**A STUDY ON THE AWARENESS OF MUTUAL FUND AMONG WORKING PROFESSIONALS**

**Dissertation**

**Submitted by**

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**ST. TERESA’S COLLEGE ESTD 1925**

**ST. TERESA’S COLLEGE (AUTONOMOUS), ERNAKULAM**

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# A STUDY ON THE AWARENESS OF THE MUTUAL FUND AMONG WORKING PROFESSIONALS

INTRODUCTION

Mutual funds are an investment option for which many people’s money is pooled to purchase stocks, bonds, or other securities. This mix of funds a professional wealth manager provides individuals with a structured portfolio. It is consistent with the investment objectives outlined in the fund's [prospectus](https://www.investopedia.com/terms/p/prospectus.asp).

By investing in a mutual funds, individuals get a wide range of investment opportunities which can help reduce risk compared to investing in a single stock or bond. Investors make money return net of any fees or charges based on the performance of the bank. Thus, mutual funds can give small or individual investors access to [professional management portfolios](https://www.investopedia.com/ask/answers/06/segfundsvsmutualfunds.asp) of equities, bonds, and other asset classes.

The aggregate amount in a mutual fund is called its portfolio. Investors buy shares in mutual funds. Each share represents an investor’s share ownership in the fund and it makes money.

It is an investment vehicle where many investors pool their money for their profits capital for a time. These funds are managed by a renowned investment professional as a fund manager. The gains (or losses) on the investment are shared collectively by the investors in proportion to their contribution to the fund.

**STATEMENT OF THE PROBLEM**

Despite the numerous interest rates of investing in mutual funds, there exists a significant lack of awareness among working professionals. This lack of awareness hampers their ability to make informed investment decisions, leading to missed opportunities for wealth accumulation and financial security.

**OBJECTIVES OF THE STUDY**

* The aim of the research is to study and analyze the level of expertise of mutual funds among working professionals.
* To measure the satisfaction level of investors about mutual funds.
* To get insight knowledge about mutual funds.

**HYPOTHESIS**

H0: There is no relationship between satisfaction level and gender of the respondents.

H1: There is relationship between satisfaction level and gender of the respondents.

**SCOPE OF THE STUDY**

Mutual fund are investments that are made up of accumulated funds that accumulate from the dispersed investors aimed at investing in stocks, bonds and money market instruments or similar property. The problem was to conduct a survey and measure self-perception of working professionals regarding mutual funds. This study is conducted with the purpose of understanding the awareness level of Mutual funds among working professionals.

**RESEARCH DESIGN AND METHODOLOGY**

There are different tools used in the research methodology. The tools used in this research are discussed below:

Research Design:

This is a descriptive study. The data and other information required for the study were both primary and secondary sources. Primary data were collected from the respondents directly using questionnaire method and secondary data were collected from various sources including websites, research articles and published research paper.

**SOURCES OF DATA**

Data used for this study were collected from primary as well as secondary sources. Basic information (primary data) is collected from the respondents in this present study directly by using a questionnaire. Secondary data are obtained from journals, newspaper, website, magazines, articles booklets etc.

**LIMITATIONS OF THE STUDY**

1. Quality of the research: No practical knowledge is acquired and therefore this research is based on theory alone.
2. Respondents are restricted to working professionals only.

# REVIEW OF LITERATURE

**Dr. Yogesh Kumar Mehta (Feb 2012)**

STUDYING THE EVOLUTION OF MUTUAL FUNDS IN INDIA: AN ANALYTICAL STUDY OF TAX FUNDS.

This study is based on a selection of public and private equity funds. Companies and institutions accounting for only 1.16% of the total number of investors have an account of MFs businesses, contributing capital of Rs. 2,87,108.01 crore which is 56.55% of the total net assets in the MF industry. It is also noted that the MFs did not want the loan back.

**Dr Surender Kumar Gupta and Dr. Sandeep Bansal (Jul 2012)**

A COMPARITIVE STUDY : DEBT SCHEME OF MUTUAL FUND OF RELIANCE AND BIRLA SUNLIFE.

This study provides an overview of the performance of the lending strategy of Reliance’s mutual funds, and Birla Sunlife with the help of Sharpe Index wich calculates asset value and standard deviation. This study shows that the profitability of debt programs with benchmark return (CRISIL Composite, The debt fund index is 4.34%)and the risk-free rate of return is 6% (adjusted over the last five year).

**Prof. V. Vanaja and Dr. R. Karrupasamy (2013),**

A STUDY ON THE PERFORMANCE OF SELECTION OF PRIVATE SECTOR BALANCED CATEGORY MUTUAL FUND SCHEMES IN INDIA.

This course of business analysis will help investors choose the best plans available. It would also help in building a abetter portfolio of AUM’S as well as dysfunctional systems. The objective of the study is to evaluate the selected performance. The private sector developed a balanced strategy based on merit and compared to proposals and also to evaluate the performance of banks using risk-adjusted measures accordingly proposed by Sharpe, Traynor and Jenson.

**Dr. Naila Iqbal (Jul 2013)**

 STUDIED MARKET PENETRATION AND MUTUAL FUND BUSINESS MANAGEMENT IN INDIA

Market penetration is a term that refers to how well established a product or service is and a given customer market. Penetration is usually determined by sales volume originating in the market. A product yielding twenty percent of sales , a firm that produces products in a given market is said to have a higher market share than a similar one a factor that recognizes ten percent of all sales in the same market which determines what it is and creates a consumer market which is key to successful calculation of market penetration.

**C.Srinivas Yadav and Hemanth N C (Feb 2014),**

 LEARNED PERFORMANCE OF SELECTED EQUITY GROWTH MUTUAL FUNDS IN INDIA: AN EMPIRICAL RESEARCH DURING 1ST JUNE 2010 TO 31ST MAY 2013.

The study uses a bank to examine the performance of selected development banks in India. Performance analysis techniques such as Sharp and Traynor measures. S&P CNX NIFTY has been taken as the benchmark. 15 equity growth (NAV ) studies were selected from top 10 AMCs ( based on AUM) for the period 1st June 2010 to 31st may 2013(3 years).

**Priti Mane (2015)**

HAS STATED MUTUAL FUNDS AS ONE AMONG THE BEST OPTIONS AVAILABLE .

Stated that mutual funds as the best option available for information in today’s world. A number of researchers have been carried out on investors behaviour regarding Mutual Funds. In order to attract investors into financial services need innovation in economic development and distribution natural growth processes.

**Lu Zheng (2016)**

PERFORMANCE BASIS

Majority of Consumers have focused on short term performance when investing in mutual funds, often using fund specific information to make their decisions. However, it’s important to remember that past performance is not always indicative of future results, and a more holistic approach to fund selection, considering factors like fees, risk and investment objectives is often advisable.

**Desigan et al. (2016)**

WOMAN INVESTOR AWARENESS TOWARDS INVESTMENT SELECTION

Here the lack of awareness about investment procedures, including entry and exit strategies, is a barrier for some woman when it comes to investing in mutual funds. Education and access to resources that demystify the investment process can help empower more woman to participate in the financial markets.

**Poonam Devi (2017)**

PERFORMANCE AND ANALYTICAL STUDY OF VARIOUS MUTUAL FUNDS

Here many investors are drawn to mutual funds for their potential to generate higher returns compared to traditional savings accounts, especially over the medium to long term. Additionally, mutual funds often offer tax benefits, making them an attractive option for those looking to maximize their investment gains while minimising tax liabilities.

**K. Lashmana Rao (2018)**

AWARENESS STUDY

Have done the analysis of investor awareness towards mutual fund schemes highlights a need for regulatory bodies like SEBI (Securities and Exchange Board of India), AMFI (Association of Mutual funds in India), and IRDA (Insurance Regulatory and Development Authority) to take steps to enhance consumer knowledge. By providing education and resources, these organizations can empower investors to make more informed and prudent decisions regarding their investments in mutual funds.

**THEORITICAL FRAMEWORK**

Mutual funds are collective investments from a number of investors and invest in equities, bonds, government securities, and money market instruments.

Savings by professional fund managers in mutual fund schemes stocks and bonds consistent with the plan’s investment objectives. The income from this joint budget is allocated accordingly. Investors after deducting applicable fees and taxes, calculate the plan “Asset Value Added” or NAV. In turn, mutual funds charge less.

In India, mutual funds are constituted as trusts under the Indian Trust Act, 1882, and SEBI (Mutual Funds) Regulations, 1996.

The fees and charges charged by mutual funds to administer the scheme are regulated and are subject to the limits specified by SEBI.

**HISTORY OF MUTUAL FUNDS IN INDIA**

 Strong financial markets with mass participation are essential for a developed economy. With this broad objective India’s first mutual fund was launched in 1963, i.e, Unit Trust of India (UTI), an initiative of the Government of India and Reserve Bank of India. India ‘in promoting savings and investment and income sharing, profits and profits derived by the company from purchase, storage, management and bankruptcies. The MF Industry has grown exponentially in the last few years.

The history of Mutual Funds in India can be widely divided into five distinct categories as follows:

**PART 1 – 1964-1987 FORMATION**

The Mutual Fund industry in India began in 1963 with formation of UTI in 1963 by Act of Parliament operated under statutory and administrative authority of the Reserve Bank of India (RBI). In 1978, UTI severed ties with RBI and the Industrial Development Bank of India (IDBI) took over the statutory management control in place of RBI.

**PART II – 1987-1993 ENTRY INTO PUBLIC SERVICE MUTUAL FUNDING**

1987 saw the emergence of public sector mutual funds set up by Public Sector savings and Life Insurance Company of India and General Insurance Company of India (GIC). SBI Mutual Fund was the first ‘non-UTI’ mutual fund launched in June 1987, followed by Canbank Mutual Fund (Dec. 1987), Punjab National Bank Mutual Fund (Aug. 1989), Indian Bank Mutual Fund (Nov. 1989), Bank of India (Jun. 1990), Bank of Baroda Mutual Fund (Oct. 1992). At the end of 1993, the MF industry had assets 47,004 crores under operations.

**PART III – 1993-2003 PRIVATE SECTOR PARTICIPATION, MUTUAL FUNDING**

The former Kothari Pioneer (now merged with Franklin Templeton MF) took the lead. The private MF was registered in July 1993. In 1993, with the entry of private banks a new era begun in the Indian MF industry, giving Indian investors a wider choice of MF products. The number of MFs increased throughout the years, and many have foreign sponsors setting up mutual funds in India. The MF industry has also seen several mergers and acquisitions during this phase. At the end of January 2003, 33 MFs with total AUM of 1,21,805 crores, out of which UTI alone had AUM of 44,541 crores.

**FOURTH PHASE – 2003-2014**

The UTIs were divided into two groups, according to the prescribed company policy, the Unit Trust of India (SUUTI) and UTI Mutual Fund operating under the SEBI MF. The MF industry entered into fourth phase of consolidation with the bifurcation of the former UTI and various mergers taking place among different private among different private sector funds.

**FIFTH PHASE (CURRENT) PHASE- SINCE MAY 2014**

Since May 2014, there has been consistent attendance and growth in AUM in this industry as well as the number of investor documents (accounts):

* Industry’s AUM crossed the breakthrough of 10 Trillion for the first time as on 31st May 2014.
* The total size of the Indian MF sector has increased from 8.26 trillion as on 31st Dec, 2023, has grown more than 6 times 10 years.
* MF Industry’s AUM has increased from 22.86 trillion as on December 31st, 2018 to 50.78 trillion through December 31, 2023, more than 2 fold increase with a period of 5 years.
* The volume of investors’ notes as on December 31, 2018 has increased from 8.03 crore folios to 16.49 crore as on 31st Dec, an increase of more than 2 times in 5 years.
* An average 14.10 million new leaves are added every month in the last 5 years as of December 2018.

**How a Mutual Fund works?**

 Everyone should avoid the temptation to review the bank’s performance each time the market crashes or jumps dramatically. A strictly enforced policy of equity must be patient and allow a reasonable amount of time – between 18 and 24 months – for the money to generate returns in the portfolio.

You are pooling your money with many other investors when you invest in mutual funds. Mutual fund “Units” compared to the prevailing NAV of investments, the returns from a mutual fund can provide income distribution to investors that may involve income distributions to investors out of dividends, interest, capital gains or other income earned by the mutual fund. You can also have capital gains (or losses) if you sell the mutual fund units for more (or less) than the amount of investment.

**Mutual Funds are ideal for investors who-**

1. Lack of knowledge or skills/ experience in direct investment.
2. Want to increase their wealth, but have no desire or time to research the stock market.
3. Wish to invest only in small amounts.

**Why invest in Mutual Funds?**

 As financial goals vary from person to person –spending after retirement, money for children’s education or marriage, buying a house, etc. - the investment products required to achieve these goals also differ. Mutual funds offer few specific advantages over investing in private equity funds. Mutual funds offer a lot in the issue of shares, corporate bonds, government securities, and money market instruments, which provide a better option for retail investors to participate in and profit from the upswings in the capital markets. The main advantages are allowing you to invest in securities at very low cost and submitting investment decisions to project manager.

**Types of Mutual Fund**

There are many types of mutual funds to invest in, although most mutual funds fall into one of the four main categories including stock funds, money market cash, mortgage cash funds, and value-date cash.

* Stock Funds

They are investment vehicles that pool money from multiple investors to invest primarily in stocks or equites. These funds offer diversification, professional management, and access to a broad range of stocks, making them popular choices for long-term investors seeking growth.

* Bond Funds

Bond funds are investment funds that primarily invest in a diversified portfolio of bonds. These funds can include various types of bonds, such as government bonds, corporate bonds, municipal bonds, and others. Bond funds offer investors access to the fixed income market, providing potential income through regular interest payments and the possibility of capital appreciation. They are often favoured by investors seeking income generation and capital preservation.

* Money Market Funds

Money market funds are mutual funds that invest in short-term, low risk securities such as government bonds, certificates of deposit (CDs), commercial paper, and other highly liquid and low-risk instruments. They aim to provide investors with a safe place to park their cash while earning a modest return, typically slightly higher than traditional savings accounts. Money market funds are considered relatively safe investment, making them popular choices for investors looking for stability and liquidity in their portfolios.

* Target-date fund

Target-date funds are structured to maximize the investor's returns by a specific date. Generally, the funds are designed to build gains in the early years by focusing on riskier growth stocks, then they aim to retain those gains by weighting towards safer, more conservative choices as the target date approaches. [Target-date mutual funds](https://www.investopedia.com/target-date-funds-vs-lifecycle-funds-5409267) are often selected by investors saving towards retirement but are also used by people working towards a future big expense such as a child's college tuition.

**ADVANTAGES OF MUTUAL FUNDS**

* Liquidity
* Safety
* Expert Management

**DISADVANTAGES OF MUTUAL FUNDS**

* Fluctuating returns
* Past Performance
* Expenses

##### 1. Gender

Table 4.1 : Gender

|  |  |  |
| --- | --- | --- |
| GENDER | NUMBER OF RESPONDANTS | PERCENTAGE |
| Female | 50 | 50% |
| Male | 50 | 50% |
| Others | Nil | Nil |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.1 : Gender

INTERPRETATION

It is clear from Table 4.1 and Figure 4.1 that both men and woman share equal of 50% of the total number of respondents.

2.AGE STRUCTURE

Table 4.2 : Age Structure

|  |  |  |
| --- | --- | --- |
| AGE GROUP | NUMBER OF RESPONDENTS | PERCENTAGE |
| Less than 25 | 16 | 18.2% |
| 25-30 | 20 | 22.7% |
| 30-35 | 14 | 15.9% |
| 35-40 | 21 | 23.9% |
| 40-45 | 9 | 10.2% |
| 45-50 | 8 | 9.1% |
| 50 above | Nil | Nil |
| Total  | 88 | 100 |

Source: Primary Data

Figure 4.2 : Age structure

INTERPRETATION

Table 4.2 and Figure 4.2 show the age of the respondents being categorized into different age groups. It includes the age group less than 25, 25-30, 30-35, 35-40, 40-45 and 45-50. Of the total sample taken, it is identified that majority of the respondents are within the age limit of 35-40.

 3. INVESTMENT

Table 4.3: Investment

|  |  |  |
| --- | --- | --- |
| INVESTMENT  | NUMBER OF RESPONDENTS | PERCENTAGE |
| Savings Bank  | 57 | 57% |
| Fix Deposits | 42 | 42% |
| Postal savings  | 19 | 19% |
| Insurance  | 18 | 18% |
| Gold/Silver | 14 | 14% |
| Real Estate | 21 | 21% |
| Money Market Instruments | 30 | 30% |
| Shares/Debentures | 34 | 34% |
| Mutual Funds | 37 | 37% |
| Not investing  | 3 | 3% |
| Total  | 100 | 100% |

Source: Primary Data

Figure 4.3: Investment

INTERPRETATION

Table 4.3 and Figure 4.3 shows the different types of investment respondents prefer. From the above table and graph it is clear that majority of the respondents prefer savings bank (21%), fix deposits (15%), postal savings (7%), insurance(7%), gold/silver (5%), real estate(5%), money market(1%), shares/debentures(12%), mutual fund (37%) and (3%) not investing.

1. PERCENTAGE OF SAVINGS FROM TOTAL INCOME

Table 4.4

|  |  |  |
| --- | --- | --- |
| PERCENTAGE(INCOME) | NUMBER OF RESPONDENTS | PERCENTAGE |
| ≤ 25% | 37 | 37% |
| ≤ 50% | 44 | 44% |
| ≤ 75% | 13 | 13% |
| Not saving  | 6 | 6% |
| Total  | 100 | 100% |

Source: Primary Data

Figure 4.4

INTERPRETATION

From the above table and graph, it is understood that 37% of the respondents save </= 25% of their income, 44% of the respondents save </=50% of their income, 13% of the respondents save </= 75% of their income and the remaining 6% of the respondents currently does not have savings.

1. PRIORITY FACTOR

Table 4.5

|  |  |  |
| --- | --- | --- |
| PRIORITY FACTOR | NUMBER OF RESPONDENTS | PERCENTAGE |
| Safety | 34 | 34% |
| High return | 37 | 37% |
| Liquidity | 9 | 9% |
| Marketability  | 12 | 12% |
| Low risk  | 8 | 8% |
| Total  | 100 | 100% |

Source: Primary Data

Figure 4.5

INTERPRETATION

From the above table and graph, 34% of the respondents chose safety as their priority factor, 37% of the respondents chose high return, 9% of the respondents chose liquidity, 12% of the respondents chose marketability and 8% of the respondents chose low risk as their priority factor.

1. LEVEL OF RISK

Table 4.6

|  |  |  |
| --- | --- | --- |
| RISK | NUMBER OF RESPONDENTS | PERCENTAGE |
| High risk/High return | 37 | 37% |
| Low risk/ Low return | 11 | 11% |
| Low risk/ High return | 52 | 52% |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.6

INTERPRETATION

Table 4.6 and Figure 4.6 shows us that 37% of the respondents prefer High risk/High return, 11% of the respondents prefer Low risk/Low return and 52% of the respondents prefer Low risk/High return.

1. MUTUAL FUNDS AWARENESS

Table 4.7

|  |  |  |
| --- | --- | --- |
| AWARENESS | NUMBER OF RESPONDENTS | PERCENTAGE |
| Yes  | 80 | 80% |
| No | 20 | 20% |
| Total | 100 | 100 |

Source: Primary Data

Figure 4.7

INTERPRETATION

From table 4.7 and figure 4.7 it is clear that 80% of the respondents are aware of mutual funds and the remaining 20% of the respondents are not aware of mutual funds.

8.LEVEL OF AWARENESS

Table 4.8

|  |  |  |
| --- | --- | --- |
| AWARENESS LEVEL | NUMBER OF RESPONDENTS | PERCENTAGE |
| Fully aware | 44 | 44% |
| Partially aware  | 49 | 49% |
| Not aware | 7 | 7% |
| Total | 100 | 100% |

Figure 4.8

INTERPRETATION

From the above table and graph, we can see that 44% of the respondents are fully aware, 49% of the respondents are partially aware and the remaining 7% of the respondents are not aware of mutual funds.

9. SOURCE OF INFORMATION

Table 4.9

|  |  |  |
| --- | --- | --- |
| SOURCE OF INFORMATION | RESPONDENTS | PERCENTAGE |
| Advertisement  | 10 | 10% |
| Internet | 31 | 31% |
| Newspaper | 3 | 3% |
| Friends | 35 | 35% |
| Sales representatives | 16 | 16% |
| Others | 5 | 5% |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.9

INTERPRETATION

From the above table and graph 10% of the respondents know about mutual funds from advertisement, 31% from internet, 3% from newspaper, 35% from friends, 16% from sales representatives and remaining from the other category.

10. INVESTOR OF MUTUAL FUNDS

Table 4.10

|  |  |  |
| --- | --- | --- |
| INVESTOR OF MUTUAL FUNDS | RESPONDENTS | PERCENTAGE |
| Yes | 44 | 44.4% |
| No | 55 | 55.6% |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.10

INTERPRETATION

From the above table and graph, 44.4% of the respondents are investor of mutual funds and the remaining 55.6% of the respondents are not an investor of mutual funds.

11. TYPE OF MUTUAL FUND

Table 4.11

|  |  |  |
| --- | --- | --- |
| TYPE OF MUTUAL FUND | RESPONDENTS | PERCENTAGE |
| Equity fund | 31 | 31.3% |
| Debt fund | 23 | 23.2% |
| Hybrid | 18 | 18.2% |
| Other | 14 | 14.1% |
| Total | 100 | 100% |

Source: Primary Data

Figure: 4.11

INTERPRETATION

From the above data, it is clear that 36% of the respondents invest in equity funds, 27% of the respondents in debt fund, 21% of the respondents in hybrid and the remaining 16% of the respondents in the other category.

12. FACTORS PREVENTING FROM INVESTING IN MUTUAL FUND

Table 4.12

|  |  |  |
| --- | --- | --- |
| FACTORS | RESPONDENTS | PERCENTAGE |
| Bitter past experience | 5 | 5.1% |
| Lack of knowledge | 46 | 46.5% |
| Lack of confidence in service being provided. | 19 | 19.2% |
| Difficulty in services being provided. | 24 | 24.2% |
| Inefficient investment advisors. | 5 | 5.1% |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.12

INTERPRETATION

Table 4.12 and Figure 4.12 show us that the majority of the respondents prevent from investing in mutual fund because of lack of knowledge.

13. INVESTMENT PATTERN

Table 4.13

|  |  |  |
| --- | --- | --- |
| PATTERN | RESPONDENTS | PERCENTAGE |
| Monthly-SIP | 43 | 43% |
| Once in 6 months | 24 | 24% |
| Once in a year | 18 | 18% |
| Very rare | 15 | 15% |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.13

INTERPRETATION

From table 4.13 and figure 4.13, it is understood that 43% of the respondents have a monthly investment pattern, 24% once in 6 months, 18% once in a year and 15% of the respondents very rare.

14. INVESTMENT IN MUTUAL FUND

Table 4.14

|  |  |  |
| --- | --- | --- |
| MUTUAL FUND  | RESPONDENTS | PERCENTAGE |
| ICICI Prudential MF | 29 | 28.6% |
| SBI MF | 31 | 30.6% |
| UTI MF | 11 | 11.2% |
| Others | 13 | 13.3% |
| Total  | 100 | 100% |

Source: Primary Data

Figure: 4.14

INTERPRETATION

From table 4.14 and figure 4.14, 34% of the respondents invest in ICICI prudential MF, 37% of the respondents invest in SBI MF, 13% of the respondents invest in UTI MF and the remaining respondents in other category.

15. REASONS FOR INVESTING IN MUTUAL FUND

Table 4.15

|  |  |  |
| --- | --- | --- |
| REASONS | NUMBER OF RESPONDENTS | PERCENTAGE |
| Professional management  | 22 | 22.4% |
| High return | 32 | 32.7% |
| Liquidity | 29 | 29.6% |
| Flexibility | 25 | 25.5% |
| Safety | 41 | 41.8% |
| Convenient | 42 | 42.9% |
| Low cost | 17 | 17.3% |
| Others | 20 | 20% |
| Total  | 100 | 100% |

Source: Primary Data

Figure 4.15

INTERPRETATION

From the above table and graph, majority of the respondents of 18% chose safety and convenience as the reason for investing in mutual funds, 14% of the respondents prefer high return, 13% of the respondents prefer liquidity, 11% of the respondents prefer flexibility, 10% of the respondents prefer professional management, 9% of the respondents chose other category and remaining 7% of the respondents prefer low cost.

16. SELECTION OF FACTORS BEFORE INVESTING IN A PARTICULAR MUTUAL FUND

Table 4.16

|  |  |  |
| --- | --- | --- |
| FACTORS | RESPONDENTS | PERCENTAGE |
| Past performance (NAV) | 26 | 26% |
| Ratings(by CRISIL, ICRA, etc) | 34 | 34% |
| Asset Management Companies (AMC) | 13 | 13% |
| Expert advice | 27 | 27% |
| Total | 100 | 100% |

Source: Primary Data

Figure 4.16

INTERPRETATION

From the above table and graph, it is understood that 34% of the respondents choose ratings, 27% of the respondents chose expert advice, 26% of the respondents chose past performance and the remaining 13% of the respondents chose asset management companies.

17. GOALS IN INVESTING MUTUAL FUND

Table 4.17

|  |  |  |
| --- | --- | --- |
| GOALS | NUMBER OF RESPONDENTS | PERCENTAGE |
| To provide for retirement  | 40 | 40% |
| Savings | 68 | 68% |
| Children’s education | 25 | 25% |
| Purchase asset  | 35 | 35% |
| Others | 6 | 6% |
| Total  | 100 | 100% |

Source: Primary Data

Figure: 4.17

INTERPRETATION

From the above data, majority of the respondents of 39% chose savings, 23% respondents chose retirement, 14% respondents chose children’s education, 20% respondents chose to purchase asset and the remaining 4% prefer the other category.

18. SHARE MARKET AND ITS FUNCTIONING

Table 4.18

|  |  |  |
| --- | --- | --- |
| PFRERENCE | NUMBER OF RESPONDENTS | PERCENTAGE |
| YES | 76 | 76% |
| NO | 24 | 24% |
| Total  | 100 | 100% |

Source: Primary Data

Figure 4.18

INTERPRETATION

From the above table and graph, 76% of the respondents are aware and the remaining 24% of the respondents are not aware about the share market and its functioning.

19. AWARENESS OF MUTUAL FUND COMPANIES INVESTING MONEY IN SHARE MARKET

Table 4.19

|  |  |  |
| --- | --- | --- |
| AWARENESS | NUMBER OF RESPONDENTS | PERCENTAGE |
| Yes | 76 | 76% |
| No  | 24 | 24% |
| Total | 100 | 100 |

Source: Primary Data

Figure 4.19

INTERPRETATION

From the above data, 76% of the respondents are aware of the fact that mutual fund companies (AMC) will invest money in share market and the remaining 24% of the respondents are not aware .

20. MODE OF PURCHASE OF MUTUAL FUND

Table: 4.20

|  |  |  |
| --- | --- | --- |
| MODE OF PURCHASE | NUMBER OF RESPONDENTS | PERCENTAGE |
| Online  | 57 | 57.6% |
| Through distributors | 17 | 17.2% |
| Through bank branches | 19 | 19.2% |
| National distributors | 6 | 6.1% |
| Total  | 100 | 100% |

Source: Primary Data

Figure: 4.20

INTERPRETATION

From Table 4.20 and figure 4.20, 58% of the respondents prefer online, 19% of the respondents purchase through bank branches, 17% of the respondents through distributors and the remaining 6% through national branches.

21. LEVEL OF SATISFACTION

Table 4.21

|  |  |  |
| --- | --- | --- |
| LEVEL  | NUMBER OF RESPONDENTS  | PERCENTAGE  |
| Very satisfied | 13 | 13.3% |
| Satisfied | 28 | 28.6% |
| Neutral  | 42 | 42.9% |
| Dissatisfied | 12 | 12.2% |
| Very dissatisfied | 3 | 3.1% |
| Total  | 100 | 100% |

Source: Primary Data

Figure: 4.21

INTERPRETATION

Here from the above data we can see that a majority of 42.9% of the respondents are neutral, 28.6% of the respondents are satisfied, 13.3% of the respondents are very satisfied, 12.2% of the respondents are dissatisfied and the remaining 3% are very dissatisfied.

22. EXTENT OF RISK

Table 4.22

|  |  |  |
| --- | --- | --- |
| RISK  | NUMBER OF RESPONDENTS | PERCENTAGE  |
| High risk  | 15 | 15% |
| Medium risk  | 57 | 57% |
| Low risk  | 20 | 20% |
| No risk  | 8 | 8% |
| Total  | 100 | 100% |

Source: Primary Data

Figure: 4.22

INTERPRETATION

From the above data, 15% of the respondents face high risk, 57% of the respondents face medium risk, 20% of the respondents face low risk and 8% of the people face no risk.

CHI-SQUARE TEST

H0: There is no relationship between satisfaction level and gender of the respondents.

|  |
| --- |
| **Case Processing Summary** |
|  | Cases |
| Valid | Missing | Total |
| N | Percent | N | Percent | N | Percent |
| 19. What is your level of satisfaction towards investment in mutual funds? \* Gender | 100 | 100.0% | 0 | 0.0% | 100 | 100.0% |

|  |
| --- |
|  **What is your level of satisfaction towards investment in mutual funds? \* Gender Crosstabulation** |
| Count  |
|  | Gender | Total |
| Female | Male |
| 19. What is your level of satisfaction towards investment in mutual funds? |  | 1 | 1 | 2 |
| Dissatisfied | 2 | 10 | 12 |
| Neutral | 22 | 20 | 42 |
| Satisfied | 15 | 13 | 28 |
| Very dissatisfied | 3 | 0 | 3 |
| Very satisfied | 7 | 6 | 13 |
| Total | 50 | 50 | 100 |

|  |
| --- |
| **Chi-Square Tests** |
|  | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 8.648a | 5 | .124 |
| Likelihood Ratio | 10.296 | 5 | .067 |
| N of Valid Cases | 100 |  |  |
| 1. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 1.00.

INTEPRETATIONThe Null hypothesis is rejected because the value is greater than 0.05. Therefore there is relationship between satisfaction level and gender of the respondents.  |
|  |

FINDINGS

* As per the results of the data most people are fully and partially aware with what a mutual fund is.
* From the total respondents of 100, 44.4% of the respondents is an investor of the mutual funds.
* According to the report, majority of the respondents’ goal of investing in mutual fund is to have enough savings.
* Ratings (by CRISIL, ICRA ,etc) are looked into the most by the investors before investing in a particular mutual fund scheme.
* According to the results majority of the respondents have knowledge about the share market and its functioning.
* Online mode of purchase of mutual fund is mostly preferred by the investors.
* As per the results, majority of the respondents face medium risk in investing in mutual fund.
* Majority of the respondents are aware of the fact that mutual fund companies will invest money in share market.
* High return, convenience and safety are the factors considered by the majority of respondents as the reasons for investing in mutual funds.
* According to the report, majority of the respondents have a neutral mind of satisfaction towards investment in mutual funds.
* Lack of knowledge is a major factor that prevents the respondents from investing in mutual fund.
* As per the results, equity fund is the type of mutual fund most respondents invest in.

SUGGESTIONS

* The respondents should get the necessary information about Mutual funds, so that they are aware and can analyze their pros and cons and also the profit from this type of financing.
* Offer personalized recommendations and portfolio suggestions based on investors’ risk tolerance, investment goals and time horizon.
* Ensure compliance with regulatory standards and disclose all relevant information to build trust and credibility with investors.
* Implement measures to safeguard investors’ interests, such as regulatory oversight, risk management practices and dispute resolution mechanisms.
* Make mutual funds easily accessible through online platforms, mobile apps and financial advisors to cater to investors’ preferences and needs.
* Provide clear and transparent information about fund objectives, fees, expenses and historical performance to help investors make informed decisions.

CONCLUTION

The awareness of mutual funds among working professionals is crucial for their financial well-being and long-term goals. Through educational initiatives, seminars, and targeted marketing strategies, professionals can gain a deeper understanding of the benefits and risks associated with mutual fund investments.

Ultimately, increased awareness can empower them to make informed financial decisions, diversify their portfolios, and achieve their financial objectives effectively.

In conclusion, increasing awareness of mutual funds among working professionals is crucial for fostering financial literacy and promoting long-term wealth accumulation. By understanding the benefits, risk and various investment options available within mutual funds, individuals can make informed decisions to achieve their financial goals effectively.

Encouraging education and proving accessible resources can empower working professionals to harness the potential of mutual funds as a valuable tool for wealth creation and financial security.