

A STUDY ON INVESTORS PERCEPTION TOWARDS RISK IN MUTUAL FUNDS

Submitted in partial fulfillment of the requirements for the award of
Master of Business Administration

by

KESAVAN .S

39410097



SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved by AICTE

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119

APRIL - 2021



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **Mr. KESAVAN .S 39410097** who have done the Project work entitled “**A STUDY ON INVESTORS PERCEPTION TOWARDS RISK IN MUTUAL FUNDS**” under my supervision from December 2020 to February 2021.

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Internal Examiner

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DECLARATION

I **KESAVAN .S 39410097** hereby declare that the Project Report entitled **A STUDY ON INVESTORS PERCEPTION TOWARDS RISK IN MUTUAL FUNDS** done by me under the guidance of **Dr. PALANI .A, M.COM., M.PHIL., M.B.A., Ph.D., HEAD, SCHOOL OF BUSINESS ADMINISTRATION** and at **A STUDY ON INVESTORS PERCEPTION TOWARDS RISK IN MUTUAL FUNDS** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE: Chennai

KESAVAN .S

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ABSTRACT

A study on investors perception towards risk in mutual funds. The main purpose of this study is to analyses the investors perception towards mutual funds. The study also enables us to understand if the investor perception is dependent on the demographics of the investor along with various other factors. The data collector by questionnaire types. The study was conducted for 3 months periods. A sample of 120 respondents was selected to understand their perception of mutual funds. The main statistical tools used for the study are chi square, correlation analysis. Majority of the respondents prefer mutual funds as their savings and safety preference and majority of the investors took self decision to invest in mutual funds.

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CHAPTER-1

1.1 INTRODUCTION

Mutual fund is a pool of money collected from investors and is invested according to certain investment options. A mutual fund is a trust that pools the saving of a no. of investors who share a common financial goal. A mutual fund is created when investors put their money together. It is, therefore, a pool of investor's fund. The money thus collected is then 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 holders in proportion to the no. of units owned by them. The most important characteristics of a fund are that the contributors and the beneficiaries of the fund are the same class of people namely the investors. The term mutual fund means the investors contribute to the pool and also benefit from the pool. The pool of funds held mutually by investors is the mutual fund. A mutual fund business is to invest the funds thus collected according to the wishes of the investors who created the pool. Usually the investor's appoint professional investment managers create a product and offer it for investment to the investors. This project represents a share in the pool and pre status investment. Thus, a mutual fund is the most suitable investment for a common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at relatively low cost.

In the last decade, mutual funds have become a hot favorite of millions of people all around the world. Mutual funds investment give more return on the investment made than the income earned in the form of fixed deposits, life insurance and even bonds because with a little money, they can get into the investment and can able to earn higher interest rates compared to other investment avenues. One can own a string of blue chips like SBI, Birla Sun Life, Reliance, UTI etc,. Thus mutual funds give an opportunity to enter into big companies which is otherwise impossible for an ordinary investor with small amount of investment. A Mutual fund aggregates the saving of a number of investors who share a

common financial goal. The money thus collected in a mutual fund is then invested in capital market instruments such as bonds, securities, shares, debentures etc. The income earned through these investments and the realized capital appreciation are shared by its unit holders in proportion to the number of units owned by them. We know small drops of water make a big ocean and mutual Funds work on the same principle. For instance lot of other people, then one could create a "big fund" large enough to invest in wide varieties of capital market instruments in a large scale and enjoy the economies of large scale operations.

Hence, a mutual fund is something known as collective investment. A mutual fund is formed with the coming together of a number of investors who transfer their surplus funds to a professionally qualified organization to manage it. There is a simple technique that the fund adopts to get the surplus funds from the investors. Each fund is divided in to small units of equal value. Units are then allocated to each investor in the proportion to the amount of his investment. Thus every investor, whether big or small, will have a stake in the fund and can enjoy being a part of the wide portfolio of the investment held by the fund. Hence, mutual funds give an opportunity to millions of small and large investors to participate in and get the benefit of the capital market growth. Due to low cost, diversified risk and high return, it has emerged as a popular vehicle of creation of wealth. If we analyze the investment market, we can find a variety of investors with different requirements and risk taking capacities. For instance, a young man would like to get more capital appreciation for his investments and he would be prepared to take greater risk than a person who is just close to his retirement. This is the reason, it is very difficult to offer one fund to satisfy varying needs of different investors. Therefore, many types of funds are available for the investors. It is completely the discretion of the investor to choose anyone of them that matches his requirement and his risk taking ability.

Mutual funds are recognized as a mechanism of pooling together the investment of unsophisticated investors and turn in the hands of professionally managed fund managers for consistent return along with capital appreciation. Money collected in this process is then invested in capital market instrument such as shares, debentures and

other securities. Finally, unit holders in proportion of units owned by them share the income earned through these investments and capital appreciation. Mutual funds put forward a way out to investors to approach most schemes and get well-diversified portfolio because investors with small savings neither have sufficient expertise nor have access to required diversification. Mutual funds have already entered into a world of exciting innovative products.

1.2 INDUSTRY PROFILE:

The history of Mutual Fund Industry in India can be traced back to 1963, with the launch of the Unit Trust of India by the Government of India under an Act of Parliament. UTI was launched under the regulatory and administrative control of RBI. In 1978, the regulatory and administrative control of UTI was transferred from the Reserve Bank of India to IDBI (Industrial Development Bank of India). The first mutual fund scheme that was introduced in India by UTI was in the Unit Scheme (1964). UTI had Assets Under Management worth Rs. 6,700 Crores, by the end of the year 1988.

In 1987, public sector enterprises such as State Bank of India, Punjab National Bank, Canara Bank, etc. and other non-UTI segments such as General Insurance Corporation of India (GIC) and Life Insurance Corporation of India (LIC) entered the market and established public sector mutual funds.

1.2.1 INVESTOR SERVICING

The Mutual Fund Industry in India has outsourced the work of servicing investors, to Registrar and Transfer Agents (RTAs). These RTAs are Karvy and CAMS, with CAMS covering almost 65% of asset servicing. The only exception is Franklin Templeton Mutual Fund services, which has its own RTA set up on an in-house basis. These RTAs have investor service centers which offer a wide range of services such as KYC fulfillment formalities, financial transaction acceptance and processing, nomination registration, non-financial changes, statement of accounts, transmission of units, etc.

1.2.2 ASSET MANAGEMENT COMPANIES IN INDIA

- Axis Asset Management Company
- Baroda Pioneer Asset Management Company
- Birla Sun Life Asset Management Company
- BNP Paribas Asset Management Company
- BOI AXA Asset Management Company
- Canara Robeco Asset Management Company
- Deutsche Asset Management Company
- DHFL Pramerica Asset Management Company
- DSP BlackRock Asset Management Company
- Edelweiss Asset Management Company
- Escorts Asset Management Company
- Franklin Templeton Asset Management Company
- Goldman Sachs Asset Management Company
- HDFC Asset Management Company
- HSBC Global Asset Management Company
- ICICI Prudential Asset Management Company
- IDBI Asset Management Company
- IDFC Asset Management Company
- IIFCL Asset Management Asset
- IIFL Asset Management Company

1.2.3 TECHNOLOGY FOR CUSTOMER ENGAGEMENT

AMCs have implemented various technological measures in order to enhance customer engagement from various sectors of the society. Two programmes that have been introduced by AMCs are the Investor Awareness Programme (IAP) and District Adoption Programme (DAP). These programmes improve awareness in locations with limited penetration of mutual funds, regarding the assets and their benefits.

Other technologies that are being used by AMCs are internet applications, mobile applications and social media. These companies have improved their online interface for ease of access and use. They are also using mobile apps to enable investors to track their investments and to monitor their transacting portfolios. WhatsApp, Facebook and other social media platforms are being used in order to enhance user experience and integrate various services. Social media platforms have been recognized as an effective channel to leverage technology that would assist in investment and mobile applications to engage more customers from different segments.

HNIs are the key target segment for AMCS and therefore several custom-made programmes are being initiated by them in order to enhance their engagement. There are various mass outreach programmes that are held by AMCs in order to enable growth in the mutual fund industry and to ensure maturity of the individual customer investments.

1.2.4 CHANGES TO MUTUAL FUND INDUSTRY – SEBI INITIATIVES

SEBI has dictated various initiatives and directives in order to regulate the mutual fund industry and to protect investor interests. These can be classified into three segments. Protecting investor interests SEBI has introduced various directives to protect investor interests. Promote transparency by introducing higher disclosures by an Asset Management Company (AMC). Prevent mis-selling by making changes to the commission structure. Merging me-too schemes and not giving approval to NFO issuances that are in non-compliance to this rule. Introducing “risk meter” in for

graphics in all mutual fund product brochures in a comprehensive and easily understandable format. Increasing reach and lowering costs SEBI offers the following solutions for increasing reach and lowering costs.

Launching the MF Utility Portal that would enable investors to trade through a Common Account Number. Areas other than T15 will have differentiated TER for encouraging the sale of direct plans. Issuing consolidated account statements. Safeguarding the health of mutual fund industry In order to safeguard the health of the Indian Mutual Fund Industry, the following regulations are laid down by SEBI Making it mandatory for AMCs to have a capital base of Rs. 500 Million by the year 2017, from its current value of Rs. 100 Million. Proposing the analysis of compensation details for assessing fixed costs of AMCs. Conducting stress tests on a regular basis.

1.2.5 Current Status of Indian Mutual Fund Industry

The Indian Mutual Fund Industry has recorded Rs. 13, 460 billion Assets Under Management (AUM) by December 2015 and is reporting a steady growth till date. Initially, corporate had been the main contributor to AUM but soon, the retail segment proved to be the segment that contributed the most to AUM growth in India.

1.3 NEED OF THE STUDY:

- The main purpose of this study is to analyses the investors perception towards mutual funds.
- The study also enables us to understand if the investor perception is dependent on the demographics of the investor along with various other factors.
- To find the main preference of the investors.
- To find which investment has a much higher risk rate.

1.4 SCOPE OF THE STUDY:

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

1.5 OBJECTIVES OF STUDY:

1.5.1 PRIMARY OBJECTIVE:

- To study on investors perception towards risk in mutual funds.

1.5.2 SECONDARY OBJECTIVE:

- A study the level of investor opinion of mutual funds.
- To analyze risk of the different schemes of mutual funds.
- To find out the overall criterion of investors regarding investment.
- To find the Assess the risk faced by the mutual funds investors.

1.6 STATEMENT OF PROBLEM:

Low awareness of financial literacy can be one of the challenges of the mutual funds industry. Even if people can invest they rather go for other types of saving rather than putting their money in mutual funds for the next few years. Most of the people have the opinion that investing in mutual funds means putting money in high risk. These types of customer experience create an impact of lower financial literacy.

1.7 LIMITATIONS OF THE STUDY:

- As some of the investors were away from home and as some investors are not reachable
- Many investors refused to give true investment status.
- Period of study is too short and hence it is a major limitation.
- Due to time constrict only 120 numbers of respondents were considered.

CHAPTER-2

2.1 REVIEW OF LITERATURE:

Martin P. and McCann B. (1998) They have advised that Investors should focus on sectors of the global economy that have the greatest potential for profit in order to beat the market averages. By combining this approach with the safety provided by mutual funds' inherent diversification, mutual funds become an investment vehicle with all the advantages of trading individual securities and none of the disadvantages. Like any other investment, it is essential to develop a strategy for selecting which funds to buy and sell and when. These decisions should not be left to the emotions or to chance.

Gremillion L (2005) It has also mentioned the different type of challenges faced by various professionals connected with this industry. The book has provided a broad and comprehensive sweep of information and knowledge, which will help everybody who has serious interest in the industry.

Tyson E (2007) By proper selection investor can identify good schemes, where fund managers invest in securities as per that match investors' financial goals. Investors can spend their time doing the activities in life that they enjoy and are best at. Mutual Funds should improve investors' investment returns as well as their social life. The book helps investors how to avoid mutual fund investing pitfalls and maximizing their chances for success. Whenever any investor wants to buy or sell a mutual fund, the decision needs to fit his overall financial objectives and individual situation.

Jank S (2010) in his Discussion Paper on "Are there disadvantaged clieneles in mutual funds has mentioned that mutual fund investors chase past performance, even though performance is not persistent over time. This means that investors buy mutual funds that had a high return in the past. On the other hand, investors are reluctant to withdraw their money from the worst performing funds. This behavior has often been attributed to the irrationality of mutual fund investors. Sophisticated investors rationally chase past performance, because high past performance is a

signal for managerial ability. No significant difference was found between investor composition of the worst performing funds and those with average performance.

Singh B K (2012) A study on investors attitude towards mutual funds as an investment option from International of Research in Management has reiterated the need for spreading the awareness about Mutual Funds among common masses. There is a strong need to make people understand the unique features of investment in Mutual Funds. From the existing investors point of view the benefits provided by mutual funds like return potential and liquidity have been perceived to be most attractive by the invertors' followed by flexibility, transparency and affordability.

Divya K. (2012) A Comparative study on evaluation of Selected Mutual Funds in India from International of Marketing and Technology has suggested that the investment managers whose performance is below benchmark index should have a relook at their investment strategy and asset allocation. Investing styles should be redesigned according to up & down swings of the market to generate superior performance. To increase the efficiency and popularity of mutual funds, the regulator should set the standard criteria of benchmarks which will be helpful to asset management companies.

Goel Set al (2012) A Review of Performance Indicators of Mutual Funds from Researchers World Journal of Arts, Science & Commerce have reiterated that the Stock picking ability and lengthy tenure of fund managers are favourable for mutual funds performance. Performance of the Mutual Fund is also related to its ownership style. Local mutual funds perform better than the foreign mutual funds as they have better knowledge of the local market. Mutual Fund companies with larger asset base are performing better than lower asset base companies.

Vanaja V. and Karrupasamy R (2013) A study on the performance of select Private Sector Balanced Category Mutual Fund Schemes in India from International Journal of Management Sciences and Business Research have mentioned that Out of five private sector balanced category mutual funds (under study) two earned a return above the average returns. Two have made negative returns. All the private sector

balanced category funds selected for the study have a positive Sharpe ratio. The range of excess returns over risk free return per unit of total risk is wide. All the funds selected for the study have a positive Treynor ratio. All the funds selected for the study has positive Jensen's alpha indicating superior performance.

Narayanasamy R. and Rathnamani V (2013) Performance Evaluation of Equity Mutual Funds on selected Equity Large Cap Funds from International Journal of Business and Management Invention have mentioned that all funds performed well during the period under study despite volatility in the market. The fall in NIFTY during the year 2011 impacted the performance of all selected mutual funds. In order to ensure consistent performance of mutual funds, investors should also consider statistical parameters like alpha, beta, standard deviation besides considering NAV and total return.

Santhi N.S. and Gurunathan K. (2013) The growth of Mutual Funds and Regulatory Challenges from Indian Journal of Applied Research have mentioned that as mutual fund industry has grown tremendously over past few years, Regulators are keeping close watch on any potential impact of mutual fund products on financial stability and market volatility. The growth of mutual funds has been accompanied by innovative products and servicing methods. Regulators will have to do balancing act by carefully managing risks and not imposing unnecessary regulation.

Iqbal N (2013) Market Penetration and Investment Pattern of Mutual Fund Industry from International Journal of Advanced Research in Management and Social Sciences has mentioned that although mutual funds are predominantly present in urban areas but have started capturing rural markets also through new range of products, new strategies adopted for Rural Market Penetration and with new awareness programs. As rural market integrate more and more with urban, there will be huge inflow of investors. The responsibility of various intermediaries' especially mutual funds will increase manifold.

Sharma R and Pandya N K (2013) Investing in Mutual Fund: An overview from Asian Research Journal of Business Management mentioned that still number of people are

not clear about functioning of Mutual Funds, as a result so far they have not made a firm opinion about investment in mutual funds. As far existing investors, return potential and liquidity have been perceived to be most attractive. There is a lot of scope for the growth of mutual funds in India. People should take decision based on performance of Mutual fund rather than considering whether it is private sector or public sector.

Sharma N. and Ravikumar R (2013) Analysis of the Risk and Return relationship of Equity based Mutual Fund in India from International Journal of Advancements in Research & Technology have mentioned that their study investigated the performance of Equity based mutual fund schemes using Capital Asset Pricing Model (CAPM). In the long run private and public sector mutual funds have performed well. But while comparing the performance over last 15 years it is found that private sector mutual funds have outperformed the Public Sector mutual funds. The schemes of private sector mutual funds not only performed better than those of public sector mutual funds but were also found to be less risky.

Vasantha S. (2014) Evaluating the Performance of some selected open ended equity diversified Mutual fund in Indian mutual fund Industry from International Journal of Innovative Research in Science, Engineering and Technology have stated that risk appetite of an investor plays an important role in selection of mutual fund. While deciding their investment in mutual funds investor should take decision based on their investment objective and analyze the fund based on various criteria such as risk prevailing in the market, variations on the return and deviations in the return etc.

Jani D and Jain R (2014) Role of Mutual Funds in Indian Financial System as a Key Resource Mobilizer from Abhinav Journal (International Monthly Referred Journal of Research in Management & Technology) have reiterated that since fundamentals of Indian economy are relatively strong, the economy will be on a successful path in the coming year. As economy grows, Mutual Funds are going to be key resource mobilizer for Indian financial system. Indian Mutual Fund industry is going to observe good growth rate in near Future.

Nair R K (2014) Indian Mutual Fund Market a tool to stabilize Indian Economy from International Journal of Scientific and Research Publications has reiterated that a Mutual fund is a powerful tool to stabilize Indian economy. The products of mutual funds are playing a vital role in mobilizing scattered savings among investors and channelize these funds to infrastructural development of the country. The banks and Financial Institutions are also playing a crucial role by promoting mutual fund business in the country.

Sehdev R and Ranjan P (2015) A study on Investor's perception towards mutual fund investment from Scholars Journal of Economics, Business and Management have mentioned that mostly people are preferring balanced funds and debt funds. After that people look for Equity diversified and Sector funds. The factors responsible for investors' preference for mutual funds as an investment option are benefits and transparency, returns, redemption period, Liquidity and Institutional Investor's activity. For information on mutual funds people are mostly depending on internet rather than any other media channel.

Cici G (2015) in their Discussion Paper on "Market transparency and the marking precision of bond mutual fund managers" have stated that the transparency enhancing TRACE (Trade Reporting and Compliance Engine) system was associated with large and statistically decreases in cross fund bond mark dispersion. They also find some evidence that issuer initiations into Market's CDS (Credit Default Swap) spread database also contributed to a decrease in bond mark dispersion, but only in pre –TRACE era. These results support the view about people "operating largely in the dark" applied to not just retail investors but also to professional fund managers.

Srivastava S and Malhotra S (2018) A Paradigm Shift in Risk Measuring Tools of Mutual Fund Industry from International Journal of Informative & Futuristic Research have mentioned that equity funds are performing better than debt funds. A strong linear relationship was found between risk and return. Fund managers can adopt Calmar ratio and safety first ratio to analyze the risk of selected funds. No fund is risk free and Investors should invest in equity and equity related instruments to diversify the risk.

CHAPTER-3

RESEARCH METHODOLOGY

Research Methodology is the specification of methods and procedures for acquiring the information needed to structure or solve problems. It is the overall operational pattern or framework of the project that stipulates what information is to be collected, from which sources and with what procedures. A Research Methodology is a plan of the proposed research work it involves a compromise dictated mainly by practical considerations.

In other words, a Research Methodology is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure.

The researcher should have a better scientific methodology for the study, and then only the research will be good. The main goal is to study the investor opinion.

3.1 RESEARCH DESIGN:

A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data

3.1.1 DESCRIPTIVE RESEARCH DESIGN:

Descriptive research design has been adopted for the present study. More simple put descriptive research is all about describing people who take part in the study.

3.2 SAMPLE TECHNIQUE:

Convenience sampling is a type of non probability sampling that involves the sample being drawn from that part of the population that is close to hand. Where the sample is taken from a group of people easy to contact or to reach.

3.3 SOURCES OF DATA:

To sources of data collection are namely primary and secondary

3.3.1 PRIMARY DATA

The primary data are those which are collected a fresh and for the first time and thus happens to be original in character. The primary data is obtained from questionnaire.

3.3.2 SECONDARY DATA:

Secondary data refers to data that was collected by someone other than the user so for the current study common sources of secondary data like journal, books, website, was used.

3.4 STRUCTURE OF QUESTIONNAIRE:

There are two broad types of questions open ended or open questions, and closed ended or closed questions. Open questions enable respondents to answer as they wish. Closed question provide respondents with a list of options from which they choose.

3.5 SAMPLE SIZE:

A Sample Size data was collected for 120 respondents.

3.5.1 POPULATION:

The overall population in south Chennai.

3.6 PERIOD OF STUDY:

The study covers from December 2020 to February 2021 for 3 months.

3.7 ANALYTICAL TOOLS:

For the purpose of analysis CHI-SQUARE, CORRELATION CO-EFFICIENT, methods are used for calculations and the result was interpreted. These methods are used to minimize the error of data collected. Graphs were used to represent the data for the better and accurate interpretation of result.

Statistical tools used for analysis are as follows:

- CHI-SQUARE ANALYSIS
- CORRELATION CO-EFFICIENT

3.7.1 CHI SQUARE TEST:

Chi square test is a non – parametric test that establishes the independence between variables. It is measured by comparing the observed with those of expected frequencies based on the hypothesis. It is given by.

3.7.2 CORRELATION CO-EFFICIENT:

The word co-efficient means the study of relationship that exists between two or more variable. If the change in one variable affects the change in the other variable then the variables are said to be perfectly correlated. If there is increase in one variable this will increase the other variable this is said to be a positive correlation. If the increase in one variable decreases the other variable then correlation is said to be in negative correlation. If the two variables change proportionally then the correlation is said to be perfect.

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS:

TABLE NO: 4.1.1 TABLE SHOWING GENDER OF THE RESPONDENTS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
MALE	105	87.5
FEMALE	15	12.5
TOTAL	120	100

(SOURCE: Primary data)

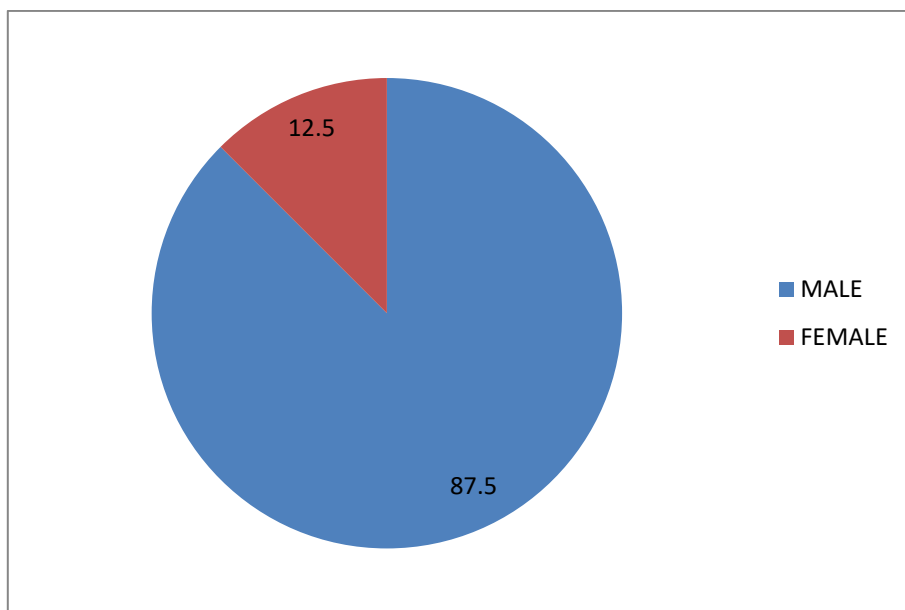


CHART NO: 4.1.1 CHART SHOWING GENDER OF THE RESPONDENTS

INTERPRETATION:

87.5% of respondents are male candidates and 12.5% of respondents are female candidates.

TABLE NO: 4.1.2 TABLE SHOWING AGE OF THE RESPONDENTS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
18-25	68	56.7
26-35	27	22.5
36-45	13	10.8
ABOVE 46	12	10
TOTAL	120	100

(SOURCE: Primary data)

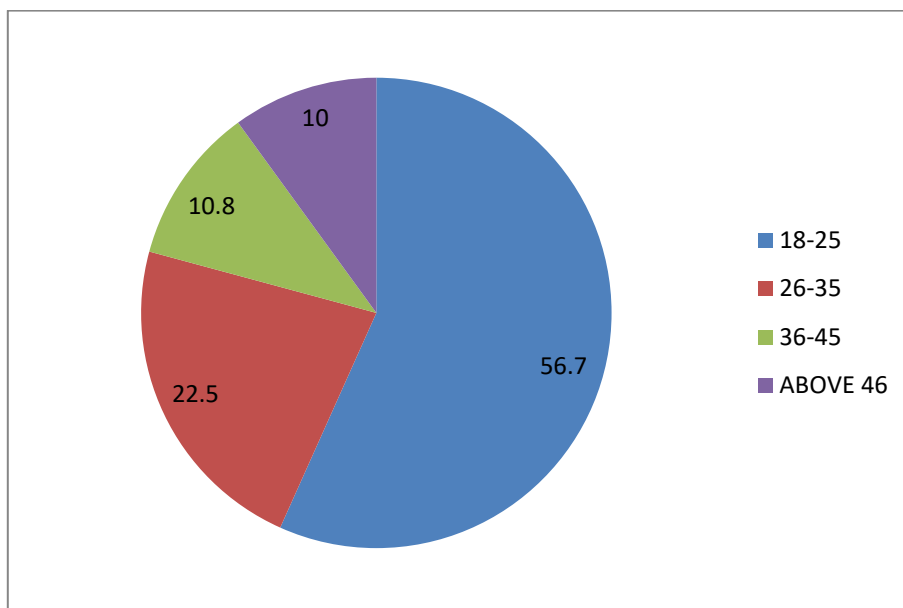


CHART NO: 4.1.2 CHART SHOWING AGE OF THE RESPONDENTS:

INTERPRETATION:

56.7% of respondents are the age of 18-25, 22.5% of respondents are 26-35, 10.8% of respondents are 36-45, 10% of respondents are above 46.

TABLE NO: 4.1.3 TABLE SHOWING MARITAL STATUS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
MARRIED	35	29.7
UNMARRIED	85	70.8
TOTAL	120	100

(SOURCE: Primary data)

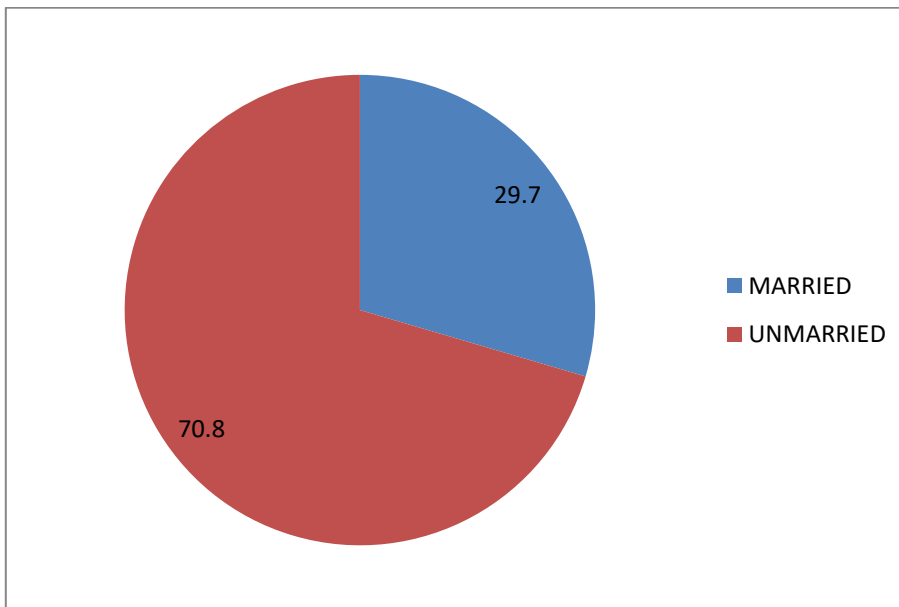


CHART NO: 4.1.3 CHART SHOWING MARITAL STATUS:

INTERPRETATION:

70.8% of respondents are unmarried, 29.7% of respondents are married.

TABLE NO: 4.1.4 TABLE SHOWING OCCUPATIONS OF THE RESPONDENTS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
PUBLIC SECTOR	13	10.8
PRIVATE SECTOR	61	50.8
ENTERPRENEURS	18	15
OTHERS	28	23.4
TOTAL	120	100

(SOURCE: Primary data)

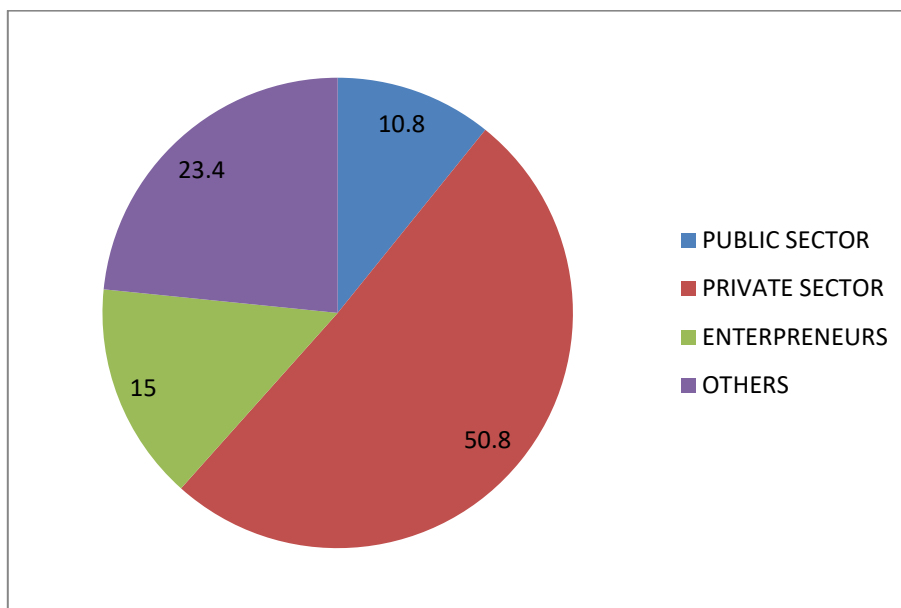


CHART NO: 4.1.4 CHART SHOWING OCCUPATIONS OF THE RESPONDENTS:

INTERPRETATION:

50.8% of respondents occupation in private sector, 23.4% of respondents occupation in others, 15% of respondents occupation in entrepreneurs, 10.8% of respondents occupation in public sectors.

TABLE NO: 4.1.5 TABLE SHOWING MONTHLY INCOME OF THE RESPONDENT:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
BELOW 20,000	58	48.3
20,000-40,000	35	29.7
40,000-60,000	16	13.3
ABOVE 60,000	11	9.2
TOTAL	120	100

(SOURCE: Primary data)

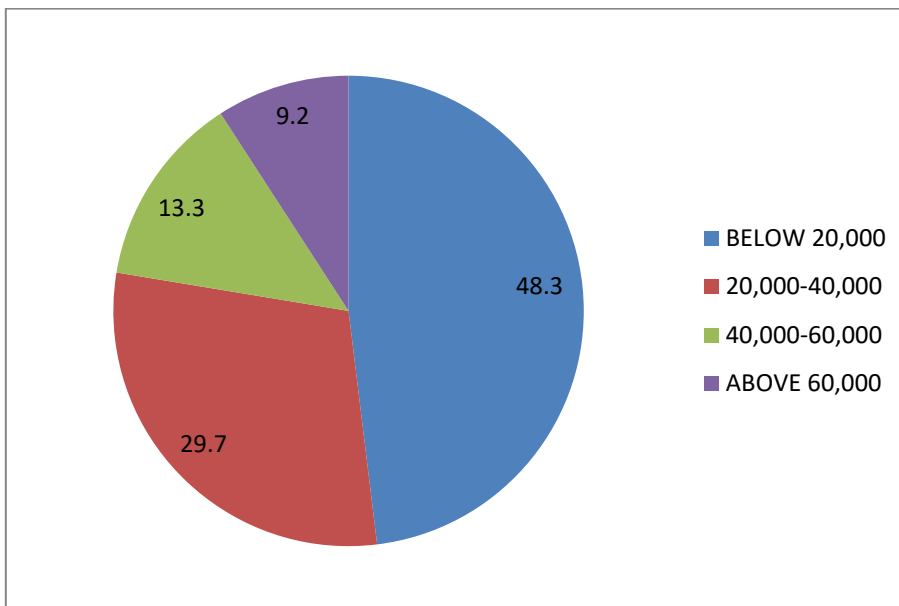


CHART NO: 4.1.5 CHART SHOWING MONTHLY INCOME:

INTERPRETATION:

48.3% of respondents are paid up with the salary below 20,000, 29.7% of respondents are paid up with the salary 20,000-40,000, 13.3% of respondents are paid the salary 40,000-60,000, 9.2% of respondents are paid the salary above 60,000.

TABLE NO: 4.1.6 TABLE SHOWING INVESTS IN MUTUAL FUNDS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
YES	77	64.1
NO	43	35.9
TOTAL	120	100

(SOURCE: Primary data)

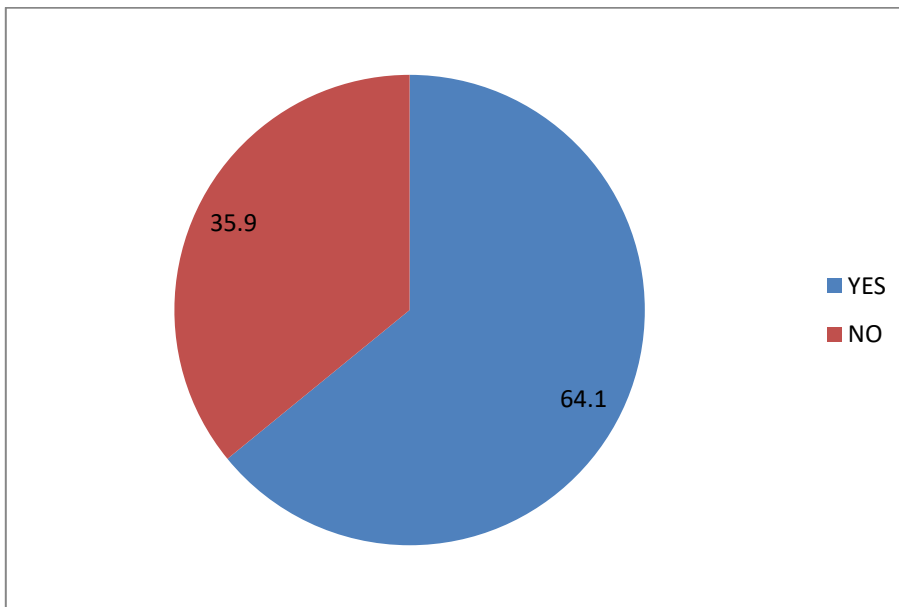


CHART NO: 4.1.6 CHART SHOWING INVESTS IN MUTUAL FUNDS:

INTERPRETATION:

64.1% of respondents invests in mutual funds is yes, 35.9% of respondents invests in mutual funds is no.

TABLE NO: 4.1.7 TABLE SHOWING INVESTORS EXPERIENCE IN MUTUAL FUNDS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
EXCELLENT	63	52.5
GOOD	28	23.3
FAIR	19	15.8
POOR	10	8.3
TOTAL	120	100

(SOURCE: Primary data)

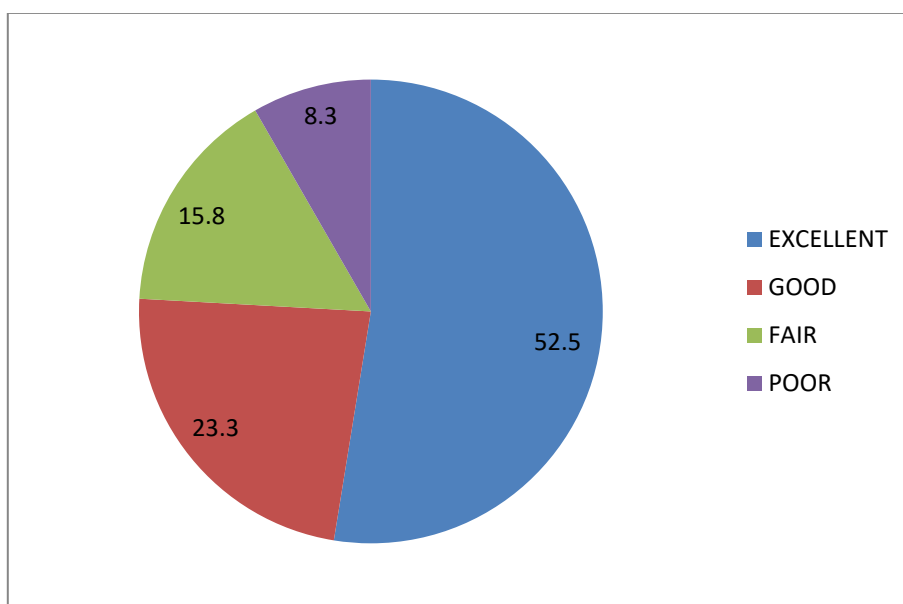


CHART NO: 4.1.7 CHART SHOWING INVESTORS EXPERIENCE IN MUTUAL FUNDS:

INTERPRETATION:

52.5% of respondents to says excellent in experience in mutual funds, 23.3% of respondents to says good,15.8% of respondents to says in fair, 8.3% of respondents to says in poor.

TABLE NO: 4.1.8 TABLE SHOWING INVESTS AMOUNTS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
BELOW 10,000	58	48.3
10,000-20,000	24	20
20,000-30,000	18	15
ABOVE 30,000	20	16.7
TOTAL	120	100

(SOURCE: Primary data)

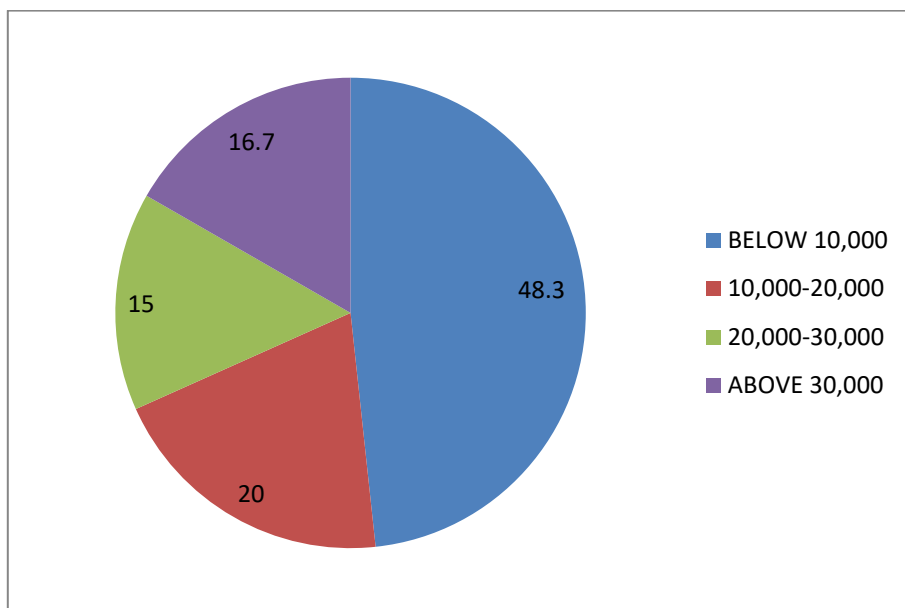


CHART NO: 4.1.8 CHART SHOWING INVESTS AMOUNTS:

INTERPRETATION:

48.3% of respondents invest amount in below 10,000, 20% of respondents invest amount in 10,000-20,000, 16.7% of respondents invest amount in above 30,000, 15% of respondents invest amount in 20,000-30,000.

TABLE NO: 4.1.9 TABLE SHOWING DO YOU WANT TO INVERTS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
BANK DEPOSITS	61	50.8
STOCK MARKETS	21	17.5
MUTUAL FUNDS	25	20.9
INSURANCE	13	10.8
TOTAL	120	100

(SOURCE: Primary data)

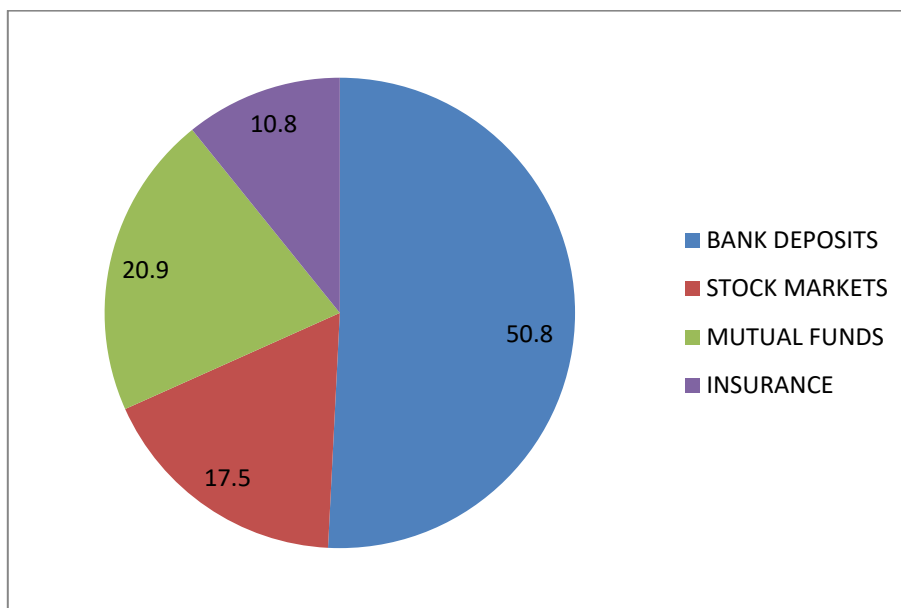


CHART NO: 4.1.9 CHART SHOWING DO YOU WANT TO INVERTS:

INTERPRETATION:

50.8% of respondents want to invests in bank deposits, 20.9% of respondents want to invests in mutual funds, 17.5% of respondents want to invests in stock market, 10.8% of respondents want to invests in insurance.

TABLE NO: 4.1.10 TABLE SHOWING DURATION OF YOUR INVESTMENT:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
0-1	44	36.6
1-3	26	21.7
3-5	26	21.7
MORE THAN 5 YEARS	24	20
TOTAL	120	100

(SOURCE: Primary data)

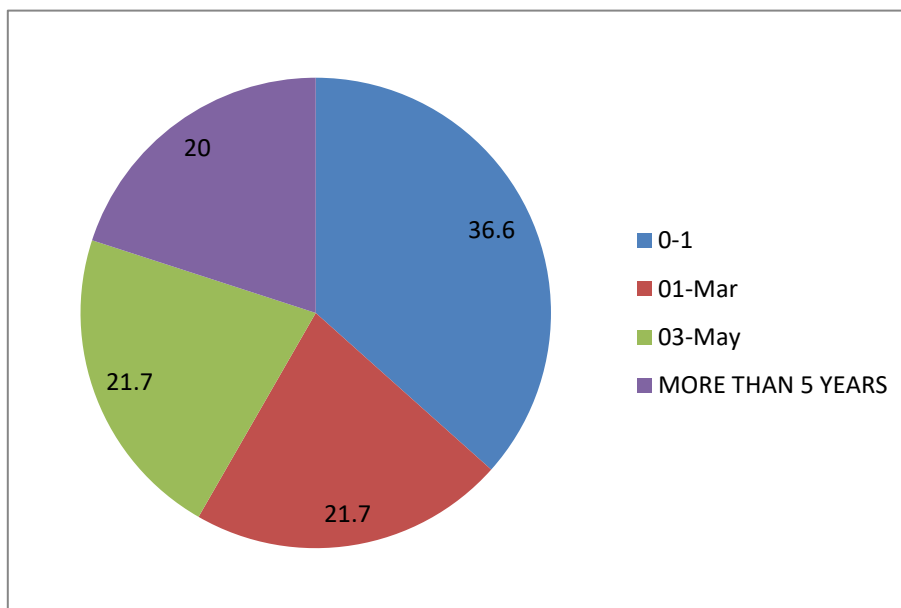


CHART NO: 4.1.10 CHART SHOWING DURATION OF YOUR INVESTMENT:

INTERPRETATION:

36.6% of respondents duration of investment in 0-1, 21.7% of respondents duration of investment in 1-3, 21.7% of respondents duration of investment in 3-5, 20% of respondents duration of investment in more than 5 years.

TABLE NO: 4.1.11 TABLE SHOWING TYPE OF SCHEME:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
EQUITY	51	42.5
DEBT	29	24.5
BALANCED	18	15
FIXED MATURITY PLAN	22	18.3
TOTAL	120	100

(SOURCE: Primary data)

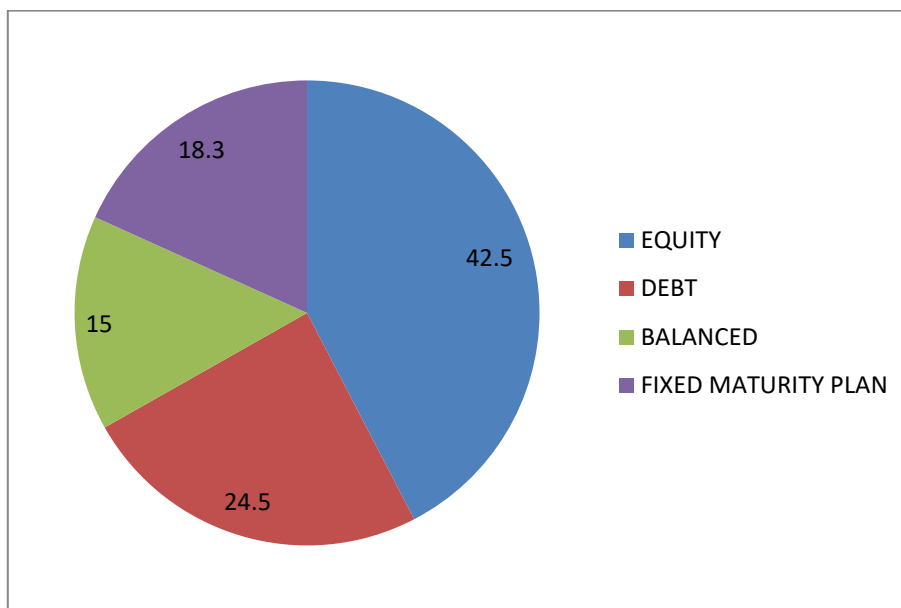


CHART NO: 4.1.11 CHART SHOWING TYPE OF SCHEME:

INTERPRETATION:

42.5% of respondents prefer of scheme in equity, 24.5% of respondents prefer of scheme in debt, 18.3% of respondents prefer of scheme in fixed maturity plan, 15% of respondents prefer of scheme in balanced.

TABLE NO: 4.1.12 TABLE SHOWING PATTERN OF INVESTMENT:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
OPEN ENDED SCHEME	62	51.7
CLOSED ENDED SCHEME	28	23.3
INTERVAL SCHEME	30	25
TOTAL	120	100

(SOURCE: Primary data)

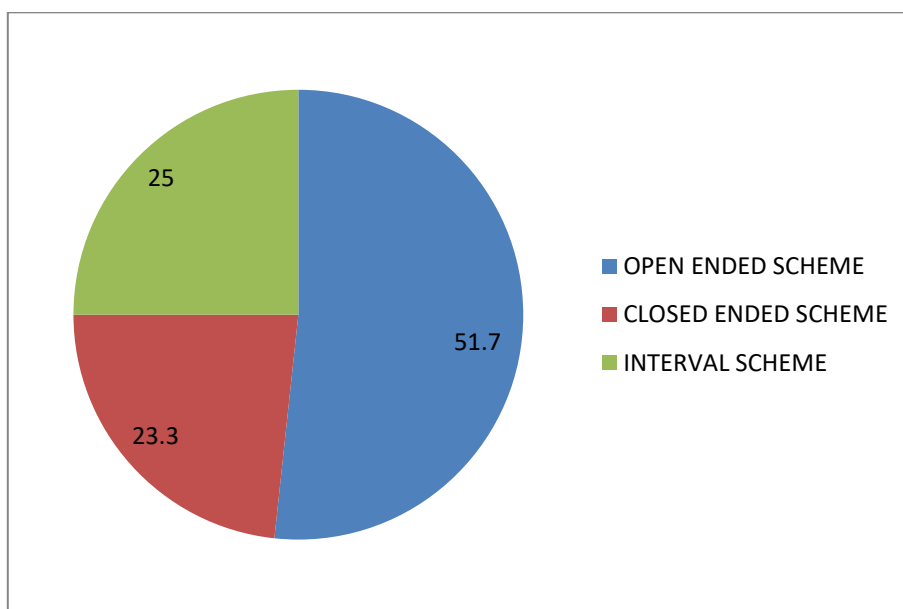


CHART NO: 4.1.12 CHART SHOWING PATTERN OF INVESTMENT:

INTERPRETATION:

51.7% of respondents pattern of investment in open ended scheme, 25% of respondents pattern of investment in interval scheme, 23.3% of respondents pattern of investment in closed ended scheme.

TABLE NO: 4.1.13 TABLE SHOWING WHY DO YOU INVEST IN MUTUAL FUNDS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
SAFETY	51	42.5
GOOD RETURNS	24	20
TAX BENEFITS	25	20.8
OTHERS	20	17.7
TOTAL	120	100

(SOURCE: Primary data)

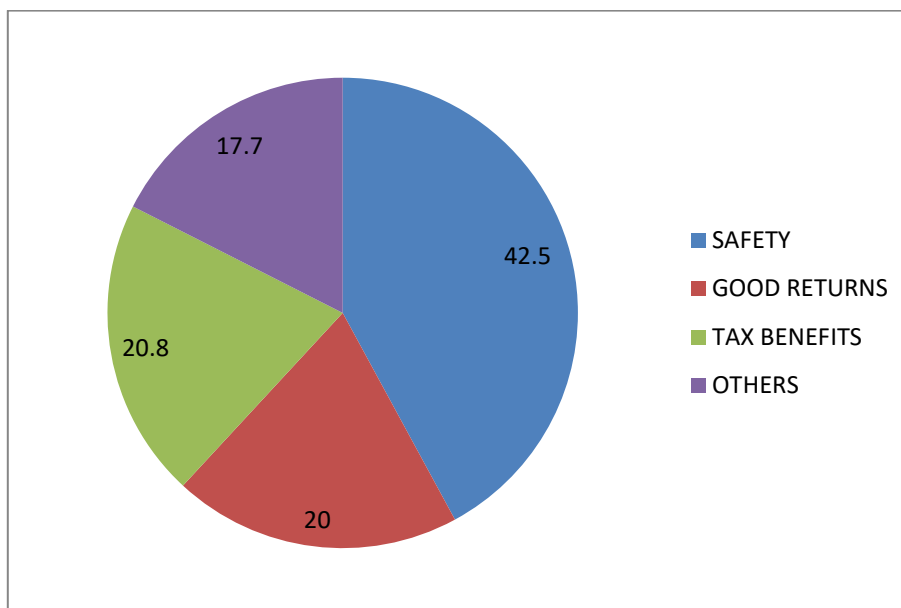


CHART NO: 4.1.13 CHART SHOWING WHY DO YOU INVEST IN MUTUAL FUNDS:

INTERPRETATION:

42.5% of respondents say safety in mutual funds, 20.8% of respondents say tax benefits in mutual funds, 20% of respondents say good returns in mutual funds, 17.7% of respondents say others in mutual funds.

TABLE NO: 4.1.14 TABLE SHOWING SOURCES YOU CAME TO KNOW ABOUT MUTUAL FUNDS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
FRIENDS SUGGESTION	45	37.5
SELF DECISION	44	36.7
TELEVISION	18	15
AGENTS	13	10.8
TOTAL	120	100

(SOURCE: Primary data)

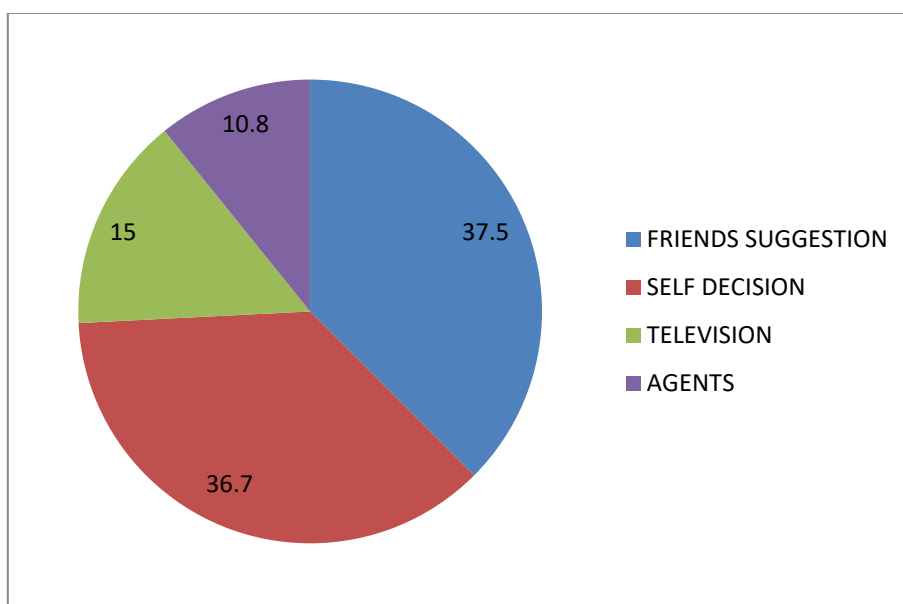


CHART NO: 4.1.14 CHART SHOWING SOURCES YOU CAME TO KNOW ABOUT MUTUAL FUNDS:

INTERPRETATION:

37.5% of respondents came to mutual funds in friends suggestion, 36.7% of respondents came to mutual funds in self decision, 15% of respondents came to mutual funds in televisions, 10.8% of respondents came to mutual funds in agents.

TABLE NO: 4.1.15 TABLE SHOWING THE REASON OF INVESTORS THAT NOT INVESTED MONEY IN MUTURAL FUNDS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
NOT INTERESTED	46	38.3
IMPERFECT KNOWLEDGE	28	23.4
INVESTED IN GOVTS BONDS	22	18.3
OTHERS	24	20
TOTAL	120	100

(SOURCE: Primary data)

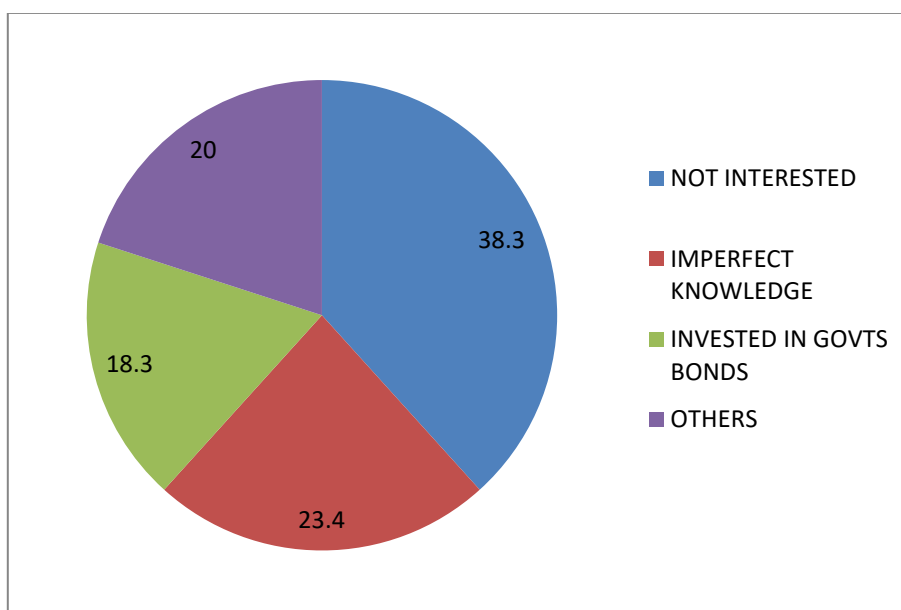


CHART NO: 4.1.15 CHART SHOWING THE REASON OF INVESTORS THAT NOT INVESTED MONEY IN MUTURAL FUNDS

INTERPRETATION:

Majority of 38.3% of respondents not interested to invest in money in mutual funds, 23.4% of imperfect knowledge, 20% of not invest in mutual funds, 18.3% of not invested in govt bonds.

TABLE NO: 4.1.16 TABLE SHOWING I WOULD ENJOY EXPLOING INVESTMENT OPPORTUNITIES FOR MY MONEY:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	54	45
AGREE	23	19.8
NEUTRAL	21	17.5
DISAGREE	12	10
STRONGLY DISAGREE	10	8.2
TOTAL	120	100

(SOURCE: Primary data)

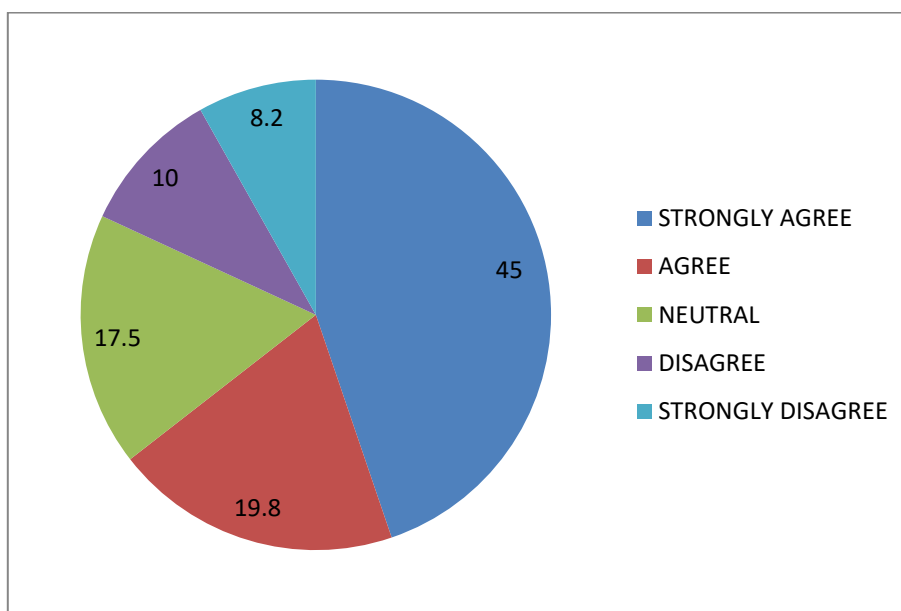


CHART NO: 4.1.16 CHART SHOWING I WOULD ENJOY EXPLOING INVESTMENT OPPORTUNITIES FOR MY MONEY:

INTERPRETATION:

majority of 45% of respondents strongly agree opportunities for my money, 19.8% of agree, 17.5% neutral, 10% disagree, 8.2% strongly disagree exploring investment opportunities for my money.

TABLE NO: 4.1.17 TABLE SHOWING RISK PREFERENCE:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
INNOVATORS	73	60.8
MODERATOR	23	19.2
RISK ADVERSE	24	20
TOTAL	120	100

(SOURCE: Primary data)

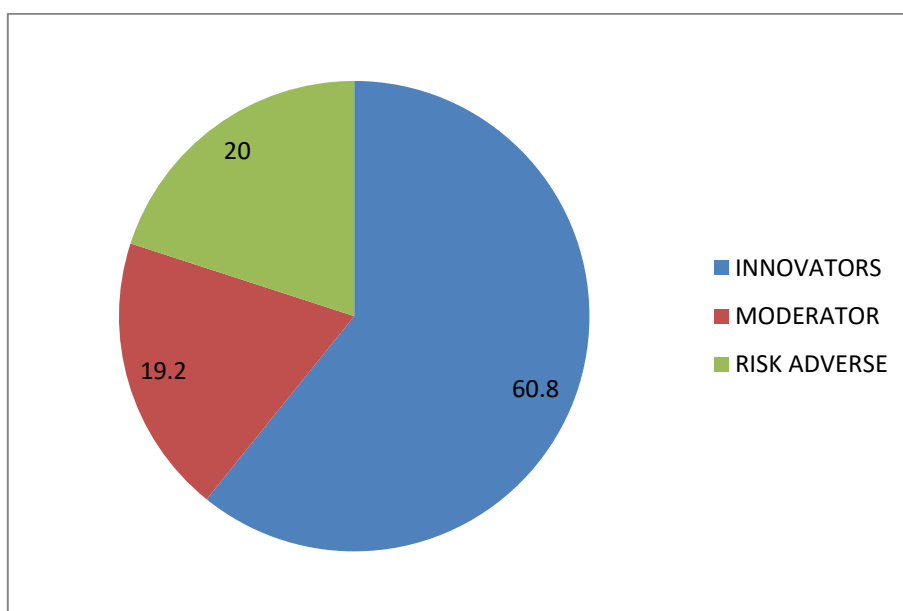


CHART NO: 4.1.17 CHART SHOWING RISK PREFERENCE:

INTERPRETATION:

60.8% of respondents risk preference in innovators, 20% of respondents risk preference in risk adverse, 19.2 risk preference in moderation.

TABLE NO: 4.1.18 TABLE SHOWING I CONSIDER INVESTMENT THAT HAVE AN ELEMENT OF RISK I FEEL QUIT ANXIOUS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	63	52.5
AGREE	22	18.3
NEUTRAL	23	19.8
DISAGREE	3	2.5
STRONGLY DISAGREE	9	7.5
TOTAL	120	100

(SOURCE: Primary data)

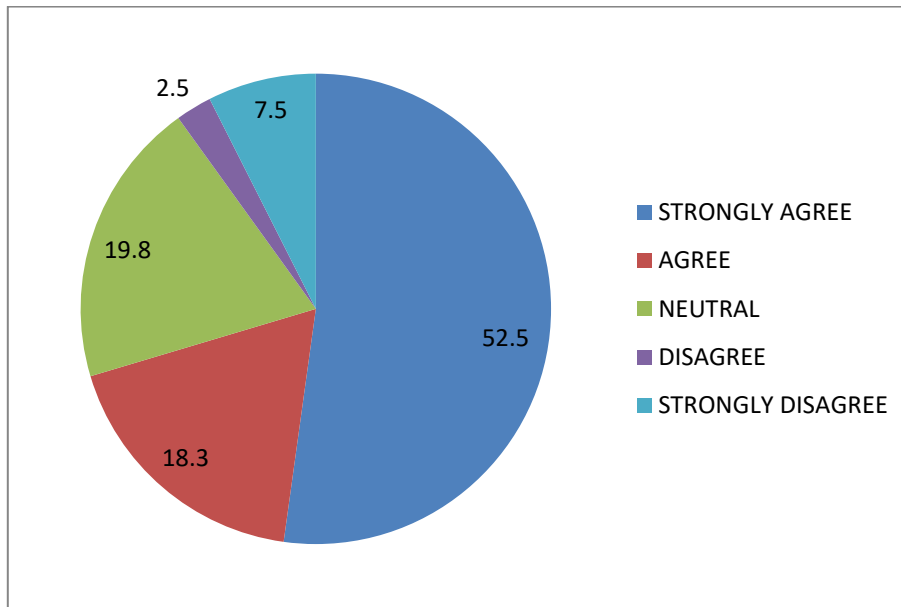


CHART NO: 4.1.18 CHART SHOWING I CONSIDER INVESTMENT THAT HAS AN ELEMENT OF RISK I FEEL QUIT ANXIOUS

INTERPRETATION:

52.2% of respondents strongly agree, 19.8% of respondents neutral, 18.3% of respondents agree, 7.5% of respondents strongly disagree, 2.5% of respondents disagree in investment that have an element of risk.

TABLE NO: 4.1.19 TABLE SHOWING RISK IN MORE IN LONG TIME DURATION INVESTMENT:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	69	57.5
AGREE	15	12.5
NEUTRAL	17	14.8
DISAGREE	13	10.8
STRONGLY DISAGREE	6	5
TOTAL	120	100

(SOURCE: Primary data)

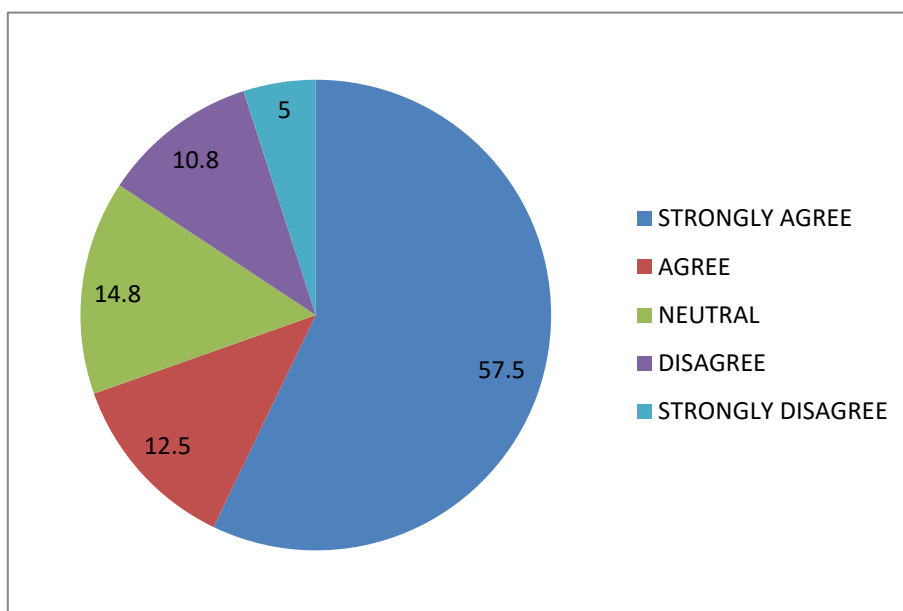


CHART NO: 4.1.19 CHART SHOWING RISK IN MORE IN LONG TIME DURATION INVESTMENT:

INTERPRETATION:

57.5% of respondents strongly agree, 14.8% of respondents of respondents neutral, 12.5% of respondents agree, 10.8% of respondents disagree risk, 5% of respondents strongly disagree risk in more in long time duration investment.

TABLE NO: 4.1.20 TABLE SHOWING PREFERS SMALL CERTAIN GAINS TO LARGE UNCERTAIN ONCE:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	70	58.3
AGREE	17	14.8
NEUTRAL	17	14.8
DISAGREE	7	5.8
STRONGLY DISAGREE	9	7.5
TOTAL	120	100

(SOURCE: Primary data)

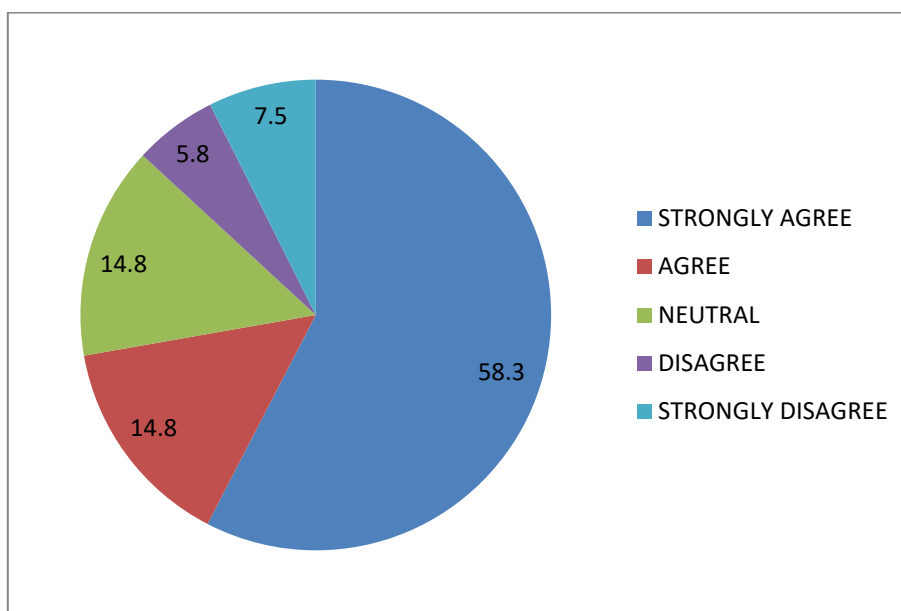


CHART NO: 4.1.20 CHART SHOWING PREFERS SMALL CERTAIN GAINS TO LARGE UNCERTAIN ONCE.

INTERPRETATION:

58.3% of respondents strongly agree, 14.8% of respondents agree, 14.8% of respondents neutral, 7.5% of respondents strongly disagree, 5.8% of respondents disagree in prefer small certain gains to large uncertain.

TABLE NO: 4.1.21 TABLE SHOWING INVESTMENT MONEY TO BE SAFE EVEN IF IT MEANS LOWER RETURNS:

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	75	62.5
AGREE	17	14.8
NEUTRAL	15	12.5
DISAGREE	3	2.5
STRONGLY DISAGREE	10	8.3
TOTAL	120	100

(SOURCE: Primary data)

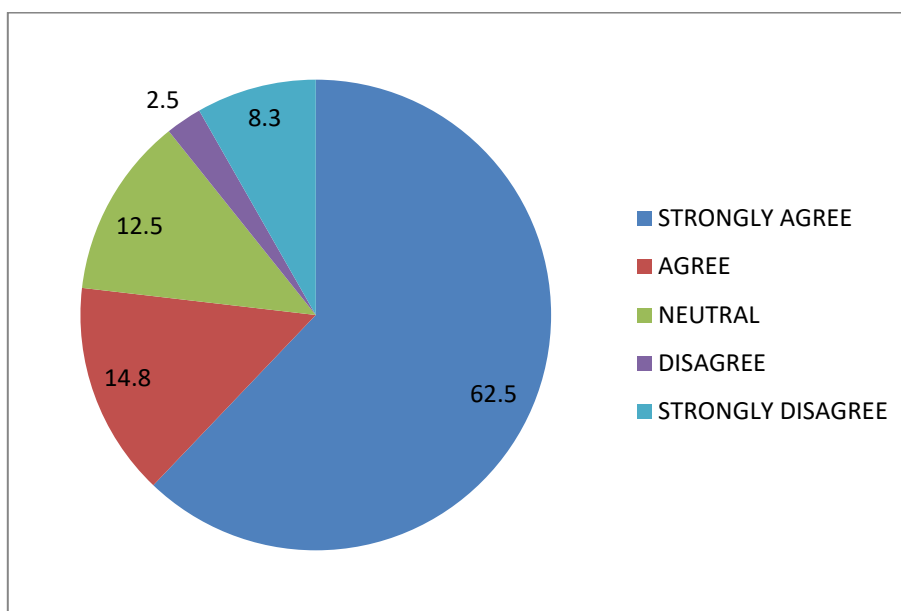


CHART NO: 4.1.21 CHART SHOWING INVESTMENT MONEY TO BE SAFE EVEN IF IT MEANS LOWER RETURNS:

INTERPRETATION:

62.5% of respondents strongly agree, 14.8% of respondents agree, 12.5% of respondents neutral, 8.3% of respondents strongly disagree, 2.5% of respondents disagree in investment money to be safe even if it means lower returns.

4.2 ANALYSIS:

4.2.1 CHI-SQUARE TEST:

Case Processing Summary						
	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * What type of scheme do you prefer	120	100.0%	0	0.0%	120	100.0%

Gender * What type of scheme do you prefer Cross tabulation						
Count		What type of scheme do you prefer				Total
		1	2	3	4	
Gender	1	44	25	16	20	105
	2	7	4	2	2	15
Total		51	29	18	22	120

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.380 ^a	3	.944
Likelihood Ratio	.399	3	.940
Linear-by-Linear Association	.328	1	.567
N of Valid Cases	120		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.25.

INTERPRETATION:

According to the chi square table the p value is =0.944, here the p value is greater than 0.05 (0.944>0.05) so the H0 is rejected and the H1 is accepted. Hence there is a significant difference between the age of the respondents and the type of scheme do you prefer.

4.2.2 CORRELATION CO-EFFICIENT:

THE STUDY OF RELATIONSHIP BETWEEN INVESTMENT OPPORTUNITIES FOR MONEY (X) OR INVESTMENT MONEY TO BE SAFE (Y).

Correlations		I would enjoy exploring investment opportunities for my money	I want my investment money to be safe even if it means lower returns.
I would enjoy exploring investment opportunities for my money	Pearson Correlation	1	.198*
	Sig. (2-tailed)		.030
	N	120	120
I want my investment money to be safe even if it means lower returns.	Pearson Correlation	.198*	1
	Sig. (2-tailed)	.030	
	N	120	120

*. Correlation is significant at the 0.05 level (2-tailed).

INTERPRETATION:

The correlations result is P value is=0.030 It is clear from the above calculation that the variables are positively correlated. The study of relationship between exploring investment opportunities for money or investment money to be safe.

CHAPTER-5

5.1 FINDINGS:

- Majority 64.1% of respondents invests in mutual funds is yes.
- Majority 52.5% of respondents to says excellent in experience in mutual funds.
- Majority 48.3% of respondents invest amount in below 10,000.
- Majority 50.8% of respondents want to invests in bank deposits.
- Majority 36.6% of respondents duration of investment in 0-1.
- Majority 42.5% of respondents prefer of scheme in equity.
- Majority 51.7% of respondent's pattern of investment in open ended scheme.
- Majority 42.5% of respondents to says safety in mutual funds.
- Majority 37.5% of respondents came to mutual funds in friends suggestion.
- Majority 38.3% of respondents not interested to invest in money in mutual funds.
- Majority 45% of respondents strongly agree saying the exploding investment opportunities for my money.
- Majority 60.8% of respondents risk preference in innovators.
- Majority 52.2% of respondents strongly agree in investments that have an element of risk.
- Majority 57.5% of respondents strongly agree risk in more in long time duration investment.
- Majority 58.3% of respondents strongly agree in prefer small certain gains to large uncertain.
- Majority 62.5% of respondents strongly agree in investment money to be safe even if it means lower returns.
- It is clear from the above calculation that the variables are positively correlated. The study of relationship between exploring investment opportunities for money or investment money to be safe.
- Null hypothesis there is no significant relation between the gender and type of scheme do you prefer.

5.2 SUGGESTIONS:

- The investor should keep an eye on the performance of scheme and other good schemes which are available in the market for the closed comparison.
- Efforts should be made to encourage or enhance online dealing of mutual funds. This will save time and cost. They can effortlessly sell or purchase any number of funds whenever they want.
- The brokers should reduce the brokerage charges for the intraday and delivery based, so that the investor can save more amount to generate extra investment for the investor himself as well as for the mutual fund companies.
- The mutual fund industry must also help people in mobilizing their savings in such a way that they can get maximum benefits out of them. The companies must try to increase the investments in moderate to high risk investments by highlighting the rewards and returns on such funds.
- Brokers should reduce the brokerage charges for intraday and delivery based so that the investor can save more amounts to generate extra investment for the investor as well as for the Mutual Fund companies.
- Mutual Fund companies should try to increase the promotion and advertisement strategies for awareness of Mutual fund.

5.3 CONCLUSIONS:

The mutual fund industry is growing at a tremendous pace. A large number of plans have come up from different financial resources. With the stock markets oaring the investors are attracted towards these schemes. Only a small segment of the investors still in Mutual Funds and the main source sources of information still are the financial advisors followed by advertisements in different media. Also there is a tendency to invest in fixed deposits due to the security attached to it. In order to make mutual funds a success, companies still need to create awareness and understand the Indian customer.

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WEBSITES:

www.investopedia.com

www.moneycontrol.com

www.cleartx.in

www.investor.gov

APPENDIX- I

QUESTIONNAIRE:

1) Name:

2) Gender:

a) Male b) Female

3) Age:

a) 18-25 b) 26-35 c) 36-45 d) above 46

4) Marital status:

a) Married b) unmarried

5) Occupations:

a) public sector b) private sector c) entrepreneur d) others

6) Monthly income:

a) Below 20,000 b) 20,000-40,000 c) 40,000-60,000 d) above 60,000

7) Do you invest in mutual funds?

a) Yes b) No

8) The investors experience in mutual funds.

a) Excellent b) good c) fair d) poor

9) How much amount do you invest?

a) Below 10,000 b) 10,000-20,000 c) 20,000-30,000 d) above 30,000

10) Where do you want to invest?

a) Bank deposits b) stock markets c) mutual funds d) insurance

11) What is duration of your investment?

a) 0-1 b) 1-3 C) 3-5 d) more than 5 years

12) What type of scheme do you prefer?

a) Equity b) debt c) balanced d) fixed maturity plan

13) What pattern of investment.

a) Open ended scheme b) closed ended scheme c) interval scheme

14) Why do you invest in mutual funds?

a) Safety b) good returns c) tax benefits d) others

15) Which sources you came to know about mutual funds.

a) friend's suggestion b) self decision c) television d) agents

16) The reason of investors that not invested money in mutual funds.

a) Not interested b) imperfect knowledge c) invested in government bond d) others

17) I would enjoy exploring investment opportunities for my money.

a) Strongly agree b) agree c) neutral d) disagree e) strongly disagree

18) What is risk preference?

a) Innovators b) moderator c) risk adverse

19) When I consider investments that have an element of risk I feel quite anxious.

a) Strongly agree b) agree c) neutral d) disagree e) strongly disagree

20) Risk is more in long time duration investments.

a) Strongly agree b) agree c) neutral d) disagree e) strongly disagree

21) I would prefer small certain gains to large uncertain ones.

a) Strongly agree b) agree c) neutral d) disagree e) strongly disagree

22) I want my investment money to be safe even if it means lower returns.

a) Strongly agree b) agree c) neutral d) disagree e) strongly disagree

ARTICLE – FULL PAPER

A STUDY ON INVESTORS PERCEPTION TOWARDS RISK IN MUTUAL FUNDS

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ABSTRACT:

A study on investors perception towards risk in mutual funds. The main purpose of this study is to analyses the investors perception towards mutual funds. The study also enables us to understand if the investor perception is dependent on the demographics of the investor along with various other factors. The data collector by questionnaire types. The study was conducted for 3 months periods. A sample of 120 respondents was selected to understand their perception of mutual funds. The main statistical tools used for the study are chi square, correlation analysis. Majority of the respondents prefer mutual funds as their savings and safety preference and majority of the investors took self decision to invest in mutual funds.

INTRODUCTION:

Mutual fund is a pool of money collected from investors and is invested according to certain investment options. A mutual fund is a trust that pools the saving of a no. of investors who share a common financial goal. A mutual fund is created when investors put their money together. It is, therefore, a pool of investor's fund. The money thus collected is then 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 holders in proportion to the no. of units owned by them. The most important characteristics of a fund are that the contributors and the beneficiaries of the fund are the same class of people namely the investors. The term mutual fund

means the investors contribute to the pool and also benefit from the pool. The pool of funds held mutually by investors is the mutual fund. A mutual fund business is to invest the funds thus collected according to the wishes of the investors who created the pool. Usually the investor's appoint professional investment managers create a product and offer it for investment to the investors. This project represents a share in the pool and pre status investment. Thus, a mutual fund is the most suitable investment for a common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at relatively low cost.

In the last decade, mutual funds have become a hot favorite of millions of people all around the world. Mutual funds investment give more return on the investment made than the income earned in the form of fixed deposits, life insurance and even bonds because with a little money, they can get into the investment and can able to earn higher interest rates compared to other investment avenues. One can own a string of blue chips like SBI, Birla Sun Life, Reliance, UTI etc,. Thus mutual funds give an opportunity to enter into big companies which is otherwise impossible for an ordinary investor with small amount of investment. A Mutual fund aggregates the saving of a number of investors who share a common financial goal. The money thus collected in a mutual fund is then invested in capital market instruments such as bonds, securities, shares, debentures etc. The income earned through these investments and the realized capital appreciation are shared by its unit holders in proportion to the number of units owned.

OBJECTIVES:

- To study on investors perception towards risk in mutual funds.
- A study the level of investor opinion of mutual funds.
- To analyze risk of the different schemes of mutual funds.
- To find out the overall criterion of investors regarding investment.
- To find the assess the risk faced by the mutual funds investors.

REVIEW OF LITERATURE:

Martin P. and McCann B. (1998) They have advised that Investors should focus on sectors of the global economy that have the greatest potential for profit in order to beat the market averages. By combining this approach with the safety provided by mutual funds' inherent diversification, mutual funds become an investment vehicle with all the advantages of trading individual securities and none of the disadvantages. Like any other investment, it is essential to develop a strategy for selecting which funds to buy and sell and when. These decisions should not be left to the emotions or to chance.

Gremillion L (2005) It has also mentioned the different type of challenges faced by various professionals connected with this industry. The book has provided a broad and comprehensive sweep of information and knowledge, which will help everybody who has serious interest in the industry.

Tyson E (2007) By proper selection investor can identify good schemes, where fund managers invest in securities as per that match investors' financial goals. Investors can spend their time doing the activities in life that they enjoy and are best at. Mutual Funds should improve investors' investment returns as well as their social life. The book helps investors how to avoid mutual fund investing pitfalls and maximizing their chances for success. Whenever any investor wants to buy or sell a mutual fund, the decision needs to fit his overall financial objectives and individual situation.

Jank S (2010) in his Discussion Paper on "Are there disadvantaged clieneles in mutual funds has mentioned that mutual fund investors chase past performance, even though performance is not persistent over time. This means that investors buy mutual funds that had a high return in the past. On the other hand, investors are reluctant to withdraw their money from the worst performing funds. This behavior has often been attributed to the irrationality of mutual fund investors. Sophisticated investors rationally chase past performance, because high past performance is a signal for managerial ability. No significant difference was found between investor composition of the worst performing funds and those with average performance.

Singh B K (2012) A study on investors attitude towards mutual funds as an investment option from International of Research in Management has reiterated the need for spreading the awareness about Mutual Funds among common masses. There is a strong need to make people understand the unique features of investment in Mutual Funds. From the existing investors point of view the benefits provided by mutual funds like return potential and liquidity have been perceived to be most attractive by the invertors' followed by flexibility, transparency and affordability.

Divya K. (2012) A Comparative study on evaluation of Selected Mutual Funds in India from International of Marketing and Technology has suggested that the investment managers whose performance is below benchmark index should have a relook at their investment strategy and asset allocation. Investing styles should be redesigned according to up & down swings of the market to generate superior performance. To increase the efficiency and popularity of mutual funds, the regulator should set the standard criteria of benchmarks which will be helpful to asset management companies.

Goel Set al (2012) A Review of Performance Indicators of Mutual Funds from Researchers World Journal of Arts, Science & Commerce have reiterated that the Stock picking ability and lengthy tenure of fund managers are favourable for mutual funds performance. Performance of the Mutual Fund is also related to its ownership style. Local mutual funds perform better than the foreign mutual funds as they have better knowledge of the local market. Mutual Fund companies with larger asset base are performing better than lower asset base companies.

Vanaja V. and Karrupasamy R (2013) A study on the performance of select Private Sector Balanced Category Mutual Fund Schemes in India from International Journal of Management Sciences and Business Research have mentioned that Out of five private sector balanced category mutual funds (under study) two earned a return above the average returns. Two have made negative returns. All the private sector balanced category funds selected for the study have a positive Sharpe ratio. The range of excess returns over risk free return per unit of total risk is wide. All the funds

selected for the study have a positive Treynor ratio. All the funds selected for the study has positive Jensen's alpha indicating superior performance.

METHODOLOGY:

Research Methodology is the specification of methods and procedures for acquiring the information needed to structure or solve problems. It is the overall operational pattern or framework of the project that stipulates what information is to be collected, from which sources and with what procedures.

Descriptive research design has been adopted for the present study. More simple put descriptive research is all about describing people who take part in the study.

Convenience sampling is a type of non probability sampling that involves the sample being drawn from that part of the population that is close to hand. Where the sample is taken from a group of people easy to contact or to reach.

DISCUSSIONS:

On completing the study the chi square test and correlation test were done to find out the relation difference between variable to prone the attained results statistically.

HYPOTHESIS 1:

4.2 ANALYSIS:

4.2.1 CHI-SQUARE TEST:

Case Processing Summary						
	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * What type of scheme do you prefer	120	100.0%	0	0.0%	120	100.0%

Gender * What type of scheme do you prefer Cross tabulation

Count

		What type of scheme do you prefer				Total
		1	2	3	4	
Gender	1	44	25	16	20	105
	2	7	4	2	2	15
Total		51	29	18	22	120

Chi-Square Tests

	Value	Df	Asymptotic Significance (2- sided)
Pearson Chi-Square	.380 ^a	3	.944
Likelihood Ratio	.399	3	.940
Linear-by-Linear Association	.328	1	.567
N of Valid Cases	120		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.25.

INTERPRETATION:

According to the chi square table the p value is =0.944, here the p value is greater than 0.05 (0.944>0.05) so the H0 is rejected and the H1 is accepted. Hence there is a significant difference between the age of the respondents and the type of scheme do you prefer.

4.2.2 CORRELATION CO-EFFICIENT:

THE STUDY OF RELATIONSHIP BETWEEN INVESTMENT OPPORTUNITIES FOR MONEY (X) OR INVESTMENT MONEY TO BE SAFE (Y).

Correlations		I would enjoy exploring investment opportunities for my money	I want my investment money to be safe even if it means lower returns.
I would enjoy exploring investment opportunities for my money	Pearson Correlation	1	.198*
	Sig. (2-tailed)		.030
	N	120	120
I want my investment money to be safe even if it means lower returns.	Pearson Correlation	.198*	1
	Sig. (2-tailed)	.030	
	N	120	120

*. Correlation is significant at the 0.05 level (2-tailed).

INTERPRETATION:

The correlations result is P value is=0.030 It is clear from the above calculation that the variables are positively correlated. The study of relationship between exploring investment opportunities for money or investment money to be safe.

FINDINGS:

- It is clear from the above calculation that the variables are positively correlated. The study of relationship between exploring investment opportunities for money or investment money to be safe.

- Null hypothesis there is no significant relation between the gender and type of scheme do you prefer

SUGGESTIONS:

The investor should keep an eye on the performance of scheme and other good schemes which are available in the market for the closed comparison. Mutual Fund companies should try to increase the promotion and advertisement strategies for awareness of Mutual fund.

CONCLUSIONS:

The mutual fund industry is growing at a tremendous pace. A large number of plans have come up from different financial resources. With the stock markets soaring the investors are attracted towards these schemes. Only a small segment of the investors still in Mutual Funds and the main source sources of information still are the financial advisors followed by advertisements in different media. Also there is a tendency to invest in fixed deposits due to the security attached to it. In order to make mutual funds a success, companies still need to create awareness and understand the Indian customer.

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