

“A Study on Investor’s Perception towards Mutual Fund with Reference to Wardha City”

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Abstract: *A mutual fund is a pool of assets invested on behalf of investors. Mutual funds invest in a diversified portfolio of securities, which can include equity securities, debt securities and other financial instruments issued by corporations and governments, according to the stated investment objectives of the funds. The objective was to find out the investor perception regarding mutual funds services, to find out the investor awareness towards mutual funds, to find out factor affecting to investing in mutual fund schemes, to know what are the general sources for mutual funds schemes. Various respondents were not aware of the mutual fund products and the type of mutual fund schemes and the risk associated with mutual Fund products. To provide some kind of curriculum at the school/college level to create awareness regarding Mutual Fund.*

1. INTRODUCTION

A Mutual Fund is a trust that pools the savings of a number of investor who share a common financial goal. The money collected from investor for capital market instruments such as shares, debentures and other securities. The income earns by these investments and the capital appreciations realized are shared by its investor in proportion to the number of units owned by them. Thus it is the most suitable investment for the people as it offers an opportunity to invest in a diversified, professionally managed security at a relatively low cost. The main advantages of the mutual funds is that professional management which you buy in to a mutual fund, you are handing your money to an investment professional that has experience in making investment decisions, it also diversify the risks and get higher returns. Mutual funds are having different types of schemes to investors with different needs and risk appetites and it offers an opportunity to an investor to invest sums across a variety of schemes.

Research Objectives

- To study investor’s perception relating to liquidity and investment decision.
- To study the financial awareness of mutual fund investment
- To study the effect of gender difference on investment decision.
- To study the effect of age factors on investment decision in respect of age & gender affecting to investing in mutual fund schemes

Research Methodology

Research Design selected for this research is descriptive design. Data were collected on the bases of primary data. The data collection method used was survey method and the data

collection instrument on the bases of structured questionnaire. The sampling technique used is non probability convince sampling. Sampling size is 150 respondents. The tools used in this study are Chi-Square using IBM SPSS software. Both hypotheses were tested with 95% confidence level i.e. at 5% significant level.

2. LITERATURE REVIEW

Dr. Neha Parashar conducted research on “Factors affecting perception of investors towards Mutual Funds”. The objective of the study is to identify the age wise variations in the factors affecting perception of investors towards Mutual Funds. The study used 300 respondents in the sample size. The study used Kaiser-Meyer-Olkin and Bartlett’s test method. The study concluded that an average Indian investor is like ignorant child when it comes to financial markets, the cause may be lack of knowledge and conceptual understanding or the influence of a fixed income orientation in the Indian culture. Their expectation and articulate investor’s own situation and risk preference and then apply to an investment strategy.

Dr. Nishi Sharma conducted research on “Indian Investors Perception towards Mutual Fund”. The objectives of the study are to analyze investors perspective towards investment in mutual fund and to understand the desirable characteristics of mutual fund schemes. The study used 250 respondents in the sample size. The study used Kaiser-Meyer-Olkin, Bartlett’s Test method. The study concluded that in order to secure the patronage of Indian investor mutual fund companies are expected to ensure full disclosure and regular updates of the relevant information along with the assurance of safety and monetary benefits.

3. RESEARCH METHODOLOGY

Research Design: This research study is an analytical and descriptive research. It is related to the investment towards mutual funds in India. **Sample Size:** Primary source of data collection is used for present study with the sample size of 200 respondents. Chi square analysis was carried out to test the hypothesis. **Testing of Hypothesis:** The study is based on the formulation of the following Null Hypothesis: H10 = There is association between liquidity factors and investment decision in mutual funds. H20 = There is direct relationship between financial awareness level and investment behavior in mutual fund. H30 = There is association between gender and investment decision in mutual fund. H40 = There is direct relationship between age and risk taking factors.

Data Analysis and Interpretation

H1 = There is association between liquidity factors and investment decision in mutual funds. **Interpretation:** Table value of chi square at .05 level of significance with df 4 is 9.49 and our calculated value 2.56 which is less than table value. Hence the hypothesis is accepted. It proves that there is a relationship between liquidity of mutual funds and investments in mutual funds.

H2 = There is direct relationship between financial awareness level and investment behavior in mutual fund. As, calculated value of Chi square is less than Table value, our hypothesis holds true. Thus acceptance of the hypothesis proves that there is a direct relationship between the financial awareness and mutual fund investment by customers.

H3 = There is an association between gender and investment decision in mutual fund. **Interpretation:** The Table value of chi square at 5percent level of significance with degrees of freedom 2 is 5.99 and our calculated value is 0.97. As, calculated value of Chi square is less

than Table value, our hypothesis holds true. Thus, the acceptance of the hypothesis proves that there is a direct relationship between the gender and mutual fund investment by them.

H₄ = There is direct relationship between age and risk taking factors. Interpretation: The Table value of chi square at 5percent level of significance with degrees of freedom 6 is 12.6 but our calculated value is 9.69. As, calculated value of Chi square less than Table value,our hypothesis holds true. Thus acceptance of the hypothesis proves that them.

Findings

1. The low risk funds attract the investors in mutual fund schemes.
2. Males are more interested in mutual fund investments than the females.
3. The youths and the elderly people are less aware about the mutual fund information.
4. The mutual fund investors consider the liquidity of fund schemes as also an important factor for investment in such.

Implications

Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of an economy plays a vital role in this area. Gradually educated citizens are gaining the knowledge of saving and investment cycle and its effects in an economy. Many has opted for SIP. But still there are some lacking in our economy especially in the field of mutual fund investment criteria. Many people still hesitate to enter to this field. The research paper implies the various areas on which this industry has to struggle. The various target group, their awareness and financial literacy, their age group and gender differences play a vital role to upgrade the mutual fund industry.

Scope for Further Research

The research work brings scope for other areas to enhance it. The education and awareness among people is very essential part. Research works may be preceded on various awareness programs and finance education and comparison of pre and post conditions of those target groups. Right people at right time with right information will definitely help to enhance the mutual fund investment. Female participation in investment dealings should also be encouraged. With girl child education and female job opportunities, the income generated by females has increased, with increased income, investment has to be increased. Thus this paper gives scope for female participation in mutual fund investment. The age groups of people also affect their investment decisions. But mutual fund actually is the simplest and easiest technique of return generation. It is more convenient for senior citizens as they remain dependent on others in various aspects. This paper also gives scope to work on people of various age groups and their attitude toward mutual fund. This will help to get solutions of many problems which discourage mutual fund investment. The paper directly gives scope to research on strong portfolio investments. The detailed investigation of many companies is to be searched out for the same.

4. CONCLUSION

Mutual fund industry has still to struggle to gain more investors. Financial literacy among females and youths will definitely bring a huge success to this industry. For that reason the government is looking to provide financial studies in school level. Adults who are already mutual fund investors should not withdraw from the same as they attain experience in the field. In Indian market where financial instruments are capturing almost every unit of society,

mutual fund industry has a great scope if it gives more attention to some factors which will ultimately lead to satisfaction of investors which will help the mutual fund industry to boom up. The organization to boost the mutual fund investment company shall educate the public to the benefits of mutual funds through the advertisement, publicity campaigns having stall exhibition. The District Adoption Program [DAP] and the Investor Awareness Program [IAP] done by each AMC are aimed at improving awareness about mutual funds in locations that have nil or minimal penetration of mutual funds. AMCs have held 6,600 IAP across 250 cities covering 0.26 million participants in the first six months of the current fiscal year.