Project Report

"A STUDY ON MUTUAL FUNDS IN INDIA "

Submitted to

G.S. College of Commerce & Economics

Nagpur

An Autonomous Institution (Affiliated to RTM Nagpur University)

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

Satweek Pradeep Wanve

Under the Guidance of

Dr. Aniruddha Akarte

G.S. College Of Commerce &Economics, Nagpur

Academic Year 2021 – 22

G.S. College Of Commerce & Economics , Nagpur

Academic Year 2021 – 22

CERTIFICATE

This is to certify that **Satweek Pradeep Wanve** has submitted the project report titled **"A study on Mutual Funds in India''** towards partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr. Aniruddha Akarte
(Project Guide)

Dr. Afsar Sheikh
(Co-ordinator)

Place: Nagpur

Date:

G.S. College Of Commerce &Economics, Nagpur

Academic Year 2021 – 22

DECLARATION

I here-by declare that the project with title **"A study on Mutual Funds in India"** has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Satweek Pradeep Wanve

Place: Nagpur

Date:

G.S. College Of Commerce & Economics , Nagpur

Academic Year 2021 – 22

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. N. Y. Khandait, Principal,** G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide Dr. Aniruddha Akarte for his guideline throughout the project. I tender my sincere regards to Co-ordinater, **Dr. Afsar Sheikh** for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Satweek Pradeep Wanve

Place: Nagpur
Date:

INDEX

CHAPTE-R NUMBER	NAME OF CHAPTER	PAGE NO.
1	INTRODUCTION	1 - 13
2	LITERATURE REVIEW	14 - 15
3	RESEARCH METHODOLOGY • Objective of Research • Hypothesis • Research Design • Sampling Plan • Data Collection • Limitations of Study	16 - 18
4	DATA COLLECTION & ANALYSIS OF DATA	19 - 29
5	FINDING OF STUDY	30 - 32
6	CONCLUSION OF RESEARCH	33 - 34
7	SUGGESTION	35 - 37
8	REFERENCES	38 - 39
9	ANNEXURE	40 - 42

CHAPTER NO.1

INTRODUCTION

The first introduction of a mutual fund in India occurred in 1963, when the Government of India launched Unit Trust of India (UTI). Until 1987, UTI enjoyed a monopoly in the Indian mutual fund market. Then a host of other government-controlled Indian financial companies came up with their own funds. These included State Bank of India, Canara Bank, and Punjab National Bank. This market was made open to private players in 1993, as a result of the historic constitutional amendments brought forward by the then Congress-led government under the existing regime of Liberalization, Privatization and Globalization (LPG). The first private sector fund to operate in India was Kothari Pioneer, which later merged with Franklin Templeton. The main aim of the UTI was to enable the common investors to participate in the prosperity of capital market through portfolio management aimed at reasonable return, liquidity and safety and to contribute to India's industrial development by channelizing household savings into corporate investment. By the year 1993, UTI occupied nearly 80 per cent of the market share and developed manifold in terms of number of investors, investable funds, reserves with wide marketing network and efficient leadership. The Chartered Financial Analyst had commented that Mutual Funds today form 1/10th of the banking industry's size. If we compare this an indication in the current interest rate scenario, Mutual Fund has ample shelf-space to grow into an industry like the banking industry in India.

CONCEPT OF MUTUAL FUND:

A mutual fund is a common pool of money into which investors place their contributions that are to be invested in accordance with a stated objective. The ownership of the fund is thus joint or "mutual"; the fund belongs to all investors. A single investor's ownership of the fund is in the same proportion as the amount of the contribution made by him or her bears to the total amount of the fund.

Mutual Funds are trusts, which accept savings from investors and invest the same in diversified financial instruments in terms of objectives set out in the trusts deed with the view to reduce the risk and maximize the income and capital appreciation for distribution for the embers. A Mutual Fund is a corporation and the fund manager's interest is to professionally manage the funds provided by the investors and provide a return on them after deducting reasonable management fees.

DEFINITION:

"A mutual fund is an investment that pools your money with the money of an unlimited number of other investors. In return, you and the other investors each own shares of the fund. The fund's assets are invested according to an investment objective into the fund's portfolio of investments. Aggressive growth funds seek long-term capital growth by investing primarily in stocks of fast- growing smaller companies or market segments. Aggressive growth funds are also called capital appreciation funds".

TYPES OF MUTUAL FUNDS SCHEMES IN INDIA

Wide variety of Mutual Fund Schemes exists to cater to the needs such as financial position, risk tolerance and return expectations etc. thus mutual funds has Variety of flavors, being a collection of many stocks, an investor can go for picking a mutual fund might be easy. There are over hundreds of mutual funds scheme to choose from. It is easier to think of mutual funds in categories, mentioned below.

I. BY STRUCTURE

➢ Open - Ended Schemes:

An open-end fund is one that is available for subscription all through the year. These do not have a fixed maturity. Investors can conveniently buy and sell units at Net Asset Value ("NAV") related prices. The key feature of open-end schemes is liquidity.

➢ Close - Ended Schemes:

A closed-end fund has a stipulated maturity period which generally ranging from 3 to 15 years. The fund is open for subscription only during a specified period. Investors can invest in the scheme at the time of the initial public issue and thereafter they can buy or sell the units of the scheme on the stock exchanges where they are listed. In order to provide an exit route to the investors, some close-ended funds give an option of selling back the units to the Mutual Fund through periodic repurchase at NAV related prices. SEBI Regulations stipulate that at least one of the two exit routes is provided to the investor.

➢ Interval Schemes:

Interval Schemes are that scheme, which combines the features of open-ended and close- ended schemes. The units may be traded on the stock exchange or may be open for sale or redemption during pre-determined intervals at NAV related prices.

II. BY NATURE

➢ Equity Fund:

These funds invest a maximum part of their corpus into equities holdings. The structure of the fund may vary different for different schemes and the fund manager's outlook on different stocks. The Equity Funds are sub-classified depending upon their investment objective, as follows

- Diversified Equity Funds
- Mid-Cap Funds
- Sector Specific Funds
- Tax Savings Funds (ELSS)

➢ Debt Funds:

The objective of these Funds is to invest in debt papers. Government authorities, private companies, banks and financial institutions are some of the major issuers of debt papers. By investing in debt instruments, these funds ensure low risk and provide stable income to the investors. Debt funds are further classified as:

- Gilt Funds: Invest their corpus in securities issued by Government, popularly known as Government of India debt papers. These Funds carry zero Default risk but are associated with Interest Rate risk. These schemes are safer as they invest in papers backed by Government.
- Income Funds: Invest a major portion into various debt instruments such as bonds, corporate debentures and Government securities.
- Short Term Plans (STPs): Meant for investment horizon for three to six months. These funds primarily invest in short term papers like Certificate of Deposits (CDs) and Commercial Papers (CPs). Some portion of the corpus is also invested in corporate debentures.

➢ Balanced Funds:

As the name suggest they are a mix of both equity and debt funds. They invest in both equities and fixed income securities, which are in line with pre-defined investment objective of the scheme. These schemes aim to provide investors with the best of both the worlds. Equity part provides growth and the debt part provides stability in returns.

III. BY INVESTMENT OBJECTIVE:

➢ Growth Schemes:

Growth Schemes are also known as equity schemes. The aim of these schemes is to provide capital appreciation over medium to long term. These schemes normally invest a major part of their fund in equities and are willing to bear short-term decline in value forpossible future appreciation.

➢ Income Schemes:

Income Schemes are also known as debt schemes. The aim of these schemes is to provideregular and steady income to investors. These schemes generally invest in fixed income securities such as bonds and corporate debentures. Capital appreciation in such schemesmay be limited

➢ Balanced Schemes:

Balanced Schemes aim to provide both growth and income by periodically distributing a part of the income and capital gains they earn. These schemes invest in both shares and fixed income securities, in the proportion indicated in their offer document.

IV. OTHER SCHEMES

➢ Tax Saving Schemes:

Tax-saving schemes offer tax rebates to the investors under tax laws prescribed from time to time. Under Sec.88 of the Income Tax Act, contributions made to any Equity Linked Savings Scheme (ELSS) are eligible for rebate.

- **Index Schemes**:

Index schemes attempt to replicate the performance of a particular index such as the BSE Sensex or the NSE 50. The portfolio of these schemes will consist of only those stocks that constitute the index. The percentage of each stock to the total holding will be identical to the stocks index weight age. And hence, the returns from such schemes would be moreor less equivalent to those of the Index.

ADVANTAGES OF MUTUAL FUNDS:

If mutual funds are emerging as the favorite investment vehicle, it is because of the many advantages they have over other forms and the avenues of investing, particularly for the investor who has limited resources available in terms of capital and the ability to carry out detailed research and market monitoring. The following are the major advantages offered by mutual funds to all investors:

1. Portfolio Diversification:

Each investor in the fund is a part owner of all the fund's assets, thus enabling him to hold a diversified investment portfolio even with a small amount of investment that would otherwise require big capital.

2. Professional Management:

Even if an investor has a big amount of capital available to him, he benefits from the professional management skills brought in by the fund in the management of the investor's portfolio. The investment management skills, along with the needed research into available investment options, ensure a much better return than what an investor can manage on his own. Few investors have the skill and resources of their own to succeed in today's fast moving, global and sophisticated markets.

3. Liquidity:

Often, investors hold shares or bonds they cannot directly, easily and quickly sell. When they invest in the units of a fund, they can generally cash their investments any time, by selling their units to the fund if open-ended, or selling them in the market if the fund is close-end. Liquidity of investment is clearly a big benefit.

4. Tax Benefits:

Any income distributed after March 31, 2002 will be subject to tax in the assessment of all Unit holders. However, as a measure of concession to Unit holders of open-ended equity oriented funds, income distributions for the year ending March 31, 2003, will be taxed at a concessional rate of 10.5%.

In case of individuals and Hindu Undivided Families a deduction up to Rs.9,000from the Total Income will be admissible in respect of income from investments specified in Section 80L, including income from Units of the Mutual Fund.

Units of the schemes are not subject to Wealth-Tax and Gift-Tax.

DISADVANTAGES OF INVESTING THROUGH MUTUAL FUNDS:

1. No Control Over Costs:

An investor in a mutual fund has no control of the overall costs of investing. The investor pays investment management fees as long as he remains with the fur for the professional management and research. Fees are payable even if the value of his investments is declining. A mutual fund investor also pays fund distribution costs, which he would not incur in direct investing. However, this shortcoming only means that there is a cost to obtain the mutual fund services.

2. No Control:

Unlike picking your own individual stocks, a mutual fund puts you in the passenger seat of somebody else's car

3. Dilution:

Mutual funds generally have such small holdings of so many different stocks that insanely great performance by a fund's top holdings still doesn't make much of a difference in a mutual fund's total performance.

PROCESS OF A MUTUAL FUND:

The mutual fund collects money directly or through brokers from investors. The money isinvested in various instruments depending on the objective of the scheme. The income capital appreciation of these securities is passed on to the investors in proportion to theirinvestment in the scheme. The investments are divided into units and the value of the unitswill be reflected in Net Asset Value or NAV of the unit. NAV of the scheme minus itsliabilities. The per unit NAV is the net asset value of the scheme divided by the number ofunits outstanding on the valuation date. Mutual fund companies provide daily net assetvalue of their schemes to their investors. NAV is important, as it will determine the priceat which you buy or redeem the units of a scheme. Depending on the load structure of thescheme, you have to pay entry or exit load

WHY SELECT MUTUAL FUND?

The risk return trade-off indicates that if investor is willing to take higher risk then correspondingly he can expect higher returns and vice versa if he pertains to lower risk instruments, which would be satisfied by lower returns. For example, if an investors opt for bank FD, which provide moderate return with minimal risk. But as he moves ahead to invest in capital protected funds and the profit-bonds that give out more return which is slightly higher as compared to the bank deposits but the risk involved also increases in the same proportion. Thus investors choose mutual funds as their primary means of investing, as Mutual funds provide professional management, diversification, convenience and liquidity. That doesn't mean mutual fund investments risk free.

This is because the money that is pooled in are not invested only in debts funds which areless risky but are also invested in the stock markets which involves a higher risk but can expect higher returns. Hedge fund involves a very high risk since it is mostly traded in thederivatives market which is considered very volatile.

MUTUAL FUNDS IN INDIA

In 1963, the day the concept of Mutual Fund took birth in India. Unit Trust of India invitedinvestors or rather to those who believed in savings, to park their money in UTI Mutual Fund. For 30 years it goaled without a single second player. Though the 1988 year saw some new mutual fund companies, but UTI remained in a monopoly position.

The performance of mutual funds in India in the initial phase was not even closer to satisfactory level. People rarely understood, and of course investing was out of question. But yes, some 24 million shareholders were accustomed with guaranteed high returns by the beginning of liberalization of the industry in 1992. This good record of UTI became marketing tool for new entrants. The expectations of investors touched the sky in profitability factor. However, people were miles away from the preparedness of risks factor after the liberalization. The net asset value (NAV) of mutual funds in India declined when stock prices started falling in the year 1992. Those days, the market regulations didnot allow portfolio shifts into alternative investments. There was rather no choice apart from holding the cash or to further

in shares. One more thing to be noted, since only closed-end funds were floated in the market, the investors disinvested by selling at a loss in the secondary market.

The performance of mutual funds in India suffered qualitatively. The 1992 stock market scandal, the losses by disinvestments and of course the lack of transparent rules in the whereabouts rocked confidence among the investors.

Partly owing to a relatively weak stock market performance, mutual funds have not yet recovered, with funds trading at an average discount of 1020 percent of their net asset value.

The securities and Exchange Board of India (SEBI) came out with comprehensive regulation in 1993 which defined the structure of Mutual Fund Companies for the first time.

The supervisory authority adopted a set of measures to create a transparent and competitive environment in mutual funds. Some of them were like relaxing investment restrictions into the market, introduction of open-ended funds, and paving the gateway for mutual funds to launch pension schemes. The measure was taken to make mutual funds the key instrument for long-term saving. The more the variety offered, the quantitative will be investors. Several private sectors Mutual Funds were launched in 1993 and 1994. The share of the private players has risen rapidly since then. Currently there are 34Mutual Fund organizations in India managing 1,02,000 crores.

At last to mention, as long as mutual fund companies are performing with lower risks andhigher profitability within a short span of time, more and more people will be inclined toinvest until and unless they are fully educated with the dos and don'ts of mutual funds. Mutual fund industry has seen a lot of changes in past few years with multinationalcompanies coming into the country, bringing in their professional expertise in managingfunds worldwide. In the past few months there has been aconsolidation phase going onin the mutual fund industry in India. Now investors have a wide range of Schemes tochoose from depending on their individual profiles.

INVESTMENT STRATEGIES

Systematic Investment Plan: under this a fixed sum is invested each month on a fixed dateof a month. Payment is made through postdated cheese or direct debit facilities. The investor gets fewer units when the NAV is high and more units when the NAV is low. This is called as the benefit of Rupee Cost Averaging (RCA)

Systematic Transfer Plan: under this an investor invest in debt oriented fund and give instructions to transfer a fixed sum, at a fixed interval, to an equity scheme of the same mutual fund.

Systematic Withdrawal Plan: if someone wishes to withdraw from a mutual fund thenhe can withdraw a fixed amount each month.

MUTUAL FUND COMPANIES IN INDIA:

The concept of mutual funds in India dates back to the year 1963. The between 1963 and 1987 marked the existence of only one mutual fund company in India with Rs.67bn assets under management (AUM), by the end of its monopoly, the Unit Trust of India (UTI). By the end of the 80s decade, few other mutual fund companies in India took their position in mutual fund market.

The new entries of mutual fund companies in India were SBI Mutual Fund, Can bank Mutual Fund, Punjab National Bank Mutual Fund, Indian Bank Mutual Fund, Bank of India Mutual Fund.

The succeeding decade showed a new horizon in Indian mutual fund industry. By the end of 1993, the total AUM of the industry was Rs.470.04 bn. The private sector funds startedpenetrating the fund families. In the same year the first Mutual Fund Regulations came into existence with re-registering all mutual funds Except UTI. The regulations were further given a revised shape in 1996.

Kothari Pioneer was the first private sector mutual fund company in India which has nowmerged with Franklin Templeton. Just after ten years with private sector player's penetration, the total assets rose up to Rs.1218.05 bn. Today there are 33 mutual fund companies in India.

MAJOR COMPANIES IN MUTUAL FUND

- Reliance Mutual Fund
- HDFC Mutual Fund
- Birla Sun Life Mutual Fund
- ICICI Prudential Mutual Fund
- Kotak Mahindra Mutual Fund
- UTI Mutual Fund
- LIC Mutual Fund
- SBI Mutual Fund
- IDFC Mutual Fund

FUTURE PROSPECT OF MUTUAL FUNDS IN INDIA

Financial experts believe that the future of Mutual Funds in India will be verybright. It has been estimated that by March-end of 2010, the mutual fund industry of India will reach Rs,40,90,000 crores, taking into account the total assets of the Indian commercial banks. In the coming 10 years the annual composite growth rate is expected to go up by 13.4%.

- 100% growth in the last 6 years.
- Number of foreign AMC's are in the queue to enter the Indian markets like Fidelity Investments, US based, with over US$1 trillion assets under management worldwide.
- Our saving rate is over 23%, highest in the world. Only channelizing these savings in mutual funds sector is required.
- We have approximately 29 mutual funds which is much less than US having more than 800. There is a big scope for expansion.
- 'B' and 'C' class cities are growing rapidly. Today most of the mutual funds are concentrating on the 'A' class cities. Soon they will find scope in the growing cities.
- Mutual fund can penetrate rural like the Indian insurance industry with simple and limited products.
- SEBI allowing the MF's to launch commodity mutual funds. Emphasis on better corporate governance.
- Trying to curb the late trading practices.
- Introduction of Financial Planners who can provide need based advice.

CHAPTER NO.2

LITERATURE REVIEW

Sharpe, William F. (1966) suggested a measure for the evaluation of portfolio performance Drawing on results obtained in the field of portfolio analysis,economist Jack L. Treynor has suggested a new predictor of mutual fund performance, one that differs from virtually all those used previously by incorporating the volatility of a fund's return in a simple yet meaningful manner.

Michael C. Jensen (1967) derived a risk-adjusted measure of portfolio performance (Jensen's alpha) that estimates how much a manager's forecasting ability contributes to fund's returns.

Sharpe (1966) suggested a measure for the evaluation of portfolio performance,drawing on results obtained in the field of portfolio analysis.

Economist Jack L Treynor (1965) suggested a new predictor of mutual fund performance, one that differs from virtually all those used previously by incorporating the volatility of a funds return in a simple yet meaningful manner.
Jensen (1967) derived a risk adjusted measure of portfolio performance (Jensenalpha) that estimates how much a manager’s forecasting ability contributes to a fund’s returns.

Sapar & Narayan (2003) examined the performance of Indian mutual funds ina bear market through relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure and Fama's measure with a sample of 269 open ended schemes

Mehta S. (2010) analyzed the performance of mutual fund schemes of SBI and UTI and found that SBI schemes have performed better than the UTI in the year2007- 2008. Compared to private company, public company scheme is better to invest.

CHAPTER NO.3

RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic.

1. OBJECTIVE OF RESEARCH

- To analyze whether one has invested or not invested in Mutual fund.
- To study the people in which age and income group prefer mutual funds over other investment options.
- To find out the best company of mutual funds in India.
- To study people behavior regarding risk factor involved in mutual fund.
- To study how many people aware about Mutual Funds.

2. HYPOTHESIS

H0: The satisfaction level of consumers about the risk factor provided by mutual funds is good.

H1: The awareness of people regarding mutual funds investment is high.

3. RESEARCH DESIGN

The research is qualitative & descriptive in nature. Qualitative research is that talk about the quality of the subject to be researched and Descriptive research is one that describes things as exists in present.

4. SAMPLING PLAN

Sample size: The sample size of my project is limited to 200 people only. Out of which only 120 people had invested in Mutual Fund. Other 80 people did not have invested in Mutual Fund. Sample design: Data has been presented with the help of bar graph, pie charts, line graphs etc.

5. DATA COLLECTION

Research is totally based on primary data. and Secondary data can be used only for the reference. Research has been done by primary data collection, and primary data has been collected by interacting with various people. The secondary data has been collectedthrough various journals and websites.

6. LIMITATIONS OF STUDY

- Some of the persons were not so responsive.

- Possibility of error in data collection because many of investors may have notgiven actual answers of my questionnaire.

- Some of respondents of the survey were unwilling to share information.

- The information given by the respondents might be biased because some of themmight not be interested to give correct information.

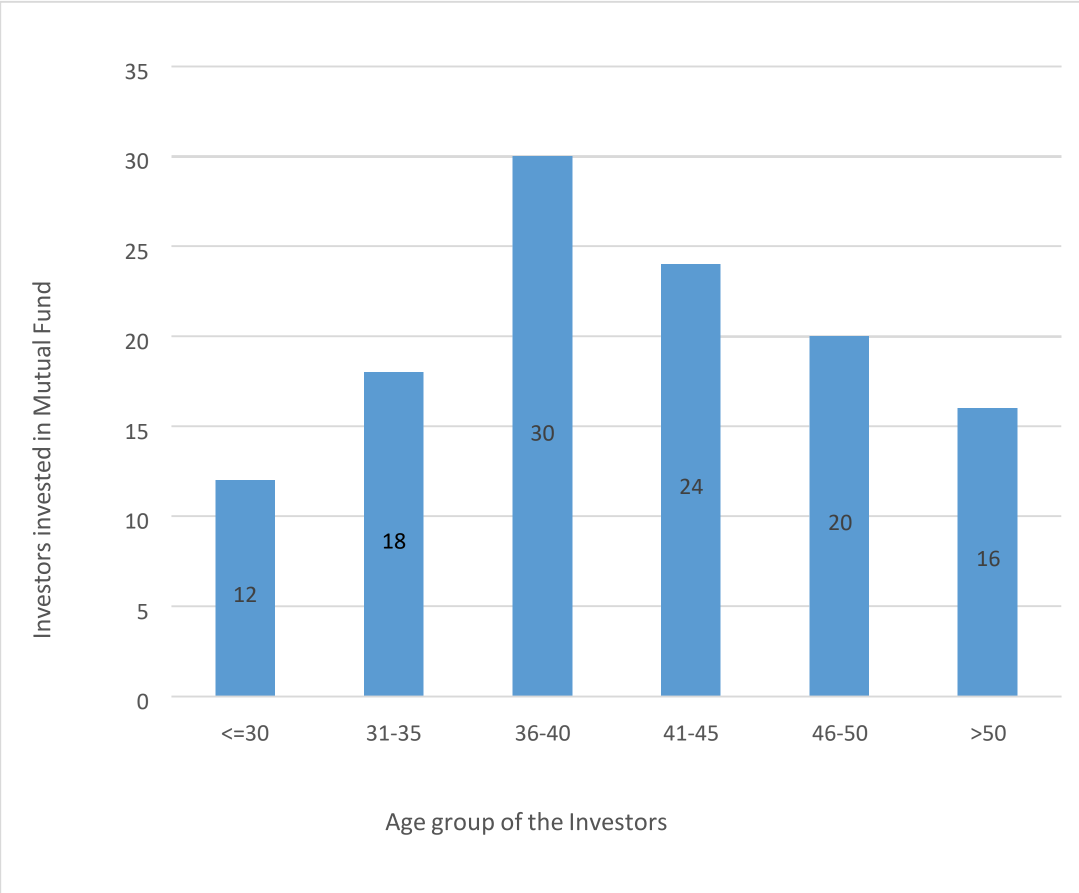
Sample size is limited to 200 persons around the world through Google survey forms out of these only 120 had invested in Mutual Fund. Other 80 people did not have invested in Mutual Fund. The sample size may not adequately represent the whole market.

CHAPTER NO.4

DATA COLLECTION & ANALYSIS OF DATA

1. AGE DISTRIBUTION OF THE MUTUAL FUND INVESTORS

Age Group	<= 30	31-35	36-40	41-45	46-50	>50	Total
No. of Investors	12	18	30	24	20	16	120

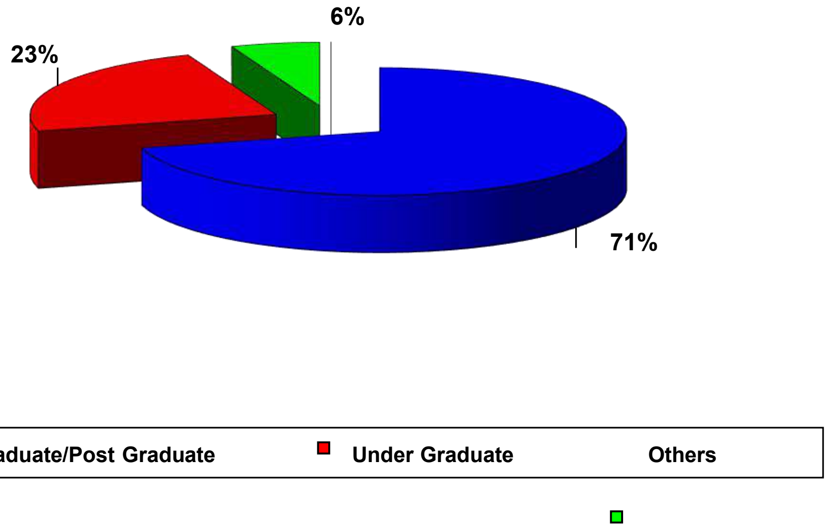


Interpretation:

According to this chart out of 120 Mutual Fund investors. The most are in the age group of 36-40 yrs. i.e. 25%, the second most investors are in the age group of 41-45yrs i.e. 20%and the least investors are in the age group of below 30 yrs.

2. EDUCATIONAL QUALIFICATION OF INVESTORS OF MUTUAL FUND

Educational Qualification	Number of Investors
Graduate/ Post Graduate	88
Under Graduate	25
Others	7
Total	120

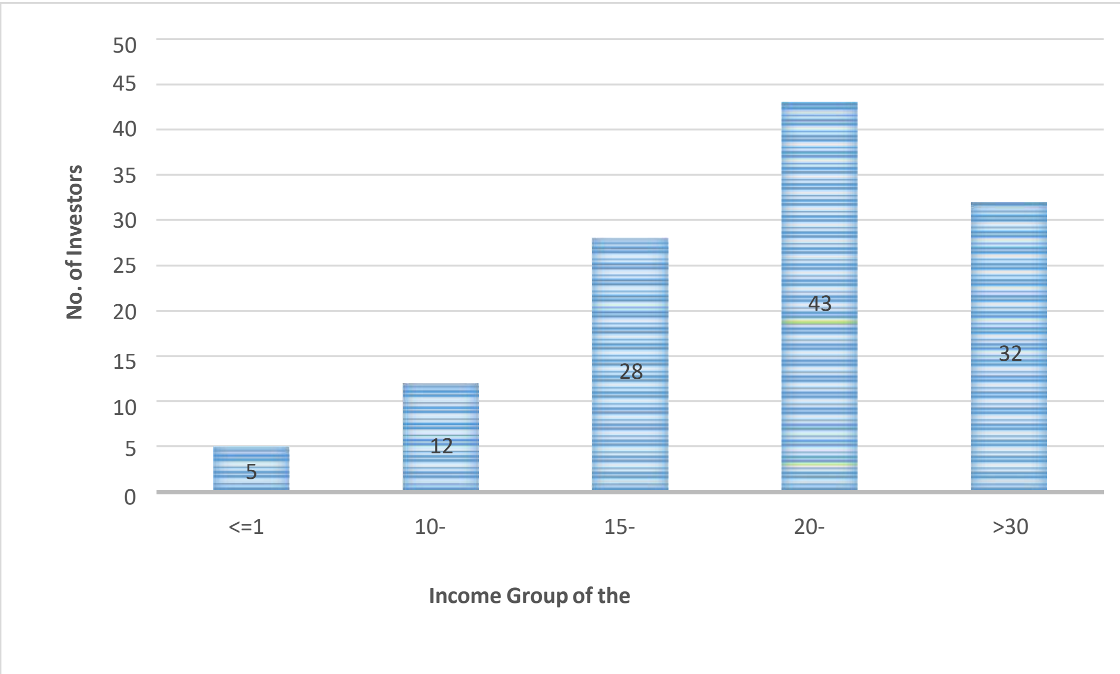


Interpretations:

Out of 120 Mutual Fund investors 71% of the investors Graduate/Post Graduate, 23% areUnder Graduate and 6% are others

3. MONTHLY FAMILY INCOME OF THE INVESTORS

Income Group	No. of Investors
< 10,000	5
10,001-15,000	12
15,001-20,000	28
20,001-30,000	43
>30,000	32
Total	120

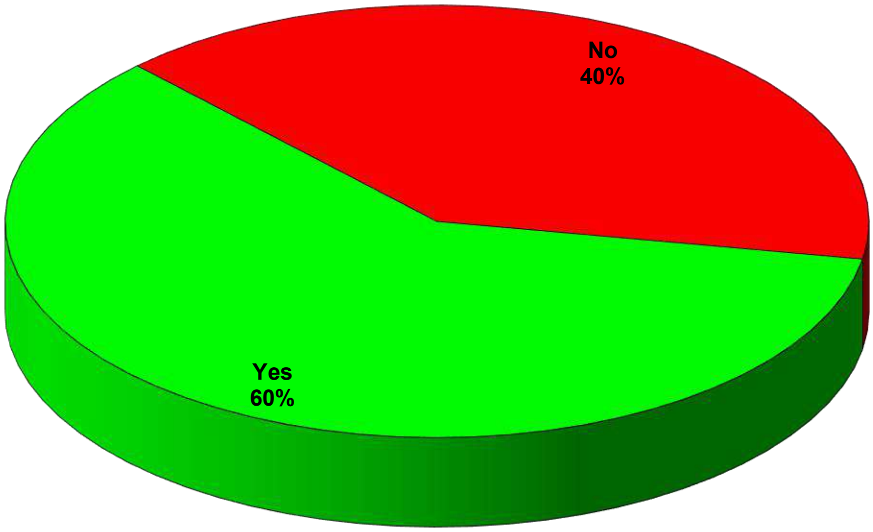


Interpretations:

In the Income Group of the investors out of 120 investors, 36% investors that is the maximum investors are in the monthly income group Rs. 20,001 to Rs. 30,000, Second one i.e. 27% investors are in the monthly income group of more than Rs. 30,000 and the minimum investors i.e. 4% are in the monthly income group of below Rs. 10,000

4. INVESTORS INVESTED IN MUTUAL FUND

Response	No. of Respondents
YES	120
NO	80
Total	200

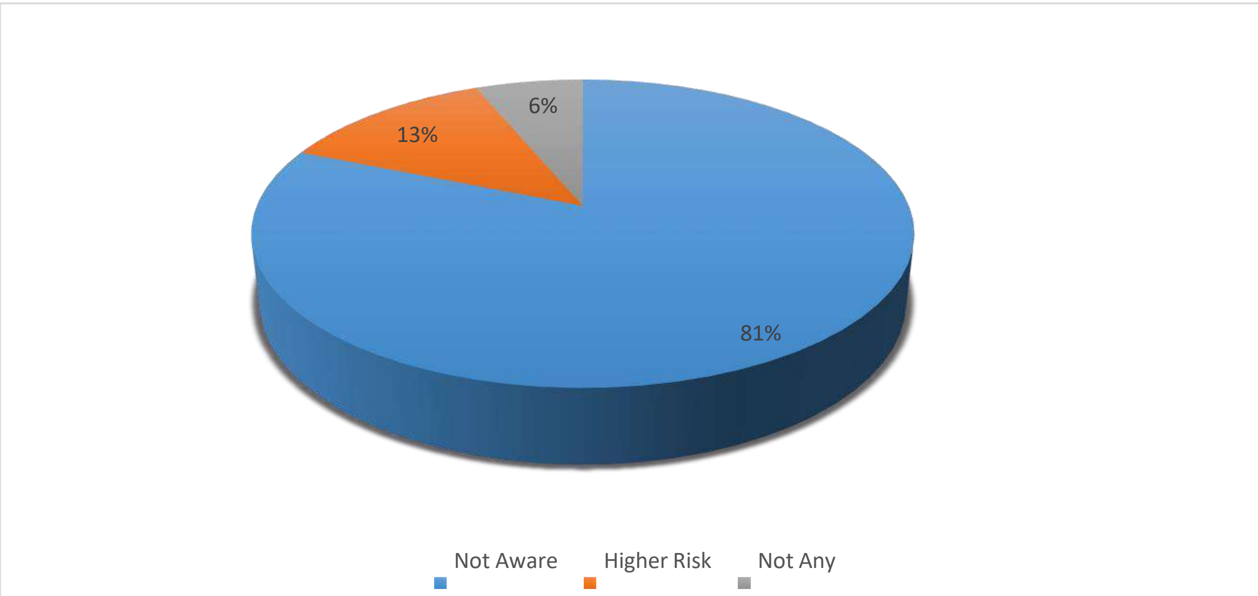


Interpretations:

Out of 200 People, 60% have invested in Mutual Fund and 40% do not have invested inMutual Fund.

5. REASON FOR NOT INVESTING IN MUTUAL FUND

Reason	No. of Respondents
Not Aware	**85**
Higher Risk	**12**
Not any Specific Reason	**23**
Total	**120**

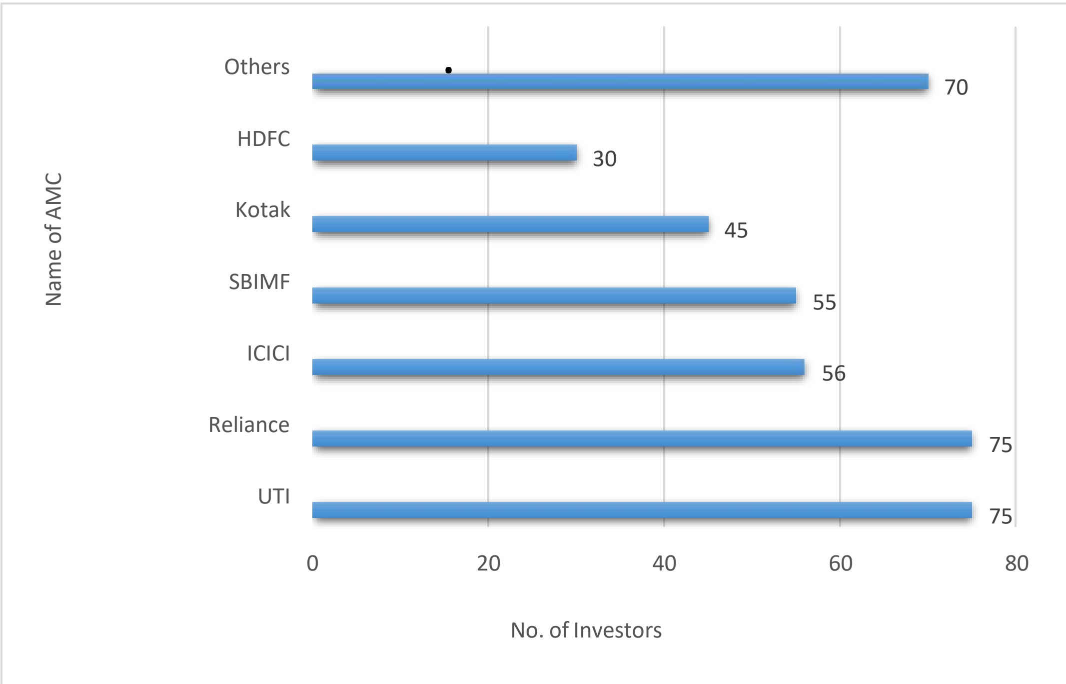


Interpretations:

Out of 120 people, who have not invested in Mutual Fund, 81% are not aware of Mutual Fund, 13% said there is likely to be higher risk and 6% do not have any specific reason.

6. INVESTORS INVESTED IN DIFFERENT ASSETSMANAGEMENT CO. (AMC)

Name of AMC	No. of Investors
SBIMF	55
UTI	75
HDFC	30
Reliance	75
ICICI Prudential	56
Kotak	45
Others	70
Total can't be shown because of repeated investors in different funds	

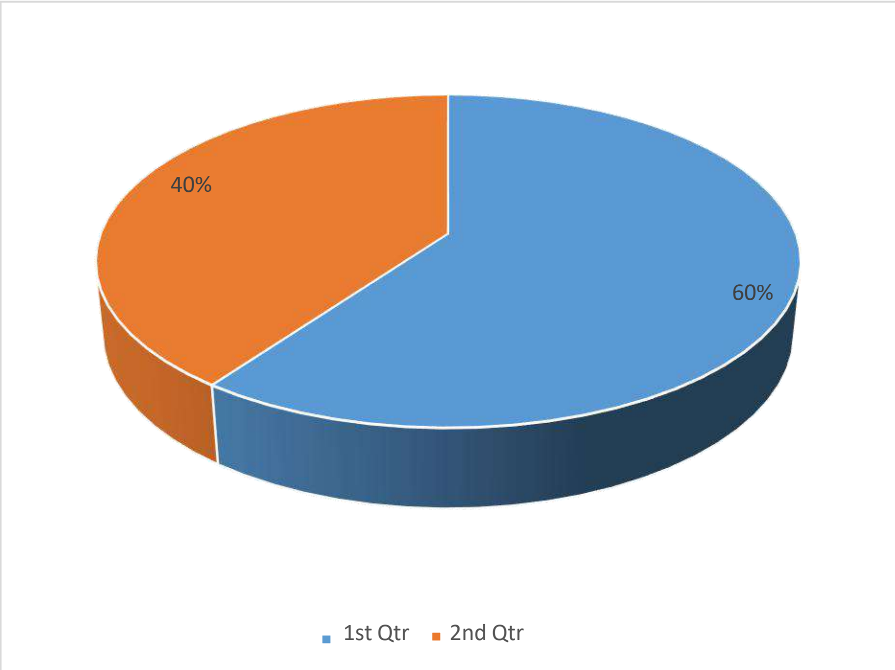


Interpretations:

In mutual fund most of the Investors preferred UTI and Reliance Mutual Fund. Out of 120 Investors 62.5% have invested in each of them, only 46% have invested in SBIMF, 47% in ICICI Prudential, 37.5% in Kotak and 25% in HDFC.

7. ANALYZING DATA ACCORDING TO AWARNESS ABOUT MUTUAL FUND

Name of AMC	No. of Investors
1st Quarter	40
2nd Quarter	60
Total	100



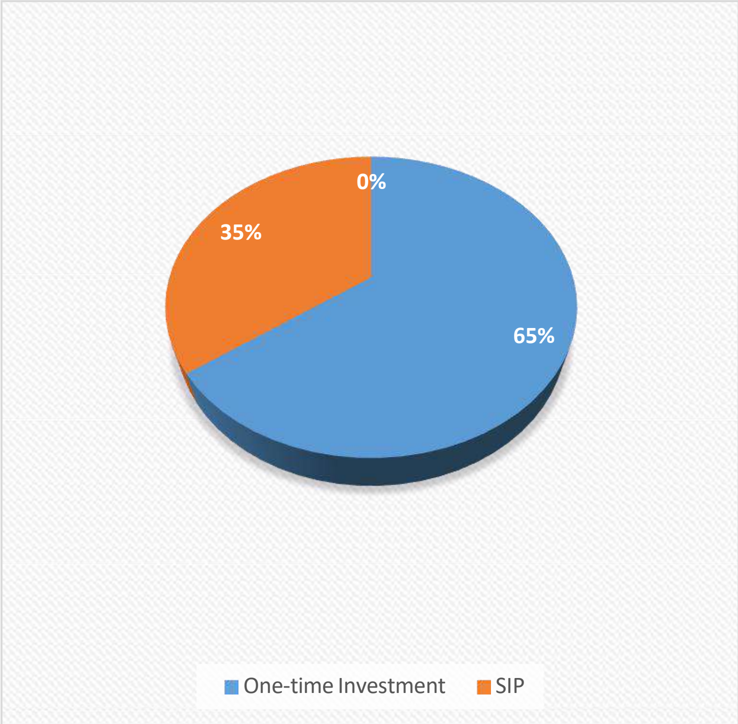
Interpretations:

Out of 200 People, 60% people are actually aware of the fact of Mutual fund and are regularinvestors of Mutual Funds.

40% People were there who have just heard the name or rather are just aware of the fact of existence of the word called Mutual Fund, but doesn't know anything else about MutualFunds.

8. MODE OF INVESTMENT PREFERRED BY THE INVESTORS

Mode of Investment	One time Investment	Systematic Investment Plan (SIP)	Total
No. of Respondents	78	42	120

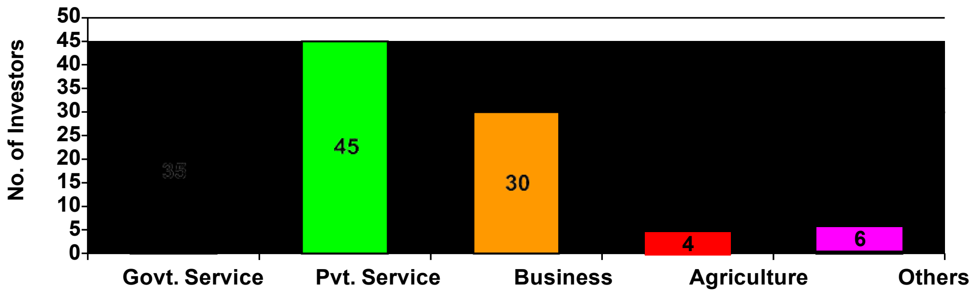


Interpretations:

Out of 120 Investors 65% preferred One Time Investment and 35 %Preferred through Systematic Investment Plan.

9. OCCUPATION OF THE INVESTORS IN MUTUAL FUND

Occupation	No. of Investors
Govt. Service	30
Pvt. Service	45
Business	30
Agriculture	4
Self Employed	6
Total	120



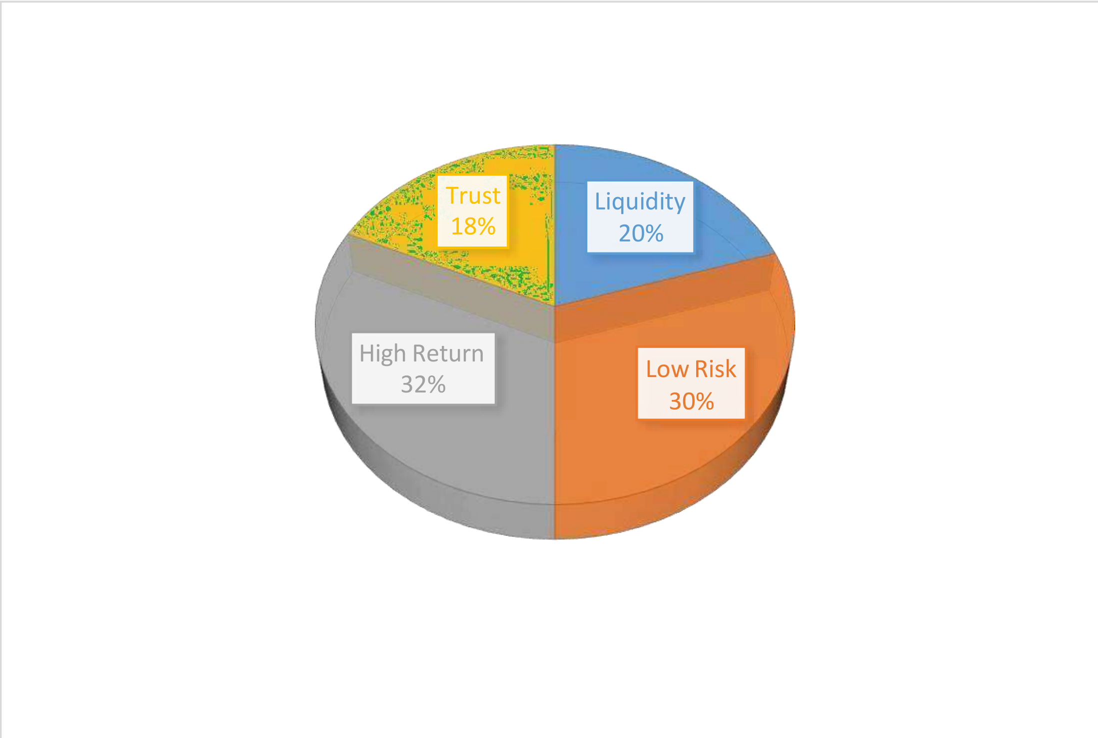
Occupation of the mutual fund

Interpretations:

In Occupation group out of 120 investors, 38% are Pvt. Employees, 25% are Businessman, 29% are Govt. Employees, 3% are in Agriculture and 5% are in others.

10. PREFERENCE OF FACTORS WHILE INVESTING

Factors	Liquidity	Low Risk	High Return	Trust	Total
No. of Respondents	40	60	64	36	200



Interpretations:

Out of 200 People, 32% People prefer to invest where there is High Return, 30% preferto invest where there is Low Risk, 20% prefer easy Liquidity and 18% prefer Trust

CHAPTER NO.5

FINDING OF STUDY

1. In Mutual Fund in the Age Group of 36-40 years were more in numbers. The second most Investors were in the age group of 41-45 years and the least were in the age group of below 30 years.

2. In Mutual Fund most of the Investors Were Graduate or Post Graduate and below HSC there were very few in numbers.

3. In Occupation group most of the Investors Were Govt. employees, the second most Investors Were Private employees and the least were associated with Agriculture.

4. In family Income group, between Rs. 20,001- 30,000 were more in numbers, the second most were in the Income group of more than Rs. 30,000 and the least were in the group of below Rs. 10,000.

5. About all the Respondents had a Saving A/c in Bank, 76% Invested in Fixed Deposits, only 60% Respondents invested in Mutual fund.

6. Mostly Respondents preferred High Return while investment, the second most preferred Low Risk then liquidity and the least preferred Trust.

7. Only 67% Respondents were aware about Mutual fund and its operations and 33% were not.

8. Among 200 Respondents only 60% had invested in Mutual Fund and 40% did not have invested in Mutual fund.

9. Out of 80 Respondents 81% were not aware of Mutual Fund, 13% told there is not any specific reason for not invested in Mutual Fund and 6%told there is likely to be higher risk in Mutual Fund.

10. 60% Investors preferred to Invest through Financial Advisors, 25%through AMC (means Direct Investment) and 15% through Bank.

11. 65% preferred One Time Investment and 35% preferred SIP out of both type of Mode of Investment.

12. For Future investment the maximum Respondents preferred Reliance Mutual Fund, the second most preferred ICICI Prudential, SBIMF has been preferred after them.

13. Maximum Number of Investors Preferred Growth Option for returns,

CHAPTER NO.6

SUGGESTIONS

14. The most vital problem spotted is of ignorance. Investors should be made aware of the benefits. Nobody will invest until and unless he is fully convinced. Investors should be made to realize that ignorance is no longer bliss and what they are losing by not investing.

15. Mutual funds offer a lot of benefit which no other single option could offer. But most of the people are not even aware of what actually a mutual fund is? They only see it as just another investment option. So the advisors should try to change their mindsets. The advisors should target for more and more young investors. Young investors as well as persons at the height of their career would like to go for advisors due to lack of expertise and time.

16. Mutual Fund Company needs to give the training of the Individual Financial Advisors about the Fund/Scheme and its objective, because they are the main source to influence the investors.

17. Before making any investment Financial Advisors should first enquire about the risk tolerance of the investors/customers, their need and time (how long they want to invest). By considering these three things they can take the customers into consideration.

18. Younger people aged under 35 will be a key new customer group into the future, so making greater efforts with younger customers who show some interest in investing should pay off.

19. Customers with graduate level education are easier to sell to and thereis a large untapped market there. To succeed however, advisors must provide sound advice and high quality.

20. Systematic Investment Plan (SIP) is one the innovative products launched by Assets Management companies very recently in the industry. SIP is easy for monthly salaried person as it provides the facility of do the investment in EMI.

CHAPTER NO.7

CONCLUSION OF RESEARCH

Running a successful Mutual Fund requires complete understanding of the peculiarities of the Indian Stock Market and also the psyche of the small investors. This study has made an attempt to understand the financial behavior of Mutual Fund investors in connection with the preferences of Brand (AMC), Products, and Channels etc.

- Many people have invested their money in mutual fund, according to my study out off 200 people, 120 peoples invests their money in Mutual Fund.
- Age group 36 to 40 years i.e. 25% are the people who are interested to invest in mutual fund and the least investors are of age group of below 30 years.
- "Brand" plays important role for the investment. People invest in those Companies where they have faith or they are well known with them. There are many AMCs but only some are performing well due to Brand awareness. Some AMCs are not performing well although some of the schemes of the mare giving good return because of not awareness about Brand. Reliance, UTI, SBIMF, ICICI Prudential etc. they are well known Brand, they are performing well and their Assets Under Management is larger than others whose Brand name are not well known like Principle etc.
- Many of people have fear of Mutual Fund. They think their money will not be secure in Mutual Fund. They need the knowledge of Mutual Fund and its related terms.
- Many of people do not have invested in mutual fund due to lack of awareness although they have money to invest. As the awareness and income is growing the number of mutual fund investors are also growing.

CHAPTER NO.8

BIBLIOGRAHY

NEWS PAPERS

- **TIMES OF INDIA**

MAGAZINE:

a. **OUTLOOK MONEY**

BOOK:

b. **MUTUAL FUND HAND BOOK**

WEBSITES:

c. **WWW.SBIMF.COM**

d. **WWW.MONEYCONTROL.COM**

e. **WWW.ONLINERESEARCHONLINE.COM**

f. **WWW. MUTUALFUNDSINDIA.COM**

g. **WWW.MUTUALFUNDINDIA,COM**

CHAPTER NO.9

ANNEXURE

❖ Questionnaire

h. Age: ______

i. What is your monthly family income approximately?

i. Below 10,000

B. 10,000 to 20,000

C. 20,000 to 50,000

D. 50,000 and above

j. Qualification
   i. Graduation/PG
   ii. Under Graduate
   iii. Others

k. If yes, how did you know about Mutual Fund?
   i. Advertisement
   ii. Financial Advisors
   iii. Banks

l. Are you aware about Mutual Funds and their operations?
   i. Yes
   ii. No

m. While investing your money, which factor will you prefer?

i. Liquidity
ii. Low Risk
iii. High Return
iv. Trust

n. Have you ever invested in Mutual Fund?
   i. Yes
   ii. No

o. If not invested in Mutual Fund, then why?
   i. Not aware of MF
   ii. Higher risk
   iii. Not any specific reason

p. If yes, in which Mutual Fund you have invested? All applicable.
   i. SBIMF
   ii. UTI HDFC
   iii. Reliance.
   iv. Kotak Other.
   v. Other Specify

q. If NOT invested in SBIMF, you do so because.
   i. You are not aware of SBIMF.
   ii. SBIMF gives less return compared to the others
   iii. Agent' Advice

r. Which Channel will you prefer while investing in Mutual Fund**?**
   i. Financial Advisor
   ii. Bank
   iii. AMC

s. When you invest in Mutual Funds which mode ofinvestment will you prefer?
   i. One Time Investment
   ii. Systematic Investment Plan (SIP)

t. What kind of Occupation?
   i. Govt. Ser
   ii. Pvt. Ser
   iii. Business
   iv. Agriculture
   v. Others