

Consumer Awareness and Perception Toward Mutual Fund

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Abstract - The mutual fund industry has experienced tremendous growth in India in recent years. However, despite this growth, consumer awareness and comprehension of mutual funds remain limited. The present study aims to explore the level of awareness and perception regarding mutual funds among consumers in the Greater Noida region. The research method employed in this study is descriptive research, and data is collected through questionnaires.

The findings of this study indicate that consumer awareness and understanding of mutual funds are inadequate. However, it was found that consumers who possess knowledge of mutual funds hold a positive perception of them.

In light of these results, it is recommended that additional awareness and education initiatives be implemented to enhance consumer awareness and understanding of mutual funds. Such campaigns would aid in dispelling the misconceptions and misunderstandings surrounding mutual funds, and subsequently encourage greater participation in the market.

Key Words: Mutual Fund, Consumer awareness, consumer preference, Hybrid fund, Return Risk, SIP.

1. INTRODUCTION

A mutual fund is a popular investment vehicle that enables individuals to pool their resources and invest in a diverse range of assets such as bonds, stocks, and securities. Skilled fund managers oversee the investments and make informed decisions based on the fund's investment objectives. The primary objective of mutual funds is to minimize risk by diversifying portfolios across different securities.

As an investor in a mutual fund, you own a fractional stake in the total assets of the fund and share in any profits or losses generated by the fund. Mutual funds are ideal for individuals who lack knowledge of the stock market or don't have sufficient time to conduct extensive research and invest in individual stocks.

Mutual funds are structured as trusts that sell units to the public under various investment schemes, including money market and gold-related instruments. Retail investors who lack direct expertise in the bond market prefer the indirect and safer route of investing through collective investment vehicles such as mutual funds, which pool their resources and share returns among shareholders.

The mutual fund concept originated in the United States during the 1930s and was introduced to India in 1964 with the establishment of the Unit Trust of India (UTI). Privatization of this industry occurred in 1993, providing Indian investors with a wider range of investment options.

1.1 CONSTITUENTS OF MUTUAL FUNDS

There were 5 Principal constituents of Mutual Fund:

1. Mutual Funds

A mutual fund is a type of investment where people buy small portions, called units, and the money raised is used to buy stocks, bonds, and other things in the capital market. Mutual funds must be registered with SEBI to start operating legally.

2. Asset Management Company

Asset management companies are companies that manage mutual funds. They must be approved by SEBI and have an agreement with the trustee of the mutual fund.

3. Trustee

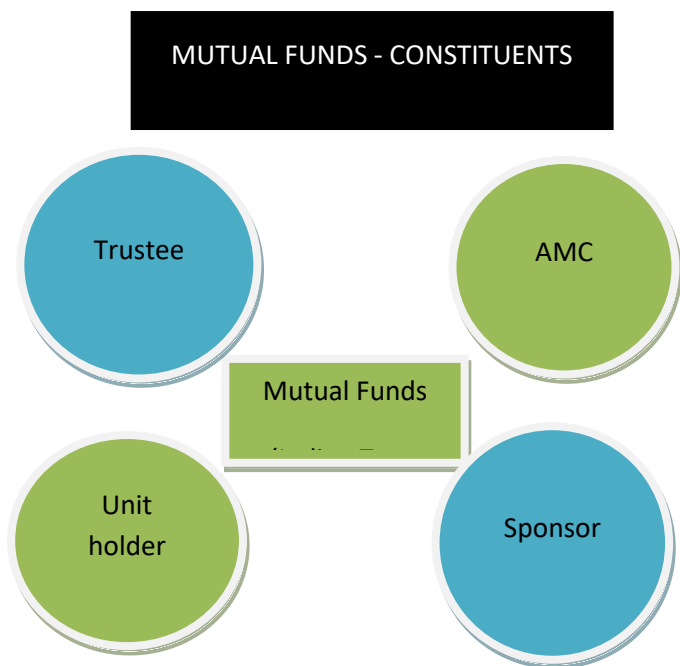
A trustee is a person who holds mutual fund property for the benefit of the person who purchases the units. They work for the benefit of the shareholders.

4. Unit holders

A unit holder is a person who buys units issued by a mutual fund. These units show how much mutual fund assets they hold.

5. Promoter

A promoter is a promoter of a mutual fund. These are usually companies.



1.3 ADVANTAGE OF MUTUAL FUND

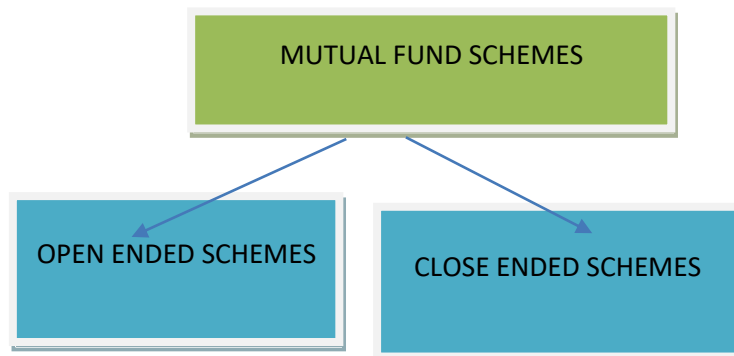
- Investors use the services of qualified and experienced professionals supported by a dedicated investment research team that continuously analyzes company performance and makes appropriate investment recommendations to achieve planned objectives.
- Mutual funds invest in a number of companies in different industries and sectors, providing good diversification for your investments. This diversification ultimately reduces risk because all stocks are unlikely to fall at the same rate.
- Mutual funds invest in a diversified basket of securities and therefore have the potential to generate higher returns when invested over the medium to long term.
- They provide liquidity to investors.
- In open-ended plans, investors can get their money back at the prevailing net asset value, while in closed-end plans, investors can sell their units on the stock exchange.

1.4 RISK ASSOCIATED WITH MUTUAL FUNDS

- Mutual funds are an investment option that involves certain risks. Some common risks associated with mutual funds include market risk, credit risk, liquidity risk, interest rate risk, and inflation risk.
- Market risk is the risk of loss due to fluctuations in the market value of investments in mutual funds. This risk is due to stock market volatility and can impact the returns generated by mutual funds.
- Credit risk is the risk of default by the issuer of bonds or other debt securities held by mutual funds.
- If the issuers of these vehicles default, it could result in losses for mutual funds and their investors.
- Liquidity risk is the risk of not being able to easily sell the investments held by a mutual fund at a fair price. This risk can arise if the market for a particular investment becomes illiquid, making it difficult to sell the investment at the desired price.
- Interest rate risk refers to the risk of loss due to changes in interest rates. If interest rates rise, the value of bonds or other debt securities held by a mutual fund may fall, causing losses to the mutual fund and its investors.
- Inflation risk is the risk that a mutual fund will not generate enough returns to keep up with inflation. Inflation can reduce the purchasing power of returns generated by mutual funds, resulting in lower real returns for investors.

As an investor, it's important to understand these risks associated with mutual funds and choose funds that match your risk appetite and investment goals.

1.5 SCHEMES OF MUTUAL FUNDS



A) Open ended schemes

An open-ended mutual funds is a fund with variable corpus and are ready at any time to redeem on demand.

The fund itself buys back all the units surrendered and is ready to issue new units. Transactions take place at NAV.

B) Close ended schemes

A close ended mutual fund is a fund which remain open for a certain duration and you have to buy units in that limited time. There is no option to redeem on demand. But these shares are traded on stock exchange to provide liquidity to investors.

1.6 WHAT ARE THE DIFFERENT TYPES OF MUTUAL FUNDS?

A mutual fund is an investment vehicle that pools money from multiple investors to invest in a diversified portfolio of securities, such as stocks, bonds, and other financial assets. Mutual funds offer a variety of plans to meet the investment goals and risk profiles of different investors.

1. Income Oriented Mutual Funds

Equity funds are one of the most popular types of mutual funds and primarily invest in shares of publicly traded companies. Equity funds can be divided into diversified funds, sector funds and index funds. Diversified equity funds invest in stocks of companies from different sectors and market capitalizations.

Sector equity funds focus on specific sectors such as banking, technology, healthcare, etc. Index funds track the performance of a specific market index, such as the Nifty 50 or the Sensex.

2. Growth Oriented Mutual Funds

Debt funds are mutual funds that invest in fixed income securities such as government bonds, corporate bonds and money market instruments. Debt funds can be classified according to the maturity of the underlying securities in which they invest. Liquidity funds are invested in very short-term bonds with maturities up to 91 days. Short-term funds invest in securities with maturities of up to one year. Medium-term funds invest in securities with a maturity of 3 to 5 years, and long-term funds invest in securities with a maturity of more than 5 years. Debt funds are suitable for investors seeking stable income and relatively low risk.

3. Hybrid MF

Balanced funds, also called hybrid funds, invest in a combination of equity and debt securities.

Balanced funds are suitable for investors seeking moderate returns and lower risk.

These funds invest a significant portion of their capital in equity securities and the rest in debt securities.

4. Index Funds

Index funds are passive mutual funds that track a specific index such as Nifty 50 or Sensex. These funds aim to replicate the performance of the underlying index, thereby minimizing the role of the fund manager. Index funds are suitable for investors seeking long-term growth, relatively low risk and low expense ratios.

5. Exchange Traded Funds

Exchange Traded Funds (ETFs) are similar to mutual funds, but are listed and traded on stock exchanges.

ETFs track a specific market index and offer investors the ability to trade shares on exchanges during market hours. ETFs have lower expense ratios than mutual funds, making them a cost-effective investment option.

6. Fund of Funds

A fund of funds (FoF) is a mutual fund that invests in other mutual funds. FoFs offer diversification across multiple asset classes and fund houses, making it easier for investors to invest in a diversified portfolio through a single investment.

Finally, mutual funds offer a wide range of investment plans suited to the investment objectives and risk profiles of different investors.

Investors should also consider the track record and experience of the fund house and fund manager before making an investment decision.

7. Money Market MF

These funds invest in short term debt securities of the money market like certificate of deposit, commercial papers, treasury bills.

8. Tax Saving MF

When you invest in Equity Linked Saving Schemes (ELSS) and Pension schemes you got tax incentives. So these fund invest your money in these tax saving schemes so that you will get some rebate in your income tax.

9. Real estate MF

These are close ended funds with a fixed corpus which invest predominantly in Real estate and properties.

10. Gold Exchange Traded Funds

This fund predominantly invests in Gold and Gold related instruments.

2. Body of Paper

LITERATURE REVIEW

Chakarbarti and Rungta (2000) stressed the importance of brand effect in determining the competitive position of the AMCs. The study reveals that brand image factor, through cannot be easily captured by computable performance measures, influences the investor's perception and hence his funds/ scheme selection.

Mishra et al. (2002) measured Mutual Funds performance using lower partial moment. In this study, measures of evaluating portfolio performance based on lower partial moment are developed.

Saini et., al. (2011) analyzed investor's behavior, investors' opinion and perception relating to various issues like type of mutual fund scheme, its objective, role of financial advisors / brokers, sources of information, deficiencies in the provision of services, investors' opinion relating to factors that attract them to invest in mutual and challenges before the Indian mutual fund industry etc. The study found that investors seek for liquidity, simplicity in offer documents, online trading, regular updates through SMS and stringent follow up of provisions laid by AMFI.

Singh (2012) conducted an empirical study of Indian investors and observed that most of the respondents do not have much awareness about the various function of mutual funds and they are bit confused regarding investment in mutual funds. The study found that some demographic factors like gender, income and level of education have their significant impact over the attitude towards mutual funds. On the contrary age and occupation have not been found influencing the investor's attitude. The study noticed that return potential and liquidity have been perceived to be most lucrative benefits of investment in mutual funds and the same are followed by flexibility, transparency and affordability.

3. NEED, SCOPE AND OBJECTIVES OF THE STUDY

NEED OF THE STUDY

The impetus for this study arose from a recognition of a void in previous research. While prior investigations have delved into the mechanics of mutual funds, there remained a need for a more thorough exploration of this complex subject. Consequently, this study endeavours to not only examine the various types of mutual funds and investment options available in the market, but also to scrutinize investor behaviour and gauge their awareness of the diverse investment avenues that exist.

SCOPE OF THE STUDY

The scope of this study was deliberately delimited to the dynamic metropolis of Greater Noida, ensuring that the findings are contextually relevant to this specific geographical area. By restricting the scope in this way, the study is able to provide a more focused and nuanced analysis, unencumbered by extraneous factors that may have diluted the research outcomes.

OBJECTIVES OF THE STUDY

The study has been undertaken in order to achieve the following objectives:

- The purpose of this study is to provide a comprehensive overview of mutual funds and highlight the various investment opportunities available in this domain. By presenting a thorough encapsulation of this multifaceted subject matter, the study aims to foster greater awareness and understanding of the potential advantages and disadvantages associated with investing in mutual funds.
- Another key objective of this study is to identify and evaluate the different investment options available in the capital market, with the aim of presenting a detailed and comprehensive analysis of the investment landscape. By exploring the full range of investment opportunities, the study aims to equip investors with the knowledge necessary to make informed decisions about their investments.
- This study also seeks to investigate investor perceptions of investment in the stock market

through mutual funds. By examining investor attitudes and beliefs, the study aims to identify potential obstacles or challenges in this area, and determine the extent to which such perceptions influence investment behaviour.

- Additionally, the study seeks to analyse the investment behaviour of investors and determine the factors that influence their decision-making process. By gaining insight into the underlying factors that drive investment behaviour, the study aims to provide a more comprehensive understanding of investor behaviour and help investors make better-informed investment decisions.
- Along with examining investment behaviour, this study also seeks to identify the problems faced by investors and the reasons for not investing in financial instruments. By identifying these issues, the study aims to provide insights and solutions that can help overcome these obstacles and encourage greater investment participation.
- Finally, the study aims to gauge the level of investor satisfaction with the returns generated by different investment avenues. By evaluating investor satisfaction, the study aims to provide a more nuanced understanding of investment performance, and help investors make more informed decisions regarding their investment portfolio.

4. RESEARCH METHODOLOGY

By adopting this methodology, the study endeavours to unravel the intricate decision-making processes that drive consumer attitudes towards mutual funds. The use of a representative sample and structured questionnaire ensures that the data collected is accurate and insightful, paving the way for informed analysis.

This research promises to offer invaluable insights into the complex interplay between consumer preferences and the mutual fund market, empowering financial institutions to cater to the specific needs of their target audience in Greater Noida.

RESEARCH DESIGN:

The research design is the foundation upon which the entire research endeavour rests. It provides a structured framework for the collection, measurement, and analysis of data. In the case of this study, a descriptive research design was employed.

Descriptive research, as the name suggests, involves gathering data through questionnaires, interviews (in-person or via phone), or observation. In essence, this type of research aims to describe a phenomenon and its characteristics in a comprehensive manner. For the present study, the research was descriptive and conclusion-oriented, which allowed for a detailed exploration of the perceptions and behaviours of consumers towards mutual funds.

By utilizing this research design, the study was able to gather valuable data that could be used to inform decision-making processes in the financial industry. The information gathered through the study could be leveraged to develop targeted strategies that cater to the specific needs and preferences of mutual fund consumers. Overall, the descriptive research design allowed for a thorough examination of the research problem, generating insights that can benefit both researchers and practitioners alike.

SAMPLING DESIGN:

Population: Greater Noida City of Uttar Pradesh.

Sampling unit – The focus of this research is to gather valuable insights into the perceptions and viewpoints of individuals who are either students or professionals residing in Greater Noida City, Uttar Pradesh. To achieve this, the sampling unit for the study was defined as this target population.

Sample size – The sample size chosen for the study is 100 respondents, who will be selected from the population.

Sampling Technique- Convenience sampling, a non-probability sampling technique, was employed to select the sample. This technique allows for a straightforward and efficient selection process. Additionally, the data collection method employed in this research is the questionnaire approach, which offers an effective and reliable means of gathering valuable information from the sample.

DATA COLLECTION AND ANALYSIS:

Data Collection

Data collection involves gathering information from both primary and secondary sources.

- **Secondary sources-** Secondary data refers to information that has already been collected by someone else, such as journals, SEBI and AMFI reports, and websites.
- **Primary sources-** On the other hand, primary data refers to fresh information that is collected for the first time, usually through direct personal interviews using open-ended and close-ended questionnaires.

Tool of Presentation & Analysis:

To effectively present and analyse the data obtained from the questionnaires, various tools were used, including percentages, bar graphs, and pie charts. These tools provided a comprehensive and visual representation of the data for easy interpretation and understanding.

To analyse the data obtained with the help of questionnaire, following tools were used.

- **Percentage, Bar Graphs and Pie Charts:** These tools were used for analysis of data.

LIMITATIONS OF STUDY

The major limitations of the study are: -

Due to limitations in time and resources, our study was conducted solely within the city of Greater Noida. While our aim was to survey 120 individuals, we were only able to obtain responses from 100 participants. Therefore, our sample may not be fully representative of the wider population under investigation.

Furthermore, as with any study involving human respondents, there is always the possibility of response bias. In our case, this was mitigated by relying on both internet and published data, due to a lack of primary data availability.

However, we recognize that the accuracy of the information we received from our respondents may be influenced by a range of factors, such as their level of interest in the topic and their willingness to provide truthful answers. Additionally, some respondents may have lacked knowledge on certain aspects of the survey, or may have been unresponsive to our questions.

It is important to note that our study is limited in scope to the city of Greater Noida, and does not provide insights into perceptions of mutual funds as an investment option outside of this area. Despite these limitations, we believe our findings provide valuable insights into the views and opinions of a significant portion of the local population

5. DATA ANALYSIS AND INTERPRETATION

1. Customer Perception toward Mutual Fund as investment option

Table 1.0: Demographic Profile of investors

Gender	No. Of Respondents	Percentage of Respondents
Male	40	40%
Female	60	60%
	Total 100	100%
Age of Respondents		
Less than 18	0	0%
18-24	60	60%
25-34	20	20%
35-44	12	12%
Above 44	8	8%
	Total 100	100%
Qualification		
Matric	0	0%
Undergraduate	40	40%
Post Graduate	60	60%
	Total 100	100%
Occupation		
Service	38	38%
Profession	12	12%
Business	15	15%
Student	35	35%
	Total 100	100%
Monthly Income		
Less than Rs.20,000	35	35%
Rs.20,000 – Rs. 40,000	50	50%
	15	15%

Above Rs.40,000		
	Total 100	100%
Annual Saving		
Up to Rs.10,000	12	12%
Rs.10,001- Rs. 25,000	20	20%
Rs. 25,001- Rs. 50,000	20	20%
Rs. 50,001- Rs. 1,00,000	18	18%
Above Rs. 1,00,001	30	30%
	Total 100	100%
% of Saving Invested		
0-10	10	10%
10-20	15	15%
20-30	40	40%
Above 30	35	35%
	Total 100	100%

Analysis and Interpretation

Based on the survey conducted, it was discovered that the respondents were predominantly female, accounting for 60% of the total population, while males made up 40%. The majority of investors belonged to the age group of 18-24 years, with a staggering 60% of the total population falling in this category.

Further analysis revealed that out of the total respondents, 40% had an undergraduate degree while 60% had completed post-graduation. Additionally, 38% of the respondents were engaged in some form of service.

Based on the data, it can be inferred that the majority of respondents were young adults aged between 18-

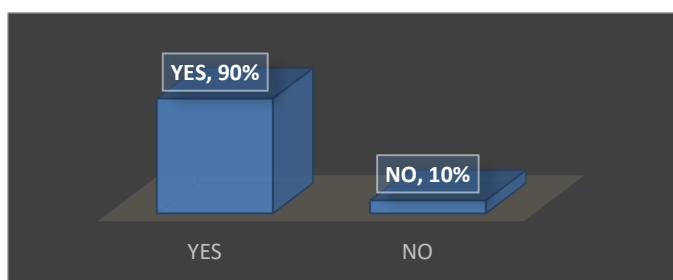
24 years, with an income range of Rs. 20,000-40,000.

Statement1. Determine respondents' investment status.

Table No. 1.1: Determine respondents' investment status.

Investment Status	Quantity of participants.	Percentage of Respondents
Yes	90	90%
No	10	10%
Total	100	100%

Figure No.1.1 Determine respondents' investment status.



Analysis and Interpretation:

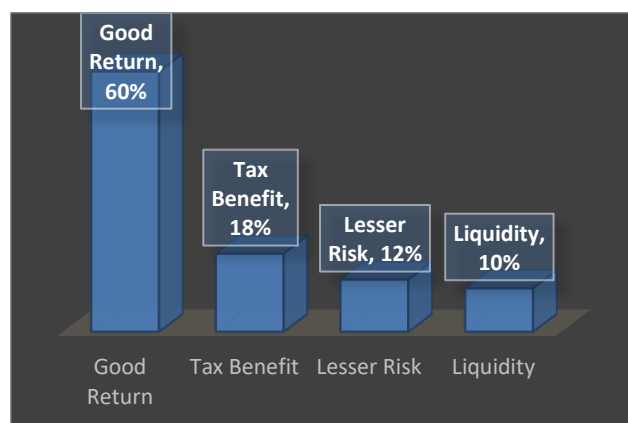
The survey findings indicate that a substantial majority of the respondents, approximately 90%, are actively engaged in investing in the security market. Conversely, a minority of the respondents, comprising approximately 10%, do not participate in such investment activities. These results highlight the significant interest in the security market among investors, while also acknowledging the presence of a small yet discernible group that prefers to refrain from such investments.

Statement2. Factors considered most while investing

Table No. 1.2: Factors considered most while investing

Factors	No. of Respondents	% of Respondents
Good Return	60	60%
Tax benefit	18	18%
Lesser Risk	12	12%
Liquidity	10	10%

Figure No. 1.2: Factors considered most while investing



Analysis and Interpretation:

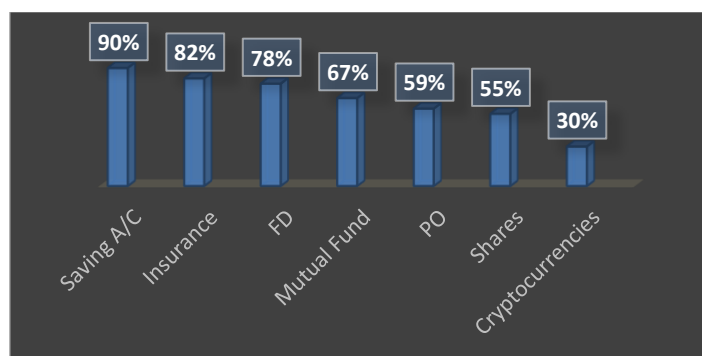
As per the survey results, a significant proportion of the respondents, namely 60%, regard good return as the most crucial factor while making investments. This underscores the significance of earning profitable returns for investors. Additionally, 18% of the respondents prioritize tax benefits as the most important consideration when investing, demonstrating their recognition of the importance of optimizing tax savings in investment decisions. These findings highlight the diverse perspectives and priorities among investors when it comes to investing their money.

Statement3.Preference regarding different investment avenues

Table No. 1.3: Type of Investment Avenue the person has been investing

Investment Alternative	No. of Respondents
Mutual fund	67
Shares	55
Cryptocurrencies	30
F. D	78
PO	59
Insurance	82
Saving	90

FigureNo. 1.3: Type of Investment Avenue the person has been investing.



Analysis and Interpretation:

Table No. 1.3 sheds light on the investment preferences of the respondents, revealing that a vast majority of them, amounting to 90%, have invested in Saving A/C. Furthermore, 82% of the respondents have invested in insurance, indicating their inclination towards safeguarding their investments. Other popular investment avenues among the respondents include FD, with 78% of them opting for it, and mutual funds, with a participation rate of 67%. A sizeable proportion of the

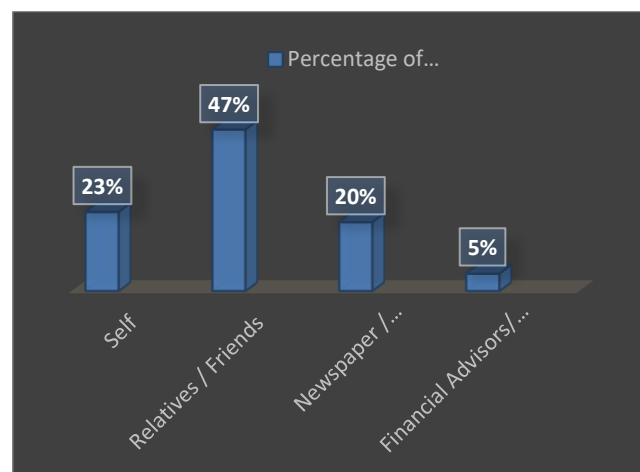
respondents, comprising 59%, have invested in PO, while 55% have chosen shares as their investment option. Finally, the survey highlights that a smaller yet notable group of respondents, comprising 30%, have invested in cryptocurrencies, reflecting the growing interest in digital assets as a potential investment avenue.

Statement4.Primary Source of Information regarding Mutual Fund

Table No. 1. 4: Primary Source of Information regarding Mutual Fund

	No. of Respondents	% of Respondents
Self	23	23%
Relatives / Friends	47	47%
Newspaper / Advertisements	20	20%
Financial Advisors/ Agents	5	5%
Workshops/ Seminars	5	5%

Figure No. 1.4: Primary Source of Information regarding Mutual Fund



Analysis and Interpretation:

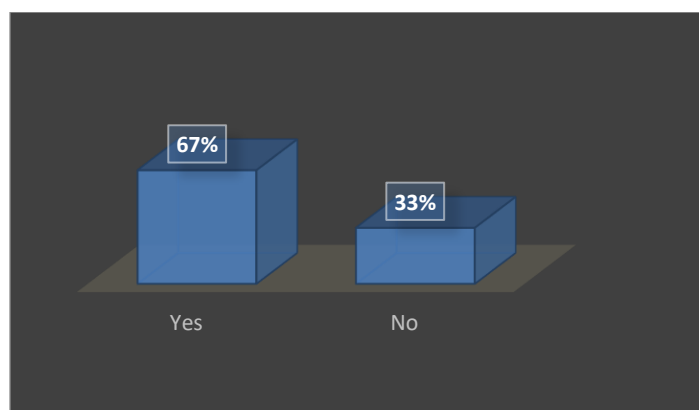
According to the table, the research reveals that there are various factors that influence respondents when making investment decisions. Among these factors, 47% of respondents were found to be influenced by their friends and family, while 23% make investment decisions based on their personal evaluation. Additionally, 20% of respondents were influenced by advertisements. The findings suggest that a significant portion of individuals are influenced by their social circles and surroundings, with many being encouraged to invest in mutual funds due to the active involvement of friends and family in such investments. In summary, the study highlights the impact of social influence on investment decisions and the importance of considering various factors before making investment decisions.

Statement5. Investment Decision Regarding Mutual Fund

Table 1.5: Investment Decision Regarding Mutual Fund

Investment Decision	No. of Respondent	% of Respondents
Yes	67	67%
No	33	33%
Total	100	100%

FigureNo. 1.5: Investment Decision Regarding Mutual Fund



Analysis and Interpretation:

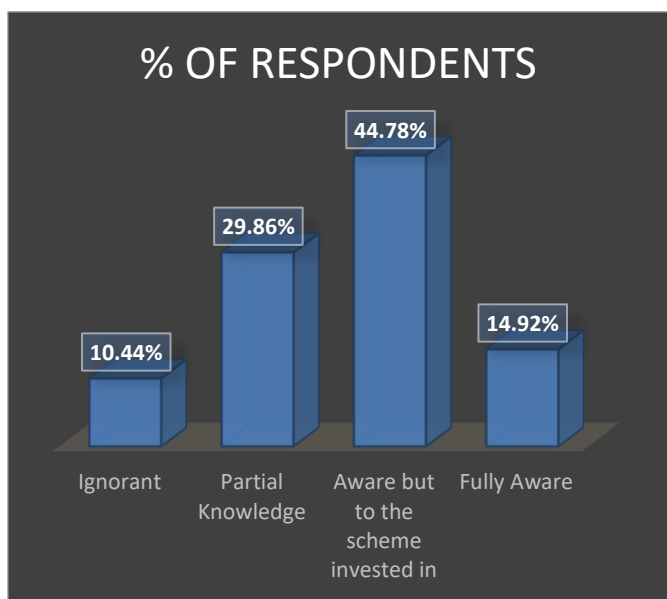
Based on the data provided in the table, it was discovered that 67% of the respondents were investing in mutual funds, while the remaining 33% were non-investors. These findings indicate that a significant portion of individuals have already invested in mutual funds, while a notable proportion has yet to explore this investment option. It is crucial to note that investing in mutual funds can provide various benefits, such as diversification and professional management, which can aid individuals in achieving their financial goals. Therefore, it is essential for non-investors to consider the potential advantages of mutual fund investments and make informed decisions based on their financial objectives and risk tolerance.

Statement6: Where do you find yourself as Mutual Fund Investor?

Table No. 1.6: Where do you find yourself as Mutual Fund Investor?

Particular	No. of Respondents	% of Respondents
Ignorant	7	10.44%
Partial Knowledge	20	29.86%
Aware but to the scheme invested in	30	44.78%
Fully Aware	10	14.92%
Total	67	100%

Figure No.1.6: Level of Awareness regarding Mutual Fund



Analysis & Interpretation:

The survey results indicated that a significant proportion of respondents had some level of awareness regarding the mutual fund schemes they have invested in. Specifically, 10% of respondents were fully aware of their investment schemes, while 29.86% had partial knowledge about their investment schemes. These findings suggest that a considerable number of respondents were conscious of their mutual fund investments to some extent. However, it is crucial to note that having a comprehensive understanding of investment schemes is crucial to make informed investment decisions and achieve financial goals effectively. Therefore, investors must strive to deepen their knowledge of their investment schemes and the broader financial market to make informed decisions and optimize their investment outcomes.

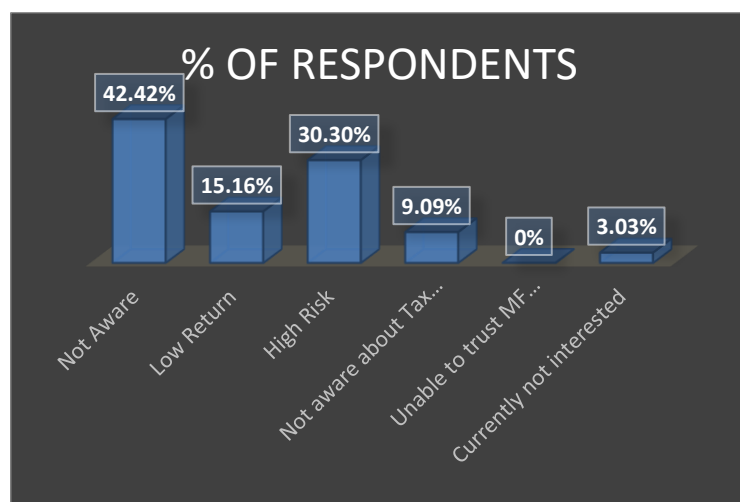
Statement7: What are the Factors that restrain respondents from investing in Mutual Fund?

Table No 1.7: Reasons for Non investing in Mutual Fund

Reasons	No. of Respondents	% of Respondents
Not Aware	14	42.42%
Low Return	5	15.16%
High Risk	10	30.30%

Not aware about Tax Benefits	3	9.09%
Unable to trust MF companies	0	0%
Currently not interested	1	3.03%
Total	33	100%

Figure No. 1.7: Reasons for Non investing in Mutual Fund



Analysis & Interpretation:

According to the survey results, the majority of people do not invest in mutual funds due to a lack of awareness. However, it is worth noting that 30.30% of non-investor respondents cited high risk as their reason for not investing, while 15.16% cited low return as their reason.

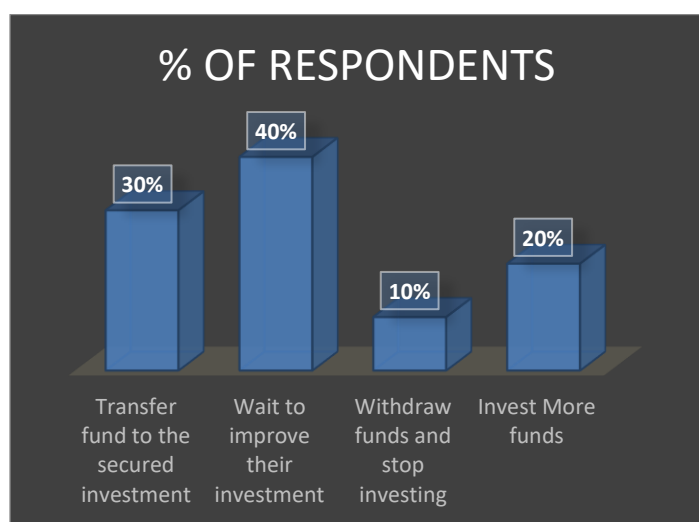
It is important to increase awareness about mutual funds so that more people can understand the benefits of investing in them. By doing so, we can help more individuals overcome their fear of risk and make informed investment decisions. At the same time, it is crucial to educate investors about the different types of mutual funds and their risk profiles, so that they can make well-informed investment choices based on their personal financial goals and risk tolerance.

Statement8: To know Investor's action in case stock market drop.

Table No. 1.8: To know Investor's action in case stock market drop.

Actions	No. of Respondents	% of Respondents
Transfer fund to the secured investment	30	30%
Wait to improve their investment	40	40%
Withdraw funds and stop investing	10	10%
Invest More funds	20	20%
Total	100	100%

Figure No. 1.8: To know Investor's action in case stock market drop.



Analysis & Interpretation:

Based on the results of the survey, it was discovered that the majority of the respondents preferred to take a wait-and-see approach with regards to their investments. This finding suggests that many investors are patient and are willing to

monitor the performance of their investments before making any significant changes.

In addition, 30% of the respondents indicated that they would transfer their funds to a more secure investment option if their current investment does not perform well. This highlights the importance of having a backup plan and diversifying one's investment portfolio to mitigate risks.

On the other hand, 20% of the respondents expressed their willingness to invest more funds to achieve long-term benefits. This indicates that some investors are optimistic about the potential returns of their investments and are willing to allocate more resources towards them.

Finally, 10% of the respondents stated that they would withdraw their funds and stop investing altogether. While this may not be the most advisable strategy, it is important to recognize that some investors have a lower risk tolerance and may prioritize capital preservation over returns.

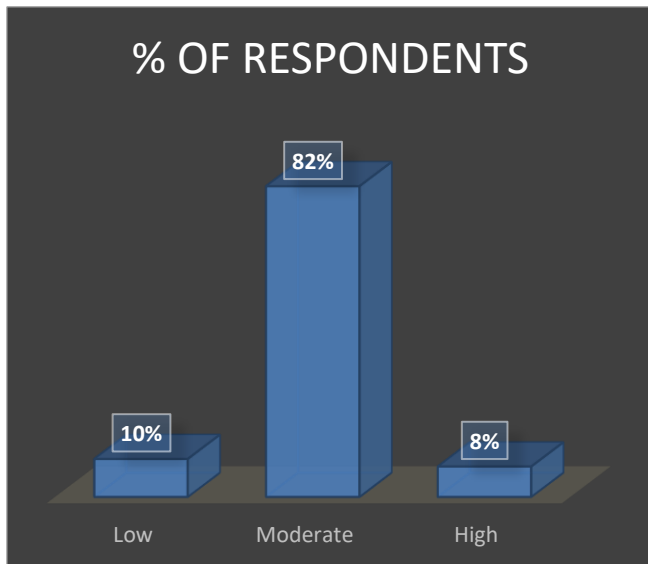
Overall, these findings emphasize the importance of understanding one's investment goals, risk tolerance, and diversification strategy to make informed investment decisions.

Statement9: Level of Risk anticipate from MF.

Table No. 1.9: Level of Risk anticipate from MF.

Level of Risk	No. of Respondents	% of Respondents
Low	10	10%
Moderate	82	82%
High	8	8%
Total	100	100%

Figure No. 1.9: Level of Risk anticipate from MF.



Analysis & Interpretation:

According to the survey results, the majority of respondents, accounting for 82%, consider mutual funds as a moderate-risk investment option. This indicates that most investors are willing to take on some degree of risk in pursuit of potential returns.

However, it was found that 8% of the respondents perceive mutual funds to carry a high level of risk, which deters them from investing in this option. It is important to note that risk tolerance varies from person to person, and investors must assess their risk appetite before making investment decisions.

On the other hand, 10% of the respondents believe that mutual funds carry a relatively low risk, and therefore can be a preferred investment option. This suggests that some investors are willing to allocate their funds towards investments that may carry a lower level of risk.

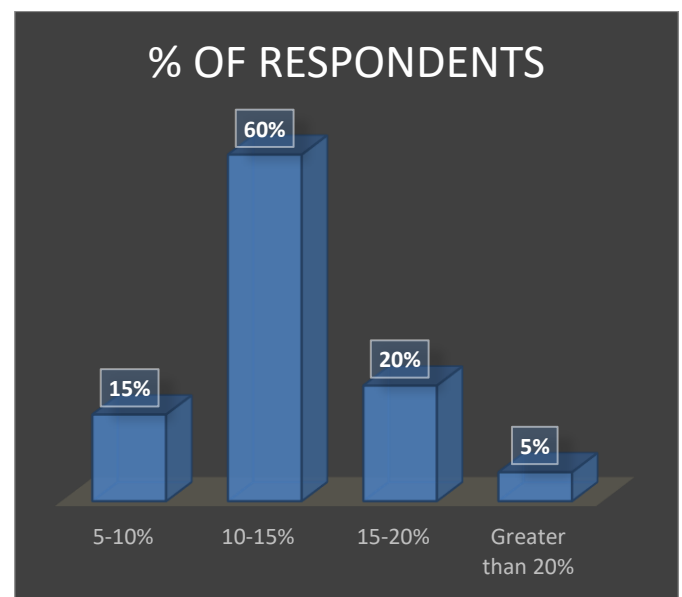
Overall, these findings demonstrate that investors have varying perceptions of the risks associated with mutual funds. It is crucial for investors to conduct proper due diligence and consult with financial professionals before making any investment decisions to mitigate risks and maximize potential returns.

Statement10: Return expected from Mutual Funds

Table No. 1.10: Return expected from Mutual Funds

Expected Return	No. of Respondents	% of Respondents
5-10%	15	15%
10-15%	60	60%
15-20%	20	20%
Greater than 20%	5	5%
Total	100	100%

Figure No. 1.10: Return expected from Mutual Funds



Analysis & Interpretation:

Among the 100 respondents surveyed, it was revealed that a significant proportion of investors had varying expectations regarding their returns on investment. Notably, 15% of the respondents expected a return of 5-10%, 60% expected a return of 10-15%, 20% expected a return of 15-20%, and 5% expected a return of more than 20%.

These findings suggest that the majority of the respondents, accounting for 60%, had a reasonable expectation of a 10-15% return on their mutual fund investments. It is important

to note that the expected returns may vary based on the investor's risk tolerance, investment goals, and other factors.

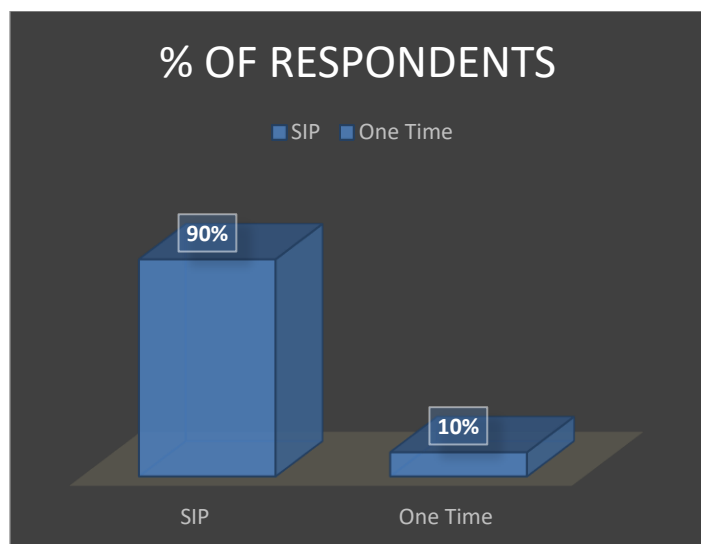
Investors must conduct proper research and consult with financial experts before making any investment decisions to ensure that their expectations align with their investment strategy. By doing so, investors can potentially achieve their desired returns and minimize the associated risks.

Statement 11: Mode of Investment Preferred

Table No. 1.11: Mode of Investment Preferred

Mode	No. of Respondents	% of Respondents
SIP	90	90%
One Time	10	10%
Total	100	100%

Figure No. 1.11: Mode of Investment Preferred



Analysis & Interpretation:

After conducting a survey among 100 respondents, it was found that a vast majority, that is 90%, favoured Systematic Investment Plans (SIPs) as their preferred investment option for mutual funds. This investment plan's popularity can be

attributed to its convenience and flexibility, as it allows investors to make fixed monthly payments that are more affordable and easier to manage.

Moreover, investing in SIPs promotes disciplined savings habits and enables investors to benefit from the power of compounding, resulting in potentially higher returns over time.

On the other hand, 10% of the respondents preferred lump sum payments or a one-time investment. This payment option may suit investors who have a lump sum of cash available or those who prefer to invest a significant amount upfront.

It is essential to note that every investor's needs and financial goals are unique, and they must choose an investment plan that aligns with their risk tolerance and long-term objectives. Thus, conducting thorough research and seeking professional financial advice can help investors make informed decisions about their mutual fund investments.

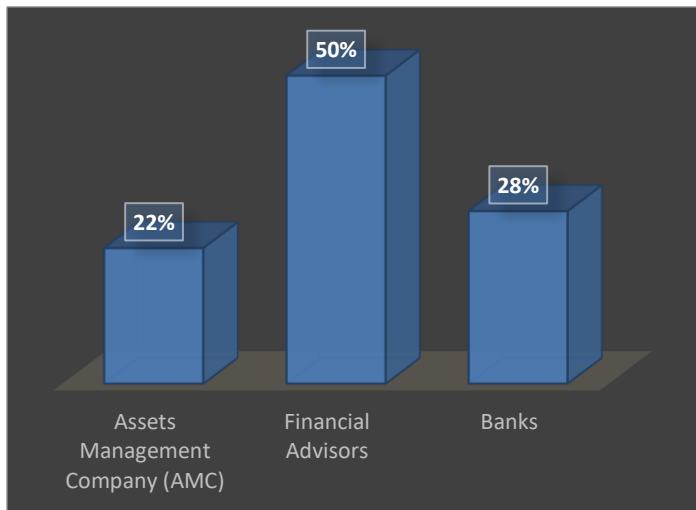
In conclusion, while SIPs remain the preferred choice for most investors, choosing the right investment option ultimately depends on individual circumstances and investment objectives

Statement 12: Channel preferred while investing in mutual funds.

Table Nov1.12: Channel of Investment Preferred

Channel	No. of Respondents	Percentage
Assets Management Company (AMC)	22	22%
Financial Advisors	50	50%
Banks	28	28%
Total	100	100%

Figure No. 1.12: Channel of Investment Preferred



Analysis & Interpretation:

According to a survey conducted on 100 respondents, mutual fund investors have varying preferences for selecting the right portfolio. Specifically, 50% of respondents sought the help of a financial advisor, indicating the importance of professional guidance in navigating the complex world of mutual fund investments.

On the other hand, 22% of respondents preferred to make direct investments through Asset Management Companies (AMCs), showing a trend of investors taking more control over their investment decisions and bypassing traditional intermediaries.

In contrast, 28% of respondents opted to seek the help of banks for their mutual fund investments, taking advantage of the convenience of having a trusted financial institution to manage their investment needs.

6. FINDINGS OF THE STUDY

Following findings were generated from the study:

- The majority of the respondents demonstrated a commendable awareness of the diverse investment avenues available in the market.
- Investors exhibit a proclivity for diversifying their investment portfolio by allocating their resources to various investment options. Although conservative investment options such as

savings accounts, fixed deposits, and insurance policies are preferred, mutual funds and shares also command a significant portion of their investment portfolio.

- The decision-making process of investors is predominantly influenced by their own preferences and perceptions, as well as recommendations from friends and relatives.
- A substantial percentage of investors place a premium on good returns as the most crucial factor while making investment decisions. Other crucial factors include tax benefits, lower risk, and liquidity.
- Although investors consider themselves to be aware of the investment schemes they have invested in, their knowledge may be limited to these specific schemes.
- In anticipation of an abrupt drop in the stock market, investors tend to delay improving their investments.
- Investors prefer a moderate risk profile when investing in mutual funds.
- The majority of investors expect a return of 10-15% from their mutual fund investments.
- Systematic Investment Plans (SIPs) are regarded by the majority of investors as the most effective mode of investment.

7. CONCLUSIONS

Mutual funds offer a convenient and safe route for retail investors to enter the stock market. By using diversification as a strategy to reduce risk, mutual funds provide investors with the opportunity to invest in a variety of assets managed by professional fund managers and investment analysts.

The research conducted on "Consumer Awareness & Perception toward Mutual Fund" highlights that while the majority of consumers have a positive perception of mutual funds and recognize it as a profitable investment option, they are restricted from investing due to lack of awareness and knowledge. Despite having sufficient funds, consumers lack the knowledge of which scheme suits their investment preferences. As a result, many investors still prefer to invest in conventional options such as FD, NPS, Gold, Insurance, and savings account, which are perceived as relatively risk-free.

The study also revealed that investors prefer the Systematic Investment Plan (SIP) mode over a one-time payment mode. This may be because investors are not ready to face market volatility with their entire investment and find SIP more convenient. Financial advisors are the most preferred source for making mutual fund investments as they possess expert knowledge about the market and have enough time to track changes in the economy and make necessary adjustments to the portfolio. This creates a sense of security for investors that their investment is in safe hands. Banks are also a preferred channel for investment due to their perceived safety and ability to deliver good returns.

However, due to lack of time and expertise, very few people opt for the direct route of investing through an asset management company.

ACKNOWLEDGEMENT

The heading should be treated as a 3rd level heading and should not be assigned a number.

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