

A STUDY ON PERSPECTIVE OF PEOPLE TOWARDS MUTUAL FUND SCHEMES

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

Anumalar Gopaul
Register No.40410019



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 by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

APRIL 2022



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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **ANUMALAR GOPAUL 40410019** who carried out the project entitled "**A Study on perspective of people towards mutual fund schemes**" under my supervision from January 2022 to March 2022.

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DECLARATION

I **ANUMALAR GOPAUL (40410019)** hereby declare that the Project Report entitled **“A Study on perspective of people towards mutual fund scheme”** done by me under the guidance of **Dr. THINESH KUMAR M.Com., MBA., M.Phil., Ph.D.**, is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

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ANUMALAR GOPAUL

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ANUMALAR GOPAUL

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ABSTRACT

Day by day Indian financial market is becoming competitive and the supply of various financial instruments needs to be in equilibrium to the demand perspectives of the investors. The prime drive of any investment is to get maximum return with a minimum risk and mutual funds provide the opportunity for the investors. The research provides an insight into the types of risks which exist in a mutual fund scheme. The data was collected from mutual fund investors as well as non mutual fund investors of this industry. The research focuses on the relationship between investment decision and factors like liquidity, financial awareness, risk bearing capacity, expectation on returns demography. It was found low risk funds and liquidity of fund scheme are having impact on the investor's perception for investing in the mutual fund, this study also gives awareness on how can mutual funds can be handled portly

CHAPTER 1

CHAPTER 1 – INTRODUCTION

1.1 INTRODUCTION:

The first Mutual Fund in world was “Socioete Generale de Belique” formed by King William of Netherland in 1822. The emergence of Mutual Fund in India was with the setup of UTI in 1964 by an act of Parliament. The first discussion highlighted was ‘Why should there be a Mutual Fund?’ And the clarified reason was ‘It is an attempt to mobilize the savings of small investors.’ This is the basic objective of a Mutual Fund Industry. It helps such investors who by any reason are not able to invest their savings in right direction or in right securities.

The reasons may be fewer amounts of savings of such retail investors, lack of financial market information, lack of specialized skill for investment or fear of risk return analysis. Thus Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. India International Journal of Economic Research 210Rajesh Trivedi, Prafulla Kumar Swain and Manoranjan Dash mutual fund industry has figured a six fold increase in AUM in over the last 10 years, yet it is to emerge as the preferred investment choice for retail investors in India. At present around 44 AMCs are operating in India.

In December 2014 AUM of Indian Asset Management Companies (AMCs) was 10.5 trillion which is equivalent to 0.5 percent of global AUM. (Source: ICF 2015, ICRON analysis.) The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The number of mutual fund houses went on increasing with many foreign mutual funds setting up funds in India and also the industry has witnessed several mergers and acquisitions. The entry of commercial banks and private players in the MF industry coupled with the rapid growth of the Indian capital markets during the past couple of years has fostered an impressive growth in the Mutual Funds. Unit Trust of India was the first mutual fund set up in India in the year 1963.

In early 1990s, government allowed public sector banks and institutes to set up mutual funds. In the year 1992, Securities and Exchange Board of India (SEBI) Act was passed. The objectives of SEBI are – to protect the interest of investors in securities and to promote the development of and regulate the securities market. As far as mutual funds are concerned, SEBI formulates policies and regulates the mutual funds to protect the interest of the investors. SEBI notified regulation for mutual funds in 1993. Thereafter, mutual funds sponsored by private sector entities were allowed to enter the capital market.

The regulations were revised in 1996 and have been amended thereafter from time to time. SEBI has also issued guidelines to the mutual funds from time to time to protect the interests of investors. All mutual funds whether promoted by public sector or private sector entities including those promoted by foreign entities are governed by the same set of regulations. There is no distinction in regulatory requirements for those mutual funds and all are subject to monitoring and inspections by SEBI. The risks associated with the schemes launched by the mutual funds sponsored by these entities are of similar types.

1.2 AREA OF INDUSTRY

1.2.1 FACT

These industries provide major financial assistance to people and to improve well

1.2.2 SAMPLE SIZE

The sample size taken for this study is hundred and fifty investor

1.2.3 LOCATION

The area of study is located at Chennai

1.2.4 TARGETED PEOPLE

There are both men and women in the study at the age of 18 to 60.
People targeted are investors of mutual funds

1.3 INDUSTRIAL PROFILE

Among various sectors out there are many financial institution that provides financial assistance for people who want to invest in mutual fund schemes and to create awareness amongst all people and investor

1.3.1 WHAT IS MUTAL FUND

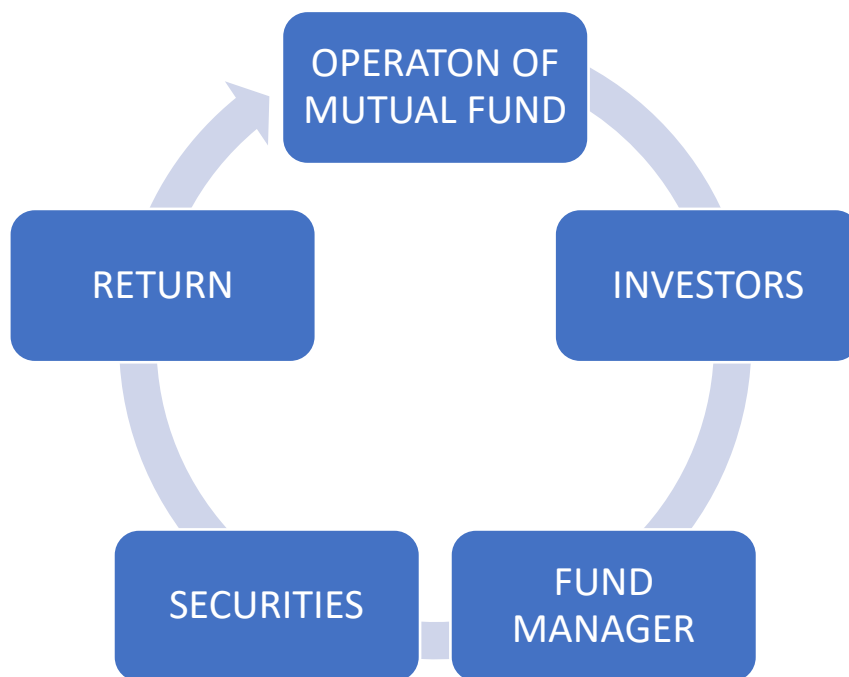
A mutual fund is a pool of money managed by a professional Fund Manager. It is a trust that collects money from a number of investors who share a common investment objective and invests the same in equities, bonds, money market instruments and/or other securities. And the income / gains generated from this collective investment is distributed proportionately amongst the investors after deducting applicable expenses and levies, by calculating a scheme's —Net Asset Valuell or NAV. Simply put, the money pooled in by a large number of investors is what makes up a Mutual Fund.

1.3.2 BRIEF PROFILE

The Securities and Exchange Board of India (Mutual Funds) Regulations 1993 define a mutual fund as a fund established in the form of a trust by a sponsor to raise monies by the Trustees through the sale of units to the public under one or more schemes for investing in securities in accordance with these regulations. These regulations have since been replaced by the SEBI (Mutual Funds) Regulations, 1996. The structure indicated by the new regulations is indicated as under. A mutual fund comprises four separate entities, namely sponsor, mutual fund trust, AMC and custodian. The sponsor establishes the mutual fund and gets it registered with SEBI. The mutual fund needs to be constituted in the form of a trust and the instrument of the trust should be in the form of a deed registered under the provisions of the Indian Registration Act, 1908. 2 The sponsor is required to contribute at least 40% of the minimum net worth (₹ 10 crore) of the asset management company. The board of trustees manages the MF and the sponsor executes the trust deeds in favor of the trustees. It is the job of the MF trustees to see that schemes floated and managed by the AMC appointed by the trustees are in accordance with the trust deed and SEBI guidelines

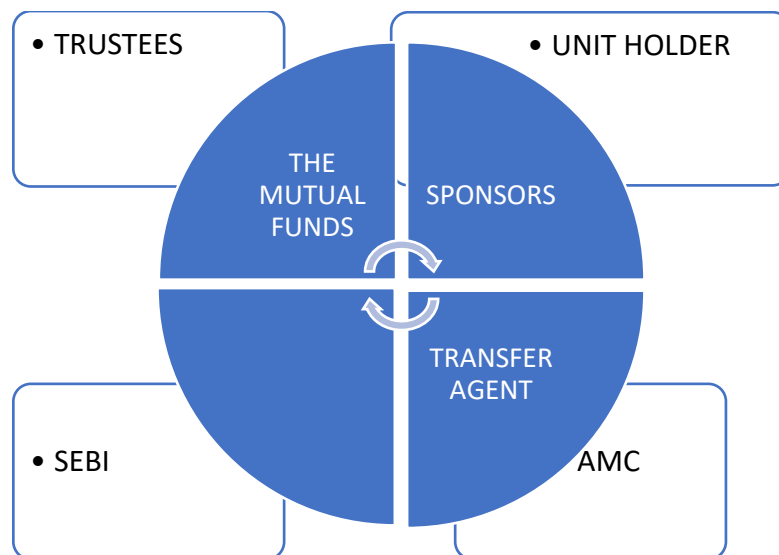
1.3.3 ORGANIZATION STRUCTURE OF MUTUAL FUNDS

Mutual funds have organization structure as per the Security Exchange Board of India guideline; Security Exchange Board of India specified authority and responsibility of Trustee and Asset Management Companies. The objective is to controlling, to promoted, to regulate, to protect the investors right and efficient trading of units. Operation of Mutual fund starts with investors saving their money on mutual fund, then Mutual Fund manager handling the funds and strategic investment on scrip. As per the objectives of particular scheme manager selected scripts. Unit value will become high when fund manager investment policy generates the return on capital market. Unit return depends on fund return and efficient capital market. Also affects international capital market, liquidity and at last economic policy. Below the graph indicates how the process was going on to investors to earn returns. Mutual fund manager is having high responsibility inside of return and how to minimize the risk. When fund provided high return with high risk, investors attract to invest more funds for same scheme.



FLOWCHART 1.1

The Mutual fund organization as per the SEBI formation and necessary formation is needed for sooth activities of the companies and achieved the desire objectives. Transfer agent and custodian play role for dematerialization of the fund and unit holders hold the account statement, but custody of the unit is on particular Asset Management Company. Custodian holds all the fund units on dematerialization form. Sponsor had decided the responsibility of custodian when investor to purchase the fund and to sell the unit. Application forms, transaction slip and other requests received by transfer agent, middle men between investors and Assts Management Companies.



FLOWCHART 1.2

1.3.4. MUTUAL FUNDS IN INDIA

The mutual fund industry has been in India for a long time. This came into existence in 1963 with the establishment of Unit Trust of India, a joint effort by the Government of India and the Reserve Bank of India. The year of 1993 marked the beginning of a new era in the Indian mutual fund industry with the entry of private players like Morgan Stanley, J.P Morgan, and Capital International. SEBI (Security Exchange Board of India) was established under which all the mutual funds in India were required to be registered. SEBI was set up as a governing body to protect the interest of investor. By the end of 2008, the number of players in the industry grew enormously with 46 fund houses functioning in the country. With the rise of the mutual fund industry, establishing a mutual fund association became a prerequisite. This is when AMFI (Association of Mutual Funds India) was set up in 1995 as a nonprofit organization. Today AMFI ensures mutual funds function in a professional and healthy manner thereby protecting the interest of the mutual funds as well as its investors.

Mutual funds are considered as one of the best available investment options as compare to others alternatives. They are very cost efficient and also easy to invest in. The biggest advantage of mutual funds is they provide diversification, by reducing risk & maximizing returns. India is ranked one of the fastest growing economies in the world. Despite this huge progression in the industry, there still lies huge potential and room for growth. India has a saving rate of more than 35% of GDP, with 80% of the population who save. These savings could be channel zed in the mutual funds sector as it offers a wide investment option.

Further tapping rural markets in India will benefit mutual fund companies from the growth in agriculture and allied sectors. With subsequent easing of regulations, it is estimated that the mutual fund industry will grow at a rate of 30% - 35% in the next 3 to 5 years and reach US 300 billion by 2015.

As it can be noted, there is huge growth and potential in the mutual fund industry. The development of this sector so far has been commendable and with the above positive factors we are looking at a more evolved industry.

1.4. SCOPE OF THE STUDY

This study provides Future of Mutual Funds industry information as well as awareness level amongst people for Mutual Funds. Also this project report of Mutual Funds gives an outlook to management as to how the mutual funds are performing in the current market situation as a result what may be the future of this industry. This paper on mutual funds is informative the students who want to understand and undertake assignments in the industry. This study also facilitates the general people who can understand the importance and explore the new option for investment in Mutual Funds. Different financial institutions provide services that are both complementary to and competitive with each other. A well built financial system directly contributes to the growth of the country.

1.5. OBJECTIVE OF THE STUDY

- To know the purpose of investment
- To know about the customer attitude towards the risk and returns of different investment options
- To find what can be don to boost mutual fund industry

1.6. NEED OF THE STUDY

This study is don to know how people are interested in mutual funds, why do they prefer investing in mutual funds, what is the purpose of investing in mutual funds, to know how people aware of such investments, how they are aware and how did the com to know about of these type of investments, and to know whether mutual fund industry need more awareness among people for more involvement ,and to know how much risk people are ready to bare in mutual fund investment.

CHAPTER 2

CHAPTER 2 – REVIEW OF LITERATURE

- ▶ Vijayakumar (2015) has studied on Investor"s preference in equity market investments in India with special reference to Chennai. A sample of 200 investors has been taken for this study. The main focus of this study is to find the relationship between investors" preference and satisfaction and to identify the investors" preference in equity investment. This study concluded that the nine factors namely security, risk tolerance, lucrative returns, investment duration, periodic returns, share performance, long- term investment, futuristic returns and investment dynamics influence the investors" perception at various level and ultimately leads them to satisfaction. It is concluded that the safety in the equity investment is very important for investors to acquire the highest satisfaction.
- ▶ Kothari (2014) examined a study namely "Investment behavior Towards investment Avenues: A study with reference to Indore City. The study highlighted that the savings of the people invested in assets depending on their risk and return demands, safety of money, liquidity, the available avenues for investment, various financial institutions etc. Descriptive research design is carried out to describe the phenomena with a sample size of 100. It was collected from the respondent through convenient judgmental sampling method in Indore city. The author concluded that if younger generation starts investing at such an early stage on regular basis, they will able to save more for their future
- ▶ Pandian et al. (2013) has studied on Investors Preference towards various Investment avenues in Dehradun district. The objective of the study is to analyze the investor"s preference towards various investment avenues in Dehradun district and offer Suitable suggestions to promote investments. He investigated 120 respondents. The data are analyzed by adopting the Chi-Square test and Ranking method. The study reveals that 73.33% of the respondents are male. So it is inferred that most of the investment decisions are taken by male respondents only. Age is an important factor which influences the behavior of the individual investor and the investing ability also differs according to the age of investors. Most of the investors are in the age group between 25 to 35 years. It is clear that young investor prefer to invest and take more risk
- ▶ Singh (2012) conducted a study on investors" attitude towards mutual funds as an investment option. In this paper, structure of mutual fund, operations of mutual fund, comparison between investment in mutual fund and bank and calculation of NAV etc. have been considered. In this paper, the impacts of various demographic factors on investors" attitude towards mutual fund have been studied. In order to conduct this study, 250 investors" in Ranchi region have been selected. For measuring various phenomena and analyzing the collected data effectively and efficiently for drawing sound conclusions, Chi-square test has been used and for analyzing the various factors responsible for investment in mutual funds, ranking was done on the basis of weighted scores and scoring was also done on the basis of scale. During the study, it was found that the investors" basically invested in mutual funds due to high

return potential, transparency, liquidity, flexibility and affordability

- ▶ Geeta N. and Ramesh M. (2011) in their study on People ' s Preferences in investment Behavior examined people ' s choice in investment avenues in Kurumbalur town. The sample size of 200 was taken for the research work. Simple random sampling was used to select the respondents from available database. Data was analyzed using chi-square test and percentage analysis . Researchers concluded that there is significant relation between investment avenues and gender and age group. There is no significant relationship between investment avenues and education and occupation. They concluded that Kurumbalur respondents are medium aware about various investment choices.
- ▶ Santi Swarup. K, (2009), in his survey entitled, "Measures for Improving Common Investor Confidence in Indian Primary Market: A Survey", analysed the decisions taken by the investors while investing in primary markets in the first part: secondly the factors affecting primary market situation in India was analysed and finally the survey evaluates various revival measures available for improving investor confidence. The survey was conducted in 10 cities in India by mailing questionnaire. The survey results of 367 investors revealed that the investors give importance to own analysis and market price as compared to broker"s advice
- ▶ Shollapur. M.R. and A B Kuchanur, (2008), in their article, "Identifying perceptions and perceptual Gaps: A study on individual investors in selected investment avenues", investors hold different perceptions on liquidity, profitability, collateral quality, statutory protection, etc., for various investment avenues. In addition, they fix their own priorities for these perceptions. The formation of perceptions triggers the investment process in its own way, often leading to unrealistic apprehensions especially among individual investors. This study attempts to measure the degree of investors" agreeableness with the selected perceptions as well as to trace the gaps between their perceptions and the underlying realities. Failure to deal with these gaps tends to lead the investment clientele to a wrong direction. Hence, there is a need to help investors develop a realistic perspective of the investment avenues and their attributes.
- ▶ Ranganathan K.(2006) conducted a study on "Fund Selection Behaviour of Individual Investors towards Mutual Funds". This exploratory study is an attempt to understand the financial behaviour of mutual fund investors in connection with scheme preference and selection. A sample of 100 educated, geographically dispersed individual investors from Mumbai city, was taken for this study. The statistical tools used for this research is chi-square test, factor analysis and multinomial logistic regression (MLR). It is concluded during the study that MF scheme preference for majority of investors, is „Growth scheme". Income schemes have been unattractive due to dropping interest rates. Analysis of scheme preference by nature of operation reveals the popularity of „Openended scheme". Top of Mind recall test of mutual funds reveals that UTI was most promptly remembered among the investors.

- ▶ PRIYANKA Sharma and Payal Agrawal (2015) in their study made an attempt to understand the effect of demographic factors in mutual fund investment decisions. The study reveals that the investors' perception is dependent on their demographic profile. Investor's age, marital status and occupation has a direct impact on investors' choice of investment. The study further reveals that the female segment is not fully tapped. The research also reveals that the liquidity and transparency are some factors which have a high impact on investment decisions. Parihar B B S, Sharma R and Parihar D.S (2009) also studied that respondent's age, gender and income are significantly associated with their attitude.
- ▶ JAYAM (2002) study brought out that equities had a good chance of appreciation in future. The researcher was of the view that, investors should correctly judge their investment objective and risk appetite before picking schemes, diversified equity funds were typically safer than others and index funds were the best when market movements were not certain. The researcher suggested Systematic Withdrawal Plan (SWP) with growth option was more suitable for investors in need of regular cash inflows.
- ▶ RAJESWARI T.R., RAMA MOORTHY (2001) in the paper —An Empirical Study on Factors Influencing the Mutual Fund Scheme Selection by Retail Investors have expressed that mutual fund is a retail product designed to target small investors, salaried people and others who are not intimidated by the mysteries of stock market but, nevertheless, like to reap the benefits of stock market investing. At the retail level, investors are a unique and are a highly heterogeneous group. Hence, their fund/scheme selection also widely differs.
- ▶ 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.
- ▶ CARHART, MARK M. (1997) on persistence in mutual fund performance, Journal of Finance 52, 57—82. On determination of the fund performance need to identify risk and measure fund return. The paper demonstrates how to identify scheme and diversification of the portfolio. The portfolio needs adjustment risk.
- ▶ SHOME (1994) based on growth schemes examined the performance of the mutual fund industry between April 1993 to March 1994 with BSE SENSEX as market surrogate. The study revealed that, in the case of 10 schemes, the average rate of return on mutual funds was marginally lower than the market return while the standard.
- ▶ BARUA and VARMA (1991) evaluated the performance of master share (1987-1991) using CAPM approach from the view point of large investors,

small investors and from fund management. The study had used ET Index as a proxy for market behavior. 8 The risk adjusted performance is measured by using Sharpe, Jensen and Treynor measures. They used capital market line to study the risk return relationship of the fund from the prospective of large investors and security market line for small investors. The study concludes that the fund performed better than the market for small investors and fund management but the fund did not do well when compared to CML.

- ▶ 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. Mutual fund return due to selectivity was decomposed into return due to selection of securities and timing of investment in a particular class of securities.
- ▶ 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 branded 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.
- ▶ JENSON , MICHAEL C. (1967), The Performance of Mutual Funds in the Period 1945 – 1964, The research paper indicates the past performance of the fund, predict the future demand of the fund, investors attract to invest in Mutual Fund.
- ▶ SHARPE (1966) explains in a modern portfolio theory context that the expected return on an efficient portfolio and its associated risk (unsystematic risk) are linearly related. 7 By incorporating various concepts he developed a Sharpe index. In this paper he attempted to rate the performance on the basis of the optimal portfolio with the risky portfolio and a risk-free asset is the one with the greatest reward-to-variability. The unsystematic risk is related to particular security due to inefficient management.
- ▶ TREYNOR (1965) presents a new way of viewing performance results. He attempted to rate the performance of mutual funds on a characteristics line graphically. The steeper the line, the more systematic risk or volatility a fund possesses. By incorporating various concepts, he developed a single line index, T_n , called Treynor index.
- ▶ Jambodekar (1996) conducted a study to assess the awareness of MFs among investors, to identify the information sources influencing the buying decision and the factors influencing the choice of particular funds. The study reveals among other things that Income Schemes and Open Ended Schemes are more preferred than Growth Schemes and Close Ended Schemes during the then prevalent market conditions. Investors look for safety of principal,

liquidity and capital appreciation in the order of importance; Newspapers and Magazines are the first source of information through which investors get to know about MFs/Schemes and investor service is a major differentiating factor in the selection of Mutual Funds Schemes.

- ▶ Sikidar and 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 Funds 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.
- ▶ Sunder (1998) conducted a survey to get an insight into the Mutual Funds operations of private institutions with special reference to Kothari Pioneer. The survey revealed that awareness about Mutual Funds concept was poor during that time in small cities like Visakhapatnam. Agents play a vital role in spreading the Mutual Funds culture; open-end schemes were much preferred then; age and income are the two important determinants in the selection of the Funds/scheme; brand image and return are the prime considerations while investing in any Mutual Funds.
- ▶ Shanmugham (2000) conducted a survey of 201 individual investors to study the information sourcing by investors, their perceptions of various investment strategy dimensions and the factors motivating share investment decisions and reports that among the various factors, psychological and sociological factors dominated the economic factors in share investment decisions.
- ▶ Chakarabarti and Rungta (2000) stressed the importance of brand effect in determining the competitive position of the AMCs. The study reveals that brand image factor, though cannot be easily captured by computable performance measures, influences the investor's perception and hence his Funds/scheme selection.
- ▶ Mishra et al. (2002) measured Mutual Funds performance using lower partial moment. In this study, measures of evaluating portfolio performance based on lower partial moment are developed. Risk from the lower partial moment is measured by taking into account only those states in which return is below a pre-specified "target rate" like riskfree rate.
- ▶ Bansal (2003) revealed that the percentage of investors holding only UTI schemes reduced, a survey of 2,819 respondents. The unit holders' loyalty seemed to have become a myth as investors were looking for performance. Unit-holders spread their holdings over two or more funds with an urge to diversify increasing competitive mutual fund environment.
- ▶ Kozup and Howlett (2008) conducted a study to explore whether "The Effects of Summary Information on Consumer Perceptions of Mutual Fund Characteristics", played a critical role and whether a modified method of

supplemental information disclosure impacts investors' fund evaluations and investment intentions. The study indicated the results that most of the investors' preference is on past performance of the funds to influence perceptions and evaluations of mutual fund.

- ▶ Debasish (2009) investigated the performance of equity based mutual fund schemes and found that open-ended mutual fund schemes provide relatively superior returns to the investors. Small investors particularly should be careful to analyze the return and risk parameters of the mutual funds, in the long run before they invest. An important finding was that when stock markets are highly volatile, mutual funds are the best source of investments with assured returns provided there is no flaw in the selection of such funds.
- ▶ Anderson et.al (2011) investigated that correlation between discount factor particularly with close ended funds and investor sentiment. The study found a strong relationship between discounts and investors' sentiments i.e. fear factor after the initiation of the market meltdown in 2007, which is consistent with the sentiment interpretation, which is a strong affective component. Shah & Associates who are solicitors and legal consultants are opinioned that mutual fund organizations are needed to focus on their skills and technology and their success however would bright depending how would an asset management company designs the fund to cater to the need of the public. As far as mutual fund investors' are concerned they are of the view that the one needs to adopt two crucial skills for successful investing i.e. a sense of timing and investment discipline.

CHAPTER – 3

CHAPTER 3 – RESEARCH METHODOLOGY

3.1 Introduction

A research design is a plan, structure, and strategy for conducting research to find solutions to research questions or challenges. Research plan is the entire design or program of research. It describes what the investigator will do, develop hypotheses and their operational implications for data analysis (Curlinger 1986:279). A typical research design is a blueprint or overall strategy for carrying out a research project—the circulating variables so that they can be measured, samples of interest to be investigated, and used as the basis for testing hypotheses. Can you Collecting the data to be done and analyzing the results? 1993: 94).

A study design is a process used by a researcher to answer questions in a valid, objective, accurate and cost-effective manner. Celtiz, Deutsch, and Cook (1962:50) write, "A research design is a system of conditions for data collection and analysis that attempts to combine relevance to the object of study with proficiency in the technique." A research design allows you to determine for yourself and tell others what study design you want to employ, how you want to collect information from your respondents, how you want the information collected from you. to be analyzed, and how you want to present your results.

3.2. Methodology:

The methodology adopted for the study was as follows:

3.3. Sources of Data

The study is based on both primary and secondary data. The primary data were collected from the respondents with the help of the interview schedule and the secondary data were collected from various journals, newspapers, magazines, published sources and mutual fund related websites.

3.4. Statistical Tools for Analysis

The collected data have been used for analysis with the help of the following statistical tools.

1. Percentage analysis
2. Chi-square test
3. ANOVA

3.5. Period of the study:

The study covers a period of 5 months

3.6. Sampling method

The samples were selected by Simple Random sampling method. This is the method where the items that are most.

3.7. Limitations of the study:

1. This study is restricted to Chennai district only.
2. The sample size of the study is limited.
3. Some respondents cannot provide enough information which creates a limit on study.
4. Another considerable limit is the bias of responding.

3.8. Statement of the problem:

There are a lot of investment avenues available today in the financial market for an investor with an investable surplus. Investors can invest in bank deposits, corporate debentures and bonds where there is low risk but low return. They may invest in stock of companies where the risk is high and the returns are also proportionately high. The recent trends in the stock market have shown that an average retail investor always loses with periodic bearish trends. People began opting for portfolio managers with expertise in stock markets who would invest on their behalf. Wealth management services are provided by many institutions. However, they proved too costly for a small investor. An appropriate investment media for them is investing in mutual funds. Mutual fund investment has relatively lesser degree of risk when compared to other types of investments. One suggests to the ordinary layman to invest in any mutual fund and not to invest in share market. This is because there is lower degree of risk and return is assured in almost all the mutual funds. This is because, every fund has their own market research analyst and they suggest best ways to invest the money of investors. But in share market, people

have to invest according to their best knowledge of market. This is the main reason for the mentality of the mutual fund investors to invest in the mutual funds willingly. Therefore, in general, they perceive that mutual fund investment is low risky. The researcher wants to study the mutual fund investors' perception. The investors derive satisfaction from their investment in the mutual funds on different dimensions. This has to be studied to enhance their satisfaction and for the betterment of mutual fund companies. Besides these, there are a lot of inconveniences faced by the mutual fund investors. Mutual fund industry has seen a lot of changes in the past few years with multinational companies coming into the country, bringing in their professional expertise in managing funds worldwide. In the past few months there has been a consolidation phase going on in the mutual fund industry in India. Now investors have a wide range of schemes to choose from depending on their individual profiles. In this context, it is essential to study the attitude and satisfaction of the mutual fund investors to serve them better.

3.9. Research Design:

A design is an outline of the overall plan and situation for gathering information; In other words, it is a theoretical framework within which studies are directed to create a blueprint for the collection, capacity and evaluation of information. The research design of the present study was built on the formulation of primary and secondary objectives, methods of information gathering, sample collection, data collection, processing and evaluation of information, and recording of research results.

3.10. Scope of the study:

This study covers the subject matters of perception of mutual fund investors in Chennai district. This study is concerned with the investors' perception in terms of size of investment, risk and returns associated with them, terms and conditions, their attitude etc. considering their income, occupation and other factors from the side of mutual fund companies. The reason for selecting this particular area for the study is the volume of trade, business network and circulation of money which are larger among the lines of industrially developed districts in Tamil Nādu in Chennai district, the people invest their money in several constructive activities and various investment media. There has been growing trends in mutual fund and other investment activities are very significant in this district

3.11. Objectives of the study:

The following are the objectives of the study:

1. To study the market trends of mutual fund industry in India.
2. To find out the relationship between socio-economic variables and satisfaction of mutual fund investors in Chennai district.
3. To suggest suitable measures to mutual fund companies to enhance investors' satisfaction.

3.12. Sample size

The sample size is 150

3.13. Area and people targeted

This study mainly focus on investors located at Chennai

3.14. Hypothesis of the study:

1. There is no significant association between gender of the respondents and satisfaction of mutual funds returns.
2. There is no significant association between age of the respondents and satisfaction of mutual funds returns.
3. There is no significant association between marital status of the respondents and satisfaction of mutual funds returns.
4. There is no significant association between educational qualification of the respondents and satisfaction of mutual funds returns.
5. There is no significant association between occupation of the respondents and satisfaction of mutual funds returns.
6. There is no significant relationship between gender of the respondents and satisfaction of mutual funds returns.
7. There is no significant relationship between age of the respondents and satisfaction of mutual funds returns.
8. There is no significant relationship between marital status of the respondents and satisfaction of mutual funds returns.
9. There is no significant relationship between educational qualification of the respondents and satisfaction of mutual funds returns.

10. There is no significant relationship between occupation of the respondents and satisfaction of mutual funds returns.

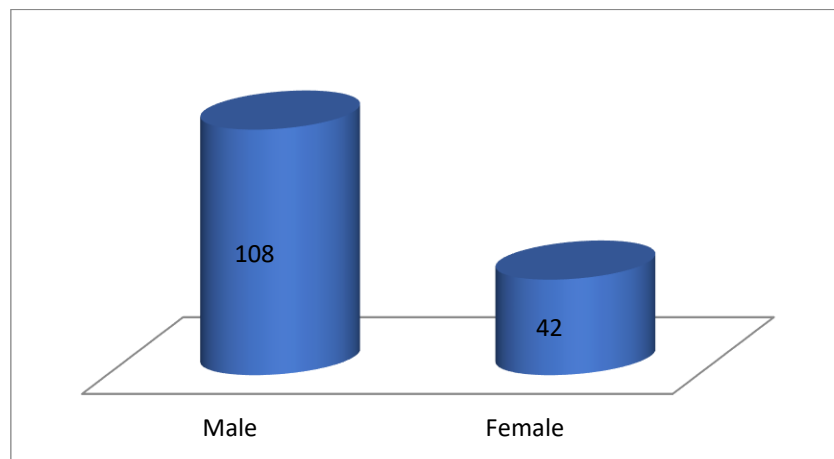
CHAPTER -4

CHAPTER 4 – DATA ANALYSIS AND INTERPRETATION

Table no. 4.1 Gender wise classification of respondents

Gender	No. of respondents	Percent
Male	108	72.0
Female	42	28.0
Total	150	100.0

Chart no. 4.1 Gender wise classification of respondents



Interpretation

It is interpreted from the above table that among 150 respondents, 108 (72.0) respondents are male and 42 (28.0) respondents are female.

Inference

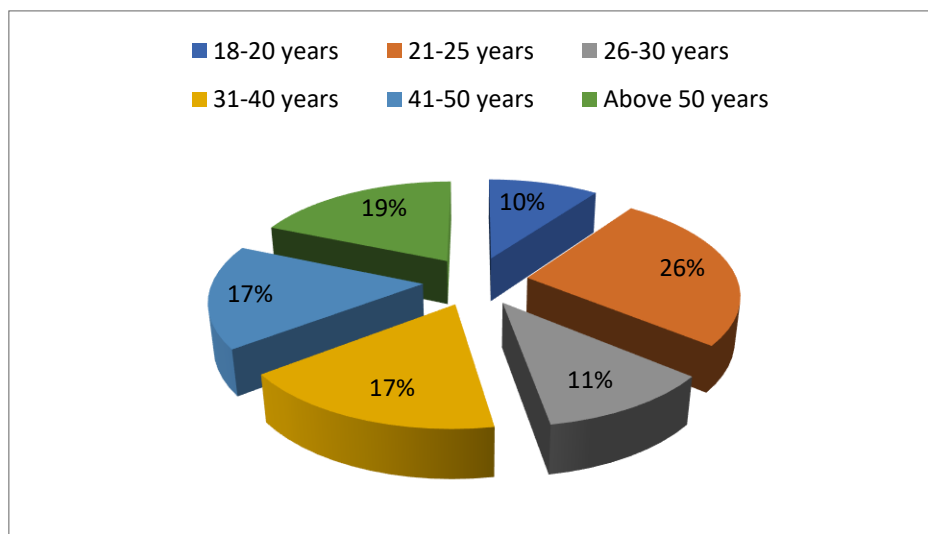
Hence the majority of the (72 %) respondents are male has been chosen for this study.

Table no.4. 2. age of the respondents:

The details of distribution about age of the respondents have been analyzed and the result is shown in below table

Distribution about age of the respondents:

Age	Frequency	Percent
18-20 years	15	10.0
21-25 years	39	26.0
26-30 years	17	11.3
31-40 years	26	17.3
41-50 years	25	16.7
Above 50 years	28	18.7
Total	150	100.0



It is found from the above table that 15 (10.0) respondents are from the age group of 18-20 years, 39 (26.0) respondents are from the age group of 21-25 years, 17 (11.3) respondents are from the age group of 26-30 years, 26 (17.3) respondents are from the age group of 31-40 years, 25 (16.7) respondents are from the age group of 41-50 years and 28 (18.7) respondents are from the age group of above 50

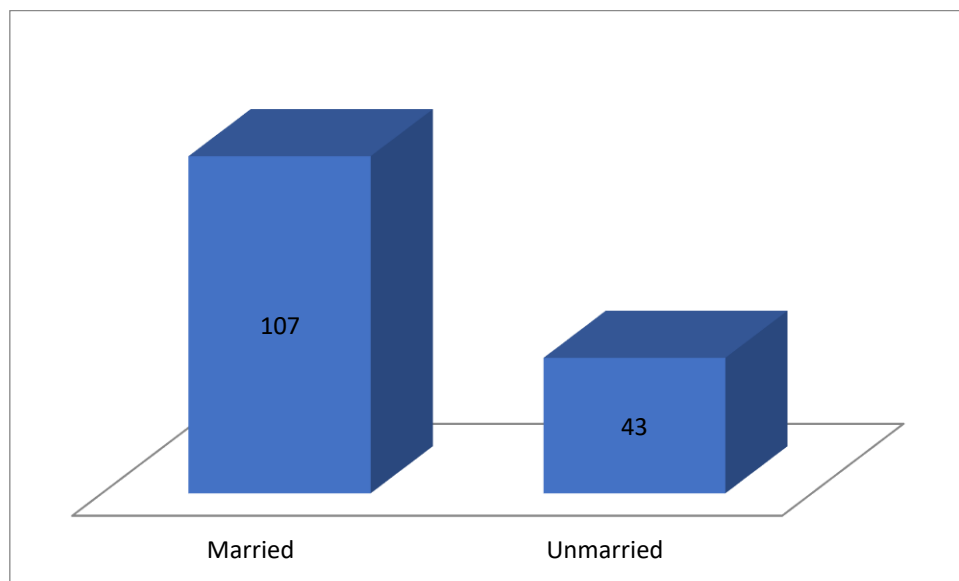
years. Hence the majority (26.0) of respondents investing in mutual funds has been selected from the age group of 21-25 years.

Table no 4.3. Distribution about marital status of the respondents:

The details of distribution about marital status of the respondents has been tested and the result is presented in below table .

Distribution about marital status of the respondents

	Frequency	Percent	Cumulative Percent
Married	107	71.3	71.3
Unmarried	43	28.7	100.0
Total	150	100.0	



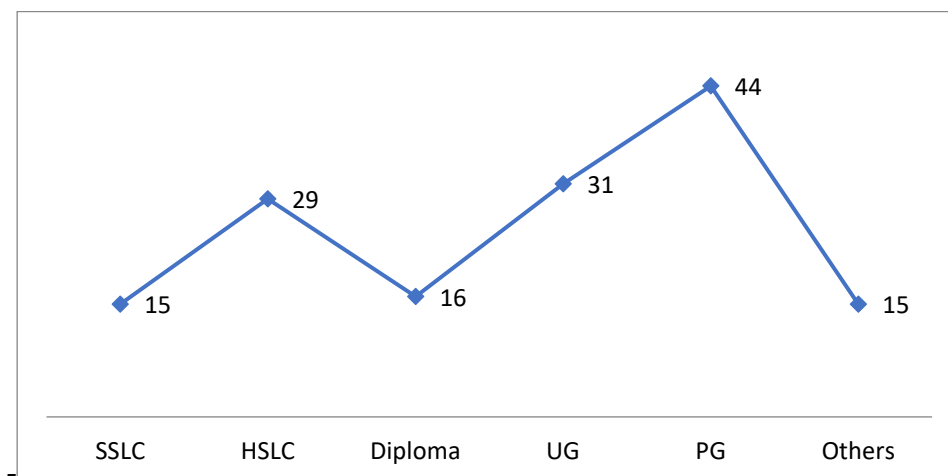
It is found that among total respondents, 107 (71.3) respondents are married and 43 (28.7) respondents are unmarried. Therefore, the majority (71.3) respondents investing in mutual funds are married.

Table no 4.4. Distribution about qualification of the respondents:

The details of distribution about qualification of the respondents has been tested and the result is tabulated in below table.

Distribution about qualification of the respondents

	Frequency	Percent	Cumulative Percent
SSLC	15	10.0	10.0
HSLC	29	19.3	90.0
Diploma	16	10.7	50.0
UG	31	20.7	70.7
PG	44	29.3	39.3
Others	15	10.0	100.0
Total	150	100.0	



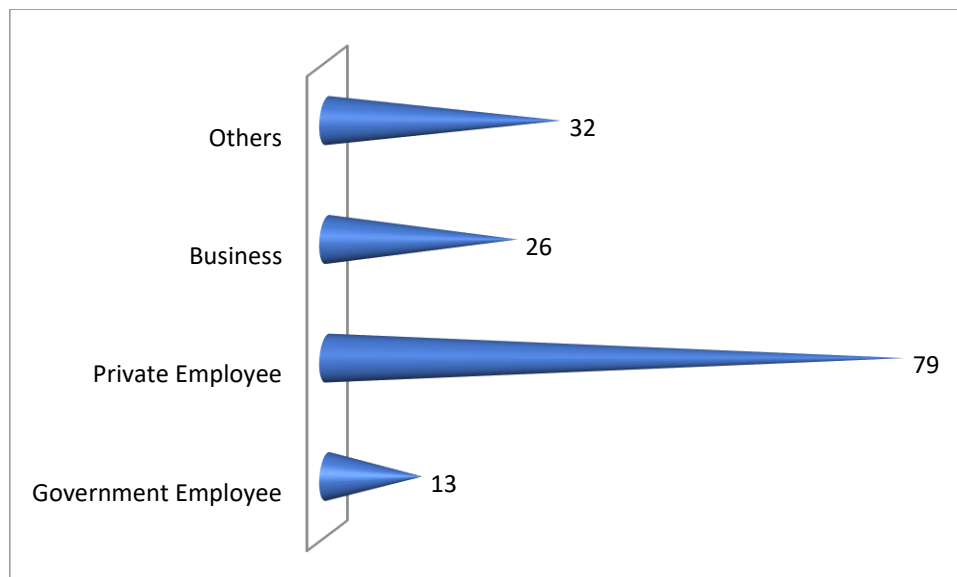
It is revealed that 15 (10.0) respondents investing in mutual funds have qualified at SSLC level, 29 (19.3) respondents investing in mutual funds have qualified at HSLC level, 16 (10.7) respondents investing in mutual funds have qualified at diploma level, 31 (20.7) respondents investing in mutual funds have qualified at UG level and 44 (29.3) respondents investing in mutual funds have qualified at PG level. Hence the majority (29.3) respondents investing in mutual funds have qualification at PG level.

Table no 4.5. Distribution about occupation of the respondents:

The details of distribution about occupation of the respondents has been analyzed and the result is shown in below table .

Distribution about occupation of the respondents

	Frequency	Percent	Cumulative Percent
Government Employee	13	8.7	8.7
Private Employee	79	52.7	61.3
Business	26	17.3	78.7
Others	32	21.3	100.0
Total	150	100.0	



It is found from the above table that 13 (8.7) respondents are working in Government sector, 79 (52.7) respondents are working in private sector, 26 (17.3) respondents are doing own business and 32 (21.3) respondents are working other

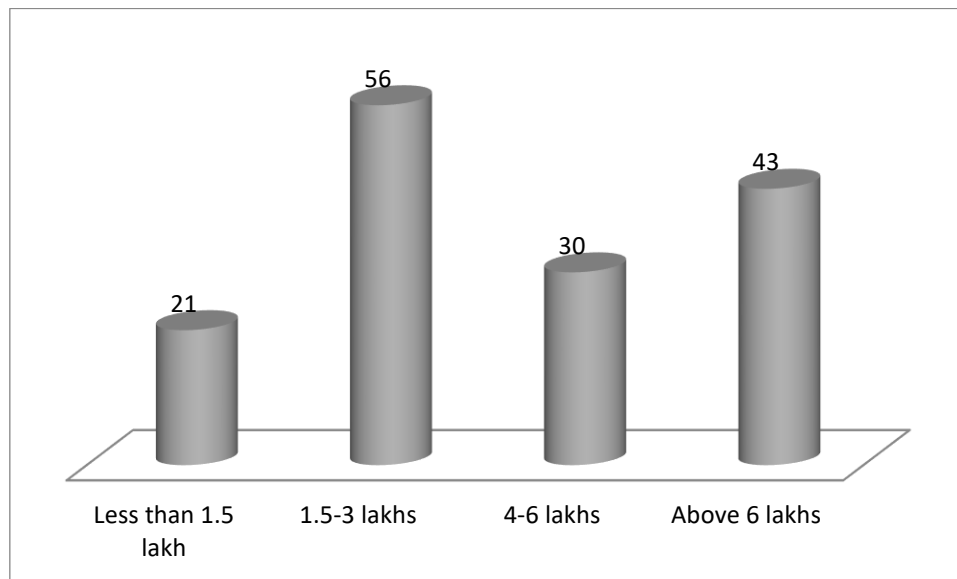
sectors. Hence the majority (52.7) respondents investing in mutual funds are working in private sector.

Table no 4.6. Distribution about annual income of the respondents:

The details of distribution about annual income of the respondents has been tested and the result is tabulated in below table

Distribution about annual income of the respondents

	Frequency	Percent	Cumulative Percent
Less than 1.5 lakh	21	14.0	14.0
1.5-3 lakhs	56	37.3	51.3
4-6 lakhs	30	20.0	71.3
Above 6 lakhs	43	28.7	100.0
Total	150	100.0	



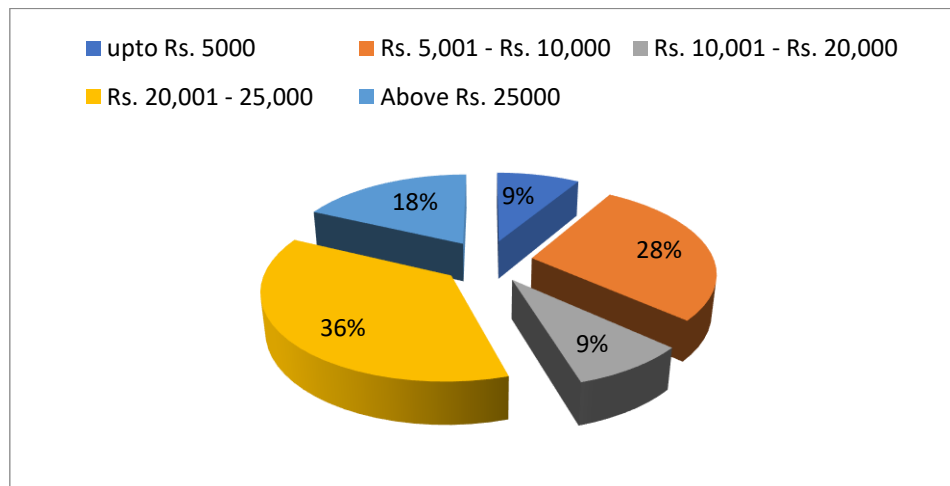
It is found from the above table that 21 (14.0) respondents are earning income less than 1.5 lakhs per annum, 56 (37.3) respondents are earning income 1.5-3 lakhs, 30 (20.0) respondents are earning income 4-6 lakhs per annum and 43 (28.7) respondents are earning income above 6 lakhs per annum. Hence the majority (37.3) respondents investing in mutual funds are earning income 1.5-3 lakhs per annum.

Table no 4.7. Distribution about how long respondents prefer to invest:

The details of distribution about how long respondents prefer to invest in mutual funds has been analyzed and the result is presented in below table.

Distribution about how much respondents prefer to invest

	Frequency	Percent	Cumulative Percent
upto Rs. 5000	13	8.7	8.7
Rs. 5,001 - Rs. 10,000	42	28.0	36.7
Rs. 10,001 - Rs. 20,000	13	8.7	45.3
Rs. 20,001 - 25,000	55	36.7	82.0
Above Rs. 25000	27	18.0	100.0
Total	150	100.0	



It is found from the above table that 13 (8.7) respondents prefer to invest in mutual funds upto Rs. 5,000, 42 (28.0) respondents prefer to invest in mutual fund Rs. 5,001 – Rs. 10,000, 13 (8.7) respondents prefer to invest in mutual funds Rs. 10,001-Rs. 20,000, 55 (36.7) respondents prefer to invest Rs. 20,001 – 25,000 and 27 (18.0) respondents prefer to invest in mutual funds above Rs. 25,000

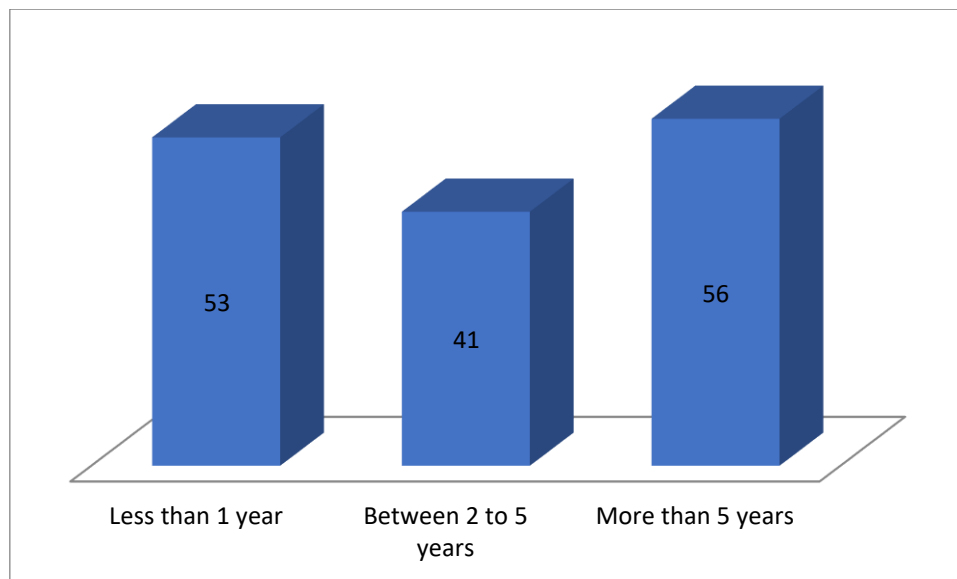
respectively. Hence the majority (36.7) respondents prefer to invest in mutual funds Rs. 20,001 – 25,000 respectively.

Table no 4.8. Distribution about how long respondents prefer to invest:

The details of distribution about how long respondents prefer to invest in mutual funds has been tested and the presented in below table.

Distribution about how long respondents prefer to invest

	Frequency	Percent	Cumulative Percent
Less than 1 year	53	35.3	35.3
Between 2 to 5 years	41	27.3	62.7
More than 5 years	56	37.3	100.0
Total	150	100.0	

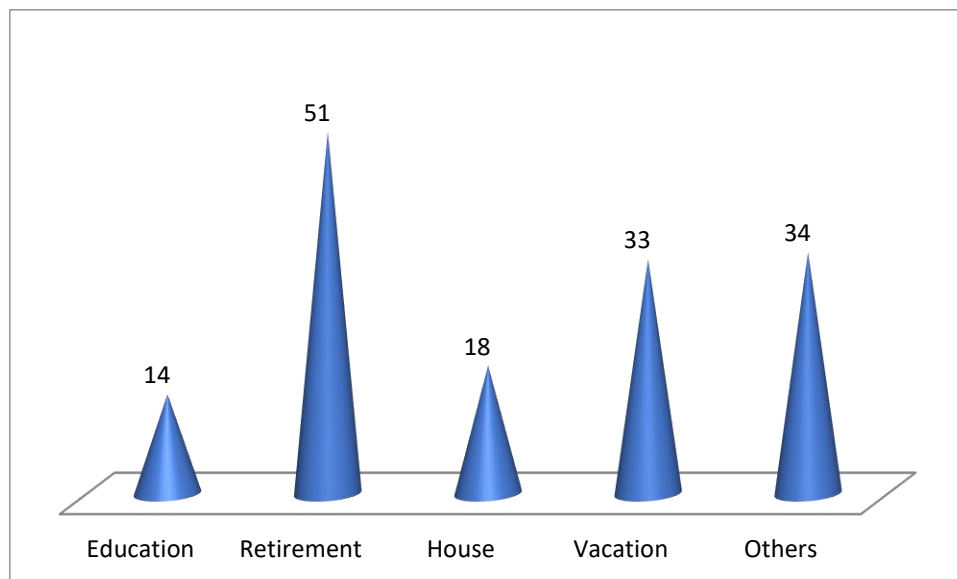


It is found from the above table that 53 (35.3) respondents invest in mutual funds less than 1 years, 41 (27.3) respondents invest in mutual funds between 2 to 5 years and 56 (37.3) respondents invest in mutual funds more than 5 years. Therefore majority (37.3) respondents invest mutual funds more than 5 years.

Table no 4.9. Distribution about reason for investment of the respondents:

The details of distribution about reason for investment of the respondents has been analyzed and the result is tabulated in below table.

	Frequency	Percent	Cumulative Percent
Education	14	9.3	9.3
Retirement	51	34.0	43.3
House	18	12.0	55.3
Vacation	33	22.0	77.3
Others	34	22.7	100.0
Total	150	100.0	



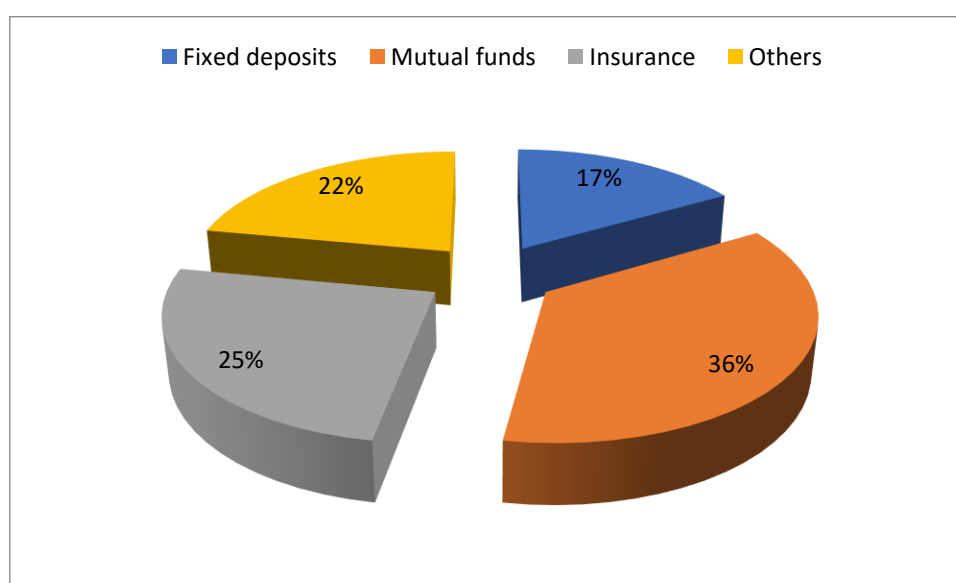
It is found that 14 (9.3) respondents invest in mutual funds for education, 51 (34.0) respondents invest their money in mutual funds for retirement, 18 (12.0) respondents invest in mutual funds for buying house, 33 (22.0) respondents invest in mutual funds for vacation and 34 (22.7) respondents invest in mutual funds for other reasons respectively.

Table no 4.10. Distribution about where respondents prefer making investment:

The details of distribution about where respondents prefer making their investment has been tested and the result is presented in below table.

Distribution about where respondents prefer making investment

	Frequency	Percent	Cumulative Percent
Fixed deposits	25	16.7	16.7
Mutual funds	54	36.0	52.7
Insurance	38	25.3	78.0
Others	33	22.0	100.0
Total	150	100.0	



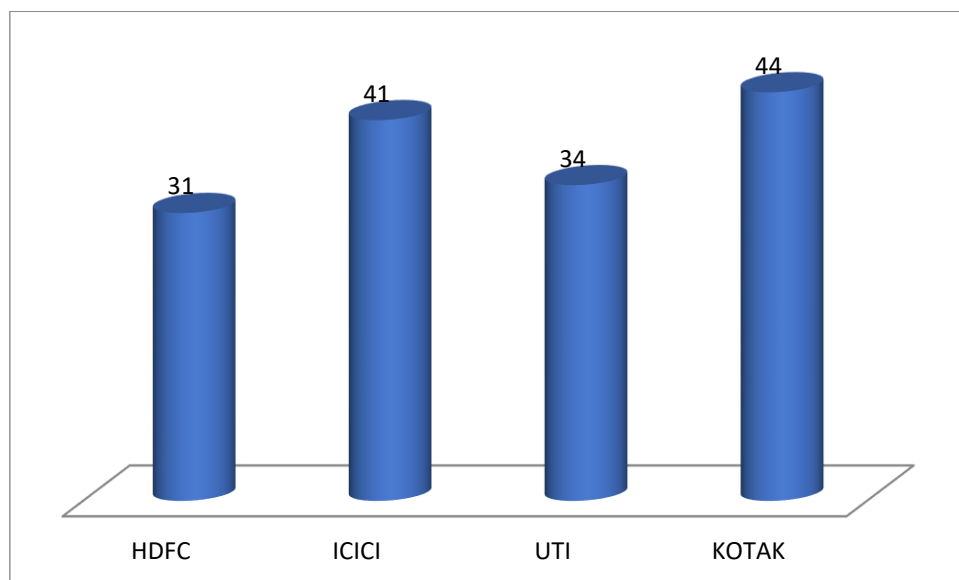
It is understood from the above table that 25 (16.7) respondents prefer fixed deposits to making their investment, 54 (36.0) respondents prefer mutual funds to making their investment, 38 (25.3) respondents prefer insurance to making their investment and 33 (22.0) respondents prefer other investment to making their investment. It is found that majority (36.0) respondents prefer mutual funds to invest their money.

Table no 4.11. Distribution about which company of bank's mutual fund respondents interested to invest:

The details of distribution about which company bank's mutual fund respondents interested to invest has been tested and the result is presented in below table.

Distribution about which company of bank's mutual fund respondents interested to invest

	Frequency	Percent	Cumulative Percent
HDFC	31	20.7	20.7
ICICI	41	27.3	48.0
UTI	34	22.7	70.7
KOTAK	44	29.3	100.0
Total	150	100.0	



It is understood that 31 (20.7) respondents interested to invest in HDFC mutual funds, 41 (27.3) respondents' interest to invest in ICICI mutual funds, 34 (22.7) respondents interested to invest in UTI mutual funds and 44 (29.3)

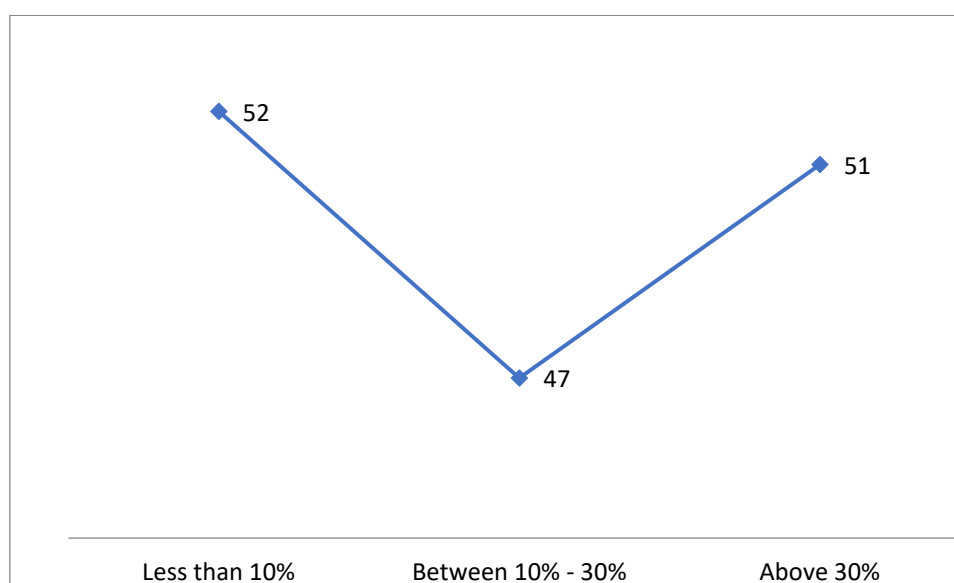
respondents interested to invest in KOTAK mutual funds. Majority (29.3)
respondents interest to invest their money in KOTAK mutual funds.

Table no 412. Distribution about expected rate of return of the respondents:

The details of distribution about expected rate of return of the respondents has been analyzed and the result is tabulated in below table.

Distribution about expected rate of return of the respondents

	Frequency	Percent	Cumulative Percent
Less than 10%	52	34.7	34.7
Between 10% - 30%	47	31.3	66.0
Above 30%	51	34.0	100.0
Total	150	100.0	



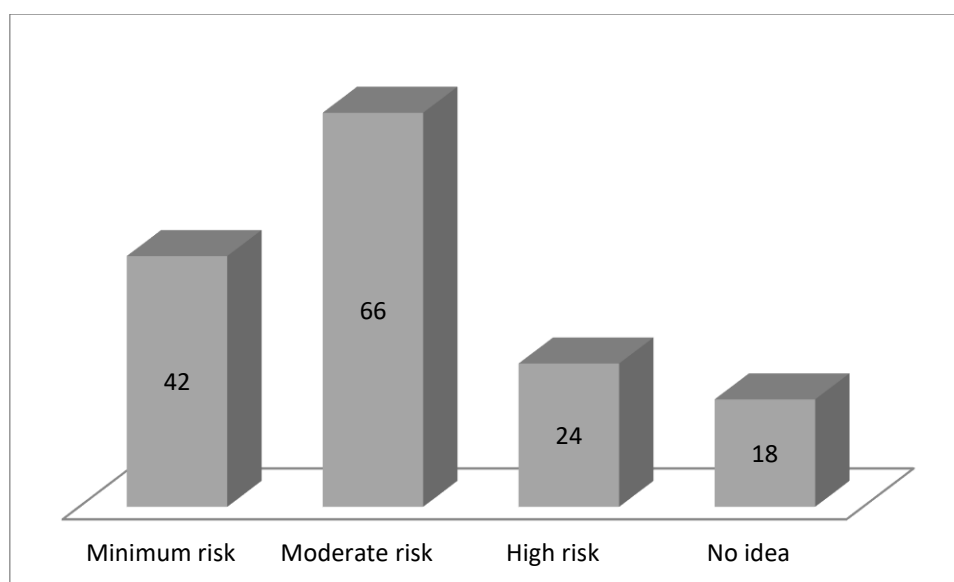
It is found that 52 (34.7) respondents expected rate of return in mutual funds are less than 10%, 47 (31.3) respondents expected rate of return in mutual funds are between 10%-30%, 51 (34.0) respondents expected rate of return in mutual funds are above 30% respectively. Hence majority (34.7) respondents expected rate of return is less than 10% respectively.

Table no 4.13. Distribution about risk factor of mutual funds of the respondents:

The details of distribution about risk factor of mutual funds of the respondents has been tested and the result is presented in below table.

Distribution about risk factor of mutual funds of the respondents

	Frequency	Percent	Cumulative Percent
Minimum risk	42	28.0	28.0
Moderate risk	66	44.0	72.0
High risk	24	16.0	88.0
No idea	18	12.0	100.0
Total	150	100.0	



It is found that 42 (28.0) respondents perceived that investing in mutual funds have minimum risk, 66 (44.0) respondents perceived that investing in mutual funds have moderate risk, 24 (16.0) respondents perceived that investing in mutual funds

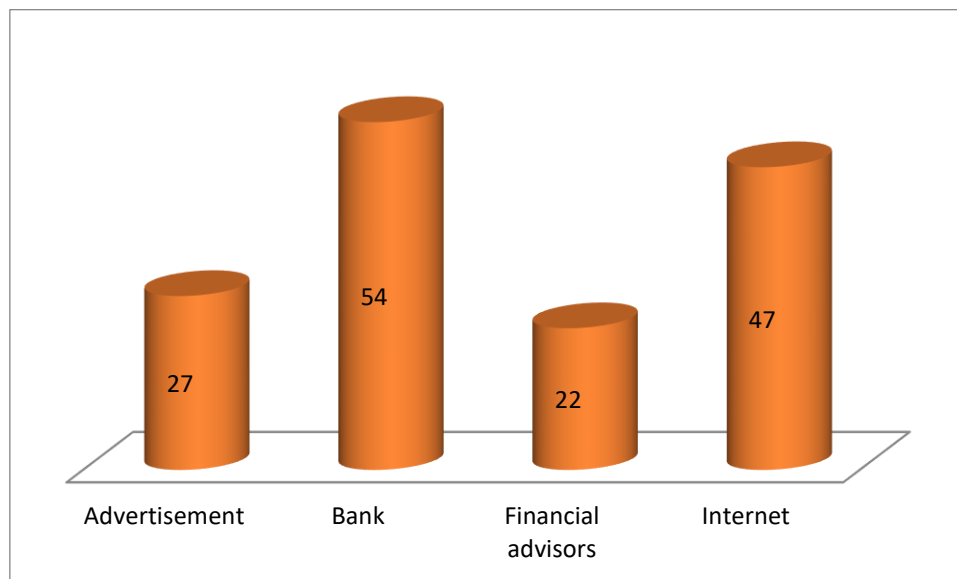
have high risk and 18 (12.0) respondents have no idea about risk of investing in mutual funds.

Table no 4.14. Distribution about source of mutual funds of the respondents:

The details of distribution about source of mutual funds of the respondents has been analyzed and the result is explained in below table.

Distribution about source of mutual funds of the respondents

	Frequency	Percent	Cumulative Percent
Advertisement	27	18.0	18.0
Bank	54	36.0	54.0
Financial advisors	22	14.7	68.7
Internet	47	31.3	100.0
Total	150	100.0	



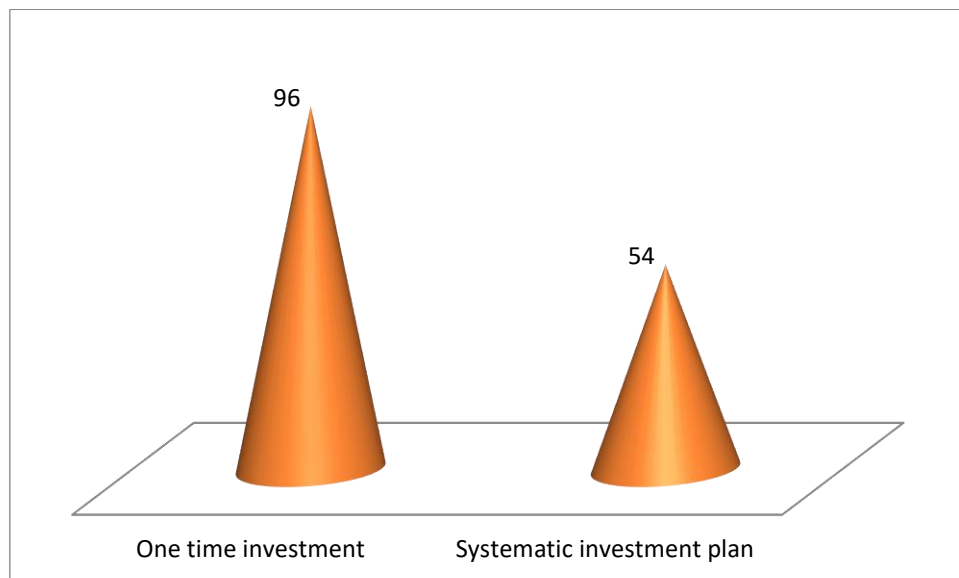
It is understood from the above table that 27 (18.0) respondents come to know about mutual funds through mutual funds, 54 (36.0) respondents come to know about mutual funds through bank, 22 (14.7) respondents come to know about mutual fund through financial advisors and 47 (31.3) respondents come to know about mutual funds through internet.

Table no 4.15. Distribution about mode of investment of the respondents:

The details of distribution about mode of investment of the respondents has been analyzed and the result is tabulated in below table.

Distribution about mode of investment of the respondents

	Frequency	Percent	Cumulative Percent
One time investment	96	64.0	64.0
Systematic investment plan	54	36.0	100.0
Total	150	100.0	



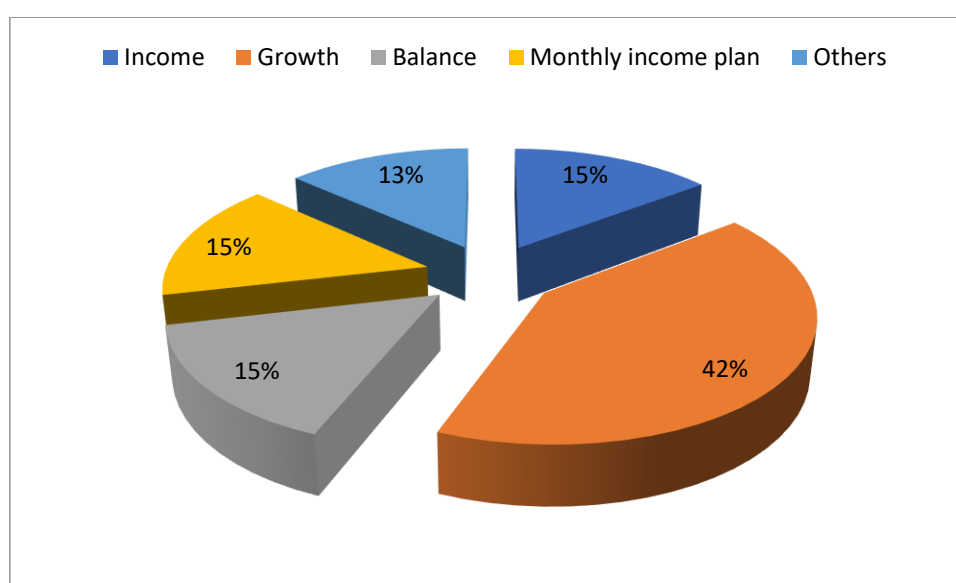
It is clearly found from the above table that 96 (64.0) respondents prefer one time investment to invest in mutual funds and 54 (36.0) respondents prefer systematic investment plan to invest in mutual funds.

Table no 4.16. Distribution about mutual funds scheme preferred by the respondents:

The details of distribution about mutual funds scheme preferred by the respondents has been tested and the result is presented in below table.

Distribution about mutual funds scheme preferred by the respondents

	Frequency	Percent	Cumulative Percent
Income	22	14.7	14.7
Growth	62	41.3	56.0
Balance	23	15.3	71.3
Monthly income plan	23	15.3	86.7
Others	20	13.3	100.0
Total	150	100.0	



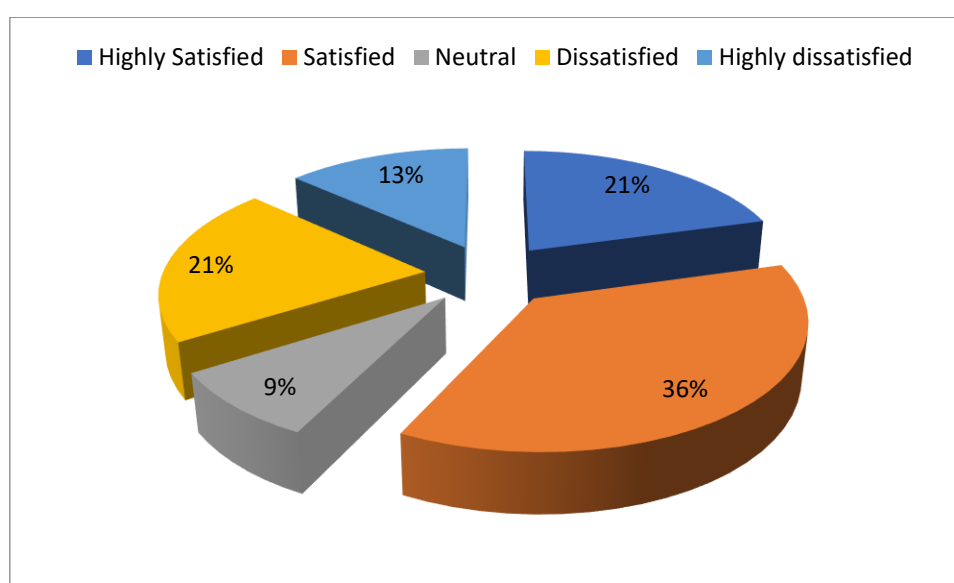
It is found from the above table that 22 (14.7) respondents prefer income scheme to invest mutual funds, 62 (41.3) respondents prefer growth scheme by investing in mutual funds, 23 (15.3) respondents prefer balance scheme by investing in mutual funds, 23 (15.3) respondents prefer monthly income plan by investing in mutual funds respectively.

Table no 4.16. Distribution about satisfaction of mutual funds of the respondents:

The details of distribution about satisfaction of mutual funds of the respondents has been tested and the result is presented in below table.

Distribution about satisfaction of mutual funds of the respondents

	Frequency	Percent	Cumulative Percent
Highly Satisfied	31	20.7	20.7
Satisfied	55	36.7	57.3
Neutral	13	8.7	66.0
Dissatisfied	31	20.7	86.7
Highly dissatisfied	20	13.3	100.0
Total	150	100.0	



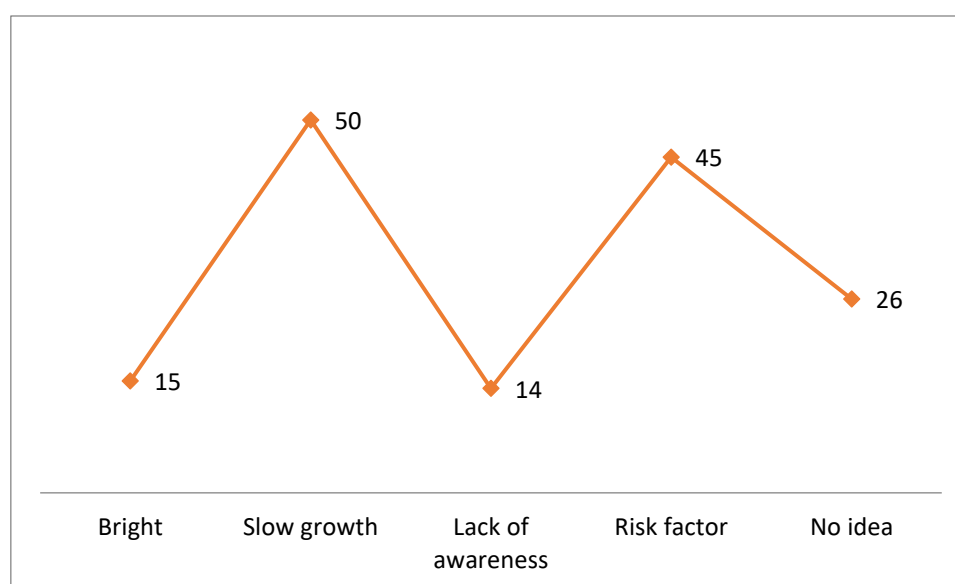
It is understood from the above table that 31 (20.7) respondents are highly satisfied about investing mutual funds, 55 (36.7) respondents are satisfied about investing in mutual funds, 31 (20.7) respondents are dissatisfied about investing in mutual funds and 20 (13.3) respondents are highly dissatisfied about investing in mutual funds.

Table no 4.17. Distribution about perception of growth of mutual funds of the respondents:

The details of distribution about perception of growth of mutual funds of the respondents has been analyzed and the result is shown in below table.

Distribution about perception of growth of mutual funds of the respondents

	Frequency	Percent	Cumulative Percent
Bright	15	10.0	10.0
Slow growth	50	33.3	43.3
Lack of awareness	14	9.3	52.7
Risk factor	45	30.0	82.7
No idea	26	17.3	100.0
Total	150	100.0	



It is revealed that 15 (10.0) respondents perceived that growth of mutual funds are bright, 50 (33.3) respondents perceived that growth of mutual funds are slow, 14 (9.3) respondents perceived that they have lack of awareness about the growth of mutual funds, 45 (30.0) respondents perceived that growth of mutual funds are risk factor and 26 (17.3) respondents perceived that they have no idea about the growth of mutual funds.

Table no 4.18. Association between gender of the respondents and satisfaction level of mutual funds return:

The details of association between gender of the respondents and satisfaction level of mutual funds return has been tested by using chi-square test and the result is presented in below table.

Association between gender of the respondents and satisfaction level of mutual funds returns

	Gender		Total
	Male	Female	
Highly Satisfied	22	9	31
Satisfied	37	18	55
Neutral	7	6	13
Dissatisfied	26	5	31
Highly dissatisfied	16	4	20
Total	108	42	150

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.553 ^a	4	.235

a. 1 cells (10.0%) have expected count less than 5.

The minimum expected count is 3.64.

The result of above table shown that 22 respondents are highly satisfied, 37 respondents are satisfied, 26 respondents are dissatisfied and 16 respondents are highly dissatisfied about investing in mutual funds from the gender group of males as well as 9 respondents are highly satisfied, 19 respondents are satisfied, 5 respondents dissatisfied and 4 respondents are highly dissatisfied about investing in mutual funds from the gender group of females. The chi-square value has been found is 5.553 and the calculated significant value .235 is higher than the table value at 0.05 significant level. Therefore there is no significant association between gender of the respondents and satisfaction level of mutual funds and the null hypothesis is accepted.

Table no 4.19. Association between age of the respondents and satisfaction level of mutual funds returns:

The association between age of the respondents and satisfaction level of mutual funds returns has been tested and the result is shown in below table.

Association between age of the respondents and satisfaction level of mutual funds returns

	Age						Total
	18-20 years	21-25 years	26-30 years	31-40 years	41-50 years	Above 50 years	
Highly Satisfied	6	7	4	4	3	7	31
Satisfied	3	15	6	9	12	10	55
Neutral	1	5	2	0	3	2	13
Dissatisfied	2	7	3	8	5	6	31
Highly dissatisfied	3	5	2	5	2	3	20
Total	15	39	17	26	25	28	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.005 ^a	20	.003

a. 15 cells (50.0%) have expected count less than 5.

The minimum expected count is 1.30.

It is understood that 6 respondents are highly satisfied, 3 respondents satisfied and 3 respondents highly dissatisfied about investing in mutual funds from the age group of 18-20 years, 7 respondents highly satisfied, 15 respondents are satisfied, 7 respondents are dissatisfied and 5 respondents are highly dissatisfied about investing in mutual fund from the age group of 21-25 years, 4 respondents highly satisfied, 6 respondents satisfied and 3 respondents are dissatisfied about investing mutual funds from the age group of 26.30 years, 4 respondents highly satisfied, 9 respondents are satisfied, 8 respondents are dissatisfied and 5

respondents are highly dissatisfied about investing in mutual funds from the age group of 31-40 years, 3 respondents are highly satisfied, 12 respondents are satisfied and 5 respondents are dissatisfied about investing in mutual funds from the age group of 41-50 years and 7 respondents are highly satisfied, 10 respondents are satisfied and 6 respondents are dissatisfied about investing in mutual funds from the age group of above 50 years. The chi-square value has been found is 24.005 and the calculated significant value .003 is lower than the table value at 0.05 significant level. Therefore there is significant association between age of the respondents and satisfaction level of mutual funds returns and the null hypothesis is rejected and alternative hypothesis is accepted.

Table no 4.20. Association between marital status of the respondents and satisfaction level of mutual funds returns:

The details of association between marital status of the respondents and satisfaction level of mutual funds returns has been analyzed and the result is presented in below table.

Association between marital status of the respondents and satisfaction level of mutual funds returns

	Marital status		Total
	Married	Unmarried	
Highly Satisfied	21	10	31
Satisfied	40	15	55
Neutral	6	7	13
Dissatisfied	26	5	31
Highly dissatisfied	14	6	20
Total	107	43	150

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.679 ^a	4	.154

a. 1 cells (10.0%) have expected count less than 5.

The minimum expected count is 3.73.

It is understood that 21 respondents are highly satisfied, 40 respondents are satisfied, 26 respondents are dissatisfied and 14 respondents are highly dissatisfied about investing in mutual funds from the marital group of married as well as 10 respondents are highly satisfied, 15 respondents are satisfied, 5 respondents are dissatisfied and 6 respondents are highly dissatisfied about investing in mutual funds. The chi-square value has been found is 6.679 and the calculated significant value .154 is higher than the table value at 0.05 significant level. Therefore there is no significant association between marital status of the respondents and satisfaction level of mutual funds returns and the null hypothesis is accepted.

Table no 4.21. Association between educational qualification of the respondents and satisfaction level of mutual funds returns:

The details of association between educational qualification of the respondents and satisfaction level of mutual funds returns has been tested by using chi-square test and the result is presented in below table.

Association between educational qualification of the respondents and satisfaction level of mutual funds returns

	Qualification						Total
	SSLC	HSLC	Diploma	UG	PG	Others	
Highly Satisfied	5	7	5	6	5	3	31
Satisfied	6	13	9	10	10	7	55
Neutral	1	7	0	2	3	0	13
Dissatisfied	3	11	2	5	9	1	31
Highly dissatisfied	0	6	0	8	2	4	20
Total	15	44	16	31	29	15	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.148 ^a	20	.016

a. 17 cells (56.7%) have expected count less than 5.

The minimum expected count is 1.30.

It is understood that 5 respondents are highly satisfied and 6 respondents are satisfied from the qualification group of SSLC, 7 respondents are highly satisfied, 13 respondents are satisfied, 11 respondents are dissatisfied and 6 respondents are highly satisfied about investing in mutual funds from the qualification group of HSLC, 5 respondents highly satisfied and 9 respondents are satisfied about investing in mutual funds from the qualification group of diploma, 6 respondents are highly satisfied, 10 respondents are satisfied and 8 respondents are highly dissatisfied from

the qualification group of UG, 5 respondents are highly satisfied, 10 respondents are satisfied and 9 respondents are dissatisfied about investing in mutual funds from the qualification group of PG respectively. The chi-square value has been found is 26.148 and the calculated significant value .016 is lower than the table value. Hence there is a significant association between educational qualification of the respondents and satisfaction level of mutual funds returns and the null hypothesis is rejected and the alternative hypothesis is accepted.

Table no 4.22. Association between occupation of the respondents and satisfaction level of mutual funds returns:

The details of association between occupation of the respondents and satisfaction level of mutual funds returns has been tested by using chi-square test and the result is tabulated in below table.

Association between occupation of the respondents and satisfaction level of mutual funds returns

	Occupation				Total
	Government Employee	Private Employee	Business	Others	
Highly Satisfied	3	17	4	7	31
Satisfied	4	32	10	9	55
Neutral	0	7	4	2	13
Dissatisfied	4	16	3	8	31
Highly dissatisfied	2	7	5	6	20
Total	13	79	26	32	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.834 ^a	12	.717

a. 9 cells (45.0%) have expected count less than 5.

The minimum expected count is 1.13.

It is clearly found that 3 respondents are highly satisfied, 4 respondents are satisfied and 4 respondents are dissatisfied about investing in mutual funds from the occupation group of government employees, 17 respondents are highly satisfied, 32 respondents are satisfied, 16 respondents are dissatisfied and 7 respondents are highly dissatisfied about investing in mutual funds from the occupation group of private employee, 4 respondents are highly satisfied, 10 respondents are satisfied, 3

respondents are dissatisfied and 5 respondents are highly dissatisfied about investing in mutual funds from the occupation group of business. The chi-square value has been found is 8.834 and the calculated significant value .717 is higher than the table value at 0.05 significant level. Hence there is no significant association between occupation of the respondents and level of satisfaction of mutual funds returns and the null hypothesis is accepted.

Table no 4.23. Relationship between gender of the respondents and satisfaction level of mutual fund returns:

The details of relationship between gender of the respondents and satisfaction level of mutual fund returns has been tested by using one way ANOVA tool and the result is tabulated in below table.

Relationship between gender of the respondents and satisfaction level of mutual fund returns

	Mean	Std	Sum of Squares	df	Mean Square	F	Sig.
Between Groups			3.387	1	3.387	1.839	.177
Male	2.7870	1.40127					
Female	2.4524	1.23372					
Within Groups			272.507	148	1.841		

It is understood that the highest mean value of 2.7870 shows that male respondents are highly satisfied about investing in mutual funds than female respondents. The F value has been found is 1.839 and the calculated significant value .177 is higher than the table value at 0.05 significant level. Therefore there is no significant relationship between gender of the respondents and satisfaction level of mutual funds returns and the null hypothesis is accepted.

Table no 4.24. Relationship between age of the respondents and satisfaction level of mutual fund returns:

The details of relationship between age of the respondents and satisfaction level of mutual funds returns has been tested by using one way ANOVA tool and the result is shown in below table.

Relationship between age of the respondents and satisfaction level of mutual fund returns

	Mean	Std	Sum of Squares	df	Mean Square	F	Sig.
Between Groups			9.156	5	8.831	8.440	.002
18-20 years	2.5333	1.64172					
21-25 years	2.6923	1.32096					
26-30 years	2.5882	1.37199					
31-40 years	3.0385	1.45549					
41-50 years	2.6400	1.18603					
Above 56 years	2.5714	1.37244					
Within Groups			271.737	144	1.887		

It is found that the highest mean value of 3.0385 indicates that respondents from the age group of 31-40 years are highly satisfied about investing in mutual funds than other respondents. The F value has been found is 8.440 and the calculated significant value .002 is lower than the table value at 0.05 significant level. Hence there is significant relationship between age of the respondents and satisfaction level of mutual funds returns and the null hypothesis is rejected and the alternative hypothesis is accepted.

Table no 4.25. Relationship between marital status of the respondents and satisfaction level of mutual fund returns:

The details of relationship between marital status of the respondents and satisfaction level of mutual funds returns has been analyzed by using one way ANOVA tool and the result is tabulated in below table.

Relationship between marital status of the respondents and satisfaction level of mutual fund returns

	Mean	Std	Sum of Squares	df	Mean Square	F	Sig.
Between Groups			.755	1	.755	.406	.525
Married	2.7383	1.36904					
Unmarried	2.5814	1.34930					
Within Groups			275.138	148	1.859		

It is understood that the highest mean score of 2.7383 reveals that married respondents are highly satisfied about investing in mutual funds than unmarried respondents. The F value has been found is .406 and the calculated significant value .525 is higher than the table value at 0.05 significant level. Hence there is no significant relationship between marital status of the respondents and satisfaction level of mutual funds returns and the null hypothesis is accepted.

Table no 4.26. Relationship between educational qualification of the respondents and satisfaction level of mutual fund returns:

The details of relationship between educational qualification of the respondents and satisfaction level of mutual fund returns has been tested by using one way ANOVA tool and the result is tabulated in below table.

Relationship between educational qualification of the respondents and satisfaction level of mutual fund returns

	Mean	Std	Sum of Squares	df	Mean Square	F	Sig.
Between Groups			18.375	5	3.675	2.055	.044
SSLC	2.1333	1.12546					
HSLC	2.9091	1.32627					
Diploma	1.9375	.92871					
UG	2.9677	1.53805					
PG	2.7586	1.27210					
Others	2.7333	1.57963					
Within Groups			257.519	144	1.788		

It is understood that the highest mean score of 2.9677 reveals that respondents from the qualification group of UG are highly satisfied about investing in mutual funds than other respondents. The F value has been found is 2.055 and the calculated significant value .044 is lower than the table value at 0.05 significant level. Hence there is a significant relationship between educational qualification of the respondents and satisfaction level of mutual funds returns and the null hypothesis is rejected and the alternative hypothesis is accepted.

Table no 4.27. Relationship between occupation of the respondents and satisfaction of mutual fund returns:

The details of relationship between occupation of the respondents and satisfaction level of mutual fund returns has been tested by using one way ANOVA tool and the result is shown in below table.

Relationship between occupation of the respondents and satisfaction of mutual fund returns

	Mean	Std	Sum of Squares	df	Mean Square	F	Sig.
Between Groups			9.849	3	7.283	5.689	.006
Government Employee	2.9462	1.51911					
Private Employee	2.5443	1.27900					
Business	2.8077	1.38620					
Others	2.3458	1.48887					
Within Groups			272.044	146	1.863		

It is understood that the highest mean score of 2.9462 reveals that respondents from the occupation group of government employee are highly satisfied about investing in mutual funds than other respondents. The F value has been found is 5.689 and the calculated significant value .006 is lower than the table value at 0.05 significant level. Hence there is a significant relationship between occupation of the respondents and satisfaction level of mutual funds returns and the null hypothesis is rejected and the alternative hypothesis is accepted.

CHAPTER - 5

CHAPTER 5 – FINDINGS, SUGGESTIONS AND CONCLUSION

5.1. Findings

- It is interpreted that among 150 respondents, 108 (72.0) respondents are male and 42 (28.0) respondents are female
- It is found that maximum of the age group are interested in investing in mutual fund schemes
- It is found that respondents, 107 (71.3) respondents are married and 43 (28.7) respondents are unmarried. Therefore, the majority (71.3) respondents investing in mutual funds are married
- It is absorbed that educated people are interested in investing in mutual fund , but that also shows other people are also are interested in investing
- It is found from that 13 (8.7) respondents are working in Government sector, 79 (52.7) respondents are working in private sector, 26 (17.3) respondents are doing own business and 32 (21.3) respondents are working other sectors. Hence the majority (52.7) respondents investing in mutual funds are working in private sector.
- It is found that people with more income that intends more income than use tend to invest in mutual funds
- It is seen that people are interested in investing in mutual funds and promptly invest in mutual fund
- It is found that people are interested in both long term and long term investment based on their preferences
- It is found that majority of people prefer mutual funds to invest their money.
- It is found that majority of people expected rate of return is less than 10% respectively.
- It is found that there is lack of awareness and there is need to educate people about mutual funds schemes
- It is also found that people get frustrated by people (MF agents) who call them so this can be reduced

5.2 LIMITATIONS OF THE STUDY

1. This study is restricted to Chennai district only.
2. The sample size of the study is limited.
3. Some respondents cannot provide enough information which creates a limit on study.
4. Another considerable limit is the bias of responding.

5.3 CONCLUSION

The study concluded that the mutual fund is the one of the best source of the investment. Females are less active in Investing in Mutual Funds. Investors who invest in Mutual Funds largely invest in Public Sector Mutual Funds. Mutual Fund is an investment which mobilize the savings of millions of investors for investment in a diversified portfolio of securities with a view to spreading risk and ensuring adequate and consistent returns, both in the form of dividend and the capital appreciation n. A mutual fund is a form of collective investment that pools money from many investors and invests their money in stocks, bonds short-term money market instruments, and/or other securities. There are certain advantages of Mutual Funds such as professional expertise, diversification, low cost of asset management, liquidity ease of process, well regulated. Opening of the mutual fund industry to the public sector banks and insurance companies, led to the launching of more and more of new schemes. The mutual fund industry in India has grown fast in the recent period. The performance is encouraging especially because the emphasis in India has been on individual investors rather in contrast to advanced countries where mutual funds depend largely on institutional investors.

5.4. SUGGESTIONS

- It is seen that people are interested in investing in mutual There is need of awareness among people for more improvement in mutual fund industry The most vital problem spotted is of ignorance. Investors should be made aware
- of the benefits. Nobody will invest until and unless he is fully convinced. Investors should
- be made to realize that ignorance is no longer delight and what they are losing by not

- investing. Mutual Funds offer a lot of benefit which no other single option could offer. But
- most of the people are not even aware of what actually a Mutual Fund is? They only see
- it as just another investment option. So the advisors should try to change their mindsets.
- The advisors should target for more and more young investors. Young investors as well
- as persons at the height of their career would like to go for advisors due to lack of expertise
- and time. Mutual Funds Company needs to give the training of the Individual Financial
- Advisors about the Funds/Scheme and its objective, because they are the main source to
- influence the investors. Before making any investment Financial Advisors should first
- enquire about the risk tolerance of the investors, their need and time (how long they want
- to invest). By considering these three things they can take the customers into consideration.
- Younger people aged between 31-40 years will be new customer group into the future, so
- making greater efforts with younger customers who show some interest in investing will
- pay off. Customers with graduate level education are easier to motivate and there is a
- large untapped market there. To succeed however, advisors must provide sound advice
- and high quality. Systematic Investment Plan (SIP) is one the innovative products launched
- by Assets Management companies in the industry. SIP is easy for monthly salaried person

- as it provides the facility of do the investment in EMI. Though most of the prospects and
- potential investors are not aware about the SIP. There is a large scope for the companies
- to tap the salaried persons.

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QUESTIONNAIRE

A STUDY ON PERSPECTIVE OF PEOPLE TOWARDS MUTUAL FUND SCHEMES

- 1) Name –
- 2) Gender – male female
- 3) Age – a)18 – 20, b) 21 – 25 ,c) 26 – 30, d) 31 – 40, e) 41 – 50, f) 51 – 55, g) 56 and above
- 4) Marital status – single marid
- 5) Qualification -
SSLC , HSLC , Diploma , UG , PG , OTHERS
- 6) Occupation –
Government employee
Private employee
Businesses
Others
- 7) City –
- 8) Annual income –
Less than 1.5 lakh
1.5 – 3 lakh
4 – 6 lakh
Above 6 lakh
- 9) How much money would u prefer to invest .
5000
5000 – 10000
10000 – 20000
20000 – 25000
Above 25000
- 10)How long do u prefer to invest .
Less then 1 year
Between 2 to 5 years
More then 5 years
- 11)You reason for investment
Education
Retirement
House
Vacation
Others

- 12) Where do you prefer making investment
- Fixed deposits
 - Mutual funds
 - Insurance
 - Others
- 13) Which company or bank's mutual fund are you interested in
- HDFC
 - ICICI
 - UTI
 - KOTAK
- 14) What is your expected return
- Less than 10%
 - Between 10% - 30%
 - Above 30%
- 15) What do you think about the risk factor of the mutual funds
- Minimum risk
 - Moderate risk
 - High risk
 - No idea
- 16) How did you come to know about mutual funds
- Advertisement
 - Bank
 - Financial advisors
 - Internet
- 17) When you invest in mutual fund which mode of investment will you prefer
- One time investment
 - Systematic investment
- 18) What type of scheme do you prefer
- Income
 - Growth
 - Balance
 - Monthly income plan
 - Others
- 19) Are you satisfied with mutual fund returns
- Highly satisfied
 - Satisfied
 - Neutral
 - Dis satisfied
 - Highly dissatisfied

20)What do think about the growth

Bright

Slow growth

Lack of awareness

Risk factor

No idea

ARTICLE

A STUDY ON PERSPECTIVE OF PEOPLE TOWARDS MUTUAL FUND SCHEMES

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ABSTRACT

Day by day Indian financial market is becoming competitive and the supply of various financial instruments needs to be in equilibrium to the demand perspectives of the investors. The prime drive of any investment is to get maximum return with a minimum risk and mutual funds provide the opportunity for the investors. The research provides an insight into the types of risks which exist in a mutual fund scheme. The data was collected from mutual fund investors as well as non mutual fund investors of this industry. The research focuses on the relationship between investment decision and factors like liquidity, financial awareness, risk bearing capacity, expectation on returns demography. It was found low risk funds and liquidity of fund scheme are having impact on the investor's perception for investing in the mutual fund, this study also gives awareness on how can mutual funds can be handled portly

INTRODUCTION

A research design is a plan, structure, and strategy for conducting research to find

solutions to research questions or challenges. Research plan is the entire design or program of research. It describes what the investigator will do, develop hypotheses and their operational implications for data analysis (Curlinger 1986:279). A typical research design is a blueprint or overall strategy for carrying out a research project—the circulating variables so that they can be measured, samples of interest to be investigated, and used as the basis for testing hypotheses. Can you Collecting the data to be done and analyzing the results? 1993: 94).

A study design is a process used by a researcher to answer questions in a valid, objective, accurate and cost-effective manner. Celtiz, Deutsch, and Cook (1962:50) write, "A research design is a system of conditions for data collection and analysis that attempts to combine relevance to the object of study with proficiency in the technique." A research design allows you to determine for yourself and tell others what study design you want to employ, how you want to collect information from your respondents, how you want the information collected

from you. to be analyzed, and how you want to present your results.

WHAT IS MUTAL FUND

A mutual fund is a pool of money managed by a professional Fund Manager.

It is

a trust that collects money from a number of investors who share a common investment objective and invests the same in equities, bonds, money market instruments and/or other securities. And the income / gains generated from this collective investment is distributed proportionately amongst the investors after deducting applicable expenses and levies, by calculating a scheme's —Net Asset Value or NAV. Simply put, the money pooled in by a large number of investors is what makes up a Mutual Fund.

. MUTUAL FUNDS IN INDIA

The mutual fund industry has been in India for a long time. This came into existence in 1963 with the establishment of Unit Trust of India, a joint effort by the Government of India and the Reserve Bank of India. The year of 1993 marked the

beginning of a new era in the Indian mutual fund industry with the entry of private

players like Morgan Stanley, J.P Morgan, and Capital International. SEBI (Security Exchange Board of India) was established under which all the mutual funds in India were required to be registered. SEBI was set up as a governing body to protect the interest of investor. By the end of 2008, the number of players in the industry grew enormously with 46 fund houses functioning in the country. With the

rise of the mutual fund industry, establishing a mutual fund association became a

prerequisite. This is when AMFI (Association of Mutual Funds India) was set up in

1995 as a nonprofit organization. Today AMFI ensures mutual funds function in a professional and healthy manner thereby protecting the interest of the mutual funds as well as its investors.

LIMITATION OF THE STUDY

1. This study is restricted to Chennai district only.
2. The sample size of the study is limited.
3. Some respondents cannot provide enough information which creates a limit on study.
4. Another considerable limit is the bias of responding

OBJECTIVES

The following are the objectives of the study:

1. To study the market trends of mutual fund industry in India.
2. To find out the relationship between socio-economic variables and satisfaction of mutual fund investors in Chennai district.
3. To suggest suitable measures to mutual fund companies to enhance investors' satisfaction

SCOPE OF THE STUDY

This study covers the subject matters of perception of mutual fund investors in Chennai district. This study is concerned with the investors' perception in terms of size of investment, risk and returns associated with them, terms and conditions, their attitude etc. considering their income, occupation and other factors from the side of mutual fund companies. The reason for selecting this particular area for the study is the volume of trade, business network and circulation of money which are larger among the lines of industrially developed districts in Tamil Nādu in Chennai district,

the people invest their money in several constructive activities and various investment media. There has been growing trends in mutual fund and other investment activities are very significant in this district

RESEARCH DESIGN

A design is an outline of the overall plan and situation for gathering information; In other words, it is a theoretical framework within which studies are directed to create a blueprint for the collection, capacity and evaluation of information. The research design of the present study was built on the formulation of primary and secondary objectives, methods of information gathering, sample collection, data collection, processing and evaluation of information, and recording of research results

SAMPLING METHOD

The samples were selected by Simple Random sampling method. This is the method where the items that are most.

STATISTICAL TOOLS FOR ANALYSIS

The collected data have been used for analysis with the help of the following statistical tools.

1. Percentage analysis
2. Chi-square test
3. ANOVA

REVIEW OF LITERATURE

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

Mishra et al. (2002) measured Mutual Funds performance using lower partial moment. In this study, measures of evaluating portfolio performance based on lower partial moment are developed. Risk from the lower partial moment is measured by taking into account only those states in which return is below a pre-specified "target rate" like riskfree rate.

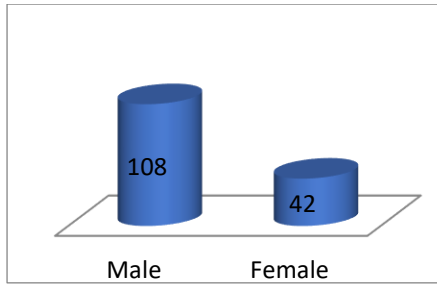
Bansal (2003) revealed that the percentage of investors holding only UTI schemes reduced, a survey of 2,819 respondents. The unit holders' loyalty seemed to have become a myth as investors were looking for performance. Unit-holders spread their holdings over two or more funds with an urge to diversify increasing competitive mutual fund environment.

Kozup and Howlett (2008) conducted a study to explore whether "The Effects of Summary Information on Consumer Perceptions of Mutual Fund Characteristics", played a critical role and whether a modified method of supplemental information disclosure impacts investors' fund evaluations and investment intentions. The study indicated the results that most of the investors' preference is on past performance of the funds to influence perceptions and evaluations of mutual fund.

Gender wise classification of respondents

Total	150	100.0
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Gender	No. of respondents	Percent
Male	108	72.0
Female	42	28.0



Interpretation

It is interpreted from the above table that among 150 respondents, 108 (72.0) respondents are male and 42 (28.0) respondents are female.

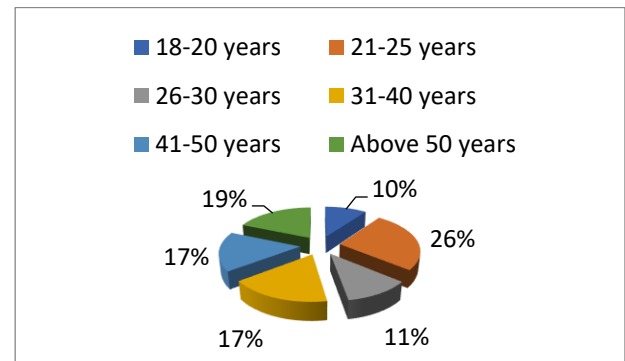
Inference

Hence the majority of the (72 %) respondents are male has been chosen for this study.

Distribution
about age of the respondents:

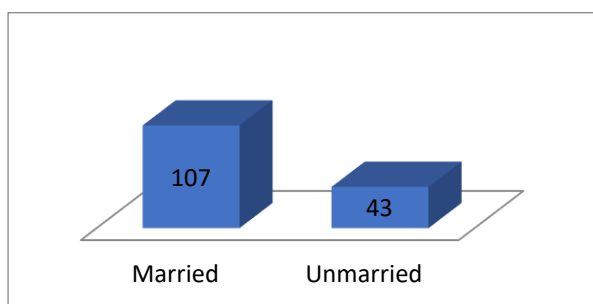
Age	Frequency	Percent
18-20 years	15	10.0
21-25 years	39	26.0
26-30 years	17	11.3
31-40 years	26	17.3
41-50 years	25	16.7
Above 50 years	28	18.7
Total	150	100.0

	Frequency	Percent	Cumulative Percent
Married	107	71.3	71.3
Unmarried	43	28.7	100.0
Total	150	100.0	



It is found from the above table that 15 (10.0) respondents are from the age group of 18-20 years, 39 (26.0) respondents are from the age group of 21-25 years, 17 (11.3) respondents are from the age group of 26-30 years, 26 (17.3) respondents are from the age group of 31-40 years, 25 (16.7) respondents are from the age group of 41-50 years and 28 (18.7) respondents are from the age group of above 50 years. Hence the majority (26.0) of respondents investing in mutual funds has been selected from the age group of 21-25 years.

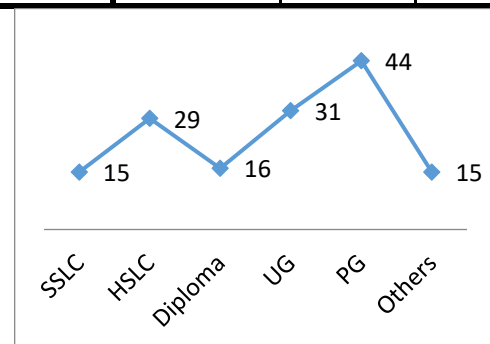
Distribution about marital status of the respondents:



It is found that among total respondents, 107 (71.3) respondents are married and 43 (28.7) respondents are unmarried. Therefore, the majority (71.3) respondents investing in mutual funds are married.

Distribution about qualification of the respondents

	Frequency	Percent	Cumulative Pe
SSLC	15	10.0	10.0
HSLC	29	19.3	90.0
Diploma	16	10.7	50.0
UG	31	20.7	70.7
PG	44	29.3	39.3
Others	15	10.0	100.0
Total	150	100.0	



It is revealed that 15 (10.0) respondents investing in mutual funds have qualified at SSLC level, 29 (19.3) respondents

investing in mutual funds have qualified at HSLC level, 16 (10.7) respondents investing in mutual funds have qualified at diploma level, 31 (20.7) respondents investing in mutual funds have qualified at UG level and 44 (29.3) respondents investing in mutual funds have qualified at PG level. Hence the majority (29.3) respondents investing in mutual funds have qualification at PG leve

l Association between gender of the respondents and satisfaction level of mutual funds returns

	Gender		Total
	Male	Femal e	
Highly Satisfied	22	9	31
Satisfied	37	18	55
Neutral	7	6	13
Dissatisfied	26	5	31
Highly dissatisfied	16	4	20
Total	108	42	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	5.553 ^a	4	.235

a. 1 cells (10.0%) have expected count less than 5.

The minimum expected count is 3.64.

The result of above table shown that 22 respondents are highly satisfied, 37 respondents are satisfied, 26 respondents

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.679 ^a	4	.154

a. 1 cells (10.0%) have expected count less than 5.

The minimum expected count is 3.73.

are dissatisfied and 16 respondents are highly dissatisfied about investing in mutual funds from the gender group of males as well as 9 respondents are highly satisfied, 19 respondents are satisfied, 5 respondents dissatisfied and 4 respondents are highly dissatisfied about investing in mutual funds from the gender group of females. The chi-square value has been found is 5.553 and the calculated significant value .235 is higher than the table value at 0.05 significant level. Therefore there is no significant association between gender of the respondents and satisfaction level of mutual funds and the null hypothesis is accepted.

Association between marital status of the respondents and satisfaction level of mutual funds returns

	Marital status		Total
	Married	Unmarried	
Highly Satisfied	21	10	31

Satisfied	40	15	55
Neutral	6	7	13
Dissatisfied	26	5	31
Highly dissatisfied	14	6	20
Total	107	43	150

It is understood that 21 respondents are highly satisfied, 40 respondents are satisfied, 26 respondents are dissatisfied and 14 respondents are highly dissatisfied about investing in mutual funds from the marital group of married as well as 10 respondents are highly satisfied, Relationship between age of the respondents and satisfaction level of mutual fund returns

	Me an	Std	Sum of Squar es	df	Mean Squar e	F	Sig .
Between Groups			9.156	5	8.831	8.440	.002
18-20 years	2.533	1.64172					
21-25 years	2.6923	1.32096					
26-30 years	2.5882	1.37199					
31-40 years	3.0385	1.45549					
41-50 years	2.6400	1.18603					
Above 56 years	2.5714	1.37244					
Within Groups			271.737	144	1.887		

It is found that the highest mean value of 3.0385 indicates that respondents from the age group of 31-40 years are highly satisfied about investing in mutual funds than other respondents. The F value has

been found is 8.440 and the calculated significant value .002 is lower than the table value at 0.05 significant level. Hence there is significant relationship between age of the respondents and satisfaction level of mutual funds returns and the null hypothesis is rejected and the alternative hypothesis is accepted.

15 respondents are satisfied, 5 respondents are dissatisfied and 6 respondents are highly dissatisfied about investing in mutual funds. The chi-square value has been found is 6.679 and the calculated significant value .154 is higher than the table value at 0.05 significant level. Therefore there is no significant association between marital status of the respondents and satisfaction level of mutual funds returns and the null hypothesis is accepted.

Relationship between marital status of the respondents and satisfaction level of mutual fund returns

	M e a n	St d	Su m of Squ ares	df	Me an Squ are	F	Si g.
Between Groups			.755	1	.755	.406	.525

Marr ied	2. 7 3 8 3	1. 36 90 4			
Unm arrie d	2. 5 8 1 4	1. 34 93 0			

With in Grou ps			275 .13 8	14 8	1.8 59		
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It is understood that the highest mean score of 2.7383 reveals that married respondents are highly satisfied about investing in mutual funds than unmarried respondents. The F value has been found is .406 and the calculated significant value

COCLUTION

The study concluded that the mutual fund is the one of the best source of the investment. Females are less active in Investing in Mutual Funds. Investors who invest in Mutual Funds largely invest in Public Sector Mutual Funds. Mutual Fund is an investment which mobilize the savings of millions of investors for investment in a diversified portfolio of securities with a view to spreading risk and ensuring adequate and consistent returns, both in the form of dividend and the capital appreciation n. A mutual fund is a form of collective investment that pools money from many investors and invests

.525 is higher than the table value at 0.05 significant level. Hence there is no significant relationship between marital status of the respondents and satisfaction level of mutual funds returns and the null hypothesis is accepted

their money in stocks, bonds short-term money market instruments, and/or other securities. There are certain advantages of Mutual Funds such as professional expertise, diversification, low cost of asset management, liquidity ease of process, well regulated. Opening of the mutual fund industry to the public sector banks and insurance companies, led to the launching of more and more of new schemes. The mutual fund industry in India has grown fast in the recent period. The performance is encouraging especially because the emphasis in India has been on individual investors rather in contrast to advanced

countries where mutual funds depend

SUGGESTIONS

- It is seen that people are interested in investing in mutual There is need of awareness among people for more improvement in mutual fund industry The most vital problem spotted is of ignorance.

Investors should be made aware

- of the benefits. Nobody will invest until and unless he is fully convinced. Investors should

- be made to realize that ignorance is no longer delight and what they are losing by

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