An Evaluation of Investor's Perception towards Public Sector and Private Sector Mutual Funds in India

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ABSTRACT

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money, thus collected, is then invested in capital market instruments such as shares, debentures and other securities. There are a lot of investment avenues available today in the financial market for an investor with an invest able surplus. One can invest in Bank Deposits, Corporate Debentures, and Bonds where there is low risk but low return. One 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 with periodic bearish trends. People began opting for portfolio managers with expertise in stock markets who would invest on their behalf. Thus we had wealth management services provided by many institutions. However they proved too costly for a small investor. It is a general idea that through diversified portfolio mutual fund could give returns with low risk than the market risk and the volatility of the mutual fund market is less than the stock market. An investor who invests in stock market needs to monitor the market on a regular basis, while those who invest in mutual fund need not watch the market movement for reducing losses. The research study has given a picture of a particular community attitude towards different companies' mutual fund. As the awareness level of investors are very poor therefore majority of customers are unable to take decisions for appropriate mutual fund investments. From the study it was observed that the demographic variables like gender, income and level of education have significant influence upon the investors' attitude towards mutual funds whereas the other two demographic variables like age and occupation do not have influence on the attitude of investors towards mutual funds. As far as the benefits provided by mutual funds are concerned less risk investments and most believed investments have been perceived to be most attractive by the invertor's followed by terminal value and self-concept of the investments. Apart from the above, in India there is a lot of scope for the growth of mutual fund companies provided that the funds satisfy everybody's needs and sharp improvements in service standards and disclosure. The mutual fund industry today needs to develop products to fulfill customer needs and help customers understand how its products cater to their needs. Performance of the industry has been strong and it is well-placed to achieve sustainable growth levels. The way forward for the next couple of years for the mutual fund industry would be influenced hugely by the journey undertaken till this point of time and the changing demographic profile of investors. This research paper makes an attempt to identify various factors affecting perception of investors regarding investment in Mutual funds. The findings will help mutual fund companies to identify the areas required for improvement in order to create greater awareness among investors regarding investment

in mutual funds.

Key Words : Mutual Funds, Mutual Fund investment, The NAV Analysis, growth of Mutual Fund in Odisha

INTRODUCTION

The Indian financial market is the vertebrae of economic system. It helps the allotment of share capital crosswise within the productive sectors of the economy. This allocation of capital helps to stay up robust weather for savings and investment. The financial service system is more dynamic than the actual economic system because it has invariably reacted to the requirements of the economy to assist to complete its goals. In Indian economic system, there is a greater avenue for the investors to measure such a big amount of investments on these days as money persuades you to buy with more options. Investors always associate themselves with the degree of returns and risks by making overall analysis of those investment avenues and trade with the investments to reduce the risk. The foremost investors and advisors use a great deal of the time and thoughtful qualities of the thousands of investments offered in India (Kumar, 1999).

All investment avenues in India are very much risk prone as considered by investors. The main features of investments are security of principal amount, liquidity, income stability, approval and easy transferability. In India for investors several investment avenues are available like funds in shares, bank, companies, gold and silver, real estate, life insurance, postal savings etc. With the changing economy in the world investors always have a tendency to save and get extra liquid assets by taking more risk for additional profit. Most of the folks well-liked to deposit by the reason for additional responsibilities endowed for buying home and long-run growth but most of the investors couldn't aware to finance their cash in mutual funds and shares for a higher benefit. There is a greater discussion and confusions about the investment pattern and investment avenues. Therefore, investors always need to examine and quick analysis among all the investment avenues to induce an inspiration regarding the investment pattern (Prabakaran and Jayabal, 2010).

Today a lot of investment avenues are available in the financial market to spend the liquid assets when there is an investable surplus. The options like to invest in Bank Deposits, company Debentures, and Bonds to reduce the risk and return and in the other hand invest in different shares of the companies with high risks and proportionately high returns. There is a requirement of portfolio managers with expertise in stock markets who would invest on their behalf of investors for low risk and high returns. Many financial institutions started wealth management services to provide adequate guidelines to investors which have greater impact on livelihood through mutual fund investment program (Sondhi and Jain, 2010).

An investor who invests in stock market needs to monitor the market on a regular basis, while those who invest in mutual fund need not observe the market movement for reducing losses. The fund manager of every asset management company takes care of the investors' money. They diversify the investors' money into various sectors like oil, bank, automobile, information technology, agriculture, etc. The return from this diversified portfolio is distributed among all the investors. Hence mutual fund provides nominal return with lower risk. There are tax saving mutual funds which have multiple features like exemption from tax payment, good return on investment, safe and secured (Shanmugham and Zabiulla, 2011).

Investors who want to invest in tax-saving mutual fund need to make two decisions. The first is, which fund to hold, and the second is, how much money to invest in it. This research text helps

the investors to choose the suitable schemes for investment. It is also stated that the past performance of the fund does not reflect in their future performance. Most of the schemes performed well in the initial period. The institutions of mutual funds guide the investors to put their money in most of good schemes and get well-diversified portfolio as majority of the investors with small savings and insufficient expertise can do the diversification to generate more profits. Mutual funds and Systematic Investment Plan (SIP) are the innovative financial instruments in today's world (Bhole, 2005).

Depending upon the investors these mutual funds are now customized to suit the requirements of different kinds of investors. With the advent of great challenges in mutual fund companies the professional managers have brought innovations in mutual funds. This gives immense pressure to mutual funds industry to move from a handful of schemes like equity, debt or balanced funds to liquid, money market, sector specific funds, index funds and gilt-edged funds. There is a high expectation of Indian mutual funds business growth significantly as Indian government has given a high degree of transparency and disclosure standards comparable to anywhere in the world. But still there are many challenges this industry will face to increase net mobilization of funds in the sector (Gupta, 2002).

Literature reviews :

Ramamurthy and Reddy (2005) conducted a study to analyse recent trends in the mutual fund industry and drawn a conclusion that the main benefits for small investors are efficient management, diversification of investment, easy administration, nice return potential, liquidity, transparency, flexibility, affordability, wide range of choice and a proper regulation governed by SEBI. The study also analysed about recent trends in mutual fund industry like various exit and entry policies of mutual fund companies, various schemes related to real estate, commodity, bullion and precious metals, entering of the banking sector in a mutual fund, buying and selling of mutual funds through online. Gregoriou *et al.* (2005) tested the performance of 614 hedge funds and compared the performance of different types of hedge funds. BCC model, the cross-efficiency model and the super-efficiency model were employed. Their results indicated that DEA could test the non-normal distribution of hedge funds and compared the performance of different types of hedge funds. Karlsson and Persson (2005) investigated the relation between expense ratio and return of mutual funds by employing simple and multiple regressions. The sample consisted of 44 Swedish mutual funds between January, 2000 and December, 2004. Authors found that the expense ratios were negatively related to their performance. Agudo and Magallon (2005) studied European equity funds in Spain for a period of July, 1994 to June, 2000 by using parametric and non-parametric techniques. The parametric tests indicated scarce existence of persistence in the performance while non-parametric methodology revealed the existence of same. Bilson *et al.* (2005) analysed Australian retail superannuation funds over a period from September, 1991 to June, 2000 and used raw returns, Sharpe ratio, single factor model and multi factor models by Carhart (1997) and Gruber (1996). They found no evidence of performance persistence over a one-year period but the same was found over a three-year period. Chander (2005) examined 80 Indian mutual fund schemes from public as well as the private sector over a period of three years from January, 1998 to December, 2002. Author found the absence of performance persistence phenomenon in Indian mutual funds. Christensen (2005) analysed 47 Danish mutual funds for a period of January, 1996 to June, 2003 by applying both parametric and non-parametric methodologies and concluded that the returns for Danish mutual funds were non-persistent. Huij and Derwall (2005) studied 3,316 bond funds during 1990–2003 and showed that past fund performance predicted their future performance. Gelade and Young

(2005) examined the relationship between organization climate, employee attitude, customer satisfaction and sales performance and concluded that teamwork climate, job enablers and support climate are organizational climate variables, commitment is an employee attitude and customer satisfaction and sales achievement are organizational performance measures. Byrne (2005) shows that risk and investment experience tend to indicate a positive correlation and past experience of successful investment increases investor tolerance of risk. Inversely, unsuccessful past experience leads to reduced tolerance to risk. Therefore, past investment behaviour affects future investment behaviour. Chandel and Verma (2005) studied the performance of mutual funds, the study results indicate that the schemes have earned better return than the market return, it also shows that the sample schemes performed better than the risk-free return. Dua (2005) in his study analyses the perception of mutual fund investors, he reveals that mutual funds are preferred by the small investor who taught that they themselves did not have the expertise to deal directly with shares. Ramesh Kumar (2005) found that investors prefer growth schemes to take the reinvestment benefit of regular income. The study also shows that, desire of higher return and benefit of tax are the key motivating factors in boosting the business of mutual funds. He also opined that lesser risk, higher return and easy liquidity are main qualities of an ideal mutual fund. Mohannan (2006) in his article put emphasis on the Indian mutual fund industry which is one of the fastest growing sectors in the Indian capital and financial markets. Stating that the mutual fund industry has been dramatic improvements in quantity as well as the quality of product and service offerings. Results founded that mutual funds' assets under management grew by 96% between the end of 1997 and June 2003 and as a result it increased from 8% of GDP to 15%.

Objectives of Study :

The objectives of the study is broadly considered the behavioral aspects of the investors in Indian financial sector and especially given emphasis to know the investors' perception about the different mutual funds of both public and private sector.

The main objectives of the research are:

1) To identify the factors that is considered in selecting the mutual fund by Investors'.
2) To analyze the market trends of Mutual Fund investment.
3) To examine the recent developments in the mutual fund in India.
4) To study the performance of overall Mutual Fund schemes by analyzing the NAV and their respective returns.
5) To evaluate the awareness of Investors' towards investment in mutual fund.
6) To assess the Investors' attitude towards mutual fund in India.
7) To study the perception of Investors' towards various types of mutual fund.

METHODOLOGY

This is an empirical research based on the survey method and to get a proper insight into the problems of this study, the researcher interacted with the investors who invest in various mutual funds schemes and having a specialized knowledge in the field of mutual funds. A uniform distribution of all categories of people has taken to know the exact impact of the mutual funds on them. Both primary and secondary data collection method used to collect the data from respondents of different locations in Odisha (An eastern state of India). The districts were chosen based on the proximity of the first district Khordha and in order to increase the number of observations different districts like Cuttack, Puri, Sambalpur, Berhampur and Bargarh are taken. Sampling techniques like stratified

random sampling and convenient sampling used to get the data from maximum respondents. The secondary data collected through different sources like books, journals, e-news, e-journals etc.

Overviews of mutual fund :

Mutual fund company pools money from many investors who seek the same general investment objective and invests the money in stocks, bonds, short term money market instruments, other securities or assets, or some combination of these investments .These pooled funds provide thousands of investors with proportional ownership of diversified portfolios managed by professional investment managers. The term 'mutual' is used in the sense that all its returns, minus its expenses, are shared by the unit holders of fund. Fig. 1 shows flow chart of MF operations.

Fig. 1 : Flow chart of the MF operations (Source: amfiindia.com)

Benefits of investing in MF schemes :

   i.   *Professional Management :* The money pooled in by floating a MF scheme is managed by fund manager(s) who decides the investment strategy on behalf of the unit holders of the MF scheme. The availability of large pool of funds provide flexibility to MF companies to hire very qualified full-time fund managers for each MF schemes.

   ii. *Diversification :* Diversifying the portfolio helps reduce the adverse impact of company specific risk.

   iii. *Variety :* Within the broad categories of stock, bonds and money market funds, investor can choose among a variety of investment approaches. In India, where the growth in the MF industry is a recent phenomenon, as of September, 2010 there were 918 MF schemes available.

   iv. *Low Cost :* The average cost of managing a rupee is much lower for MF schemes, than for an investor managing a diversified portfolio all of its own. The low cost is due to standardization, and high economies of scale.

   v.   *Liquidity :* Investments in MF schemes are liquid in nature as they can be sold on any business day.

   vi. *Convenience* : Investment in MF schemes provides investors the flexibility in selection of distribution channel as multiple channels (for e.g. MF agents, banks, brokers etc.) are available in the market to buy and sell MF schemes. Further, investor has the flexibility to directly buy and sell MF schemes from the MF Company.

   vii. *Transparency :* Investors get regular information on the value of their investment in addition to disclosure on the specific investments made by the scheme, the proportion invested in each class of assets and the fund manager's investment strategy and outlook.

   viii. *Flexibility :* Through features such as Systematic Investment Plans (SIP), Systematic

Withdrawal Plans (SWP) and dividend reinvestment plans, one can systematically invest or withdraw funds according to his requirements and expediency.

ix. *Choice of Schemes :* Mutual Funds offer a variety of schemes to suit investors' varying needs over a lifetime. Given the plethora of options at hand, investors can select schemes on the basis of their investment objectives as growth of capital, safety of principal, current income or tax-exempt income and risk spectrum.

x. *Switching :* Many mutual funds allow investors to switch from one fund to another.

xi. Attract Foreign Capital: In addition to attracting domestic savings, some funds offer their units abroad and attract foreign capital.

xii. *Advantages to Industrial Concern :* Through mutual funds, needy industrial concerns avail a relatively bigger lot of capital. Therefore, it reduces their burden for raising finance directly from individual savers.

xiii. *Regulatory Protection :* To protect the interest of retail investors, MF Companies are subject to strict regulation and oversight by the regulatory agency of the respective countries. In India, MF companies are regulated by SEBI (Mutual Fund) Regulation Act 1996.
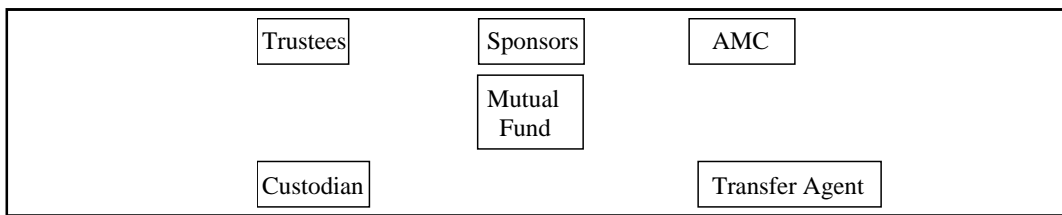
Organisation of mutual funds :

In 1970, In accordance with the provisions of the Indian Trust Act, 1882 every mutual fund shall be constituted in the form of a trust. SEBI Guidelines, 1992 spell out in clear terms the establishment norms for mutual funds. It contemplated a three-tier system for managing the affairs of mutual funds. The three constituents are the sponsoring company, the trustees and the assets management company (AMC). These three constituents were incorporated in SEBI Regulations, 1996 for the management of mutual funds. Apart from these three, Custodians and transfer agents are two more important constituents of mutual funds. These are presented in the Fig. 2.

i. *Sponsor:* Sponsor of a mutual fund is akin to the promoter of a company as he gets the fund registered with SEBI. Under SEBI regulations, sponsor is defined as any person who acting alone or in combination with another body corporate establishes the mutual fund. Sponsor can be Indian companies, banks or financial institutions, foreign entities or a joint venture between two entities.

ii. *Trustees:* Under the Indian trust act 1882, a sponsor creates mutual fund trust, which is the main body in creation of mutual funds. Trustees may be appointed as an individual or as a trustee company with the prior approval of SEBI. As defined under the SEBI regulations, 1996, trustees mean board of trustees or Trustee Company who hold the property of mutual fund for the benefit of the unit holders. A Trustee acts as the protectors of the unit holders' interests and is the primary guardians of the unit holders' funds and assets.

iii. Asset Management Company (AMC)

iv. *Asset Management Company is the body engaged to run the show of a mutual fund.* The sponsor or trustees appoint AMC to manage the affairs of the mutual fund to ensure efficient management. SEBI desires that AMC must have a sound track record in terms of net worth, dividend paying capacity, profitability, general reputation and fairness in transactions. AMC is involved in basically three activities as portfolio management, investment analysis and financial administration.

v. *Custodian:* SEBI requires that each mutual fund shall have a custodian who is independent and registered with it. SEBI regulations provide for the appointment of a custodian by trustees of the mutual fund who are responsible for carrying on the activities of safe

keeping of securities and participating in any clearing system on behalf of mutual fund. Custodian is not permitted to act as a custodian of more than one mutual fund without the prior approval of SEBI. They should be independent of the sponsors.

vi. *Transfer Agent :* Registrar and transfer (R&T) agents are responsible for creating and maintaining investor records kept in numbered account called folios and servicing them. They accept and process investor transactions and also operate investor service centre (ISCs) which acts as an official point for accepting investor transactions with a fund.

Fig. 2 : Organisations of Mutual Fund (Source: AMFI- organization of mutual funds)

Growth of Mutual Fund in India :

In 1970, the industry had 361 Fund with combined total assets of 47.6 billion dollars in 10.7 millaccom 1970 and on wards rising interest rates, stock market stagnation, inflation and investors some other reservations about the profitability of Mutual Fund, Adversely affected the growth of mutual fund. Hence Mutual Fund realized the need to introduce new types of Mutual Fund, which were in tune with changing requirements and interests of the investors. The 1970's saw a new kind of fund innovation; Fund with no sales commissions called "no load "fund. The largest and most successful no load family of fund is the Vanguard Fund, created by John Bogle in 1977. In the series of new product, the First Money Market Mutual Fund (MMMF) *i.e.*, the Reserve Fund" was started in 1971.This new concept signaled a dramatic change in Mutual Fund Industry which was shown in Fig. 3 and Fig. 4. Most importantly, it attracted new small and individual investor to mutual fund concept and sparked a surge of creativity in the industry.

i. First Phase :   1964–87 (Monopoly of UTI)
ii. Second Phase : 1987–93 (Entry of Public sector Mutual Funds)
iii. Third Phase :   1993–2003 (Entry of Private sector Mutual Funds)

Fig. 3 : Growth in Asset under Management during four phases of Indian mutual fund industry (Source: AMFI Publications)

Fig. 4 : Source: AMFI- History of Indian Mutual Fund Industry (http://www.amfiindia.com/ showhtml.aspx?page=mfindustry)

iv. Fourth Phase :   since February 2003

Growth of Mutual Fund in Odisha :

In the current changing international business environment, the investment avenues have been changing continuously. The mutual fund industry is one of them. The numbers of mutual fund houses are increasing, with many foreign mutual funds setting up fund in India and also the industry has witnessed several mergers and acquisitions.

This study is an attempt to analyze the growth pattern of mutual fund schemes in India. By using the Sharpe index method, performance evaluation of only ten most preferred mutual fund schemes in public and private sector has been done. The proposed study will also analyze the ranking of mutual fund from best to worst and will show the Inventors' preference for specific mutual fund with reasons.

Tools for Data Collection :

The study covers both primary and secondary data. Primary data was collected with the help of questionnaire which was distributed and collected from the respondents of Khordha, Cuttack, Puri, Sambalpur, Berhampur and Bargarh districts of Odisha State. The questionnaire has two sections; the first section relates to demographical profile of respondents and the second part relates to the perception of investors of Mutual Funds. The data has been collected directly by door to door investigation and by post. Sample respondents were requested to give a free and frank response. In order to increase accuracy of research work, qualitative data scaling techniques such as nominal scale and ordinal scale are used.

Tools and Methods of Data Analysis :

The data was collected through a questionnaire and tabulated. The data has been classified on the basis of age, education, qualifications, occupation, monthly income, gender, marital status, monthly savings; monthly expenditure held by the respondents. Cross tabulation has been done according to different variables. Statistical package for social science (SPSS.20) was used to analyse the data. SPSS is the one of the most widely used of statistical software packages. It covers a broad range of statistical procedures that allows summarizing data, determining whether the differences between

groups are statistical significant or not. SPSS also contains several tools for analyzing data, including functions for recording data and computing new variable as well as merging and aggregating data files.

Chi-Square Test was applied for testing the hypothesis at 5% level of significance. Data was analyzed with the help of tables, charts and diagram. Statistical technique like percentile was used to analyze the data. Descriptive analysis has been used. Garrett's Rank technique was conducted to determine the most important factors affecting Mutual Fund investment. Likert's scale technique was also used for analysis.

RESULTS AND DISCUSSION

The income a person receives may be used for purchasing goods and services that he/she currently requires. It may also be saved for the purchase of goods and services that he/she may require in the future. The person saving a part of his income tries to find a temporary repository for his savings until they are required to finance his future expenditure. This results in investment.

According to Martin, "Investment is the employment of funds with the aim of achieving additional rewards from the investor point of view". Investing has been an activity confined to the rich and business class in the past. This can be attributed to the fact that availability of investible funds is a pre-requisite to the deployment of funds, but today investment has become a household word and is very popular with people from all walks of life.

Table 1 : Unit Holding Pattern of All Mutual Funds as on 31st March 2014			
Sr. No	Category	Percentage to Total Folios	Percentage to Total Net Assets
1.	Individuals	97.4	45.1
2.	NRIs/OCBs	1.7	3.8
3.	FIIs	0	0.9
4.	Corporates/Institutions/Others	0.9	50.2
Total		100	100.00

(Sources: Source: Annual Reports of SEBI 2013-14, P.103)

The above table shows that unit holding pattern of all mutual funds as on 31 March 2014. While individuals subscribed 97.4 per cent of the total folios and their share in the total net assets was 45.1 per cent. On the other hand, corporate/institutions had a minuscule share of 0.9 per cent in the total number of folios and their share in the total net assets was a sizeable 50.2 per cent. The share of corporate in the total folios had declined but share in net assets had increased in comparison to 2012-13. NRIs/OCBs with 1.7 per cent share in folios had 3.8 per cent share in total net assets.

Table 2 : Unit Holding Pattern of Private and Public Sector Mutual Funds as on 31 March 2014			
Sr. No.	Category	Percentage of Total Folios	Percentage of Total Net Assets
1.	**Private Sector Mutual Fund**		
	Individuals	62.2	37.5
	NRIs/OCBs	1.1	3.2
	FIIs	0.0	0.8
	Corporates /Institutions/Others	0.6	41.8
	Sub Total (1)	63.9	83.2

Table 2 contd...

Contd... Table 2

2.	Public Sector Mutual Funds (including UTI Mutual Fund)		
	Individuals	35.2	7.6
	NRIs/OCBs	0.6	0.6
	FIIs	0.0	0.2
	Corporates/Institutions/Others	0.3	8.4
	Sub Total (2)	36.1	16.8
	Total (1+2)	100	100

(Source: Annual Reports of SEBI 2013-14 p.104)

The above table clearly shows that private sector mutual funds dominated with a high percentage of total folios and total net assets. The private sector mutual funds had 63.9 per cent share in total folios while the corresponding share of public sector mutual funds was 36.1 per cent as at the end of March 2014. The share of private sector mutual funds in total net assets was 83.2 per cent as

Table 3 : Demographic Profile of the Respondents			
Demographic Factors	Frequency	No of Respondents (N)	Percentage
	Male	225	75.00
Gender	Female	75	25.00
	Total	300	100.00
	Below – 30	0	0.00
	31-40	155	51.67
Age Group	41-50	95	31.67
	Above 50	50	16.66
	Total	300	100.00
	Secondary	55	18.33
	Graduate	120	40.00
Education	Post Graduate	90	30.00
	Professional Degree	35	11.67
	Total	300	100.00
	Self employed	40	13.33
	Business	50	16.67
Occupation	Salaried	140	46.67
	Professional	60	20.00
	Retired	10	3.33
	Total	300	100.00
	Married	255	85.00
Marital Status	Unmarried	45	15.00
	Total	300	100.00
	Less than Rs.25,000	65	21.67
	Rs.25,001 – Rs.45,000	105	35.00
Monthly Income	Rs.45,001 – Rs.65,000	90	30.00
	Above Rs.65,000	40	13.33
	Total	300	100.00
	Up to Rs.25,000	30	10.00
	Rs.25,001 to 50,000	65	21.67
	Rs.50,001 to 75,000	85	28.33
Annual Savings	Rs.75,001 to 1,00,000	105	35.00
	Above Rs.1,00,000	15	5.00
	Total	300	100.00

(Source: Field Investigation)

Table 4 : Gender of the Respondents			
Sr. No	Gender	No.. of Respondents	Percentage
1.	Male	225	75.00
2.	Female	75	25.00
Total		300	100.00

(Source: Field Investigation)

compared to 16.8 per cent for public sector mutual funds. The same information has been graphically represented.

Table 4 reveals the gender of the respondents. Out of 300 respondents, 225 (*i.e.* 75 %) respondents are male and remaining 75 (*i.e.* 25 %) respondents are female. This shows that the female respondents are very less when compared to male respondents. The reason may be due to lack of awareness of mutual fund schemes among the male counterparts. Another reason for such unfavorable gender of female to male is, generally many women may not favor doing the job due to social system.

Table 5 : Age of the Respondents			
Sr. No.	Age Groups	No. of Respondents	Percentage
1.	Below - 30	0	0.00
2.	31 – 40	155	51.67
3.	41 – 50	95	31.67
4.	Above - 50	50	16.66
Total		300	100.00

(Source: Field Investigation)

The above Table 5 shows the age of the respondents. Out of 300 respondents, no (*i.e.* zero %) respondents belong to below 30 years. 155 (*i.e.* 51.67 %) respondents are from 31-40 age groups, 95 (*i.e.* 31.67 %) respondents are from 41-50 years and remaining 50 (*i.e.* 16.66 %) respondents are above-50 years of age group. It may be concluded from the above table that normally when a man reaches the age of 30 years, he/she feels more necessity of investing in mutual funds for income and financial security. The same information has been graphically represented.

Table 6 : Educational Qualification of the Respondents			
Sr. No.	Educational Qualification	No. of Respondents	Percentage
1.	Secondary	55	18.33
2.	Graduate	120	40.00
3.	Post Graduate	90	30.00
4.	Professional Degree	35	11.67
Total		300	100.00

(Source: Field Investigation)

The above Table 6 shows the educational qualification of the respondents. Out of 300 respondents, 55 (*i.e.* 18.33 %) respondents have secondary educational qualification. 120 (*i.e.* 40 %) respondents are graduates, 90 (*i.e.* 30 %) respondents are post graduates and remaining 35(*i.e.* 11.67 %) respondents are professional degree holders. The majority of the respondent's educational qualification is high *i.e.* graduate and post graduate. It is because of the high level of education people are aware of mutual fund schemes. The same information has been graphically represented.

Table 7 : Occupational Background of the Respondents			
Sr. No.	Occupation	No. of Respondents	Percentage
1.	Self-employed	40	13.33
2.	Business	50	16.67
3.	Salaried	140	46.67
4.	Profession	60	20.00
5.	Retired	10	3.33
Total		300	100.00

(Source: Field Investigation)

The above Table 7 shows the occupational background of the respondents. Out of 300 respondents, 50 (*i.e.*16.67 %) respondents are businessmen, 140 (*i.e.*46.67 %) respondents are salaried, 60(*i.e.*20 %) respondents are professionals, 10 (*i.e.*3.33 %) respondents are retired person and remaining 40(*i.e.*13.33 %) respondents belongs to self-employed. The analysis of the above table reveals that majority of the respondents are salaried and next substantial number of the respondents are professionals, businessmen, self-employed and retired persons.

Table 8 : Marital Status of the Respondents			
Sr. No.	Marital Status	No. of Respondents	Percentage
1.	Married	255	85.00
2.	Unmarried	45	15.00
Total		300	100.00

(Source: Field Investigation)

The above table shows the marital status of the respondents. Out of 300 respondents 255 (*i.e.*85 %) respondents are married and remaining 45(*i.e.*15 %) respondents are unmarried. Marital status is one of the major determinants for investors. Marital status affects investment pattern of investors. The marital sentiments force for the future prospects. Due to various family commitments, the married investors are concentrating more on investment in mutual funds.

Table 9 : Monthly Income of the Respondents			
Sr. No.	Monthly Income	No. of Respondents	Percentage
1.	Less than Rs. 25,000	65	21.67
2.	Rs.25,001 – Rs.45,000	105	35.00
3.	Rs.45,001 – Rs.65,000	90	30.00
4.	Above Rs.65,000	40	13.33
Total		300	100.00

(Source: Field Investigation)

Table 9 displays the annual income of the respondents. Out of 300 respondents, 65(*i.e.*21.67 %) of the respondents have monthly income up to Rs. 25,000, 105 (*i.e.* 35 %) respondents have monthly income of Rs.25,001-Rs.45,000, 90(*i.e.*30 %) respondents have monthly income of Rs.45,001-Rs.65,000 and lastly 40(*i.e.*13.33 %) respondents have monthly income of above Rs.65,000. The majority of respondents have monthly income between Rs.25,001-Rs.45,000 and Rs.45,001-Rs.65,000, respectively.

Table 10 : Annual Savings of the Respondents			
Sr. No.	Annual Savings	No. of Respondent	Percentage
1.	Up to Rs.25,000	30	10.00
2.	Rs.25,001 – Rs.50,000	65	21.67
3.	Rs.50,001 – Rs.75,000	85	28.33
4.	Rs.75,001 – Rs.1,00,000	105	35.00
5.	Above Rs.1,00,000	15	5.00
Total		300	100.00

(Source: Field Investigation)

The Table 10 shows the annual savings of the respondents. Out of 300 respondents, 30(*i.e.*10 %) respondents have annual savings of up to Rs.25,000, 65(*i.e.*21.67 %) respondents are annual savings of their money between Rs.25,001-50,000, 85(*i.e.*28.33 %) respondents are annual savings of Rs. 50,001- 75,000, 105(*i.e.*35 %) respondents have annually savings Rs.75,001-1,00,000 and lastly 15(*i.e.* 5 %) respondents have saved their money above Rs.1,00,000.

Table 11 : Family Size of the Respondents			
Sr. No.	Family Size (In Members)	No. of Respondents	Percentage
1.	Up to 2	25	8.33
2.	3 to 5	75	25.00
3.	6 to 8	110	36.67
4.	Above 8	90	30.00
Total		300	100.00

(Source: Field Investigation)

The above Table 11 displays the family size of the respondents. Out of 300 respondents, 110 (*i.e.*36.67 %) of the respondents belongs to 6 to 8 family members, 90(*i.e.*30 %) respondents have their family size above 8 members, 75(*i.e.*25 %) respondents have family size of 3 to 5 members and remaining 25(*i.e.*8.33 %) respondents have up to 2 members in family.

Table 12 : District-Wise Age-Based Classification of Respondents						
Sr. No.	Districts	Age				Total
		Below-30	31-40	41-50	Above-50	
1.	Khordha	0	20	16	09	45
2.	Cuttack	0	48	29	15	92
3.	Puri	0	13	09	05	27
4.	Berhampur	0	27	14	04	45
5.	Sambalpur	0	18	07	07	32
6.	Bargarh	0	29	20	10	59
Total		0 (0.00)	155 (51.67)	95 (31.67)	50 (16.66)	300 (100)

(Source: Field Investigation)

Table 13 : Amount of Investments in Mutual Funds by the Respondents

Sr. No.	Amount of Investment	No. of Respondents	Percentage of Total	Cumulative Percentage
1.	Less than Rs.10,000	105	35.00	35.00
2.	Rs.10,001 – Rs.20,000	72	24.00	59.00
3.	Rs.20,001- Rs.30,000	53	17.67	76.67
4.	Rs.30,001 – Rs.40,000	38	12.67	89.34
5.	Above Rs.40,000	32	10.66	100.00
Total		300	100.00	-

(Source: Field Investigation)

The above table reveals that amount of investment in mutual funds by the respondents. Out of 300 respondents, 105 (*i.e.* 35 %) respondents have invested less than Rs.5,000 in mutual funds and 32 (*i.e.* 10.66 %) of respondents have invested their money above Rs.40,000.

Table 14 : Gender-Wise Classification of Investments Made by the Respondents

Sr. No.	Amount of Investment	Gender		Total
		Male	Female	
1.	Less than Rs.10,000	79	26	105 (35.00)
2.	Rs.10,001 – Rs.20,000	54	18	72 (24.00)
3.	Rs.20,001- Rs.30,000	40	13	53 (17.67)
4.	Rs.30,001 – Rs.40,000	28	10	38 (12.67)
5.	Above Rs.40,000	24	8	32 (10.66)
Total		225 (75)	75 (25)	300 (100)

(Source: Field Investigation)

The above table reveals that the gender-wise classification of investment made by the respondents. Out of 300 respondents 225 are male (*i.e.* 75 %) respondents and remaining 75 (*i.e.* 25 %) are female respondents. It clearly indicates that the male respondents are more knowledgeable and experienced when compared with female respondents. The smaller number of female investors clearly indicates that they are still financially not empowered to make an investment.

Table 15 : Age-Wise Classification of Investments Made by the Respondents

Sr. No	Amount of Mutual Fund Investment per Annum	Age			Total
		31-40	41-50	Above 50	
1.	Less than Rs.10,000	54	33	18	105 (35.00)
2.	Rs.10,001 –Rs.20,000	37	23	12	72 (24.00)
3.	Rs.20,001- Rs.30,000	27	17	9	53 (17.67)
4.	Rs.30,001 – Rs.40,000	20	12	6	38 (12.67)
5.	Above Rs.40,000	17	10	5	32 (10.66)
Total		155(51.67)	95 (31.67)	50 (16.66)	300 (100)

(Source: Field Investigation)

The above Table 15 indicates the age-wise classification of investment made by the respondents. Out of 300 respondents the highest 110 respondents belongs to the age group of 31-40. The lowest being 50 under the age group of above 50 years. It indicates that the middle-aged persons are more interested in investment activity to safeguard their future.

Table 16 : Monthly Income-Wise Classification of Investments Made by the Respondents

Sr. No.	Amount of Mutual Fund Investment per Annum	Monthly Income (in rupees)				Total
		Less than Rs.25,000	Rs.25,001-Rs,45,000	Rs.45,001-Rs.65,000	Above Rs.65,000	
1.	Less than Rs.10,000	23	37	31	14	105 (35.00)
2.	Rs.10,001 –Rs.20,000	16	25	21	10	72 (24.00)
3.	Rs.20,001- Rs.30,000	11	19	16	7	53 (17.67)
4.	Rs.30,001 –Rs.40,000	8	13	12	5	38 (12.67)
5.	Above Rs.40,000	7	11	10	4	32 (10.66)
Total		65 (21.67)	105 (35.00)	90 (30.00)	40 (13.33)	300 (100)

(Source: Field Investigation)

It is evident from the above table that 105 respondents representing 35 per cent of the total are having income level between Rs.25,001 to Rs.45,000. As many as 105 respondents have made Mutual Fund investment less than Rs.10,000 and only 32 respondents representing 10.66 per cent of the total have invested more than Rs.40,000.

Table 17 : Duration of Investments in Mutual Funds by the Respondents

Sr. No.	Duration of Investment	No. of Respondents	Percentage of Total	Cumulative Percent
1.	Less than 3 years	105	35.00	35.00
2.	3-5 years	88	29.33	64.33
3.	5-10 years	62	20.67	85.00
4.	Above 10 years	45	15.00	100.00
Total		300	100.00	-

(Source: Field Investigation)

The above table reveals the duration of investment in mutual funds by the respondents. Out of 300 respondent's 35 per cent of the investors are investing their money for less than 3 years period, 29.33 per cent of them invested between 3-5 years, 20.67 per cent were for a period of 5-10 years and lastly, 15 per cent of them have invested for above 10 years period. The same information has been graphically presented. The results are shown with the help of cross tabulation of gender and duration of investment.

Table 18 : Gender-Wise Duration of Investments in Mutual Funds by the Respondents

Sr. No	Duration of Investment	Gender		Total
		Male	Female	
1.	Less than 3 years	79	26	105 (35.00)
2.	3-5 years	66	22	88 (29.33)
3.	5-10 years	46	16	62 (20.67)
4.	Above 10 years	34	11	45 (15.00)
Total		225 (75.00)	75 (25.00)	300 (100)

(Source: Field Investigation)

Table 18 shows the gender-wise duration of investments in mutual funds by the respondents. Out of 105 respondents 79 respondents of them are male and remaining 26 are female respondents who belongs to the duration of investment of less than 3 years. Out of 88 respondents 66 of them are male respondents and 22 are female respondents with 3-5 years of duration of the investment. Out of 62 respondents, 46 of them are male respondents and 16 are female respondents with

investment in 5-10 years. Lastly out of 45 respondents 34 respondents are male and 11 are female respondents with a duration of investment in mutual funds is above 10 years.

Table 19 : Age-Wise Duration of Investments in Mutual Funds by Respondents						
Sr. No.	Duration of Investment	Age				Total
		Below- 30	31-40	41-50	Above 50	
1.	Less than 3 years	0	55	33	17	105 (35.00)
2.	3-5 years	0	45	28	15	88 (29.33)
3.	5-10 years	0	32	20	10	62 (20.67)
4.	Above 10 years	0	23	14	8	45 (15.00)
Total		0 (0.00)	155(51.67)	95(31.67)	50(16.66)	300(100)

(Source: Field Investigation)

The Table 19 shows the duration of investment according to the age of the respondents. Maximum number of investors (110) fall under the age group of 31-40 years. Interestingly 35 per cent of the respondents have made an investment for a less than 3 years duration. It shows that they are more interested in current income.

Table 20 : Monthly Income-Wise Duration of Investments in Mutual Funds by the Respondents						
Sr. No.	Duration of Investment	Monthly Income (in rupees)				Total
		Less than Rs.25,000	Rs. 25,001-Rs.45,000	Rs.45,001-Rs.65,000	Above Rs.65,000	
1.	Less than 3 years	23	37	31	14	105 (35.00)
2.	3-5 years	19	31	26	12	88 (29.33)
3.	5-10 years	13	22	19	8	62 (20.67)
4.	Above 10 years	10	15	14	6	45(15.00)
Total		65 (21.67)	105 (35.00)	90 (30.00)	40 (13.33)	300 (100)

(Source: Field Investigation)

It is evident from the above table that the choice of duration of investment based on their income. Only 6 respondents of above Rs.65,000 income have made an investment for a period of more than 10 years. It is found from the data that only 15 per cent of the total respondents have made investment for a long term *i.e.* above 10 years. Majority of the investors prefer short-term because of risk and uncertainty.

Table 21 : Investment Objectives of the Respondents				
Sr. No.	Investment Objectives	No. of Respondents	Percentage of Total	Cumulative Per cent
1.	For Tax Deduction	55	18.33	18.33
2.	To Provide for Retirement	115	38.33	56.66
3.	To Meet Contingencies	30	10.00	66.66
4.	For Children's Education	80	26.67	93.33
5.	For purchase of Assets	20	6.67	100.00
Total		300	100.00	-

(Source: Field Investigation)

The above table reveals the investment objectives of the respondents. Out of 300 respondents 115 (38.33 %) respondents have an objectives of investment to provide for retirement, 80 (26.67 %) of them have invested because for children's education, 55 (18.33 %) for tax deduction purpose

and remaining 50 (16.67 %) of them have their investment objectives to meet both the contingencies and for purchase of assets. The data has been depicted with the help of graph. The above results are shown with the help of cross tabulation of gender and investment objectives.

Table 22 : Gender-Wise Classification of Investment Objectives of the Respondents				
Sr. No	Investment Objectives	Gender		Total
		Male	Female	
1.	For Tax Deduction	41	14	55 (18.33)
2.	To Provide for Retirement	86	29	115 (38.33)
3.	To Meet Contingencies	23	7	30 (10.00)
4.	For Children's Education	60	20	80 (26.67)
5.	For purchase of Assets	15	5	20 (6.67)
Total		225 (75.00)	75 (25.00)	300 (100)

(Source: Field Investigation)

The Table 22 reveals that, out of 225 male respondents about 86 respondents have made investment with the objective of providing for retirement. The purchase of assets being the other objectives which shows that only 5 female respondents have indicated as investment objective whereas 15 of the male respondents have expressed the similar opinion.

Table 23 : Age-Wise Classification of Investment Objectives of the Respondents						
Sr. No.	Investment Objectives	Age				Total
		Below- 30	31-40	41-50	Above 50	
1.	For Tax Deduction	0	28	18	9	55 (18.33)
2.	To Provide for retirement	0	59	36	20	115 (38.33)
3.	To Meet Contingencies	0	16	9	5	30 (10.00)
4.	For Children's Education	0	42	25	13	80 (26.67)
5.	For purchase of Assets	0	10	7	3	20 (6.67)
Total		0 (0.00)	155 (51.67)	95 (31.67)	50 (16.66)	300 (100)

(Source: Field Investigation)

The above table shows the age-wise investment objectives of the respondents. About 42 respondents under the age-group of 31-40 years have said that their investment objective is to provide for retirement. It is interesting to note that an equal number of respondents (3) who belongs to the age group of below 30 years and above 50 years have said their objective is purchase of assets. Again, it is to be noted that an equal number of respondents (7) who belongs to the age

Table 24 : Monthly Income-Wise Classification of Investment Objectives of the Respondents						
Sr. No	Investment Objectives	Monthly Income (in rupees)				Total
		Less than Rs. 25,000	Rs.25,001- Rs. 45,000	Rs.45,001- Rs.65,000	Above Rs.65,000	
1.	For Tax Deduction	12	19	17	7	55 (18.33)
2.	To Provide for Retirement	25	40	35	15	115 (38.33)
3.	To Meet Contingencies	7	11	8	4	30 (10.00)
4.	For Children's Education	17	28	24	11	80 (26.67)
5.	For purchase of Assets	4	7	6	3	20 (6.67)
Total		65(21.67)	105 (35.00)	90 (30.00)	40(13.33)	300 (100)

(Source: Field Investigation)

group of 31-40 years and 41-50 years are shown interest in purchase of assets. Both the young age and old age people are least bothered about purchase of assets. But people of middle aged are more interested in purchase of assets.

Table 24 reveals the Annual income of the respondents and their investment objectives. Out of 105 respondents who falls under the income category of Rs.25,001-Rs.45,000 the maximum of 40 respondents have an objective of providing for retirement. There are only 3 respondents with income of above Rs.65,000 have the objective of purchasing the asset.

Sr. No.	Experience of Investment	No. of Respondents	Percentage of Total	Cumulative Percent
Table 25 : Experience of Investment in Mutual Fund				
1.	Less than 3 years	65	21.67	21.67
2.	3-5 years	87	29.00	50.67
3.	5-10 years	118	39.33	90.00
4.	More than 10 years	30	10.00	100.00
Total		300	100.00	-

(Source: Field Investigation)

The above Table 25 clearly shows the experience of investment in mutual fund. Out of 300 respondents 118(39.33 %) belongs to 5-10 years of experience of investment in mutual fund, 87(29.00 %) respondents of them are 3-5 years of experience, 65 (21.67 %) respondents are having the experience of less than 3 years and lastly 30(10 %) respondents are having more than 10 years of experience of investment in mutual funds.

Sr. No.	Return Expectation	No. of Respondents	Percentage of Total	Cumulative Percent
Table 26 : Return Expectation of the Respondents				
1.	Low return	35	11.67	11.67
2.	Moderate return	49	16.33	28.00
3.	High return	96	32.00	60.00
4.	Very high return	120	40.00	100.00
Total		300	100.00	-

(Source: Field Investigation)

The above table reveals the return expectation of the respondents. Out of 300 respondents, 120(40 %) respondents expects a very high return, 96(32 %) respondents expect high return, 49(16.33 %) respondents have expected a moderate return and lastly 35(11.67 %) respondents have expected low return while investing in mutual funds. The above result is also shown with the help of cross tabulation of gender and income factors.

Sr. No.	Return Expectation	Gender		Total
Table 27 : Gender-Wise Classification of Return Expectation by the Respondents				
		Male	Female	
1.	Low return	26	9	35 (11.67)
2.	Moderate return	37	12	49 (16.33)
3.	High return	72	24	96 (32.00)
4.	Very high return	90	30	120 (40.00)
Total		225 (75.00)	75 (25.00)	300 (100)

(Source: Field Investigation)

Table 27 represents the gender-wise classification of respondents and their return expectation. The analysis of data reveals that both male and female respondents are having very high return expectation.

Table 28 : Monthly Income-Wise Classification of Return Expectation by the Respondents					
Sr. No.	Return Expectation	Monthly Income (in rupees)				Total
		Less than Rs.25,000	Rs.25,001- Rs.45,000	Rs.45,001- Rs.65,000	Above Rs.65,000	
1.	Low return	8	12	10	5	35 (11.67)
2.	Moderate return	11	17	15	6	49 (16.33)
3.	High return	20	34	29	13	96 (32.00)
4.	Very high return	26	42	36	16	120 (40.00)
Total		65 (21.67)	105 (35.00)	90 (30.00)	40 (13.33)	300 (100)

(Source: Field Investigation)

The annual income and return expectation of the respondents is shown in Table 28. 42 respondents out of 105 who belongs to the income group of Rs.1,00,001-3,00,000 have indicated the very high return expectation. Irrespective of the income category 40 per cent of the total respondents have very high return expectation.

Table 29 : Preference of Investment Avenues of the Respondents				
Sr. No.	Investment Avenues	No. of Respondents	Percentage of Total	Cumulative Percent
1.	Bank deposit	55	18.33	18.33
2.	Gold	23	7.67	26.00
3.	Real estate	15	5.00	31.00
4.	Chits	13	4.33	35.33
5.	Pension and provident fund	20	6.67	42.00
6.	Shares	45	15.00	57.00
7.	Mutual funds	26	8.67	65.67
8.	Insurance	76	25.33	91.00
9.	Postal savings	27	9.00	100.00
Total		300	100.00	-

(Source: Field Investigation)

The above table reveals the preference of investment avenues of the respondents. Out of 300 respondents 76 (*i.e.*25.33 %) respondents preferred insurance, 55 (*i.e.*18.33 %) respondents preferred to bank deposits, 45 (*i.e.* 15 %) respondents preferred shares, 27(*i.e.*9 %) respondents for postal savings, 26(*i.e.*8.67 %) respondents preferred in mutual funds, with total of 71(*i.e.*23.67 %) respondents preferred in gold, real estate, chits and pension and provident fund.

Table 30 : Period of Holding Investment in Mutual Funds				
Sr. No.	Type of Investors	No. of Respondents	Percentage of Total	Cumulative Percent
1.	Short term (Up to 3 years)	128	42.67	42.67
2.	Long term (Above 3 years)	172	57.33	100.
Total		300	100.00	

(Source: Field Investigation)

From the above table it is evident that, out of 300(100 %) respondents, 128 (*i.e.*42.67 %) respondents are the short-term investors, remaining 172 (*i.e.*57.33 %) of them are long term investors. It indicates that the majority of investors are long-term investors as their holding period is above three years.

Table 31 : Association between age and attitude towards the mutual fund (5.18. Chi-Square Analysis)				
Age	Positive	Neutral	Negative	Total
31-40	47	62	36	145
41-50	36	42	24	102
Above 50	13	13	27	53
Total	96	117	87	300

The calculated value of and tabulated value of chi-square at 5% level of significance 834.22 and 902.31, respectively

The study was focused at respondents' level of attitude towards the mutual funds on the basis of age. In this analysis 96 respondents have shown positive attitude; 117 respondents have shown neutral attitude and 87 respondents have shown negative attitude towards the investment in mutual funds shown in Table 31 and also explained the positive correlation between age and attitude of respondents towards the mutual funds. As the calculated value is less than tabulated value hence the null hypothesis is accepted at 5% level of significance.

Hence, the null hypothesis accepted that is

H0 = Investors age affects the selection of any company mutual fund

Table 32 : Association between gender and attitude towards the mutual fund				
Gender	Positive	Neutral	Negative	Total
Male	108	45	53	206
Female	34	36	24	94
Total	142	81	77	300

The calculated value and tabulated value of chi-square at 5% level of significance 876.34 and 934.28, respectively

In Table 32 there is the association between gender and attitude towards the mutual funds. The calculated value is less than tabulated value of chi-square and hence the null hypothesis is accepted at 5% level of significance which implies the association between gender and the attitude towards mutual funds. About 108 male respondents and 34 female respondents which shows there is a highest positive attitude towards the mutual funds in male against the female.

Hence, the null hypothesis accepted that is

H0 = Investors gender affects the selection of any company mutual fund

Table 33 : Association between income and attitude towards the mutual fund				
Income (Monthly)	Positive	Neutral	Negative	Total
Rs.25,001-Rs.45,000	21	31	34	86
Rs.45,001-Rs.65,000	34	70	64	168
Above Rs.65,000	22	7	17	46
Total	77	108	115	300

The calculated value of chi-square is 34.67 and tabulated value of 49.83 at 5% level of significance

The Table 33 in annexure explains that there is a highest positive attitude towards the mutual funds having monthly income above Rs.50, 000 against the others. The calculated value of is less than tabulated value and the null hypothesis is accepted at 5% level of significance which implies there is association between income and the attitude towards mutual funds.

Hence, the null hypothesis accepted that is

H0 = Investors income affects the selection of any company mutual fund

Table 34 : Association between level of education and attitude towards the mutual fund				
Education	Positive	Neutral	Negative	Total
Matric	8	20	24	52
Intermediate	14	20	35	69
Graduate	45	42	26	113
P.G.	22	35	9	66
Total	89	117	94	300

The calculated value of and tabulated value of chi-square at 5% level of significance 754.26 and 588.14, respectively

From the Table 34 the calculated value is greater than tabulated value of chi-square and the null hypothesis is rejected at 5% level of significance which implies there is no association between level of education and the attitude towards mutual funds.

Hence, the alternative hypothesis accepted that is

H1 = Investors education does not affect the selection of any company mutual fund

Table 35: Association between occupation and attitude towards the mutual fund				
Occupation	Positive	Neutral	Negative	Total
Salaried Employee	52	39	32	123
Business man	15	23	19	57
Professionals	18	22	22	62
Others	8	33	17	58
Total	93	117	90	300

The calculated value of and tabulated value of chi-square at 5% level of significance 629.14 and 584.42, respectively

From the Table 35 the calculated value is more than tabulated value and the alternative hypothesis is accepted at 5% level of significance which implies there is no association between occupation and the attitude towards mutual funds.

Hence, the alternative hypothesis accepted that is

H1 = Investors occupation does not affect the selection of any company mutual fund

Table 36 : Regression variables correlation for factor fitness				
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898[a]	.807	.791	.630

a. Predictors: (Constant), Statements for Factor Analysis S1, S2, S3, S4, S5, S6, S7, S8, S9, S10, S11, S12, S13, S14, S15, S16

This Table 36 in annexure provides the R and R2 values. The R value represents the simple correlation and is 0.898 (the "R" Column), which indicates a high degree of correlation. The R2 value

is 0.807 (the "R Square" column) indicates how much of the total variation in the dependent variable like investment on Mutual Fund on the basis of selection of public sector and private sector mutual funds can be explained by the independent variable, statements for factor analysis of all sixteen statements. In this case, 80.7% can be explained, which is very large.

Table 37 : F-test to study the validity of the variables					
ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	307.158	16	19.197	48.427	.000[b]
Residual	73.337	186	.396		
Total	380.495	202			

a. Dependent Variable: Product Category (Mutual Fund Investment)
b. Predictors: (Constant), Statements for Factor Analysis S1, S2, S3, S4, S5, S6, S7, S8, S9, S10, S11, S12, S13, S14, S15, S166

The ANOVA table, which reports how well the regression equation fits the data (*i.e.*, predicts the dependent variable). The Table 37 in annexure shows the output of the ANOVA analysis and whether there is a statistically significant difference between our group means. We can see that the significance value is 0.00 (*i.e.*, $p = .000$), which is below 0.05 and therefore it is a statistically significant difference in the mean length of time to complete the spreadsheet problem between the different courses taken.

Table 38: Regression table explains correlation among the factor variables					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.692	.522		1.326	.186
S1	.255	.039	.262	6.532	.000
S2	.310	.084	.252	3.676	.000
S3	.235	.127	.189	1.850	.066
S4	-.672	.107	-.689	-6.285	.000
S5	.514	.098	.187	5.237	.000
S6	-.176	.138	-.097	-1.274	.204
S7	.368	.111	.230	3.323	.001
S8	.087	.078	.075	1.120	.264
S9	.515	.088	.429	5.868	.000
S10	.317	.099	.337	3.188	.002
S11	-.172	.150	-.124	-1.146	.253
S12	.229	.101	.167	2.268	.024
S13	-.316	.105	-.324	-2.994	.003
S14	-.168	.119	-.085	-1.415	.159
S15	-.477	.098	-.478	-4.884	.000
S16	-.218	.089	-.167	-2.451	.015

a. Dependent Variable: Product Category (Mutual fund Investment)

From the Table 38 in annexure shows 16 predictors out of which four are not significant and twelve are statistically significant as $p \leq 0.5$. Out of twelve statistically significant statements five statements coefficient are negative which would indicate that statements (s4), (s13), (s14), (s15) and (s16)) has negative impact on decision for any types of Mutual Fund coefficients are positive

which would indicate that statements (s1), (s2), (s5), (s7), (s9), (s10), (s12) are the area where consumer gives highest attention to take decision for any design or brands of Mutual Funds.

Table 39 : Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.867	300

The data collected though the questionnaire has gone through the reliability test *i.e.* Cronbach's Alpha whose value should be nearest to 1 to accept for the factor analysis. This data has Cronbach's Alpha value of 0.867 which is more significant for the reliability of data shown in above Table 39. The study has been made to know the preference and perception of customers towards the mutual funds offered by the different companies. Sixteen statements are generated for measuring respondents' opinion on a 5-point Likert scale for preferring a particular brand of mutual fund.

Table 40 : Data Adequacy for the factor analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.864
Bartlett's Test of Sphericity	Approx. Chi-Square	1.995E3
	df	163
	Sig.	.000

The Table 40 measures the data adequacy for the factor analysis. This factor analysis measure for sampling adequacy is greater than 0.8 (0.864) which is mediocre. In the Bartlett's Test for Sphericity, if the significance value will be less than 0.5 then the data will not produce identity matrix. As the significance value is less than 0.5 (*i.e.* 0.000) So the data set can be acceptable for factor analysis.

Table 41: Eigen values and Cumulative %age

Sr. No.	Attributes	Initial Eigen Values		
		Total	% of Variance	Cumulative %
S1	Type of fund in MF influences a lot in investment	4.365	27.298	27.298
S2	Fund size of the mutual fund affected a lot to purchase MF	3.416	21.363	48.662
S3	The MF schemes portfolios very good to invest	2.476	15.485	64.146
S4	Reputation of fund managers one of the criteria to invest in MF	1.978	12.370	76.517
S5	I always prefer to see the past performance of the fund	0.776	4.853	77.751
S6	I like to see liquidity factors of the mutual fund	0.718	4.490	82.8
S7	A current market condition is one of the factors to invest in mutual funds	0.608	3.802	87.226
S8	I always prefer to see the dividend history of MF	0.548	3.427	91.455
S9	Rating given by rating agency can be one of the criteria for investment in MF	0.342	2.139	94.218
S10	Types of redemption facilities available with the MF affect my decisions	0.265	1.657	96.187

Table 41 contd…

Contd.... Table 41

S11	I am equally giving priority to prompt settlement of MF.	0.22	1.376	97.677
S12	Investor's grievance and redressal machinery should be very quick	0.106	0.663	98.721
S13	My risk-taking ability affects the invest decisions of MF.	0.086	0.538	99.351
S14	I prefer to invest in MF whose sustainable performance is good	0.053	0.331	99.682
S15	I prefer to invest in the MF which is more transparent in service	0.022	0.138	99.933
S16	I will select the MF whose return facility is better in terms of values	0.011	0.069	100

Factor matrix and their corresponding factor loading after the varimax rotation are presented in the Table 41. The four factors are explaining 76% of the variance of total variables.

Table 42 : Loadings of selected variables on key factors (Loading Criteria >0.5)					
St. No.	Attributes	Factor Loadings			
		F1	F2	F3	F4
S1	Type of fund in MF influences a lot in investment	.854			
S2	Fund size of the mutual fund affected a lot to purchase MF	.856			
S3	The MF schemes portfolios very good to invest.	.785			
S4	Reputation of fund managers one of the criteria to invest in MF	.716			
S5	I always prefer to see the past performance of the fund		.718		
S6	I like to see liquidity factors of the mutual fund.	.834			
S7	A current market condition is one of the factors to invest in mutual funds				.848
S8	I always prefer to see the dividend history of MF		.745		
S9	Rating given by rating agency can be one of the criteria for investment in MF			.712	
S10	Types of redemption facilities available with the MF affect my decisions			.824	
S11	I am equally giving priority to prompt settlement of MF		.726		
S12	Investor's grievance and redressal machinery should be very quick		.776		
S13	My risk-taking ability affects the invest decisions of MF				.786
S14	I prefer to invest in MF whose sustainable performance is good			.928	
S15	I prefer to invest in the MF which is more transparent in service		.875		
S16	I will select the MF whose return facility is better in terms of values		.821		
Eigen Values		4.365	3.416	2.476	1.978
%age of Variance		27.298	21.363	15.485	12.370
Cumulative Variance		27.298	48.662	64.146	76.517

The statements of factor loadings more than 0.5 are grouped and are shown in the Table 42. Factor 1 has an eigen value of 4.365 and explains 27.29% of the total variance. The eigen value of Factor 2 is 3.416 and explains 21.36% of the total variance. Factor 3 has an eigen value of 2.476 and explains 15.48% of the total variance and Factor 4 has an eigen value of 1.978 and explains 12.37% of the total variance and. The total variance accounted for by all the four factors is 76.52% which is quite high and it establishes the validity of the study.

St. No.	Attributes	Factor Loadings			
		F1	F2	F3	F4
S1	Type of fund in MF influences a lot in investment	0.854			
S2	Fund size of the mutual fund affected a lot to purchase MF	0.856			
S3	The MF schemes portfolios very good to invest	0.785			
S4	Reputation of fund managers one of the criteria to invest in MF	0.716			
S6	I like to see liquidity factors of the mutual fund.	0.834			
S5	I always prefer to see the past performance of the fund.		0.718		
S8	I always prefer to see the dividend history of MF.		0.745		
S11	I am equally giving priority to prompt settlement of MF.		0.726		
S12	Investor's grievance and redressal machinery should be very quick		0.776		
S15	I prefer to invest in the MF which is more transparent in service		0.875		
S16	I will select the MF whose return facility is better in terms of values		0.821		
S9	Rating given by rating agency can be one of the criteria for investment in MF			0.712	
S10	Types of redemption facilities available with the MF affect my decisions			0.824	
S14	I prefer to invest in MF whose sustainable performance is good			0.928	
S13	My risk-taking ability affects the invest decisions of MF				0.848
S7	A current market condition is one of the factors to invest in mutual funds				0.786
	Total factor Loadings	4.045	4.661	2.464	1.634

Table 43 : Grouping of Factor Loadings for Identifying Key Factors

The factors will be named after grouping the key variables which are depending upon their factor loading scores under different key factors. The Table 43 represents the grouping of factors. The total factor loadings for factor 1(F1) is 4.045 and for factor 2(F2) is 4.661 and for factor 3(F3) is 2.464 and for factor 4(F4) is 1.634. The Table 43 depicts the variables under each of the four desired factors. The first factor identified with risk associated with the mutual fund company which has been grouped under F1 and termed as "Rationality" factor. The second factor explains the pat performance and dividend history of the mutual fund company. The second factor F2 is termed as "Quality" factor. The third factor F3 explains the rating and sustainability of the mutual fund in market in future. The factor F3 is termed as "Performance" factor. The fourth factor F4 explains the individual risk taking capacity and prevailed market condition and termed as "Situational".

Table 44 : Ranking of Factors on Factor Loading		
Factors	Factor Loadings	Rank
Rationality (F1)	4.045	2
Quality (F2)	4.661	1
Performance (F3)	2.464	3
Situational (F4)	1.634	4

The priority given by the respondents depicted through the ranking of factors which is shown in Table 44. Respondents have given high priority to the factor F2 "Quality" followed by factor F1 "Rationality", followed by factor F3 "Performance" and followed by factor F4 "Situational".

The study has given a picture of a particular community attitude towards different companies' mutual fund. As the awareness level of investors are very poor therefore majority of customers are unable to take decisions for appropriate mutual fund investments. From the study it was observed that the demographic variables like gender, income and level of education have significant influence upon the investors' attitude towards mutual funds whereas the other two demographic variables like age and occupation do not have influence on the attitude of investors towards mutual funds. As far as the benefits provided by mutual funds are concerned less risk investments and most believed investments have been perceived to be most attractive by the invertors' followed by terminal value and self-concept of the investments. Apart from the above, in India there is a lot of scope for the growth of mutual fund companies provided that the funds satisfy everybody's needs and sharp improvements in service standards and disclosure.

Conclusion :

Investment is the allocation of funds to assets and securities after considering their return and risk factors. The investor plans for long horizon after considering the fundamental factors and assumes the moderate risk. The main objectives of rational investors are maximizing returns and minimizing risk, safety of the principle, tradability and liquidity. The investors are having the option to invest money in mutual funds and other financial instruments like equity shares, debentures, bonds, warrant and bank deposits. A common investor who invests their savings into the different assets are not very much aware of the mutual funds. Financial markets are constantly becoming more efficient by providing more promising solutions to the investor. The study reveals that the investors are more interested in high return on their investment and at the same time they want to play safe by choosing the investment duration.

The study has given a picture of a particular community attitude towards different companies' mutual fund. As the awareness level of investors are very poor therefore majority of customers are unable to take decisions for appropriate mutual fund investments. From the study it was observed that the demographic variables like gender, income and level of education have significant influence upon the investors' attitude towards mutual funds whereas the other two demographic variables like age and occupation do not have influence on the attitude of investors towards mutual funds. As far as the benefits provided by mutual funds are concerned less risk investments and most believed investments have been perceived to be most attractive by the invertors' followed by terminal value and self-concept of the investments. Apart from the above, in India there is a lot of scope for the growth of mutual fund companies provided that the funds satisfy everybody's needs and sharp improvements in service standards and disclosure.

Besides that, more research can be focused on factors like fund size, rating by rating agency,

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redemption facility of funds, prompt settlement, and fund sustainability. Similarly the more detailed study can be done on types of fund, scheme portfolio, past performance, current market conditions, dividend history in addition to most important factors supporting investor to take investment decision in mutual fund investment. Research work on more categories of customers can be taken on, reputation of fund manager, liquidity factors of fund, grievance redresses machinery, risk taking ability of investors. Hence researcher suggested that, when a new investor go for investment in mutual fund before taking investment decision consider the above discussed factors, these factors will support the investor to get high return with less risk.

In today's volatile market environment, mutual funds are looked upon as a transparent and low-cost investment vehicle, which attracts a fair share of investor attention helping spur the growth of the industry. AMCs therefore need to reorient their business towards fulfilling customer needs. As customers seek trusted advisors, the manufacturer-distributor-customer relationship is expected to be centered not on the sale of products, but for collectively promoting the financial success of customers across all facets of their professional and personal lives. This requires creating a collaborative network of experts in funds management and financial advice, innovative product offerings, efficient service delivery and supporting technology. The mutual fund industry today needs to develop products to fulfill customer needs and help customers understand how its products cater to their needs. Performance of the industry has been strong and it is well-placed to achieve sustainable growth levels. The way forward for the next couple of years for the mutual fund industry would be influenced hugely by the journey undertaken till this point of time and the changing demographic profile of investors.

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