

CONSUMERS PERCEPTION ON MUTUAL FUNDS

Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

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DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A++” by NAAC | 12B status by UGC | Approved

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CATEGORY - 1 UNIVERSITY BY UGC**

SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **SATHYA.R (42410259)** who carried out the project **CONSUMERS PERCEPTION ON MUTUAL FUNDS** under my supervision from **SEPTEMBER 2023 TO DECEMBER 2023**.

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Submitted for Viva voice Examination held on_____.

Internal Examiner

External Examiner

DECLARATION

I **SATHYA.R (42410259)** hereby declare that the project report entitled **CONSUMERS PERCEPTION ON MUTUAL FUNDS** done by me under the guidance of **Ms. AGILA Assistant professor, School of Management studies** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

R.SATHYA

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ABSTRACT

In a mutual fund, many investors contribute to form a common pool of money. This pool of money is invested in accordance with a stated objective. The ownership of the fund is thus joint or “mutual”; the fund belongs to all investors. A single investor’s ownership of the fund is in the same proportion as the amount of the contribution made by him bears to the total amount of the fund¹ . A perceptible change is sweeping across the mutual fund landscape in India.

Factors such as changing investor’s needs and their appetite for risk, emergence of Internet as a powerful service platform, and above all the growing commoditization of mutual fund products are acting as major catalysts putting pressure on industry players to formulate strategies to stay the course² . Mutual Fund industry in India came to Planet Earth, with the setting up of the Unit Trust of India (UTI) in 1964 by the Government of India. Like all other Mutual Funds globally, the goals set for me were similar where money from retail collective investments was pooled together with the intention of investing it in a range of securities and debt instruments. The main purpose of this research is to understand customers’ choice and customer behavior towards mutual funds investment³ . Though, during the research, it has been revealed that, there is a less awareness about mutual funds among customers. Needless to point out few questions in this regards such as, ; (a) what is the perception of consumers about mutual fund; (b) what are chances of investment by potential customers in Mutual Funds; and (c) what is level of satisfaction among the investors in mutual fund. The research has been concluded with customers are overall satisfied with mutual fund investment and attracted towards it simply because of its linked to equity market.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

A Mutual Fund pools the money of people with certain investment goals. The money invested in various securities depending on the objectives of the mutual fund scheme and the profits (or loss) are shared among investors' in proportion to their investment. Investments in securities are spread across a wide cross-section of industries and sectors. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual fund issues units to the investors' in accordance with quantum of money invested by them. Investors' of mutual funds are known as unit holders. The profits or losses are shared by the investors' in proportion to their investment. The mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. A mutual fund is required to be registered with Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public. A Mutual fund is a trust that pools the savings of a number of investors' who share a common financial goal. The money collected from investors' is invested in capital market instrument such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit's holder in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment to the common man as it offers an opportunity, to invest in a diversified, professionally managed basket of securities at relatively low cost. Both stock and bond funds can invest in primarily U.S. securities (domestic funds), both U.S. and foreign securities (global funds), or primarily foreign securities (international funds). Most mutual funds' investment portfolios are continually adjusted under the supervision of a professional manager, who forecasts the future performance of investments appropriate for the fund and chooses those which he or she believes will most closely match the fund's

stated investment objective. A mutual fund is administered through a parent management company, which may hire or fire fund managers. Mutual funds are liable to a special set of regulatory, accounting, and tax rules.

Unlike most other types of business entities, they are not taxed on their income as long as they distribute substantially all of it to their shareholders. Also, the type of income they earn is often unchanged as it passes through to the shareholders.

Mutual fund distributions of tax-free municipal bond income are also tax-free to the shareholder. Taxable distributions can be either ordinary income or capital gains, depending on how the fund earned those distributions. A mutual is a set up in the form of trust, which has sponsor, trustee, assets management company (AMC) and custodian. Sponsor is the person who acts alone or in combination with another body corporate and establishes a mutual fund. Sponsor must contribute at least 40% of the net worth of the investment managed and meet the eligibility criteria prescribed under the Securities and Exchange Board of India (Mutual Funds) regulations, 1996. The sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the schemes beyond the initial contribution made by it towards setting up of Mutual Fund. The Mutual Fund is constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 by the Sponsor. Trustee is usually a company (corporate body) or a board of trustees (body of individuals). The main responsibility of the trustee is to safeguard the interest of the unit holders and also ensure that AMC functions in the interest of investors' and in accordance with the Securities and Exchange Board of India (Mutual Fund) Regulations 1996 the provisions of the Trust deed and the offer Document of the respective schemes. The AMC is appointed by the Trustees as the investment Manager of the Mutual Fund.

The AMC is required to be approved by SEBI to act as an asset management company of the Mutual Fund. The AMC if so authorized by the Trust Deed appoints the Registrar and Transfer Agent to agent the mutual fund. The registrar processes the application form, redemption requests and dispatches account statements to the unit holders. The Registrar and Transfer agent also handles communications with investors' and updates investor records.

1.2 MUTUAL FUND – A BRIEF IDEA

Mutual fund is an investment instrument which mobilizes the savings of millions of small and retail Consumers into huge capital formation. The basic objective behind investment in mutual fund is goods return with relative low risk. Consumers invest their money into mutual fund through Asset Management Company (AMC). There are experts available in the market, which are in constant touch with micro and macro aggregates of the economy viz. share market, consumer preference; trend, fashion etc. act as fund manager. When investor invest some money in mutual fund, the invested amount is converted into units at prevailing price of fund (generally called NAV- Net Asset Value), which are declared on daily working basis. If the value of units that is NAV increases that would be appreciation in the invested amount and if it decrease the value of invested amount decreases. There are different schemes of mutual funds for different purpose. For i.e. equity funds – which is characterized by high risk, high return, debt fund – low risk, low return, gilt fund, close ended funds, open ended fund, ELSS etc. Besides that money market funds gives liquidity, that is desirable by banks and corporate who wish to invest their surplus for extreme short time to short time say 1 hour to 7 days. Balancer is the fund which satisfies the need of Consumers who wish to have both safe side as well as good return. It satisfy the requirement of fixed return on debt as well as variable return on equity in certain proportion generally 60:40, or 50:50 etc. Equity oriented funds are highly risky; it may have direct exposures to stock market up to 100 per cent. Mostly the Consumers with long term vision invest their money in equity oriented funds. Besides that, there are mutual funds which have direct exposure to physical gold as well as ETF (Exchange Traded Fund) i.e. Reliance gold plan.

1.3 MUTUAL FUND – AN INDIAN PERSPECTIVE

The Indian Mutual Fund industry has witnessed significant growth in the past few years driven by favorable economic and demographic factors such as rising income,

rising saving rate, rising income earning-spending activity etc. Mutual funds in India was firstly launched in July 1964 by UTI, with the objective of employment of individual savings into gigantic capital formation by investing it in capital market, besides that there was strong need for channelizing household savings for circulation and making it available for corporate for their productive use. At the same time it was felt that UTI could be an effective option to bridge the gap between individual saving and capital formation. UTI enjoyed the monopoly for almost two decades. In early nineties the following players entered into the market. They are SBI (1987), Can Bank (1987), LIC (1989), Indian Bank (1990), Bank of India (1990), PNB (1990), GIC (1991) etc. Presently the concept of mutual fund has become very familiar to almost all retail Consumers. The key benefits of mutual funds is that, it can be started with nominal amount of INR 500, besides that tax benefit is also available in some schemes, smart moves by experts, advantage of equity return and at the same time Consumers can reap the benefit of economies of scale.

1.4 NET ASSET VALUE

The net asset value, or NAV, is the current market value of a fund's holdings, usually expressed as a per-share amount. For most funds, the NAV is determined daily, after the close of trading on some specified financial exchange, but some funds update their NAV multiple times during the trading day. Open-end funds sell and redeem their shares at the NAV, and so process orders only after the NAV are determined.

Closed-end funds (the shares of which are traded by investors') may trade at a higher or lower price than their NAV; this is known as a premium or discount, respectively. If a fund is divided into multiple classes of shares, each class will typically have its own NAV, reflecting differences in fees and expenses paid by the different classes. Some mutual funds own securities which are not regularly traded on any formal exchange. These may be shares in very small or bankrupt companies; they may be derivatives; or they may be private investments in unregistered financial instruments (such as stock in a non-public company). In the absence of a public market for these securities, it is the responsibility of the fund manager to form an estimate of their

value when computing the NAV. How much of a fund's assets may be invested in such securities is stated in the fund's prospectus.

5. CALCULATION OF NAV

The most important of the calculation is the valuation of the assets owed by the funds. Once it is calculated, the NAV is simply the net value of assets divided by the number of units outstanding. The detailed methodology for the calculation of the asset value is given below. Net Asset value = Sum of market value of shares/debentures + Liquid assets/cash held (if any) + Dividends/interest accrued - Amount due on unpaid assets - Expenses accrued but not paid.

6. Industry profile

The modern banking industry is a network of financial institutions licensed by the state to supply banking services. The principal services offered relate to storing, transferring, extending credit against, or managing the risks associated with holding various forms of wealth. The precise bundle of financial services offered at any given time has varied considerably across institutions, across time, and across jurisdictions, evolving in step with changes in the regulation of the industry, the development of the economy, and advances in information and communications technologies. Banks as financial intermediaries are party to a transfer of funds from the ultimate saver to the ultimate user of funds. Often, banks usefully alter the terms of the contractual arrangement as the funds move through the transfer process in a manner that supports and promotes economic activity. By issuing tradable claims (bank deposits) against itself, the bank can add a flexibility to the circulating media of exchange in a manner that enhances the performance of the payments system. These deposits may support the extension of personal credit to consumers (retail banking) or short-term credit to nonfinancial businesses (commercial banking). If so, the bank aids the management of liquidity, thus promoting household consumption and commerce. By facilitating the collection of funds from a large number of small savers, each for a short period, the bank promotes the pooling of funds to lend out in larger denominations for longer periods to those seeking to finance investment in larger

capital projects. Financing investment may take the form of underwriting issues of securities (investment banking) or lending against real estate (mortgage banking). By specializing in the assessment of risk, the bank can monitor borrower performance; by diversifying across investment projects, the bank minimizes some types of risk and promotes the allocation of funds to those endeavours with the greatest economic potential. By extending trade credit internationally (merchant banking), the bank can facilitate international trade and commerce. As one last example, by lending to other banks in times of external pressures on liquidity, the bank can manage core liquidity in the financial system, thus potentially stabilizing prices and output (central banking). To discharge its various functions, banks of all types manage highly leveraged portfolios of financial assets and liabilities. Some of the most crucial questions for the banking industry and state regulators center on questions of how best to manage the portfolio of deposit banks, given the vital role of these banks in extending commercial credit and enabling payments. With bank capital (roughly equal to the net value of its assets after deduction of its liabilities) but a small fraction of total assets, bank solvency is particularly vulnerable to credit risk, market risk, and liquidity risk. An increase in non-performing loans, a drop in the market price of assets, or a shortage of cash reserves that forces a distress sale of assets to meet depositors' demand can each, if transpiring over a period of time too short for the bank to manage the losses, threaten bank solvency.

The latent threat of a financial crisis is an example of a market failure that regulation may correct. Here, the failure is in the market's inability to properly assess and price risk. The systemic risk inherent in a bank collapse introduces social costs not accounted for in private sector decisions. The implication is that managers, when constructing their portfolios, will assume more risk than is socially desirable; hence, there exists a need for government-imposed constraint and control. State-sanctioned measures designed to minimize the threat of bank runs include the need for a lender of last resort function of the [central bank](#) to preserve system liquidity and the creation of a government-administered system of retail banking deposit insurance. Regulation explicitly limiting the risk assumed by managers of banks includes restrictions that limit the types and amounts of assets an institution can acquire. A stock market crash

will threaten solvency of all banks whose portfolios are linked to the declining equity values. Investment bank portfolios will be, in such a circumstance, adversely affected. The decline in the asset values of investment banks can spill over to deposit banks causing a banking crisis when the assets of deposit banks include marketable securities, as happened in the [United States](#) in the early 1930s. The future may well see an increased extent and variety of the bundling of financial services as techniques and technologies of securitization, networking, and outsourcing offer new organizational possibilities. The result thus far has been a blurring of the traditional distinctions between banking and non-banking financial activity. [Bank mergers](#) and mergers of banks with other financial firms are occurring with increasing frequency and magnitude, suggesting that the future may well witness both a greater dominance of universal banking structures and a greater international concentration of financial assets.

1.7 COMPANY PROFILE

TATA mutual fund:

Backed by one of the most trusted and valued brands in India, Tata Mutual Fund has earned the trust of lakhs of investors with its consistent performance and best in class services. Tata Mutual Fund offers an investment option for everyone, whether you are a businessman or salaried professional, a retired person or housewife, an aggressive investor or a conservative capital builder. Tata Asset Management Limited is the Investment Manager to Tata Mutual Fund. Our origin stems from a much respected and internationally acclaimed industrial house – the Tata Group – whose business philosophy has made our country and its people partners in the wealth creation process. Our heritage invokes “trust” among consumers, employees, shareholders and the community alike. Though a great heritage is obviously something to cherish, we also seek to carry that legacy through a set of well defined and time tested globally accepted business practices. Being part of the Tata group, we are well known for our strong adherence to highest standards of ethics and fairness in all our business dealings. TAM manages funds across the entire risk-return continuum.

These include equity funds, balanced funds and debt & money market oriented funds. The company provides investment management, risk management and advisory services to institutional, intermediary and individual investors. As one of the leading Indian Investment Managers, we understand that managing wealth is as important as the creation of it. The core strength of Tata Asset Management stems not only from its sound systems and processes, but from the quality of its intellectual capital, which is made up of the best and brightest minds. At the same time there is a robust risk management framework with in-built controls and balances.

SBI Mutual fund:

SBI Mutual Fund is a payment system introduced by State Bank of India and incorporated in 1987 with its corporate head office located in Mumbai, India. SBIFMPL is a joint venture between the State Bank of India, an Indian public sector bank, and Amundi, a European asset management company. A shareholder agreement in this regard has been entered on April 13, 2011, between SBI & AMUNDI Asset Management. Accordingly, SBI currently holds 63% stake in SBIFMPL and the 37% stake is held by AMUNDI Asset Management through a wholly owned subsidiary, Amundi India Holding. SBI & AMUNDI Asset Management shall jointly develop the company as an asset management company of international repute by adopting global best practices and maintaining international standards.

HDFC Mutual fund:

One of India's largest mutual fund managers with ₹4.4 trillion in assets under management. Started in 1999, we were set up as a joint venture between Housing Development Finance Corporation Limited ("HDFC") and Abrdn Investment Management Limited (erstwhile known as Standard Life Investments Limited). During FY18-19 we carried out an initial public offering, and became a publicly listed company in August 2018. Our principal shareholders are HDFC and Abrdn Investment Management Limited which own 52.6% and 16.2% stake, respectively.

HDFC Asset Management Company ("HDFC AMC") is the investment manager to the schemes of HDFC Mutual Fund ("HDFC MF"). We offer a comprehensive suite of

savings and investment products across asset classes, which provide income and wealth creation opportunities to our large retail and institutional customer base of 9.6 million live accounts. We have a dominant position in equity investments, with one of the highest market shares in actively managed equity-oriented funds. Our strengths lie in delivering simple and accessible investment products for the average Indian household. We are the most preferred choice for retail investors, with the highest market share in assets from individual investors. Our offering of systematic transactions further enhances our appeal to individual customers looking to invest periodically in a disciplined and risk-mitigating manner. Our schemes have weathered multiple market cycles and carry track records of up to 26 years. We work with diverse sets of distribution partners which helps us expand our reach. We currently have over 70 thousand empanelled distributors which include mutual fund distributors, national distributors and banks. We serve our customers and distribution partners in over 200 cities through our network of 227 branches and 1,207 employees. Our highly stable Management has steered the company since its inception through the ever-evolving industry. Our consistent position as one of India's leading asset management companies is driven by our comprehensive investment philosophy, process and risk management. Our 29-member investment team is highly experienced and competent with a track record of performance, stability and a deep understanding of businesses. We also provide portfolio management and segregated account services, including discretionary, non-discretionary and advisory services, to high net worth individuals ("HNIs"), family offices, domestic corporates, trusts, provident funds and domestic and global institutions.

8. Need for the study

The project has been undertaken with the aim of Analyzing the Mutual funds of the. And also to analyze how the operation has been undertaken to communicate with the client & how the services is offered by the company. These operations may involve the following problems

- The operations involved in India Info line Ltd.

- Differences between Equities & Mutual funds operations and Mutual understanding between company & its clients.

1.9 Objectives of the study

- To study the investment pattern of the respondents in Mutual Funds
- To know the perception of investors for investing in a Mutual Fund Scheme
- To know about the risk tolerance of the customers.

CHAPTER 2

REVIEW OF LITERATURE

Singh and Jha (2009) conducted a study on awareness & acceptability of mutual funds and found that consumers basically prefer mutual fund due to return potential, liquidity and safety and they were not totally aware about the systematic investment plan. The investors' will also consider various factors before investing in mutual fund.

Desigan et al (2006) conducted a study on women investors' ' perception towards investment and found that women investors' ' basically are indecisive in investing in mutual funds due to various reasons like lack of knowledge about the investment protection and their various investment procedures, market fluctuations, various risks associated with investment, assessment of investment and redressal of grievances regarding their various investment related problems. Savings is a habit specially embodied into women. Even in the past, when women mainly depended on their spouses' income, they used to save to meet emergencies as well as for future activities. In those days, women did not have any awareness about various investment outlets. But as time passed, the scenario has totally changed.

Ramamurthy and Reddy (2005) conducted a study to analyze recent trends in the mutual fund industry and draw a conclusion that the main benefits for small investors' due to efficient management, diversification of investment, easy administration, nice return potential, liquidity, transparency, flexibility, affordability, wide range of choices and a proper regulation governed by SEBI. The study also analyzed about recent trends in mutual fund industry like various exit and entry policies of mutual fund companies, various schemes related to real estate, commodity, bullion and precious metals, entering of banking sector in mutual fund, buying and selling of mutual funds through online.

Anand and Murugaiah (2004) had studied various strategic issues related to the marketing of financial services. They found that recently this type of industry requires new strategies to survive and for operation. For surviving they have to adopt new marketing strategies and tactics that enable them to capture maximum opportunities

with the lowest risks in order to enable them to survive and meet the competition from various market players globally.

Raja (1998) examined several Consumers and found that there is impact of demographical variables such as age, gender, income etc.

Bogle (1992) and Ippolito (1992) have suggested that the Consumers are selecting fund on the past performance. They also specify that investor invest in such a fund whose past performance is positive rather than negative for specific period of time.

Desigan et al. (2006) conducted a study on women investor perception towards investment selection. Accordingly, women Consumers generally avoid mutual fund, the main reason is lack of awareness, investment procedures, entry and exit move etc.

Lu Zheng (1999) majority of Consumers, investing in mutual fund; do invest on the basis of short-term future performance and they use fund specific information for their selection decision.

K. Lashmana Rao (2011) made analysis of investor's perception towards mutual fund schemes, he made conclusion SEBI, AMFI, and IRDA should take appropriate steps to enhance Consumers knowledge for making more prudent decisions.

CHAPTER 3

RESEARCH METHODOLOGY

1. RESEARCH DESIGN

1. Descriptive research design

Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

2. Sources of Data

Data collection is the term used to describe a process of preparing and collecting data.

- Primary data – Questionnaire given to 50 respondents.
- Secondary data – websites and online journals, published reports & review of literature from published articles.

3. Structure of questionnaire

Questionnaire contains one section. That is designed to know the about the consumers perception and satisfaction of the respondents.

4. Sampling technique

1. Convenience sampling method

A convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

5. Sample size

The sample size for this survey is 50.

6. Period of study

The period of study is from September 2023 to December 2023 which is four months of study.

7. Analytical tools

1. Percentage analysis

Research questions are always answered with a descriptive statistic: generally, either percentage or mean. Percentage is appropriate when it is important to know how many of the participants gave a particular answer. Generally, percentage is reported when the responses have discrete categories.

3.9 Hypothesis testing

H0 - Null hypothesis(there is no significant relationship between the variables)

H1 – Alternate hypothesis(there is significant relationship between the variables).

After analyzing the data, hypothesis testing is done. It will result in either accepting or rejecting the hypothesis.

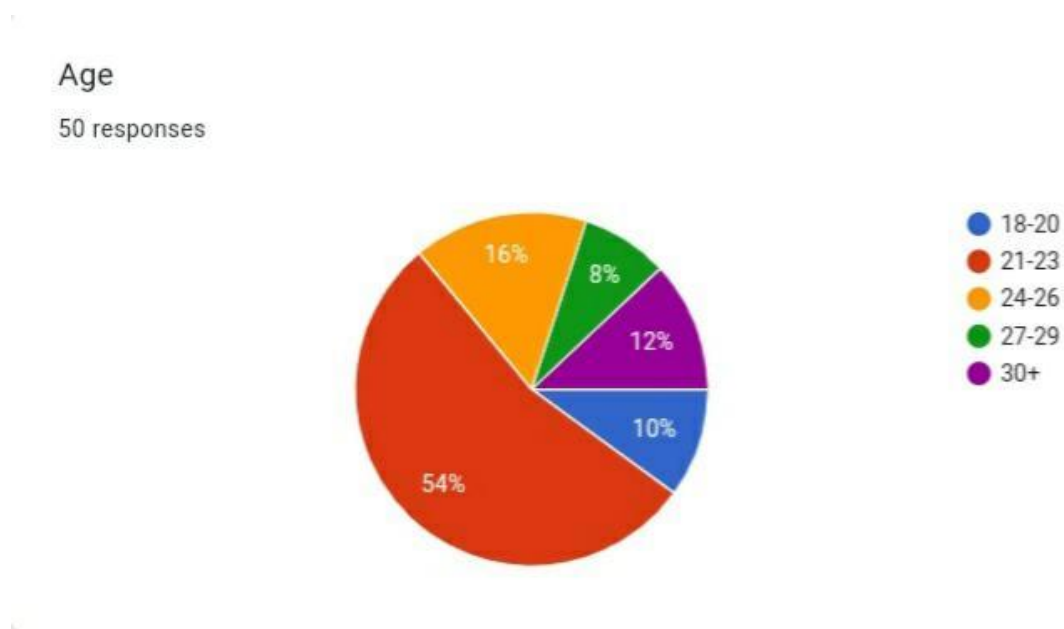
CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Percentage Analysis

Table 4.1.1 AGE OF THE RESPONDENTS

AGE	NO. OF RESPONDENTS	PERCENTAGE
18-20	5	10%
21-23	27	54%
24-26	8	16%
27-29	4	8%
30+	6	12%



INTERPRETATION

From the above table it is interpreted that 54% of the respondents are from the age of 21 to 23 , 16% of the respondents are from the age of 24 to 26 , 12% of the respondents are from the age of 30 or more, 10% of the respondents are from the age of 18 to 20 and finally 8% of the respondents are from the age of 27 to 29.

INFERENCE

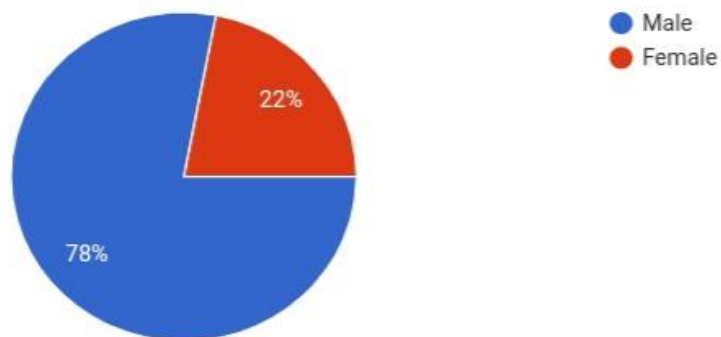
Therefore majority 54% of the respondents are between the age of **21 to 23**.

TABLE 4.1.2 GENDER OF THE RESPONDENTS

GENDER	NO. OF RESPONDENTS	PERCENTAGE
MALE	39	78%
FEMALE	11	22%

Gender

50 responses



INTERPRETATION

From the above table it is interpreted that majority of the respondents are from male 78% and female is 22%.

INFERENCE

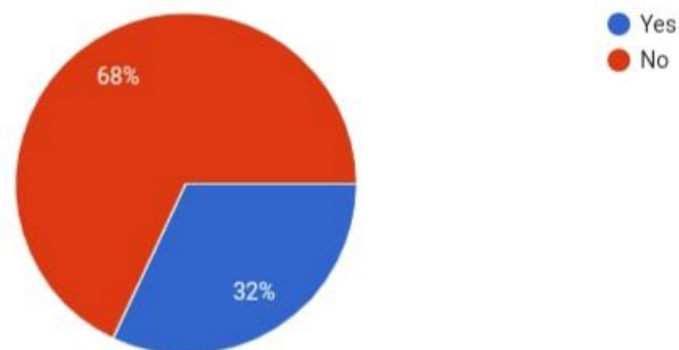
Majority 78% are from male.

Table 4.1.3 HAVE YOU INVESTED IN MUTUAL FUNDS?

YES / NO	NO. OF RESPONDENTS	PERCENTAGE
NO	34	68%
YES	16	32%

Have you invested in mutual funds?

50 responses



INTERPRETATION

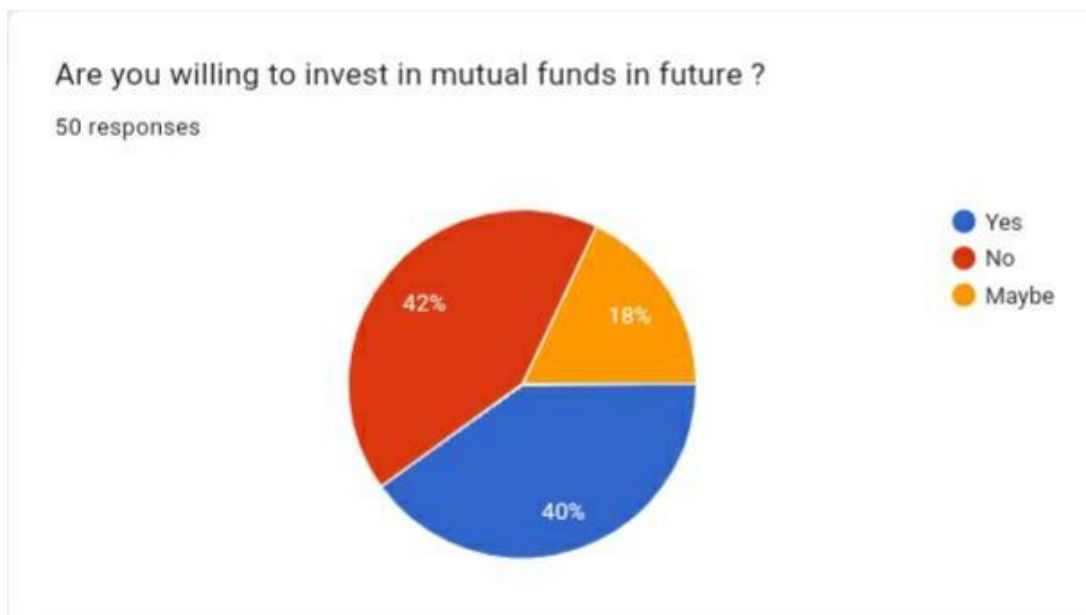
From the above table it is interpreted that majority of the respondents 68% are not invested in mutual funds and remaining 32% of the respondents are invested in mutual funds.

INFERENCE

Majority 68% of the respondents are not invested in mutual funds.

TABLE 4.1.4 ARE YOU WILLING TO INVEST IN MUTUAL FUNDS IN FUTURE

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	20	40%
NO	21	42%
MAY BE	9	18%



INTERPRETATION

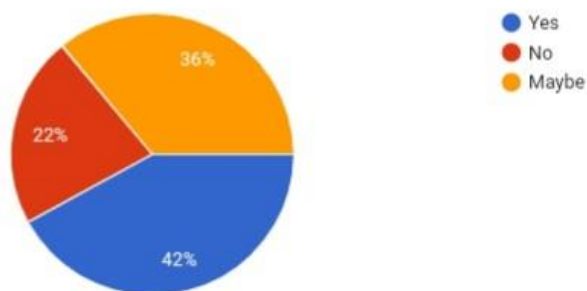
From the above table it is interpreted that majority 42% of the respondents are not interested to invest in mutual funds , 40% of the respondents are interested to invest in mutual funds and the remaining 18% of the respondents are not sure about their participation in the mutual fund plans.

INFERENCE

Majority 42% of the respondents are interested to invest in mutual funds.

TABLE 4.1.5 DO YOU THINK MUTUAL FUNDS WILL BE THE GOOD INVESTMENT VEHICLE FOR THE SMALL INVESTORS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	21	42%
NO	11	22%
MAY BE	18	36%



INTERPRETATION

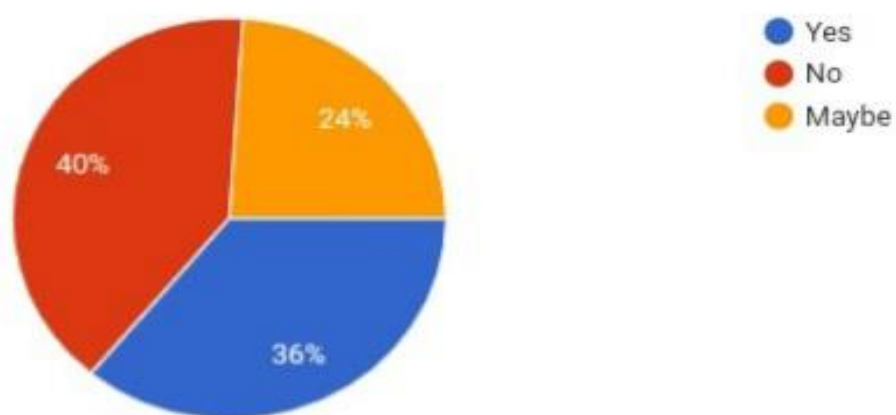
From the above table it is interpreted that majority 42% of the respondents are thought mutual funds will be the good investment vehicle for the small investors, 22% of the respondents are thought that it will not suit for the small investors and finally 36% of the respondents are not sure about their choice.

INFERENCE

Majority 42% of the respondents thought it will be a good investment vehicle for the small investors.

TABLE 4.1.6 WILL YOU RECOMMEND MUTUAL FUND INVESTMENT PLANS TO YOUR FRIENDS AND RELATIVES

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	18	36
NO	20	40
MAY BE	12	24



INTERPRETATION

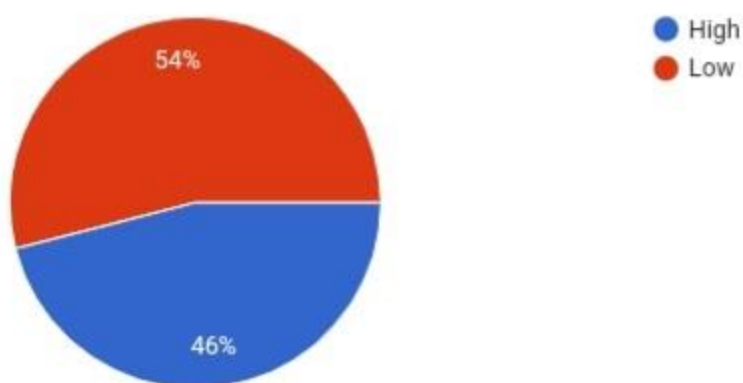
From the above table it is interpreted that 36% of the respondents will recommend the mutual fund investment plans to their friends and relatives, 40% of the respondents will not recommend mutual fund plans to their friends and relatives and finally 24% of the respondents are not sure about their decisions.

INFERENCE

Majority 40% of the respondents will not recommend the mutual fund plans to their friends and relatives.

TABLE 4.1.7 YOUR RISK TOLERANCE

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
HIGH	23	46
LOW	27	54



INTERPRETATION

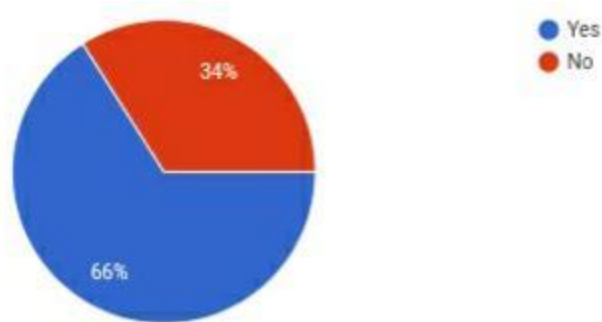
From the above table it is interpreted that 46% of the respondents will have a high risk tolerance and remaining 54% of the respondents will have low risk tolerance.

INFERENCE

Majority 54% of the respondents will have a low risk tolerance.

TABLE 4.1.8 DO YOU THINK FINANCIAL LITERACY IS IMPORTANT FOR INVESTMENT?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	33	66%
NO	17	34%



INTERPRETATION

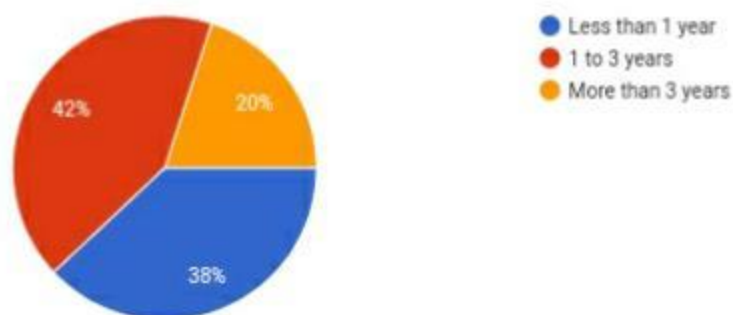
From the above table it is interpreted that 66% of the respondents will thought that financial literacy is important for investment and remaining 34% of the respondents thought that financial literacy is not important for investing.

INFERENCE

Therefore, majority 66% of the respondents will thought that financial literacy is important for investing.

TABLE 4.1.9 HOW LONG YOU CAN INVEST?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
LESS THAN ONE YEAR	19	38%
1 TO 3 YEAR	21	42%
MORE THAN 3 YEARS	10	20%



INTERPRETATION

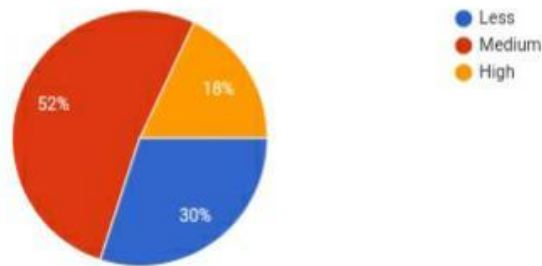
From the above table it is interpreted that 42% of the respondents would invest from the period of 1 to 3 years, 38% of the respondents would invest for a period of less than one year and the remaining 20% of the respondents would invest more than 3 years.

INFERENCE

Majority 42% of the respondents would invest from a period of 1 to 3 years.

TABLE 4.1.10 HOW MUCH RISK YOU CAN TAKE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
LESS	15	30%
MEDIUM	26	52%
HIGH	9	18%



INTERPRETATION

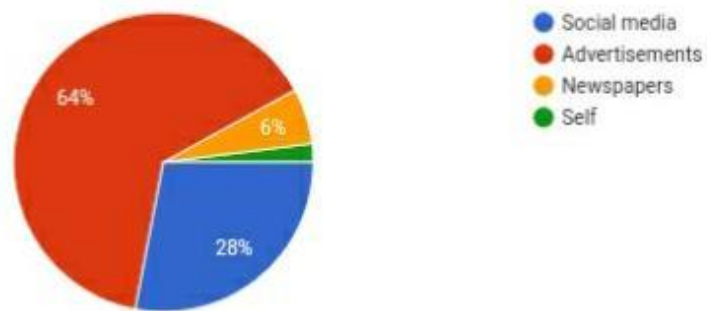
Therefore it is clearly interpreted that majority 52% of the respondents would take a medium amount of risk, 30% of the respondents would take a less amount of risk and the remaining 18% of the respondents would take a high amount of risk for their investments.

INFERENCE

Therefore majority of the respondents would take a medium amount of risk.

TABLE 4.1.11 HOW DID YOU LEARN ABOUT THE MUTUAL FUNDS?

PARTIULARS	NO. OF RESPONDENTS	PERCENTAGE
SOCIAL MEDIA	14	28%
ADVERTISEMEN TS	32	64%
NEWSPAPERS	3	6%
OTHERS	1	2%



INTERPRETATION

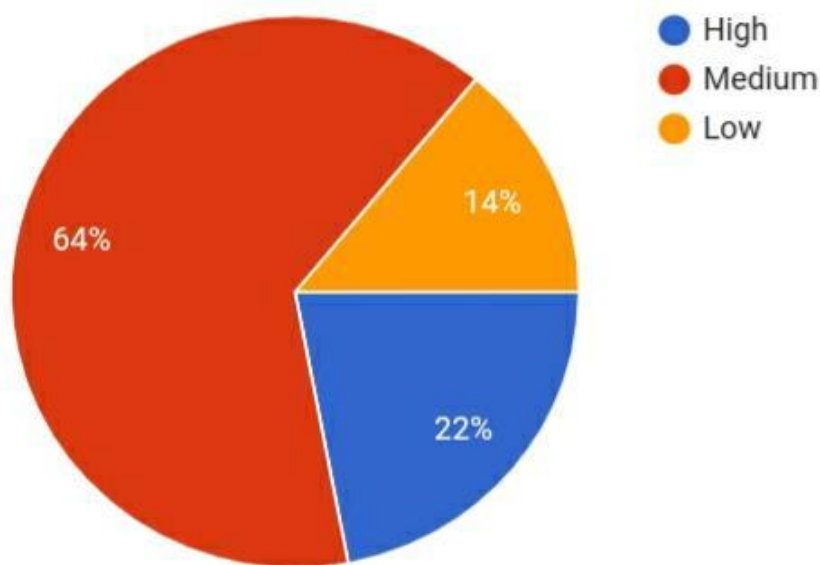
From the above table it is clearly interpreted that majority 64% of the respondents would learn about the mutual funds through the advertisements, 28% of the respondents would learn about the mutual funds through the social media, 6% of the respondents through the newspapers and the remaining 2% of the respondents would learn through self.

INFERENCE

Therefore, majority of the respondents would learn about the mutual funds through the advertisements only.

TABLE 4.1.12 Satisfaction level in mutual funds

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
MEDIUM	32	64%
HIGH	11	22%
LOW	7	14%



INTERPRETATION

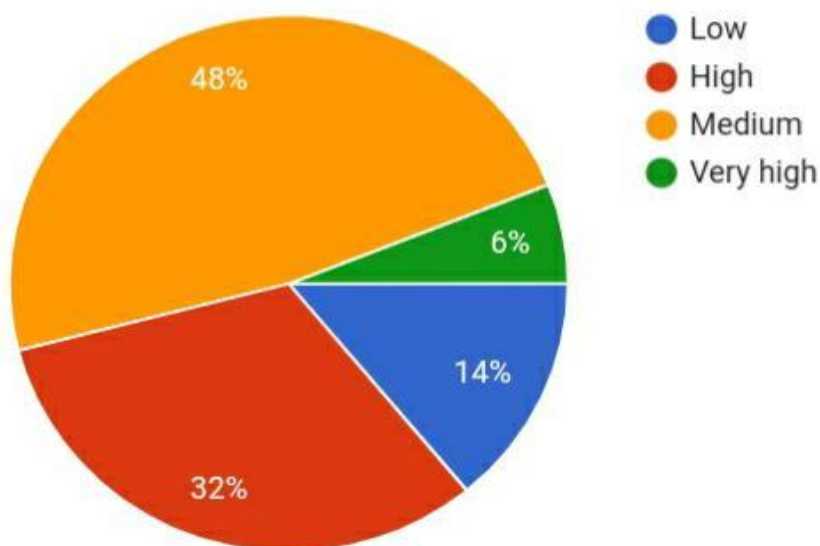
From the above table it is interpreted that satisfaction level would be medium for 64% of the respondents, satisfaction level will be high for 22% of the respondents and finally 14% of the respondents will have a low level of satisfaction in the mutual funds.

INFERENCE

Majority 64% of the respondents will have a medium level of satisfaction.

TABLE 4.1.13 HOW DID YOU RATE THE RISK WHICH IS ASSOCIATED WITH MUTUAL FUNDS.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
LOW	7	14%
MEDIUM	24	48%
HIGH	16	32%
VERY HIGH	3	6%



INTERPRETATION

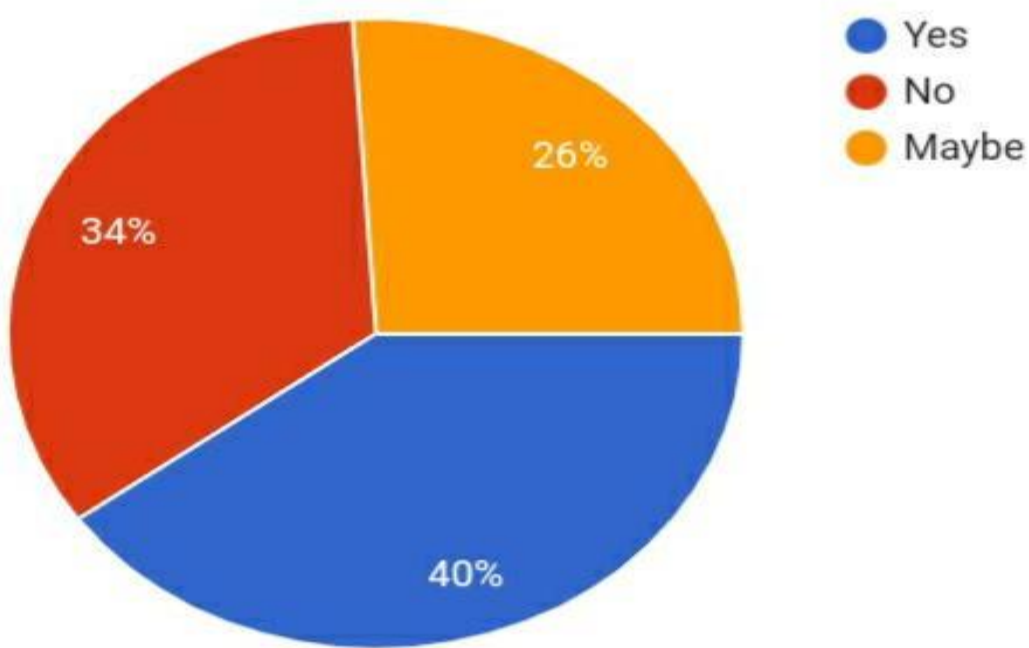
From the above table it is interpreted that 48% of the respondents will rated that risk will be medium for these mutual funds, 32% of the respondents will rated that mutual funds is associated with high risk, 14% of the respondents will rated that low risk is associated with the mutual funds and finally 6% of the respondents rated that risk factor will be very high for mutual funds.

INFERENCE

Majority 48% of the respondents will be rated that risk factor will be medium for the mutual funds.

TABLE 4.1.14 DO YOU THINK INVESTING IN A MUTUAL FUNDS WILL BE A SAFE

PARTIULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	20	40%
NO	17	34%
MAY BE	13	26%



INTERPRETATION

From the above table it is interpreted that 40% of the respondents will thought that investing in a mutual funds will be safe, 34% of the respondents will thought that investing in a mutual funds will not be a safe one and the remaining 26% of the respondents will not sure about their thoughts.

INFERENCE

Majority 40% of the respondents consider that investing in a mutual funds will be the safer one.

4.2 Chi-square test

Null hypothesis(H0): There is no significant relationship between the risk is associated with mutual funds.

Alternate hypothesis(H1): There is a significant relationship between the risk which is associated with mutual funds.

gender	High	Low	Medium	Very high	Grand Total
Female	1	2	7	1	11
Male	15	5	17	2	39
Grand Total	16	7	24	3	50

EXCPECTED FREQUENCY

gender	High	Low	Medium	Very high	Grand Total
Female	3.52	1.54	5.28	0.66	11
Male	12.48	5.46	18.72	2.34	39
Grand Total	16	7	24	3	50

Chi Square test

χ^2	DF	P value
3.431985	3	0.329691

INFERENCE

Since p value 0.329691 is greater than 0.005, null hypothesis is accepted and alternate hypothesis is rejected. Hence, There is no significant relationship between the risk is associated with the mutual funds.

4.3 ANNOVA

hypothesis(H0): There is no significant relationship between the investment in the mutual funds will be the safe.

Alternate hypothesis(H1): There is a significant relationship between the investment in the mutual funds will be the safe.

ANOVA SINGLE FACTOR

Groups	Count	Sum	Average	Variance
YES	2	20	10	0
NO	2	17	8.5	84.5
MAYBE	2	13	6.5	24.5

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	12.33333	2	6.166667	0.169725	0.85147	9.552094
Within Groups	109	3	36.33333			
Total	121.3333	5				

INFERENCE

Since p value 0.85147 is greater than 0.005, null hypothesis is accepted and alternate hypothesis is rejected. Hence, There is no significant relationship between the investment in the mutual funds will be the safe.

CHAPTER 5

FINDINGS, SUGGESTION AND CONCLUSION

1. FINDINGS

- Majority 54% of the respondents are from the age of 21-23.
- Majority 78% are from male.
- Majority 68% of the respondents are not invested in mutual funds.
- Majority 42% of the respondents are interested to invest in a mutual funds.
- Majority 42% of the respondents will thought it will be the good investment vehicle for the small investors.
- Majority 40% of the respondents will not recommend mutual funds.
- Majority 54% of the respondents will have low risk tolerance.
- Majority 66% of the respondents responded that financial literacy is mandatory for investment.
- Majority 42% of the respondents would invest from the period of 1 to 3 years.
- Majority 52% of the respondents would take medium risk.
- Majority 64% of the respondents would learn about the mutual funds through the advertisements.
- Majority 64% of the respondents would have medium level of satisfaction.
- Majority 48% of the respondents thought that risk will be medium for the mutual funds.
- Majority 40% of the respondents responded that it will be a safe one.

5.2 SUGGESTIONS

- The mutual funds investment market is observed to be the better in comparison with the other investment options available, it has been observed to be the better in comparison with the other investment options available. This point to be noted that Mutual fund investment is observed to be better option than investing in gold, as said by respondents.
- It has been observed that mutual fund investment has been treated as an avenue for the investors and is capable to attract customers.
- All the respondents have mentioned that, Mutual Fund has been seen as growth option in future. The basic reason for investing in mutual fund is that, it is linked to equity market and can assure certain rate return
- Keeping in mind findings and conclusions based on the investigation made in the present research, and observations carried out during study, below mentioned suggestion can be offered
- It has been revealed that customers are overall satisfied with the mutual funds though; it is challenging to keep their level of satisfaction intact and to achieve this, continuous review of the returns on investments (mutual fund investment), comparative study of gold investment with mutual fund investment along with satisfaction survey of customers should be conducted periodically. In fact this should become a part of regular operations.
- Finally, it needs to be mentioned specifically that, this research was undertaken with the intension of contributing to the understanding of the mutual fund investors behavior to offer probable solutions in the light of findings. This study has added to the current body of knowledge relating to behavior of mutual fund customers and also it has provided insight into areas that warrant further exploration.

5.3 CONCLUSION

The study shows that most of respondents are still confused about the mutual funds and have not formed any attitude towards the mutual fund for investment purpose. It has been observed that most of the respondents having lack of awareness about the various function of mutual funds. Moreover, as far as the demographic factors are concerned, gender, income and level of education have significantly influence the investors' ' attitude towards mutual funds. On the other hand the other two demographic factors like age and occupation have not been found influencing the attitude of investors' ' towards mutual funds. As far as the benefits provided by mutual funds are concerned, return potential and liquidity have been perceived to be most attractive by the invertors' followed by flexibility, transparency and affordability. Apart from the above, in India there is a lot of scope for the growth of mutual fund companies provided that the funds satisfy everybody's needs and sharp improvements in service standards and disclosure.

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APPENDIX(QUESTIONNAIRE)

NAME-

EMAIL-

AGE

- 18-20
- 21-23
- 24-26
- 27-29
- 30+

GENDER

- Male
- Female

HAVE YOU INVESTED IN MUTUAL FUNDS?

- Yes
- No

ARE YOU WILLING TO INVEST IN MUTUAL FUNDS IN FUTURE.

- Yes
- No
- May be

DO YOU THINK MUTUAL FUNDS WILL BE THE GOOD INVESTMENT VEHICLE FOR THE SMALL INVESTORS?

- Yes
- No
- May be

WILL YOU RECOMMEND MUTUAL FUND INVESTMENT PLANS TO YOUR FRIENDS AND RELATIVES?

- Yes
- No
- Maybe

YOUR RISK TOLERANCE.

- High
- Low

DO YOU THINK FINANCIAL LITERACY IS IMPORTANT FOR INVESTMENT?

- Yes
- No

HOW LONG YOU CAN INVEST?

- Less than one year
- 1 to 3 years
- More than 3 years

HOW MUCH RISK YOU CAN TAKE?

- Less
- Medium
- High

HOW DID YOU LEARN ABOUT THE MUTUAL FUNDS?

- Social media
- Advertisements
- Newspapers
- Others

SATISFACTION LEVEL IN MUTUAL FUNDS.

- High
- Medium
- Low

HOW DID YOU RATE THE RISK WHICH IS ASSOCIATED WITH THE MUTUAL FUNDS?

- Low
- Medium
- High
- Very high

DO YOU THINK INVESTING IN A MUTUAL FUNDS WILL BE A SAFE?

- Yes
- No
- Maybe