<u>**A Project Report on**</u>

“A STUDY ON INDIVIDUAL PERCEPTION & CONSUMER BEHAVIOR ON SBI MUTUAL FUND, NAGPUR"

Submitted to:

DMSR

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

In partial fulfillment for the award of the degree of

Master of Business Administration

Submitted by:

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Under the Guidance of:

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NAAC Accredited “A” Grade Institution

Academic Year 2022-2023

Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

CERTIFICATE

This is to certify that **Mis. Damini Eknathrao Bhujade** has submitted the project report titled, **"A STUDY ON INDIVIDUAL PERCEPTION & CONSUMER BEHAVIOR ON SBI MUTUAL FUND, NAGPUR"**, towards the partial fulfilment of **MASTER 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 she has ingeniously completed her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

Dr. Afsar Sheikh | **Dr. Sonali Gadekar**
(Project Guide) | **(Co-ordinator)**

Place: Nagpur
Date:

Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

DECLARATION

I here-by declare that the project with title **"A STUDY ON INDIVIDUAL PERCEPTION & CONSUMER BEHAVIOR ON SBI MUTUAL FUND, NAGPUR"** has been completed by me in partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to 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 under taken by me.

Mis. Damini Eknathrao Bhujade

Place: Nagpur
Date:

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Academic Year 2022-2023

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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.

Mis. Damini Eknathrao Bhujade

Place: Nagpur
Date:

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INTRODUCTION

INTRODUCTION OF MUTUAL FUND

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 enjoyeda 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.

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 are 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".

A mutual fund is a scheme in which several people invest their money for a common financial cause. The collected money invests in the capital market and the money, which they earned, is divided based on the number of units, which they hold.

The mutual fund industry started in India in a small way with the UTI Act creating what was effectively a small savings division within the RBI. Over a period of 25 years this grew fairly successfully and gave investors a good return, and therefore in 1989, as the next logical step, public sector banks and financial institutions were allowed to float mutual funds and their success emboldened the government to allow the private sector to foray into this area.

The advantages of mutual fund are professional management, diversification, economies of scale, simplicity, and liquidity.
The disadvantages of mutual fund are high costs, over-diversification, possible tax consequences, and the inability of management to guarantee a superior return.

The biggest problems with mutual funds are their costs and fees it includes Purchase fee, Redemption fee, Exchange fee, Management fee, Account fee & Transaction Costs. There are some loads which add to the cost of mutual fund. Load is a type of commission depending on the type of funds.

Mutual funds are easy to buy and sell. You can either buy them directly from the fund company or through a third party. Before investing in any funds, one should consider some factor like objective, risk, Fund Manager’s and scheme track record, Cost factor etc.
There are many, many types of mutual funds. You can classify funds-based Structure (open-ended & close-ended), Nature (equity, debt, balanced), Investment objective (growth, income, money market) etc.

A code of conduct and registration structure for mutual fund intermediaries, which were subsequently mandated by SEBI. In addition, this year AMFI was involved in a number of developments and enhancements to the regulatory framework.

The most important trend in the mutual fund industry is the aggressive expansion of the foreign owned mutual fund companies and the decline of the companies floated by nationalized banks and smaller private sector players.

Reliance Mutual Fund, UTI Mutual Fund, ICICI Prudential Mutual Fund, HDFC Mutual Fund and Birla Sun Life Mutual Fund are the top five mutual fund company in India.

Reliance mutual funding is considered to be most reliable mutual funds in India. People want to invest in this institution because they know that this institution will never dissatisfy them at any cost. You should always keep this into your mind that if particular mutual funding scheme is on larger scale, then next time, you might not get the same results so being a careful investor you should take your major step diligently otherwise you will be unable to obtain the high returns.

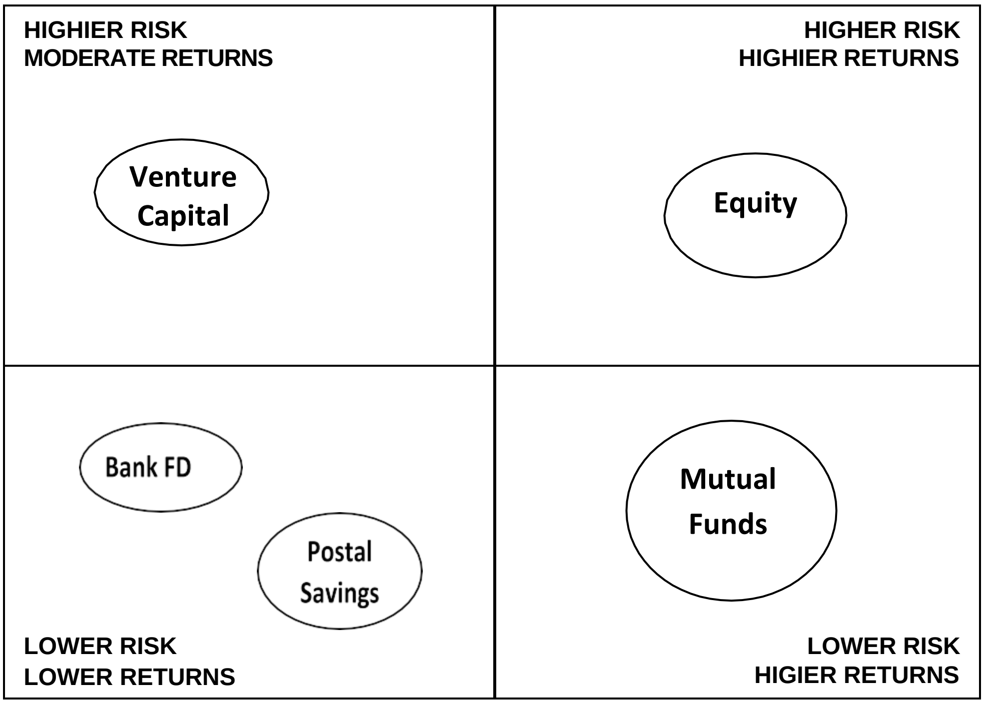
Why Select Mutual Fund?

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 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.

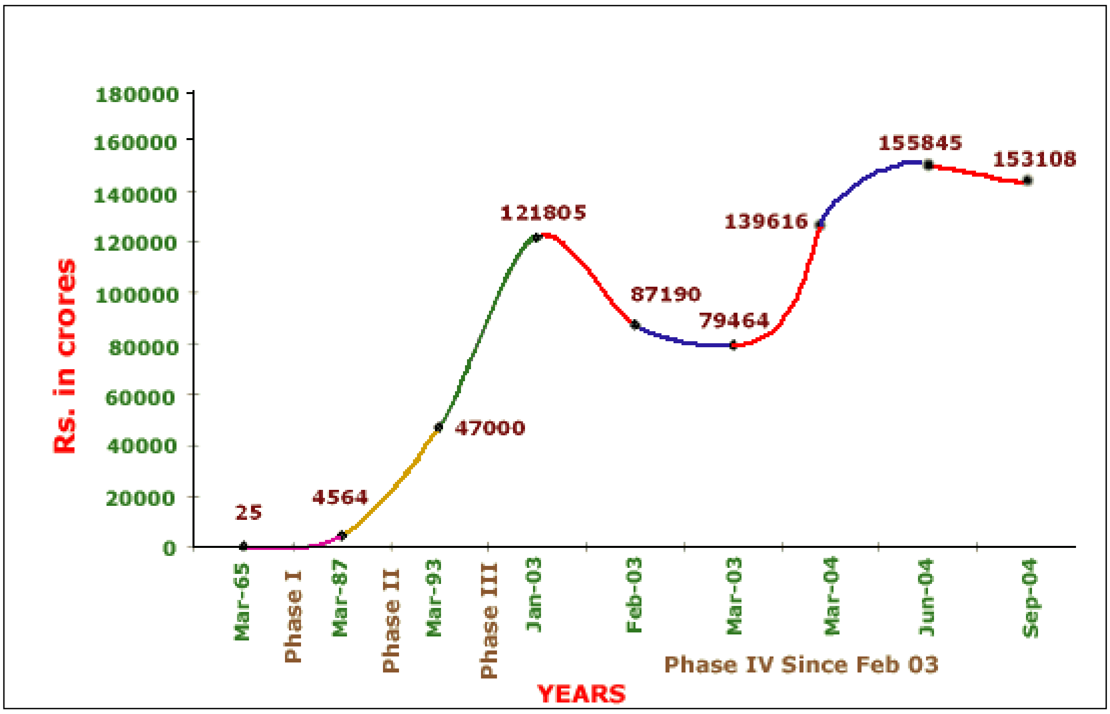
This is because the money that is pooled in are not invested only in debts funds which are less risky but are also invested in the stock markets which involves a higher risk but can expect higher returns. Hedge fund involves a very high risk since it is mostly traded in the derivatives market which is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

RETURN RISK MATRIX



The graph indicates the growth of assets under management over the years.

GROWTH IN ASSETS UNDER MANAGEMENT



(Source: www.amfiindia.com)

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. Reduction/Diversification of Risk:

When an investor invests directly, all the risk of potential loss is his own, whether he places a deposit with a company or a bank, or he buys a share or debenture on his own or in any other from. While investing in the pool of funds with investors, the potential losses are also shared with other investors. The risk reduction is one of the most important benefits of a collective investment vehicle like the mutual fund.

4. Convenience And Flexibility:

Mutual fund management companies offer many investor services that a direct market investor cannot get. Investors can easily transfer their holding from one scheme to the other; get updated market information and so on.

5. Reduction Of Transaction Costs:

What is true of risk as also true of the transaction costs. The investor bears all the costs of investing such as brokerage or custody of securities. When going through a fund, he has the benefit of economies of scale; the funds pay lesser costs because of larger volumes, a benefit passed on to its investors.

6. 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.

7. 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. 9,000 from 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 theschemes are not subject to Wealth-Tax and Gift-Tax.

8. Choice of Schemes:

Mutual Funds offer a family of schemes to suit your varying needs over a lifetime.

9. Well Regulated:

All Mutual Funds are registered with SEBI and they function within the provisions of strict regulations designed to protect the interests of investors. The operations of Mutual Funds are regularly monitored by SEBI.

10. Transparency:

You get regular information on the value of your investment in addition to disclosure on the specific investments made by your scheme, the proportion invested in each class of assets and the fund manager's investment strategy and outlook.

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 fund, albeit in return 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 Tailor-Made Portfolio:

Investors who invest on their own can build their own portfolios of shares and bonds and other securities. Investing through fund means he delegates this decision to the fund managers. The very-high-net-worth individuals or large corporate investors may find this to be a constraint in achieving their objectives. However, most mutual fund managers help investors overcome this constraint by offering families of funds- a large number of different schemes- within their own management company. An investor can choose from different investment plans and constructs a portfolio to his choice.

3. Managing A Portfolio of Funds:

Availability of a large number of funds can actually mean too much choice for the investor. He may again need advice on how to select a fund to achieve his objectives, quite similar to the situation when he has individual shares or bonds to select.

4. The Wisdom of Professional Management:

That's right, this is not an advantage. The average mutual fund manager is no better at picking stocks than the average nonprofessional, but charges fees.

5. No Control:

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

6. Dilution:

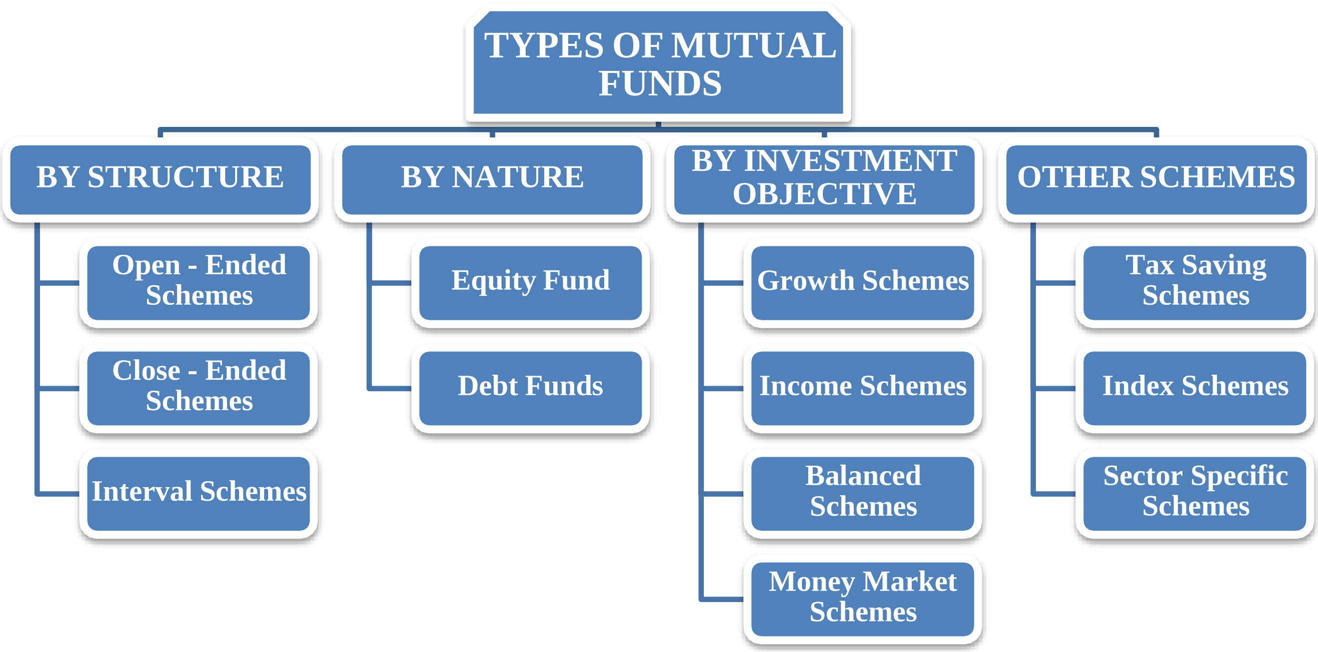
Mutual funds generally have such small holdings of so many different stocks that insanely great performance by a fund's top holdings still doesn't make much of a difference in a mutual fund's total performance.

7. Buried Costs:

Many mutual funds specialize in burying their costs and in hiring salesmen who do not make those costs clear to their clients.

TYPES OF MUTUAL FUNDS SCHEMES

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.



A). BY STRUCTURE

1. 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.

2. 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.

3. 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.

B). **BY NATURE**

1. 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)

Equity investments are meant for a longer time horizon; thus, Equity funds rank high on the risk-return matrix.

2. 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.

- **MIPs**: Invests maximum of their total corpus in debt instruments while they take minimum exposure in equities. It gets benefit of both equity and debt market. These scheme ranks slightly high on the risk-return matrix when compared with other debt schemes.

- **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.

- **Liquid Funds**: Also known as Money Market Schemes, these funds provide easy liquidity and preservation of capital. These schemes invest in short-term instruments like Treasury Bills, inter-bank call money market, CPs and CDs. These funds are meant for short-term cash management of corporate houses and are meant for an investment horizon of 1day to 3 months. These schemes rank low on risk-return matrix and are considered to be the safest amongst all categories of mutual funds.

3. 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.

Further the mutual funds can be broadly classified on the basis of investment parameter viz

Each category of funds is backed by an investment philosophy, which is pre-defined in the objectives of the fund. The investor can align his own investment needs with the funds objective and invest accordingly.

C). 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 for possible future appreciation.

Income Schemes:

Income Schemes are also known as debt schemes. The aim of these schemes is to provide regular and steady income to investors. These schemes generally invest in fixed income securities such as bonds and corporate debentures. Capital appreciation in such schemes may 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 documents (normally 50:50).

Money Market Schemes:

Money Market Schemes aim to provide easy liquidity, preservation of capital and moderate income. These schemes generally invest in safer, short-term instruments, such as treasury bills, certificates of deposit, commercial paper and inter-bank call money.

Load Funds:

A Load Fund is one that charges a commission for entry or exit. That is, each time you buy or sell units in the fund, a commission will be payable. Typically, entry and exit loads range from 1% to 2%. It could be worth paying the load, if the fund has a good performance history.

No-Load Funds:

A No-Load Fund is one that does not charge a commission for entry or exit. That is, no commission is payable on purchase or sale of units in the fund. The advantage of a no-load fund is that the entire corpus is put to work.

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 weightage. And hence, the returns from such schemes would be more or less equivalent to those of the Index.

Sector Specific Schemes:

These are the funds/schemes which invest in the securities of only those sectors or industries as specified in the offer documents. e.g., Pharmaceuticals, Software, Fast Moving Consumer Goods (FMCG), Petroleum stocks, etc. The returns in these funds are dependent on the performance of the respective sectors/industries. While these funds may give higher returns, they are riskier compared to diversified funds. Investors need to keep a watch on the performance of those sectors/industries and must exit at an appropriate time.

NET ASSET VALUE (NAV):

Since each owner is a part owner of a mutual fund, it is necessary to establish the value of his part. In other words, each share or unit that an investor holds needs to be assigned a value. Since the units held by investor evidence the ownership of the fund's assets, the value of the total assets of the fund when divided by the total number of units issued by the mutual fund gives us the value of one unit. This is generally called the **Net Asset Value (NAV)** of one unit or one share. The value of an investor's part ownership is thus determined by the NAV of the number of units held.

Calculation of NAV:

Let us see an example. If the value of a fund's assets stands at Rs. 100 and it has 10 investors who have bought 10 units each, the total numbers of units issued are 100, and the value of one unit is Rs. 10.00 (1000/100). If a single investor in fact owns 3 units, the value of his ownership of the fund will be Rs. 30.00(1000/100*3). Note that the value of the fund's investments will keep fluctuating with the market-price movements, causing the Net Asset Value also to fluctuate. For example, if the value of our fund's asset increased from Rs. 1000 to 1200, the value of our investors holding of 3 units will now be (1200/100*3) Rs. 36. The investment value can go up or down, depending on the markets value of the fund's assets.

SELECTION PARAMETERS FOR MUTUAL FUND

Objective of customer:

The first point to note before investing in a fund is to find out whether your objective matches with the scheme. It is necessary, as any conflict would directly affect your prospective returns. Similarly, you should pick schemes that meet your specific needs. Examples: pension plans, children’s plans, sector-specific schemes, etc.

Your risk capacity and capability:

This dictates the choice of schemes. Those with no risk tolerance should go for debt schemes, as they are relatively safer. Aggressive investors can go for equity investments. Investors that are even more aggressive can try schemes that invest in specific industry or sectors.

Fund Manager’s and scheme track record:

Since you are giving your hard-earned money to someone to manage it, it is imperative that he manages it well. It is also essential that the fund house you choose has excellent track record. It also should be professional and maintain high transparency in operations. Look at the performance of the scheme against relevant market benchmarks and its competitors. Look at the performance of a longer period, as it will give you how the scheme fared in different market conditions.

Cost factor:

Though the AMC fee is regulated, you should look at the expense ratio of the fund before investing. This is because the money is deducted from your investments. A higher entry load or exit load also will eat into your returns. A higher expense ratio can be justified only by superlative returns. It is very crucial in a debt fund, as it will devour a few percentages from your modest returns.

Also, Morningstar rates mutual funds. Each year end, many financial publications list the year's best performing mutual funds. Naturally, very eager investors will rush out to purchase shares of last year's top performers. That's a big mistake. Remember, changing market conditions make it rare that last year's top performer repeats that ranking for the current year. Mutual fund investors would be well advised to consider the fund prospectus, the fund manager, and the current market conditions. Never rely on last year's top performers.

Types of Returns on Mutual Fund:

There are three ways, where the total returns provided by mutual funds can be enjoyed by investors:

- Income is earned from dividends on stocks and interest on bonds. A fund pays out nearly all income it receives over the year to fund owners in the form of a distribution.
- If the fund sells securities that have increased in price, the fund has a capital gain. Most funds also pass on these gains to investors in a distribution.

If fund holdings increase in price but are not sold by the fund manager, the fund's shares increase in price. You can then sell your mutual fund shares for a profit. Funds will also usually give you a choice either to receive a check for distributions or to reinvest the earnings and get more shares.

LITERATURE REVIEW

I. LITERATURE REVIEW

Dr. Ravi Vyas,

conducted study on mutual fund investor's behavior and perception in Indore city It was found that mutual funds were not that much known to investors, still investor rely upon bank and post office deposits, most of the investor used to invest in mutual fund for not more than 3 years and they used to quit from the fund which was not giving desired results. Equity option and SIP mode of investment were on top priority in investors' list. It was also found that maximum number of investors did not analyze risk in their investment and they were depending upon their broker and agent.

Dr. Binod Kumar Singh

In this paper, structure of mutual fund, operations of mutual fund, comparison between investment in mutual fund and bank and calculation of NAV etc. have been considered. In this paper, the impacts of various demographic factors on investors' attitude towards mutual fund have been studied. For measuring various phenomena and analyzing the collected data effectively and efficiently for drawing sound conclusions, Chi-square () test has been used and for analyzing the various factors responsible for investment in mutual funds, ranking was done on the basis of weighted scores and scoring was also done on the basis of scale. The study shows that most of respondents are still confused about the mutual funds and have not formed any attitude towards the mutual fund for investment purpose. It has been observed that most of the respondents having lack of awareness about the various function of mutual funds. Moreover, as far as the demographic factors are concerned, gender, income and level of education have significantly influenced the investors'' attitude towards mutual funds. On the other hand, the other two demographic factors like age and occupation have not been found influencing the attitude of investors'' towards mutual funds. As far as the benefits provided by mutual funds are concerned, return potential and liquidity have been perceived to be most attractive by the invertors' followed by flexibility, transparency and affordability. Apart from the above, in India there is a lot of scope for the growth of mutual fund International Journal of Research in Management ISSN 2249-5908 Issue2, Vol. 2 (March-2012) Page 68 companies provided that the funds satisfy everybody's needs and sharp improvements in service standards and disclosure.

Prof Gauri Prabhu, Dr N.M. Vechalekar

Mutual Funds provide a platform for a common investor to participate in the Indian capital market with professional fund management irrespective of the amount invested. The Indian mutual fund industry is growing rapidly and this is reflected in the increase in Assets under management of various fund houses. Mutual fund investment is less risky than directly investing in stocks and is therefore a safer option for risk averse investors. Monthly Income Plan funds offer monthly returns and invest majorly in debt-oriented instruments with little exposure to. However, it has been observed that most of the investors are not aware of the benefits of investment in mutual funds. This is reflected from the study conducted in this research paper. This paper makes an attempt to identify various factors affecting perception of investors regarding investment in Mutual funds. Thefindings

will help mutual fund companies to identify the areas required for improvement in order to create greater awareness among investors regarding investment in mutual funds.

Dr. Shantanu Mehta, Charmi Shah

The survey is undertaken of 100 educated investors of Ahmedabad and Baroda city and the major findings reveal the major factors that influence buying behavior mutual funds investors, sources that investor rely more while making investment and preferable mode to invest in mutual funds market. The study will be immensely useful to the AMC'; s, Brokers, distributors and to the other potential investors and last but not least to academician as well.

Gaurav Agrawal & Dr. Mini Jain

In today's competitive environment, different kinds of investment avenues are available to the investors. All investment modes have advantages & disadvantages. An investor tries to balance these benefits and shortcomings of different investment modes before investing in them. Among various investment modes, Mutual Fund is the most suitable investment mode for the common man, as it offers an opportunity to invest in a diversified and professionally managed portfolio at a relatively low cost. In this paper, an attempt is made to study mainly the investment avenue preferred by the investors of Mathura, and we have tried to analyze the investor's preference towards investment in mutual funds when other investment avenues are also available in the market.

R Padmaja

A mutual fund is a type of professionally-managed collective investment vehicle that pools money from many investors to purchase securities. As there is no legal definition of mutual fund, the term is frequently applied only to those collective investments that are regulated, available to the general public and open-ended in nature. Mutual funds have both advantages and disadvantages compared to direct investing in individual securities. Today they play an important role in household finances. So, the present study aims at consumer behavior towards mutual funds with special reference to ICICI Prudential Mutual Funds Limited, Vijayawada. Data was collected through primary and secondary sources. Primary data was collected through structured questionnaire. Convenience sampling method was used to collect the data and entire study was conducted in Vijayawada City. The study explains about investors' awareness towards mutual funds, investor perceptions, their preferences and the extent of satisfaction towards mutual funds. Some suggestions were also made to increase the awareness towards mutual funds and measures to select appropriate mutual funds to maximize the returns.

Dr. D. Rajasekar

―A Study on Investor's preference of mutual funds with reference to reliance private limited‖ a project which is mainly carried out to know about the investor's perception with regard to their profile, income, savings pattern, investment patterns and their personality traits. In order to

understand the level of investor's preference, a survey was conducted taking in to consideration various parameters involved in investors decision making. For the purpose of evaluation, a questionnaire survey method was selected keeping in mind objectives of the study. The data was collected from primary and secondary sources. The primary sources were collected from the investors who invested in various avenues. The secondary sources are from books, journals and internet. Since the investor population is vast a sample size of 150 was taken for the project. The data was analyzed using the statistical tools like percentage analysis, chi square, weighted average. The report was concluded with findings and suggestions and summary. From the findings, it was inferred overall that the investor are highlyconcerned about safety and growth and liquidity of investments. Most of the respondents are highly satisfied with the benefits and the service rendered by the reliance mutual funds.

Dr. Geeta Kesavaraj

The researcher carried out the study with the aim to measure the ―Customer Perception towards various types of Mutual Funds". It focuses its attention towards the possibilities of measuring the expectations and satisfaction level of more mutual fund products. It also aims to suggest techniques to improve the present level of perception. The study will help the firm in understanding the expectations, future needs and requirements and complaints of the consumers. The study had been dedicated mainly towards the promotion of product or concept in the Market. The researcher used the Descriptive type of research design in her study. The researcher used the Primary data collection method in her study by framing a structured Questionnaire. The researcher went with convenient type of sampling method in her study. The sample is taken as 204 by the researcher. For the purpose of Analysis and Interpretation the researcher used the following statistical tools namely Simple Percentage Analysis, Chi-Square Test, Karl Pearson's Correlation and One-way Anova. Based on the Analysis and Interpretation the researcher arrived out with the major findings in her study and Suggestions are given in such a way so that the customers can attain the wealth maximization [Geeta Kesavaraja,

Y. Prabhavathi, N.T. Krishna Kishore

The advent of Mutual Funds changed the way the world invested their money. The start of Mutual Funds gave an opportunity to the common man to hope of high returns from their investments when compared to other traditional sources of investment. The main focus of the study is to understand the attitude, awareness and preferences of mutual fund investors. Most of the respondents prefer systematic investment plans and got their source of information primarily from banks and financial advisors. Investors preferred mutual funds mainly for professional fund management and better returns and assessed funds mainly through Net Asset Values and past performance [Prabhavathi & Krishna Kishore,

Pritam P. Kothari & Shivganga C. Mindargi

This study analyzes the impact of different demographic variables on the attitude of investors towards mutual funds. Apart from this, it also focuses on the benefits delivered by mutual funds to investors. To this end, 200 respondents of Solapur City, having different demographic profiles were surveyed. The study reveals that the majority of investors have still not formed any attitude towards mutual fund investments [Pritam P. Kothari & Shivganga C. Mindargi,

Dhimen Jagdish Bhai Jani, Bhautik Alpesh Kumar Patel & Rajeev V. Jain

This study focused on the consumer's perception towards mutual fund as an investment option in Valsad city from Gujarat. They revealed that Consumers perception were positive toward investment in mutual funds [Dhimen Jagdish Bhai Jani et al.,

COMPANY PROFILE

COMPANY PROFILE

State Bank of India (**SBI**) is an Indian multinational public sector bank and financial services statutory body headquartered in Mumbai, Maharashtra. SBI is the 43rd largest bank in the world and ranked 221st in the *Fortune Global 500* list of the world's biggest corporations of 2020, being the only Indian bank on the list. It is a public sector bank and the largest bank in India with a 23% market share by assets and a 25% share of the total loan and deposits market. [It is also the fifth largest employer in India with nearly 250,000 employees.

The bank descends from the Bank of Calcutta, founded in 1806 viathe Imperial Bank of India, making it the oldest commercial bank in the Indian Subcontinent. The Bank of Madras merged into the other two presidency banks in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955. Overall, the bank has been formed from the merger and acquisition of nearly twenty banks over the course of its 200-year history. The Government ofIndia took control of the Imperial Bank of India in 1955, with Reserve Bank of India (India's central bank) taking a 60% stake, renaming it State Bank of India.

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

2.1.1 TYPE OF RESEARCH

This study falls into the category of descriptive research as it is concerned with describing the behavior of retail investors‟ and seeking an insight into their opinion about and preference amongst various available investment options.

2.1.2 SAMPLING DESIGN

2.1.2.1 Type of universe

The sample taken for this study comprises of retail investors ‟, which technically falls into an infinite universe – reason the total investor base of this city is quite large & keeps changing. Due to time constraints, it was impractical to cover the entire investor base.

2.1.2.2. Sample unit

The sample size was 250 investors pertaining to certain parts of Amravati city

2.1.2.3. Sampling procedure

The technique of convenience sampling was adopted as with the aid of few stock brokers only those clients who were available during trading sessions and seemed co-operative were given a copy of the questionnaire to be filled up.

2.3. SOURCES OF DATA COLLECTION

The Present study is based upon both secondary and primary data.

2.3.1. The primary data:

The primary data has been collected by means of survey technique with the usage of a questionnaire as a survey tool. The questionnaires were distributed with the help of few stock brokers and the nature of the study was explained to the 100 sample respondents. The responses generated from completed questionnaires made it feasible for the researcher to obtain the necessary information and carry out further analysis. The questionnaire contained 12 questions pertaining to the stated research objectives.

2.3.2. The secondary data:

The secondary data used was taken from reliable sources from the World Wide Web and certain financial journal(s) and used as a support to the main theme of the study.

2.4. STATISTICAL tools adopted

Around five statistical tools were used in order to analyze the primary data. They are

1. Percentage Analysis
2. Descriptive Statistics

OBJECTIVES:

- To study investor's view towards SBI mutual fund investment
- To study investment awareness about various mutual fund available.
- To study the impact of agent in selecting the right mutual fund.
- To study the interest in Lump sum/ STP Investment.

HYPOTHESIS

The Hypotheses of Current Studies are: -

- SBI Mutual fund is the best investment & growth of asset.
- Investor Prefer agent over direct purchase due to lack of knowledge & documentation.

SCOPE OF PROJECT:

The purpose of this study is to identify the investment behavior of retail investors, their opinion towards mutual funds in comparison to other investment avenues. The study will be beneficial to the organization, as this study focusing on retail investors; will reveal an opportunity to utilize potential investible funds.

LIMITATIONS OF THE STUDY:

- Sample size of 250 is a limitation; the findings may differ with higher sample size.
- Only educated group is targeted here.

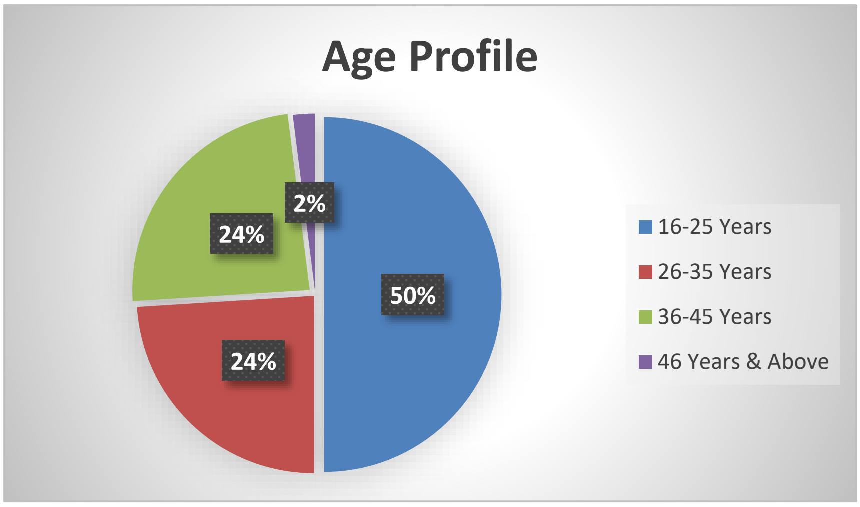
DATA ANALYSIS

DATA ANALYSIS

The given below is the Primary Analysis i.e., one variable analysis of the questionnaire.

1. The age profiles

Scale	No. Of Respondents	Percentage
16-25 Years	125	50%
26-35Years	60	24%
36-45 Years	60	24%
46 Years and Above	5	2%
Total	250	100%

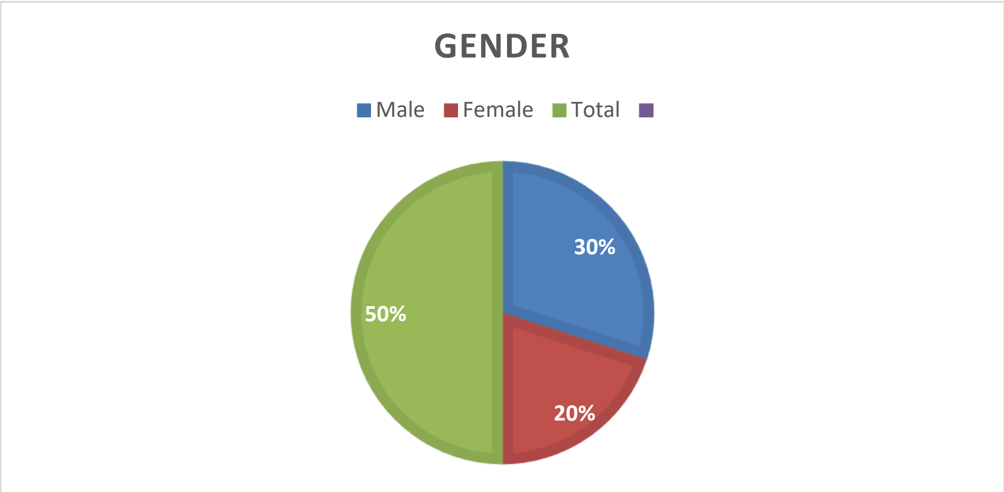


INTERPRETATION: -

From the above table it was noted that 16-25 Years of age group constituted 50% of the total respondents, 26-35 Years of age group constituted to 24% of the total respondents, 36-45 Years of age group constituted only 24% of the total respondents, and 46 years and above age groups also constituted on 2% of the total respondents.

2. Showing gender profile

Gender	No. Of Respondents	Percentage
Male	150	60%
Female	100	40%
Total	250	100%



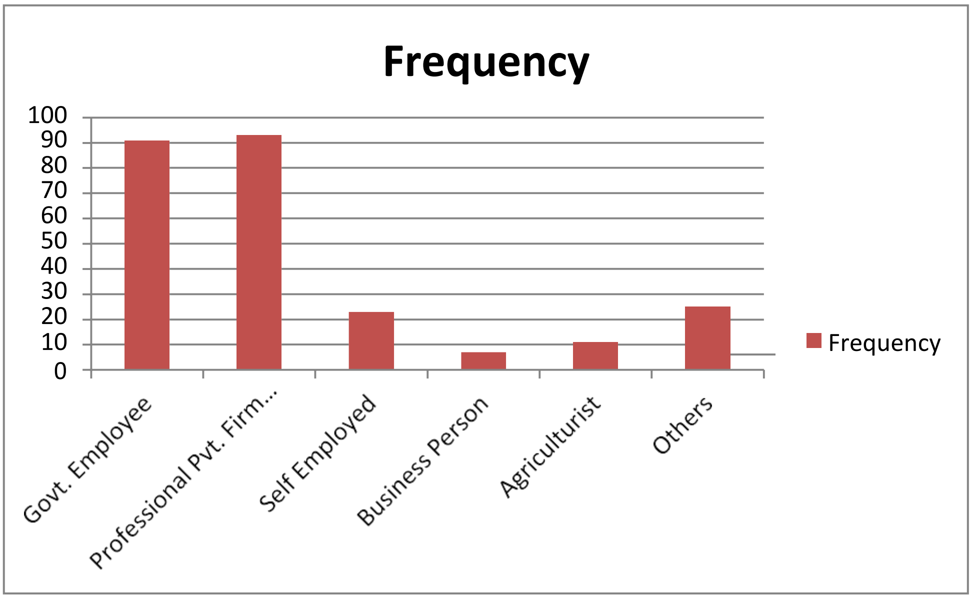
INTERPRETATION: -

From the above table it was noted that 60% of the respondents fall in to the category of Male and 40% of the respondents fall into the category of Female.

3. You belong to which one of the following categories:

	Frequency	Percent
Govt. Employee	91	37.0
ProfessionalPvt. Firm Employee	93	38.0
Self Employed	23	9.0%

Business Person	7	2%
Agriculturist	11	4.0%
Others	25	10.0
Total	250	100%

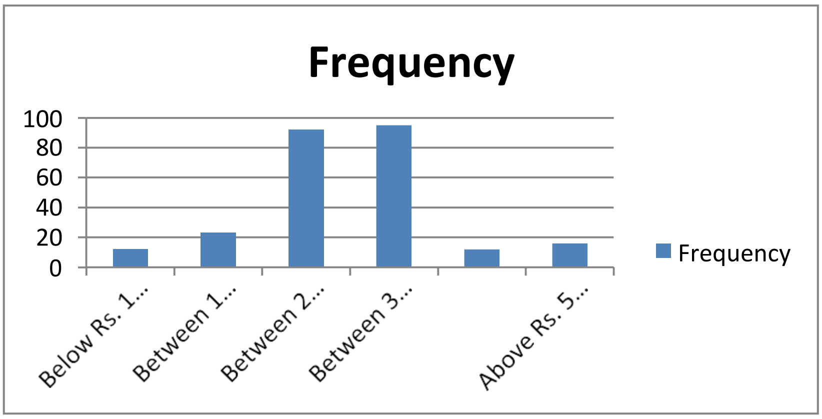


INTERPRETATION: -

Out of the 91 People Govt. Employee, 93 People Professional Pvt. Firm Employee, 23 People Self Employed, 7 People Business Person, 11 Person Agriculturist, 25 People Others.

4. Your annual income is in the range of:

	Frequency	Percent
Below Rs. 1 Lakh	12	4.0
Between 1 Lakh to 2 Lakh	23	9.0
Between 2 Lakh to 3 Lakh	92	38.0
Between 3 Lakh to 4 Lakh	95	39.0
Between 4 Lakh to 5 Lakh	12	4.0
Above Rs. 5 Lakh	16	6.0
Total	250	100.0

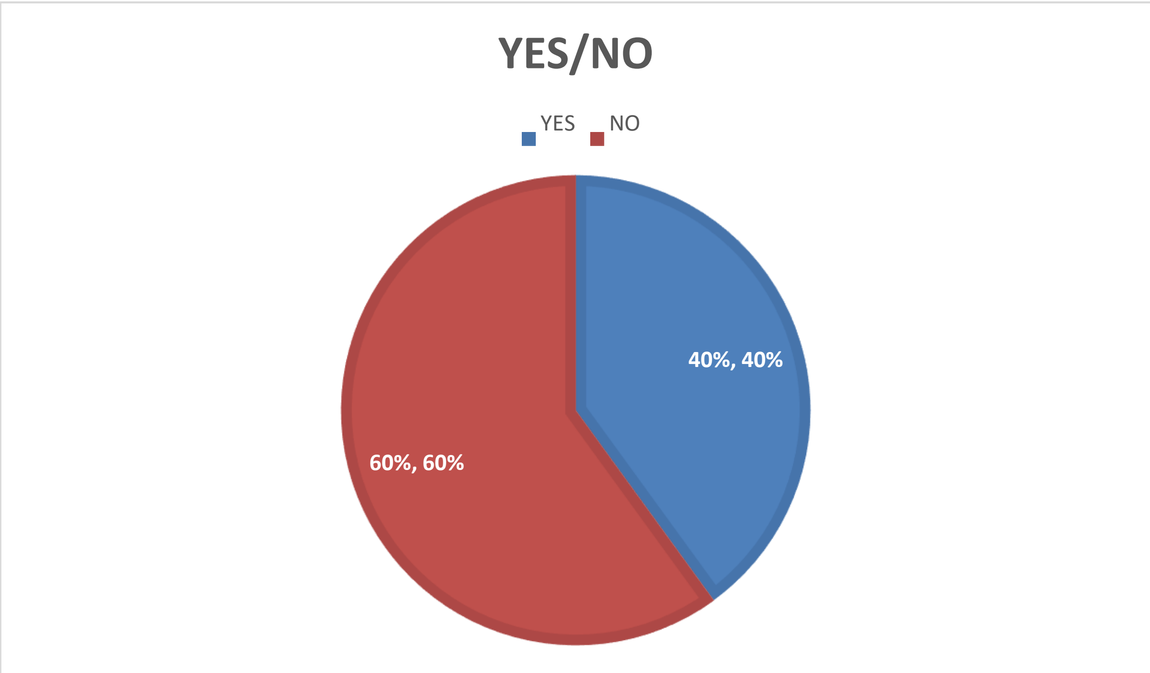


INTERPRETATION: -

Out of the 12 People income Below Rs. 1 Lakh, 23 people income Between 1 Lakh to 2 Lakh, 92 People Between 2 Lakh to3 Lakh, 95 people Between 3 Lakh to 4 Lakh, 12 people Between 4 Lakh to 5 Lakh, 16 people Above Rs. 5 Lakh.

5. Are you invested in SBI Mutual Fund?

	Frequency	Percent	Cumulative Percent
Yes	100	40.0	40.0
No	150	60.0	100.0
	250	100.0	



INTERPRETATION: -

From the above table it was noted that 60% of the respondents invested in SBI mutual fund and 40% of the respondents not invest in SBI Mutual Fund.

6. Which SBI mutual fund scheme have you used?

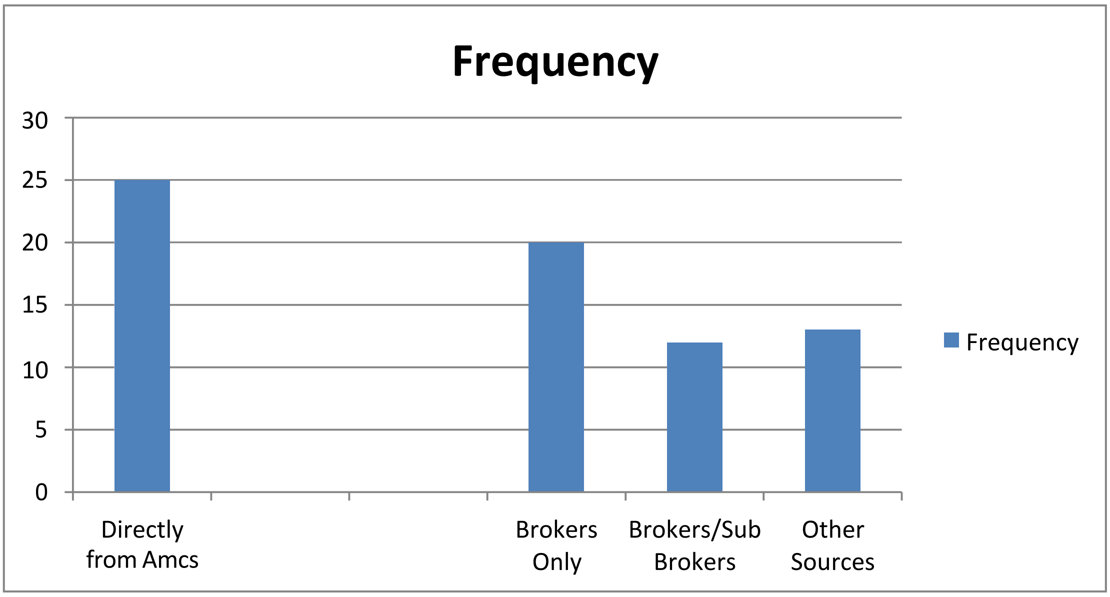
	Frequency	Percent	Cumulative Percent
Multi cap fund	50	20%	25
Large cap fund	40	16%	45
Mid Cap	50	20%	57
Small Cap Mutual Fund	50	20%	70
ELSS	60	24%	100
Total	250	100%	

INTERPRETATION: -

30% of the respondents prefer investors invest in ELSS Mutual Fund, whereas 70% of the respondents prefer another Mutual Fund.

7. Where from you purchase SBI Mutual Fund?

	Frequency	Percent	Cumulative Percent
Directly from Amcs	50	20%	25
Brokers Only	80	32%	45
Brokers/Sub Brokers	60	24%	57
Other Sources	60	24%	70
Total	250	100%	

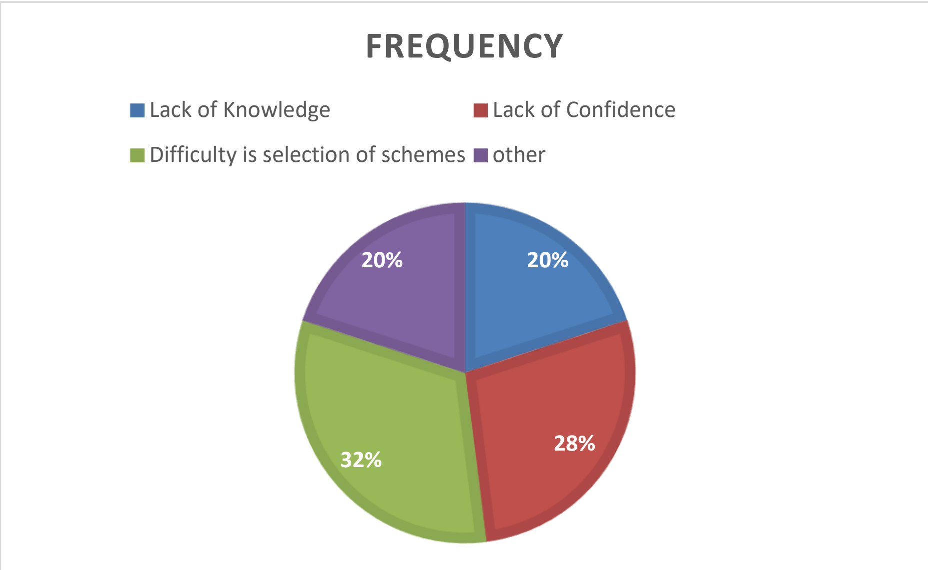


INTERPRETATION: -

From the above table it was noted that 25% of the respondents purchase mutual fund from directly AMCS, 20% from Brokers, 12% from sub Brokers and 13% of the respondents purchase from Other sources.

8. Which factor prevent you to invest directly in SBI mutual fund.

	Frequency	Percent	Cumulative Percent
Lack of Knowledge	50	20%	25
Lack of confidence	70	28%	45
Difficulty is selection of schemes	80	32%	57
Other	50	20%	70
Total	250	100%	

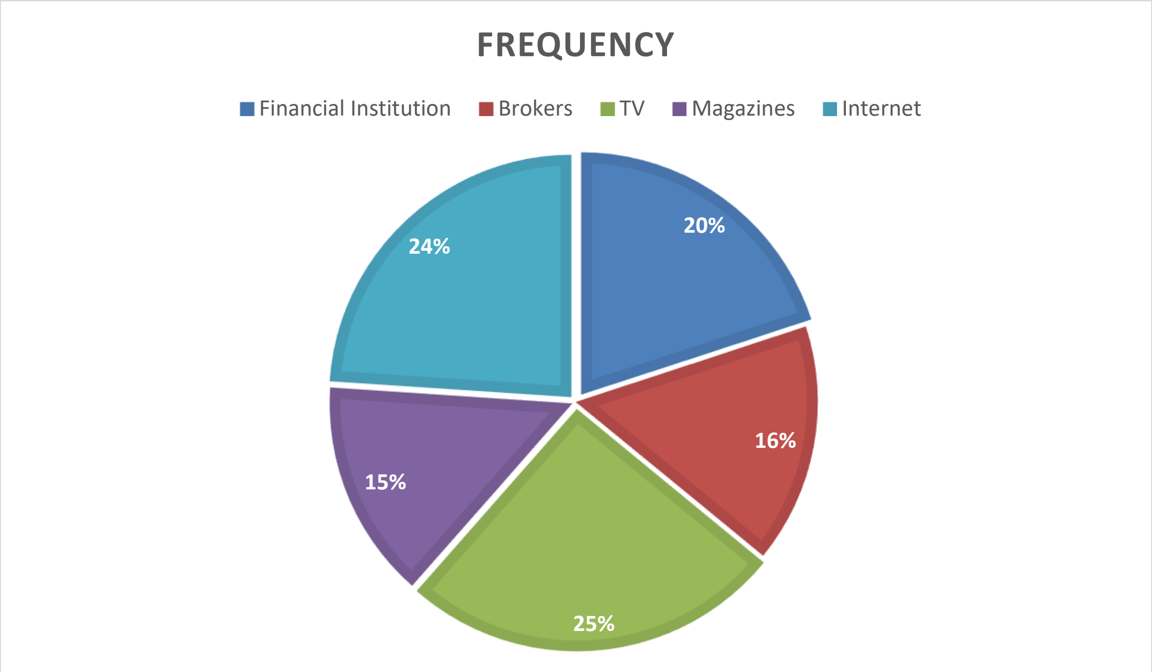


INTERPRETATION: -

From the above table it was noted that 20% of the respondents says that Lack of knowledge, 28% respondent says that Lack of confidence, 32 % says that difficulty of selection & 20% says another factor.

9. Where do you gather information about the performance of different mutual fund scheme?

	Frequency	Percent	Cumulative Percent
Financial Institution	50	20%	25
Brokers	40	16%	45
TV	64	25.6%	57
Magazines	36	14.6%	70
Internet	60	24%	100
Total	250	100%	

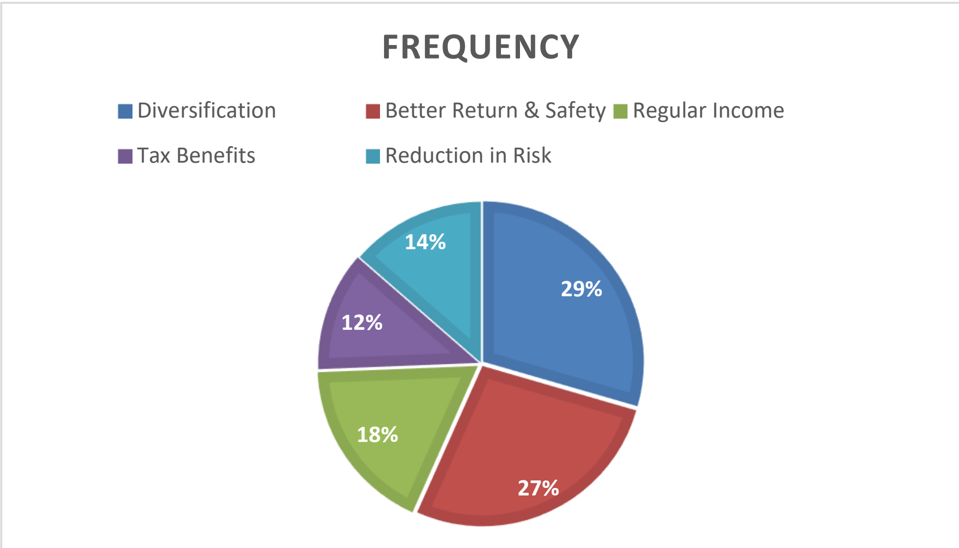


INTERPRETATION: -

From the above table it was noted that 20% of the respondents says that financial institution, 16% respondent says that from brokers, 25.6 % says that TV, 14.6% says that from Magazines & 24% says that from Internet.

10. Which features of the SBI mutual fund aware you most?

	Frequency	Percent	Cumulative Percent
Diversification	65	26%	20
Better return & safety	60	24%	50
Regular Income	39	15.6%	57
Tax Benefits	26	10.6%	70
Reduction in risk	60	12%	100
Total	250	100%	

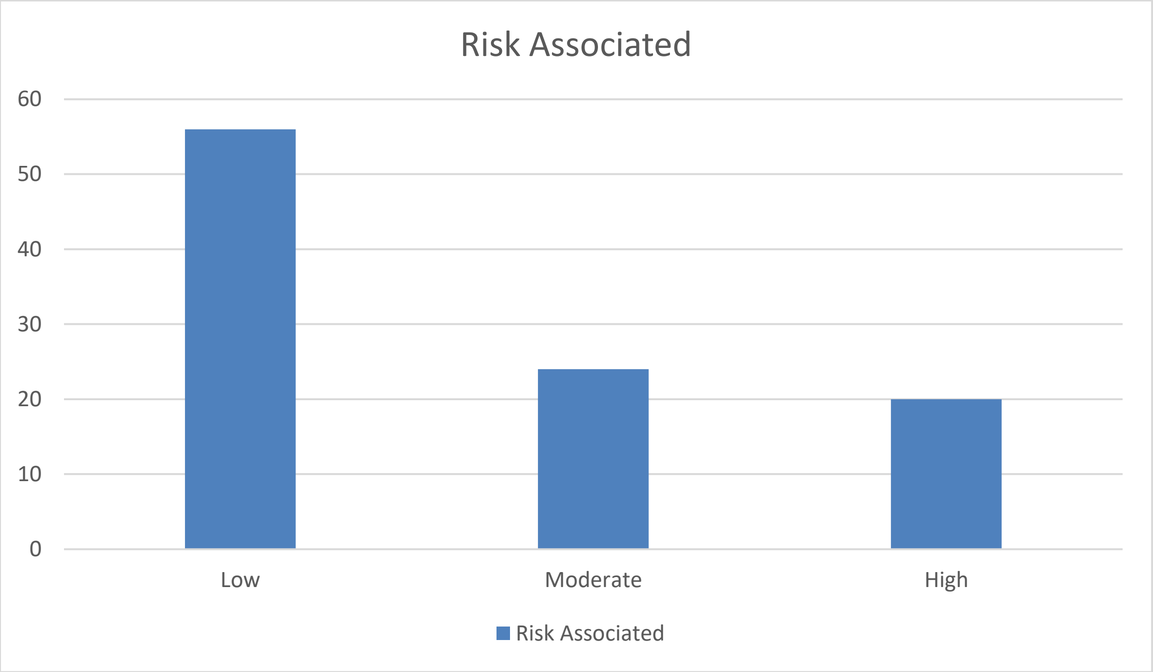


INTERPRETATION: -

From the above table it was noted that 20% of the respondents says that Diversification, 30% respondent says that better return & Safety, 7 % says that Regular Income, 13% says that Tax Benefits & 30% says that Reduction in Risk.

11. How do you rate the risk associated with SBI Mutual fund?

	Frequency	Percent	Cumulative Percent
Low	140	56%	70
Moderate	60	24%	90
High	50	20%	100
Total	250	100%	

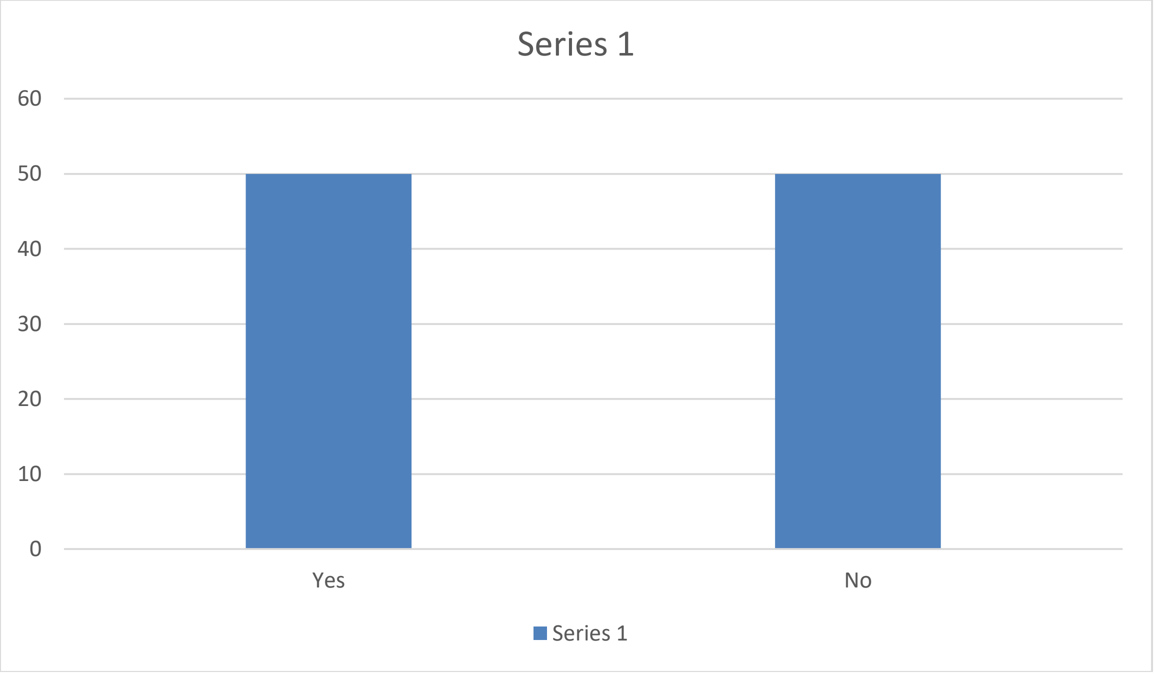


INTERPRETATION: -

From the above table it was noted that 70% of the respondents says that Low risk associated with Mutual Fund, 20% respondent says that Moderate & 10% says that High Risk.

12. Are you satisfied with your SBI Mutual Fund Investment?

	Frequency	Percent	Cumulative Percent
Yes	175	50%	70
No	175	50%	100
Total	250	100%	



INTERPRETATION: -

From the above table it was noted that 70% of the respondents satisfied with Mutual Fund Investment whereas 30% respondent are not satisfied.

FINDING

FINDINGS

The summary of result generated after the statistical tests were performed on the complete primary data collected is given as below:

Major Findings

1. The study shows that a majority i.e. 56% of the sample retail investors‟ belongs to the Age Group of 20-35 years, about 53.5% of the total respondents are Graduates, and around 49% of the total respondents earn a monthly income of Rs. 20001-25000. Approximately 58.5% of the sample has 2 people who are financially dependent on them, and 62% of the sample investors‟ plan to retire in more than 20 years.
2. It has also been found that 57% of the total no. of. Respondents are not too familiar but have considerable experience in investments, around 88% follow events in the capital market somewhat closely.
3. The Study shows the reactions of the sample investors ‟ with regard to different situations in the capital markets-89.5% of the total respondents would not feel any adverse effects if while holding cash/money market investments, the market goes up; 53% will regret selling a holding & see it go up in value; 76% will regret buying a holding & see it go down in value; 75% will regret holding investments when the market goes down.
4. The study has revealed that there is a very high association between the investment style of investors (aggressive, moderate or conservative investors‟) and the unexpected loss tolerance level of investments.
5. The study also shows that there is an extremely high relationship between the occupation of the investors and the investment period, the investment fund withdrawal period and the spending period of withdrawn invested funds.

Minor Findings:-

1. Another interesting find was that investor’s take into consideration the kind of strategy they are to use (whether it is achieving short term results or long term), the investment earnings, their past investment experience, the role of equity, the urgency of investment funds, the various investment avenues available, the effects of inflation, their personal network, their investment informational needs, and overall financial stability; when they are to make an important investment decision.

2. The study also reveals that the income level of the sample investors‟ has a highly significant influence on the factors such as Investment Strategy, Equity Preference, Urgency, Inflation, Personal Network, Needs, and Stability.

3. The study shows that there is a very high association between the age groups of the sample investors‟ and their investment motive (be it regular income, or pure wealth creation or building a quantity of funds for the future or just to save on the taxes).

4. As Found during the course of this study about 48.5% of the total 100 sample retail investors are well aware of the exact functioning of mutual but the remaining 51.5% still do not have a clear picture of the workings of a mutual fund.

5. The study also shows that there is a high relationship between the age group of investor's & their experience of investment in Mutual Funds.

SUGGESTIONS

SUGGESTIONS

Today, in the soaring Indian Capital Market, Mutual Funds are now blossoming as one of the most tailored financial products catering to almost every type of investor – it forms 1/10th of the banking industry’ s size. Although it has been mostly centered on the corporate‟ and High Net worth Individuals, the biggest challenge faced is to capture completely the retail investor base.

The present study looks at the retail investor’s preference towards investment avenues, factors influencing their investment decision and in particular comparing it with their opinion on SBI Mutual Funds as an investment opinion. It has been deduced from this study that the majority retail investors‟ do not have a clear picture of the workings of a mutual fund and, the ones who do, show inclination towards investing towards investing in mutual funds but it remains highly capricious.

The challenge faced by the industry is to spread the message of SBI Mutual Funds bringing in more retail investors‟ (both urban and rural) into this market and then see to it that out of every Rs 100 that an investor saves, at least Rs 10-20 is invested in mutual funds.

There is an increasing need to simplify communication so as to tap the retail investors and to present before them a handy guide that keeps them informed about the risks and the potential return involved in the sector in a manner that would facilitate investments by doing away with the fears of the investors at large. The industry must put forth the investment proposals in a brief format avoiding monotonous punch lines like “read the offer document”, “refer the key information memorandum” and “MF investments are subjects to market risks” as these distract the investors and seldom read even by the enlightened investors.

The reach of the mutual fund industry can be expanded by including Public Sector Banks and post offices that can double up as collection centers.

CONCLUSION

CONCLUSION

- The objective which is set to study the investor's view towards SBI mutual fund as per the sample size and test which is applied to the study. found that the investors are not choosing or feeling confident in investing in mutual fund because they think that mutual fund is risky than other investment option.
- The awareness level of mutual fund among the investors are very low because of only having the partial knowledge about the mutual fund which prevent them to invest in SBI mutual fund to avoid risk bearing factor and fear of losing money The most preference of the investors are the fixed deposit because they feel it is the safest and returns are fixed and not having fear of losing the money
- Apart from these found that there are investors facing various problems in selecting mutual fund as an investment option because of share market uncertainties and risk associated with it so investors avoid the investing in mutual fund
- SBI Mutual fund are link with share market and investors are not taking advice from expert advisor to guide them for their investment in mutual fund so it creates the difficulty to select the mutual fund scheme beneficial for them.

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ANNEXURE

ANNEXURE

1. The age profiles

   - Scale
   - 16-25 Years
   - 26-35 Years
   - 36-45 Years
   - 46 ears and above

2. Showing gender profile

   - Gender
   - Male
   - Female

3. You belong to which one of the following categories

   - Govt.
   - Employ
   - Professi
   - Employ

   - Self
   - Employ
   - Busines
   - Person
   - Agricul
   - Others

4. You belong to which one of the following categories:

Govt. Employee
Professional Pvt. Firm Employee
Self Employed
Business Person
Agriculturist
Others

5. Your annual income is in the range of:

Below Rs. 1 Lakh
Between 1 Lakh to 2 Lakh
Between 2 Lakh to 3 Lakh
Between 3 Lakh to 4 Lakh
Between 4 Lakh to 5 Lakh
Above Rs. 5 Lakh

6. Are you invested in SBI Mutual Fund?

Yes

No

7. Which SBI mutual fund scheme have you used?

Multi cap fund
Large cap fund
Mid Cap
Small Cap Mutual Fund
ELSS

8. Where from you purchase SBI Mutual Fund?

Directly from Amcs
Brokers Only
Brokers/Sub Brokers
Other Sources

9. Which factor prevent you to invest directly in SBI mutual fund.?

Lack of Knowledge
Lack of confidence
Difficulty is selection of schemes
other

10. Where do you gather information about the performance of different mutual fund scheme?

Financial Institution
Brokers
TV
Magazines
Internet

11. Which features of the SBI mutual fund aware you most.

Diversification
Better return & safety
Regular Income
Tax Benefits
Reduction in risk