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## **Investor's Perception towards Mutual Funds**

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### **1. Brief introduction:**

In today's competitive environment, many kind of investment avenues are available to the investors. All investment modes have their own advantages and disadvantages. An investor tries to analyze available investment modes, balance the benefits and shortcomings and invests in the one which gave maximum return.

Among various investment modes, Mutual Fund is the most suitable investment mode for a common man, as it offers an opportunity to invest in a diversified and professionally managed portfolio at a low cost. Mutual funds have contributed in India's growth and also ensure one's financial well-being. As information and awareness is rising, more and more people are investing in mutual funds and enjoying the benefits.

In this research, an attempt is made to study the investment avenue preferred by the investors of Meerut and analyze the investor's preference towards investment in mutual funds when other investment avenues are also available in market.

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### **2. Review of Previous literature:**

*Madhusudhan V Jambodekar* (1996) do a study to find out the attentiveness about Mutual Funds in people and to identify the things which change the purchaser decision and the choice of a specific fund. Investors usually get information about mutual funds through newspaper and magazines and professional management of fund is the important part of mutual funds.

*Sujit Sikidar and Amrit Pal Singh* (1996) have done a survey to understand the behavioral aspects of the investors of the North Eastern region towards equity and mutual funds investment portfolio. salaried and self-employed people were the key investors in mutual fund largely due to tax planning. UTI and SBI schemes were trendy in the country before and other funds was not doing well during the time when study was done.

*Shankar* (1996) states that Mutual Funds viewed as product by the investors in India, and to capture the market one should follow the customer product allocation representation.

*Rathnamani* (2013) concluded that many investors are preferred to invest in mutual fund in order to have high return at low level of risk, safety liquidity

*Dhimen Jagdishbhi Jani, Bhautikk Alpesh kumar Patel & Rajeev V. Jain* (2012) This study focused on the consumer's perception towards mutual fund as an investment option in Valsad city from Gujarat. They found out that consumer have positive attitude towards mutual funds.

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### **3. Statement of the problem:**

Mutual Fund is an investment vehicle created with pooling of funds collected from the scattered investors for the purpose of investing in stocks, bonds, money market instruments or similar assets. In every mode of investment, safety of the principal amount, with continuous returns and growth potential, Mutual funds have designed various financial instruments based on preference of investors, their change in profile and even with changes in stock market.

The concept of Mutual Funds is of recent origin. Some have benefited from it and many are not even aware of such a mode of investment. Some of the investors, with their limited knowledge on this mode, invest in it expecting return higher than those provided under time deposits in commercial banks and if the expected yield does not come up instead turn to backfire, they quit from this mode and also demotivate new ones from entering. This study is conducted with the aim to understand the extent of awareness of Mutual Funds in Investors and steps in familiarizing them among potential investors.

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#### 4. Objectives of the study:

- To find the basis the investors think before investing in mutual funds.
- To find out the most preferred investment option chosen by the investors.
- To analyses the investor's preference toward investing in mutual funds when other investment options are also available in the market

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#### 5. Scope of the study:

A mutual fund is a pool of money managed by a professional Fund Manager. It is a trust that collects money from a number of investors who share a common investment objective and invests the same in equities, bonds, money market instruments and/or other securities.

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#### 6. Research & Methodology:

##### 6.1 Research:

Research method is a efficient way to answer a research problem. It's the process used to collect data and information for the idea of making decision. The methodology may include survey from questionnaire as well as interview and new research techniques.

##### 6.2 Sources of data:

- The study is based on primary data which was collected using structured questionnaire.
- The questionnaire comprises of different type of questions such as, dichotomous question ("yes/no" question) , multiple choice question(MCQ), matrix table question, demographic question and multiple checkbox question.

##### 6.3 Sampling size:

i) Primary data is collected from a sample of 100 investors.

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#### 7. Plan of Analysis:

The data collected and presented in a sample chart & tabular form and analysed using simple mean, standard deviation as well as regression analysis. An analysis plan helps you think through the data you will collect, what you will use it for, and how you will analyze it. Creating an analysis plan is an important way to ensure that you collect all the data you need and that you use all the data you collect. Analysis planning can be an invaluable investment of time.

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#### 8. Limitations of the study:

As the investigation progressed, the following constraints became apparent:

- Time constraints must be met first.
- Lower levels of response (2).
- Third-party respondent bias.

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