

A Study on Investors Perception towards Mutual Fund Investments (With Special Reference to Alwar City)

Dr. Meenakshi Bindal¹, Dr. Bhuwan Gupta² and Sweety Dubey³

¹Professor, Department of Management Studies, Modern Institute of Technology and Research Centre, Alwar, INDIA

²Associate Professor, Department of Management Studies, Modern Institute of Technology and Research Centre, Alwar, INDIA

³Assistant Professor, Department of Management Studies, Modern Institute of Technology and Research Centre, Alwar, INDIA

¹Correspondence Author: bindalmeenakshi95@gmail.com

ABSTRACT

This examination on Investors acknowledgment towards and late improvement and headway of Mutual Fund premiums in Alwar city goes under the board an area of organization publicizing. In the wide thought of organization publicizing it exclusively centers around the exhibiting of cash related organization specifically basic resources. Well ordered Indian budgetary market is getting the chance to be engaged and the supply of various fiscal instruments ought to be in parity to the premium perspectives of the monetary authorities. The prime drive of any hypothesis is to get most extraordinary returned with a base danger and normal resources allow to the budgetary masters. The examination gives an information into the sorts of risks which exist in a mutual save plan. The data was assembled from shared save budgetary authorities similarly as non basic store examiners of this industry. The investigation bases on the association between theory decision and factors like liquidity, cash related care, and demography. It was found commonly safe resources

and liquidity of store plot are having influence on the budgetary authority's acumen for placing assets into the mutual save. With the more broad thought of the distinctive components of organization publicizing, thing care, mark tendencies, and money related authority's satisfaction are the specific regions of the examination. The other displaying limits like thing progression publicize division, channels of exhibiting, thing life cycle, scale headway procedures and their impact of Marketing are completely disposed of from the audit of this examination. So likewise the availability of substitute aftereffect of normal hold units and their impact on this organization thing it also rejected in the examination. In reality, even in the normal store monetary authorities lead also the researcher concentrate only the urban theorists and their anxiety for this examination work. The rustic speculator's perspectives are totally barred from the investigation.

Keywords-- Mutual Fund, Investors, Marketing

I. INTRODUCTION

The first Mutual Fund in world was "Socioete Generale de Belique" formed by King William of Netherland in 1822. The emergence of Mutual Fund in India was with the setup of UTI in 1964 by an act of Parliament. The first discussion highlighted was 'Why should there be a Mutual Fund?' And the clarified reason was 'It is an attempt to mobilize the savings of small investors.' This is the basic objective of a Mutual Fund Industry. It helps such financial specialists who by any reason are not ready to put their investment funds right way or in right securities. The reasons might be less measures of funds of such retail speculators, absence of budgetary market data, absence of particular ability for venture or dread of hazard return investigation. Along these lines Mutual Fund is a trust that pools the reserve funds of various speculators who share a typical money related objective. All speculations whether in offers, debentures or stores include hazard. Offer esteem may go down

contingent on the execution of the organization, the industry, condition of capital markets and the economy.

By and large in any case, longer the term, lesser the hazard. Organizations may default in installment of intrigue and foremost on their debenture or bonds or stores. While hazard can't be wiped out, apt administration can limit chance. Common Funds help to decrease hazard through expansion and expert administration. The experience and ability of Mutual Fund directors in choosing in a general sense sound securities and timing their buys and deals assist them with building an enhanced portfolio that limits hazard and expands returns. Worldwide, the Mutual Fund, or Unit Trust as it is called in some parts of the world, have almost overtaken bank deposits and total assets of insurance funds. As of date, in the US alone there are over 8,002 Mutual Funds with total assets of over US \$9.36 trillion (Rs.427 lakh crores). In India there are 29 Mutual Funds and over 592 schemes with total assets of approximately of Rs. 2,31,862 crores (US \$ 52 Billion).

The Securities and Exchange Board of India (SEBI) regulate all mutual funds in India.

II. LITERATURE REVIEW

Priyanka Sharma and Payal Agrawal (2015) in their study made an attempt to understand the effect of demographic factors in mutual fund investment decisions. The study reveals that the investors' perception is dependent on their demographic profile. Investor's age, marital status and occupation has a direct impact on investors' choice of investment. The study further reveals that the female segment is not fully tapped. The research also reveals that the liquidity and transparency are some factors which have a high impact on investment decisions.

Parihar B B S, Sharma R and Parihar D.S (2009) also studied that respondent's age, gender and income are significantly associated with their attitude.

Desigan G, Lalaiselvi S and Anusuya L (2006) conducted a study on women investors' perception towards investment and found that women investors generally hesitate in investing in mutual funds due to lack of their knowledge and awareness

D. Rajasekar (2013) The study was conducted with a sample size of 150 respondent by using the statistical tools like percentage analysis, chi square, weighted average, with an objective to know about the investor's perception on their profile, income, savings pattern, investment patterns and their personality criteria. The study was concluded by taking into consideration various parameters involved in investors decision making keeping in mind investors perception towards mutual fund investment.

Vipin Kumar & Preeti Bansal (2014) this research paper has focused attention on various parameters that highlights investor's perception on mutual funds. It was studied that the scheme of mutual fund investment were not known to many of the investors as still the investors rely upon the traditional pattern of investments like investment in banks and investment in postal savings. As most of the mutual fund investors used to invest in mutual fund for not more than three years and used to quit from the fund as they were not giving desired result as stated in the objective during inception of mutual fund scheme. It was also found from the research that maximum number of mutual fund investor's has to depend upon their brokers and agent to invest in mutual fund.

Subramanya PR (2015) The research has been studied on socio economic factors like age, gender, education income and savings of investor's perception towards mutual fund is not encouraging but the age of investor's and saving habit of the respondent is closely correlated.

Mukesh. H. V. (2015) had studied investor's perception on mutual fund for return, tax benefit and capital

appreciation, but most of the investors lack awareness about mutual funds and their various schemes like, SIP (Systematic Investment Plan). Hence, it becomes necessary to create awareness among the investors through conducting seminars, workshops on financial market and published data like newspaper, magazines and journals.

Preeti Khitoliya (2014) examined through her research that majority of the respondents in the age of 35-44 wish to invest in mutual fund having moderate risk which ensures wealth maximization followed by balanced fund and income funds.

D. Senthil and Dr. M. Syed Zefar (2005) had published an Article "Mutual Fund-Investors Perceptions and realities". The main aim of the study is to find out the investors perception and realities in the current scenario and measure extend of satisfaction derived by customer towards the performance of mutual fund and willingness to invest in future despite the current prevailing condition of the market. The main purpose of the study is to identify the factors which make them invest and to retain in mutual fund. The study says that investors prefer mutual fund than share because high risk is associated with shares.

Sanjay.J.Bhayani and Vishal.G.Patidar (2006) during the period Mutual Fund can increase in domestic saving and improve the deployment of investment through market. The main scope of the study is performed top five schemes are balanced fund scheme, Gilt fund scheme, Liquid Money Market fund scheme, Income fund scheme, Equity diversified fund scheme, Tax planning fund scheme.

Madhumita Chakra Borty, P K Jain and VinayKallianpur (2007) evaluated the performance of mutual fund on the basis of rate of return as well as risk adjusted methods. The performances of the mutual funds are compared with the risk-free returns as well as the benchmark index (BSE 100). The result have to be interpreted from the view that the study has been conducted for the period 2005-2007 when the economy was growing at a rapid rate (8% GDP growth). The finding of the study was monthly reruns have been computed for all 40 mutual funds in the sample, for BSE 100 index and for 364 day T-bills. The study concludes regarding the capability of mutual fund manager is still elusive.

III. RESEARCH OBJECTIVE

- To study the investors responsiveness and liking in mutual fund schemes
- To study the factor influencing the investors in selecting mutual fund schemes

- To study the level of satisfaction on the investment of mutual fund investors
- To assess the problem faced by the mutual fund investors

IV. RESEARCH METHODOLOGY

Research Design

The entire process involved in research methodology is called research design. Research configuration is an arrangement of concentrate made by an analyst before embraced his/her examination work. In this research the researcher has embraced engaging exploration configuration to research and concentrate the give issue. The real objective of clear research is to portray the occasion, marvels and circumstances. Depictions being made on the bases of logical perceptions are disclosed to be progressively exact and exact alternate strategies.

Universe

The study is restricted to Alwar District of Rajasthan, which is economically the richest district famous for vegetables exported to other parts of the country, mainly for the onion and mustard seed supply. The district has industrial estates such as Alwar, Bhiwadi, Shahjahanpur. Neemrana where companies such as Ashok Leyland, Pepsi, Parryware, Kajaria Ceramics and Honda Motors have manufacturing plants. It is poised for a spectacular growth in the near future.

Coimbatore, being an industrial area, many public and private sector mutual fund companies has established his branches over here.

Sample

For the study the sample the study participants are defined mutual fund investors of Alwar city. In Total , the present study covered 5 Mutual fund investment organization which accommodates 750 investors among them 25% , 150 respondents were selected and interviewed for present study. The methodology for selecting respondents for this study convenience sampling method.

Sample Size and Selection Procedure

The samples of 150 respondents from the mutual fund investors. The investors are selected from Various mutual fund distributors, agents and from consultancy. The convenience sampling method Is used for selecting sample investors in the study.

Analysis: Table 1 Investors opinion about the factors influencing investment in Mutual fund

Influence Factor	Investors Response					Total
	Most Important	Important	Neutral	Less Important	Not at all import	
Capital Appreciation	45	67	23	8	7	150
High Return	90	30	15	7	8	150
Tax Saving	45	60	30	7	8	150
Liquidity of Fund	45	60	30	8	7	150
safety and security	68	53	14	8	7	150
Regular Income	38	60	30	15	7	150
Regular saving	38	60	30	15	7	150
Risk Involved	45	68	15	15	7	150
diversification	30	75	18	7	20	150
easy payment	67	53	16	7	7	150

From the above table it is clear that 45 % of the respondents have given importance towards capital appreciation, 30% of the have given most important towards capital appreciation, 15%, 5 % and 4 % of the respondents have stated their opinion is neutral, not at all important and less important. 60% of the respondents have an opinion that high return from mutual fund is most important, 20% of the respondents considered as important, 10%, 5 % and 4 % of the respondents opinion are neutral, less important and not at all important regarding high return from the mutual fund 50% of the respondents says that important to diversification of mutual fund, 20% of the respondents are considered as most important, 15 % , 10% and 5 % of the respondents opinion is neutral, not at all important and less important respectively. 45 % of the respondents says that most important factor regarding easy payment of the mutual fund company, 35 % of the respondents are says that important factor, 10%, 5 % and 4 % of them says that not at all important, neutral, less important respectively.

Table 2- Monthly income of respondent

Monthly Income	frequency	percentage
5000-10000	23	15
10001-15000	38	25
15001- 20000	22	15
Above 20000	67	45

From the table shows that the 44.8% of the respondents earn income of above 20000, 24.8% of the respondents earn income between10000-15000, 15.2% of the respondents earn income between 5000- 10000 and 15000-20000. Hence it is clear from the Table that majority of the respondents are comes under the income level of above 20000.

Table 3 investors' satisfaction level of various motivating factors

Table 3						
Table 1						
Influence Factor	Investors Satisfaction					Total
	Highly satisfied	satisfied	Neutral	dissatisfied	Highly Dissatisfied	
Capital Appreciation	15	60	45	22	8	150
High Return	83	38	14	7	8	150
Tax Saving	45	52	30	13	10	150
Liquidity of Fund	22	60	38	15	15	150
safety and security	38	60	14	15	23	150
Regular Income	38	22	60	15	15	150
Regular saving	15	52	45	15	23	150
Risk Involved	45	68	15	7	15	150
diversification	7	105	22	8	8	150
easy payment	27	68	18	22	15	150

From the above table it is clear that 40% and 30% of the respondents are satisfied and neutral regarding the capital appreciation, 15%, 10% and 5.2% of the respondents are dissatisfied, highly satisfied and highly dissatisfied respectively. From the above table it is clear that 55% and 25% of the respondents are highly satisfied and satisfied to get a high return. 10% of the respondents are highly dissatisfied and 5% of the respondents are neutral and dissatisfied. 34.8% and 30% of the respondents are satisfied and highly satisfied the factor of tax saving while invest in the mutual fund, 20%, 10% and 5% of the respondents are neutral, highly dissatisfied and dissatisfied with the tax saving factor. 35% and 25% of the respondents are satisfied and neutral regarding the liquidity of fund, while 15%, 15% and 10% of the respondents are highly satisfied, highly dissatisfied and dissatisfied. Regarding safety and security of the mutual fund, 40% and 25% of the respondents are satisfied and highly satisfied, 20%, 10% and 5% of the respondents are highly dissatisfied, dissatisfied and neutral opinion. 40% and 24.8% of the respondents have opinion that regular income from the mutual fund as neutral and highly satisfied, 15% of the respondents are satisfied and 10% of the respondents are highly satisfied and dissatisfied respectively. 35% and 30% of the respondents are satisfied with regarding the regular savings and neutral, 15%, 10% and 10% of the respondents are highly dissatisfied, highly satisfied and dissatisfied respectively. 45% and 30% of the respondents says that the risk involved in the mutual fund investment as satisfied and highly satisfied, 10% of the respondents are have both neutral and highly dissatisfied. 5% of the respondents are dissatisfied regarding risk involved in the mutual fund investments. In the factor of diversification of mutual fund says that the 70% of the respondents are satisfied, 15% and 5% of the respondents are neutral and dissatisfied. 5% of the respondents are highly dissatisfied and highly satisfied respectively. 55% of the respondents are satisfied regarding the easy payment, while 25% and 10% of the respondents are highly satisfied and highly

dissatisfied. 5% of the respondents are neutral and dissatisfied with regarding the easy payments.

Table 4 Source of Awareness of Mutual Fund

media	frequency	percentage
News paper & Magazine	90	60
internet	22	15
television	8	5
relatives and friend	15	10
agent	15	10

Table 4.14 says that 60% of the respondents are aware of the mutual fund investment through newspaper and magazine, 14.8% of the respondents are aware through internet, 10% of the respondents are aware through agents and relatives or friends and 5.2% of the respondents are aware through television. Majority of the respondents are aware of the mutual fund investments through newspaper and magazines.

Table 5 type of fund held by respondent

Type of fund	Frequency	percentage
Equity	45	30
Balanced fund	30	20
debt fund	8	5
Tax Planning	7	5
Bond	7	5
Index fund	6	5
sector and Industry	15	10
Money Market	30	20

From the table 5 it is clear that 30% of the respondents hold equity fund, 20% of the respondents hold balanced fund and money market fund, 10% of the respondents hold sector and industry funds, 5% of the respondents hold debt fund and bond or gilt fund. 5% of the respondents are holding tax planning and index fund.

Table 6 Purchase of Mutual fund unit

Mode of Purchase	Frequency	percentage
Buy Direct	60	40
Through Brokers	90	60

The above table 6 shows that 60% of the respondents purchase the mutual fund units through brokers

and 40% of the respondents are purchase the mutual fund units through directly. Majority of the respondents are purchase the mutual fund unit through brokers.

Table 7 Awareness of the Risk Involved in Mutual Fund Investments

Awareness	frequency	percentage
yes	120	80
no	30	20

The above table shows that 80% of the respondents are aware of the risk involved in the mutual fund investment, and remaining 20% of the respondents are not aware of the risk involved in mutual fund. The majority of the respondents are aware of the risk involved in the mutual fund investment

Table 8 Problems Faced By Mutual Fund Investors Mutual Funds

Problem	mean rank	final rank
low income	3.12	4
unable to aware market	2.7	1
delay in selling unit	3.57	2
fees and comission	3.6	3
poor service of broker	4.12	5
poor service of mutual fund company	4.56	6
non availability of branch	4.6	7

Table 9 Fridman Test

N	150
Chi-Square	36.532
Df	6
Asymp.Sig	0

Friedman test has been applied to find out if there is significant relationship between the mean rank and the problem Faced by the Mutual Fund Investors.

Based on the Friedman test, it is clear that all mean rank have significant relationship with the problem faced by Mutual Fund Investors at 5% level of significance. Hence the hypothesis is rejected.

V. FINDINGS

Analysis of Investors Perception towards Mutual Fund Investments

- Majority of the respondents are male (90%)

- Majority of the respondents are in the age group of 20-30 years (55%)
- Majority of the respondents are Undergraduates (40%)
- Majority of the respondents are Business people (45%)
- Majority of the respondents are under the income level of Rs above 20000 per month (45%)
- Majority of the respondents are save their income between 30%-40% from their monthly income (31%)
- Most of the respondents prefer to invest in bank deposits
- Majority of the respondents prefer to invest in Private sector mutual fund companies (35%)
- Majority of the respondents prefer open-ended mutual fund schemes (70%)
- Majority of the respondents are aware of the mutual funds' investments through new paper and Magazines (60%)
- Majority of the respondents hold the equity type of mutual funds (30%)
- Majority of the respondents prefer high risk and high returns from their investments (45%)
- Majority of the respondents purchase the mutual fund unit through brokers (60%)
- Majority of the respondents are aware of the risk in mutual fund investment (80%)
- Majority of the respondents are aware of the market value of units through Newspaper (55%)
- Majority of the sample investors say yes to make future investment in mutual funds (80%)
- Majority of the investors problems faced by mutual fund investments is unable to aware market value (Mean rank 2.7)

VI. GENERAL SUGGESTION

As there is no comprehensive law to regulate the mutual fund in India, uniform coordinated regulations by a single agency would be formed which would provide the shelter to the investors. Secondly, as the investors are not willing to invest in mutual fund unless a minimum return is assured, it is very essential to create in the mind of the investors that mutual funds are market instruments and associated with market risk hence mutual fund could not offer guaranteed income. Thirdly, the growth of mutual fund tends to increase the share holdings in good companies, give raise the fear of destabilizing among industrial group, hence introduction of nonvoting shares and lowering the dept-equity ratio help to remove these apprehension. Fourthly, infrastructure bottlenecks will have to be removed and banking and postal system will have to

be taken place for growth of mutual funds. Lastly, mutual funds need to take advantages of modern technology like computer and telecommunications to render service to the investors.

VII. CONCLUSION

Running effective Mutual Fund requires total comprehension of the characteristics of the Indian Stock Market and furthermore the attention to the little financial specialists. This investigation has made an endeavor to comprehend the money related conduct of common reserve financial specialists regarding the plan inclination and determination. An essential component in the achievement of an advertising system is the capacity to satisfy financial specialists' desire. The consequences of these examinations through palatable on the speculator's discernment about the common store and the variables deciding their venture choice and inclinations. The investigation will be valuable to the shared store industry to comprehend the financial specialist's recognition towards common reserve speculations and the examination would likewise be enlightening to the speculators.

REFERENCES

- [1] D.Senthil & Dr. M. Syed Zefar. (2005). Mutual fund-Investors perceptions and realities. *Organizational Management*, XXI(2), 5-7.
- [2] Sanjay. J. Bhayani & Vishal. G. Patidar. (2006). An empirical analysis of performance evaluation of mutual fund schemes in India. *The ICFAI Reader*, 15-20.
- [3] Madhumita Chakra Borty, P K Jain, & Vinay Kallianpur. (2007). Mutual fund performance: An evaluation of select growth fund in India. *South Asian Journal of Management*, 15(4), 79-86.
- [4] Agarwal, G.D. (1992). Mutual funds and investors interest. *Chartered Secretary*, 22(1), 23-24
- [5] Ajay Srinivasan. (1999). Mutual funds: The new era. *Chartered Secretary*, A 262.
- [6] Anjan Chakrabarti & Harsh Rungta. (2000). Mutual funds industry in India: An indepth look into the problems

of credibility, risk and brand. *The ICFAI Journal of Applied Finance*, 2, 27-45.

- [7] Atmaramani. (1995). SEBI regulations- A case for level playing field. *Analyst*, 60-63.
- [8] Atmaramani. (1996). Restoring investor confidence. *The Hindu Survey of Indian Industry*, 435-437.
- [9] De Bondt, W.F.M. & Thaler, R. (1985). Does the stock market over react?. *Journal of Finance*, 40, 793-805.
- [10] Ellen Schultz. (1992). CD's pegged to college costs look good to parents, but do the make the grade??. *The Wall Street Journal*, 29, p.c.1.
- [11] Festinger, L. (1957). *A theory of cognitive dissonance*. Stanford: Stanford University Press.
- [12] Goetzman, W.N. (1997). *Cognitive dissonance and mutual fund investors*. Available at: <https://pdfs.semanticscholar.org/f022/58c85fa3a1d612543e350568c50e749ebbca.pdf>.
- [13] Gupta, L.C. (1994). *Mutual funds and asset preference*. Delhi: Society for Capital Market Research and Development.
- [14] Ippolito, R. (1992). Consumer reaction to measures of poor quality: Evidence from mutual funds. *Journal of Law and Economics*, 35, 45-70.
- [15] Krishnan, M.A. (1999). Moving into growth mode. *The Hindu Survey of Indian Industry*, 112-114.
- [16] Kulshreshtha, C.M. (1994). *Mastering mutual funds*. New Delhi: Vision Books.
- [17] Madhusudan V. Jambodekar. (1996). Marketing strategies of mutual funds current practices and future directions. *Working Paper, UTI-IIMB Center for Capital Markets Education and Research*, Bangalore.
- [18] Rajan, R. (1997). Investment size based segmentation of individual investors. *Management Researcher*, 3(3 & 4), 21-28.
- [19] Raja Rajan. (1998). Stages in life cycle and investment pattern. *The Indian Journal of Commerce*, 51(2&3), 27-36.
- [20] Sadhak, H. (1991 April). The alternate saving media. *The Economic Times*. Available at: <https://economictimes.indiatimes.com/>.
- [21] Samir K. Barua et al. (1991). Master shares: A bonanza for large investors. *Vikalpa*, 16(1), 29-34.
- [22] Shankar, V. (1996 July). Retailing mutual funds: A consumer product model. *The Hindu*. Available at: <https://www.thehindu.com/>.