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AN ANALYTICAL STUDY OF INVESTMENT BEHAVIOUR IN SELECTED MUTUAL FUNDS WITH RESPECT TO WEALTH CREATION's, DHAYARI PUNE

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ABSTRACT
Purpose: *The purpose to conduct this study is to found out the main objective to invest in mutual fund schemes by retail investors and types of mutual fund schemes in which they like to invest.*
Design/ Methodology: *For the purpose of the study, sample of 100 mutual fund investors belonging to Pune city has been taken. Data has been collected from both primary and secondary sources by questionnaire filled by 136 mutual fund investors and from various journal, books and Newspapers etc. respectively. Various statistical techniques have been used for analysing the data such as frequency, mean, trend analysis and volatility analysis for checking fund performance and variation or fluctuations in fund.*
Findings:

From the data analysis researcher concluded that the investors are invest in mutual fund for the safety, maximum return, saving and tax benefits. To fulfil these needs they select the growth plans, SIP, ELSS and balanced schemes.

Originality/Value:The discussion about the mutual fund selection behaviour of retail selected investor is an original contribution of this paper.

KEY WORDS*:* *Mutual Fund, investment behaviour, retail investors*

1. INTRODUCTION

Mutual funds are financial intermediaries, which collect the savings ofinvestors and invest them in a large and well diversified portfolio of securities such as money market instruments corporate and government bonds and equity shares of joint stock companies. A Mutual fund is a pool of common funds invested by different investors, who have no contact with each other. Mutual funds are conceived as institutions for providing small investors with avenues of investments in the capital market. Since small investors generally do not have adequate time knowledge, experience and resources for directly accessing the capital market, they have to rely on an intermediary who undertakes informed investment decisions and provide consequential benefits of professional expertise. The advantages for the investors are reduction in risk, expert professional management, diversified portfolios, and liquidity of investment and tax benefits. By pooling their assets through mutual funds, investors achieve economies of scale. The interests of the investors are protected by SEBI, Which acts as a watchdog. Mutual funds are governed by SEBI (Mutual Funds) regulations, 1993.

1.1 ADVANTAGES OF MUTUAL FUND:-

The advantages of investing in a Mutual Fund are:

1. **Diversification:** The best mutual funds design their portfolios so individual investments will react differently to the same economic conditions. For example, economic conditions like a rise in interest rates may cause certain securities in a diversified portfolio to decrease in value. Other securities in the portfolio will respond to the same economic conditions by increasing in value. When a portfolio is balanced in this way, the value of the overall portfolio should gradually increase over time, even if some securities lose value.
2. **Professional Management:** Most mutual funds pay topflight professionals to manage their investments. These managers decide what securities the fund will buy and sell.
3. **Regulatory oversight:** Mutual funds are subject to many government regulations that protect investors from fraud.
4. **Liquidity:** It's easy to get your money out of a mutual fund. Write a check, make a call, and you've got the cash.
5. **Convenience:** You can usually buy mutual fund shares by mail, phone, or over the Internet.
6. **Low cost:** Mutual fund expenses are often no more than 1.5 percent of your investment. Expenses for Index Funds are less than that, because index funds are not actively managed. Instead, they automatically buy stock in companies that are listed on a specific index.
7. **Transparency:** Mutual Fund schemes are said to be Transparent because they show the clear allocation of Funds to Investors.
8. **Flexibility:** Mutual funds are flexible because they change time to time and also if Investors wants his money back before the maturity of the Fund He/she can easily redeem it.

1.2 DRAWBACKS OF MUTUAL FUNDS:-

Mutual funds have their drawbacks and may not be for everyone:

1. **No Guarantees:** No investment is risk free. If the entire stock market declines in value, the value of mutual funds shares will go down as well, no matter how balanced the portfolio. Investors encounter fewer risks when they invest in mutual funds than when they buy and sell stocks on their own. However, anyone who invests through a mutual fund runs the risk of losing money.
2. **Fees and commissions:** All funds charge administrative fees to cover their day-to-day expenses. Some funds also charge sales commissions or "loads" to compensate brokers, financial consultants, or financial planners. Even if you don't use a broker or other financial adviser, you will pay a sales commission if you buy shares in a Load Fund.
3. **Taxes:** During a typical year, most actively managed mutual funds sell anywhere from 20 to 70 percent of the securities in their portfolios. If your fund makes a profit on its sales, you will pay taxes on the income you receive, even if you reinvest the money you made.
4. **Management risk:** When you invest in a mutual fund, you depend on the fund's manager to make the right decisions regarding the fund's portfolio. If the manager does not perform as well as you had hoped, you might not make as much money on your investment as you expected. Of course, if you invest in Index Funds, you forego management risk, because these funds do not employ managers.

2. LITERATURE REVIEW

A literature review is a survey of scholarly sources (such as books, journal articles, and theses) on a particular topic. It gives an overview of key findings, concepts and developments in relation to a research problem or question.

R. Padmaja (2013) Today they play an important role in household finances. So the present study aims at consumer behaviour 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.

Rajesh Trivedi, Prafulla Kumar Swain etal. (2017) Day by day Indian financial market is becoming competitive and the supply of various financial instruments needs to be in equilibrium to the demand perspectives of the investors. The prime drive of any investment is to get maximum return with a minimum risk and mutual funds provide the opportunity for the investors. The research focuses on the relationship between investment decision and factors like liquidity, financial awareness, and demography. It was found low risk funds and liquidity of fund scheme is having impact on the investor's perception for investing in the mutual fund.

Varun Sager Singal and Dr. Rishi Manrai (2018) Mutual funds act as a medium for retail investors to invest their savings in the professional funds management system, irrespective of the sum invested. It enables masses to enter the Indian Financial Market with much more ease. Indian Mutual Funds industry is growing rapidly which is reflected with the growth in assets under management under various AMC's year on year. It will help the MF companies to create new and innovative product according to the orientation of investors. Investor perception cites a significant impact on the investment decision making process. It is important to understand few basic factors such as level of awareness and impact of date of inception of the fund which play a significant role in guiding the investment decision making process of a retail investor.

1. **Hypothesis of the Study**

The risks of return on investment in mutual funds are decreasing in the long term investment of selected mutual funds.

1.1 Objectives of the Study

1. To study the investment behaviour of respondents in selected mutual fund schemes in Wealth Creations, Dhayari
2. To identify and analyse market trends in selected mutual funds.
3. To study the fluctuations using Volatility Analysis in selected mutual fund schemes.
4. To forecast the best investment option of selected mutual fund schemes.

3. RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process & analyze information about the further topic. Here, in the research paper methodology section allows the reader to critically evaluate the overall studies validity & reliability.

4.1 Research Design:

Here, Researcher used**Analytical Research Design** for this study**.** It means analysis of past data, observing that data & then doing research on it. The difference between descriptive & analytical research is based on the questions it asks...

4.2 Data collection:

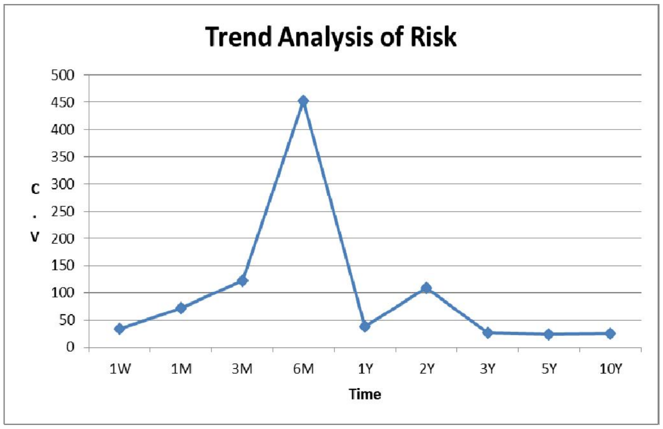
Researcher collects the data by using both primary as well as secondary data. Primary data collect by using structured questionnaire and secondary data collect through journals, website, newspaper etc.

4.3 Sampling:

Here research selects the **136** sample by using the **CONVENIENCE SAMPLING METHOD** because due to secrecy and confusability respondent was less interested to share their financial detail, so that researcher use they own references and convenience to collect the data.

4. Data Analysis &Interpretation:-Mutual Funds Hypothesis Testing

Scheme Name	Category Name	Crisil Rank	1W	1M	3M	6M	1Y	2Y	3Y	5Y	10Y
Kotak India EQ Contra Fund – GrowthContra Fund	Contra Fund	5	2%	3%	4%	1%	14%	6%	11	10%	11%
CanaraRobeco Equity Tax Saver - Regular Plan – GrowthELSS	ELSS	5	2%	4%	4%	2%	17%	8%	10	9%	12%
JM Tax Gain Fund – GrowthELSS	ELSS	5	2%	4%	10	8%	24%	6%	11	12%	10%
SBI Focused Equity Fund - Regular Plan – GrowthFocused Fund	Focused Fund	5	3%	5%	5%	5%	22%	10	12	13%	17%
Sundaram Large and Mid-Cap Fund – GrowthLarge & Mid Cap Fund	Large & Mid Cap Fund	5	3%	5%	9%	6%	19%	8%	12	13%	11%
HDFC Top 100 Fund – GrowthLarge Cap Fund	Large Cap Fund	5	2%	1%	-	-	10%	5%	8%	8%	11%
Tata Mid Cap Growth Fund - Regular Plan – GrowthMid Cap Fund	Mid Cap Fund	5	2%	1%	4%	-	15%	0%	6%	11%	14%
HDFC Equity Fund – GrowthMulti Cap Fund	Multi Cap Fund	5	2%	1%	-	-	9%	4%	8%	8%	12%
Kotak Standard Multicap Fund – GrowthMulti Cap Fund	Multi Cap Fund	5	2%	2%	3%	2%	17%	5%	10	12%	13%
CanaraRobeco Equity Diversified - Regular Plan – GrowthMulti Cap Fund	Multi Cap Fund	5	2%	4%	5%	2%	17%	7%	11	9%	12%
Franklin Build India Fund – GrowthSectoral/Thematic	Sectoral/Thematic	5	2%	1%	-	-	13%	2%	6%	11%	14%
DSP Natural Resources and New Energy Fund - Regular Plan – GrowthSectoral/Thematic	Sectoral/Thematic	5	5%	9%	3%	-	1%	-	7%	13%	10%
Sundaram Rural and Consumption Fund – GrowthSectoral/Thematic	Sectoral/Thematic	5	3%	3%	8%	1%	12%	0%	6%	13%	13%
LIC MF Infrastructure Fund – GrowthSectoral/Thematic	Sectoral/Thematic	5	2%	2%	1%	1%	15%	1%	6%	5%	4%
Mean			2%	3%	3%	1%	15%	4%	9%	10%	12%
S.D			0.0082	0.023	0.0	0.0	0.05	0.0	0.0	0.024	0.029
C.V			34.453	72.01	121	452	38.8	10	26.	23.22	24.73



5. INTERPRETATION:-

In the above trade analysis of risk pattern in selected mutual funds. Research observes that up to 1 year the variation or fluctuation are higher. After 1 year the variation are decreasing and stable it means that if investor keep their funds in long term. It will be reduced the risk of return. It is simply that longer the period lesser the risk. So research can suggest that the investor need to keep their funds in more than 3 years to get the maximum returns on their investment.

Considerationbehind Investment in Mutual Funds

Sr. No	Investor Consideration	No of Investors	Percentage %
1	Higher Return on Investment	15	11%
2	Dividend	24	18%
3	Managed by Experts	13	9%
4	Ease of Investing and Monitory	16	12%
5	Tax Benefits and Liquidity	19	14%
6	Diversification of Risk	17	13%
7	Systematic Withdrawal Plan	14	10%
8	Transparency	18	13%
	Total	**136**	**100**

Interpretation: -

Above graph shows that consideration behind investment in mutual funds out of 100% 18% investor consideration behind investment that is gain dividend. 14% Investor Motive behind Investment That Is Tax Benefits And Liquidity. Transparency and Diversification of risk this is the reason of 13% investor behind investment. Ease of Investing and Monitory, Higher Return on Investment, Systematic Withdrawal Plan, Managed by Experts above reasons of 12%, 11%, 10%, 9% investors.

6. FINDINGS:-

The study done on the performance evaluation of Indian mutual funds was fruitful as all the objectives of the study were successfully achieved. The following are the findings from this study.

1. The schemes selected for the study gave returns in coordination with the markets. When there was boom in the stock market the funds gave positive returns a little more than what the market had given.
2. During the recessionary phase the markets declined steadily and so did the fund returns. Overall the fund returns and the market returns, for the period of 3 months, 6 months, 1 year& 3 year taken into consideration for this study.
3. Mostly all the mutual fund schemes are able to beat the market. That means the schemes are well diversified.

4. All the four sectors taken into consideration behave differently to the market volatility.
5. Blue-chip stocks are more likely to remain stable in volatile market condition.
6. Equity dilution of all the stocks considered had grown consistently in last five years.
7. The most popular medium of investing in Mutual Fund is through SIP and moreover people like to invest in Equity Fund though it is a risky game.

7. CONCLUSION:-

Mutual fund both are the most highly growing products in financial services market. But Mutual funds are suitable for all types of investors from risk adverse to risk bearer.

Mutual funds have many options of return, risk free return, constant return, market associated return, etc. mutual funds are suitable to all age of investors, businessmen, salary person, etc. Investors need not to be expert in equity market; mutual funds can satisfy their need.

In Stock Market People less interested because lake of knowledge of trading. In Stock market is always volatile that way people do not want to invest. Investors invest in stock market with help of brokers or their advisers for safe investments. Most of the people invest in stock market to get high returns.

Fund managers are expert in this area and invest fund in well diversified portfolio, high return with low risk is possible inn mutual fund. In today's world, investors are showing more trust in mutual fund than any other financial product. There is no need of a financial consultant, if you have good knowledge of mutual funds and their type to invest. Mutual fund is subject to market risk, despite of that it have low risk than stock market.

8. SUGGESTIONS:-

1. Investors have to analyse their risk appetite, and accordingly choose the stocks.
2. Investors also should go through the fundamentals of the scrip's they are investing in.
3. Investors should avoid heavy and risky trading in initial stage of investment.
4. For High Return Invest in Diversified Funds
5. For Tax Saving Invest in ELSS Equity Funds
6. For Moderate Risk and Return Invest in Balance Funds
7. For Assure Return Invest in Debt and Liquid Funds
8. Analyse Particular Fund before Investing.
9. Long term investments in Equity are good option for investors.

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