

A study on Investors attitude towards mutual fund as investment option

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Abstract

The mutual fund business is emerging as the fastest growing business in India. Especially after the covid 19 pandemic, investors are seen investing in mutual funds. After the epidemic of Covid 19, people started to realize the importance of savings. The attraction of investing in the share market is seen in investors. Share market offers good returns but also comes with risk. Hence, mutual funds are a good option for investors to get good returns from the stock market. Due to digitization investors are attracted to share market as they can invest from the comfort of their homes, but they are attracted to mutual funds as they cannot handle the risk of share market. As a result, the mutual fund business is seen to have picked up speed after the Covid-19 pandemic.

This study presents Investors Attitude towards Mutual Fund as Investment Option.

Keywords: Investors attitude, investment option, capital, capital

Introduction

There has unpredictable volatility seen in capital market from January 2020 due to covid 19 pandemic period. The lockdown has adversely have affected all the sectors. In this period majority of investors withdraw their investment for survives in this situation and its indirect and direct effect on Indian economy. After pandemic period surprisingly positive change in mutual fund industry because of digitalization people grab more knowledge about that and also understand important of investment in human life is necessary. There has believed that mutual fund is safe investment in the capital market. That reason Mutual fund returns have taken sharp hit due to this pandemic period of covid 19.

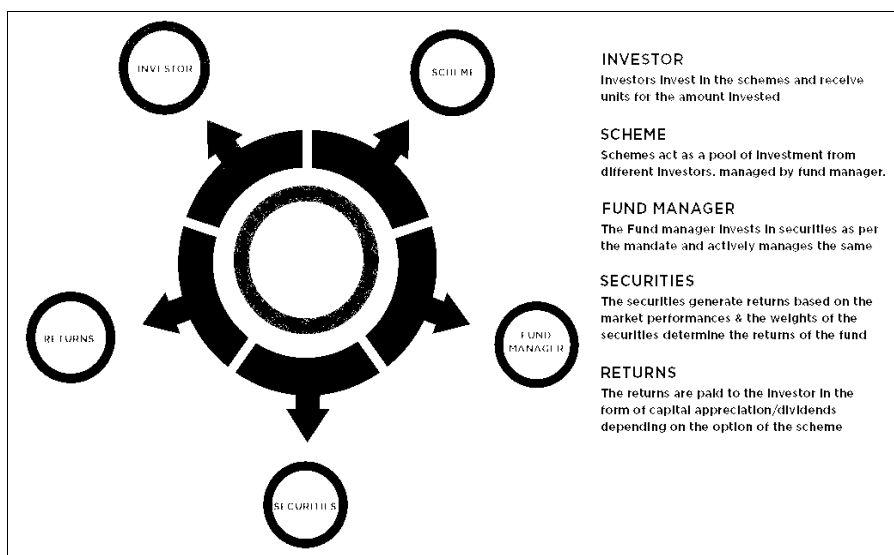
The present research paper aims to study the Investors Attitude towards Mutual Fund as Investment Option.

Mutual Fund

A mutual fund investment is a financial vehicle that pools the funds of multiple small investors who share common

investment objectives. This pooling of funds is typically managed by a company, trust, agency, or a group of individuals. The collected funds are then invested in a diversified portfolio of assets, which may include equities, bonds, securities, or other financial instruments. Each investor in the mutual fund owns a portion of the overall holdings of the fund. The returns generated from the investments are distributed proportionately among all the investors after deducting expenses. This distribution is based on the Net Asset Value (NAV) of the mutual fund. As per SEBI, mutual funds can be broadly classified into 3 categories - Equity Funds, Debt Funds and Hybrid Funds. There are 44 AMFI (Association of Mutual Funds in India) registered fund houses in India which together offer more than 2,500 mutual fund schemes. The wide array of funds often makes it a little difficult for investors to choose the best scheme.

Mutual Fund Operation Flow Chart



Source- <https://www.nirmalbang.com>

Objectives of the study

The present research paper has following important objectives.

1. What do investors invest in?
2. Nature of Investment in Mutual Funds.
3. How much of the income is invested.
4. Objective of Investment in Mutual Fund.

Research Methodology

▪ Sample Size

For this study data collected from 100 Mutual Fund investor.

▪ Data Collection

Primary Data was collected through well-structured google questionnaire and secondary data collected from various journals and AMFI website.

▪ Period of Study

The Data collected in the month of Oct.2024 and Nov.2024.

▪ Analysis Tool

Percentage is a mathematical tool used for analysis.

▪ Data analysis and Interpretation:

As per the collection of primary data, analysis and interpretation is follow under.

Demographic Description

- For this study data collected from 100 mutual fund investors, out of which 92 Male and only 8 Females provided data.
- If monthly income range of these investors considered, 10% Investors Monthly income below Rs.50000/-, 31% investors having monthly income Rs.50,000/- to Rs.1,00,000/-, 16% investors having monthly income of Rs.1,00,000/- to Rs.1,50,000/-, 23% Investors having monthly income Rs.1,50,000/- to Rs.2,00,000/- and monthly income having above Rs.2,00,000/- only 20 Investors.
- Educational qualification of 57% investors was Post graduated and 43% investors education qualification is Doctorate (Ph.D.).
- 95% Investors generate income from govt.as well as private service.

Analysis and Interpretation

- 21% respondents says that they save up to 10% of their income, 56% respondents says that they save 10% to 25% of their income, 21% respondents says that they save 25% to 50% of their income and unfortunately 2% investors says that they not save.
- Other than investment in Mutual fund, 48% investors invested in real estate, gold and post office investment schemes and 43% investors in bank F.D.s.
- 33% investors says that, they get information about mutual fund from mutual fund agent, 31% investors says that, from friends, 18% investors says that, from advertisement, 3% investors says that, from YouTube and 15% investors says that, from other sources.
- 69% investors says that they need guidance while investing in mutual fund and 31% investors investing without any guidance.

- 62% investors invested in mutual fund through SIP, 33% investors invested in lumpsum and 5% investors invested through SIP and lumpsum.
- 44% investors monthly SIP is less than 5000/-, 31% investors monthly SIP is between Rs.5000/- to Rs.10,000/- 15% investors monthly SIP is between Rs.10,000/- to Rs.20,000/- and 10% investor monthly SIP between Rs.20,000/- to Rs.30000/-.
- 36% investors invested in Mutual fund more than 5 years and 10 % investors invested just before one year.
- 70% Investors have using own Dmat account for investment and 30% investors invest in mutual without Dmat account. Most of the investors using Zerodha, Groww and Angel one as broker for investment.
- 70% Investor preferred Equity fund followed by debt and hybrid funds,30% investors invested in ELSS and ETFs.
- Investor's main purpose of investment in mutual fund is to get high return followed by provision for children's education, wealth creation, provision for contingencies, provision for child marriage and tax savings.
- While investing in mutual fund, investor firstly consider risk factor and then consider fund manager, portfolio composition, past performance and lastly advertisement.

Conclusion

After pandemic surprisingly positive change in mutual fund industry because of digitalization. Investor grab more knowledge about no. of avenues of investment that and also understand important of investment in human life. Investor believes that mutual fund is safe investment in the capital market. Mutual fund houses introduced no. of mutual fund schemes in Equity, debts, hybrid, gold, silver segment.

References

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