"CONSUMER PERSPECTIVE TOWARDS MUTUAL FUNDS AS AN INVESTMENT VEHICLE"

A Research Report submitted in partial fulfilment of the requirements for the Degree of

Bachelor of Commerce (International Finance)

Submitted By:

Rishika Abrol (1812744)

Under the Guidance of

Professor Shilpa Shetty

CHRIST
(DEEMED TO BE UNIVERSITY)
BANGALORE · INDIA

February 2021
Bengaluru. India

Declaration

I, Rishika Abrol (181744), hereby declare that this project titled **"CONSUMER PERSPECTIVE TOWARDS MUTUAL FUNDS AS AN INVESTMENT VEHICLE"** is an original project study, conducted under the guidance of **Professor Shilpa Shetty**, Department of Professional Studies, Christ (Deemed to be University).

I further declare that this has not been previously formed the basis of the award of any degree, diploma or other similar title of recognition.

Place: Bangalore : **Rishika Abrol (1812744)**

Date:

Certificate of Originality by the Institution

This is to certify that Rishika Abrol (1812744) is a Bonafede students of B. Com (International Finance) Programme studying in CHRIST (Deemed to be University). She has prepared and submitted a research project titled **"CONSUMER PERSPECTIVE TOWARDS MUTUAL FUNDS AS AN INVESTMENT VEHICLE"** in partial fulfilment for the requirement of Bachelor of Commerce Programme of Christ University, for the academic year 2020-21.

Place: Bangalore
Date:

Dr. Kavitha D
HOD
Department of Professional Studies

CHRIST UNIVERSITY

RISHIKA ABROL 1812744 <rishika.abrol@commerce.christuniversity.in>

Final Research Paper

Shilpa Shetty H Professional Studies <shilpa.h@christuniversity.in> Mon, Apr 12, 2021 at 8:16 PM
To: RISHIKA ABROL 1812744 <rishika.abrol@commerce.christuniversity.in>

Regression related hypothesis is not yet changed in data analysis section in page number 60!

With this revision the report is approved for submission.

Shilpa

Note: All the changes mentioned above have been made.

Certificate by Guide

This is to certify that this project titled **"CONSUMER PERSPECTIVE TOWARDS MUTUAL FUNDS AS AN INVESTMENT VEHICLE"** submitted to CHRIST (Deemed to be University) in partial fulfilment for the requirement of Bachelor of Commerce, and is an original and independent work carried out by Rishika Abrol (1812744)) under my guidance and supervision.

This has not been previously formed the basis of the award of any degree, diploma or other similar title of recognition.

Place: Bangalore **Professor Shilpa Shetty**
Date: **Department of Professional Studies**
Christ (Deemed to be University)

Acknowledgement

The research project undertaken by me has enabled me to gain immense knowledge about the topic chosen. I am grateful to those; without whose constant support and encouragement it would have been impossible for us to reach this far. Therefore, I take this opportunity to express my deepest gratitude.

I would like to thank the management of Christ University for their undisrupted assistance. I am profoundly thankful to **Professor Shilpa Shetty** my guide who has extended her support in conducting our research and for her endless mentoring and encouragement that motivated us to undertake this research, despite her other commitments.

I would also like to extend my hearty gratitude who have always been around us for support, family member, friends and everybody for being so patient and supportive throughout the research.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

Chapter 1

INTRODUCTION

1.1 INTRODUCTION TO CUSTOMER PERCEPTION

About Customer Perception Customer perception refers to the customer's opinion of a company or its products and services. This describes how the customers feel about a particular brand, including any direct or indirect interaction they have had with that business. The companies can find common user pain points by studying customer perception and enhance the customers‟ experience

1.1.1. Importance of Customer Perception

Current trends show that the customer's perception of a brand will take precedence over traditional advantages like cost of the product, its features and the usability it provides to the customer. In today's scenario, customers want good quality products, but they also want to ensure that they are getting the best value for their money. Such value is perceived not only through the product or service purchased by the customer, but also through the availability and usability of the accompanying customer service. Virtually everything in today's digital age is a Google search away. It makes it easier to find your goods and services, but the trade-off is that it is easier to find your competitors too. That means it's simpler for dissatisfied or frustrated customers to leave. Companies currently not investing in improving the customers‟ perception of their brand are at the risk of falling behind the competition to a large extent. It's not enough to have brand recognition anymore; customers want to feel good about a brand and a company. They want to do business with businesses with a progressive mind and optimistic views of the world.

1.1.2. Benefits of Consumer Perception for businesses

With competition becoming increasingly be intense in the global economy, making it difficult for products and services to distinguish themselves from other market offerings, the costs of production, logistics, sourcing, and accessibility to information are also increasing. Varied goods end up facing stiff competition from competitors in the market from new products and alternatives. The effect is a fall in prices, as most firms want to win over customers as well as close the gap in differences between goods. The modern consumer is pretty much a mix. The modern customer, being very sensitive to prices, is constantly looking for discounts and bargains. Often, they're looking for branded and other luxury products. They are very well-informed, and are even aware of their powers. Such awareness raises their expectations from products and companies in general. All of these variables combined make the segregation of a product or service more complicated than conventional sorting by quality, price and functionality. In such cases, the only

solution available to a company is to strengthen the bond between the business and their customers. This is likely to give a better competitive advantage since this relationship is not limited to aspects like price, quality, etc. The better experience a consumer has with the company at various stages of interaction such as efficiency, reliability and process speed, the higher the chances are that he or she is likely to return. A problem that arises from a single transaction will probably damage the relationship forever. Companies should take steps to keep their consumers fully informed about the company's different products, and how such products are likely to improve their lives. Companies have to make sure they can convince consumers how their products can deliver more benefits than competitors, if purchased by the consumers. This in short amounts to widening the understanding of customers to understand the finer aspects of the company's offerings. But they shouldn't overdo the same as it could adversely affect the product.

1.2 INTRODUCTION TO MUTUAL FUNDS

1.2.1. About Mutual Funds:

A mutual fund is a trust pooling the wealth of different investors who share a common financial purpose. It is a financial intermediary pooling investors ' funds for joint investment into a diversified portfolio. A fund is said to be "mutual," because all its returns are shared by the creditors of the fund. This pool of money is invested to a stated purpose. The raised money is then invested in capital market instruments such as stocks, debentures, and other securities of this kind. The unit holders share the capital appreciations achieved in proportion to the number of units held by them.

The Securities and Exchange Board of India (Mutual Fund) Regulations,1996 defines a mutual fund as” a fund established in the form of a trust to raise 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”. (SEBI, 1996)

According to the definition given above, a mutual fund in India can raise money through the selling of units to the general public. It can also be formed under the Indian Trust Act in the form of a trust. Thus, in accordance with the definition above, the mutual funds are permitted to diversify their activities in the following areas:

• Portfolio management services

- Management of offshore funds
- Providing advice to offshore funds
- Management of pension or provident funds
- Management of venture capital funds
- Management of money market funds
- Management of real estate funds.

A mutual fund functions as a financial intermediary between the investor and the stock market by mobilizing investors' savings and thus investing them in the capital market in order to generate profits. Each shareholder participates in the gain or loss of the fund. Units are issued and they can be redeemed as when needed. The Net Asset Value (NAV) of the fund is calculated daily Securities portfolios are diversified across a wide cross-section of sectors and industries and therefore the risk involved is relatively minimized. Diversification reduces risk, because all stocks may not shift simultaneously in the same direction and proportion. The mutual fund assigns units to the investors according to the amount of money they invest and the investors are known as unit holders.

Mutual fund is a shared savings plan. It plays a key role in mobilizing small investor savings and channeling the same towards profitable projects in the Indian economy.

1.2.2 CONCEPT OF MUTUAL FUNDS

Concept of Mutual Funds

↓

Multiple investors with common financial goals pool their money

↓

Investors, on a proportionate basis, get mutual funds units for the amount contributed to fund.

↓

The funds hence collected are invested into debentures, shares and other such securities by the fund manager.

↓

The fund manager books gains or losses and collects the dividend or interest income, if any.

↓

Any capital gains or losses arising from such transactions will be passed on to the investors in proportion to their investments.

Figure 1.1 Concept of Mutual Funds

The Indian Mutual Fund Industry follows a 3- tier structure:

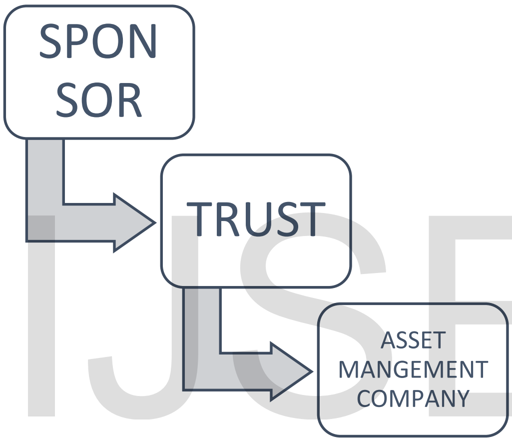


Figure 1.2 The Indian Mutual Fund Industry 3-tier structure

SPONSORS: These are the people who think of setting up a mutual fund. The Sponsor approaches SEBI, the market regulator and also the regulator for mutual funds. Not everybody can set up a mutual fund. SEBI shall grant the permission to do so only to a person with significant experience in the financial sector. He/she should have a minimum net worth and also should be a trustworthy person. These are a few factors that come into picture

TRUST: Once SEBI verifies the credentials and eligibility of the proposed Sponsors, a Trust is formed by such Sponsors under the Indian Trust Act 1882. Trusts aren't provided any legal identity in India and cannot enter into contracts due to the same. Therefore, the Trustees are authorized to act on behalf of the Trust. Contracts are entered into in the name of such Trustees. Once the Trust is created and registered with SEBI, it comes to be known as a mutual fund.

ASSET MANAGEMENT COMPANY: The Trustees appoint the AMC, that is established as a legal identity to manage the investor's (unit holders) wealth. In exchange for this money management, the AMC is paid a fee for the services provided on behalf of the mutual fund. Such fees are to be borne by the investors, and are deducted from the money collected from them. The AMC must be authorized by SEBI and it operates under the oversight of its Board of Directors and also under the guidance of the Trustees and the regulatory framework set up by SEBI.\

1.3 HISTORY OF MUTUAL FUNDS IN INDIA

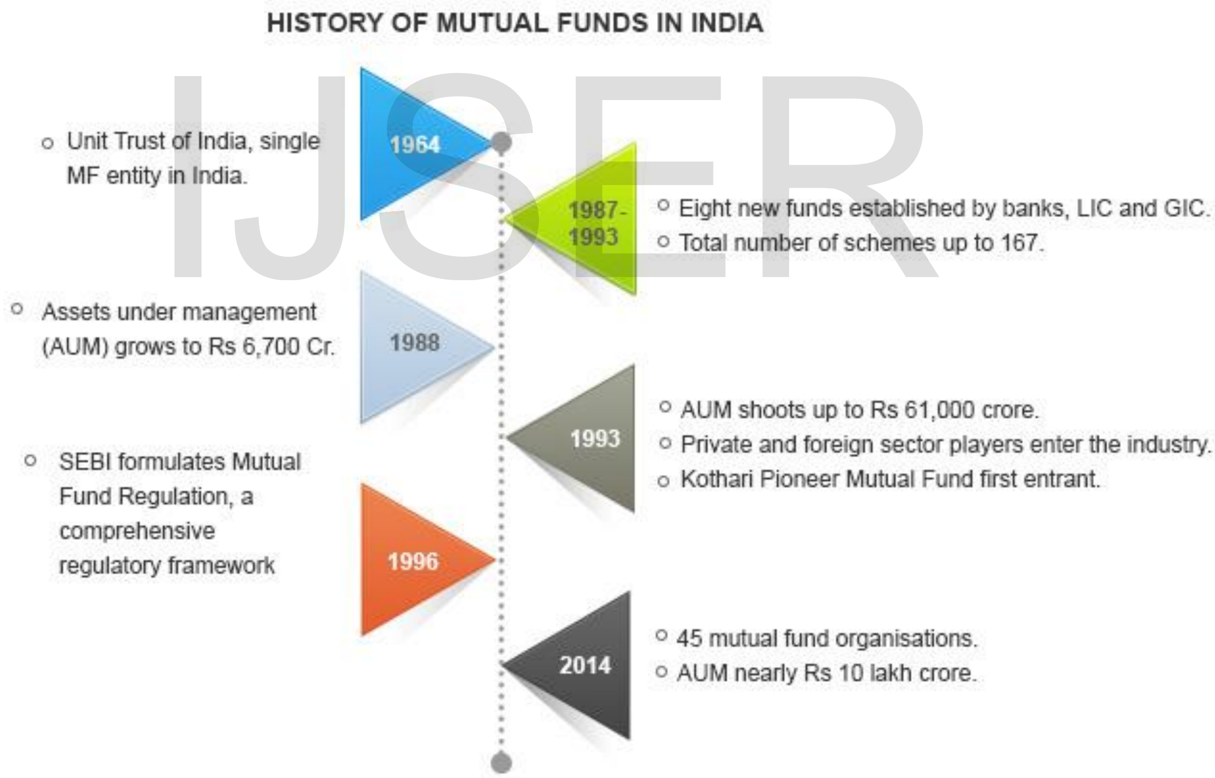


Figure 1.3 History of Mutual Funds in India

Since 1964, when the Unit Trust of India was the only player in the market, mutual funds in India have come a long way. By the end of 1988, Unit Trust of India's total assets were estimated at Rs.6700 crore. Between 1987 and 1993, banks, GIC, and LIC created eight funds. The total number of schemes rose to 167, and the total investment-measured using the Assets under Management (AUM), shot up to Rs.61,000 crore.

During 1993, many players entered the Indian market, marking the onset of the third phase. Kothari Pioneer Mutual fund was the first entrant and it was launched in association with a foreign fund. In 1996, India's Securities and Exchange Board enacted the Mutual Fund Regulations, which defined a comprehensive regulatory framework for the mutual fund industry for the first time. Since then, the public and private sectors have produced numerous mutual funds.

There were about 45 mutual fund organizations in the country, managing assets worth almost Rs.10 lakh crore in 2014. In a short span of about three years, the AUMs had doubled to almost Rs.20 lakh crore in August 2017. On 31st December 2019, the mutual fund industry’s AUM stood at Rs.26.54 lakh crore. In about one years’ time the AUM rose by 3.7% in February 2021 to Rs 31.6 lakh crore.

1.4 REASONS FOR INVESTING IN MUTUAL FUNDS:

Investing in mutual funds offers a multitude of benefits which are as below:

Professional Investment Management

When an individual invests in a mutual fund, his/her money is being managed by professional experts who have in depth knowledge about the various schemes available. This is one of the main reasons of investing in mutual funds. As full-time, high-level investment experts, a good investment manager is more able to monitor the enterprises in which the mutual fund has invested, rather than the investors doing it all alone. The experts have the know-how that retail investors might not possess to trade in the markets.

Low Investment Threshold

A mutual fund enables an individual to participate in a diversified portfolio for as little as Rs.5000 and even lesser. Being a no-load fund, one pays little or almost no sales charges to own such mutual funds.

Convenience

Mutual fund investment has its own convenience. The paper work that comes up with every transaction is reduced. One also saves on how much energy they spend in investment analysis as well as actual market monitoring and transaction management. They don't have to do anything with a mutual fund, as they can now place an order online with the broker to purchase. Another advantage is that within a family of mutual funds, one can easily move the money from one fund to another. This will allow the individual to rebalance their portfolio in anticipation of significant economic shifts, if necessary.

Liquidity

In an open-ended scheme, it is possible to retrieve the funds at any point of time at the prevailing NAV from the mutual fund itself. Thus, mutual funds are highly liquid when compared to traditional investment options like fixed deposits and bonds, which have fixed lock-in periods.

Variety

People are spoilt for choice while investing in mutual funds. They have a variety of schemes to choose from based on your investment objective or strategy. There are funds which focus on blue-chip stocks, technology stocks or a mixture of stocks and bonds. The greatest challenge would be to pick the right bond that would suit our needs.

Transparency

SEBI's Mutual Funds Regulations have made the sector transparent. One can trace the investments made on their behalf so they can know the industries and stocks in which they are being invested. The mutual funds have the obligation to publish their portfolio information periodically.

Tax Benefits

Equity-Linked Savings Scheme (ELSS) is a form of equity fund and the only mutual fund scheme which qualifies under Section 80C of the Income Tax Act for a tax deduction of Rs.1.5 lakh per annum.

1.5 TYPES OF MUTUAL FUNDS

1.5.1 BASED ON FUND SCHEMES

There are two kinds of mutual funds on the basis of constitution of fund.

a) **Open-Ended Schemes**

These schemes have no maturity period. They can be bought and sold at any point in time. Such schemes are not traded on the stock exchange. Investors can buy or sell mutual fund units at NAV prices on any business day. These schemes have unlimited capitalization. Open ended schemes are mostly preferred for their liquidity.

The main advantage of open-ended schemes over close ended schemes is that the investors can enter and exit at any point in time. In such a case the issuing company has the responsibility to provide for an entry and an exit. They are also highly liquid. Therefore, whenever an investor is in need of money, he can sell the units as such schemes have no fixed duration attached to them.

b) **Close-Ended Schemes**

These schemes have a fixed maturity period before which they cannot be sold on the stock exchanges in which they are listed. Such schemes are traded on the stock exchange. Investors can buy such schemes only during the initial issue. Once the initial issue is done, such schemes can issue units only in the case of rights or bonus issues.

1.5.2. BASED ON ASSETS INVESTED IN

a) **Equity Funds**

These are funds which invest in stocks. Such funds carry high risk and also provide high returns. Such schemes are preferred for long time investment i.e., growth funds as maximum

the returns. Equity funds have less tax liability when compared to debt funds.

Example: DSP Black Rock Focus 25 Fund is an equity fun

b) **Debt Funds**

These funds invest in instruments like debentures, government securities, bonds etc. Companies and Government raise funds through the issue of these funds. You put your

money in these funds for which you get a fixed rate of interest till the maturity period. Hence debt funds are considered as a low risk and low returns investment. People who want regular income and are not ready to take up risk invest in such funds. The return of principle amount after maturity in debt instruments is guaranteed which is not the case in Equity funds.
Example: HDFC high interest – dynamic fund is a debt fund.

c) Hybrid Funds

Hybrid funds, also known as balanced funds, invest in both equity as well as debt instruments. Therefore, they are less risky than equity funds but riskier than debt funds. The returns expected from a hybrid fund are more than debt funds but less than equity funds.
Example: SBI Magnum Balanced Fund (G) is a hybrid fund.

1.5.3. BASED ON INVESTMENT OBJECTIVE

Every investor has a different motive for investing in instruments. Some invest for a regular income while some invest for making profits and capital appreciation. There are three kinds of funds based on investment objective which are as follows:

a) Growth Funds

These funds usually invest in equity instruments. Therefore, they are considered high risk high returns instrument. These funds usually pay lower dividend as compared to fixed income securities and may also re-invest the dividend amount by diversifying in various sectors. Such funds ensure capital appreciation in the long run.
Example: - Franklin India High Growth Cos Fund (G) is a growth fund.

b) **Balanced Funds**

These funds invest in both equity as well as debt instruments. Therefore, they are less risky than equity funds but riskier than debt funds. The returns expected from a hybrid fund are more than debt funds but less than equity funds.
Example: SBI Magnum Balanced Fund (G) is a balanced fund.

1.5.4. SOME SPECIAL FUNDS

a) **Index Schemes**

Indices serve as a measure for assessing the market performance as a whole. Indices are also developed to track company performance in a particular sector. Each index is made up of stock participants. The index value has a direct relation to the stock value. You cannot invest directly in an index though. That is just an arbitrary number. So, investors prefer investing in an Index fund to earn as much returns as the index. The fund invests at the same proportion in the index stock participants as the index.
Example: if a stock has a 10 per cent weight in an index, 10 per cent of its funds will be invested in the stock by the scheme as well. Thus, to help investors earn money, it recreates the index. These schemes are usually passive funds, since the managers do not need to research much for asset allocation. As a result, the rates are lower. It's also a kind of an equity fund.
Example- Franklin India Index Fund-NSE Nifty (G) is an index fund Tax-Saving Schemes
In order to encourage investors to invest in mutual funds, schemes like Equity Linked Saving Schemes (ELSS) have been introduced. Here the investors get a tax rebate for investing in such schemes. However, there is a limit of Rs.100,000 for tax purposes. Such schemes cannot

be redeemed for a period of three years. There is a minimum lock in period of three years to hold such schemes. When compared to other tax saving instruments like Public Provident Funds etc. these schemes have the lowest lock in period.

c) **Gilt Funds**

These schemes primarily invest in government securities. Government debt is usually credit risk free. Thus, the investor usually does not have to worry about the risk of credit.

Example: HDFC Gilt Fund **-** LTP **-** Direct (G) is a guilt fund.

d) **Sector Funds**

These are a kind of equity scheme that restricts its investment to one or more predefined sectors, such as the technology industry. These schemes are typically more risky than general schemes, as they depend on selected industries ' performance only. They are best suited for knowledgeable investors looking to bet on a single sector.
Example: ICICI Pru Technology Fund (D) is a sector fund.

e) **Money Market Schemes**

Such schemes–a kind of debt fund–invest in short-term instruments such as commercial papers (CP), certificates of deposit (CD), treasury bills (T-Bill) and overnight money (Call). Because of the short-term maturities of the money-market instruments, these schemes are the least risky of all schemes. Such strategies have become popular with high-net worth institutional investors who have short-term surplus fun

1.6. TAX ASPECTS OF MUTUAL FUNDS

Mutual funds can provide two forms of earnings-capital gains and dividends. While capital gains are taxed from the investors, the tax on dividends from mutual funds, called Dividend Distribution Tax (DDT), is paid on behalf of the investors by the fund house (Asset Management Company).

1.6.1 Mutual Funds Capital Gains Taxation for FY 2020-2021

A capital gain refers to the difference between the value of purchasing the units of a mutual fund scheme by an investor, and the value of selling or redeeming them. For example, on 1 April 2016 Mr. X invested Rs. 1 lakh in a mutual fund scheme, and on 1 April 2019 the value of his investment is Rs. 1.5 lakh. Now, he has gained Rs. 50,000 in capital gains. The taxation of the capital gains from mutual funds depends on the type of mutual fund scheme and duration of the investment. Two forms of capital gains tax are based on investment tenure-Short Term Capital Gains Tax (STCG) and Long-Term Capital Gains Tax (LTCG).

Type of Scheme	Particulars	Short Term Capital Gains Tax	Long Term Capital Gains Tax
Equity oriented schemes	Holding Period	Up to 12 months	More than 12 months
	Tax Rate	15%	10%*
Non-equity-oriented schemes	Holding Period	Up to 36 months	More than 36 months
	Tax Rate	Income Tax Slab Rate of Investor	20% after Indexation

Source: www.paisabazaar.com

Table 1.1 Taxation of Mutual Funds

(Tax on Mutual Funds - Taxation Rules, 2020) *Long-term capital gains on equity mutual funds are exempt up to Rs. 1 lakh per annum. For example, if your long-term capital gain in FY 2018-19 is Rs 1.5 lakh, only Rs. 50,000 will be taxable as LTCG.

Indexation can be understood with the help of the following example. If Mr. X invests Rs.100 in a debt mutual fund in FY 2015-16, and sells it in FY 2018-19 for Rs.150, the gain is long term in nature as Mr. X sells it after a period of 3 years. An LTCG tax of 20% with indexation is applicable on the same. Considering that the CII in FY16 was 254 and in FY19 it was 280, Mr. X's purchase price will be raised to (280/254) *100 = 110 and his taxable gain will be 150 – 110 = 40. The tax payable will be 20% of 40 = Rs. 8 and not Rs. 10 (which is 20% of 50).

1.1.3. Capital losses incurred in a mutual fund scheme can be offset against the capital gains received in the same year from another mutual fund investment. one cannot render this set-off against any other head of income

1.1.4. Capital losses for short terms can be adjusted against both long-term and short-term capital gains. Long-term capital losses, though, can be adjusted only against long-term capital gains.

1.6.2. Mutual Funds Dividends Taxation for FY 2020-2021

Dividend Distribution Tax (DDT) is deducted and payable to investors by the fund house before paying the dividend. Therefore, an investor doesn't have to pay any tax on dividends received from a scheme of mutual funds.

Type of Scheme	DDT Rate
Equity oriented schemes	10% + 12% Surcharge + 4% Cess = 11.64%
Non-equity oriented Schemes	25% + 12% Surcharge + 4% Cess = 29.12%

Source: www.paisabazaar.com

Table 1.2 Taxation of Dividends from Mutual Funds

1.6.3. Tax Benefit of Mutual Funds

Equity-Linked Savings Scheme (ELSS) is a form of equity fund and the only mutual fund scheme which qualifies under Section 80C of the Income Tax Act for a tax deduction of Rs.1.5 lakh per annum. An ELSS comes with a 3-year lock-in duration which means you cannot withdraw an investment made in it before 3 years. (Tax on Mutual Funds - Taxation Rules, 2020)

1.6.4. Securities Transaction Tax (STT)

A Securities Transaction Tax (STT) applies to equity-oriented mutual funds at a rate of 0.001 per cent at the time of redemption. An investor is not required to pay STT separately since it is deducted from the returns on the mutual fund.

1.6.5. Taxation of Systematic investment plans (SIP)

Systemic Investment Plans (SIP) are a form of mutual fund investment. These are designed to allow investors to regularly invest a small sum. Investors have the complete freedom to choose the frequency of their investment. It may be weekly, monthly, quarterly, bi-annually or annually. Mutual funds are taxed on the basis of the mode of investment. Taxing the gain on the SIP investment is performed on a pro-rata basis. Every SIP, is viewed as a new investment and faces taxes on their income separately. For example, you are initiating a Rs.10,000 SIP per month in a 12-month equity fund. Each SIP is deemed as a new investment. Therefore, if after 12 months you want to sell your entire accrued corpus (investments plus dividends), all of your income will not be tax-free. Only the gains earned in the first SIP would be tax-free as only one year would have been completed for that fund. The residual gains would be subject to capital gains tax for the short term.

1.7.KEY MARKET PLAYERS AND THEIR SIZE

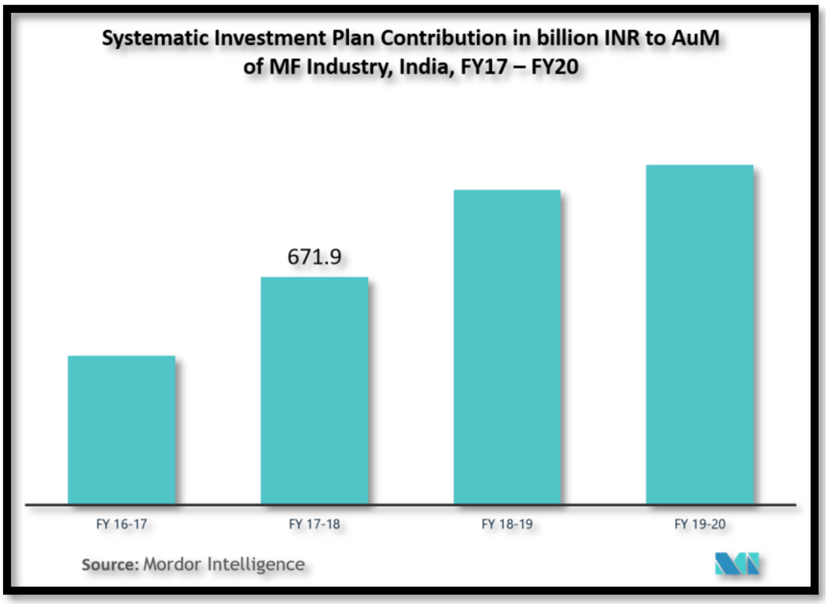
Below is a list of top mutual fund companies in India arranged according to their AUM size, as of 2020.

AMCs	AUM (in RS. Cr)
SBI Mutual Fund	364,363
HDFC Mutual Fund	356,183
ICICI Prudential Mutual Fund	326291.18
Aditya Birla Sun Life Mutual Fund	214,592
Nippon India Mutual Fund	180,061
Kotak Mahindra Mutual Fund	167,326
Axis Mutual Fund	134,316
UTI Mutual Fund	133,631
IDFC Mutual Fund	101,770
Franklin Templeton Mutual Fund	79,808

Source: Money Control

Table 1.3 Key Market Players

1.8. GROWTH OF MUTUAL FUNDS



Source: Secondary **Figure 1.4 Growth of the Industry**

International Journal of Scientific & Engineering Research Volume 12, Issue 5, May-2021
ISSN 2229-5518

Chapter -2
RIVIEW OF LITERATURE

1. (Munivel, 2019)

The objective of the paper is to initiate the customer perception with regard to mutual funds that is the schemes they prefer, the plans they are opting, the reasons behind such selections and also this research dealt with different investment options, which people prefer along with and apart from mutual funds. Like postal saving schemes, recurring deposits, bonds, and shares. The sample used are the people of Dharmapuri District. Also, the variables in the paper are the mutual funds and the customer perspective towards them. The statistical tools used in this paper are descriptive analysis, Chi-Square analysis, ANOVA Tests and cluster analysis were made use for the study. The end results determined presents the relationship between the purpose of making investment and residential area by performing chi-square tests

It also shows that there is a close association between the purpose of making investment and demographic variables. Also, there is significant association between factors of awareness and MF schemes, return expected, awaiting period and level of awareness of market risk.

2. (Rajesh Trivedi, 2017)

The objectives of the paper were to study investor's perception relating to liquidity and investment decision and to study the financial awareness of mutual fund investment and to study the effect of gender difference on investment decision. Also, to study the effect of age factors on investment decision in respect of age & gender. The sample in this research paper are mutual fund investors and non-mutual fund investors and the sample size was 200 respondents. Also, the variables used in this research paper are the mutual fund schemes and the returns and risk they take and provide. The Statistical tools used in the research paper are descriptive analysis, Chi-Square Analysis. The end results determined from this paper is that low risk funds attract the investors in mutual fund schemes. Males are more interested in mutual fund investments than the females. Also, the youths and the elderly people are less aware about the mutual fund information and the mutual fund investors consider the liquidity of fund schemes as also an important factor for investment in such.

3. (Padmaja, 2013)

The objective of the paper was to know about the extent of awareness about mutual funds with special reference to ICICI Prudential Mutual Funds, Vijayawada, Also, to know about the preferences of investors towards mutual funds with special reference to ICICI Prudential Mutual Funds, Vijayawada and the perceptions of investors towards mutual funds with special reference to ICICI Prudential Mutual Funds, Vijayawada. Also, to understand the extent of satisfaction of investors towards mutual funds with special reference to ICICI Prudential Mutual Funds, Vijayawada. The variables in this research paper are the consumer behavior towards mutual funds in special reference to ICICI Prudential Mutual Funds Limited, Vijayawada. The statistical tools used in this paper is interpreting the data from the questionnaires in terms of tally marks. The paper results that people are better using mutual funds at the near age of retirement, it also shows that people are still hesitant in investing in mutual funds and choose traditional investing over it i.e., gold etc. However, the government is also making efforts in providing adequate information and helping in promoting mutual funds through schemes like Gandhi Equity Savings Scheme.

4. (Jasvir Kaur, 2018)

The objective of this paper is to know the factors which affect the attitude of investors towards mutual Fund. The sample was a collected from 150 investors belonged to Doaba, Malwa and Majha region of Punjab. The variables in this research paper are the factors that affect the attitude of the investors in relation to mutual funds being the independent variables. The statistical tools used in this paper is interpreting the data from the questionnaires in terms of tally marks. The paper results that most of investors have invested their money in mutual fund and invested their most of money because of return and that’s why they preferred to invest the amount of money in growth fund schemes. They also show their interest to reinvest the amount of money in mutual fund. It is also observed from the study that each investor has own goal of mutual fund investment.

5. (Mathema, 2017)

The main objective of this research is to identify investors’ preference towards mutual fund in Kathmandu metropolitan city. The study is based on primary data which was collected using questionnaire method.220 investors had been considered from Kathmandu metropolitan city. However, only 207 respondents have selected due to not sufficiency of data in few questionnaires for data analysis. The variables in this research paper are the investors and their relation to investing in mutual fund, in specific relation to Kathmandu Metropolitan City of Nepal. The statistical techniques used were of Chi-Square test to determine the relationship using IBM SPSS software version 20. The paper results in the findings that the most of the investors are doubtful to invest the new age investment like mutual funds.

6. (Das, 2012)

The objective of this paper is understanding the preference of the investment instruments and investment pattern of the middle- class households, to know the various objectives of investment of the middle-income class households and to know whether there has been any increase in their savings and the reasons for the same. Also, to understand the risk tolerance capacity and investment horizon along with factors governing investment decisions. Primary data was collected from 150 households which were selected from each of the three income slabs as defined by NCAER. The sample has also been divided on the basis of the age of the head of the household as under 35 years, 35-55 years and above 55 years. This classification of the sample would help in an in-depth analysis of the investment preference of the sample. The variables in this research are Nagaon district of Assam and the relation between their investment habits. The paper results that the saving and investment pattern of the middle -class income households in Nagaon can be summarized that the bank deposits remain the most popular instrument of investment followed by insurance and small saving scheme with maximum number of respondents investing in these fixed incomes bearing option.

7. (Dr.K.S.Sathyanarayan, 2018)

The objective of the research paper was to study the awareness level regarding mutual fund in Salem district. To find out the reasons for the selection of mutual fund as an investment option Salem district. To study about the customer satisfaction level of investors in Mutual fund investment in Salem district. Non-probability sampling purposive technique is used where the sample is choosing so the research purpose is fulfilled. The sample size is 105 respondents; Primary research data is collected in the form of structured survey results from various respondents in the of Salem district. Secondary research data is collected in the from Journals, articles, books and websites. The variables in this research paper are the customer perception towards mutual fund and will be helpful in framing new plans as per customer requirements. The statistical tool used in this research paper is Chi Square Analysis, One way ANOVA Analysis and Correlation Analysis. The paper concludes that India has the second fastest growing service industry growing at an average of 9 % a year and most important contributor for the service industry is mutual

Fund industry. To conclude all the respondents knew about the mutual funds but only 75% of the respondents knew about the existence of mutual funds as an investment option. The mutual fund companies can follow an aggressive campaign to promote the awareness level of mutual funds

8. (Cahart, 1997)

The objective of this research to demonstrate that common factors in stock returns and investment expenses almost completely explain persistence in equity mutual funds' mean and risk-adjusted returns. The sample used in the research is the data that are collected from Fund Scope Magazine, United Babson Reports, Wiesenberger Investment Companies, the Wall Street Journal, and past printed reports from ICDI. See Carhart (1995a) for a more detailed description of database construction. The variables in this research paper are the return and investment in relation to underperformance by the worst mutual funds. The statistical tools used in this research paper is the Capital Asset Pricing Model (CAPM) described in Sharpe and Lintner, and Carhart 4-factor model. The paper indicates that funds that earn higher one-year returns do so not because fud managers successfully follow momentum strategies, but because some mutual funds just happen by chance to hold relatively larger positions in last year's winning stocks.

9. (Tonks, 2007)

The objective of this research is to demonstrate the persistence in mutual fund returns and the relation between returns and the flow of funds. Later is also talks about survivorship bias and misspecification of the benchmark models of risk. The mutual fund data is obtained from the CRSP Survivorship Bias Free Mutual Fund Database. However, it is restricting our sample to domestic, well-diversified, all-equity funds in the time period January 1962 to December 2004. The variables in this research paper are the return and investment in relation to underperformance by the worst mutual funds also showing the effect of survivorship bias and misspecification. The statistical tool used is t-statistics tool. The paper demonstrates that this persistence results from an unwillingness of investors in these funds to respond to bad performance by withdrawing their capital. In contrast, funds that only performed poorly in the current year have a significantly larger (out)flow of funds/return sensitivity and consequently show no evidence of persistence in their returns.

10. (Sukhwinder Kaur, 2013)

The objective of this paper is to know the investors perception towards selection of mutual funds. Moreover, this study is also attempted to give suggestions to investors for making investment in mutual funds. The sample used in this research paper is Both primary and secondary. 200 investors have been taken for survey. A five-point Likert scale questionnaire has been constructed. The variables in this research paper are the investors perception in relation to mutual funds and what factors influence it. The statistical tool used in this research paper is Factor Analysis and Chi Square Analysis. The paper demonstrates that this persistence results from an unwillingness of investors in these funds to respond to bad performance by withdrawing their capital. In contrast, funds that only performed poorly in the current year have a significantly larger (out)flow of funds/return sensitivity and consequently show no evidence of persistence in their returns.

11. (Pandey, 2011)

The objective of this paper is to know the awareness of investors about schemes provided by various AMCs and also to understand the risk profile of the customer. The sample collected in this research paper is secondary and is collected from the financial reports of these firms. The variables in this research paper are the awareness of the investors and which mutual fund scheme is chosen based on that. The statistical tool used in this paper are Standard Deviation, Beta, Alpha, R Squared, Treynor Ratio & Sharpe Ratio. After analyzing the mutual funds under 5 categories like Equity based, Debt based, ELSS Tax Saving it is demonstrated that investors have added to their portfolios well-managed
diversified equity funds with proven track records over longer time frames. On the basis of the performance of diversified equity funds and how domestic markets are placed, risk taking investors would do well, who hold a larger portion of their portfolio in actively managed diversified equity funds.

12. (G.Jayabal, 2011)

The objective of this paper was to find out the various mutual fund schemes
preferred by the respondents. To find out the basis on which respondents choose
their mutual fund schemes. To find out the post purchase behavior of mutual fund investors. To find out segments served by each mutual fund scheme. The sample used in this research is of 320 respondents based in Chennai. Convenience sampling is used to select the respondents. The variables are the various mutual funds schemes and the respondent's basis for choosing it. The statistical tool used in this research paper are Reliability test to insure about the reliability of the questionnaire and later Chi Square is conducted to make the analysis based on the collected data. The result derived from this research paper is that Income fund is the most preferred fund among the investors. The investors also feel that income fund not only provides regular return but also it is good in safety, liquidity and meeting investor expectations. The scheme preferred varies

according to investment experience, family income and number of earning members in the family.

13. (SK, 2017)

This study was conducted in Delhi and Meerut, covering different public sector and private banks. Through questionnaires containing open and close-ended questions, the research found out that despite the heavy marketing done by major mutual fund companies, investors from tier-two cities still hesitate before investing in private mutual funds. But when the same was studied in a metro like Delhi, the investors were eager to invest in private as well as public sector mutual funds. Students, businessmen and employees from the middle class were studied in this survey. They found that people were eager to invest and reap the benefits, but people are largely unaware due to improper communication in their native languages regarding the same. Even the poorly-educated have good knowledge about mutual funds, but fear from losing their hard-earned money by investing in such uncalculated risks and thereby hesitate from doing so.

14. (Rao, 2011)

The objective of this paper was to discover and remedy the deviation from the rational decision making in the investment process. This study recognizes behavioral finance as an important area of study in modern finance literature. Thus, this paper aims to examine the role of various socio-economic factors that affect the investment decisions of investors. A survey was conducted and its findings were analyzed through chi-square tests which were then analyzed for the findings of this study. The variables used in the paper on which relationships were based were personal and family factors with the awareness and adoption of the Mutual Fund schemes. The results show that socio-economic factors have a significant impact on investors' investment behavior.

15. (Agarwal S. , 2013)

This paper states that there is a very competitive environment in today ‟scenario, offering „n‟ number of investment avenues to the investors. Each of the different avenues has their own advantages and disadvantages, and an investor tries to balance such shortcomings or advantages before investing in those avenues. This paper promotes the idea that mutual funds are the most suitable investment option for the common man, as it offers the opportunity to invest at relatively low cost, but in a diversified and professionally managed portfolio. In this paper, an attempt is made to primarily research the investment avenue favored by Mathura's investors, and they have attempted to examine the investor's inclination to invest in mutual funds when other investment avenues are also available on the market.

16. (Agarwal P. a., 2015)

In this research paper, the researcher has an objective to study the preference of mutual fund investors and performance evaluation of their preferred schemes. The survey was conducted on 50 educated investors of Udaipur city and revealed the major factors that influence the purchase decision of mutual funds investors, sources that investors rely on more while making investments and preferred modes to invest in the mutual funds market. The study also aimed to be very useful to the AMC's, brokers, distributors and to the other potential investors, apart from the academicians who too would majorly benefit from the same. The study reveals that the perception of the investors depends largely on their demographic profile, and assesses that the age, marital status and occupation of the investor directly affects the investment preference of such investors.

17. (Mishra, 2018)

This research paper emphasized the level of awareness of respondents towards mutual funds and also made an attempt to recognize various variables that are responsible for investors investing in mutual funds. The research findings would help companies recognize the areas of improvement needed to raise awareness among investors of mutual funds. It was observed that there is very low level of awareness of respondents towards mutual funds. The findings from the study were that demographic variables such as gender, income and educational level have a significant influence on the attitude of investors towards mutual funds. As far as perception towards such investments is concerned, trust and less risk were found to be the most attractive variables for the investors.

18. (Singh, 2012)

in his paper on ‘A study on investors’ attitude towards mutual funds as an investment option’, viewed that, the factors responsible for investing in mutual funds is concerned with return potential, liquidity, flexibility, transparency, and affordability

19. (Ruenzi, 2009)

The research paper shows that 74 investigates gender differences between female and male US mutual fund managers. The research is carried along three broad dimensions of: risk taking, investment styles, and trading activity. The primary data is gathered from the CRSP Survivor Bias Free Mutual Fund Database. The data for analysis is only of actively managed equity funds that invest more than 50% of their assets in stocks and excludes bond, money market and index funds. Performance measures of the study are obtained by using various statistical tools like regressions, significance testing, Fame's regression models etc. The findings of the study are that 1. Female fund managers are moderately more risk averse than male fund managers: 2. Female fund managers follow significantly less extreme investment styles as compared to male fund managers: 3. Female managers investment styles are more stable over a period of time: 4. Male managers trade more than female managers. The authors conclude by elucidating that a fund investor may prefer female manager to manage the fund.

20. (SEBI, 2000)

This survey was carried out to estimate the number of households, the population of individual investors, their economic and demographic profile, portfolio size, and investment preference for equity as well as other savings instruments. Data was collected from three lakhs geographically dispersed rural and urban households. Findings of the survey y are: the investors' choice of investment instruments matched the risk perceived by them. Bank Deposit was the most preferred investment avenue across all income class; 43% of the non-investor households (estimated around 60 million households) apparently lack awareness about stock markets; and: a relative comparison shows that the higher income group has a greater share of investments in mutual funds compared with low-income groups, suggesting that mutual funds have not truly become investment vehicle for small investors. Nevertheless, the study predicts that in the next two years (i.e., 2000 hence) the investment of households in mutual funds is likely to increase

International Journal of Scientific & Engineering Research Volume 12, Issue 5, May-2021
ISSN 2229-5518

Chapter 3

RESEARCH DESIGN

3.1 STATEMENT OF THE PROBLEM:

To study about customer perception towards mutual funds as an investment option. Over a period of time, we can notice that mutual funds have been gaining a lot of popularity among investors as a profitable investment vehicle. Thus, through this research paper our main focus was to find how people living in Bangalore perceive mutual funds as an investment option in terms of their knowledge and understanding. Also, to identify the number of people who are aware about the working of mutual funds and the various factors affecting investment decision of customers in mutual fund schemes. As various environmental factors, such as social class, culture, personal influence, family and rituals, and individual differences, such as consumer resources, knowledge, attitude and personality, affect the decision-making process thus there was a need to study the perception of customers in Bangalore towards mutual funds as an investment option.

3.2 OBJECTIVES OF THE STUDY:

- To study about the market trends of mutual fund investment.
- To find out the customer's perception towards mutual funds as an investment option, in comparison to the various investment avenues available.
- To study the level of awareness among the respondents regarding mutual funds as an investment option.
- To find out if there is a relation between demographics like age, gender and occupation of the individual and the investment decision made by them towards mutual funds.
- To study the various factors influencing the investment decisions of individuals.

3.3. SCOPE OF THE STUDY:

The stock market has seen a new turn in and has opened various avenues for investing thus, mutual fund being one of the avenues which has more than forty four houses offering approximately 2500 schemes across various asset classes like equity, debt, hybrid and commodities has seen a big boom also with this rapid growth a large number of players have entered the market and are trying to gain a market share in this rapidly improving market, Thus, also showing a shift in the consumer perspective. With the government and various mutual funds wildly promoting their schemes and also investors showing interest in the market. We felt the need to conduct a survey and provide a research on the topic "Customer's perception towards Mutual Funds as an investment vehicle". With the main focus that the study would help to know the preferences of customers, mode of investment preferred, anticipation of risk, the returns they expect, etc.

3.4. VARIABLES:

The following are the variables that have been studied in this paper:

a) Demographic profile

- Age
- Gender
- Occupation

b) Investment decision regarding mutual funds

3.5 HYPOTHESES

a.	H0	There is no significant association between age and investment decision
	H1	There is significant association between age and investment decision
b.	H0	There is no significant association between gender and investment decision
	H1	There is significant association between gender and investment decision
c.	H0	There is no significant association between occupation and investment decision
	H1	There is significant association between occupation and investment decision
d.	H1	There is statistically significant relationship between age and the investment decision
e.	H1	There is statistically significant relationship between gender and investment.
f	H0	There is no statistically significant relationship between occupation and the investment decision

3.6 METHOD OF DATA COLLECTION:

Primary data has been used for this research. A questionnaire was prepared and circulated. Responses were collected from individuals and this data was used for analysis and findings of this study. Close ended questions were asked to the respondents to which they had to respond on the basis of their perception towards mutual funds as well as other investment options.

3.7. SAMPLING TYPE AND SIZE:

Respondents were selected on the basis of convenience sampling. People from various walks of life like professionals, students, businessmen/businesswomen, homemakers, etc. had been asked to fill their responses to the questionnaire which was given to them. The sample size for this research is 120 respondents

3.8. DURATION OF THE STUDY:

This study was carried out over a period of 3 months from January 2021 to March 2021.

3.9. STATISTICAL DESIGN:

The tests were conducted using IBM SPSS Statistics version 21.

a) Chi-Square Test:

Chi-Square Test of Independence is used to find out if there exists any kind of relationship between the given categorical variables. A small chi square statistic denotes that there is a relationship between the given variables, whereas a high chi-square statistic denotes that there is no relationship between the given variables.

b) Regression:

The regression model is used to further understand the relationship between the variables. Regression analysis also helps determine the regression equation which can be used for prediction.

3.10. LIMITATIONS OF THE STUDY:

a) The sample size was restricted to 120 respondents due to time constraints and unwillingness on behalf of the respondents to provide information for the study.
b) This research doesn’t study any specific group of people belonging to a particular occupation or profession.
c) This research does not study the perceptions of individuals towards mutual funds as an investment option outside Bangalore.
d) The study covers the perceptions of the individuals only over a period of 3 months. The data may vary if taken for a period of 1 year or above.

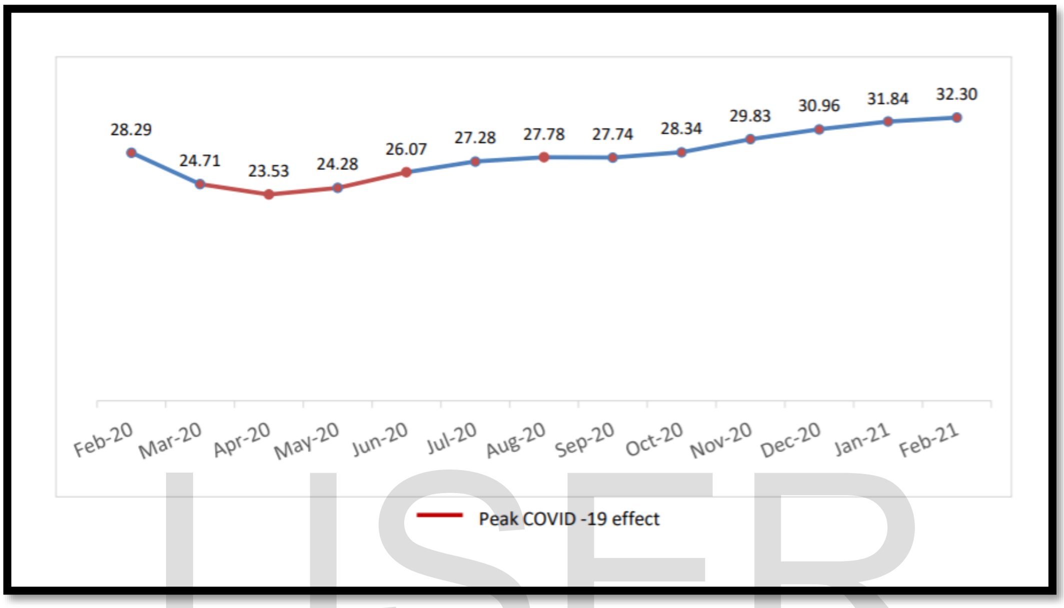
Chapter 4

DATA ANALYSIS AND INTERPRETATION

4. ANALYSIS AND INTERPRETATION

4.1 INTERPRETATION OF THE MARKET TREND OF MUTUAL FUND INVESTMENTS

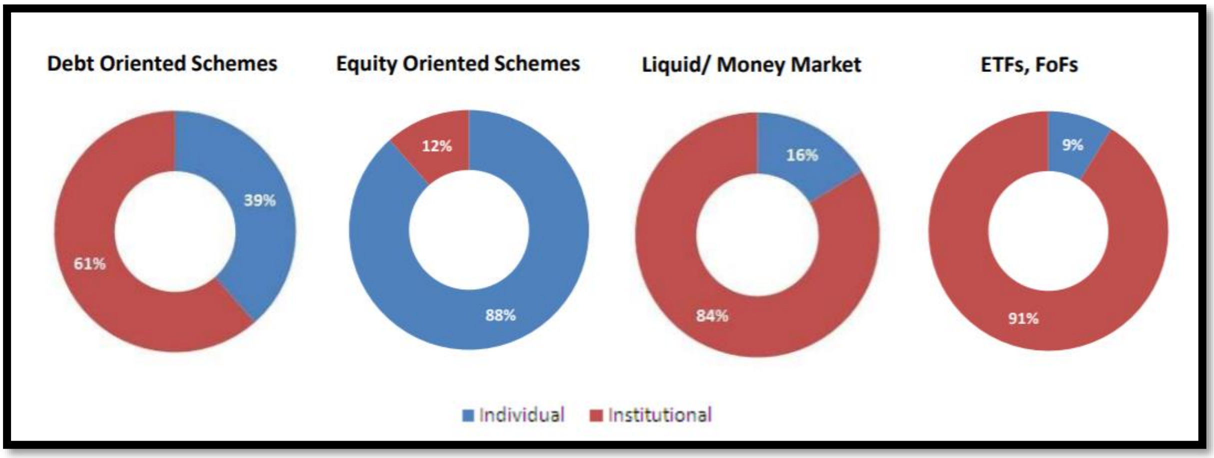
Total Assets (Rs. Trillion)



Source: AMFI Figure 4.1.1 Assets managed by Indian Mutual Funds

Assets managed by the Indian mutual fund industry has increased from 28.29 trillion in February 2020 to 32.30 trillion in February 2021.That represents 14.17% increase in assets over February 2020. (AMFI, 2021)

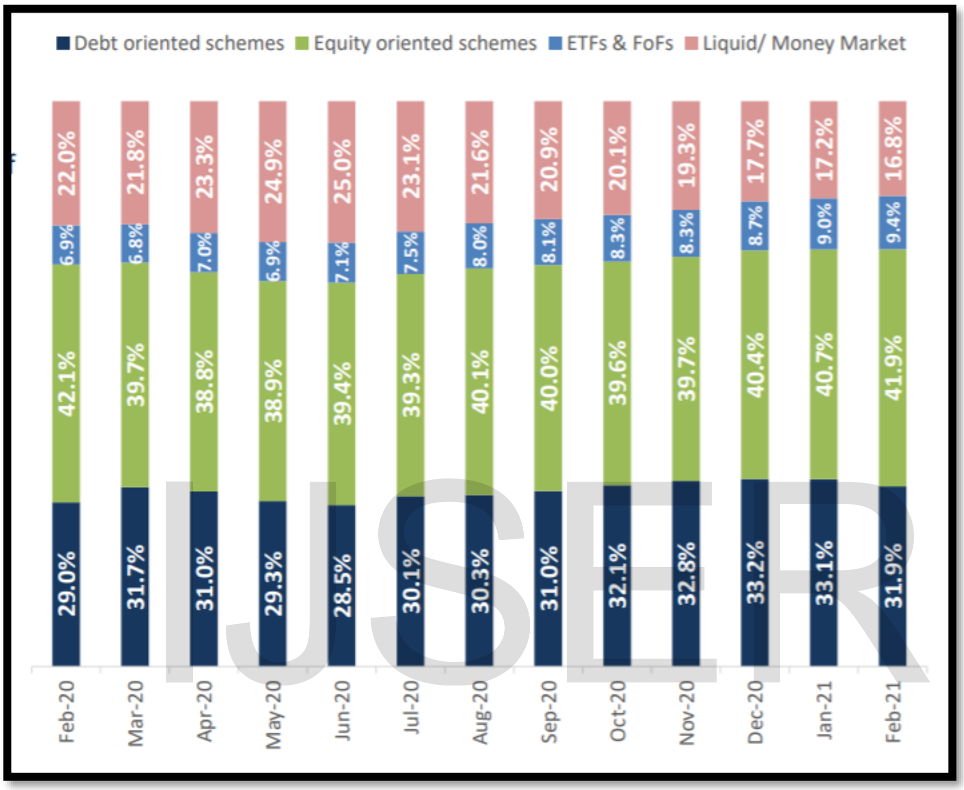
4.1.1. Investor Categories Across Scheme Types



Source: AMFI Figure 4.1.2 Investor categories across scheme types

- Equity oriented schemes derive88% of their assets from individual investors (Retail + HNI)
- Institutional investors dominate liquid and money market schemes (84%), debt-oriented schemes (61%) and ETFs, FOFs (91%). (AMFI, 2021)

4.1.2. Scheme wise Composition of Assets



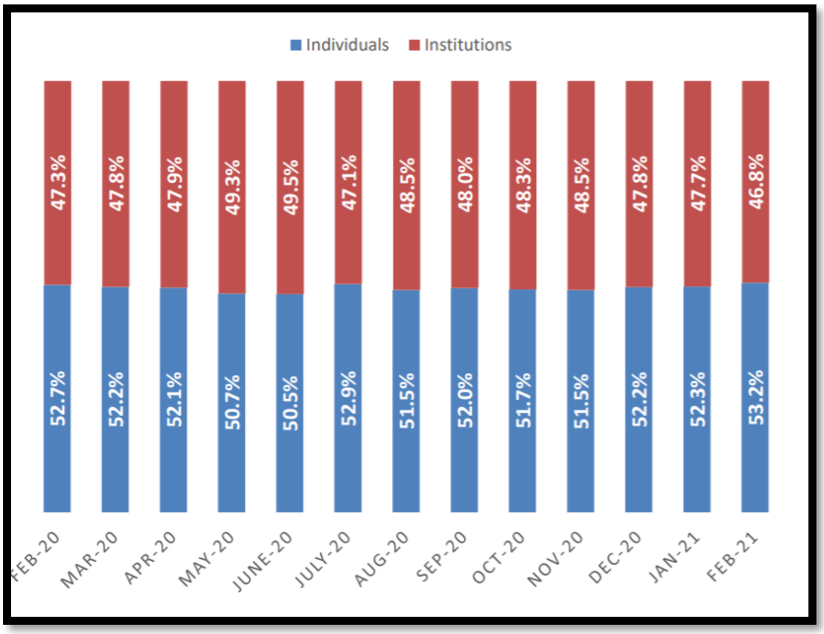
Source: AMFI **Figure 4.1.3 Scheme wise Composition of Assets**

- The proportionate share of equity- oriented schemes is now 41.9% of the industry assets in February 2021, down from 42.1% in February 2020.
- The Proportionate share of debt-oriented schemes is 31.9% of industry assets in February 2021, up from 29.0% in February 2020.
- Significant increase in ETF market share from 7% in February 2020 to 9% in February 2021. (AMFI, 2021)

4.1.3. Investor Type-wise composition of Mutual Funds

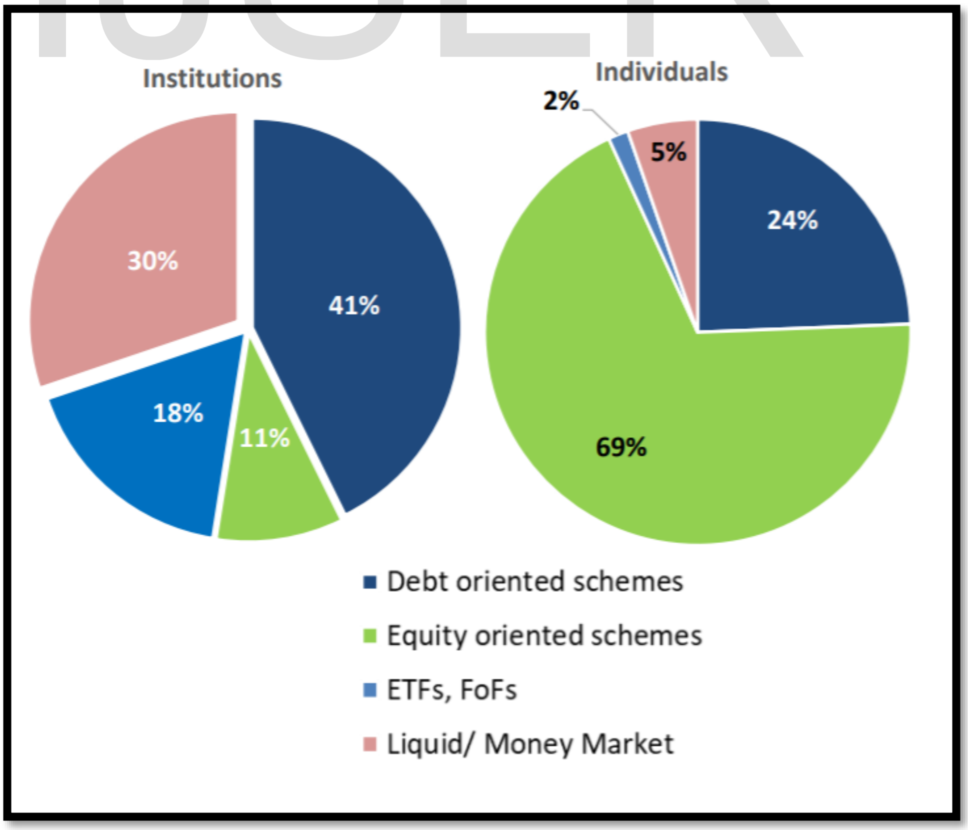
- Individual investors now hold a marginally higher share of industry assets, i.e., 53.2% in February 2021, compared with 52.7% in February 2020.

- Institutional investors account for 46.8% of the assets, of which corporate are 95%. The rest are Indian and Foreign Institutions and banks. (AMFI, 2021)



Source: AMFI Figure 4.1.4. Investor type-wise composition of Mutual Funds

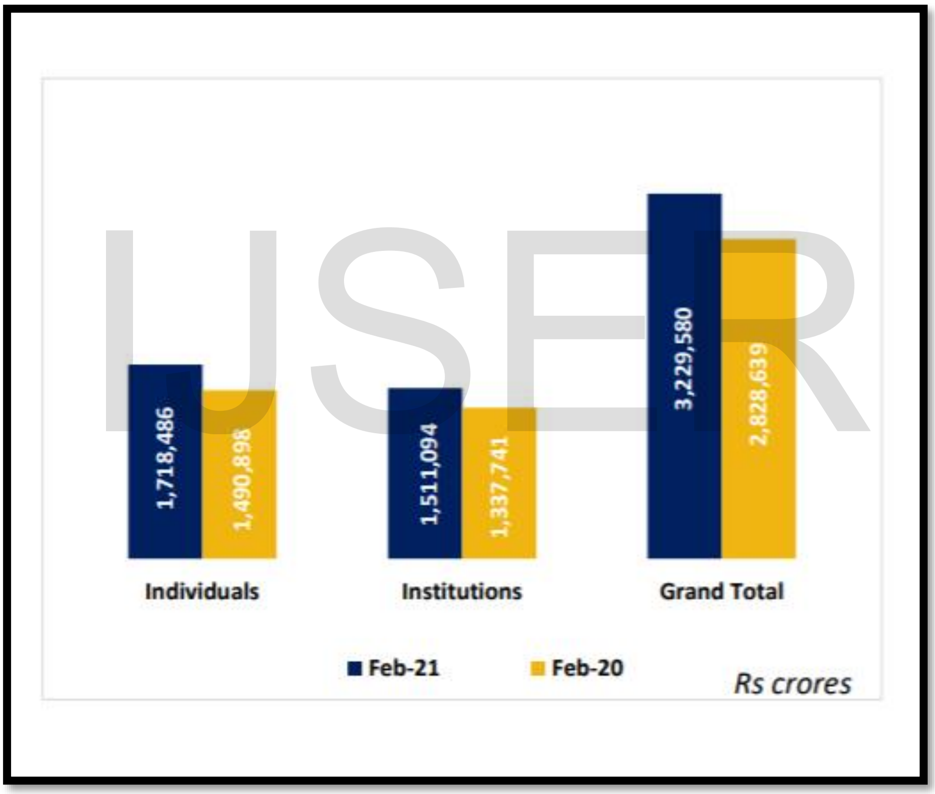
4.1.1. Composition of Investor Holdings



Source: AMFI Figure 4.1.5. Composition of Investor Holdings

- Institutions include domestic and foreign institutions and banks. Individuals include HNIs or investors who invest with a ticket size of Rs. 2 lakhs or above. Equity oriented schemes include equity and balanced funds.
- Individual investors primarily hold equity-oriented schemes while institutions hold liquid and debt-oriented schemes.
- 69% of individual investor assets are held in equity-oriented schemes.
- 71% of institutions assets are held in liquid/money market schemes and debt-oriented schemes. (AMFI, 2021)

4.1.2. Growth in Assets



Source: AMFI Figure 4.1.6. Growth in Assets

- Institution includes domestic and foreign institutions and banks. Rs. Lac cr. is equivalent to Rs. Trillion.
- The value of assets held by individual investors in mutual funds increased from Rs.14.91 lac cr. in February 2021, an increase of 15.27%
- The value of institutional assets has increased from Rs.13.38 lac cr. in February 2020 to Rs.15.11 lac cr. in February 2021, an increase of 12.96%. (AMFI, 2021)

4.2 INTERPRETATION OF THE RESPONSES TO THE QUESTIONNAIRE

4.2.1) Age:

AGE GROUP	Below 18	18-25	26-35	36-50	Above 50	TOTAL
NO. OF RESPONDENTS	1	50	24	41	4	120
PERCENTAGE	0.8%	41.7%	20%	34.2%	3.3%	100

Table 4.2.1 Age of respondents

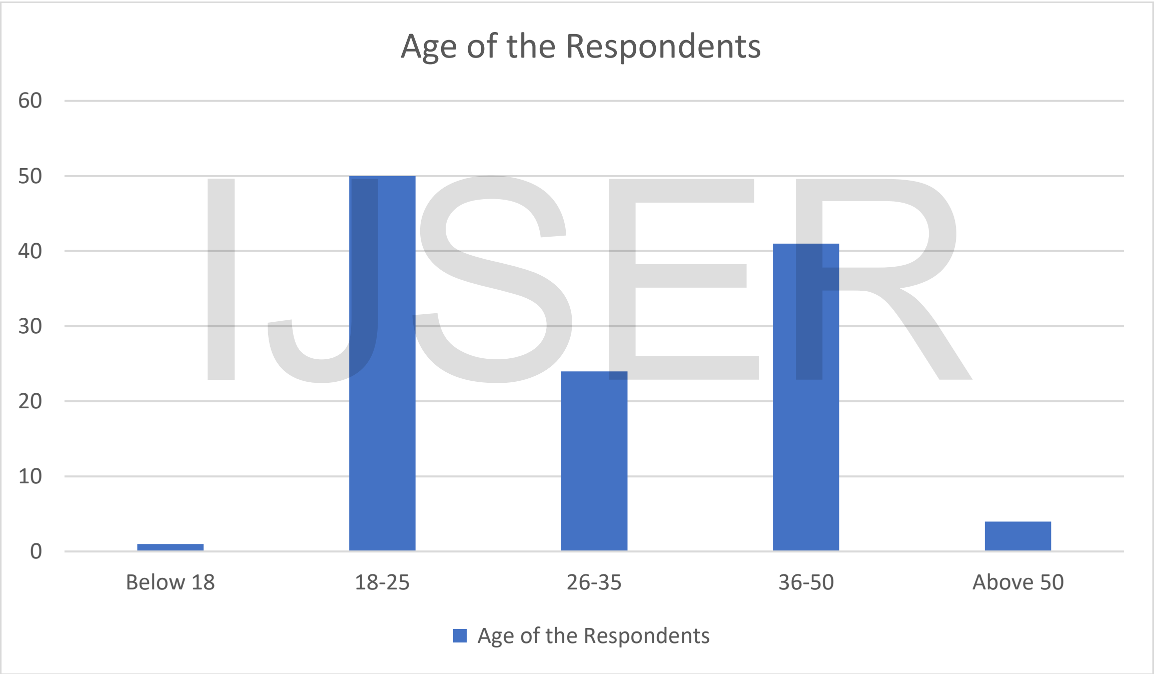


Figure 4.2.1 Age of Respondents

Interpretation:

The age group of the respondents is spread across all age segments. However, a major portion of the respondents are from the age group of 18-25 years (50 respondents) and 36-50 years (41 respondents). 24 respondents are from the age group of 26-35 years while 4 respondents belong to the age group of above 50 years. Only one of the respondents were below the age of 18 years.

4.2.2) Gender:

GENDER	MALE	FEMALE	Prefer not to say	TOTAL
NO. OF RESPONDENTS	73	46	1	120
PERCENTAGE	61%	38%	1%	100%

Table 4.2.2. Gender of Respondents

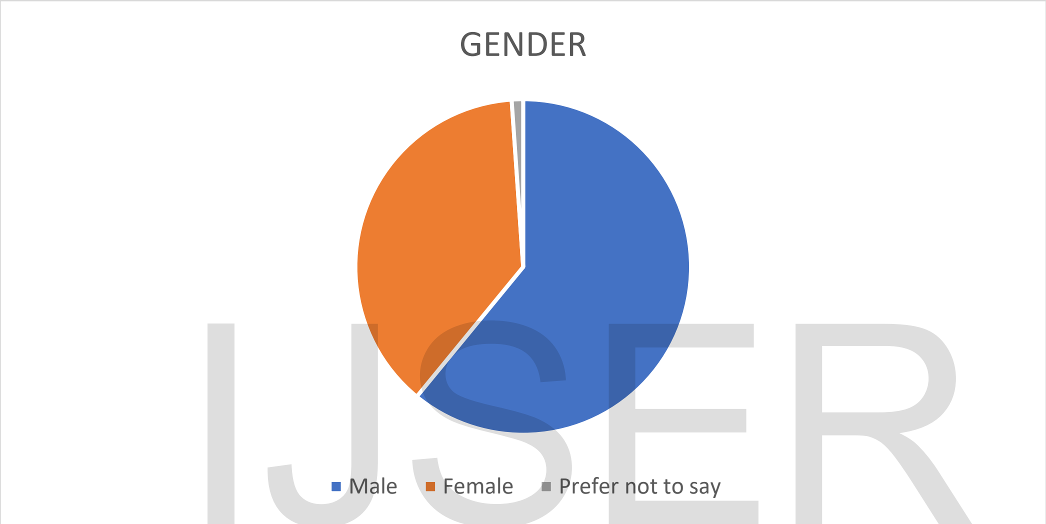


Figure 4.2.2. Gender of the Respondents

Interpretation:

The sample mix consists of 73 males and 46 females. One of the respondents chose not to disclose their gender.

4.2.3) Occupation:

OCCUPATION	NO. OF RESPONDENTS	PERCENTAGE
Student	15	12.5%
Employee	64	53.3%
Unemployed	0	0%
Professional	18	15%
Businessman/Businesswoman	20	16.7%
Homemaker	2	1.7%
Retired	1	0.8%
Total	120	100%

Table 4.2.3. Occupation of The Respondents

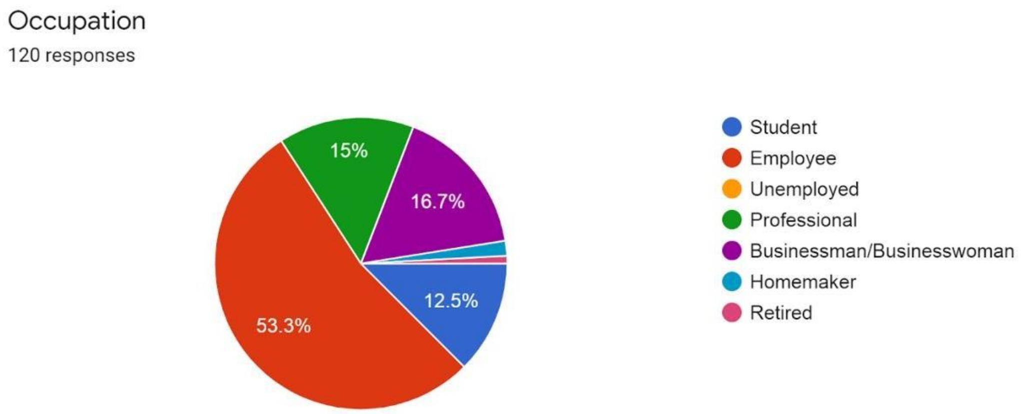


Figure 4.2.3. Occupation of respondents

Interpretation:

Out of the 120 respondents, a majority were employees, i.e., 64 participants of the survey. 20 of the respondents were businessmen or businesswomen and 18 of them were working professionals in various fields. 15 of the respondents were students, while 2 of them were homemakers, 1 of them was retired and none of them were unemployed

4.2.4) Monthly savings of the respondents:

MONTHLY SAVINGS	NO. OF RESPONDENTS	PERCENTAGE
Rs.0-5000	20	16.7%
Rs.5000-20,000	50	41.7%
Rs.20,000-40,000	33	27.5%
Greater than Rs.40,000	17	14.2%
TOTAL	120	100%

Table 4.2.4. Monthly savings of the Respondents

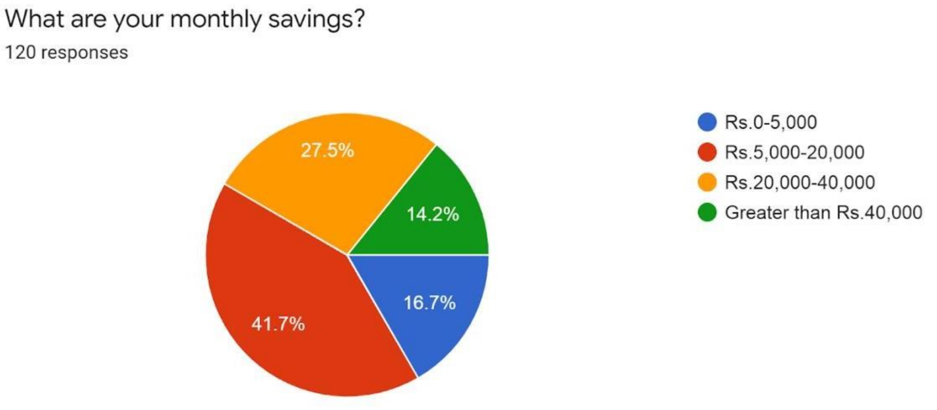


Figure 4.2.4. Monthly savings of the Respondents

Interpretation:

Out of the income earned by the respondents, 14.2% had monthly savings of more than Rs.40,000. These are predominantly businessmen/businesswomen and professionals. 27.5% of the respondents saved between Rs.20,000-40,000. These respondents too were predominantly businessmen/businesswomen, professionals and employed individuals. Another group of participants, forming the majority with 50 respondents (41.7%) from the survey, saved between Rs.5,000-20,000 each month. These individuals are mostly students, employees and some homemakers. 16.7% of the respondents saved between Rs.0-5,000 a month. These individuals are either students or young employees. The above graph shows us that every individual save a part of their earnings and has a desire to grow their money for future requirements, based on their personal objectives.

4.2.5) Percentage of savings invested by the respondents:

% OF SAVINGS INVESTED	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0-10	47	39.2%
10-25	51	42.5%
25-40	18	15%
More than 40	4	3.3%
TOTAL	120	100%

Table 4.2.5. Percentage of savings invested

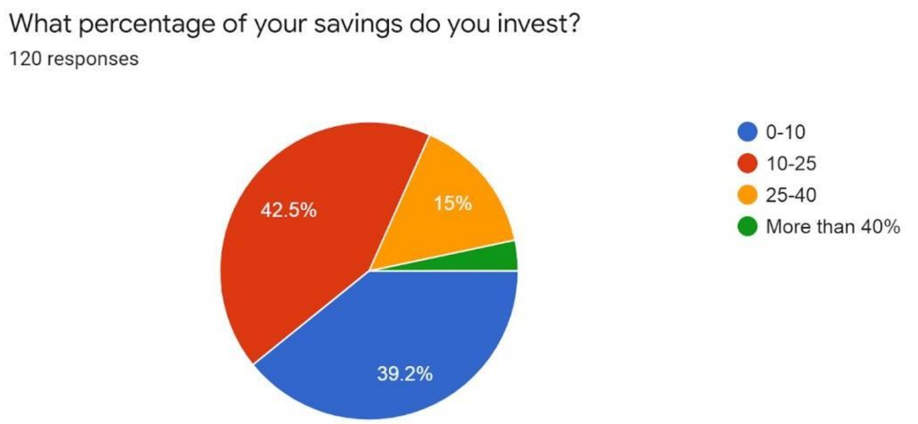


Figure 4.2.5. Percentage of savings invested

Interpretation:

From the above graph, it can be inferred that out of the 120 respondents, 47 invested 0-10% of their savings. 51 respondents invested 10-25% of their savings while 18 respondents invested 25-40% of their savings. Only 4 respondents invested more than 40% of their savings. People investing 0-10% of their savings are mostly students and employees while people investing between 10-40% of their savings are mostly businessmen/businesswomen, professionals and employees.

4.2.6) Factors preferred the most while investing money:

FACTORS	NO. OF RESPONDENTS	PERCENTAGE
Liquidity	14	**11.7%**
Low Risk	52	**43.3%**
High Return	45	**37.5%**
Tax Benefits	9	**7.5%**
TOTAL	**120**	**100%**

Table 4.2.6. Factors preferred while investing

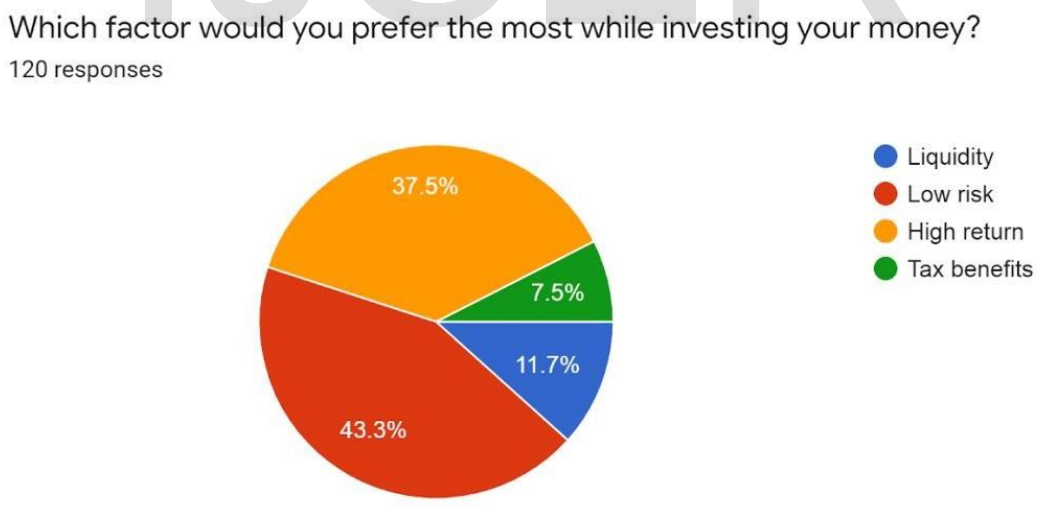


Figure 4.2.6. Factors preferred while investing

Interpretation:

Out of the 120 participants in the survey, 43.3% prefer taking low risk while investingtheir money. They are risk averse. 37.5% of the respondents prefer high returns on their investment. 11.7% of the respondents choose to invest in liquid assets. 7.5% of the respondents consider tax benefits before investing their money in any particular avenue

4.2.7) Respondents" preference regarding the different investment avenues:

PARTICULARS	PREFERENCE	RANK
Fixed Deposit	474	1
Savings Account	349	4
Insurance	228	7
Mutual Funds	443	2
Shares/Debentures	317	6
Post Office	227	8
Gold/Silver	380	3
Real Estate	**327**	5

Table 4.2.7. Respondents preference regarding the different investment avenues

NOTE: The respondents were asked to rate the above-mentioned investment avenues according to their preference from a scale of 1 through 5, with 1 being the least and 5 being the highest preference. The highest score of the parameters denotes the highest preference, and the vice versa is true.

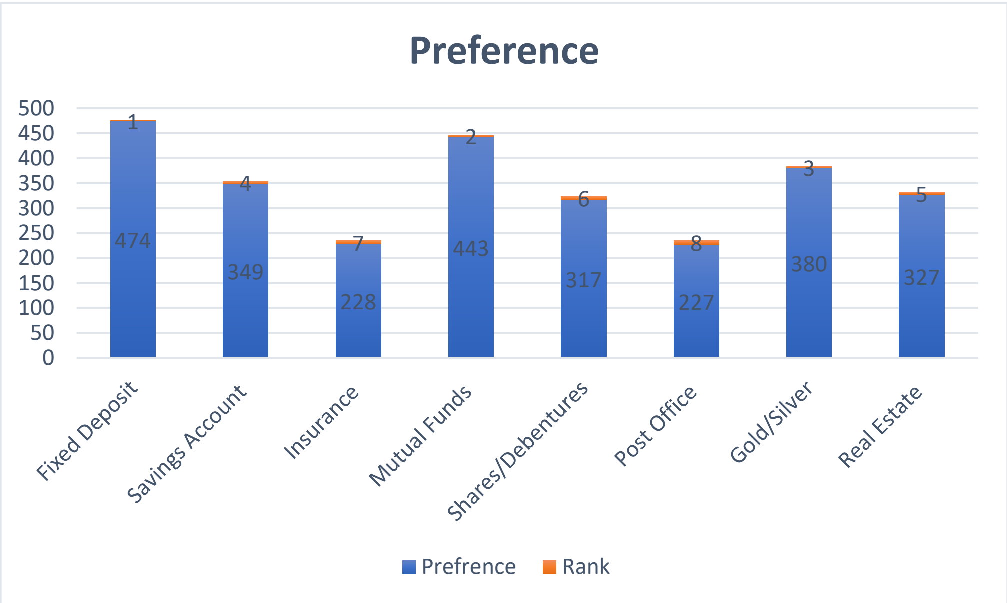


Figure 4.2.7. Respondents preference regarding the investment avenues

Interpretation:

The results show that the most preferred investment choice of the respondents is Fixed Deposits, with a cumulative score of 474. Most individuals see fixed deposits as a safe investment option with relatively high returns, thus they prefer to invest in them the most. The second-most preferred option is Mutual Funds, with a cumulative score of 443.

Mutual Funds is a relatively new concept to Indians and promises higher than average returns when compared to fixed deposits and savings accounts, thus people look at it as a potential investment option and wish to invest in the same. Ranking 3rd and 4th are Gold/Silver and Savings Accounts, with cumulative scores of 380 and 349 respectively. These are the most common investment options among Indians and people expect risk-free and good returns from the same.

Real Estate is ranked 5th with a cumulative score of 327. With the rising density in metropolitans and elsewhere, real estate prices are sky-rocketing and many individuals want a slice of the profits that can be reaped from the same. The reason keeping people from investing in real estate though are the extremely high capital requirements and high-risk factor. Shares and Debentures rank 6th with a cumulative score of 317. Relatively less preference is given to Shares and Debentures due to the high-risk factor and large amount of engagement and effort that has to be put into the same to generate returns. Not everyone has so much time to spare nor can they afford to take such high risks.

Insurance and Post Office ranked 7th and 8th respectively with cumulative scores of 228 and 227. People find these investment options less profitable and thus refrain from investing in the same.

4.2.8. Primary source of information regarding Mutual Funds:

SOURCE OF INFORMATION	NO. OF RESPONDENTS	PERCENTAGE
Newspapers or Journals	47	**39.2**
Friends or Relatives	20	**16.7**
Banks	29	**24.2**
Others (e.g., brokers, etc.)	24	**20**
TOTAL	**120**	**100**

Table 4.2.8. Primary source of Information for Mutual funds

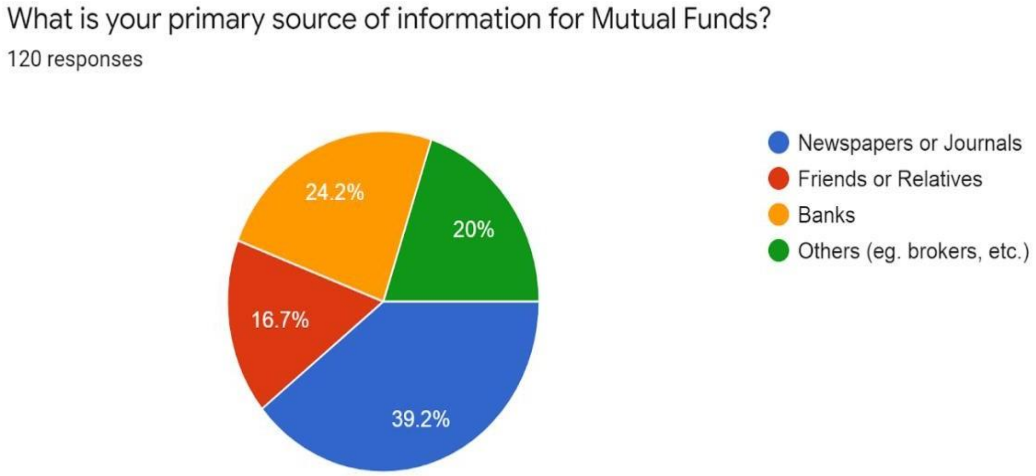


Figure 4.2.8. Primary Source of Information for Mutual Funds

Interpretation:

A majority of the respondents (39.2%) use Newspapers or Journals as their primary source of information for mutual funds. 24.2% of the respondents rely on banks for information regarding mutual funds whereas 16.7% of the respondents get their information from their friends or relatives. 20% of the respondents rely on other sources like brokers, TV advertisements, etc. for information relating to mutual funds.

4.2.9. Investment decision towards Mutual Funds:

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	45	**37.5%**
No	75	**62.5%**
TOTAL	**120**	**100%**

Table 4.2.9. Investment Decision Towards mutual funds

Interpretation:

75 out of the 120 respondents, i.e., 62.5% haven’t invested their money in mutual funds. 37.5%, i.e., 45 of the respondents have invested their money in mutual funds. This shows us that majority of the people do not prefer to invest their money in mutual funds due to various reasons and choose to invest their money elsewhere. Only a small portion of the population has invested their money in mutual funds. These are people who may be aware

about mutual funds, its returns, and the advantages it possesses as an investment option, and therefore invest in the same.

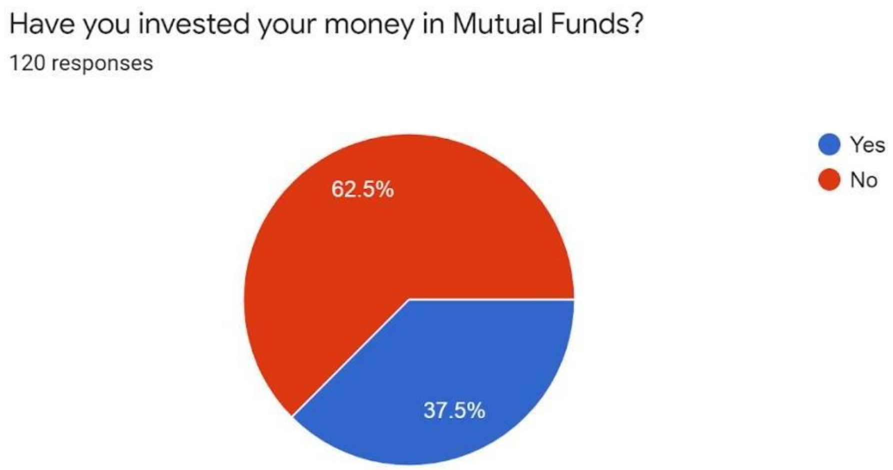


Figure 4.2.9. Investment Decision Towards Mutual Funds

4.2.10. If yes, where do you find yourself as a Mutual Fund investor?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Ignorant	2	**4.4%**
Partial knowledge of mutual funds	19	**42.2%**
Aware only of a specific scheme in which you Invested	17	**37.8%**
Fully aware	7	**15.6%**
TOTAL	**45**	**100%**

Table 4.2.10.: Level of Awareness Regarding Mutual Funds

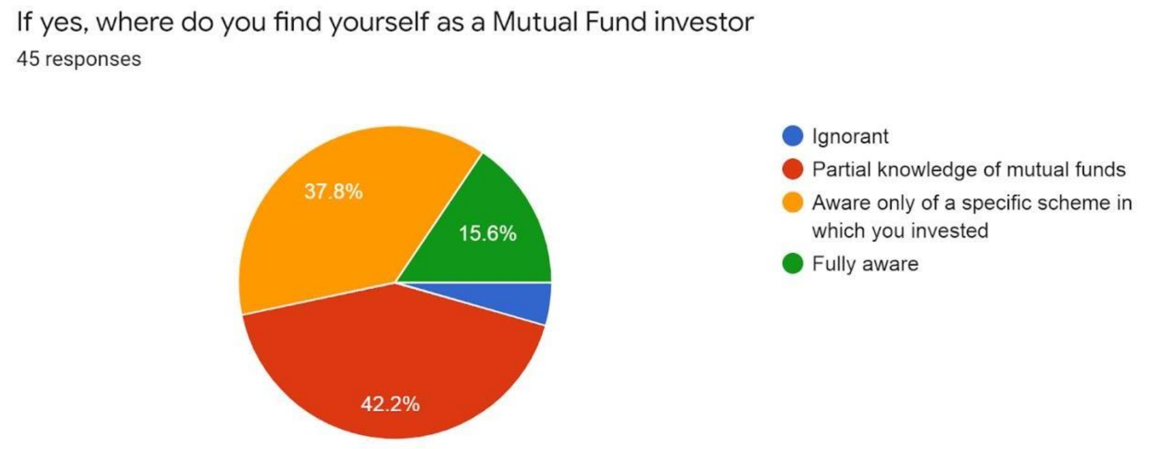


Figure 4.2.10: Level of Awareness Regarding Mutual Funds

Interpretation:

Out of the 45 respondents who have invested in mutual funds, only 15.6% are fully aware about mutual funds, the schemes available, tax benefits on the same, etc. 37.8% are aware only of a specific scheme in which they have invested in. However, a majority of the respondents who have invested in mutual funds, 42.2% say that they are only partially aware about mutual funds. This might be in terms of the schemes available, tax benefits available, returns, etc. 4.4% of the respondents admitted that they were totally unaware or ignorant regarding mutual funds. Their investment too might be purely on the basis of recommendations and no understanding of their own.

4.2.11. If not, why haven't you invested in Mutual Funds?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Not aware	37	**49.3%**
High risk	15	**20%**
Low returns	5	**6.7%**
Poor service by the mutual fund company	0	**0%**
Not aware of the tax benefits available	17	**22.7%**
Not currently interested	1	**1.3%**
TOTAL	**75**	**100%**

Table 4.2.11.: Reason for Not Investing in Mutual Funds

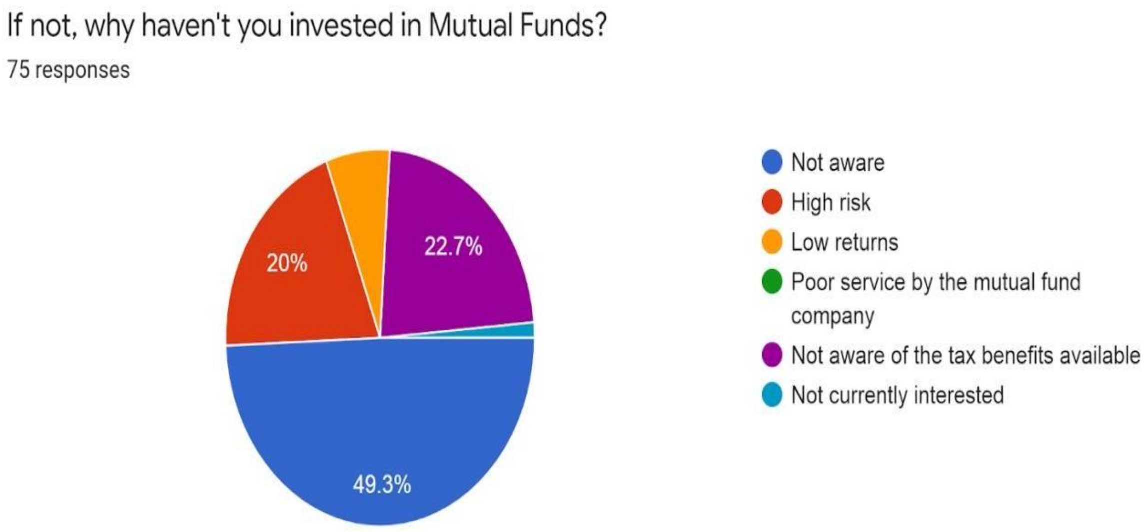


Figure 4.2.11.: Reason for Not Investing in Mutual Funds

Interpretation:

Out of the 120 respondents, 49.3% never made investments in mutual funds as they weren't aware about them and didn't have a clear idea of its working. 20% felt that mutual funds are high risk investments and thus did not invest in the same. 22.7% weren't aware of the tax benefits available on mutual funds and therefore overlooked it as an investment option. 6.7% felt that mutual funds gave low returns and therefore hesitated from investing in them. 1.3% of the respondents were not currently interested in investing in mutual funds while none of the respondents felt that they haven't invested in mutual funds due to poor performance by the mutual fund company.

4.2.12. Level of risk anticipated from Mutual Funds:

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Low	8	**6.7%**
Moderate	87	**72.5%**
High	25	**20.8%**
TOTAL	**120**	**100%**

Table 4.2.12: Level of Awareness

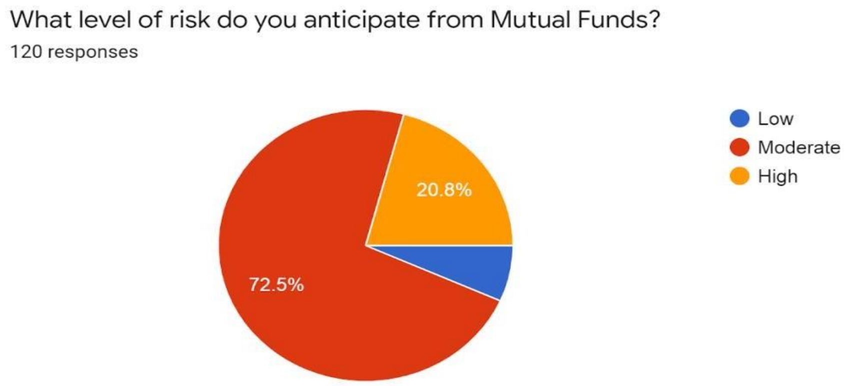


Figure 4.2.12.: Level of Awareness

Interpretation:

A majority of the respondents, i.e., 72.5% feel that mutual funds pose moderate risk asan investment option. 20.8% feel that mutual funds carry high risks and therefore hesitate from investing in them, while 6.7% feel that mutual funds have relatively low risk associated with them and can be a preferred investment option.

4.2.13. **Channel preferred while investing in Mutual Funds**:

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Financial Advisor	55	**45.8**
Bank	34	**28.3**
Asset Management Company (AMC)	31	**25.8**
TOTAL	**120**	**100**

Table 4.2.13.: Channel Preferred while Investing in Mutual Funds

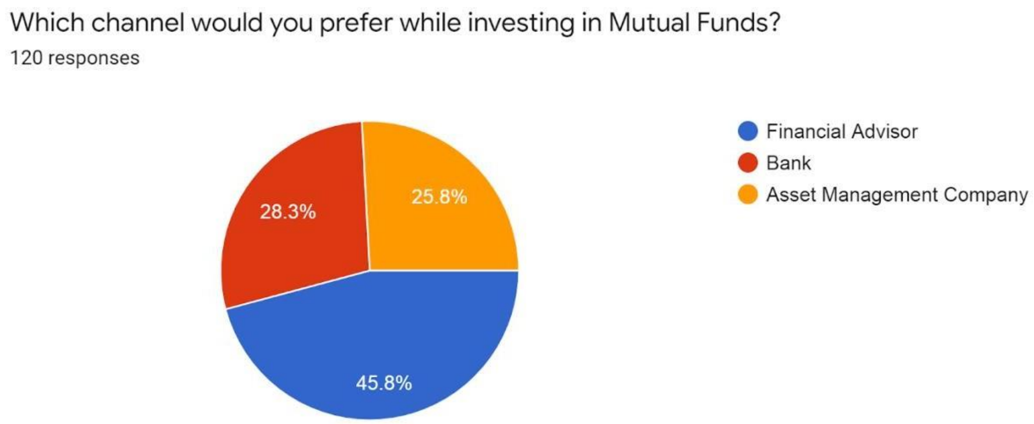


Figure 4.2.13.: Channel Preferred while Investing in Mutual Funds

Interpretation:

Out of the 120 respondents chosen, 45.8% preferred professional expertise for selecting the right portfolio as per their investment option and hence felt the need of a Financial Advisor. 25.8% preferred making investments directly through Asset Management Companies and 28.3% of them preferred investing in Mutual Funds by taking the help of banks acting as financial intermediaries.

4.2.14. **Mode of Mutual fund investment preferred**:

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
One time investment	12	**10**
Systematic investment plan (fixed amount paid monthly)	108	**90**
TOTAL	**120**	**100**

Table 4.2.14. Preferred Mode of Investment

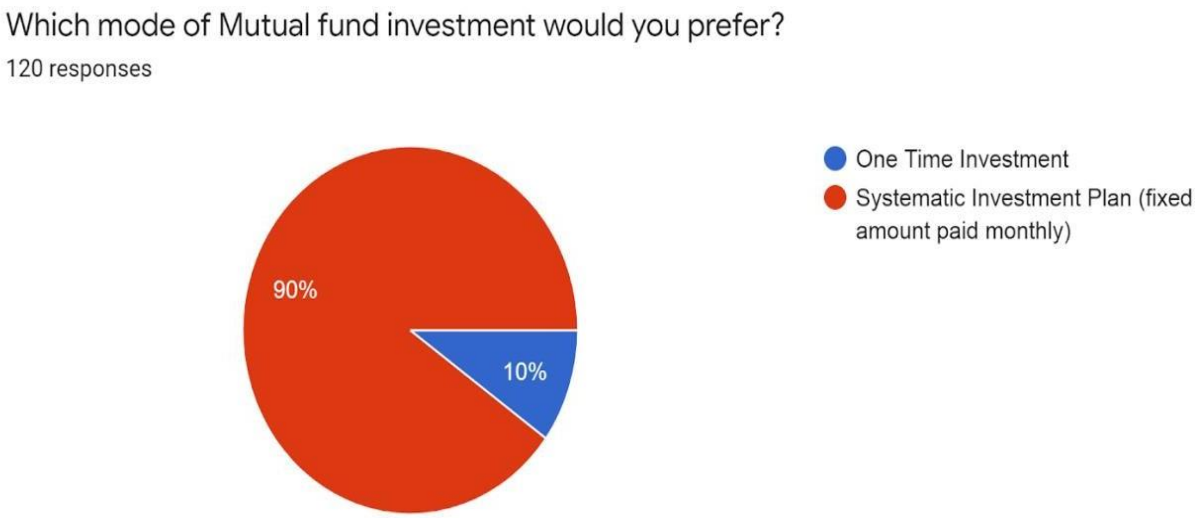


Figure 4.2.14: Preferred Mode of Investment

Interpretation:

Out of the 120 respondents surveyed, 90% of them preferred Systematic Investment Plans for Mutual fund investments. They found making fixed monthly payments more convenient and hence chose SIP and 10% of them preferred making a lump sum payment for their investment

4.2.15. Percentage of returns expected from Mutual Funds:

EXPECTED RETURNS	NO. OF RESPONDENTS	PERCENTAGE
5-10%	23	**19.2**
10-15%	56	**46.7**
15-20%	37	**30.8**
Higher than 20%	4	**3.3**
TOTAL	**120**	**100**

Table 4.2.15: Percentage of Returns expected from Mutual Funds

Figure 4.2.15 Percentage of Returns expected from Mutual Funds

Interpretation:

Out of the 120 respondents, 19.2% of them expected 5-10% as their return on investment, 46.7% expected 10-15% as their return on investment, 30.8% expected 15-20% returns and 3.3% of them expected returns of more than 20% respectively.

4.2 ANALYSIS AND TESTS

1) Chi Square Tests

a) Between Age and Investment Decision:

H0: There is no significant association between age and investment decision

H1: There is significant association between age and investment decision

Count

		Investment Decision		Total
		No	Yes	
Age	18-25	39	11	50
	26-35	15	9	24
	36-50	19	22	41
	Above 50	2	2	4
	Below 18	0	1	1
Total		75	45	120

Chi-Square Tests

	Value	df	Asymp.Sig. (2-sided)
PearsonChi-Square	11.626[a]	4	.020
Likelihood Ratio	12.166	4	.016
N of Valid Cases	120		

a. 4 cells (40.0%) have expected count lessthan 5. The minimum expected count is .38.

As it can be seen from the above table, the p value is lesser than 0.05 (p=0.020). Thus, H0 is rejected. It is concluded that there is significant association between age and theinvestment decision of the individual.

b) Between Gender and Investment Decision

H0: There is no significant association between gender and investment decisionH1: There is significant association between gender and investment decision

Count

		Investment Decision		Total
		No	Yes	
Gender	Female	39	7	46
	Male	35	38	73
	Prefer not to say	1	0	1
Total		75	45	120

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.943[a]	2	.000
Likelihood Ratio	18.465	2	.000
N of Valid Cases	120		

a. 2 cells (33.3%) have expected count less than 5. The minimumexpected count is .38.

As can be seen from the above table, the p value is lesser than 0.05 (p=0.00). Thus, H0 is rejected. It is concluded that there is a highly significant association between gender and the investment decision of the individual.

c) Between Occupation and Investment Decision

H0: There is no significant association between occupation and investment decision

H1: There is significant association between occupation and investment decision

Count

		Investment Decision		Total
		No	Yes	
Occupation	Businessman/Businesswoman	14	6	20
	Employee	38	26	64
	Homemaker	2	0	2
	Professional	8	10	18
	Retired	1	0	1
	Student	12	3	15
Total		75	45	120

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.010[a]	5	.220
Likelihood Ratio	8.138	5	.149
N of Valid Cases	120		

a. 4 cells (33.3%) have expected count less than 5. The minimumexpected count is .38.

As can be seen from the above table, p value is greater than 0.05 (p=0.220). Thus, H0 is accepted and it is concluded that there is no significant association between occupation and the investment decision of the individual.

1) Regression between Age, Gender, Occupation and Investment Decision
H1: There is statistically significant relationship between age and investment.
H1: There is statistically significant relationship between gender and investment.
H0: There is no statistically significant relationship between occupation and the investment decision.

Correlations

		Investment Decision	Age	Gender	Occupation
Pearson Correlation	Investment Decision	1	0.253	-0.374	-0.003
	Age	0.253	1	-0.048	0.434
	Gender	-0.374	-0.048	1	-0.007
	Occupation	-0.003	0.434	-0.007	1
Sig. (1-tailed)	Investment Decision	.	0.003	0	0.487
	Age	0.003	.	0.302	0
	Gender	0	0.302	.	0.47
	Occupation	0.487	0	0.47	.
N	Investment Decision	120	120	120	120
	Age	120	120	120	120
	Gender	120	120	120	120
	Occupation	120	120	120	120

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Occupation, Gender, Age		Enter

a. Dependent Variable: Investment Decision

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.458[a]	.209	.189	.438

a. Predictors: (Constant), Occupation, Gender, Age

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.887	3	1.962	10.237	.000[b]
	Residual	22.238	116	.192		
	Total	28.125	119			

a. Dependent Variable: Investment Decision

b. Predictors: (Constant), Occupation, Gender, Age

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.542	.176		3.076	.003		
	Age	.148	.046	.293	3.196	.002	.809	1.235
	Gender	-.345	.079	-.361	-4.362	.000	.997	1.003
	Occupation	-.044	.031	-.133	-1.448	.150	.811	1.233

a. Dependent Variable: Investment Decision

Here, the independent variables are Age, Gender and Occupation whereas the dependent variable is the Investment Decision of the individuals.

The R^2 value from the above table shows how much of the variation in the dependent variablecan be attributed to the independent variables. Here, the value of R^2 is 0.209. The test tells us that 20.9% of the total variation in the investment decision can be attributed to the age, gender and the occupation of the individual.

By looking at the "Coefficients" table, we can see that the significance value of age is 0.002,which is lesser than 0.05. Thus, H0 is rejected and it is concluded that there is statically significant relationship between age and the investment decision. The significance value of gender is 0.000, which is lesser than 0.05. Thus, H0 is rejected and concluded that there is statistically significant relationship between gender and the investment decision. Finally, the significance value of occupation is 0.150, which is greater than 0.05. Thus, H0 is accepted and concluded that there is no statistically significant relationship between occupation and the investment decision.

1) Another analysis done is the number of people who have awareness regarding mutual funds, and those who do not.
Out of the 120 respondents, only 27 of the respondents are aware about mutual funds. They know about the level of risks associated, the different schemes available, average returns that can be expected from mutual funds and the different channels available to invest in mutual funds. Out of these 27 respondents, only 7 have actuallyinvested in mutual funds, which is about 26% of those aware about mutual funds.
The remaining 93 respondents are largely unaware regarding mutual funds. They maynot know about the benefits of mutual funds, the returns that can be expected and about the various schemes available. The reasons could be that people do not have complete knowledge of its working and they might not have gotten the right professional guidance about such schemes from their fund managers or banks (if they have any) which could match their investment objective. They may also have investedin other avenues and didn't feel the need for finding a new investment option.
The table below shows the different avenues where these unaware investors have preferred to invest in apart from mutual funds.

PARTICULARS	NO. OF PEOPLE	PERCENTAGE
Fixed Deposit	24	**25.8%**
Savings Account	14	**15.05%**
Insurance	7	**7.52%**
Shares/Debentures	13	**13.97%**
Post Office	7	**7.52%**
Gold/Silver	15	**16.12%**
Real Estate	13	**13.97%**
TOTAL	**93**	**100%**

Table 4.2.16 Different Avenues of investments

As we can see, a majority of the respondents have chosen Fixed Deposits as the most preferred option of investment. This is due to the low risk associated with it and the comparatively higher returns one receives from FDs when compared to savings bank accounts. The second most preferred investment option is Gold/Silver due to the common sentiment that runs in Indian households that such investments are highly profitable. Gold/Silver is closely followed by Savings Accounts as a preferred investment option. This is one of the most common investment options for individualsas the risk associated is very minimal. Also, most people have bank accounts as banks provide the convenience of credit and debit cards along with such accounts which make transactions extremely convenient. Next up are Shares/Debentures and Real Estate. The main reason why people choose to invest in these particular avenues is thehigh returns in relatively short spans of time. Although, the high risks involved keep people from investing in them. People with high amount of experience are the only ones who should invest in such avenues directly. There is a lot of involvement required while dealing in the Shares/Debentures market particularly. Not everyone would have the required time needed to delve into them and make good profits.

Lastly, a few people also chose to invest in Post office accounts and Insurance policies. These aren't seen to be as beneficial an investment option when compared tothe others and thus people refrained from investing in them.

CHAPTER 5
SUMMARY

SUMMARY OF FINDINGS

From the above survey conducted in Bengaluru, it was found that a majority of the respondents, i.e., 41.7% belonged to the age group of 18-25. The second highest number of respondents belonged to the age group of 36-50 while the third highest number of respondents belonged to the age group of 26-35. Only 3.3% were above the age of 50 and only one respondent was below the age of 18. On close inspection of the responses, it was found that people from the age group of 36-50 were more interested and had actually investedtheir money in mutual funds. This may be due to the fact that they are in a relatively better financial position in their life when compared to the other age groups and are more aware of the market trends and mutual funds in general. People from the age group of 18-35 had comparatively a smaller number of people who had invested in mutual funds. This was due to the fact that they had comparatively lesser savings and also wanted to invest in avenues that gavehigher returns, like shares or debentures.

A Chi Square test was conducted to check whether there was significant association between the age of the respondent and their investment decision towards mutual funds. TheChi Square test showed that the „p value‟ was „0.02‟, which is lesser than 0.05. Thus, we concluded that there is significant association between age and investment decision of the individual.

Coming to the gender of the individuals, it was found that 60.8% were men while only 38.3% of the respondents were women. One of the respondents chose not to disclosetheir gender option chosen by women, who havea comparatively lesser appetite for undertaking risks. A Chi Square test was conducted to check whether there existed any association between the gender of the respondent and the investment decision made by him/her towardsmutual funds. It was found through the test that the „p value‟ is 0.00, which is lesser than0.05.

Thus, we concluded that there exists a highly significant association between the gender and the investment decision of the individual. It was found out that men are more willing to invest it mutual funds when compared to women. The reason that we can interpret for the same is that men have a higher appetite for undertaking risks and investing in a variety of investment options rather than the traditional investment

A large portion of the respondents were employees, i.e., 53.3%. They were followed by businessman/businesswoman who made up 16.7% of the respondents. 15% of them were working professionals and 12.5% of them were students. Only 1.7% of them were homemakers, 0.8% retired and none of the respondents were unemployed.

A Chi Square test was conducted to check whether there existed an association between the occupation of the individuals and their investment decision towards mutual funds. The test showed that the „p value" was 0.220, which is lesser than 0.05. Therefore, it was concluded that there is no significant association between occupation and the investmentdecision of the individual.

The data collected showed us that most of the respondents had a habit of saving a part of their earnings so as to invest and reap the future benefits from the same. The amounts that they invest, however, depends on their personal objectives. Out of the 120 respondents, 39.2% invested 0-10% of their savings. 42.5% of the respondents invested 10-25% of their savings while 15% of the respondents invested 25-40% of their savings. Only 3.3% of the respondents invested more than 40% of their savings.

People investing 0-10% of their savingsare mostly students and employees while people investing between 10-40% of their savings are mostly businessmen/businesswomen, professionals and employees. This is due to young employees being in the early part of their careers and earning relatively lesser than more accomplished businessmen/businesswomen, professionals and senior employees. As they earn lesser, they save lesser, which leads to lower investments. Another reason may be that their living expenses are too high which keeps them from saving money and investing the same.

This study also intended to understand the factors that the respondents considered while investing their money. Out of the 120 participants in the survey, 43.3% preferred taking low risk while investing their money. They are risk averse. 37.5% of the respondents preferred high returns on their investment while 11.7% of the respondents chose to invest in liquid assets. 7.5% of the respondents consider tax benefits before investing their money in any particular avenue. This means that most of the people look to invest in avenues which pose less risk. Others are ready to invest in avenues with relatively higher risk too, given that they earn high returns on the same.

One of the main aims of the study was to study the preferences of the respondents, taken as a sample for the entire population, regarding the various investment avenues. The preference towards different investment options needed to be compared to the preference shown towards mutual funds as an investment option. The results show that the most preferred investment choice of the respondents was Fixed Deposits, with a cumulative score of 474. Most individuals see fixed deposits as a safe investment option with relatively high returns, thus they prefer to invest in them the most. The second-most preferred option was Mutual Funds, with a cumulative score of 443. Mutual Funds is a relatively new concept to Indians and promises higher than average returns when compared to fixed deposits and savings accounts, thus people look at it as a potential investment option and wish to invest in the same. Ranking 3rd and 4th are Gold/Silver and Savings Accounts, with cumulative scoresof 380 and 349 respectively. These are the most common investment options among Indians and people expect risk-free and good returns from the same. Real Estate was ranked 5th with a cumulative score of 327. With the rising density in metropolitans and elsewhere, real estate prices are sky-rocketing and many individuals want a slice of the profits that can be reaped from the same.

The reason keeping people from investing in real estate though are the extremely high capital requirements and high-risk factor. Shares and Debentures ranked 6th with a cumulative score of 317. Relatively less preference was given to Shares and Debentures due to the high-risk factor and large amount of engagement and effort that has to be put into the same to generate returns. Not everyone has so much time to spare nor can they afford to take such high risks. Insurance and Post Office ranked 7th and 8th respectively withcumulative scores of 228 and 227. People find these investment options less profitable and thus refrain from investing in the same.

The investment decision of the respondents towards mutual funds was also found. Outof the 120 respondents, 62.5% haven’t invested their money in mutual funds. Only 37.5% of the respondents have invested their money in mutual funds. This shows us that majority of the people do not prefer to invest their money in mutual funds.

It was found that 49.3% never made investments in mutual funds as they weren’t aware about them and didn’t have a clear idea of its working. 20% felt that mutual funds are high risk investments and thus did not invest in the same. 22.7% weren't aware of the tax benefits available on mutual funds and therefore overlooked it as an investment option. 6.7% felt that mutual funds gave low returns and therefore hesitated from investing in them. 1.3% of the respondents were not currently interested in investing in mutual funds. Thus, it can be clearly seen that most of the people haven't invested in mutual funds due to lack of awarenessabout it. The percentage of people who would otherwise have invested would be relatively higher if they knew about the working of mutual funds, the various schemes available and thebenefits of investing in the same.

Only a small portion of the population had invested their money in mutual funds. These are people who may be aware about mutual funds, its returns, and the advantages it possesses as an investment option, and therefore invest in the same. However, a very interesting that we understood from the study was that while Mutual Funds were the second highest investment option in which people were interested in, only 37.5% of the respondent

CONCLUSION

Mutual funds provide a viable investment option for retail investors who lack the time and experience to research and invest in stocks and bonds. This is because mutual funds provide the advantage of cheap access to expensive stocks. The mutual funds diversify the investor's risk by investing in a variety of assets. These are operated by a team of professional fund managers with in-depth research advice from investment analysts. Being institutions with good market bargaining power, mutual funds have access to crucial corporate information that individual investors are unable to access. Thus, the present study takes up understandingthe extent of awareness about mutual funds and analyzing the perception of the investors towards mutual funds.

The above research on customers‟ perception towards Mutual Funds as an investment optionhas helped to understand the financial behavior of the investors in connection with the preferences of Brand, Products, channel etc. It was observed that many customers had a positive perception about mutual funds and agreed that it was a profitable investment but hesitated to do so because of lack of awareness. They didn't have complete knowledge aboutthe mutual fund industry and its working. Though they had enough money to make investment, they weren't aware of the right schemes that would best suit them. People still preferred to invest in traditional options such as fixed deposits, gold/silver, savings accounts,etc. which are relatively risk free and are the most common avenues of investment. However,the issue with investment options like fixed deposits and savings accounts is that in due course of time, the interest or returns earned on the principal amount do not match the inflation (which currently stands at 7.59%) that takes place over the investment period. Thus effectively, the individual hasn't really made any good profits from his investment. That is the reason why people should look into the variety of investment options available and go with the ones that are profitable as well as meet their economic goals.

It was observed that Financial Advisors are the most preferred channel for mutual fund investment. This is so because they have complete knowledge about the market and keep a track of changes that take place in the economy. Hence customers felt their investment was safe through them. Nowadays people are also taking help of banks with whom they hold theiraccount. Banks act as intermediaries between the investors and the market. They ensure safety of their customers‟ investment and also ensure good returns. Only those who have complete information and awareness of the operations chose to directly invest through an Asset Management Company where there is no entry load also being charged on the same. But there are only few people who prefer this channel because of lack of time and expertis

RECOMMENDATIONS AND SUGGESTIONS

- As was seen from the data collected, people want to invest in mutual funds and it is among one of the preferred investment options, but they do not invest in them due tolack of knowledge regarding mutual funds. It was found that people weren't completely aware of the benefits offered by mutual funds and hence had a hesitationto make investment in such schemes. People should be made aware of its working through innovative marketing techniques and plans, which would further encourage them to invest and hence earn returns to meet their economic objectives. Customers should be made aware that ignorance is no longer bliss and that they are losing a lot by not making a right choice of investment.

- Mutual funds offer a wide range of benefits which probably wouldn't be available in any other investment plan. With the right set of schemes chosen by their fund managers as per their investment objective, they would no longer be far away to accomplish their goals. As it was observed that customers were willing to take help ofthe financial advisors, the mutual fund companies should give them the right training and make them aware of all the schemes available in the market with respect to the investment objectives. Moreover, they should reach to as many potential customers aspossible which would help the industry to work exceptionally well in the coming years. Their work wouldn't be that difficult because many people have basic knowledge about its working. Once they possess complete knowledge and are assuredabout their funds, they would no longer hesitate to make investment.

- India has the highest number of youth population in the world. During the survey it was observed that many youngsters were willing to invest and were also ready to takerisks. They had the inner urge to earn high returns as they had many goals to fulfil. Therefore, the youth population should be targeted and be educated about Mutual fundinvestment. People who do not have enough funds to invest should be made aware about Systematic Investment Plans (SIP).

- Systematic Investment Plan (SIP) is one of the innovative products launched by the Asset Management Companies (AMC) in the industry. SIPs would be preferred by monthly salaried people who do not have enough savings to make a lump sum investment. It provides the facility of making investment in instalments. Therefore, allthe employees should be targeted and be made aware about this particular plan. Also, youngsters who have an urge to make investment should be made aware of these plans.

- The current era is technology driven and therefore most of them are getting into the world of digitalization at a faster pace and prefer making transactions online. There isless awareness (AMFI, 2021) this which will help in getting potential customers who are willing to invest but find it less convenient as they are not aware that by few clicks, they can invest and get good returns. Online investment would replace paper workand make things work in simpler term

Bibliography

1. Agarwal, P. a. (2015). Investor perception and attitude towards mutual funds as an Investment option. 20.
2. Agarwal, S. (2013). A Study on the risk adjusted performance of Mutual Funds Industry in India . 20.
3. AMFI. (2021, February Monday). Industry Trends. *AMFI other Articles*, p. 6.
4. Cahart, M. M. (1997). On persistence in Mutual Funds Performance . 20.
5. Das, S. K. (2012). Investment Behaviour of middle class households: an Empirical analysis . 20.
6. Dr.K.S.Sathyanarayan, M. a. (2018). A study on investors prefrence towards mutual funds with special refrence to Salem district. 20.
7. G.Jayabal, R. a. (2011). Prefrence and perpetual mapping of mutual funds schemes. 20.
8. Jasvir Kaur, N. A. (2018). A study on Investors perception towards mutual funds as an investment option . 20.
9. Mathema, R. B. (2017). A study of investors prefrence towards mutual funds in Kathmandu Metropolitan city Nepal. 20.
10. Mishra, S. (2018). performance evaluation of selected schemes of mutual funds in India . 20.
11. Munivel, D. M. (2019). A Study on Customers awareness and perception towards mutual funds in Dharmapuri district. *ISSN*, 20.
12. Padmaja, R. (2013). A study of consumer behaviour towards mutual funds with special refrence to ICICI prudential mutual funds, Vijaywada. 20.
13. Pandey, A. (2011). Mutual Fund Industry- Analysis and Recent Trends . 20.

14. Rajesh Trivedi, P. K. (2017). A study of Investors perception towards mutual funds decision: an indian perspective . 20.

15. Rao, D. (2011). Analysis of Investors perception towards mutual funds schemes . 20.

16. Ruenzi, G. a. (2009). Sex Matters : Genders Differences in the Mutual Funds Industry . 20.

17. SEBI. (2000). SEBI-NACER. 16.

18. Singh, B. K. (2012). A study on Investors attitude towards mutual funds as an Investment option . 20.

19. SK, H. K. (2017). A study of Investors Perception of Mutual Funds in the city of Delhi and Meerut . 20.

20. Sukhwinder Kaur, D. a. (2013). Investors perception towards section of Mutual Funds rather than Stock Market . 20.

21. Tonks, J. B. (2007). Return Persistnece and Fund flows in the worst performing Mutual Funds . 20.