



An empirical analysis of Investors' Perceptions towards Mutual Fund Services

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Abstract: *The money endowed in diverse securities depending on the aims of the mutual fund scheme and the profits or losses are dispersed among the investors in the amount to their investment. Investment in securities is broadening across a large cross-section of industries & sectors. Diversification of securities diminishes the risk because all stock may not move in the same way and in the same amount at the same time. Mutual fund issues units to the investors in accordance with extent of money invested by investors. Investors of the mutual fund are known as unit holder. The profit or loss is disseminated by the investors in fraction to their investment. A mutual fund is registered with securities exchange board of India (SEBI) The major objective of doing this research is to indentify about investors' perception towards Mutual Fund, with deliberation of Socio economic factors. To realize said objectives the primary data has been collected via structured questionnaire. In order to collect the primary data judgment sampling method is used. The sample size of the respondents is limited to 200 respondents of all types of investors in Ahmedabad City.*

Keywords: *Mutual Fund, SEBI, Investment, Diversification.*

I. INTRODUCTION

The mutual fund is a kind of professionally-managed collective investment scheme which pools money from many investors. The profit gained from funds is shared to unit holders in fraction to the number of units possessed by them. Hence, a Mutual Fund is the most suitable investment instrument for the common person as it offers an opportunity to invest in a differentiated, professionally administered basket of securities at a relatively low cost. The main aim of conducting this research is to examine the investor's perception towards mutual fund with special consideration of Socio economic variables. To achieve these objectives the primary data has been collected through structured questionnaires from the investor's. For measuring perception of investors' nine point scaling is used and various phenomena and analyzing the collected data efficiently and resourcefully to draw strong conclusion, a number of statistical tests would be conducted such as chi square to test hypothesis.

II. OBJECTIVES

The major objective of the study is to establish the investors' perception towards mutual fund with consideration of socio-economic variables.

III. RESEARCH METHODOLOGY

This research study is based on logical and descriptive research. The study analyse of perception of investors towards mutual funds. In order to do this research study, 200 prospective mutual fund investors of have been selected and surveyed through structured questionnaire.

Sources of Data:

All the data and information necessary for this research study is acquired from primary resources and secondary sources. Majorly a structured questionnaire has been used as a primary instrument.

Sampling Plan:

1. *Targeted Respondents:* Prospect Mutual fund investors
2. *Sampling unit:* Individual Mutual fund investors'
3. *Sampling method:* Judgment sampling
4. *Sample size:* 200
5. *Research Area:* Ahmedabad City

Hypothesis:

- H_0 : Respondents perception is not significantly associated towards mutual fund on the basis of Socio-economic factors.
- H_1 : Respondents perception is significantly associated towards mutual fund on the basis of Socio-economic factors.

IV. DATA ANALYSIS AND INTERPRETATION

Table-1
Age profile of Respondents (in Years) & their perception

<i>Age</i>	<i>Positive</i>	<i>Neutral</i>	<i>Negative</i>	<i>Respondents</i>
<i>Below 25-35</i>	44	40	20	104
<i>35-45</i>	16	14	12	42
<i>More than 45</i>	26	18	10	54
Total	86	72	42	200

(Primary Data)

Interpretation:

At 5% Significance level and degree of freedom is 4, the tabulated value of is 9.472 with respect to calculated value is 1.212. As calculated value (Chi-square) is less than Tabulated value, the hypothesis is accepted and it is observed that there is no significant association between the age of the respondents and their perception towards mutual fund.

Table-2
Gender of the respondents and their perception towards Mutual Fund

<i>Gender</i>	<i>Positive</i>	<i>Neutral</i>	<i>Negative</i>	<i>Respondents</i>
<i>Male</i>	50	46	20	116
<i>Female</i>	36	26	22	84
Total	86	72	42	200

(Primary Data)

Interpretation:

At 5% Significance level and Degrees of freedom 4, the tabulated value of is 5.981 with respect to Chi-square value (calculated) is 0.4853. As calculated value (Chi-square) is less than Tabulated value hence, the hypothesis is accepted & it is observed that there is no noteworthy association between the respondents' gender and their perception towards mutual fund.

Table-3
Education level of the respondents and their perception towards Mutual Fund

<i>Education</i>	<i>Positive</i>	<i>Neutral</i>	<i>Negative</i>	<i>Respondents</i>
<i>SSC</i>	28	16	10	54
<i>HSC</i>	20	20	12	52
<i>Graduation</i>	18	20	10	48
<i>Post Graduate</i>	20	16	10	46
Total	86	72	42	200

(Primary Data)

Interpretation:

At 5% Significance level and Degrees of freedom 4, the tabulated value of is 12.582 with respect to Chi-square (calculated) value is 1.4871. As calculated (Chi-square) value is less than Tabulated value the hypothesis is accepted and it is revealed that there is no considerable association between the education level of the respondents and their perception towards mutual fund.

Table-4
Income of the respondents and their perception towards Mutual Fund

<i>Income</i>	<i>Positive</i>	<i>Neutral</i>	<i>Negative</i>	<i>Respondents</i>
<i>Below 10000</i>	28	24	10	62
<i>10000 -20000</i>	34	16	18	68
<i>Above 20000</i>	24	32	14	70
Total	86	72	42	200

(Primary Data)

Interpretation:

At 5% Significance level and Degrees of freedom 4, the tabulated value of is 9.487 with respect to Chi-square value is 4.3402. As calculated value (Chi-square) is less than Tabulated value, the hypothesis is accepted and it is revealed that there is no noteworthy association between the respondents' income and perception of respondents towards mutual fund.

Table-5
Savings pattern and their perception towards Mutual Fund

<i>Savings</i>	<i>Positive</i>	<i>Neutral</i>	<i>Negative</i>	<i>Respondents</i>
<i>Below 5000</i>	40	28	20	88
<i>5000-15000</i>	20	20	12	52
<i>Above 15000</i>	26	24	10	60
Total	86	72	42	200

(Primary Data)

Interpretation:

At 5% Significance level and degree of freedom 4, the tabulated value of is 9.478 with respect to Chi-Square value is 0.9630. As calculated (Chi-square) value is less than Tabulated value, the hypothesis is accepted and it is found that there is no significant association between the savings pattern and perception of the respondents towards mutual fund.

Table-6
Co-relationship between Age and income, age and savings of investors

<i>Positive perception respondents Age group</i>	<i>Positive perception respondents Income level</i>	<i>Positive perception respondents Savings level</i>
44	28	40
16	34	20
26	24	26

(Primary Data)

Interpretations:

The above table-6 reveals the co-relation between age of respondents & positive perception and respondents' income level and positive perception. The age and income of respondents relation level is -0.4564, it means there is negative relation between respondents' income level & age of the respondents and above table represents the co-relation between respondents' age group & positive perception and respondents' income level and positive perception. The age and savings of the respondents relation is 0.9970. It means there is positive relation between age and saving of the respondents.

V. CONCLUSION

The mutual fund is a kind of professionally-managed joint investment scheme which acquires money from numerous investors. The profit gained from funds is shared to unit holders in fraction to the number of units possessed by them. Hence, a Mutual Fund is the most suitable investment instrument for the common people as it offers a chance to invest in a differentiated, professionally administered basket of securities at a relatively low cost. From the study it is concluded that there is no significant association between the education level of the respondents and their perception towards mutual fund. It is found that there is no significant association between the savings pattern and perception of the respondents towards mutual fund.

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