

**MOBILISATION OF SAVINGS THROUGH  
MUTUAL FUND**

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In  
Economics Under CBCS System**

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## **Mobilization of Savings through Mutual Fund**

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## CERTIFICATE

This to certify that the dissertation titled “**MOBILISATION OF SAVINGS THROUGH MUTUAL FUND**” is a record of studies carried out by Varalekshmi.G, Aiswarya.J, Aleena Selestine, Sajna Noushad at the Department of Economics, All Saints College Trivandrum, under the guidance of Smt. Aryaja. C, and submitted to the University of Kerela in partial fulfilment of the Degree of Bachelor of Arts, First Degree Programmer in Economics under CBCS System



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## **DECLARATION**

We hereby declare that the project dissertation titled “**MOBILISATION OF SAVINGS THROUGH MUTUAL FUND**” is a record of project work carried out by us the Department of Economics, All Saints’ College Trivandrum, and submitted to the University of Kerala in partial fulfillment of the requirements for the award of the Degree of Bachelor of Arts, First Degree Programme in Economics under CBCS System.

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## **CHAPTER 1**

### **MOBILISATION OF SAVINGS THROUGH MUTUAL FUND**

#### **1.1 INTRODUCTION**

A mutual fund is a form of collective investment. It is a trust that pools the savings of a number of investors who share a common financial goal. It collects the savings from the small investors, invest them in government and other corporate securities and earn income through interest and dividends, besides capital gains. Mutual fund is a collective savings scheme. It places an important role in mobilizing the savings of the small investors and channeling the same for productive ventures in the Indian economy. Each fund is divided in to equal portions or unit. Units are allotted to the person in proportion of his investment in mutual fund. Each fund is a pool of diversified securities.

A mutual fund is nothing more than a collection of stocks or bonds. A mutual fund is a professionally managed type of collective investment scheme that pools money from many investors to buy stocks, bonds, short-term money market instrument, and/or other securities. It is made up of money that is financial intermediary. Savings of investors are collected and these funds are invested 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. In other words, a mutual fund is just the connecting bridge or a financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. The mutual fund will have a fund manager who is responsible for investing the gathered money into specific securities. When we invest in mutual fund, we are buying units or portions of the mutual fund and thus on investing becomes a shareholder or unit holder of the fund mutual fund emerged as professional financial intermediaries bridging the time and skill constraint. They have to identify the right stocks and debt instruments and construct a portfolio that promises to deliver the best possible 'constrained' returns at the minimum possible cost. In effect, it involves outsourcing the management of money.



## **Mutual funds**

- A mutual fund is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities.
- Mutual funds give small or individual investors access to diversified, professionally managed portfolios.
- Mutual funds are divided into several kinds of categories, representing the kinds of securities they invest in, their investment objectives, and the type of returns they seek.
- Mutual funds charge annual fees, expense ratios, or commissions, which may affect their overall returns.

Employer-sponsored retirement plans commonly invest in mutual funds.

### **1.2 STATEMENT OF THE PROBLEM**

In recent the mutual fund scheme could attain from the investors and whether this financial asset is worth investing is the main problem before the common individual investors. They are eagerly waiting to get a clear and real picture of the growth and success dimensions of the industry.

While making an investment an investor considering investment in securities is facing with the problem of choosing an investment from a large number of securities and how to allocate his funds over this group of securities. The investors are confused of various kinds of securities, his excess of wealth and rise of various investment schemes, variation in financial instruments, tax policy of government, different investment strategies, lack of awareness and knowledge among the investors, emotional attachment to money, lack of financial inclusion, traditional thinking, fear of loss and risk and return characteristics of schemes. The investors try to get maximum return with minimum risk by choosing a better investment scheme.

As in case of an investor while making an investment, faces a problem in relation with selection of appropriate scheme of investment. That means there exist a problem of selecting a better scheme that make better return and safety for the investor. An investor needs to make investment in a scheme which maximizes the return and minimizes the risk. So, this study focused on the “mobilisation of savings through mutual fund” and the study makes an attempt

to analyses the problem of investors in relation with the management of their individual securities.

### **1.3 SIGNIFICANCE OF THE STUDY**

Mutual Fund Industry is of recent origin in India and is growing very fast to emerge as a major player in mobilization of savings. Investors have been showing keen interest by subscribing to various mutual fund schemes anticipating higher returns and capital gains. At the same time some of the schemes are failing due to some or other reasons. Investors as well as the public are curious about the performance of various mutual fund schemes. Almost all of the Business Dailies have regular articles and columns on the functioning and evaluation of various mutual funds and there are umpteen numbers of academic researches and publications. But no comprehensive study was made on the Mutual Fund Industry of Kerala till date. This study is intended to fill this gap and help the investor public, whose saving potentials are increasing, to invest their savings, which may help mobilizing resources for the economic development of the country.

### **1.4 SCOPE OF THE STUDY**

A Mutual is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such shares, debentures and other securities thus mutual fund provide so many benefits to the investors that include it provide better return and safety and also tax benefit, capital appreciation regular income, it provides security and safety to the investor. They give assured and consistent return they provide high return with low risk.

Mutual fund diversifies the risk of the investor by investing in a basket of asset. Thus, various mutual fund scheme provides various benefit to the investor there by increase economies of scale of the investor and also it provides the benefit of cheap access to expensive stocks. The fact that investing in mutual fund led to economic development of the country.

## **1.5 RESEARCH METHODOLOGY**

Title of the study "Mobilisation of savings through Mutual fund" The research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically.

### **1.5.1 SOURCES OF DATA**

#### **Primary Data:**

The primary data were collected with the help of questionnaire which is distributed and collected from the respondents of Thiruvananthapuram area through online.

#### **Secondary Data:**

The secondary data were collected from previous studies and various websites, mutual fund websites, etc.

### **1.5.2 STATISTICAL TOOLS**

Statistical tools are used for analysing data such as tables, bar diagram and pie diagram.

### **1.5.3 SAMPLE DESIGN**

45 respondents are used for data collecting.

## **1.6 OBJECTIVES**

- 1.To study the role of mutual fund in the mobilization of savings.
- 2.To analyze the awareness level of investors of mutual fund.
- 3.To examine the structure and growth pattern of mutual fund industry.
- 4.To analyze the attitude of mutual fund investors towards the factors like safety, liquidity, tax benefits, returns and savings

## **1.7 HYPOTHESIS**

H0: Experience of investing in mutual fund is identical terms of gender.

H0: The two variables that the gender of the respondents and expectation from mutual fund scheme are independent.

H0: Level of satisfaction of the respondents is identical in terms of occupation of the respondents

## **1.7 LIMITATION OF STUDY**

- The study limits its scope to only Thiruvananthapuram District.
- The study is based mainly on the data collected through primary and secondary sources, so it may have chances of errors.
- The sample size of the study is 45 respondents

However sincere effort has been to collect the data and interpret the same in the right perspective.

## **1.8 CHAPTER PLAN**

Chapter 1: INTRODUCTION

Chapter 2: REVIEW OF LITERATURE

Chapter 3 INDUSTRY, COMPANY, PRODUCT PROFILE AND THEORATICAL  
FRAME WORK

Chapter 4: DATA ANALYSIS AND INTERPRETATION

Chapter 5: SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION



## **CHAPTER 2**

### **REVIEW OF LITERATURE**

**PRITIMAN (2016)** Conducted a study of investors perception towards mutual fund in the city of Aurangabad by collecting primary data from thirty professionals like those who wants invest in mutual fund and the investment options in Aurangabad city This study aims at to know the investors view towards mutual fund to know the awareness of mutual fund in Aurangabad people and to know the preference of people for investment it founds that investors are not choosing or feeling confident in investing in mutual fund because they think that mutual fund is risky than other investment option the awareness level of mutual fund among the investors are very low because of only having the partial knowledge about the mutual fund which prevent them to invest in mutual fund to avoid risk bearing factor and lose of money. The preference of investors is in fixed deposit because they feel that it provides safely and fixed returns and no loss of money. The main reason for not selection of mutual fund investments is share market uncertainties and risk associated with it.

**NUTAN VIJAY PASALKAR (2015)** Conducted a comparative study of mutual fund investment Vs equity investment of Indian individual investors with the main objective of compare the mutual fund investment with direct equity investment and also study the preference of the individual investors investing in mutual fund and present practices of mutual fund investors in Pune city 100 respondents were selected for conducting the study, simple random sampling method is used to collect the primary data. This study found that a remember able increases in the mutual fund investors but direct equity investment is more favoured by the individual investors as compared to the mutual fund open ended schemes are popular and preferred mutual fund scheme because of the flexibility and freedom.

**DR. RAJESH KUMAR AND NITINGOEL (2014)** In their study attempted to analyse the purpose behind making investment factors considered before making investment and method used for evaluating the performance of mutual fund deference's in functioning of mutual fund and investors perception about future prospect of fund growth. Income and liquidity are the important objectives of the mutual fund investment are found by the study and absolute return on the mutual fund scheme as the basis for evaluating their performance.

**PREETHKHIFOLIYA (2014)** Studies the investors awareness and perceived risk attitude towards mutual fund. An empirical study in Delhi. The target sample was 200 respondents in the age group of 25.55 in Delhi. Both primary and secondary sources of data are used in the study. The study aims at to explore risk appetites of the respondent to understand the preferred type of mutual funds. They found that the people are aware about the mutual fund but a very least numbers of investors are in mutual fund Male investors are willing to take risk for wealth maximisation than Female investors are do not ask the assistance of consultant's advisors due to high consultation fee.

**PRITAM.P. KOTHARI AND SHIVAGANGA.C. MINDARGI (2013)** studied the investors attitude towards mutual fund with special reference to investors in Solapur city. This study provides future of mutual funds industries information as well as awareness level among people and it also helps the management as how to the mutual funds are performing in the current market situation. This study is descriptive in nature based on survey method by using both primary and secondary data. Primary data is collected from 200 respondents from Solapur city through questionnaire. The study shows that investors are ready to take risk and change the traditional pattern of investment. The half of the population is not interested to invest in mutual fund from the two hundred respondents. the main sources of information are the financial advisors and advertisement in media.

**G. PRATHAB AND DR.A. RAJMOHAN (2013)** Conducted a study on status of awareness among mutual fund investors in Tamil Nadu to find the investors awareness regarding mutual fund investment and measure the investors level of satisfaction towards mutual fund investment. The sample size used for the study is 500 investors of Tamil Nadu were spread 5 different districts namely Cuddalore, Coimbatore, Chennai, Madurai and Trichy. They are identified for the study is by using purposive sampling method. This study found that investors have high level awareness and positive approach towards investing in mutual fund.

**GOURAVAGARVAL AND DR MINI JAIN (2013)** conducted a study on investor's performance towards mutual fund in comparison on other investment avenues with the objective of to find the most preferred investment avenue of the investors of Madhura over all criterions of investors regarding investment. Main bases of different investment avenues and

investors preference towards mutual fund. They found that real estate is the most preferred Investment Avenue and the criteria for investment is mainly fund because of the high return from the investment.

**DR. BINOD KUMAR SINGH (2012)** Conducted a study on investors attitude towards Mutual fund as an investment option with the objective of analyse the impact of various demographic Factors on investors attitude towards mutual fund and factors responsible for the selection of mutual fund as an investment option. The study shows that most of the respondents are confused about the mutual fund and not make any awareness about the various function of mutual fund. Demographic factors are gender income and level of education have influence on investors attitude and age and occupation are not influenced by the investors return and liquidity are the main factors responsible for the selection of mutual fund and followed by the flexibility transparency and affordability. He also found that in India there is a lot of scope for the growth of mutual fund.

**JAYABRATA BANERJEE AND SWARNENDU ROY (2012)** Conducted a technical analysis towards customer perception on mutual fund products with collecting response from 1051 respondents covering different group of investors the study found that customer orientation is necessary in the market small investors are buy mutual fund due to the multiple reason depending upon customers risk return trade off the reason for investing in mutual fund is reduction in the bank interest rates high degree of volatility in Indian stock market and bond market also in recession due to its interest party. So, investors are looking for an attractive investment which provide higher return and safety.

**DR. SARITHAB AHL AND MEENAKSHRANI (2012)** Has done a comparative analysis of mutual fund scheme in India. They investigated the performance of 29 open ended, growth-oriented equity schemes for the period from April 2005 to March 2011 Monthly NAV of different schemes have been used to calculate the returns from the fund scheme BSE-Sense is used for market portfolio. The result also shows 14 out of 29 mutual fund schemes are underperformed. These schemes were facing diversification problem.

**DR. NISH SHARMA (2012)** conducted a study on Indian investor's perception towards mutual funds. The data is collected through structured questionnaire from 250 respondents



online as well as in person this study analyse the investors perspective towards investment in mutual fund to understand the desirable characteristics of mutual fund schemes to know the various factors that may affect selection of mutual funds directly or indirectly and to present a summarised picture of different qualitative aspects which are essential to secure investors patronage to mutual fund. The study found that all the benefits given by the mutual fund and sponsor related attributes monetary benefits given by the mutual fund and sponsor related attributes. The mutual fund companies are expected ensure full disclosure and regular updates of their relevant information with the assurance of safety and monitory benefits for securing the patronage of Indian investors.

**MRS. PURNIMA UMESH MEHTA (2011)** studied the profile and perception of investors towards mutual funds in the selected cities of Gujarat. It focuses on investor's perception towards mutual funds in cities of Sural Ahmadabad and Vadodara. The main objective of the study is to study the perception of investors towards mutual fund and subsidiary objectives are to identify the problems of investors in investing their money in mutual fund scheme to analyse the investors level of fulfilment regarding mutual fund to examine the pattern of investment and the investors preference with regards to mutual fund Vs other investment products. The study reveals that main purpose of investment in mutual fund is children education retirement plan and tax planning. People are more invested in growth scheme of mutual fund.

**SIMRANSAINI, DR. BIMALANJUM AND RAMAN DEEP SAINT (2011)** where conducted a study on investors awareness a perception about mutual fund to analyse the growth of mutual fund industry in India and to analyse the investors awareness and perception regarding investing in mutual fund and find the deficiencies in the working of mutual fund industry. The study reveals that mutual fund industry task is to convert the potential investors into the reality investors and new and innovative schemes launched for increasing investor's confidence. It will lead to the overall growth and development of the mutual fund.

**DR. ASHOK KHURANA AND KAVITA PANJWANI (2010)**, have analysed Hybrid Mutual Funds. Mutual fund returns can be compared using Arithmetic mean & Compounded Annual Growth Rate. Risk can be analysed by finding out Standard Deviation, Beta while



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performance analysis is based on Risk-Return adjustment. Key ratios like Sharpe ratio and Treynor ratio are used for Risk-Return analysis. Funds are compared with a benchmark, industry average, and analysis of volatility and return per unit to find out how well they are performing with respect to the market. Value at Risk analysis can be done to find out the maximum possible losses in a month given the investor had made an investment in that month. Based on the quantitative study conducted company a fund is chosen as the best fund in the Balance fund growth schemes.

**DR. BINOD KUMAR SINGH AND ASHUTOSKR.JHA (2009)** Conducted a study on awareness and acceptability of mutual fund to find the awareness and acceptability of mutual fund among investors and factors considered by the investors which investing in the mutual fund. They found that large numbers of people are aware about mutual fund and they considered it as safe. The factors behind the investment in mutual found are wealth creation, Tax and steady income Factors considered by investors before investing in mutual found are security, liquidity high return.

## **CHAPTER 3**

### **MUTUAL FUND CONCEPTS AND WORKING**

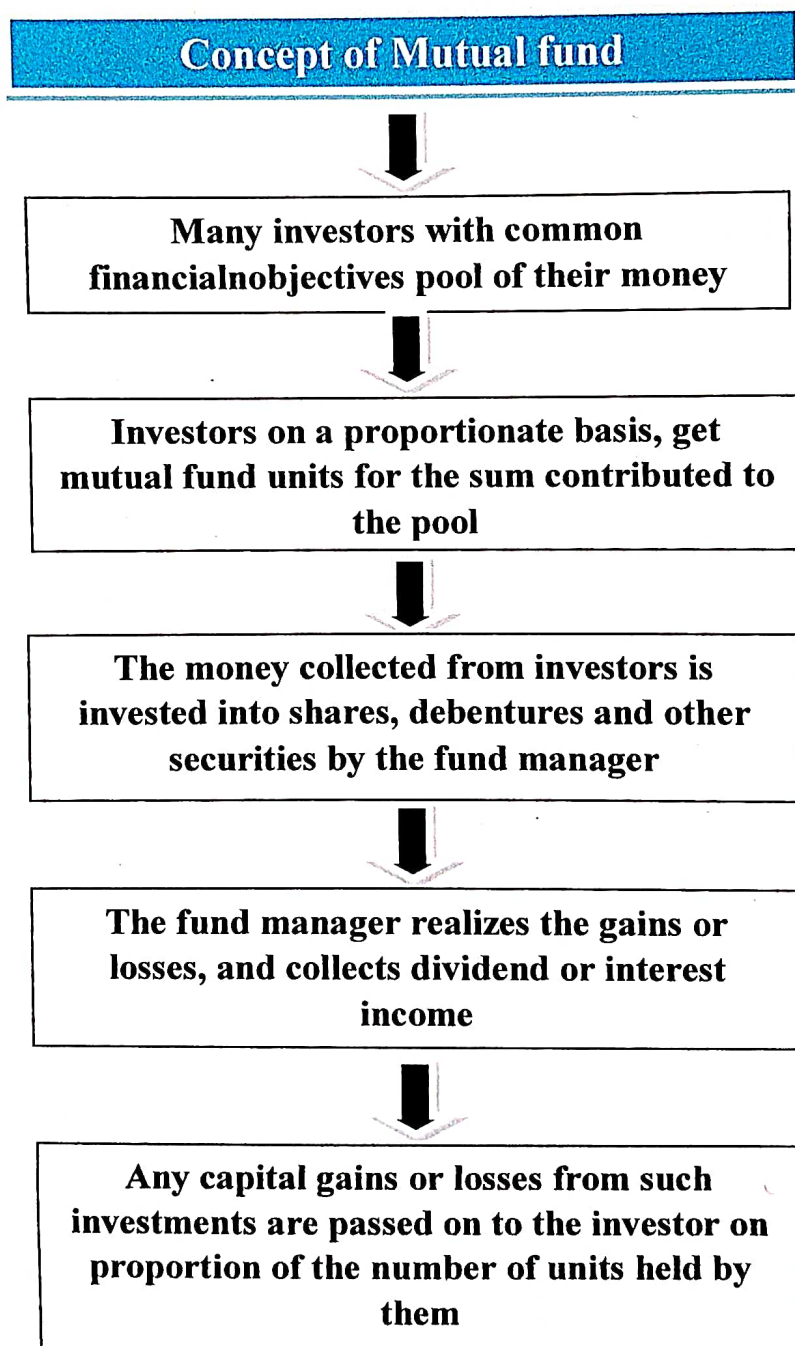
#### **3.1 INTRODUCTION**

Financial markets have become more complex and sophisticated. In order to be successful, investors need an intermediary who provides the required knowledge and professional expertise. The concept of mutual fund emerged to play this role of intermediary. In the previous chapter, we have reviewed the available literature on mutual funds and mobilisation of savings. In continuation of that chapter, in this chapter, an attempt is made to explain the fundamental concepts of mutual funds in general and its working and regulation in the Indian context.

#### **3.2 CONCEPT OF MUTUAL FUND**

Mutual fund is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stock, bonds, money market instrument and similar assets. Each shareholder participates proportionally in the gain or loss of the fund. Mutual fund units or shares are issued and can typically be purchased redeemed as needed at the fund's current Net Asset Value (NAV) per share, which is sometimes expressed as NAVPS. Mutual funds as an intermediation mechanism and products play an important role in India's financial sector development. Apart from pooling resources from small investors, they also provide informed decision-making mechanism to them. Thus, they contribute to not only financial sector participation, but also financial inclusion and thereby enhance market efficiency. Additionally, they contribute to financial stability and help in enhancing market transparency. While the mutual fund is a collection of money, it requires some person or body to mobilize and manage these assets. This entity is usually an organization, aptly known as Asset Management Company (AMC). The AMC is thus the physical entity, the organization and the company, which generates the collective investments from the public with a view to invest in securities and generate returns. By virtue of its

mobilization function, the AMC has offices or branches in number of cities. These branches collect money from investors and are one of the visible faces of mutual fund. As this money has to be invested and managed, the AMC has an investment team. The head of this team, the fund manager or the chief investment officer is another visible face of the mutual fund. The fund manager is at the head of the decision-making process which takes strategic and tactical decisions on where to invest



### **3.3 DEFINITION**

Different scholars have defined Mutual Fund differently. Frank K. Reilly has defined mutual fund as an investment company, which pools funds belonging to many individuals that is used to acquire a collection of individual investments such as stocks, bonds, other publicly traded securities. John A. Halin defines it as a major type of investment-company that pools the funds of investors who are seeking some general investment objective and invest them in a number of frequently traded different types of securities. Mutual fund is the institution, which collectively manages the funds from different small investors. It mobilizes savings from the public and provides those attractive returns, security and liquidity by investing in capital market. It is a fund established in the form of a Trust by a sponsor to raise monies by the Trustees through the sale of units to the public under one or more schemes for investing in securities. It is a diversified portfolio of stocks, bonds, of other securities run by a professional money manager or, in some cases, a management teams. It provides instant diversification in a given area within objectives laid. These offer a variety of diversified options for investments looking into varied risks and returns Regulation, 2(q) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 defines a mutual fund as a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments". Thus, a mutual fund is an institutional device or an investment vehicle through which, the investors pool their funds under the direction of an investment manager. These funds are invested in wide variety of portfolios of securities in such a way as to minimize risk, while ensuring safety and steady returns.

### **3.4 ADVANTAGES OF MUTUAL FUNDS**

- Portfolio diversification
- Professional management
- Reduction of risk
- Liquidity
- Flexibility & convenience
- Reduction in transportation cost
- Safety of regulated environment



- Choice of schemes
- Transparency

### **3.5 DISADVANTAGES OF MUTUAL FUNDS**

- No control over cost in the hands of an investor
- No tailor-made portfolios
- Managing a portfolio funds
- Difficulty in selecting a suitable fund scheme

### **3.6 HISTORY OF THE INDIAN MUTUAL FUND INDUSTRY**

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India, at the initiative of the Government of India and Reserve Bank of India. The history of mutual funds in India can be broadly divided into four distinct phases

#### **First Phase – 1964-1987**

Unit Trust of India (UTI) was established in 1963 by an Act of Parliament. It was set up by the Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was Unit Scheme 1964. At the end of 1988 UTI had Rs. 6,700 crores of assets under management.

#### **Second Phase – 1987-1993 (Entry of Public Sectors Funds)**

1987 marked the entry of non-UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non-UTI Mutual Fund established in June 1987 followed by Can bank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund

(Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December 1990.

At the end of 1993, the mutual fund industry had assets under management of Rs. 47,004 crores.

### **Third Phase – 1993-2003 (Entry of Private Sector Funds)**

With the entry of private sector funds in 1993, a new era started in the Indian mutual fund industry, giving the Indian investors a wider choice of fund families. Also, 1993 was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993.

The 1993 SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996.

The number of mutual fund houses went on increasing, with many foreign mutual funds setting up funds in India and also the industry has witnessed several mergers and acquisitions. As at the end of January 2003, there were 33 mutual funds with total assets of Rs. 1,21,805 crores. The Unit Trust of India with Rs. 44,541 crores of assets under management were way ahead of other mutual funds.

### **Fourth Phase – since February 2003**

In February 2003, following the repeal of the Unit Trust of India Act 1963 UTI was bifurcated into two separate entities. One is the Specified Undertaking of the Unit Trust of India with assets under management of Rs. 29,835 crores as at the end of January 2003, representing broadly, the assets of US 64 scheme, assured return and certain other schemes.

The second is the UTI Mutual Fund, sponsored by SBI, PNB, BOB and LIC. It is registered with SEBI and functions under the Mutual Fund Regulations. With the bifurcation of the erstwhile UTI which had in March 2000 more than Rs. 76,000 crores of assets under management and with the setting up of a UTI Mutual Fund, conforming to the SEBI Mutual Fund Regulations, and with recent mergers taking place among different private sector funds, the mutual fund industry has entered its current phase of consolidation and growth.

### **3.7 CLASSIFICATION OF MUTUAL FUND**

- **Open ended funds**: Investors can buy and sell the units from the fund at any point of time.
- **Close-ended funds**: These funds raise money from investors only once. Therefore, after the offer Period, fresh investments cannot be made into the fund. If the fund is listed on stocks exchange the units can be traded like stocks (E.g., Morgan Stanley Growth Fund). Recently, most of the New Fund Offers of close ended funds provided liquidity window on a periodic basis such as monthly or weekly. Redemption of units can be made during specified intervals. Therefore, such funds have relatively low liquidity

#### **Based on their Investment Objective:**

- **Equity funds**: These funds invest in equities and equity related instruments, with fluctuating share prices, such funds show volatile performance, even losses, However, short term fluctuations in the market generally smoothens out in the long term, thereby on ring higher returns at relatively lower volatility. At the same time, such funds can yield great capital appreciation as, historically, equities have outperformed all asset classes in the long term, Hence, investment in equity funds should be considered for a period of at least 3-5 years. It can be further classified as:
  - **Index funds**: In this case a key stock market Index, like BSE Sensex or Nifty is tracked. Their Portfolio mirrors the benchmark index both in terms of composition and Individual stock weightages.
  - **Equity diversified funds**: 100% of the capital is invested in equities spreading across different sectors and stocks.



- **Dividend yield funds:** it is similar to the equity diversified funds except that they invest in companies offering high dividend yields.
  - **Thematic funds:** Invest 100% of the assets in sectors which are related through some theme.
  - **Sector funds:** Invest 100% of the capital in a specific sector. e.g. - A banking sector fund will invest in banking stocks.
  - **ELSS-** Equity Linked Saving Scheme provides tax benefit to investors
- **Debt fund:** They Invest only in debt instruments, and are a good option for Investors averse to idea of taking risk associated with equities. Therefore, they invest exclusively in fixed-income instruments like bonds, debentures, Government of India securities; and money market instruments such as Certificates of Deposit (CD), Commercial Paper (CP) and call money. Put your money into any of these debt funds depending on your investment horizon and needs.
- **Liquid funds:** These funds invest 100% in money market Instruments; a large portion being Invested in call money market.
  - **Gilt funds:** They Invest 100% of their portfolio in government securities of and T-bills.
  - **Floating rate funds:** Invest in short-term debt papers- Floater invest in debt Instruments which have variable coupon rate.
  - **Arbitrage fund:** They generate Income through arbitrage opportunities due to mispricing between cash market and derivatives market, Funds are allocated to equities, derivatives and money markets. Higher proportion (around 75%) is put in money markets. in the absence of arbitrage opportunities.
  - **Income funds:** Typically, such funds invest a major portion of the portfolio in long-term debt papers.

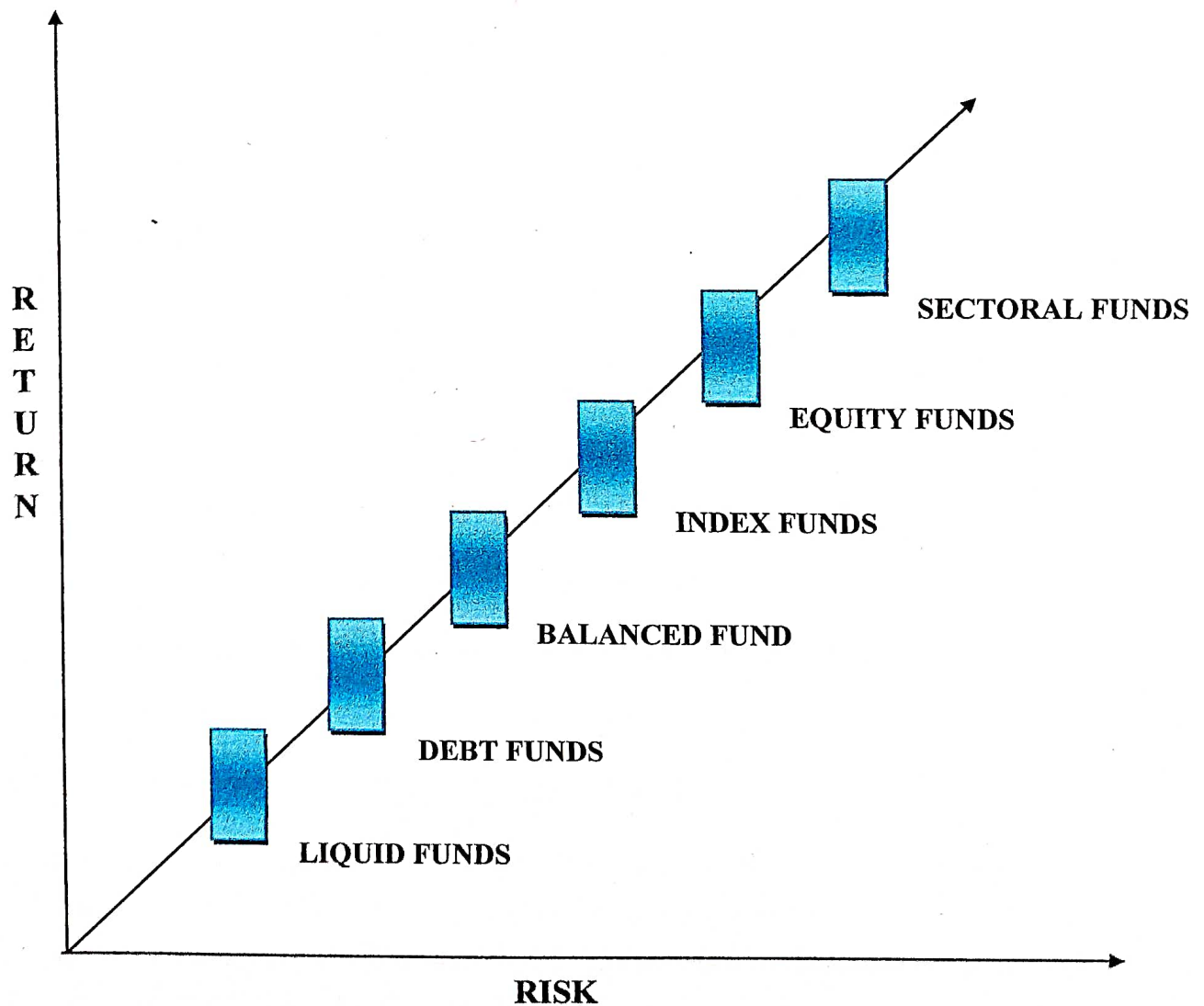
### 3.8 **INVESTMENT STRATEGIES:**

- **Systematic Investment Plan:** under this a fixed sum is Invested each month on a fixed date of a month, Payment is made through post-dated cheques or direct debit facilities. The investor gets fewer units when the NAY is high and more units when the NAV is low. This is called as the benefit of Rupee Cost Averaging (RCA).



- **Systematic Transfer Plan:** under this an Investor Invest in debt-oriented fund and give instructions to transfer a fixed sum, at a fixed Interval, to equity scheme of the same mutual fund.
- **Systematic Withdrawal Plan:** If someone wishes to withdraw from a mutual fund then he can withdraw fixed amount each month.

### RISK v/s RETURN



### **3.9 WHO CAN INVEST?**

Who can Invest in Mutual Funds In India, First of all, distributors need to be aware or who mutual fund units. Mutual funds In India are open to investment by

❖ Residents including:

- Resident Indian Individuals.
- Indian Companies/Partnership Firms.
- Indian Trust/Charitable Institutions.
- Banks/Financial Institutions.
- Non-Banking Finance Companies.
- Insurance Companies.
- Provident funds.
- Mutual funds.

❖ Non-Residents Including:

- Non-Resident Indians, and Persons of Indian Origin.
- Overseas Corporate Bodies {OCBs}

❖ Foreign entities, viz

- Foreign Institutional Investors (FII) registered with SEBI
- Foreign Citizens/ entities are not allowed to Invest in mutual funds in India.

### **3.10 MUTUAL FUND INDUSTRY OF KERELA**

There are no mutual funds with their head office in Kerala. But, all of the mutual funds of India have operation in Kerala through either their own branches or agents. The main business of these offices is concentrated in the major cities of Kerala, Cochin, Thrissur, Trivandrum and Calicut. The UTI itself has three main branches in Kerala, in Cochin, Thrissur and Trivandrum and many franchisee offices agents spread throughout the state. No

organisation collects statistics about mutual fund mobilisation from Kerala. The Government of Kerala don't have any statistics since there are no governmental agencies directly or indirectly involved in the mobilisation of units of mutual funds. Mutual funds including the UTI are not willing to share the information with the researcher in spite of the repeated appeals and visits to their regional/head offices. Similar is the situation with the published data, all of which compelled to limit the study to an empirical one.

### **3.11 MUTUAL FUND AGENCIES IN THIRIVANANTHAPURAM**

#### **1. Eliza Business Services Pvt Ltd, Kazhakootam**

Eliza business service pvt ltd in Thiruvananthapuram in one of the leading businesses in the income tax consultants. Also known for insurance agents, Pam card consultants, Mutual funds agents, Tax consultants, accounting services and much more.

There main duty is to advise, prepare and help the clients with concerns relating to income tax, play a significant role in the lives of both individuals and companies.

#### **2.Sree Associates, Kadakkavoor, Trivandrum**

Sree Associates in Thiruvananthapuram is one of the leading businesses in the general insurance agents. Also known for loans, life insurance, Mutual funds agents, life insurance agents-LIC, Pan card consultants and much more. Sree Associates in Kadakkavoor,

Thiruvananthapuram is a top player in the category General Insurance Agents in the Thiruvananthapuram district. Established in the year 2002.This well-known establishment acts as a one - stop destination servicing customers both local and from other parts of Thiruvananthapuram.

Over the course of its journey, this business has established a firm foothold in its industry. The belief that customer satisfaction is as important as their products and services, have helped this establishment garner a vast base of customers, which continues to grow by the day.

### **3.Wealth Plus Financial Solutions, Pulimoodu, Thiruvananthapuram**

This financial agency is one of the leading businesses in the Certified Financial Planner. This financial agency has a wide range of products or services to cater to the varied requirements of their customers. The staff at this establishment are courteous and prompt at providing any assistance.

### **4.Muthoottt Fincorp Ltd, Aryasala, Thiruvananthapuram**

This is one of the leading businesses in the finance companies. They will provide Personal Loans, Business Loan, Home Loan etc....The assistance of financing companies makes it easier for both enterprises and people to manage their finances. Small businesses can obtain loans from financial organisations to meet their needs of working capital. These businesses are recognised to provide better money lending deals because they solely lend money.

### **5.Angel Broking Ltd, Santhigiri, Thiruvananthapuram**

The capital market has expanded dramatically over the past few years. So, if you are the one who wants to invest in a share market but does not know the market rules and norms, it is best to reach out to share brokers. They are the experts in this field and will guide you on investing in the right shares at the right time.

### **6.Muthoottt Finance Ltd Pattom, Thiruvananthapuram**

They are the leading businesses in finance companies. The assistance of financing companies makes it easier for both enterprises and people to manage their finances. They will provide business loan, capital financing, funding activities and others

## **3.12 SAVINGS**

“Savings “are cash or physical products set aside for future use. People in rural and other low-income communities, although poor, can save when they are guided and encouraged. In rural communities, savings are made through traditional credit rotation groups, or purchase of domestic animals.



### **3.12.1 FACTORS OF SAVINGS**

The factors affecting savings are:

- The level of the real interest rate
- The level of per capita GDP
- Fiscal policy
- The proportion of labour remuneration in national income
- The distribution of income
- Financial reforms
- Uncertainty
- The effects of taxation
- Demographic factors
- Pension plans

### **3.13 MOBILISATION OF SAVINGS**

Mobilisation of savings is no matter how poor a person may seem s/he should be persuaded and encouraged to save as the income rises for reasons earlier mentioned. Mobilisation of savings is low-income individuals in developing countries clearly express a desire to build up savings. Saving therefore offer significant leverage for economic development and self-sufficiency and are valuable to both microfinance institutions and their clients or members.

### **3.14 MOBILISATION OF SAVINGS THROUGH MUTUAL FUND**

Only by relating the savings and investment pattern of the people of the country the real size, magnitude and significance of the mutual fund industry can be assessed. The role of mutual funds in mobilising savings of the household should also be verified by analysing the proportion of mutual fund Savings is one of the factors influence financial development. The primary mode through which this occurs is financial savings and in particular, intermediated financial savings. India is one of the few countries today to maintain a steady growth rate in domestic savings. Savings being the prime mover of economic development, Indian planners have always focussed on this aspect of economic development. The Indian saving experience during the period 1970-71 to 1998-99 was marked by a simultaneous secular increase in the

rate of Gross Domestic saving (GDS, as a percentage of GDP at current market prices) and the rise in the rate of financial saving of the household sector and private corporate sector.

### **3.15 ROLE OF MUTUAL FUNDS IN THE FINANCIAL MARKET**

Mutual funds have assumed the important role as a financial intermediary mainly due to the complex and risky environment of the stock market. They have to play a two-fold role in the financial market, viz.,

- Promoter of capital market
- Intermediary of household savings

#### **Promoter of capital market**

A developed financial market is a necessary pre condition for the overall economic development and mutual funds play an active role in promoting a healthy capital market. Mutual funds increase liquidity in the money market. Mutual funds could change the proportion of financial assets in the total annual savings, which increased from 23.7% in 1970-75 to 34.9% in 1980-85 and to 44.5% in 1993-99. Mutual funds in India have created awareness among investors about equity-oriented investment and its benefits.

#### **Intermediary of household savings**

Mutual funds are the fastest growing institutions in the household savings sector. The share of mutual funds in household savings is one indicator of the importance of mutual funds in the savings markets.

## **CHAPTER 4**

### **DATA ANALYSIS AND INTERPRETATION**

#### **4.1 INTRODUCTION**

This chapter deals with analysis and interpretation of data collected with the help of questionnaire directly from the Mutual fund investors. The present study intended to examine Mobilisation of savings through Mutual fund investors in Thiruvananthapuram district.

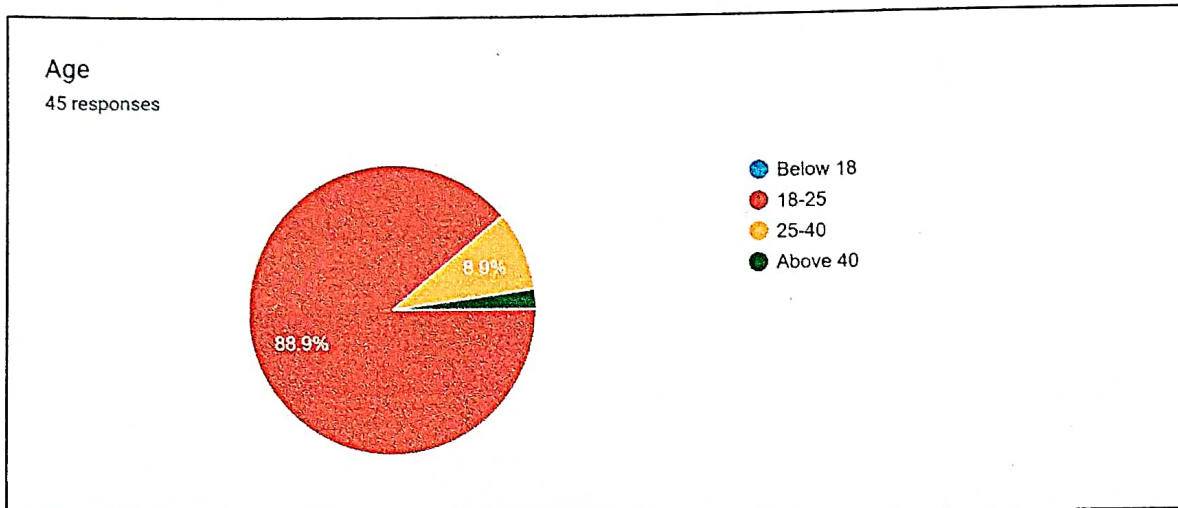
The data is analysed and presented in the form of table with necessary interpretation alongside. Various types of statistical methods are used for analysis of data. This analysis is supplemented by explanation, tables and diagrams.

#### **4.2 DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

##### **4.2.1 AGE OF RESPONDENTS**

**Table 4.2.1 Age of Respondents**

<b>Age</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Below 18 years	0	0
18-25 years	40	88.9%
25-40 years	4	8.9%
Above40 years	1	2.2%



**Figure 4.2.1 Age of Respondents**

Interpretation:

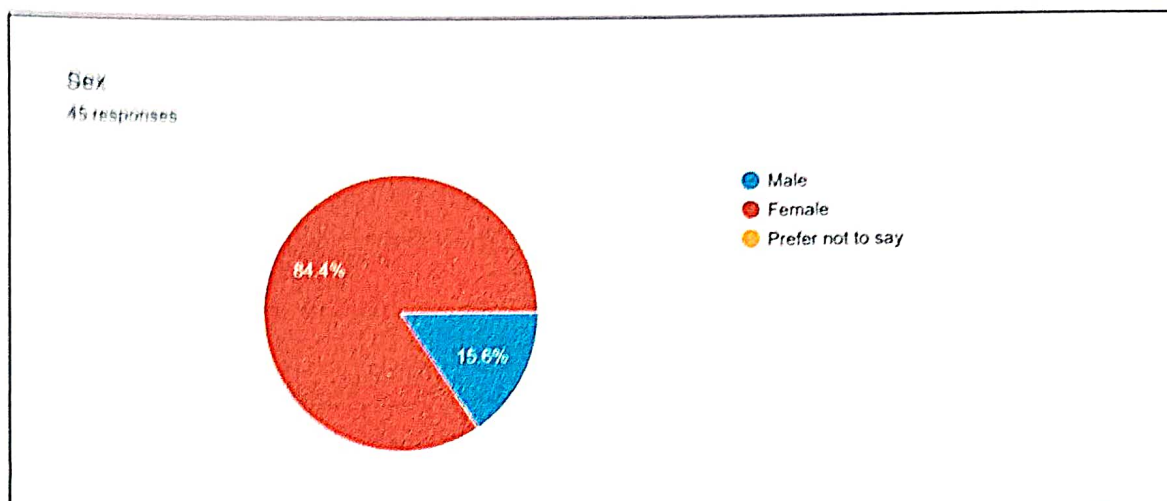
Table 4.2.1 shows the age of respondents and the figure shows the percentage wise age distribution of respondents. From the above data it can be seen that 88.9% of the total respondents are in the age group of 18-25 years, 8.9% are in the age group of 25-40 years, 2.2% are in the age group above 40 years, 0 responses for age group below 18.

#### 4.2.2 GENDER OF RESPONDENTS

**Table 4.2.2 Gender of Respondents**

Gender	Number of respondents	Percentage of Respondents
Male	7	84.4%
Female	38	15.6%
Prefer not to say	0	0





**Figure 4.2.2 Gender of Respondents**

**Interpretation:**

Table 4.2.2 shows the gender of respondents and the figure shows the percentage wise gender distribution of respondents. From the above data it can be seen that 84.4% of the total respondents are female, 15.6% are male, 0 responses for prefer not to say.

**4.2.3 MARITAL STATUS OF RESPONDENTS**

**Table 4.2.3 Marital Status of Respondents**

Marital Status	Number of Respondents	Percentage of Respondents
Married	6	13.3%
Unmarried	36	80%
Prefer not to say	3	6.7%

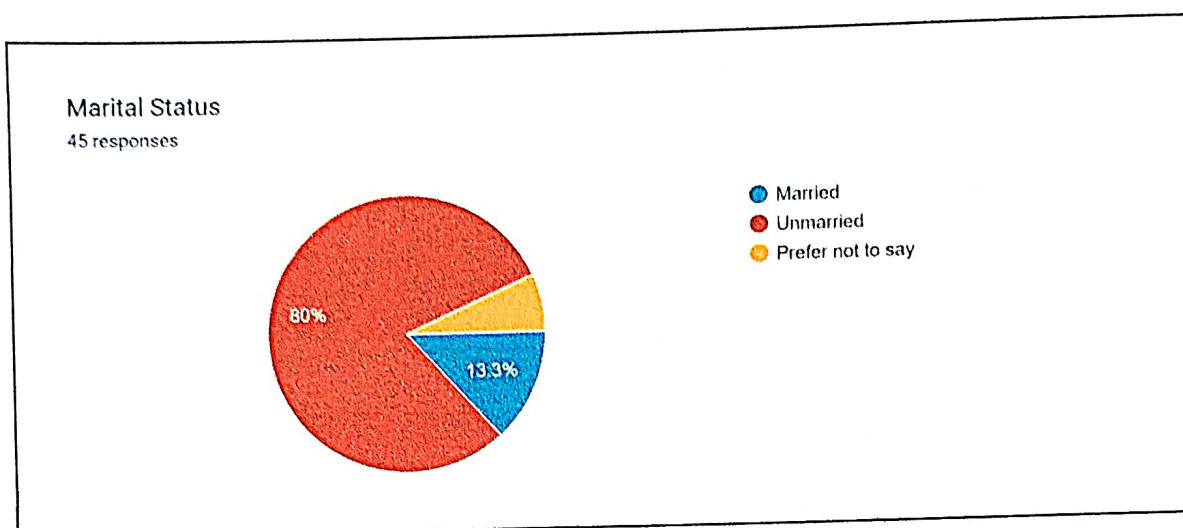


Fig 4.2.3 Marital Status of Respondent

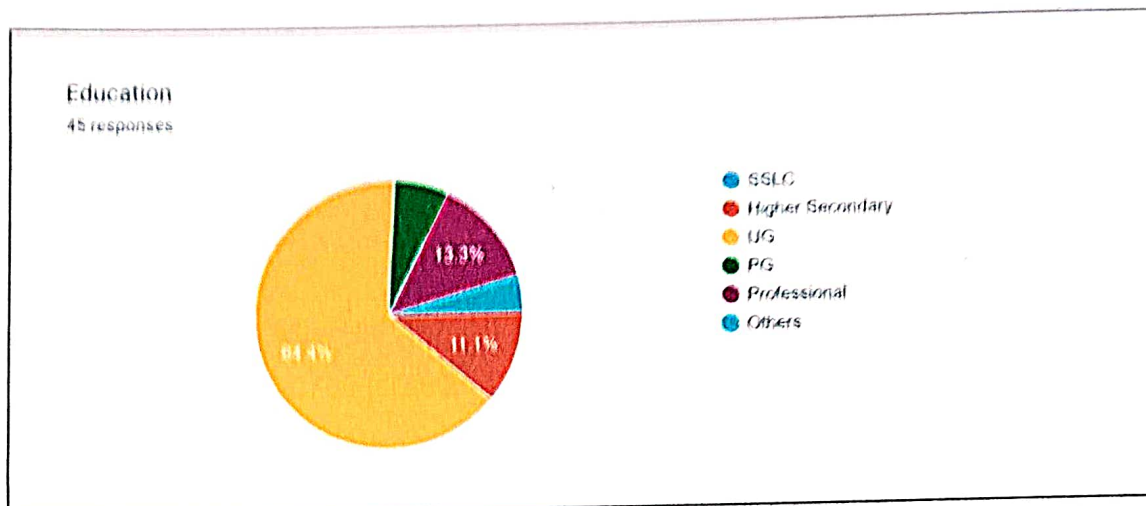
#### Interpretation:

Table 4.2.3 shows the marital status of respondents and the figure shows the percentage wise marital status distribution of respondents. From the above data it can be seen that 80% of the total respondents are unmarried, 13.3% are married, 6.7% responds for prefer not to say.

#### 4.2.4 EDUCATIONAL QUALIFICATION OF RESPONDENTS

**Table 4.2.4 Educational Qualification of Respondents**

Educational Qualification	Number of Respondents	Percentage of Respondents
SSLC	0	0.1
Higher Secondary	5	11.1%
UG	29	64.4%
PG	3	6.7%
Professional	6	13.3%
Others	2	4.4%



**Figure 4.2.4 Educational Qualification of Respondents**

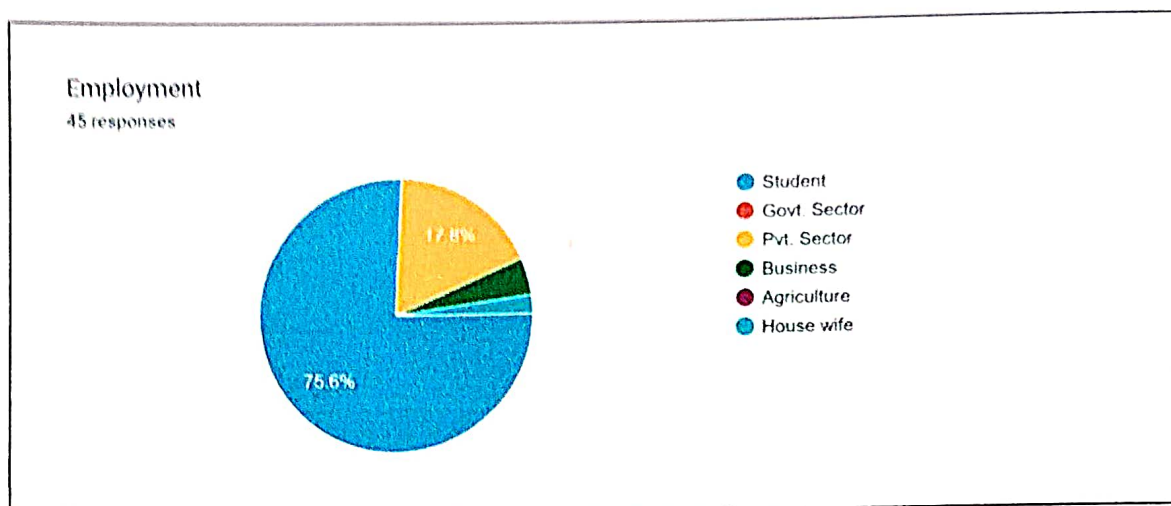
Interpretation:

Table 4.2.4 shows the educational qualification of respondents and the figure shows the percentage wise educational qualification of respondents. From the above data it can be seen that UG qualified, 13.3% are married, 6.7% responds for prefer not to say.

#### 4.2.5 EMPLOYMENT STATUS OF RESPONDENTS

**Table 4.2.5 Employment Status of Respondents**

Employment Status	Number of Respondents	Percentage of Respondents
Student	34	75.6%
Government Sector	0	0
Private Sector	8	17.8%
Business	2	4.4%
Agriculture	0	0
Other	1	2.2%



**Figure 4.2.5 Employment Status of Respondents**

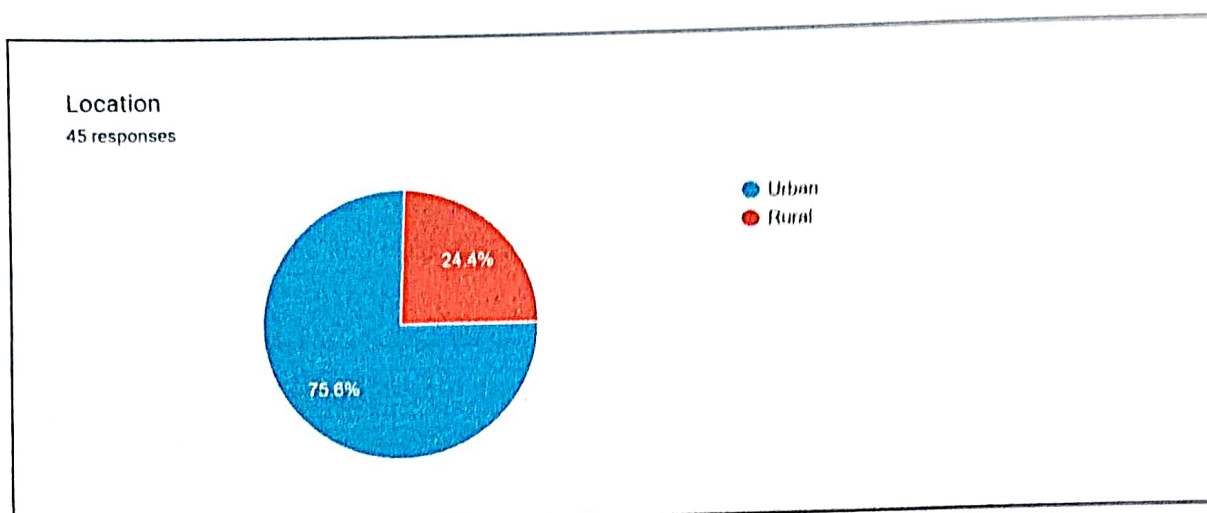
**Interpretation:**

Table 4.2.5 shows the employment status of respondents. The majority of respondents are students 75.6%, 17.8% are private employees, 4.4% are business and 2.2% are house wife. 0 responses from government and agricultural sector.

**4.2.6 RESIDENCE LOCATION OF THE RESPONDENTS**

**Table 4.2.6 Location of Respondents**

Location	Number of Respondents	Percentage of Respondents
Urban	34	75.6%
Rural	11	24.4%



**Figure 4.2.6 Location of Respondents**

Interpretation:

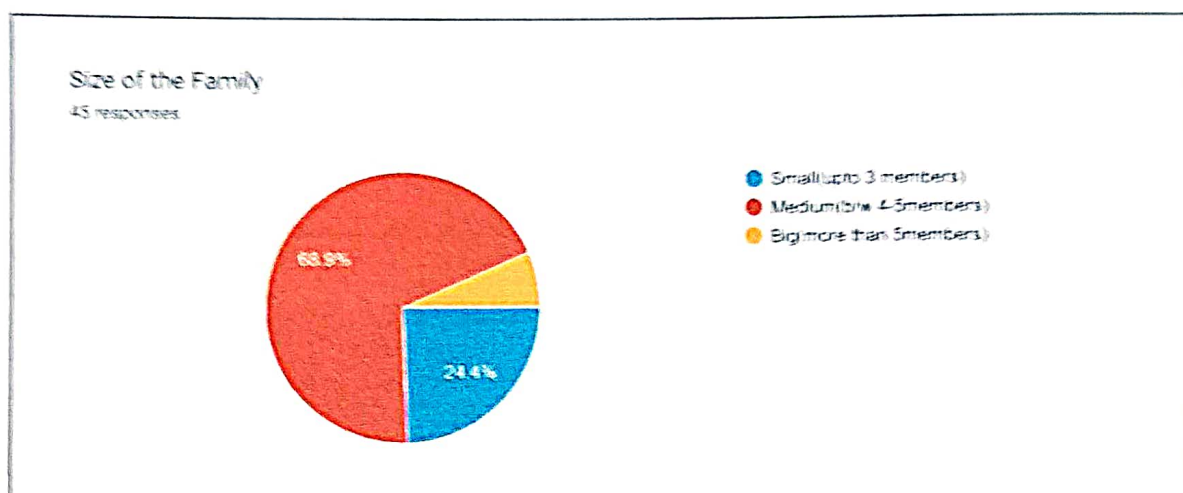
Table 4.2.5 shows the location of respondents. The majority of respondents 75.6% are located in Urban area. 4. 24.4% respondents are from Rural area.

#### 4.2.7 SIZE OF THE FAMILY OF RESPONDENTS

**Table 4.2.7 Size of the Family of Respondents**

Size of the family	Number of Respondents	Percentage of Respondents
Small (up to 3 members)	11	24.4%
Medium (b/w 4-5members)	31	68.9%
Big (more than 5members)	3	6.7%





**Figure 4.2.7 Size of the Family of Respondents**

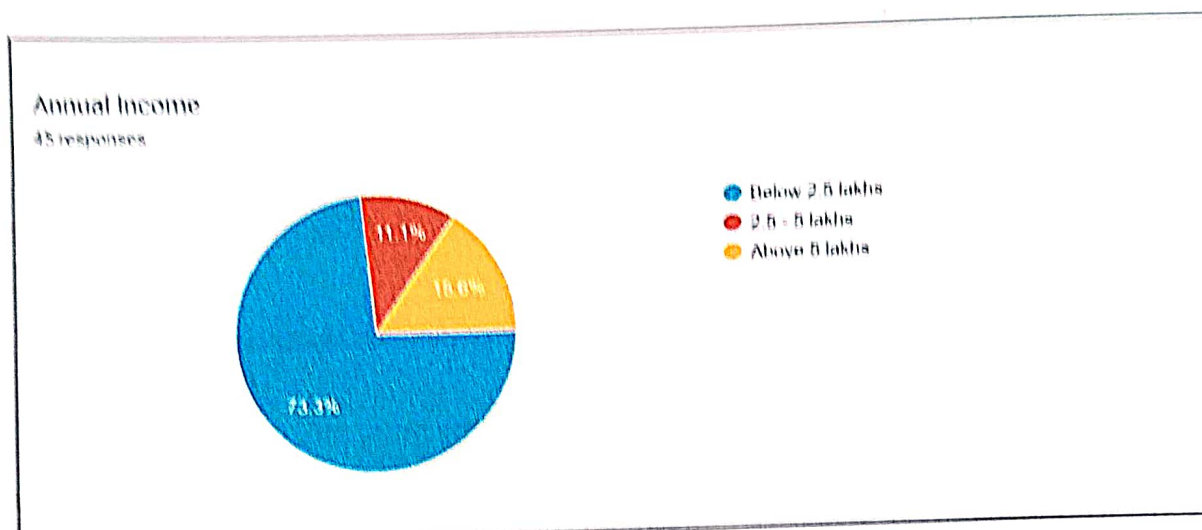
Interpretation:

Table 4.2.6 shows the size of the family of respondents. The majority of respondents belongs to medium (b/w 4-5 members) 68.9%, 24.4% are small (up to 3 members), 6.7% are big (more than 5 members)

#### 4.2.8 ANNUAL INCOME OF RESPONDENTS

**Table 4.2.8 Annual Income of Respondents**

Annual Income of Respondents	Number of Respondents	Percentage of Respondents
Below 2.5 lakhs	33	73.3%
2.5 - 5 lakhs	5	11.1%
Above 5 lakhs	7	15.6%



**Figure 4.2.8 Annual Income of Respondents**

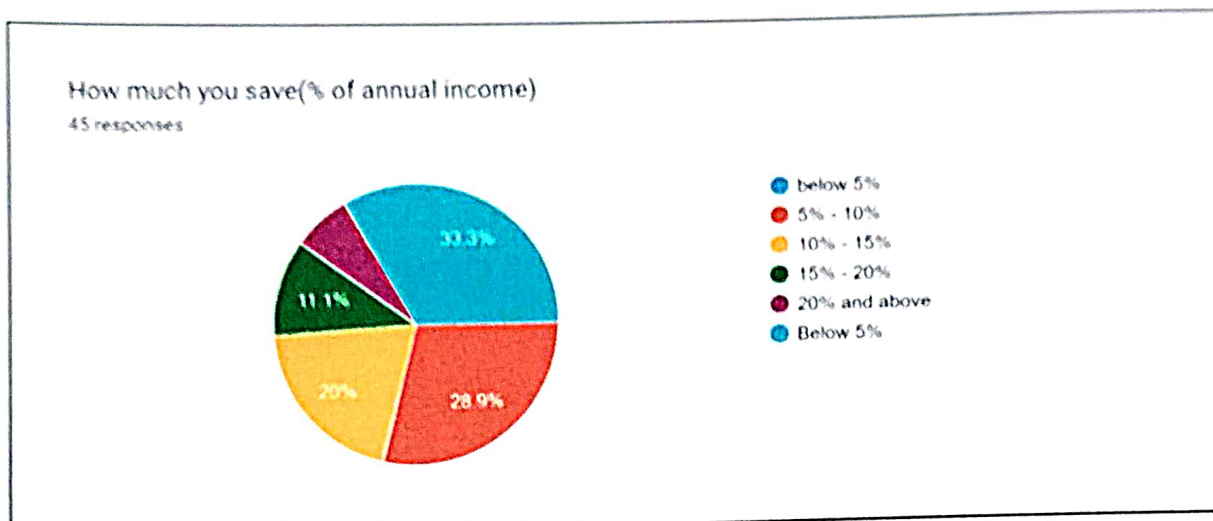
#### Interpretation:

Table 4.2.7 shows the annual income of respondents. The majority of respondents income were belonging to below 2.5 lakhs 73.3%, 11.1% respondents for 2.5-5 lakhs, 15.6% respondents for above 5 lakhs.

#### 4.2.9 SAVINGS (% of annual income) OF RESPONDENTS

**Table 4.2.9 Savings (% of annual income) of Respondents**

Savings (% of annual income) of Respondents	Number of Respondents	Percentage of Respondents
Below 5%	15	33.3%
5% - 10%	13	28.9%
10% - 15%	9	20%
15% - 20%	5	11.1%
20% and above	3	6.7%



**Figure 4.2.9 Savings (% of annual income) of Respondents**

Interpretation:

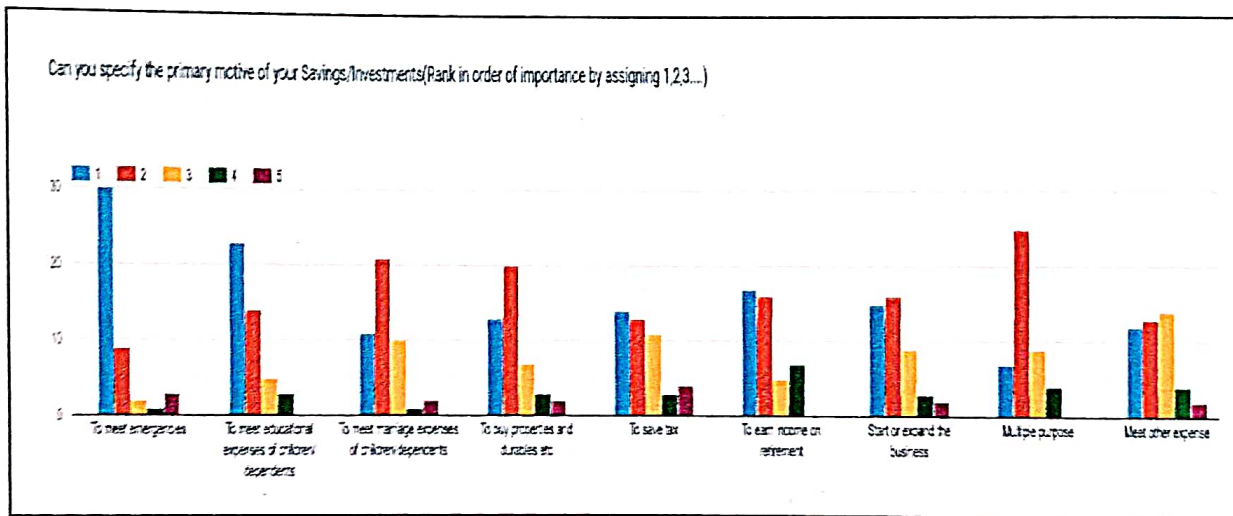
Table 4.2.8 shows the annual savings of respondents. The majority of respondents savings are below 5%, 28.9% of respondents save 5-10%, 20% of respondents save 10-15%, 11.1% of respondents save 15-20% and 6.7% of respondents save 20% and above.

#### 4.3 PRIMARY MOTIVE OF SAVINGS/INVESTMENTS

**Table 4.3 Primary Motive of Savings/Investment of Respondents**

Motives	RANK				
	1	2	3	4	5
To meet emergencies	30	9	2	1	3
To meet educational expenses of children/dependents	23	14	5	3	0
To meet marriage expenses of children/dependents	11	21	10	1	2
To buy properties and durables etc	13	20	7	3	2
To save tax	14	13	11	3	4
To earn income on retirement	17	16	5	7	0

Start/expand business	18	16	9	3	2
Multiple purpose	7	25	9	4	0
Meet other expenses	12	13	14	4	2

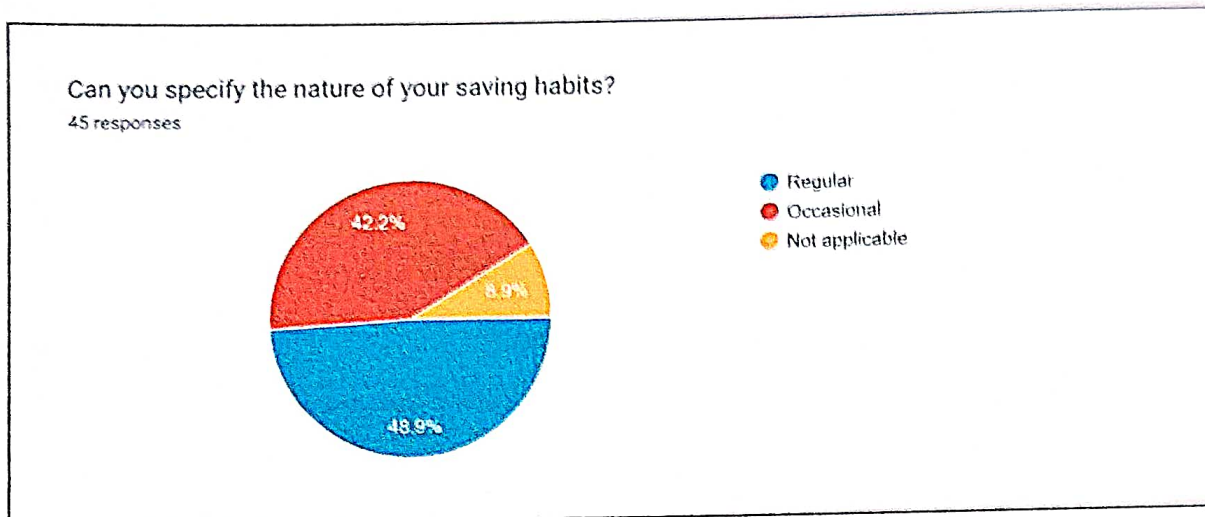


**Figure 4.3 Primary Motive of Savings/Investment of Respondents**

#### 4.4 NATURE OF SAVING HABITS

**Table 4.4 Nature of Saving habit of Respondents**

Saving habits	Number of Respondents	Percentage of Respondents
Regular	22	48.9%
Occasional	19	42.2%
Not applicable	4	8.9%



**Figure 4.4 Nature of Saving habits of Respondents**

Interpretation:

Table 4.4 shows the nature of savings habits of respondents. The majority of respondents have regular saving habits 48.9%, 42.2% of respondents have occasional saving habits, 8.9% respondents prefer not applicable habits.

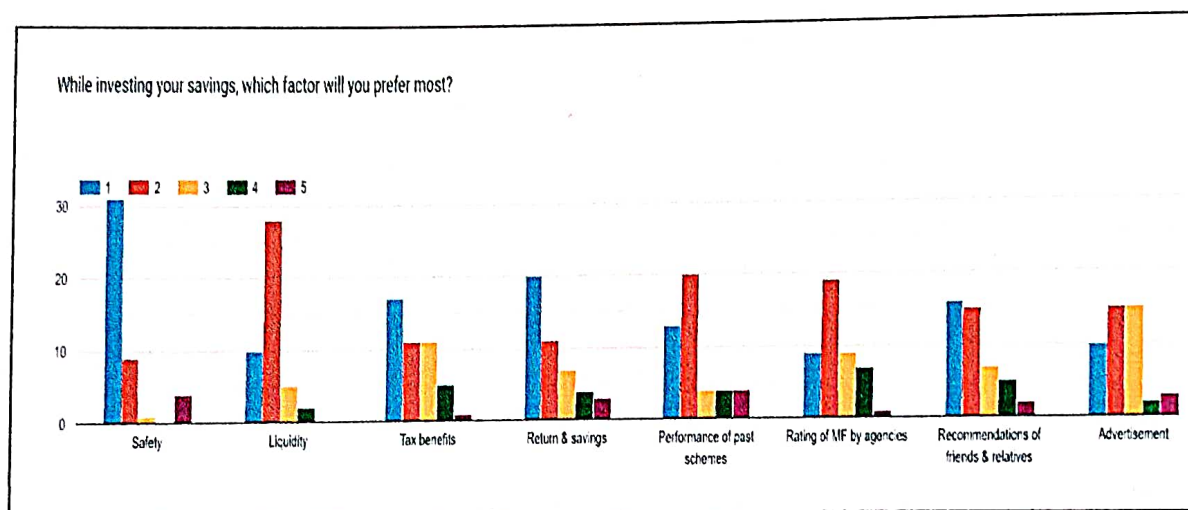
#### 4.5 CLASSICATION ON THE BASIS OF PREFERENCE OF THE INVESTOR

**Table 4.5 Preference of the investor**

Factors	RANK				
	1	2	3	4	5
Safety	31	9	1	0	4
Liquidity	10	28	5	2	0
Tax benefits	17	11	11	5	1
Return & savings	20	11	7	4	3
Performance of past schemes	13	20	4	4	4
Rating of Mutual fund by agencies	9	19	9	7	1
Recommendation of friends &	16	15	7	5	2



relatives					
Advertisement	10	15	15	2	3

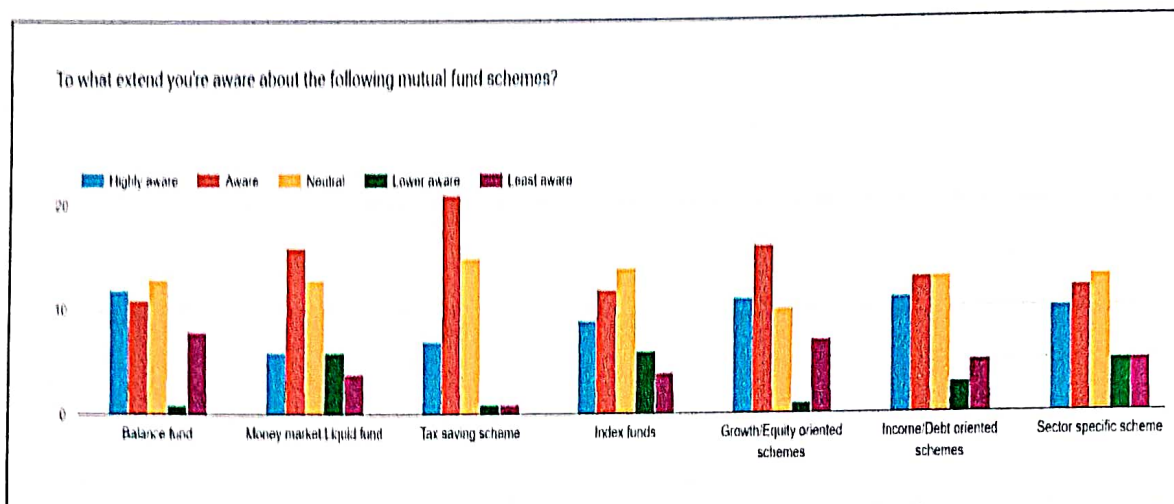


**Figure 4.5 Preference of the investor**

#### 4.6 CLASSIFICATION ON THE BASIS OF AWARENESS ABOUT MUTUAL FUND SCHEMES

**Table 4.6 Mutual fund Schemes**

Mutual fund Schemes	Highly aware	Aware	Neutral	Lower aware	Least aware
Balance fund	12	11	13	1	8
Money market/Liquid fund	6	16	13	6	4
Tax saving scheme	7	21	15	1	1
Index funds	9	12	14	6	4
Growth/Equity oriented schemes	11	16	10	1	7
Income/Debt oriented schemes	11	13	13	3	5
Sector specific scheme	10	12	13	5	5

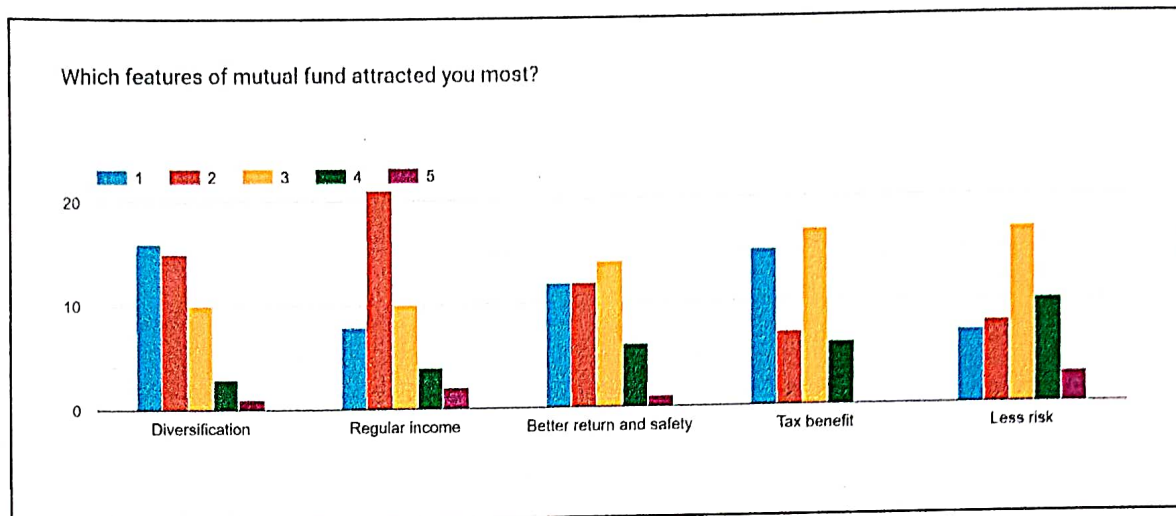


**Fig 4.6 Mutual fund Schemes**

#### 4.7 CLASSIFICATION ON THE BASIS OF FEATURE OF MUTUAL FUND WHICH ATTRACTED THE INVESTORS

**Table 4.7 Features attracted the investors**

Features	RANK				
	1	2	3	4	5
Diversification	16	15	10	3	1
Regular Income	8	21	10	4	2
Better return & safety	12	12	14	6	1
Tax benefits	15	7	17	6	0
Less Risk	7	8	17	10	3

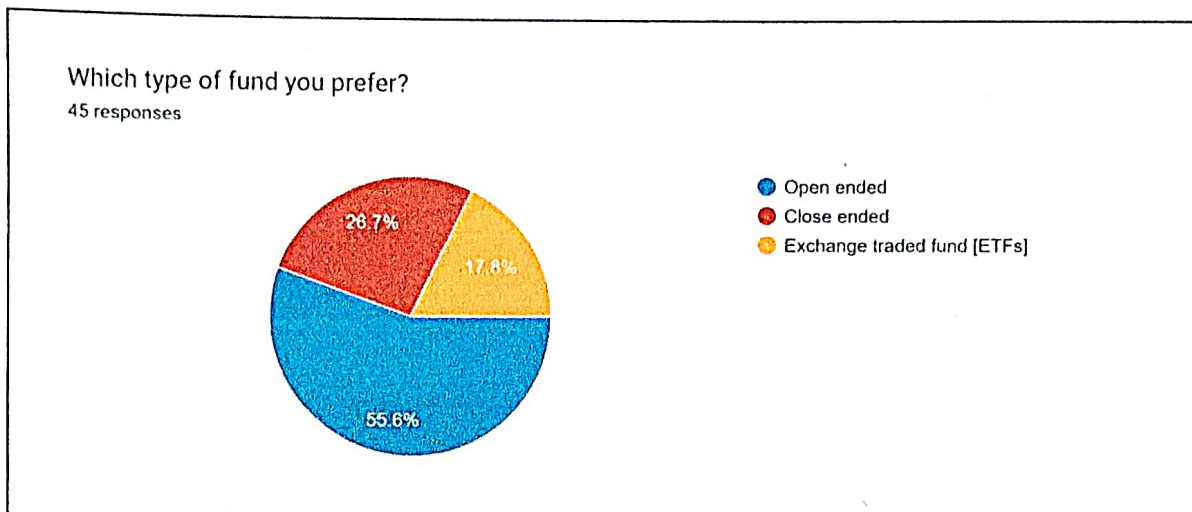


**Figure 4.7 Features attracted the investors**

#### 4.8 CLASSIFICATION ON THE BASIS OF PREFERENCE OF INVESTORS ON MUTUAL FUND

**Table 4.8 Funds preferred by Respondents**

Funds	Number of Respondents	Percentage of Respondents
Open ended	25	55.6%
Close ended	12	22.7%
Exchange traded fund (ETFs)	8	17.8%

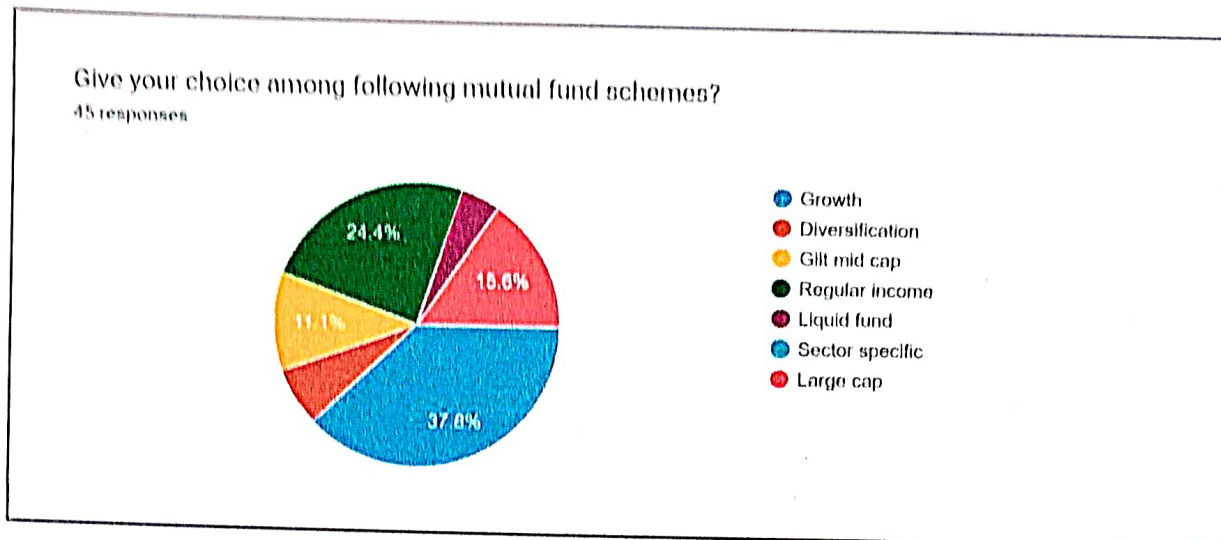


**Figure 4.8 Choices of Respondents**

#### 4.9 CLASSIFICATION ON THE BASIS OF CHOICE OF INVESTORS ON FUND SCHEME

**Table 4.9 Choice of Investors on Mutual fund Scheme**

Choice	Number of Respondents	Percentage of Respondents
Growth	17	37.7%
Diversification	3	6.7%
Glit mid cap	5	11.1%
Regular income	11	24.4%
Liquid fund	2	4.4%
Sector specific	0	0
Large cap	7	15.6%



**Figure 4.9 Choice of Investors on Mutual fund Scheme**

#### 4.10 CLASSIFICATION ON THE BASIS OF PREFERENCE INVESTORS ON CHANNEL

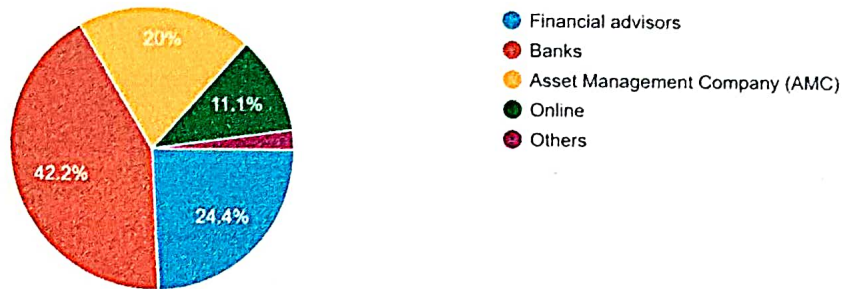
**Table 4.10 Preference investors on channel**

Channel	Number of Respondents	Percentage of Respondents
Financial advisor	11	24.4%
Banks	19	42.2%
Assets Management Company (AMC)	9	20%
Online	5	11.1%
Others	1	2.2%



Which channel will you prefer for purchasing mutual fund?

45 responses

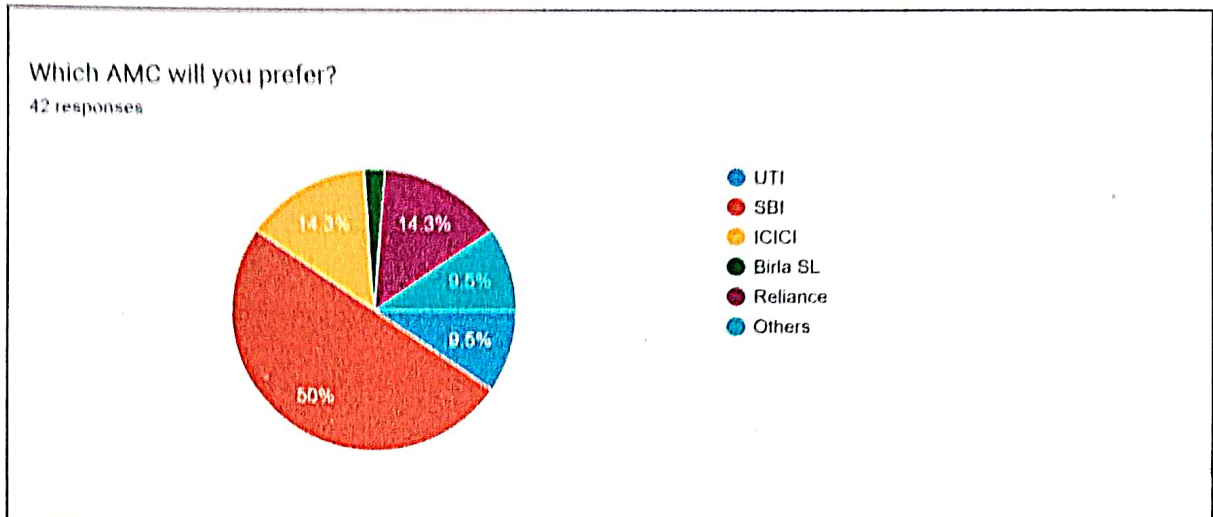


**Figure 4.10 Preference investors on channel**

#### 4.11 CLASSIFICATION ON THE BASIS OF PREFERENCE AMONG THE MUTUAL FUND

**Table 4.11 Preference investors on Asset Management Company**

Asset Management Company	Number of Respondents	Percentage of Respondents
UTI	4	9.5%
SBI	21	50%
ICICI	6	14.3
Birla SL	1	2.4%
Reliance	6	14.3%
Others	4	9.5%

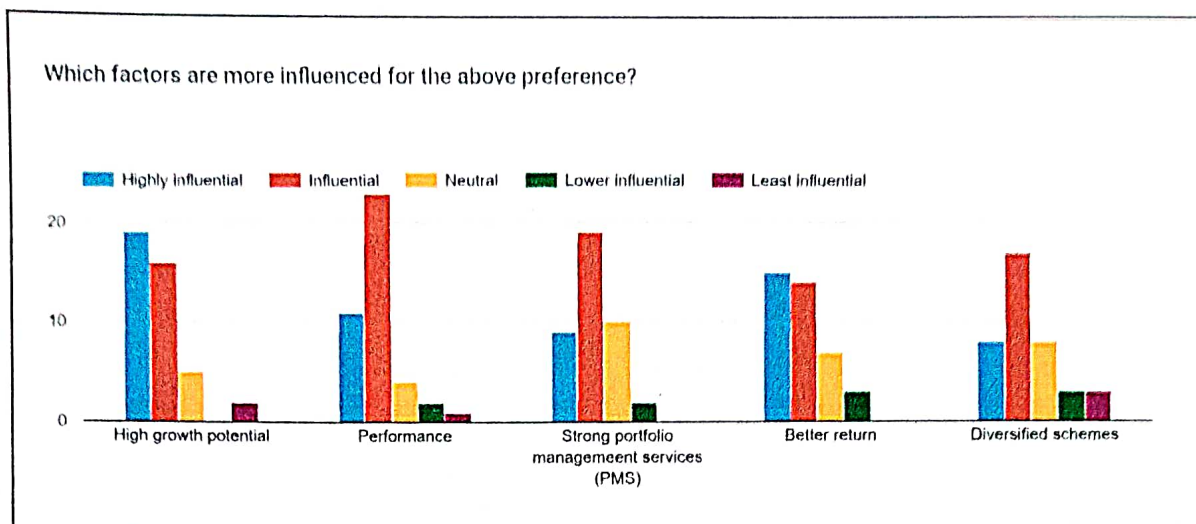


**Figure 4.11 Preference investors on Asset Management Company**

#### 4.12 CLASSIFICATION ON THE BASIS OF FACTOR INFLUENCED BY THE INVESTORS

**Table 4.12 Factor Influenced by the Investors**

Factors	Highly influential	Influential	Neutral	Lower influential	Least influential
High growth potential	19	16	5	0	2
Performance	11	23	4	2	1
Strong portfolio management services (PMS)	9	19	10	2	0
Better return	15	14	7	3	0
Diversified schemes	8	17	8	3	3

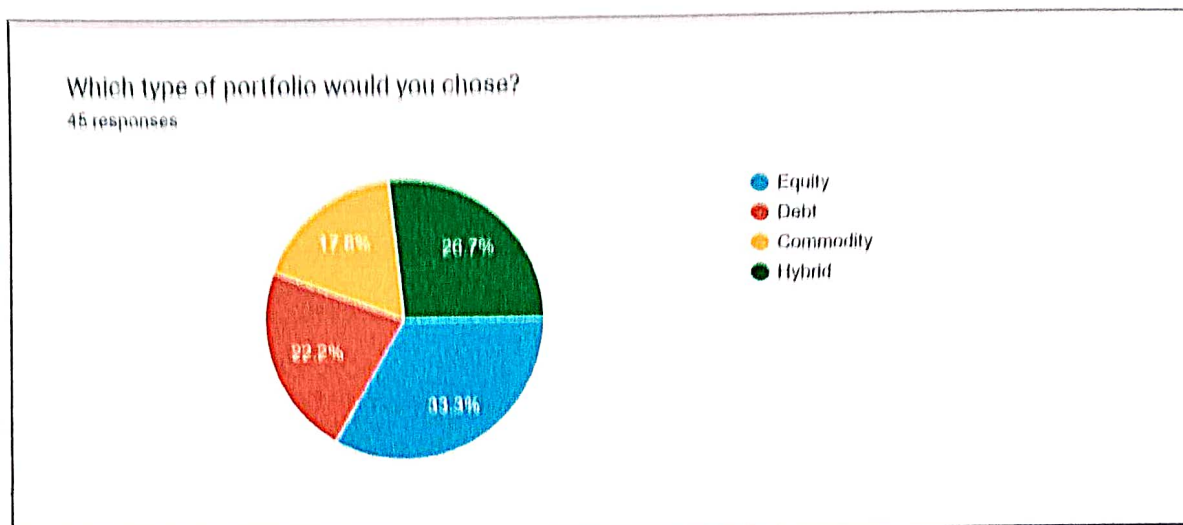


**Figure 4.12 Factor Influenced by the Investors**

#### 4.13 CLASSIFICATION ON THE BASIS OF TYPE OF PORTFOLIO CHOOSE BY INVESTORS

**Table 4.13 Portfolio choose by Investors**

Type of Portfolio	Number of Respondents	Percentage of Respondents
Equity	15	33.3%
Debt	10	22.2%
Commodity	8	17.8%
Hybrid	12	26.7

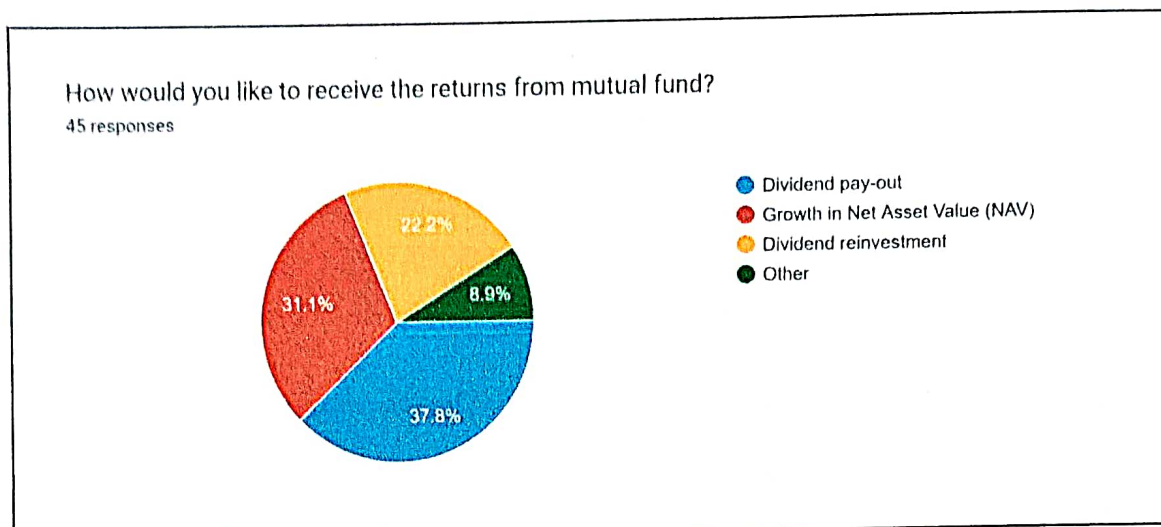


**Figure 4.13 Portfolio choose by Investors**

#### 4.14 CLASSIFICATION ON THE BASIS OF MODE OF GETTING RETURN FROM MUTUAL FUND

**Table 4.14 Mode of getting return from Mutual fund**

Mode of Return	Number of Respondents	Percentage of Respondents
Dividend Pay-out	17	37.8%
Growth in Net Asset Value (NAV)	14	31.1%
Dividend Reinvestment	10	22.2%
Other	4	8.9%



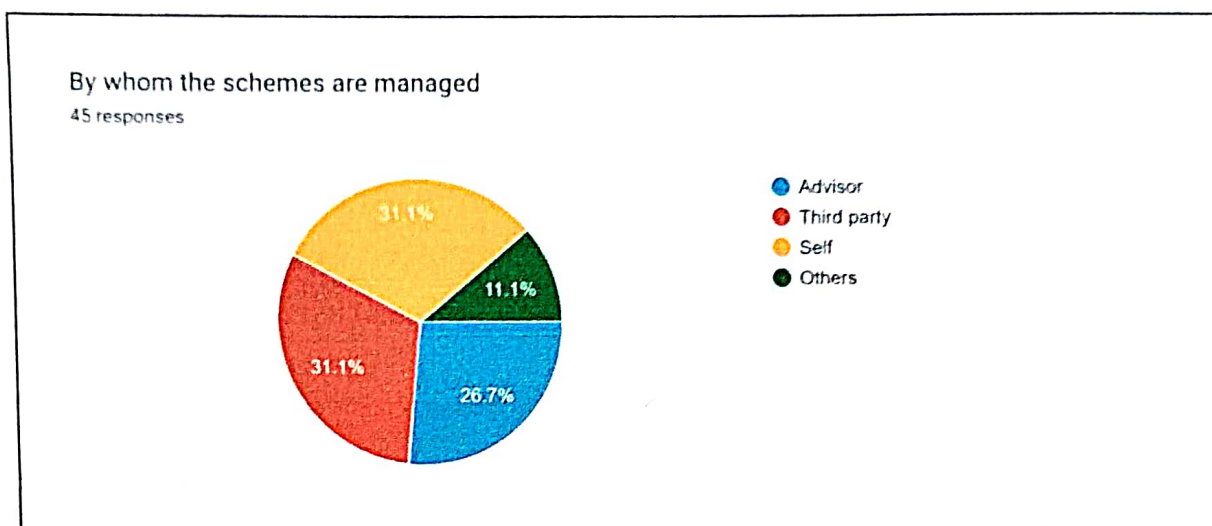
**Figure 4.14 Mode of getting return from Mutual fund**

#### 4.15 CLASSIFICATION ON THE BASIS BY WHOM THE SCHEMES ARE MANAGED

**Table 4.15 Scheme Manager of Respondents**

Scheme Manager	Number of Respondents	Percentage of Respondents
Advisor	12	26.7%
Third party	14	31.1%
Self	14	31.1%
Others	5	11.1%





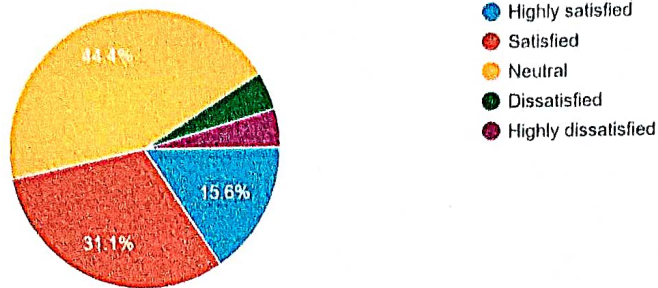
**Figure 4.15 Scheme Manager of Respondents**

#### 4.16 CLASSIFICATION ON THE BASIS OF EXPERIENCE OF INVESTING IN MUTUAL FUND

**Table 4.16 Experience of Investors**

Experience	Number of Respondents	Percentage of Respondents
Highly satisfied	7	15.6%
Satisfied	14	31.1%
Neutral	20	44.4%
Dissatisfied	2	4.45
Highly dissatisfied	2	4.4%

How was your experience of investing in mutual fund?  
45 responses



**Figure 4.16 Experience of Investors**

#### 4.17 CLASSIFICATION ON THE BASIS OF EXPECTATION FROM MUTUAL FUND

**Table 4.17 Expectation from Mutual fund**

Expectations	Number of Respondents	Percentage of Respondents
Max tax savings	3	6.7%
Capital appreciation	12	26.7%
Regular income	13	28.95
Insurance benefits	9	20%
Loan facility	3	6.7%
Other	5	11.1%

Can you give your expectation from mutual fund schemes?

45 responses

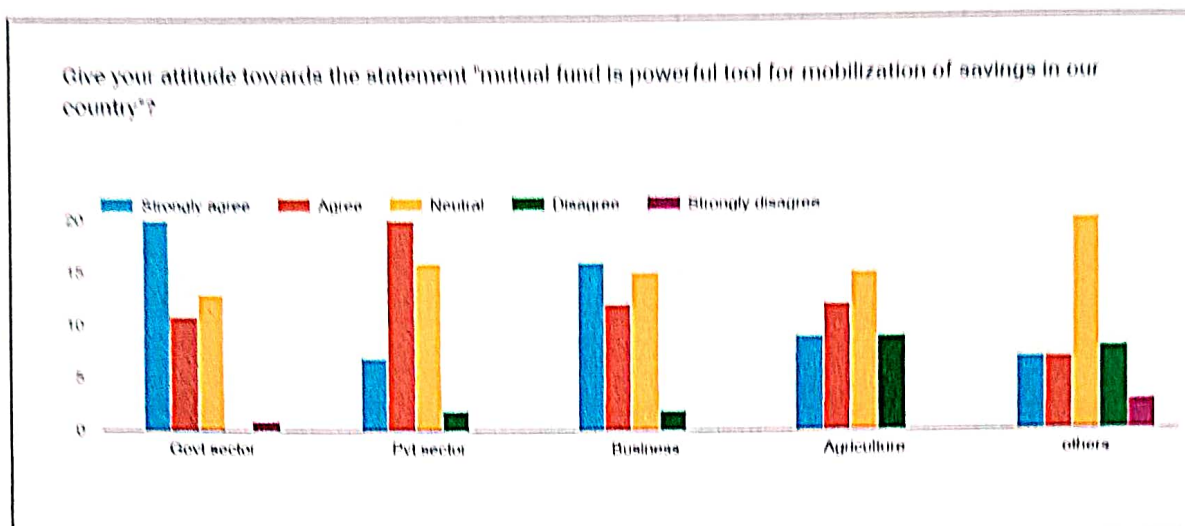


**Figure 4.17 Expectation from Mutual fund**

**4.18 CLASSIFICATION ON THE BASIS OF ATTITUDE TOWARDS THE STATEMENT “MUTUAL FUND IS POWERFUL TOOL FOR MOBILISATION OF SAVINGS IN OUR COUNTRY”**

**Table 4.18 Attitude of Respondents**

Attitude	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Government Sector	20	11	12	0	11
Private Sector	7	20	16	2	0
Business	16	12	15	2	0
Agriculture	9	12	15	9	0
Others	7	7	20	8	3

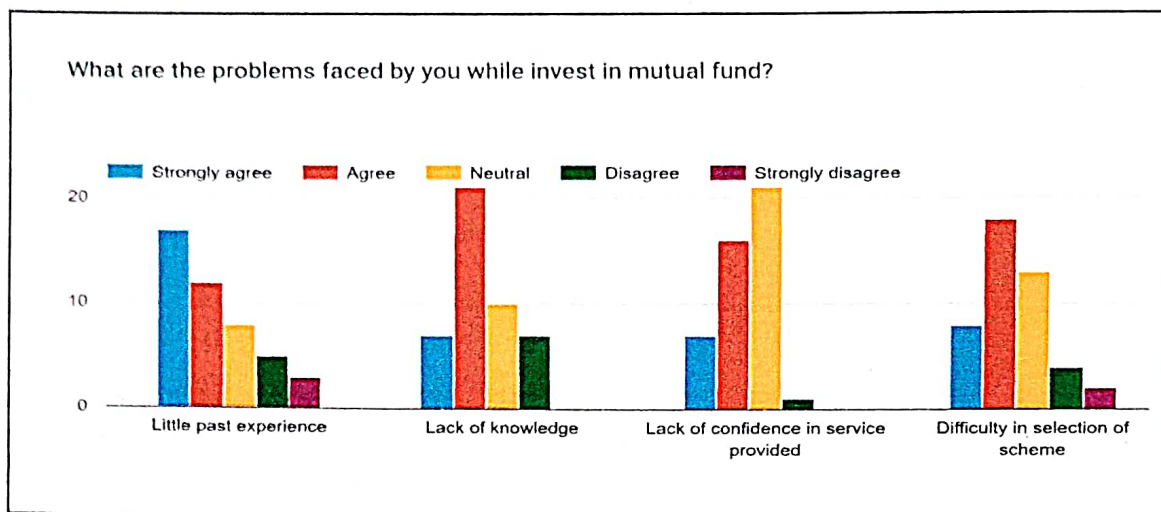


**Figure 4.18 Attitude of Respondents**

#### 4.19 CLASSIFICATION ON THE BASIS OF THE PROBLEMS FACED BY THE INVESTORS WHILE THEY INVEST IN MUTUAL FUND

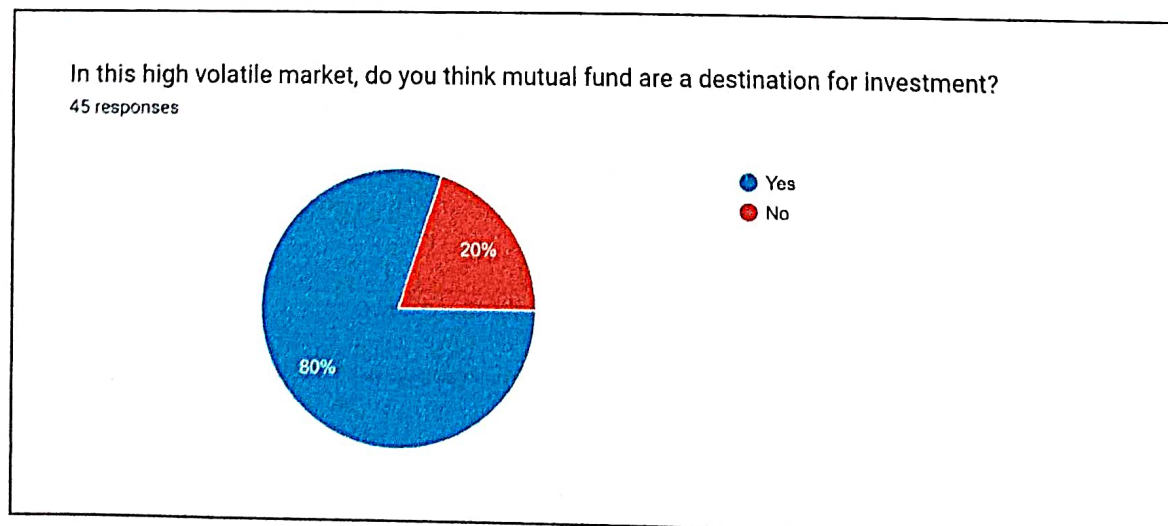
**Table 4.19 Problems faced by the Investors**

Problems	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Little past experience	17	12	8	5	3
Lack of knowledge	7	21	10	7	0
Lack of confidence in service provided	7	16	21	1	0
Difficulty in selection of scheme	8	18	13	4	2



**Figure 4.19 Problems faced by the Investors**

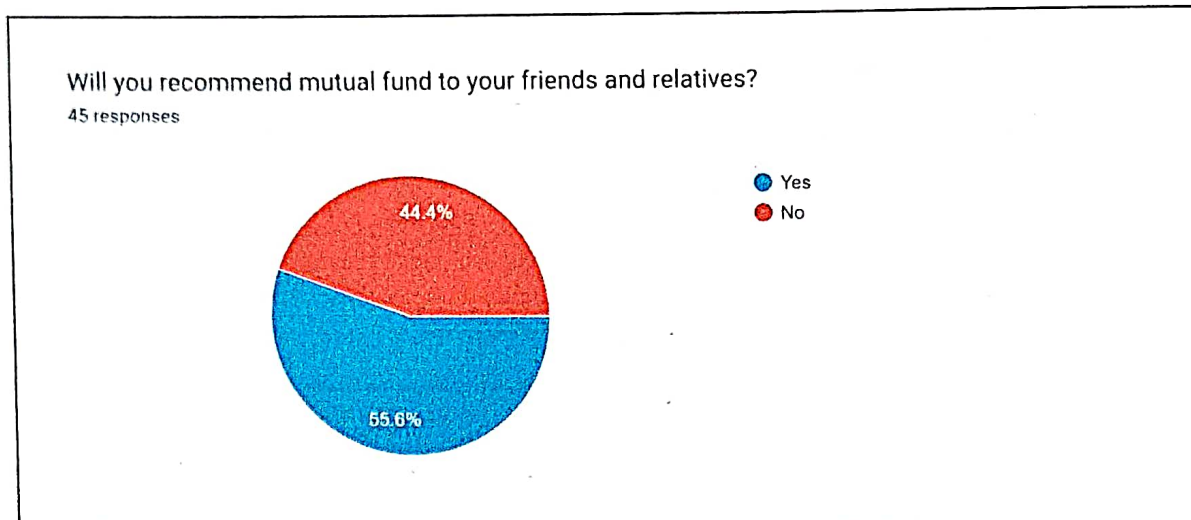
4.20 IN THIS HIGH VOLATILE MARKET, DO YOU THINK MUTUAL FUND ARE A DESTINATION FOR INVESTMENT



**Figure 4.20 Responses from Investors**

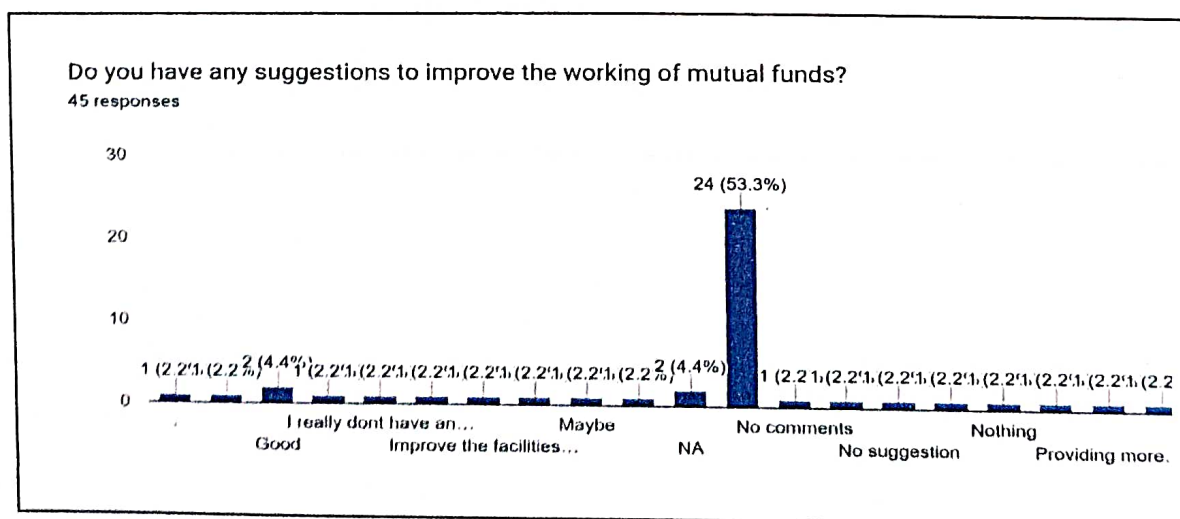


#### 4.21 WILL YOU RECOMMEND MUTUAL FUND TO YOUR FRIENDS AND RELATIVES



**Figure 4.21 Responses from Investors**

#### 4.22 DO YOU HAVE ANY SUGGESTIONS TO IMPROVE THE WORKING OF MUTUAL FUNDS



**Figure 4.22 Suggestions from Respondents**

## 5.2 FINDINGS

- In Thiruvananthapuram most of the investors were under graduate and professionals.
- In Thiruvananthapuram district in the age group of 18-25 years were more numbers in investing mutual fund.
- In Thiruvananthapuram district, 75.6% investors are from urban area and 24.4% investors are from rural area.
- Students and private sectors investors are the main contributors to the mutual fund schemes.
- The study shows that, most of the respondents are neutral with the mutual fund.
- The main purpose of saving is to meet emergencies. The other purposes are to meet educational expenses, to meet marriage expenses, etc.
- Respondents are mostly aware about tax saving scheme.
- 35.6% respondents prefer Friends, relatives and colleagues for getting the sources of information related in mutual fund.
- 55.6% respondents will prefer the open-ended scheme.
- On the basis of choice of investors on fund scheme majority of the respondent will prefer growth.
- 42.2% respondent will prefer bank as their channel.
- Most of the investor's preferred AMC is SBI, ICICI & Reliance.
- The study shows that, mostly respondents preferred feature is regular income while investment.
- 28.9% respondent's expectation from mutual fund is regular income.
- Most of the respondents give first preference to Dividend pay-out to receive the returns from mutual fund.
- Most of the respondents are influenced by the better return and diversification while investing in mutual fund.

## **CHAPTER 5**

### **SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION**

#### **5.1 SUMMARY**

The study attempted to reveal Mobilisation of savings through Mutual fund with special reference to Thiruvananthapuram district. This study intended to make an analysis on investors towards mutual fund and their satisfaction, awareness etc... about it. This survey also studied various factors which effect the selection of mutual fund and various kinds of mutual funds available in the market. The whole project divided in to five chapters.

The first chapter contains the **INTRODUCTION** about the study. It also contains the statement of the problem, significance of the study, scope of the study, research methodology, objectives, hypothesis, limitation of the study, and chapter plan.

The second chapter deals with the **REVIEW OF LITERATURE**, previous projects and research's details are included in this area.

The third chapter deals with the **MUTUAL FUND CONCEPTS AND WORKING**. It contains an overview of mutual fund.

The fourth chapter deals with the **DATA ANALYSIS AND INTERPRETATION**. The data which are collected by using schedule of questions are analysed in this chapter. Simple Statistical tools like tables, graphs, diagrams etc. are used in this analysis. The responses of the respondent are arranged in such a manner so as to simplify analysis process by using the tables.

The Fifth chapter presents **A BRIEF SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION** based on the study.

- 33.3% respondents will prefer equity portfolio and the least preferred portfolio was commodity.

- The study shows that 45% respondent will choose dividend re investment as mode of return.

### **5.3 SUGGESTIONS**

The following are the main suggestions about the study

- Select mutual fund in blue chip equities it is more profitable
- More awareness and information should be given to investors and also to attract new investors.
- Improve the performance of intermediaries(brokers)
- Better to invest in more than one funds to spread the risk(diversification)
- Understand the investor's needs and expectations; here brokers must play a vital role to help them.
- To attract the investors to mutual fund the companies will play an important role to bring low risk, high return, safety mutual funds.
- Mutual fund companies should provide income generating schemes to attract female investors, now majority of female investors are not aware about mutual fund.

### **5.4 CONCLUSION**

The study of mobilisation of savings through mutual fund is carried with the objectives of evaluating the various kinds of mutual funds available in the market. In this study it is found that open ended fund is the most popular and more using fund in the market. The factors influencing to the selection of mutual fund includes return, safety and risk. Investors give more importance to these three factors. There are some problems also faced by investors of mutual fund is very less and female investors are not much more invested in mutual fund. Investors use magazines as the source of information provider and brokers also play a vital role in this sector. Investors are satisfied with their funds. The study points out some suggestions which helps to improve the performance of mutual fund. Companies and brokers, it also helps to attract new investors.



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<http://www.ijemhs.com/>

<http://www.mujournal/>

<http://www.rspublication.com/>

<http://www.interscience.in/>

## APPENDIX

### MOBILISATION OF SAVINGS THROUGH MUTUAL FUNDS

#### 1. Age

• Below 18	• 18-25
• 25-40	• Above 40

#### 2. Sex

• Male	• Female	• Others
--------	----------	----------

#### 3. Marital Status

• Married	• Unmarried
-----------	-------------

#### 4. Education

• SSLC	• Higher Secondary	• Under Graduate
• Post Graduate	• Professional	• Others

#### 5. Employment status

• Government Sector	• Private Sector	• Business
• Agriculture	• Others	

#### 6. Size of the Family

• Small (up to 3members)	• Medium (b/w 4 &5members)	• Big (more than 5)
--------------------------	----------------------------	---------------------

7. Annual Income

• Below 250000	• 250000 to 500000	• Above 500000
-------------------	-----------------------	-------------------

8. How much you save (% of annual income)

• Below 5%	• 5-10%	• 10-15%
• 15-20%	• 20% & above	

9. Can you specify the primary motive of your Saving/Investment? (Rank in order of importance by assigning 1,2, 3...)

	Ranking
(a) To meet emergencies	<input type="text"/>
(b) To meet educational expenses of children or dependents	<input type="text"/>
(c) To meet marriage expenses of children or dependents	<input type="text"/>
(d) To buy properties and durables, etc.	<input type="text"/>
(e) To save tax	<input type="text"/>
(f) To earn income on retirement	<input type="text"/>
(g) To expand/start business	<input type="text"/>
(h) Multi purposes	<input type="text"/>
(i) Meet other expenses	<input type="text"/>

10. Nature of Saving Habit

• Regular	• Occasional	• Not Applicable
-----------	--------------	---------------------

11. While investing your savings, which factor will you prefer most?

- |  |                      |
|--|----------------------|
| (a) Safety                                 | <input type="text"/> |
| (b) Liquidity                              | <input type="text"/> |
| (c) Tax benefits                           | <input type="text"/> |
| (d) Return & savings                       | <input type="text"/> |
| (e) Performance of past schemes            | <input type="text"/> |
| (f) Rating of MF by agencies               | <input type="text"/> |
| (g) Recommendations of friends & relatives | <input type="text"/> |
| (h) Advertisement                          | <input type="text"/> |

12. How did you become aware about the mutual fund?

- |                                       |                      |
|---------------------------------------|----------------------|
| (a) Advertisement                     | <input type="text"/> |
| (b) Friends, relatives and colleagues | <input type="text"/> |
| (c) Banks                             | <input type="text"/> |
| (d) Internet                          | <input type="text"/> |
| (e) Financial advisors                | <input type="text"/> |
| (f) Other                             | <input type="text"/> |

13. Which features of mutual fund attracted you most?

- |                              |                      |
|------------------------------|----------------------|
| (a) Diversification          | <input type="text"/> |
| (b) Regular Income           | <input type="text"/> |
| (c) Better return and safety | <input type="text"/> |
| (d) Tax benefit              | <input type="text"/> |
| (e) Less risk                | <input type="text"/> |

14. Which type of fund you prefer most?

• Open ended	• Close ended	• ETFs- Exchange traded fund
--------------	---------------	------------------------------------

15. Give your choice among following mutual fund schemes?

- |                            |                      |
|----------------------------|----------------------|
| (a) Growth                 | <input type="text"/> |
| (b) Others Diversification | <input type="text"/> |
| (c) Gilt mid cap           | <input type="text"/> |
| (d) Regular income         | <input type="text"/> |
| (e) Liquid fund            | <input type="text"/> |
| (f) Sector specific        | <input type="text"/> |
| (g) Large cap              | <input type="text"/> |

16. Which channels will you prefer for purchasing mutual fund?

- |                                    |                      |
|------------------------------------|----------------------|
| (a) Financial advisors             | <input type="text"/> |
| (b) Banks                          | <input type="text"/> |
| (c) Asset Management Company (AMC) | <input type="text"/> |
| (d) Online                         | <input type="text"/> |
| (e) Others                         | <input type="text"/> |

17. Which AMC you will prefer?

• UTI	• SBI	• ICICI
• Birla	• Reliance	• Others

18. Which factors are more influenced for the above preference?

- |  |                      |
|--|----------------------|
| (a) High growth potential                      | <input type="text"/> |
| (b) Performance                                | <input type="text"/> |
| (c) Strong portfolio management services (PMS) | <input type="text"/> |



- (d) Better return
- (e) Diversified schemes


19. Which type of Portfolio would you chose?

• Equity	• Debt
• Commodity	• Hybrid

20. How would you like to receive the returns from MF?

• Dividend Pay-out	• Growth in NAV	• Dividend Reinvestment	• Others
--------------------	-----------------	-------------------------	----------

21. By whom are the Schemes managed?

• Advisor	• Third Party
• Self	• Others

22. How was your experience of investing in mutual fund?

- (a) Highly satisfied
- (b) Satisfied
- (c) Neutral
- (d) Dissatisfied
- (e) Highly dissatisfied

23. Can you give your expectation from mutual fund schemes?

- (a) Max tax savings
- (b) Capital appreciation
- (c) Regular income
- (d) Insurance benefits
- (e) Loan facility

(f) Other

24. Give your attitude towards the statement “MF is a powerful tool for mobilization of savings in our Country”

Sectors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Govt Sector					
Pvt Sector					
Business					
Agriculture					
NRIs					
Others					

25. What are the problems faced by you while invest in mutual fund?

- (a) Little past experience
- (b) Lack of knowledge
- (c) Lack of confidence in service provided
- (d) Difficulty in selection of scheme

26. In this high volatile market, do you think MFs are a destination for investments?

<input type="radio"/> Yes	<input type="radio"/> No
---------------------------	--------------------------

27. Will you recommend MF to your friends and relatives?

<input type="radio"/> Yes	<input type="radio"/> No
---------------------------	--------------------------

28. Do you have any suggestions to improve the working of mutual funds?