

**INVESTMENT BEHAVIOUR OF YOUNG WOMEN INVESTORS IN NAVI MUMBAI: A COMPARATIVE
STUDY OF SYSTEMATIC INVESTMENT PLANS AND LUMP SUM INVESTMENTS**

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Abstract:

Investment planning has become increasingly important for young individuals in India, especially with the growing awareness of mutual fund investments. Among the various investment options available, Systematic Investment Plans (SIP) and Lump Sum investments are commonly chosen methods. Each approach has its own advantages, and selecting the appropriate method depends largely on the investor's income pattern, financial goals, and risk-taking ability. This study aims to compare SIP and Lump Sum investment methods and understand the preferences of young investors in Navi Mumbai. The research is based on primary data collected from 80 respondents through a structured questionnaire. The responses were analysed using percentage analysis and simple tabular presentation techniques. The findings show that while many young investors are attracted to Lump Sum investments due to the possibility of earning higher returns in a shorter period, SIP is preferred for its disciplined approach and affordability. Most respondents demonstrate moderate risk tolerance and consider expected returns as the main factor influencing their investment decisions.

The study provides useful insights into the financial behaviour of young investors and helps in understanding which investment method is more suitable based on their financial profile. It may also assist financial advisors and institutions in designing better investment solutions for this age group.

Keywords: *SIP, Lump Sum Investment, Young Investors, Mutual Funds, Investment Preference, Risk Appetite*

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Introduction:

Investment plays a significant role in achieving long-term financial stability and wealth creation. For young individuals, early investment decisions can greatly influence future financial security. In recent years, mutual fund investments have gained popularity among young investors due to increased financial awareness and easier access through digital platforms.

Two common methods of investing in mutual funds are Systematic Investment Plans (SIP) and Lump Sum investments. SIP allows investors to invest a fixed amount regularly, usually on a monthly basis. This method encourages disciplined saving and reduces the impact of market fluctuations through rupee cost averaging. On the other hand, Lump Sum investment

involves investing a large amount of money at one time, typically when the investor expects favourable market conditions.

Young investors often face uncertainty while choosing between these two methods.

Objectives:

1. To identify the preferred investment method among young investors.
2. To examine the factors influencing their investment decisions.
3. To analyse the risk tolerance level of respondents.
4. To assess awareness regarding SIP and Lump Sum investments.
5. To evaluate the suitability of SIP compared to Lump Sum investment for young individuals.

Need of the Study:

The number of young participants in financial markets has increased considerably in recent years. As this group represents future long-term investors, understanding their financial behaviour is important. Choosing between SIP and Lump Sum investment can significantly affect long-term returns and financial stability. Therefore, analysing the preferences and risk perception of young investors provides practical insights for financial planning. This study is relevant because it focuses on actual responses from young investors and evaluates their decision-making process. The findings may help financial institutions develop products suited to the needs of this demographic group and contribute to academic understanding of investment behaviour

Scope and Limitations:
Scope:

- **Conceptual Scope**

The study examines the investment preferences of young individuals with respect to SIP and Lump Sum investment methods. It analyses factors such as return expectations, risk tolerance, investment duration, and sources of information. The research focuses on behavioural aspects rather than technical performance analysis of specific mutual fund schemes.

- **Geographical Scope**

The study is limited to Navi Mumbai and is based on responses collected from 80 participants. Since

convenience sampling was used, the findings reflect the opinions of the selected respondents and cannot be generalized to the entire population.

Limitations:

1. The research is based on a sample of 80 participants.
2. The data was gathered exclusively from people in Navi Mumbai.
3. The study used convenience sampling, where participants were chosen based on their availability and willingness to take part.
4. The focus of the study is on the perceptions and preferences of young investors rather than the actual performance of SIP and Lump Sum investments.

Research Methodology:

- **Conceptual Scope**

The study examines the investment preferences of young individuals with respect to SIP and Lump Sum investment methods. It analyses factors such as return expectations, risk tolerance, investment duration, and sources of information. The research focuses on behavioural aspects rather than technical performance analysis of specific mutual fund schemes.

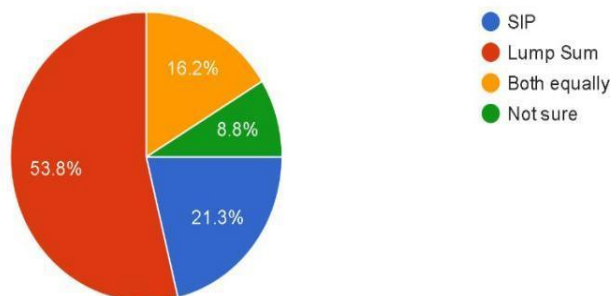
- **Geographical Scope**

The study is limited to Navi Mumbai and is based on responses collected from 80 participants. Since convenience sampling was used, the findings reflect the opinions of the selected respondents and cannot be generalized to the entire population.

Data Interpretation and Analysis:

What is the preferred investment method (SIP or Lump Sum) among young investors in Navi Mumbai?

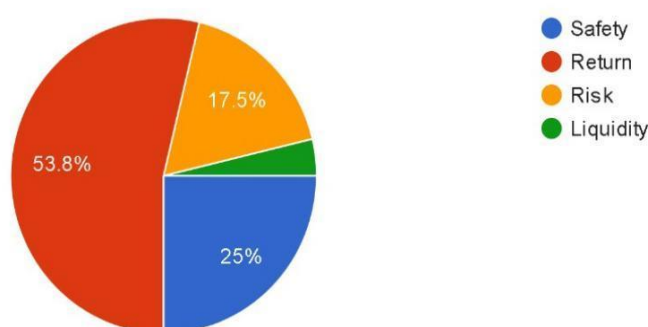
Which investment method do you prefer the most?
80 responses

**Interpretation:**

The findings indicate that 53.8% of respondents prefer Lump Sum investment, while 21.3% favour SIP and 16.2% are comfortable with both methods. A small proportion remains undecided. The higher preference for Lump Sum suggests that many young investors are motivated by the possibility of earning quicker or higher returns when investing a large amount at once. At the same time, the presence of SIP supporters shows that disciplined and gradual investing continues to hold relevance. This variation reflects differences in income levels, financial confidence, and market understanding among respondents.

What factors most influence young investors when choosing between SIP and Lump Sum investments?

Which factor is most important when choosing an investment?
80 responses

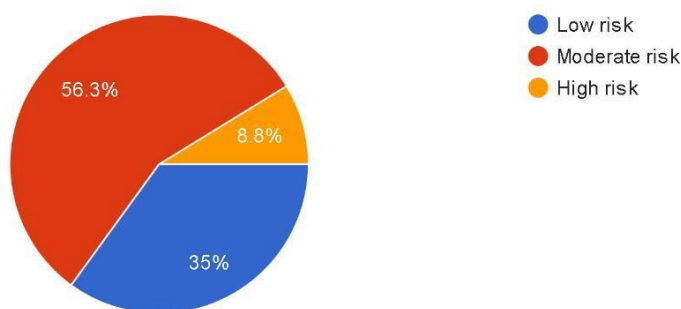
**Interpretation:**

Return expectations appear to be the primary deciding factor, with 53.8% of respondents identifying returns as their main consideration. Safety was selected by 25% of participants, while fewer respondents prioritized liquidity or risk diversification. This pattern suggests that most young investors are growth-oriented and focus strongly on maximizing gains. However, the importance given to safety by a significant segment indicates that risk awareness still plays a meaningful role in their decision-making process. Overall, financial growth is the dominant motivation, supported by moderate concern for capital protection.

How does risk tolerance affect the choice of investment method among young investors?

What level of risk are you comfortable with?

80 responses



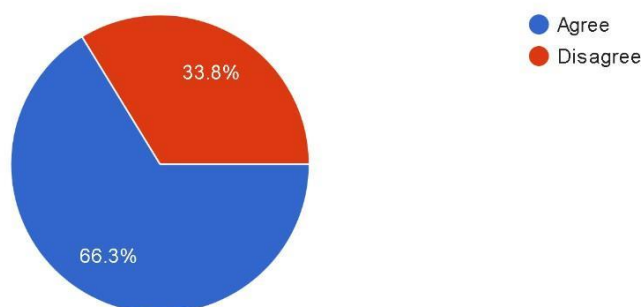
Interpretation:

The data shows that 56.3% of respondents classify themselves as moderate risk-takers, while 35% prefer low-risk investments and only 8.8% are willing to accept high risk. This distribution helps explain the investment preferences observed in the study. Moderate-risk individuals often lean toward SIP because it spreads investment over time and reduces the impact of market volatility. In contrast, respondents with higher risk tolerance show greater interest in Lump Sum investment, especially when they anticipate favourable market conditions. These findings highlight that personal comfort with risk directly influences the chosen investment strategy.

Is SIP more suitable than Lump Sum investment for young investors based on income pattern and financial goals?

SIP is more suitable for young investors than lump sum

80 responses



Interpretation:

Although Lump Sum is the preferred method for 53.8% of respondents, many participants acknowledged that SIP is easier to manage financially. Around 45% identified “less financial burden” as a key advantage of SIP. This indicates that while Lump Sum may be attractive for potential higher returns, SIP is perceived as more practical for individuals with regular monthly income. Therefore, suitability depends largely on financial stability and investment capacity. For salaried individuals or those with limited surplus funds, SIP may provide a more sustainable approach, whereas Lump Sum may suit investors with accumulated savings and higher risk appetite,

Conclusion:

This study aimed to compare Systematic Investment Plans (SIP) and Lump Sum investments among young individuals in Navi Mumbai. The goal was to understand their investment choices, risk tolerance, and the factors that affect their decisions. The results show that a larger number of respondents prefer Lump Sum investments, as they believe it can lead to higher returns and faster growth. However, SIP remains a popular option, especially for those who like to invest smaller amounts regularly. Many respondents find SIP easier to manage and less stressful financially. The findings also reveal that most young investors are in the moderate risk category. They are interested in achieving good returns but are not willing to take on high levels of risk. This balance between growth and caution influences their investment choices. Overall, the study suggests that the choice between SIP and Lump Sum depends on personal financial factors such as income stability, savings, and long-term goals.

There is no one-size-fits-all approach to investing. The right method varies from person to person based on their financial situation and how comfortable they are with risk. Understanding these preferences can help financial institutions and advisors provide more effective guidance to young investors.

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