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NEED TO INTEGRATE 80C INVESTMENTS IN NEW INCOME TAX REGIME TO PROMOTE INVESTMENT BEHAVIOUR AMONG TAX PAYEES: A CASE OF HIGHER EDUCATION TEACHERS IN KARNATAKA

YASHASWI H R
Research Scholar, JAIN (Deemed –to –be University), Bengaluru. Email: yashyashas89@gmail.com

Dr. RACHANA SAXENA
Professor, School of Commerce, JAIN (Deemed –to –be University), Bengaluru.
Email: s.rachana@jainuniversity.ac.in

Abstract

In 2024, the Finance Minister of Union Cabinet of India introduced a new Tariff for Income tax keeping the earlier scheme alive and the tax payers can choose according to the interest. But, once the new scheme is selected, it not possible to revert to first one. The big difference between these two are, in the slab width and provision for investment as per 80C to save tax. The choice depends on whether the tax payee have saving to invest in 80C investments. If it is no, the new regime is appropriate if the income is less than Rs 12L. But, from the perception of promoting saving and investment habit and boost financial stability in life, it is essential to promote investment. This paper justify the need of 80C based investments taking Net asset Value (NAV) as tool to compare the effect of inflation as well on tax saving funds. It is observed that the inflation effect is partially reduced due to the tax saving compared to the generic Fixed deposits. Lack of full awareness and predictability of the investment opportunity makes the use of NAV difficult to compare the investment opportunities.

Keywords: Net Asset Value (NAV), Inflation, Investment Behavior, Income Tax, Tax Saving.

JEL: D14, E39, E40.

1. INTRODUCTION

Higher Education is a sector that facilitates the supply of fresh talents to the Industry and it is one of the prominent service sectors in India. It also provides employment opportunities for a wide range of experts and entrepreneurial opportunities for talented professionals in research, training, consultancy, etc. Attractiveness of professionals to this sector is passion for teaching, research etc., supported by income. Being the income level of employees in higher education level is good as the institutions must follow the scales provided by the affiliated and approval bodies. This study is an attempt to analyze the saving and investment behavior (Athira & Mohamed Kutty Kakkakunnan, 2021).

The higher education sector contains a vast range of disciplines and investment management falls in commerce and management. Hence, it is not a must that faculty members or employees in other departments or sections have clarity on investment opportunities

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Information symmetry is situation in which an individual does not have adequate information to take an appropriate decision or non-availability to take a decision. This paper analyses the economic value of investment decisions

Economic value of the investment can be evaluated from three perspectives, cost of funds, return on investment and value growth. Cost of funds will be evaluated on interest paid for the fund and it is outgoing. In this case, the economic value of investment will be attractive only if the return of the capital or fund is more than the interest paid and the inflation (Hagos & Singh, 2019). It is a preponement of future income. It is also an investment. In the second case, profit or interest or dividend gained investment. Value of growth is the annual increment on return gained. (King & Julian King & Associates Ltd, 2016).

Economic Value of investment for common investors

Every investment is evaluated based on current value as the present value of future returns for each investment, which can be investment in family business or fixed deposit or in any portfolio-based investments. The Economic value of any investment is the net present value after considering future cash inflows (Patil & Bagodi, 2021). Financial awareness is the potential to understand the present value of the investment based on the net cash inflow in future. There are a few factors that influence the economic values like, inflation, change in living expenses, premium paid for the higher quality of products or services. In Corporate accounting, the net asset value is considered as a basis in evaluation of any investment. But the use of the same concept in personal or family financial management (Juster et al., 1972). It leads to unexpected losses or fail to ensure the adequate fund flow (Singaram et al., 2025).

Calculation of Net Asset Value

$$NAV = \frac{Total\ asset - Total\ liability}{Number\ of\ units}$$

Every investment is to increase the Net Asset of a firm or family or individual. But this formula is true for investments where assets are expressed as a few units of Assets with equal value like equity shares. But in normal case where the assets can not be expressed as units of assets, the definition of asset value of an individual or family or firm cam be expressed as change in assets and percentage of current assets as a percentage of tota asset. Generally, these types of assessments of own wealth by the individuals and families to improve the financial stability and to manage the fund requirements (R.Murugesan & S.Dhanalakshmi, 2023)

Asset value as a percentage

$$NAV\% = \frac{Total\ asset - Total\ Liability}{Total\ asset}$$

This relationship helps to analyse the vulnerability of personal or family financial condition and a decision formula for whether to take loan or not. When needs and the investment

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needed to accomplish the need along with cost of funds or value of the gain. In the case of deposits, opportunity cost has to be taken as the liability.

Every investment as to be evaluated based on economic value added

A small case to analyse is explained here and it is the author's perception. The question is whether to buy a house on loan in the early years of career. The gain is the saving of rent over the years. It can be considered as income. The net cash flow is (Rent -EMI). The opportunity cost is trade off of a higher income one lose due to the inability to relocate. Depreciation of the building over years.

$$NAV\% = \frac{(asset\ value\ at\ Market\ rate - [(Repayment + Rent) + Depreciation]) * 100}{Total\ asset}$$

Liquidity and Solvency in investment planning

Liquidity is the cash availability at any point of time and solvency is the net asset available for settling the total liability. The liquidity is the difference between the income and expenses of an individual or family.

In the case job of salaried investors, the saving is the liquidity, and the investment is the process of spending the saving for additional income or saving. Hence, it is a two level financial management is essential, financial budgeting and financial planning. In financial budgeting, liquidity is important while in financial planning is important. Every investment is to ensure future liquidity when there is no income as salary either due to retirement or inability to work. It is called risk in life.

Financial Technology & Investment behaviour

The Financial sector has experienced a rapid transformation due to financial technology (Fin-Tech), and it has a significant impact on individual investors on their investments. There are three aspects in Fintech-based investment decisions: information availability, investment advice and application-based transactions.

Role of social media in awareness development cannot be ignored. The four stages of investment processes include, information available in media, specific search in social media, access to Financial application and transactions. The challenge of information asymmetry arise when the investor fail to understand the investment opportunities, it's risks and returns.

As per the new income tax slab, there is a tax exemption till INR 12 Lakha or INR 1.2 million. There is a standard deduction of Rs 75000 allowed for salaried class. Also, investments in 80C debates, tax exemption on rent, interest on home loans, educational expenses etc, are removed. Hence, earlier types of tax exemption investments are not relevant today and the investors are free to invest anywhere as they wish.

This promotes the low-risk investments like systematic Investment schemes and mutual funds. Unlike earlier the websites like Money Control or Economic times and magazines like Dalal street give more information on investments.

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Gender effect on Investment decisions

Income of women is considered as the additional income for the family and the income of husbands is taken as the main income if it is a family. Generally, investment decisions are taken by husbands. In the higher education sector, there are 15.98 lakh, of which 43.4% are female. (*Ministry of Education Releases All India Survey on Higher Education (AISHE) 2021-2022*). Hence, the analysis of investment behaviour is s need today.

Effect of Tax saving effect on Investment decisions

In India, there are two options to calculate Income tax, Regime 1& Regime2. In Regime 1, the investor can claim tax exemptions based on type of investments. They are listed under 80C of Income tax act. This promotes investment in Life insurance, equity linked investments, public provident fund, certain government bonds, pension funds, national saving funds etc.

The investors can claim tax exemption in the investment year at the percentage of tax slab they fall into. There are investment opportunity for saving money fir girl children for their career development (*Child-Centred Investments to Achieve Targets of Vision 2025 by Department of Women Development and Child Welfare, Government of Telangana*, 2020).

But in Regime 2, the number of slabs increases and the tax burden reduced to 25%. But no investments is essential. The tax payers get immediate benefit in for the tax payers of the income range of Rs 4 -8L (5%), Rs 8-12L (10%), Rs 12-16L (15%), Rs 16-20L (20%) , Rs 20-24L (25%) and Rs 24+ at 30%. Also, there no tax till Rs 12L and the employed class get Rs 75000 as standard deduction.

The new tax plan is to support consumption so that it will boost the market and industry. This is the change from the old regime and new regime of Income tax. The increase in salary in India will match with the new regime that tax is exempted till Rs 12 L (Corporation, 2026). The prime reason for falling purchasing power is inflation, it is a need to analyse whether the selected investment opportunity absorbs the inflation effect (Mastufa Ahmed, 2024).

Statement of Problem

Higher education is highly heterogenic in subject and domain range, and Commerce is one among them. But in investment management, there is a need to understand how to evaluate the net return and the easy way to analyse is the net asset value.

One of the challenges faced by the higher education employees is the lack of basic awareness in analysing the risk and return of the investments and hence, they compromise the return avoiding volatile investments.

Understanding of different investment opportunities and the analysis of risk involved in investment are to be analysed for a good investment. This paper analyses the risk of information asymmetry among higher education employees and its effect on investment decisions (Jain, 2026)

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RESEARCH GAP

The research gap shows there is no clear use of NAV as the basis for deciding investment avenues and the studies explained on personal aspects in taking investment decisions. The challenges of information asymmetry are also not found explained in studies with an analytical approach to check whether the investment is capable of generating returns or not. The studies could not explain the need to understand the investment analysis to take appropriate decisions.

OBJECTIVES

- To analyze the effect of Tax regime on Investment decisions
- To test the awareness on Net Asset Value in evaluating the investment decisions
- To identify the factors that affect how widely retail investors

RESEARCH METHODOLOGY

The sample size of this research is 397 and the tool used for data collection is a structured questionnaire. The data has been collected from women teachers in Karnataka state, affiliated to different universities. Higher education sector is a vast sector comprising of institutions of different courses like, medicines, nursing, pharmaceuticals, engineering, commerce and management, etc. The representation of teachers of these disciplines have been assured in data collection.

Reliability of the data has been observed as .897.

Data Analysis

		Frequency	Percent
Educationa;lQualification	Post Graduation	154	28.6
	Doctorate	384	71.4
Domain	Commerce & Management	68	12.6
	Art	38	7.1
	Humanity & Sociology	211	39.2
	Technological	112	20.8
	Medical	109	20.3
Income	Rs 40-60K	59	11.0
	Rs. 60-80K	47	8.7
	Rs. 80-100k	207	38.5
	Rs 100-120K	108	20.1
	More than 120K	117	21.7
Family Size	2	58	10.8
	3	47	8.7
	4	185	34.4
	5	131	24.3
	More than 5	117	21.7
Family Structure	Single	53	9.9
	Couple	50	9.3
	Family	198	36.8

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	Jon Family	103	19.1
	HUF	134	24.9
Awareness on Investment	Never	58	10.8
	basic	55	10.2
	moderate	198	36.8
	High	115	21.4
	Very deep	112	20.8
Investments Preferred	Fixed deposit	50	9.3
	SIP	60	11.2
	Mutual funds	236	43.9
	Stock market	100	18.6
	Own Business	92	17.1
Information Sources	Books	55	10.2
	Newspapers	56	10.4
	Financial Websites	219	40.7
	Economics Magazines	93	17.3
	Social Media	115	21.4

The respondent distribution shows that 71.4% of the respondents are doctorates while 39.2% of the respondents are of humanity & Sociology while technological (20.8%) and medical (20.3%). 80.3% of the respondents are of more than Rs 80K. 80.5% of the respondents have family size more than 3. 36.8% of the respondents are normal family type while 44% are joint family type who stay with parents and siblings. 36.8% respondents have moderate knowledge while 42.2% have commanding knowledge in investment analysis. In the investment choice, mutual funds are preferred by the 43.9% respondents while 18,6% in stock market. 17.1% prefer own business. 40.7% of the respondents prefer financial websites while 21.4% prefer social media. 17.3% prefer financial or economic magazines.

The distribution shows that the income distribution is higher among the higher education teachers and they prefer mutual funds and stick market investments.

In the case of mutual funds, the portfolio is decided by the fund managers and the yield is better than fixed deposit. The source of information preferred is financial websites as the correct information is reported but need patience to analyze and extract information.

Criteria for selecting Investment Decisions

Mean of the factors that influence investment include Verification of Prospects (3.31),Verification of regulation RSCA(4.01),analysing the history of price (3.79), Analysing the Indices (4.20),Fundamental analysis (3.70), Technical Analysis (3.79), company analysis (3.97), Market Analysis (3.94), Economic analysis (4.02),and Government issued assets like treasury bills (4.04). Chit funds (Rotated Saving and Credit Association) include, both informal or formal. In the stock market, historic price analysis, analysing indices, fundamental analysis, analysis, company analysis, market analysis and economic analysis are important to take investment decisions (Umair & Ganapathi, 2025)

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Tax Saving Investments as per Income Tax Regime 1

The taxable income for salaried class is determined by deducting standard deduction and the deductions based on 80C & 80D (Sahoo, 2020)

Deduction Type	Investment	Average return
80C	Equity Linked Schemes	12-15%
	PPF	7.1%
	NSC	7.7%
	LIC	8-12%
	Principal sum of Home loan	Nil
80CCC	Pension funds	9-12%
80CCD	Atal Pension Yojana/ Govt Pension schemes like NOS	8-10%
Other Schemes in 80C	Tax saving FD	7-8%
	Senior Citizen saving Scheme	8.2%
	Sukanya Samriddhi Yojana	8%
80D	Health insurance	Nil

Tax planning in Old regime of Income tax

The tax percentages are respectively 5% (Rs2.5-5L), 20% (Rs 5-10L) and 30% (above Rs 10L). for three slabs as per the old regime of Income Tax in India.

As per the 80C for the tax exemption, National Savings Certificate is one of the investment option with 5 years of maturity and 7.7% interest. It is essential to analyze the net benefits of investing tax saving schemes

Table 3: Tax Saving of National Saving Certificate over 5 years investment of Rs. 150000 each &7.7% interest

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total
Investment	150000	150000	150000	150000	150000					750000
Interest in the Investment year@7.7%	11550	11550	11550	11550	11550					57750
Tax Saving 5%	7500	7500	7500	7500	7500					37500
Tax Saving 20%	30000	30000	30000	30000	30000					150000
Tax Saving 30%	45000	45000	45000	45000	45000					225000
Interest in the sub, sequent years 2,3,4,5@7.7%		11550	11550	11550	11550					46200
			11550	11550	11550	11550				46200
				11550	11550	11550	11550			46200
					11550	11550	11550	11550		46200
						11550	11550	11550	11550	46200

The table shows the benefits of the investors of three slab income tax of India as per the Old regime. As per the old regime, there are three tax slabs the table gives the total tax benefit and interest earned in every invest year. The maturity period of the NSC is five years and the tax benefit will be only in the first year of investment.

This calculation shows that the continuous investment of Rs 1.5L each for five years, the tax saving varies with tax slabs. The interest alone for the investment of the first year investment.

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There are three slabs and the tax saving in the first slab is Rs 7500. The tax slab is Rs 2.5-5L. If an investor invest Rs 1.5L in NSC, the taxable income is Rs 100000 (Rs 5L-Rs 2.5L-Rs 1.5L). Hence, tax commitment is Rs 5000. If there is no tax saving investment, the taxable income is Rs 250000 and the tax @5% is Rs 12500.

Hence the saving is Rs 7500 (Rs 12500-5000).

In the case of 20% range, If the tax payer has an income od 10L , the tax commitment without tax saving investment will be Rs 112500 (5%*Rs 250000+20%* Rs 500000). If the investor invest in NSC, the total taxable income reduces by Rs 150000 and the taxable income will be, Rs82500. Hence saving will be Rs 30000. If the taxable income is Rs 11.5L without NSE, tax commitment will be Rs 1,42500 (Rs 12500+Rs 100000+Rs 45000). If the NSC is taken, then the difference in tax for taxable income above Rs 10L upto Rs 11.5L will be Rs 45000. Above Rs 11.5L, tax will increase by Rs 30000 for every Rs 1L income.

This shows that the tax benefit due to investment in NSC increases with the tax slab. If an investor invest continuously for 5 years, the total span of investment will 9 years till the maturity of the last investment.

Net Asset Value Assessment of Net asset Value

The table clearly explained the Net asset Value of the 5 years of investing Rs 1.5L continuously at a rate of 7.7% of interest rate. Taking the inflation rate @5% taking average inflation for 5 years.

Table 4: Tax benefit of National Saving certificate for three slabs as per tax exemption in the NAV analysis

	Total Cash Flow	DF (r=7.7%)	NAV for Interest 7.7%	DF (r+i)	NAV with interest and inflation	
Cash out flow , Rs 1.5 L per year for 5 years	750000	0.928505	650130	0.8923	509835	
Interest for first years	57750	0.862122	46480.67	0.7962	41562.68	
Tax exemption @5%	37500	0.800484	30182.25	0.7104	26988.75	
Tax exemption @20%	150000	0.743254	120729	0.6339	107955	
Tax exemption @30%	225000	0.690115	181093.5	0.5657	161932.5	
Interests in the subsequent years 2,3,4,&5 till maturity	46200		35756.49		31257.77	
	46200		35756.49		31257.77	
	46200		35756.49		31257.77	
	46200		35756.49		31257.77	
	46200		35756.49		31257.77	
Net Asset tax 5%	1076250	0.435	869818.9	0.337915	703417.5	0.379696
Net Asset tax 20%	1188750	0.585	960365.6	0.47719	784383.7	0.538505
Net Asset tax 30%	1263750	0.685	1056487	0.625039	869619	0.705687

Net asset value is calculated for 7.7% annual interest and for both annual interest & inflation. Without discounting, the net benefit is calculated and the net return for the tax groups of 5% tax, 20% tax and 30% tax are respectively, 43.5%, 58.5% & 68.5%

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respectively. Net asset value on annual interest rate @7.7% is 33.79%, 47.7%, and 62.3% respectively. The Net asset value taking both annual interest and inflation is respectively 37.9%, 53.38%, and 70.56% respectively. This shows that the inflation effect is absorbed due to the tax exemption at higher income levels.

Effect of Income tax old regime on Investment Planning & Tax commitment

But in the new regime, there is no tax deduction upto Rs 12L and the employees will get a standard deduction up to Rs 75K per annum. The tax slabs are, 0% (upto 4L), 5% (Rs 4-8L), 10% (Rs 8-12L), 15% (Rs 12-16L), 20% Rs 16L-20L), 25% (Rs 20-24L) and 30% (Above Rs 24L).

From the income information, all the respondents have income tax commitment

Next Tax regime and tax commitment

Tax Slab	%	Tax commitment	Range of Tax
4-8 L	5%	20000	No Tax
8-12L	10%	40000	No Tax
12-16L	15%	60000	60-120K
16-20L	20%	80000	120-200K
20-24L	25%	100000	Rs 2-3L
Rs 24L+	30%	120000	3-4.2L
			Rs 3L + Rs 30000 per Lakh

The main disadvantage of the old regime is the lower number of slabs that the tax per lakh above Rs 11.5 L increases by Rs 30000 while the tax commitment is distributed gradient of slabs of Rs 4L. But the new slab is not insisting to invest their saving as there is no tax saving in the new slab. This will increase consumption and expenditure and later the debt commitment increases. The lack of restrictions give option for the taxpayers to invest in their preferred choice. The second the factor is the tax exemptions given for the principal sum of housing, tax exemption on fees for education, exemption on interest on housing loans etc in the old regime. These were motivation for the taxpayers to invest on housing, education of kids, medical insurance etc. This reduces propensity to save and invest.

A blend of provisions in the old regime under 80C and the slab system in the regime 2 would enhance the saving and investment behavior.

- **Objective 2: To test the awareness on Net Asset Value in evaluating the investment decisions**

In the survey conducted among the higher education teachers , it is observed that the sequence of investment flow is not analyzed based NAV. Investors prefer Fixed deposits as the income is consistent with no risk and the banks are safe. This paper is trying develop an awareness among investors who are not familiar with in investment analysis. NAV is a simple investment analysis that compare the cash outflow (investments) and cash inflow (interests, dividends or any type of rents that the investor get in return of the investment) and the present value of the redemption of the principal at the time maturity.

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All these returns and redemption value are transferred to the present value or tine investment.

$$\text{Present Value of an return} = PV = \frac{I}{(1+r)^n}$$

I : Return , r is the cist of funds and n is the year

If an investment is made for a maturity period of 5 years, and the returns are I_1, I_2, I_3, I_4, I_5 respectively in the five years and the maturity value at the end of five years is M

Then the present value of the cash inflow will be

$$PV = \frac{I_1}{(1+r)^1} + \frac{I_2}{(1+r)^2} + \frac{I_3}{(1+r)^3} + \frac{I_4}{(1+r)^4} + \frac{I_5}{(1+r)^5} + \frac{M}{(1+r)^5}$$

Cash out flow is the investment in the first year and number of unit is 1 as it is calculated for a single investment

$$NAV = \frac{Cash\ outflow - Cashinflow}{Number\ of\ units}$$

$$NAV = \frac{Cash\ outflow - PV\ of\ Cash\ inflow}{Number\ of\ units}$$

It is better to take the interest of a standard risk free return like interest of NSC as the ‘r, the discounting rate. This analysis is relevant as today’s money is worthier than tomorrow’s money. If the effect of inflation has to be considered, the discounting factor has to be (discounting rate +inflation rate), Inflation is the rate at which the purchasing power of money reduces every year. The NAV calculation is helpful in deciding whether an investment yield asset appreciation or not. It is applicable even in buying a real estate or a vehicle. The return can be saving in rent, additional expenses incurred earlier before the purchase of the property and worth of the asset at the time of its life expiry. Similarly, the cash outflow should be considered as investment plus forgone opportunity cost. If the investment is on loan, the net return will be the difference the interest paid and the return gained. From the primary survey, it is observed that 68% of the investors never assessed whether the asset is appreciated or depreciated at the end of its maturity period.

	Mean	Std. Deviation
Clarity on return	4.13	1.029
Life period	4.15	1.002
Periodic return	4.21	1.017
Selection of discount factor	4.16	.987
Redemption Value	4.18	1.029
Inflation effect	4.19	1.035
NAV Calculation	4.22	.998
Valid N (listwise)		

The challenges of using NAV are given above and the means of all the variables are high. A clear knowledge of the attributes of asset is essential before taking an investment decision. The periodic return, life span pr maturity period, and periodicity of return whether

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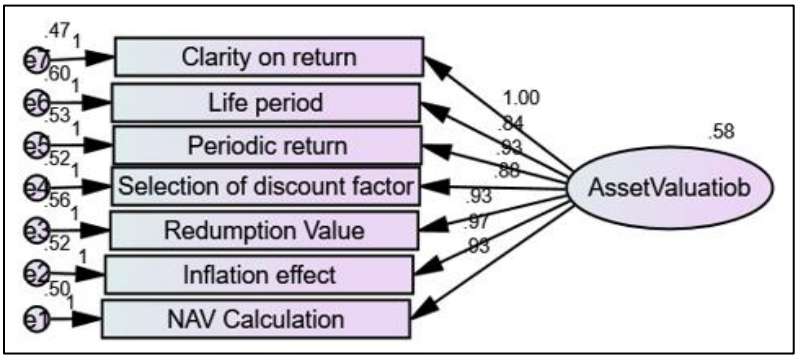
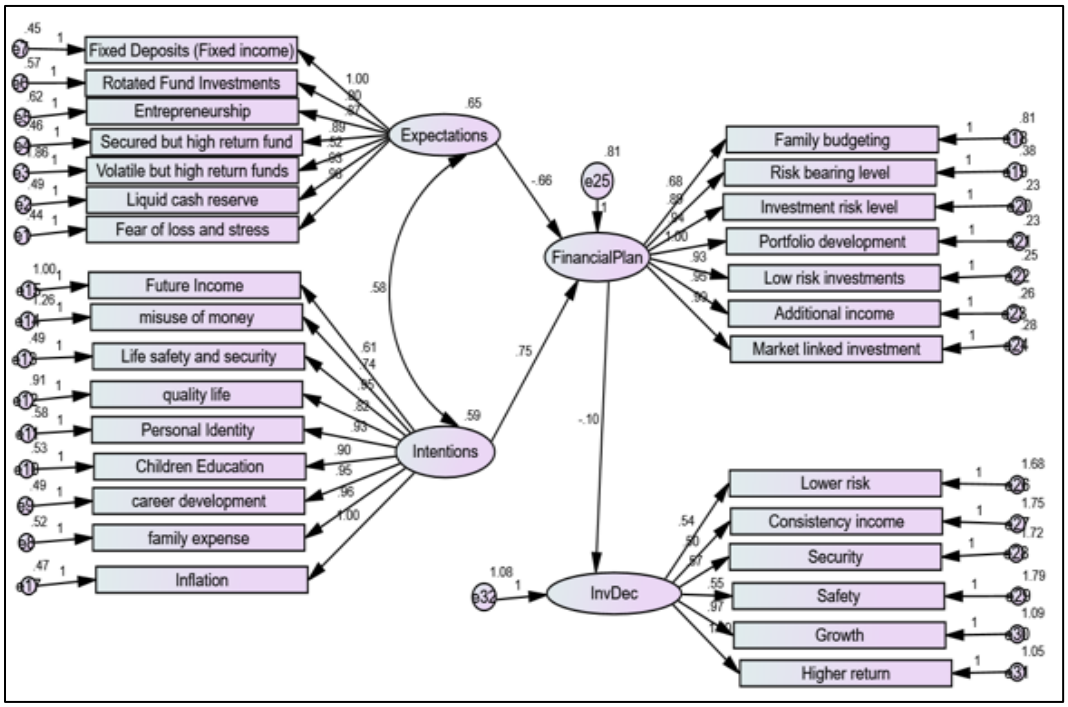
it is regular or irregular. The selection of discounting factor is very important. It should an interest rate matching to a similar standard investment like NSC or treasury bill. Redemption or scrap value depends on the asset. Inflation is to be taken for the latest period where the life or utility of the asset match with the period.



The regression model shows that all the variables have a regression coefficient and the variance of the dependent variable is low. The Model is valid as the CMIN/DF is 4.56 and the RMR valur is .045. The goodness of fit are also high, more than .9.

Objective 3: To identify factors that influence investment decisions of Higher education teachers

In behavioral finance, the expectations and Intentions help how to plan the investments. Financial planning is the process of managing expenses to save and invest money for the future use.



Personality traits and emotional intelligence are evident from the intentions for

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investment. Expectations are the motivations.

			Estimate	S.E.	C.R.	P
FinancialPlan	<---	Expectations	-0.657	0.305	-2.151	0.031
FinancialPlan	<---	Intentions	0.748	0.322	2.322	0.02
InvDec	<---	FinancialPlan	-0.101	0.048	-2.104	0.038
Fixed Deposits (Fixed income)	<---	Expectations	1			
Rotated Fund Investments	<---	Expectations	0.797	0.052	15.272	***
Entrepreneurship	<---	Expectations	0.868	0.055	15.68	***
Secured but high return fund	<---	Expectations	0.889	0.051	17.295	***
Volatile but high return funds	<---	Expectations	0.516	0.079	6.527	***
Liquid cash reserve	<---	Expectations	0.925	0.053	17.44	***
Fear of loss and stress	<---	Expectations	0.956	0.052	18.227	***
Future Income	<---	Intentions	0.613	0.064	9.567	***
misuse of money	<---	Intentions	0.735	0.073	10.086	***
Life safety and security	<---	Intentions	0.951	0.057	16.69	***
quality life	<---	Intentions	0.816	0.066	12.443	***
Personal Identity	<---	Intentions	0.933	0.059	15.769	***
Children Education	<---	Intentions	0.905	0.057	15.864	***
career development	<---	Intentions	0.954	0.057	16.685	***
family expense	<---	Intentions	0.961	0.058	16.476	***
Inflation	<---	Intentions	1			
Family budgeting	<---	FinancialPlan	0.676	0.046	14.592	***
Risk bearing level	<---	FinancialPlan	0.891	0.037	24.239	***
Investment risk level	<---	FinancialPlan	0.943	0.032	29.112	***
Portfolio development	<---	FinancialPlan	1			
Choosing right investment	<---	FinancialPlan	0.93	0.033	28.101	***
Additional income	<---	FinancialPlan	0.95	0.034	28.269	***
Market linked investment	<---	FinancialPlan	0.991	0.035	28.222	***
Lower risk		InvDec	0.541	0.073	7.468	***
Consistency income	<---	InvDec	0.502	0.072	6.956	***
Security	<---	InvDec	0.565	0.074	7.644	***
Safety	<---	InvDec	0.549	0.074	7.377	***
Growth	<---	InvDec	0.969	0.091	10.65	***
High return	<---	InvDec	1			

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	62	1957.072	373	.000	5.247
Saturated model	435	.000	0		
Independence model	29	8852.998	406	.000	21.805

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.067	.812	.881	.896
Saturated model	.000	1.000		
Independence model	.368	.267	.214	.249

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.779	.759	.813	.796	.812
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

The factors show that the expectations of the investors have higher returns, life

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settlement, and potential to meet the challenges of volatility. Applications like entrepreneurship, rotated saving credit associations etc. give alternate investment opportunities. This works against the financial planning and hence, the regression coefficients are negative. Intentions of investment is to meet the future requirements. Future Income, misuse of money, Life safety and security, quality life, Personal Identity, Children Education, career development, family expense and the Inflation effects are intentions for investment.

FINDINGS

In investment, there is a need of satisfying three needs, long term and short term gains, and safety. Investments are a route to the achieve long term goals by preserving savings and invest it for appreciation (Prosad et al., 2015). This study was focussing on three aspects, to identify the factors that influence investment behaviour, analysis of investment opportunity and the factors influence investment decisions. It is observed that the tax system is one such factor motivate the tax payee invest in selected funds. This paper uses the National Saving Certificate as a case study, highlighting its five-year maturity period and tax exemption benefits. Being the maturity period is 5 years, the investor invest Rs 1.5 L (or any amount proportional to the income) to get tax saving. Being deducted from the total taxable income, reflexion in tax saving will b in the highest tax bracket. Also, they get interest as well. The three cases analysed, actual return, discounted return at 7.7% (interest of NSC itself) and including the inflation effect as well. The results showed that the return increased for the higher tax bracket that inflation volatility is absorbed partially. This is also to give an illustration how to use Net Asset Value in retail investments. In the case of National Saving Certificate, the five year return is around 43% or an average, 8.6% per annum which is more than the offered 7.7%. This is due to the tax saving is considered as a return for the NSC.

In general case, the big challenge in using the NAV is the lack of awareness on investment opportunities or neglection in doing more analysis. The analysis helps to identify asset appreciating investment opportunities. The factor that influence the investment decision is the personal expectation in the long term and short term needs. It affects the financial planning negatives

CONCLUSION

The new regime of Indian Income tax for individuals give more slabs of Rs 4 L wide and the tax percentage for each slab differ by 5%. But in the case of old regime, there are only three slabs, but there tax exemptions were given under 80C of the Income tax act. This includes Equity linked funds, provident funds, principal amount in housing, National Saving certificate. All these investment opportunities give 8-12% return on average. Maximum investment is capped to Rs 1.5 L that the investor get tax benefit depending on slab. This motivated investment among tax payers. This was one of prime reason for the tax payees in doing investment. This ensured financial stability in life. But the Regime 2 is not giving any exemptions and the investors are free to invest in any investments they

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prefer, but voluntary. It is a need to motivate the youth to invest for future and as authors, the only proposal to put forward is to integrate the 80 C provision with the new tax slabs well but the upper limit for the 80C investments can be refixed. But, it will inculcate the investment behaviour and helpful in meeting future need and to depend on debt for managing life.

The investment opportunity analysis is important before taking an investment decision. NAV method is an easy method to compare the cash inflow and outflow. The discounting including the inflation helps to calculate the exact appreciation.

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