TABLE OF CONTENTS

ACKNOWLEDGEMENTS .......................................................... VIII
LIST OF TABLES .................................................................. X
LIST OF FIGURES ................................................................ XVI
LIST OF ABBREVIATIONS .................................................... XVII

Chapter

I  INTRODUCTION ............................................................... 1 - 31
  Mutual Fund Schemes ...................................................... 6
  Statement of the Problem ............................................... 8
  Objectives ................................................................... 9
  Importance of the Study ................................................. 11
  Scope of the Study .......................................................... 12
  Data sources, Sample, Methodology and Hypothesis ......... 14
  Limitations of the Study ................................................. 29
  Assumptions ................................................................ 30
  Scheme of the Research Report ..................................... 30

II  REVIEW OF LITERATURE .................................................. 32 - 65
  Mutual Fund Studies - The USA Experience .................. 32
  Review of Literature - Indian Studies ............................. 55

III  GROWTH OF MUTUAL FUNDS IN INDIA ....................... 66 - 122
  An Overview of the Indian Financial Market .................. 66
  The Savings Market ......................................................... 71
  The Capital Market ......................................................... 73
The Primary Market (New Issues) ........................................ 77
The Secondary Market .......................................................... 78
Role of Mutual Funds in the Financial Market ......................... 80
Mutual Funds and Household Savings .................................. 81
Structure of Indian Mutual Funds ......................................... 84
SEBI and Mutual Funds .......................................................... 85
Mutual Funds and Corporate Finance .................................... 94
Growth and Performance of Indian Mutual Funds .................... 98
Phases of Development .......................................................... 99
Resource Mobilisation by Mutual Funds ................................ 116
Growth and Operational Highlights ....................................... 119

IV INVESTMENT PATTERN OF INDIAN MUTUAL FUNDS .......... 123 - 177
Comparison of Returns .......................................................... 125
Investment Pattern of Indian Mutual Funds – Analysis ............ 126
Schemes for Investment Pattern Analysis–UTI ....................... 137
Growth Schemes of UTI .......................................................... 144
Income Schemes of UTI ......................................................... 151
Schemes For Investment Pattern Analysis Canbank MF ........... 154
Growth Schemes – Canbank MF .............................................. 154
Income Schemes – Canbank MF ............................................. 159
Schemes For Investment Pattern Analysis LICMF .................. 164
Growth Schemes of LICMF ..................................................... 164
Income Schemes of LICMF .................................................... 169
Major Findings ..................................................................... 176
V EVALUATION OF THE PERFORMANCE OF DIFFERENT CLOSE-ENDED SCHEMES OF SELECT INSTITUTIONS (RISK RETURN RELATIONSHIPS) ........................................... 178 - 242

Rates of Return and Performance Evaluation of Select Mutual Funds ...................................................... 178

Rates of Return of Mutual Funds ................................................................. 179

The Distribution of the Rates of Return on Select Mutual Fund Schemes ...................................................... 179

Schemes of UTI – Risk Return Analysis ......................................................... 186

Schemes of LIC – Risk Return Analysis ......................................................... 194

Schemes of Canbank MF ........................................................................... 200

Market Model and the Size of Beta .............................................................. 205

Beta in UTI Mutual Fund ........................................................................... 206

Beta in LIC Mutual Fund ........................................................................... 211

Beta in Canbank Mutual Fund ................................................................... 217

Rating of Schemes Based on Treynor and Sharpe’s Ratios ....................... 222

VI EVALUATION OF PERFORMANCE OF DIFFERENT CLOSE-ENDED SCHEMES OF SELECT INSTITUTIONS (MARKET TIMING AND SELECTIVITY) .................................................. 243 - 279

Model Specification (1) – Treynor and Mazuy Model............................... 246

Model Specification (2) – Henriksson and Merton Model ......................... 246

Market Timing and Selectivity ................................................................... 249

Market Timing and Bull-Bear periods ......................................................... 249

Empirical Results ....................................................................................... 250

Test of Timing Ability of Fund Manager ..................................................... 250

UTI Schemes - Treynor and Mazuy Model ............................................... 251

LICMF Schemes - Treynor and Mazuy Model ............................................ 254
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canbank MF Schemes - Treynor and Mazuy Model</td>
<td>257</td>
</tr>
<tr>
<td>Empirical Results</td>
<td>260</td>
</tr>
<tr>
<td>UTI Schemes - Henriksson and Merton Model</td>
<td>260</td>
</tr>
<tr>
<td>LICMF Schemes - Henriksson and Merton Model</td>
<td>264</td>
</tr>
<tr>
<td>Canbank MF Schemes - Henriksson and Merton Model</td>
<td>267</td>
</tr>
<tr>
<td>Selectivity Performance of Select Mutual Fund</td>
<td>273</td>
</tr>
<tr>
<td>Empirical Results</td>
<td>274</td>
</tr>
<tr>
<td>UTI Schemes - Jensen’s Alpha</td>
<td>275</td>
</tr>
<tr>
<td>LICMF Schemes - Jensen’s Alpha</td>
<td>276</td>
</tr>
<tr>
<td>Canbank MF Schemes - Jensen’s Alpha</td>
<td>277</td>
</tr>
<tr>
<td>VII INVESTORS’ PERCEPTIONS ON MUTUAL FUNDS</td>
<td>280</td>
</tr>
<tr>
<td>Investors’ Response with regard to Selection of Mutual Fund Institutions</td>
<td>285</td>
</tr>
<tr>
<td>Kendall’s Rank Correlation Institution wise Analysis</td>
<td>287</td>
</tr>
<tr>
<td>Investors response with regard to selection of Income Schemes</td>
<td>288</td>
</tr>
<tr>
<td>Investors response with regard to selection of Growth Schemes</td>
<td>289</td>
</tr>
<tr>
<td>Kendall’s Rank Correlation co-efficient – Growth Scheme Analysis</td>
<td>291</td>
</tr>
<tr>
<td>Results of Analysis and its Interpretation</td>
<td>292</td>
</tr>
<tr>
<td>Scheme wise Analysis – Income Scheme</td>
<td>293</td>
</tr>
<tr>
<td>Scheme wise Analysis – Growth Schemes</td>
<td>293</td>
</tr>
<tr>
<td>Summary and Conclusion</td>
<td>293</td>
</tr>
<tr>
<td>VIII SUMMARY AND CONCLUSIONS</td>
<td>299</td>
</tr>
</tbody>
</table>

**VI**

Canbank MF Schemes - Treknor and Mazuy Model

Empirical Results

UTI Schemes - Henriksson and Merton Model

LICMF Schemes - Henriksson and Merton Model

Canbank MF Schemes - Henriksson and Merton Model

Selectivity Performance of Select Mutual Fund

Empirical Results

UTI Schemes - Jensen's Alpha

LICMF Schemes - Jensen's Alpha

Canbank MF Schemes - Jensen's Alpha

VII INVESTORS' PERCEPTIONS ON MUTUAL FUNDS

Investors' Response with regard to Selection of Mutual Fund Institutions

Kendall's Rank Correlation Institution wise Analysis

Investors response with regard to selection of Income Schemes

Investors response with regard to selection of Growth Schemes

Kendall's Rank Correlation co-efficient – Growth Scheme Analysis

Results of Analysis and its Interpretation

Scheme wise Analysis - Income Scheme

Scheme wise Analysis - Growth Schemes

Summary and Conclusion

VIII SUMMARY AND CONCLUSIONS
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of the Thesis</td>
<td>299</td>
</tr>
<tr>
<td>The Problem Setting</td>
<td>300</td>
</tr>
<tr>
<td>Objectives</td>
<td>301</td>
</tr>
<tr>
<td>Scope of the Study</td>
<td>301</td>
</tr>
<tr>
<td>Methodology and Sample</td>
<td>302</td>
</tr>
<tr>
<td>Findings</td>
<td>306</td>
</tr>
<tr>
<td>Suggestions</td>
<td>312</td>
</tr>
<tr>
<td>Areas for Further Study</td>
<td>316</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>317-325</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>326-347</td>
</tr>
<tr>
<td>Interview Schedule to elicit views of Unitholders and Fund Managers</td>
<td>326</td>
</tr>
</tbody>
</table>