

AN ANALYTICAL STUDY ON INVESTORS PERCEPTION TOWARDS GROWTH-ORIENTED MUTUAL FUNDS

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ABSTRACT

Growth-oriented mutual funds focus mainly on investing in equities and growth stocks. These funds do not provide regular income like dividends but instead aim to increase the value of the investment over time. Investors who are willing to take moderate to high risk usually prefer these funds because of their potential to generate higher returns in the long run. The findings reveal that investors are primarily attracted to growth-oriented mutual funds due to their potential for higher returns compared to traditional investment options. However, factors such as risk perception, past performance, fund manager reputation, and market conditions significantly influence their investment decisions. The study also indicates that younger and higher-income investors are more inclined towards growth funds, while conservative investors remain cautious due to market volatility. Growth-oriented mutual funds have emerged as a popular investment avenue among investors seeking long-term capital appreciation. This study aims to analyse investors' perception towards growth-oriented mutual funds, focusing on their preferences, level of awareness of investors about mutual funds, investor perception towards growth-oriented mutual funds, satisfaction level of investors, risk tolerance, and factors influencing investment decisions.

Keywords: *Mutual Funds, Awareness, Investment and Decisions*

1. INTRODUCTION

Investment refers to the allocation of money into financial assets with the objective of earning returns in the future. It involves a trade-off between risk and return. Every investor aims to maximize returns while minimizing risk, but higher returns are usually associated with higher risk. A mutual fund is a financial instrument that pools money from multiple investors and invests it in a diversified portfolio of securities such as stocks, bonds, and other assets. Each investor owns units in the mutual fund, representing their share of the total investment. Mutual funds are managed by professional fund managers who make investment decisions based on market conditions. This makes mutual funds a convenient and effective investment option for individuals.

These days you are hearing more and more about mutual funds as a means of investment. If you are like most people, you probably have most of your money in a bank savings account and your biggest investment may be your home. Apart from that, investing is probably something you simply do not have the time or knowledge to get involved in. You are not the only one. This is why investing through mutual funds has become such a popular way of investing. Mutual funds are especially useful for small and medium investors who may not have sufficient knowledge or time to invest directly in stock markets. Through mutual funds, investors can

participate in the financial markets in a more systematic and less risky manner. Among different types of mutual funds, growth-oriented mutual funds have become an attractive choice for investors who aim for long-term capital appreciation.

Growth-oriented mutual funds focus mainly on investing in equities and growth stocks. These funds do not provide regular income like dividends but instead aim to increase the value of the investment over time. Investors who are willing to take moderate to high risk usually prefer these funds because of their potential to generate higher returns in the long run.

However, the decision to invest in growth-oriented mutual funds depends on various factors such as investor awareness, risk tolerance, financial goals, market conditions, and personal preferences. Different investors may have different perceptions regarding the benefits and risks associated with these funds. Understanding these perceptions is very important for analyzing investment behaviour.

This study is undertaken to analyse the perceptions of investors towards growth-oriented mutual funds. The study is mainly based on primary data collected directly from investors. It focuses on identifying the factors that influence investor decisions, their level of awareness, and their overall attitude towards growth-oriented mutual funds.

2. REVIEW OF LITERATURE

Mehta (2020) Mehta focused on “The Importance of Diversification in Mutual Funds”. The study concluded that diversification reduces risk and attracts more investors. This supports the importance of mutual funds as a safe investment option.

Kumar (2021) Kumar examined “The Level of Awareness among Investors Regarding Mutual Fund Investments”. The study showed that many investors still lack proper knowledge about mutual fund schemes and their benefits. This highlights the need to study investor awareness in the present research.

Rao (2021) Rao analysed “The Satisfaction Level of Investors Towards Mutual Funds”. The findings indicated that most investors are satisfied due to better returns and ease of investment. This study helps in evaluating investor satisfaction.

Verma (2022) Verma studied “The Investment Behaviour of Individuals in Financial Markets”. The study revealed that investor decisions are influenced by personal goals, financial knowledge, and market conditions. This study supports the concept of investor perception.

3. Objectives of the Study

The main objectives of the study are:

- To analyse the level of awareness of investors about mutual funds.
- To study investor perception towards growth-oriented mutual funds.
- To evaluate the satisfaction level of investors.
- To know the risk and returns on Mutual Funds.

4. Sampling Design

Sampling design refers to the method of selecting respondents for the study.

- **Sample Size**

The study is based on a sample of 320 respondents.

- **Sampling Method**

The sampling method used in this study is **convenience sampling** (Respondents were selected based on ease of access and availability. This method is suitable due to time constraints and practical feasibility.) The sampling unit consists of individual investors who are aware of or interested in mutual fund investments.

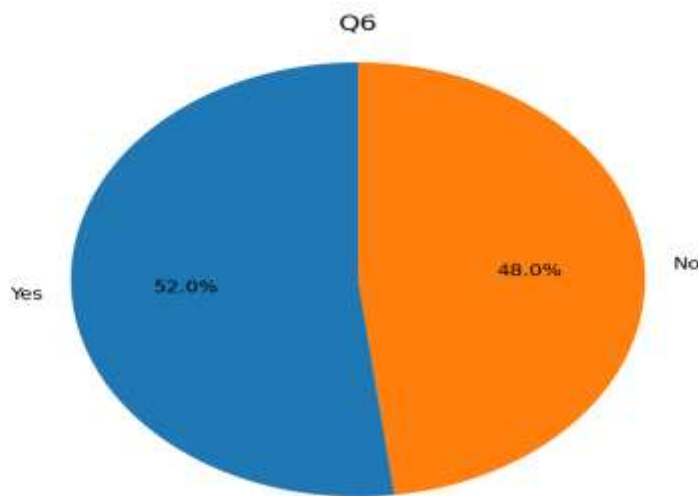
5. Aware of Mutual Funds and Source of information for Mutual Funds Investment

a. Aware of Mutual Funds

Table-1

Response	No. of Respondents	Percentage
Yes	166	52.04%
No	153	47.96%
Total	319	100%

Figure-1: Aware of Mutual Funds



Interpretation:

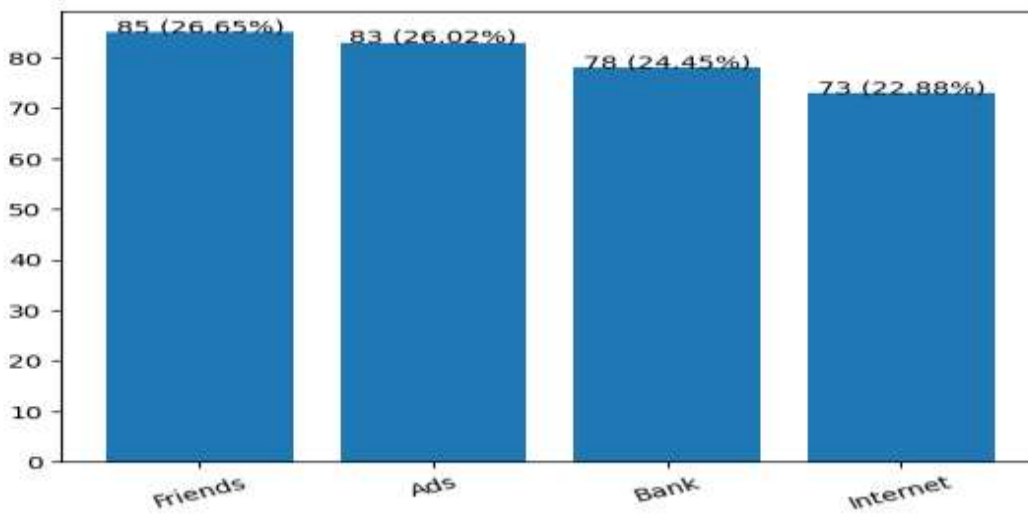
The data shows that 52.04% of respondents are aware of mutual funds, while 47.96% are not aware. This indicates that awareness is slightly higher, but a large portion of people still lack knowledge about mutual funds.

B. Source of Information for Mutual Funds Investment

Table-2

Response	No. of Respondents	Percentage
Friends / Relatives	85	26.65%
Advertisements	83	26.02%
Bank / Agent	78	24.45%
Internet / Social Media	73	22.88%
Total	319	100%

Figure-2: Source of Information for Mutual Funds Investment



Interpretation:

The data shows that the main source of information is friends/relatives (26.65%). This is followed by advertisements (26.02%), bank/agent (24.45%), and internet/social media (22.88%). Overall, personal contacts play the biggest role, while digital sources have slightly lower influence.

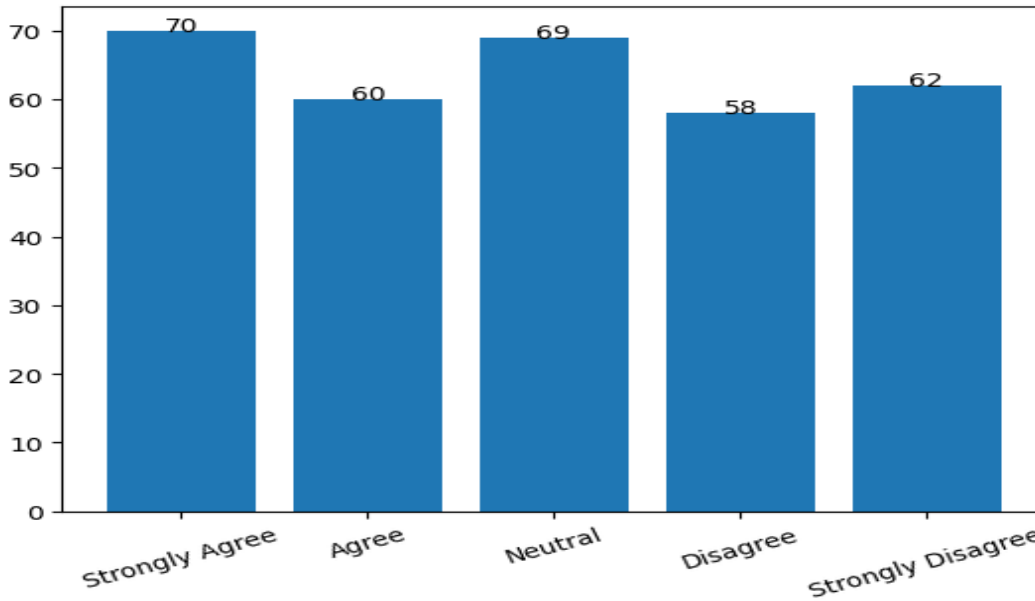
6. Growth-oriented mutual funds give better returns in the long run.

Table-3

Response	No. of Respondents	Percentage	Score
Strongly Agree	70	21.94%	5
Agree	60	18.81%	2
Neutral	69	21.63%	4
Disagree	58	18.18%	1
Strongly Disagree	62	19.44%	3
Total	319	100%	-

$$\text{Mean} = \frac{\sum (\text{scores} \times \text{respondents})}{\text{Total}} = \frac{\sum (990)}{319} = 3.1$$

Figure 3: Growth oriented Mutual Funds give better returns in long run



Interpretation: The mean score of 3.10 indicates that the respondents generally agree with the statement. A majority of respondents have shown a positive perception towards growth-oriented mutual funds. The data shows that the highest response is strongly agree (21.94%), followed by neutral (21.63%). Agree (18.81%), strongly disagree (19.44%), and disagree (18.18%) are almost similar. Overall, opinions are mixed, but there is a slight positive belief that growth-oriented mutual funds give better returns in the long run.

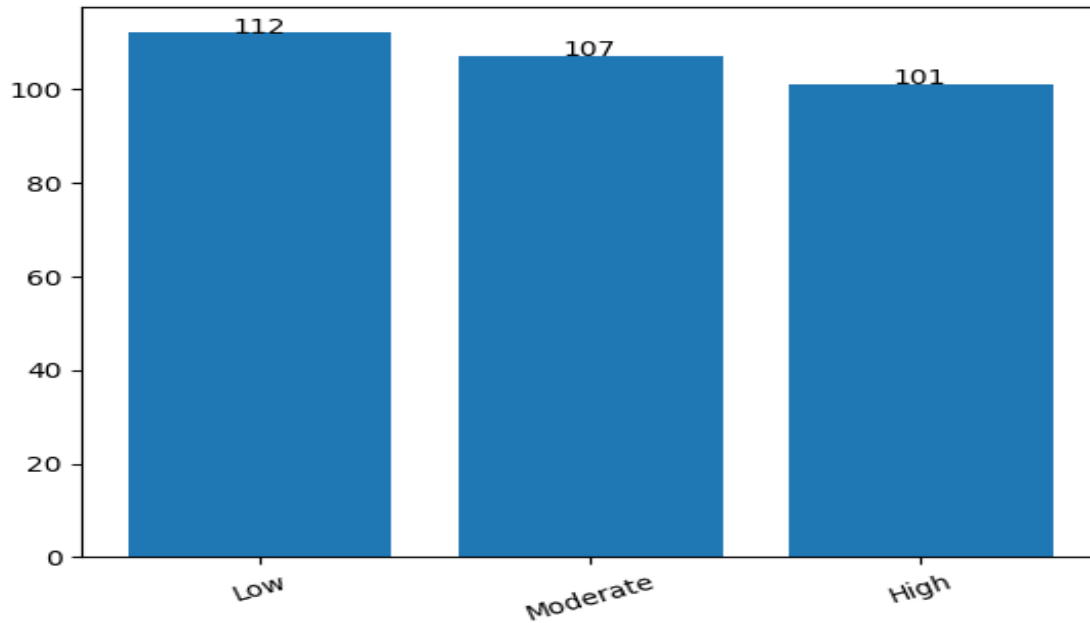
7. How would you rate your risk-taking capacity

Table-4

Response	No. of Respondents	Percentage	Score
Low	112	35%	5
Moderate	107	33.44%	4
High	101	31.56%	3
Total	320	100%	-

$$\text{Mean} = \frac{\Sigma (\text{scores} \times \text{respondents})}{\text{Total}} = \frac{\Sigma (1291)}{320} = 4.03$$

Figure 4. Rate your risk-taking capacity



Interpretation:

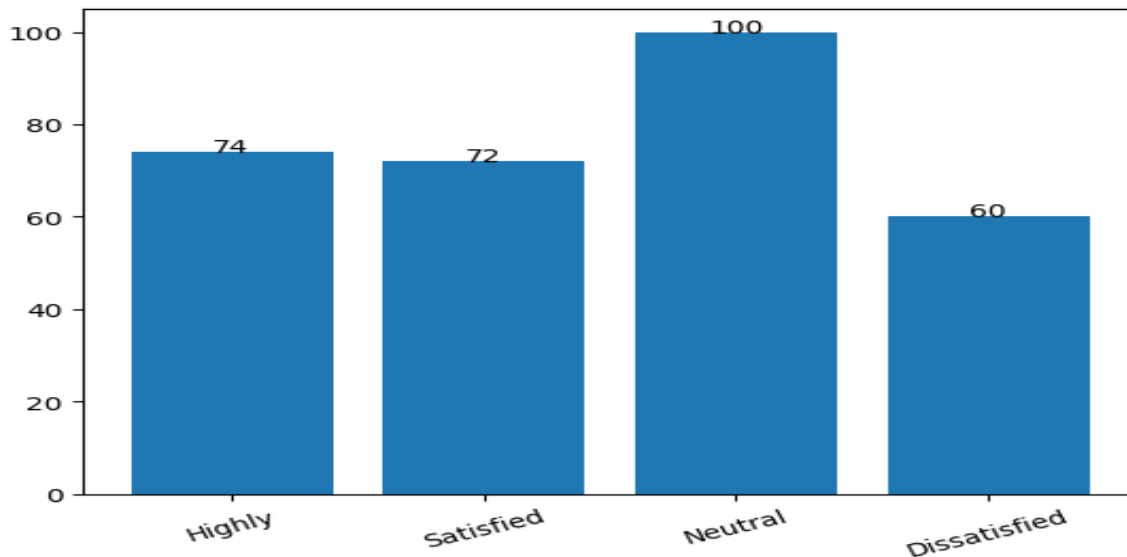
The mean score of 4.03 indicates that respondents have a moderate to low risk-taking capacity and have strongly agree that investors are rating that risk taking capacity are moderate to low which means a safe game. A higher percentage of respondents fall under the low category, showing that most investors prefer safer investment options.

8. Satisfaction level of investors

Table-5

Response	No. of Respondents	Percentage
Highly satisfied	74	24.18%
Satisfied	72	23.53%
Neutral	100	32.68%
Dissatisfied	60	19.61%
Total	306	100%

Figure 5: Satisfaction level of investors in mutual funds

**Interpretation:**

The majority of respondents (32.68%) are neutral, indicating mixed opinions. However, a significant portion is satisfied, showing that growth-oriented mutual funds are moderately well accepted compared to other investment options.

9. FINDINGS**Awareness & Knowledge Findings**

- Around 52% of respondents are aware of mutual funds, while a significant portion still lacks awareness
- Main source of information is friends and relatives, followed by advertisements and banks.

Risk Perception Findings

- Majority of respondents have low to moderate risk-taking capacity and Experienced investors show higher risk tolerance
- Investors are not fully confident about risk differences between fund types.

Satisfaction & Future Intention Findings

- Most respondents are neutral to satisfy and Investors have mixed opinions when comparing with other investment options. Future investment intention is uncertain, with equal distribution among yes, no, and maybe

10. CONCLUSION

The study concludes that growth-oriented mutual funds are gaining popularity among investors, especially younger individuals. Investors show a moderate level of awareness and a generally positive perception towards these funds. However, there is still a lack of complete knowledge and confidence among investors, particularly regarding risk and fund selection. While many investors prefer SIP and long-term investment, their overall understanding of mutual funds needs improvement. The findings indicate that investor perception is influenced by factors such as awareness, income, education, and experience. Furthermore, the findings emphasize that although awareness about mutual funds has improved, there is still a gap in deep financial understanding among many investors. This often leads to reliance on external advice or short-term market trends rather than informed decision-making. In conclusion, growth-oriented mutual funds have strong potential to attract a broader investor base, provided that efforts are made to enhance financial literacy,

ensure transparency, and promote long-term investment perspectives. With the right guidance and awareness, investors can make better use of these funds to achieve their financial goals.

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