



## INVESTORS ATTITUDE TOWARDS MUTUAL FUNDS

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### Abstract

*The Indian financial system based on four basic components like Financial Market, Financial Institutions, Financial Service, Financial Instruments. All are play important role for smooth activities for the transfer of the funds and allocation of the funds. The main aim of the Indian financial system is that providing the efficiently services to the capital market. Mutual fund is one of the best ways of providing a very good platform for the layman investor as a layman is not an expert of the market itself. The study is made to find out the comparative edge out of two most prominent mutual funds in India.*

### Introduction

There are a lot of investment avenues available today in the financial market for an investor with an investable surplus. He can invest in Bank deposits, Corporate Debentures and Bonds where there is low risk but low return. He may invest in Stock of companies where the risk is high and the returns are also proportionately high, The recent trends in the Stock Market have shown that an average retail investor always lost with periodic bearish tends .People began opting for portfolio manager with expertise in stock markets who would invest on their behalf.

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Thus we had wealth management service provided by many institutions. However they proved too costly for a small investor's. Hence these investors found a good shelter with the mutual fund. The Indian capital market has been increasing tremendously during the second generation reforms. The first generation reforms started in 1991 the concept of LPG. (Liberalization, privatization, Globalization). A mutual fund is a financial intermediary that pools the savings of investors for collective investment in a diversified portfolio of securities. A fund is "mutual" as all of its returns, minus its expenses, are shared by the fund's investors. The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 defines a mutual fund as a 'a fund established in the form of a trust to raise money through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments'.

## **REVIEW OF LITERTURE**

**Chaturvedi, Singh, & Singh (2016)** found that majority of the investors investing in mutual funds believe that it is a tax saving aspect. The mutual fund investors are of the opinion that the investment saves them from the tax aspect. The other section of the investors believe that it can also be taken as a return oriented option as it has the options of investing in various funds and hence the option of return becomes prominent. The other perspective which is seen to be a very important part has been the lack of awareness among the investors. The investors are seen to primarily invest in the mutual fund without knowing the entire working of the investment the customers normally tend to invest in those areas where they have faith and hence building of faith is very important for the investors. So the risk involved in the investment in public companies is much lesser than that of the investment in the private companies.

**Aggarwal & Jain (2015)** studied that in today's competitive environment, different kinds of investment avenues are available to the investors. All investment modes have advantages & disadvantages. An investor tries to balance these benefits and shortcomings of different investment modes before investing in them. Among various investment modes, Mutual Fund is the most suitable investment mode for the common man, as it offers an opportunity to invest in a diversified and professionally managed portfolio at a relatively low cost. In this paper, an attempt is made to study mainly the investment avenue preferred by the investors of Mathura, and we

have tried to analyze the investor's preference towards investment in mutual funds when other investment avenues are also available in the market.

**Prabhavathi, N. & Kishore (2015)** founded that mutual funds changed the way the world invested their money. The start of Mutual Funds gave an opportunity to the common man to hope of high returns from their investments when compared to other traditional sources of investment. The main focus of the study is to understand the attitude, awareness and preferences of mutual fund investors. Most of the respondents prefer systematic investment plans and got their source of information primarily from banks and financial advisors. Investors preferred mutual funds mainly for professional fund management and better returns and assessed funds mainly through Net Asset Values and past performance.

**Vipparthi (2015)** explained that Indian Mutual Fund (MF) industry provides reasonable options for an ordinary man to invest in the share market. The plethora of schemes provides variety of options to suit the individual objectives whatever their age, financial position, risk tolerance and return expectations. In the past few years, we had seen a dramatic growth of the Indian MF industry with many private players bringing global expertise to the Indian MF industry. Investment in mutual funds is effected by the perception of the investors. Financial markets are constantly becoming more efficient by providing more promising solutions to the investors. Being a part of financial markets although mutual funds industry is responding very fast by understanding the dynamics of investor's perception towards rewards, still they are continuously following this race in their endeavor to differentiate their products responding to sudden changes in the economy. Therefore a need is there to study investor's perception regarding the mutual funds. The study at first tests whether there is any relation between demographic profile of the investor and selection of mutual fund alternative from among public sector and private sector. For the purpose of analysis perceptions of selected investors from public and private sector mutual funds are taken into consideration. The major perceptual factors identified are Liquidity, Security, Flexibility, Transparency, Returns and Tax benefits along with Monetary and Core product as the most influencing factors.

**Zafar, Maqbool & Khalid (2014)** founded That Emerging Economy Reflects The Health Of The Nation And Its Regular Growth Consolidates Its Universal Economic Participation Which Has Multiple Impacts Due To Which Stock Market Changes Day By Day. There Are Many Internal And External Factors Which Influence The Performance Of The Stock Market

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Particularly Risk And Return, Which Ultimately Caste Deep Impact On The Perception Of The Investors To Invest. To Meet Out The Challenges Of Growth After Liberalization And Globalization GOI Adopted Continuous Reform Process Which Boosted Confidence Of Investors. Economic Growth Has Increased The Savings And Astonishingly Explored The Participation Of Investor In Stock Market Which Added A New Dimension And Explored The Potential Of The Financial Sector Which Has Grown Many Fold And Require Regular Flow Of Financial Resources To Meet The Desired Economic Pace Which Is Possible With Efficient And Effective Securities Market. Investors In General Have Appetite To Invest In That Instrument Which May Generate Maximum Return With Minimum Risk. To Avail The Advantage Of Economic Growth Large Number Of Hybrid Financial Product Came Into Existence And Mutual Fund Is One Of Them. Thus In The Light Of These Ever-Growing Developments A Careful Analysis Of The Mutual Fund Is Inevitable To Explore Hidden Potential Of Investor Preference In Lucknow City. The Present Survey Based Study Attempts To Analyze The Investor Preference, Influencing Factor And Awareness In The Selected City By Using Chi – Square Test On Nine Most Trusted Mutual Funds Irrespective Of Their Size; They Are Reliance AMC, ICICI Prudential AMC, Franklin Templeton, UTI AMC, HDFC AMC, Birla Sunlife AMC, Kotak AMC, JM Finance AMC, And SBI AMC.

**Rajasekar (2013)** concluded that growth in the investment avenues however still investors find mutual funds not as such a reliable avenue for investment. For the purpose of evaluation, a questionnaire survey method was selected keeping in mind objectives of the study. The data was collected from primary and secondary sources. The primary sources were collected from the investors who invested in various avenues. The secondary sources are from books, journals and internet. Since the investor population is vast a sample size of 150 was taken for the project. The data was analyzed using the statistical tools like percentage analysis, chi square, weighted average. From the findings, it was inferred overall that the investor are highly concerned about safety and growth and liquidity of investments. Most of the respondents are highly satisfied with the benefits and the service rendered by the reliance mutual funds.

**Padmaja (2013)** examined that A mutual fund is a type of professionally-managed collective investment vehicle that pools money from many investors to purchase securities. As there is no legal definition of mutual fund, the term is frequently applied only to those collective investments that are regulated, available to the general public and open-ended in nature. Mutual

funds have both advantages and disadvantages compared to direct investing in individual securities. Today they play an important role in household finances. So the present study aims at consumer behavior towards mutual funds with special reference to ICICI Prudential Mutual Funds Limited, Vijayawada. Data was collected through primary and secondary sources. Primary data was collected through structured questionnaire. Convenience sampling method was used to collect the data and entire study was conducted in Vijayawada City. The study explains about investors' awareness towards mutual funds, investor perceptions, their preferences and the extent of satisfaction towards mutual funds. Some suggestions were also made to increase the awareness towards mutual funds and measures to select appropriate mutual funds to maximize the returns.

**Rao. K (2013)** founded that the behavioral finance has been recognized as an important area in the study of recent finance literature. Its implicit objective is to discover and remedy the deviation from the rational decision making in the investment process. The purpose of this study is to examine the role of various social-economic factors affectively the investment decision of the investors. The results are obtained from a survey and have been analyzed by the chi-square test. The result shows that, socio-economic factors significantly influence the investment behavior of the investors.

**Krishna & Kumar (2012)** stated that in the last two decades, there has been a sea change in the financial services industry. To acclimatize this change, these financial institutions are turning to new technologies and new delivery channels to identify, attract and retain profitable investors, while reducing costs. No longer can these firms continue to act as independent entities regardless of the interest of the investors. As companies evolve from product-or campaign-centric marketing to investor-centric marketing, a set of best practices are emerging, which focuses on measuring and increasing the value of the investor base. We call these practices investor service. Knowing the perception levels of investors' will help the organizations to act better and provide them better knowledge on mutual funds. They highlight the role of perception levels on attributes in the Mutual fund industry and an attempt has been made to identify and explore live events and experiences that influence the customer to choose a particular company as a business partner.

## **OBJECTIVES OF THE STUDY**

The present study tries to achieve the following objectives:

- 1) To analyze the various factors affecting the investors' to invest in mutual funds.
- 2) To analyze the investors' perception towards mutual funds in term of their selected demographic factors.
- 3) To suggest the ways to improve the quality of mutual funds.

## **RESEARCH HYPOTHESES**

For validate the objectives of the study, hypotheses is as under:

**H<sub>01</sub>:** There is no significant relationship in the gender of the investors and perception towards mutual funds.

**H<sub>02</sub>:** There is no significant relationship in the age of the investors and perception towards mutual funds.

**H<sub>03</sub>:** There is no significant relationship in the educational qualification of the investors and perception towards mutual funds.

**H<sub>04</sub>:** There is no significant relationship in the occupation of the investors and perception towards mutual funds.

**H<sub>05</sub>:** There is no significant relationship in the annual income of the investors and perception towards mutual funds.

**H<sub>06</sub>:** There is no significant relationship in the marital status of the investors and perception towards mutual funds.

## **SCOPE OF THE STUDY**

The present study was restricted to analysis the investors' attitude towards mutual funds in the area of districts of Haryana state only.

## **RESEARCH DESIGN**

The study is descriptive and analytical in nature. The research design is characterized by flexibility in order to be sensitive to the unexpected and to discover insights not previously recognized.

## **SAMPLING DESIGN**

The sample size of 150 respondents each was taken from Sirsa, Fatehabad and Hisar district. Sample unit is the basic unit containing the elements of the universe to be sampled. The sampling unit in this study is all age group persons who are investing their money in securities. The sampling techniques used are **convenience and simple random sampling technique**.

## **DATA COLLECTION**

Primary data as well as secondary were used in the present study. Primary data were collected through the structured questioners. **Likert scale i.e. SA= strongly agree, A=Agree, I=Indifferent, D=Disagree, SD=strongly disagree was used for the data collection of the respondents. The secondary data were collected from various articles, journals, books, websites etc.**

## **DATA ANALYSIS TOOLS AND TECHNIQUE**

For analyzing the collected data, various statistical tools such as standard deviation, mean, percentage and frequency distribution and to test the hypothesis ANNOVA test has been used.

## **DATA ANALYSIS**

The analysis is mainly restricted towards to the investors' perception toward the Mutual Funds and also contains general response of respondents.

**Table 1: Gender-wise Results**

Sr. No.	Statement	F	Sig.	Gender	Mean	S.D.
1.	Mutual funds have the potential to provide higher return	3.873	0.051	Male	1.79	0.848
				Female	2.08	0.821
2.	Mutual funds offers a variety of schemes to investors	3.873	0.881	Male	1.77	0.974
				Female	1.75	0.838
3.	Mutual funds are less expensive way to invest compared to directly investing in the capital market	3.419	0.066	Male	1.94	1.013
				Female	2.29	1.220
4.	Mutual funds provide full – time professional management	6.908	0.009*	Male	2.05	1.262
				Female	2.63	1.231
5.	Investing in Mutual funds reduces the risk through diversification	5.132	0.025*	Male	1.70	0.854
				Female	2.06	1.060
6.	Mutual funds helps in tax saving	1.054	0.306	Male	2.31	1.117
				Female	2.13	0.890
7.	Mutual funds guarantee for minimum return/growth	0.268	0.606	Male	2.20	1.282
				Female	2.31	1.291
8.	Mutual funds are easily convertible in cash	6.861	0.010*	Male	2.04	1.080
				Female	2.54	1.129
9.	Mutual fund is cost effective investment option	1.461	0.229	Male	2.04	1.004
				Female	2.27	1.267
10.	Mutual funds is source of saving	0.122	0.727	Male	2.00	1.126
				Female	1.94	0.755

**Source: Survey (Data Processed through SPSS PASW 20) Note: - \*= Significant at 5% level**

Table 1 shows the gender-wise results with regard to investors' perception toward the mutual fund. It is found that there is significant relationship in the gender of the respondents and their perception toward the mutual funds as far as the various factors such as mutual funds provide full-time professional management ( $f=6.908$ ,  $p=0.009$ ), investing in mutual funds reduces the



risk through diversification ( $f=5.132, p=0.025$ ) and mutual funds are easily convertible in cash ( $f=6.861, p=0.010$ ). Therefore the null hypothesis ( $H_{01}$ ) is rejected. Otherwise, there is no significant relationship in the gender of the respondents and their perception toward the mutual funds for the rest of the factors such as mutual funds have the potential to provide higher return ( $f=3.873, p=0.051$ ), mutual funds offers a variety of schemes to investors ( $f=3.873, p=0.881$ ), mutual funds are less expensive way to invest compared to directly investing in the capital market ( $f=3.419, p=0.066$ ), mutual funds helps in tax saving ( $f=1.054, p=0.306$ ), mutual funds guarantee for minimum return/ growth ( $f=0.268, p=0.606$ ), mutual fund is cost effective investment option ( $f=1.461, p=0.229$ ) and mutual funds is source of saving ( $f=0.122, p=0.727$ ), therefore the null hypothesis ( $H_{01}$ ) is accepted while considering these factors.

**Table 2: Age Group-wise Results**

Sr.No.	Statement	F	Sig.	Age group	Mean	S.D
1.	Mutual funds have the potential to provide higher return	0.707	0.549	Upto 25	2.00	0.887
				26-35	1.80	0.655
				36-45	1.92	1.084
				45 and above	1.74	0.957
2.	Mutual funds offers a variety of schemes to investors	1.482	0.222	Upto 25	1.69	0.797
				26-35	2.14	1.207
				36-45	1.58	0.669
				45 and above	2.08	1.060
3.	Mutual funds are less expensive way to invest compared to directly investing in the capital market	0.587	0.625	Upto 25	2.11	1.144
				26-35	1.77	0.813
				36-45	2.17	1.467
				45 and above	2.17	1.467
4.	Mutual funds provide full – time professional	2.637	0.052	Upto 25	2.40	1.207

	management			26-35	1.87	1.182
				36-45	2.64	1.497
				45 and above	2.25	1.357
5.	Investing in Mutual funds reduces the risk through diversification	3.328	0.021*	Upto 25	1.81	0.807
				26-35	1.59	0.714
				36-45	2.32	1.393
				45 and above	1.92	1.165
6.	Mutual funds helps in tax saving	1.274	0.285	Upto 25	2.13	1.032
				26-35	2.29	0.889
				36-45	2.64	1.255
				45 and above	2.25	1.357
7.	Mutual funds guarantee for minimum return/growth	0.187	0.905	Upto 25	2.21	1.439
				26-35	2.20	0.998
				36-45	2.23	1.343
				45 and above	2.50	1.567
8.	Mutual funds are easily convertible in cash	0.858	0.465	Upto 25	2.06	1.084
				26-35	2.24	0.889
				36-45	2.50	1.300
				45 and above	2.17	1.749
9.	Mutual fund is cost effective investment option	0.126	0.944	Upto 25	2.11	1.073
				26-35	2.09	1.014
				36-45	2.23	1.378
				45 and above	2.00	1.128

10.	Mutual funds is source of saving	0.172	0.915	Upto 25	1.92	0.980
				26-35	2.04	0.951
				36-45	1.95	1.214
				45 and above	2.08	1.240

**Source: Survey (Data Processed through SPSS PASW 20) Note: - \*= Significant at 5% level**

Table 2 shows the age-wise results with regard to investors' perception toward the mutual fund. It is found that there is significant relationship in the age of the respondents and their perception toward the mutual funds as far as the various factors such as investing in mutual funds reduces the risk through diversification ( $f=3.328, p=0.021$ ). Therefore the null hypothesis ( $H_{02}$ ) is rejected. Otherwise, there is no significant relationship in the age of the respondents and their perception toward the mutual funds for the rest of the factors such as mutual funds have the potential to provide higher return ( $f=0.707, p=0.549$ ), mutual funds offers a variety of schemes to investors ( $f=1.482, p=0.222$ ), mutual funds are less expensive way to invest compared to directly investing in the capital market ( $f=0.587, p=0.625$ ), mutual funds provide full – time professional management ( $f=2.637, p=0.052$ ), mutual funds helps in tax saving ( $f=1.274, p=0.285$ ), mutual funds guarantee for minimum return/growth ( $f=0.187, p=0.905$ ), mutual funds are easily convertible in cash ( $f=0.858, p=0.465$ ) mutual fund is cost effective investment option ( $f=0.126, p=0.944$ ) and mutual funds is source of saving ( $f=0.172, p=0.915$ ), therefore the null hypothesis ( $H_{02}$ ) is accepted while considering these factors.

**Table 3: Educational Qualification-wise Results**

Sr. No	Statement	F	Sig.	Educational Qualification	Mean	S.D
1.	Mutual funds have the potential to provide higher return	0.598	0.617	Upto Matric	2.17	0.937
				Senior Secondary	1.91	0.539
				Graduate	1.89	0.974
				Post graduate	1.80	0.66

				and above		4
2.	Mutual funds offers a variety of schemes to investors	0.37 2	0.773	Upto Matric	1.67	0.98 5
				Senior Secondary	1.55	0.52 2
				Graduate	1.83	1.03 8
				Post graduate and above	1.75	0.82 1
3.	Mutual funds are less expensive way to invest compared to directly investing in the capital market	1.51 3	0.214	Upto Matric	2.58	1.16 5
				Senior Secondary	1.82	0.87 4
				Graduate	2.11	1.13 8
				Post graduate and above	1.90	1.02 5
4.	Mutual funds provide full – time professional management	2.69 9	0.048 *	Upto Matric	2.17	1.40 3
				Senior Secondary	1.91	1.22 1
				Graduate	2.51	1.35 1
				Post graduate and above	1.90	1.06 3
5.	Investing in Mutual funds reduces the risk through diversification	2.57 1	0.199	Upto Matric	2.25	1.54 5
				Senior Secondary	1.55	0.68 8
				Graduate	1.72	0.91 8
				Post graduate and above	1.90	0.80 6
6.	Mutual funds helps in tax saving	1.04	0.374	Upto Matric	1.83	0.83

		7				5
				Senior Secondary	2.45	1.440
				Graduate	2.34	1.102
				Post graduate and above	2.18	0.910
7.	Mutual funds guarantee for minimum return/growth	0.519	0.67	Upto Matric	2.08	1.311
				Senior Secondary	2.45	1.368
				Graduate	2.13	1.350
				Post graduate and above	2.37	1.166
8.	Mutual funds are easily convertible in cash	0.342	0.795	Upto Matric	2.50	1.314
				Senior Secondary	2.27	1.272
				Graduate	2.17	1.148
				Post graduate and above	2.16	1.007
9.	Mutual fund is cost effective investment option	1.590	0.194	Upto Matric	2.75	1.138
				Senior Secondary	2.00	1.183
				Graduate	2.11	1.138
				Post graduate and above	2.00	0.980
10.	Mutual funds is source of saving	0.356	0.785	Upto Matric	2.00	1.128
				Senior	2.27	1.27

				Secondary		2
				Graduate	1.97	1.09 5
				Post graduate and above	1.92	0.82 1

**Source: Survey (Data Processed through SPSS PASW 20) Note: - \*= Significant at 5% level**

Table 3 shows the educational qualifications-wise results with regard to investors' perception toward the mutual fund. It is found that there is significant relationship in the educational qualification of the respondents and their perception toward the Mutual funds as far as the various factors such as mutual funds provide full – time professional management ( $f=2.699$ ,  $p=0.048$ ). Therefore, the null hypothesis ( $H_{03}$ ) is rejected. Otherwise, there is no significant relationship in the educational qualification of the respondents and their perception toward the mutual funds for the rest of the factors such as mutual funds have the potential to provide higher return ( $f=0.598$ ,  $p=0.617$ ), mutual funds offers a variety of schemes to investors ( $f=0.372$ ,  $p=0.773$ ), mutual funds are less expensive way to invest compared to directly investing in the capital market ( $f=1.513$ ,  $p=0.214$ ), investing in Mutual funds reduces the risk through diversification ( $f=2.571$ ,  $p=0.199$ ), mutual funds helps in tax saving ( $f=1.047$ ,  $p=0.374$ ), mutual funds guarantee for minimum return/growth ( $f=0.519$ ,  $p=0.67$ ), mutual funds are easily convertible in cash ( $f=0.342$ ,  $p=0.795$ ), mutual fund is cost effective investment option ( $f=1.590$ ,  $p=0.194$ ) and mutual funds is source of saving ( $f=0.356$ ,  $p=0.785$ ), therefore the null hypothesis ( $H_{03}$ ) is accepted while considering these factors.

**Table 4: Occupation-wise Results**

Sr. No.	Statement	F	Sig.	Occupation	Mean	S.D
1.	Mutual funds have the potential to provide higher return	6.526	0*	Business	1.36	0.569
				Service	1.90	0.838
				Professional	1.84	0.735
				Others	2.29	0.938

2.	Mutual funds offers a variety of schemes to investors	0.916	0.435	Business	1.80	1.000
				Service	1.75	0.932
				Professional	1.97	1.110
				Others	1.59	0.657
3.	Mutual funds are less expensive way to invest compared to directly investing in the capital market	0.723	0.54	Business	1.76	1.052
				Service	2.10	1.100
				Professional	2.13	1.284
				Others	2.12	0.913
4.	Mutual funds provide full – time professional management	3.537	0.016*	Business	2.64	1.551
				Service	1.98	1.127
				Professional	1.94	1.031
				Others	2.65	1.368
5.	Investing in Mutual funds reduces the risk through diversification	2.114	0.101	Business	1.40	0.764
				Service	1.85	0.899
				Professional	1.90	0.944
				Others	1.97	1.058
6.	Mutual funds helps in tax saving	1.68	0.174	Business	2.60	1.155
				Service	2.15	1.087
				Professional	2.39	0.919
				Others	2.06	0.983
7.	Mutual funds guarantee for minimum return/growth	0.345	0.793	Business	2.00	1.323
				Service	2.27	1.233
				Professional	2.26	1.365

				Others	2.32	1.290
8.	Mutual funds are easily convertible in cash	5.106	0.002*	Business	1.94	0.583
				Service	2.30	1.094
				Professional	2.42	1.257
				Others	2.38	1.129
9.	Mutual fund is cost effective investment option	2.925	0.036*	Business	1.56	0.768
				Service	2.30	1.065
				Professional	2.29	1.243
				Others	2.32	1.121
10.	Mutual funds is source of saving	1.31	0.273	Business	1.64	1.075
				Service	1.98	1.000
				Professional	2.06	0.998
				Others	2.50	1.019

**Source: Survey (Data Processed through SPSS PASW 20) Note: - \*= Significant at 5% level**

Table 4 shows the occupation-wise results with regard to investors' perception toward the mutual fund. It is found that there is significant relationship in the occupation of the respondents and their perception toward the mutual funds as far as the various factors such as mutual funds have the potential to provide higher return ( $f=6.526$ ,  $p=0.000$ ), mutual funds provide full – time professional management ( $f=3.537$ ,  $p=0.016$ ), mutual funds are easily convertible in cash ( $f=5.106$ ,  $p=0.002$ ) and mutual fund is cost effective investment option ( $f=2.925$ ,  $p=0.036$ ). Therefore the null hypothesis ( $H_{04}$ ) is rejected. Otherwise, there is no significant relationship in the occupation of the respondents and their perception toward the mutual funds for the rest of the factors such as mutual funds offers a variety of schemes to investors ( $f=0.916$ ,  $p=0.435$ ), mutual funds are less expensive way to invest compared to directly investing in the capital market ( $f=0.723$ ,  $p=0.54$ ), investing in Mutual funds reduces the risk through diversification ( $f=2.114$ ,  $p=0.101$ ), mutual funds helps in tax saving ( $f=1.68$ ,  $p=0.174$ ), mutual funds guarantee for



minimum return/growth ( $f=0.345$ ,  $p=0.793$ ) and mutual funds is source of saving ( $f=1.31$ ,  $p=0.273$ ), therefore the null hypothesis ( $H_{04}$ ) is accepted while considering these factors.

**Table 5: Annual Income-wise Results**

Sr.No.	Statement	F	Sig.	Annual Income(in lac)	Mean	S.D
1.	Mutual funds have the potential to provide higher return	0.555	0.645	Less than 2	1.95	0.942
				2-5	1.80	0.717
				5-10	2.00	0.961
				Above 10	1.67	0.577
2.	Mutual funds offers a variety of schemes to investors	1.143	0.334	Less than 2	1.88	0.935
				2-5	1.61	0.866
				5-10	1.93	1.072
				Above 10	1.67	0.577
3.	Mutual funds are less expensive way to invest compared to directly investing in the capital market	1.335	0.265	Less than 2	2.25	1.254
				2-5	1.88	0.882
				5-10	2.11	1.188
				Above 10	1.67	0.577
4.	Mutual funds provide full – time professional management	2.514	0.061	Less than 2	2.55	1.264
				2-5	2.14	1.344
				5-10	1.78	0.847
				Above 10	2.33	2.309
5.	Investing in Mutual funds reduces the risk through diversification	0.238	0.869	Less than 2	1.80	0.796
				2-5	1.88	1.134

				5-10	1.70	0.724
				Above 10	1.67	0.577
6.	Mutual funds helps in tax saving	0.841	0.473	Less than 2	2.30	1.008
				2-5	2.13	1.016
				5-10	2.48	1.221
				Above 10	2.00	1.000
7.	Mutual funds guarantee for minimum return/growth	0.534	0.66	Less than 2	2.25	1.405
				2-5	2.28	1.215
				5-10	2.19	1.241
				Above 10	1.33	0.577
8.	Mutual funds are easily convertible in cash	1.743	0.161	Less than 2	2.36	1.212
				2-5	2.19	0.941
				5-10	2.04	1.285
				Above 10	1.00	0.000
9.	Mutual fund is cost effective investment option	0.243	0.866	Less than 2	2.16	1.023
				2-5	2.13	1.162
				5-10	1.96	1.126
				Above 10	2.33	1.155
10.	Mutual funds is source of saving	1.432	0.236	Less than 2	1.82	0.936
				2-5	2.00	1.039
				5-10	2.30	1.137
				Above 10	1.67	0.577

**Source: Survey (Data Processed through SPSS PASW 20) Note: - \*= Significant at 5% level**

Table 5 shows the annual income-wise results with regard to investors' perception toward the mutual fund. It is found that there is no significant relationship in the Annual income of the respondents and their perception toward the mutual funds as far as the various factors such as mutual funds have the potential to provide higher return ( $f=0.555, p=0.645$ ), mutual funds offers a variety of schemes to investors ( $f=1.143, p=0.334$ ), mutual funds are less expensive way to invest compared to directly investing in the capital market ( $f=1.335, p=0.265$ ), mutual funds provide full – time professional management ( $f=2.514, p=0.061$ ), investing in mutual funds reduces the risk through diversification ( $f=0.238, p=0.869$ ), mutual funds helps in tax saving ( $f=0.841, p=0.473$ ), mutual funds guarantee for minimum return/growth ( $f=0.534, p=0.66$ ), mutual funds are easily convertible in cash ( $f=1.743, p=0.161$ ), mutual fund is cost effective investment option ( $f=0.243, p=0.866$ ) and mutual funds is source of saving ( $f=1.432, p=0.236$ ), therefore the null hypothesis ( $H_{05}$ ) is accepted while considering these factors.

**Table 6: Marital status-wise Results**

Sr.No.	Statement	F	Sig.	Marital status	Mean	S.D
1.	Mutual funds have the potential to provide higher return	10.76	0.001*	Married	1.74	0.763
				Unmarried	2.22	0.941
2.	Mutual funds offers a variety of schemes to investors	0.659	0.418	Married	1.81	0.946
				Unmarried	1.67	0.896
3.	Mutual funds are less expensive way to invest compared to directly investing in the capital market	0.008	0.93	Married	2.05	1.083
				Unmarried	2.07	1.124
4.	Mutual funds provide full – time professional management	0.01	0.919	Married	2.24	1.362
				Unmarried	2.22	1.073
5.	Investing in Mutual funds reduces the risk through diversification	0.012	0.912	Married	1.81	0.956
				Unmarried	1.83	0.902
6.	Mutual funds helps in tax saving	0.199	0.656	Married	2.28	1.038
				Unmarried	2.20	1.088
7.	Mutual funds guarantee for minimum	2.908	0.09	Married	2.12	1.201

	return/growth			Unmarried	2.50	1.426
8.	Mutual funds are easily convertible in cash	2.968	0.087	Married	2.10	1.102
				Unmarried	2.43	1.128
9.	Mutual fund is cost effective investment option	1.588	0.210	Married	2.04	1.088
				Unmarried	2.28	1.109
10.	Mutual funds is source of saving	1.903	0.170	Married	1.90	1.029
				Unmarried	2.15	0.988

**Source: Survey (Data Processed through SPSS PASW 20) Note: - \*= Significant at 5% level**

Table 6 shows the marital status-wise results with regard to investors' perception toward the mutual fund. It is found that there is significant relationship in the marital status of the respondents and their perception toward the mutual funds as far as the various factors such as mutual funds have the potential to provide higher return ( $f=10.76$ ,  $p=0.001$ ). Therefore, the null hypothesis ( $H_{06}$ ) is rejected. Otherwise, there is no significant relationship in the marital status of the respondents and their perception toward the mutual funds for the rest of the factors such as mutual funds offers a variety of schemes to investors ( $f=0.659$ ,  $p=0.418$ ), mutual funds are less expensive way to invest compared to directly investing in the capital market ( $f=0.008$ ,  $p=0.93$ ), mutual funds provide full – time professional management ( $f=0.01$ ,  $p=0.919$ ), investing in mutual funds reduces the risk through diversification ( $f=0.012$ ,  $p=0.912$ ), mutual funds helps in tax saving ( $f=0.199$ ,  $p=0.656$ ), mutual funds guarantee for minimum return/growth ( $f=2.908$ ,  $p=0.09$ ), mutual funds are easily convertible in cash ( $f=2.968$ ,  $p=0.087$ ), mutual fund is cost effective investment option ( $f=1.588$ ,  $p=0.210$ ) and mutual funds is source of saving ( $f=1.903$ ,  $p=0.170$ ), therefore the null hypothesis ( $H_{06}$ ) is accepted while considering these factors.

## FINDINGS OF THE STUDY

- The gender-wise ANOVA result, It may be concluded that in majority of the statements there is no significant relationship in the investors' perception toward mutual funds.
- The age-wise ANOVA result, It may be concluded that in majority of the statements there is no significant relationship in the investors' perception toward mutual funds.

- The Educational Qualification -wise ANOVA result, It may be concluded that in majority of the statements there is no significant relationship in the investors' perception toward mutual funds.
- The occupation-wise ANOVA result, It may be concluded that in majority of the statements there is no significant relationship in the investors' perception toward mutual funds.
- The annual income-wise ANOVA result, It may be concluded that in majority of the statements there is no significant relationship in the investors' perception toward mutual funds.
- The marital status-wise ANOVA result, It may be concluded that in majority of the statements there is no significant relationship in the investors' perception toward mutual funds.

## **SUGGESTIONS**

- Mostly the investors are more interested in those funds that can easily provide them liquidity. The suggestion makers have emphasized that the fund managers should invest the investor's money in secure income related funds so that liquidity must be ensured.
- Generally the offer documents and reports of various mutual fund companies are not free from technicalities. So the investors opined that the information contained in the offer documents should be simple and free of technicalities so that a lay investor can easily understand them.
- The periodical statements of mutual fund companies are considered as a very important source of information to the investors. So it is very essential that these periodical statements should contain all the relevant information in a compiled form and managers must ensure that these statements should reach the investors in time.
- Mostly a lay person doesn't have enough knowledge to invest in mutual funds. So they depend on the fund managers who are experts in managing efficient portfolios. The fund managers should be the person of integrity and financial experts. They should have clear cut knowledge of when to invest and in which securities to invest. They should mobilize the investor's savings in such a way that they can get maximum benefits out of them.
- Due to changing scenario, the need for online trading of securities is felt. Efforts should be made to promote or enhance online trading of mutual funds. This will save time and cost. On

a click of button investors get all the required information quickly. They can easily sell or purchase any number of funds whenever they want.

- Some investors suggested that the fund values of fund should be informed to the investors through SMS on fortnightly basis. This will help the investors in keeping themselves up to date with the latest information and latest NAV's of different funds.
- Winning the investor's confidence and protecting their rights is the common objective of all the mutual fund companies. In this context the AMFI and SEBI should make strict rules and regulations for safeguarding the interests of the common investors. If these rules are not being followed properly, a provision of punishment should be made who violates the same.
- Some investors complained that the brokers/sub brokers are more interested in their incentives provided to them by the companies for selling more schemes. So it is very necessary that they should perform their duties with full care and diligence and should not misguide the investors. The brokers, sub brokers and agents should provide right and timely information to the investors. They must keep themselves aware of the latest happenings in the market for the sake of investors.
- Steps should be taken to boost the confidence and morale of the investors. This can be done through appropriate communication and by educating investors to invest in mutual funds. Timely and right information should be provided to them by different communication modes so that they come to know about the latest trends in the market.

## **CONCLUSION**

From the study on "Investors attitude towards Mutual funds", it is found that the investors have a positive attitude towards their investment made in Mutual funds. Majority of the investors prefer Mutual Funds for the returns and feel that it is a safe measure of investment. The investors select the schemes considering the returns earned from them. The preferred schemes and funds are the Equity schemes and Open ended funds. Though the investors are not aware of the risks attached to the investment they have a positive attitude towards the mutual funds. The investors are satisfied with their investment in Mutual Funds. The investors also feel that the annual reports and other publications of the concern help them analyze the performance of their

investment. The organization can educate its investors on the risk and return in order to make their investments more effective. The investor's education program can be conducted by the organization in order to educate the investors.

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