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"A Study on Mutual Funds Awareness amongst Youngsters in Age Group of 20 To 30 Years in Wardha City"

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Abstract: Young generation these days are more creative and technology savvy than the older generation socially andfinancially. One particular question may arise on whether this generation is concerned about and aware of their financial status in the future and investment. This research seeks to examine the awareness towards investment among young generation. This study used primary data by questionnaire, and the samples chosen are the young generation aged from 18 to 28 years old. Based on our reading in the literature of awareness, there are three independent variables identified; financial literacy, personal interest, and environment that relate to the dependent variable, the awareness on investment. The objective of this is to examine the relationship awareness and the fore-mentioned independent variables. The result reveals that the key driven on investment among young generation is significantly based on independent variables selected. Finally, the limitations and recommendations are included to help further researchers to have a better finding of the result.

Keywords: Awareness, Environment, Financial Literacy, Investment, Personal Interest, Young Generation.

1. INTRODUCTION

In today's environment most of the people are aware of the investment. Different people possess different notion of investment. Therefore, it is very important to know the preference of people investment in mutual fund. The investment is type of activity of buying asset or items that help to generate income in the future. Safety of the amount invested in any scheme is the foremost factor in the minds of investors. There is different type of investment available in the form of fixed deposit, mutual fund, insurance etc. All the investor invests money in one of the above-mentioned option. Mutual fund refers to be most preferable option for investors. Investing money in bond or equity bring lump sum amount to the investor pocket and thus help them to generate income in future. Mutual funds have a large setup with plenty of funds and market research team. They have access to data which isrequired to take investment decisions on behalf of their unit holders. It is not possible for an individual investor to do on their own, what a mutual fund can do on their behalf. Mutual fund investment has become very popular today. It is pool of money representing saving made by number of investors. Mutual funds are corporation which accept dollar from sources and then usethese dollars to buy stock, long term bonds short term debt instrument issued by business or government units, these corporation pool funds and thus reduce risk by diversification. Mutual fund has the benefit of holding a huge number of stocks which ensures diversification for investors and also safeguards them from negative market movement. Making a mutual fund investment and enjoying the returns is indeed attractive. Mutual fund invests when done in tax saving, the investors can get tax benefits under section 80C of the India Tax Act 1961. Tax saving mutual fund is good option for investment investors usually get attracted toward it due to its tax saving benefits. Mutual funds are managed by highly professional and experience person, with generally insured higher return on amount invested and thereby ensuring low level of risks. Mutual fund offers multiple choices of investment including open or close ended schemes. The investor can choose any of schemes based on their objectives and risk appetite. In recent times investor aimsto generate high returns by taking certain level of risk by investing in mutual fund. Typically, high risk investment will provide high return, medium risk investment will provide medium returns and low risk investment will provide low returns it's up to the investor. Operations of mutual funds are fully transparent, in as much as their portfolio are disclosed every month. Investors are in the know of things with regard to the deployment of their funds, and if the portfolio management does not come up to their expectations, they are free to move out of the funds after giving notice to their effect. Due to 'economies of scale' factor, invest by a small investor through a mutual fund is cost effective as compared to the direct investment in the capital market. While choosing the right tax-saving investment plans it is important to consider the factors like safety, returns and liquidity. Also, it is important to keep understanding of how the returns will be taxed. If the returns on investment are taxable, then the scope to create wealth over a long term gets constrained. Most people think that investing in the equity markets is not a good option when it comes to saving money on taxes as they may invite additional capital gains tax. For this reason, they choose to invest in debt related schemes or other funds that provide tax benefits. However, you need not compromise on the growth of your investment while investing in the equity markets. This can be easily done when you choose the Equity Linked Saving Scheme which is also known as ELSS. This is by far the simplest way to save taxes as you need not worry about complex calculations while investing your money in the equity market. Savings is the surplus of income over expenditure and when such savings are invested to generate more money it is called investment. During 19thcentury revolution in investment took place through banking system and provided many investment options like Fixed deposit (FDS), Public provident fund (PDF), government bonds and many more. In order to generate higher returns investment in stock becomes a good option. Therefore, mutual funds emerged as one of modern method of investment at low cost risk and expert knowledge. In India mutual fund industry started in 1963 with the formulation of unit trust of India. It was first phase (1964-1987) of Indian mutual funds enjoyed complete monopoly. In second phase government of India allowed public sector banks and financial institution to set up mutual fund. Third phase (1993-2003) started with the entry of private sector and foreign funds. The fourth phase Feb 2003 is the age of consolidation and growth. Mutual fund is a fund established in the form of Trust by a sponsor to raise money by the trustees through the sale of units to the public under accordance with these regulations. Mutual fund is the most suitable investment for the common man as it offers an opportunity to invest in diversified portfolio which is managed by professionally managed Indian stock as well as foreign market. The study on analysis and review of top tax saving mutual fund is conducted for analyzing the best tax saving mutual fund in India.

2. REVIEW OF LITERATURE

Martin P. and Mc Cann B (1998) in there book titled "The Investors Guide to Fidelity

Funds – Winning Strategies for Mutual fund investing "have very nicely guided investors regarding issues related with mutual fund investing. They have advised that investors should focus on sectors of the global economy that have the greatest potential for profit in order to beat the market averages. By combining this approach with the safety provided by mutual funds inherent diversification, mutual funds become an investment vehicle with all the advantages of trading individual securities and none of the disadvantages. Like any other investment, it is essential to develop a strategy for selecting which funds to buy and sell and when. These decisions should not be left to the emotions or to chance.
Tyson E (2007) in his book "Mutual Funds for DUMMIES" (5th edition) has provided practical and profitable techniques of mutual fund investing that investors can put to work now and for many years to come. By proper selection investor can identify good schemes, where fund managers invest in securities asper that match investors financial goals. Investors can spend their time doing the activities in life that they enjoy and are best at. Mutual Funds should improve investors investment returns as well as their social life. The book helps investors how to avoid mutual fund investing pitfalls and maximizing their chances f or success. Whenever any investor wants to buy or sell a mutual fund, the decision needs to fit his overall financial objectives and individual situation.

Singh B K (2012) in an article "A study on investors' attitude towards mutual funds as an investment option" from International Journal of Research in Management has reiterated the need for spreading the awareness about Mutual Funds among common masses. There is a strong need to make people understand the unique features of investment in Mutual Funds. From the existing investors point of view the benefits provided by mutual funds like return potential and liquidity have been perceived to be most attractive by theinvertors followed by flexibility, transparency and affordability.

Gremillion L (2005) in his book "Mutual Fund Industry Handbook – A Compehensive Guide for Investment Professionals" has given detailed information about working of mutual fund industry. It has alsomentioned the different type of challenges faced by various professionals connected with this industry. The book has provided a broad and comprehensive sweep of information and knowledge, which will help everybody who has serious interest in the industry.

Jank S (2010) in his Discussion Paper on "Are there disadvantaged clieneles in mutual funds?" has mentioned that mutual fund investors chase past performance, even though performance is not persistent over time. This means that investors buy mutual funds that had a high return in the past. On the other hand, investors are reluctant to withdraw their money from the worst performing funds. This behavior has often been attributed to the irrationality of mutual fund investors. Sophisticated investors rationally chase past performance, because high past performance is a signal for managerial ability. No significant difference wasfound between investor composition of the worst performing funds and those with the average performance.

Divya K. (2012) in the article "A Comparative study on evaluation of Selected Mutual Funds in India" from International Journal of Marketing and Technology has suggested that the investment managers whose performance is below benchmark index should have a relook at their investment strategy and asset allocation. Investing styles should be redesigned according to up & down swings of the market to generate superior performance. To increase the efficiency and popularity of mutual funds, the regulator should set the standard criteria of benchmarks which will be helpful to asset management companies. Goel S et al (2012)in the article “A Review of Performance Indicators of Mutual Funds” from Researchers World – Journal of Arts, Science & Commerce have reiterated that the Stock picking ability and lengthy tenure of fund managers are favourable for mutual funds’ performance. Performance of the Mutual Fund is also related to its ownership style. Local mutual funds perform better than the foreign mutual funds as they have better knowledge of the local market. Mutual Fund companies with larger asset base are performing better than lower asset base companies.

Gupta and Agarwal (2007) check the performance of mutual funds in India. In this regard quarterly returns performance of all mutual funds during period from January 2002 to December 2006 was tested. In their study they check the performance of mutual fund in India. Investor mainly does their investment in mutual fund because of high returns. The study conclude that as investor invest in mutual fund for return purpose therefore return performance of all mutual funds was tested.

Devansenathipathi (2011) investigated performance of public sector and private sector mutual funds for period of 2005 -200 selected funds of LIC (public sector) and reliance (private sector) were chosen for purpose of analysis. The study revealed that performance of all funds seemed to be volatile during study instudy. In his study he investigates performance of public and private sector mutual fund where choose for analysis. As per study it is found that performance of all mutual funds typically seemed to fluctuate.

Guha (2008) focused on return-based style analysis of mutual funds in India using quadratic optimization ofan asset class factor model. The study also analyzed the performance of funds with respect to their benchmark. The results of the study showed that funds have not been able to beat their benchmark. The study mainly focused on return- based style analysis of mutual funds in India. The study concludes that they analyzed the performance of fund with respect to their benchmark and funds have not been able to beat theirbenchmark.

Vikas Chaudhary (2014) examined insights on mutual funds’ performance so as to asset the investors in taking investment decision. The performance of sample mutual fund schemes has been evaluated in terms ofreturns and risk analysis. In his study he evaluates the mutual funds performance for investor in taking investment decision regarding mutual fund scheme.The study concludes that for this purpose performance ofsample schemes has been examined in terms of returns and risk analysis.

Joy Das and Subir Kumar Sen (2014) examined wide variety of mutual funds schemes have also been developed by the fund-managers to attract the investors. Tax saving mutual funds are one of this type whichattracts the customer where the tax -payer gets a deduction under section 80C of Income Tax Act.

3. RESEARCH OF METHODOLOGY

Primary data were used in this study. Data were gathered using a set of questionnaires. A total of 120 questionnaires were distributed and only 100 were usable, and the research was conducted amongst theyoung generation around Selangor, Malaysia. The study analysed the

data using Smart PLS 3.0. PLS-SEM method is based on the iterative technique approach that maximizes the explained variances of endogenous constructs. It also well behaves like a multiple regression technique (Hair, Anderson, Tatham, & Black, 2010). This characteristic makes the method of PLS-SEM valuable for exploratory research. The measurement model in PLS is assessed in terms of consistency and validity which include item loading, composite reliability (CR), and average variance extracted (AVE). Item loading which is greater than 0.70 is considered as sufficient enough for the variable to be in its construct, while a value of composite reliability which is greater than 0.70 is considered to be acceptable in terms of its reliability. Average variance extracted (AVE) determines the amount of variance captured by the construct from each of the variables due to measurement errors. As suggested by Fornell and Lacker (1981), a minimum of 50% of variance should be captured by the construct. This implies that the values of AVE should be more than 0.50. The structural model in PLS is examined by evaluating the path coefficients value at 5% level of significance to see the nature of the relationship between the constructs. In order to validate the model, the diagnostic checking was conducted onto the model by observing the value of R2 which determines the strength of the model. In addition, effect size was also examined using f 2 value, and the value determines the magnitude or strength of the relationships among the constructs. This helps the researchers to assess the overall contribution of the study. A value of effect size of 0.02 indicates small effects, 0.15 indicates medium
Effects, and more than 0.35 indicates large effects respectively (Cohen’s, 1988).

3.1 Objectives of the Study: The current study aimed at analyzing the customer perception toward digital payment. Assessing the level of awareness among customers regarding digital payment methods available inWardha City. Understanding the factors influencing customers' adoption of digital payment methods. Analyzing the extent to which customers perceive digital payment methods as convenient and secure compared to traditional payment methods. Identifying the barriers or challenges hindering the widespread adoption of digital payment methods among customers in Wardha City. Exploring customers' attitudes towards various digital payment platforms and technologies.

3.2 Hypotheses: H1:-There is no significant impact of benefit as customers perception towards digital payment.
There is significant impact of benefit as customers perception towards digital payment. There is no significant impact of trust as customers perception towards digital payment. There is significant impact of trust as customers perception towards digital payment.

3.3 Sample and Sample Size: This call is for defining the target population to be surveyed in this researchthe sampling unit was the customer who have been using the digital payment modes. In this survey the sample size decided was 150.

3.4 Data collection Technique: Data collection is one with the purpose of Gathering of information about the specific topic it help to find the sources of data collection, purpose of research and analyzing the data tofind out the conclusion. Hence in order to underatake such research both the primary and secondary to be analyzing in a following way 1)Primary Data- In order to analyze the research effectively, researcher collect the primary data as it consist current data. The data will be collected through Questionnaires, Surveys, Feedback. 2) usually data included under the secondary data, which is previously collected or study by someone else during the research. The data might be collected through Books, Journals, Websites RBI, NPCL.

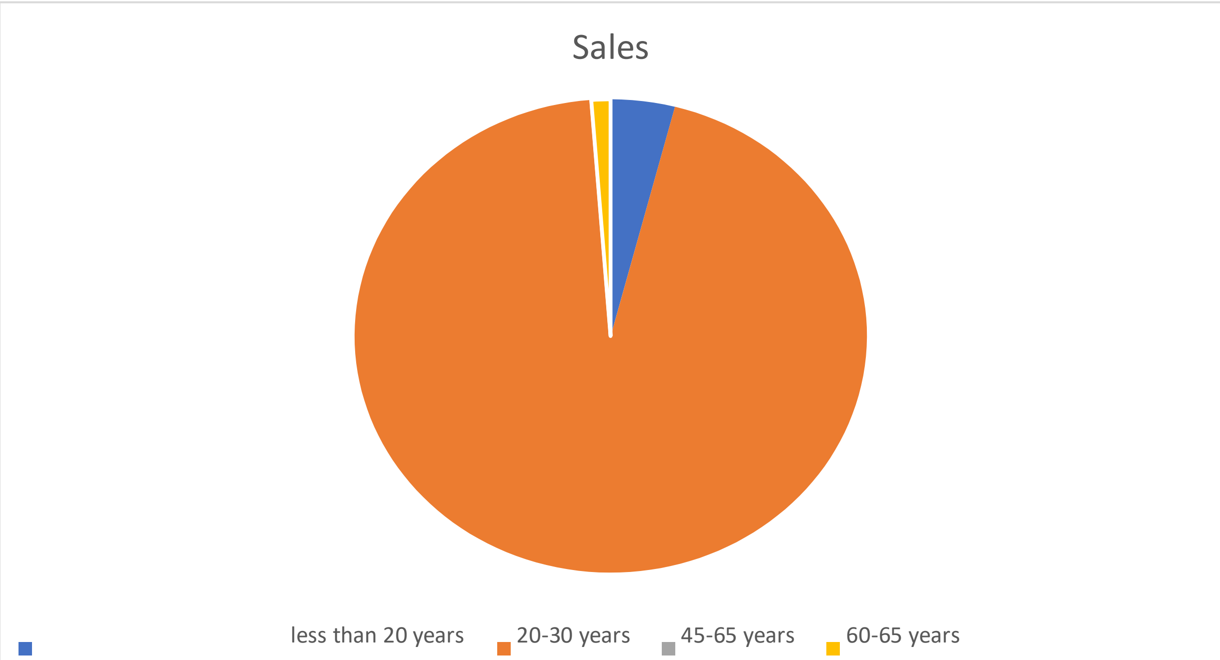
3.5 Tools for Analysis: Analysing a study on customer perception towards digital payment in Wardha city would involve several tools and methodologies. Here are some tools commonly used in research analysis:
1) Statistical software 2) Descriptive Statistics 3) Regression Analysis 4) Factor Analysis 5) Cluster Analysis 6) Qualitative Analysis Tools 7) Text mining / Natural language Processing 8) GIS mapping 9) Trend Analysis 10) ANOVA (Analysis of Variance). These tools, used in combination, can provide a comprehensive analysis of customer perception towards digital payment in Wardha City.

4. Data Analysis and Interpretation

According to the survey it is clear that out of 50 respondents 56% are male and 44% are female people areconsider for this study it is clear that both are not same.

Table No. 2: What is the Age

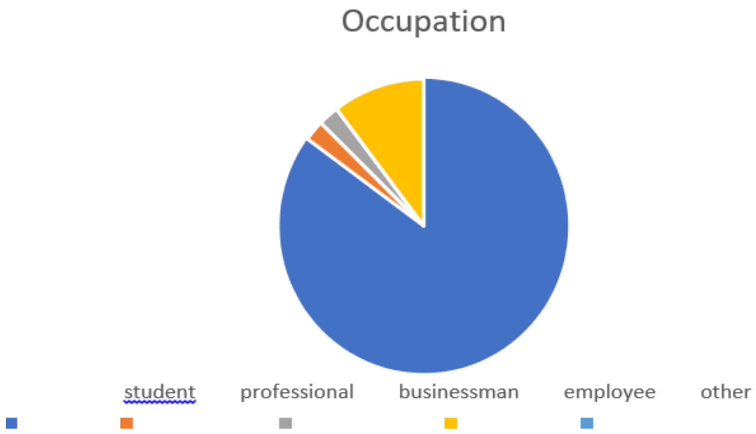
Options	No. of Respondents	Percentage%
Less than 20 yr	2	4%
20-30 yr	47	94%
45-60 yr	0	0%
60-65 yr	1	2%
Total	50	100%



investors of age 60-65 are 1 respondent with 2% and 45-60 are 0 investors. Table No: 3)

Occupation
Interpretation
According to thesurvey the respondents were of differentage groups.
There are 47 respondents ofage of 20- 30
Years with 94%. The investors of age less than 20 years with 2 respondents with4%. The

Options	No of respondents	Percentage%
Student	37	74%
Professional	1	2%
Businessman	2	2%
Employee	9	9%
Others	1	1%
Total	50	100%



5. Interpretation

According to the survey the respondents were of different occupations it is clear that 74% people arestudent. Professional are 2%, businessman are 2%, employee are 9% and others are 1%.

4. REFERENCES

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6. Finding Conclusion

We have conducted the research, as we can see people investing in securities, rather than the bank deposits. People are willing to know about the various options available for making Investments. Previously investors had very less knowledge about the options available for investment. In this study, from the research performed we have found that most of the

people willing to invest in the private companies. As the risk appetite of household people are not that good, they prefer
Investments with low risk and medium return. Resulting more investment in the mutual fund. Mutual fund medium interest and low risk, people don't have to allot their time for this. They just give out money for investment, because most of the people don’t have Financial Advisors. Generally, the Investment amount lies between 0 to 20% of their income. Return is the driving factor of the investment, usually people put their money in bank deposits where they get security of principal, risk and return. Whenever they get higher return with a limited amount of investment, they take it. Previously very few people knew about the investment options, but through this research we have found that most of the people have a fair understanding of high, medium and low risk investment options. Financial literacy has indeed increased and people are getting more knowledgeable and thoughtful of their investments.