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3. To Study Investment Patterns and Customer Attitudes in Relation to Mutual Funds

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Abstract

Since the establishment of the Unit Trust of India in 1964, India's mutual fund sector has grown rapidly and gained widespread popularity. Simultaneously, substantial plausible academic literature on a variety of mutual fund-related topics has emerged. The perceptions and preferences of investors toward various mutual fund schemes, as well as the factors that motivate different types of investors to invest in mutual funds, are among the most frequently discussed topics in contemporary literature. Considering this, a survey of 52 Mumbai-based mutual fund investors was conducted (India). According to the study, safety, prior performance, and liquidity are the most influential criteria in persuading most investors to choose mutual fund schemes. The study employed both parametric and nonparametric statistical methods.

Keywords: Mutual Fund, Perception, Investment, Attitude

Introduction

A mutual fund is a trust that combines the funds of a group of retail investors who have a shared financial goal. It is promoted by a sponsor and managed by a trust. The money raised from the sale of mutual fund units is invested by the fund manager in a variety of securities, depending on the scheme's goal. Shares, debentures, and money market instruments are all examples of these. Individual investors can benefit from a Mutual Fund since it provides a diversified, professionally managed portfolio at a cheap cost. Mutual Funds are open to everyone with a small amount of money to invest, as little as a few thousand rupees. Each Mutual Fund scheme has a set of investment goals and strategies.

Unit Trust of India (UTI) is credited with creating the first mutual fund in India. In recent years, the Indian money and capital market has experienced tremendous expansion and has increased its geographical reach. Indian money and capital market regulators have actively contributed in the development of regulations that provide confidence to both ordinary and institutional investors.

Review of Literature

1. Sapar Rao Narayan & Madava Ravindran (2003) ,analysed the performance of 269mutual fund schemes during a market using relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure, and Fama's. The results obtained expressed that the majority of the mutual fund schemes within the sample extraordinary performed the investor's expectations by giving excessive return over expected return supported premium for systematic risk and total risk.
2. Garg (2011), analysed the performance of top ten mutual funds that was selected on the basisof previous years return. The study found the performance on the basis of return, standard deviation, beta as well as Treynor, Jensen and Sharpe indexes. The study also used Carhart's four-factor model to examine the performance of mutual funds. The results reveal that Reliance Regular Saving Scheme Fund has achieved the best final score.
3. Sarish (2012), studied mutual funds and the benefits of investing in mutual fund, its drawbacks and have done detailed study on various aspects of mutual fund. This paper aims atexploring the potential of mutual funds in India with all problems, complexities and variables, and suggesting the means and ways of meeting the challenges for developing the mutual fundsin tandem with its potential of economic growth. This study relied on secondary data in order toidentify and analyze the challenges and opportunities for mutual funds
4. R. Anitha, et. al., (2011), in their study evaluated the performance of public-sector and private sector mutual funds for the period of time from 2005 to 2007. Selected funds had been analyzed by using some statistical tools like mean, standard deviation and co-efficient of variance. The performance of all the funds has shown volatility during the time of study making it difficult to earmark one particular fund which could be extraordinary perform the opposite consistently.

5. Kalpesh P Prajapati and Mahesh K Patel (2012); analysed the Indian mutual funds' performance using performance index, risk-return analysis, Treynor's measure, Sharpe measure,Jensen's measure, and Fama's measure. The relevant data used is daily closing NAVs from 1stJanuary 2007 to 31st December, 2011 and concluded that the majority of the mutual funds havegiven positive return during the period of study
6. Mishra and Kuma,2016, There is a lack of research explicitly conducted to understand the investment behavior of mutual fund investors in Pakistan. Studies conducted on investment behavior in traditional finance have progressed far beyond the viewpoints of Markowitz, whereby investors (supposed to be the logical benefit maximizers) consider anticipated returnsand risks on investment opportunities as the only deciding factors in their decision on investment

Objective

- To investigate recent mutual fund investing trends in Mumbai.
- To determine the investors' basic perceptions of Investing in mutual funds.
- To identify and assess recent mutual fund trends.

Problem Statement

- This topic is selected to research the effect and impact of Mutual Fund on investors.
- To find out how mutual fund has a tremdous impact on investors in this present situation.

Limitations

1. Time spend on the study is limited and thus is a major constraint.
2. Area of research is limited to Mumbai places where the sample is collected and therefore cannot be taken as a universal sample is thus also a major constraint.

Research Methodology

Research design

The research conducted was descriptive and analytical, so a Survey method was used. A Survey was conducted through a structured questionnaire tested for reliability and data was collected throughout Mumbai.

Primary data

Primary data was collected randomly through the structured questionnaire in Mumbai, by using simple random sampling.

Sample size

The study was limited to those participants who willingly elected to complete the instruments in their entirety. There was a total of 52 respondents.

The sample to which the questionnaire was administered was based on random sampling techniques. The sample distribution was given in Table 1. Socio-Demographic profile

Parameters	Classification	Sample (N)	Percentage (%)
Gender	Male	37	71.20
	Female	15	28.80
	Total	52	100
Age (in years)	18-25	35	67.31
	25-35	08	15.38
	35-45	05	9.62
	45-60	05	7.69
	Total	52	100
Occupation	Service	16	30.80
	Self Employed	14	26.90
	Students	21	40.40
	Others	1	1.90
	Total	52	100
Income Group (In Rupees)	Below 15,000	33	63.46
	15,000-20,000	09	17.30
	20,000-25,000	08	15.40
	25,000-30,000	0	0
	30,000 and above	2	3.80
	Total	52	100

Table 1. Source: Primary data

Sample design

The researcher relied upon simple random sampling technique, considering the research methodology and research type as per guidelines. A caution was exercised during the study that the respondents who did not show inclination to be a part of the study were not covered.

Area of research

Mumbai.

Secondary data

The secondary information or data was collected from newspapers, research articles, magazine and websites.

Research Instruments

A summated closed end questionnaire was used with different viewpoints of respondents. In this questionnaire, all the questions were positively framed to study the impact of independent variables like age, gender and profession on the dependent variable.

Statistical Analysis

Efficient and effective data analysis is the result of effective data preparation. This was found to be very crucial between the completion of the field work and the statistical processing of the collected data. On the basis of data sheet, tables and graphs were prepared for the analysis.

Hypothesis

1. H0: There is no significant relationship between age group and awareness about the mutual fund.

   Ha: There is a significant relationship between age group and awareness about the mutual fund.

2. H0: There is no significant relationship between income level and the perspective of investors.

   Ha: There is a significant relationship between income level and the perspective of investors.

3. H0: There is no significant relation between gender and investment in mutual fund.

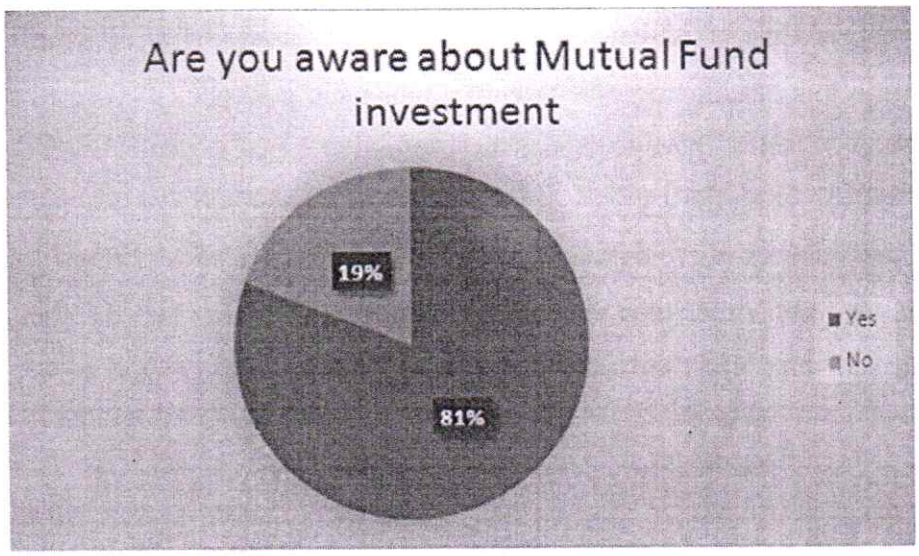
   Ha: There is a significant relation between gender and investment in mutual fund.

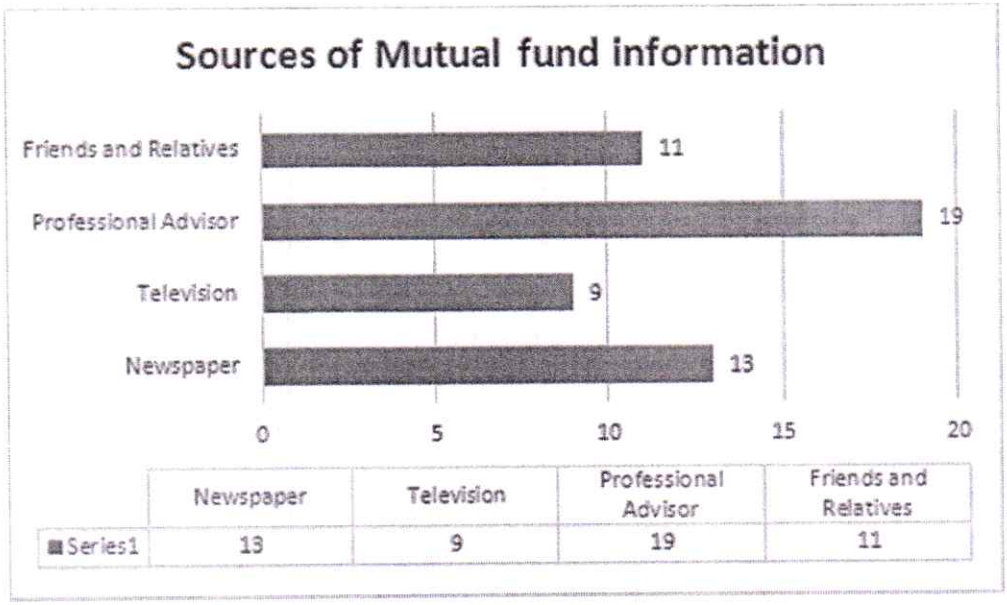
Data Analysis

There is no significant relationship between age group and awareness about the mutual fund.

Are you aware about Mutual Fund investment?			
	Parameters	Sample (N)	Percentage (%)
Valid	Yes	42	80.77
	No	10	19.23
	Total	52	100
Sources of Mutual fund information?			
Valid	Newspaper	13	25.00
	Television	09	17.30
	Professional Advisor	19	36.50
	Friends and Relatives	11	21.20
	Total	52	100

Table 2: Source: Primary Survey





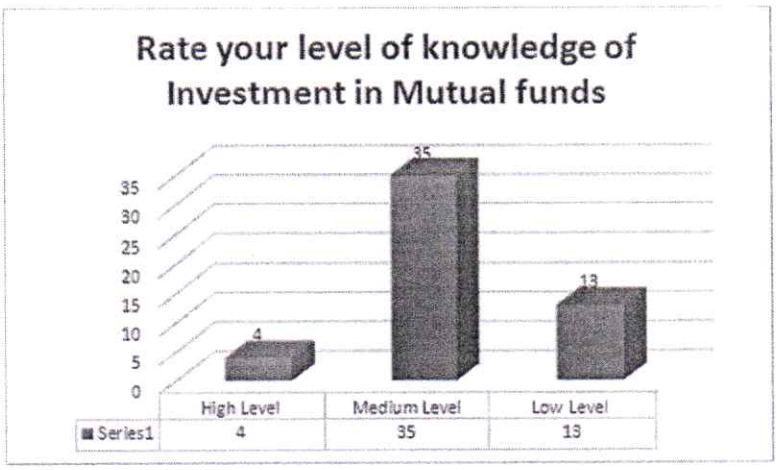
Interpretation

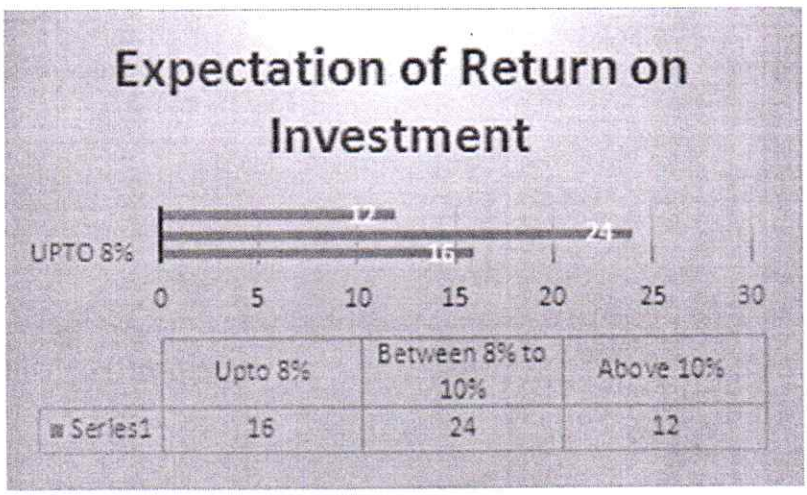
According to the survey, it was analyzed that most investors are aware of the mutual fund.80.70 % of the investors are aware about the mutual fund. Almost,36.54% of the value that perceive from the sources of a professional advisor. It is also observed 19.23% of the investors are not aware about mutual fund. Most of the respondent are aware and invest the money in mutual fund.

There is no significant relationship between income level and the perspective of investors.

Rate your level of knowledge of Investment in Mutual funds?			
	Parameters	Sample (N)	Percentage (%)
Valid	High Level	04	7.70
	Medium Level	35	67.30
	Low Level	13	25.00
	Total	52	100
Expectation of Return on Investment?			
Valid	Upto 8%	16	30.80
	Between 8% to 10%	24	46.20
	Above 10%	12	23.10
	Total	52	100

Table 3: Source: Primary Survey





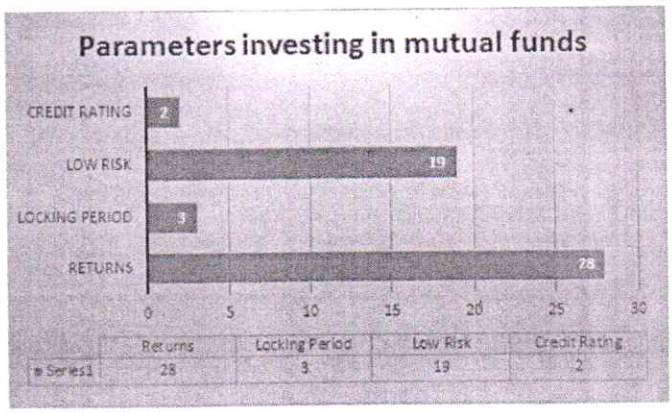
Interpretation

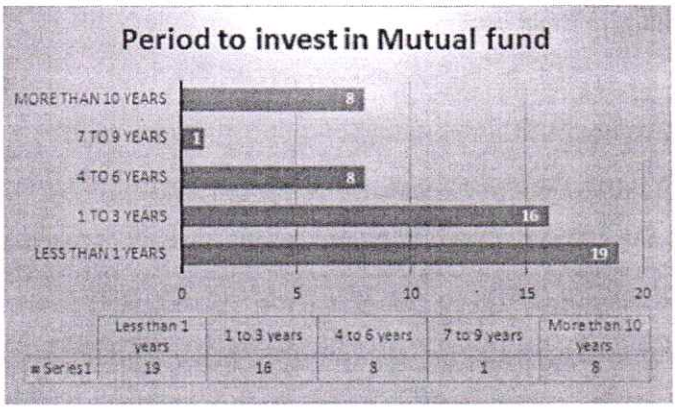
According to the analysis, it was observed that there is no correlation between the income group and perspective of investors .67.30 % of investors would like increase they interests towards mutual fund. According to the survey it was also analysis that 46.20% of the investors say that is return between 8% to 10% invest in mutual fund rather than to invest in stock market.23.10% of the respondent agree that stock market is good return has compare to mutual fund. It was also observed that 25% of the respondents are have low level knowledge about the Mutual fund.

There is no significant relationship between gender and investment in a mutual fund.

Important parameters while investing in Mutual funds?			
	Parameters	Sample (N)	Percentage (%)
Valid	Returns	28	53.80
	Locking Period	3	5.80
	Low Risk	19	36.50
	Credit Rating	2	3.80
	Total	52	100
Period to invest in Mutual fund?			
Valid	Less than 1 years	19	36.50
	1 to 3 years	16	30.80
	4 to 6 years	08	15.40
	7 to 9 years	01	1.90
	More than 10 years	08	15.40
	Total	52	100

Table 4: Source: Primary Survey





Interpretation

According to the survey there is a co-relation between finance competence and reasons for investing in mutual fund among different age groups of the respondent. 53.80% of the respondent, somewhat more worth in present scenario in the investment market and intend to get high return.36.50% respondent say, transactions in mutual fund have more significant in today investment market.5.80% of the respondent has a less significant less impact of locking period in mutual fund. 36.50% of the respondent say that less than 1 years of investment. 30.80% of the respondent say investment for 1 to 3 years.

Recommendations / Suggestions

- Mutual funds collect funds from investors and invest them in the stock and debt markets, allowing for portfolio diversification and relative risk aversion.
- Fixed-income funds are a type of mutual fund that invests in debt instruments that have been issued by enterprises, banks, or the government in India. In India, fixed-income funds are also known as debt funds or income funds.
- In the Indian capital market, mutual funds provide investors with the lowest risks and highest returns through a variety of financial instruments.
- The expansion and development of diverse mutual fund products has shown to be one of the most catalytic instruments in achieving significant capital market investment growth.

Conclusion

During the phase of the study that was done, investors did not have very positive feelings about mutual funds, owing to the secondary market's underperformance and the highly volatile fixed-income securities market. 2. In the case of various mutual fund schemes, the study

discovered a considerable disparity in male and female opinions in the case of growth and income funds. Female investors choose income and balancing schemes, while male investors favor growth and tax saving schemes, according to the survey. It has been discovered that the most influential criteria in persuading most investors to choose MF schemes are safety and liquidity. Another important factor to consider is past performance and tax savings. Professional management and the fund's reputation are other crucial factors in influencing investment decisions. To gear up the performance to satisfy investor criteria, a competent fund manager should investigate investor saving and investment behavior based on the demographic profile and comprehend their needs and expectations. Because investors' demand for liquidity is high, and open-ended funds have shown interest in various polls, we recommend that more of the new schemes available for subscription be open-ended. More service branches should be opened by AMCs to provide over-the-counter redemption services.

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