

“A STUDY ON INVESTORS PREFERENCE TOWARDS MUTUAL FUNDS”

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

YADESH .B

Register No.40410202



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**

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Jeppiaar Nagar, Rajiv Gandhi Salai, Chennai -600119

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **YADESH .B 40410202** who carried out the project entitled "**A Study on INVESTORS PREFERENCES TOWARDS MUTUAL FUNDS**" under my supervision from January 2022 to March 2022.

DR.PALANI
Internal guide

ExternalGuide

Dr. BHUVANESWARI .G
Dean – School of Management Studies

Submitted for Viva voce Examination held on _____

Internal Examiner

External Examiner

DECLARATION

YADESH B (40410202) hereby declare that the Project Report entitled “**A STUDY ON INVESTORS PREFERENCES TOWARDS MUTUAL FUNDS**” done by me under the guidance of **DR.PALANI** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:
YADESH B

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YADESH B

ABSTRACT

A Mutual Fund is an investment that pools funds from various investors and invests the funds in stocks, bonds, short-term money-market instruments, other securities or assets or some combination of these investments. The primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. The main objective of this research is to identify investors' preference towards mutual fund in CHENNAI city. By using in structured questionnaire, Description statistical tools like chi-square test , oneway onnova and also t test have been used for analyzing the data. The findings from this research are that the most of the investors are doubtful to invest the new age investment like mutual funds.

TABLE OF CONTENTS

CHAP.NO	CONTENTS	PAGE.NO
	CHAPTER-1	1
1.1	INTRODUCTION	2
1.2	MEANING	3
1.3	INDUSTRY PROFILE	3
1.3.1	TYPES OF MUTUAL FUND	8
1.4	STATEMENT OF THE PROBLEM	14
1.5	OBJECTIVES OF THE STUDY	15
1.6	SCOPE OF THE STUDY	15
	CHAPTER-2	
2.1	REVIEW OF LITERATURE	16
	CHAPTER-3	
3.1	RESEARCH METHODOLOGY	23
3.2	RESEARCH DESIGN	24
3.3	SAMPLE DESIGN	24
3.4	SAMPLE TECHNIQUE	25
3.5	SAMPLE SIZE	26
3.6	DATA COLLECTION METHODS	27
3.7	DATA COLLECTION RESEARCH INSTRUMENT	27
3.8	HYPOTHESIS & STATISTICAL TOOL	28

3.9	LIMITATIONS OF THE STUDY	31
	CHAPTER-4	
4	DATA ANALYSIS AND INTERPRETATION	32
4.2	CHI-SQUARE TESTS	49
4.3	ONE WAY ANNOVA	51
4.4	INDEPENDENT SAMPLE TEST	54
	CHAPTER-5	
5.1	FINDINGS OF THE STUDY	56
5.2	SUGGESTIONS AND RECOMMENDATION	58
5.3	CONCLUSION	60
	ANNEXURE—I QUESTIONNAIRE	61
	ANNEXURE-II-ARTICLES	67
	ANNEXURE-III-BIOGRAPHY	93

LIST OF TABLES

TABLE.NO	TITLE	PAGE.NO
4.1.1	TABLE SHOWING THE GENDER OF RESPONDENTS	33
4.1.2	TABLE SHOWING AGE GROUP OFRESPONDENTS	34
4.1.3	TABLE SHOWING EDUCATIONAL QUALIFICATION OF THE RESPONDENTS	35
4.1.4	TABLE SHOWING INCOME OF THE RESPONDENT	36
4.1.5	TABLE SHOWING OCCUPATION OF THE RESPONDENTS	37
4.1.6	TABLE SHOWING THE RESPONDENTS AWARENESSABOUT MUTUAL FUND	38
4.1.7	TABLE SHOWING THE RESPONDENTS AWARENESSABOUT TERMS AND CONDITIONS ABOUT MUTUALFUND	39

4.1.8	TABLE SHOWING THE RESPONDENTS PRIMARY OBJECTIVE FOR INVESTMENT	40
4.1.9	TABLE SHOWING PURCHASING SOURCE BY THE RESPONDENT	41
4.1.10	TABLE SHOWING THE MODE OF INVESTMENT BY THE RESPONDENT	42
4.1.11	TABLE SHOWING THE TYPE OF FUND PREFERRED BY THE RESPONDENT	43
4.1.12	TABLE SHOWING THE REASON FOR PURCHASE OF PARTICULAR FUND BY THE RESPONDENT	44
4.1.13	TABLE SHOWING THE IMPACT OF FACTORS WHILE INVESTING IN MUTUAL FUNDS	45

4.1.14	TABLE SHOWING THE RESPONDENTS REASON FORPURCHASE OF MUTUAL FUNDS	46
4.1.15	TABLE SHOWING THE RESPONDENTS BENEFICIARYTOWARDS MUTUAL FUNDS	47
4.1.16	TABLE SHOWING THE SATISFACTION LEVEL OFRESPONDENTS TOWARDS MUTUAL FUNDS	48

LIST OF CHARTS

TABLE.NO	TITLE	PAGE.NO
4.1.1	CHART SHOWING THE GENDER OF RESPONDENTS	33
4.1.2	CHART SHOWING AGE GROUP OFRESPONDENTS	34
4.1.3	TABLE SHOWING EDUCATIONAL QUALIFICATION OF THE RESPONDENTS	35
4.1.4	CHART SHOWING INCOME OF THE RESPONDENT	36
4.1.5	CHART SHOWING OCCUPATION OFTHE RESPONDENTS	37
4.1.6	CHART SHOWING THE RESPONDENTS AWARENESSABOUT MUTUAL FUND	38
4.1.7	CHART SHOWING THE RESPONDENTS AWARENESSABOUT TERMS AND CONDITIONS ABOUT MUTUALFUND	39

4.1.8	CHART SHOWING THE RESPONDENTS PRIMARY OBJECTIVE FOR INVESTMENT	40
4.1.9	CHART SHOWING PURCHASING SOURCE BY THE RESPONDENT	41
4.1.10	CHART SHOWING THE MODE OF INVESTMENT BY THE RESPONDENT	42
4.1.11	CHART SHOWING THE TYPE OF FUND PREFERRED BY THE RESPONDENT	43
4.1.12	CHART SHOWING THE REASON FOR PURCHASE OF PARTICULAR FUND BY THE RESPONDENT	44
4.1.13	CHART SHOWING THE IMPACT OF FACTORS WHILE INVESTING IN MUTUAL FUNDS	45

4.1.14	CHART SHOWING THE RESPONDENTS REASON FORPURCHASE OF MUTUAL FUNDS	46
4.1.15	CHART SHOWING THE RESPONDENTS BENEFICIARYTOWARDS MUTUAL FUNDS	47
4.1.16	CHART SHOWING THE SATISFACTION LEVEL OFRESPONDENTS TOWARDS MUTUAL FUNDS	48

CHAPTER I

INTRODUCTION

CHAPTER 1

DEFINITION:

A mutual fund is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments, and other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus

1.1 INTRODUCTION:

A Mutual Fund pools the money of people with certain investment goals. The money invested in various securities depending on the objectives of the mutual fund scheme and the profits (or loss) are shared among investors' in proportion to their investment. Investments in securities are spread across a wide cross-section of industries and sectors. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual fund issues units to the investors' in accordance with quantum of money invested by them. Investors' of mutual funds are known as unit holders. The profits or losses are shared by the investors' in proportion to their investment. The mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. A mutual fund is required to be registered with Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public.

A Mutual fund is a trust that pools the savings of a number of investors' who share a common financial goal. The money collected from investors' is invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit's holder in proportion to the number of units owned by them.

Thus a Mutual Fund is the most suitable investment to the common man as it offers an opportunity, to invest in a diversified, professionally managed basket of securities at relatively low cost. Mutual funds can be invested in many different kinds of securities. The most common are cash, stock, and bonds, but there are hundreds of sub-categories. Stock funds invest primarily in the shares of particular industry, such as technology or utilities. These are known as sector funds. Bond funds can vary according to risk (e.g., high-yield or junk bonds, investment-grade corporate bonds), type of issuers (e.g., government agencies, corporations, or municipalities), or maturity of the bonds (short- or long-term). Both stock and bond funds can invest in primarily U.S. securities (domestic funds), both U.S. and foreign securities (global funds), or primarily foreign securities (international funds). Most mutual funds' investment portfolios are continually adjusted under the supervision of a professional manager, who forecasts the future performance of investments appropriate for the fund and chooses those which he or she believes will most closely match the fund's stated investment objective. A mutual fund is administered through a parent management company, which may hire or fire fund managers. Mutual funds are liable to a special set of regulatory, accounting, and tax rules. Unlike most other types of business entities, they are not taxed on their income as long as they distribute substantially all of it to their shareholders. Also, the type of income they earn is often unchanged as it passes through to the shareholders. Mutual fund distributions of tax-free municipal bond income are also tax-free to the shareholder. Taxable distributions can be either ordinary income or capital gains, depending on how the fund earned those distributions.

A mutual is a set up in the form of trust, which has sponsor, trustee, assets management company (AMC) and custodian. Sponsor is the person who acts alone or in combination with another body corporate and establishes a mutual fund. Sponsor must contribute at least 40% of the net worth of the investment managed and meet the eligibility criteria prescribed under the Securities and Exchange Board of India (Mutual Funds) regulations, 1996. The sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the schemes beyond the initial contribution made by it towards setting up of Mutual Fund. The Mutual Fund is constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 by the Sponsor. Trustee is usually a company (corporate body) or a board of trustees (body of individuals). The main responsibility of the trustee is to safeguard the interest of the unit holders and also ensure that AMC functions in the interest of investors' and in accordance with the Securities and Exchange Board of India (Mutual Fund) Regulations 1996 the provisions of the Trust deed and the offer Document of the respective schemes. The AMC is appointed by the Trustees as the investment Manager of the Mutual Fund. The AMC is required to be approved by SEBI to act as an asset management company of the Mutual Fund. The AMC if so authorized by the Trust Deed appoints the Registrar and Transfer Agent to agent the mutual fund. The registrar processes the application form, redemption requests and dispatches account statements to the unit holders. The Registrar and Transfer agent also handles communications with investors and updates investor records.

1.2 MEANING OF MUTUAL FUNDS:

A mutual fund is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments, and other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

Mutual funds give small or individual investors access to professionally managed portfolios of equities, bonds, and other securities. Each shareholder, therefore, participates proportionally in the gains or losses of the fund. Mutual funds invest in a vast number of securities, and performance is usually tracked as the change in the total market cap of the fund derived by the aggregating performance of the underlying investments.

1.3 COMPANY PROFILE:

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India (UTI), at the initiative of the Government of India and Reserve Bank. Though the growth was

slow, but it accelerated from the year 1987 when non-UTI players entered the Industry.

In the past decade, Indian mutual fund industry had seen a dramatic improvement, both qualities wise as well as quantity wise. Before, the monopoly of the market had seen an ending phase; the Assets Under Management (AUM) was Rs. 67 billion. The private sector entry to the fund family raised the Amount to Rs. 470 billion in March 1993 and till April 2004; it reached the height of Rs. 1540 billion. The Mutual Fund Industry is obviously growing at a tremendous space with the mutual fund industry can be broadly put into four phases according to the development of the sector. Each phase is briefly described as under.

First Phase: 1964-87:

Unit Trust of India (UTI) was established on 1963 by an Act of Parliament by the Reserve Bank of India and functioned under the regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was Unit Scheme 1964. At the end of 1988 UTI had Rs.6,700 crores of assets under management.

Second Phase: 1987-1993 (Entry of Public Sector Funds)

1987 marked the entry of non-UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non-UTI Mutual Fund established in June 1987 followed by Canada bank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund (Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December 1990. At the end of 1993, the mutual fund industry had assets under management of Rs.47,004 crores.

Third Phase: 1993-1996 (Entry of Private Sector Funds)

1993 was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The 1993 Securities & Exchange Board of India-SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996.

Fourth Phase: 1996-1999 (Growth and SEBI Regulations)

A set of regulations for all mutual funds operating in India was introduced with SEBI (Mutual Fund) Regulations, 1996.

Fifth Phase: 1999-2004(Emergence of a large and uniform industry)

In February 2003, following the repeal of the Unit Trust of India Act, 1963 UTI was bifurcated into two separate entities. One is the Specified Undertaking of the Unit Trust of India with assets under management of Rs.29, 835 cores as at the end of January 2003, representing broadly, the assets of US 64 scheme, assured return and certain other schemes. The second is the UTI Mutual Fund Ltd, sponsored by SBI (State Bank of India), PNB (Punjab National Bank), BOB (Bank of Baroda) and LIC (Life Insurance Corporation of India). It is registered with SEBI and functions under the Mutual Fund Regulations

Sixth Phase: 2004 onwards (Period of Consolidation & Growth) In this period the

industry has witnessed a spate of mergers and takeovers. Also, more and more new

International and private sector players are entering the fray.

This period has been witnessing the growth of the industry

1.3.1 TYPES OF MUTUAL FUND:

The different types of mutual fund available can be classified broadly based on structure, asset class, and investment goals. Going a step further, funds can also be categorized based on risk.

1. Structure of Mutual Funds:

Based on the ease of investment, mutual funds can be:

- **Open-ended funds:**

These funds do not limit when or how many units can be purchased. Investors can enter or exit throughout the year at the current net asset value. Open-ended funds are ideal for investors seeking liquidity.

- **Close-ended funds:**

Close-ended funds have a pre-decided unit capital amount and also allow purchase only during a specified period. Here, redemption is bound by the maturity date. However, to facilitate liquidity, schemes trade on stock exchanges.

- **Interval funds:**

A cross between open-ended and close-ended funds, interval mutual funds permit transactions at specific periods. Investors can choose to purchase or redeem their units when the trading window opens up.

2. Mutual Fund Asset Class

Depending on the assets they invest in, mutual funds are categorized under:

- **Equity funds:**

Equity funds invest money in company shares, and their returns depend on how the stock market performs. Though these funds can give high returns, they are also considered risky. They can be categorized further based on their features, like Large-Cap Funds, Mid-Cap Funds, Small-Cap Funds, Focused Funds, or ELSS, among others. Invest in equity funds if you have a long-term horizon and a high-risk appetite.

- **Debt funds:**

Debt funds invest money into fixed-income securities such as corporate bonds, government securities, and treasury bills. Debt funds can offer stability and a regular income with relatively minimum risk. These schemes can be split further into categories based on duration, like low-duration funds, liquid funds, overnight funds, credit risk funds, gilt funds, among others.

- **Hybrid funds:**

Hybrid funds invest in both debt and equity instruments so as to balance out debt and equity. The ratio of investment can be fixed or varied, depending on the fund house. The broad types of hybrid funds are balanced or aggressive funds. There are multi asset allocation funds which invest in at least 3 asset classes.

- **Solution-oriented funds:**

These mutual fund schemes are for specific goals like building funds for children's education or marriage, or for your own retirement. They come with a lock-in period of at least five years.

- **Other funds:**

Index funds invest based on certain stock indices and fund of funds are categorized under this head.

3. Mutual Funds based on Investment Goals

You can also choose a fund based on your financial objective:

- **Growth funds:**

Funds that invest primarily in high-performing stocks with the aim of capital appreciation are considered growth funds. These funds can be an attractive option for investors seeking high returns over a long period.

- **Tax-saving Funds (ELSS):**

Equity-linked saving schemes are mutual funds that invest mostly in company securities. However, they qualify for tax deductions under Section 80C of the Income Tax Act. They have a minimum investment horizon of three years.

- **Liquidity-based funds:**

Some funds can be categorized based on how liquid the investments are. Ultra-short-term and liquid fund, are ideal for short-term goals, while schemes like retirement funds have longer lock-in periods.

- **Capital protection funds:**

These funds invest partially in fixed income instruments and the rest into equities. This could ensure capital protection, i.e., minimal loss, if any. However, returns are taxable.

- **Fixed-maturity funds (FMF):**

These funds route money into debt market instruments, which have either the same or a similar maturity period as the fund itself. For instance, a three-year FMF will invest in securities with a maturity of three years or lower.

- **Pension Funds:**

Pension funds invest with the idea of providing regular returns after a long period of investment. They are usually hybrid funds that give low but have potential to provide steady returns in future.

FACTORS AFFECTING MUTUAL FUNDS:

These are the basic factors that might affect the performance of your mutual fund.

1. Changes in the Markets/Sectors/Industries
2. Underlying Securities
3. Total Expense Ratio (TER)
4. Fund Size
5. Flow of Cash

Changes in Markets/Sectors/Industries:

Fluctuations in markets and economic sectors are one of the most important factors. It determines the performance of a mutual fund scheme. A few policy changes made by the concerned government can also highly impact the performance of a mutual fund scheme.

These unanticipated changes can lead to an increase in the number of construction projects. As a result, the demand for materials like steel, concrete, cement, etc., will also increase. Hence, the stock prices of the company's manufacturing these materials will see growth. If a mutual fund has invested in these markets or sectors, it will experience a significant boost in its performance.

On the other hand, if government-made policy changes negatively, it impacts a specific sector or industry, and the value of stock prices will drop. This will further cause a negative ripple effect on the value of mutual schemes that have invested in those markets.

Underlying Securities:

Based on calculated risks and asset allocation, a mutual fund invests in an extensive range of securities.

For example, an investor can invest 80% of his/her investible corpus in instruments related to equities. The remaining 20% gets invested in debt and money market instruments.

Here, the fund has invested in different securities. The performance of the mutual fund will depend on how these securities perform. If the equity market crashes, then only 80% of the investment portfolio will get impacted. Normally, the volatility of equity markets governs the performance of equity mutual funds. In the case of debt funds, an investor has to look at the interest rates. He should also check credit risks related to the assets.

Total Expense Ratio (TER):

It is the management fees charged by an Asset Management Company (AMC). The expense ratio of your fund also impacts your mutual fund's performance.

Every fund house charges a minimal fee for management, marketing, office, and clerical work. Additionally, you need to pay for operational expenses like trading fees, legal fees, and auditor fees. So, your net profit earned will be the total gains from the investment minus expense ratio and management charges.

Many investors consider that the difference in the returns of direct and regular mutual funds is quite marginal. But if one sees it in terms of a long-term investment, the expense ratio of direct mutual funds is less. It would prove to be much lesser as compared to the regular ones.

Fund Size:

The size of the fund is another essential factor that plays an important role. It disturbs the performance of an investor's mutual fund. The larger a mutual fund grows in size; the responsibility of the concerned fund managers also increases. Hence, the skills required to manage the assets of the fund also increases.

However, there is a limit to which the size of a fund can increase. If a fund grows beyond a certain size, it can become difficult for the fund managers to handle it. Increasing the fund size also increases the likelihood of liquidity constraints. Besides, it may hamper the decision-making process of a mutual fund investment.

Flow of Cash:

Since a mutual fund works on the principle of collecting money from investors, a greater number of investors implies more chance for a fund manager to further diversify investment portfolios.

This enables the manager to invest in larger quantities of mutual funds that would reap higher returns. Therefore, a large number of investors can increase the chances of yielding better returns for the mutual fund, enhancing its overall performance.

One can say that the cash flows from a pool of investors can determine the performance of both the fund and the fund manager. On the other hand, if the fund is underperforming consistently, it would cause some of the investors to pull off their investments.

1.4 STATEMENT OF THE PROBLEM:

Mutual fund in itself is deemed to be an institutional entity that encompasses the commonly desired and/or schematically accumulated financial goals of the community of investors. The money collected from a plethora of sources is invested by the fund manager in various types of securities depending on their duly specified objectives. A mutual fund, therefore, in its rudimentary conceptualization, is a collection of stocks and/or bonds, where an investor holds a share, which represents a part of the fund holding thereof. A proportionate sharing of income earned through such investors and capital appreciation witnessed by the schemes is duly carried out. It must however be mentioned that this proportional sharing by the unit holders is governed by the number of units owned by them. Mutual fund is therefore, the most suitable investment option available for a common man as it provides an opportunity to invest in a diversified, yet professionally managed portfolio at a competitive.

1.5 OBJECTIVES OF THE STUDY:

1. To analyze the awareness level of investors about mutual funds.
2. To identify the factors influencing the investor to select mutual funds
3. To examine the mutual benefits of investing in mutual funds among investors
4. To analyze the satisfaction level of investors towards mutual fund

1.6 SCOPE OF STUDY:

The scope has grown enormously over the years. In the first age of mutual funds, when the investment management companies started to offer mutual funds, choices were few. Even though people invested their money in mutual funds as these funds offered them diversified investment option for the first time. By investing in these funds, they were able to diversify their investment in common stocks, preferred stocks, bonds and other financial securities. At the same time, they also enjoyed the advantage of liquidity. With Mutual Funds, they got the scope of easy access to their invested funds on requirement. But, in today's world, Scope of Mutual Funds has become so wide, that people sometimes take long time to decide the mutual fund type, they are going to invest in. Several Investment Management Companies have emerged over the years who offer various types of Mutual Funds, each type carrying unique characteristics and different beneficial features

CHAPTER II

REVIEW OF LITERATURE

CHAPTER II

2.1 REVIEW LITERATURE:

A Mutual Fund is an investment vehicle that pools funds from various investors and invests the funds in stocks, bonds, short-term money-market instruments, other securities or assets or some combination of these investments. The primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. The main objective of this research is to identify investors' preference towards mutual fund in Kathmandu metropolitan city. By using in structured questionnaire, Description statistical tools like chi-square test have been used for analysing the data. The findings from this research are that the most of the investors are doubtful to invest the new age investment like mutual funds.

Swati Narula (2015):

Swati Narula in her research paper titled: Financial Literacy and personal investment decisions of retail investors in Delhi "has expressed that dominant part of the respondents had not just indicated better abilities in dealing with their monetary spending plan yet were likewise sure of confronting any money related obstacles in future. He has prescribed that money related training ought to be given at auxiliary and senior optional level of instruction as it was discovered budgetary proficiency and instructive level was connected. Crusade for spreading mindfulness about money related incorporation and budgetary education should be strengthened. Partners, including the Regulators and Policy creators may dispatch huge scale mindfulness programs.

Maheshwari P. (2015):

An analytical study of the composition of personal portfolio" has concluded in his research that investors in the age group of 20 – 30 years, do not prepare or estimate or have enough knowledge about total expenses and savings. They neither record what is invested nor assessfor their emergencies. They do not know the amount of money to be saved. Proper planning is not done by this age group as they are inexperienced. They are in a confused state whetherto make investments for long term or for speculation and monitor investments. Investors in the age group of 30-40 years, are interested in making savings and investments, prepare estimates, make records of their investments, compare planned with actual investments, assess amount of money needed in emergencies and they start enjoying financialplanning.

Manjunath S.A. (2015):

Manjunath S.A. in his research paper titled: "A study on investment patterns and awareness of salaried class investors" this class of people always went through different avenues of investment and decided their savings pattern. As far as the socio-economic variables are concerned, age, gender, income, education and occupation had been found to have persuaded the investors towards investment. The effect created by these factors on the investors was found to be significant.

Monika Dua (2016):

Monika Dua in her study said that the mutual funds industry in India is at the stage of infancy but is slowly and steadily progressing towards the stage of growth. However, in the face of intensive competition success will come only to those MF's who prove mettle in the market.

Vyas (July 2016):

Vyas found out that investors rank Gold, Bank Deposits, Life Insurance schemes and post office schemes way ahead of Mutual Funds. Many investors who invest in various other schemes are not much aware about the mutual fund's schemes. It was also found that most of the investors do not park their money in mutual funds for more than 3 years.

Kothari and Mindargi (June 2017):

Kothari and Mindargi found out that people lying in middle-income group are more attracted towards mutual funds and are ready to bear risk though many investors do not invest in mutual funds due to lack of knowledge. There are investors who find government bonds a better option as compared to mutual funds.

Vijay Kumar (2017):

Vijay Kumar has explained in his study that Mutual funds have opened salutatory avenues for development of capital market and mobilizing saving. For their orderly growth, it is pertinent that the investor's interest should be protected. After investment, services of a high order and quality should be guaranteed. The encouraging public response the mutual funds reveals the potential of mobilizing the saving for the masses for industrial finance.

Mrs. O. V. A. M. Sridevi (2018):

The study Analysed the performance of mutual funds on selected mid cap and small cap funds. It studies the status of mutual funds and to measure the risk-return relationship and market volatility, the research paper examined the performance with the evaluation models like Sharpe, Treynor and Jensen Ratio. The result of the study was that the assets under management of Indian mutual fund is growing and risk – return in mid-cap is neither or nor risky, but in small-cap good return and less risk accursed

Nair R K (2019):

Nair R K in the article “Indian Mutual Fund Market – A tool to stabilize Indian Economy” from International Journal of Scientific and Research Publications has emphasized that a Mutual store is an effective device to settle Indian economy. The results of mutual funds are assuming an indispensable part in preparing scattered reserve funds among investors and channelize these funds to infrastructural advancement of the country. The banks and Financial Institutions are likewise playing a vital part by advancing mutual reserve business in the country.

Nikhil Ranjan Agarwal (2019):

Nikhil Ranjan Agarwal in his research paper titled. "To study on Investor's preference of Mutual Fund as an investment option against Stock Market" writes that the investors should be clear about all factors which influence the decision for investment before arriving at the conclusion as to whether to invest in Mutual Funds or in shares. The investment decision also relates to the understanding of the market, availability of time, risk appetite and return expected by the investors, thereby balancing between risk and return on investment.

Sauiffudin Ahmad (2020):

Sauiffudin Ahmad in their research paper titled - „The role of Alternative Investments in Portfolio Management" has expressed that dominant part of the respondents had not just indicated better abilities in dealing with their monetary spending plan yet were likewise sure of confronting any money related obstacles in future. He has prescribed that money related training ought to be given at auxiliary and senior optional level of instruction as it was discovered budgetary proficiency and instructive level was connected. spreads about money related incorporation and budgetary education should be strengthened.

Vipin Kumar & Preeti Bansal (2020):

Vipin Kumar & Preeti Bansal this research paper has focused attention on various parameters that highlights investor's perception on mutual funds. It was studied that the scheme of mutual fund investment was not known to many of the investors as still the investors rely upon the traditional pattern of investments like investment in banks and investment in postal savings. As most of the mutual fund investors used to invest in mutual fund for not more than three years and used to quit from the fund as they were not giving desired result as stated in the objective during inception of mutual fund scheme. It was also found from the research that maximum number of mutual fund investors has to depend upon their brokers and agent to invest in mutual fund. this research paper has focused attention on various parameters that highlights investor's perception on mutual funds. It was studied that the scheme of mutual fund investment was not known to many of the investors as still the investors rely upon the traditional pattern of investments like investment in banks and investment in postal savings. As most of the mutual fund investors used to invest in mutual fund for not more than three years and used to quit from the fund as they were not giving desired result as stated in the objective during inception of mutual fund scheme. It was also found from the research that maximum number of mutual fund investors has to depend upon their brokers and agent to invest in mutual fund.

CHAPTER III

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

DEFINITION OF RESEARCH

➤ **According to Redman and Mory (1923)**, defined research is a “systematized effort to gain new satisfaction”. It is an academic activity and therefore the term should be used

in a technical sense.

➤ **According to Clifford Woody (Kothari 1988)** research comprises “defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data making deductions and reaching conclusions; and finally, carefully testing the conclusions to determine whether they fit the formulating hypothesis”.

RESEARCH METHODOLOGY

Research methodology is the way of systematically solving the research problem. It is a science of studying how research is conducted scientifically.

3.2 RESEARCH DESIGN

“A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structures within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data” (Selltiz, et.al., 1962).

DESCRIPTIVE RESEARCH DESIGN

Descriptive research is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred.

Rather it addresses the "what" question (what are the characteristics of the population or situation being studied?) The characteristics used to describe the situation or population are usually some kind of categorical scheme also known as descriptive categories.

Descriptive research is a study designed to depict the participants in an accurate way.

More simply put, descriptive research is all about describing people who take part in the study. There are three ways a researcher can go about doing a descriptive research

project, and they are:

- Observational, defined as a method of viewing and recording the participants.
- Case study, defined as an in-depth study of an individual or group of individuals.
- Survey, defined as a brief interview or discussion with an individual about a specific topic.

3.3 SAMPLE DESIGN

A sample design is a definite plan for obtaining a sample from a given population (Kothari 1988). Sample constitutes a certain portion of the population or universe.

Sampling design refers to the technique or the procedure the researcher adopts for selecting items for the

sample from the population or universe. A sample design helps to decide the number of items to be included in the sample, i.e., the size of the sample.

PROPOSED SAMPLING METHODS

3.4 SAMPLING TECHNIQUE:

Probability Sampling:

Probability sampling is that sampling procedure in which elements in the population have a known chance of being chosen as subjects in the sample.

Sampling procedure used in the study is disproportionate stratified random sampling. The methodology used in this project is a probability sampling.

Simple Random Sampling:

Simple random sampling is a randomly selected sample from a larger sample or population, giving all the individuals in the sample an equal chance to be chosen. In a simple random sampling, individuals are chosen at random and not more than once to prevent a bias that would negatively affect the validity of the result of the experiment. Simple random sampling is the most widely used probability sampling method, probably because it is easy to implement. An important benefit of simple random sampling is that it allows researchers to use statistical methods to analyse sample results.

3.5 SAMPLE SIZE

Size of the sample refers to the number of items to be chosen from the universe to form a sample.

The size of sample must be optimum. An optimum sample may be defined as the one that satisfies the requirements of representativeness, flexibility, efficiency, and reliability.

The sample size is calculated as follows:

$$n = \frac{Z^2 \times P(1 - P)}{d^2}$$

Where:

n = Sample Size

Z = Z Statistic for a level of confidence

P = Expected prevalence or Proportion (p is

8%) d = Acceptable Amount of Sampling

Error is 6%

3.6 DATA COLLECTION METHODS

- **Primary Data**

Primary data are generated by a study specifically designed to accommodate the needs of the problem at hand. The methods used were direct survey from the customer preference towards mutual funds.

- **Secondary Data**

Secondary data are those, which are not collected specifically for solving the problem currently being investigated. Here secondary data were collected from the records available in the company website, books, govt reports, journals and through the internet.

3.7 DATA COLLECTION RESEARCH INSTRUMENT

QUESTIONNAIRE

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. It is a device for securing answers to questions by using a form which the respondent fills by himself. In this method, pre-printed list of questions arranged in a sequence which is used by the researcher for collecting data. The questionnaire schedule is filled by the respondents. The questionnaire is considered as the heart of the survey. Hence it should be very carefully constructed. If it is not properly set up, then survey is bound to fail. By keeping the objective set as base a list of questions are framed consisting of open-ended, dichotomous, ranking and multiple-choice questions.

3.8 HYPOTHESIS & STATISTICAL TOOLS

Hypothesis 1: There is no significance difference between educational qualification and awareness about mutual funds

Hypothesis 2: There is no significance difference among age group and impact of factors while investing in mutual funds

Hypothesis 3: There is no significance difference between marital status and mutual benefits while investing in mutual funds

Hypothesis 4:

STATISTICAL TOOLS

- ❖ PERCENTAGE ANALYSIS
- ❖ CHI SQUARE TEST
- ❖ ONE WAY ANOVA ANALYSIS
- ❖ T- TEST

PERCENTAGE (%) ANALYSIS

% Refers to a special kind of ratio. % Is used in making comparison between two or more series of data, % are used to describe relationship. It can be used to compare the relative terms, the distribution of two or more series of data.

$$\% \text{ Of Respondents} = (\text{No. of respondents} / \text{Total}) * 100$$

CHI-SQUARE TEST:

It is the mostly used non-parametric test in statistical work. The quality χ^2 describes the magnitude of discrepancy between theory and observation. The greater value of Chi-square the greater would be the discrepancy between observed and expected frequencies. The formula for computing Chi square is the calculated value is compared with the table value for the given degree of freedom at specific level of significance. It is accepted when the calculated value is lesser than the tabulated

value and is rejected when the calculated value is greater than the tabulated value. The chi-square test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

Calculation of:

$$\chi^2_c = \sum \frac{(O_i - E_i)^2}{E_i}$$

1. Null Hypothesis (Ho): There is no difference in attributes
2. Alternate Hypothesis (H1): There is a difference in attributes
3. Level of significance $\alpha = 0.05$
4. Degrees of freedom = $(r-1)(c-1)$
5. Expected frequency = $R.T \times C.T/G$. T:

ONE WAY ANOVA ANALYSIS:

For managerial decision making, sometimes one has to carry out tests of significance. The analysis of variance is an effective tool for this purpose. The objective of ANOVA is to test the homogeneity of the means of different samples. A one-way analysis of variance (ANOVA) is used when you have a categorical independent variable (with two or more categories) and a normally distributed interval dependent variable and you wish to test for differences in the means of the dependent variable broken down by the levels of the independent variable.

Calculating F:

$$F = \frac{\text{Variance between the categories}}{\text{Variance within the categories}}$$

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of three or more independent groups, also called treatments. ANOVA compares the means between the groups and determines whether any of the means are significantly different from each other.

INDEPENDENT SAMPLE TEST:

The independent t-test, also called the two-sample t-test, independent-samples t-test or student's t-test, is an inferential statistical test that determines whether there is a statistically significant difference between the means in two unrelated groups. The standard error of difference is the combined standard error of the two groups. This is determined by the standard error of each group with respect to how many participants in each group.

3.9 LIMITATIONS OF THE STUDY

- A time constraint is unavoidable limitation of this study.
- Financial problem is also there in completing this project.
- Inadequate disclosure of information is also the problem.
- Some of the respondents might have answered in biased manner.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

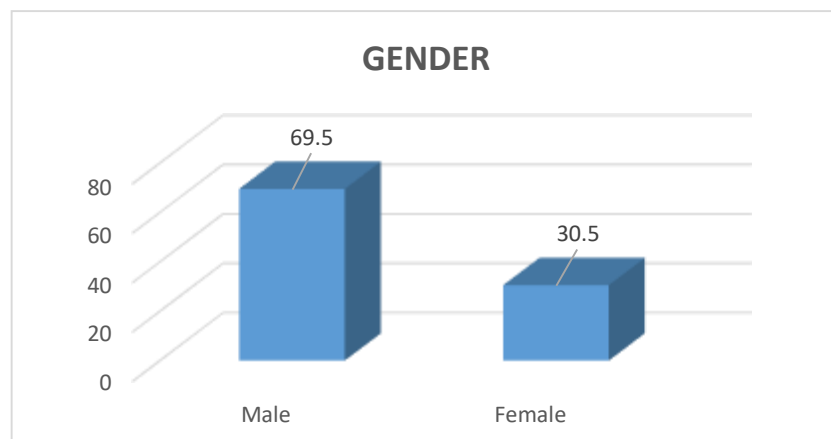
4.1 PERCENTAGE ANALYSIS

4.1.1 TABLE SHOWING THE GENDER OF THE RESPONDENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Male	82	69.5
Female	36	30.5
Total	118	100

SOURCE: Primary Data

4.1.1 CHART SHOWING THE GENDER OF THE RESPONDENTS



INFERENCE:

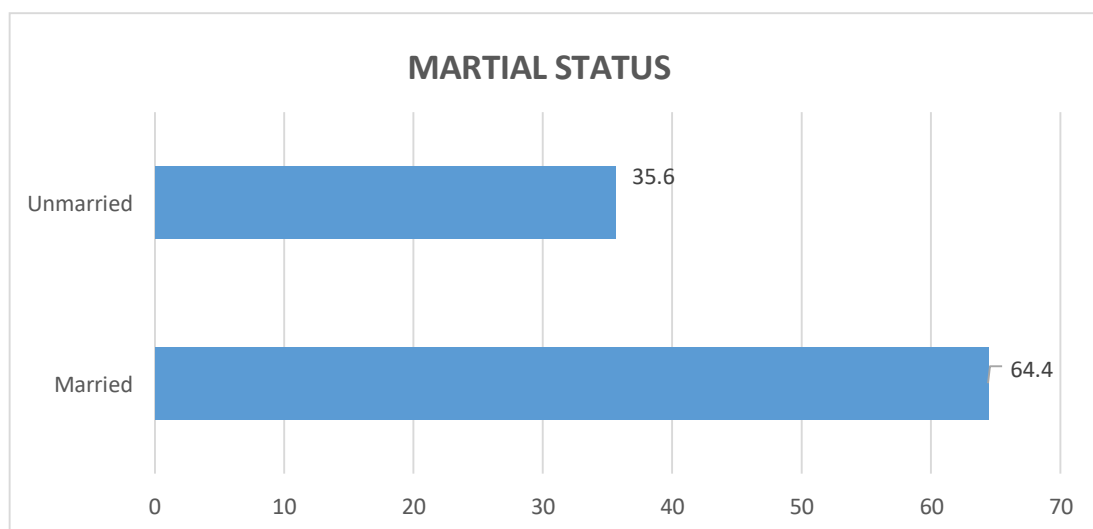
From the table it is observed that 69.5% are male respondents and 30.5% are female respondents

4.1.2 TABLE SHOWING THE AGE GROUP OF THE RESPONDENTS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Married	76	64.4
Unmarried	42	35.6
Total	118	100

SOURCE: Primary Data

4.1.2 CHART SHOWING THE AGE GROUP OF THE RESPONDENTS



INFERENCE:

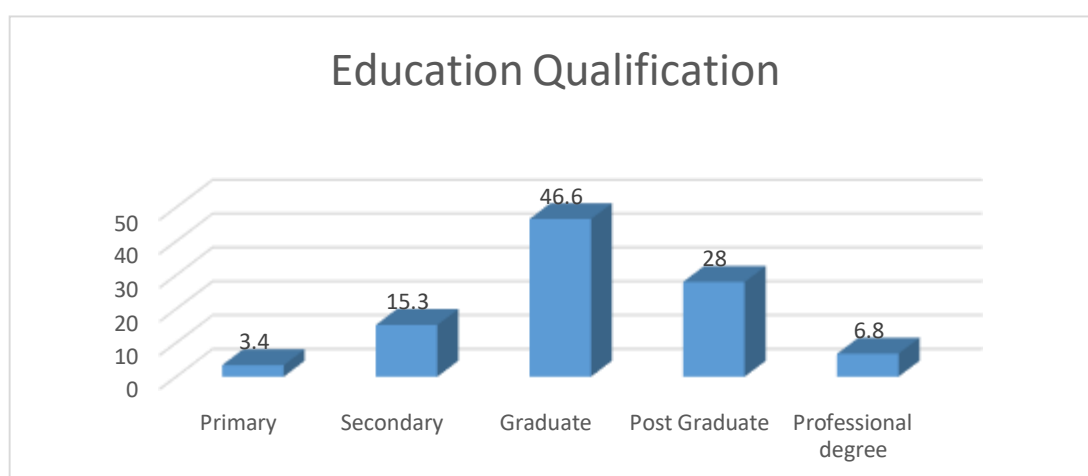
From the table, it is identified that 64.4% are married and 35.6% are unmarried respondents.

4.1.3 TABLE SHOWING EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Primary	4	3.4
Secondary	18	15.3
Graduate	55	46.6
Post Graduate	33	28
Professional degree	8	6.8
Total	118	100

SOURCE: Primary Data

4.1.3 CHART SHOWING EDUCATIONAL QUALIFICATION OF THE RESPONDENTS



INFERENCE:

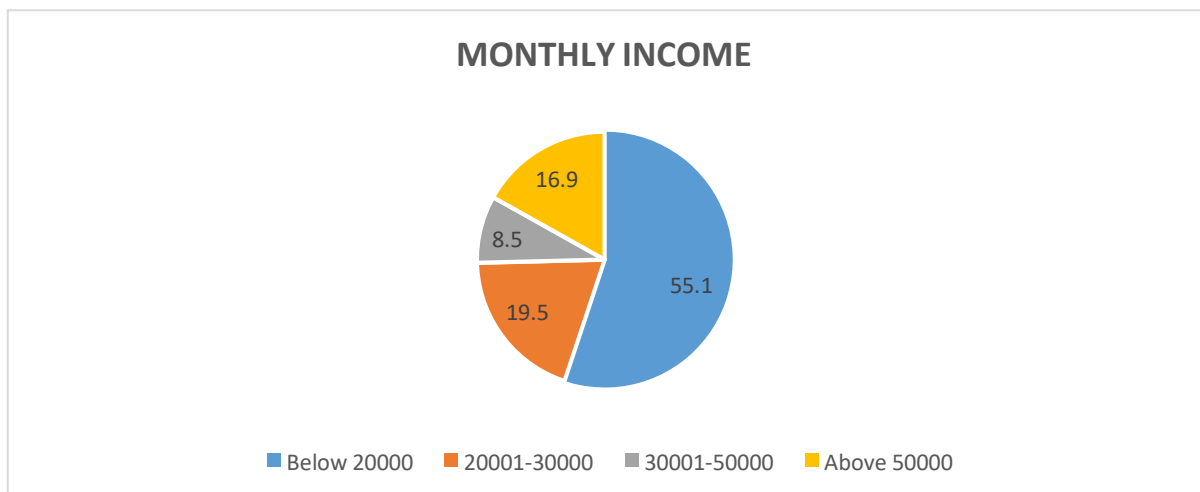
From the table it is identified that 3.4% of the respondents have done up to primary education, 15.3% of the respondents up to secondary level education, 46.6% of the respondents are graduates, 28% of the respondents have completed post graduate degrees and 6.8% of respondents are professionals.

4.1.4 TABLE SHOWING INCOME OF THE RESPONDENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Below 20000	65	55.1
20001-30000	23	19.5
30001-50000	10	8.5
Above 50000	20	16.9
Total	118	100

SOURCE: Primary Data

4.1.4 CHART SHOWING INCOME OF THE RESPONDENT



INFERENCE:

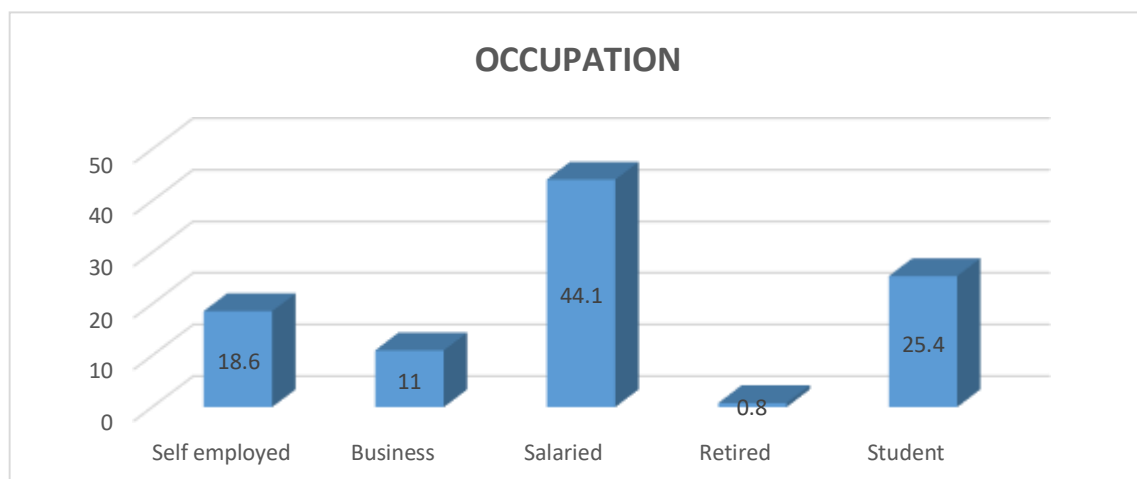
From the table it is identified that 55.1% of the respondents earns below 20000, 19.5% of the respondents earns 20,001 to 30,000, 8.5% of the respondents earns 30,001 to 50000 and 16.9% of the respondents earns above 50,000.

4.1.5 TABLE SHOWING OCCUPATION OF THE RESPONDENTS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Self employed	22	18.6
Business	13	11
Salaried	52	44.1
Retired	1	0.8
Student	30	25.4
Total	118	100

SOURCE: Primary Data

4.1.5 CHART SHOWING OCCUPATION OF THE RESPONDENTS



INFERENCE:

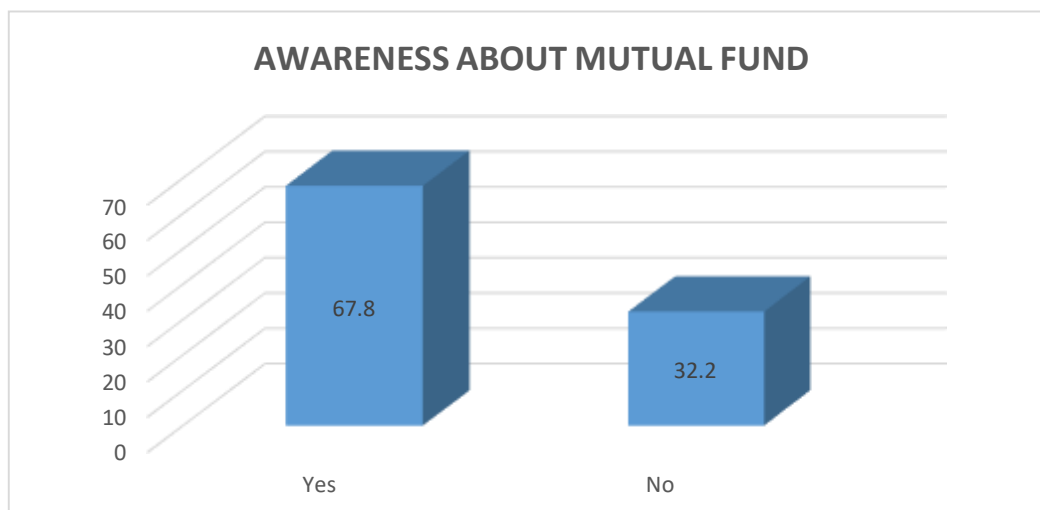
From the table it is identified that 18.6% of the respondents belong to self-employed, 11% of the respondents belong to business, 44.1% of the respondents belong to salaried, 0.8% of the respondents belong to retired and 24.4% of the respondents belong to students.

4.1.6 TABLE SHOWING THE RESPONDENTS AWARENESS ABOUT MUTUAL FUND

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	80	67.8
No	38	32.2
Total	118	100

SOURCE: Primary Data

4.1.6 CHART SHOWING RESPONDENTS AWARENESS ABOUT MUTUAL FUNDS



INFERENCE:

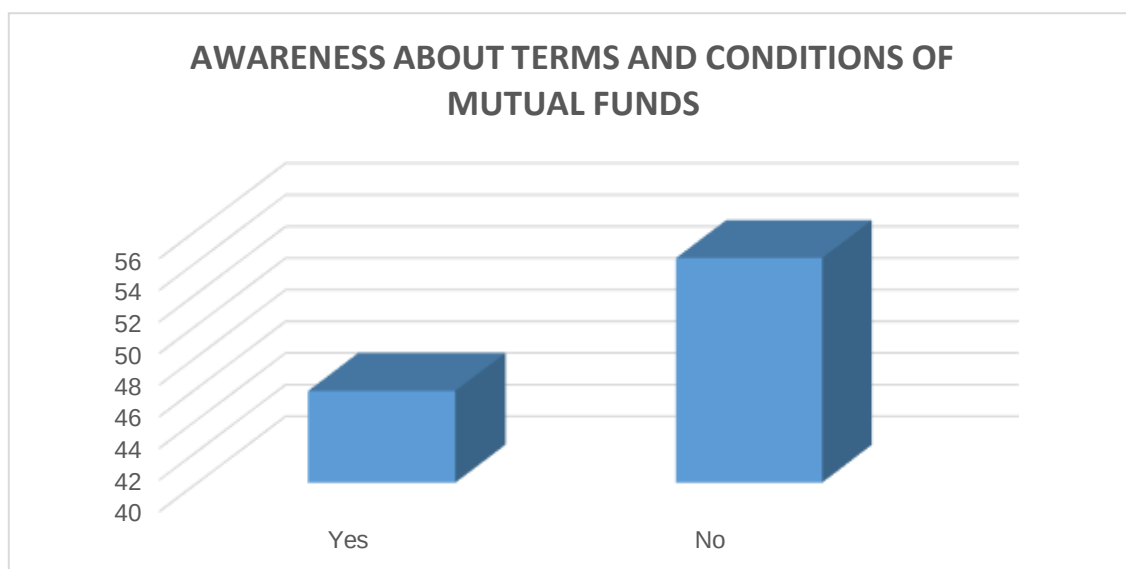
From the table it is identified that 67.8% of the respondents are aware about mutual funds and 32.2 % of the respondents are not aware about mutual funds.

4.1.7 TABLE SHOWING THE RESPONDENTS AWARENESS ABOUT TERMS AND CONDITIONS ABOUT MUTUAL FUND

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	54	45.8
No	64	54.2
Total	118	100

SOURCE: Primary Data

4.1.7 CHART SHOWING RESPONDENTS AWARENESS ABOUT MUTUAL FUNDS



INFERENCE:

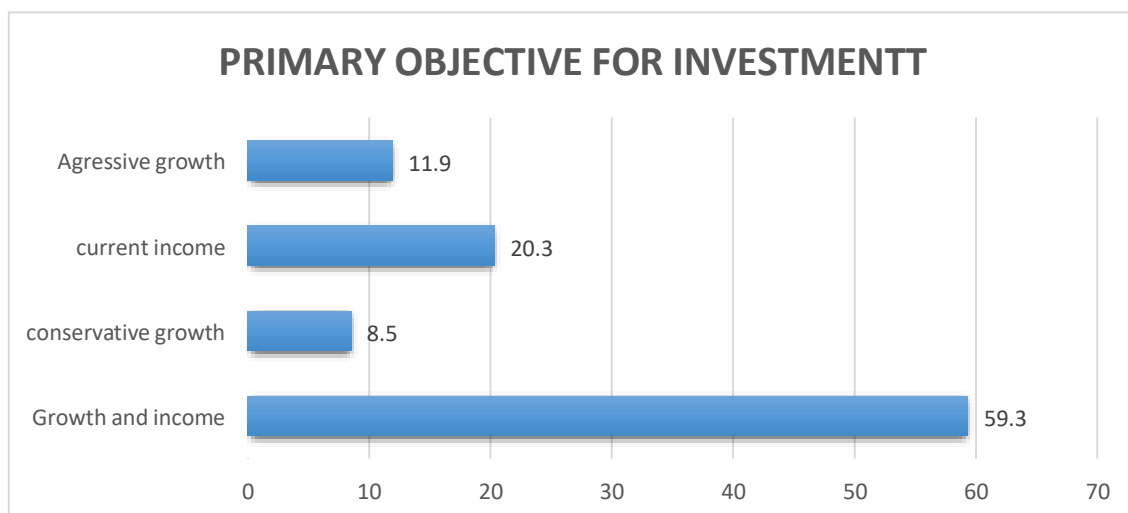
From the table it is identified that 45.8% of the respondents are aware about the terms and conditions of mutual funds and 54.2 % of the respondents are not aware about the terms and condition of mutual funds.

4.1.8 TABLE SHOWING THE RESPONDENTS PRIMARY OBJECTIVE FOR INVESTMENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Growth and income	70	59.3
conservative growth	10	8.5
current income	24	20.3
Aggressive growth	14	11.9
Total	118	100

SOURCE: Primary Data

4.1.8 CHART SHOWING THE RESPONDENTS PRIMARY OBJECTIVE FOR INVESTMENT



INFERENCE:

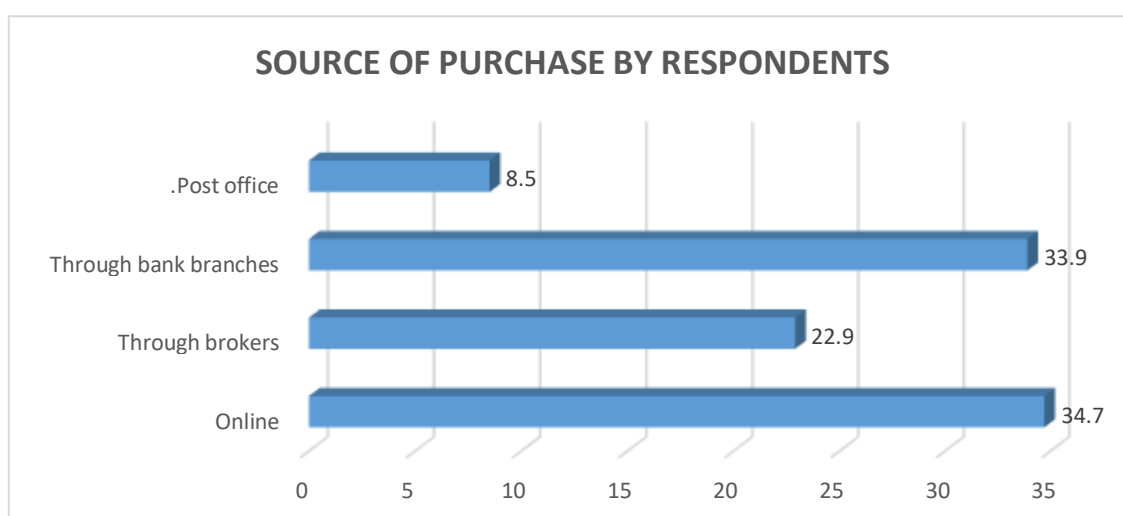
From the table it is identified that 59.3% of the respondents invest for growth and income, 8.5% for growth and income, 20.3% for current income and 11.9 %of the respondents investfor aggressive growth.

4.1.9 TABLE SHOWING PURCHASING SOURCE BY THE RESPONDENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Online	41	34.7
Through brokers	27	22.9
Through bank branches	40	33.9
Post office	10	8.5
Total	118	100

SOURCE: Primary Data

4.1.9 CHART SHOWING THE PURCHASING SOURCE BY THE RESPONDENTS



INFERENCE:

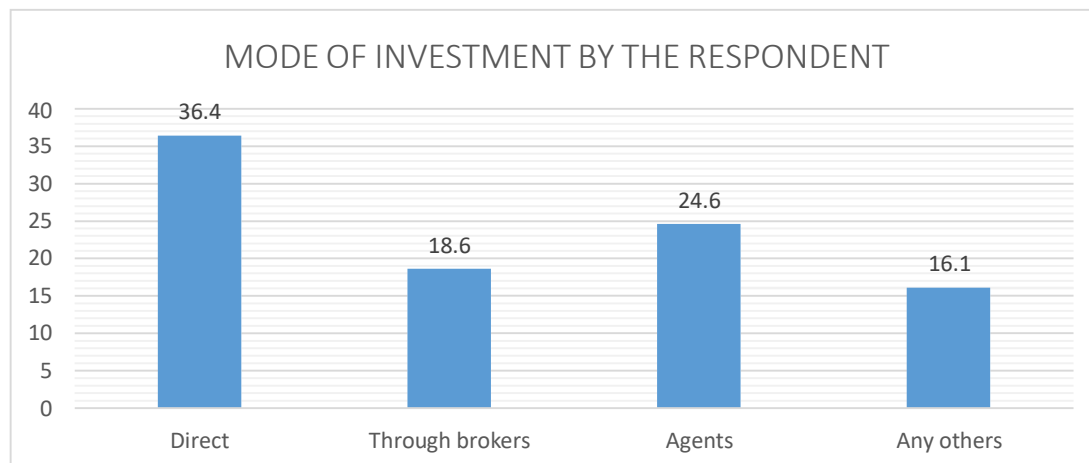
From the table it is identified that 34.7% of respondents purchase through online, 22.9% through brokers, 33.9% through bank branches, 8.5 percent through post office.

4.1.10 TABLE SHOWING THE MODE OF INVESTMENT BT THE RESPONDENT

PARTIC ULARS	NO. OF RESPONDENTS	PERCENTAGE
Direct	43	36.4
Through brokers	22	18.6
Agents	29	24.6
Any others	19	16.1
Total	118	100

SOURCE: Primary Data

4.1.10 CHART SHOWING THE MODE OF INVESTMENT BY THE RESPONDENT



INFERENCE:

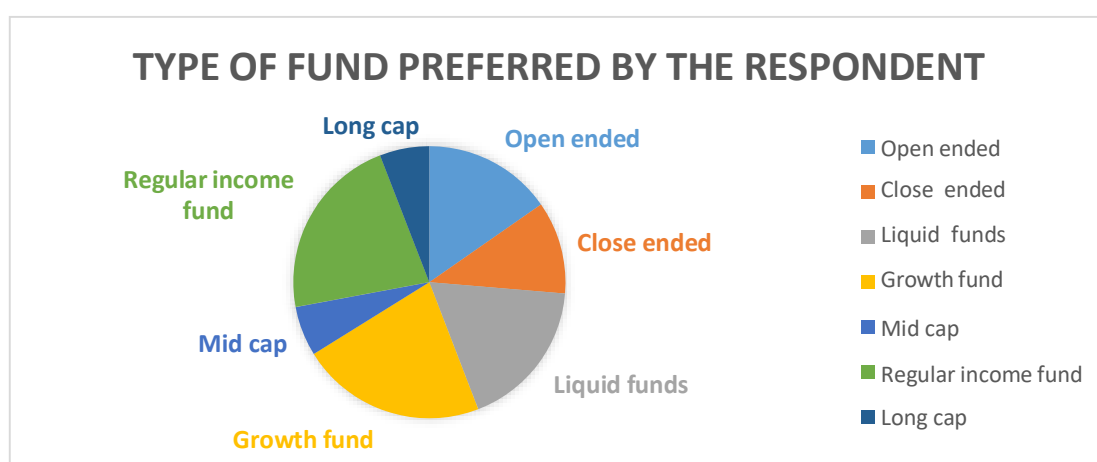
From the table it is identified that 34.7% of respondents invest through direct mode, 18.6% through brokers, 24.6% through agents and 16.1% through other modes.

4.1.11 TABLE SHOWING THE TYPE OF FUND PREFERRED BY THE RESPONDENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Open ended	18	15.3
Close ended	13	11
Liquid funds	21	17.8
Growth fund	26	22
Mid cap	7	5.9
Regular income fund	26	22
Long cap	7	5.9
Total	118	100

SOURCE: Primary Data

4.1.11 CHART SHOWING THE TYPE OF FUND PREFERRED BY THE RESPONDENTBY THE RESPONDENT



INFERENCE:

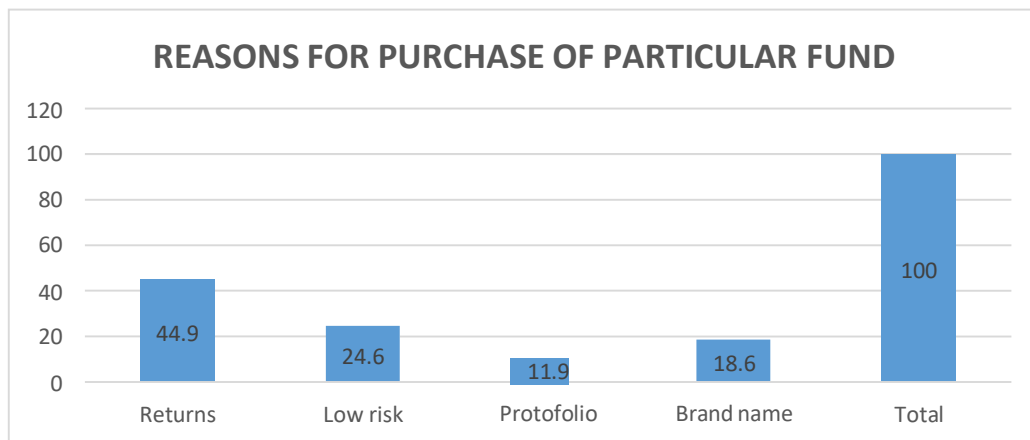
From the table it is identified that 15.3 % of the respondents prefer open ended mutual fund, 11% prefer close ended, 17.8% prefer liquid funds, 22% prefer growth fund, 5.9% prefer midcap, 22% prefer regular income fund 5.9% prefer long cap funds.

4.1.12 TABLE SHOWING THE REASON FOR PURCHASE OF PARTICULAR FUND BY THE RESPONDENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Returns	53	44.9
Low risk	29	24.6
Portfolio	14	11.9
Brand name	22	18.6
Total	118	100

SOURCE: Primary Data

4.1.12 CHART SHOWING THE REASON FOR PURCHASE OF PARTICULAR FUND BY THE RESPONDENT



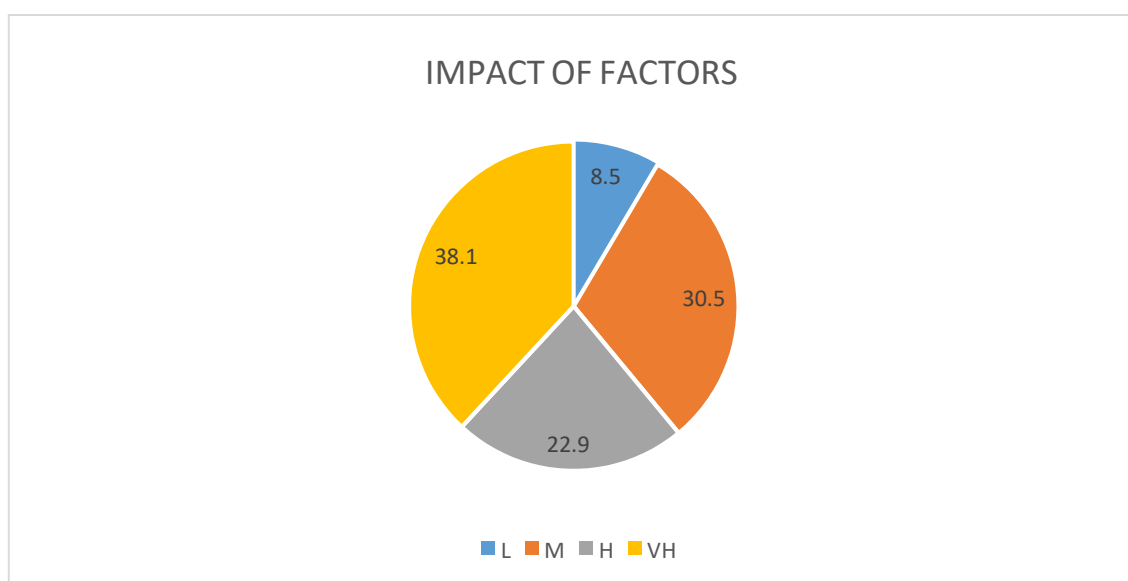
INFERENCE:

From the table it is identified that 44.9 % purchase for returns, 24.6% for low risks 11.9 purchase for portfolio and 18.6 purchase for brand name.

4.1.13 TABLE SHOWING THE IMPACT OF FACTORS WHILE INVESTING IN MUTUAL FUNDS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
L	10	8.5
M	36	30.5
H	27	22.9
VH	45	38.1
Total	118	100

4.1.13CHART SHOWING THE IMPACT OF FACTORS WHILE INVESTING IN MUTUAL FUNDS



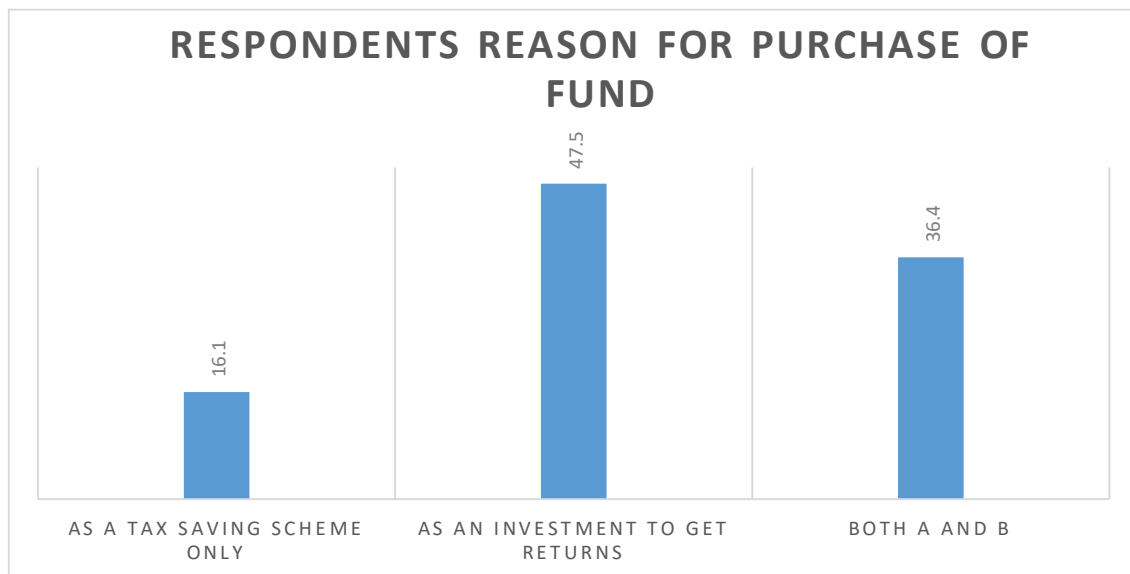
INFERENCE:

From the table it is identified that 8.5% of the respondents says that there is less impact offactors, 30.5% says that there is medium impact, 22.9% as very high impact and 38.1% asvery high impact.

4.1.14 TABLE SHOWING THE RESPONDENTS REASON FOR PURCHASE OF MUTUAL FUNDS

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
As a tax saving scheme only	19	16.1
As an investment to get returns	56	47.5
Both a and b	43	36.4
Total	118	100

4.1.14 CHART SHOWING THE IMPACT OF FACTORS WHILE INVESTING IN MUTUAL FUNDS



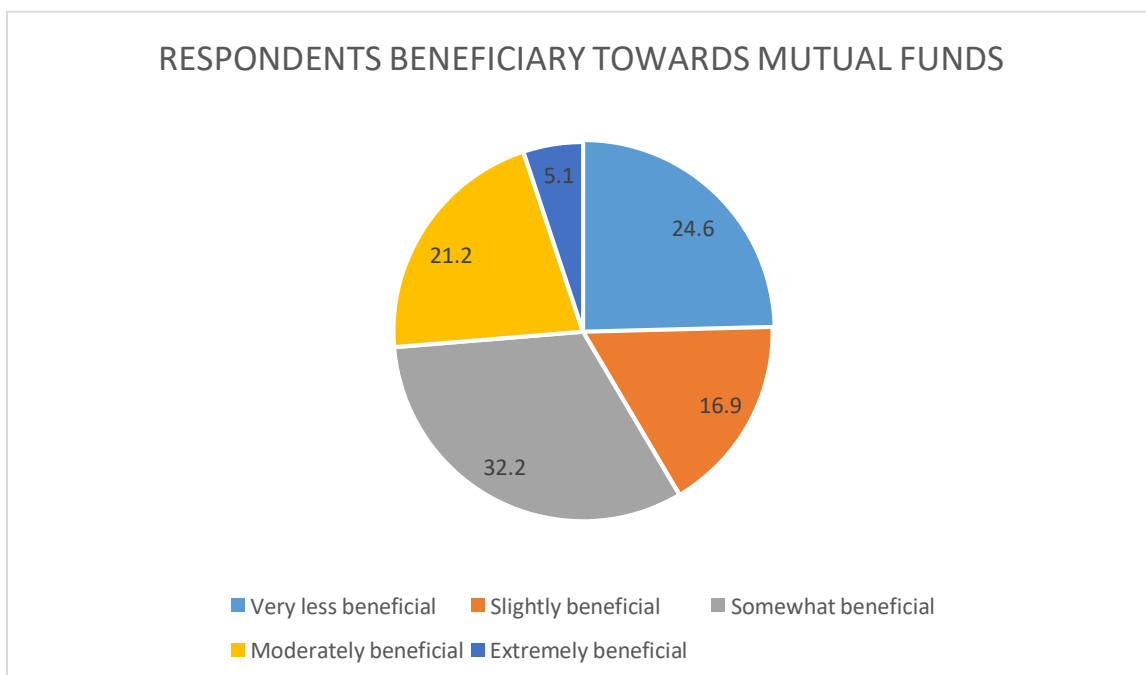
INFERENCE:

From the table it is identified that 16.1% of the respondents choose as tax saving scheme as reason for purchase of mutual funds, 47.5% as investment to get returns and 36.4% for both.

**4.1.15TABLE SHOWING THE RESPONDENTS BENEFICIARY TOWARDS
MUTUAL FUNDS**

PARTICULARS	NO. OF RESPONDENTS	PERCENT
Very less beneficial	29	24.6
Slightly beneficial	20	16.9
Somewhat beneficial	38	32.2
Moderately beneficial	25	21.2
Extremely beneficial	6	5.1
Total	118	100

**4.1.15CHART SHOWING THE IMPACT OF FACTORS WHILE
INVESTING IN MUTUAL FUNDS**



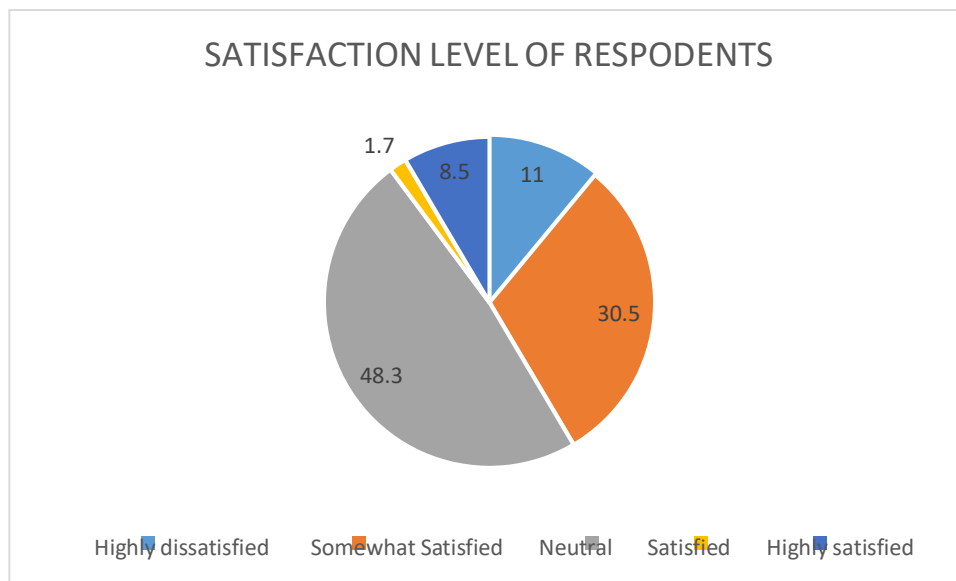
INFERENCE:

From the table it is identified that 24.6% of the respondents of them says it's very less beneficial, 16.9% of the respondents as slightly beneficial, 32.2% as somewhat beneficial, 21.2% of the respondents as moderately beneficial 5.1% as extremely beneficial.

4.1.16 TABLE SHOWING THE SATISFACTION LEVEL OF RESPONDENTS TOWARDS MUTUAL FUNDS

PARTICULARS	FREQUENCY	PERCENTAGE
Highly dissatisfied	13	11
Somewhat Satisfied	36	30.5
Neutral	57	48.3
Satisfied	2	1.7
Highly satisfied	10	8.5
Total	118	100

4.1.16 CHART SHOWING THE SATISFACTION LEVEL OF RESPONDENTS TOWARDS MUTUAL FUNDS



INTERFACE:

From the table it is identified that 11% of the respondents are highly dissatisfied 30.5% are somewhat satisfied, 48.3% of respondents are neutral,1.7% are satisfied and 8.5% are highly satisfied.

4.2CHI-SQUARE TESTS

Null hypothesis (H1): There is no significance difference between educational qualification and awareness about mutual funds

Alternate hypothesis (H_{a1}): There is significance difference between educational qualification and awareness about mutual fund .

Case Processing Summary

	Case s					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Education * Aware_abt_mtfunds	118	100.00%	0	0.00%	118	100.00%

Education * Aware_abt_mtfunds				
Count				
		Are you aware about mutual funds?		Total
		Yes	No	
Education	Primary	1	3	4
	Secondary	9	9	18
	Graduate	33	22	55
	Post Graduate	29	4	33
	Professional degree	8	0	8
Total		80	38	118

Chi-Square Tests			
	Value	df	Asymp .Sig. (2- sided)
Pearson Chi-Square	17.394 ^a	4	0.002
Likelihood Ratio	20.442	4	0
Linear-by-Linear Association	16.279	1	0
N of Valid Cases	118		
a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.29.			

Inference:

Since P value is lesser than 0.05 reject null hypothesis. Hence it is considered that there is no significance difference between educational qualification and awareness about mutual funds.

4.3 ONE WAY ANNOVA

Null hypothesis (H3): There is no significance difference among age group and impact of factors while investing in mutual funds

Alternate hypothesis (Ha3): There is significance difference among age group and impact of factors while investing in mutual funds

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
State the impact of the following factors while investing in Mutual funds VH- Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Professional management]	Between Groups	8.893	3	2.964	3.042	.092
	Within Groups	111.081	114	.974		
	Total	119.975	117			
State the impact of the following factors while investing in Mutual funds VH- Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Mutual fund regulations]	Between Groups	2.161	3	.720	.850	.469
	Within Groups	96.593	114	.847		
	Total	98.754	117			
State the impact of the following factors while investing in Mutual funds VH- Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Convenience]	Between Groups	8.022	3	2.674	2.892	.088
	Within Groups	105.402	114	.925		
	Total	113.424	117			

State the impact of the following factors while investing in Mutual funds VH- Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Low transaction cost]	Between Groups	11.057	3	3.686	3.806	.062
	Within Groups	110.409	114	.969		
	Total	121.466	117			
	Between Groups	6.161	3	2.054	2.319	.079
	Within Groups	100.958	114	.886		
	Total	107.119	117			
	Between Groups	6.675	3	2.225	2.184	.094
	Within Groups	116.139	114	1.019		
	Total	122.814	117			

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
State the impact of the following factors while investing in Mutual funds VH- Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Return on investment]	Between Groups	3.833	3	1.278	1.381	.252
	Within Groups	105.489	114	.925		
	Total	109.322	117			
State the impact of the following factors while investing in Mutual funds VH- Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Lock in Period]	Between Groups	12.639	3	4.213	4.820	.003
	Within Groups	99.641	114	.874		
	Total	112.280	117			

Inference:

Since P value is lesser than 0.05 reject null hypothesis. Hence it is considered that there is no significance difference among age group and impact of factors while investing in mutual fund

4.4 INDEPENDENT SAMPLE TEST

Null hypothesis (H₀): There is no significance difference between age group and level of satisfaction towards mutual funds

Alternate hypothesis (H₁): There is significance difference between age group and level of satisfaction towards mutual funds

INDEPENDENT SAMPLES TEST										
		Levene's Test for Equality of Variances			t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Level of satisfaction towards investment in mutual funds	Equal variances assumed	4.960	.028	-.841	116	.402	-.168	.200	-.564	.228
	Equal variances not assumed			-.925	84.412	.358	-.168	.182	-.529	.193

Inference:

Since p value is lesser than 0.05 reject Null hypothesis. Hence there is no significance difference between age group and level of satisfaction towards mutual funds.

CHAPTER V
FINDINGS, SUGGESTIONS, AND
CONCLUSION

CHAPTER V

5.1 FINDINGS OF THE STUDY

5.1 DESCRIPTIVE FINDINGS:

- From the study it is found that the majority of the respondent that is 69.5% of them are male respondents
- From the study it is found that the majority of the respondents that is 64.4% of them are married
- From the study it is found that the majority of the respondent that is 46.6% of them are studies graduate
- From the study it is found that the majority of the respondent that is 44.4% of them are the salaried
- From the study it is found that the majority of the respondent that is 64.8% of the respondents are aware about the mutual funds
- From the study it is found that the majority of the respondent that is 54.02 % of the respondents are not aware about the benefits terms and conditions of mutual funds
- From the study it is found that the majority of the respondent that is 59.03 % of the respondents invest for growth and income
- From the study it is found that the majority of the respondent that is 34.07 % of the respondents purchase funds through online
- From the study it is found that the majority of the respondent that is 24.06 % of the respondents choose agents as mode of investment
- From the study it is found that the majority of the respondent that is 34.07 % of the respondents
- From the study it is found that the majority of the respondent that is 17.08 % of the respondents prefer liquid funds

- From the study it is found that the majority of the respondent that is 47.05 % of the respondents choose as an investment to get returns as the reason for purchase of fund.
- From the study it is found that the majority of the respondent that is 48.03 % of the respondents are neutrally satisfied towards mutual funds.

5.2 SUGGESTIONS AND RECOMMENDATION

- Based on the above major findings of the study, the following suggestions and recommendations are offered for greater level of customers preference of the investors for Investment in Mutual Funds.
- Before making any investment, Financial Advisors should first enquire about the risk tolerance of the investors/customers, 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 fewer than 35 will be a key new customer group into the future, so making greater efforts with younger customers who show some interest in investing should pay off.
- Customers with graduate level education are easier to sell to 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 of the innovative products launched by Asset Management Companies very recently in the industry. SIP is easy for monthly salaried person as it provides the facility of investing through equated monthly installments (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.
- As there is no comprehensive law to regulate the mutual fund in India, uniform coordinated regulations by a single agency should be formed which would provide the shelter to the investors.
- As the investors are not willing to invest in mutual fund unless a minimum return is assured, it is very essential to educate the investors about mutual fund that they are market instruments and associated with market risk hence the guarantee of assured return can't be offered.

- Private sector may also be encouraged to float mutual funds, for creating intensifying competition in the industry as it has been done in case of Banks.
- Due to operations of many mutual funds, there will be need for appropriate guidelines for self-regulation in respect of publicity/advertisement and inter- scheme transactions within each mutual fund. Care should be taken not to promulgate misleading information to the public in general and unit holders in specific.
- The growth of mutual fund tends to increase the shareholdings in good companies, give rise to the fear of destabilizing among industrial group, hence introduction of voting shares and lowering the debt-equity ratio help to remove these apprehension.
- Additional clarity is required regarding the roles and responsibilities together with duties and rights of Trustees, Sponsors, Fund Managers, Lead Managers, Custodians and Unit Holders. A separate legal framework in the lines of SEBI is the need of the hour to protect the interest of the investors. Some steps should be taken to make fair and truthful disclosures of information to the investors, so that subscribers know what risk they will have by investing in fund. Infrastructure bottlenecks will have to be removed and banking and postal network have to be taken place for growth of mutual funds

CONCLUSION:

Financial planning is an exercise aimed at identifying all financial needs of an individual, translating the needs into monetarily measurable goals at different times in the future, and planning the financial investments that will allow the individual to provide for and satisfy his future financial needs and achieve his/her life's goals. Running a successful Mutual Fund requires complete understanding of the peculiarities of the Indian Stock Market and also the psyche of the small investors. This study has made an attempt to understand the financial behaviour of Mutual Fund investors in connection with the preferences of Brand (AMC), Products, and Channels etc. It is observed that many people have fear of Mutual Fund. They think their money will not be secure in Mutual Fund. They need the knowledge of Mutual Fund and its related terms. Many of people do not have invested in mutual fund due to lack of awareness although they have money to invest. As the awareness and income is growing the number of mutual fund investors are also growing. "Brand" plays important role for the investment. People invest in those Companies where they have faith or they are well known with them. There are many AMCs in Berhampur but only some are performing well due to Brand awareness. Some AMCs are not performing well although some of the schemes of them are giving good return because of not awareness about Brand. Reliance, UTI, SBIMF, ICICI Prudential etc. Distribution channels are also important for the investment in mutual fund. Financial Advisors are the most preferred channel for the investment in mutual fund. They can change investors' mind from one investment option to others. Many of investors directly invest their money through AMC because they do not have to pay entry load. Only those people invest directly who know well about mutual fund and its operations and those have time.

ANNEXURE –I

A Study on investor's preferences towards mutual funds

* Required

1. Name *

2. Gender *

Mark only one oval.

☐ Male

☐ Female

3. Martial status *

Mark only one oval.

☐ Married

☐ Unmarried

4. Education *

Mark only one oval.

☐ Primary

☐ Secondary

☐ Graduate

☐ Post Graduate Professional

☐ degree

5. Monthly income (in Rupees) *

Mark only one oval.

- | | |
|-----------------------|-------------|
| ☐ | Below 20000 |
| ☐ | 20001-30000 |
| ☐ | 30001-50000 |
| ☐ | Above 50000 |

6. Occupation *

Mark only one oval.

- | | |
|-----------------------|------------------|
| ☐ | Self employed |
| ☐ | Business |
| ☐ | Salaried Retired |
| ☐ | Student |
| ☐ | |

7. Are you aware about Mutual funds?

Mark only one oval.

- | | |
|-----------------------|-----|
| ☐ | Yes |
| ☐ | No |

8. Are you aware about all the Benefits, Terms & Conditions of Investment in mutualfunds?
*

Mark only one oval.

- | | |
|-----------------------|-----|
| ☐ | Yes |
| ☐ | No |

9. What is your primary objective for investment? *

Mark only one oval.

- ☐ Growth and income
- ☐ conservative growthcurrent
- ☐ income Aggressive growth
- ☐

10. How do you get the sources information about Mutual funds? *

Check all that apply.

- ☐ Brokers Agents
- ☐ Magazines
- ☐ Newspapers
- ☐

11. How do you purchase Mutual funds? *

Mark only one oval.

- ☐ Online
- ☐ Through brokers Through
- ☐ bank branches
- ☐ .Post office
- ☐

12. How do you invest in Mutual fund? *

Mark only one oval.

- ☐ Direct
- ☐ Through brokers
- ☐ Agents
- ☐ Any others

13. Which type of Fund you mostly prefer? *

Mark only one oval.

- ☐ Open ended
- ☐ Close ended
- ☐ Liquid funds
- ☐ Growth fund
- ☐ Mid cap
- ☐ Regular income fund
- ☐ Long cap

14. Reasons For purchase particular fund in Mutual Funds? *

Mark only one oval.

- ☐ Returns Low
- ☐ risk
- ☐ Protofolio
- ☐ Brand name

15. State the impact of the following factors while investing in Mutual funds VH-Very High; H-High; M-Moderate; L-Low; VL-Very Low * *

Mark only one oval per row.

	VH	H	M	L	VL
Professional management	☐	☐	☐	☐	☐
Fund regulations	☐	☐	☐	☐	☐
Convenience	☐	☐	☐	☐	☐
Low transaction cost	☐	☐	☐	☐	☐
Choice of Schemes	☐	☐	☐	☐	☐
Tax Benefits	☐	☐	☐	☐	☐
Return on investment	☐	☐	☐	☐	☐
Lock in Period	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

16. When you think of investment which statement best characterizes your feelings?

Mark only one oval.

- ☐ I want to be as sure as possible that my savings will not go down significantly
☐ I prefer taking on a small amount of risk in order to gain higher expected returns
☐ I prefer substantial risk to gain higher expected return

17. For what purpose you purchase Mutual Funds? *

Mark only one oval.

- ☐ As tax saving scheme only
☐ As an investment to get returns
☐ Both a and b

18. Which of the following you think is more beneficial in mutual funds? 5-Extremely beneficial 4-Moderately beneficial 3-somewhat beneficial 2-slightly beneficial 1-very less beneficial

Mark only one oval per row.

	1	2	3	4	5
Liquidity	☐	☐	☐	☐	☐
Diversification	☐	☐	☐	☐	☐
Expert management	☐	☐	☐	☐	☐
Suit your financial goals	☐	☐	☐	☐	☐
Cost efficiency	☐	☐	☐	☐	☐
Tax efficiency	☐	☐	☐	☐	☐
Safety	☐	☐	☐	☐	☐

19. Which of the factors you prefer before investing in mutual funds? *

Check all that apply.

- ☐ Liquidity
- ☐ Low risk
- ☐ Profitability
- ☐ High returns
- ☐ Company reputation

ANNEXURE-II ARTICLES

“A STUDY ON INVESTORS PREFERENCE TOWARDS MUTUAL FUNDS”

MR YADESH B.COM C.S;MBA,

**SCHOOL OF MANAGEMENT STUDIES, SATHYABAMA INSTITUTE OF SCIENCE AND
TECHNOLOGY**

CHENNAI TAMIL NADU SOUTH INDIA

yadeshkutty@gmail.com

DR A PALANI

**HEAD OF THE DEPARTMENT SATHYABAMA INSTITUTE OF SCIENCE AND
TECHNOLOGY**

CHENNAI TAMIL NADU SOUTH INDIA

ABSTRACT

A Mutual Fund is an investment that pools funds from various investors and invests the funds in stocks, bonds, short-term money-market instruments, other securities or assets or some combination of these investments. The primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. The main objective of this research is to identify investors' preference towards mutual fund in CHENNAI city. By using in structured questionnaire, Description statistical tools like chi-square test have been used for analyzing the data. The findings from this research are that the most of the investors are doubtful to invest the new age investment like mutual funds.

DEFINITION:

A mutual fund is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments, and other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus

INTRODUCTION:

A Mutual Fund pools the money of people with certain investment goals. The money invested in various securities depending on the objectives of the mutual fund scheme and the profits (or loss) are shared among investors' in proportion to their investment. Investments in securities are spread across a wide cross-section of industries and sectors. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual fund issues units to the investors' in accordance with quantum of money invested by them. Investors' of mutual funds are known as unit holders. The profits or losses are shared by the investors' in proportion to their investment. The mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. A mutual fund is required to be registered with Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public.

MEANING OF MUTUAL FUNDS:

A mutual fund is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments, and other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

COMPANY PROFILE:

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India (UTI), at the initiative of the Government of India and Reserve Bank. Though the growth was slow, but it accelerated from the year 1987 when non-UTI players entered the Industry.

In the past decade, Indian mutual fund industry had seen a dramatic improvement, both qualities wise as well as quantity wise. Before, the monopoly of the market had seen an ending phase; the Assets Under Management (AUM) was Rs. 67 billion. The private sector entry to the fund family raised the Amount to Rs. 470 billion in March 1993 and till April 2004; it reached the height of Rs. 1540 billion. The Mutual Fund Industry is obviously growing at a tremendous space with the mutual fund industry can be broadly put into four phases according to the development of the sector. Each phase is briefly described as under.

First Phase: 1964-87:

Unit Trust of India (UTI) was established in 1963 by an Act of Parliament by the Reserve Bank of India and functioned under the regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was Unit Scheme 1964. At the end of 1988 UTI had Rs.6,700 crores of assets under management.

Second Phase: 1987-1993 (Entry of Public Sector Funds)

1987 marked the entry of non-UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India

(GIC). SBI Mutual Fund was the first non-UTI Mutual Fund established in June 1987 followed by Canada bank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund (Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December 1990. At the end of 1993, the mutual fund industry had assets under management of Rs.47, 004 cores.

Third Phase: 1993-1996 (Entry of Private Sector Funds)

1993 was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The 1993 Securities & Exchange Board of India-SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996.

Fourth Phase: 1996-1999 (Growth and SEBI Regulations)

A set of regulations for all mutual funds operating in India was introduced with SEBI (Mutual Fund) Regulations, 1996.

TYPES OF MUTUAL FUND:

The different types of mutual fund available can be classified broadly based on structure, asset class, and investment goals. Going a step further, funds can also be categorized based on risk.

4. Structure of Mutual Funds:

Based on the ease of investment, mutual funds can be:

- **Open-ended funds:**

These funds do not limit when or how many units can be purchased. Investors can enter or exit throughout the year at the current net asset value. Open-ended funds are ideal for

investors seeking liquidity.

- **Close-ended funds:**

Close-ended funds have a pre-decided unit capital amount and also allow purchase only during a specified period. Here, redemption is bound by the maturity date. However, to facilitate liquidity, schemes trade on stock exchanges.

- **Interval funds:**

A cross between open-ended and close-ended funds, interval mutual funds permit transactions at specific periods. Investors can choose to purchase or redeem their units when the trading window opens up.

FACTORS AFFECTING MUTUAL FUNDS:

These are the basic factors that might affect the performance of your mutual fund.

1. Changes in the Markets/Sectors/Industries
2. Underlying Securities
3. Total Expense Ratio (TER)
4. Fund Size
5. Flow of Cash

STATEMENT OF THE PROBLEM:

Mutual fund in itself is deemed to be an institutional entity that encompasses the commonly desired and/or schematically accumulated financial goals of the community of investors. The money collected from a plethora of sources is invested by the fund manager in various types of securities depending on their duly specified objectives. A mutual fund, therefore, in its rudimentary conceptualization, is a collection of stocks and/or bonds, where an investor holds a share, which represents a part of the fund holding thereof. A proportionate sharing of income earned through such investors and capital appreciation witnessed by the schemes is duly carried out. It must however be mentioned that this proportional sharing by the unit holders is governed by the number of units owned by them. Mutual fund is therefore, the most suitable investment option available for a common man as it provides an opportunity to invest in a diversified, yet professionally managed portfolio at a competitive.

OBJECTIVES OF THE STUDY:

1. To analyze the awareness level of investors about mutual funds.
2. To identify the factors influencing the investor to select mutual funds
3. To examine the mutual benefits of investing in mutual funds among investors
4. To analyze the satisfaction level of investors towards mutual fund

SCOPE OF STUDY:

The scope has grown enormously over the years. In the first age of mutual funds, when the investment management companies started to offer mutual funds, choices were few. Even though people invested their money in mutual funds as these funds offered them diversified investment option for the first time. By investing in these funds, they were able to diversify their investment in common stocks, preferred stocks, bonds and other financial securities. At the same time, they also enjoyed the advantage of liquidity. With Mutual Funds, they got the scope of easy access to their invested funds on requirement. But, in today's world, Scope of Mutual Funds has become so wide, that people sometimes take long time to decide the mutual fund type, they are going to invest in. Several Investment Management Companies have emerged over the years who offer various types of Mutual Funds, each type carrying unique characteristics and different beneficial features

REVIEW LITERATURE:

A Mutual Fund is an investment vehicle that pools funds from various investors and invests the funds in stocks, bonds, short-term money-market instruments, other securities or assets or some combination of these investments. The primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. The main objective of this research is to identify investors' preference towards mutual fund in Kathmandu metropolitan city. By using in structured questionnaire, Description statistical tools like chi-square test have been used for analysing the data. The findings from this research are that the most of the investors are doubtful to invest the new age investment like mutual funds.

Swati Narula (2015):

Swati Narula in her research paper titled: Financial Literacy and personal investment decisions of retail investors in Delhi “has expressed that dominant part of the respondents had not just indicated better abilities in dealing with their monetary spending plan yet were likewise sure of confronting any money related obstacles in future. He has prescribed that money related training ought to be given at auxiliary and senior optional level of instruction as it was discovered budgetary proficiency and instructive level was connected. Crusade for spreading mindfulness about money related incorporation and budgetary education should be strengthened. Partners, including the Regulators and Policy creators may dispatch huge scale mindfulness programs.

Maheshwari P. (2015):

An analytical study of the composition of personal portfolio“ has concluded in his research that investors in the age group of 20 – 30 years, do not prepare or estimate or have enough knowledge about total expenses and savings. They neither record what is invested nor assess for their emergencies. They do not know the amount of money to be saved. Proper planning is not done by this age group as they are inexperienced. They are in a confused state whether to make investments for long term or for speculation and monitor investments.

Investors in the age group of 30-40 years, are interested in making savings and investments, prepare estimates, make records of their investments, compare planned with actual

investments, assess amount of money needed in emergencies and they start enjoying financial planning.

Manjunath S.A. (2015):

Manjunath S.A. in his research paper titled: A study on investment patterns and awareness of salaried class investors“ this class of people always went through different avenues of investment and decided their savings pattern. As far as the socio-economic variables are concerned, age, gender, income, education and occupation had been found to have persuade on the investors towards investment. The effect created by these factors on the investors was found to be significant.

Monika Dua (2016):

Monika Dua in her study said that the mutual funds industry in India is at the stage of infancy but is slowly and steadily progressing towards the stage of growth. However, in the fact of intensive competition success will come only to those MF's who prove mettle in the market.

Vyas (July 2016):

Vyas found out that investors rank Gold, Bank Deposits, Life Insurance schemes and post office schemes way ahead of Mutual Funds. Many investors who invest in various other schemes are not much aware about the mutual fund's schemes. It was also found that most of the investors do not park their money in mutual funds for more than 3 years.

Kothari and Mindargi (June 2017):

Kothari and Mindargi found out that people lying-in middle-income group are more attracted towards mutual funds and are ready to bear risk though many investors do not invest in mutual funds due to lack of knowledge. There are investors who find government bonds a better option as compared to mutual funds.

RESEARCH METHODOLOGY

Research methodology is the way of systematically solving the research problem. It is a science of studying how research is conducted scientifically.

RESEARCH DESIGN

“A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structures within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data” (Selltiz, et.al.,1962).

DESCRIPTIVE RESEARCH DESIGN

Descriptive research is used to describe characteristics of population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred.

Rather it addresses the "what" question (what are the characteristics of the population or situation being studied?) The characteristics used to describe the situation or population are usually some

kind of categorical scheme also known as descriptive categories. Descriptive research is a study

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

There are three ways a researcher can go about doing a descriptive research project, and they are:

- Observational, defined as a method of viewing and recording the participants.
- Case study, defined as an in-depth study of an individual or group of individuals.
- Survey, defined as a brief interview or discussion with an individual about a specific topic.

SAMPLE DESIGN

A sample design is a definite plan for obtaining a sample from a given population (Kothari 1988). Sample constitutes a certain portion of the population or universe. Sampling design refers to the technique or the procedure the researcher adopts for selecting items for the

sample from the population or universe. A sample design helps to decide the number of items to be included in the sample, i.e., the size of the sample.

SAMPLING TECHNIQUE:

Probability Sampling:

Probability sampling is that sampling procedure in which elements in the population have a known chance of being chosen as subjects in the sample. Sampling procedure used in the study

is disproportionate stratified random sampling. The methodology used in this project is a probability sampling.

SAMPLE SIZE

Size of the sample refers to the number of items to be chosen from the universe to form a sample.

The size of sample must be optimum. An optimum sample may be defined as the one that satisfies the requirements of representativeness, flexibility, efficiency, and reliability.

The sample size is calculated as follows:

$$n = \frac{Z^2 \times P(1 - P)}{d^2}$$

Where:

n = Sample Size

Z = Z Statistic for a level of confidence P = Expected prevalence or Proportion (p is 8%)

d = Acceptable Amount of Sampling Error is 6%

LIMITATIONS OF THE STUDY

- A time constraint is unavoidable limitation of this study.
- Financial problem is also there in completing this project.
- Inadequate disclosure of information is also the problem.
- Some of the respondents might have answered in biased manner.

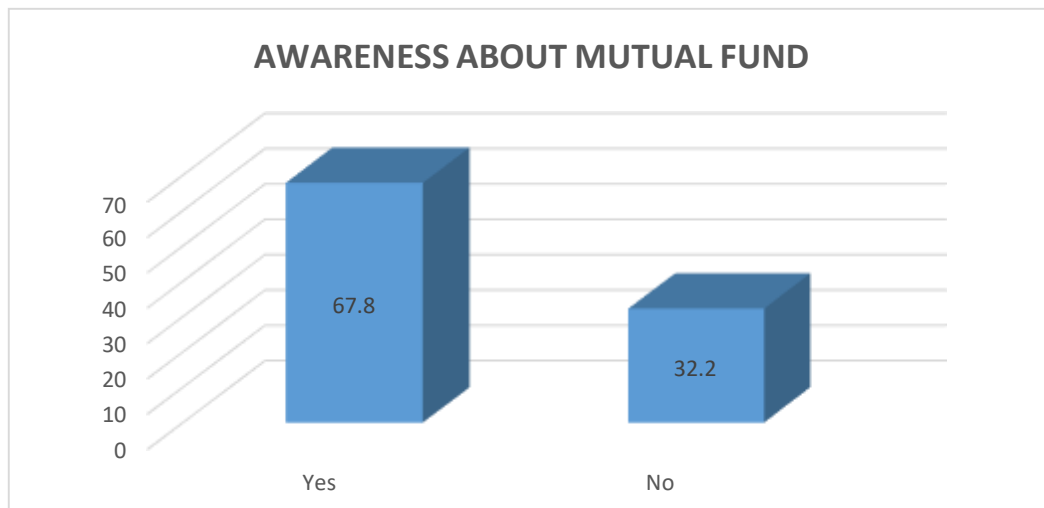
DATA ANALYSIS AND INTERPRETATION

**TABLE SHOWING THE RESPONDENTS AWARENESS ABOUT
MUTUAL FUND**

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	80	67.8
No	38	32.2
Total	118	100

SOURCE: Primary Data

**CHART SHOWING RESPONDENTS AWARENESS ABOUT
MUTUAL FUNDS**



INFERENCE:

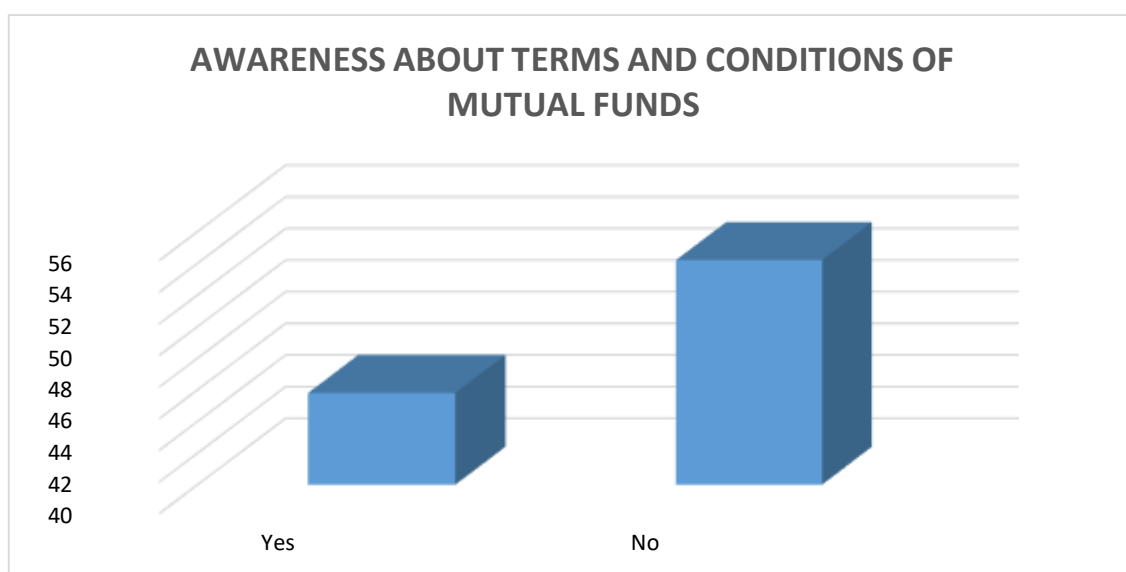
From the table it is identified that 67.8% of the respondents are aware about mutual funds and 32.2 % of the respondents are not aware about mutual funds.

**TABLE SHOWING THE RESPONDENTS AWARENESS ABOUT
TERMS AND CONDITIONS ABOUT MUTUAL FUND**

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	54	45.8
No	64	54.2
Total	118	100

SOURCE: Primary Data

**CHART SHOWING RESPONDENTS
AWARENESS ABOUTMUTUAL FUNDS**



INFERENCE:

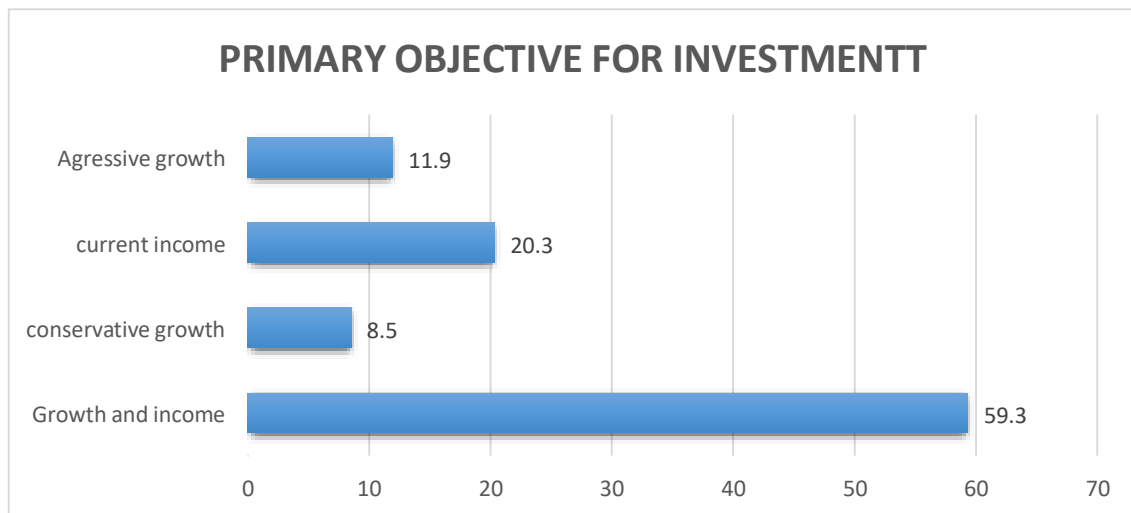
From the table it is identified that 45.8% of the respondents are aware about the terms and conditions of mutual funds and 54.2 % of the respondents are not aware about the terms and condition of mutual funds.

**TABLE SHOWING THE RESPONDENTS
PRIMARY OBJECTIVEFOR INVESTMENT**

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Growth and income	70	59.3
conservative growth	10	8.5
current income	24	20.3
Aggressive growth	14	11.9
Total	118	100

SOURCE: Primary Data

**CHART SHOWING THE RESPONDENTS
PRIMARY OBJECTIVEFOR INVESTMENT**



INFERENCE:

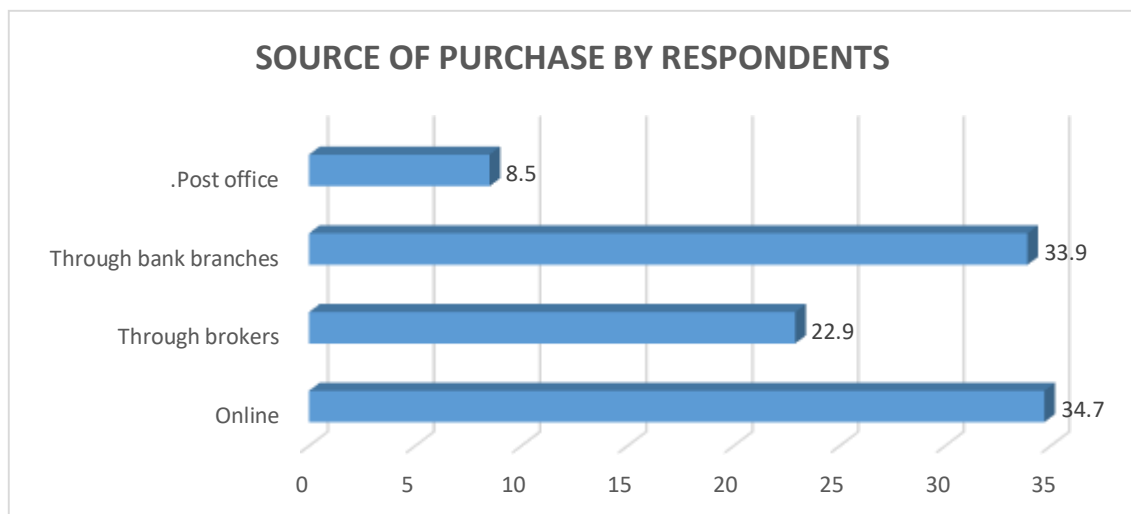
From the table it is identified that 59.3% of the respondents invest for growth and income, 8.5% for growth and income, 20.3% for current income and 11.9 %of the respondents invest for aggressive growth.

**TABLE SHOWING PURCHASING
SOURCE BY THERESPONDENT**

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Online	41	34.7
Through brokers	27	22.9
Through bank branches	40	33.9
Post office	10	8.5
Total	118	100

SOURCE: Primary Data

**CHART SHOWING THE PURCHASING
SOURCE BY THERESPONDENTS**



INFERENCE:

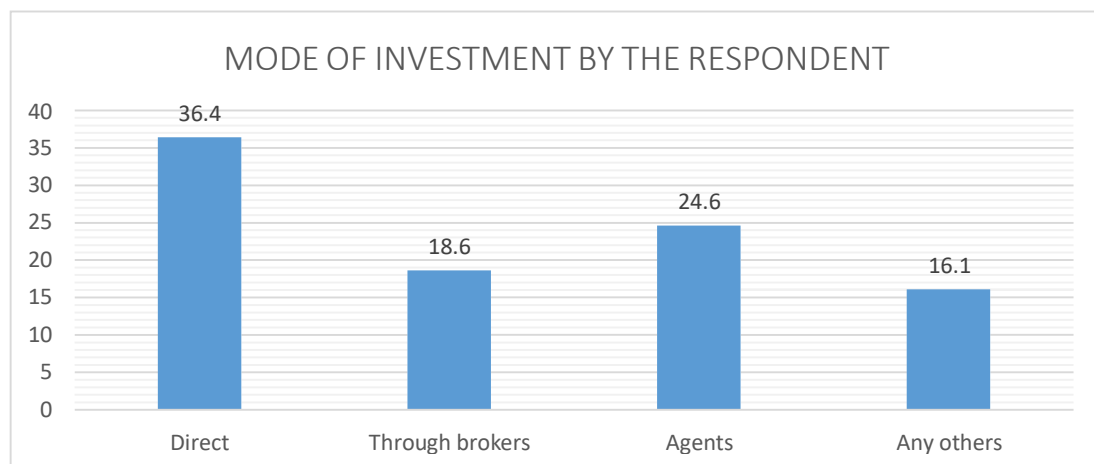
From the table it is identified that 34.7% of respondents purchase through online, 22.9 through brokers, 33.9 through bank branches, 8.5 percent through post off

TABLE SHOWING THE MODE OF INVESTMENT BY THE RESPONDENT

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Direct	43	36.4
Through brokers	22	18.6
Agents	29	24.6
Any others	19	16.1
Total	118	100

SOURCE: Primary Data

CHART SHOWING THE MODE OF INVESTMENT BY THE RESPONDENT



INFERENCE:

From the table it is identified that 34.7% of respondents invest through direct mode, 18.6% through brokers, 24.6% through agents and 16.1% through other modes.

HYPOTHESIS & STATISTICAL TOOLS

Hypothesis 1: There is no significance difference between educational qualification and awareness about mutual funds

Hypothesis 2: There is no significance difference among age group and impact of factors while investing in mutual funds

Hypothesis 3: There is no significance difference between marital status and mutual benefits while investing in mutual funds

Hypothesis 4:

STATISTICAL TOOLS

- **CHI SQUARE TEST**
- **ONE WAY ANOVA ANALYSIS**
- **T- TEST**

CHI-SQUARE TEST:

It is the mostly used non-parametric test in statistical work. The quality χ^2 describes the magnitude of discrepancy between theory and observation. The greater value of Chi-square the greater would be the discrepancy between observed and expected frequencies. The formula for computing Chi square is the calculated value is compared with the table value for the given degree of freedom at specific level of significance. It is accepted when the calculated value is lesser than the tabulated value and is rejected when the calculated value is greater than the tabulated value. The chi-square test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

Calculation of:

$$X_c^2 = \sum \frac{(O_i E_i)^2}{E_i}$$

6. Null Hypothesis (Ho): There is no difference in attributes
7. Alternate Hypothesis (H1): There is a difference in attributes
8. Level of significance $\alpha = 0.05$
9. Degrees of freedom = (r-1) (c-1)
10. Expected frequency = $R.T \times C.T/G$. T:

ONE WAY ANOVA ANALYSIS:

For managerial decision making, sometimes one has to carry out tests of significance. The analysis of variance is an effective tool for this purpose. The objective of ANOVA is to test the homogeneity of the means of different samples. A one-way analysis of variance (ANOVA) is used when you have a categorical independent variable (with two or more categories) and a normally distributed interval dependent variable and you wish to test for differences in the means of the dependent variable broken down by the levels of the independent variable.

Calculating F:

$$F = \frac{\text{Variance between the categories}}{\text{Variance within the categories}}$$

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of three or more independent groups, also called treatments. ANOVA

compares the means between the groups and determines whether any of the means are significantly different from each other.

INDEPENDENT SAMPLE TEST:

The independent t-test, also called the two-sample t-test, independent-samples t-test or student's t-test, is an inferential statistical test that determines whether there is a statistically significant difference between the means in two unrelated groups. The standard error of difference is the combined standard error of the two groups. This is determined by the standard error of each group with respect to how many participants in each group.

CHI-SQUARE TESTS

Null hypothesis (H1): There is no significance difference between educational qualification and awareness about mutual funds

Alternate hypothesis (Ha1): There is significance difference between educational qualification and awareness about mutual fund .

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Education * Aware_abt_mtfunds	118	100.00%	0	0.00%	118	100.00%

Education * Aware_about_mutual funds				
Count				
		Are you aware about mutual funds?		Total
		Yes	No	
Education	Primary	1	3	4
	Secondary	9	9	18
	Graduate	33	22	55
	Post Graduate	29	4	33
	Professional degree	8	0	8
Total		80	38	118

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.394 ^a	4	0.002
Likelihood Ratio	20.442	4	0
Linear-by-Linear Association	16.279	1	0
N of Valid Cases	118		
a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.29.			

Inference:

Since P value is lesser than 0.05 reject null hypothesis. Hence it is considered that there is no significant difference between educational qualification and awareness about mutual funds.

ONE WAY ANNOVA

Null hypothesis (H3): There is no significance difference among age group and impact of factors while investing in mutual funds

Alternate hypothesis (Ha3): There is significance difference among age group and impact of factors while investing in mutual funds

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig .
State the impact of the following factors while investing in Mutual funds VH-Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Professional management]	Between Groups	8.893	3	2.964	3.042	.092
	Within Groups	111.081	114	.974		
	Total	119.975	117			
State the impact of the following factors while investing in Mutual funds VH-Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Mutual fund regulations]	Between Groups	2.161	3	.720	.850	.469
	Within Groups	96.593	114	.847		
	Total	98.754	117			
State the impact of the following factors while investing in Mutual funds VH-Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Convenience]	Between Groups	8.022	3	2.674	2.892	.088
	Within Groups	105.402	114	.925		
	Total	113.424	117			
State the impact of the following factors while investing in Mutual funds VH-Very High; H-High; M-Moderate; L-Low; VL-Very Low * [Low transaction cost]	Between Groups	11.057	3	3.686	3.806	.062
	Within Groups	110.409	114	.969		
	Total	121.466	117			

State the impact of the following factors while investing in Mutual funds VH- Very High; H- High; M- Moderate; L-Low; VL-Very Low * [Choice of Schemes]	Between Groups	6.161	3	2.054	2.319	.079
	Within Groups	100.958	114	.886		
	Total	107.119	117			
State the impact of the following factors while investing in Mutual funds VH- Very High; H- High; M- Moderate; L-Low; VL-Very Low * [Tax Benefits]	Between Groups	6.675	3	2.225	2.184	.094
	Within Groups	116.139	114	1.019		
	Total	122.814	117			

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
State the impact of the following factors while investing in Mutual funds VH- Very High; H- High; M- Moderate; L-Low; VL-Very Low * [Return on investm ent]	Between Groups	3.833	3	1.278	1.381	.252
	Within Groups	105.489	114	.925		
	Total	109.322	117			
State the impact of the following factors while investing in Mutual funds VH- Very High; H- High; M- Moderate; L-Low; VL-Very Low * [Lock in Period]	Between Groups	12.639	3	4.213	4.820	.003
	Within Groups	99.641	114	.874		
	Total	112.280	117			

Inference:

Since P value is lesser than 0.05 reject null hypothesis. Hence it is considered that there is no significance difference among age group and impact of factors while investing in mutual fund

FINDINGS :

- From the study it is found that the majority of the respondent that is 69.5% of them are male respondents
- From the study it is found that the majority of the respondents that is 64.4% of them are married
- From the study it is found that the majority of the respondent that is 46.6% of them are studies graduate
- From the study it is found that the majority of the respondent that is 44.4% of them are the salaried
- From the study it is found that the majority of the respondent that is 64.8% of the respondents are aware about the mutual funds
- From the study it is found that the majority of the respondent that is 54.02 % of the respondents are not aware about the benefits terms and conditions of mutual funds
- From the study it is found that the majority of the respondent that is 59.03 % of the respondents invest for growth and income
- From the study it is found that the majority of the respondent that is 34.07 % of the respondents purchase funds through online
- From the study it is found that the majority of the respondent that is 24.06 % of the respondents choose agents as mode of investment
- From the study it is found that the majority of the respondent that is 34.07 % of the respondents
- From the study it is found that the majority of the respondent that is 17.08% of the respondents prefer liquid funds

SUGGESTIONS AND RECOMMENDATION

- Based on the above major findings of the study, the following suggestions and recommendations are offered for greater level of customers preference of the investors for Investment in Mutual Funds.
- Before making any investment, Financial Advisors should first enquire about the risk tolerance of the investors/customers, 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 fewer than 35 will be a key new customer group into the future, so making greater efforts with younger customers who show some interest in investing should pay off.
- Customers with graduate level education are easier to sell to 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 of the innovative products launched by Asset Management Companies very recently in the industry. SIP is easy for monthly salaried person as it provides the facility of investing through equated monthly installments (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.
- As there is no comprehensive law to regulate the mutual fund in India, uniform coordinated regulations by a single agency should be formed which would provide the shelter to the investors.

CONCLUSION:

Financial planning is an exercise aimed at identifying all financial needs of an individual, translating the needs into monetarily measurable goals at different times in the future, and planning the financial investments that will allow the individual to provide for and satisfy his future financial needs and achieve his/her life's goals. Running a successful Mutual Fund requires complete understanding of the peculiarities of the Indian Stock Market and also the psyche of the small investors. This study has made an attempt to understand the financial behaviour of Mutual Fund investors in connection with the preferences of Brand (AMC), Products, and Channels etc. It is observed that many people have fear of Mutual Fund. They think their money will not be secure in Mutual Fund. They need the knowledge of Mutual Fund and its related terms. Many of people do not have invested in mutual fund due to lack of awareness although they have money to invest. As the awareness and income is growing thenumber of mutual fund investors are also growing. "Brand" plays important role for the investment. People invest in those Companies where they have faith or they are well knownwith them. There are many AMCs in Berhampur but only some are performing well due to Brand awareness. Some AMCs are not performing well although some of the schemes of them are giving good return because of not awareness about Brand. Reliance, UTI, SBIMF, ICICI Prudential etc. Distribution channels are also important for the investment in mutual fund. Financial Advisors are the most preferred channel for the investment in mutual fund. They can change investors' mind from one investment option to others. Many of investors directly invest their money through AMC because they do not have to pay entry load. Only those people invest directly who know well about mutual fund and its operations and those have time.

ANNEXURE-III

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