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INVESTMENT DECISIONS OF WOMEN ENTREPRENEURS: A CASE STUDY IN KAMRUP(M) DISTRICT OF ASSAM

Richika Kedia [1], Dr. Gour Gopal Banik [2]

[1] Research Scholar, Department of Commerce, Gauhati University, Assam, India
[2] PhD Supervisor, Department of Commerce, Gauhati University, Assam, India

Corresponding Author
Richika Kedia, kediarichika@gmail.com

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ABSTRACT

Investment decisions are a critical component of financial management and directly influence the sustainability and growth of enterprises. For women entrepreneurs, who often face financial and socio-cultural challenges, investment choices reflect both their risk-taking capacity and strategic priorities. This study focuses exclusively on the investment decisions of women entrepreneurs in Kamrup(M) district of Assam. Data was collected from 60 women entrepreneurs registered under the District Industries & Commerce Centre (DICC), Kamrup, through structured questionnaires and interviews.

The findings reveal that women entrepreneurs demonstrate a diversified investment portfolio. Equal proportions invest in mutual funds/SIPs, shares, and real assets such as gold and real estate, while a smaller group prefers defensive investments, government securities, and bank deposits. In terms of expenditure allocation, significant amounts are directed toward direct materials and overheads, whereas labour expenses remain comparatively lower. This indicates a preference for investments that directly contribute to business growth and operational efficiency. By analyzing investment avenues and expenditure allocation patterns, this study highlights the emerging trend of women entrepreneurs shifting from conservative investments to more growth-oriented options. The results underline the need for financial literacy programs, improved access to investment advisory services, and awareness campaigns to empower women in making informed investment decisions.

Keywords: Investment Decisions, Women Entrepreneurs, Kamrup(M), Mutual Funds, Real Assets, Financial Management

1. INTRODUCTION

Investment decisions represent one of the three core pillars of financial management, alongside financing and dividend decisions. They involve allocating limited resources to various avenues with the aim of maximizing returns, ensuring liquidity, and sustaining long-term business growth. For entrepreneurs, especially women, investment decisions are not merely financial acts but reflections of their broader socio-economic context, including risk perception, family responsibilities, and business aspirations.

Globally, women entrepreneurs have traditionally been viewed as conservative investors, prioritizing safe and secure options such as savings accounts, fixed deposits, and gold (Amatucci & Crawley, 2011). However, recent evidence suggests that increasing exposure to financial literacy programs, digital platforms, and alternative investment opportunities has led to a gradual shift toward diversified and growth-oriented investments (Afrin, Islam, & Ahmed, 2008).

In India, particularly in semi-urban and developing regions such as Assam, women entrepreneurs are still at the crossroads of balancing traditional risk-averse investment behavior with modern approaches to financial planning. Kamrup(M), the commercial hub of Assam, provides a fertile ground to study this shift as women entrepreneurs here are engaged in diverse sectors such as trading, services, and micro-manufacturing.

This study seeks to understand the investment avenues preferred by women entrepreneurs in Kamrup(M) and to analyze how their surplus funds are allocated across business operations. By doing so, it provides insights into the evolving patterns of women's financial decision-making in a rapidly changing economic landscape.

2. PROBLEM STATEMENT

Despite their increasing presence, women entrepreneurs in India continue to face constraints that affect their financial decision-making. Their investment decisions are influenced by limited financial literacy, lack of exposure to financial products, cultural stereotypes, and constrained access to professional financial advisors (Chander & Arora, 2013).

While investments are expected to balance risk and return, women entrepreneurs often prioritize security and liquidity over profitability. This conservative approach may limit business expansion and long-term wealth creation. Conversely, those who experiment with higher-return options such as equities and mutual funds may lack adequate guidance, leading to suboptimal choices.

In Kamrup(M), where entrepreneurship among women is on the rise, the lack of systematic studies on their investment patterns creates a research gap. This study addresses the problem by asking: What investment decisions are adopted by women entrepreneurs in Kamrup(M), and what patterns emerge in their allocation of funds?

3. LITERATURE REVIEW

Existing literature on women entrepreneurs' investment decisions reveals that their financial behavior is shaped by a mix of socio-cultural constraints, risk perception, and financial literacy. Studies by Afrin, Islam, and Ahmed (2008) and Nyamwanza et al. (2012) highlight that while access to credit enables women to make independent decisions, weak financial management and reliance on conservative investments restrict enterprise growth. Amatucci and Crawley (2011) and Danish and Smith (2012) emphasize the role of self-efficacy and institutional support in encouraging women to adopt diversified, growth-oriented portfolios such as mutual funds and equities. Research in India (Chander & Arora, 2013; Jayashree, 2019) shows a preference for gold, real estate, and bank deposits, though exposure to financial literacy has gradually shifted preferences toward modern financial instruments. Expenditure allocation studies (Turyahebwa et al., 2013) reveal that small businesses initially spend heavily on labour but shift toward materials, overheads, and marketing as they grow, a trend also visible in Assam. Despite these insights, the Northeast Indian context remains under-researched, with most works focusing broadly on MSME growth (Muchahary & Brahmachary, 2024) rather than women-specific investment behavior. This gap underscores the significance of the present study in Kamrup(M), which adds fresh evidence on how women entrepreneurs balance risk, security, and growth in their investment decisions.

3.1. OBJECTIVES OF THE STUDY

- To study the investment decisions made by select women entrepreneurs in Kamrup(M) district.

4. SIGNIFICANCE OF THE STUDY

The study of women entrepreneurs' investment decisions is significant as it directly impacts both business sustainability and broader socio-economic development. Effective investment choices are essential for reinvesting profits, managing risks, and ensuring the long-term survival of enterprises. From a policy perspective, understanding how women allocate their resources enables policymakers to design tailored schemes and advisory services that address their unique needs and challenges. At the same time, the study sheds light on critical gaps in financial literacy and accessibility of investment instruments, thereby contributing to the larger agenda of financial inclusion. Moreover, by focusing on the under-researched context of Northeast India, this study enriches the academic discourse on gender and finance, offering fresh insights into the evolving investment behavior of women entrepreneurs in the region. By analyzing the choices made by women entrepreneurs in Kamrup(M), this research provides practical insights into how women balance risk, security and growth when investing their surplus funds.

5. RESEARCH METHODOLOGY

The present study is descriptive and exploratory in nature, conducted on a sample of 60 women owned micro-entrepreneurs from the Kamrup(M) district. The sampling technique employed was non-probability convenience sampling, chosen for its accessibility and relevance to the research context. Data collection was carried out through both primary and secondary sources: primary data were gathered using structured questionnaires and personal interviews, while secondary data were obtained from journals, reports, government publications and credible websites. For analysis, simple percentage methods were applied, and the results were systematically presented with the help of tables and graphical representations to ensure clarity and better interpretation of the findings.

6. DATA ANALYSIS AND INTERPRETATION

Table 1 Demographic profile of women entrepreneurs of Kamrup(M)

Factors	Particulars	Number of Respondents	Percentage
Age	18–25 years	22	37.0
	26–40 years	30	50.0
	41–50 years	8	13.0
	Above 50 years	0	0.0
Marital Status	Married	16	26.6
	Unmarried	40	66.7
	Divorced/Widowed/Separated	4	6.7
Education	Undergraduate	20	33.3
	Graduate	24	40.0
	Postgraduate	16	26.7

Source Field Survey, 2024

Table 1 shows, a majority of respondents are between 26–40 years (50%) and unmarried (66.7%), with graduates forming the largest educational category (40%). This indicates youth-driven entrepreneurship with a moderate educational background.

Table 2 Profile of Women-led Micro Enterprises in Kamrup(M)

Factors	Particulars	Number of Respondents	Percentage
Nature of Enterprise	Manufacturing	16	26.7
	Trading	22	36.7
	Service Provider	22	36.7
Form of Enterprise	Sole Proprietorship	32	53.4
	Partnership	24	40.0
	LLP	2	3.3
	SHG	2	3.3
Age of Enterprise	Less than 1 year	12	20.0
	1–5 years	36	60.0
	5–15 years	8	13.3
	Above 15 years	4	6.7

Source Field Survey, 2024

Table 2 shows that more than half the enterprises (53.4%) are sole proprietorships, with most operating between 1–5 years (60%), reflecting recent growth.

Table 2 Expenditure Allocation under Business Operation Heads

Heads	Less than ₹10,000	₹10,000 to 25,000	₹25,000-40,000	₹40,000–55,000	More tham ₹55,000
Direct Materials	6	18	10	16	10
Direct Labour	20	14	14	8	4
Factory Overheads	16	14	18	4	8
Office Overheads	14	12	24	6	4
Advertising	10	18	14	10	8

Source Field Survey, 2024

Table 2, shows that direct labour accounts for the highest share of expenses in the lowest bracket (< ₹10,000), indicating that small-scale enterprises prioritize workforce needs. As investment levels rise, spending shifts toward direct materials (16 respondents in ₹40,000–55,000) and office overheads (24 respondents in ₹25,000–40,000), reflecting expansion and focus on operational efficiency. Advertising remains relatively consistent across brackets, highlighting its steady importance in promoting visibility, while factory overheads show increased allocation in the mid-range, suggesting growing enterprises channel more into infrastructure and production-related costs. Overall, the expenditure pattern reveals a gradual transition from labour-intensive to resource and infrastructure-intensive spending as enterprises scale up.

Table 3 Preferred Investment Avenues for Surplus Funds

Investment Avenue	Number of Respondents	Percentage
Mutual Funds/SIPs	16	26.7
Shares	16	26.7
Real Assets (Real Estate/Gold/Silver)	16	26.7
Defensive Investments	6	10.0
Government Securities	4	6.7
Bank Deposits	2	3.3

Source Field Survey, 2024

Interpretation: Table 1 shows that women entrepreneurs prefer diversified investments, with equal interest in mutual funds, shares, and real assets (26.7% each). Conservative options such as bank deposits and government securities are less attractive.

Table 4 Factors Influencing Investment Decisions for Surplus funds.

Factor	High Influence (%)	Moderate Influence (%)	Low Influence (%)
Risk Perception	40	35	25
Return Expectation	30	45	25
Liquidity	15	55	30
Tax Benefits	10	50	40
Peer/Advisor Influence	5	40	55

Source Field Survey, 2024

Table 4 shows that it is evident that risk perception (40%) and return expectation (30%) are the most influential factors guiding investment decisions of women entrepreneurs. Liquidity (55% moderate influence) also plays a key role, while tax benefits and peer influence are relatively less significant, showing that women entrepreneurs rely more on practical financial considerations than on external advice or tax advantages.

7. FINDINGS

- **Demographic Trends:** A majority of women entrepreneurs are young (26–40 years, 50%) and unmarried (66.7%), with graduates making up the largest share (40%). This indicates that entrepreneurship is increasingly being adopted by educated, youth-driven women.

- **Enterprise Profile:** Over half of the enterprises (53.4%) operate as sole proprietorships, with most ventures being relatively new (60% between 1–5 years), reflecting emerging entrepreneurial activity but also limited maturity of enterprises.
- **Expenditure Allocation:** Direct labour accounts for the highest expenses in the lowest bracket (<₹10,000), while higher levels of investment are directed toward direct materials and office overheads. This reflects a shift from labour-intensive to resource- and infrastructure-intensive operations as businesses scale.
- **Investment Avenues:** Women entrepreneurs show equal preference for mutual funds, shares, and real assets (26.7% each), suggesting a balanced mix of modern financial instruments and traditional tangible investments. Conservative options like bank deposits (3.3%) and government securities (6.7%) are least preferred.
- **Factors Influencing Decisions:** Risk perception (40%) and return expectation (30%) are the most influential factors, while liquidity is moderately significant (55%). Tax benefits and peer/advisor influence play minimal roles, indicating that women entrepreneurs are independent and pragmatic investors, relying more on financial logic than on external advice.

8. SUGGESTIONS

- **Enhance Financial Literacy:** Conduct training programs on portfolio diversification, risk-return analysis, and long-term wealth creation to strengthen decision-making capacity.
- **Strengthen Investment Advisory Services:** Establish dedicated advisory cells at banks, DICCs, and women entrepreneurship forums to guide women in balancing risk and growth across investment avenues.
- **Promote Medium- to Long-Term Planning:** Encourage women to move beyond short-term liquidity considerations and focus on medium- and long-term investments that build enterprise sustainability.
- **Encourage Productive Reinvestment:** Provide policy support and incentives for women to channel surplus funds into business expansion, innovation, and technological upgradation.
- **Awareness Campaigns:** Increase awareness of defensive yet beneficial options like government securities, which can add stability to their investment portfolio.
- **Mentorship and Networking:** Link women entrepreneurs with experienced investors, financial professionals, and peer groups to improve confidence and reduce information asymmetry.

9. CONCLUSION

The study reveals that women entrepreneurs in Kamrup(M) are steadily moving away from traditional conservative investment behavior toward more growth-oriented and diversified investment strategies. Equal preference for mutual funds, shares, and real assets highlights their willingness to combine modern financial products with tangible investments, while minimal reliance on bank deposits reflects declining interest in ultra-conservative instruments. Expenditure allocation trends indicate that as businesses grow, resources are directed more toward materials and overheads, suggesting reinvestment in capacity building and operational efficiency.

Risk perception and return expectation remain the most significant drivers of investment decisions, underscoring the cautious yet ambitious approach of women entrepreneurs. Liquidity considerations further reflect the need for accessible funds, but tax benefits and peer influence have little effect, showing that these entrepreneurs are largely self-reliant in financial decision-making.

Overall, the findings demonstrate that women entrepreneurs in Kamrup(M) are evolving into confident and pragmatic investors. With the right financial literacy programs, advisory support, and policy interventions, they can strengthen their investment portfolios, enhance business sustainability, and contribute meaningfully to the economic development of Assam.

CONFLICT OF INTERESTS

None .

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