



A STUDY ON MUTUAL FUND'S PERCEPTION WITH REFERENCE TO TATA DIGITAL INDIA

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ABSTRACT.

Mutual funds are essential investing vehicles because they aggregate money from a variety of investors and use it to buy stocks, bonds, and money market instruments, among other things. For those in lower- and middle-class income levels who lack the knowledge or resources to invest directly in stocks, mutual funds provide an accessible option, particularly in nations such as India where investors aim to minimize risks and maximize profits. Investment companies have designed mutual funds specifically to draw savings from these groups, giving them the chance to own a little portion of a diversified portfolio and receive dividend payments from their companies. Mutual fund investments in India struggle to gain investor trust, despite the sector's expansion. The difficult burden of weighing numerous criteria, such as return potential, risk exposure, liquidity, and safety, falls on investors. This study endeavors to analyze investor perceptions of mutual fund schemes specifically in Bengaluru North. Through comprehensive analysis, investors gain valuable insights into the appropriateness of mutual funds as an investment option, empowering them to make informed decisions aligned with their financial objectives and preferences.

Keywords: Mutual Funds, Investor Perceptions, Investment Vehicles, Financial Goals, Bengaluru North

Introduction :

A mutual fund is an investment vehicle that pools funds from various participants to purchase a variety of securities, including stocks, bonds, and money market instruments. It offers individuals an easy way to invest and gain modest ownership in multiple investments held by the fund. In countries like India, where investors aim to maximize returns while minimizing risks, mutual funds cater to those in lower- and middle-income brackets who may lack expertise or resources to invest directly in stocks. Investment firms designed mutual funds to attract savings from these groups and provide them with corporate profit benefits through dividends. Despite the sector's growth, mutual fund investment in India faces challenges in gaining investor trust. Investors must evaluate factors like return, risk, liquidity, and safety when choosing mutual funds over other investments like gold or real estate. Considerations such as mutual schemes, companies, and investor services play a crucial role in selecting mutual funds. In this context, the study aims to analyze investor perceptions of mutual fund schemes in Bengaluru North. Through this analysis, investors can gain insights into the suitability of mutual funds as an investment option and make informed decisions based on their financial goals and preferences.

Literature Review :

Warren buffet (2000) His study showed that only about 9% of Indian households are thought to invest in shares, while about 12% are thought to do so in mutual funds, according to estimates. He came to the conclusion that the investors' funds could not be converted into useful capital unless their needs were carefully considered and identified. Understanding investor behaviour will be made easier as a result, which may have managerial ramifications for decision-makers. **Walia and Kiran (2009)** The study looked at how investors perceived the risk associated with mutual funds, how mutual fund results compared to other financial options, and disclosure and transparency standards. According to the study, most individual investors did not view mutual funds as a particularly risky form of investment. The study also revealed a strong degree of interdependence between investors' perceptions of mutual fund investments and their income level. **Sehgal and Sanjay (2009)** They studied if there was any short-term persistence in the performance of mutual funds in the Indian setting. Using monthly data, they discovered that there was no evidence to support persistence. They came to the conclusion that the efficient market theory has implications for managed portfolios such as hedge funds. **Tarak Paul (2012)** He investigated the discrepancy between retail mutual fund investors' expectations and experiences. The study's findings demonstrated that there is a large disparity between mutual fund investors' expectations and their actual experiences. Therefore, when creating the fund, the sponsors should take into account the needs and expectations of various investor segments. **Dr. Pallabi Mishra, Dr. Biswajit Prasad Chhatoi (2018)** A study was undertaken to analyse mutual fund investments is a professional subject or not. The findings of the current study demonstrated that choosing a mutual fund and its criteria is not heavily influenced by one's career.

Objectives

- To study the awareness of mutual fund among people as an investment option.
- To study and understand the perception of public towards mutual funds.
- To make known that real estate and gold are not the only source of investment.

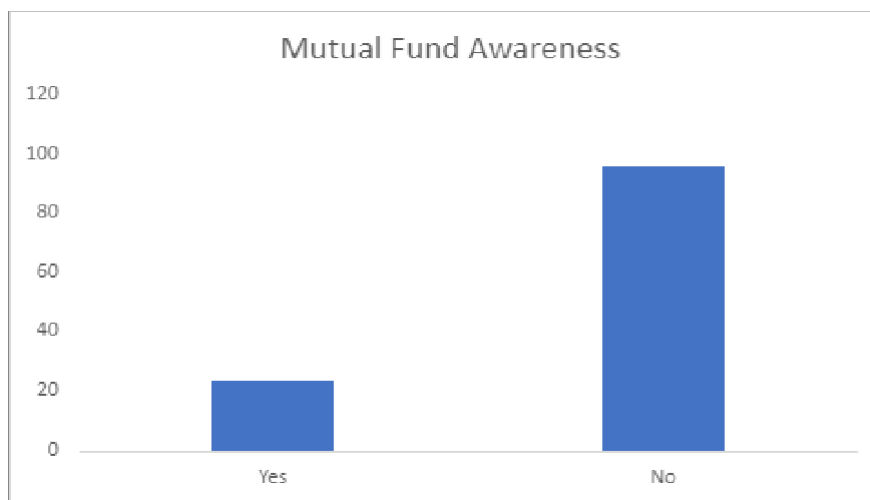
Data and Methodology :

This study is mainly based on **primary data** which is collected through a structured questionnaire (the question is with multiple choices) and snowball sampling technique

was implemented. This study's goal is to close some significant gaps in investors' understanding of mutual fund investments in India. 2024 has been selected as the timeframe for this investigation. Data from 120 individuals including investors were gathered for the analysis. individuals and investors were chosen from different parts from Bengaluru north city. The research analysis is done through percentage analysis with the help of MS Excel.

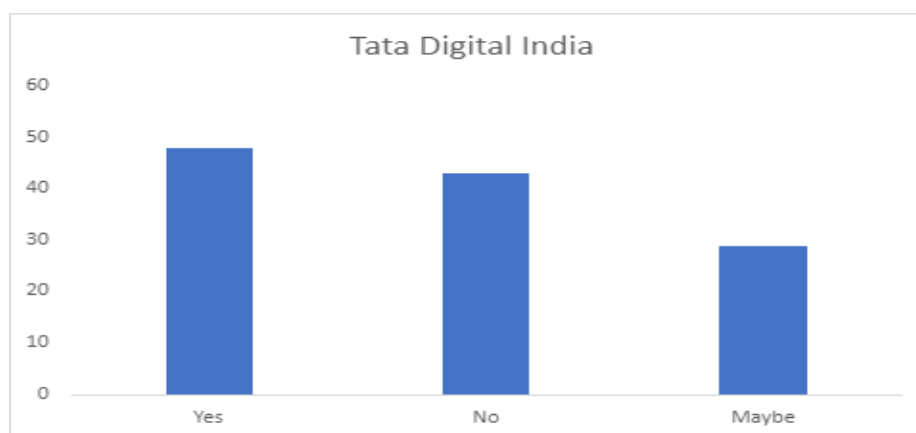
Result and Discussion :

Graph 6.1: Showing Mutual Fund Awareness

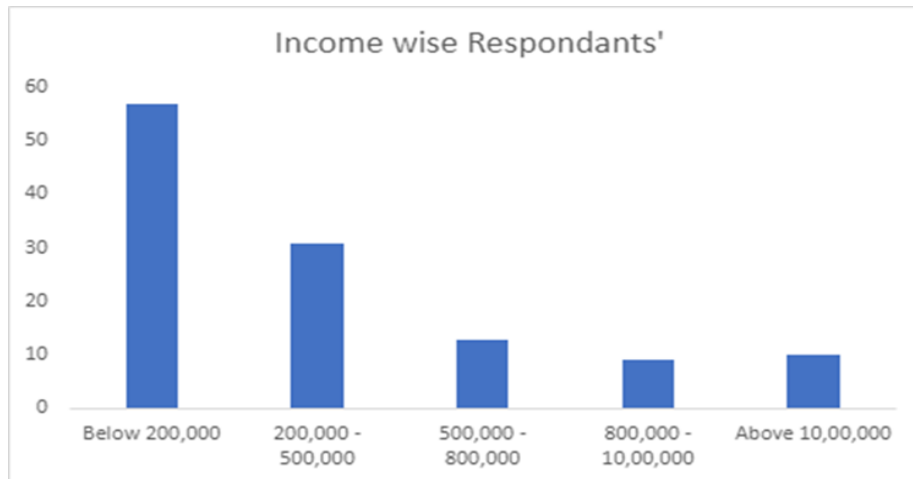


I: From the above extracted data regarding mutual fund awareness, a question was raised questioning Would you prefer mutual funds as an investment option? It is evident that only 20% of the respondents are aware about mutual funds and the remaining 80% of the respondents are not aware of mutual funds as an option for investment.

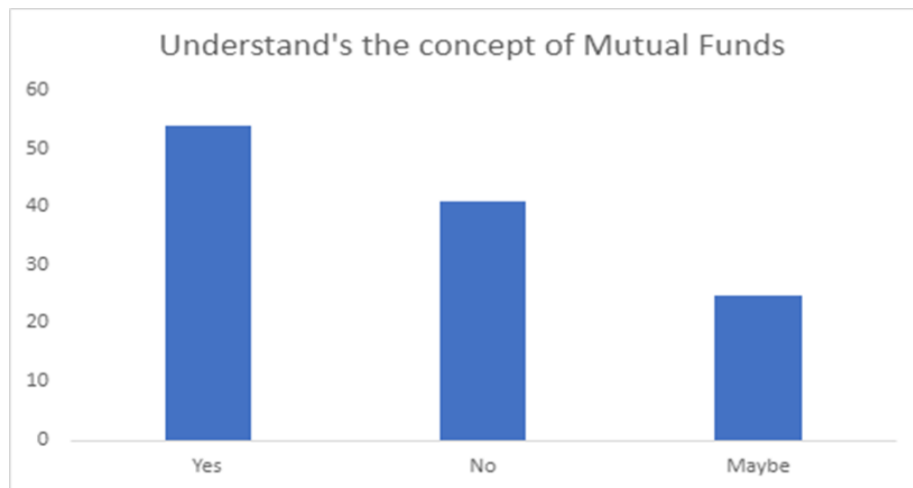
Graph 6.2: Showing Awareness on Tata Digital India Mutual Fund



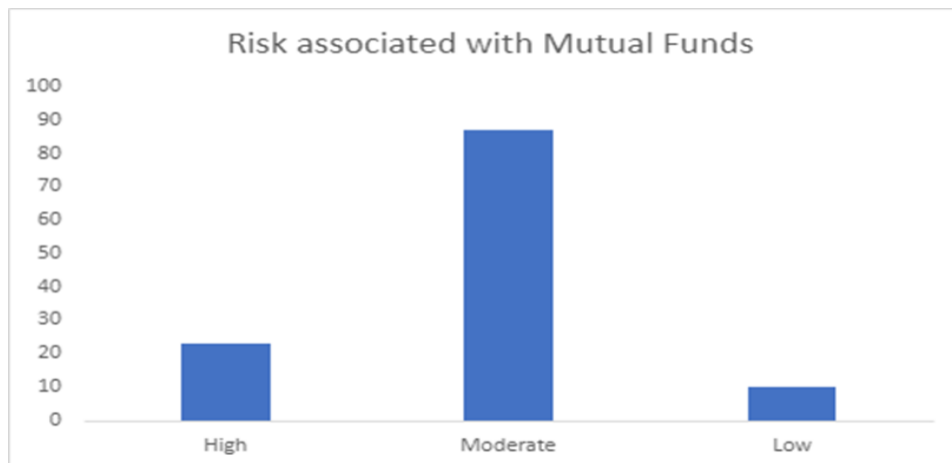
I: In the given questionnaire we had asked the respondents whether they were familiar with Tata Digital India mutual fund. 40% of the respondents have stated they are aware of Tata Digital India mutual fund, 36% have said that they are not aware of the mutual fund, and 24% have given a skeptical answer by choosing maybe.

Graph6.3: Showing Income wise respondents'

I: The above extraction shows the relationship between income and mutual fund as an option for investment. We have received 28% response from income level below INR 200,000 this shows that low-income respondents are striving to increase their wealth by investing in mutual funds. The next bar is that of between INR 200,000 and 500,000 in this case we have received around 26% responses and in the category between INR 500,000 – 800,000 we have received a response of 11% respectively. In the category of INR 800,000 – 10,00,000 and above 10,00,000 we have received a response of 8% respectively

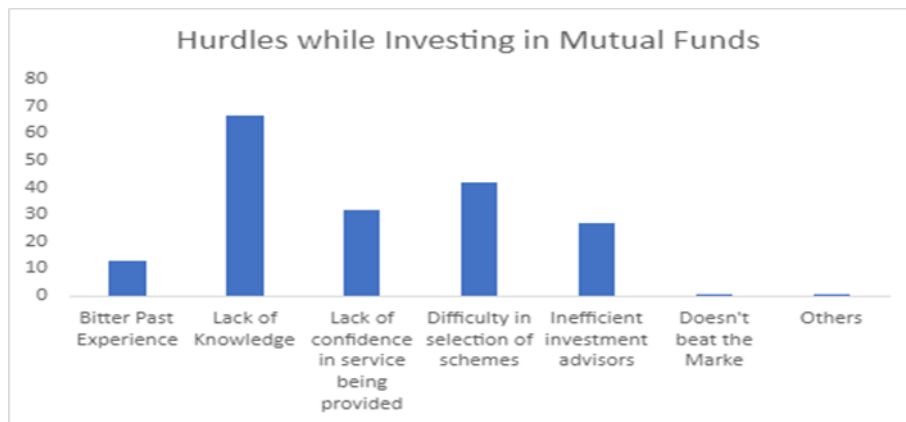
Graph 6.4: Showing the levels of understanding in the concept of Mutual Fund

I: When asked whether the respondents understand the concept of mutual funds. 45% of the respondents have stated they understand the concept of mutual funds, 34% have said that they do not understand the concept of mutual fund, and 21% have given a skeptical answer by choosing maybe.

Graph6.5: Showing the Risk associated with Mutual Fund

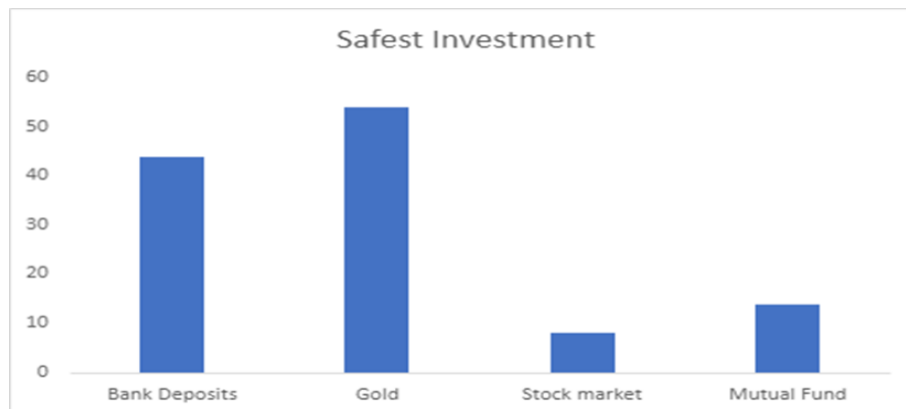
I: The above table shows the respondents perception towards the risk associated with mutual funds and investing in mutual funds. 19% of the respondents have said that investing in mutual funds is highly risky which is undeniable. 73% of the respondents have stated that investing in mutual funds are moderately risky and around 8% have responded saying that mutual funds are not risky and have low level of risk associated.

Graph 6.6: Showing the hurdles while investing in a Mutual Fund



I: There are quite a few hurdles when it comes to investing in mutual funds, some of the major drawbacks could be as in ahead. 7% of the respondents have responded that bitter experience of the past is a hurdle, 37% have said that they lack knowledge about mutual funds, 17% say that they lack confidence in the services that are being provided, 22% vouch to say that they have difficulties in the selection or building a portfolio, 14% state that they have not received efficient advice on investment, 2 % say that mutual funds does not beat the market and stays subtle, and 1% say that there are other factors that act as a hurdle.

Graph 6.7: Showing the Safest Investment preferred



I: From the given options to choose the safest option for investment. 37% of the respondents have said that bank deposits are the safest option for investment. 45% have vouched for gold as the safest option for investment, 7% have said that stock market is the safest option for investment, and the remaining 11% have said that mutual funds are the safest option for investment.

Conclusion :

The mutual fund industry is still having trouble attracting new investors. Youth and female financial literacy will undoubtedly contribute significantly to the growth of this industry. The government should attempt to offer financial courses at the secondary level because this will promote awareness amongst students and will promote the sense of saving and investment in them. Mutual fund investors who have already invested shouldn't sell their positions as they have gained expertise knowledge in the industry. If the mutual fund industry pays more attention to some factors such as price, allocation of funds, and effective return, that will ultimately result in investor satisfaction, which will help the mutual fund industry to boom up, it will have a great deal of potential in the Indian market where financial instruments are capturing nearly every segment of society. Through advertising, marketing campaigns, and stall exhibitions, the organization that supports the mutual fund investment company will inform the public about the advantages of mutual funds. so that investors will consider mutual fund as an option for investment along with gold, real estate and other investment options.

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