



A Study on Investor Perception on Mutual Funds

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ABSTRACT

The goal of the paper is to research about the mutual fund investments and to identify its perception among its customers and analyze the awareness level of it among public. To identify the awareness level and usage of mutual funds among customers. To analyze how mutual funds has evolved in the market and further more findings have been tried to solve. The study aims to understand the perception of mutual funds among individuals in India. The research will involve surveying a sample of individuals from various age groups and income levels to gather their opinions on mutual funds. The study will explore factors such as the level of awareness about mutual funds, the perceived benefits and risks of investing in mutual funds, and the factors that influence investment decisions. The findings of the study can help mutual fund companies and financial advisors better understand the needs and preferences of investors in India. This can lead to more effective marketing strategies and better investment products that meet the demands of the market.

Keywords: investors preference, mutual funds, investments

INTRODUCTION

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. A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds. Each share represents an investor's part ownership in the fund and the income it generates

Mutual Funds were introduced in the Indian financial system with a view to provide comparatively safer investment at the doorstep of the common investors. In this study researcher has tried to understand the performance of selected large cap mutual funds in India. For the study purpose 15 large cap mutual funds has been selected. The Secondary data has been considered for the performance analysis and it was achieved by using various tools and techniques like average return, standard deviation, beta, Sharpe Rao, Jensen Rao and Treynor Rao. The findings depict that DSP Top 100 Equity Fund, ICICI Prudential Blue chip Equity Fund and LIC MF Large cap Fund showed highest return among the selected funds.

REVIEW OF LITERATURE

Sharma; Parihar (2013) the mutual fund industry is a fast-growing sector of the Indian financial markets. They have become major vehicle for mobilization of savings, especially from the small and household savers for investment in the capital market. Mutual funds entered the Indian capital market in 1964 with a view to provide the retail investors the benefit of diversification of risk, assured returns, and professional management. Every type of investment, including mutual funds, involves risk. Risk refers to the possibility that investors will lose money (both principal and any earnings) or fail to make money on an investment.

Dr.V.Sridevi (2019) a mutual fund is an investment medium 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 the study is to examine the investor's behavior towards mutual fund investment. A sample of 150 individual investors has been selected for this purpose. Statistical tools like percentage analysis, chi-square test and garret ranking technique were used to analysis the collected data. It can be concluded that the Indian mutual fund industry is growing at a good pace.

Dr. V.k. Punithavathi (2018) The mutual fund is a collective savings scheme. Mutual funds played an important role in mobilizing the savings of small investors and channelized the same for productive ventures in the Indian economy. This study has analyzed the perception of the investor towards the mutual fund, the reason for preferring mutual fund investment.

(Lalit Mohan Kathuria & Kanika Singhania, 2012) concluded that private sector banking employees were investing a larger portion of their savings into safe and risk-free investment avenues, like employee provident fund, public provident fund and life insurance policy and only forty per cent of the respondents had high level of awareness regarding various investment avenues.

METHODOLOGY

In this study based on both primary and secondary data. The primary data were collected from customers using well-defined and well-framed questionnaire. Convenience sampling method was used for selecting sample respondents. one hundred respondents were selected for the present study. The secondary data were collected from various books, journals, research articles, magazines, and websites. Primary Objectives to Study on investor perception on mutual funds. Secondary objectives is To identify the awareness level and usage of mutual funds among customer and To identify and analyze the investor preference towards mutual funds. Need of study is to identify the different perception that each individual had on mutual funds and classify them to identify the most repeated and common perception for mutual funds among people. Scope of study The study focuses on to get a better understanding of how investors feel about mutual funds and the analysis measure of the investor experience. Limitation of study the size of the sample was relatively small-100 participants. A larger sample would likely upgrade the reliability of the research. The lack of resources led to convenience sampling therefore the data is slightly based. In some cases, participants refused to fill the questionnaire.

ANALYSIS

From the above table that it is interpreted that 57% are male and 43% are female. Majority are male with 57 respondents, it is interpreted that 75% are of age between 21-25 and 15% are of 26-30 age, 3% comes with the age of 31-40 and 7% are of 18-20. thus the majority of the people are an age of 21-25, it is interpreted that 50% of respondents are post graduates, 40% of respondents are undergraduates, 1% are SSLC and 9% are HSC and the majority respondents are with post graduate, it is interpreted that 48% are student, 36% are salary, 12% are doing business and 4% are wages, it is interpreted that 66% of respondents are having salary of below 200000, 27% of respondents are with a income of 200001-400000, 3% of respondents having an income of 400000 and 4% of respondents are having an income above 1000000.

DESCRIPTIVE STATISTICS:

Table 1: PERCENTAGE ANALYSIS:

factor		Frequency	Percentage
1.gender	1. Male	43	43
	2. Female	57	57
2.age	1. 18-20	7	7.0
	2. 21-25	75	75.0
	3. 26-30	15	15.0
	4. 31-40	3	3.0
Education	1. SSLC	1	1.0
	2. HSC	9	9.0
	3. under graduate	40	40.0
	4. post graduate	50	50.0
4. occupation	1. Wages	4	4.0
	2. Salary	36	36.0
	3. business	12	12.0
	4. student	48	48.0
5. annual income	1. below 200000	66	66.0
	2. 200001-400000	27	27.0
	3. 400001-600000	3	3.0
	4. above 1000000	4	4.0

ANNOVA:

To find the relationship between age and the tax benefits associated with investing in mutual funds The significant value 0.376 is less than the table significant value (0.376>0.05). H0 is accepted and H1 is rejected. Therefore, there is no significance difference between age and the tax benefits associated with investing in mutual funds.

H0(null hypothesis): there is no significance difference between age and the tax benefits associated with investing in mutual funds

H1(alternative hypothesis) there is a significance difference between age and the tax benefits associated with investing in mutual funds

Table 2 annova

Age	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.256	1	.256	.789	.376
Within Groups	31.784	98	.324		
Total	32.040	99			

CHI-SQUARE

To find the relationship between age and tax benefits associated with mutual funds. The significant value 0.000 is less than the table significant value (0.000<0.05). H0 is rejected and H1 is accepted. Therefore, there is significance difference between age and the tax benefits associated with mutual funds

H0(null hypothesis): there is no significance difference between age and the tax benefits associated with mutual funds

H1(alternative hypothesis): there is a significance difference between age and the tax benefits associated with mutual funds

	age	Awareness of tax benefits among mutual funds
Chi-Square	136.320 ^a	14.440 ^b
Df	3	1
Asymp. Sig.	0	0

CORRELATION

To find the relationship between age and reviewing of mutual funds investment. From the above table we found that the calculated value is 0.370 which is greater than table value (0.05) thus null hypothesis accepted and alternative hypothesis is rejected. Thus there is no significance difference between age and reviewing of mutual funds investment.

H0(null hypothesis): there is no significance difference between age and reviewing of mutual funds investment.

H1(alternative hypothesis): there is a significance difference between age and reviewing of mutual funds investment.

Correlations

		Age	review nature of mutual fund investments
Age	Pearson Correlation	1	-0.034
	Sig. (1-tailed)		0.37
	N	100	100
review nature of mutual fund investments	Pearson Correlation	-0.034	1
	Sig. (1-tailed)	0.37	
	N	100	100

RESULTS

According to the study, it is interpreted that 57% are male and 43% are female. Majority are male with 57 respondents, people of 25% were consider fund managers experience and track record before investing and 20% were consider risk profile of the fund,21% of were past performance of the fund,15% were consider expense ratio and remaining will rely on investment objective and strategy of the fund. The majority is fund managers experience. it is interpreted that 53% of the respondents were faced issues while investing in mutual funds and remaining 47% were telling they are not facing any issue. it is interpreted that 34% of respondents were came know to know about mutual funds via advertisements and 26% of it from friends and family and 15% are through financial advisors and the remaining were other area. The majority is from advertisements. people of 25% were consider fund managers experience and track record before investing and 20% were consider risk profile of the fund,21% of were past performance of the fund,15% were consider expense ratio and remaining will rely on investment objective and strategy of the fund. The majority is fund managers experience.

CONCLUSION

The minds of the investing public look for investments are safe and that it will earn good returns. This study conducted was regarding the factors influencing the investor's perception towards mutual fund investment. It is highlighted that investors of middle-income level agrees that regular income and liquidity of the investment plays a vital role. It can be perceived that high risk leads to high returns in the investment. The flexibility in the investment would lead to good performance of the funds. There's a scope where investors belonging to different age groups seek for many other factors that can attract them to invest in the mutual fund industry than just the ones considered for the study. Measures should be taken to increase the confidence and

morale of the investors. This can be done through proper communication and by educating investors to invest in mutual funds. Sensible and right information should be given to them by various communication modes so that they get to know about the latest trends in the market. Mutual funds are still and would carry on to be the unique financial instrument in the country.

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