

Investor's Awareness Towards Mutual Funds in Thanjavur City – A Study

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Abstract

Investment is an assurance of funds in physical resources. There are countless opportunities of investment in agreement with individual favorites. Investment are made in different asset classes depending on individual's risk and return characteristics. Investment choices are physical assets and financial assets. Financial assets are securities, which are certificates embodying a financial between parties. Mutual funds are one of the best investment ever created because they are very cost effective and easy to invest. In this study the awareness level of mutual fund, acceptability of mutual fund, factors behind the investment in mutual fund, the factors which will be considered by the investors earlier capitalizing in mutual funds and awareness of regular investment strategy have been planned. This study tries to find out awareness of publics about such a growing monetary asset and offer recommendation/ suggestions which can be used for knowing the preferences of investors in mutual fund. The investors are now very much aware and make the choice of investments by studying it from all the angles.

Keywords: *choices, awareness, monetary strategy, investment, preference*

Introduction

Investment is the practice of placing money to work to earn revenue. Investing uniform of a small amount can produce substantial development over long period. Investors continuously plan for their investments to fulfill major needs like financial protection, career buildings, asset purchase, marriage, children education, retirement funding etc. The financial services institutions and intermediaries which help the investors for transforming saving into investment, production and growth. It is a instrument for mobilization of funds, transfer and allocation. A financial services institutions and intermediaries which help the investor for transforming saving into investment, production and growth. It is a instrument or preparation for the mobilization of moneys, their transfer and allocation. A financial services arbitrator and has huge value in the monetary marketplace. A mutual Fund is recognized as a medium as well as long term investment opinion.

The present study also attempts to the considerations of investors while investing in Mutual funds, which can help the Mutual Funds, which can help the mutual fund companies while launching the new schemes.

Statement of problem

The investor who invest in growth or equity schemes consider it as an alternative to stock market investing and the investors who invest in debt schemes expect higher returns on their investments than returns on nationalized banks like fixed deposits. The depositors expect higher revenues and get dissatisfied when they don't collect the anticipated returns. The Net Asset Value of the mutual fund scheme gets reduced on debiting the front ended load of issue expenses after closure, further reduced on listing and continue to decay on transaction due to poor demand for such parts due to the poor opinions of the investors. Another major risk of investing in a mutual fund is one of under performance. When an investor decides to invest in a particular asset class, he typically expects to get the return on the funds invested through them but all of the funds cannot succeed an outperforming each other or the benchmark. Numerous schemes have been presented by the mutual fund sector which delivers numerous benefits. This study aims to analyzing the factors that influence the investment decisions with respect to mutual funds and the merchandising investor's perception and awareness towards Mutual funds.

Objectives of the study

- To assess the Investor's awareness level.
- To study the investor's adoption of Mutual fund scheme.
- To find out the suggestion from the investors that can help remove the deficiencies.
- To identify the factors which influence the choice of investment.
- To analyze the advantages and benefits of investing in Mutual fund.

Sources of data collection

The researcher used to collect the data through primary sources and secondary sources.

Sampling method

Convenience sampling method was adopted to select the Investors.

Scope of the study

The study tries to find out investment preference, popular type of Mutual Fund scheme, consideration of investors while investing in Mutual Fund, comparison between investor's preference of Mutual fund investment and other investment options and difference between investors' behavior. The present study attempts to understand investors' in Thanjavur with special reference to Mutual Fund Investment. The study would help brokers of Mutual Fund, Mutual Fund companies, government policy, and corporate the future reference.

Limitations

1. The study was carried out only among the investors in Thanjavur city.
2. The sample size was restricted 75 due to time constraints
3. The sample was taken on the basis of convenience, therefore the shortcoming of the convenience.

Review of Literature

M.M.Goyal (2015), in the article "Performance Evaluation of Top 10 Mutual Funds in India," he found that overall the mutual fund schemes provided higher and better average return than the market.

Khurshid Ahmed Butt (2017) stated that in his article "Risk and Return Analysis of Mutual Fund Industry in India" concluded that on the whole the sample schemes during the period had provided higher earnings than the market at a risk which was even fewer than the risk of market portfolio.

Data Analysis and Interpretation

Table – 1

Are You Aware The Benefits of Mutual Fund

S.No	Opinion	No of respondent	Percentage
1	Not Aware	17	22
2	Some Knowledge	37	50
3	Fully Aware	21	28
TOTAL		75	100

✓ The above table shows that half 50% of the respondents have some knowledge about the benefit Mutual fund

Table - 2

Opinion Based on Tracking of Mutual fund

S.No	Opinion	No of respondent	Percentage
1	Once in a week	15	20
2	Once in a month	19	25
3	Half yearly	32	43
4	Annually	9	12
TOTAL		75	100

✓ The above table found that 43% of the respondents half yearly once they track their Mutual fund.

Table - 3

OPINION BASED ON PRIORITY OF INVESTMENT

S.no	Priority of investment	No of respondent	Percentage
1	Safety	23	31
2	High return	17	23
3	Liquidity	22	29

4	Less risk	13	17
TOTAL		75	100

- ✓ The above table found that 31% of the respondents opined that the Safety is the main factor for investing the Mutual fund.

Table – 4

Opinion Based on Mutual Fund is Useful for Small Investor

S.no	Opinion	No of respondent	Percentage
1	Strongly Disagree	8	11
2	Disagree	21	28
3	Neutral	10	13
4	Agree	32	43
5	Strongly Agree	4	5
TOTAL		75	100

- ✓ It is inferred that the above table found that less than half (43%) of the respondents are Agree the Mutual fund is useful to the small investor.

Table - 5

To Test the Respondents on the Basis of Income and Purpose of Investment

Income Purpose of investment	Rs.10000 to Rs.20000	Rs.20000 to Rs.30000	Rs.30000 to Rs.40000	Rs.40000 to Rs.50000	Above Rs.50000	Total	Inference
	Saving	11	5	5	3	5	29
Capital Appreciation	0	6	2	1	1	10	
Regular Income	0	3	4	7	5	19	
Tax benefit	0	0	5	4	6	15	
To beat inflation	0	0	0	0	2	2	
Total	11	14	16	15	19	75	

Conclusion

Since, calculated value of χ^2 is more than tabulated value. Hence, Alternative hypothesis is accepted. So it concludes that there is a significant relationship between Income and Purpose of investment.

Suggestions

- The study found that the urban people were more aware of the benefits and costs of different investment schemes than the rural.
- Mutual fund companies may try to educate the investors to invest in mutual funds through regular awareness programs.
- Various schemes may be introduced to attract female respondents as the economy is leaning towards women's financial empowerment.
- The investors who are aware of professionalism of fund managers, it is advisable to follow them by shifting over to those funds, to get good returns.
- Investors should continuously monitor their portfolio and revise their funds by updating according to the market position, so that returns can be maximized.
- The target market of salaried class individual has a lot of scope to gain business, as they are more fascinated to mutual funds than the self-employed.

Conclusion

This study analysis the responses which we got it can be concluded that the mutual funds business is still in its early stage. The investors are not fully aware of mutual fund and its functions.

The study found that the real estate, saving accounts, share and gold/silvery are still the most satisfactory choice of asset by the investors and the vital sources of information for them are that of friends and advertisement. Based on the analysis, it is recommended that mutual funds industry should focus on increasing the awareness level of investors through different activities such as talk shows, seminars, advertisement and through direct interaction with the investors. They should emphasis on making optimistic insight in the minds of investors by building strong brand image and also by concentrating on risk management. Along with that, they should also focus on clearly explaining the investors about the funds' performance and functions, highlighting the transparency element.

Nowadays the main task before mutual fund industry is to convert the budding investors into the authenticity investors. New and more innovation schemes should be launched from time to time so that investor's confidence should be maintained. All this will lead to the complete growth and progress of the mutual fund industry.

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