

**PERCEPTION OF INVESTORS ON VARIOUS TYPES OF INVESTMENT AT M
A C K AND CO**

Submitted in partial fulfillment of the requirements for the award of

Bachelor of Commerce

By
ARTHI V

(40740031)



**DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

I.

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **ARTHI V**
Reg. No. 40740031 who carried out the Project Training at "M A C K AND CO"
under our supervision for a period of 3 months from **January 2023 to March 2023**.

MS. NIKKATH FATHIMA

Internal guide

Dr. BHUVANESWARI. G, MBA, PH.D.

Dean – School of Management Studies

Rudran D

External Guide

SCHOOL OF MANAGEMENT STUDIES
SATHYABAMA
INSTITUTE OF SCIENCE AND TECHNOLOGY
(Deemed to be University)
Rajiv Gandhi Sala,
Chennai-600 119

Submitted for Viva Voce Examination held on 08.05.20:

Internal Examiner

External Examiner

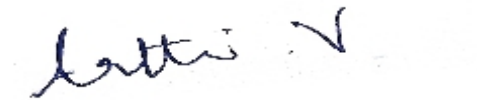
DECLARATION

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I **ARTHI V Register No.40740031** hereby declare that the Project work done by me under the guidance of **MS. NIKKATH FATHIMA** (Internal) and **Rudran D** (External) at **M A C K AND CO.,Chennai, Tamil Nadu, India** is submitted in partial fulfilment of the requirements for the award of Bachelor of Commerce.

DATE: 29.04.2023

PLACE: CHENNAI



SIGNATURE OF THE CANDIDATE

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ARTHI V

PERCEPTION OF INVESTORS ON VARIOUS TYPES OF INVESTMENT AT M A C K AND CO

ABSTRACT

Investment is an economic activity which creates capital required for various sectors of the economy. So, every earning person should be motivated to save and invest his/her money. The study attempted to find out the awareness levels of rural investors about various investment avenues, their preferences, and considerations for investing money.

Most of the investors, particularly rural investors, are found to be unaware about investment avenues and rules and regulations. In spite of remarkable growth of our economy and increasing income levels of people, the pace of savings mobilization is lower in India. Rural savings are not mobilized and invested properly.

This study would help in explaining the investor's perception of risk & return & their preference about the various investment avenues for their salary. All this would help in giving suggestions to strengthen the decision on their investment pattern to get maximum return with minimum risk.

The Primary objective of the study is to assess the investor's perception towards the changes in their investment pattern of their salary with reference to M A C K AND CO. The other objectives are to assess the factors that affect the investment decision of their salary, to know the mode and the period of their investment of salary, to understand ranking of the investors for the various investment options based on their return on investment and its satisfaction level and to know the ranking of the investors for the best types of investments based on its liquidity factor.

Multiple choice questions have been chosen to collect the responses from 130 customers. Convenience sampling method has used in the research work. Percentage analysis has been used to interpret the collected data. The data collected has been analyzed. Numerous new findings has been derived from this research has helped to provide valuable suggestions to improve the investment pattern of the investors.

TABLE OF CONTENTS

CHAPTER NO.	CONTENTS	PAGE NO.
I	INTRODUCTION	
II	2.1 INDUSTRY PROFILE	
	2.2 COMPANY PROFILE	
III	REVIEW OF LITERATURE	
IV	RESEARCH METHODOLOGY	
	4.1 Need for the study	
	4.2 Objectives of the study	
	4.3 Scope of the study	
	4.4 Research Design	
	4.5 Limitations of the study	
V	DATA ANALYSIS AND INTERPRETATION	
VI	FINDINGS	
VII	SUGGESTIONS	
VIII	CONCLUSION	
IX	BIBLIOGRAPHY	
X	ANNEXURE	

TABLE CONTENTS

S. NO	CONTENTS	PAGE NO.
1	AGE WISE CLASSIFICATION	
2	GENDER	
3	MARITAL STATUS	
4	EDUCATIONAL QUALIFICATION	
5	OCCUPATION	
6	PLACE OF LIVING	
7	ANNUAL INCOME	
8	ANNUAL SAVINGS	
9	SOURCE OF INVESTMENT	
10	PURPOSE OF INVESTMENT	
11	FACTORS AFFECT INVESTMENT DECISION	
12	TOOK MAJOR INVESTMENT DECISION IN YOUR FAMILY	
13	INVESTMENT PERIOD	
14	MODE OF INVESTMENT OF THE SALARY AMONG THE VARIOUS INVESTMENT AVENUES	
15	INVESTING FACTOR	
16	THE MOST INFLUENCING FACTOR IN DECIDING THE INVESTMENT PATTERN OF THE SALARIED INDIVIDUAL	

17	SHARE YOUR OPINION ON THE FOLLOWING FACTORS	
18	THE BEST TYPES OF INVESTMENTS BASED ON THE SATISFACTION AVAILABLE FROM THEIR RETURN	
19	AWARENESS OF INVESTMENT AVENUES	
20	INVESTMENT OF LIQUIDATED EASILY	
21	INCOME FUNDS BASED ON YOUR RETURN	
22	THE VARIOUS INVESTMENT MADE WITH YOUR SALARY	

LIST OF CHARTS

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1	AGE WISE CLASSIFICATION	
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4	EDUCATIONAL QUALIFICATION	
5	OCCUPATION	
6	PLACE OF LIVING	
7	ANNUAL INCOME	
8	ANNUAL SAVINGS	
9	SOURCE OF INVESTMENT	
10	PURPOSE OF INVESTMENT	
11	FACTORS AFFECT INVESTMENT DECISION	
12	TOOK MAJOR INVESTMENT DECISION IN YOUR FAMILY	
13	INVESTMENT PERIOD	
14	MODE OF INVESTMENT OF THE SALARY AMONG THE VARIOUS INVESTMENT AVENUES	
15	INVESTING FACTOR	
16	THE MOST INFLUENCING FACTOR IN DECIDING THE INVESTMENT PATTERN OF THE SALARIED	

	INDIVIDUAL	
17	SHARE YOUR OPINION ON THE FOLLOWING FACTORS	
18	THE BEST TYPES OF INVESTMENTS BASED ON THE SATISFACTION AVAILABLE FROM THEIR RETURN	
19	AWARENESS OF INVESTMENT AVENUES	
20	INVESTMENT OF LIQUIDATED EASILY	
21	INCOME FUNDS BASED ON YOUR RETURN	
22	THE VARIOUS INVESTMENT MADE WITH YOUR SALARY	

CHAPTER - I

INTRODUCTION:

To **invest** is to allocate money (or sometimes another resource, such as time) in the expectation of some benefit in the future.

In finance, the expected future benefit from investment is a return. The return may consist of capital gain and/or investment income, including dividends, interest, rental income etc.

Investment generally results in acquiring an asset, also called an investment. If the asset is available at a price worth investing, it is normally expected either to generate income, or to appreciate in value, so that it can be sold at a higher price (or both).

Investors generally expect higher returns from riskier investments. Financial assets range from low-risk, low-return investments, such as high-grade government bonds, to those with higher risk and higher expected commensurate reward, such as emerging markets stock investments.

Investors, particularly novices, are often advised to adopt an investment strategy and diversify their portfolio. Diversification has the statistical effect of reducing overall risk.

Investment differs from arbitrage, in which profit is generated without investing capital or bearing risk.

An investor may bear a risk of loss of some or all of their capital invested, whereas in saving (such as in a bank deposit) the risk of loss in nominal value is normally remote. (Note that if the currency of a savings account differs from the account holder's home currency, then there is the risk that the exchange rate between the two currencies will move unfavorably, so that the value in the account holder's home currency of the savings account decreases.)

Speculation involves a level of risk which is greater than most investors would generally consider justified by the expected return. An alternative characterization of speculation is its short-term, opportunistic nature.

Investors famous for their success include Warren Buffett. In March 2013 *Forbes* magazine, Warren Buffett ranked number 2 in their Forbes 400 list. Buffett has advised in numerous articles and interviews that a good investment strategy is long term and choosing the right assets to invest in requires due diligence.

Edward O. Thorp was a highly successful hedge fund manager in the 1970s and 1980s who spoke of a similar approach.

The investment principles of both of these investors have points in common with the Kelly criterion for money management.^[5] Numerous interactive calculators which use the Kelly criterion can be found online.^[6]

Investments are often made indirectly through intermediary financial institutions. These intermediaries include pension funds, banks, brokers, and insurance companies. They may pool money received from a number of individual end investors into funds such as investment trusts, unit trusts, SICAVs etc. to make large scale investments. Each individual investor holds an indirect or direct claim on the assets purchased, subject to charges levied by the intermediary, which may be large and varied.

Approaches to investment sometimes referred to in marketing of collective investments include dollar cost averaging and market timing.

CHAPTER 3

3. REVIEW OF LITERATURE

A large number of studies on the growth and financial performance of mutual funds have been carried out during the past, in the developed and developing countries. Brief reviews of the following research works reveal the wealth of contributions towards the performance evaluation of mutual fund, market timing and stock selection abilities of fund managers. In India, one of the earliest attempts was made by National Council of Applied Economics Research (NCAER) in 1964 when a survey of households was undertaken to understand the attitude towards and motivation for savings of individuals. Another NCAER study in 1996 analyzed the structure of the capital market and presented the views and attitudes of individual shareholders. SEBI – NCAER Survey (2000) was carried out to estimate the number of households and the population of individual investors, their economic and demographic profile, portfolio size, and investment preference for equity as well as other savings instruments. Data was collected from 30,00,000 geographically dispersed rural and urban households. Some of the relevant findings of the study are : Households preference for instruments match their risk perception; Bank Deposit has an appeal across all income class; 43% of the non-investor households equivalent to around 60 million households apparently lack awareness about stock markets; and, compared with low income groups, the higher income groups have higher share of investments in Mutual Funds signifying that Mutual funds have still not become truly the investment vehicle for small investors.

Since 1986, a number of articles and brief essays have been published in financial dailies, periodicals, professional and research journals, explaining the basic concept of Mutual Funds and highlighted their importance in the Indian capital market environment. They touched upon varied aspects like regulation of Mutual Funds, Investor expectations, Investor protection, and growth of Mutual Funds and some on the performance and functioning of Mutual Funds. A few among them are Vidyashankar (1990), Sarkar (1991), Agarwal (1992), Sadhak (1991), Sharma C. Lall (1991), Samir K. Barua et al., (1991), Sandeep Bamzai (2001), Atmaramani (1995), Atmaramani (1996), Subramanyam

(1999), Krishnan (1999), Ajay Srinivasan (1999). Segmentation of investors on the basis of their characteristics was highlighted by Raja Rajan (1997). Investor's characteristics on the basis of their investment size Raja Rajan (1997), and the relationship between stages in life cycle of the investors and their investment pattern was studied Raja Rajan (1998).

Friend, et al., (1962) made an extensive and systematic study of 152 mutual funds found that mutual fund schemes earned an average annual return of 12.4 percent, while their composite benchmark earned a return of 12.6 percent. Their alpha was negative with 20 basis points. Overall results did not suggest widespread inefficiency in the industry. Comparison of fund returns with turnover and expense categories did not reveal a strong relationship.

Irwin, Brown, FE (1965) analyzed issues relating to investment policy, portfolio turnover rate, performance of mutual funds and its impact on the stock markets. They identified that mutual funds had a significant impact on the price movement in the stock market. They concluded that, on an average, funds did not perform better than the composite markets and there was no persistent relationship between portfolio turnover and fund performance.

Treynor (1965) used 'characteristic line' for relating expected rate of return of a fund to the rate of return of a suitable market average. He coined a fund performance measure taking investment risk into account. Further, to deal with a portfolio, 'portfolio-possibility line' was used to relate expected return to the portfolio owner's risk preference.

Sharpe, William F (1966) developed a composite measure of return and risk. He evaluated 34 open-end mutual funds for the period 1944-63. Reward to variability ratio for each scheme was significantly less than DJIA (Dow Jones Industrial Average) and ranged from 0.43 to 0.78. Expense ratio was inversely related with the fund performance, as correlation coefficient was 0.0505. The results depicted that good performance was associated with low expense ratio and not with the size. Sample schemes showed consistency in risk measure.

Treynor and Mazuy (1966) evaluated the performance of 57 fund managers in terms of their market timing abilities and found that, fund managers had not successfully outguessed the market. The results suggested that, investors were completely dependent

on fluctuations in the market. Improvement in the rates of return was due to the fund managers' ability to identify under-priced industries and companies. The study adopted Treynor's (1965) methodology for reviewing the performance of mutual funds.

Jensen (1968) developed a composite portfolio evaluation technique concerning risk-adjusted returns. He evaluated the ability of 115 fund managers in selecting securities during the period 1945-66. Analysis of net returns indicated that, 39 funds had above average returns, while 76 funds yielded abnormally poor returns. Using gross returns, 48 funds showed above average results and 67 funds below average results. Jensen concluded that, there was very little evidence that funds were able to perform significantly better than expected as fund managers were not able to forecast securities price movements.

Fama (1972) developed methods to distinguish observed return due to the ability to pick up the best securities at a given level of risk from that of predictions of price movements in the market. He introduced a multiperiod model allowing evaluation on a period-by-period and on a cumulative basis. He concluded that, return on a portfolio constitutes of return for security selection and return for bearing risk. His contributions combined the concepts from modern theories of portfolio selection and capital market equilibrium with more traditional concepts of good portfolio management.

Williamson (1972) compared ranks of 180 funds between 1961-65 and 1966-70. There was no correlation between the rankings of the two periods. The investment abilities of most of the fund managers were identical. He highlighted the growing prominence of volatility in the measurement of investment risk.

Klemosky (1973) analyzed investment performance of 40 funds based on quarterly returns during the period 1966-71. He acknowledged that, biases in Sharpe, Treynor, and Jensen's measures, could be removed by using mean absolute deviation and semi-standard deviation as risk surrogates compared to the composite measures derived from the CAPM (Capital Asset Pricing Model).

McDonald and John (1974) examined 123 mutual funds and identified the existence of positive relationship between objectives and risk. The study identified the existence of positive relationship between return and risk. The relationship between objective and

risk-adjusted performance indicated that, more aggressive funds experienced better results.

Gupta (1974) evaluated the performance of mutual fund industry for the period 1962-71 using Sharpe, Treynor, and Jensen models. All the funds covered under the study outperformed the market irrespective of the choice of market index. The results indicated that all the three models provided identical results. Return per unit of risk varied with the level of volatility assumed and he concluded that, funds with higher volatility exhibited superior performance.

Klemosky (1977) examined performance consistency of 158 fund managers for the period 1968-75. The ranking of performance showed better consistency between four-year periods and relatively lower consistency between adjacent two-year periods.

Ippolito's (1989) results and conclusions were relevant and consistent with the theory of efficiency of informed investors. He estimated that risk-adjusted return for the mutual fund industry was greater than zero and attributed positive alpha before load charges and identified that fund performance was not related to expenses and turnover as predicted by efficiency arguments.

Gupta Ramesh (1989) evaluated fund performance in India comparing the returns earned by schemes of similar risk and similar constraints. An explicit risk-return relationship was developed to make comparison across funds with different risk levels. His study decomposed total return into return from investors risk, return from managers' risk and target risk.

Baruan Varuan (1991) made an attempt to evaluate the master share scheme of UTI using the data from 1987 to 1980. Their conclusion was that the Master Share Scheme outperformed the market in terms of net assets value (NAV) and the master share scheme (MSS) benefited large investors rather than small investors.

Obaidulla and Sridhar (1991) evaluated the performance of two major growth oriental mutual fund schemes - Master share and Canshare. They both concluded that both the funds provided abnormal returns. Master share out performed based on market risk.

Gupta L C (1992) attempted a household survey of investors with the objective of identifying investors' preferences for mutual funds so as to help policy makers and mutual funds in designing mutual fund products and in shaping the mutual fund industry.

Lal C and Sharma Seema (1992) identified that, the household sector's share in the Indian domestic savings increased from 73.6 percent in 1950-51 to 83.6 percent in 1988-89. The share of financial assets increased from 56 percent in 1970-71 to over 60 percent in 1989-90 bringing out a tremendous impact on all the constituents of the financial market.

Shashikant Uma (1993) critically examined the rationale and relevance of mutual fund operations in Indian Money Markets. She pointed out that money market mutual funds with low-risk and low return offered conservative investors a reliable investment avenue for short-term investment.

Ansari (1993) stressed the need for mutual funds to bring in innovative schemes suitable to the varied needs of the small savers in order to become predominant financial service institution in the country.

Shukla and Singh (1994) attempted to identify whether portfolio manager's professional education brought out superior performance. They found that equity mutual funds managed by professionally qualified managers were riskier but better diversified than the others. Though the performance differences were not statistically significant, the three professionally qualified fund managers reviewed outperformed others.

Rich Fortin and Stuart Michelson (1995) studied 1,326 load funds and 1,161 no load funds and identified that, no-load funds had lower expense ratio and so was suitable for six years and load funds had higher expense ratio and so had fifteen years of average holding period. No-load funds offered superior results in nineteen out of twenty-four schemes. He concluded that, a mutual fund investor had to remain invested in a particular fund for very long periods to recover the initial front-end charge and achieve investment results similar to that of no-load funds.

Conrad S Ciccotello and C Terry Grant's (1996) study identified a negative correlation between asset size of the fund and the expense ratio. The results of the study brought out that, larger funds had lower expense acquire information for trading decision and were consistent with the theory of information pricing.

Gupta and Sehgal (1997) evaluated investment performance for the period 1992 to 1996. Aspects of Mutual fund such as fund diversification, consistency of performance, consistency between risk measures, fund objectives and risk return relation in general

were studied. For the study 80 mutual fund schemes of private and public sector were taken. Out of 80 schemes, 54 were close-ended and the 26 were open-ended. Results showed that income growth schemes were the best performers with mean weekly returns of .0087 against mean weekly returns from income growth schemes of .0021 and .0023 respectively. LIC Dhansahyog, Reliance growth and Birla Income Plus were the best income growth and growth income schemes respectively.

Gupta and Sehgal (1998) evaluated performance of 80 mutual fund schemes over four years (1992-96). The study tested the proposition relating to fund diversification, consistency of performance, parameter of performance and risk-return relationship. The study noticed the existence of inadequate portfolio diversification and consistency in performance among the sample schemes.

Ronay and Kim (2006) have pointed out that there is no difference in risk attitude between individuals of different gender, but between the groups, males indicate a stronger inclination to risk tolerance. Gender difference was found at an individual level, but in groups, males expressed a stronger pro-risk position than females.

Sapar, Narayan R. and Madava, R. (2003) conducted a research on the performance evaluation of Indian mutual funds in a bear market. The period of study was September 1998 to April 2002 (bear period). They started with a sample of 269 open ended schemes (out of total schemes of 433) for computing relative performance index. Then after excluding the funds whose returns are less than risk-free returns, 58 schemes were used for further analysis. Mean monthly (logarithmic) return and risk of the sample mutual fund schemes during the period were 0.59% and 7.10%, respectively, compared to similar statistics of 0.14% and 8.57% for market portfolio. The results of performance measures suggest that most of the mutual fund schemes in the sample of 58 were able to satisfy investor's expectations by giving excess returns over expected returns based on both premium for systematic risk and total risk.

Rao, D. N. (2006) classified 419 open-ended equity mutual fund schemes and analyzed the financial performance of selected open-ended equity mutual fund schemes for the period 1st April 2005 to 31st March 2006 pertaining to the two dominant investment styles and tested the hypothesis whether the differences in performance was statistically significant or not. The variables chosen for analyzing financial performance were

monthly compounded mean return, risk per unit return and Sharpe ratio. A comparison of the financial performance of the 21 Open-ended Equity growth plans and 21 Open-ended Equity dividend plans was made in terms of the chosen variables. The analysis indicated that Growth plans generated higher returns than that of Dividend plans but at a higher risk. Further, 17 Growth plans generated higher returns than that of corresponding Dividend plans offered by the same Asset Management Companies (AMC) and only one Dividend plan could generate higher return than its corresponding Growth plan. However, three Growth plans and the corresponding Dividend plans had the same returns. Out of the 21 Growth plans, 4 Growth plans had higher Coefficient of Variation (Risk per unit Return) than the corresponding Dividend plans and 13 Dividend plans had higher Coefficient of Variation (Risk per unit Return) than the corresponding Growth plans offered by the AMC. Three Growth plans and three Dividend plans had almost equal Risk per unit return. A comparison of the Sharpe ratios of Growth plans and the corresponding Dividend plans indicated that 18 Growth plans out of 21 (approximately 90%) had better risk adjusted excess returns highlighting the fact that Growth plans are likely to reward the investors more for the extra risk they assumed. Pearson's correlation coefficient between the returns of the two plans was found to be moderate (0.5290) and F-test (1-tailed test) indicated a low probability (0.3753) of the variances of the returns of the two plans. Further, Student's t-test (1-tailed test) led to the rejection of Null Hypothesis and acceptance of Alternate Hypothesis at confidence levels ranging from 0.40 to 0.0005 implying that Equity Growth funds provide higher returns than that of Equity Dividend funds and the differences were statistically significant.

Chang and Lewellen (1984) used the method processed by Henryksson Merton and studied 67 mutual funds between 1971 and 1979. They divided data into up and down market components and computed two separate slope coefficient b_1 and b_2 . Of the 67 mutual fund studied, only in 5 cases, data displayed statistically significant difference between b_1 and b_2 . Majority of them were in the negative direction, suggesting poor market timings and they concluded that neither skillful market timing nor clever security selection abilities are evident in abundance in the observed mutual fund return data.

De Bondt and Thaler (1985) while investigating the possible psychological basis for investor behavior, argue that mean revision in stock prices is an evidence of investor over

reaction where investors overemphasize recent firm performance in forming future expectations.

William fung and David a. hsieh (1988) explored the investment styles in mutual fund hedge funds. The results indicated that there were 39 dominants mutual fund styles that were mixed or specialized subsets of 9 broadly defined user classes. There was little evidence of market timing of asset class rotation in these dominants mutual fund styles.

Elton and Gruber, Grindblatt and Titman (1989) found that there is some empirical evidence that mutual fund investors make purchase decision on the basis of past performance et all (1990). Some studies reveal that there is only a slight positive relationship or no relationship at all between previous performance and current returns Blake et al (1993) Bogle (1992) Brown and Goetz man (1995) raised the question of why poorly performing funds still survive. Harless and Peterson (1998) explained that investors tend to choose funds based on previous performance but stick to these funds despite their poor return in a recent study of consumers rationally and the mutual fund purchase decision.

Ippolito (1992) documents the reaction of investors to performance in mutual fund industry. His findings have shown that poor relative performance results in investors shifting their assets into other funds.

Sitkin and Pablo (1992) developed a model of determinants of risk behavior. They found that personal risk preferences and past experiences form an important risk factor in which social influence also affects the individual's perception. Sitkin and Weingart (1995) extended this model leading to the definition that risk perception and propensity are the mediators in risk behaviors of uncertain decision-making. In this hypothesis, past investment establishes the frame for the propensity to risk, risk transfer, and risk awareness which impact decision-making behavior. Thus risk orientation and risk perception are reduced to antecedent variables in decision-making behavior under risk.

Gupta (1994) made a household investor survey with the objective to provide data on the investor preferences on Mutual Funds and other financial assets. The findings of the study were more appropriate, at that time, to the policy makers and mutual funds to design the financial products for the future.

Sujit Sikidar and Amrit Pal Singh (1996) carried out a survey with an objective to understand the behavioral aspects of the investors of the North Eastern region towards equity and mutual funds investment portfolio. The survey revealed that the salaried and self employed formed the major investors in mutual fund primarily due to tax concessions. UTI and SBI schemes were popular in that part of the country then and other funds had not proved to be a big hit during the time when survey was done.

Shyama Sunder (1998) conducted a survey to get an insight into the mutual fund operations of private institutions with special reference to Kothari Pioneer. The survey revealed that awareness about Mutual Fund concept was poor during that time in small cities like Visakapatnam.

Anjan Chakarabarti and Harsh Rungta (2000) stressed the importance of brand effect in determining the competitive position of the AMCs. Their study revealed that brand image factor, though cannot be easily captured by computable performance measures, influences the investor's perception and hence his fund/scheme selection.

Block, Stanley B. and French, Dan W. (2000) conducted a study on Portfolios of equity mutual funds .They proposed two-index model using both the value-weighted and an equally weighted index. Estimated models using a sample of 506 mutual funds show that the two-index model provides a better fit than the single-index model and identifies a larger set of funds with abnormal performance.

Ramesh Chander (2000) examined 34 mutual fund schemes with reference to the three fund characteristics with 91-days treasury bills rated as risk-free investment from January 1994 to December 1997. Returns based on NAV of many sample schemes were superior and highly volatile compared to BSE SENSEX. Open-end schemes outperformed close-end schemes in term of return. Income funds outsmarted growth and balanced funds. Banks and UTI sponsored schemes performed fairly well in relation to sponsorship. Average annual return of sample schemes was 7.34 percent due to diversification and 4.1 percent due to stock selectivity. The study revealed the poor market timing ability of mutual fund investment. The researcher also identified that 12 factors explained majority of total variance in portfolio management practices.

Borensztein, E. and Gelos, G. (2001) explores the behavior of emerging market mutual funds using a novel database covering the holdings of individual funds over the period

January 1996 to March 1999. An examination of individual crises shows that, on an average, funds withdrew money one month prior to the events. The degree of herding among funds is statistically significant, but moderate. Herding is more widespread among open-ended funds than among closed-end funds, but not more prevalent during crisis than during tranquil times. Funds tend to follow momentum strategies, selling past losers and buying past winners, but their overall behavior is more complex than often suggested.

Gavin Quill (2001) examined the evidence that investor behavior is frequently detrimental to the achievement of investors' long-term goals. The picture that emerges from this analysis is one of investors who have lost a good portion of their potential returns because of the excessive frequency and poor timing of their trading activities. They established that investors trade much more than they realize and much more than is conducive to the achievement of their financial plans. Investors think long-term in theory, but act according to short-term influences in practice. This excessive turnover, combined with a propensity to buy relatively over-valued investments and ignore relatively under-valued ones, has caused the average mutual fund investor to underperform substantially over the past decade.

Gupta Amitabh (2001) evaluated the performance of 73 selected schemes with different investment objectives, both from the public and private sector using Market Index and Fundex. NAV of both close-end and open-end schemes from April 1994 to March 1999 were tested. They found that sample schemes were not adequately diversified, risk and return of schemes were not in conformity with their objectives, and there was no evidence of market timing abilities of mutual fund industry in India.

Karthikeyan (2001) conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for Kisan Vikas Patra (KVP), National Savings Scheme (NSS), and Deposit Scheme for Retired Employees (DSRE). The Overall Score confirmed that the level of awareness among investors in the old age group was higher than in those of young age group. No differences were observed among male and female investors.

Narasimhan M S and Vijayalakshmi S (2001) analysed the top holding of 76 mutual fund schemes from January 1998 to March 1999. The study showed that, 62 stocks were

held in portfolio of several schemes, of which only 26 companies provided positive gains. The top holdings represented more than 90 percent of the total corpus in the case of 11 funds. The top holdings showed higher risk levels compared to the return. The correlation between portfolio stocks and diversification benefits was significant at one percent level for 30 pairs and at five percent level for 53 pairs.

Dwyer et. al. (2002) used data from nearly 2000 mutual fund investors and found that women take less risk than men in their mutual fund investments. According to Prince, (1993); Lunderberg et al., (1994), men tend to be more confident, trade more frequently, rely less on brokers and believe that returns are more predictable and anticipate higher returns than women. Hinz et al (1997) conducted a study in US by using data from the Federal Government's Thrift Saving Plan. Their findings showed women are less likely to hold risky assets and more likely to allocate assets towards fixed income alternatives. This is also supported by Prince (1993), Lunderberg et al (1994). According to them men are more confident than women.

Saha, Tapas Rajan (2003) identified that Prudential ICICI Balanced Fund, Zurich Equity Fund were the best among the equity funds while Pioneer ITI Treasury scheme was the best among debt schemes. He concluded that, the efficiency of the fund managers was the key in the success of mutual funds.

Byrne (2005) shows that risk and investment experience tend to indicate a positive correlation. Past experience of successful investment increases investor tolerance of risk. Inversely, unsuccessful past experience leads to reduced tolerance to risk. Therefore past investment behavior affects future investment behavior.

Corter and Chen (2006) studied that investment experience is an important factor influencing behavior. Investors with more experience have relatively high risk tolerance and they construct portfolios of higher risk.

Mostafa Soleimanzadeh (June 2006) in his article, "Learn how to invest in Mutual Funds" discussed the risk and return in mutual funds. He stated that the risk and return depend on each other, the greater the risks, the higher the potential return; the lower the risk, the lower the expected return. Mutual funds try to reduce their risk by investing in a diversified group of individual stocks, bonds, or other securities. He concluded that the

investment in stocks can get more return than mutual funds but by investing in mutual funds, the risk is lower.

Muthappan P K and Damodharan E (2006) evaluated 40 schemes for the period April 1995 to March 2000. The study identified that majority of the schemes earned returns higher than the market but lower than 91 days Treasury bill rate. The average risk of the schemes was higher than the market. 15 schemes had an above average monthly return. Growth schemes earned average monthly return. The risk and return of the schemes were not always in conformity with their stated investment objectives. The sample schemes were not adequately diversified, as the average unique risk was 7.45 percent with an average diversification of 35.01 percent. 23 schemes outperformed both in terms of total risk and systematic risk. 19 schemes with positive alpha values indicated superior performance. The study concludes that the Indian Mutual Funds were not properly diversified.

Panwar, S. and Madhumathi, R. (2006) conducted a study on public-sector sponsored and private-sector sponsored mutual funds to investigate the differences in characteristics of assets held, portfolio diversification, and variable effects of diversification on investment performance for the period May 2002 to May 2005. The study found that public-sector sponsored funds do not differ significantly from private-sector sponsored funds in terms of mean returns. However, there is a significant difference between public-sector sponsored mutual funds and private-sector sponsored mutual funds in terms of average standard deviation, average variance and average coefficient of variation (COV). The study also found that there is a statistical difference between sponsorship classes in terms of ESDAR (excess standard deviation adjusted returns) as a performance measure. When residual variance (RV) is used as the measure of mutual fund portfolio diversification characteristic, there is a statistical difference between public-sector sponsored mutual funds and private-sector sponsored mutual funds for the study period. The model built on testing the impact of diversification on fund performance found a statistical difference among sponsorship classes when residual variance is used as a measure of portfolio diversification and excess standard deviation adjusted returns as a performance measure. RV, however, has a direct impact on fund performance measure.

Kum Martin (October 2007) in his article, “Basics about Mutual Funds” discussed about different types of mutual funds .He stated that the equity funds involve just common stock investments. They are extremely risky but can end up earning a lot of money. He concluded that the low risk in investment will not earn a lot of returns. Mutual fund managers have to use various investment styles depending upon investor’s requirement.

Most of the empirical evidences showed that mutual fund investor’s purchase decision is influenced by past performance.

Kozup, John C., Elizabeth Howlett and Michael Pagano (2008) explored whether a single page supplemental information disclosure impacts investors fund evaluations and investment intentions. Results indicated that while investors continue to place too much emphasis on prior performance, the provision of supplemental information, particularly in a graphical format, interacts with performance and investment knowledge to influence perceptions and evaluations of mutual funds.

Rao,D.N.and Rao, S. B. (2009) analyzed the performance of the 47 Balanced and 72 Income Funds in terms of Return, Risk, Return per Risk and Sharpe ratio over the past three years (2006, 2007 and 2008) during which period the Indian Stock Market had witnessed much volatility. Further, the performance of these funds was compared with that of the Market and Benchmark Indices. The Null Hypotheses were rejected leading to the acceptance of Alternate Hypothesis in all the six cases, leading to conclude that Market outperformed both the Balanced and Income Funds over Bull run and 3-year periods while both the funds outperformed the Market over Bear run period which confirms the popular belief of the Investors and Fund Managers in India.

The review of earlier studies focuses mainly on subject of performance of Mutual Funds and Portfolio of Mutual Fund. The existing “Behavioral Finance” studies are very few and very little information is available about investor perceptions, preferences, attitudes and behaviour. All efforts in this direction are fragmented. The present study is an attempt mainly to study the perceptions of investors in cities of Surat, Ahmedabad and Vadodara in Gujarat.

CHAPTER 4

4. 1NEED FOR THE STUDY

The nature of financial markets has changed drastically. Investing money has become a very complex task because of the huge number of savings and investment companies and products offered by them, terms and conditions of investments, and prevalent complex rules and regulations. Most of the investors, particularly rural investors, are found to be unaware about investment avenues and rules and regulations. In spite of remarkable growth of our economy and increasing income levels of people, the pace of savings mobilization is lower in India. Rural savings are not mobilized and invested properly.

This study would help in explaining the investor's perception of risk & return & their preference about the various investment avenues for their salary. All this would help in giving suggestions to strengthen the decision on their investment pattern to get maximum return with minimum risk

4.2 OBJECTIVES:

PRIMARY OBJECTIVE:

The Primary objective of the study is to study the perception of investors on various types of investment with reference to M A C K AND CO.

SECONDARY OBJECTIVES:

- ❖ To assess the factors that affect the investment decision of their salary
- ❖ To know the mode and the period of their investment of salary
- ❖ To understand ranking of the investors for the various investment options based on their return on investment and its satisfaction level
- ❖ To know the ranking of the investors for the best types of investments based on its liquidity factor

- ❖ To identify the overall satisfaction level about the various investment made with the salary
- ❖ To provide valuable suggestions to improve the investments pattern of investors

4.3 SCOPE OF THE STUDY

- ❖ The scope of the study is to analyze and interpret the investor's perception towards the various investment avenues
- ❖ The research records around a general awareness on factors that decide the various investment avenues
- ❖ Analyze and interpret the strategies used in investment of their salary based on risk and return
- ❖ Formulate the deal mode of investment for the salary to get maximum return with minimum risk

4.5. RESEARCH DESIGN

The research design indicates the types of research methodology undertaken to collect the information for the study. The research design selected for this study for this project is both descriptive research design and hypothesis testing research design.

The purpose of descriptive research is to get the characteristic of an individual toward an objectives or the variable of interest in a situation. A descriptive research design is the one that simply describes something such as demographic characteristic of group (or) customers of the product.

Descriptive research study provides clear specification of who, what, when, why, where and how aspects of the research. It involves more specific hypothesis and testing of them through statistical inference techniques. However the descriptive does not find the cause and effect relationship among variables.

SAMPLING DESIGN

The selected samples based on the stratified random sampling.

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the research would adopt in selecting items for the sample. Sample design may as well lay down the number of items to be included in the sample that is the size of the sample. Sample design is determined before data are collected.

Stratified Random sampling:

Under stratified random sampling the population is divided into several sub-populations that are individually more homogeneous than the population, (the different sub-populations are called strata) and then we select items from each stratum to constitute a sample.

Since each stratum is more homogeneous than the population, we are able to get more precise estimates for each stratum and by estimating more accurately each of the component parts, we get a better estimate of the whole. In brief stratified sampling results in more reliable and detailed information.

HYPOTHESIS

Hypothesis may be defined as a proposition or a set forth as an explanation for the occurrence of some specified group of phenomena either asserted merely as a provisional conjecture to guide some investigation or accepted as highly probable in the light of established facts.

DATA COLLECTION METHOD

PRIMARY DATA:

For this study, this questionnaire type survey is used to collect the primary data because of its extreme flexibility. This primary data pertain demographic and socio-economic characteristics of the investors, attitudes and opinion of investors, their awareness and knowledge.

SECONDARY DATA:

Secondary data has been collected from magazines and journals like “TAKE STOCK”, from the books of “AMFI” and “HDFC”, and “SEBI INVESTORS GUIDE”

Secondary data need for conducting this research work was collected both internally and externally. The required internal data was collected from company brochures, etc..., and the external source was magazines, other business forms, websites, investors, bank, mutual fund industry, post office, statistical and management books and so on. The research did here is desk research, that is collection and analysis were made in secondary data.

I. POPULATION

The universe or population is the specified group of people, firms, conditions, activities, etc..., which form the pivotal point of the research project. For developing and using a sample, it becomes a primary duty to define the population from which draw the sample. Population for this project are the investors

II.SAMPLING FRAME

A sampling frame may be defined as the listing of the general components of the individual units that comprise the defined population.

III.SAMPLING METHOD AND SAMPLE SIZE

Non-probability sampling method was used for this research study in non-probability sampling, the method adopted is convenience-sampling method. The investigator has selected the sample according to this convenience. He has included those items in the sample, which he thought were most typical of population.

NON-PROBABILITY SAMPLING

Non –probability sampling method is one, which does not provide every item in the universe with a known chance of being include in the sample. The selection process is partially subjective.

CONVENIENCE SMAPLING

A convenience sample is obtained by selecting ''convenient'' population units. Convenience samples are prove to bias by their very nature selecting population elements which are convenient to choose almost always make them special or different from the best of the elements in the population in same way.

IV. SAMPLE SIZE DETERMINANTS

The sample size is usually determined by the sampling method selected and nature of the research. Hence considering this, the sample size is determined. The sampling here is non-probability and convenience sapling for that more number of sample sizes is preferred.

v. SAMPLE SIZE:

The method of sampling used here was Convenience sampling. The survey was conducted in Chennai with sample size of 130 investors

QUESTIONNAIRE DESIGN

The researcher used a questionnaire method to collect the data from the investors for the research work.

The questionnaire framed for the research study is a structured questionnaire in which all the questions are predetermined before conducting the survey. The form of questionnaire is of both closed and open type

QUESTIONNAIRE

A questionnaire is simply a formalized set of questions for eliciting information.

TYPES OF QUESTIONS

The different types of questions used for the study are:

Open- ended questions.

Closed- ended questions.

Multiple choice questions.

TOOLS FOR ANALYSIS

PERCENTAGE ANALYSIS

FORMULA:

Percentage= (number of responses/total number of respondents)*100.

4.6 LIMITATIONS OF THE STUDY

- ❖ Only 130 investors from Chennai were selected for the study with sufficient knowledge about various forms of investment will be able to make a comparison between them.

- ❖ Lack of time because of which some of the information could not be collected.
- ❖ Unwillingness & Bias from the part of respondents limits the coverage of the Study.

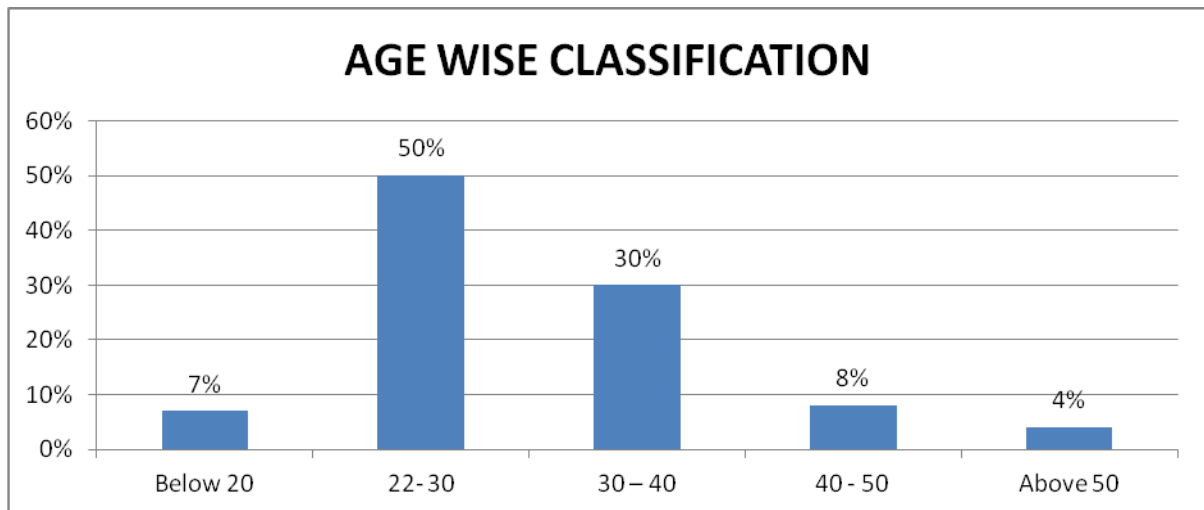
CHAPTER 5: DATA ANALYSIS AND INTERPRETATION

1. AGE WISE CLASSIFICATION

TABLE 1

Age (in yrs)	No. of Respondents	% of Respondents
Below 20	9	7%
22- 30	65	50%
30 – 40	39	30%
40 – 50	10	8%
Above 50	7	4%
Total	130	100%

CHART 1



INFERENCES:

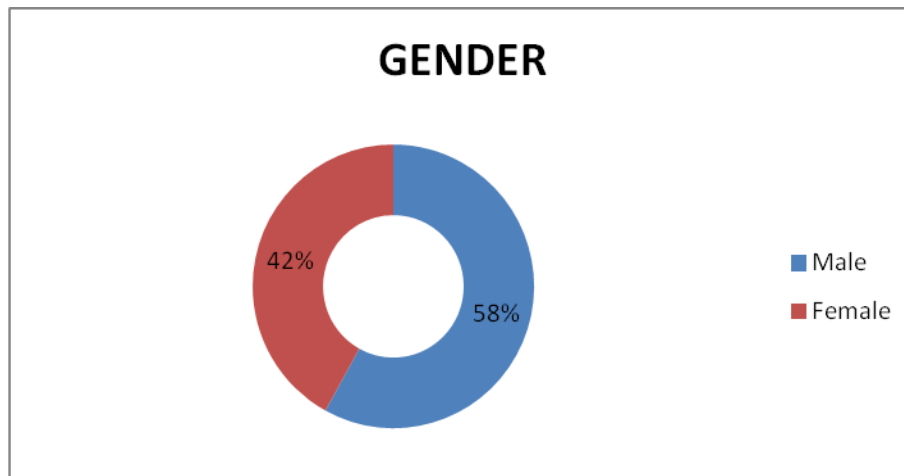
50% of the respondents belong to the age group between 22 to 30 years, 30% belong to the age group between 30 to 40 years, Therefore most of the respondents belong to the age group between 22 to 30 years.

2. GENDER

TABLE 2

Gender	No. of Respondents	% of Respondents
Male	75	58%
Female	55	42%
Total	130	100%

CHART 2



INFERENCES:

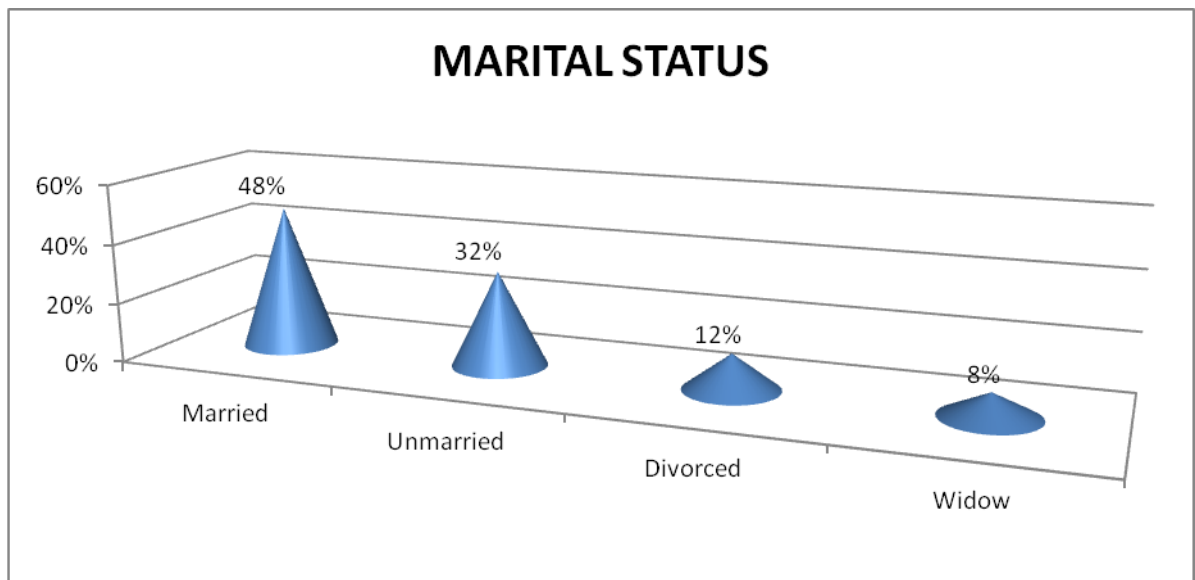
58% of the respondents are male, 42% of the respondents are female and Therefore most of the respondents are male.

3. MARITAL STATUS

TABLE 3

Marital Status	No. of Respondents	% of Respondents
Married	63	48%
Unmarried	42	32%
Divorced	15	12%
Widow	10	8%
Total	130	100%

CHART 3



INFERENCES:

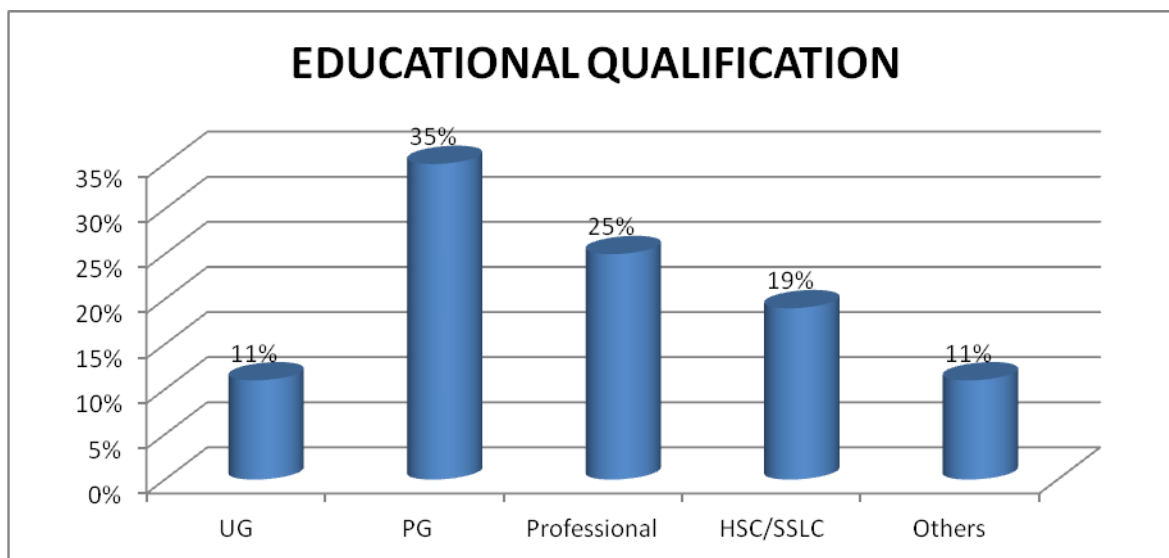
48% of the respondents are Married, 32% of the respondents are Unmarried, Therefore most of the respondents are Married.

4. EDUCATIONAL QUALIFICATION

TABLE 4

Educational Qualification	No. of Respondents	% of Respondents
UG	14	11%
PG	45	35%
Professional	32	25%
HSC/SSLC	25	19%
Others	14	11%
Total	130	100%

CHART 4



INFERENCES:

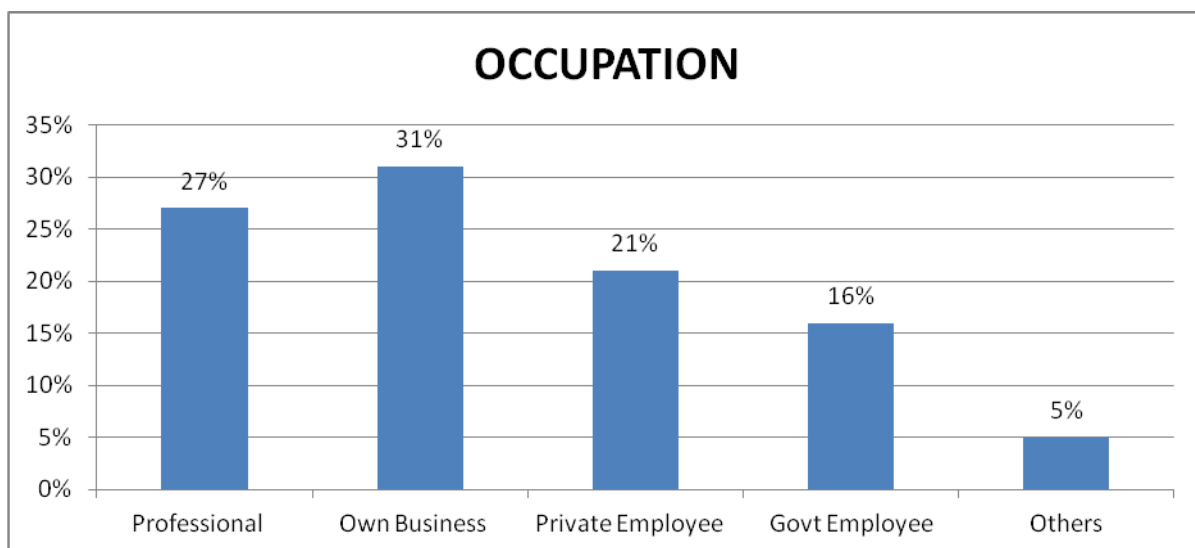
35% of the respondents are PG, 25% of the respondents are Professional, Therefore most of the respondents are PG.

5. OCCUPATION

TABLE 5

Occupation	No. of Respondents	% of Respondents
Professional	35	27%
Own Business	40	31%
Private Employee	27	21%
Govt Employee	21	16%
Others	7	5%
Total	130	100%

CHART 5



INFERENCES:

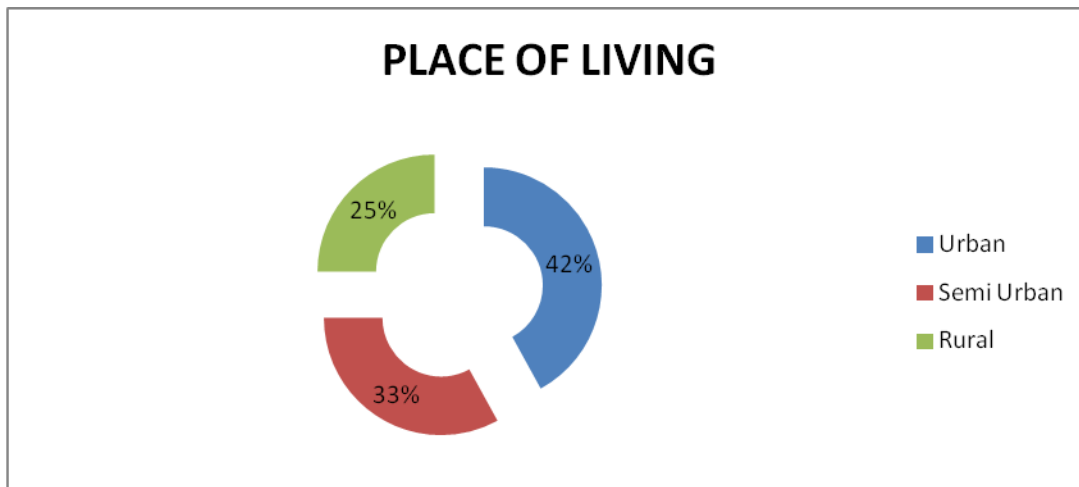
31% of the respondents are Own Business, 27% of the respondents are Professional, Therefore most of the respondents are Own Business.

6. PLACE OF LIVING

TABLE 6

Place Of Living	No. of Respondents	% of Respondents
Urban	55	42%
Semi Urban	43	33%
Rural	32	25%
Total	130	100%

CHART 6



INFERENCES:

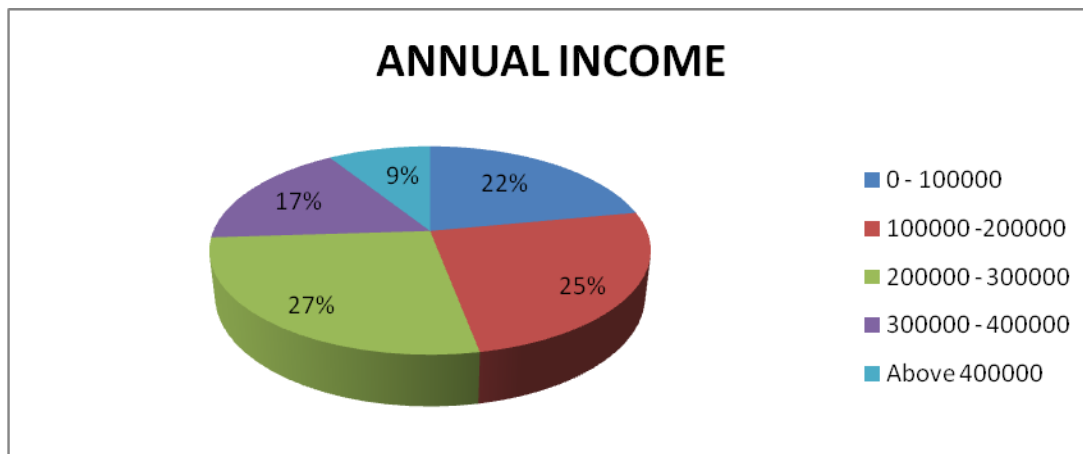
42% of the respondents prefer to live in Urban area, 33% of the respondents prefer to live in Semi Urban area, 25% of the respondents prefer to live in Rural area, Therefore most of the respondents preferred to live in Urban area.

7. ANNUAL INCOME

TABLE 7

Salary(in Rs)	No. of Respondents	% of Respondents
0 - 100000	29	22%
100000 -200000	32	25%
200000 - 300000	35	27%
300000 - 400000	22	17%
Above 400000	12	9%
Total	130	100%

CHART 7



INFERENCES:

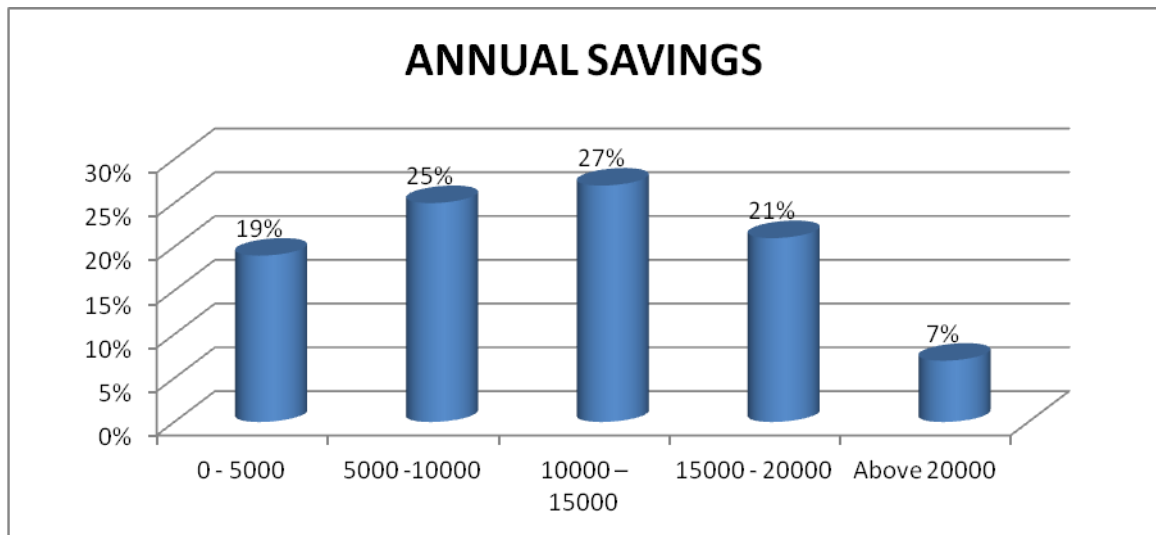
27% of the respondents annual income range between 0 – Rs.100000, 25% of the respondents annual income range between Rs.100000 –Rs.200000, Therefore most of the respondents annual income range between 0 – Rs.100000.

8. ANNUAL SAVINGS

TABLE 8

Annual Savings (in Rs)	No. of Respondents	% of Respondents
0 - 5000	25	19%
5000 -10000	33	25%
10000 – 15000	35	27%
15000 - 20000	28	21%
Above 20000	9	7%
Total	130	100%

CHART 8



INFERENCES:

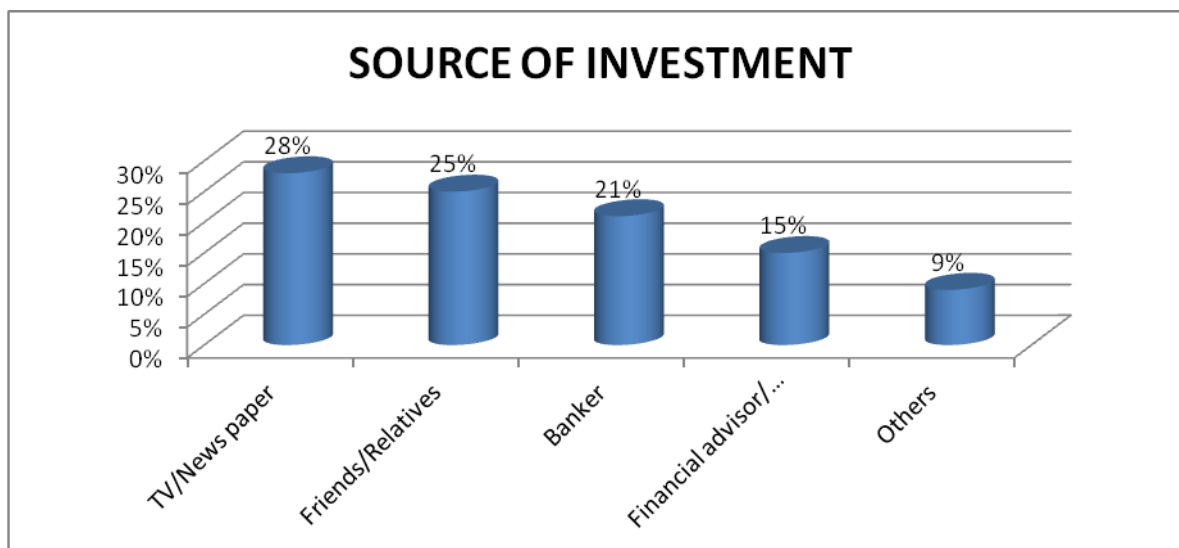
27% of the respondents annual saving range between Rs.10000 – Rs.15000, 25% of the respondents annual saving range between Rs.10000 – Rs.15000, Therefore most of the respondents annual saving range between Rs.0 – Rs.5000.

9. SOURCE OF INVESTMENT

TABLE 9

Source Of Investment	No. of Respondents	% of Respondents
TV/News paper	37	28%
Friends/Relatives	33	25%
Banker	28	21%
Financial advisor/ Broker	20	15%
Others	12	9%
Total	130	100%

CHART 9



INFERENCES:

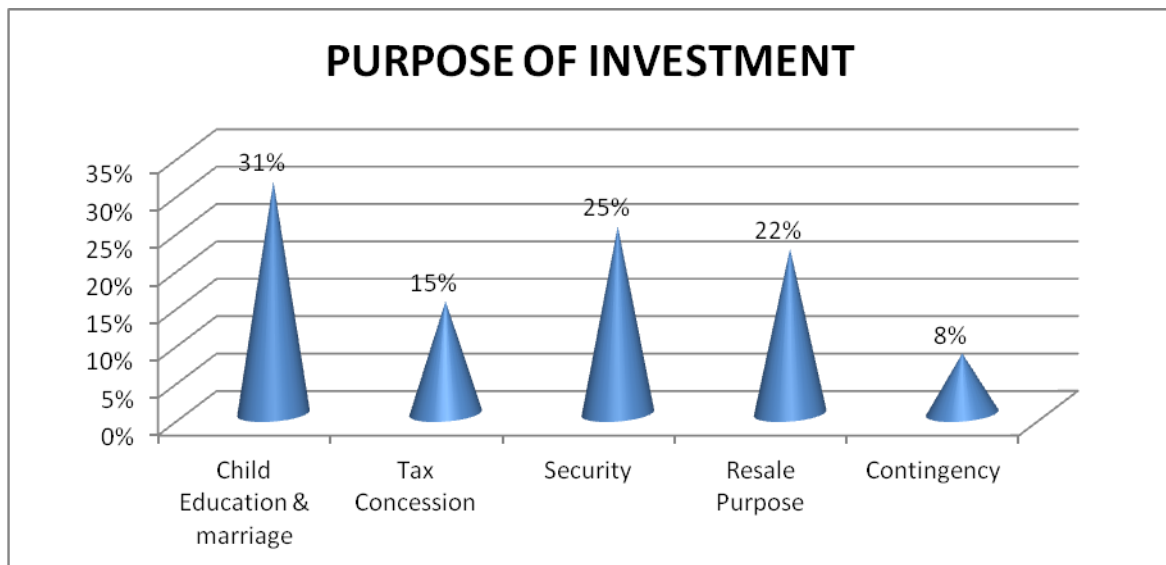
28% of the respondents Knows an Investment Information from TV/News paper, 25% of the respondents Knows an Investment Information from Friends/Relatives, Therefore most for the respondents Knows an Investment Information from TV/News paper.

10. PURPOSE OF INVESTMENT

TABLE 10

Purpose Of Investment	No. of Respondents	% of Respondents
Child Education & marriage	40	31%
Tax Concession	20	15%
Security	32	25%
Resale Purpose	28	22%
Contingency	10	8%
Total	130	100%

CHART 10



INFERENCES:

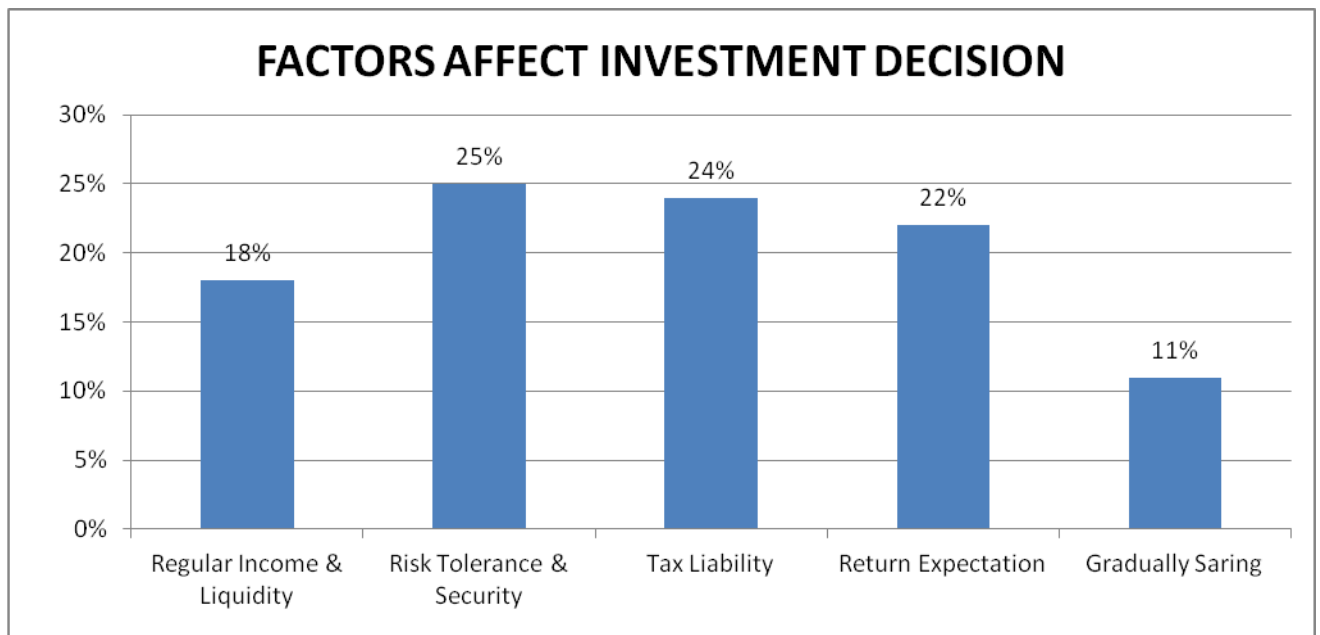
31% of the respondents inverse for Child Education & marriage purpose, 25% of the respondents inverse for Security purpose, Therefore most of the respondents inverse for Child Education & marriage purpose.

11. FACTORS AFFECT INVESTMENT DECISION

TABLE 11

Factors Affect Investment Decision	No. of Respondents	% of Respondents
Regular Income & Liquidity	23	18%
Risk Tolerance & Security	33	25%
Tax Liability	31	24%
Return Expectation	29	22%
Gradually Saring	14	11%
Total	130	100%

CHART 11



INFERENCES:

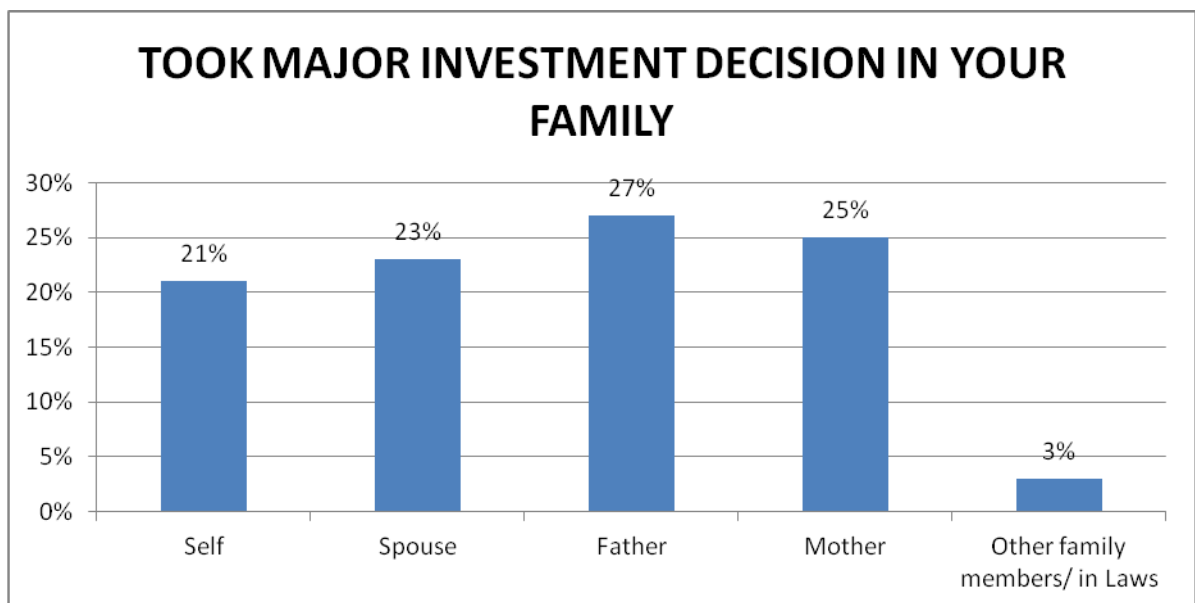
25% of the respondents said that Risk Tolerance & Security which is the factors affect investment decision, 24% of the respondents said that Tax Liability factors affect investment decision, Therefore most of the respondents said that Risk Tolerance & Security factors affect investment decision.

12. TOOK MAJOR INVESTMENT DECISION IN YOUR FAMILY

TABLE 12

Took Major Investment Decision In Your Family	No. of Respondents	% of Respondents
Self	27	21%
Spouse	30	23%
Father	35	27%
Mother	33	25%
Other family members/ in Laws	5	3%
Total	130	100%

CHART 12



INFERENCES:

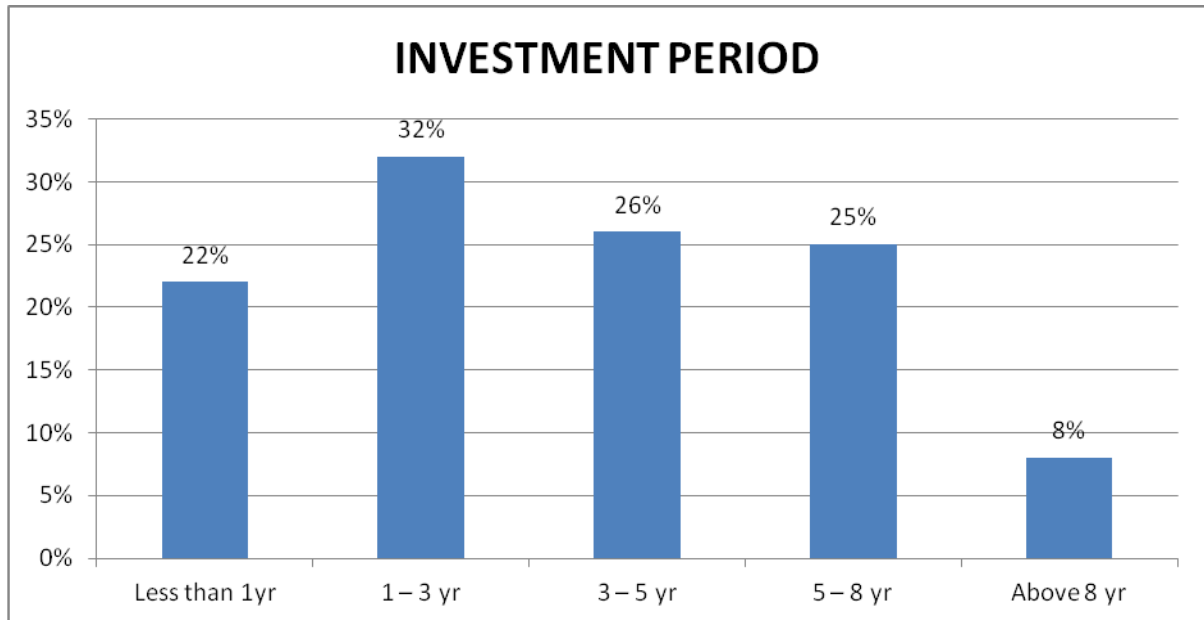
27% of the respondents are Father took major investment decision in your family, 25% of the respondents are Mother took major investment decision in your family, Therefore most of the respondents are Father took major investment decision in your family.

13. INVESTMENT PERIOD

TABLE 13

Investment Period	No. of Respondents	% of Respondents
Less than 1yr	29	22%
1 – 3 yr	41	32%
3 – 5 yr	34	26%
5 – 8 yr	15	25%
Above 8 yr	11	8%
Total	130	100%

CHART 13



INFERENCES:

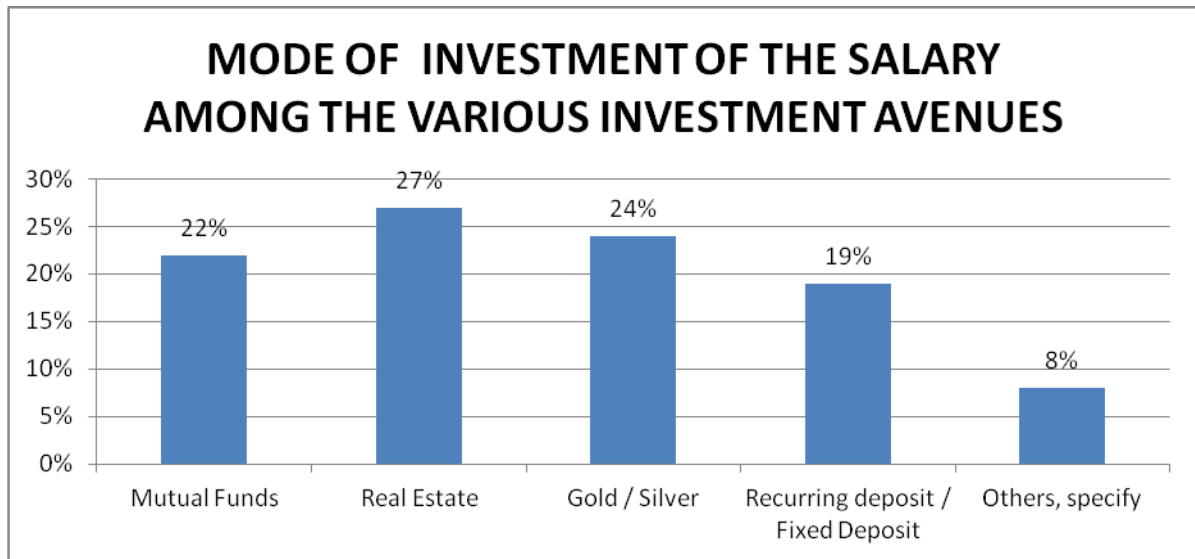
32% of the respondents Plan to invest in 1 – 3 yr, 26% of the respondents Plan to invest in 3 – 5 yr, Therefore most of the respondents Plan to invest in 1 – 3 yr.

**14. MODE OF INVESTMENT OF THE SALARY AMONG THE
VARIOUS INVESTMENT AVENUES**

TABLE 14

Mode Of Investment Of The Salary Among The Various Investment Avenues	No. of Respondents	% of Respondents
Mutual Funds	29	22%
Real Estate	35	27%
Gold / Silver	31	24%
Recurring deposit / Fixed Deposit	25	19%
Others, specify	10	8%
Total	130	100%

CHART 14



INFERENCES:

27% of the respondents prefer that the mode of investment of the salary among the various investment avenues in Real Estate, 24% of the respondents prefer that the mode of investment of the salary among the various investment avenues in Gold / Silver, Therefore most of the respondents prefer that the mode of investment of the salary among the various investment avenues in Real Estate.

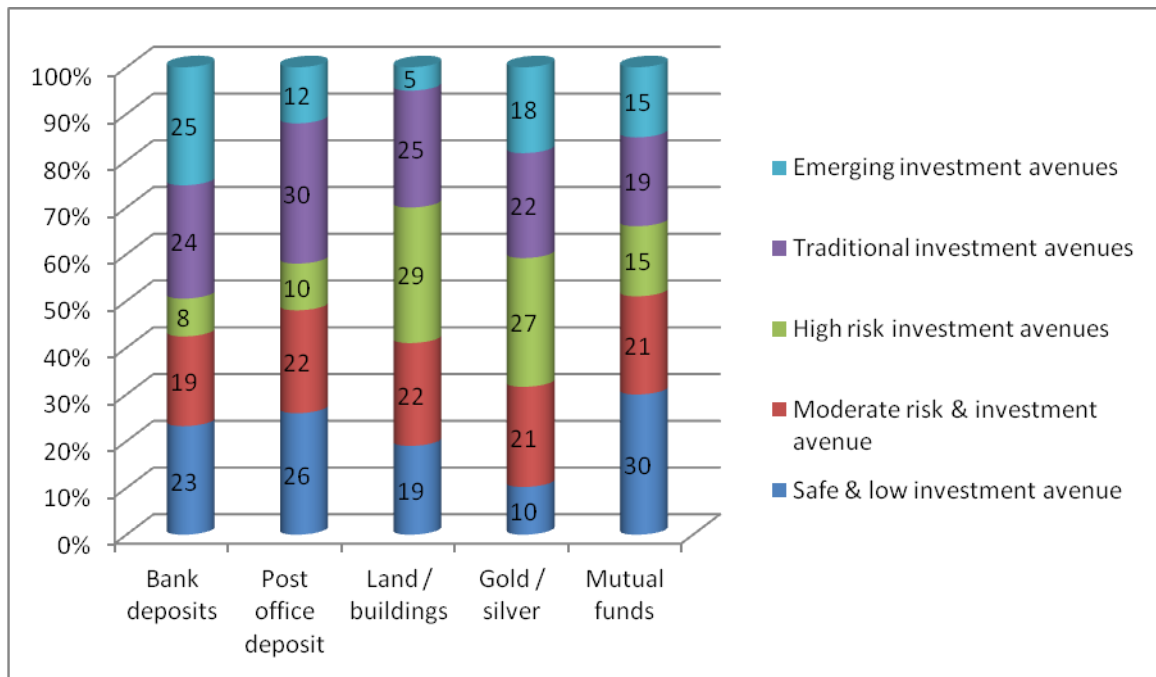
15. INVESTING FACTOR

TABLE 15

Particulars	Safe & low investment avenue	%	Moderate risk & investment avenue	%	High risk investment avenues	%	Traditional investment avenues	%	Emerging investment avenues	%	No. of Respondents	% of the Respondents
Bank deposits	30	23	25	19	10	8	32	24	33	25	130	100%
Post office deposit	34	26	28	22	13	10	39	30	16	12	130	100%
Land /	25	19	29	22	38	29	33	25	6	5	130	100%

buildings		9		2				5				
Gold / silver	13	10	27	21	35	27	31	22	24	18	130	100%
Mutual funds	39	30	27	21	19	15	25	19	20	15	130	100%

CHART 15



INFERENCES:

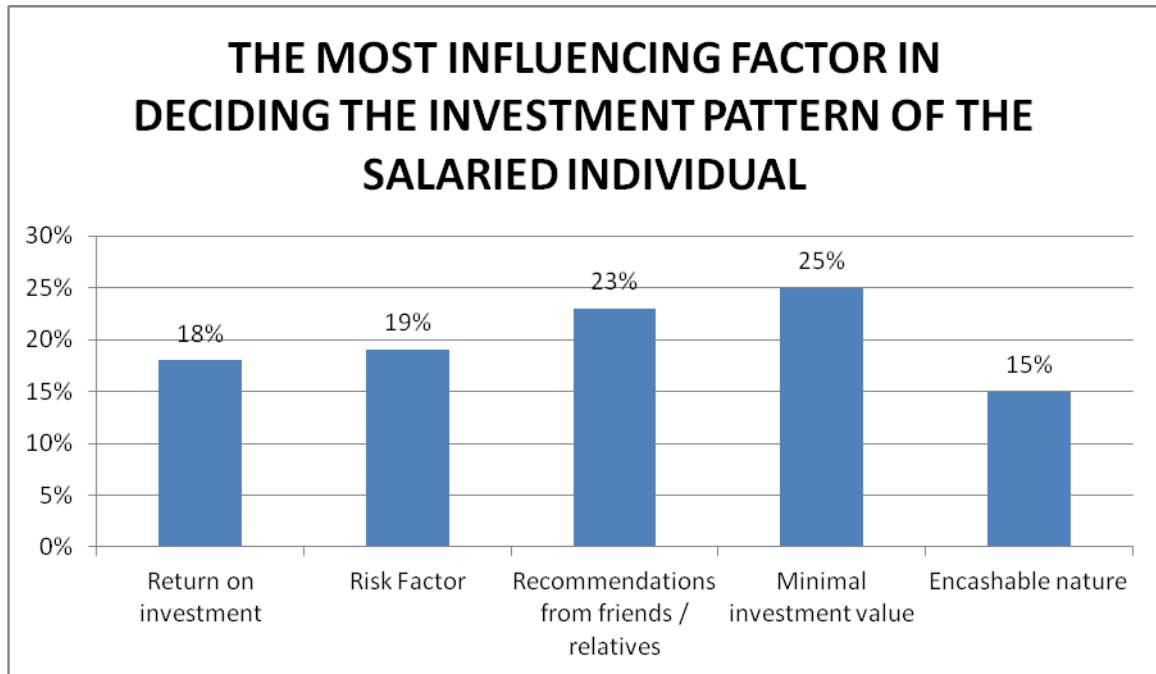
30% of the respondents saw the Safe & low investment avenue factor present in bank deposit while investing, 30% of the respondents investing saw the Traditional investment avenues factor present in post office deposit while investing, 29% of the respondents High risk investment avenues factor in present land / buildings while investing, Therefore most of the respondents saw the Safe & low investment avenue factor present in bank deposit while investing.

**16. THE MOST INFLUENCING FACTOR IN DECIDING THE INVESTMENT
PATTERN OF THE SALARIED INDIVIDUAL**

TABLE 16

The Most Influencing Factor In Deciding The Investment Pattern Of The Salaried Individual	No. of Respondents	% of Respondents
Return on investment	23	18%
Risk Factor	25	19%
Recommendations from friends / relatives	30	23%
Minimal investment value	33	25%
Encashable nature	19	15%
Total	130	100%

CHART 16



INFERENCES:

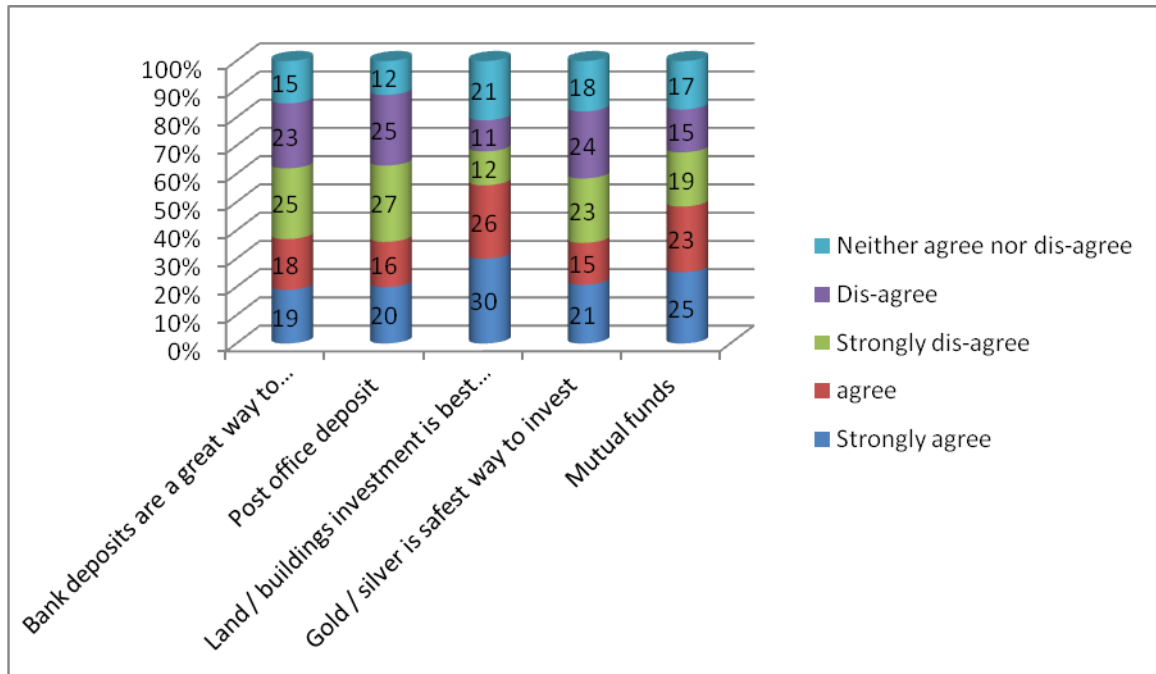
25% of the respondents preferred Minimal investment value which is the most influencing factor in deciding the investment pattern of the salaried individual, 23% of the respondents preferred Recommendations from friends / relatives which is the most influencing factor in deciding the investment pattern of the salaried individual, Therefore most of the respondents mentioned Minimal investment value which is the most influencing factor in deciding the investment pattern of the salaried individual.

Particulars	Strongly agree	%	agree	%	Strongly disagree	%	Dis-agree	%	Neither agree nor disagree	%	No.of Respondents	% of the respondents
Bank deposits are a great way to let your money grow	25	19	23	18	32	25	30	23	20	15	130	100%
Post office deposit	26	20	21	16	35	27	32	25	16	12	130	100%
Land / buildings investment	39	30	34	26	16	12	14	11	27	21	130	100%

is best invest on the earth												
Gold / silver is safest way to invest	27	2 1	19	15	30	23	31	24	23	18	130	100%
Mutual funds	33	2 5	30	23	25	19	20	15	22	17	130	100%

TABLE 17 SHARE YOUR OPINION ON THE FOLLOWING FACTORS

CHART 17



INFERENCES:

27% of the respondents strongly disagreed with Post office deposit, 26% of the respondents agreed with Land / buildings investment is best invest on the earth, Therefore most of the respondents strongly disagreed with Post office deposit.

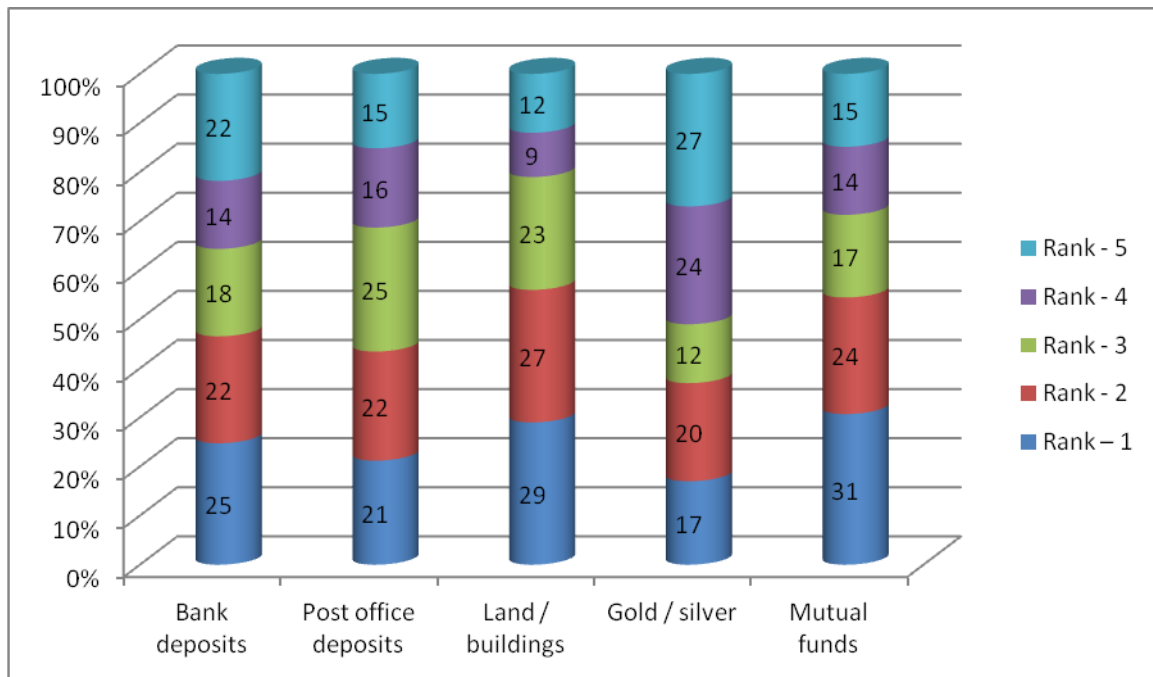
18.THE BEST TYPES OF INVESTMENTS BASED ON THE SATISFACTION AVAILABLE FROM THEIR RETURN

TABLE 18

Particulars	Rank – 1	%	Rank - 2	%	Rank - 3	%	Rank - 4	%	Rank - 5	%	No. of Respondents	% of the Respondents

Bank deposits	32	25	28	22	23	18	18	14	29	22	130	100%
Post office deposits	27	21	29	22	33	25	21	16	20	15	130	100%
Land / buildings	38	29	35	27	30	23	12	9	15	12	130	100%
Gold / silver	22	17	26	20	16	12	31	24	35	27	130	100%
Mutual funds	40	31	31	24	22	17	18	14	19	15	130	100%

CHART 18



INFERENCES:

31% of the respondents rank 1 for Mutual funds which is the best types of investments based on the satisfaction available from their return, 29% of the respondents rank no 1 for land/ buildings is the best types of investments based on the satisfaction available from

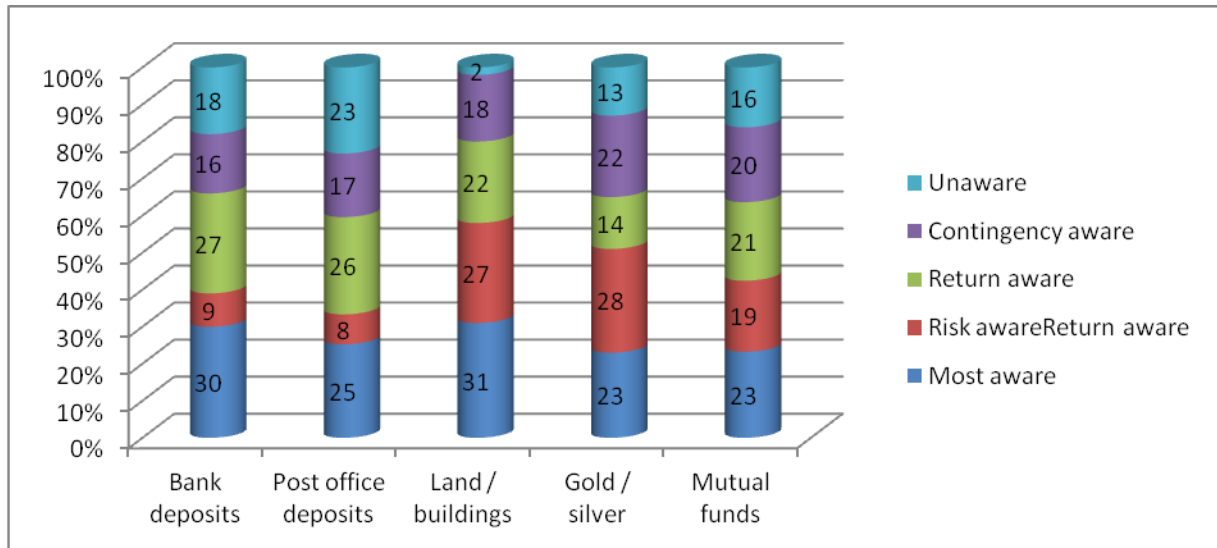
their return, Therefore most of the respondents rank 1 for Mutual funds which is the best types of investments based on the satisfaction available from their return.

19. AWARENESS OF INVESTMENT AVENUES

TABLE 19

Particulars	Most aware	%	Risk aware	%	Return aware	%	Contingency aware	%	Unaware	%	No. of Respondents	% of the Respondents
Bank deposits	39	30	12	9	35	27	21	16	23	18	130	100%
Post office deposits	33	25	11	8	34	26	22	17	30	23	130	100%
Land / buildings	40	31	35	27	29	22	24	18	2	2	130	100%
Gold / silver	30	23	36	28	18	14	29	22	17	13	130	100%
Mutual funds	31	23	25	19	27	21	26	20	21	16	130	100%

CHART 19



INFERENCES:

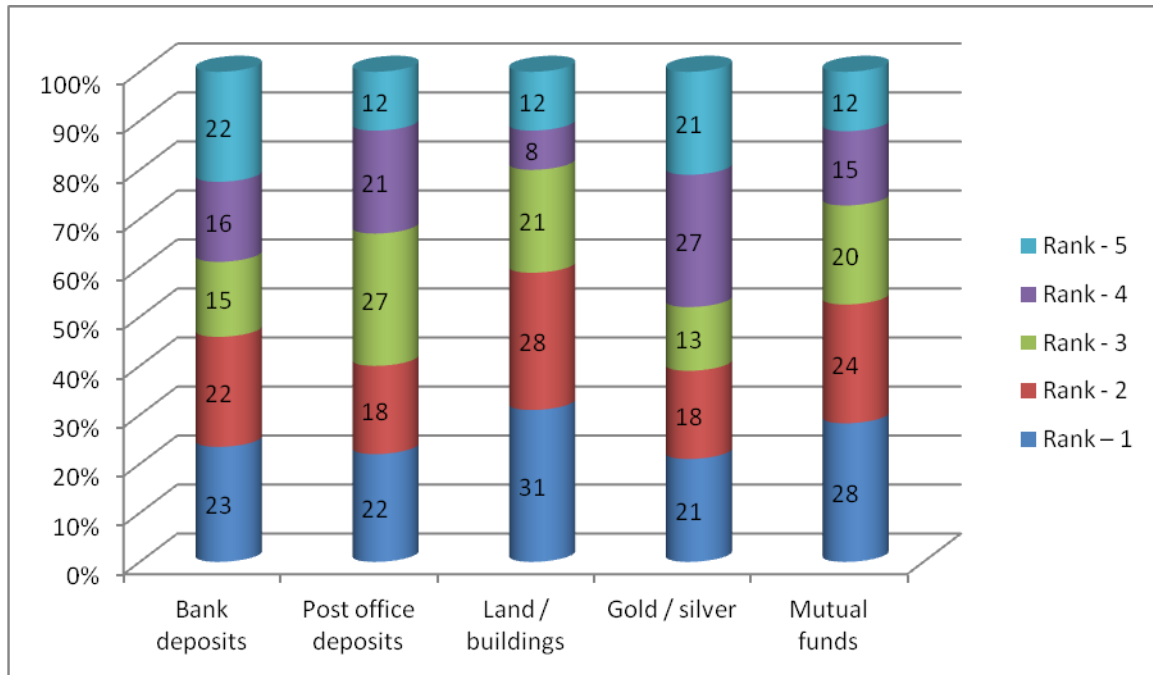
31% of the respondents most aware about land/buildings investment avenues, 30% of the respondents most aware about bank deposit investment avenues, Therefore most of the respondents most aware about land/buildings investment avenues.

20. INVESTMENT OF LIQUIDATED EASILY

TABLE 20

Particulars	Rank – 1	%	Rank - 2	%	Rank - 3	%	Rank - 4	%	Rank - 5	%	No. of Respondents	% of the Respondents
Bank deposits	31	23	29	22	20	15	21	16	29	22	130	100%
Post office deposits	29	22	23	18	35	27	27	21	16	12	130	100%
Land / buildings	40	31	37	28	27	21	10	8	15	12	130	100%
Gold / silver	27	21	24	18	17	13	35	27	27	21	130	100%
Mutual funds	37	28	31	24	27	20	20	15	15	12	130	100%

CHART 20



INFERENCES:

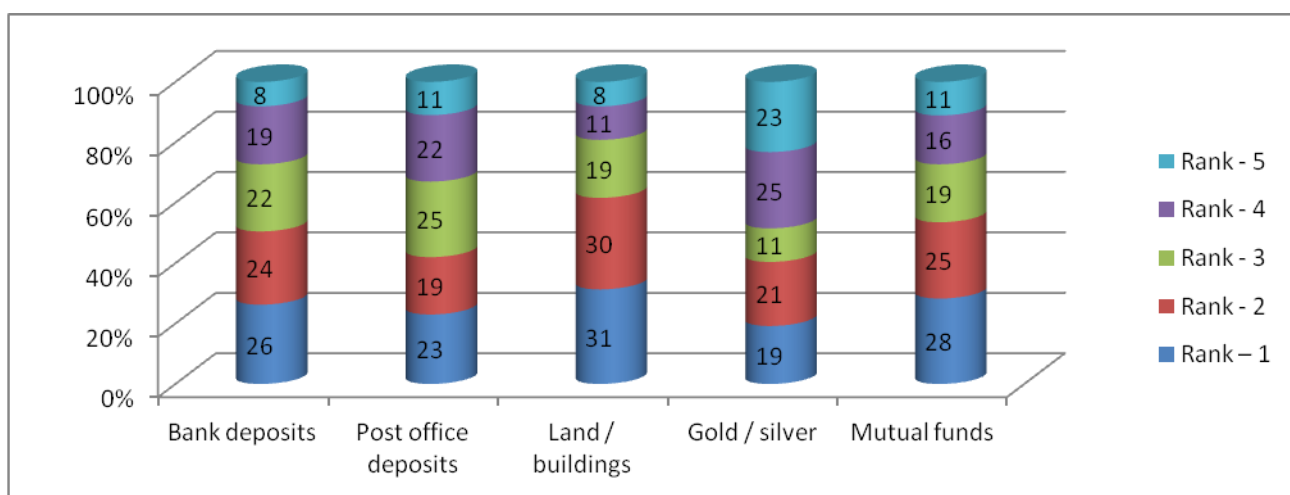
31% of the respondents rank no1 for land/buildings which causes the investment of liquidated easily, 28% of the respondents rank no 1 for mutual funds which causes the investment of liquidated easily and 28% of the respondents rank no 2 for land/buildings which causes the investment of liquidated easily, Therefore most of the respondents rank no1 for land/buildings which causes the investment of liquidated easily.

21. INCOME FUNDS BASED ON YOUR RETURN

TABLE 21

Particulars	Rank - 1	%	Rank - 2	%	Rank - 3	%	Rank - 4	%	Rank - 5	%	No. of Respondents	% of the Respondents
Bank deposits	34	26	31	24	29	22	25	19	11	8	130	100%
Post office deposits	30	23	25	19	32	25	29	22	14	11	130	100%
Land / buildings	41	31	39	30	25	19	15	11	10	8	130	100%
Gold / silver	25	19	28	21	15	11	32	25	30	23	130	100%
Mutual funds	36	28	33	25	25	19	21	16	15	11	130	100%

CHART 21



INFERENCES:

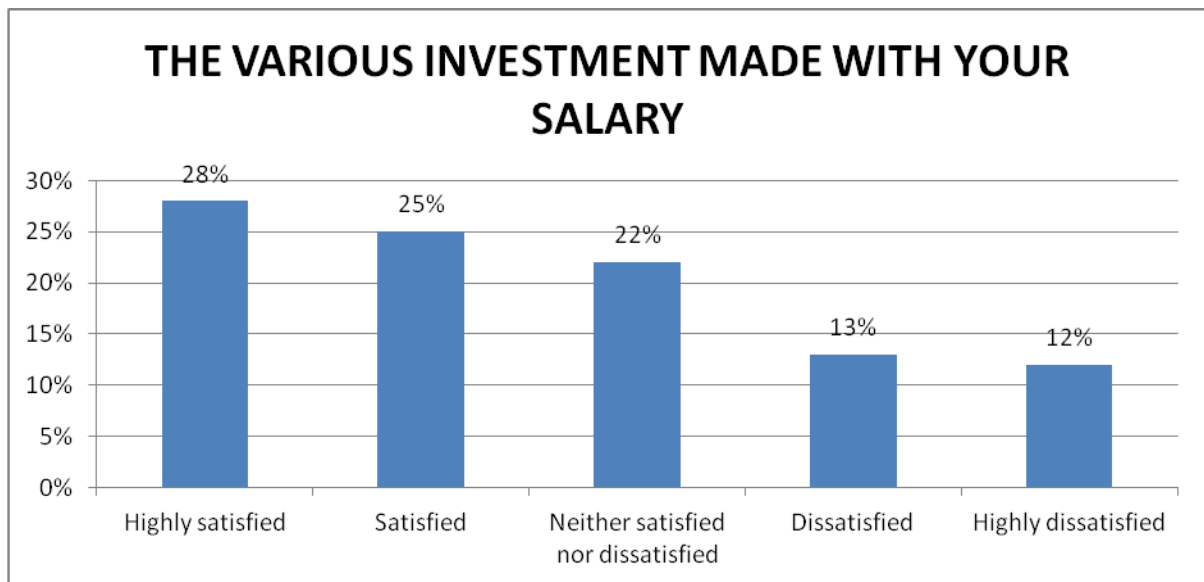
31% of the respondents rank no 1 for land/buildings which causes the income funds based on your return, 30% of the respondents rank no 2 for land/buildings which causes the income funds based on your return, Therefore most of respondents rank no 1 for land/buildings which causes the income funds based on your return.

22. THE VARIOUS INVESTMENT MADE WITH YOUR SALARY

TABLE 22

The Various Investment Made With Your Salary	No. of Respondents	% of Respondents
Highly satisfied	37	28%
Satisfied	33	25%
Neither satisfied nor dissatisfied	28	22%
Dissatisfied	17	13%
Highly dissatisfied	15	12%
Total	130	100%

CHART 22



INFERENCES:

28% of the respondents highly satisfied with the various investment made with your salary, 25% of the respondents satisfied with the various investment made with your salary, therefore most of the respondents highly satisfied with the various investment made with your salary.

CHAPTER 6

FINDINGS:

- Therefore most of the respondents belong to the age group between 22 to 30 years.
- Therefore most of the respondents are male.
- Therefore most of the respondents are married.
- Therefore most of the respondents are PG.
- Therefore most of the respondents are Own Business.
- Therefore most of the respondents preferred to live in Urban area.
- Therefore most of the respondents annual income range between 0 – Rs.100000.
- Therefore most of the respondents annual saving range between Rs.0 – Rs.5000.
- Therefore most for the respondents knows an Investment Information from TV/News paper.
- Therefore most of the respondents inverse for Child Education & marriage purpose.
- Therefore most of the respondents said that Risk Tolerance & Security factors affect investment decision.
- Therefore most of the respondents are Father took major investment decision in your family.
- Therefore most of the respondents Plan to inverse in 1 – 3 yr.
- Therefore most of the respondents prefer that the mode of investment of the salary among the various investment avenues in Real Estate.
- Therefore most of the respondents saw the Safe & low investment avenue factor present in bank deposit while investing.
- Therefore most of the respondents mentioned Minimal investment value which is the most influencing factor in deciding the investment pattern of the salaried individual.
- Therefore most of the respondents strongly disagreed with Post office deposit.

- Therefore most of the respondents rank 1 for Mutual funds which is the best types of investments based on the satisfaction available from their return.
- Therefore most of the respondents most aware about land/buildings investment avenues.
- Therefore most of the respondents rank no1 for land/buildings which causes the investment of liquidated easily.
- Therefore most of respondents rank no 1 for land/buildings which causes the income funds based on your return.
- Therefore most of the respondents highly satisfied with the various investments made with your salary.

CHAPTER 7

SUGGESTIONS

❖ **Investment in real estate:**

Mutual fund is allowed to invest in real estates. Real estates gives higher profit & there by enables the investors to get higher returns for their investment. SEBI must allow investors to invest either directly in real estate business or invest in companies shares that do real estate business.

❖ **Higher awareness among investors:**

Mutual fund companies should bring greater awareness in the investors mind about their different schemes. Since the bank interest rates are falling, the mutual fund companies must bring awareness among investors about their products & enable the investors to get a better return for their investments.

❖ **Tax rebate for investing in mutual fund:**

Tax rebate should be provided to the investor for investing in mutual fund so as to encourage them to invest

❖ **Innovative products or funds:**

Mutual fund companies must create innovative funds for the investor keeping in mind the investment period of the investor. For e.g.: Standard chartered mutual fund offered medium term plan for the investor which gives a better return when the investor looks for a investment period of 6 months – 1years.

CHAPTER 8

CONCLUSION

This study constitute a sample of 130 investors and the opinion of the investors has been collected through structured questionnaire and study confined to the area of different areas in Chennai.

Most of the investors have very good knowledge about the various investment avenues and they are satisfied with the returns and with the performance of the investments. Very easily long term and short term wealth can be created and investors are aware of that and this is a scheme which is disciplined and it gives good return and it protects the investors when the market falls.

Conclusion is that almost all the investors are satisfied with the returns and with the performance of the investments. Based on the findings and analysis it can be concluded that the investors are satisfied with the returns and performance of their investments.

CHAPTER 9

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❖ www.mutualfundsindia.com

CHAPTER 10

ANNEXURE

QUESTIONNAIRE

1. NAME

2. ADDRESS

3. AGE

a)Below 20

b)22 to 30

c)30 to 40

d)40 to 50

e) Above 50

4. GENDER

a) male

b) female

5. MARATIAL STATUS

a) married

b) un married

c) divorced

d) widow

6. EDUCATIONAL QUALIFICATION

a) UG

b) PG

c) PROFESSIONAL

d) HSC / SSLC

e) OTHERS

7. OCCUPATION

a) professional

b) own business

c) private employee

d) govt employee

e) others , please specify

8. PLACE OF LIVING

a) urban

b) semi urban

c) rural

9. ANNUAL INCOME

a) 0 – 100000

b) 100000 – 200000

c) 200000 – 300000

d) 300000 – 400000

e) above 400000

10. ANNUAL SAVINGS OF THE RESPONDENCE

a) 0 – 5000

b) 5000 – 10000

c) 10000 – 15000

d) 15000 – 20000

e) above 20000

11. SOURCE OF INFORMATION FOR INVESTMENT

a) TV / news paper

b) friends / relatives

c) banker

d) financial advisor / broker

e) others

12. PURPOSE OF INVESTMENT

a) child education & marriage

b) tax concession

c) security

d) resale purpose

e) contingency

13. FACTOR AFFECT INVESTMENT DECISION

- a) regular income & liquidity
- b) risk tolerance & security
- c) tax liability
- d) return expectation
- e) gradually sharing

14. WHO MADE MAJOR INVESTMENT DECISION IN YOUR FAMILY

- a) self
- b) spouse
- c) father
- d) mother
- e) other family members / in laws

15. WHAT IS YOUR PERIOD OF INVESTMENT

- a) > 1 yr
- b) 1 – 3 yr
- c) 3 – 5 yr
- d) 5 – 8 yr
- e) above 8 yrs

16. WHAT IS YOUR MODE OF YOUR INVESTMENT OF THE SALARY
AMONG THE VARIOUS INVESTMENT AVENUES

- a) mutual funds
- b) real estates
- c) gold / silver
- d) recurring deposit / fixed deposit
- e) others , specify

17. FACTOR YOU CONSIDER BEFORE INVESTING

	Safe & low investment avenue	Moderate risk & investment avenue	High risk investment avenues	Traditional investment avenues	Emerging investment avenues
Bank					

deposits					
Post office deposit					
Land / buildings					
Gold / silver					
Mutual funds					

18. WHAT IS THE MOST INFLUENCING FACTOR IN DECIDING THE INVESTMENT PATTERN OF THE SALARIED INDIVIDUAL

- a) return on investment
- b) risk factor
- c) recommendations from friends / relatives
- d) minimal investment value
- e) encashable nature

19. Share your opinion on the following factors

Factors	Strongly agree	agree	Strongly dis-agree	Dis-agree	Neither agree nor dis-agree
Bank deposits are a great way to let your money grow					
Post office deposit					
Land /					

buildings investment is best invest on the earth					
Gold / silver is safest way to invest					
Mutual funds					

20. RANK THE BEST TYPES OF INVESTMENTS BASED ON THE
SATISFACTION AVAILABLE FROM THEIR RETURN

	Rank – 1	Rank - 2	Rank - 3	Rank - 4	Rank - 5
Bank deposits					
Post office deposits					
Land / buildings					
Gold / silver					
Mutual funds					

21. ARE YOU AWARE OF THE FOLLOWING INVESTMENT AVENUES

	Most aware	Risk aware	Return aware	Contingency aware	Unaware
Bank deposits					

Post office deposits					
Land / buildings					
Gold / silver					
Mutual funds					

22. RANK THE INVESTMENT WHICH CAN BE LIQUIDATED EASILY

	Rank - 1	Rank - 2	Rank - 3	Rank - 4	Rank - 5
Bank deposits					
Post office deposits					
Land / buildings					
Gold / silver					
Mutual funds					

23. RANK THE FOLLOWING INCOME FUNDS BASED ON YOUR RETURN

	Rank - 1	Rank - 2	Rank - 3	Rank - 4	Rank - 5
Bank deposits					
Post office deposits					
Gold / silver					

Land / buildings					
Mutual funds					

24. OVERALL SATISFACTION LEVEL ABOUT THE VARIOUS
INVESTMENT MADE WITH YOUR SALARY

Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly satisfied

25. RANK THE FOLLOWING INCOME FUNDS BASED ON
YOUR RETURN BANK DEPOSIT / SECURITY IN PRIMARY &
SECONDARY MARKET

	Rank - 1	Rank - 2	Rank - 3	Rank - 4	Rank - 5
Bank deposits / fixed deposits / security in primary & secondary market					
Post office					
Gold / silver					
Bond					
Mutual					

funds					
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