respectively.

It can also be seen that 4%, 18%, 37%, 22% and 19% of the employees, with personal financial planning had their respective total incomes as below Rs. 40000, 40000 to 60000, 60000 to 80000, 80000 to 100000 and 100000 and above. At the same time 10%, 35%, 37%, 14% and 4% of persons who do not follow personal financial planning have a total income of Rs below 40000, 40000 to 60000, 60000 to 80000, 80000 to 100000 and 100000 and above respectively.

Thus majority of the respondents had an average total income of Rs. 60000 to 80000 and persons with personal financial planning had a higher income than that of others.

7.1.2. Income from Salaries

Distribution of the respondents based on salary income (Table 7.2) shows that 9%, 37%, 32% and 22% had a salary income of below Rs. 30000, 30000 to 40000, 40000 to

50000 and 50000 and above respectively. Region wise analysis shows that 11%, 36%, 30% and 23% of the employees in Trivandrum, 9%, 42%, 31% and 18% in Ernakulam and 7%, 35%, 34% and 24% in Calicut had a salary income of below Rs. 30000, 30000 to 40000, 40000 to 50000 and 50000 and above respectively.

Analysis based on personal financial planning shows that 5%, 34%, 32% and 29% of persons with personal financial planning and 10%, 39%, 32% and 19% of officers without personal financial planning had a salary income of below Rs. 30000, 30000 to 40000, 40000 to 50000 and 50000 and above respectively.

Thus majority of the respondents had an average salary income of Rs. 30000 to 40000. Persons with personal financial planning had a higher salary income compared to that of persons without personal financial planning.

7.1.3 Salary income of the Spouse

Table 7.3 shows that 9% of the spouses of the employees had a salary income of below Rs. 20000, 36% had 20000 to 40000, 9% had 40000 to 60000 and 3% had salary income of Rs. 60000 and above. It was also noted that 43% of the spouses were not working. A detailed analysis showed that 10%, 39%, 7% and 6% of the spouses of the employees in Trivandrum, 10% 40%, 13% and 1% of Ernakulam and 8%, 28%, 8% and 3% of Calicut had a salary income of below Rs. 20000, 20000 to 40000, 40000 to 60000 and 60000 and above respectively. It further shows that 38% of Trivandrum, 36% of Ernakulam and 53 % of Calicut were not working.

Thus a major group of the spouses of the respondents had a salary of Rs. 20000 to 40000 annually. Spouses of the respondents with personal financial planning had greater income than that of the others. A higher portion of spouses of the respondents with personal financial planning were working than the spouses of the respondents without planning.

7 1.4. Contributions by other Members of the family

Distribution based on the amount of contribution by other members of the family shows that (Table 7.4) 5% of the respondents family members contributed below Rs. 5000, 6% and 7% contributed Rs. 5000 to 10000, Rs. 10000 and above respectively and 82% did not contribute anything. A detailed analysis shows that 4%, 5% and 6% of the members of respondents' family in Trivandrum, 6%, 4% and 4% in Ernakulam and 4%, 11% and 12% in Calicut contributed below Rs. 5000, 5000 to 10000, Rs. 10000 and above respectively. It also shows that 85% in Trivandrum 86% in Ernakulam and 73% respondents in Calicut did not receive any amount from the members of their family.

Of group A, 5%, 6% and 7% (persons who are not having personal financial planning) and 2%, 9% and 8% of group B (Persons who are having personal financial planning) received below Rs. 5000, 5000 to 10000 and 10000 and above respectively as contribution by other members of the family. 82% of group A and 81% of group B did not receive any amount.

Thus most of the employees received an amount of greater than Rs. 10000 as contribution from other members of the family except Ernakulam. Group B (persons with personal financial planning) received greater income compared to that of group A (persons without personal financial planning). While 27% officers from Calicut availed of such a benefit, only 15% in Trivandrum and 14% in Ernakulam availed of the same.

7 1.5. Income From Agriculture

It can be seen from Table 7.5 that 7%, 7%, 11% and 11% of the respondents received below Rs. 3000, 3000 to 5000, 5000 to 7000 and 7000 and above respectively from agriculture. Sixty four per cent did not receive anything from the field. Region wise analysis shows that 2%, 2%, 8% and 7% from Trivandrum; 10%, 7%, 9% and 15% from Ernakulam and 9%, 11%, 17% and 12% from Calicut received an agricultural income of below Rs. 3000, 3000 to 5000, 5000 to 7000 and Rs. 7000 and above respectively. It is also noted that 81%, 59% and 51% of the employees from Trivandrum, Ernakulam, and Calicut respectively did not receive anything from agriculture.

Out of group A, 5%, 6%, 11% and 8% and out of group B, 10%, 8%, 13% and 19% had income from agriculture below Rs. 3000, 3000 to 5000, 5000 to 7000 and 7000 and above respectively. 70% of group A and 50% of group B did not have any income from Agriculture.

Thus most of the employees had an agricultural income of more than Rs. 7000. Comparatively Calicut was the major beneficiary in the field. B category had greater agricultural income than A.

7.1.6. Income from Business and Profession

Two per cent of the officers received (Table 7.6) income from business and profession to the extent of below Rs. 25000 and only 1% of the employees received Rs. 50000 and above. Ninety seven per cent did not have any income from business and profession. Further analysis shows that only 1% of the employees from Trivandrum, received Rs. 50000 and above 2% and 1% from Ernakulam, and 5% and 1% from Calicut received below Rs. 25000 and Rs. 50000 and above respectively from the field. It is also noted that 99% of Trivandrum, 97% of Ernakulam, and 94% of Calicut did not have any income from business and profession.

Of group A, 1%, 0% and 1% and 5%, 0% and 0% from group B received below Rs. 25000, 25000 to 50000 and 50000 and above respectively from business and profession. Ninety eight per cent of group A and 95% of group B did not have any income from the field.

Thus even though negligible, the major group of employees' family had income from business and profession amounting to below Rs. 25000. Calicut and group B were benefited more in this field.

7 1.7 Income from Investment

Table 57 shows that 3%, 6% and 6% of the gazetted officers received an annual income from investments below Rs. 5000, 5000 to 10000 and Rs. 10000 and above respectively. Eighty five per cent did not receive income from investments. Region wise analysis showed that 3%, 2% and 5% officers in Trivandrum; 5%, 9% and 8% in Ernakulam, and 2%, 6% and 5% in Calicut received less than Rs. 5000, 5000 to 10000 and Rs. 10000 and above respectively. It can also be seen that 90% of Trivandrum, 78% of Ernakulam, and 87% of Calicut did not have any income from investments.

It is further noticed that 1%, 1% and 1% of group A and 9%, 16% and 19% of group B had their respective income from investments amounting to below Rs. 5000, 5000 to 10000 and 10000 and above respectively. 97% of group A and 56% of group B did not have any income from investments.

Thus the major group of employees had income from investments between Rs. 5000 and 10000. Comparatively, employees from Ernakulam benefited more in this field. While 44% of group B had income from investments, only 3% of group A could benefit in this area. Group B also benefited more in this field.

7.1.8 Nature of income

Analysis of the nature of income of the respondents (Table 7.8) revealed that salary constituted the major source of income. It came to 62.94% in general, 62.81% in Trivandrum, 61.09% in Ernakulam, and 65.03% in Calicut.

Plan wise analysis shows that in general it was 66.02% for group A and 57.02% for group B. In Trivandrum, it was 65.96% for A and 55.66% for B, in Ernakulam, 65.19% for A and 55.80% for B, and in Calicut, 67.42% for A and 60.17% for B.

The second source of income was salary of the spouse. It came to 27.65% in general, 26.69% for A and 29.50% for B. In Trivandrum it was 30.72% for A and 29.09% for B. In Ernakulam it came to 29.84% for A and 29.00% for B. In Calicut it was 22.13% for A and 21.97% for B.

The third source was Agriculture. The contribution from the field came to 3.96%. It was 2.76% in Trivandrum, 3.93% in Ernakulam and 5.24% in Calicut.

Plan wise analysis shows that it was 3.46% for A and 4.99% for B. In Trivandrum it was 3.12% for A and 1.73% for B. In Ernakulam 2.92% for A and 5.17% for B and Calicut 4.18% for A and 7.58% for B.

The fourth source was contribution from other members, fifth Investments and the last source of income was business.

Figures 7.1 to 7.8 shows the nature of income.

7.1.9 Hypothesis II(a)

There is significant relationship between the income and expenditure and between income and savings and investments of the respondents.

Regression analysis were made to test the above hypothesis and found that there is significant relationship between the income and expenditure and also between Income and Savings and investments.

Table 7.9 shows that the r^2 is .48903 (B value .367836) in general, .72283 (B value .505315) in A, .62995 (B value .356768) in B and .60018 (B value .422510) in Trivandrum, .72143 (B value .503240) in Trivandrum-A and .76936 (B value .410184) in Trivandrum-B. It was .52354 (B value .368638) in Ernakulam, .73001 (B value .491378) in Ernakulam-A and .64759 (B value .384922) in Ernakulam-B.

The r^2 in Calicut was .37533 (B value .319745) and .74258 (B value .527021) for A and .62025 (B value .313274) from group B. Comparatively group A and Trivandrum had a closer association between income and expenditure than group B.

Thus the hypothesis is proved, the significance level is .0000 in all the cases.

7.1.10 Income and Savings

Regression analysis reveals a very close association between income and savings. In group B there is a higher relationship than in group A. Table 7 10 shows the r^2 as .60112 (B value .534682) in general, .59933 (B value .302286) in A, .84091 (B value .612927) in B and .63050 (B value .462966) in Trivandrum, .69267 (B value .331383) in Trivandrum-A and .86077 (B value .531596) in Trivandrum-B. In Ernakulam it was .67377 (B value .552596), Ernakulam-A .70726 (B value .350602) and for Ernakulam-B. .87611 (B value .557427)

In Calicut it was .56021 (B value .581041) in general, .41471 (B value .222507) and .88089 (B value .696068) for group B.

The significance levels are all .0000. Thus the hypothesis is also proved.

7.2. Expenditure

Data relating to various heads of expenditure were collected from 309 gazetted officers in Kerala, especially from three different regions viz., Trivandrum, Ernakulam and Calicut. Details of the following expenditures were collected,

1. Food
2. Housing
3. Education
4. Health care
5. Conveyance
6. Miscellaneous

Miscellaneous expenditure includes

- a. Expenditure for social obligations.
- b. Entertainment expenditure.
- c. Expenditure for personal habits, and
- d. other expenditures.

7.2.1. Total Expenditure

Analyses of total expenditure (Table 7.11) revealed that 5%, 61%, 31% and 3% of the respondents spent below Rs. 30000, 30000 to 50000, 50000 to 70000 and 70000 and above respectively on various heads. It further shows that 3%, 62%, 31% and 4% of employees in Trivandrum; 8%, 59%, 30% and 3%; and 6%, 60%, 31% and 3% in Calicut did spend below Rs. 30000, 30000, to 50000, 50000 to 70000 and 70000 and above respectively.

From group A, 4%, 56%, 36% and 4% and 9%, 70%, 19% and 2% of group B had a total expenditure of below Rs. 30000 to 50000, 50000 to 70000 and 70000 and above respectively.

Thus majority of the respondents had a total expenditure of Rs. 30000 to 50000 in an year. Employees of group B and Ernakulam spent lesser amounts.

7.2.2. Expenditure on Food

Analysis of expenditure on food (Table 7 12) showed that 5%, 35%, 52% and 8% of the respondents spent below Rs. 10000, 10000 to 15000, 15000 to 20000 and 20000 and above respectively. It further showed that 5%, 38%, 48% and 9% of employees in Trivandrum, 5%, 39%, 50% and 6% in Ernakulam, and 4%, 28%, 59% and 9% in Calicut, spent below Rs. 10000, 10000 to 15000, 15000 to 20000 and 20000 and above respectively for food.

From group A, 5%, 32%, 53% and 10%; and 4%, 43%, 50% and 3% of group B spent below Rs. 10000, 10000 to 15000, 15000 to 20000 and 20000 and above respectively for food.

Thus most of the employees spent Rs. 15000 to 20000 for food. Those of Calicut spent greater amount and group B spent less amount than those of group A in this respect.

7.2.3. Expenditure on House

As per table 7.13 it is seen that 4%, 45%, 21%, 24% and 6% of the employees spent below Rs. 2000, 2000 to 4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively for housing. It can also be seen that 3%, 40%, 21%, 27% and 9% in Trivandrum; 3%, 57%, 20%, 16% and 4% in Ernakulam; and 5%, 38%, 22%, 29% and 6% in Calicut had their expenditure on housing below Rs. 2000, 2000 to 4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively.

Plan wise analysis shows that 3%, 41%, 22%, 27% and 7% of the group A and 4%, 56%, 19%, 15% and 6% of group B did spend an amount of below Rs. 2000, 2000 to 4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively for housing.

Thus majority of the officers spent Rs. 2000 to 4000 for the maintenance of their house yearly. Officers of Ernakulam and group B spent lesser amount for housing.

7.2.4. Expenditure on Clothing

On clothing 1%, 59%, 27% and 13% spent below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively (Table 7.14). It can be further seen that 0%, 58%, 30% and 12% in Trivandrum; 1%, 56%, 31% and 12% in Ernakulam; and 1%, 64%, 19% and 16% in Calicut did spend below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively on clothing.

A further analysis based on personal financial planning shows that 0%, 59%, 27% and 14% of group A and 2%, 61%, 26% and 11% had an expenditure on clothing amounting to below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively.

Thus most of the employees spent Rs. 2000 to 4000 a year for clothing. Respondents from Calicut and group B spent less amount for clothing.

7.2.5. Expenditure on Education

It is shown from Table 7 15 that 16%, 56%, 15% and 13% in general; and 16%, 62%, 15% and 7% officers in Trivandrum; 16% 50%, 13% and 21% in Ernakulam; and 16%, 56%, 17% and 11% in Calicut; spent below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively on education.

From group A, 16%, 57%, 14% and 13%; and 14%, 55%, 18% and 13% of group B spent below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively for education.

Thus majority of the employees spent yearly Rs. 2000 to 4000 for education. Officers of Ernakulam spent greater amount than those of Trivandrum and Calicut. Group B also spent greater amount for education.

7.2.6. Expenditure on Health

Analysis of expenditure on health (Table 7 16) reveals that 42%, 52% and 6% in general; and 29%, 62% and 9% officers in Trivandrum; 49%, 45% and 6% of Ernakulam, and 46%, 50% and 4% of Calicut spent below Rs. 2000, 2000 to 4000 and 4000 and above respectively on health.

From group A, 40%, 53% and 7%, and 46%, 50% and 4% of group B spent below Rs. 2000, 2000 to 4000 and 4000 and above respectively for health.

Thus most of the employees spent Rs. 2000 to 4000 yearly on health. People of Trivandrum spent greater amount for health. Calicut and group B spent lesser amount.

7.2.7 Expenditure on Conveyance

It is found that (Table 7 17) 3%, 25%, 26%, 25% and 21% in general and 1%. 25%, 35%, 21% and 18% of Trivandrum; 2% 24%, 25%, 26% and 23% of Ernakulam; and 5% 27%, 18%, 29% and 21% of Calicut; spent below Rs. 2000, 2000 to 4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively.

From group A 2%, 24%, 28%, 26% and 20%, and 4%, 29%, 21%. 24% and 22% of group B spent below Rs. 2000, 2000 to 4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively for conveyance.

Thus a major group of employees spent Rs. 4000 to 6000 for conveyance. People of Ernakulam and Calicut spent greater amount in this connection. Group B spent lesser amount.

7.2.8. Miscellaneous Expenditure

As per Table 7 18, 6%, 39%, 36%, 16% and 3% officers in general; and 1%,38%, 47% 12% and 2% in Trivandrum; 4%, 46% 32% 13% and 5% in Ernakulam; and 15%, 31%, 30%, 21% and 3% in Calicut spent below Rs. 5000, 5000 to 10000, 10000 to 15000, 15000 to 20000 and 20000 and above respectively.

Of group A, 2%, 32%, 42%, 19% and 5%, and 18%, 53%, 23%, 6% and 0% of group B spent below Rs. 5000, 5000 to 10000, 10000 to 15000, 15000 to 20000 and 20000 and above respectively for miscellaneous items.

Thus a major group spent Rs. 5000 to 10000 for miscellaneous items. People of Trivandrum spent greater amount in this connection. Group B spent lesser amount than A.

7.2.9 Expenditure on Social Obligations

The study of the expenditure on social obligations (Table 7 19) showed that 14%, 50%, 26% and 10% of the respondents in general and 12%, 38%, 35% and 15% in Trivandrum; 14%, 54%, 21% and 11% in Ernakulam, and 17%, 56%, 21% and 6% in

Calicut, did spent below Rs. 2000, 2000 to 4000, 4000 to 6000, and 6000 and above respectively for the same.

From group A, 5%, 48%, 33% and 14%, and 34%, 53%, 10% and 3% of group B spent below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively.

Thus a major group of employees spent Rs. 2000 to 4000 yearly for social obligations. Group A and Trivandrum spent greater amounts.

7.2.10. Expenditure for Entertainments

Analysis of expenditure for entertainments (Table 7.20) revealed that 32%, 60%, and 8% employees in general and 23%, 70% and 7% in Trivandrum; 38%, 54% and 8% in Ernakulam, and 36%, 54% and 10% in Calicut, spent an amount of below Rs. 2000, 2000 to 4000 and 4000 and above respectively for entertainments.

From group A, 22%, 67% and 11%, and 55%, 44% and 1% of group B did spend an amount of below Rs. 2000, 2000 to 4000 and 4000 and above respectively for entertainments.

Thus majority of the employees spent Rs. 2000 to 4000 for entertainments. Group B spent lesser amount than A.

7.2.11 Expenditure for Personal Habits

It is found that (Table 7.21) 22%, 43% and 18% of officers in general and 21%, 48% and 14% in Trivandrum; 22%, 47% and 16% in Ernakulam; and 24%, 33% and 23% in Calicut spent below Rs. 2000, 2000 to 4000 and 4000 and above for personal habits. It can also be seen that 17% in general, 17% in Trivandrum, 15% in Ernakulam, and 20% in Calicut did not spend any amount for the same.

From group A, 16%, 44% and 24%, and 36%, 42% and 2% spent below Rs. 2000, 2000 to 4000 and 4000 and above respectively for personal habits. 16% of group A and 20% of group B did not spend any amount on this head.

Thus most of the employees spent Rs. 2000 to 4000 for personal habits. Those from Calicut spent lesser amount. Group B also spent a lesser amount than A.

7.2.12. Expenditure on Various Other Items

Table 7.22 displays that 20%, 61%, and 19% of gazetted officers in general and 10%, 72% and 18% in Trivandrum; 28%, 52% and 20% in Ernakulam; and 24%, 57% and 19% in Calicut. spent an amount of below Rs. 2000, 2000 to 4000 and 4000 and above respectively on various other items.

Of group A, 15%, 65% and 20%, and 34%, 51% and 15% of group B spent below Rs. 2000, 2000 to 4000 and 4000 and above respectively on various other items.

Thus majority spent Rs. 2000 to 4000 on various other items. Those of Trivandrum spent greater amount in this respect. Group B spent only lesser amount.

7.2.13 Expenditure I

An analysis of amount spent in expenditure I category showed that (Table 7.23) 34%, 43%, 18% and 5% of respondents in general and 37%, 38%, 19% and 6% in Trivandrum; 34%, 43%, 19% and 4% in Ernakulam; and 30% 47%, 16% and 7% in Calicut spent an amount of below Rs. 30000, 30000 to 40000, 40000 to 50000 and 50000 and above respectively in expenditure I category.

From group A 30%, 45%, 18% and 7%. and 43%, 36%, 18% and 3% of group B spent below Rs. 30000, 30000 to 40000, 40000 to 50000 and 50000 and above respectively in expenditure I category.

Thus a major group of employees spent Rs. 30000 to 40000 in expenditure I category. Group B and Trivandrum spent Comparatively lesser amount in this category.

7.2.14. Expenditure II

It can be seen from Table 7.25 that 8%, 47%, 36%, 8% and 1% in general and 1%, 46%, 46%, 6% and 1% in Trivandrum; 7%, 53%, 31%, 9% and 0% in Ernakulam; and 17%, 41%, 29%, 10% and 3% in Calicut did spend below Rs. 5000, 5000 to 10000, 10000 to 150000, 15000 to 20000 and 20000 and above in expenditure II category respectively.

From group A, 4%, 40%, 44%, 10% and 2%, and 19%, 64%, 14%, 3% and 0% of group B spent Rs. Below 5000, 5000 to 10000, 10000 to 15000, 15000 to 20000 and 20000 and above respectively.

Thus a major group spent Rs. 5000 to 10000 in expenditure II category. Group B spent lesser amount in this category.

7.2.15. Nature of expenditure

Food accounts form the major portion of expenditure. As per table 7.26, it came to 33.07% of total expenditure. It was 32.69% in Trivandrum, 32% in Ernakulam and 34.19% in Calicut.

Plan wise analysis shows that for group A it was 32.37% in general and 32.14% in Trivandrum, 32.27% in Ernakulam and 32.72% in Calicut. For group B it came to 34.97% in general and 34.39% in Trivandrum, 34.08% in Ernakulam and 37.23% in Calicut.

The second major expenditure was conveyance which came to 12.33% of the total expenditure. It was 12.10% in Trivandrum, 12.69% in Ernakulam and 12.19% in Calicut.

For group A it was 11.98% in general, 12.02% in Trivandrum, 12.26% in Ernakulam 11.72% in Calicut and for group B it was 13.34% in general, 12.55% in Trivandrum, 13.43% in Ernakulam and 13.82% in Calicut.

Expenditure for housing was the third major item. It was 9.77% in general, 10.50% in Trivandrum, 8.73% in Ernakulam and 10.03% in Calicut.

For group A the same were 9.75%, 10.68%, 8.52% and 9.98% in general, in Trivandrum, Ernakulam and Calicut respectively and for group B, 9.63%, 9.88%, 9.10% and 10.26% respectively.

The fourth major item of expenditure was clothing, fifth social obligation, sixth education, seventh other expenditures, eighth entertainments, ninth personal habits and the last head was health.

It can also be seen that expenditure I is greater than expenditure II (Table 7.27). Expenditure I includes, food, housing clothing, education, health and conveyance. Expenditure II includes social obligations, entertainments, personal habits and other expenses.

Expenditure I constitutes 75.95% of total expenditure. It was 75.29% in Trivandrum, 76.00% in Ernakulam and 76.55% in Calicut. For group A, it was 74.46% in general,

74.27% in Trivandrum, 74.64% in Ernakulam and 74.56% in Calicut. For group B, it came to 79.96% in general, 79.05% in Trivandrum 78.47% in Ernakulam and 83.56% in Calicut.

Expenditure II came to 24.05% in general, 24.71% in Trivandrum, 24.00% in Ernakulam and 23.45% in Calicut. For A, the same was, 25.54% in general. 25.73% in Trivandrum, 25.36% in Ernakulam and 25.44% in Calicut. For group B it was 20.04% in general, 20.95% in Trivandrum, 21.53% in Ernakulam and 16.44% in Calicut.

Figures 7.9 to 7.14 shows the nature of expenditure.

Figures 7.31 to 7.35 shows the classification of expenditure.

Figures 7.15 to 7.22 shows the nature of expenditure I.

Figures 7.23 to 7.30 shows the nature of expenditure II.

Figure 7.36 shows $\text{Income} + \text{Liabilities} = \text{Total expenditure} + \text{savings} + \text{consumer durables purchased}$ (In general and of group A & B)

Hypothesis II(b)

There is a significant difference in the Income, Expenditure and Savings and Investments of officers with personal financial planning and those without personal financial planning.

Regression analysis (Table No. 7.9 & 7.10) which shows the association between income, expenditure and savings and investments reveals that there is a high difference

between group A and B. By applying 't' test it is being noted that there is a significant difference between group A and B. (Tables 7.30, 7.31, 7.32 & 7.33)

The mean value of total income is 61.53 for group A and 76.63 for group B. The t-value is -5.84 and the significance level is 0.000.

The mean value of the total expenditure is 46.17 for group A and 40.93 for group B. The t-value is 3.73 and the significance level is 0.000.

The mean value of savings and investments is 12.63 for group A and 35.77 for group B. The t-value is 17.29 and the significance level is 0.000.

Thus there is significant difference between group A and B with regard to their income, expenditure and savings and investments.

In Trivandrum, the mean values for total income is 62.81 for A and 76.24 for B. The mean value of expenditure is 45.87 for A and 41.90 for B. The t-value is 1.47. With regard to savings and investments the mean value is 13.27 for A and 32.74 for B. The t-value is -8.89.

In Ernakulam, the mean values for total income is 61.06 for group A and 75.40 for group B. The t-value is -3.55. The mean value of expenditure is 45.44 for A and 42.08 for B. The t-value is 1.55. The mean value of savings and investments is 13.47 for A and 33.99 for B. The t-value is -10.05.

In Calicut, the mean values for total income is 60.54 for group A and 78.80 for group B. The t-value is -3.74. The mean value of expenditure is 47.12 for A and 38.37 for B. The t-value is 3.39. The mean value of savings and investments is 11.22 for A and 41.09 for B. The t-value is -10.98.

From the above it is very clear that between group A and B regarding income, expenditure and savings and investments there is a significant difference at .0000 level and thus Hypothesis II(b) is proved.

Table 7.1
Classification on the Basis of Total Income

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 40	26	8	22	10	4	4	6	6	10	10	10	10
40 - 60	92	30	76	35	16	18	37	35	27	26	28	28
60 - 80	114	37	80	37	34	37	37	35	40	39	37	36
80 - 100	51	17	31	14	20	22	15	14	19	18	17	17
100 & Above	26	8	9	4	17	19	10	10	7	7	9	9
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.2
Distribution of the Respondents Based on Salary Income

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 30	27	9	22	10	5	5	11	11	9	9	7	7
30 - 40	116	37	85	39	31	34	38	36	43	42	35	35
40 - 50	99	32	70	32	29	32	32	30	32	31	35	34
50 & Above	67	22	41	19	26	29	24	23	19	18	24	24
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.3
Distribution of the Respondents Based on Salary Income of the Spouse

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 20	29	9	21	10	8	9	11	10	10	10	8	8
20 - 40	110	36	76	35	34	37	41	39	41	40	28	28
40 - 60	29	9	16	7	13	14	7	7	14	13	8	8
60 & Above	10	3	5	2	5	6	6	6	1	1	3	3
Not applicable	131	43	100	46	31	34	40	38	37	36	54	53
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.4
Distribution Based on the Amount of Contribution by Other Members of the Family

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	253	82	179	82	74	81	90	85	89	86	74	73
Below 5	14	5	12	5	2	2	4	4	6	6	4	4
5 - 10	20	6	12	6	8	9	5	5	4	4	11	11
10 and Above	22	7	15	7	7	8	6	6	4	4	12	12
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.5
Distribution Based on Income from Agriculture

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	198	64	152	70	46	50	85	81	61	59	52	51
Below 3	21	7	12	5	9	10	2	2	10	10	9	9
3 - 5	20	7	13	6	7	8	2	2	7	7	11	11
5 - 7	35	11	23	11	12	13	9	8	9	9	17	17
7 & Above	35	11	18	8	17	19	7	7	16	15	12	12
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.6
Distribution Based on Income from Business and Profession

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	299	97	213	98	86	95	104	99	100	97	95	94
Below 25	7	2	2	1	5	5	0	0	2	2	5	5
25 - 50	0	0	0	0	0	0	0	0	0	0	0	0
50 & Above	3	1	3	1	0	0	1	1	1	1	1	1
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.7
Distribution Based on Income from Investments

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	263	85	212	97	51	56	95	90	80	78	88	87
Below 5	10	3	2	1	8	9	3	3	5	5	2	2
5 - 10	17	6	2	1	15	16	2	2	9	9	6	6
10 & Above	19	6	2	1	17	19	5	5	9	8	5	5
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.8

Nature of Income (percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
A1	62.94	66.02	57.02	62.81	65.96	55.66	61.09	65.19	55.80	65.03	67.42	60.17
A2	27.65	26.69	29.50	30.72	29.09	35.25	29.84	29.00	30.92	22.13	21.97	22.62
A3	2.37	2.47	2.15	1.61	1.73	1.25	1.49	1.00	2.12	4.05	4.60	2.99
A4	3.96	3.46	4.99	2.76	3.12	1.73	3.93	2.92	5.17	5.24	4.18	7.58
A5	0.97	1.10	0.70	0.43	0.00	0.00	0.98	1.29	0.58	1.54	1.60	1.45
A6	2.09	0.26	5.60	1.64	0.10	5.95	2.67	0.52	5.41	1.93	0.20	5.19
A7	0.02	0.00	0.04	0.03	0.00	0.16	0.00	0.08	0.00	0.08	0.03	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

A1 - Own Salary A2 - Salary of Spouse A3 - Amount Contributed by Other Members
A4 - Agriculture A5 - Business & Profession A6 - Investments C7 - Miscellaneous

Table 7.9

Regression Analysis (A8-A20)

Region	Base	R ²	B	F	Significance
Total	General	.48903	.367834	293.82	.0000
	A	.72283	.505315	563.31	.0000
	B	.62995	.356768	151.51	.0000
Trivandrum	General	.60018	.422510	154.62	.0000
	A	.72143	.503240	204.59	.0000
	B	.76936	.410184	73.39	.0000
Ernakulam	General	.52354	.368638	110.98	.0000
	A	.73001	.491378	164.93	.0000
	B	.64759	.384922	69.83	.0000
Calicut	General	.37533	.319745	59.48	.0000
	A	.74258	.527021	207.69	.0000
	B	.62025	.313274	40.83	.0000

A - Without Planning

B - With Planning

Table 7.10

Regression Analysis (A8-A32)

Region	Base	r^2	B	F	Significance
Total	General	.60112	.534682	462.66	.0000
	A	.59933	.302268	323.099	.0000
	B	.84091	.612927	470.44	.0000
Trivandrum	General	.63050	.462966	175.75	.0000
	A	.69267	.331383	178.05	.0000
	B	.86077	.531596	136.01	.0000
Ernakulam	General	.67377	.552596	208.60	.0000
	A	.70726	.350602	147.38	.0000
	B	.87611	.557427	268.73	.0000
Calicut	General	.56021	.581041	126.11	.0000
	A	.41471	.222507	51.02	.0000
	B	.88089	.696068	184.89	.0000

Nature of Income

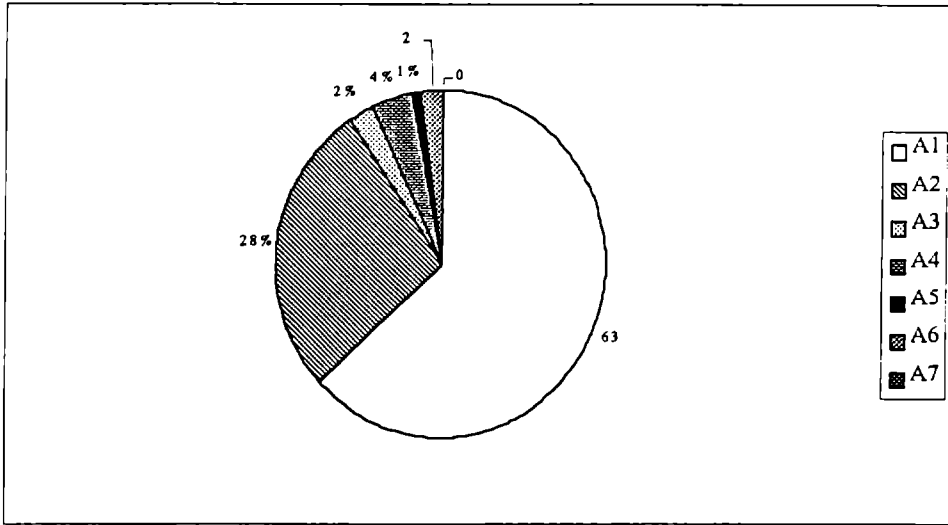


Fig. 7.1

Nature of Income - A

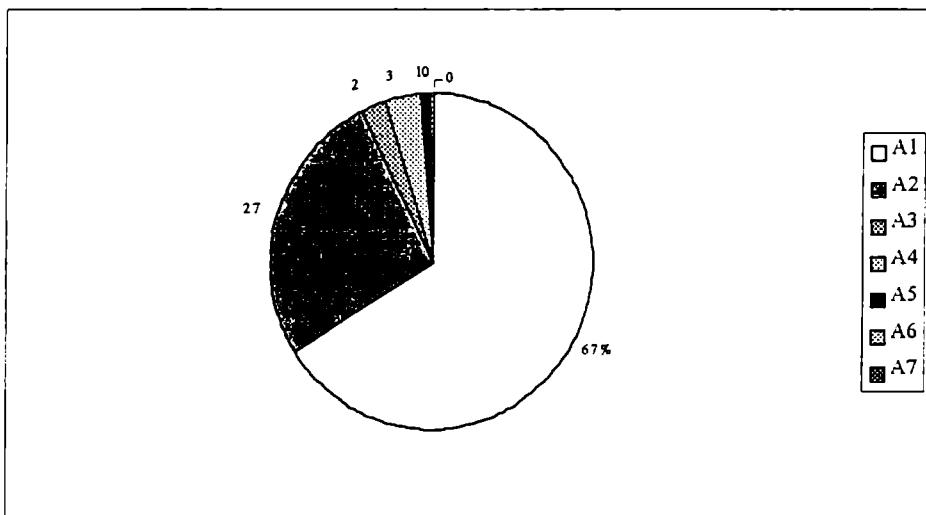


Fig. 7.2

Nature of Income - B

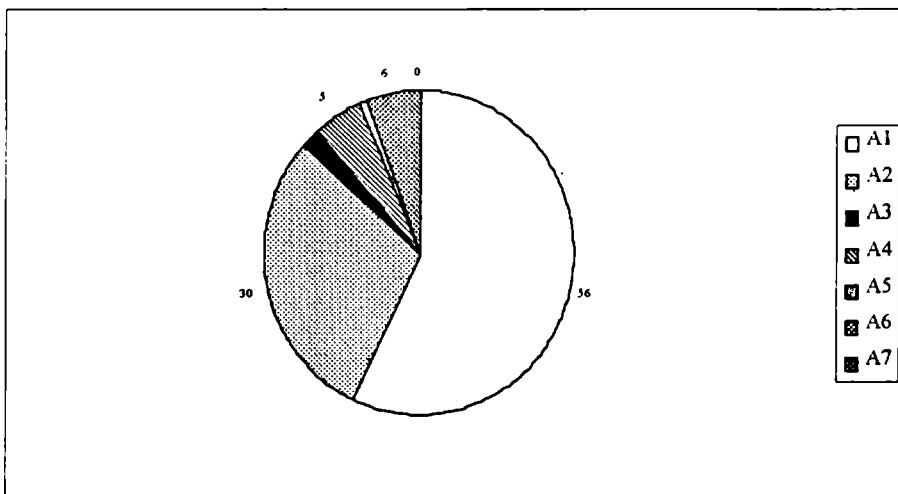


Fig. 7.3

Nature of Income

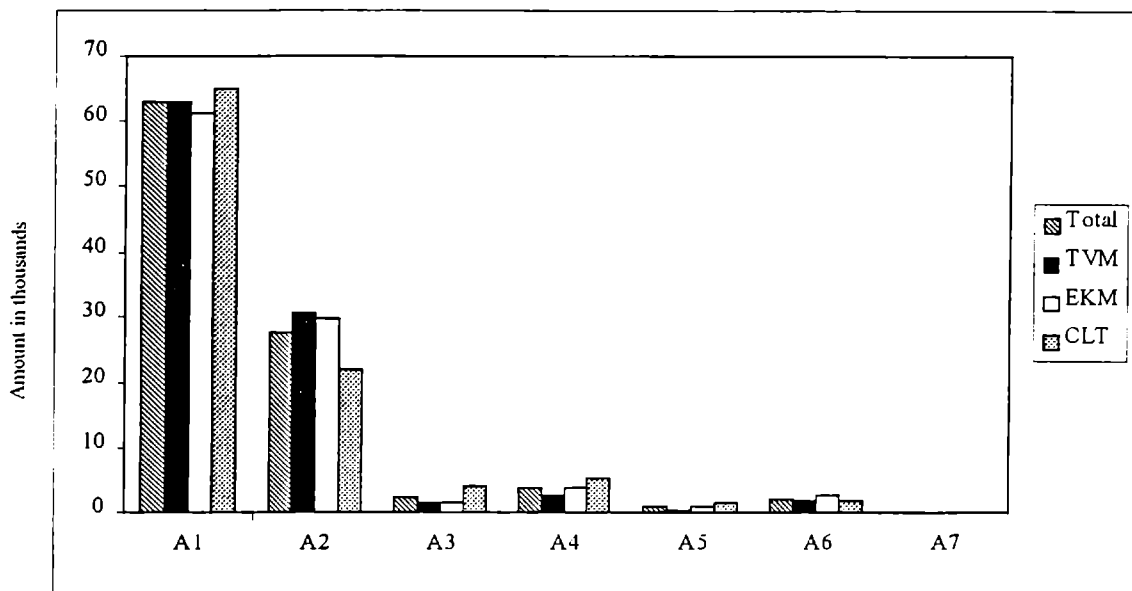


Fig. 7.4

- A1 - Own Salary
- A2 - Salary of Spouse
- A3 - Amount Contributed by Other Members
- A4 - Agriculture
- A5 - Business & Profession
- A6 - Investments
- A7 - Miscellaneous

Nature of Income - Total and A & B

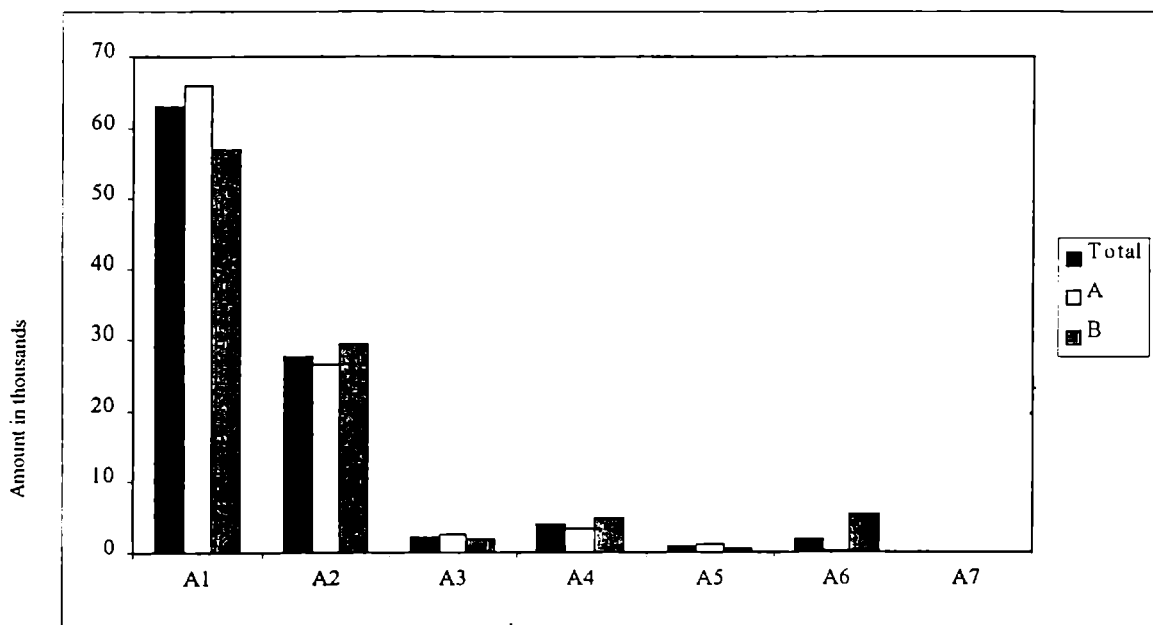


Fig. 7.5

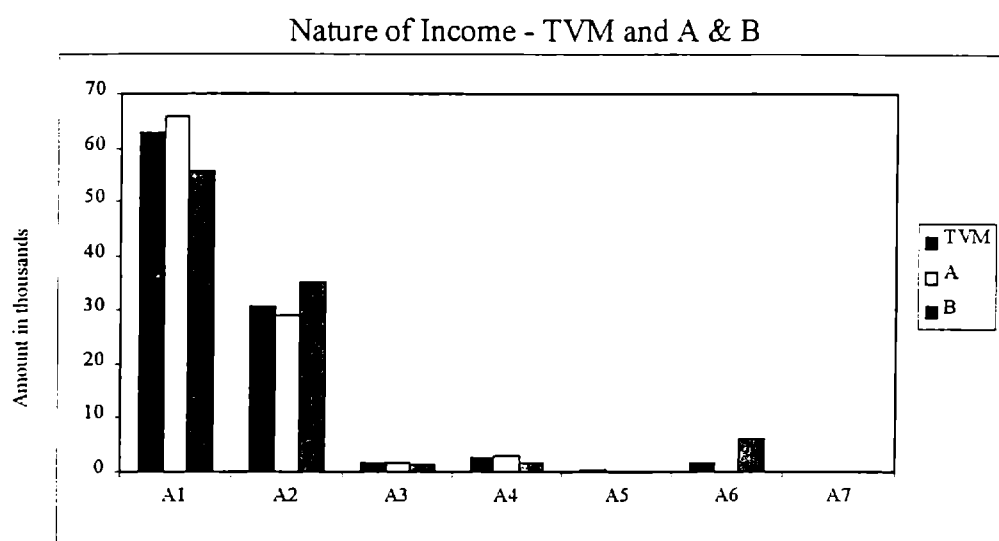


Fig. 7.6

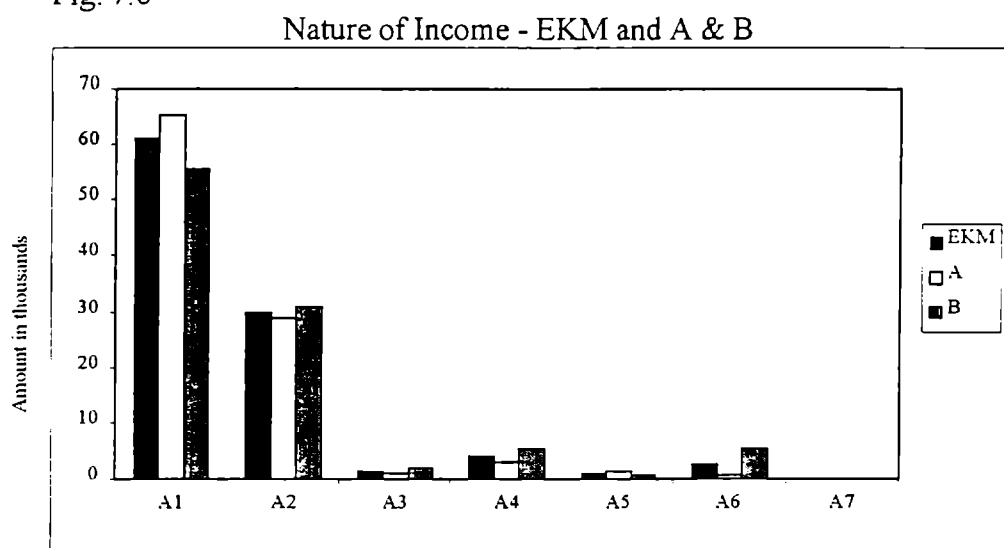


Fig. 7.7

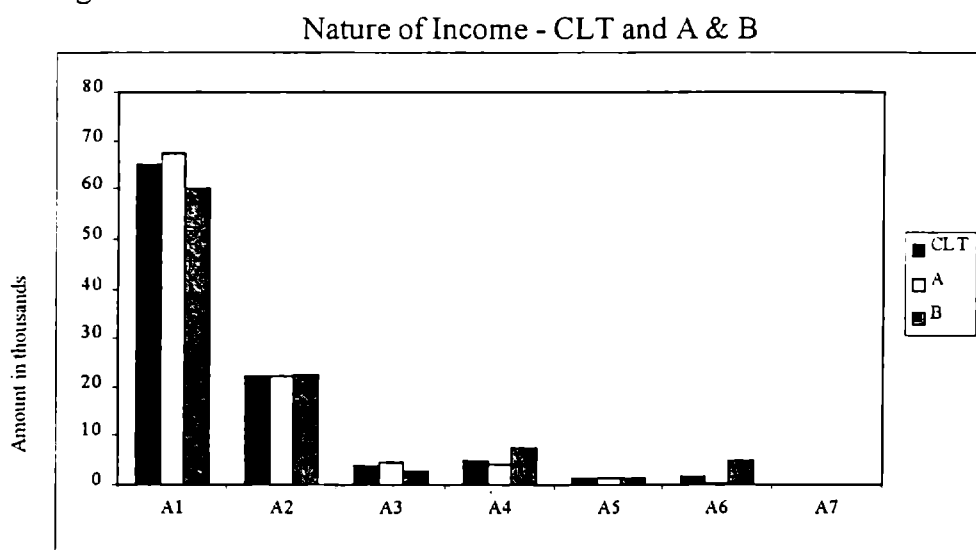


Fig. 7.8

Table 7.11

Table Showing the Amount of Total Expenditure

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 30	17	5	9	4	8	9	3	3	8	8	6	6
30 - 50	187	61	123	56	64	70	65	62	61	59	61	60
50 - 70	95	31	78	36	17	19	33	31	31	30	31	31
70 & above	10	3	8	4	2	2	4	4	3	3	3	3
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.12
Distribution Based on the Expenditure on Food

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 10	14	5	10	5	4	4	5	5	5	5	4	4
10 - 15	109	35	70	32	39	43	40	38	41	39	28	28
15 - 20	161	52	116	53	45	50	50	48	51	50	60	59
20 & Above	25	8	22	10	3	3	10	9	6	6	9	9
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.13
Distribution Based on the Expenditure on House

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	11	4	7	3	4	4	3	3	3	3	5	5
2 - 4	140	45	89	41	51	56	42	40	59	57	39	38
4 - 6	65	21	48	22	17	19	22	21	21	20	22	22
6 - 8	73	24	59	27	14	15	28	27	16	16	29	29
8 & Above	20	6	15	7	5	6	10	9	4	4	6	6
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.14
Classification Based on the Expenditure on Clothing

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	2	1	0	0	2	2	0	0	1	1	1	1
2 - 4	184	59	129	59	55	61	61	58	58	56	65	64
4 - 6	83	27	59	27	24	26	32	30	32	31	19	19
6 & Above	40	13	30	14	10	11	12	12	12	12	16	16
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.15
Classification Based on the Expenditure on Education

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	49	16	36	16	13	14	17	16	16	16	16	16
2 - 4	174	56	124	57	50	55	65	62	52	50	57	56
4 - 6	46	15	30	14	16	18	16	15	13	13	17	17
6 & Above	40	13	28	13	12	13	7	7	22	21	11	11
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.16
Classification Based on the Expenditure on Health

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	129	42	87	40	42	46	31	29	51	49	47	46
2 - 4	161	52	116	53	45	50	65	62	46	45	50	50
4 & Above	19	6	15	7	4	4	9	9	6	6	4	4
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.17
Table Showing the Expenditure on Conveyance

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	8	3	4	2	4	4	1	1	2	2	5	5
2 - 4	78	25	52	24	26	29	26	25	25	24	27	27
4 - 6	81	26	62	28	19	21	37	35	26	25	18	18
6 - 8	78	25	56	26	22	24	22	21	27	26	29	29
8 & Above	64	21	44	20	20	22	19	18	23	23	22	21
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.18
Table Showing the Total Amount of Miscellaneous Expenditure

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 5	20	6	4	2	16	18	1	1	4	4	15	15
5 - 10	119	39	71	32	48	53	40	38	47	46	32	31
10 - 15	112	36	91	42	21	23	49	47	33	32	30	30
15 - 20	48	16	42	19	6	6	13	12	14	13	21	21
20 & Above	10	3	10	5	0	0	2	2	5	5	3	3
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.19
Table Showing the Expenditure on Social Obligations

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	43	14	12	5	31	34	12	12	14	14	17	17
2 - 4	153	50	105	48	48	53	40	38	56	54	57	56
4 - 6	80	26	71	33	9	10	37	35	22	21	21	21
6 & Above	33	10	30	14	3	3	16	15	11	11	6	6
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.20
Table Showing the Expenditure for Entertainments

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	99	32	49	22	50	55	24	23	39	38	36	36
2 - 4	185	60	145	67	40	44	74	70	56	54	55	54
4 & Above	25	8	24	11	1	1	7	7	8	8	10	10
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.21
Table Showing the Expenditure for Personal Habits

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	54	17	36	16	18	20	18	17	15	15	20	20
Below 2	68	22	35	16	33	36	22	21	23	22	24	24
2 - 4	133	43	95	44	38	42	50	48	49	47	34	33
4 & Above	54	18	52	24	2	2	15	14	16	16	23	23
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.22
Table Showing the Expenditure on Various Other Items

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 2	63	20	32	15	31	34	10	10	29	28	24	24
2 - 4	188	61	142	65	46	51	76	72	54	52	58	57
4 & Above	58	19	44	20	14	15	19	18	20	20	19	19
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.23
Table Showing the Amount Spent in Expenditure 1 Category

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 30	104	34	65	30	39	43	39	37	35	34	30	30
30 - 40	132	43	99	45	33	36	40	38	44	43	48	47
40 - 50	56	18	40	18	16	18	20	19	20	19	16	16
50 & above	17	5	14	7	3	3	6	6	4	4	7	7
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.24
Table Showing the Amount Spent in Expenditure 2 Category

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 5	25	8	8	4	17	19	1	1	7	7	17	17
5 - 10	145	47	87	40	58	64	48	46	55	53	42	41
10 - 15	110	36	97	44	13	14	49	46	32	31	29	29
15 - 20	25	8	22	10	3	3	6	6	9	9	10	10
20 & Above	4	1	4	2	0	0	1	1	0	0	3	3
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 7.25

Nature of Expenditure (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
A9	33.07	32.37	34.97	32.69	32.14	34.39	32.93	32.27	34.08	34.19	32.72	37.23
A10	9.77	9.75	9.63	10.50	10.68	9.88	8.73	8.52	9.10	10.03	9.98	10.26
A11	8.52	8.36	8.92	8.30	8.09	9.21	8.54	8.50	8.63	8.24	8.54	9.24
A12	7.60	7.32	8.53	6.63	6.50	7.09	8.52	8.19	9.15	7.62	7.24	8.95
A13	4.66	4.68	4.57	5.07	4.84	5.92	4.58	4.89	4.09	4.29	4.35	4.06
A14	12.33	11.98	13.34	12.10	12.02	12.55	12.69	12.26	13.43	12.19	11.72	13.82
A16	7.73	8.41	5.87	8.52	9.16	6.21	7.71	8.48	6.37	6.90	7.54	4.76
A17	5.11	5.37	4.35	5.25	5.47	4.42	5.06	5.11	4.80	5.02	5.50	3.14
A18	5.02	5.52	3.76	4.89	5.19	4.01	5.17	5.55	4.58	4.96	5.80	2.23
A19	6.19	6.24	6.06	6.05	5.91	6.32	6.07	6.23	5.77	6.56	6.61	6.31
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100

A9 - Food

A10 - Housing

A11 - Clothing

A12 - Education

A13 - Health Care

A14 - Conveyance

A16 - Social Obligations

A17 - Entertainments

A18 - Personal Habits

A19 - Other Expenses

Table 7.26
Classification of Expenditure (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
Exp-I	75.95	74.46	79.96	75.29	74.27	79.05	76.00	74.64	78.47	76.55	74.56	83.56
Exp-II	24.05	25.54	20.04	24.71	25.73	20.95	24.00	25.36	21.53	23.45	25.44	16.44
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 7.27

Nature of Expenditure I (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
A9	43.54	43.47	43.73	43.43	43.27	43.51	43.34	43.24	43.43	44.66	43.89	44.55
A10	12.87	13.09	12.04	13.94	14.39	12.50	11.48	11.42	11.60	13.10	13.39	12.28
A11	11.22	11.23	11.15	11.02	10.89	11.65	11.24	11.39	10.99	10.76	11.45	11.06
A12	10.00	9.84	10.67	8.80	8.75	8.97	11.21	10.97	11.66	9.95	9.71	10.71
A13	6.14	6.28	5.72	6.74	6.52	7.49	6.03	6.55	5.21	5.60	5.84	4.86
A14	16.23	16.09	16.69	16.07	16.18	15.88	16.70	16.43	17.11	15.93	15.72	16.54
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 7.28

Nature of Expenditure II (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
A16	32.15	32.91	29.27	34.48	35.59	29.61	32.10	33.42	29.58	29.43	29.63	28.98
A17	21.25	21.03	21.71	21.24	21.27	21.07	21.06	20.14	22.30	21.43	21.62	19.11
A18	20.88	21.63	18.78	19.80	20.17	19.14	21.53	21.87	21.30	21.14	22.79	13.54
A19	25.72	24.43	30.24	24.48	22.97	30.18	25.31	24.57	26.82	28.00	25.96	38.37
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 7.29

Table showing Total Income, Liabilities, Expenditure, Savings and Consumer Durables Purchased

Region	Total Income	Liabilities	Total	Total Expenditure	Total Savings	Consumer Durables	Total
General	65.98	2.22	68.20	44.61	19.46	4.13	68.20
A	61.53	2.43	63.96	46.16	12.63	5.17	63.96
B	76.62	1.72	78.34	40.92	35.81	1.61	78.34
Trivandrum	65.87	0.69	66.56	44.96	17.72	3.88	66.56
A	62.80	0.81	63.61	45.86	13.28	4.47	63.61
B	76.23	0.29	76.52	41.90	32.74	1.88	76.52
Emakulam	66.62	1.35	67.97	44.12	21.42	2.43	67.97
A	61.08	1.53	62.61	45.42	13.47	3.72	62.61
B	75.40	1.07	76.47	42.08	33.99	0.40	76.47
Calicut	65.42	4.69	70.11	44.78	19.23	6.10	70.11
A	60.49	4.96	65.45	47.09	11.20	7.16	65.45
B	78.48	3.95	82.43	38.20	41.05	3.18	82.43

Table 7.30

t-test General

Variables	Groups	No. of Cases	Mean	Std.Dev.	Statistics		
					t value	Degrees of freedom	Significance level
Total Income	A	218	61.53	19.23	-5.84	307	0.000
	B	91	76.63	23.96			
Total Exp	A	218	46.17	11.43	3.73	307	0.000
	B	91	40.93	10.77			
Exp I	A	218	34.38	8.29	1.61	307	0.109
	B	91	32.72	8.23			
ExpII	A	218	11.79	4.43	6.79	307	0.000
	B	91	8.21	3.67			
Total Savings & Investments	A	218	12.63	7.51	17.29	307	0.000
	B	91	35.77	16.01			
Consumer Durables Purchased	A	218	5.12	10.40	3.00	307	0.003
	B	91	1.62	6.18			
Current Liabilities	A	218	2.39	8.98	0.67	307	0.503
	B	91	1.69	6.48			

Table 7.31

t-test Trivandrum

Variables	Groups	No. of Cases	Mean	Std.Dev.	Statistics		
					t value	Degrees of freedom	Significance level
A8	A	81	62.81	19.89	-2.79	103	.006
	B	24	76.24	23.42			
A20	A	81	45.87	11.78	1.47	103	.144
	B	24	41.90	10.95			
Exp I	A	81	34.06	8.76	0.48	103	.635
	B	24	33.10	8.69			
ExpII	A	81	11.80	3.97	3.32	103	.001
	B	24	8.80	3.58			
A32	A	81	13.27	7.92	-8.89	103	.000
	B	24	32.74	13.42			
A44	A	81	4.49	6.43	1.84	103	.068
	B	24	1.89	4.63			
A43	A	81	0.82	3.45	0.73	103	.467
	B	24	0.29	1.43			

Table 7.32

t-test Ernakulam

Variables	Groups	No. of Cases	Mean	Std.Dev.	Statistics		
					t value	Degrees of freedom	Significance level
A8	A	63	61.06	18.97	-3.55	101	0.001
	B	40	75.40	21.56			
A20	A	63	45.44	10.91	1.55	101	0.123
	B	40	42.08	10.31			
Exp I	A	63	33.91	8.03	0.55	101	0.585
	B	40	33.02	8.10			
ExpII	A	63	11.53	4.45	3.05	101	0.003
	B	40	9.06	3.16			
A32	A	63	13.47	7.91	-10.05	101	0.000
	B	40	33.99	12.84			
A44	A	63	3.52	5.89	3.25	101	0.002
	B	40	0.40	1.82			
A43	A	63	1.37	3.94	0.38	101	0.708
	B	40	1.07	3.89			

Table 7.33
t-test Calicut

Variable	Groups	No. of Cases	Mean	Std.Dev.	Statistics		
					t value	Degrees of freedom	Significance level
A8	A	74	60.54	18.89	-3.74	99	0.000
	B	27	78.80	28.23			
A20	A	74	47.12	11.55	3.39	99	0.001
	B	27	38.37	11.23			
Exp I	A	74	35.12	8.02	1.75	99	0.084
	B	27	31.95	8.26			
ExpII	A	74	12.00	4.91	5.29	99	0.000
	B	27	6.43	3.96			
A32	A	74	11.22	6.53	-10.98	99	0.000
	B	27	41.09	20.93			
A44	A	74	7.17	15.48	1.24	99	0.217
	B	27	3.18	10.16			
A43	A	74	4.96	14.25	0.37	99	0.741
	B	27	3.85	10.66			

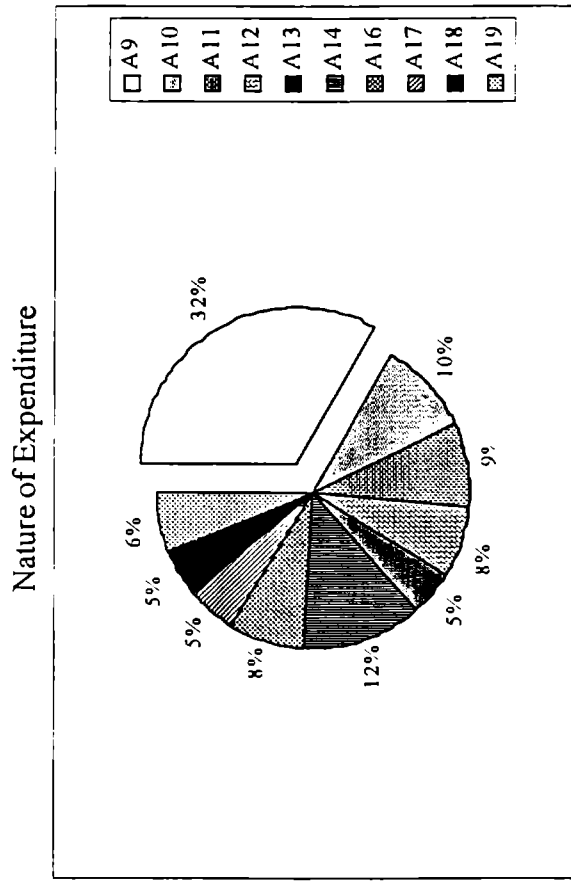


Fig. 7.9

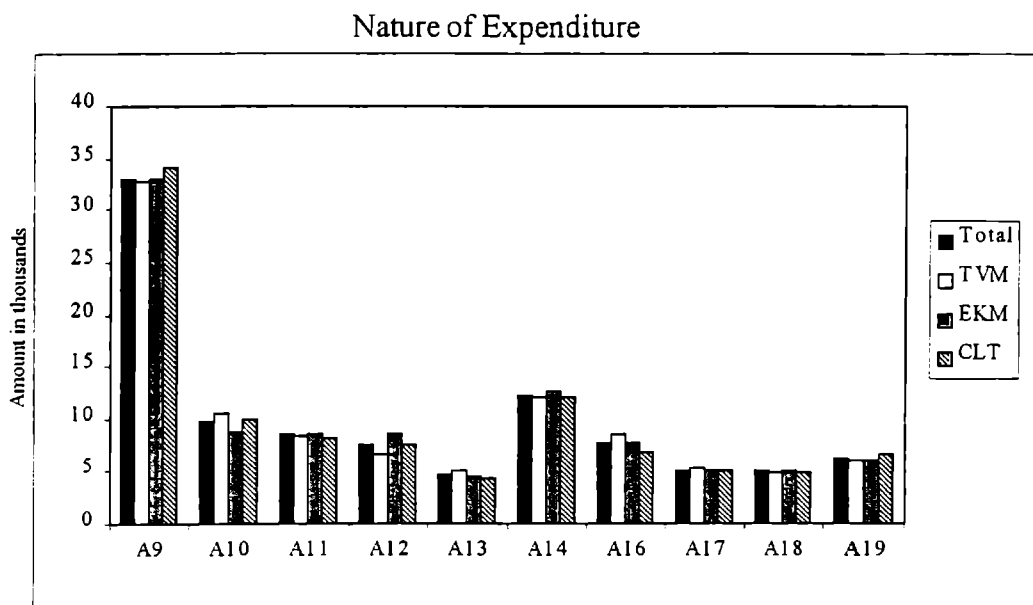


Fig. 7 10

A9 - Food A10 - Housing A11 - Clothing A12 - Education
 A13 - Health Care A14 - Conveyance A16 - Social obligations A17 - Entertainments
 A18 - Personal Habits A19 - Other Expenses

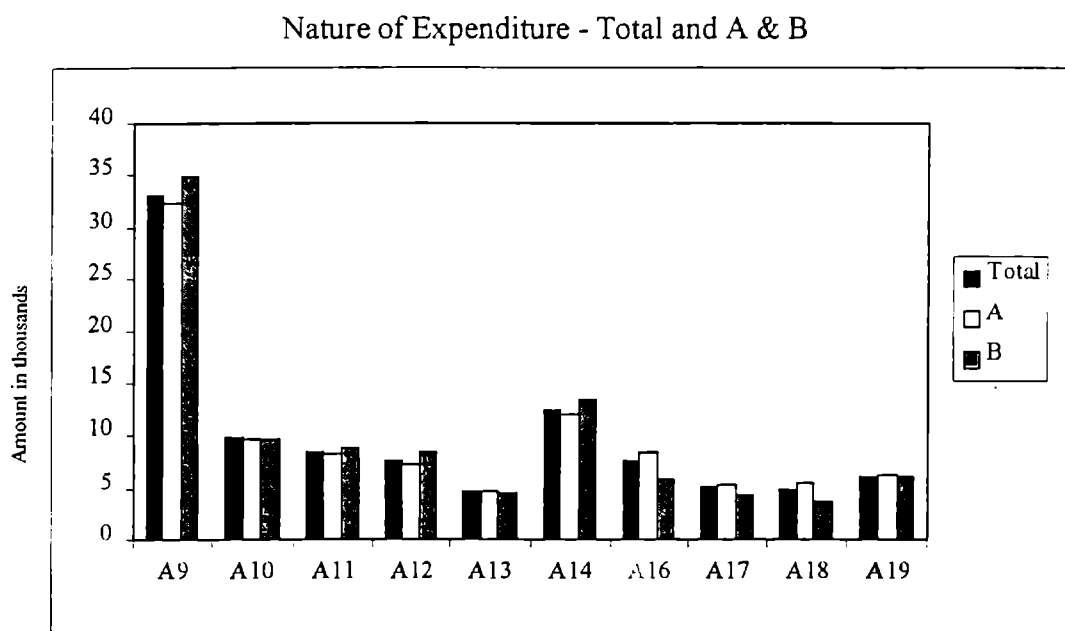


Fig. 7.11

Nature of Expenditure - TVM and A & B

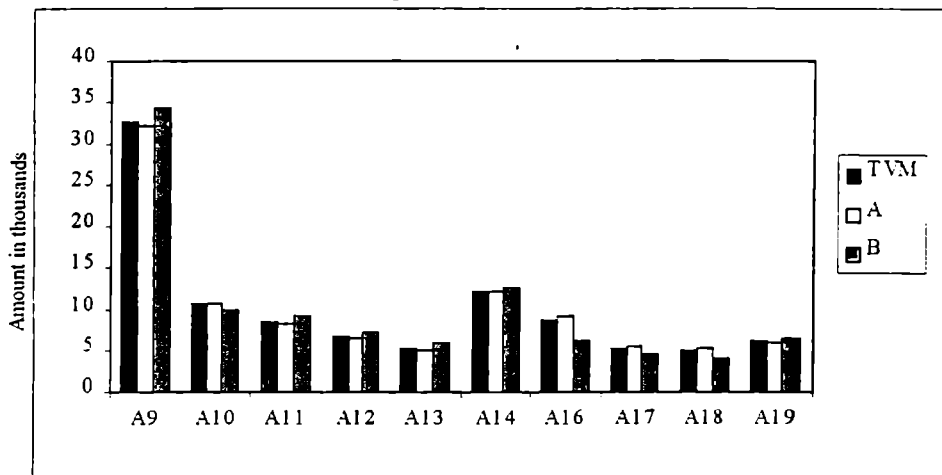


Fig. 7 12

Nature of Expenditure - EKM and A & B

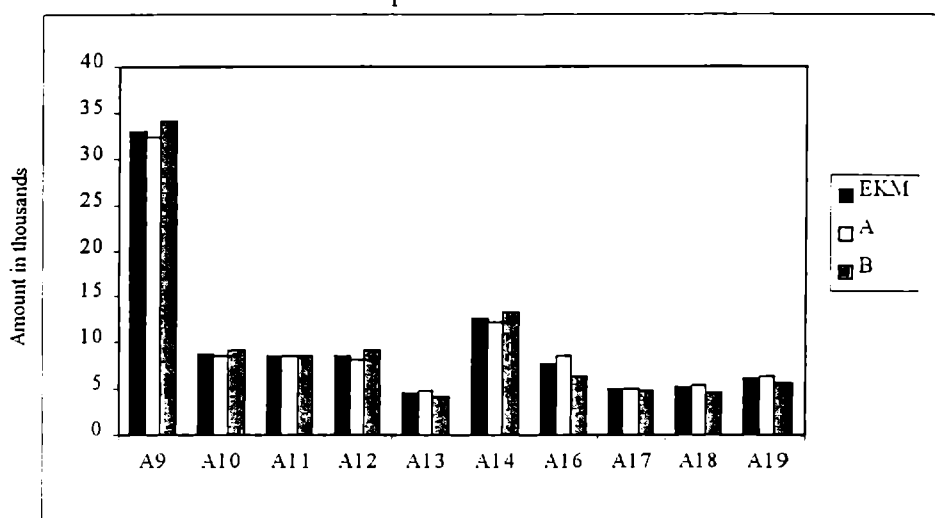


Fig. 7 13

Nature of Expenditure - CLT and A & B

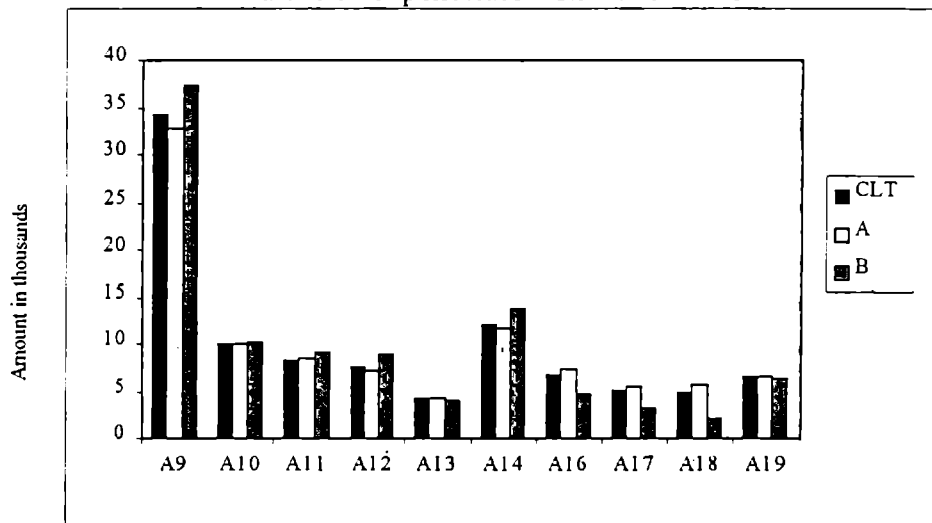


Fig. 7 14

Nature of Expenditure - I

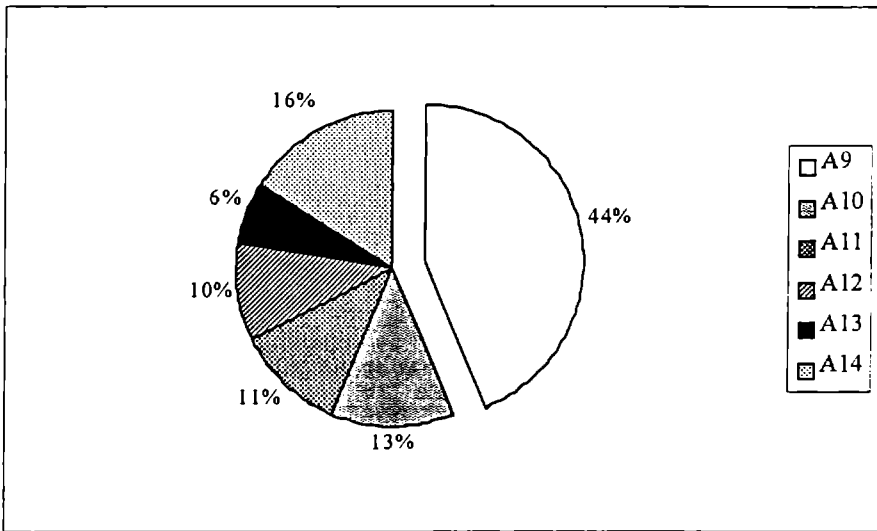


Fig. 7.15

Nature of Expenditure - I A

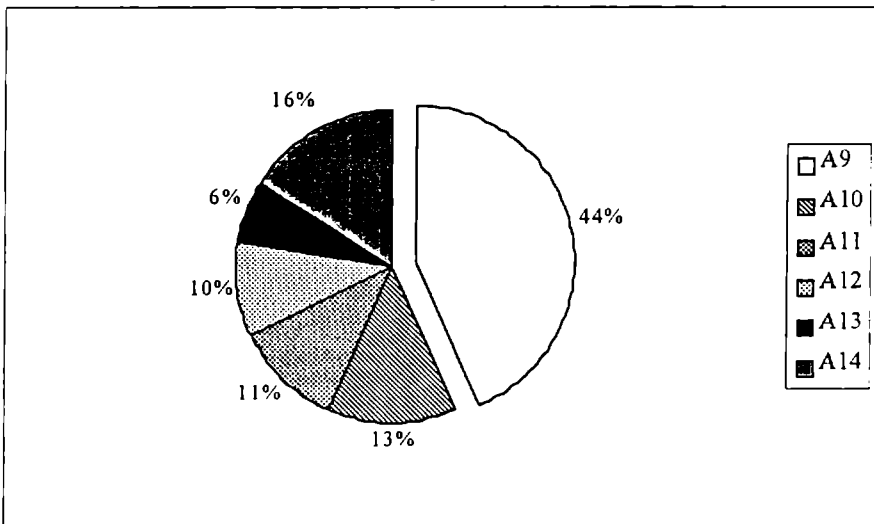


Fig. 7.16

Nature of Expenditure - I B

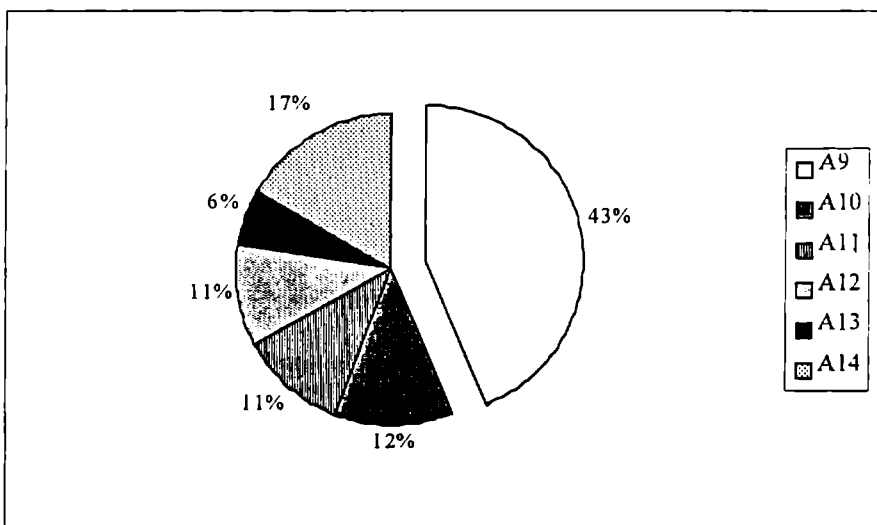


Fig. 7.17

Nature of Expenditure - I

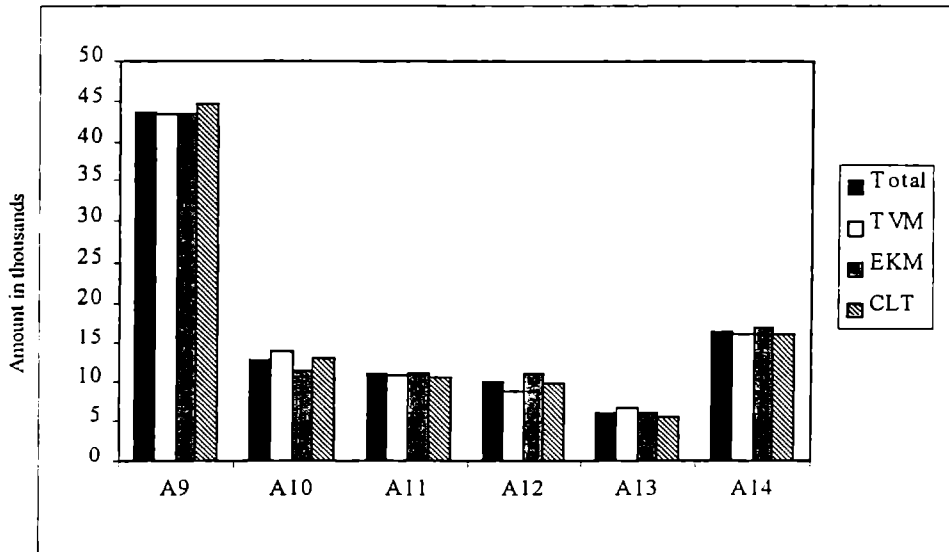


Fig. 7.18

Nature of Expenditure-I - Total and A & B

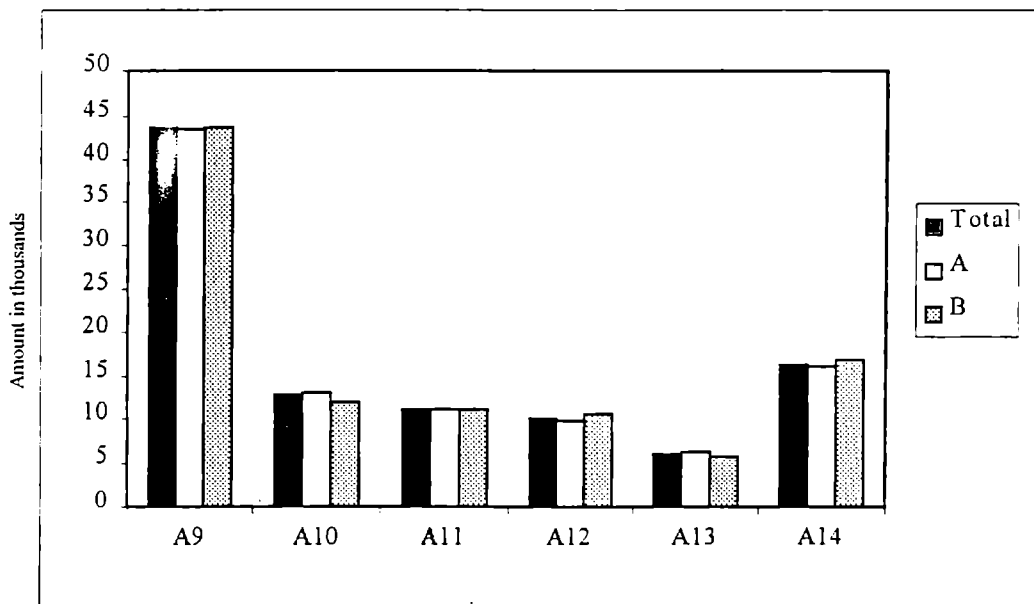


Fig. 7.19

Nature of Expenditure-I - TVM and A & B

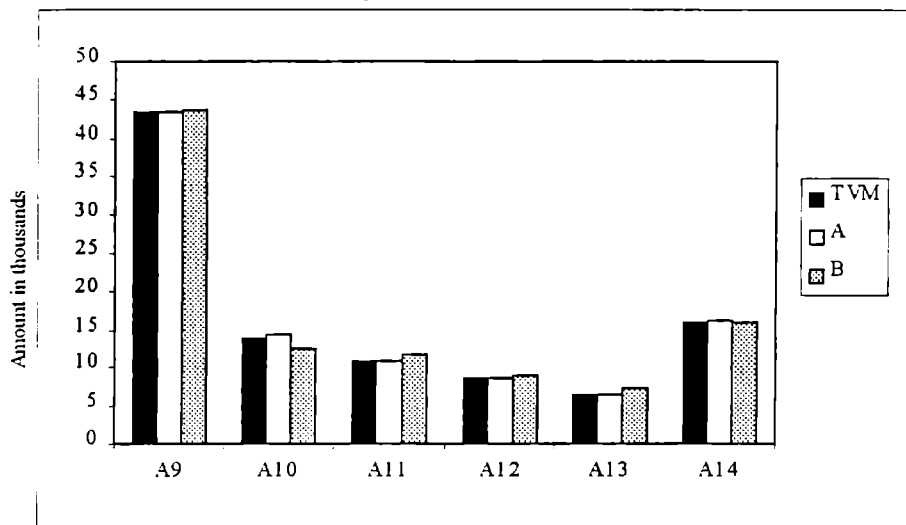


Fig. 7.20

Nature of Expenditure-I - EKM and A & B

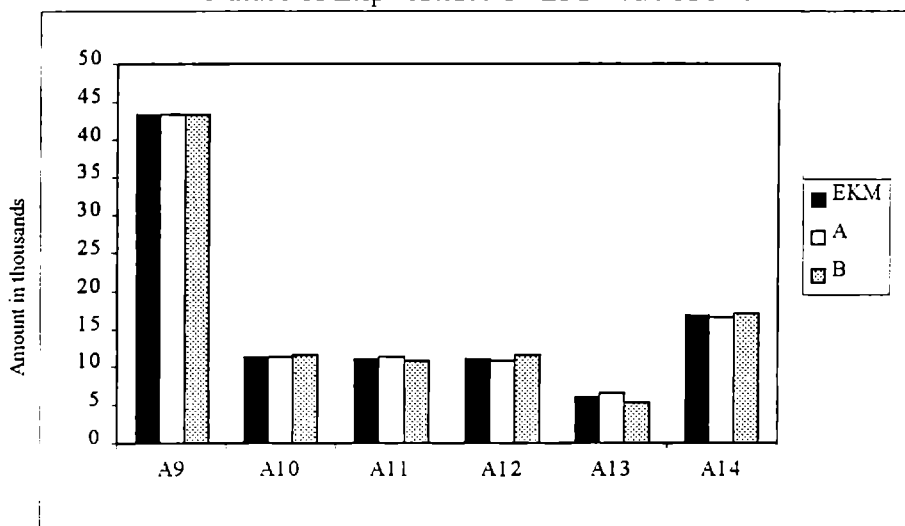


Fig. 7.21

Nature of Expenditure-I - CLT and A & B

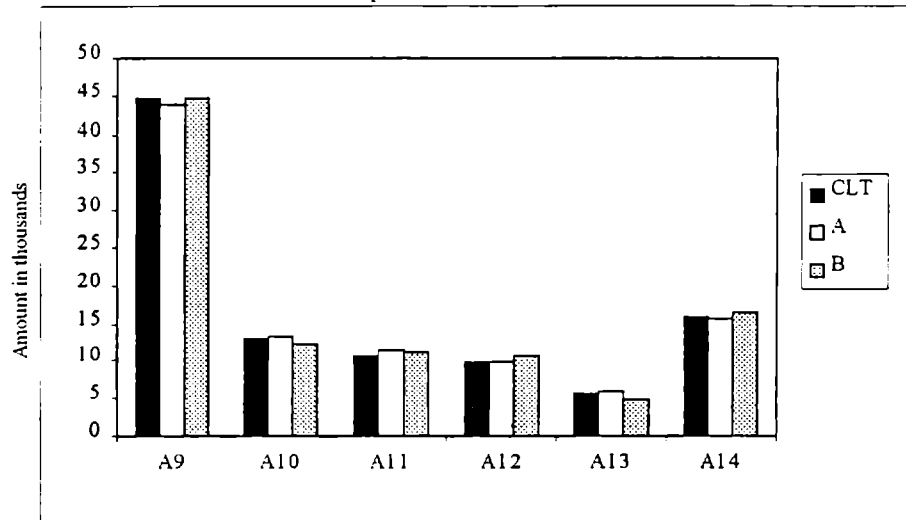


Fig. 7.22

Nature of Expenditure - II

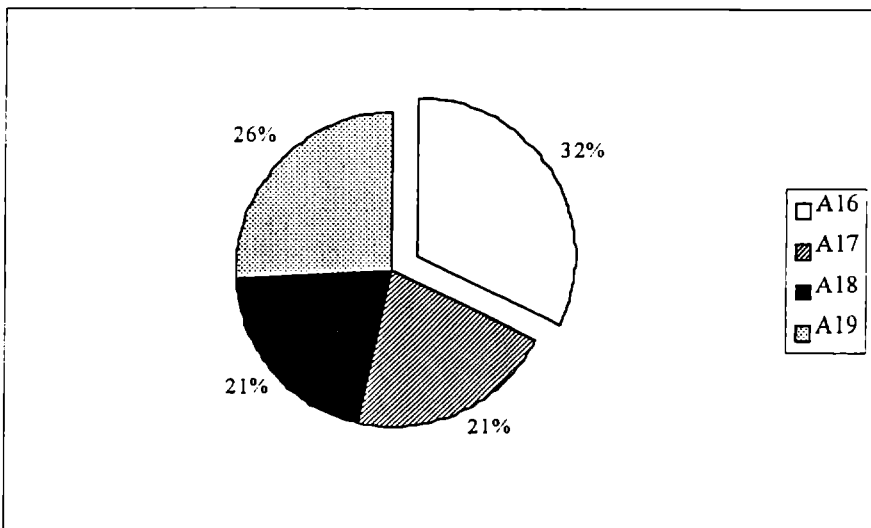


Fig. 7.23

Nature of Expenditure II - A

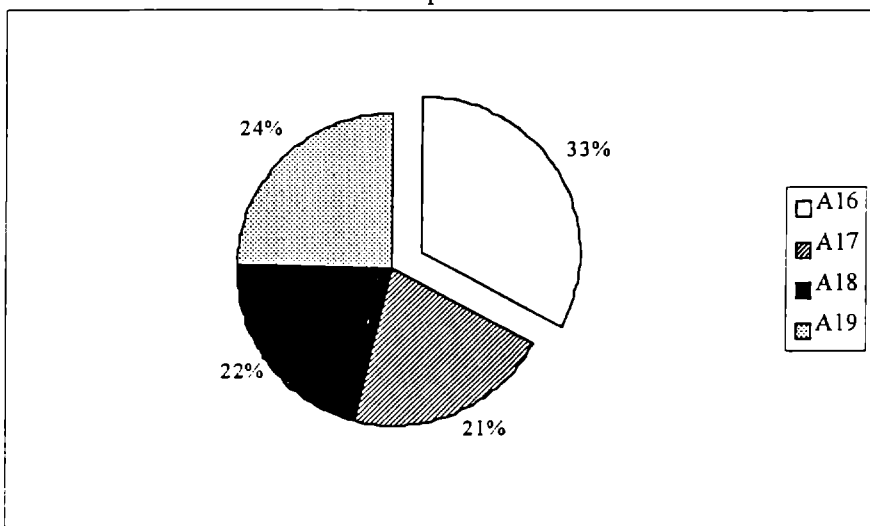


Fig. 7.24

Nature of Expenditure II - B

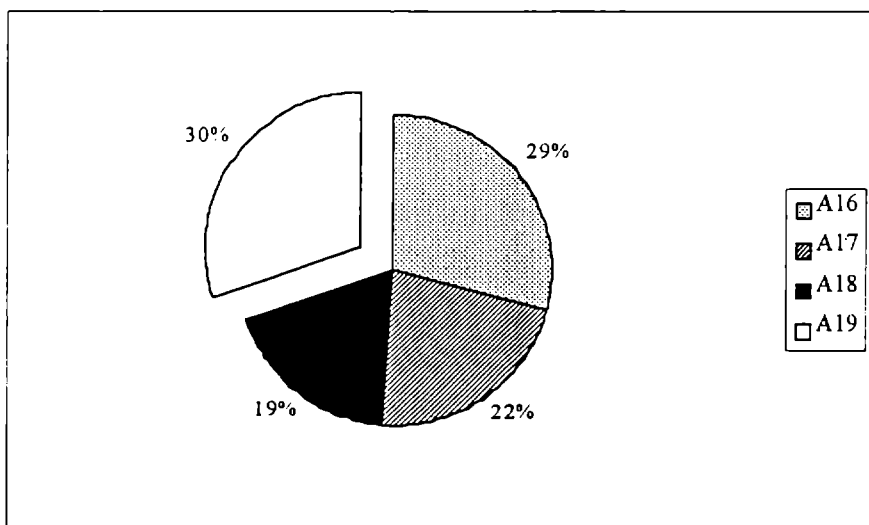


Fig. 7.25

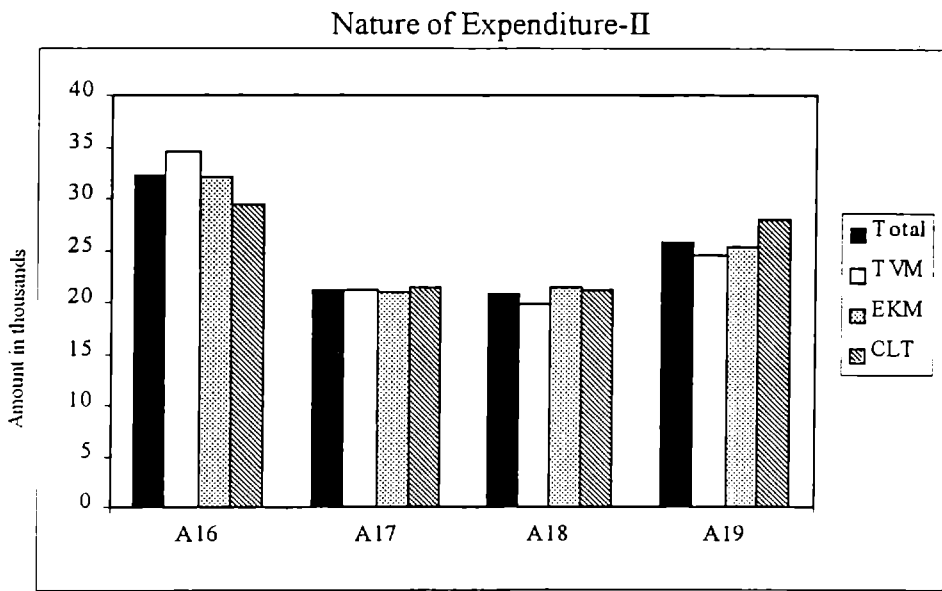


Fig. 7.26

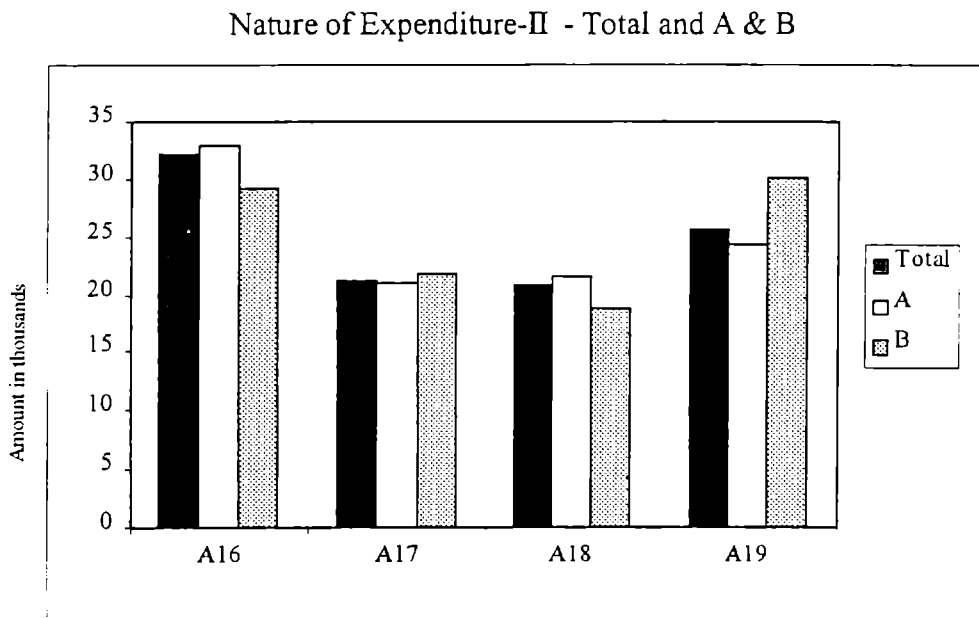


Fig. 7.27

Nature of Expenditure-II - TVM and A & B

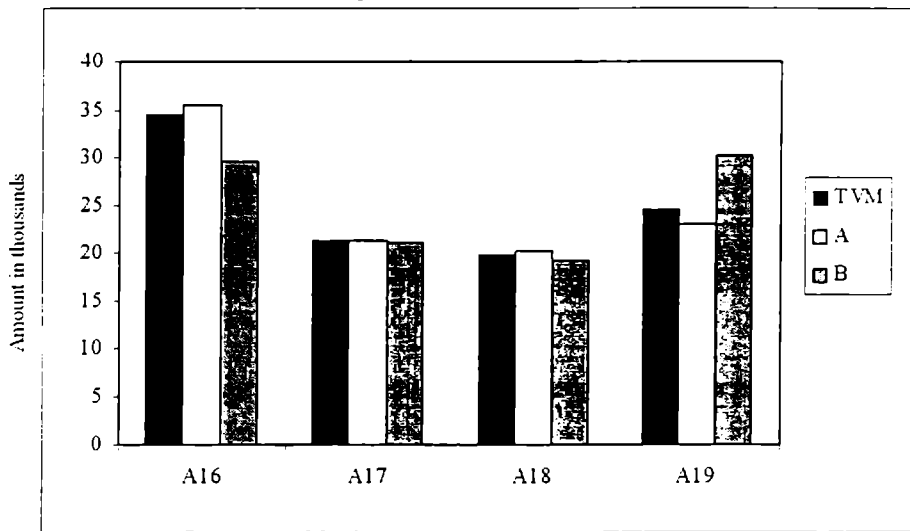


Fig. 7.28 Nature of Expenditure-II - EKM and A & B

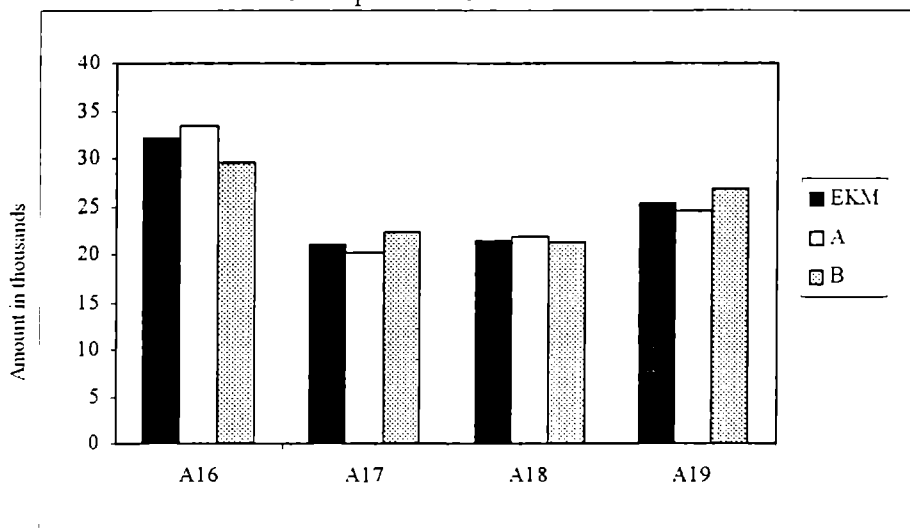


Fig. 7.29 Nature of Expenditure-II - CLT and A & B

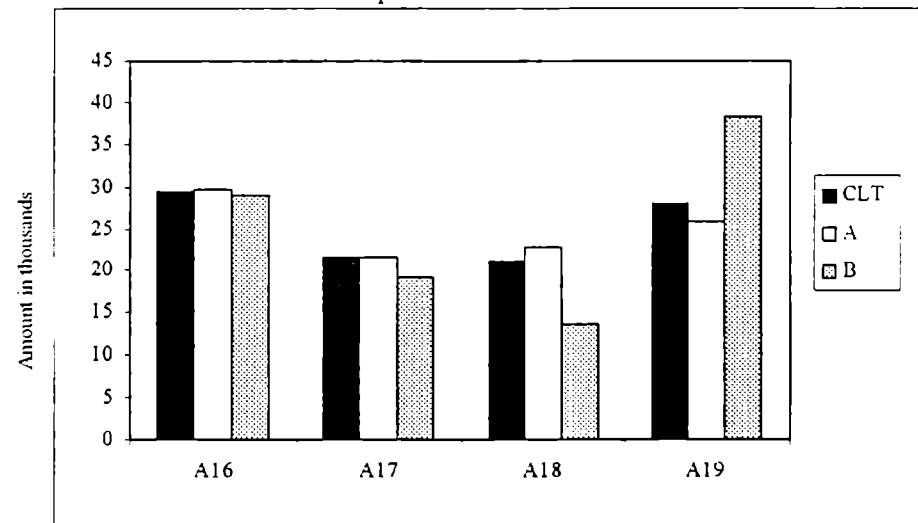


Fig. 7.30

Classification of Expenditure

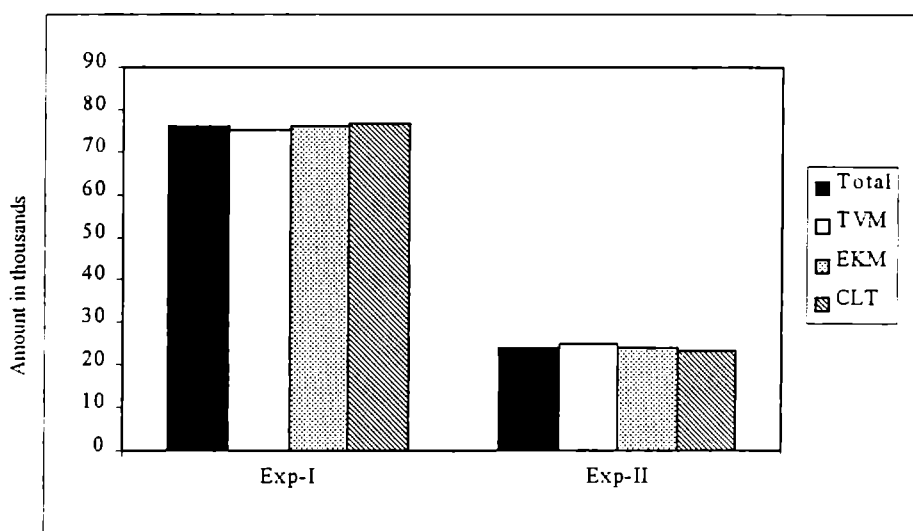


Fig. 7.31

Classification of Expenditure - Total and A & B

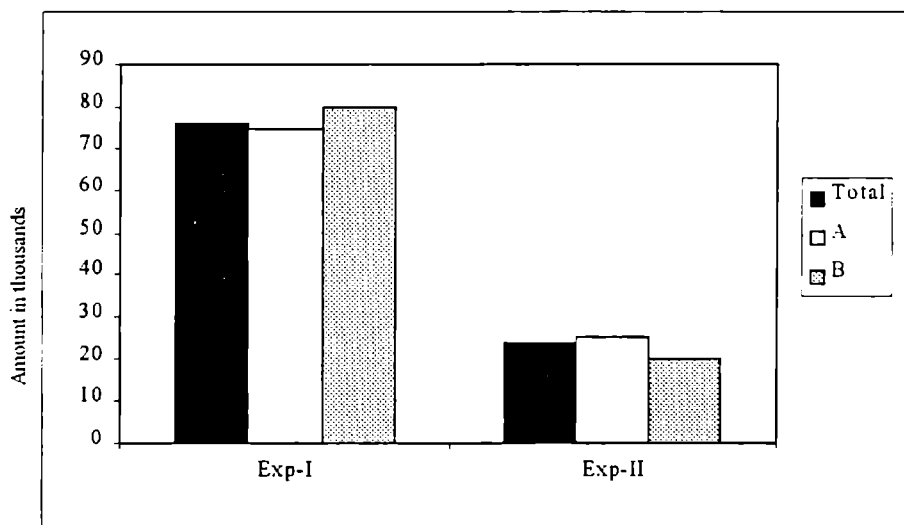


Fig. 7.32

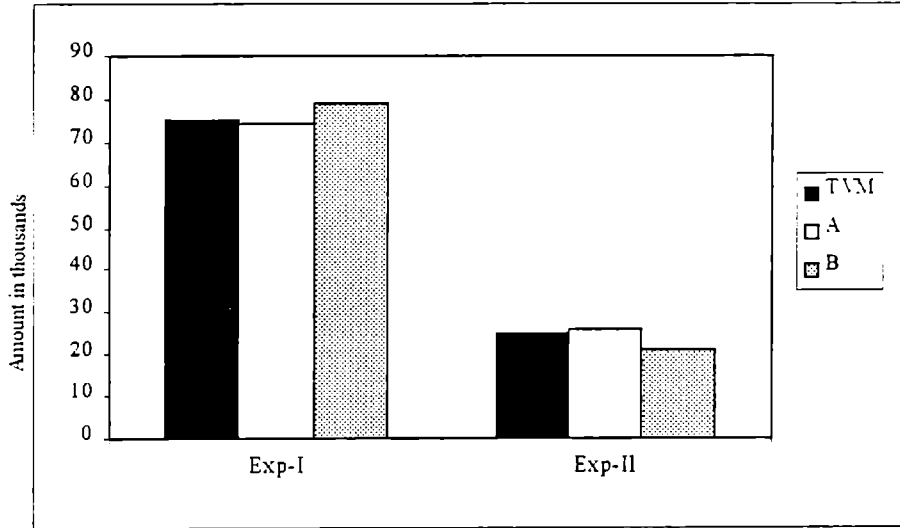


Fig. 7.33

Classification of Expenditure - EKM and A & B

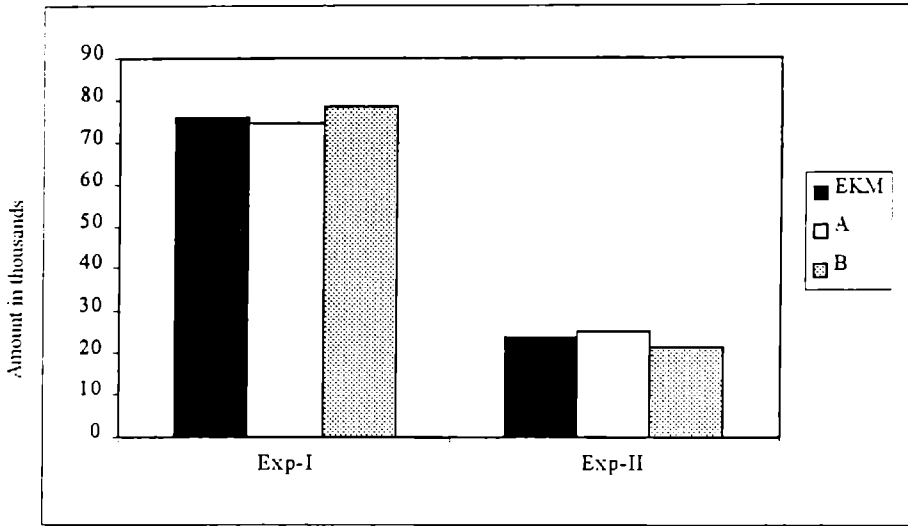


Fig. 7.34

Classification of Expenditure - CLT and A & B

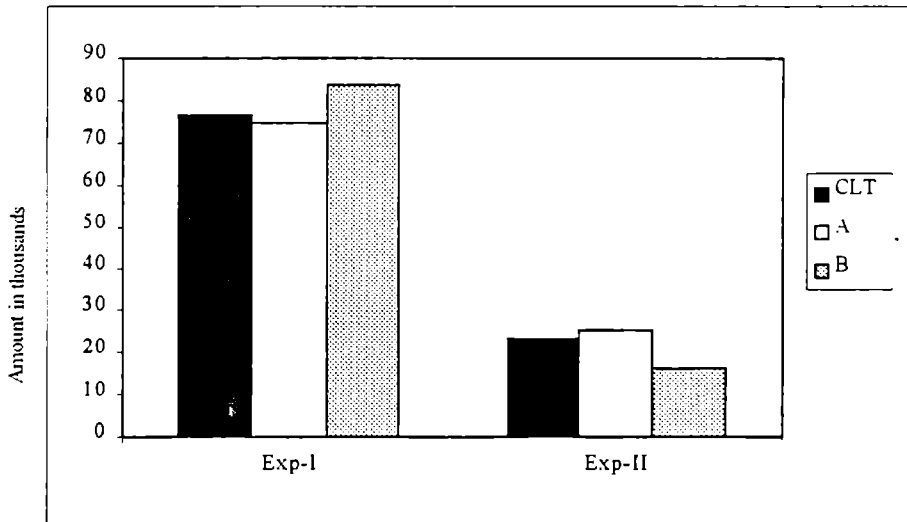


Fig. 7.35

Income + Liabilities = Total Expenditure + Savings + Consumer Durables

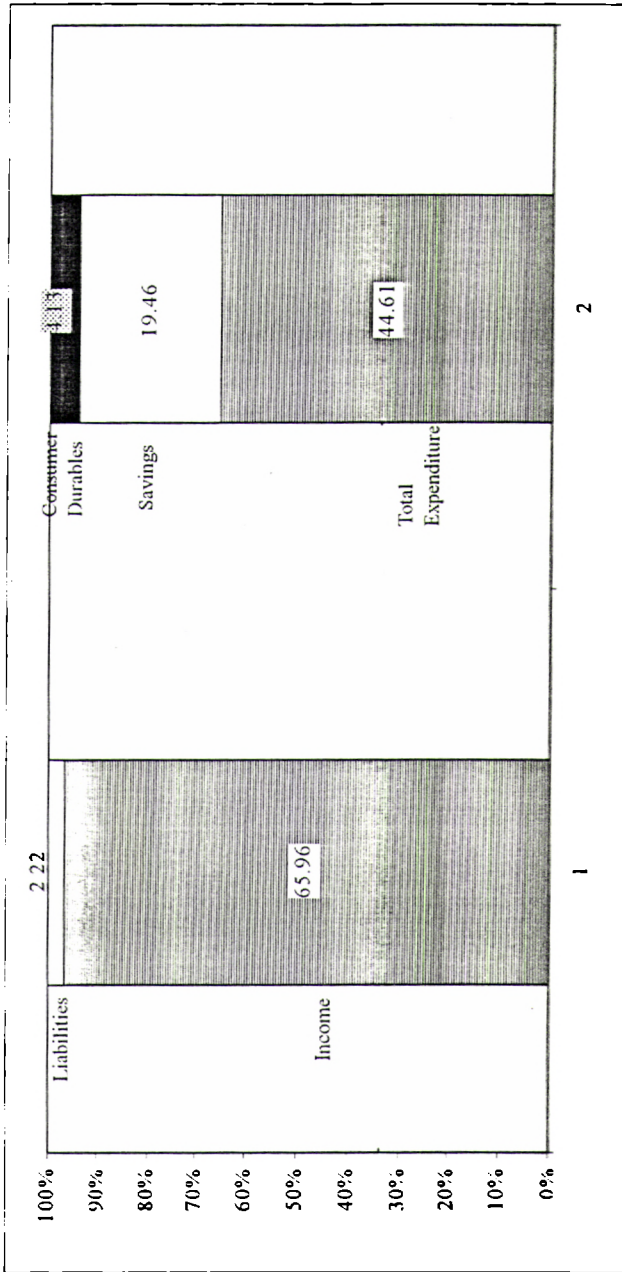


Fig. 7.36

CHAPTER - VIII

ANALYSIS OF SAVINGS AND INVESTMENTS, LIABILITIES, ANCESTRAL PROPERTIES AND CONSUMER DURABLES

- 8.1. Savings and Investments
- 8.2. Liabilities
- 8.3. Total Investments
- 8.4. Ancestral Properties
- 8.5. Consumer Durables.

Chapter VIII

ANALYSIS OF SAVINGS AND INVESTMENTS, LIABILITIES, CONSUMER DURABLES AND ANCESTRAL PROPERTIES

8.1. Savings and Investments

Data relating to various items of savings were collected in general from 309 gazetted officers especially from Trivandrum; Ernakulam; and Calicut. The total accumulated balance of savings was also counted. Ratios were worked out and relationships were established between savings and various other variables. A detailed analysis of the savings and investment patterns of persons with planning and without planning were also made. Regression analyses and 't' test were applied for establishing the significance of relationship and variance. Region-wise analysis was also made.

8.1.1. Total amount of savings

Classification based on total amount of savings (Table 8.1) showed that 30%, 31%, 18%, 11%, 5% and 5% in general and 32%, 30%, 22%, 8%, 6% and 2% in Trivandrum; 24%, 26%, 21%, 19%, 5%, 5% in Ernakulam; and 34%, 36%, 11%, 6%, 5%, and 8% in Calicut did save an amount of below Rs 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000, 40000 to 50000 and 50000 and above respectively.

It is further noted that 42%, 40%, 14%, 4%, 0% and 0% of group A and 1%, 9%, 29%, 27%, 18% and 16% of group B could save an amount of below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000, 40000 to 50000 and 50000 and above respectively.

Thus a major group of employees had an yearly savings of Rs. 10000 to 20000. Employees of Ernakulam and of the B group had greater savings than the other groups.

8.12. Accumulated Balance of Savings

It is seen from Table 8.2 that 29%, 39%, 13% and 19% in general and 25%, 48%, 14% and 13% in Trivandrum, 25%, 38%, 15% and 22% in Ernakulam and 37%, 30%, 10% and 23% in Calicut had an accumulated balance amounting to Rs below 50000, 50000 to 100000, 100000 to 150000 and 150000 and above respectively

From group A, 39%, 47%, 9% and 5%; and 4%, 18%, 23% and 55% of group B had accumulated balance of savings amounted to below Rs. 50000, 50000 to 100000, 100000 to 150000 and 150000 and above respectively.

Thus most of the respondents had an accumulated balance of savings amounted to Rs. 50000 to 100000. Respondents from Ernakulam and of group B had greater amounts in this respect.

8.1.3. Contribution to Provident Fund

Analysis of the respondents' contribution to provident fund (Table 8.3) revealed that 66%, 28%, and 6% in general and 69%, 23%, and 8% of Trivandrum; 63%, 32% and 5% of Ernakulam; and 65%, 31% and 4% of Calicut, contributed to provident fund below Rs. 10000, 10000 to 20000, and 20000 and above respectively.

From group A, 76%, 23% and 1%, and 43%, 41% and 16% of group B contributed to provident fund below Rs. 10000, 10000 to 20000 and 20000 and above respectively.

Thus majority of the officers contributed below Rs. 10000 in provident fund. Employees from Ernakulam and group B saved greater amount in this head.

8.1.4. Contribution towards insurance

With reference to Table 8.4, 63% and 2% in general and 49% and 1% in Trivandrum; 66% and 2% in Ernakulam; and 72% and 5% in Calicut, contributed towards insurance below Rs. 5000 and 5000 and above respectively. 35% in general and 50% in Trivandrum; 32% in Ernakulam, and 23% in Calicut did not contribute anything to the same.

It can also be seen that 58% and 2% of group A and 73% and 4% of group B contributed below Rs. 5000 and 5000 and above respectively. 40% of group A and 23% of group B did not contribute anything.

Thus most of the officers contributed below Rs. 5000 towards insurance. B group and Calicut are in a better position.

8.1.5. Amount of Repayment of Loans

It can be seen from Table 8.5 that 3%, 15%, 4% and 13% in general and 3%, 16%, 4% and 13% in Trivandrum, 0%, 16%, 3% and 15% in Ernakulam; and 7%, 13%, 4% and 10% in Calicut; had repayment of loans to the extent of below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively. 65% in general and 64% in Trivandrum, 66% in Ernakulam, and 66% in Calicut did not have any such payments.

From group A, 3%, 15%, 1% and 12%; and 3%, 14%, 9% and 16% of group B had repayment to the extent of below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above, respectively. Sixty nine per cent of group A and 58% of group B did not have the same.

Thus a major group of employees had the repayment of loans amounting to Rs. 2000 to 4000. Group B and Ernakulam repaid greater amount.

8.1.6. Bank Savings

Table 8.6 showed that 8%, 13%, 6%, 7% and 9% in general and 8%, 12%, 6%, 6% and 11% in Trivandrum; 10%, 16%, 8%, 8% and 10% in Ernakulam; and 6%, 10%, 5% 8% and 6% of officers in Calicut; had a bank deposit of below Rs. 2000, 2000 to

4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively Fifty seven per cent in general and 57% in Trivandrum, 48% in Ernakulam, and 65% in Calicut did not have the same.

From group A, 7%, 10%, 3%, 4% and 3%, and 10%, 19%, 14%, 14% and 24% of group B had a Bank deposit of below Rs. 2000, 2000 to 4000, 4000 to 6000, 6000 to 8000 and 8000 and above respectively. It is also seen that 73% of group A and 19% of group B did not have such savings.

Thus a major group of employees had a bank deposit of Rs. 2000 to 4000 yearly. Ernakulam and Group B had greater savings in this respect.

8.1.7 Contribution towards Chitties and Curries

Analysis of the contribution, towards chitties and curries showed that (Table 8.7) 2%, 18%, 3% 12% and 3% in general and 1%, 20%, 2%, 14% and 2% in Trivandrum; 1%, 16%, 6%, 14% and 5% in Ernakulam and 5%, 18%, 2%, 7% and 1% in Calicut had contributed below Rs. 2000; 2000 to 4000; 4000 to 6000; 6000 to 8000 and 8000 and above respectively. Sixty two per cent in general; and 61% in Trivandrum; 58% in Ernakulam; and 67% in Calicut did not have such contribution.

From group A, 2%; 17%, 3%, 7% and 1%, and 2%, 21%, 4%, 23% and 7% of group B contributed below Rs. 2000; 2000 to 4000; 4000 to 6000; 6000 to 8000 and 8000 and above respectively towards chitties and curries. 70% of group A and 43% of group B did not have such savings.

Thus a higher group of employees had contributed towards chitties and curries Rs. 2000 to 4000. Ernakulam and group B are better in this case.

8.1 8. Debtors, Loans and Advances

It can be observed from Table 8.4 that 4% and 1% in general and 10% and 2% in Trivandrum; 3% and 0% in Ernakulam; had outstanding debtors amount of below Rs. 5000 and 5000 and above respectively. Ninety five per cent in general and 88% in Trivandrum; 97% in Ernakulam; and 100% in Calicut had no such amount.

It can be seen that 6% and 1% of group A and 1% of group B had below Rs. 5000 and 5000 and above respectively as outstanding debtors. 93% of group A and 99% of group B did not have such amount.

Thus most of the debtors amounted to below Rs. 5000 Officers from Calicut did not give any credit. Only 1% of group B and 3% in Ernakulam did allow the same. At the same time 7% of group A and 12% in Trivandrum had the same.

8.1.9. Post Office Savings

Data relating to Post Office savings showed that (Table 8.9) 8%, 9%, 5% and 6% in general and 5%, 9%, 2% and 4% in Trivandrum, 5%, 14%, 10%, and 4% in Ernakulam, and 14%, 4%, 4% and 10% in Calicut; had Post Office savings to the extent of below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively 72% in general and 80% in Trivandrum, 67% in Ernakulam, and 68% in Calicut did not have such savings.

Of group A, 8%, 6%, 1% and 1%, and 7%, 18%, 15%, and 16% of group B had post office savings amounted to below Rs. 2000, 2000 to 4000, 4000 to 6000 and 6000 and above respectively. Eighty four per cent of group A and 44% of group B did not have such savings.

Thus the major group had a post office savings of Rs. 2000 to 4000. Officers from Ernakulam and of group B had greater such savings.

8.1.10. Deposit in Kissan Vikas patra, Indira Vikas patra, Bhadratha etc.

Table 8.10 exhibits that 5%, and 6% of the respondents in general and 6%, and 2% in Trivandrum, 8%, and 11% in Ernakulam, and 1%, and 5% in Calicut. have deposited in Kissan Vikas patra, Indira Vikas Patra. Bhadratha etc to the extent of below Rs. 5000, 5000 and above respectively. Eighty Nine per cent in general and 92% in Trivandrum, 81% in Ernakulam and 94% in Calicut, did not have such deposits.

Of group A , 2% and 1%, and 11% and 16% of group B invested in Kissan Vikas patra, Indira Vikas Patra, Bhadratha etc below Rs. 5000 and 5000 and above respectively. At the same time 97% of group A and 73% of group B did not have any such investments.

Thus a major group of employees had remitted in Indira Vikas Patra, Bhadratha etc: more than Rs. 5000. Officers from Ernakulam and of group B invested greater in this sector.

8.1.11 Investments in shares, Bonds and Debentures

Classification based on the investments in shares, bonds and debentures (Table 8.11) revealed that 3%, 5%, and 11% in general and 1%, 2% and 5% in Trivandrum; 8%, 9% and 13% in Ernakulam; and 1%, 4% 14% in Calicut; invested in shares below Rs. 5000, 5000 to 10000 and 10000 and above respectively. Eighty one per cent in general and 92% in Trivandrum, 70% in Ernakulam and 81% in Calicut did not have investment in shares, bonds and debentures.

From group A, 3%, 1% and 1%, and 4%, 13% and 33% of group B had investments in shares, bonds and debentures amounting to below Rs. 5000, 5000 to 10000 and 10000 and above respectively. 95% of group A and 50% of B did not have the same.

Thus a major Group of employees had investments in shares amounting to Rs. 10000 and above. Group B and employees from Ernakulam invested greater amount in shares, bonds and debentures.

8.1.12. Other Savings

Distribution based on other savings (Table 8.12) showed that 2%, 3%, and 3% in general and 0%, 1% and 4% in Trivandrum; 2%, 4% and 3% in Ernakulam; and 2%, 6% and 3% in Calicut; did save on other items like cash certificates, cash savings and private savings to the extent of below Rs. 5000, 5000 to 10000, and 10000 and above respectively 92% in general and 95% in Trivandrum, 91% in Ernakulam and 89% in Calicut did not have any such savings.

From group A, 1%, 1% and 1%, and 2%, 9% and 10% of group B had other savings to the extent of below Rs. 5000, 5000 to 10000 and 10000 and above respectively. 97% of A and 79% of B did not have the same.

Thus a major group of employees had other savings amounting to Rs. 5000 to 10000. Group B and Calicut had greater savings in this category.

8.1.13. Nature of Savings & Investments

Among the various savings and investment items, PF stood first. It was 45.32% (Table 8.13) of total savings and investments during the current year. It was 49.55% in Trivandrum, 41.88% in Ernakulam and 45.29% in Calicut.

For group A, it was 58.51% in general; 55.27% in Trivandrum; 56.27% in Ernakulam and 63.13% in Calicut. For Group B, the same was 34.68% in general; 41.66% in Trivandrum; 32.86% in Ernakulam; and 32.15% in Calicut.

The second item was Bank Savings. It was 11.36% in general; 12.53% in Trivandrum; 11.81% in Ernakulam and 9.57% in Calicut.

For group A, it was 7.76% in general; 9.79% in Trivandrum; 6.76% in Ernakulam and 6.52% in Calicut. For group B, the same was 14.35% in general, 16.13% in Trivandrum; 15.12% in Ernakulam and 12.18% in Calicut.

The third item was shares. It was 9.35% in general; 4.23% in Trivandrum; 11.11% in Ernakulam and 12.22% in Calicut.

For group A, it was 2.46% in general; 6.25% in Trivandrum; 5.12% in Ernakulam and 1.61% in Calicut. For B, it was, 15.11% in general; 8.52% in Trivandrum; 14.80% in Ernakulam and 19.95% in Calicut.

The Fourth important savings and investment item was Chitties, Fifth Repayment of Loans, Sixth Post Office Savings, seventh Insurance Eighth Other Items, ninth Indira Vikas Patra/Kisan Vikas Patra/Bhadra and the last item was Debtors, Loans and Advances.

Figures 8.1 to 8.8 shows the nature of savings and investments.

Hypothesis II(a)

There is significant relationship between the income and expenditure and between income and savings and investments of the respondents.

Regression analyses were made to test the above hypothesis and found that there is significant relationship between the income and expenditure and also between Income and Savings and investments of the respondents.

Table 7.9 shows that the r^2 is .48903 (B value .367834) in general, .72283 (B value .505315) in A, .62995 (B value .356768) in B and .60018 (B value .422510) in Trivandrum, .72143 (B value .503240) in Trivandrum-A and .76936 (B value .410184) in Trivandrum-B. It was .52354 (B value .368638) in Ernakulam, .73001 (B value .491378) in Ernakulam-A and .64759 (B value .384922) in Ernakulam-B.

The r^2 in Calicut was .35533 (B value .319745) and .74258 (B value .527021) for A and .60235 (B value .313274) from group B. Comparatively group A and Trivandrum had a closer association between income and expenditure than group B.

Thus the hypothesis is proved, the significance level is .0000 in all the cases.

Hypothesis II(b)

There is a significant difference in the Income, Expenditure and Savings and Investments of officers with personal financial planning and those without personal financial planning.

Regression analysis (Table No. 7.9 & 7.10) which shows the association between income, expenditure and savings and investments reveals that there is a high difference between group A and B. By applying 't' test it is being noted that there is a significant difference between group A and B. (Tables 7.30, 7.31, 7.32 & 7.33)

The mean value of total income is 61.53 for group A and 76.63 for group B. The t-value is -5.84 and the significance level is 0.000.

The mean value of the total expenditure is 46.17 for group A and 40.93 for group B. The t-value is 3.73 and the significance level is 0.000.

The mean value of savings and investments is 12.63 for group A and 35.77 for group B. The t-value is 17.29 and the significance level is 0.000.

Thus there is significant difference between group A and B with regard to their income, expenditure and savings and investments.

In Trivandrum, the mean values for total income is 62.81 for A and 76.24 for B. The mean value of expenditure is 45.87 for A and 41.90 for B. The t-value is 1.47. With regard to savings and investments the mean value is 13.27 for A and 32.74 for B. The t-value is -8.89.

In Ernakulam, the mean values for total income is 61.06 for group A and 75.40 for group B. The t-value is -3.55. The mean value of expenditure is 45.44 for A and 42.08 for B. The t-value is 1.55. The mean value of savings and investments is 13.47 for A and 33.99 for B. The t-value is -10.05.

In Calicut, the mean values for total income is 60.54 for group A and 78.80 for group B. The t-value is -3.74. The mean value of expenditure is 47.12 for A and 38.37 for B. The t-value is 3.39. The mean value of savings and investments is 11.22 for A and 41.09 for B. The t-value is -10.98.

From the above it is very clear that between group A and B regarding income, expenditure and savings and investments there is a significant difference at .0000 level and thus Hypothesis II(b) is proved.

In Trivandrum, there is a significant difference with regard to income and savings at .006 and .000 level. But with regard to Expenditure I, there is no significant difference. The significance levels were .114 and .635 respectively.

So also is the case of Ernakulam, except Expenditure I category, there were considerable differences. The significant levels were .001 for A8, .123 for A20, .585 for Exp I, .003 for Exp II and 00% for savings and investments.

In Calicut there were significant differences at .000 level with regard to income, Exp II and savings and investments. With regard to expenditure it was at .001 level and in expenditure I it was at .084 level of significance.

8.2. Liabilities

Information relating to the management of credit were also made through the analysis of different variables relating to liabilities of the parties. Liabilities of 309 gazetted officers were analysed which include the following details.

1. House loan
2. Bank loan
3. P.F loan
4. Loans from relatives
5. Creditors

6. Govt. loans
7. L.I.C and F.D loans; and
8. Other liabilities.

Region-wise analysis were also made. Regression analysis were done.

Ratios were worked and relationships were established in respect of liabilities and different variables. Budget-wise analyses were also made and 't' test was also applied.

8.2.1. Total Current Liabilities

Classification based on total current liabilities (Table 8.14) shows that 3%, 8% and 7% in general; and 1%, 6% and 1% in Trivandrum; and 5%, 5% and 5% in Ernakulam; and 4%, 13% and 14% in Calicut; had current liabilities to the extent of below Rs. 5000, 5000 to 10000, and 10000 and above respectively. 82% in general and 92% in Trivandrum, 85% in Ernakulam, and 69% in Calicut had no current liabilities.

From A, 4%, 9% and 7%, and 0%, 5% and 6% of B had Current liabilities amounting to below Rs. 5000, 5000 to 10000 and 10000 and above respectively. 80% of A and 89% of B did not have any liabilities in the current year.

Thus a major group of employees had current liabilities to the extent of Rs. 5000 to 10000. Group A and Calicut availed of loans and they had greater liabilities.

8.2.2 House Loans

Analysis of the amount of house loans (Table 8.15) shows that 2%, 4%, 5%, 7%, 6% and 13% in general; and 1%, 2%, 6%, 9%, 9% and 13% in Trivandrum; 2%, 4%, 5%, 6%, 2% and 17% in Ernakulam; and 4%, 6%, 5%, 5%, 7% and 9% in Calicut; had their respective amount of below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000, 40000 to 50000 and 50000 and above. 63% in general and 60% in Trivandrum, 64% in Ernakulam, and 64% in Calicut did not have outstanding amount of house loans.

It is further noted that 1%, 3%, 4%, 7%, 6% and 14% of group A and 4%, 7%, 8%, 7%, 4% and 12% had house loans to the extent of below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000, 40000 to 50000, and 50000 and above respectively. 65% of group A and 58% of group B did not have the same.

Thus the major group of employees had a house loan of more than Rs. 50000. More people from Trivandrum availed themselves of the facility. More numbers from group B also availed themselves of the loan facility.

8.2.3. Bank Loans

Table 8.16 exhibits the amount of bank loans. Accordingly 7%, 14%, 11%, 7% and 8% in general; and 2%, 16%, 10%, 10% and 11% in Trivandrum; 11%, 13%, 12%, 8% and 4% in Ernakulam; and 7%, 13%, 9%, 4%, and 10% in Calicut, had Bank loan

to the extent of below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000 and 40000 and above respectively. 53% officers in general and 51% in Trivandrum, 52% in Ernakulam, and 57% in Calicut did not have bank loans.

For group A, 6%, 13%, 13%, 7%; and 10%, and 9%, 15%, 6%, 8% and 3% of group B had bank loans to the extent of below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000, and 40000 and above respectively. It further shows that 51% of group A and 59% of group B did not have bank loans at all.

Thus most of the employees who availed themselves of bank loans had a loan amount of Rs. 10000 to 20000. Trivandrum and group A availed greater bank loans.

8.2.4. Provident Fund Loans

Table 87 shows that 12%, 25%, 11%, 3% and 1% in general and 8%, 16, 6%, 0% and 0% in Trivandrum, 13%, 30%, 13%, 4% and 1% in Ernakulam, and 13%, 30% 15%, 6% and 2% in Calicut had a provident fund loan amounting to below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000 to 40000 and 40000 and above respectively. Forty Eight per cent of respondents in general and 70% in Trivandrum, 39% in Ernakulam, and 34% in Calicut had no such loans.

From A, 11%, 24%, 11%, 2% and 1% and 13%, 28%, 10%, 5% and 1% of B had PF loan amounting to below Rs. 10000, 10000 to 20000, 20000 to 30000, 30000

to 40000 and 40000 and above respectively. 51% of A and 43% of B did not have the same.

Thus a major group had PF loan amounting to Rs. 10000 to 20000. More persons of Calicut and group B availed themselves of PF loan.

8.2.5. Loans from Relatives

Table 8.18 reveals that 8%, 9%, 4% and 4% of the gazetted officers in general and 2%, 4%, 0% and 3% in Trivandrum; 12%, 12%, 8%, and 6% in Ernakulam, and 10%, 12%, 4% and 4% in Calicut; had loans from relatives to the extent of below Rs. 10000, 10000 to 20000, 20000 to 30000 and 30000 and above respectively. 75% in general and 91% in Trivandrum, 62% in Ernakulam and 70% in Calicut did not have outstanding loans from relatives.

From group A, 7%, 10%, 4% and 4%. and 10%, 7%, 4% and 5% of group B had loans from relatives amounting to below Rs. 10000, 10000 to 20000, 20000 to 30000 and 30000 and above respectively. 75% of A and 74% of B did not have the same.

Thus a major group of employees had loans from relatives amounting to Rs. 10000 to 20000. More people from Ernakulam availed themselves of such facilities. There is no considerable difference between group A and B.

8.2.6. Creditors

Table 8.19 exhibits that 3%, 2% and 2% in general and 1%, 0% and 0% in Trivandrum; 3%, 3% and 4% in Ernakulam; and 6%, 5% and 2% in Calicut had creditors amounting to below Rs. 5000, 5000 to 10000 and 10000 and above respectively. Ninety three per cent in general and 99% in Trivandrum, 90% in Ernakulam and 87% in Calicut did not have the same.

Of group A, 3%, 3% and 1%, and 3%, 2% and 5% of B had creditors amounting to below Rs. 5000, 5000 to 10000 and 10000 and above respectively and 93% of A and 90% of B did not have the same.

Thus a major group had creditors to whom they owed below Rs. 5000. Calicut and group B availed more of this facility.

8.2.7. Government Loans

Classification based on government loans (Table 90) shows that 1% and 2% in general and 0% and 1% in Trivandrum, 1% and 1% in Ernakulam and 3% and 4% in Calicut, did have government loans below Rs. 5000, and 5000 and above respectively. 93% in general and 99% in Trivandrum, 98% in Ernakulam and 93% in Calicut, did not have the same.

From group A, 1% and 1%, and 1% and 2% of B had government loans amounting to below 5000 and 5000 and above respectively and 97% of A and 98% of B did not avail themselves of government loans.

Thus only 2% availed themselves of government loans of Rs. 5000 and above. 1% availed below Rs. 5000. More persons from Calicut and of group B availed themselves of the same.

8.2.8. LIC and FD Loans

Analysis of LIC and FD loans (Table 8.21) shows that 1%, 1%, and 1% in general and 0%, 1%, and 0% in Trivandrum; 1%, 1% and 1% in Ernakulam; and 2%, 2%, and 2% in Calicut; had such loans to the extent of below Rs. 5000, 5000 to 10000 and 10000 and above respectively. Ninety seven per cent in general, 99% in Trivandrum, 97% in Ernakulam and 94% in Calicut did not have such loans.

From group A, 1%, and 1%, and 1%, 0% and 1% of B had LIC and FD loans amounting to below Rs. 5000, 5000 to 10000 and Rs. 10000 and above respectively.

Only a negligible number of persons have availed themselves of LIC and FD loans.

8.2.9. Other Loans

Classification based on other loans (Table 8.22) showed that only negligible percentage of employees availed themselves of other loans. It is 0.3% in general and only 1% in Calicut. Officers in Trivandrum, and in Ernakulam did not avail themselves of the same.

8.2.10. Total liabilities

Classification based on total liabilities (Table 8.23) showed that 16%, 22%, 11%, 9%, 3% and 14% in general; and 9%, 24%, 12%, 9%, 5% and 9% in Trivandrum, 17%, 20%, 15%, 7%, 3% and 17% in Ernakulam; and 22%, 21%, 6%, 10%, 2% and 18% in Calicut have liabilities to the extent of below Rs. 20000, 20000 to 40000, 40000 to 60000, 60000 to 80000, 80000 to 100000 and 100000 and above respectively. Twenty five per cent in general and 32% in Trivandrum, 21% in Ernakulam, and 21% in Calicut, did not avail of credit facilities.

From group A, 14%, 21%, 11%, 8%, 3% and 16% , and 21%, 23%, 12%, 10%, 3% and 10% of B had total liabilities amounting to below Rs. 20000, 20000 to 40000, 40000 to 60000, 60000 to 80000, 80000 to 100000 and 100000 and above respectively. Further 27% of A and 21% of B did not have any liabilities.

Thus majority of the officers availed themselves debt facilities. A major group of 22% has a total liability of Rs. 20000 to 40000. More officers from Ernakulam and B-availed themselves of loans.

Nature of Liabilities

The first important liability was House loan (Table 8.24). It was 37.84% in general, 48.49% in Trivandrum, 38.25% in Ernakulam and 29.39% in Calicut.

From group A, it was 37.57% in general, 47.23% in Trivandrum, 39.90% in Ernakulam and 26.50% in Calicut. For group B, the same came to 38.65% in general, 53.95% in Trivandrum, 35.13% in Ernakulam and 34.61% in Calicut.

The second item was Bank loan which was 30.42% in general, 36.68% in Trivandrum, 22.89% in Ernakulam and 31.32% in Calicut.

From group A it was 32.02% in general, 37.68% in Trivandrum, 24.36% in Ernakulam and 31.17% in Calicut. For group B, the same was 26.40% in general, 28.64% in Trivandrum, 20.06% in Ernakulam and 31.68% in Calicut.

P.F. Loan was the third major item of liabilities of the respondents. As per table 130, it came to 19.15% in general, 9.92% in Trivandrum, 21.18% in Ernakulam and 24.79% in Calicut.

From group A, it was 17.69% in general, 8.64% in Trivandrum, 18.12% in Ernakulam and 25.76% in Calicut. For group B, the same was 24.07% in general, 15.35% in Trivandrum, 27.01% in Ernakulam and 24.65% in Calicut.

The fourth liability was loans from relatives, fifth Govt. Loans, sixth LIC Loan, seventh Creditors and the last other liabilities.

Figures 8.9 to 8.14 shows the nature of liabilities.

Hypthesis III (b)

There is significant relationship between current liabilities and consumer durable purchased of the employees.

Results of the regression analysis showed that even though there is a significant relationship in general, it is only partial. While analysing through the regions it is shown from table 8.25 that in Calicut, only there is a high degree of significance. In other regions there is no significant relationship between current liabilities and consumer durables. The r^2 is .53812 in general, .54149 in A and .58276 in B. In Trivandrum it was .01639 in general and .01859 in A and .00755 in B.

In Ernakulam, the same was .01627 in general and .02946 for A and .00386 for B. In Calicut r^2 was .75535 in general and .73904 for A and .89769 for B.

The B value is 0.836147 in general, .852087 for group A and .727888 for group B. B value for Trivandrum is .253311 in general, .254342 for group

A and $-.281366$ for B. In Ernakulam it is $.162271$ in General, $.256555$ for group A and $-.029099$ for B and in Calicut it is $.932455$ in general, $.933815$ for group A and $.903575$ for group B.

The significance level is $.0000$ in general and in Calicut. In other cases the same was above 5%. Therefore the hypothesis is partially proved and partially disproved.

ANOVA

Analysis of variance of A44 by A48 showed that (table-8.26) there is a significant difference, at $.0157$ level, among the three different regions as regards the consumer durables purchased. The mean values are 4.09 in general, 3.89 in Trivandrum, 2.31 in Ernakulam and 6.10 in Calicut.

Anova table No.8.27 shows that there is significant difference, among the three regions as regards the current liabilities, at $.0010$ level. The mean values are 2.18 in general, 0.70 in Trivandrum, 1.26 in Ernakulam and 4.67 in Calicut.

8.3. Total Investments

Information relating to total investments were also made for 309 gazetted officers in general and 105 officers in Trivandrum, 103 officers in Ernakulam and 101 officers in Calicut. The following investments were covered by the study.

1. Land
2. Building
3. Gold and silver
4. Investments in business Business
5. Investments in live stock and others.

Plan-wise analyses were also made. Relationships were established. Ratios were worked out and 't' test was applied to test the significance. Budget-wise analysis were also made.

8.3.1. Total Value of Investments

Table 8.28 shows the total value of investments. It can be seen that 15%, 25%, 22%, 13% and 11% in general and 18%, 18%, 23%, 16% and 10% in Trivandrum; 13%, 31%, 21%, 13% and 12% in Ernakulam; and 14%, 25%, 22%, 11% and 11% in Calicut had their investments amounting to below Rs. 100000, 100000 to 200000, 200000 to 300000, 300000 to 400000 and 400000 and above respectively. Fourteen per cent in general and 15% in Trivandrum, 10% in Ernakulam, and 17% in Calicut did not invest any amount. 19%, 29%, 20%, 11% and 3% of group A and 4%, 15%, 27%, 18% and 30% of B had total investments amounting to below Rs. 100000, 100000 to 200000, 200000 to 300000, 300000 to 400000 and 400000 and above respectively. At the same time 18% of A and 6% of B did not have any investments.

Thus a major group of respondents had a total investment amount of Rs. 100000 to 200000. Officers of Trivandrum have greater investments. Group B are in a better position than A.

8.3.2. Investment in Land

It can be seen from Table 8.29 that 17%, 18%, 4%, 6% and 12% in general, and 7%, 21%, 5%, 8% and 9% in Trivandrum; 16% 17%, 6%, 4% and 14% in Ernakulam; and 30%, 15%, 2%, 5% and 12% in Calicut; had a total investment in land amounting to below Rs. 50000, 50000 to 100000, 100000 to 150000, 150000 to 200000 and 200000 and above respectively. 43% in general and 50% in Trivandrum, 43% in Ernakulam, and 36% in Calicut, did not have investments in land.

From group A, 20%, 16%, 2%, 4% and 5%, and 10%, 23%, 10%, 9% and 28% of B had investments in Land amounted to below Rs. 50000, 50000 to 100000, 100000 to 150000, 150000 to 200000 and 200000 and above respectively. Fifty three per cent of A and 20% of B did not have such investments.

Thus a major group of employees had investments in land which amounted to Rs. 50000 to 100000. More persons from Calicut were having investments in Land. Group B is also better in this field. Amount wise division shows that Ernakulam and group B were better in this field.

8.3.3. Investment in Buildings

Classification on the basis of investments in building (Table 8.30) shows that 18%, 18%, 16%, 4% and 6% in general; and 13%, 12%, 18%, 5% and 8% in Trivandrum; 20%, 17%, 16%, 4% and 7% in Ernakulam; and 19%, 24%, 16%, 4% and 4% in Calicut had an investment in building amounting to below Rs. 100000, 100000 to 150000, 150000 to 200000, 200000 to 250000 and 250000 and above respectively. Thirty eight per cent in general and 44% in Trivandrum, 36% in Ernakulam, and 33% in Calicut did not have investments in building.

From A, 20%, 17%, 14%, 3% and 4%; and 11%, 20%, 22%, 7% and 12% of B had investments in building amounting below Rs. 100000, 100000 to 150000, 150000 to 200000, 200000 to 250000 and 250000 and above respectively. Forty two per cent of A and 28% of B did not have investments in Building.

Thus a major group of employees had investments in Building amounting to Rs. 100000 to 150000. Group B and Trivandrum had greater investments in this sector.

8.3.4. Nature of House Constructed

Distribution based on the nature of house constructed revealed that (Table 8.31) 47% of the employees in general and 36% in Trivandrum, 51% in Ernakulam, and 54% in Calicut, constructed economic houses and 15% in general and 25% in Trivandrum, 9% in Ernakulam, and 10% in Calicut did construct non-economic houses. Thirty eight

per cent in general and 39% Trivandrum, 40% in Ernakulam, and 36% in Calicut did not construct any house.

Thirty nine per cent of group A and 67% of B constructed economic houses and 20% of A and 2% of B non-economic houses. 41% of A and 31% of B did not construct houses.

Thus most of the employees constructed economic houses. More persons of group B and of Calicut constructed economic houses.

8.3.5. Availing of House Loans

Distribution based on availing of house loans (Table 8.32) shows that 51% in general and 55% in Trivandrum, 47% in Ernakulam, and 50% in Calicut, availed themselves of house loans and 11% in general and 6% in Trivandrum. Thirteen per cent % in Ernakulam and 13% in Calicut did not avail themselves of house loans. Thirty eight per cent in general and 39% in Trivandrum, 40% in Ernakulam, and 37% in Calicut did not construct houses.

Fourty six per cent of A and 63% of B availed house loans. Twelve per cent of A and 6% of B did not avail themselves of the same. Forty two per cent of A and 31% of B did not construct houses.

Thus majority of the employees availed themselves of house loans. More persons from group B and Trivandrum availed themselves of house loans.

8.3.6. Nature of House to be constructed

Table showing the nature of house to be constructed (Table 8.33) reveals that 15.54% in general and 24% in Trivandrum, 10% in Ernakulam, and 13% in Calicut, will construct economic houses. Only 0.32% in Trivandrum, 1%, 0, 0 will construct non-economic houses. 84.14 % in general and 75% in Trivandrum, 90% in Ernakulam and 87% in Calicut had their own houses already.

Eighteen per cent of A and 9% of B will construct economic houses in future. One per cent of A and 0% of B will construct Non-economic houses. 81% of A and 91% of B have their own houses already.

Thus most of the officers prefer economic houses than non-economic houses. Only one person from group A and from Trivandrum prefer non-economic houses and others prefer economic houses.

8.3.7. Availing of House Loans in Future

Table 100 shows that 14% in general and 22% in Trivandrum, 8% in Ernakulam and 11% in Calicut will avail themselves of house loans in future. Two per cent in general and 3% in Trivandrum, 2% in Ernakulam and 3% in Calicut will not avail

themselves of house loans in future. Eighty four per cent in general and 75% in Trivandrum, 90% in Ernakulam and 86% in Calicut have their own houses already.

Sixteen per cent of A and 7% of B will avail themselves of facilities of house loans in future and 3% of A and 2% of B will not avail themselves of the same. Eighty one per cent of A and 91% of B need not construct houses.

Thus majority of the group will avail themselves of house loans. More persons of A and Trivandrum will avail themselves of house loans.

8.3.8. Investment in Gold and Silver

Distribution on the basis of investments in gold and silver (Table 8.35) exhibits that 13%, 23% and 11% in general and 8%, 15% and 5% in Trivandrum; 16% 33% and 14% in Ernakulam; and 16%, 21% and 13% in Calicut; invested below Rs. 25000, 25000 to 50000 and 50000 and above in gold and silver. Fifty three per cent in general and 72% in Trivandrum, 37% in Ernakulam, and 50% in Calicut did not invest any amount in gold and silver.

From A, 13%, 22%, and 6%, and 13%, 25% and 22% of B had investments in Gold and Silver amounting to below Rs. 25000, 25000 to 50000 and 50000 and above respectively. Fifty nine per cent of A and 40% of B did not have any such investments.

Thus a major group of employees had investments in gold and silver amounting to Rs. 25000 to 50000. Employees of group B and of Ernakulam were having greater investments in this category.

8.3.9 Investment in Business

Distribution based on the investments in business showed that (Table 8.36) 2%, 2% and 2% in general and 2%, 2% and 3% in Trivandrum; 3%, 1% and 2% in Ernakulam; and 2%, 3% and 2% in Calicut invested in business below Rs. 50000, 50000 to 100000 and 100000 and above respectively. Ninety four per cent in general and 93% in Trivandrum, 94% in Ernakulam, and 93% in Calicut did not invest in business.

From A, 2%, 1% and 1%, and 3%, 6% and 4% of B had investments in business to the extent of below Rs. 50000, 50000 to 100000 and 100000 and above respectively. 96% of A and 87% of B were not having such investments.

Thus more employees of B group had investments in Business.

8.3.10. Value of other Investments

As per table 8.37, 4.9%, 0.3% and 0.3% had other investments amounting to below Rs. 50000, 50000 to 100000 and 100000 and above respectively. Three per cent, 1% and 1% in Trivandrum; 7%, 0% and 0% in Ernakulam and 5%, 0% and 0% in

Calicut and 3%, 0% and 1% of A and 9%, 1% and 0% of B had other investments amounting to below Rs. 50000, 50000 to 100000 and 100000 and above respectively.

In general it was 94.5% , 95% in Trivandrum; 93% in Ernakulam and 95% in Calicut and 96% of A and 90% of B did not have other investments.

Thus most of the employees with other investments had an amount of below Rs. 50000. Ernakulam and group B are better in this category.

Table 8.38 and Figures 8.15 to 8.20 shows nature of total investments

8.4. Ancestral Properties

Data relating to the ancestral properties of the respondent's were also collected and analysed. Ratios were worked out, relationships were established and significance were analysed with the help of 't' test. Budgetwise analysis were also made for 309 gazetted Officers in Kerala and especially 105 Officers at Trivandrum, 103 at Ernakulam and 101 Offices at Calicut. The following ancestral properties were covered for the study.

1. Ancestral land
2. Ancestral building
3. Ancestral gold and silver
4. Ancestral investments in business.

5. Ancestral consumer durables.

Budgetwise analysis were also made.

8.4.1 Total Value of Ancestral Properties

Analysis of the total value of ancestral properties (Table 8.39) shows that 22%, 21%, 16%, 11% and 12% in general; and 22%, 28%, 10%, 10% and 11% in Trivandrum; 18%, 19%, 20%, 17% and 12% in Ernakulam; and 24%, 16%, 18%, 5% and 15% in Calicut had total value of ancestral properties amounting to below Rs. 1,00,000, 1,00,000 to 2,00,000, 2,00,000 to 3,00,000, 3,00,000 to 4,00,000 and 4,00,000 and above respectively. Eighteen per cent in general and 19% in Trivandrum 14% in Ernakulam, and 22% in Calicut did not have any ancestral properties.

From group A, 22%, 21%, 16%, 10% and 13%, and 20%, 21%, 16%, 13% and 11% of group B had ancestral properties worth below Rs. 1,00,000, 1,00,000 to 2,00,000, 2,00,000 to 3,00,000, 3,00,000 to 4,00,000 and 4,00,000 and above respectively 18% of group A and 19% of group B, did not have ancestral properties.

Thus a major group of officers had ancestral properties worth below Rs. 1,00,000 Employees from Ernakulam benefited more in this case.

8.4.2. Value of Ancestral Land

Distribution based on value of ancestral land (Table 8.40) showed that 7%, 14%, 9%, 7%, and 19% in general and 7%, 12%, 10%, 5% and 14% in Trivandrum; 6%, 12%, 12%, 11% and 21% in Ernakulam; and 9%, 18%, 4%, 7%, and 21% in Calicut had ancestral Land amounting to below Rs. 50,000, 50,000 to 1,00,000, 1,00,000 to 1,50,000, 1,50,000 to 2,00,000 and Above 2,00,000 respectively. 44% in general and 52% at Trivandrum, 38% in Ernakulam and 41% at Calicut did not have such land.

From A, 8%, 16%, 8%, 7% and 18%. and 4%, 9%, 11%, 10% and 20% of B had ancestral land amounting to below Rs. 50000, 50000 to 100000, 100000 to 150000, 150000 to 200000 and above 200000 respectively. Forty three of A and 46% of B did not have ancestral land.

Thus a major group had ancestral land worth Rs. above 200000. Ernakulam and group B had greater value of Ancestral land.

8.4.3 Value of Ancestral Buildings

Table 8.41 shows the classification based on the value of ancestral buildings. Accordingly 18%, 5% and 2% in general and 18%, 3%, and 2% at Trivandrum; 18%, 8% and 4% in Ernakulam; and 18%, 5% and 1% in Calicut had Ancestral Buildings to the extent of below Rs. 1,00,00, 1,00,000 to 2,00,000 and Above 2,00,000 respectively.

75% in general and 77% in Trivandrum, 70% in Ernakulam and 76% in Calicut did not have the same.

From A, 19%, 5% and 2%, and 15%, 7% and 2% of B had ancestral buildings to the extent of below Rs. 100000, 100000 to 200000 and Above 200000 respectively. 74% of A and 76% of B did not have the same.

Thus major group of 18% had ancestral building amounting to Rs below 100000. Ernakulam and group B had better ancestral Buildings.

8.4 4 Value of Ancestral Gold and Silver

Distribution based on value of ancestral gold and silver (Table 8.42) showed that 9%, 28%, 15%, 8% and 9% in general; and 4%, 21%, 16% 11% and 14% in Trivandrum; 9%, 31%, 13%, 9% and 9% in Ernakulam; and 16%, 31%, 14%, 5% and 4% in Calicut had ancestral gold and silver amounting to below Rs. 25,000, 25,000 to 50,000, 50,000 to 75,000, 75,000 to 1,00,000 and 1,00,000 and above respectively. Thirty one per cent in general and 34% in Trivandrum; 29% in Ernakulam, and 30% in Calicut did not have the same.

From A, 10%, 27%, 15%, 7% and 9%. and 9%, 31%, 12%, 11% and 10% of B had ancestral gold and silver amounting to below Rs. 25000, 25000 to 50000, 50000 to 75000, 75000 to 100000 and above 100000 respectively. Thirty two per cent of A and 27% of B did not have the same.

Thus a major group of employees were having ancestral gold and silver amounting to Rs. 25000 to 50000.

Trivandrum and group B had greater amount of ancestral gold and silver.

8.4.5. Value of Ancestral Consumer Durables

Classification on the basis of value of ancestral consumer durables (Table 108) shows that 4%, 3% and 3% in general; and 0%, 2% and 3% in Trivandrum; 9%, 7% and 2% in Ernakulam; and 4%, 1% and 3% in Calicut; had ancestral consumer durables to the extent of below Rs. 10,000, 10,000 to 20,000, 20,000 and above. 90% in general and 95% in Trivandrum, 82% in Ernakulam, and 92% in Calicut did not have the same.

From group A, 3%, 3% and 2%, and 8%, 2% and 4% of B had ancestral consumer durables amounting to below Rs. 10000, 10000 to 20000 and above 20000 respectively. 92% of A and 86% of B did not have the same.

Thus a major group of employees had ancestral consumer durables to the extent of below Rs. 10000. Ernakulam and group B had more ancestral consumer durables.

Table 8.44 and Figures 8.21 to 8.27 shows the nature of ancestral properties

8.5. Consumer Durables

Consumer durables are assets used for the convenience or comfort of a person and a regular monetary return is not received from them. Data were collected of the following items.

1. Total value of Consumer Durables
2. Consumer Durables Purchased during the year.
3. Value of Furniture
4. Value of Two Wheelers
5. Value of Motor cars
6. Value of T.V set
7. Value of Fridge
8. Value of Mixer
9. Value of Grinder
10. Value of Radio, Watch, Fan etc.
11. Value of Sewing Machine
12. Value of Electricals and Decoratives
13. Value of Tools and Equipments
14. Value of Camera, Washing Machine, V.C.R. etc
15. Value of Other Consumer Durables.

Analyses were made, percentages were worked out, regionwise analyses and financial plan wise analyses were also made. Correlations were worked out and regression analyses were made to establish relationships. 't' test were applied to test the significance of variations and Ratios were also worked out.

8.5.1. Total Value of Consumer Durables

Table 8.45 showing the total value of consumer durables states that 23%, 56% and 21% in general; and 17%, 68% and 15% in Trivandrum; 14% 62% and 24% in Ernakulam; and 38%, 39% and 23% in Calicut; had consumer durables amounting to below Rs. 50,000, 50,000 to 1,00,000 and 1,00,000 and above respectively.

From group A 23%, 57% and 20%, and 22%, 56% and 22% of B had the same below Rs. 50,000, 50,000 to 1,00,000 and 1,00,000 and above respectively.

Thus majority of the officers had consumer durables worth Rs. 50,000 to 1,00,000. Calicut has showed a lower trend in this respect.

8.5.2. Consumer Durables Purchased During the Year

It can be seen from Table 8.46 that 6%, 12%, 9% and 9% in general; and 1%, 10%, 13% and 10% in Trivandrum; and 2%, 10%, 5% and 6% in Ernakulam; and 16%, 15%, 10% and 10% in Calicut; purchased during the year consumer durables amounting to below Rs. 5,000, 5,000 to 10,000, 10,000 to 15,000 and 15,000 and above

respectively. 64% in general and 66% in Trivandrum, 77% in Ernakulam and 49% in Calicut did not purchase the same during the year.

From group A, 7%, 15%, 12% and 11%, and 3%, 3%, 2% and 5% of B purchased consumer durables amounting to below Rs. 5,000, 5,000 to 10,000, 10,000 to 15,000, 15,000 and above respectively. 55% of A and 87% of B did not spend any amount in this category.

Thus a major group of employees purchased consumer durables to the extent of Rs. 5,000 to 10,000. Ernakulam and group B had showed a lower trend in this case.

8.5.3. Value of Furniture

As per table 8.47, 1%, 18%, 26%, 20% and 34% in general and 0%, 18%, 20%, 18% and 43% in Trivandrum; 1%, 13%, 23%, 19% and 42% in Ernakulam; and 3%, 25%, 34%, 21% and 16% in Calicut; 1%, 17%, 26%, 20% and 35% of A; and 2%, 21%, 26%, 19% and 30% of B; were having furniture amounting to below Rs. 5000, 5000 to 10000, 10000 to 150000, 15000 to 20000 and above 20000 respectively.

One per cent in general, 1% of A, 2% of B, 1% in Trivandrum, 2% in Ernakulam and 1% in Calicut did not have the same.

Thus a major group of employees were having furniture amounting to above Rs. 20000. Employees of Calicut had comparatively lower amount and Group B also had lesser amount than A.

8.5.4. Value of Two wheelers

Table 8.48 shows that 3 %, 35% and 7% in general and 4%, 42% and 7% in Trivandrum; 4%, 31% and 6% in Ernakulam and 3%, 31% and 8% in Calicut and 4%, 34% and 7% of Group A and 3%, 36% and 6% of B had two wheelers valued at below Rs. 10000, 10000 to 20000 and above 20000 respectively.

Fifty five per cent in general, 55% of A, 55% of B, 47% in Trivandrum; 59% in Ernakulam, and 58% in Calicut did not have two wheelers.

Thus a major group had two wheelers valuing to Rs. 15000 to 20000. Trivandrum and group B had comparatively greater investment in two wheelers.

8.5.5. Value of Motor Cars

Three per cent (Table 8.49) 10% and 4% in general and 3%, 7% and 4% in Trivandrum; 4%, 13% and 1% in Ernakulam and 2%, 11% and 7% in Calicut and 2 %, 10 %, 4% of A and 4%, 11% and 3% of B had Motor Cars Valued at below Rs. 50000, 50000 to 100000 and Above 100000 respectively.

Eighty three per cent in general, 84% of A, 82% of B, 86% in Trivandrum: 82% in Ernakulam and 80% in Calicut did not have motor Cars.

Thus a major group had motor cars valued at Rs. 50000 to 100000. Calicut invested greater amounts. More employees of Calicut and of group B owned motor cars than others.

8.5.6. Value of Television Set

Three per cent, (Table 8.50) 25%, 63% and 1% in general and 2%, 32%, 57% and 2% in Trivandrum and 2%, 16%, 74% and 1% in Ernakulam and 4%, 26%, 57% and 2% in Calicut and 2%, 27%, 61% and 2% of A and 3%, 20%, 68% and 0% of B had T.V sets amounting to below Rs. 5000, 5000 to 10000, 10000 to 15000 and above Rs. 15000 respectively.

Eight per cent in general, 8% of A, 9% of B, 7% in Trivandrum; 7% in Ernakulam and 11% in Calicut did not have T.V sets.

Thus majority of the employees were having T.V sets worth Rs. 10000 to 15000. Comparatively lesser number of employees at Calicut and group B used T.V sets.

8.5.7 Value of Fridge

Seventy seven per cent, (Table 8.51) and 1% in general and 86% and 1% in Trivandrum; 75% and 0% in Ernakulam and 71% and 1% in Calicut and 75% and 1% of A and 81% and 1% of B had Fridges to the value of below Rs. 10000 and above 10000 respectively.

Twenty two per cent in general, 24% of A and 18% of B, 13% of Trivandrum, 25% of Ernakulam and 28% of Calicut did not have fridges.

Thus majority of the employees had fridges to the value of below Rs. 10000. Lesser number of group A and Calicut used fridge and more from group B and Trivandrum used fridges.

8.5.8. Value of Mixer

Table 8.52 shows the distribution based on value of mixer. Nine per cent, 41% and 40% in General; and 12%, 34% and 41% in Trivandrum; 11%, 43% and 36% in Ernakulam; and 5%, 43%, and 45% in Calicut; and 10%, 37% and 43% of A, and 7%, 49% and 33% of B; had mixer to the value of below Rs. 1000, 1000 to 1500 and 1500 and above respectively.

Ten per cent in general, 10% of A, 11% of B, 13% in Trivandrum; 10% in Ernakulam and 7% in Calicut did not have mixer.

Thus a major group of employees had mixer valued at Rs. 1000 to 1500.

More employees of Calicut and of group A used mixer and they are more valuable also compared to other groups.

8.5.9. Value of Grinder

As per Table 8.53, 7%, 24% and 1% in general and 5%, 21% and 1% in Trivandrum; 11%, 25% and 1% in Ernakulam and 7%, 25% and 0% in Calicut and 8%, 22% and 1% of A and 7%, 26% and 1% of B were having grinders valued at below Rs. 2000, 2000 to 5000 and 5000 and above respectively.

Sixty eight per cent in general, 73% in Trivandrum, 63% in Ernakulam and 68% in Calicut, 69% of A and 66% of B did not have the same.

Thus a major group had grinders to the extent of Rs. 2000 to 5000. More employees of Ernakulam and of group B used grinders.

8.5.10. Value of radio, Watch, Fan etc.

Three per cent (Table 8.54), 58%, 35% and 1% in general and 1%, 57%, 38% and 0% in Trivandrum; 3%, 56%, 37% and 0% in Ernakulam; and 5%, 61%, 3% and 31% in Calicut; and 3%, 59%, 35% and 1% of a and 3%, 57%, 34% and 1% of B had

radio, watch, fan etc to the extent of below Rs. 1000, 1000 to 2000, 2000 to 5000, 5000 to 10000 and Above Rs. 10000 respectively.

Three per cent in general, 4% in Trivandrum, 4% in Ernakulam, 0% in Calicut, 2% of A and 5% of B did not have the same.

Thus a major group had radio, watch, fan etc amounting to Rs. 1000 to 2000. There is no considerable difference in this field between different groups. Trivandrum and group A spent comparatively greater amount.

8.5.11. Value of Sewing Machine

As per Table 8.55, 2%, 11% and 17% in general and 2%, 6% and 10% in Trivandrum; and 3%, 16% and 17% in Ernakulam; and 1%, 11% and 25% in Calicut; had sewing machine amounting to below Rs. 1000, 1000 to 2000 and above 2000 respectively. Two per cent, 7% and 17% of A and 1%, 19% and 20% of B also had the same range.

Seventy per cent in general, 74% of A, 60% of B, 82% in Trivandrum; 64% in Ernakulam and 63% in Calicut did not have sewing machine.

Thus the major group of employees had sewing machines valued at greater than Rs. 2000. Lesser number of employees in Trivandrum of group A make use of sewing machines.

8.5.12. Value of Electricals and Decoratives

Sixteen per cent, (Table 8.56) 48%, 18% and 2% in general and 17%, 43%. 18% and 3% in Trivandrum and 12%, 55%, 19% and 3 % in Ernakulam and 20%, 44%, 18% and 1% in Calicut; and 14%, 48%, 19%, 2% of A and 21%, 46%, 18% and 2% of B had electricals and decoratives amounting to below Rs. 1000, 1000 to 2000, 2000 to 5000 and above 5000 respectively.

Sixteen per cent in general, 17% of A, 13% of B, 19% in Trivandrum; 11% in Ernakulam and 17% in Calicut did not have the same.

Thus a major group of employees had electricals and decoratives amounting to Rs. 1000 to 2000. Ernakulam and group A spent greater amount in this respect.

8.5.13. Value of Tools and Equipments

Twenty per cent (Table 8.57) 58%, 19% and 1% in general and 11%, 72%, 12% and 2% in Trivandrum; and 21%, 46%, 31% and 0% in Ernakulam; and 28%, 56%, 14% and 0% in Calicut; and 16%, 61%, 20% and 1% of A and 29%, 52%, 17% and 0% of B had tools and equipments amounting to below Rs. 5000, 5000 to 10000, 10000 to 20000 and above 20000 respectively.

Two per cent in general, 2% of A and B, 3% in Trivandrum and 2% in Ernakulam and 2% in Calicut did not have any tools and equipments.

Thus majority of the employees had tools and equipments amounting to Rs. 5000 to 10000. Trivandrum and group A spent greater amounts in this respect.

8.5.14. Value of Camera, Washing Machine, V.C.R etc

Eleven per cent (Table 8.58), 12%, 8% and 4% in general; and 6%, 11%, 6% and 2% in Trivandrum; and 16%, 13%, 5% and 6% in Ernakulam and 12%, 12%, 14% and 5% in Calicut and 8%, 11%, 10% and 4% of A and 19%, 14%, 4% and 6% of B were having camera, washing machine, V.C.R etc. to the extent of below Rs. 5000, 5000 to 10000, 10000 to 20000 and Above 20000 respectively.

Sixty five per cent in general. 67% of A, 57% of B, 75% in Trivandrum; 60% in Ernakulam and 57% in Calicut did not have the same.

Thus a major group had camera, washing machine, V.C.R. etc. worth Rs. 5000 to 10000. Calicut and group A spent greater amount in this sector.

8.5 15 Value of other Consumer Durables

Table 8.59 shows the value of other consumer durables. 2%, 6%, and 1% in general, 0%, 6% and 0% in Trivandrum; and 2%, 5% and 0% in Ernakulam; and 3%, 7% and 2% in Calicut; had other consumer durables worth below Rs. 1000, 1000 to 2000 and above Rs. 2000 respectively.

Ninty one per cent in general, 92% of A, 92% of B, 94% in Trivandrum: 93% in Ernakulam and 88% in Calicut had no such items.

Thus a major group had other consumer durables valued at Rs. 1000 to 2000 Calicut and A group spent greater amount in this field eventhough there is only a slight difference.

8.5.16. Nature of Consumer Durables

The first consumer durable item was furniture. It came to 27.46% (Table 8.60) in general, 29.54% in Trivandrum; 28.18% in Ernakulam and 24.55% in Calicut.

For group A, it was 28.20% in general, 29.89% in Trivandrum; 29.75% in Ernakulam and 25.03% in Calicut. For group B, the same was 25.67% in general, 28.35% in Trivandrum, 25.71% in Ernakulam and 23.23% in Calicut.

The second item was TV It was 15.74% in general, 15.67% in Trivandrum. 16.16% in Ernakulam and 15.40% in Calicut.

For group A it was 15.73% in general, 15.60% in Trivandrum, 16.18% in Ernakulam and 15.49% in Calicut. For group B the same was 15.77% in general, 15.88% in Trivandrum, 16.13% in Ernakulam, and 15.13% in Calicut.

The third item was tools and equipments. It came to 11.83% in general, 11.05% in Trivandrum, 12.55% in Ernakulam and 11.90% in Calicut.

For group A it was 11.99% in general, 10.85% in Trivandrum; 13.59% in Ernakulam and 11.88% in Calicut. For group B the same was 11.45% in general, 11.74% in Trivandrum, 10.91% in Ernakulam and 11.96% in Calicut.

The fourth item was Two wheelers, fifth item was Fridge, sixth Motor Cars, seventh Radio, Watch, Fan etc., eighth Camera, Washing Machine etc., ninth Mixer, tenth Electricals & Decoratives, eleventh Grinder, twelfth Sewing Machines and the last item as other items.

Figures 8.28 to 8.33 shows the nature of Consumer Durables.

Table 8.1
Classification Based on Total Amount of Savings

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 10	93	30	92	42	1	1	34	32	25	24	34	34
10 - 20	96	31	88	40	8	9	32	30	27	26	37	36
20 - 30	56	18	30	14	26	29	23	22	22	21	11	11
30 - 40	33	11	8	4	25	27	8	8	19	19	6	6
40 - 50	16	5	0	0	16	18	6	6	5	5	5	5
50 & Above	15	5	0	0	15	16	2	2	5	5	8	8
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.2
Table Showing the Accumulated Balance of Savings

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 50	90	29	86	39	4	4	26	25	26	25	38	37
50 - 100	119	39	103	47	16	18	50	48	39	38	30	30
100 -150	40	13	19	9	21	23	15	14	15	15	10	10
150 & Above	60	19	10	5	50	55	14	13	23	22	23	23
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.3
Table Showing the Contribution of Provident Fund

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 10	205	66	166	76	39	43	73	69	65	63	66	65
10 - 20	87	28	50	23	37	41	24	23	33	32	31	31
20 & Above	17	6	2	1	15	16	8	8	5	5	4	4
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.4
Table Showing the Contribution Towards Insurance

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	108	35	87	40	21	23	52	50	33	32	23	23
Below 5	193	63	127	58	66	73	52	49	68	66	73	72
5 & Above	8	2	4	2	4	4	1	1	2	2	5	5
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.5
Table Showing the Amount of Repayment of Loans

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	202	65	150	69	52	58	67	64	68	66	67	66
Below 2	10	3	7	3	3	3	3	3	0	0	7	7
2-4	46	15	33	15	13	14	17	16	16	16	13	13
4-6	11	4	3	1	8	9	4	4	3	3	4	4
6 & Above	40	13	25	12	15	16	14	13	16	15	10	10
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.6
Table Showing the Amount of Bank Deposits

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	176	57	159	73	17	19	60	57	50	48	66	65
Below 2	24	8	15	7	9	10	8	8	10	10	6	6
2 - 4	40	13	23	10	17	19	13	12	17	16	10	10
4 - 6	19	6	6	3	13	14	6	6	8	8	5	5
6 - 8	22	7	9	4	13	14	6	6	8	8	8	8
8 & Above	28	9	6	3	22	24	12	11	10	10	6	6
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.7
Table Showing the Contribution Towards Chits

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	192	62	153	70	39	43	64	61	60	58	68	67
Below 2	7	2	5	2	2	2	1	1	1	1	5	5
2 - 4	56	18	37	17	19	21	21	20	17	16	18	18
4 - 6	10	3	6	3	4	4	2	2	6	6	2	2
6 - 8	36	12	15	7	21	23	15	14	14	14	7	7
8 & Above	8	3	2	1	6	7	2	2	5	5	1	1
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.8
Table Showing the Amount of Debtors

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	293	95	203	93	90	99	92	88	100	97	101	100
Below 5	14	4	13	6	1	1	11	10	3	3	0	0
5 & Above	2	1	2	1	0	0	2	2	0	0	0	0
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.9
Table Showing Post Office Savings

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	222	72	182	84	40	44	84	80	69	67	69	68
Below 2	24	8	18	8	6	7	5	5	5	5	14	14
2-4	29	9	13	6	16	18	10	9	15	14	4	4
4-6	16	5	2	1	14	15	2	2	10	10	4	4
6 & Above	18	6	3	1	15	16	4	4	4	4	10	10
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.10

Table Showing the Deposits in Indira Vikas Patra, Bhadratha etc

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	276	89	210	97	66	73	97	92	84	81	95	94
Below 5	15	5	5	2	10	11	6	6	8	8	1	1
5 & Above	18	6	3	1	15	16	2	2	11	11	5	5
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.11

Classification Based on the Investments in Shares, Bonds and Debentures

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	251	81	206	95	45	50	97	92	72	70	82	81
Below 5	10	3	6	3	4	4	1	1	8	8	1	1
5 - 10	15	5	3	1	12	13	2	2	9	9	4	4
10 and Above	33	11	3	1	30	33	5	5	14	13	14	14
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.12

Classification Based on Other Savings

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	284	92	212	97	72	79	100	95	94	91	90	89
Below 5	4	2	2	1	2	2	0	0	2	2	2	2
5 - 10	11	3	3	1	8	9	1	1	4	4	6	6
10 and Above	10	3	1	1	9	10	4	4	3	3	3	3
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.13

Nature of Savings & Investments (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
A21	45.32	58.51	34.68	49.55	55.27	41.66	41.88	56.27	32.86	45.29	63.13	32.15
A22	4.16	4.59	3.77	3.55	3.61	3.42	3.92	5.27	3.09	4.94	5.09	4.90
A23	8.07	10.45	6.01	8.58	10.54	5.83	7.56	11.88	5.47	8.11	9.91	6.36
A24	11.36	7.76	14.35	12.53	9.79	16.13	11.81	6.76	15.12	9.57	6.52	12.18
A25	8.79	9.50	8.18	10.61	10.32	11.42	9.76	10.25	9.44	5.93	7.95	4.43
A26	0.67	1.43	0.00	1.64	2.86	0.00	0.42	1.11	0.00	0.00	0.00	0.00
A27	5.70	2.53	8.29	3.89	0.00	4.77	5.84	2.08	8.12	7.18	2.05	11.06
A28	2.77	1.27	3.91	1.92	0.00	1.77	4.06	1.26	5.80	2.13	0.53	3.34
A29	9.35	2.46	15.11	4.23	6.25	8.52	11.11	5.12	14.80	12.22	1.61	19.95
A30	3.81	1.50	5.70	3.50	1.36	6.48	3.64	0.00	5.30	4.63	3.21	5.63
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100

A21 - P.F. A22 - Insurance A23 - Repayment of Loans A24 - Bank Savings

A25 - Clitis A26 - Debit. Loans & Advances A27 -Post Office Savings A28 - I/K/B

A29 - Shares A30 - Other Savings

Nature of Savings & Investments

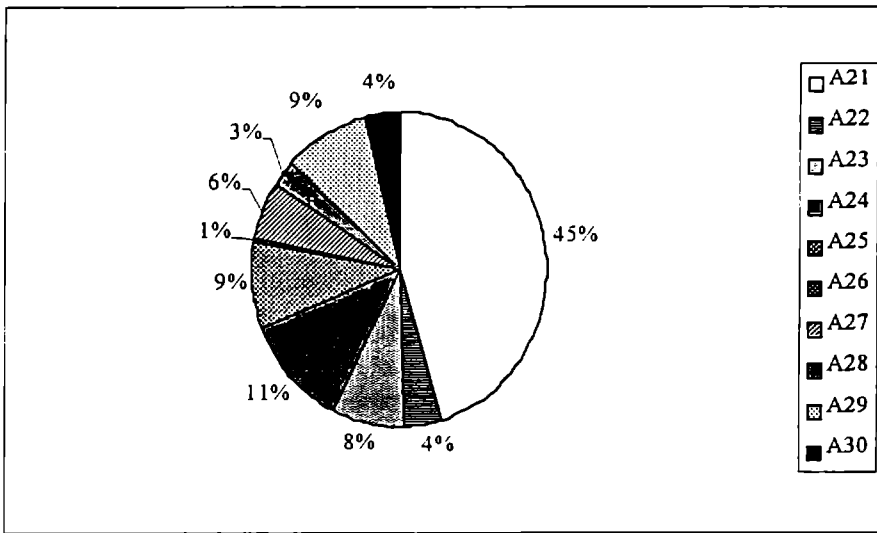


Fig. 8.1

Nature of Savings & Investments - A

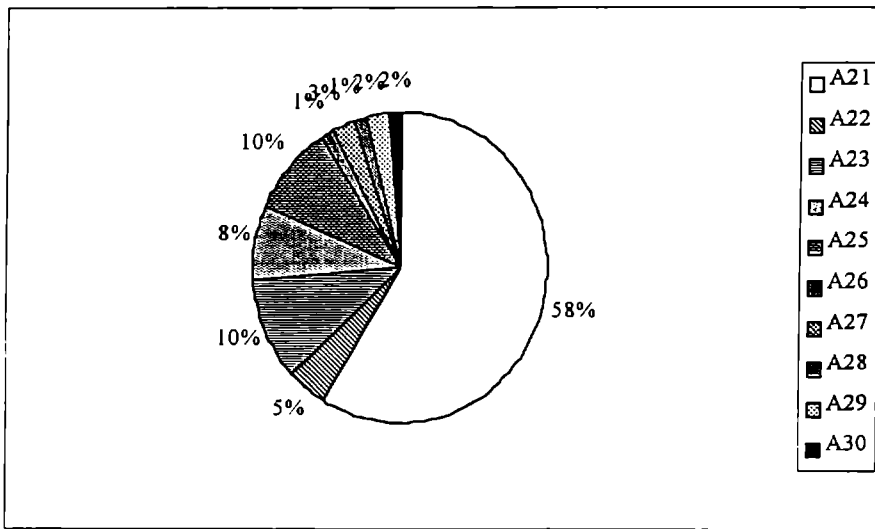


Fig. 8.2

Nature of Savings & Investments - B

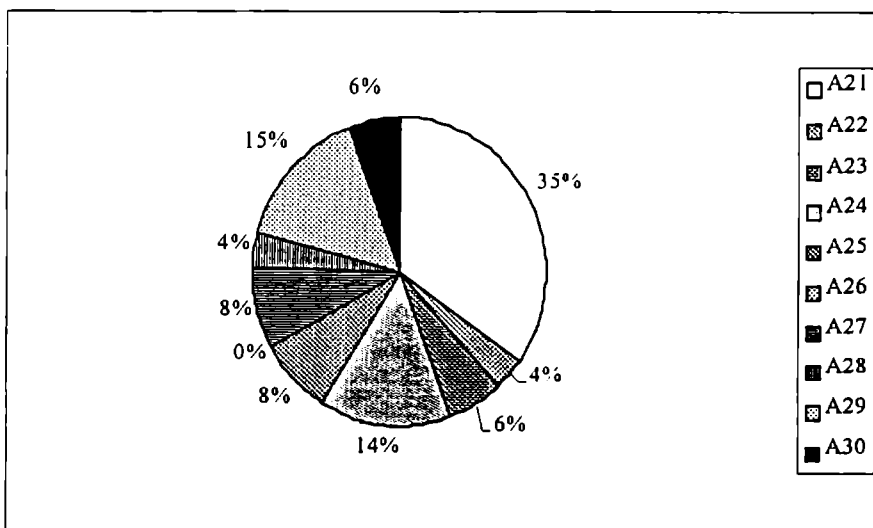


Fig. 8.3

Nature of Savings and Investments

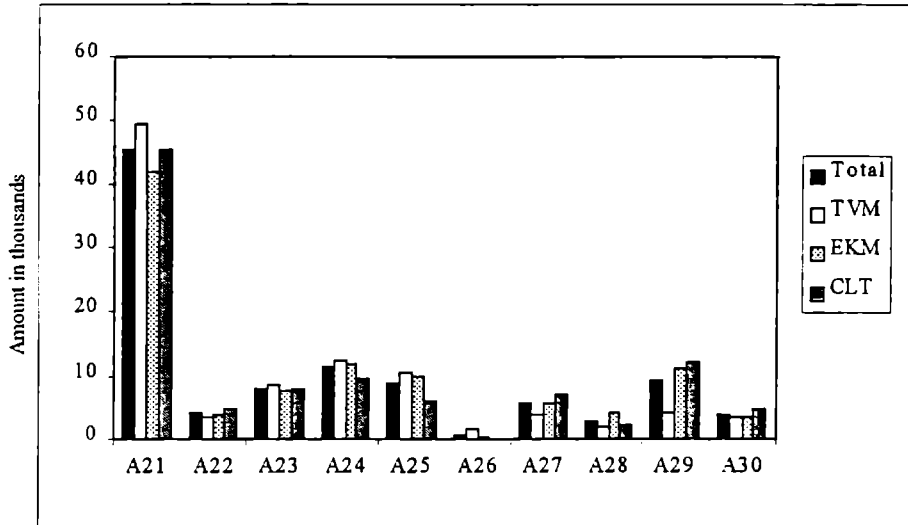


Fig. 8.4

- | | | |
|---------------------------|-----------------|---------------------------------|
| A21 - P.F. | A22 - Insurance | A23 - Repayment of Loans |
| A24 - Bank Savings | A25 - Chitties | A26 - Debtors, Loans & Advances |
| A27 - Post Office Savings | A28 - I/K/B | A29 - Shares |
| A30 - Other Savings | | |

Nature of Savings and Investments - Total and A & B

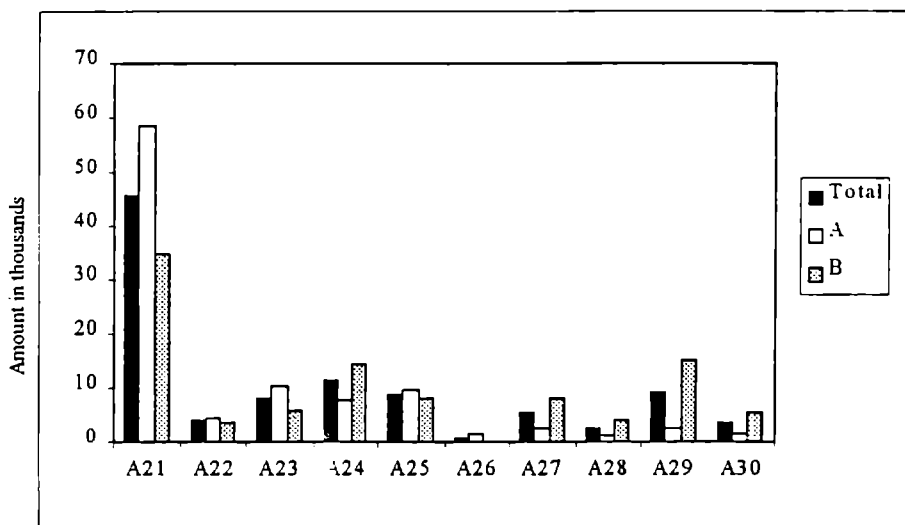


Fig. 8.5

Nature of Savings and Investments - TVM and A & B

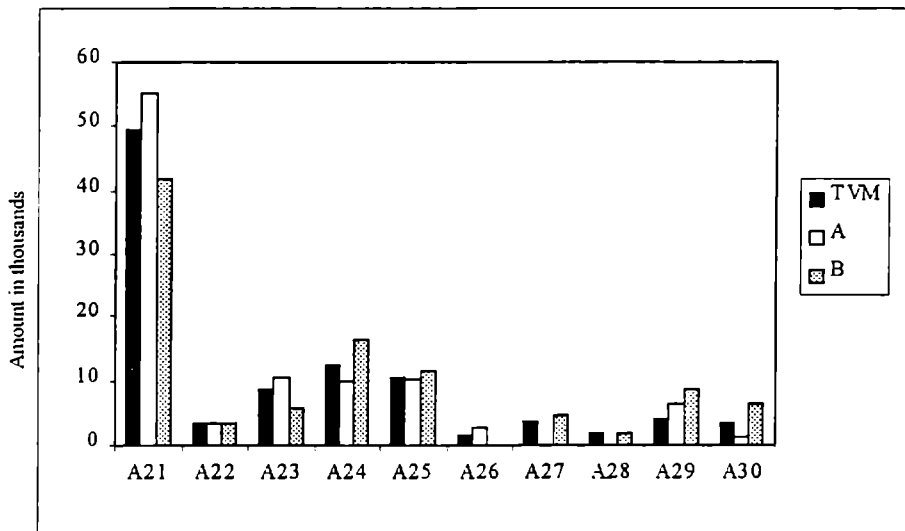


Fig. 8.6

Nature of Savings and Investments - EKM and A & B

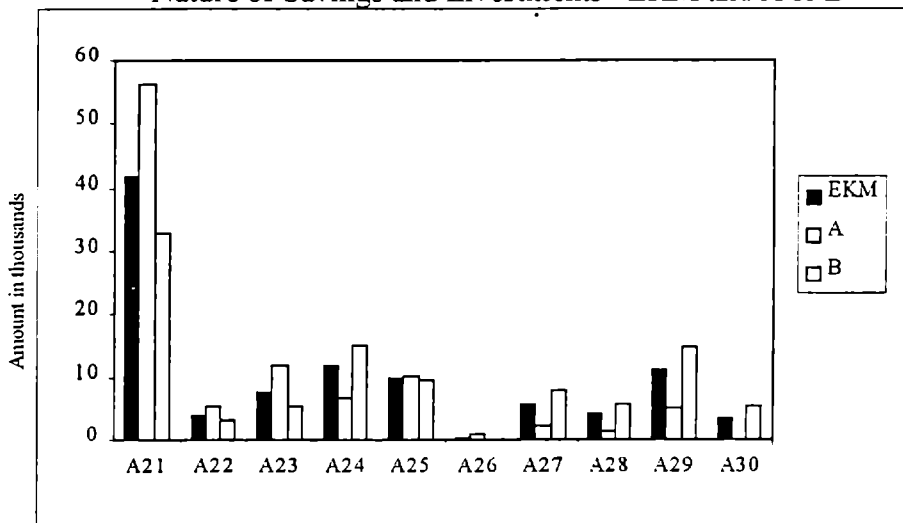


Fig. 8.7

Nature of Savings and Investments - CLT and A & B

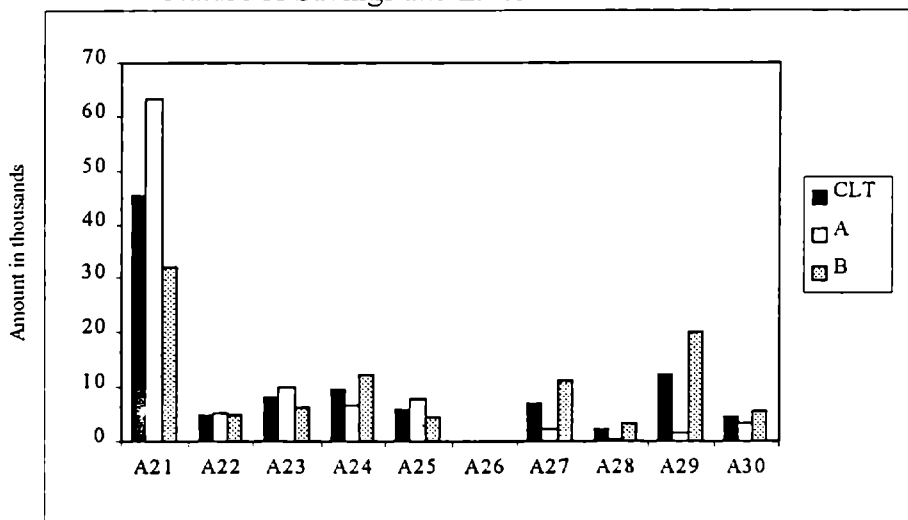


Fig. 8.8

Table 8.14
Classification Based on Total Current Liabilities

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	255	82	174	80	81	89	97	92	88	85	70	69
Below 5	10	3	10	4	0	0	1	1	5	5	4	4
5 - 10	24	8	19	9	5	5	6	6	5	5	13	13
10 and Above	20	7	15	7	5	6	1	1	5	5	14	14
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.15
Classification Based on the Amount of House Loans

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	194	63	141	65	53	58	63	60	66	64	65	64
Below 10	7	2	3	1	4	4	1	1	2	2	4	4
10 - 20	12	4	6	3	6	7	2	2	4	4	6	6
20 - 30	16	5	9	4	7	8	6	6	5	5	5	5
30 - 40	21	7	15	7	6	7	10	9	6	6	5	5
40 - 50	18	6	14	6	4	4	9	9	2	2	7	7
50 & Above	41	13	30	14	11	12	14	13	18	17	9	9
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.16
Classification Based on the Amount of Bank Loans

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	165	53	111	51	54	59	53	51	54	52	58	57
Below 10	20	7	12	6	8	9	2	2	11	11	7	7
10 - 20	43	14	29	13	14	15	17	16	13	13	13	13
20 - 30	33	11	28	13	5	6	11	10	13	12	9	9
30 - 40	23	7	16	7	7	8	11	10	8	8	4	4
40 & Above	25	8	22	10	3	3	11	11	4	4	10	10
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.17
Classification Based on Provident Fund Loan

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	149	48	110	51	39	43	74	70	40	39	35	34
Below 10	35	12	23	11	12	13	8	8	14	13	13	13
10 - 20	78	25	53	24	25	28	17	16	31	30	30	30
20 - 30	34	11	25	11	9	10	6	6	13	13	15	15
30 - 40	10	3	5	2	5	5	0	0	4	4	6	6
40 and Above	3	1	2	1	1	1	0	0	1	1	2	2
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.18
Classification Based on Loans from Relatives

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	231	75	164	75	67	74	96	91	64	62	71	70
Below 10	25	8	16	7	9	10	2	2	13	12	10	10
10 - 20	28	9	22	10	6	7	4	4	12	12	12	12
20 - 30	12	4	8	4	4	4	0	0	8	8	4	4
30 and Above	13	4	8	4	5	5	3	3	6	6	4	4
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.19
Classification Based on the Amount of Creditors

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	285	93	203	93	82	90	104	99	93	90	88	87
Below 5	10	3	7	3	3	3	1	1	3	3	6	6
5 - 10	8	2	6	3	2	2	0	0	3	3	5	5
10 & Above	6	2	2	1	4	5	0	0	4	4	2	2
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.20
Classification Based on Government Loans

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	299	97	212	97	87	96	104	99	101	98	94	93
Below 5	4	1	2	1	2	2	0	0	1	1	3	3
5 & Above	6	2	4	2	2	2	1	1	1	1	4	4
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.21
Classification Based on LIC and FD Loans

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	299	97	210	96	89	98	104	99	100	97	95	94
Below 5	3	1	2	1	1	1	0	0	1	1	2	2
5 - 10	4	1	4	2	0	0	1	1	1	1	2	2
10 & Above	3	1	2	1	1	1	0	0	1	1	2	2
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.22
Classification Based on Other Loans

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	308	99.68	217	99.54	91	100	105	100	103	100	100	99
5 - 10	1	0.32	1	0.46	0	0	0	0	0	0	1	1
Total	309	100	218	100	91	100	105	100	103	100	101	100

Note: Since the amounts are negligible they are adjusted upto two decimals.

* Rs. in thousands

Table 8.23
Classification Based on Total Liabilities

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	78	25	59	27	19	21	34	32	22	21	22	21
Below 20	49	16	30	14	19	21	9	9	18	17	22	22
20 - 40	67	22	46	21	21	23	25	24	21	20	21	21
40 - 60	34	11	23	11	11	12	13	12	15	15	6	6
60 - 80	27	9	18	8	9	10	10	9	7	7	10	10
80 - 100	10	3	7	3	3	3	5	5	3	3	2	2
100 & Above	44	14	35	16	9	10	9	9	17	17	18	18
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.24

Nature of Liabilities (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
A34	37.84	37.57	38.65	48.49	47.23	53.95	38.25	39.90	35.13	29.39	26.50	34.61
A35	30.42	32.02	26.40	37.68	39.80	28.64	22.89	24.36	20.06	31.32	31.17	31.68
A36	19.15	17.69	24.07	9.92	8.64	15.35	21.18	18.12	27.01	24.79	25.76	24.65
A37	9.28	9.65	7.97	3.30	3.57	2.06	13.83	14.23	13.53	9.72	11.64	5.32
A38	0.87	0.74	1.15	0.05	0.08	0.00	1.17	1.27	1.01	1.19	0.89	1.86
A39	1.21	1.19	1.18	0.39	0.47	0.00	0.85	0.00	2.52	2.34	2.88	0.41
A40	0.94	1.07	0.58	0.17	0.21	0.00	1.39	2.12	0.74	1.10	0.96	1.47
A41	0.29	0.07	0.00	0.00	0.00	0.00	0.44	0.00	0.00	0.15	0.20	0.00
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100

A34 - House Loan A35 - Bank Loan A36 - Pf Loan A37 - Loan from Relatives

A38 - Creditors A39 - Government Loan A40 - LIC Loan A41 - Other Liabilities

Table 8.25

Regression Analysis (A43-A44)

Region	Base	R ²	B	F	Significance
Total	General	.53812	.836147	357.67	.0000
	A	.54149	.852087	255.09	.0000
	B	.58276	.727888	124.30	.0000
Trivandrum	General	.01639	.253311	1.72	.1930
	A	.01859	.254342	1.50	.2248
	B	.00755	-.281366	0.17	.6865
Ernakulam	General	.01627	.162271	1.67	.1991
	A	.02946	.256555	1.85	.1786
	B	.00386	-.029099	0.15	.7034
Calicut	General	.75535	.932455	305.66	.0000
	A	.73904	.933815	203.90	.0000
	B	.89769	.903575	219.34	.0000

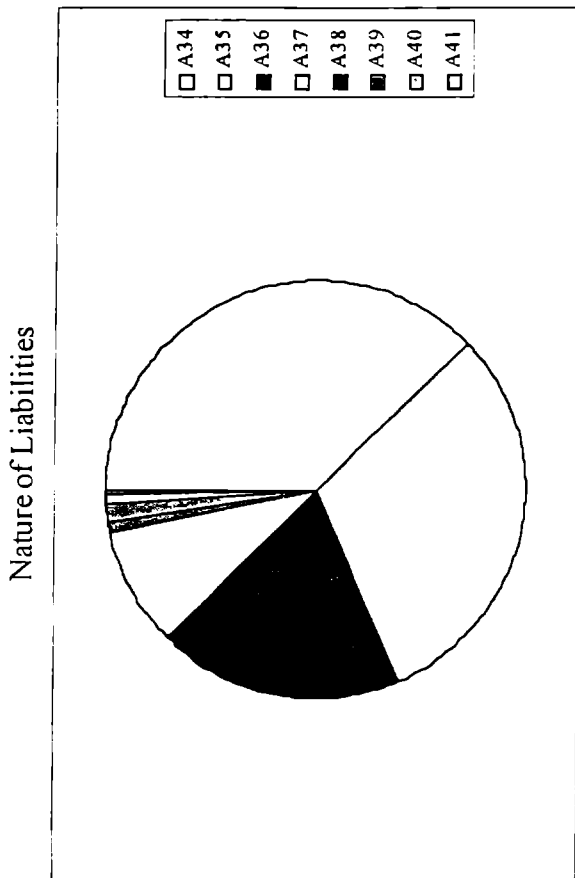


Fig. 8.9

Nature of Liabilities

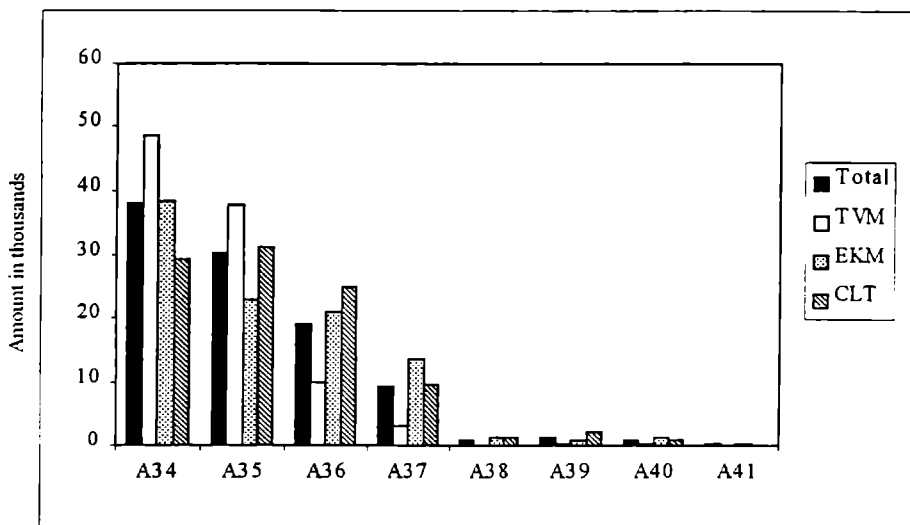


Fig. 8.10

A34 - House Loan A35 - Bank Loan A36 - PF Loan
 A37 - Loan from Relatives A38 - Creditors A39 - Government Loan
 A40 - LIC Loan A41 - Other Liabilities

Nature of Liabilities - Total and A & B

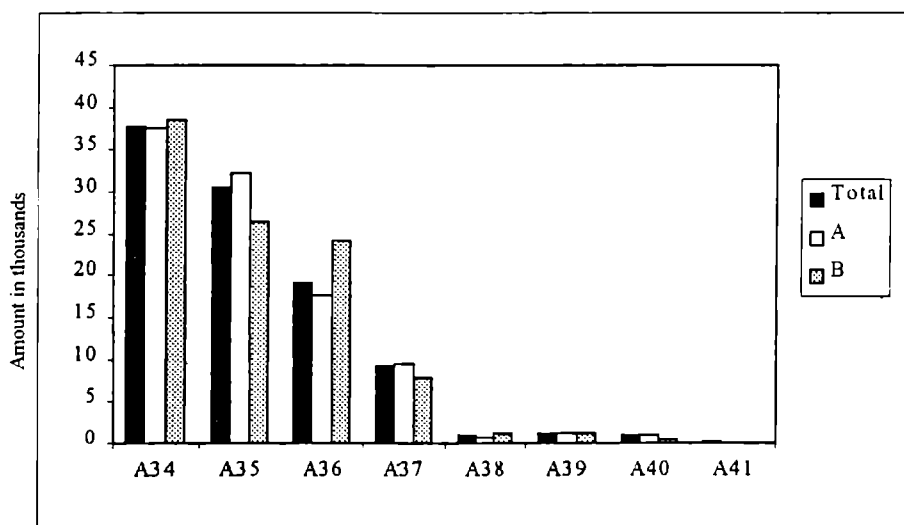


Fig. 8.11

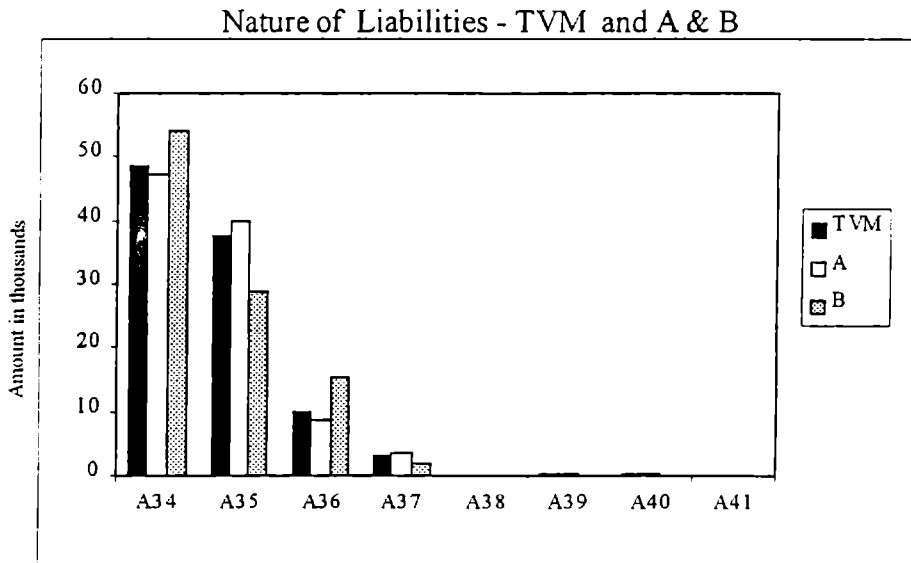


Fig. 8.12

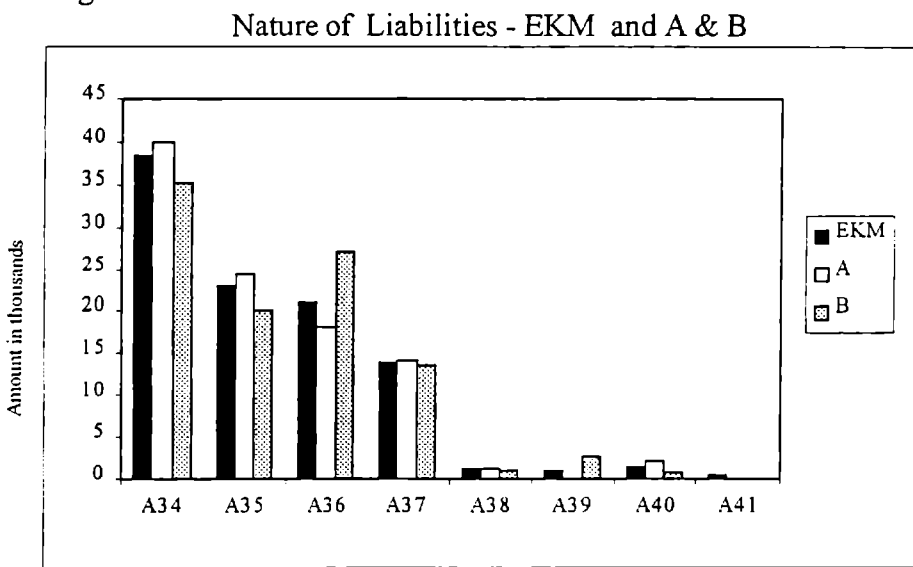


Fig. 8.13

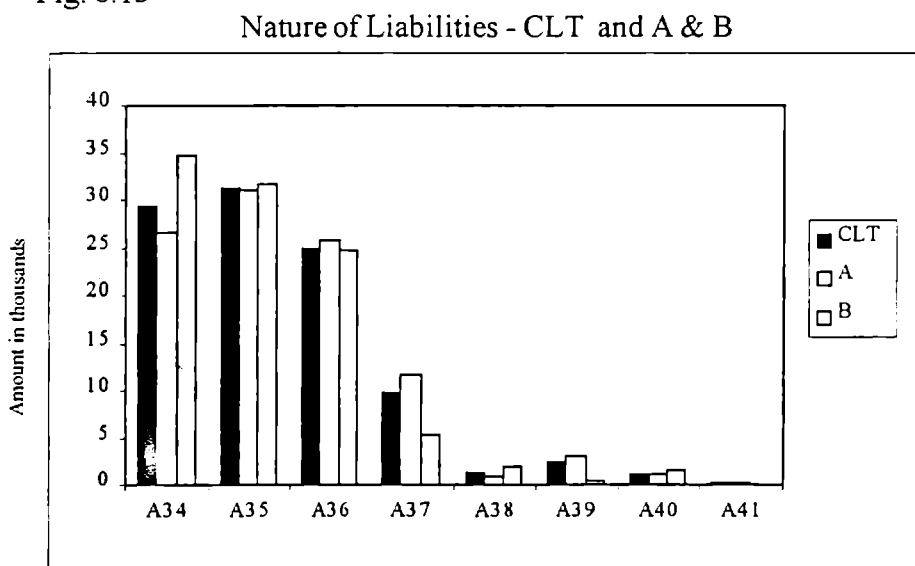


Fig. 8.14

Table 8.26

ANOVA - I					
A44/A48	V	Value	Mean	Sta. Value	Cases
	A48	Total	4.09	9.48	309
	A48	Trivandrum	3.89	6.15	105
	A48	Ernakulam	2.31	4.97	103
	A48	Calicut	6.10	14.31	101
STATISTICS					
Source	Sum of sq.	D.F.	Mean sq.	F	Sig.
Between Groups	741.02	2	370.51	4.2096	0.0157
Within Groups	26932.30	306	88.01		

A44 = Consumer Durables Purchased, A48 = Regions

Table 8.27

ANOVA - II					
A43/A48	V	Value	Mean	Sta. Value	Cases
	A48	Total	2.18	8.32	309
	A48	Trivandrum	0.70	3.11	105
	A48	Ernakulam	1.26	3.90	103
	A48	Calicut	4.67	13.34	101
STATISTICS					
Source	Sum of sq.	D.F.	Mean sq.	F	Sig.
Between Groups	941.93	2	470.96	7.0791	0.0010
Within Groups	20357.85	306	66.53		

A43 = Current Liabilities

Table 8.28

Table Showing the Total Value of Investments

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	43	14	39	18	5	6	16	15	10	10	17	17
Below 100	46	15	41	19	4	4	19	18	13	13	14	14
100 - 200	77	25	63	29	14	15	19	18	32	31	26	25
200 - 300	68	22	43	20	25	27	24	23	22	21	22	22
300 - 400	41	13	25	11	16	18	17	16	13	13	11	11
400 & Above	34	11	7	3	27	30	10	10	13	12	11	11
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.29
Classification Based on the Investment in Land

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	134	43	116	53	18	20	53	50	44	43	37	36
Below 50	53	17	44	20	9	10	7	7	16	16	30	30
50 - 100	55	18	34	16	21	23	22	21	18	17	15	15
100 - 150	13	4	4	2	9	10	5	5	6	6	2	2
150 - 200	17	6	9	4	8	9	8	8	4	4	5	5
200 & Above	37	12	11	5	26	28	10	9	15	14	12	12
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.30
Classification on the Basis of Investments in Building

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	117	38	91	42	26	28	46	44	37	36	34	33
Below 100	54	18	44	20	10	11	14	13	21	20	19	19
100 - 150	55	18	37	17	18	20	13	12	18	17	24	24
150 - 200	51	16	31	14	20	22	19	18	16	16	16	16
200 - 250	13	4	7	3	6	7	5	5	4	4	4	4
250 & Above	19	6	8	4	11	12	8	8	7	7	4	4
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

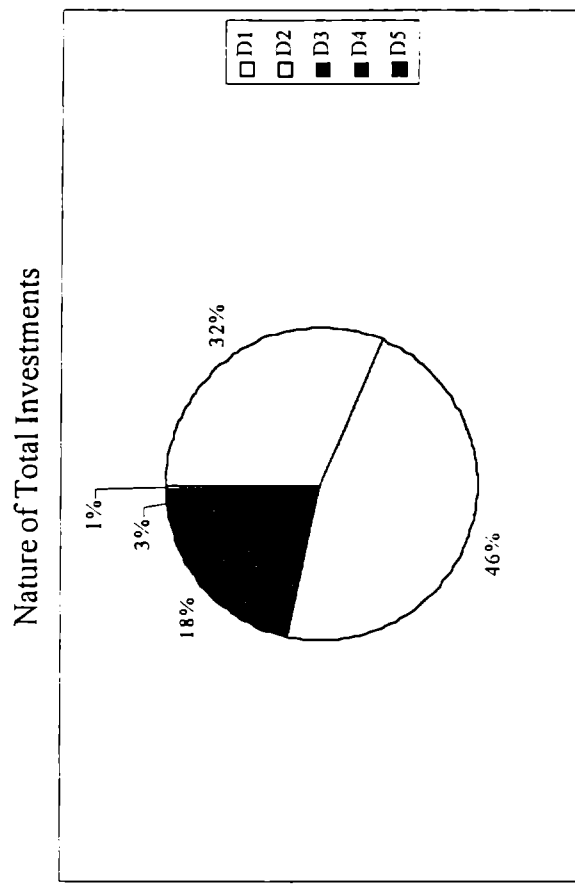


Fig. 8.15

Nature of Total Investments - TVM and A & B

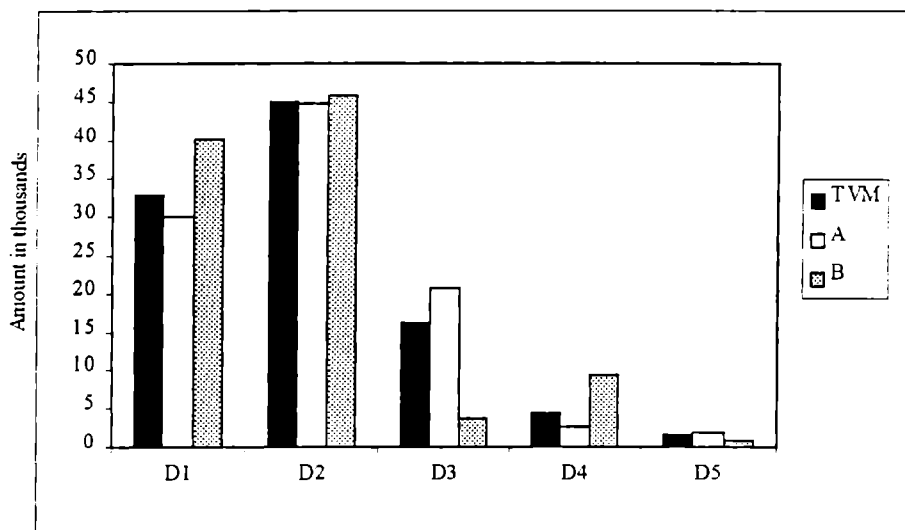


Fig. 8.18

Nature of Total Investments - EKM and A & B

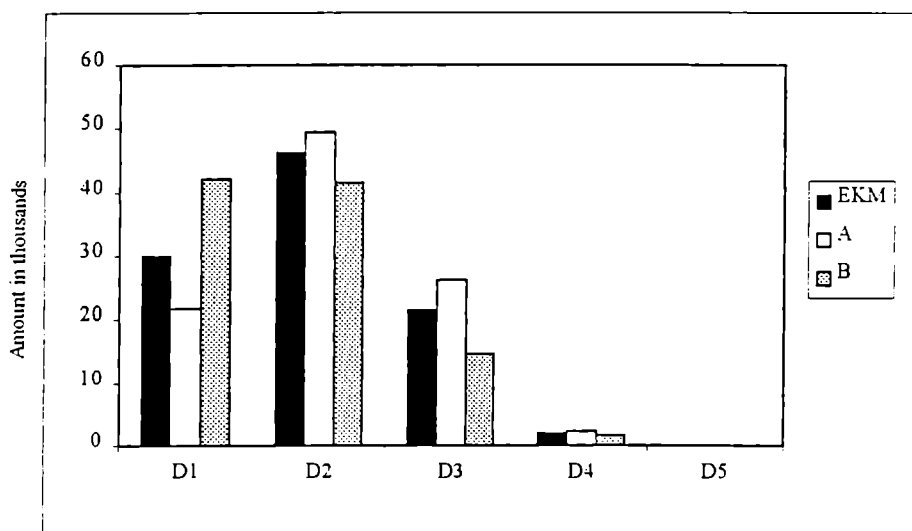


Fig. 8.19

Nature of Total Investments - CLT and A & B

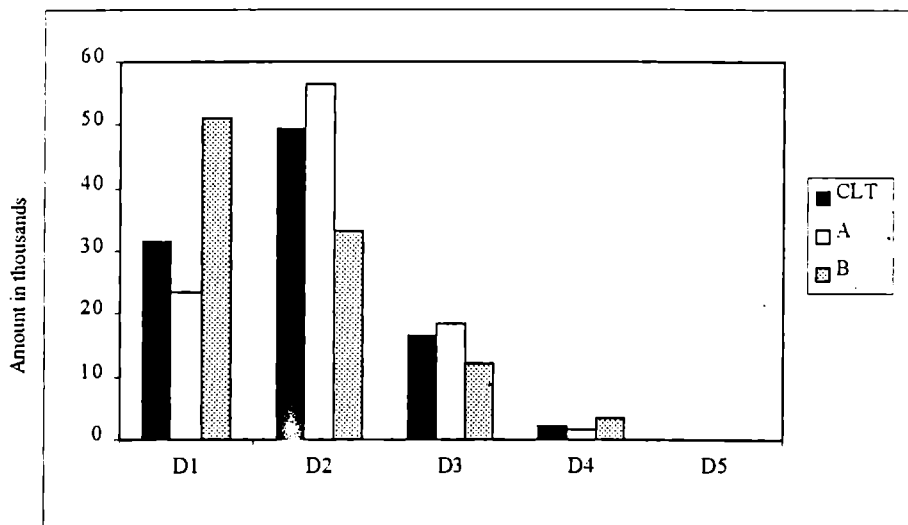


Fig. 8.20

Table 8.31
Nature of Houses Constructed

Nature	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Economic	146	47	85	39	61	67	38	36	53	51	55	54
Non-Economic	45	15	43	20	2	2	26	25	9	9	10	10
N.A	118	38	90	41	28	31	41	39	41	40	36	36
Total	309	100	218	100	91	100	105	100	103	100	101	100

Table 8.32
Distribution Based on Availing of House Loans

Particulars	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Availed	157	51	100	46	57	63	58	55	48	47	51	50
Not Availed	33	11	27	12	6	6	6	6	14	13	13	13
N.A	119	38	91	42	28	31	41	39	41	40	37	37
Total	309	100	218	100	91	100	105	100	103	100	101	100

Table 8.33
Table Showing the Nature of Houses to be Constructed

Nature	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Economic	48	15.54	40	18	8	9	25	24	10	10	13	13
Non-Economic	1	0.32	1	1	0	0	1	1	0	0	0	0
N.A	260	84.14	177	81	83	91	79	75	93	90	88	87
Total	309	100	218	100	91	100	105	100	103	100	101	100

Table 8.34

Table Showing the Availing of House Loans in Future

Particulars	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Will Avail	42	14	36	16	6	7	23	22	8	8	11	11
Will not Avail	8	2	6	3	2	2	3	3	2	2	3	3
N.A	259	84	176	81	83	91	79	75	93	90	87	86
Total	309	100	218	100	91	100	105	100	103	100	101	100

Table 8.35

Distribution on the Basis of Investments in Gold and Silver

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	165	53	129	59	36	40	76	72	38	37	51	50
Below 25	41	13	29	13	12	13	8	8	17	16	16	16
25-50	71	23	48	22	23	25	16	15	34	33	21	21
50 & Above	32	11	12	6	20	22	5	5	14	14	13	13
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.36

Distribution Based on the Investments in Business

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	289	94	210	96	79	87	98	93	97	94	94	93
Below 50	7	2	4	2	3	3	2	2	3	3	2	2
50 - 100	6	2	1	1	5	6	2	2	1	1	3	3
100 & Above	7	2	3	1	4	4	3	3	2	2	2	2
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.37
Distribution on the Basis of Value of Other Investments

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	292	94.5	210	96	82	90	100	95	96	93	96	95
Below 50	15	4.9	7	3	8	9	3	3	7	7	5	5
50 - 100	1	0.3	0	0	1	1	1	1	0	0	0	0
100 & Above	1	0.3	1	1	0	0	1	1	0	0	0	0
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.39
Table Showing the Total Value of Ancestral Properties

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	56	18	39	18	17	19	20	19	14	14	22	22
Below 100	67	22	49	22	18	20	23	22	19	18	25	24
100 - 200	64	21	45	21	19	21	29	28	19	19	16	16
200 - 300	50	16	35	16	15	16	11	10	21	20	18	18
300 - 400	34	11	22	10	12	13	11	10	18	17	5	5
400 & Above	38	12	28	13	10	11	11	11	12	12	15	15
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.40
Distribution Based on Value of Ancestral Land

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	136	44	94	43	42	46	55	52	39	38	42	41
Below 50	22	7	18	8	4	4	7	7	6	6	9	9
50 - 100	43	14	35	16	8	9	13	12	12	12	18	18
100 - 150	27	9	17	8	10	11	10	10	13	12	4	4
150 - 200	23	7	14	7	9	10	5	5	11	11	7	7
200 & Above	58	19	40	18	18	20	15	14	22	21	21	21
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.41
Classification Based on Value of Ancestral Buildings

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	230	75	161	74	69	76	81	77	72	70	77	76
Below 100	56	18	42	19	14	15	19	18	19	18	18	18
100 - 200	16	5	10	5	6	7	3	3	8	8	5	5
200 & Above	7	2	5	2	2	2	2	2	4	4	1	1
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.42
Distribution Based on Value of Ancestral Gold and Silver

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	96	31	71	32	25	27	36	34	30	29	30	30
Below 25	29	9	21	10	8	9	4	4	9	9	16	16
25 - 50	86	28	58	27	28	31	22	21	32	31	32	31
50 - 75	45	15	34	15	11	12	17	16	14	13	14	14
75 - 100	25	8	15	7	10	11	11	11	9	9	5	5
100 & Above	28	9	19	9	9	10	15	14	9	9	4	4
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.43
Classification Based on Value of Ancestral Consumer Durables

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	278	90	200	92	78	86	100	95	85	82	93	92
Below 10	13	4	6	3	7	8	0	0	9	9	4	4
10 - 20	10	3	8	3	2	2	2	2	7	7	1	1
20 & Above	8	3	4	2	4	4	3	3	2	2	3	3
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.44
Nature of Ancestral Properties (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
DD1	46.18	46.92	44.42	36.93	38.10	32.60	49.60	52.11	46.22	52.37	52.46	52.10
DD2	12.41	12.90	11.26	11.09	10.87	11.90	15.04	16.61	12.93	10.95	12.07	7.40
DD3	39.25	38.15	41.87	48.64	48.63	48.65	34.34	30.22	39.91	34.55	33.05	39.28
DD4	0.70	0.42	1.35	1.80	0.80	5.56	0.00	0.00	0.00	0.27	0.36	0.00
DD5	1.06	1.05	1.10	0.36	0.11	1.29	1.02	1.06	0.94	1.86	2.06	1.22
DD6	0.40	0.56	0.00	1.18	1.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

DD1 - Land DD2 - Buildings DD3 - Gold & Silver

DD4 - Business and Vehicle DD5 - Consumer Durables DD6 - Others

Nature of Ancestral Properties

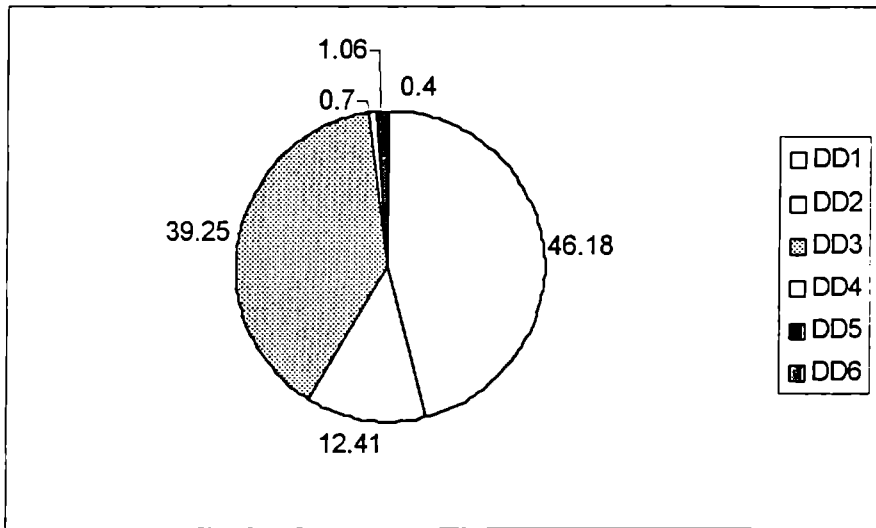


Fig. 8.21

Nature of Consumer Durables

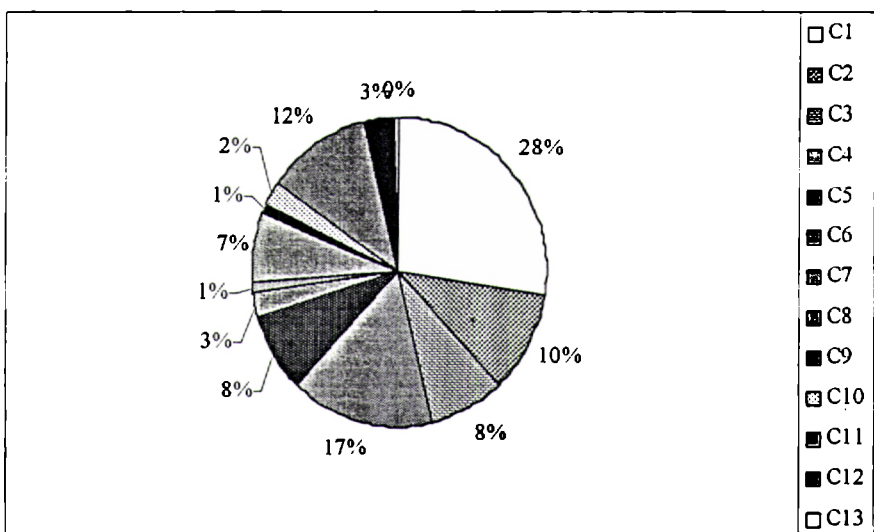


Fig. 8.22

Nature of Ancestral Properties

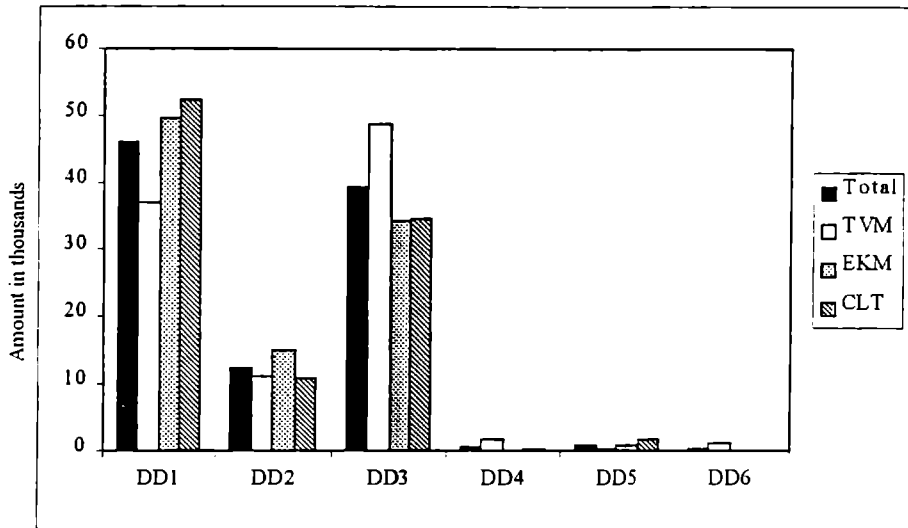


Fig. 8.23

DD1 - Land

DD2 - Buildings

DD3 - Gold & Silver

DD4 - Business and Vehicle

DD5 - Consumer Durables

DD6 - Others

Nature of Ancestral Properties - Total and A & B

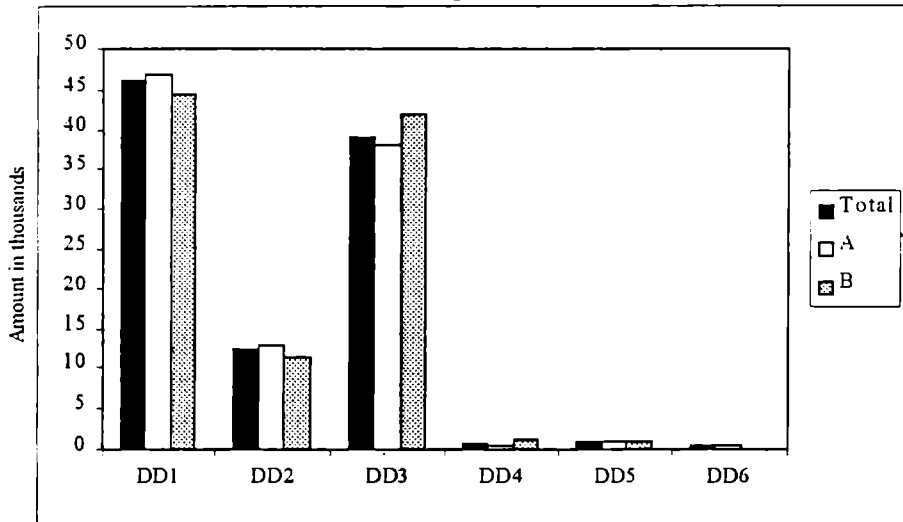


Fig. 8.24

Nature of Ancestral Properties - TVM and A & B

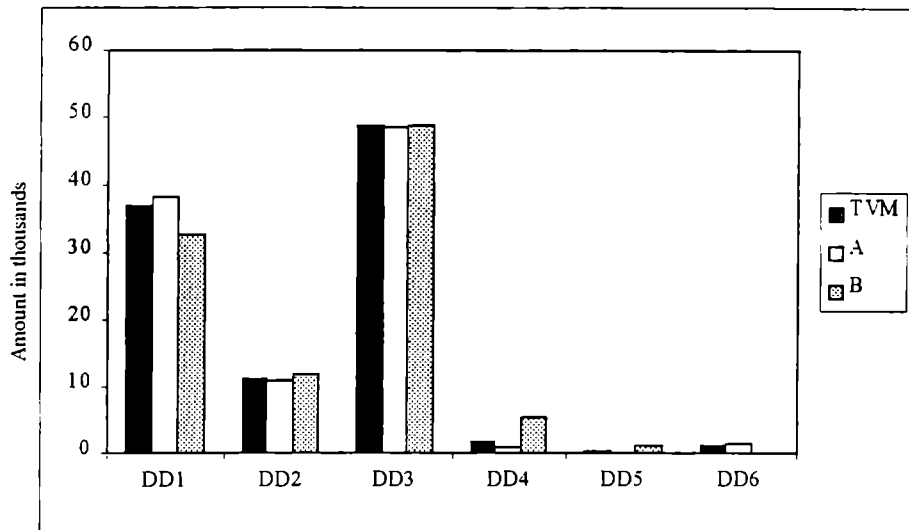


Fig. 8.25

Nature of Ancestral Properties - EKM and A & B

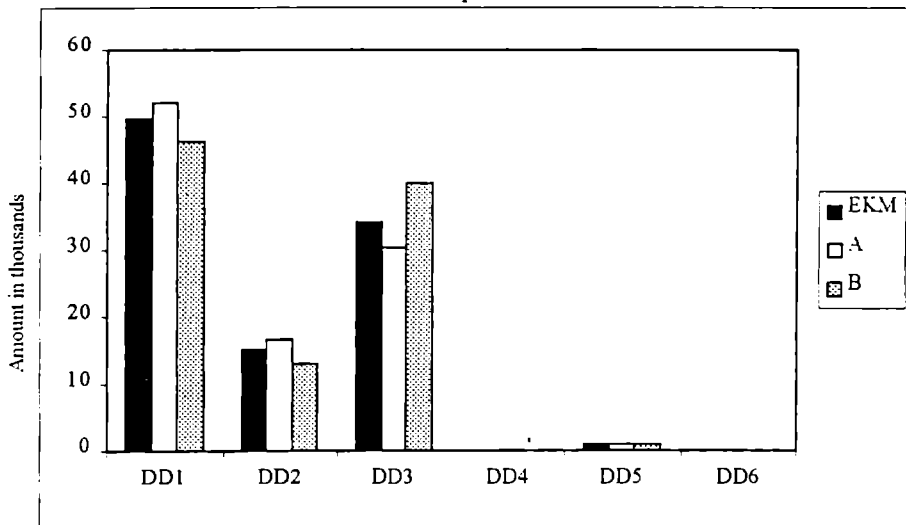


Fig. 8.26

Nature of Ancestral Properties - CLT and A & B

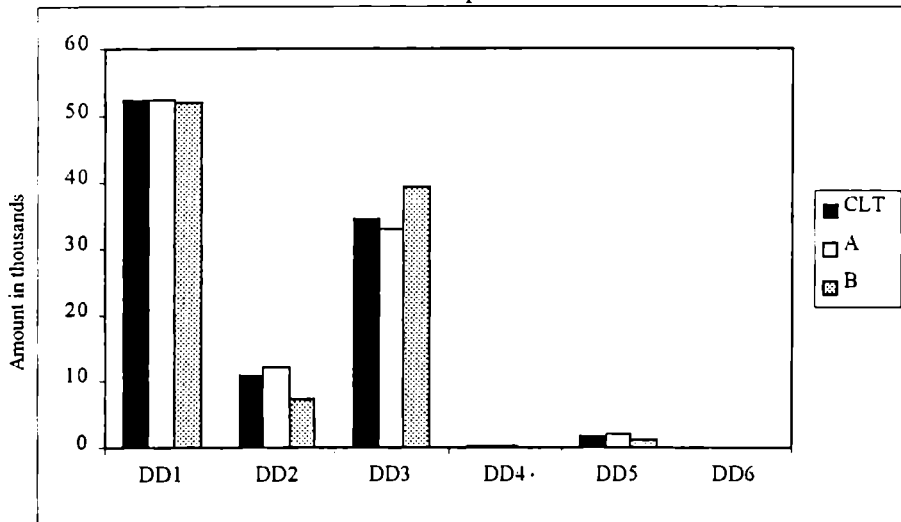


Fig. 8.27

Table 8.45
Table Showing the Total Value of Consumer Durables

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 50	70	23	50	23	20	22	18	17	14	14	38	38
50 - 100	175	56	124	57	51	56	71	68	64	62	40	39
100 & Above	64	21	44	20	20	22	16	15	25	24	23	23
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.46
Table Showing the Amount of Consumer Durables Purchased During the Year

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	199	64	120	55	79	87	69	66	80	77	50	49
Below 5	19	6	16	7	3	3	1	1	2	2	16	16
5 - 10	36	12	33	15	3	3	11	10	10	10	15	15
10 - 15	28	9	26	12	2	2	13	13	5	5	10	10
15 & Above	27	9	23	11	4	5	11	10	6	6	10	10
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.47
Distribution Based on Value of Furniture

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	4	1	2	1	2	2	1	1	2	2	1	1
Below 5	4	1	2	1	2	2	0	0	1	1	3	3
5 - 10	57	18	38	17	19	21	19	18	13	13	25	25
10 - 15	80	26	56	26	24	26	21	20	24	23	35	34
15 - 20	60	20	43	20	17	19	19	18	20	19	21	21
20 & Above	104	34	77	35	27	30	45	43	43	42	16	16
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.48
Distribution Based on Value of Two wheelers

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	170	55	120	55	50	55	50	47	61	59	59	58
Below 10	11	3	8	4	3	3	4	4	4	4	3	3
10 - 20	107	35	74	34	33	36	44	42	32	31	31	31
20 & Above	21	7	16	7	5	6	7	7	6	6	8	8
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.49
Distribution Based on Value of Motor Cars

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	257	83	183	84	74	82	91	86	85	82	81	80
Below 50	9	3	5	2	4	4	3	3	4	4	2	2
50 - 100	31	10	21	10	10	11	7	7	13	13	11	11
100 & Above	12	4	9	4	3	3	4	4	1	1	7	7
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.50
Distribution on the Basis of Value of T.V. Set

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	25	8	17	8	8	9	7	7	7	7	11	11
Below 5	8	3	5	2	3	3	2	2	2	2	4	4
5 - 10	77	25	59	27	18	20	34	32	17	16	26	26
10 - 15	194	63	132	61	62	68	60	57	76	74	58	57
15 & Above	5	1	5	2	0	0	2	2	1	1	2	2
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.51
Classification Based on Value of Fridge

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	68	22	52	24	16	18	14	13	26	25	28	28
Below 10	239	77	165	75	74	81	90	86	77	75	72	71
10 & Above	2	1	1	1	1	1	1	1	0	0	1	1
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.52
Distribution Based on Value of Mixer

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	31	10	21	10	10	11	14	13	10	10	7	7
Below 1	28	9	22	10	6	7	12	12	11	11	5	5
1 - 1.50	125	41	80	37	45	49	36	34	45	43	44	43
1.50 & Above	125	40	95	43	30	33	43	41	37	36	45	45
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.53
Classification Based on Value of the Grinder

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	211	68	151	69	60	66	77	73	65	63	69	68
Below 2	23	7	17	8	6	7	5	5	11	11	7	7
2-5	73	24	49	22	24	26	22	21	26	25	25	25
5 & Above	2	1	1	1	1	1	1	1	1	1	0	0
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.54
Distribution Based on the Value of Radio, Watch, Fan etc

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	8	3	4	2	4	5	4	4	4	4	0	0
Below 1	9	3	6	3	3	3	1	1	3	3	5	5
1-2	180	58	128	59	52	57	60	57	58	56	62	61
2-5	109	35	78	35	31	34	40	38	38	37	31	31
5 & Above	3	1	2	1	1	1	0	0	0	0	3	3
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.55
Distribution Based on the Value of Sewing Machine

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	216	70	161	74	55	60	86	82	66	64	64	63
Below 1	6	2	5	2	1	1	2	2	3	3	1	1
1 - 2	33	11	16	7	17	19	6	6	16	16	11	11
2 & Above	54	17	36	17	18	20	11	10	18	17	25	25
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.56
Distribution Based on the Value of Electricals and Decoratives

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	48	16	36	17	12	13	20	19	11	11	17	17
Below 1	50	16	31	14	19	21	18	17	12	12	20	20
1 - 2	147	48	105	48	42	46	45	43	57	55	45	44
2 - 5	57	18	41	19	16	18	19	18	20	19	18	18
5 & Above	7	2	5	2	2	2	3	3	3	3	1	1
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.57
Distribution Based on the Value of Tools and Equipments

Range*	General		A		B		Trivandrum		Ernakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	7	2	5	2	2	2	3	3	2	2	2	2
Below 5	61	20	35	16	26	29	11	11	22	21	28	28
5 - 10	180	58	133	61	47	52	76	72	47	46	57	56
10 - 20	59	19	43	20	16	17	13	12	32	31	14	14
20 & Above	2	1	2	1	0	0	2	2	0	0	0	0
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.58
Classification Based on Value of Camera, Washing Machine, VCR etc

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	199	65	147	67	52	57	79	75	62	60	58	57
Below 5	35	11	18	8	17	19	6	6	17	16	12	12
5 -10	37	12	24	11	13	14	12	11	13	13	12	12
10 - 20	25	8	21	10	4	4	6	6	5	5	14	14
20 & Above	13	4	8	4	5	6	2	2	6	6	5	5
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.59
Classification Based on Value of Other Consumer Durables

Range*	General		A		B		Trivandrum		Emakulam		Calicut	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0	284	91	200	92	84	92	99	94	96	93	89	88
Below 1	5	2	3	1	2	2	0	0	2	2	3	3
1 - 2	18	6	13	6	5	6	6	6	5	5	7	7
2 & Above	2	1	2	1	0	0	0	0	0	0	2	2
Total	309	100	218	100	91	100	105	100	103	100	101	100

* Rs. in thousands

Table 8.60
Nature of Consumer Durables (In percentage)

Code No.	Total	A	B	TVM	A	B	EKM	A	B	CLT	A	B
C1	27.46	28.20	25.67	29.54	29.89	28.35	28.18	29.75	25.71	24.55	25.03	23.23
C2	10.49	10.62	10.16	12.61	13.80	8.58	8.46	7.90	9.34	10.35	9.46	12.80
C3	8.23	7.78	9.30	6.31	6.88	4.42	8.21	7.10	9.95	10.24	9.34	12.69
C4	15.74	15.73	15.77	15.67	15.60	15.88	16.16	16.18	16.13	15.40	15.49	15.13
C5	8.30	7.92	9.23	9.15	8.49	11.38	7.89	6.98	9.34	7.84	8.08	7.17
C6	2.60	2.63	2.52	2.38	2.14	3.19	2.61	3.05	1.92	2.80	2.82	2.80
C7	1.13	1.07	1.29	1.03	0.90	1.48	1.26	1.20	1.33	1.12	1.14	1.05
C8	7.29	7.30	7.26	7.00	6.66	8.12	7.37	7.66	6.92	7.50	7.68	7.00
C9	1.09	0.98	1.36	0.68	0.64	0.84	1.13	0.76	1.71	1.49	1.55	1.32
C10	2.32	2.27	2.44	2.27	2.25	2.35	2.54	2.42	2.73	2.14	2.16	2.08
C11	11.83	11.99	11.45	11.05	10.85	11.74	12.55	13.59	10.91	11.90	11.88	11.96
C12	3.30	3.28	3.36	2.15	1.75	3.45	3.50	3.26	3.89	4.30	4.97	2.50
C13	0.22	0.23	0.19	0.16	0.15	0.22	0.14	0.15	0.12	0.37	0.40	0.27
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100

C1 - Furniture

C2 - Two Wheelers

C3 - Car

C4 - TV

C5 - Fridge

C6 - Mixie

C7 - Grinder

C8 - Radio, Watch, Fan etc.

C9 - Sewing Machine

C10 - Electricals & Decoratives

C11 - Tools & Equipments

C12 - Camera, Washing Machine, VCR etc.

C13 - Other Items.

Nature of Consumer Durables

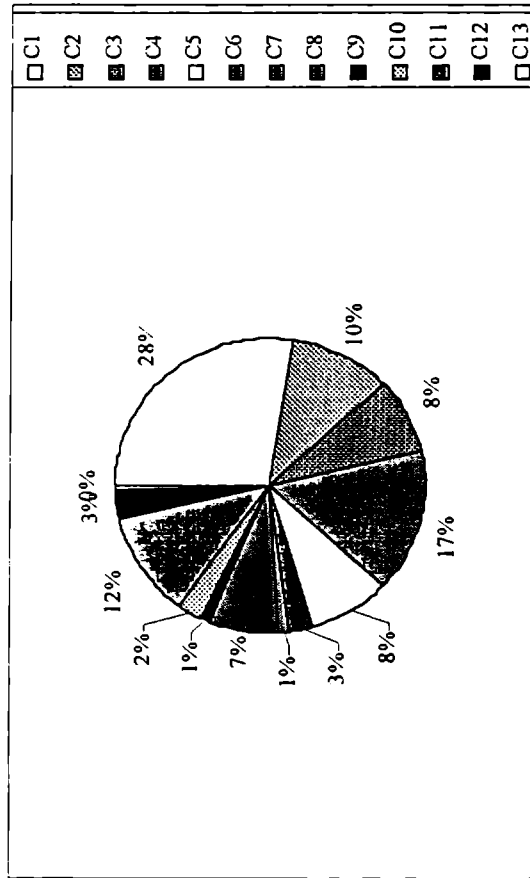


Fig. 8.22

Nature of Consumer Durables

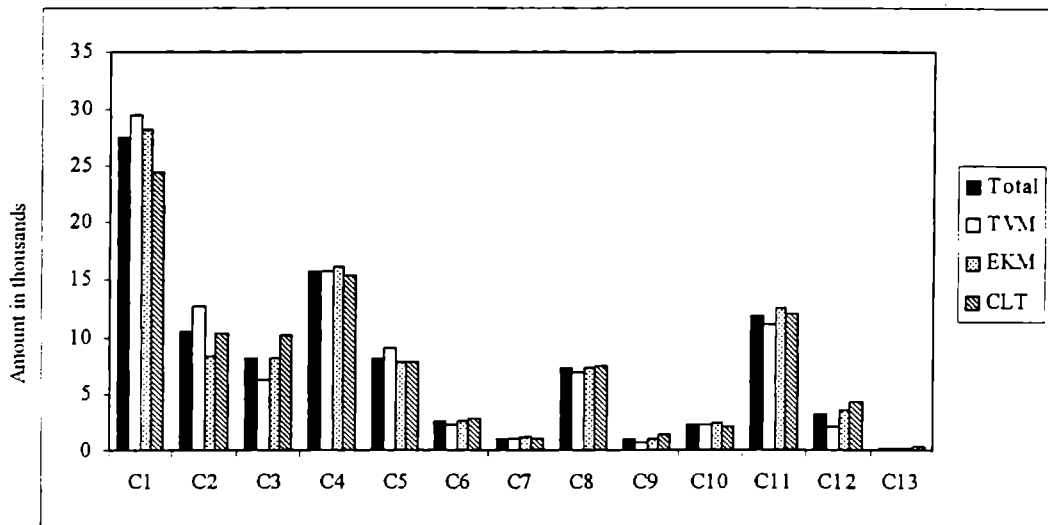


Fig. 8.29

- C1 - Furniture C2 - Two Wheelers C3 - Car C4 - TV
- C5 - Fridge C6 - Mixer C7 - Grinder C8 - Radio, Watch, Fan etc.
- C9 - Sewing Machine C10 - Electricals & Decoratives C11 - Tools & Equipments
- C12 - Camera, Washing Machine, VCR etc. C13-Other Items.

Nature of Consumer Durables - Total and A & B

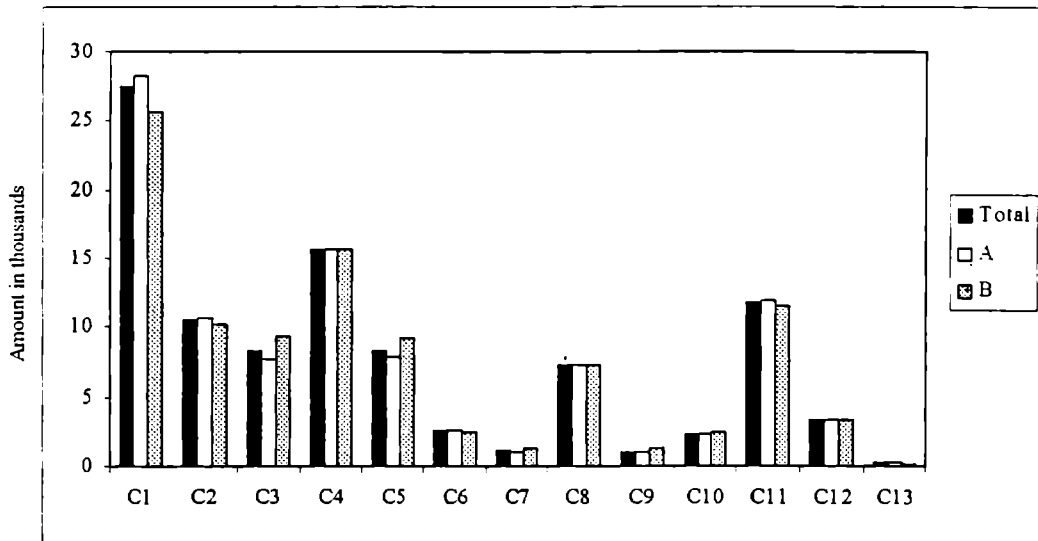


Fig. 8.30

Nature of Consumer Durables - TVM and A & B

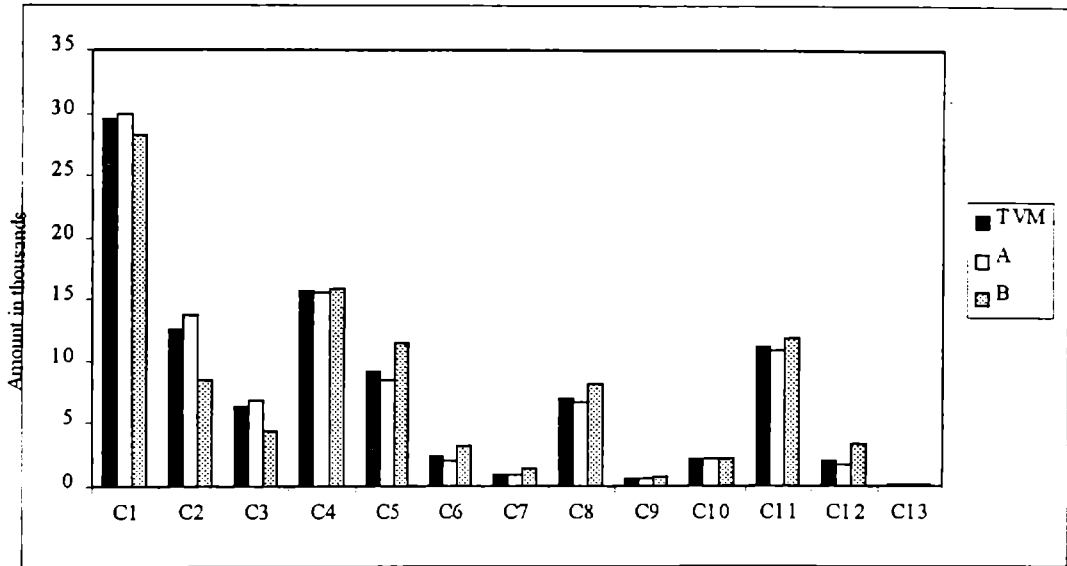


Fig. 8.31

Nature of Consumer Durables - EKM and A & B

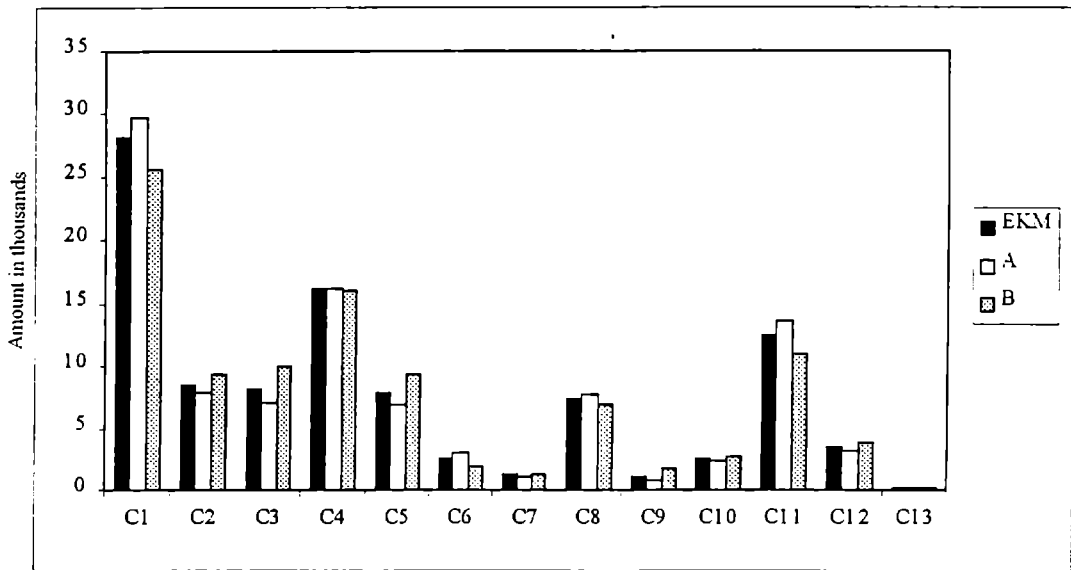


Fig. 8.32

Nature of Consumer Durables - CLT and A & B

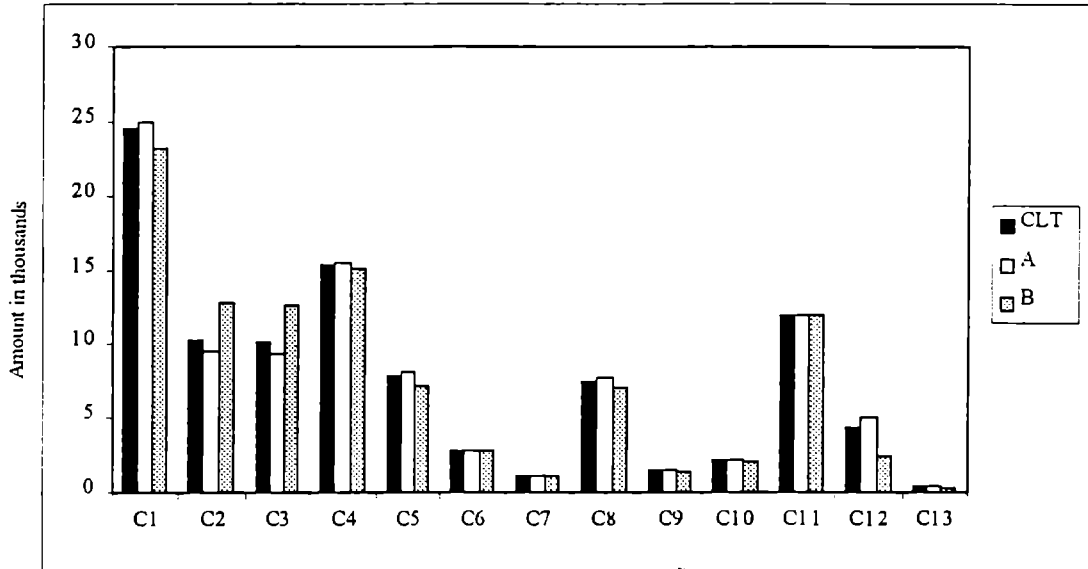


Fig. 8.33

CHAPTER - IX

MAJOR CONCLUSIONS AND RECOMMENDATIONS

- 9 1 Conclusions
 - 9 1.1. Personal Data
 - 9 1.2. Personal Financial Planning
 - 9.1.3. Income
 - 9.1.4. Expenditure
 - 9.1.5. Savings and Investments
 - 9.1.6. Liabilities
 - 9 1 7 Total Investments
 - 9.1.8. Ancestral Properties
 - 9.1.9 Consumer Durables
- 9.2. Recommendations.

Chapter IX

MAJOR CONCLUSIONS AND RECOMMENDATIONS

This study leads to the following conclusions

Personal Data

1. Majority of the respondents are Males (76%). In Calicut 80% are males compared to the 73% in Trivandrum and 74% in Ernakulam.
2. Majority of the officers belong to the age group of 51-55 except in Trivandrum where it is 46-50.
3. A major group of 49 per cent of the spouses of the respondents come under the age group of 36-45.
4. Majority of the officers are Hindus.
5. Most of the officers belong to the same region where they are working.
6. A major group of the officers are graduates.
7. Major group of the spouses of the respondents are graduates.

8. Majority of the gazetted officers (52%) have a service experience of 26 years and Above.
9. The average population of the respondent's families were 4.
10. Majority of the respondents have 2 children each.
11. Most of the families have one male and 1 Female child each.
12. Most of the respondents had 2 school going children each.
13. Only 3 per cent of the educated children of the officers were employed and 97 per cent were not employed.
14. Most of the respondent's families have one educated unemployed person each.
15. The major group (44%) of educated unemployed were graduates.
16. Fifty Seven per cent of the spouses of the respondents were employed.

Personal Financial Planning

1. Most of the gazetted officers considered financial freedom important.

2. Majority (60%) of the officers were not clear about their short term financial objectives.
3. Sixty Seven per cent of the employees were not clear about their long-term financial objectives.
4. Fifty Five per cent of the officers used to prepare family budgets.
5. Sixty Three per cent of the respondents do not maintain financial accounts.
6. Fifty Three per cent of the employees have financial planning for non-recurring expenses.
7. Only 26% of the interviewed make use of credit facilities.
8. Majority of the officers have a priority based spending plan.
9. Only 27% of the employees are thinking of increasing income and decreasing expenditure.
10. Thirty nine per cent of the respondents save regularly.
11. Forty nine per cent read advertisements relating to savings schemes.

12. Forty three per cent have a savings plan to meet contingencies.
13. Forty one per cent have ancestral savings.
14. Half of the officers have their present financial position better than that of their ancestral period.
15. While 46% of them invested their major share of savings in building, 8% spent their savings for their daughter's marriage.
16. Only 19% of the employees have enough savings for the financial security of their family.
17. Thirty three per cent of them have an investment plan.
18. Only 38% of the employees are aware of various insurance schemes.
19. Thirty per cent of the officers have tax planning.
20. Only 34% of them have a retirement plan and 25% have estate plan.
21. Forty per cent are of the view that rich people are happier than poor people.

22. Ninety four per cent agree that there is relationship between financial security and happiness of the family.
23. Everybody agrees that proper financial planning can improve financial status.
24. Only 35% of the employees are satisfied with the present income.
25. Thirty two per cent of them have a definite financial plan.
26. Twenty Nine per cent have financial security.
27. Thirty four per cent have enough time to look after their childrens' education.
28. Thirty three per cent evaluate expenditure periodically.
29. Prestige and social status influence the expenditure pattern of 68%.
30. Friends and relatives influence the family financial decisions of 63%.
31. Thirty eight per cent of the officers' children are undergoing private tuition.
32. Seventy one per cent are in favour of reducing expenditure on social obligations.
33. Eighty four per cent of the officers intend to plan the finance properly.

34. Twenty nine per cent of officers have surplus budget; 9% have a deficit budget and 17% have no balance.
35. Only 21% of the officers involve all members in family financial decisions.
36. Fifty per cent buy goods on Cash, 13% on Credit and 37% on both basis.
37. Majority of the employees purchase goods as and when required.
38. Only 31% of them purchased consumer durables after proper planning.
39. Utility is the major criterion of buying consumer durables.
40. Most of the employees save the residue after expenditure, except, provident fund contribution.
41. A major group of them considered convenience as the major criterion of investment.
42. In general most of the gazetted officers in Kerala are having some kind of financial plan. But only 29.4% had a systematic personal financial planning.
43. More officers of Ernakulam had systematic planning than those of Trivandrum and Calicut.

44. Majority of the gazetted officers (70.6%) were not resort to proper personal financial planning.

Income

1. Majority of the gazetted officers had an average total income of Rs. 60000 to Rs. 80000 and persons with personal financial planning had a higher income than that of others.
2. Majority of the respondents had an annual average salary income of Rs. 30000 to 40000. Persons with financial planning had a higher salary income compared to that of persons without financial planning.
3. A major group of the spouses of the respondents had a salary income of Rs. 20000 to Rs. 40000 annually. Spouses of the respondents with personal financial planning had more income than those of others. A higher portion of the respondents with personal financial planning were working than that of the respondents without planning.
4. Most of the employees received an amount of more than Rs. 10000 as contribution from other members of the family except those of Ernakulam. B group (persons with personal financial planning) received greater income compared to group A (persons without personal financial planning). While 27% of officers from Calicut

availed themselves of such a benefit, only 15% in Trivandrum, and 14% in Ernakulam availed themselves of the same.

5. Most of the employees had an agricultural income of greater than Rs. 7000. Comparatively Calicut was the major beneficiary in the field. B category had greater agricultural income than A.
6. A major group of persons had income from business and profession amounting to below Rs. 25000. Employees from Calicut and group B had better income in this field.
7. The major group of employees had income from investments between Rs. 5000 and Rs. 10000. Comparatively, employees from Ernakulam benefited more in this field. While 44% of group B had income from investments, only 3% of group A could benefit in this area. Group B also benefitted more in this field.
8. Income from other items were not found among the employees.
9. There is significant relationship between income and expenditure and between income and savings and investments.
10. Salary is the major source of income.

11. There is significant difference in the income, expenditure II and savings and investments between group of persons with and without personal financial planning.

Expenditure

1. Majority of the Respondents had a total expenditure of Rs. 30000 to Rs. 50000 in an year. Employees of group B and Ernakulam spent lesser amount than group A.
2. Most of the employees spent Rs. 15000 to 20000 for food. Those from Calicut spent greater amount and group B spent lesser amount than those of group A in this respect.
3. Majority of the officers spent Rs. 2000 to 4000 for the maintenance of their house yearly. Officers of Ernakulam and group B spent lesser amount for housing.
4. Most of the employees spent Rs. 2000 to 4000 a year for clothing. Respondents from Calicut and group B spent lesser amount for clothing.
5. Majority of the employees spent yearly Rs. 2000 to Rs. 4000 for education. Officers of Ernakulam spent greater amount than those of Trivandrum and Calicut. Group B spent greater amount for education.

6. Most of the employees spent Rs. 2000 to Rs. 4000 yearly on health. People of Trivandrum spent greater amount for health. Calicut and group B spent lesser amount in this respect.
7. A major group of employees spent Rs. 4000 to Rs. 6000 for conveyance. Officers of Ernakulam and Calicut spent greater amount in this regard. Group B spent lesser amount.
8. A major group spent Rs. 5000 to Rs. 10000 for miscellaneous items. Officers of Trivandrum spent greater amount in this regard. Group B spent lesser amount than A.
9. A major group of employees spent Rs. 2000 to Rs. 4000 yearly for social obligations. Group A and Trivandrum spent greater amounts.
10. Majority of the employees spent Rs. 2000 to Rs. 4000 for entertainments. Group B and Ernakulam spent lesser amount than A.
11. Most of the employees spent Rs. 2000 to Rs. 4000 for personal habits. Calicut spent lesser amount. Group B also spent a lesser amount than A.
12. Majority spent Rs. 2000 to Rs. 4000 on various other items. Trivandrum spent greater amount in this respect. Group B spent only lesser amount..

13. A major group of employees spent Rs. 30000 to Rs. 40000 in expenditure I category. Group B and those of Trivandrum spent comparatively lesser amount in this category.
14. A major group spent Rs. 5000 to Rs. 10000 in expenditure II category. Group B and the employees of Calicut spent lesser amount in this category.
15. Food accounts for the major portion of expenditure.
16. Greater amount is spent for this expenditure.

Savings and Investments

1. A major group of employees had an yearly saving of Rs. 10000 to Rs. 20000. Employees of Ernakulam and those of the B group had better savings than the other groups.
2. Most of the respondents had an accumulated balance of savings amounting to Rs. 50000 to 100000. Respondents from Ernakulam and of Group B had greater amounts in this respect.
3. Majority of the officers contributed around Rs. 10000 to provident Fund. Employees from Ernakulam and those of Group B saved greater amount in this head.

4. Most of the officers contributed less than Rs. 5000 towards Insurance. B group and those of Calicut are in a better position.
5. A major group of employees had the repayment of loans amounting to Rs. 2000 to Rs. 4000. Group B and those of Ernakulam, repaid greater amount than group A.
6. A major group of employees had a Bank deposit of Rs. 2000 to Rs. 4000 yearly. Ernakulam and Group B had greater savings in this respect.
7. A higher group of employees had contributed towards chitties Rs. 2000 to 4000. Ernakulam and Group B are better in this case.
8. Debts that are yet to be recovered, in most cases are below Rs 5000. Officers from Calicut did not give any Credit. Only 1% of group B and 3% in Ernakulam did allow the same. At the same time group A and 12% in Trivandrum had the same.
9. A sizeable group had post office savings ranging from Rs. 2000 to 4000. Officers from Ernakulam and of group B had more of such savings.
10. A major group of employees had bought Indira Vikas Patra, Bhadratha etc. for more than Rs. 5000. Officers from Ernakulam and those of group B are at the front in this sector.

11. A major group of employees had investments in shares amounting to Rs. 10000 and above. Group B and employees from Ernakulam invested greater amount in shares, bonds and debentures.
12. A major group of employees had other savings amounting to Rs. 5000 to Rs. 10000 yearly. Group B and those of Calicut had greater savings in this category.
13. The respondents save mostly in PF.

Liabilities

1. A group of 8% had current liabilities amounting to Rs. 5000 to Rs. 10000. More people from Calicut availed themselves of the facilities of loan. Those from Calicut and group A had greater current liabilities.
2. A major group of employees had a house loan of more than Rs. 50000. More people from Trivandrum availed themselves of the facility. More members from Group B also availed themselves of the loan facility.
3. Most of the employees who availed themselves of Bank loan had a loan amount of Rs. 10000 to Rs. 20000. Those of Trivandrum and group A availed themselves of more Bank loans.

4. A major group had PF loan ranging from Rs. 10000 to Rs. 20000. More persons of Calicut and group B availed themselves of PF loan.
5. A major group of employees had loans from relatives ranging from Rs. 10000 to 20000. More people from Ernakulam availed themselves of such facilities. There is no considerable difference between group A and B in this respect.
6. A major group had creditors amount of Rs. below 5000. Those from Calicut and group B availed themselves of more of this facility.
7. Only 2% availed themselves of government loans of Rs. 5000 and above. 1% availed themselves of below Rs. 5000. More persons from Calicut and of group B availed themselves of the same.
8. Only a negligible number of persons have availed themselves of LIC and FD loans.
9. Only a negligible percentage of employees availed themselves of other loans.
10. Majority of the officers availed themselves of debt facilities. A major group of 22% has a total liability ranging between Rs. 20000 to 40000. More officers from Ernakulam and group B availed themselves of loans.
11. House loan was the major item of liabilities of the respondents.

Total Investments

1. A major group of respondents had a total investments ranging between Rs. 100000 to Rs. 200000. Officers of Trivandrum had greater investments. Group B are in a better position than A.
2. A major group of employees had investments in land ranging between Rs. 50000 to Rs. 100000. More persons from Calicut were having investments in land. Group B is also better in this field. Amount-wise division shows that those from Ernakulam and group B were better in this field.
3. A major group of employees had investments in Building amounting to Rs. 100000 to Rs. 150000. Group B and those from Trivandrum had greater investments in this sector.
4. Most of the employees constructed economic houses. More persons of group B and of Calicut constructed economic houses.
5. Majority of the employees availed themselves of house loans. More persons from group B and those of Trivandrum availed themselves of house loans.
6. Most of the officers prefer economic houses than non-economic houses. Only one person of group A and one from Trivandrum prefer non-economic house.

- 7 Majority of the officers will avail themselves of house loans. More persons of A and Trivandrum avail themselves of house loans.
8. A major group of employees had investments in gold and silver ranging from Rs. 25000 to Rs. 50000. Employees of group B and those of Ernakulam were having greater investments in this category.
- 9 Even though investments in business were only negligible, employees of group B were better, compared to those of other groups.
10. Most of the employees with other investments had an amount of below Rs. 50000. Those from Ernakulam and those from group B were better in this category.

Ancestral Properties

1. A major group of officers had ancestral properties worth Rs. 100000. Employees from Ernakulam benefited more in this case. There is no considerable difference between group A and B.
2. A major group had ancestral land worth above Rs. 200000 Those from Ernakulam and group B had greater value of Ancestral Land.

3. A major group of 18% had ancestral building worth around below Rs. 100000. Those from Ernakulam and group B had better ancestral Buildings.
4. A major group of employees were having Ancestral gold and silver ranging between Rs. 25000 to Rs. 50000. Trivandrum and group B had greater amounts of ancestral gold and silver.
5. A major group of employees had ancestral consumer durables worth around Rs. 10000. Ernakulam and group B had greater ancestral consumer durables.

Consumer Durables

1. Majority of the officers had consumer durables worth between Rs. 50000 and Rs. 100000. Calicut has shown a lower trend in this respect. There is no considerable difference between group A and B.
2. A major group of employees purchased consumer durables to the extent of Rs. 5000 to Rs. 10000 during the year. Those from Ernakulam and Group B had shown a lower trend in this case.
3. A major group of employees were having furniture worth greater than Rs. 20000. Employees of Calicut had comparatively lower amount. Group B also had lesser amount than B.

4. A major group had two wheelers worth between Rs. 15000 and 20000. Those from Trivandrum and group B had comparatively greater investment in two wheelers.
5. A major group had motor cars valued between Rs. 50000 and Rs. 100000. Those from Calicut invested greater amounts than others. Number of employees owning motor cars were greater in Calicut and group B.
6. Majority of the employees were having T.V sets worth Rs. 10000 to Rs. 15000. Comparatively lesser number of employees at Calicut and group B used T.V sets.
7. Majority of the employees had fridge worth around Rs. 10000. Number of Fridge users were more among Calicut group and group A, but lesser among group B and Trivandrum group.
8. A major group of employees had Mixer valued at Rs. 1000 to Rs. 1500. More employees of Calicut and of group A used Mixer and they are more valuable also compared to Mixer used by members of other groups.
9. A major group had grinders costing from Rs. 2000 to Rs. 5000. More employees of Ernakulam and of Group B used grinders.

10. A major group has Radio, Watch, Fan, etc amounting to Rs. 1000 to Rs. 2000. There is no considerable difference in this field between different groups. Trivandrum and group A spent comparatively higher amount in this regard.
11. The major group of employees had sewing machines valued more than Rs. 2000. Lesser number of employees in Trivandrum and of Group A make use of Sewing machines.
12. A major group of employees had electrical and decoratives costing from Rs. 1000 to Rs. 2000. Those from Ernakulam and group A spent greater amount in this respect.
13. Majority of the employees had tools and equipments ranging from Rs. 5000 to Rs. 10000. Those from Trivandrum and group A spent greater amounts in this respect.
14. A major group had Camera, Washing machine etc: worth Rs. 5000 to Rs. 10000. Those from Calicut and Group A spent greater amount in this sector.
15. A major group had other consumer durables valued at Rs. 1000 to Rs. 2000. Those from Calicut and A group spent greater amount in this field even though there is only a slight difference.
16. Furniture accounts for the most important consumer durables.

- 17 There is significant relationship between current liabilities and consumer durables purchased during the year except in the case of Trivandrum and Ernakulam.

Recommendations

The following recommendations are made to improve personal finance of the gazetted officers

1. Identify the long-term financial objectives of the family.
2. Identify the short-term financial objectives of the family.
3. One of the members of the family should be entrusted with the task of finance management.
4. Adopt a systematic and regular accounting covering the entire aspects of family finance.
5. Analyse and list out the major items of income and expenditure for a few months and find out the usual items of family income and expenditures.
6. Estimate the monthly and annual income and expenditure of the family

- 7 Prepare a family budget by considering the usual items of expenses and income, providing for necessary variances.
- 8 Engage every member of the family in some way of income generating activities.
- 9 Secure full co-operation of all the members of the family in major financial decisions. Children should also be involved in discussions and decisions regarding finance so that they may also receive a better training in financial management.
10. Adopt a utility and priority based spending plan.
- 11 As far as possible try to keep away from costly and affluent friends and relatives.
12. Maximise profit by taking some risk.
- 13 Scientific ways of reducing cost should be considered. Substitution effect has much impact in this case.
14. Adopt a 'Live for yourself' principle in the matter of finance than "keeping up with the Joneses"
- 15 Take wise decision in financial matters to overcome financial blunders.

16. Develop hobbies which may contribute towards family income or reduce family expenditure.
17. Periodic reviews of the financial plan should be made so that the plan can be modified along the way.
18. Practise a simple life style which can reduce expenditure and wastage of money and improve the quality of life.
19. Keep all bills and vouchers at least for one financial year and important vouchers for seven years.
20. Total population of the family should be kept to the possible minimum.
21. Government should either adopt a more liberal attitude towards employees in the use of their extra time in possible financial ventures or provide a better and uniform pay together with an effective price policy.
22. A more creative education system should be introduced which will enable people to extract the fuller utilisation of the existing resources of the family and the nation as such.
23. As far as possible adopt a policy of 'produce what you consume' which can reduce cost to a considerable extent.

24. Categorise expenditures into food; house; clothing; education; conveyance; health; social obligations; entertainments; personal habits and other expenses.
25. First six items can be headed as primary expenses.
26. Last four items can be regarded as secondary expenses.
27. Compare actual expenditures with the budgeted ones monthly.
28. Try to increase family income.
29. Income from other sources should be stimulated by means of a proper savings and investment plan and by effective exploitation of family resources including personnel.
30. Available extra time should be most beneficially utilised and a part time job can be secured for the spouse who is not employed.
31. Improve qualification and skills to secure better jobs and promotion which can increase the earning capacity of persons.
32. Friendly relationship can contribute towards income while enmity can destroy money and wealth. So keep a healthy relationship with others.

33. Scientific method can improve income from agriculture.
34. Before investing capital, work out the return on capital by means of proper Capital Budgeting.
35. Use the tips to trim the food budget.
36. Prepare a list of necessary articles to be purchased and purchase them only after proper market analysis and considering the point of substitution effect.
37. Secondary expenses should be reduced to the minimum.
38. Purchase food articles which are comparatively less costly but rich in caloric values.
39. Try to avoid unnecessary financial commitments.
40. Avoid impulse buying
41. Purchase only what is required.
42. Purchase from different shops.
43. Critically analyse advertisements.

44. Try to avoid wastage of all resources.
45. Engage all the members of the family and avoid servants as far as possible.
46. Think of the feasibility of owning and renting a house.
47. Parents should try to find out some time to look after the education of their children.
48. Children should be properly motivated and adopt a systematic study technique with a proper time schedule, clear objective and provision for work and play.
49. A subject of their interest should be selected for higher studies.
50. Try to reduce private tuition as far as possible.
51. Purchase of second hand books can reduce cost of books.
52. Make use of libraries as far as possible than buying all the books.
53. Create an education fund with the initiative of the children.
54. Owners of Motor vehicles should record and note the mileage.

55. Take some policy to cover the health requirements of the family.
56. Should not buy clothes on a hurry.
57. Keep a first aid kit in the family.
58. Treat only after proper diagnosis and consultation with a qualified physician.
59. Keep medicine away from children.
60. Plan the calls to be made to reduce telephone bills. Avoid unnecessary telephone calls.
61. Know the market price of the goods that is to be purchased.
62. Use public conveyance as far as possible.
63. Maintain all the assets properly.
64. Verify the correctness of all bills and vouchers.
65. Take few good clothes and more cheaper clothes for children.
66. Purchase correct size of clothes especially for children.

- 67 Use correct size of utensils by which fuel can be saved.
68. If a person can reduce nervousness then medical bill can be reduced to a considerable extent.
- 69 Proper care of the old can also reduce their medical bills.
- 70 Try to be punctual so that the loss and wastage due to delay can be avoided.
71. Useful houses should be constructed with a lesser cost. Opportunity cost and maintenance cost should also be counted.
72. A proper health care should be given to all the members of the family, through a balanced diet system, environmental sanitation, pure drinking water facilities and preventive medicines, to reduce the cost of health care.
- 73 Since consumption of liquor and financial security moves in opposite direction, try to reduce the use of it.
74. Public distribution system of essential commodities should be revitalized through fair price shops.
- 75 Schemes of financial institutions and government departments should be re-structured and re-directed to meet the requirements of common man.

76. Essential commodities should be exempted from taxation.
77. Government should think of constructing more residential complexes for government employees.
78. Avoid gifts as far as possible.
79. Avoid friendship with people of higher standard of living.
80. Be rational in spending.
81. Avoid costly entertainments and adopt cheaper entertainments involving all members of the family.
82. Select wise savings and investment patterns.
83. Since savings constitute one of the major sources of family income, it should be properly invested. Some risk is essential for money making.
84. There should be positive correlation between income and savings.
85. Adopt a regular saving scheme for the financial security of the family. Both long-term and short-term saving schemes can be followed.

86. Save a regular amount before meeting expenditure.
87. New saving and investment scheme should be needed.
88. Regularity of income and safety should be the basis of a good investment.
89. Dowry System should be substituted by a sharing system to avoid sudden financial crisis.
90. Putting all ones' eggs in one basket is not wise with regard to savings and investments.
91. During inflation availing of cheap and long term loans are beneficial and take maximum utility out of credit, but should be within one's capacity
92. Differences in the methods of interest calculation should be carefully noted. (For eg. Flat rate; Normal rate; Compound rate etc).
93. Make sure that the family can repay the loans.
94. Purchase equipments of standard qualities.
95. Utility and cost reduction should be the main criteria of purchasing consumer durables.

96. Insurance and social security facilities should be utilised properly and by a clear evaluation.
97. Try to secure as much ancestral property as can.
98. If a person is the major source of income insure his life.
99. Policies should have life coverage as well as ensure proper returns.
100. Be regular in the payment of premiums.
101. Those who have taxable income should prefer tax saving schemes.
102. Study all the available insurance schemes.
103. A wise tax plan with thorough knowledge of the exemptions of the existing tax system can reduce much of the tax burden.
104. Know the Income tax rules and regulations.
105. Pay some tax to increase financial freedom.

106. Among the long term targets and goals proper retirement plans should also be incorporated.
107. Estimate the family financial requirements after retirement.
108. Make up to deficiency by a feasible savings and investments plan.
109. If possible postpone taxable income to retirement period when income will be lower.
110. Try to avoid financial blunders with retirement benefits.
111. Take some health insurance policies for the retirement periods.
112. Prepare the will in advance.
113. Complete all legal requirements with the help of an advocate.
114. Save some money for the personal requirements in future.
115. Be optimistic.

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Appendices

**PERSONAL FINANCIAL ASPECTS OF THE GOVERNMENT
EMPLOYEES IN KERALA**

Interview Schedule

Joy K.J. Research Scholar.
School of Management Studies
CUSAT, Cochin - 22.

INTRODUCTION

I am doing my Ph.D. in the School of Management Studies, Cochin University of Science And Technology on 'Personal Finance of the Government Employees in Kerala'. It is a study of the financial planning of Gazetted Officers in Kerala. The data collected will be kept strictly confidential and used only for academic purposes. Your earnest support and co-operation is solicited.

I. DETAILS OF EXPENDITURE (ANNUAL)	Amount
1. FOOD (Provisions, vegetables and fruits, fish, meat, eggs, milk, bakery items, gas and fuel etc.)	Rs.
2. HOUSING (Rent, electricity, water, repairs and maintenance, property tax, telephone, insurance etc.)	Rs
3. CLOTHING (Cost of purchase, stitching charges, washing, ironing and dry cleaning charges, cost of footwears etc.)	Rs.....
4. EDUCATION (Text books, library fees, regular fees, private tuition fees, cost of equipments and materials, for newspapers, journals and general books, for study tours and travels to schools or colleges etc.)	Rs
5. HEALTH CARE (Consultation charges, hospital bills, medicines, Medi Claim insurance, for hair dressing, washing powders, soaps etc.)	Rs...
6. CONVEYANCE (Bus and train fares, taxi and auto charges, maintenance charges for motor cars and two wheelers, repairs, fuel, tax, insurance etc.)	Rs
7. MISCELLANEOUS	
(a) Social Obligations - (Gifts, festival celebrations, charities, donations, subscriptions etc.)	Rs
(b) Entertainments - (Contribution to clubs, movie and drama, cassetes, picnics, sports and games, parties, food from outside, music and dance practice etc.)	Rs.....

- | | | |
|-----|--|-----|
| (c) | Personal Habits - (Cigarettes, pan, beedi, snuff, drinks, gardening, collection of rare things etc.) | Rs |
| (d) | Other expenses - (Income tax, professional tax, postage, stationery, wages, carriage, servants' salary, pocket money, sundry expenses etc. | Rs |
| | | Rs. |

II. DETAILS OF CONSUMER DURABLES PURCHASED (At Cost Price)

- | | | | | | |
|-----|--------------------|---------|------|---------------------------------------|----|
| (1) | Furniture | Rs | (9) | Sewing Machine | Rs |
| (2) | Two wheelers | Rs.... | (10) | Electricals and Decoratives | Rs |
| (3) | Car/Van | Rs | (11) | Tools, Equipments and Utensils | Rs |
| (4) | T.V | Rs. | (12) | Camera, Washing Machine, VCR/VCP etc. | Rs |
| (5) | Fridge | Rs | | | |
| (6) | Mixer | Rs..... | (13) | Other items (if any) | |
| (7) | Grinder | Rs | | | |
| (8) | Radio, Watch & Fan | Rs | | | Rs |

III. LIABILITIES (Total Amount Outstanding)

- | | | | | | |
|-----|---------------------------------|----|-----|----------------------------|---------|
| (1) | House Loan | Rs | (5) | Creditors | Rs |
| (2) | Bank Loan | Rs | (6) | Government Loan | Rs..... |
| (3) | P.F Loan | Rs | (7) | LIC or F.D.Loan | Rs..... |
| (4) | Loan from Relatives and Friends | Rs | (8) | Other Liabilities (if any) | Rs..... |

IV INCOMES (ANNUAL)

- | | | |
|-----|------------------------|----|
| (1) | Total Family Income | Rs |
| (2) | Salary (Gross) | Rs |
| (3) | Salary of wife/husband | Rs |

(4) Amount contributed by Other Members	Rs
(5) Income from Agriculture, Poultry, Dairy etc	Rs
(6) From Business and Profession	Rs
(7) From Investments	Rs
(8) Miscellaneous.	Rs.

V SAVINGS AND INVESTMENTS (ANNUAL)

(1) Provident Fund		(8) Kissan Vikas Patra, Indira Vikas Patra and Bhadratha	Rs.....
(a) Self	Rs	(9) Shares, Bonds & Debentures	
(b) Others	Rs	(10) Cash Certificates	Rs.....
(2) Insurance, Family Benefit Scheme etc.	Rs	(11) Others (if any)	
(3) House Loan Repayment	Rs	(12) Total Accumulated Amount	
(4) Bank Savings	Rs		
(5) Chitties and Curries	Rs....		Rs.
(6) Debtors, Loans & Advances	Rs		
(7) Post Office Savings	Rs		

VI. INVESTMENTS IN PROPERTIES (Total Cost)

(1) Land Cents -----	Rs	(4) Investment in Business	Rs
(2) Building Sq.ft. -----	Rs	(5) Others (if any)	
(3) Gold & Silver -----	Rs.....		Rs.....

(b) If you keep records, do you compare your expenditure with the budgeted one ?

Yes No

(c) If you do not keep records, are you satisfied with the present system ?

Yes No

3 (a) Do you have a priority based spending plan? Yes No

(b) Who takes financial decision ? Myself Spouse Both All members

(c) What is the nature of your shopping ? Cash Credit Both

(d) When do you go for shopping?

Monthly As and When required Weekly

(e) Do your friends, relatives and others influence the family financial decisions?

Yes No

(f) Do you favour in reducing expenditure on social obligations ?

Yes No

4. (a) What is the nature of buying consumer durables ?

When money is available On seeing an advertisement

After thorough planning

(b) Your criteria behind purchasing consumer durables.

Low price Best quality Utility Prestige

5 Do you avail yourself of loans and borrowing facilities ? Yes No

6. (a) Please specify your major anticipated items of future expenditure.

(b) From which source will you meet such expenses ?

- 7 (a) Do you take interest in reading advertisements or information relating to various Savings Schemes? Yes No
- (b) Do you have a Saving Plan to meet certain contingencies ? Yes No
- (c) If no, how would you meet your unplanned expenditure?
- (d) If yes, please state the type of your saving plan.
- (e) In your opinion which is the best savings and investment plan?
- (f) Usually you save - Before meeting expenditure
As per the budget Whatever remains after meeting expenditure
- (g) Do you have enough savings for the financial security of your family
Yes No
- (h) If no, what are the major hindrances to your savings?
8. Your investment criteria - High security High earnings
Regularity of income Convenience Capital gain
- 9 (a) Did you construct your house? Yes No
- (b) If yes, did you construct an Economic House? Yes No
- (c) If you are going to construct,
- (1) Will you prefer an economic house? Yes No
- (2) Will you avail yourself of facilities of loan? Yes No
- (d) Did you avail yourself loan facilities for building the house?
Yes No
10. Are you familiar with the various schemes of Insurance ?

Yes

No

11. (a) Do you adopt a plan to reduce your tax burden? Yes No

(b) If yes, please describe the ways in which you reduce the tax burden.

12. (a) do you have a specific financial plan for your retired life ?
Yes No

(b) If yes, please specify them.

13. Do you have an estate plan ? Yes No

14. (a) Is there any relationship between financial welfare and happiness of the family?
Yes No

(b) 'Rich people are happier than poor people' Do you agree?
Yes No

(c) 'Everybody wants to live a happy life' Do you agree ?
Yes No

(d) Do you think that proper financial planning can improve your financial status?
Yes No

15. (a) Are you satisfied with your present income? Yes No

(b) If no, why ?

(c) Please give your suggestions to increase the earning capacity of a family.

(d) Please suggest the ways by which an average family can reduce its cost of living.

(e) Your valuable suggestions to improve the financial position of an average family.

16. Tick whichever is applicable to you

You have a clear financial plan

- You have financial security
- Prestige and social status influence your expenditure
- Your parents had sufficient savings for their children
- Better financial position now than ancestral period
- Building absorbed most of your savings
- Majority of your savings were spent for your daughter's marriage
- You have enough time to look after your children's education
- They are undergoing private tuition
- You keep all bills and vouchers at least for one year
- Compare expenses and income monthly/yearly
- Evaluate expenditure monthly/yearly
- You will plan your finance properly

17 Please note which ever is applicable to you

- 1 Importance of Financial Freedom
 - A. Most essential B. Essential C) Desirable
 - D Not essential E. Least essential

2. Clarity regarding short-term financial objectives
 - A. Very clear B. Clear C. Undecided D. Not clear
 - E. Not at all clear

- 3 Clarity regarding long-term financial objectives
 - A. Very clear B. Clear C. Undecided
 - D Not Clear E. Not at all clear

4. Practice of Family Budgeting

- A. Quite often B. Often C. Occasionally

14. Tax planning

A. Always

B. Often

C. Occasionally

D. Rarely

E. Never

15. Retirement and Estate Plan

A. Highly favourable B. Favourable to some extent

C. Neutral

D. Unfavourable

E. Most unfavorable

Thank you very Much.

Joy K.J.

Figure A-2

Model of a Personal Income Statement

Income Statement of _____ for the year ended _____

Particulars		Amount in Rs.
Income		
Item 1	(Eg. Salaries)	Rs. x x
Item 2	(Eg. Rent)	Rs. x x
Total Income (1)		x x x
Less Expenditures		
Item 1	(Eg. Housing)	Rs. x x
Item 2	(Eg. Food)	Rs. x x
Total Expenditure (2)		x x x
Contribution of Savings or Investments (1 – 2)		x x x

Formula Income - Expenditure Savings or Investments.

Figure A-3

Model Form of a Personal Balance Sheet

Balance Sheet of _____ as on _____

Liabilities and Networth	Amount in Rs.	Assets	Amount in Rs.
Liabilities	x x	Fundamental Assets	x x
Net Worth	x x	Investment Assets	x x
Total	x x	Total	x x

Formula Assets = Liabilities + Net Worth