

A Consumer Awareness Towards Mutual Funds

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Abstract:-

The Banking Sector is one of the fastest growing sectors in India today. The upcoming sectors which are really showing the graph towards upwards are - Telecom, Banking Insurance. These sectors really have a lot of responsibility towards the economy Mutual fund industry has seen a lot of changes in past few years with multinational companies coming into the country, bringing in their professional expertise in managing funds worldwide. In the past few months there has been a consolidation phase going on in the mutual fund industry in India. Now investors have a wide range of Schemes to choose from depending on their individual profiles.

This is an internship report regarding the diverse services provided by SBI IN Mutual fund. It starts with an introduction about the industry followed by the history and profile of SBI. It gives a briefing about all the services rendered by the company. The report shows an internal architecture of the Mutual fund. It gives a detail about the mutual fund and what is the risk involved in that and how much returns they are providing to investors. Also it discusses the vision, mission and policies of the organization along with their competitors at national level. There are also some suggestions/recommendations for the business. what I learnt and imbibed in my day-to-day affairs by doing the research in mutual fund .

This is to study of mutual funds and its investor awareness for it. As mutual funds plays a role in market. It deals with the money and investment.

The money is taken from people in small amount and the advisor trade the money to other fields and sector.It gives us profit. It is not risky to invest in mutual funds. The people can invest in mutual funds by two ways

*lump sum and * SIP (systematic investment planning)

There is more chance of profit in LUM SUM cause we invest more money for one time. There is also profit in SIP but it is slow process cause SIP is small investment per month. And it takes more time to generate profit.

INTRODUCTION:-

It is widely believed that MF is a retail product designed to target small investors, salaried people and others who are intimidated by the stock market but, nevertheless, like to reap the benefits of stock market investing. At the retail level, investors are unique and are a highly heterogeneous group. Hence, designing a general product and expecting a good response will be futile, though UTI could do this nearly for three decades (1964-1987) due to its monopoly in the industry. In the second phase of oligopolistic competition (1987-1992), the public sector banks and financial institutions entered the field, but with the then existing boom condition, it was a smooth sailing for the industry. Investors' gain their knowledge about mutual fund through advertisements in televisions, newspapers, e-articles, bank agencies, intermediaries, etc. Mutual fund is structured around a fairly simple concept of mitigating the risk / loss by spreading the investments across various avenues which is achieved by pooling the investments.

A mutual fund is a company that invests in a diversified portfolio of securities. People who buy shares of a mutual fund are its owners or shareholders. Their investments provide the money for a mutual fund to buy securities such as stocks and bonds. A mutual fund can make money from its securities in two ways: a security can pay dividends or interest to the fund or a security can rise in value. A fund can also lose money and drop in value. The company then manages the money on an ongoing basis for individuals and businesses. Mutual funds are an efficient way to invest in stocks, bonds, and other securities for three reasons:

1. The securities purchased are managed by professional managers.
2. Risk is spread out or diversified, because you have a collection of different stocks and bonds.
3. Costs usually are lower than what you would pay on your own, since the fund buys in large quantities.

WHAT ARE MUTUAL FUNDS:

A mutual fund is an investment vehicle, which pools money from investors with common investment objectives. It then invests their money in multiple assets, in accordance with the stated objective of the scheme. The investments are made by an 'asset management company' or AMC.

For example, an equity fund would invest in stocks and equity-related instruments, while a debt fund would invest in bonds, debentures, etc.

- As an investor, you put your money in financial assets like stocks and bonds. You can do so by either buying them directly or using investment vehicles like mutual funds.
- In this segment, we will understand mutual funds and how to trade in them.

OBJECTIVES OF THE PROJECT:

1. To find the customer thinking towards mutual funds?
2. To find how they manage to invest in funds?
3. To find how the profit is generated?
4. To find what are the returns and profit for customer?

SCOPE OF THE PROJECT:

As the scope of this research is a quantitative research the sample size would be big and therefore the scope of the research is big. As the research is quantitative in nature the experiment scope has increased. As the sample size is big , few experiments would be conducted which requires time and patience. The experiment should be performed by various methods.

COMPANY PROFILE

COMPANY NAME:



MOTILAL OSWAL GROUP

The company was formed in 1987 by Motilal Oswal and Ramdeo Agrawal after they acquired membership on The BSE. Motilal Oswal was elected director and joined the Governing Board of the Bombay Stock Exchange in 1998.

Motilal Oswal Securities is a Depository Participant of NSDL and a Depository Participant of Central Depository Services Limited (CDSIL) in 2000. The company started offering Derivatives products and advisory services on both BSE as well as NSE in 2001

In 2006 the company entered private equity and investment banking in the same year, Motilal Oswal group acquired South Indian brokerage firm – Peninsular Capital Markets. The company tied up with State Bank of India and Punjab National Bank in 2006 and 2007 to offer online trading to its customers. 2008 saw the company create one of India's largest Equity. Dealing & Advisory rooms, spread over 26,000 sq ft (2,400 m2) in Malad, Mumbai.

In January 2010, Motilal Oswal Financial Services (through its subsidiary Motilal Oswal Securities Ltd.) received the final certificate of registration approval from Securities and Exchange Board of India (SEBI) to set up a mutual fund business in the country.

MOAMC is a 100% subsidiary of Motilal Oswal Securities Limited. It provides Investment Management and Advisory Services to investors based within and outside India and having Portfolio Management Services business, ETFs and Mutual Funds. Motilal Oswal Asset Management Company Ltd., one of the fastest growing Asset Management Companies in India and has recently crossed the \$1 billion in equity Assets Under Management (AUM) mark in June 2015.

Aspire Home Finance Corporation Limited (AHFCL) is a professionally managed housing finance company. AHFCL is a subsidiary of Motilal Oswal Securities Limited (MOSL) which is a part of Motilal Oswal Financial Services Limited (MOFSL).

ADDRESS:

This is the address of Mumbai branch. It has branches all over INDIA.

Vashi Branch-Mumbai

Motilal Oswal Securities Ltd.
Unit no. S-196, Second Floor, Haware Fantasia Business Park, Sector 30A, Opp. Vashi Rly Station,
Vashi, Navi Mumbai, Maharashtra - 400703

8879330829/ 02227810590

Monday-Friday: 9:00am - 6:00pm

Saturday : 10:00am - 4:00pm

Q. WHY MOTILAL OSWAL?

- 6-time winner of Best Performing Equity Broker (National) by UTI-CNBC TV18 Financial Advisor Awards
- 30 years of wealth creation driven by the philosophy of Solid Research, Solid Advice
- 9,00,000+ customers with Rs. 69,561 Cr. plus depository assets
- PAN India coverage across 2,200+ locations in over 500+ cities



SOLID RESEARCH:



- India 's Best Market Analyst Award for IT & FMCG sector by Zee Business
- 30,000+ research reports across 230+ companies and 21+ sectors
- Dedicated large cap, mid cap & technical research teams
- Daily, weekly, monthly, quarterly & yearly reports across asset class

SOLID ADVICE:

- Advice across Equity, Derivatives, Commodity, Currency and Mutual Funds
- Available across all devices - Mobile, Tablet, Desktop and Web
- Customized actionable strategies to suit investment styles & risk profiles
- Advanced tools & strategies for various time horizons ranging from hours, days, weeks months and years

SOLID TECHNOLOGY:



- Powerful, fast & secure technology across all platforms - Mobile, Tablet, Desktop and Web

- Trade, Invest, Track, Review through a single login
- Award winning Research & Solid Advice across all asset classes
- LIVE streaming quotes and technical charts to help you make the right decision

PRODUCT AND SERVICE:

- One-stop financial superstore to get access to a range of products & services
- Option to trade across exchanges - BSE, NSE, NCDEX, MCX, MSEI
- All products backed by our customized solid research & advice
- Robust trading platforms, highly skilled dedicated advisors and Call & Trade desk

OPERATIONAL EFFICIENCY:



- India 's first broker to offer 15 min, 100 % paperless trading and demat account
- Instant day account activation on receipt of application
- Dedicated customer service team with a 6-hour query resolution TAT
- Customer centric Risk Management System and real-time payouts

ACHIEVEMENTS:

- Motilal Oswal wins GOLD for marketing effectiveness at the Global ACEF customer engagement awards (Awarded for Think Equity. Think Motilal Oswal TV Ad)
- Motilal Oswal TV Ad wins 3 awards at the ABBY Awards for Creative Excellence
- Motilal Oswal Financial Services Ltd wins the Brand of the Year Award at the CNBC TV18 - India Business Leadership Awards
- MOFSL has been featured in Forbes Super 50 Companies 2017
- Motilal Oswal Securities received two awards for its equity research in IT and commodity (forex) segments at India's Best Market Analyst Awards 2014, India's biggest Financial Market Awards also called as ZEE Business Awards 2014.
- Motilal Oswal Financial Services Ltd's Analyst Mr. Jinesh Gandhi won the Best Market Analyst Award for the categories Equity-Auto at 'India's Best Market Analyst Awards 2013 organized by Zee Business.
- Motilal Oswal Securities was awarded with Best Performing National Financial Advisor Equity Broker Award in 2012, second time in succession.
- CNBC TV18 awarded Motilal Oswal the Best Performing Equity Broker Award in 2010 at CNBC TV18 Financial Advisor Awards 2010
- Motilal Oswal IB team won the Asia Pacific Cross Border Deal of the year award in 2010 and the CEO

PRODUCT PROFILE

CONCEPT OF A MUTUAL FUND:

A SUMMARY In a mutual fund, many investors contribute to form a common pool of money. This pool of money is 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 bears to the total amount of the fund. A mutual fund uses the money collected from investors to buy those assets which are specifically permitted by its stated investment objective. Thus, a growth fund would buy mainly equity assets-ordinary shares, preference shares and warrants. An income fund would mainly buy debt instruments such as debentures and bonds. The fund’s assets are owned by the investors in the same proportion as their contribution bears to the total contributions of all investors put together. When a person buys “shares” of a joint stock company, the purchase makes the investor a part owner of the company and its assets. In the same way, when an investor subscribes to a mutual fund, he becomes part owner of fund’s assets. In fact, in the U.S.A. a mutual fund is constituted as an investment company and an investor ‘buys into the fund’, meaning he buys the shares of the fund.

In India, a mutual fund is constituted as a Trust and the investor subscribes to the ‘units’ of a scheme launched by the fund, which is where the term Unit Trust comes from. However, whether the investor gets fund shares or units is only a matter of legal distinction. In any case, a mutual fund shareholder or unit-holder is a part owner of the fund’s assets. 22 An investor can buy the shares from a company only when the company makes a share issue. At other times, a share can be purchased from another investor through the stock exchange if the share is listed. A shareholder can sell the share to the company only when the company announces ‘share buyback’. At other times, he can sell share to another investor through a stock exchange. The price observed in a stock exchange is a reasonable estimate of the fair value of the share. An open-ended mutual fund is quite different in this respect. In an open-ended mutual fund, investors can buy units from the fund and sell units to the fund continuously. The stock exchange is not in the picture.

To ensure that there is fairness, sale and purchase has to take place at fair value of the unit. In other words, each share or unit that an investor holds needs to be assigned a value. Since the units held by an 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 total value of an investor’s part ownership is thus determined by multiplying the NAV with the number of units held.

RESEARCH METHODOLOGY

Research may be defined as the search for knowledge through an objective and scientific method of finding solution of problem. Research methodology is a way to systematically solve the research problem. It includes the various steps that are generally adopted by a researcher in studying problem along with the logic behind them. During my research I have adopted the following research design.

RESEARCH DESIGN

- To decide the objectives and subjective of the research.
- To determine the most suitable method of research.
- To determine the sources of data.
- To decide the appropriate research instrument for data collection.
- To determine the suitable sampling design and sampling size.
- To conduct the field survey for the data collection.
- To prepare the research report.

DESCRIPTIVE RESEARCH

This method is undertaken when the researcher is interested in knowing about the characteristics of certain groups such as age, sex, education level, income. Interested in knowing the proportion of unit in a given population who behaved in a particular way, determining the relationship between two or more variable. This method was the most suitable in my research work.

DATA COLLECTION

There may be different types of information and data. Some of the information may be unpublished some is complete and some is incomplete, some is reliable data and some is based, it is necessary for the researcher to know and the information which is usually employed in marketing research work and the types of sources from which it is generally collected. The research problem decides the nature of the sources of data. They may be primary data and secondary data.

PRIMARY DATA

Primary data is being collected during the course of asking questions by performing surveys. Primary data is obtained either through respondent; either through questionnaire or through personal interview. I have collected the data through both of them.

SECONDARY DATA Are the data already available in the form of print material, website, journals etc. I have used some magazines, Newspapers, Websites and course material for that purpose.

RESEARCH INSTRUMENTS

I have used the structure questionnaire in my research process which has carefully designed keeping the entire objectives in mind. Most of the questions in my questionnaires were closed ended in nature.

SAMPLING PLAN

The process of collecting observation from the elements of a large population may be expensive, time consuming and difficult. It will be cheaper and quicker to collect information from a sample plan of the population. A sample is a subset of population through a valid statistical population. The valid statistical procedure of drawing sample from the population is called sampling. Sampling plan consists of following elements:-

SAMPLE UNITS

My sample units were direct dealers + sub- dealers +service centre and customers so it is clear that sampling units are nothing but variable to be studied.

SAMPLE FRAME

The entire list which contains the sample unit is known as sample frame; In this case my sample frame was Pune city.

SAMPLE SIZE

The large sample is more accurate the result would be but practically it is not feasible to survey the entire target population or even the substantial portion of it. In this project, being aware of the time and cost constraints, sample size was 50 customers owning the bike.

SAMPLE METHOD

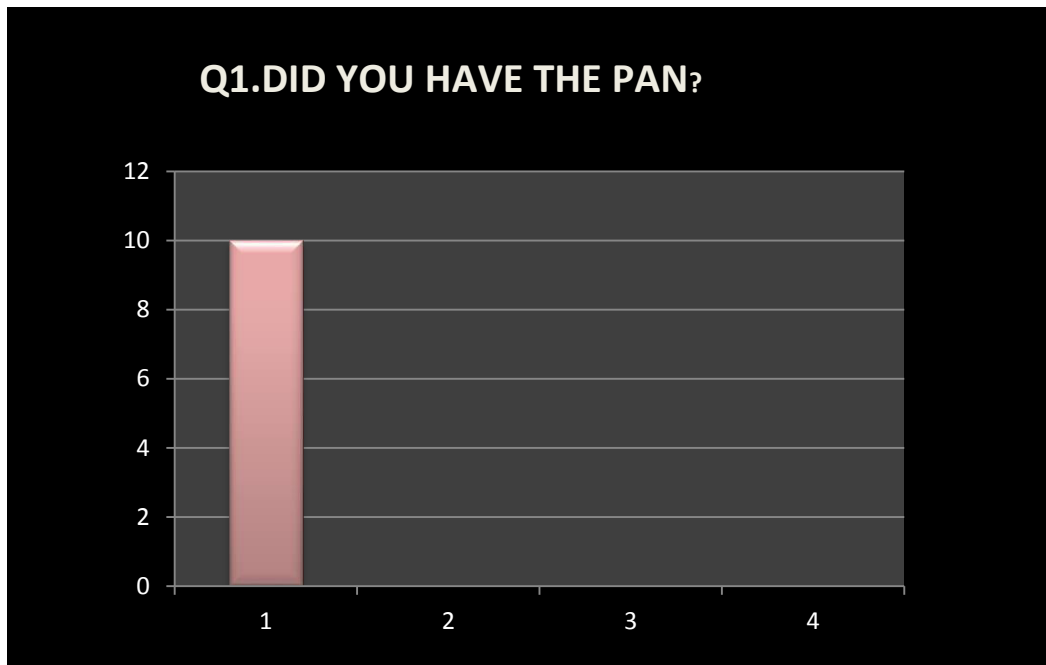
In my research process I have used Non probability sampling, which involves purposive or deliberate selection of particular units of a sample.

CONTACT METHOD

Personal interview is that in which an interview obtains information from interviews by meeting face to face. The methods of collecting information through personal interviews are usually carried out in a structured way.

DATA ANALYSIS

Q1.Did you have the PAN?		
yes	no	
10	0	

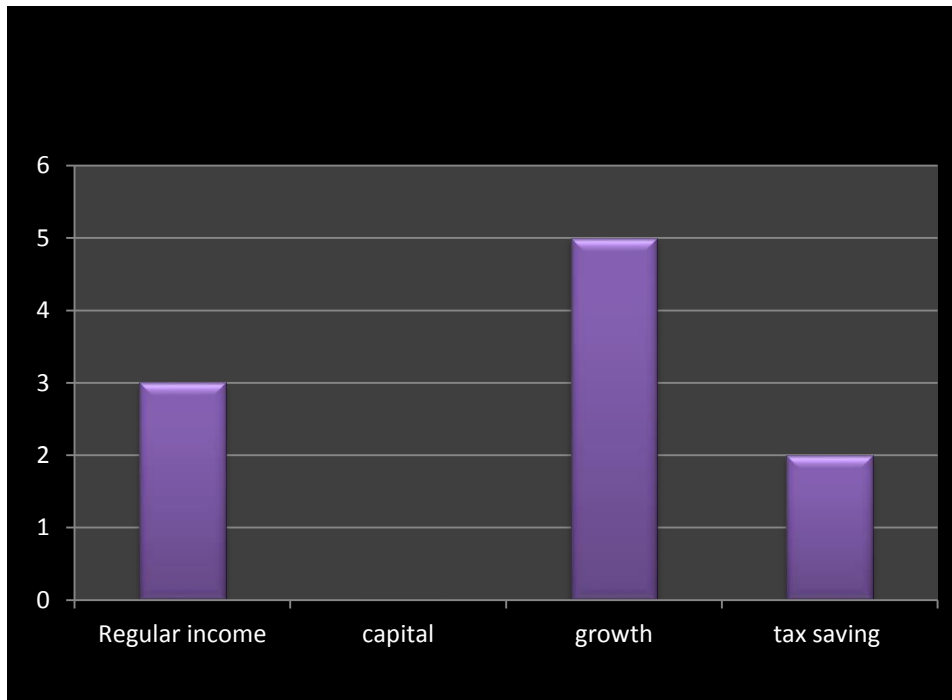


From the above table, we can interpret that out of 10 customers 10 customers have their pan card linked with their account. So that there will be no problem while transaction.

Having pan solves many problems.

Q2. You make investment in mutual fund because?

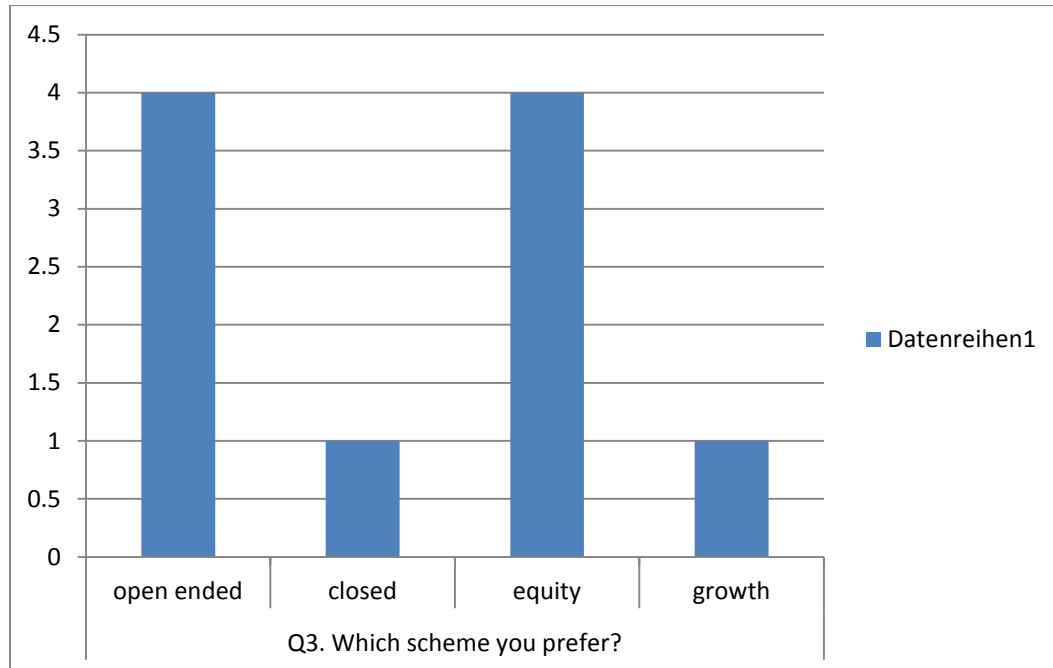
Regular income	capital	growth	tax saving
3	0	5	2



From the above table we can interpret that out of 10 clients most of the client prefers investing in growth sector.

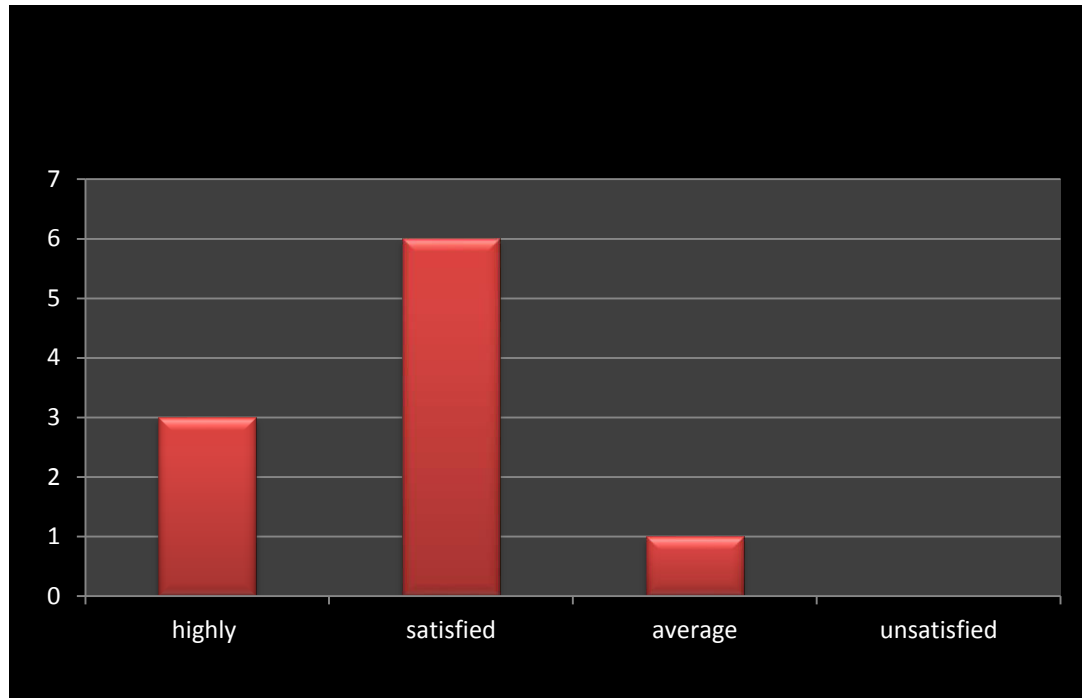
Q3. Which scheme you prefer?

open ended	closed	equity	growth
4	1	4	1



From the above table we can interpret that out of 10 clients 4 clients each prefer investing in open ended and equity scheme.

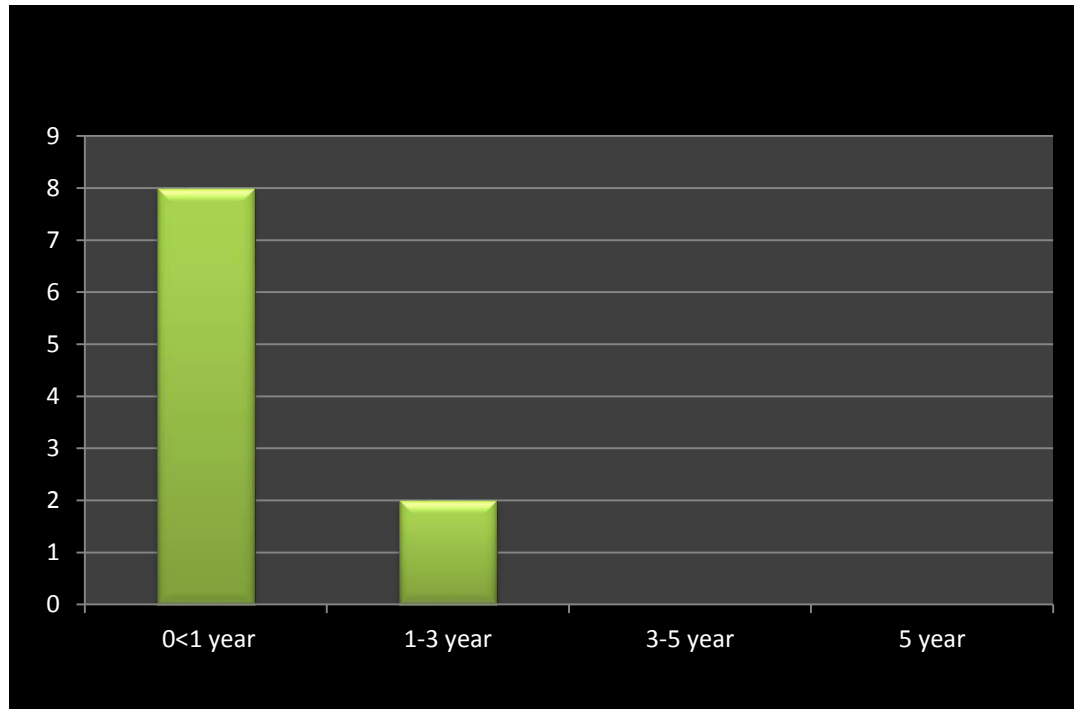
Q4. Your satisfaction level regarding returns in mutual funds?			
highly	satisfied	average	unsatisfied
3	6	1	0



From the above table we can interpret that out of 10 clients 6 clients are more satisfied with the mutual funds.

Q5. How long you have been investing in the Mutual funds?

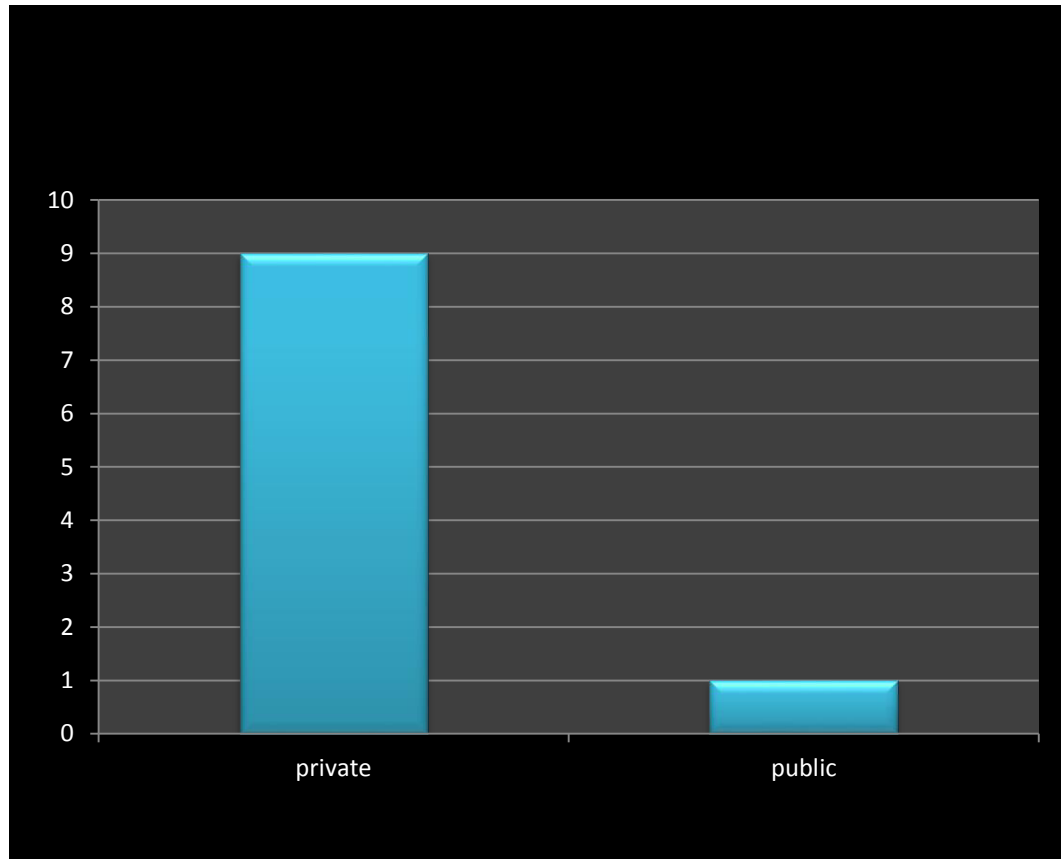
0<1 year	1-3 year	3-5 year	5 year
8	2	0	0



From the above table we can interpret that out of 10 clients 8 clients are investing in mutual funds from less than 1 year.

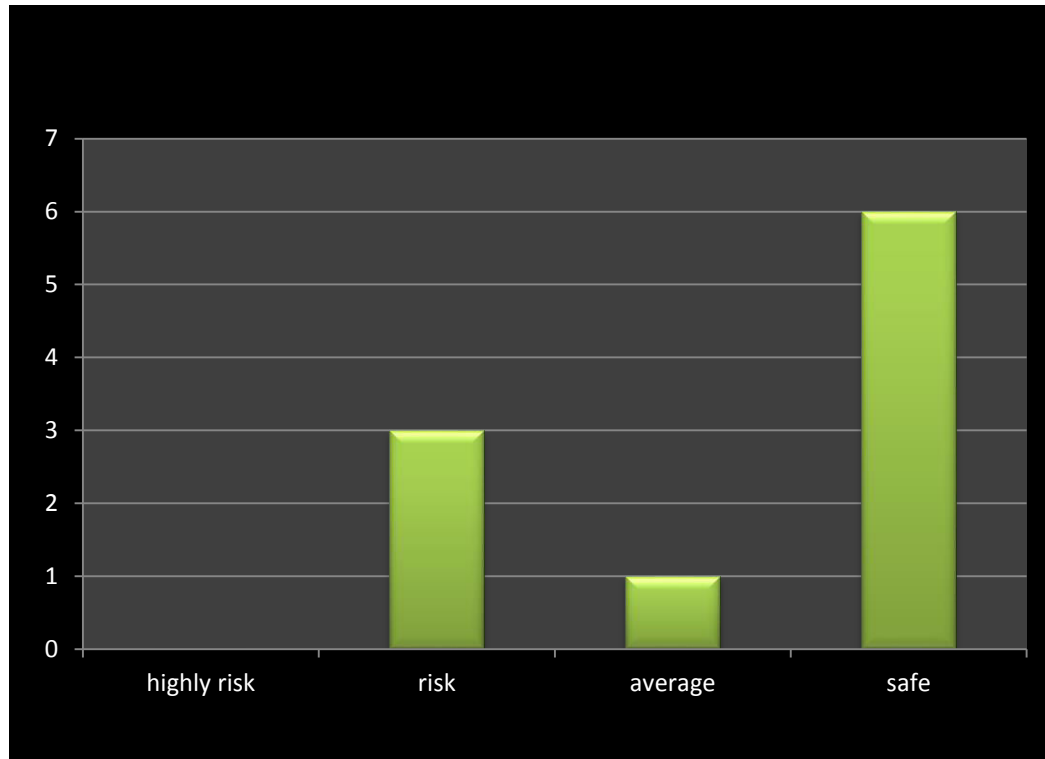
Q6. Which mutual fund sector you mainly prefer?

private	public
9	1



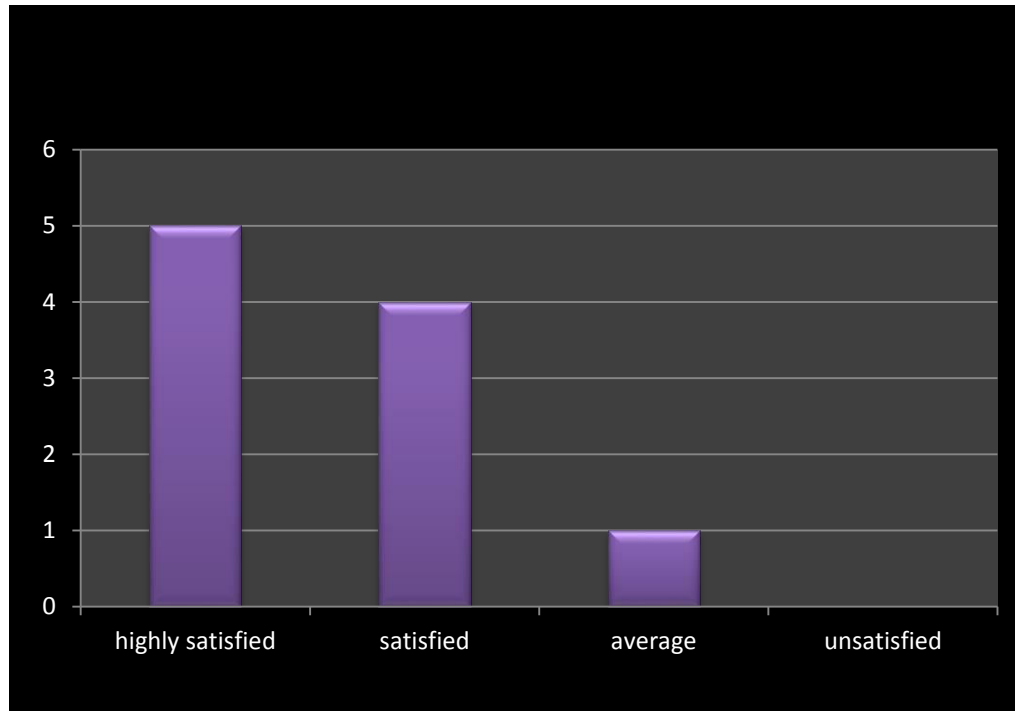
From the above table we can interpret that out of 10 clients 9 clients prefer to invest in private sector so that they can earn more profit.

Q7. Mutual funds are?			
highly risk	risk	average	safe
0	3	1	6



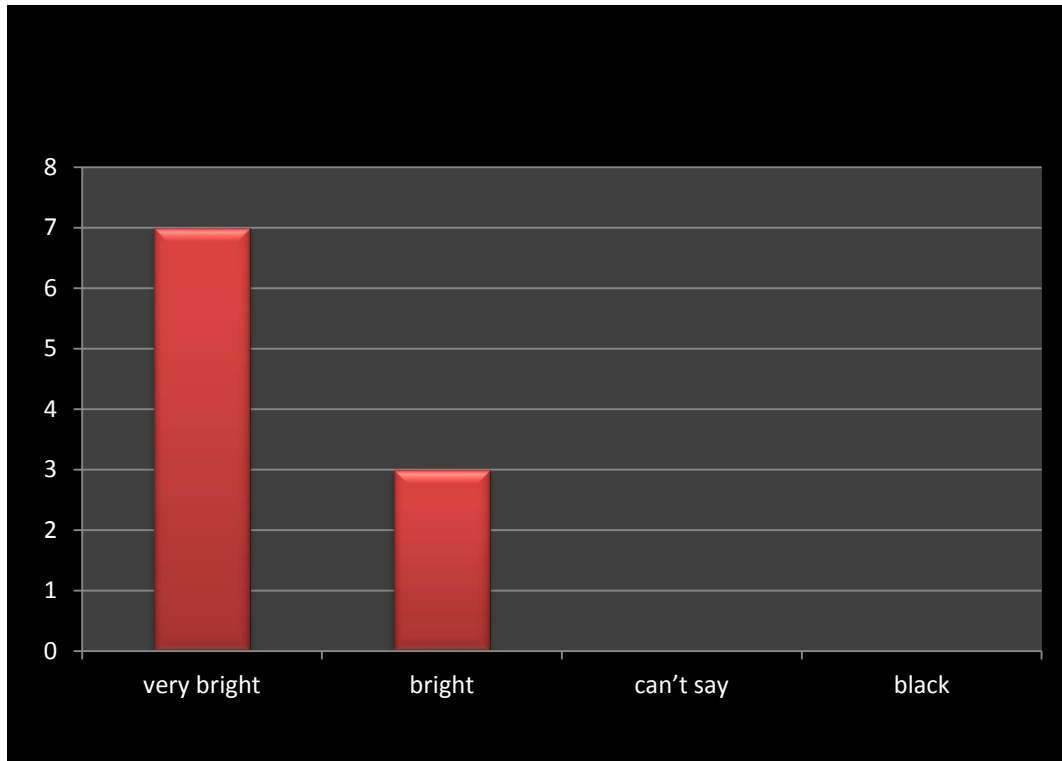
From the above table we can interpret that out of 10 clients 6 clients feel mutual funds are safe.

Q8. Your satisfaction regarding the promise made by any MF/agents to an individual before and after the investment:			
highly satisfied	satisfied	average	unsatisfied
5	4	1	0



From the above table we can interpret that out of 10 clients 5 clients are highly satisfied with the mutual funds agents.

Q9. What do you think is the future of Mutual fund in the valley?			
very bright	bright	can't say	black
7	3	0	0



From the above table we can interpret that out of 10 clients 7 clients think mutual funds have more scope in future.

Q10. Recall names of the mutual fund in india?

There are many mutual funds in INDIA and some of them are mentioned below,

*axis management

* birla sun life

*ICICI prudential

* kotak Mahindra

* L&T

* Motilal oswal

*Reliance capital

*SBI funds

*Tata funds

LIMITATIONS OF THE PROJECT

Limitations of the study are those characteristics of design or methodology that impacted or influenced the interpretation of the findings from your research. They are the constraints on generalizability, applications to practice, or utility of findings that are the result of the ways in which you initially chose to design the study and the method used to establish internal and external validity.

No research is perfect in some way or another, in some way or another each and every research has its own limitations.

The limitations of the research were:-

- Time constraints were also a problem as it took a lot of time to collect raw data, and then compile it as result of this it gave me less time to writing the research.
- Moreover there is always a chance that a few respondents might be dishonest when they were filling out the questionnaire which will once again influence the data collected.
- The sample size to some extent could also be a limited as 10 respondent are a good amount but more respondents could have used as part of the research.
- In addition it is also possible that respondents might have misunderstood or misinterpreted the question in the questionnaire which will again effect the results obtained.

The main aim of the research was to analyze the awareness between the people for mutual funds. So a research was conducted by me with the help of my questionnaire suitable to my topic. I went to some places for the research, but I didn't have much time for the research. As there was many failure in my research. Some people refused to give the details about the research and some didn't have time for it. I was lagging behind from my task. I went to interview some of the people.

Mostly people refused me for the survey; I had to convince them for my research. Then some agreed to do my research and some not.

As it was not an easy task to roam and collect information for the research. But somehow I managed to get the information of my research.

CONCLUSION

As this is the study of mutual funds and its awareness toward it. So after the research and analyze we came to the solution that people like to invest in Mutual funds, cause it is good for them and generates profit for them.

People have different plans for investing in mutual funds as they are for long term and for short term. They invest for some purpose.

People use the scheme for the future use. They think for their future and invest.

Mutual funds are benefited for people. There is low risk involved in it.

So people like to invest and generate profit for them.

□ A mutual fund brings together a large group of people and invests their aggregated money in stocks, bonds, and other securities.

□ The advantages of mutual funds are professional management, diversification, economies of scale, and wide range of offerings.

□ Mutual funds are easy to buy and sell. You can either buy them directly from the fund company or through a third party.

□ There are many, many types of mutual funds. You can classify funds based on asset class, investing strategy, region, etc.

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