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# **Financial Prudence Among Part Time Working Students: A Study on Mutual Fund Investment Awareness and Behaviour**

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#### ABSTRACT

This study investigates the financial prudence of part-time working students, focusing on their awareness and behaviour regarding mutual fund investments. It examines how financial literacy, income levels, and risk tolerance influence their investment decisions. The findings seek to contribute to strategies for enhancing financial education and encouraging prudent investment practices among young, part-time working individuals. The money pooled in by a large number of investors is what makes up a Mutual Fund. This money is then managed by a professional Fund Manager, who uses his investment management skills to invest it in various financial instruments.

Keywords: Finance, Education, Investment, Funds

## INTRODUCTION

The money pooled in by a large number of investors is what makes up a Mutual Fund. This money is then managed by a professional Fund Manager, who uses his investment management skills to invest it in various financial instruments. As an investor you own units, which basically represent the portion of the fund that you hold, based on the amount invested by you.

# **OBJECTIVES OF THE STUDY**

1. To examine the awareness and understanding of mutual funds and savings schemes among part-time working students.

- 2. To analyze the investment behavior and preferences of part-time working students in mutual funds and savings schemes.
- 3. To identify the factors influencing the investment decisions of part-time working students in mutual funds and savings schemes.
- 4. To explore the benefits and risks associated with mutual funds and savings schemes for part-time working students.

## **RESEARCH METHODOLOGY**

Research methodology is a way to systematically solve the research problem. It deals with the objective of a research study, the method of defining the research problem, the type of data collected, method used for data collecting and analysing the data etc. The methodology includes collection of primary data and secondary data.

#### SAMPLING

It is not always necessary to collect data from whole universe. A small representative sample may serve the purpose. A small means a small group should be cross section and really "representative" in character. This selection process is called sampling.

#### SAMPLING SIZE

The sample are collected from 130 part-time working students from various college in Coimbatore.

## TOOLS AND DATA ANALYSIS METHOD

- Simple percentage
- Chi square test

#### **REVIEW OF LITERATURE**

#### Sinha & Verma (2021)

The research suggested that financial education should be incorporated into academic curricula. Social media played a significant role in investment decision-making. The study concluded that mutual fund companies should enhance digital engagement strategies.

#### Das & Banerjee (2021)

Mehta and colleagues analyzed gender-based investment behavior in mutual funds. Women investors were found to be more risk-averse than men. The study used survey data from 500 respondents across major Indian cities. It emphasized the need for targeted awareness campaigns for women investors. Social influence and peer recommendations played a crucial role in decision-making.

#### Rajan & Thomas (2020)

This study investigated the impact of tax benefits on mutual fund investments. It was found that ELSS funds gained popularity due to tax deductions under Section 80C. The study analyzed investment patterns of 600 salaried individuals. Investors were more interested in funds offering tax advantages. A lack of knowledge about capital gains taxation was observed.

# SIMPLE PERCENTAGEB ANALYSIS

Percentage refers to a special kind of ratio. Percentages are used in making comparison between two or more series data. Percentages are used to describe relationship, since the percentage reduces everything to a common base and thereby allows meaningful comparisons to be made.

No. of. responses = number of respondents/total number of respondents \*100

#### TABLE: 1.1

#### Influence of Investment decisions in mutual funds or savings schemes

Influence of Investment decisions in mutual funds or savings schemes	No of respondents	Percentage
Return on investment	30	28.6%
Risk level	30	28.6%
Fees and charges	33	31.4%
Reputation of the fund manager	12	11.4%
Total	106	100%

#### source : Primary Data

#### Interpretation

Table 1.1 shows that Influence of Investment decisions in mutual funds or savings schemes and The Majority was hold the fees and charges with 31.4% and the second place was hold by the by both category return on investment and the risk level with 28.6% least position was hold by the reputation of the fund manager with 11.4%

#### Inference

The Majority was hold by both category return on investment and the risk level with 28.6%

#### CHART 1.1

#### Influence of Investment decisions in mutual funds or savings schemes

What factors influence your investment decisions in mutual funds or savings schemes? 105 responses



#### CHI-SQUARE ANALYSIS

The **Chi-Square test** ( $\chi^2$  **test**) is a statistical method used to determine if there is a significant association between two categorical variables. It helps researchers analyze whether observed data differs from expected data due to chance or if there is a meaningful relationship.

# Formula:

 $X2 = \sum$  (observed value – Expected value) 2 / expected value

#### **Hypothesis No.1**

Null Hypothesis (H<sub>0</sub>): There is no significant relationship between gender and Diversification in Investment Goal

Alternative Hypothesis (Ha): There is a significant relationship between gender and Diversification in Investment Goal

## TABLE :1.2

Gender and Diversification in Investment Goal

Crosstabulation							
Count							
		Diversification in Investment Goal					
		Very Important	Somewhat Important	neutral	Not ve important	ry Not at all important	Total
Gender	Male	15	16	5	11	5	52
	Female	16	3	19	5	10	53
Total	•	31	19	24	16	15	105

Chi-Square Tests						
	Value	Df	Asymptotic Significance (2-sided)			
Pearson Chi-Square	7.224ª	4	.125			
Likelihood Ratio	7.429	4	.115			
Linear-by-Linear Association	.032	1	.858			
N of Valid Cases	152					

Source: Computed from Primary data

INTERPRETATION

Table No. 1.2 reveals that the Pearson Chi-Square value is 7.224 with a significance value of 0.125, which is greater than the standard significance level of 0.05. This indicates that there is no statistically significant relationship between gender and the diversification of investment goals . Therefore, the null hypothesis ( $H_0$ ) is accepted and the alternative hypothesis ( $H_a$ ) is rejected, confirming that gender does not significantly influence the diversification of investment portfolio

## FINDINGS

- 1. The Majority was hold by both category return on investment and the risk level with 28.6%
- This chi square Analysis indicates that there is no statistically significant relationship between gender and the diversification of investment goals. Therefore, the null hypothesis (H<sub>0</sub>) is accepted and the alternative hypothesis (H<sub>a</sub>) is rejected, confirming that gender does not significantly influence the diversification of investment portfolio

#### SUGGESTION

- 1. Offer financial literacy programs specifically designed for part-time working students to educate them on mutual fund investments.
- 2. Provide online resources, such as webinars and videos, to guide students on mutual fund investments and financial planning.
- 3. Establish investment clubs or groups where students can learn from each other and discuss investment opportunities.
- 4. Pair students with experienced investors or financial advisors for mentorship and guidance.

#### CONCLUSION

Financial prudence plays a vital role in shaping the economic stability and future security of part-time working students. This study highlights the importance of awareness and education regarding mutual fund investments among this demographic. While many students exhibit a willingness to invest, their behavior is often influenced by a lack of comprehensive knowledge and access to financial tools.

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