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INVESTORS PERCEPTIONS TOWARDS MUTUAL FUNDS IN HYDERABAD KARNATAKA AREA: A STUDY WITH REFERENCE TO SELECTED MUTUAL FUNDS

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ABSTRACT

The Indian mutual funds industries are playing an important role for mobilisation of savings of small and medium investors in the capital market. Today there are number of mutual funds companies are offered various schemes for their investors because of invest their money in different schemes. Investors have a positive attitude towards their investments attributes.

The present study is also focuses on the various aspects of mutual funds, perceptions of the investors and level of their satisfaction towards investment in mutual funds, Chi-square test (χ^2) has been adopted to know the significant relationship between gender, age, educational qualification, marital and occupational status of the investors.



KEY WORDS: Mutual funds, Perceptions of Investors, Level of satisfaction,

1. INTRODUCTION

A Mutual fund is a trust that pools the savings of a number of investors' who share a common financial goal. The money collected from investors' is invested in capital market instrument such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit's holder in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment to the common man as it offers an opportunity, to invest in a diversified, professionally managed basket of securities at relatively low cost.

2. CONCEPT OF MUTUAL FUNDS

Mutual funds is collecting savings of small and medium investors invest them in various schemes to earn income to the sale of units to the public under one or more diversified portfolio of securities.

3. SIGNIFICANCE OF THE STUDY

The present study is an attempts that has been made to know the investors perceptions towards mutual funds covering six districts of Hyderabad Karnataka area Bidar, Kalaburagi,(Gulbarga), Yadagir, Raichur, Koppal and Bellari.

4. OBJECTIVES OF THE STUDY

The following are specific objectives set for the present study.

1. To know the investors perceptions towards mutual funds.
2. To study the satisfaction level of investors towards investment in mutual funds.
3. To study the various aspects relating to mutual funds in industry in India.
4. To offer suggestions based on light findings of the study.

5. HYPOTHESES OF THE STUDY

The following are the null hypotheses have been formulated and tested statistically.

1. **H₀**: There is no significant relationship between gender of the respondents and their level of satisfaction towards investment in mutual funds.
2. **H₀**: There is no significant relationship between age of the respondents and their level of satisfaction towards investment in mutual funds.
3. **H₀**: There is no significant relationship between marital status of the respondents and their level of satisfaction towards investment in mutual funds.
4. **H₀**: There is no significant relationship between education qualification of the respondents and their level of satisfaction towards investment in mutual funds.
5. **H₀**: There is no significant relationship between occupational status of the respondents and their level of satisfaction towards investment in mutual funds.

6. METHODOLOGY

The present study is conducted with the help of both primary and secondary data.

a. Primary Data

Primary data has been collected from the individual investors through a sample survey. A structured questionnaire has been used.

b. Secondary Data

The secondary data has been collected with the help of articles, books, magazines, newspapers, websites, official publication of Government of India and Karnataka, annual reports of SEBI, AMFI, etc.

c. Sampling

Samples of 300 individual investors UTI mutual fund, SBI mutual fund and LIC mutual fund have been selected on the basis of convenient sampling method for this study purpose.

7. TOOLS AND TECHNIQUES USED FOR ANALYSIS

The research data has been analyzed by using various statistical tools such as percentage, ratios, averages, Chi-square(χ^2) test with the help of SPSS package.

8. RESULTS AND DISCUSSIONS

a. Demographic Profile of the Respondents:

The below table presents the details about the demographic profile of the respondents in terms of gender, age group, education, occupation, marital status, family annual income and their annual savings.

Table-01
Demographic Profile of the Respondents

Demographic Factors	Frequency	No of Respondents (N)	Percentage
Gender	Male	225	75.00
	Female	75	25.00
	Total	300	100.00
Age Group	Below – 30	45	15.00
	31-40	110	36.67
	41-50	95	31.67
	Above 50	50	16.66
	Total	300	100.00
Education	Primary	25	8.33
	Secondary	30	10.00
	Graduate	120	40.00
	Post Graduate	90	30.00
	Professional Degree	35	11.67
	Total	300	100.00
Occupation	Self employed	40	13.33
	Business	50	16.67
	Salaried	140	46.67
	Profession	60	20.00
	Retired	10	3.33
	Total	300	100.00
Marital Status	Married	255	85.00
	Unmarried	45	15.00
	Total	300	100.00
Annual Income	Up to Rs.1,00,000	65	21.67
	Rs.1,00,001 – Rs.3,00,000	105	35.00
	Rs.3,00,001 – Rs.5,00,000	90	30.00
	Above Rs.5,00,000	40	13.33
	Total	300	100.00
Annual Savings	Up to Rs.10,000	30	10.00
	Rs.10,001 to 25,000	65	21.67
	Rs.25,001 to 50,000	85	28.33
	Rs.50,001 to 1,00,000	105	35.00
	Above Rs.1,00,000	15	5.00
	Total	300	100.00

Source: Field Investigation

Table-02
District-Wise Age-Based Classification of Respondents

Sl. No	Districts	Age				Total
		Below-30	31-40	41-50	Above-50	
1.	Bidar	07	13	16	09	45
2.	Kalaburagi (Gulbarga)	14	34	29	15	92

3.	Yadgir	03	10	09	05	27
4.	Raichur	05	22	14	04	45
5.	Koppal	06	12	07	07	32
6.	Bellari	10	19	20	10	59
Total		45 (15.00)	110 (36.67)	95 (31.67)	50 (16.66)	300 (100)

Source: Field Investigation

Note: Figures in parenthesis denote percentages.

From the above table it is evident that highest district wise classification of the respondents is in Kalaburagi (Gulbarga) district i.e.92 and the lowest is in yadgir district i.e.27 respondents. It shows that Kalaburagi (Gulbarga) district having the highest number of respondents when compared to other districts of Hyderabad Karnataka area.

9. LEVEL OF SATISFACTION

Here an attempt has been made to know the level of satisfaction of the respondents with regards to investment made in mutual funds schemes in the present study. The level of satisfaction is classified into three categories like low, medium and high.

Table-03
Level of Satisfaction of the Respondents

Sl. No.	Level of Satisfaction	No. of Respondents	Percentage
1.	Low	46	15.33
2.	Medium	173	57.67
3.	High	81	27.00
Total		300	100

Source: Field Investigation

The above table 03 clearly shows the level of satisfaction of the respondents. Out of 300 respondents 46(15.33 percent) respondents are having low level of satisfaction towards investment made in mutual funds schemes, 173(57.67 percent) respondents are having medium level of satisfaction and 81(27 percent) respondents are having high level of satisfaction in mutual funds schemes.

Table-04
Gender and Level of Satisfaction towards Investment in Mutual Fund

Sl. No.	Gender	Level of Satisfaction			Total	Chi(x ²) Value	Table value
		Low	Medium	High			
1.	Male	30	155	40	225	50.353	5.991
2.	Female	16	18	41	75		
Total		46	173	81	300		

Source: Primary Data.

Table 04 shows the testing of hypothesis on relationship between the gender and level of satisfaction towards investment in mutual fund. The calculated Chi-square (x²) value 50.353 is greater than the table value 5.991 at 5 percent level of significance with 2 degrees of freedom. It reveals that the null hypothesis has been rejected and alternative hypothesis is accepted. Hence, it is concluded that there is a

significant relationship between the gender and level of satisfaction of the investors towards investment in mutual fund.

Table-05
Age and Level of Satisfaction Towards Investment in Mutual Fund

Sl. No.	Age	Level of Satisfaction			Total	Chi(x ²) Value	Table value
		Low	Medium	High			
1.	Below – 30	05	30	10	45	8.434	12.592
2.	31-40	21	63	26	110		
3.	41-50	12	58	25	95		
4.	Above 50	8	22	20	50		
Total		46	173	81	300		

Source: Primary Data.

From the above table it is evident that testing of hypothesis on relationship between the age and level of satisfaction towards investment in mutual fund. The calculated Chi-square (x²) value 8.434 is lesser than the table value 12.592 at 5 percent level of significance with 6 degrees of freedom. It is evident that the null hypothesis has been accepted and alternative hypothesis is rejected. It can be concluded that there no significant relationship between the age and level of satisfaction of the investors towards investment in mutual fund.

Table-06
Marital Status and Level of Satisfaction Towards Investment in Mutual Fund

Sl. No.	Marital Status	Level of Satisfaction			Total	Chi(x ²) Value	Table value
		Low	Medium	High			
1.	Married	34	165	56	255	35.031	5.991
2.	Unmarried	12	8	25	45		
Total		46	173	81	300		

Source: Primary Data.

Table 06 clearly shows the testing of hypothesis on relationship between the marital status and level of satisfaction towards investment in mutual fund. The calculated Chi-square (x²) value 35.031 is greater than the table value 5.991 at 5 percent level of significance with 2 degrees of freedom. It reveals that the null hypothesis has been rejected and alternative hypothesis is accepted. It can be concluded that there is a significant relationship between the marital status and level of satisfaction of the investors towards investment in mutual fund.

Table-07
Educational Qualification and Level of Satisfaction Towards Investment in Mutual Fund

Sl. No.	Educational Qualification	Level of Satisfaction			Total	Chi(x ²) Value	Table value
		Low	Medium	High			
1.	Primary	3	17	5	25	43.361	15.507
2.	Secondary	7	14	9	30		
3.	Graduate	15	69	36	120		
4.	Post Graduate	10	68	12	90		
5.	Professional Degree	11	5	19	35		

Total	46	173	81	300		
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Source: Primary Data.

Table 07 reveals that testing of hypothesis on relationship between the educational qualification and level of satisfaction towards investment in mutual fund. The calculated Chi-square (x^2) value 43.361 is greater than table value 15.507 at 5 percent level of significance with 8 degrees of freedom. It is evident that the null hypothesis has been rejected and alternative hypothesis is accepted. It can be concluded that there is a significant relationship between the educational qualification and level of satisfaction of the investors towards investment in mutual fund.

Table-08
Occupational Status and Level of Satisfaction Towards Investment in Mutual Fund

Sl. No.	Occupation	Level of Satisfaction			Total	Chi(x^2) Value	Table value
		Low	Medium	High			
1.	Self employed	4	24	12	40	9.109	15.507
2.	Business	7	24	19	50		
3.	Salaried	19	88	33	140		
4	Profession	13	32	15	60		
5	Retired	3	5	2	10		
Total		46	173	81	300		

Source: Primary Data.

Table 08 shows the testing of hypothesis on relationship between the occupational status and level of satisfaction towards investment in mutual fund. The calculated Chi-square (x^2) value 9.109 is lesser than the table value 15.507 at 5 percent level of significance with 8 degrees of freedom. It reveals that the null hypothesis has been accepted and alternative hypothesis is rejected. It can be concluded that there is no significant relationship between the occupational status and level of satisfaction of the investors towards investment in mutual fund.

10. FINDINGS OF THE STUDY

The following are some of the important findings of the present study.

1. It has been found that majority (75 percent) of the respondents belong to male category. It may be because of more awareness and knowledge when compared to female respondents.
2. It is found that 36.67 percent and 31.67 percent of the respondents belong to the age group of 31-40 years and 41-50 years respectively. Normally when a man reached at the age of 30 years he/she feels that more necessity for investing in mutual funds schemes for the future benefits and safety.
3. It is found from the present study that 40 percent and 30 percent of the respondents belong to graduate and postgraduate respectively. It indicates that educated people are showing more interest in investing in mutual funds schemes.
4. It is found in the present study that majority of the respondents i.e. 140 belongs to salaried class who have invested more in mutual funds schemes. It may be because of regular income earned by the salaried persons, future safety and assured benefits of investment in mutual funds schemes.
5. It is found that majority i.e.255 (85 percent) of the respondents are married people. Married persons are having more responsibility when compared to an unmarried person.
6. It can be observed that 105 (i.e.35 percent) of respondents annually save their money between Rs.50,001-Rs.1,00,000 for investing.
7. It can be observed that more number of respondents have got information about the mutual funds schemes through brokers (90 respondents) and advertisement (73 respondents).
8. It is found in the study that 180(i.e.60 percent) of the respondents used brokers as channels for investing in mutual funds schemes.

9. It is observed that 60 (i.e.20 percent) and 45 (i.e.15 percent) of the respondents have invested in the growth and tax savings funds. The reason is that growth fund provides the regular income and capital appreciation and tax saving scheme offer a tax exemption for investors.

11. SUGGESTIONS FOR THE STUDY

The following suggestions have been offered in the light of findings.

1. Investor education is a very important factor for Indian environment. Research and awareness programmes should be conducted for investors.
2. During the period of the study, it was found that majority of the investors invest their money in growth and tax saving fund. This indicates that more effort has to be made by the mutual funds to create awareness among the investors regarding the earning potential of their schemes.
3. Mutual funds companies should dispatch their annual report in time to their investors so that the investors are informed about the companies financial position. This will help the investor to know the status of their investment and plan further.
4. Mutual funds company should develop varied products with the different risk-return combination in order to meet the investment needs of different categories.
5. Safety is the most important attributes of investment. Most of the investors have expected more safety of their investment. So it is suggested that mutual funds company should give more preference to safety of money.

12. CONCLUSION

Today a there are lot of investment opportunities are available to the investors in the financial markets. Some investors are investing in bank, post office, insurance schemes returns are very low on the other hand many of the investors also invest in mutual funds schemes because of the returns is very high and SEBI is also playing an important role for the investors related education programme is conducted it will help the investors directly invest their schemes in various companies of schemes in the stock market.

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