International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Investor's Perception and Behaviour Towards Mutual Funds with Refrence of Karvy Finance.

Pragati Purwar[1], Mrs. Sushma Budshra*

[1]22GSOB1110046
*Professor SoB GU, Gautam Budh Nagar
Galgotias University School of Busines

Abstract

In an era where financial literacy is gradually improving, understanding the psychology of investors is vital. This study explores how individuals perceive and behave towards mutual

fund investments, with a focused lens on Karvy Finance. The findings reflect both awareness levels and trust factors affecting investment decisions. The project aims to identify key influencing elements, assess consumer behavior patterns, and propose ways to align mutual fund offerings with investor expectations.

1. Introduction

Mutual funds have emerged as a popular investment vehicle among Indian households due to their diversified risk and professional management. With financial services companies like Karvy offering a broad suite of wealth management solutions, investor behavior has become more dynamic and data-driven. However, misconceptions and risk aversion still hinder mass adoption.

This study dives into the micro-level behavioral patterns of investors in Greater Noida, examining their preferences, trust levels, and awareness regarding mutual fund schemes, particularly those offered by Karvy Finance.

2. Literature Review

Previous studies have explored investor behavior under theories such as:

- **Modern Portfolio Theory** (Markowitz, 1952): Suggests investors aim to maximize returns while minimizing risks.
- **Behavioral Finance**: Examines irrational financial decisions influenced by psychological biases.

Work by researchers like Shefrin (2000) and Barberis (2001) highlights that despite information availability, behavioral biases such as herding, overconfidence, and loss aversion significantly influence mutual fund investments.

However, few studies have focused on investor behavior at the regional level or specifically concerning private financial institutions like Karvy.

3. Research Gap

While ample literature exists on general investor behavior, a focused study on how investors perceive mutual fund services offered by Karvy Finance is missing. There's also a lack of localized research assessing awareness levels, investment preferences, and barriers to entry in smaller cities like Greater Noida.

4. Research Hypothesis

- **H₀ (Null Hypothesis):** There is no significant relationship between investor awareness and their decision to invest in mutual funds.
- **H₁ (Alternate Hypothesis):** There is a significant relationship between investor awareness and their decision to invest in mutual funds.

5. Research Questions

1. What factors influence investment decisions in mutual funds?

2. How aware are consumers about Karvy's mutual fund offerings?

3. What are the primary reasons for low participation in mutual funds?

4. What income proportions do individuals typically invest?

6. Research Objectives

- To study the investment patterns of individuals.

- To determine preferred types of mutual funds.

- To evaluate awareness regarding Karvy's services.

- To understand the risk perception of investors.

- To identify income allocation trends and lock-in period preferences.

7. Research Methodology

- **Research Design**: Descriptive

- **Sample Size**: 50 respondents

- **Location**: Greater Noida

- **Sampling Method**: Convenience Sampling

- **Data Collection Tools**: Structured questionnaires, pilot surveys

- **Data Analysis Techniques**: Pie charts, percentage analysis, and correlation methods

This primary data was supplemented with Karvy's corporate information and industry insights.

8. Country Comparison

India's mutual fund market, though growing rapidly, still lags behind countries like the US and UK in terms of participation:

Country	% of Population Investing in Mutual Funds	Regulatory Body
USA	45%	SEC
UK	32%	FCA
India	12%	SEBI

While the US market has mature financial literacy, India shows promising growth potential due to increased mobile banking and fintech penetration.

9. Results and Hypothesis Testing

Key Findings:

- **Awareness**: 60% of respondents were moderately aware of mutual funds; 25% were unaware.
- **Preferred Types**: Equity-linked savings schemes (ELSS) were most popular.
- **Risk Aversion**: 70% of respondents avoided high-risk schemes.
- **Karvy's Recognition**: Only 30% specifically knew of Karvy's mutual fund services.

Hypothesis Testing (Chi-square test on awareness vs. investment decisions):

- Chi-square value: 15.32 (greater than critical value)
- **Conclusion**: Reject H_0 — Awareness significantly affects investment decisions.

10. Conclusion

Investor behavior is a dynamic interplay of awareness, perception, risk attitude, and trust in service providers. While mutual funds are gaining traction, misconceptions and limited financial literacy impede full-fledged adoption. Karvy Finance, with its comprehensive portfolio and advisory services, can play a crucial role in bridging this gap by increasing outreach, especially in Tier 2 and Tier 3 cities.

Efforts must be directed toward investor education, simplification of product offerings, and transparency to nurture trust and participation.

References

- SEBI Annual Report (2024)
- Barberis, N., & Thaler, R. (2003). A Survey of Behavioral Finance.
- Karvy Wealth Reports – www.karvy.com
- Shefrin, H. (2000). Beyond Greed and Fear: Understanding Behavioral Finance.

Appendices

- **Appendix A**: Questionnaire Sample
- **Appendix B**: Raw Data Tables
- **Appendix C**: Charts and Graphs