

CHAPTER V

ANALYSIS OF INVESTORS' ATTITUDE TOWARDS MUTUAL FUNDS

INTRODUCTION

The government is interested in mobilizing funds from the mutual fund for development purposes. In order to encourage the savings and attract funds, the government needs to know the attitude of investors, their motive for savings, their investment preference so that they can offer innovative schemes to cater to the needs of the investors.

Attitudes are very important because they often precede action. Attitude develops gradually as the result of experience. They emerge from interactions with the family, friends and reference groups while individuals develop personality. Attitudes are rarely neutral they indicate positive and negative preferences and viewpoints¹.

Attitudes can be categorized into four functional types: Utilisation, Ego-defensive, Value expressive and the Knowledge function. The utilitarian attitudes are adjustive, once that can be recognized most easily in the changed situations. When odd activities cease to be satisfying (or) a higher level of aspirations is set, the way is prepared for a change in attitudes.

¹ Maurke, Mandell and Hany J. Roseberg, 1983 Marketing, II edition, New Delhi : Prentice Hall, p.173

Ego defensive attitudes protect the person from threats to the ego and anxiety generated by them. For example introduction of new business procedures or a change to electronic data processing techniques may be perceived as a threat to one's position in the company or even as an attack on the person himself.

Value – expressive attitudes are those maintaining self-identity or leading to self-expression and determination. Therefore investors adopt certain attitudes in an effort to translate their values into something more tangible and easily expressed.

FACTORS INFLUENCING INVESTORS' ATTITUDE

The socio-economic factors influencing the investors' attitude towards mutual funds have been presented. The factors are grouped under four headings, namely:

A) Personal Data:

1. Sex
2. Age
3. Qualification
4. Marital status

B) Social Data:

5. Occupation
6. Experience
7. Type of Residence

C) Economic Data:

8. Annual Incomes
9. Level of savings

D) Investment Data:

10. Objectives of savings

11. Preference of savings

The investors were asked about their motives and they were asked to rank the purpose for which they saved, as saving is essential for investment. The investors were asked to tick the investments made and also indicate the reasons such as liquidity, flexibility return for making their investments. The relationship between socio-economic profile of the investors and attitude towards mutual funds were analysed using Chi-Square test.

STATISTICAL ANALYSIS**ATTITUDE OF THE INVESTORS TOWARDS MUTUAL FUNDS**

The investors were given eight statements and they were asked to indicate their reactions. The aim is to study the general attitude of investors. The statements were qualified by using scaling techniques and the scales used were highly important, important, some important, not very important, not at all important.

The mean score and standard deviation was calculated, the lowest and the highest score determined the mean being 31.35 and standard deviation 5.32. They were categorized into low, medium and high. Table 5.1 shows the number of investors and different categories.

TABLE 5.1**Attitude of the Investors towards Mutual Funds**

Scores	Category	No. of Investors	Percentage to Total
0-30	Low	53	11.60
30-40	Medium	360	79.10
40-50	High	42	9.20
Total		455	100

Source: Primary Data

Inference:

Table 5.1 indicates that 9.20 per cent of the investors enjoy investing, 79.10 per cent of the investors have medium interest in mutual funds investment and 11.60 per cent of the investors have low interest in mutual funds.

PERSONAL PROFILE OF THE INVESTORS

SEX

Gender is useful variable for the mutual funds investment because it seems to reflect the attitudes, option and prudential motives of investors. Gender is an important factor to identify the behavior of the investors. In general, most of the investors in mutual funds are males. Females are not much exposed to the effectiveness of mutual funds and their consequences. Table 5.2 discloses the distribution of male and female investors

TABLE 5.2

Sex of the Investors

Sl. No.	Sex	No. of Investors	Percentage to Total
1	Male	288	63.30
2	Female	167	36.70
Total		455	100.00

Source: Primary Data

Inference:

Table 5.2 shows that 63.30% of the investors were male and remaining 36.70% were females. Generally male members are more free to take financial decisions as they have outside contacts rather than the female members in a family. This profoundly reveals that males are more enthusiastic than females in mutual funds investment. These results are given beneath in figure 5.2.a.

Analysis of relationship between Investors' Sex and Attitude towards

Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between sex of the investors and their attitude towards mutual funds.

TABLE 5.3

Relationship between Investors' Sex and Attitude towards Mutual Funds

Sl.No	Sex	Attitude			Total
		Low	Medium	High	
1	Male	41(77.36)	226(62.77)	21(50)	288
2	Female	12(22.64)	134(37.33)	21(50)	167
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value = 7.749

Level of Significance = 5%.

Degree of freedom = $(r-1) * (c-1)$

= $(2-1) * (3-1)$

= $1 * 2$

= 2

Table Value = 9.488.

Table 5.3 reveals that among 42 investors who have high level of attitude towards mutual funds investment, 50 per cent are each in male and female. Among the 360 investors who have medium level of attitude towards mutual fund investment, 62.77 per cent are male and 37.33 per cent are female. Out of 53 investors who have low level of attitude towards mutual fund investment, 77.36 per cent are male and 22.64 per cent are female

The table 5.3 reveals that the calculated value ($\chi^2 = 7.749$) is lesser than the table value (9.488), hence the hypothesis is accepted. It can be concluded by the researcher that there is no relationship between sex of the investors and their attitude towards mutual funds.

AGE

Age factor distinguishes the investors' attitude. Many investing options have carved out a place in the mutual funds by concentrating on a specific age segment. The age of the investors plays a crucial role to identify the investment behavior.

It is considered as a useful demographic variable to segment the investors based on their perception on the investment pattern. The investors have been divided into four groups namely, less than 30, 31-40, 41-50 and above 50. Table 5.4 shows the age of frequency distribution of the sample investors.

TABLE 5.4**Age of the Investors**

Sl. No	Age (in years)	No. of Investors	Percentage to Total
1	Below 30	242	53.20
2	31 – 40	106	23.30
3	41 – 50	71	15.60
4	Above 50	36	7.90
Total		455	100.00

Source: Primary Data

Inference:

The table 5.4 clearly indicates that the maximum percentage 53.20% of the investors are in the age group of below 30, 23.30% of them are coming under the age group of 31- 40, 15.60% of them are coming under the age group of 41-50 and the remaining 7.90% of them are coming under the age group of above 50. Therefore it is clearly revealed that majority of the investors (53.20%) are belonging to the age group of below 30.

Analysis of relationship between Investors' Age and Attitude towards

Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between age of the investors and their attitude towards mutual funds.

The table 5.5 shows the relationship between age groups of Investors and their attitude towards mutual funds investment.

TABLE 5.5
Relationship between Investors' Age and Attitude towards Mutual Funds

S.No.	Age Groups	Attitude			Total
		Low	Medium	High	
1	Below 30 years	23 (43.39)	194 (53.89)	25 (59.52)	42(53.19)
2	31-40 years	18 (33.96)	83 (23.05)	5 (11.90)	106 (23.30)
3	Above 40 years	12 (22.65)	83 (23.05)	12 (28.58)	107 (23.51)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value = 6.748

Level of Significance =5%.

Degree of freedom = (r-1) * (c-1)

= (3-1) *(3-1)

=2*2

=4

Table value = 9.488.

The table 5.5 reveals that among 42 investors who have high level of attitude towards mutual fund investment, 59.52 per cent are in the age group of below 30 years, followed by 28.58 per cent in the age group of above 40 years and 11.90 per cent in the age group of 31-40 years. Among the 360 investors who have medium level of attitude towards mutual fund investment, 53.89 per cent are in the age group of below 30 years, followed by 23.05 per cent each are in the age group of above 40 years and 31-40 years.

Among 53 investors who have low level of attitude towards mutual fund investment, 43.39 per cent are in the age group of below 30 years, followed by 33.96 per cent in the age group of 31-40 years and 22.65 per cent in the age group of above 40 years.

The table 5.5 discloses that the calculated value ($\chi^2 = 6.748$) is lesser than the table value (9.488), hence the hypothesis is accepted. It can be concluded by the researcher that there is no relationship between age of the investors and their attitude towards mutual funds.

ACADAMIC QUALIFICATION

Education completely expressed the values of investment, creates attitudinal changes among investors and more broadly it reflects a life style with many investment option in the capital market. Education is powerful background for the investors' analysis about the pros and cons of investment in capital market.

On the basis of academic qualification, the investors are classified into four categories for the purpose of convenience of analysis, namely:

- a. +2 or School Level
- b. Graduate
- c. Post Graduate
- d. Professional Degree

The table 5.6 presents education wise distribution of the investors.

TABLE 5.6

Academic Qualification of the Investors

Sl. No.	Academic Qualification	No. of Investors	Percentage to Total
1	+2 or School Level	18	3.90
2	Graduate	220	48.40
3	Post Graduate	171	37.60
4	Professional Degree	46	10.10
Total		455	100

Source: Primary Data

Inference:

From table 5.6, it is observed that 48.40 per cent of the investors were qualified up to the graduate level, 37.60% of the investors were post graduate level and 10.10% were professionals. Only a very small percentage of investors were belonging to the categories of school level 3.9%. Education helps in investment decision making. Generally educated people take calculated risks and are cautious in their investment decision making.

Analysis of Relationship between Investors' Qualification and Attitude towards Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between qualification of the investors and their attitude towards mutual funds.

The table 5.7 shows the relationship between qualification and attitudes towards mutual funds.

Table 5.7

Relationship between Investors' Qualification and Attitude towards Mutual Funds

S.No.	Educational Level	Attitude			Total
		Low	Medium	High	
1	+2 or School Level	6 (11.32)	7 (1.94)	5 (11.91)	18 (3.96)
2	Graduate	41 (77.36)	156 (43.33)	23 (54.76)	220 (48.35)
3	Post Graduate and professional	6 (11.32)	197 (54.73)	14 (33.33)	217 (47.69)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value = 49.358.

Level of Significance =5%.

Degree of freedom = (r-1) * (c-1)

= (3-1) *(3-1)

=2*2

=4

Table Value = 9.488 (5% Level)

The table 5.7 reveals that among 42 investors who have high level of attitude towards mutual funds investment, 54.76 per cent are in the graduate level, followed by 33.33 per cent possessing post graduate and professional qualification and 11.91 per cent in school level education.

Among 360 investors who have a medium level of attitude towards Mutual Fund investment, 54.73 per cent are in the post graduate and professional qualification, followed by 43.33 per cent possessing graduate level and balance 1.94 per cent in the school level.

Among 53 investors who have a low level attitude towards mutual fund investment, 77.36 per cent belonging to the graduate level, 11.32 per cent each are in the school level, post graduate and professionals.

The table 5.7 shows that the calculated value ($\chi^2 = 49.358$) is greater than the table value (9.488), hence the hypothesis is rejected. It can be concluded by the researcher that there is relationship between qualification of the investors and their attitude towards Mutual Fund.

The analysis of the relationship between the qualification of investors and their attitude towards mutual funds shows that the calculated value is significant at 5 per cent level. So it is inferred that the attitudes of the investors towards mutual fund investment significantly differ between investors having different qualification. So the qualification can be considered as a dimension affecting the attitude of investors towards mutual funds investment.

MARITAL STATUS

The marital status is considered to be one of the major determinants for investors. Marital status affects the investment pattern of investors. The marital sentiments force them to invest for their future prospects. Due to various family commitments, the married investors are not able to concentrate more on investment in the capital market. The table 5.8 which is given below indicates the marital status of the investors.

TABLE 5.8

Marital Status of the Investors

Sl. No.	Marital Status	No. of Investors	Percentage to Total
1	Married	206	45.30
2	Unmarried	249	54.70
Total		455	100.00

Source: Primary Data

Inference:

It is found from the table 5.8 that 54.70 per cent of investors are unmarried and 45.30 per cent of investors are married. The married investors view these investments for their prudential purposes. The graphic figure 5.8.a also supports the above interpretation.

Analysis of Relationship between Investors Marital Status and Attitude towards

Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between marital status of the investors and their attitude towards mutual funds investment.

The table 5.9 shows the relationship between marital status of investors and their attitude towards mutual funds investment.

TABLE5. 9

Relationship between Investors' Marital Status and Attitude towards Mutual Funds

S.No	Marital status	Attitude			Total
		Low	Medium	High	
1	Married	29 (54.72)	161 (44.72)	16(38.09)	206(45.27)
2	Un Married	24 (45.28)	199 (55.28)	26(61.91)	249(54.73)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value = 2.830

Level of Significance = 5%.

Degree of freedom = $(r-1) * (c-1)$

= $(2-1) *(3-1)$

=1*2

=2

Table value at 5% level of significance 5.991.

Table 5.9 reveals that among 42 investors who have high level of attitude towards mutual funds investment, 38.09 per cent are married and 61.91 per cent are unmarried. Among 360 investors who have medium level of attitude towards mutual funds investment, 44.72 per cent are married and 55.28 per cent are unmarried. Out of 53 investors who have low level of attitude towards mutual fund investment, 54.72 per cent are married and 45.28 per cent are unmarried.

The table 5.9 shows that the calculated value ($\chi^2 = 2.830$) is lesser than the Table value (9.488), hence the hypothesis is accepted. It can be concluded by the researcher that there is no relationship between marital status of the investors and their attitude towards mutual funds. The result indicates that there is no relationship between attitudes towards mutual funds investment and marital status.

SOCIAL DATA OF THE INVESTORS

OCCUPATION

The occupation, profession and vocation of a person have an impact on his initiative and efficiency. The investors in mutual funds units are engaged in different occupation. Out of 455 investors, details are collected from 56 professional people, 120 businessman, 267 salaried people and 12 retired persons. Table 5.10 portrays the occupation-wise distribution of the sample investors.

TABLE 5.10
Occupation of the Investors

Sl. No.	Occupation	No. of Investors	Percentage to Total
1	Professional	56	12.30
2	Business	120	26.40
3	Salaried	267	58.70
4	Retired	12	2.60
Total		455	100.00

Source: Primary Data

Inference:

Table 5.10 shows that 58.70% of the investors belonged to the salaried group, followed by 26.40% of investors who were in business, 12.30% of the investors belonged to the professionals and the remaining 2.60% were retired people. The salaried group has fixed income which is more transparent. So for this group of people, in order to meet emergencies or huge expenditure for the future and to reduce tax liability, investment becomes compulsory. Apart from this, tax planning is common and essential problem for all investors. So savings and investments are important for all these groups of people.

Analysis of Relationship between Investors Occupation and Attitude towards

Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between occupation of the investors and their attitude towards mutual funds.

TABLE 5.11

Relationship between Investors' Occupation and Attitude towards Mutual Funds

Sl.No.	Occupation	Attitude			Total
		Low	Medium	High	
1	Professional	5 (9.43)	46 (12.78)	5 (11.91)	56 (12.31)
2	Businessman	18 (33.96)	97 (26.94)	5 (11.91)	120 (26.37)
3	Salaried and Retired	30 (56.61)	217 (60.28)	32 (76.18)	279 (61.32)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value =6.732.

Level of Significance =5%.

Degree of freedom = (r-1) * (c-1)

= (3-1) *(3-1)

=2*2

=4

Table Value =9.488.

Table 5.11 depicts that among 42 investors who have high level of attitude towards Mutual Fund investment, 76.18 per cent are salaried and retired group, and 11.91 per cent of the investors are each in professional and businessman. Among 360 investors who have medium level of attitude towards Mutual Fund investment, 60.28 per cent are salaried and retired group, followed by 26.94 per cent of the investors are businessman, followed by 12.78 per cent of the investors are professionals.

Among 53 investors who have low level of attitude towards Mutual Fund investment, 56.61 per cent of the investors are salaried and retired, followed by 33.96 per cent of the investors are businessman and remaining 9.43 per cent of the investors are professionals.

The table 5.11 shows that the calculated value ($\chi^2 = 6.732$) is lesser than the table value (9.488), hence the hypothesis is accepted. It can be concluded by the researcher that there is no relationship between occupation of the investors and their attitude towards mutual funds. The result indicates that there is no relationship between attitudes towards mutual funds investment and occupation of the investors.

EXPERIENCE IN OCCUPATION

Table 5.12 gives the classification of investors on the basis of their experience in occupation.

TABLE 5.12
Experience of the Investors

Sl. No.	Experience (year)	No. of Investors	Percentage to Total
1	0 – 5	263	57.8
2	5 – 10	39	8.6
3	10 – 15	30	6.6
4	15 – 20	70	15.4
5	Above 20	53	11.6
Total		455	100.00

Source: Primary Data

Inference:

Table 5.12 shows that the number of investors classified according to their experience levels, spread out from 5 years to above 20 years. The investors with less than 10 years of experience are prone to make investments for tax planning and purchase of assets. Investors with experience of 10 to 20 years would make investments for education of their children, tax planning and for the post-retirement period. Investors above 20 years may plan for medical expenses too.

Analysis of Relationship between Investors' Experience and Attitude towards

Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between experience of the investors and their attitude towards mutual funds.

TABLE 5.13

Relationship between Investors' Experience and Attitude towards Mutual Funds

S.No.	Experience	Attitude			Total
		Low	Medium	High	
1	0-5	22 (41.51)	216 (60)	25 (59.52)	263 (57.80)
2	5-15	5 (9.43)	59 (16.39)	5 (11.90)	69 (15.16)
3	Above 15	26 (49.06)	85 (23.61)	12 (28.58)	123 (27.04)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

$$\text{Calculated Value} = 15.659.$$

$$\text{Level of Significance} = 5\%$$

$$\text{Degree of freedom} = (r-1) * (c-1)$$

$$= (3-1) * (3-1)$$

$$= 2 * 2$$

$$= 4$$

$$\text{Table Value} = 9.488.$$

The table 5.13 reveals that among 42 investors who have high level of attitude towards mutual funds investment, 59.52 per cent of the investors having the experience for the period of 0-5 years, 28.58 per cent are above 15 years experience and the remaining 11.90 per cent are 5-15 years of work experience.

Among 360 investors who have medium level of attitude towards mutual fund investment, 60 per cent of the investors having the experience for the period of 0-5 years, and 23.61 per cent are above 15 years experience and the balance 16.39 per cent are 5-15 years of work experience.

Among 53 investors who have low level of attitude towards mutual fund investment, 49.06 per cent of the investors have work experience above 15 years, 41.51 per cent are 0-5 years of work experience and the remaining 9.43 per cent of the investors are 5-15 years of experience.

The table 5.13 shows that calculated value of ($\chi^2=15.659$) is greater than table value ($\chi^2=9.488$), hence the null hypothesis is rejected. It can be concluded by the researcher that there is a significant relationship between experience of investors and attitude towards mutual funds.

TYPES OF RESIDENCE

Investors in own house and rented house behave in different mannered during their investment process. Rented house exploits the income and affects the investment.

TABLE 5.14

Type of Residence of the Investors

Sl. No.	Type of residence	No. of Investors	Percentage to Total
1	Owned	389	85.5
2	Rental	48	10.5
3	Leased	18	4.0
Total		455	100.00

Source: Primary Data

Inference:

It is inferred from table 5.14 that most of the investors in mutual funds have their own houses. If they have their own houses, they divert their income in the form of investment in capital market. It is also found that 85.5% of the investors have their own houses and 10.57% are in rented houses and balance in leased houses. Figure 5.14.a also supports the above facts.

Analysis of Relationship between Investors' Residence and Attitude towards Mutual Funds:

Hypothesis:

Ho: There is no significant relationship between investors' residence and attitude towards mutual funds.

TABLE 5.15

Relationship between Residence and Attitude towards Mutual Funds

S.No.	Type of Residence	Attitude			Total
		Low	Medium	High	
1	Owned	41 (77.36)	318 (88.33)	30 (71.43)	389 (85.49)
2	Rental	5 (9.43)	36 (10)	7 (16.67)	48 (10.55)
3	Leased	7 (13.21)	6 (1.67)	5 (11.90)	18 (3.96)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value =26.321.

Level of Significance =5%.

Degree of freedom = (r-1) * (c-1)

= (3-1) *(3-1)

=2*2

=4

Table Value = 9.488.

Inference:

The table 5.15 depicts that among 42 investors who have high level of attitude towards mutual fund investment, 71.43 per cent are residing in their own houses, 16.67 per cent in rental houses and 11.90 per cent in leased houses. Among 360 investors who have medium level of attitude towards mutual fund investment, 88.33 per cent live in their own houses, 10 per cent in rental houses and the remaining 1.67 per cent in leased houses. Among 53 investors who have low level of attitude towards mutual fund investment, 77.36 per cent live in their own house, followed by 13.21 per cent in leased houses and the remaining 9.43 per cent in rental houses.

The table 5.15 shows that calculated value ($\chi^2 = 26.32$) is greater than table value ($\chi^2 = 9.488$), hence the null hypothesis is rejected. It can be concluded by the researcher that there is a significant relationship between investors' residence and attitude towards mutual funds.

ECONOMIC DATA OF THE INVESTORS**ANNUAL INCOME**

The income of an investor evokes response to the available investment outlets. The excess of income over expenditure is the surplus available for savings. Level of income determines the investors' capacity to invest.

Income has been an important variable for distinguishing investment segment. It is known that affluent investors are much enthusiastic in investment and need better returns. The respondents are divided into four income groups according to their annual income. Income is the most important factor considered by all the investors in making mutual funds investments. Table 5.16 shows the income of the investor and the spouse put together.

TABLE 5.16
Annual Income of the Investors

Sl. No.	Annual Income (₹)	No. of Investors	Percentage to Total
1	Below 100000	284	62.4
2	100000 – 300000	113	24.8
3	300001 – 500000	41	9
4	Above 500000	17	3.7
Total		455	100

Source: Primary Data

Inference:

It is found from the table that 62.40% of the investors belong to the income group of below ` 1 lakh, 24.80% of the investors belong to the income group of ` 1 lakh to 3 lakhs and 9% are in the income group of ` 300001 -500000. The investors with more than ` 5 lakhs income do not show much interest on investments in capital market.

Analysis of Relationship between Investors' Annual Income and Attitude towards Mutual Funds:

Hypothesis:

H₀: There is no significant relationship between investors' annual income and attitude towards mutual funds.

Table 5.17 reveals the relationship between annual income and investors' attitude towards mutual funds investment.

TABLE 5.17

Relationship between Annual Income and Attitude towards Mutual Funds

S.No.	Annual Income	Attitude			Total
		Low	Medium	High	
1	Below 1,00,000	17 (32.08)	236 (65.56)	31 (73.81)	284(62.42)
2	1,00,000 - 3,00,000	31 (58.49)	76 (21.11)	6 (14.29)	113 (24.84)
3	Above 3,00,000	5 (9.43)	48 (13.33)	5 (11.90)	58 (12.74)
Total		53	360	42	455

Source: Primary Data

Figures in brackets indicate percentage to total

Calculated Value =37.90

Level of Significance =5%.

Degree of freedom = (r-1) * (c-1)

= (3-1) *(3-1)

=2*2

=4

Table Value =9.488.

The table 5.17 reveals that among 42 investors who have high level of attitude towards mutual fund investment, 73.81 per cent belong to the income group below 1,00,000, 14.29 per cent are in 1,00,000 to 3,00,000 income level and the balance 11.90 per cent belong to the income group above 3,00,000. Among 360 investors who have medium level of attitude towards mutual fund investment, 65.56 per cent belong to the income group below 1,00,000, 21.11 per cent are in 1,00,000 to 3,00,000 income level and the remaining 13.33 per cent belong to the income group above 3,00,000. Among 53 investors who have low level of attitude towards mutual fund investment, 58.49 per cent belong to the income group 1,00,000 to 3, 00,000, followed by 32.08 per cent are in below 1,00,000 and the balance 9.43 per cent belong to the income level above 3,00,000.

The table shows that calculated value of ($\chi^2=37.90$) is greater than table value ($\chi^2=9.488$), hence the null hypothesis is rejected. It can be concluded by the researcher that there is a significant relationship between annual income of investors and attitude towards mutual funds.

Result of Analysis:

By applying chi-square test, the researcher finds that the following variables have direct influence on the attitude of the investors towards mutual funds investment.

1. Academic Qualification
2. Experience
3. Annual Income.

LEVEL OF SAVINGS

Investment is not possible without savings, therefore investors annual savings is asked and presented in table 5.18.

TABLE 5.18
Annual Savings of the Investors

Sl. No.	Annual Savings (`)	No. of Investors	Percentage to Total
1	Less than 50000	337	74.10
2	50001 – 100000	48	10.50
3	Above 100000	70	15.40
Total		455	100.00

Source: Primary Data

Inference:

From the table 5.18 it is clear that out of 455, 337 investors (74.1%) have annual savings less than 50000, 70 investors (15.4%) have annual savings above one lakhs and the remaining 48 investors (10.5%) have annual savings in between 50,001 to 1, 00,000. Their higher income naturally has resulted in more savings.

INVESTMENT DETAILS

The habit of saving is to be analysed in order to design savings instruments, which may stimulate saving and mobilize funds for the development of economy.

TABLE 5.19

Saving Habit of the Investors

Sl. No.	Saving Habit	No. of Investors	Percentage to Total
1	Yes	426	93.6
2	No	29	6.4
Total		455	100.00

Source: Primary Data

Inference:

The table 5.19 shows that out of 455 investors, 426 investors (93.6%) are having the savings habit and the remaining 29 investors (6.4%) are not having the savings habit. So it can be concluded that majority of the investors having saving habit.

TABLE 5.20
Objectives of Savings of the Investors

Sl. No.	Objectives of Savings	No. of Investors	Percentage to Total
1	To Provide For Retirement	131	28.80
2	For Tax Deduction	36	7.90
3	To Meet Contingencies	83	18.20
4	For Children's Education	122	26.80
5	For Purchase of Assets	83	18.20
Total		455	100.00

Source: Primary Data

Inference:

The analysis shows that 28.8 per cent of the investors have strongest objective of savings to provide for retirement life, 26.8 per cent of investors saves their money for the education of children, 18.2 per cent of investors are each to meet their contingencies & purchase of asset and remaining 7.9 per cent of investors have tax deduction objective.

TABLE 5.21

Current Preference of Savings Avenue of the Investors'

Savings Avenue	Rank										Total
	1	2	3	4	5	6	7	8	9	10	
Currency	5	4	0	0	91	0	12	12	90	101	455
Bank Deposits	138	168	71	42	12	24	0	0	0	0	455
Life Insurance	137	24	22	122	48	24	54	0	12	12	455
Pension & PF	24	23	12	12	0	42	56	88	144	54	455
Shares	12	54	42	36	42	12	125	86	10	36	455
Mutual Funds	1	12	38	12	0	60	106	128	24	74	455
Postal Savings	10	24	36	11	155	12	54	117	12	24	455
Chits	0	18	84	12	48	167	12	12	56	46	455
Real Estate	30	36	78	54	12	90	12	0	35	108	455
Gold	38	12	72	154	47	24	24	12	72	0	455

Source: Primary Data

TABLE 5.22
Current Preference of Savings Avenue of the Investors' (Garret's rank)

Savings Avenue	Rank										Total Score	
	1	2	3	4	5	6	7	8	9	10		
Currency	5330	5880	0	0	732	0	504	444	2700	1818		21408
Bank Deposits	11316	11760	4473	2436	24	1152	0	0	0	0		31761
Life Insurance	11234	1680	1386	7076	2496	1152	2268	0	360	216		27868
Pension & PF	1968	1610	756	696	0	2016	2352	3256	4320	972		17946
Shares	984	3780	2646	2088	2184	576	5250	3182	300	648		21638
Mutual Funds	82	840	2394	696	0	2880	4452	4736	720	1332		18132
Postal Savings	820	1680	2268	638	8060	576	2268	4329	360	432		21431
Chits	0	1260	5292	696	2496	8016	504	444	1680	828		21216
Real Estate	2460	2520	4914	3132	624	4320	504	0	1050	1944		21468
Gold	3116	840	4536	8932	2444	1152	1008	444	2160	0		24632

Source: Computed Data

TABLE 5.23

Current Preference of Savings Avenue of the Investors' (Garret's ranking)

Sl. No.	Savings Avenue	Garret's Score	Rank
1.	Currency	21408	7
2.	Bank Deposits	31761	1
3	Life Insurance	27868	2
4	Pension & PF	17946	10
5	Shares	21638	4
6	Mutual Funds	18132	9
7	Postal Savings	21431	6
8	Chits	21216	8
9	Real Estate	21468	5
10	Gold	24632	3

Source: Computed Data

Inference

From the Garret Ranking Technique Analysis, it is interpreted that the investors give first preference to bank deposit savings avenue for the investment purpose. And the last preference for pension & provident fund investment avenues. The various other savings avenues which has been ranked in the ascending order in the following manner Gold, Shares, Real estate, Postal savings.

TABLE 5.24

Current Attitude towards the Financial Instruments

Financial Instruments	Highly Favourable	Favourable	Some what Favourable	Not very Favourable	Not at all Favourable	Total
Shares	126	177	88	41	23	455
Debentures	11	203	112	66	53	455
Mutual Funds	95	177	142	30	11	455
Bonds	101	111	82	126	35	455
Other Specify	184	106	51	12	102	455

Source: Primary Data

Analysis of Variance for the Age and Current Attitude towards Financial Instruments

TABLE 5.25

ANOVA for the Age and Current Attitude towards Financial Instruments						
Variable	Source	Sum of Squares	df	Mean Square	F	Sig.
Shares	Between Groups	142.066	3	47.355	51.48	.000**
	Within Groups	414.87	451	0.92	--	--
	Total	556.936	454	--	--	--
Debentures	Between Groups	29.253	3	9.751	8.983	.000**
	Within Groups	489.574	451	1.086	--	--
	Total	518.826	454	--	--	--
Mutual Funds	Between Groups	9.5	3	3.167	3.54	.015*
	Within Groups	403.423	451	0.895	--	--
	Total	412.923	454	--	--	--
Bonds	Between Groups	36.527	3	12.176	7.687	.000**
	Within Groups	714.387	451	1.584	--	--
	Total	750.314	454	--	--	--
Other Specify	Between Groups	121.669	3	4.556	18.401	.000**
	Within Groups	994.037	451	2.204	--	--
	Total	1115.705	454	--	--	--

Source: Computed data

** Significant at 0.05 levels

Inference:

From table 5.25, it is found that the investors can be distinguished on Shares (F=51.48), Debentures (F=8.983), Mutual Funds (F=3.54), Bonds (F=7.687) and others (F=18.401) differ significantly with respect to the age and current attitude towards financial instruments. This shows that when the investors invested in various financial instruments, they differ in their views about mutual funds. Whereas they have the same views on shares, debentures, bonds and other financial instruments.

TABLE 5.26**Level of Confidence upon Financial Plan of the Investors**

Particulars	Very confident	Confident	Some what confident	Not very confident	Not at all confident	Total
Real Estate	102	182	12	101	53	455
Mutual Funds	112	147	148	42	6	455
Bank Deposits	222	186	47	0	0	455
Gold	201	129	71	54	0	455
Life Insurance	105	189	108	41	12	455
Provident Fund	168	147	40	59	41	455
Chit Fund	0	144	146	107	58	455
Capital Market	77	93	171	84	30	455
NSC, KVP, Post Office Deposit	177	173	53	23	29	455

Source: Primary Data

TABLE 5.27**Analysis of Variance for Age and Level of Confidence upon
Financial Plan**

ANOVA for the Age and Level of Confidence upon Financial Plan						
Variable	Source	Sum of Squares	df	Mean Square	F	Sig.
Real Estate	Between Groups	157.5	3	52.5	35.021	.000**
	Within Groups	676.091	451	1.499	--	--
	Total	833.591	454	--	--	--
Mutual Funds	Between Groups	6.735	3	2.245	2.336	0.073
	Within Groups	433.41	451	0.961	--	--
	Total	44.145	454	--	--	--
Bank Deposits	Between Groups	3.561	3	1.187	2.702	0.045
	Within Groups	198.131	451	0.439	--	--
	Total	201.692	454	--	--	--
Gold	Between Groups	12.121	3	4.04	3.838	0.01
	Within Groups	474.815	451	1.053	--	--
	Total	486.936	454	--	--	--
Life Insurance	Between Groups	53.444	3	17.815	20.117	.000**
	Within Groups	399.378	451	0.886	--	--
	Total	452.822	454	--	--	--
Provident Fund	Between Groups	68.307	3	22.769	14.329	.000**
	Within Groups	716.63	451	1.589	--	--
	Total	784.939	454	--	--	--
Chit Fund	Between Groups	19.4	3	6.467	6.483	.000**
	Within Groups	449.883	451	0.998	--	--
	Total	469.284	454	--	--	--
Capital Market	Between Groups	91.211	3	30.404	27.957	.000**
	Within Groups	490.473	451	1.088	--	--
	Total	581.684	454	--	--	--
NSC, KVP, Post Office Deposit	Between Groups	168.547	3	56.182	61.163	.000**
	Within Groups	414.275	451	0.919	--	--
	Total	582.822	454	--	--	--

Source: Computed data

**Significant at 0.05 level

Inference:

It is found from the table 5.27 that Real Estate (F=35.021), Mutual Funds (F=2.336), Bank Deposits (F=2.702), Gold (F=3.838), Life Insurance (F=20.117), Provident Fund (F=14.329), Chit Fund (F=6.483), Capital Market (F=27.957), NSC, KVP, Post Office Deposit (F=61.163) have significant with respect to the age and level of confidence upon financial plan.

TABLE 5.28**Reasons for Investing in Mutual Funds**

Sl. No.	Reason for investing through Mutual Fund	No. of Investors	Percentage to Total
1	Professional Management	70	15.40
2	Diversification	36	7.90
3	Return	176	38.70
4	Low cost	54	11.90
5	Liquidity	36	7.90
6	Transparency	53	11.60
7	Flexibility	30	6.60
8	Well Regulated	0	0
Total		455	100.00

Source: Primary Data

Inference:

The table 5.28 highlights the reasons for investing in mutual funds. The main reason for investing in mutual funds is higher return (38.70%), followed by professional management reason (15.40%), 11.90 per cent of the investors have the low cost reason for investing in mutual funds, followed by 11.60 per cent of the investors have the transparency reason for investing in mutual funds, 7.90 per cent of investors each in diversification & liquidity reason for investing in mutual funds and the balances 6.60 per cent of the investors have the flexibility reason for investing in mutual funds. No one selected the well regulated reason for investing in mutual funds.

TABLE 5.29**Mode of Selection of the Mutual Funds**

Sl. No.	Selection Mutual Funds	No. of Investors	Percentage to Total
1	Locate Source of Comparative	65	14.3
2	Match Goals	0	0
3	Read Prospectus and Annual Reports	129	28.4
4	Brokers Advice	36	7.9
5	Price	88	19.3
6	Own Will	59	13.0
7	Friends & Relatives	36	7.9
8	Agents	42	9.2
Total		455	100.00

Source: Primary Data

Inference:

The table 5.29 reveals that the mode of selection of mutual funds investment, out of 455 investors, 129(28.4%) of investors select mutual funds by reading prospectus and annual report, 88(19.3%) of the investors select mutual funds by the reason of price only, 65(14.3%) of the investors select mutual funds by locating comparative sources, 59(13%) of the investors select mutual funds investment by their own will, 42(9.2%) of the investors select mutual funds investment by agents only, 36(7.9%) of the investors select mutual funds investment by the broker's advice, that same number of investors 36(7.9%) select mutual funds investment by friends & relatives and no one select mutual funds investment by match goals. So it is clearly indicates that the majority of the investors (28.4%) select mutual funds investment by reading prospectus and annual reports.

TABLE 5.30**Mode of Purchase of Mutual Funds**

Sl. No.	Mode of Purchase	No. of Investors	Percentage to Total
1	Online	116	25.5
2	Through Bank branches	58	12.7
3	Post Office	30	6.6
4	Through Brokers	251	55.2
Total		455	100.00

Source: Primary Data

Inference:

The table 5.30 indicates the mode of purchase of mutual funds investment. Out of 455 investors, 251(55.2%) of the investors purchasing mutual funds units through brokers, 116(25.5%) of the investors purchasing mutual funds units via online, 58(12.7%) of the investors purchasing mutual funds units through banks and the balance 30(6.6%) of the investors purchasing mutual funds units through post-office. So it is clearly indicates that the majority of investors (55.2%) purchasing mutual funds units through brokers.

TABLE 5.31**Consulting Sources for Mutual Funds Investors**

Sl. No.	Consulting Sources	No. of Investors	Percentage to Total
1	Your Advisor	113	24.8
2	Prospectus	58	12.7
3	Family & Friends	155	34.1
4	Mutual Funds Company Website	129	28.4
Total		455	100.00

Source: Primary Data

Inference:

The table 5.31 reveals the consulting sources available to mutual funds investors. Out of 455 investors, 155(34.1%) of the investors consult with family and friends, followed by 129(28.4%) of the investors consult through mutual funds

company websites, 113(24.8%) of the investors consult with their advisors and the remaining 58 (12.7%) of the investors using prospectus as their source of consulting. So it is clearly found that family and friends were the important majority of the investors (34.1%) prefer as consultancy source of mutual funds investment.

TABLE 5.32

Most Preferred Scheme by Structure

Sl. No.	Scheme	No. of Investors	Percentage to Total
1	Open Ended	232	51.0
2	Close Ended	175	38.50
3	Interval Scheme	48	10.50
Total		455	100.00

Source: Primary Data

Inference:

Table 5.32 shows that 51% of the investors preferred open ended scheme, 38.50 per cent preferred close ended scheme and the remaining 10.50 per cent preferred interval scheme based on structure of mutual funds. The key feature of open ended scheme is liquidity, hence the open ended scheme is most available for subscription.

TABLE 5.33**Most Preferred Scheme by Investment Objectives**

Sl. No.	Scheme	No. of Investors	Percentage to Total
1	Growth Scheme	232	51
2	Income Scheme	99	21.8
3	Balance Scheme	46	10.1
4	Money Market Scheme	30	6.6
5	Tax Savings Scheme	30	6.6
6	Index Scheme	-	-
7	Sector Specific Scheme	6	1.3
8	Others	12	2.6
Total		455	100

Source: primary Data

Inference:

The above table 5.33 reveals that the most preferred scheme by investment objectives of the investors. Among the 455 investors, 51 per cent of investors preferred growth scheme, 21.80 per cent of investors preferred income scheme, 10.1 per cent of investors favoured with balance scheme, 1.3 per cent of investors preferred specific sector scheme and 2.6 per cent of investors preferred other schemes. No one preferred the index scheme.

Expenses Involved in Mutual Funds Investment

The non refundable fee paid to the Asset Management Company at the time of purchase of mutual funds units is termed as Entry Load. Entry Load is added to the NAV (purchase price) when you are purchasing Mutual Funds units. The non refundable fee paid to the Asset Management Company at the time of redemption of mutual funds units is termed as Exit Load. Exit Load is deducted from the NAV (selling price) when you are selling mutual funds units.

TABLE 5.34

Expenses Involved in Mutual Funds Investment

Sl. No.	Expenses	No. of Investors	Percentage to Total
1	Load	238	52.30
2	Deferred Sales Load	100	22.0
3	Management Fees	117	25.70
Total		455	100.00

Source: Primary Data

Inference:

From the table 5.34, out of 455 investors, 52.30 per cent of investors incurred load expenses, 22.0 per cent of investors incurred Deferred Sales Load expenses and the remaining 25.70 per cent of investors incurred management fees expenses.

TABLE 5.35**Preferred Services Offered by Mutual Funds Investors**

Sl. No.	Preferred Services	No. of Investors	Percentage to Total
1	Automatic Investment Plan	131	28.8
2	Automatic re-investment Plan	36	7.9
3	Regular Income	270	59.3
4	Conversion Privileges	18	4.0
Total		455	100.00

Source: Primary Data

Inference:

It could be observed from the table 5.35 that out of 455 investors 59.3 per cent of investors preferred regular income service, 28.8 per cent of the investors give importance to automatic investment plan services, 7.9 per cent of investors chose automatic re-investment plan and the conversion privileges service was preferred by 4 per cent of the investors.

TABLE 5.36**Sources of Information to the Investors**

Sl. No.	Sources of Information	No. of Investors	Percentage to Total
1	Newspaper	160	35.2
2	Magazine	36	7.9
3	Television	41	9
4	Annual report by mutual Fund Company	218	47.9
Total		455	100

Source: Primary Data

Inference:

The above table 5.36 clearly ascertains that the investors are able to get proper information through annual report by mutual funds Company (47.9%). So it is the most preferred source of information to know about mutual funds. The next best source of information is newspaper through which 35.2% of the investors able to get information about mutual funds, followed by television with 9 % and magazine with 7.9%. So it is concluded that the investors are able to get perfect information about mutual funds through annual report by mutual funds companies and newspapers.

TABLE 5.37
Preference in Mutual Funds Investment

Preference	Rank								Total
	1	2	3	4	5	6	7	8	
Safety	89	71	28	29	36	30	71	101	455
Flexibility	54	54	36	53	74	12	72	100	455
Capital Appreciation	6	36	89	46	12	113	93	60	455
Tax Benefit	114	41	83	66	35	41	34	41	455
Liquidity	95	82	59	5	90	83	36	5	455
Good Return	46	124	53	18	77	71	42	24	455
Professional Management	33	42	23	113	35	77	66	66	455
Diversification Benefit	18	5	84	125	96	28	41	58	455

Source: Primary Data

TABLE 5.38

Preference in Mutual Funds Investment (Garret's Score)

Preference	Rank								Total
	1	2	3	4	5	6	7	8	
Safety	7120	4757	1680	1537	1692	1200	2343	2020	22349
Flexibility	4320	3618	2160	2809	3478	480	2376	2000	21241
Capital Appreciation	480	2412	5340	2438	564	4520	3069	1200	20023
Tax Benefit	9120	2747	4980	3498	1645	1640	1122	820	25572
Liquidity	7600	5494	3540	265	4230	3320	1188	100	25737
Good Return	3680	8308	3180	954	3619	2840	1386	480	24447
Professional Management	2640	2814	1380	5989	1645	3080	2178	1320	21046
Diversification Benefit	1440	335	5040	6625	4512	1120	1353	1160	21585

Source: Computed Data

TABLE 5.39

Preference in Mutual Funds Investment (Garret's rank score result)

Sl. No.	Savings Avenue	Garret's Score	Rank
1.	Safety	22349	4
2.	Flexibility	21241	6
3	Capital Appreciation	20023	8
4	Tax Benefit	25572	2
5	Liquidity	25737	1
6	Good Return	24447	3
7	Professional Management	21046	7
8	Diversification Benefit	21585	5

Source: Computed Data

Inference:

From the Garret ranking technique analysis, it is interpreted that the investors give first preference to liquidity for the investment purpose and the last preference for capital appreciation. The various other preference, which has been ranked in the ascending order in the following manner tax benefit, good return, safety, diversification benefit, flexibility and professional management.

TABLE 5.40
Level of Issues in Decision to Mutual Funds

Particulars	Very confident	Confident	Somewhat confidence	Not very confidence	Not at all confident	Total
Professional Management	119	162	174	0	0	455
Diversification of Risk	89	185	98	71	12	455
Access to wide range of costs	12	159	201	65	18	455
Ability to buy with small amount	136	188	59	60	12	455
Easy Conversion	153	172	83	17	30	455

Source: primary Data

Source : Primary Data

TABLE 5.41

ANOVA For The Age and Level of Issues in Decision to Mutual Funds Investment						
Variable	Source	Sum of Squares	df	Mean Square	F	Sig.
Professional Management	Between Groups	13.415	3	4.472	7.389	.000**
	Within Groups	272.936	451	0.605	--	--
	Total	286.352	454	--	--	--
Diversification of Risk	Between Groups	25.491	3	8.497	8.04	.000**
	Within Groups	476.654	451	1.057	--	--
	Total	502.145	454	--	--	--
Access to wide range of costs	Between Groups	26.231	3	8.744	13.015	.000**
	Within Groups	302.991	451	0.672	--	--
	Total	329.222	454	--	--	--
Ability to buy with small amount	Between Groups	15.172	3	5.057	4.437	.004**
	Within Groups	514.112	451	1.14	--	--
	Total	529.284	454	--	--	--
Easy Conversion	Between Groups	8.916	3	2.972	2.399	.067**
	Within Groups	558.675	451	1.239	--	--
	Total	567.591	454	--	--	--

Source: Primary Data

**Significant at 0.05 level

Inference:

It is found from the above table that professional management (F=7.389), diversification of risk (F=8.04), access to wide range of costs (F=13.015), Ability to buy with small amount (F=4.437), easy conversion (F=2.399) have significant with respect to the age and level of issues in decision to mutual funds investment.

TABLE 5.42**Comfortable with Understanding of the Mutual Funds**

Sl. No.	Comfortable	No. of Investors	Percentage to Total
1	Very Comfortable	71	15.6
2	Comfortable	248	54.5
3	Somewhat Comfortable	71	15.6
4	Not very Comfortable	65	14.3
Total		455	100.00

Source: primary Data

Inference:

It could be observed from the table 5.42, 54.5 per cent of investors were comfortable with understanding of the mutual funds, 15.6 per cent of investors were each in very comfortable & somewhat comfortable and the balance 14.3 per cent of the investors were not very comfortable with understanding of the mutual funds.

TABLE 5.43
Expectation of the Investors

Sl. No.	Expectation	No. of Investors	Percentage to Total
1	Below 10%	118	25.9
2	10% - 15%	185	40.7
3	15% - 20%	130	28.6
4	Above 20%	22	4.8
Total		455	100.00

Source: Primary Data

Inference:

The table 5.43 provided the expectation level of the investors. As per 185 investors the expected rate is 10 – 15 per cent, 118 investors expect below 10 per cent, 130 investors expect 15 – 20 per cent and the remaining 22 investors expect above 20 per cent. It can be clearly revealed that majority of the investors (40.70%) are expecting 10 – 15 per cent of the return from the investment.

TABLE 5.44

Awareness about Various Plans of Mutual Funds

Sl. No.	Various Plans	No. of Investors	Percentage to Total
1	Yes	277	60.9
2	No	178	39.1
Total		455	100.00

Source: Primary Data

Inference:

The people may have basic idea about mutual funds. But they may or may not know the different schemes available in mutual funds. The table 5.44 has drawn above, displays the level of awareness of the investors in mutual fund plans. 60.90 per cent of the investors have the awareness about various plans of mutual funds and the remaining 39.10 percent of investors do not have such awareness, hence the researcher can be concluded that the majority of the investors (60.90%) are aware about various plans of mutual funds, which shows the growth of the mutual funds.

TABLE 5.45
Schemes in Mutual Funds

Sl. No.	Schemes	No. of Investors	Percentage to Total
1	Open ended	99	35.74
2	Close ended	24	8.66
3	Income & Growth Fund	95	34.30
4	Balanced Fund	18	6.50
5	Money Market	29	10.47
6	Off shore Fund	12	4.33
Total		277	100.00

Source: Primary Data

Inference:

The table 5.45 gives the number of investors have aware of mutual funds schemes. Among the 277 investors, 99 investors have awareness about open ended scheme, 95 investors are aware of income & growth fund scheme, 29 investors are familiar about money market schemes, 24 investors are favoured with close ended schemes, 18 investors have the awareness about balanced fund schemes and the remaining 12 investors are aware of off shore fund scheme.

TABLE 5.46**Difficulties of the Investors**

Sl. No.	Difficulties	No. of Investors	Percentage to Total
1	Lack of information in advertisements	72	16.70
2	Lack of initiatives by the industry	77	16.90
3	No clear idea about the Public issues	135	29.70
4	Insufficient agents and brokers	78	17.10
5	Others	89	19.60
Total		455	100.00

Source: Primary Data

Inference:

The above table 5.46 shows the difficulties of the investors. Among the 455 investors, 135 investors do not have the clear idea about the public issues, 78 investors are unable to have enough number of agents and brokers, 77 investors have Lack of initiatives by the industry, 72 investors have lack of information in advertisement and the remaining 89 investors faces other difficulties.

TABLE 5.47

Intended to Stay in Mutual Funds Investments of the Investors

Sl. No.	Investments (year)	No. of Investors	Percentage to Total
1	Less than a year	96	21.1
2	1 – 3	241	53.0
3	4 – 7	101	22.2
4	More than 7 years	17	3.7
Total		455	100.00

Source: Primary Data

Inference:

Table 5.47 explains the level of investors intend to stay in mutual funds. It shows that, out of 455 respondents, 241(53%) investors having the intend to stay in mutual funds for 1 to 3 years, 101(22.2%) investors having the intend to stay in mutual funds for 4 to 7 years, 96 (21.1%) investors having the intend to stay in mutual funds for less than one year and the remaining 17(3.7%) investors having the intend to stay in mutual funds for more than 7 years. So the table 5.47 shows that majority 241(53%) investors having intended to stay in mutual funds for 1 – 3 years.

TABLE 5.48**Approximate Amount Invested by the Investors**

Sl. No.	Amount (`)	No. of Investors	Percentage to Total
1	Below 10000	252	55.3
2	10000 – 20000	149	32.7
3	20000 - 30000	12	2.6
4	30000 – 40000	18	4.0
5	Above 40000	24	5.3
Total		455	100.00

Source: Primary Data

Inference:

From the above table 5.48, it is understood that 252 investors (55.30%) invested below `10,000 in mutual funds, 149 investors (32.70%) invested between `10000 – 20000, 24 investors (5.30%) invested above `40000 in mutual funds and the balance 30 investors (6.60%) invested between `20000 to 40000.

TABLE 5.49**Services of Marketing Executives**

Sl. No.	Services of Marketing Executives	No. of Investors	Percentage to Total
1	Yes	380	83.5
2	No	75	16.5
Total		455	100.00

Source: Primary Data

Inference:

From the table 5.49 it is evident that 83.50 per cent of the investors realizing the need of marketing executives in the field of mutual funds. Whereas 16.50 per cent of the investors view that marketing service has got only limited role in the field of mutual funds.

TABLE 5.50**Help is Needed by the Investors**

Sl. No.	Help is needed	No. of Investors	Percentage to Total
1	To know about the industry	90	23.68
2	To safeguard money for current and future benefits	165	43.42
3	To know about technicalities & working of financial market	89	23.42
4	Others	36	9.48
Total		380	100.00

Source: Primary Data

Inference:

The above table 5.50 discuss about the help needed by the investors for promoting mutual funds investment. The reasons were

- i. To safeguard money for current and future benefits (43.42%),
- ii. To know about the industry (23.68%),
- iii. To know about technicalities & working of financial market (23.42) and others 9.48%.

TABLE 5.51

Persuasion and Moral Torture to the Investors

Sl. No.	Persuasion and Moral Torture	No. of Investors	Percentage to Total
1	Yes	249	54.8
2	No	206	55.3
Total		455	100.00

Source: Primary Data

Inference:

From the above table 5.51, it is clear that 55.30 per cent of the investors do not have persuasion and moral torture and the balance 54.80 per cent of investors have persuasion and moral torture. It is clearly revealed that majority of the investors (55.30%) are not having persuasion and moral torture.

TABLE 5.52

Factor Analysis for Fund Related and Fund Sponsor Qualities

Variables	Initial	Communalities
Fund performance record	1.00	0.867
Funds reputation or brand name	1.00	0.819
Scheme's expense ratio	1.00	0.897
Scheme's portfolio of investment	1.00	0.832
Reputation of the fund manager/scheme	1.00	0.757
Withdrawal facilities	1.00	0.838
Favourable rating by a rating agency	1.00	0.871
Innovativeness of the scheme	1.00	0.773
Products with tax benefits	1.00	0.817
Entry & Exit load	1.00	0.8
Minimum initial investment	1.00	0.88
Reputation of the sponsoring firm	1.00	0.865
Sponsor has a recognized brand name	1.00	0.775
Sponsor has a well developed agency & network	1.00	0.918
Sponsor's expertise in managing money	1.00	0.87
Sponsor's has a well developed research & infrastructure	1.00	0.78
Sponsor's Past performance in terms of risk and return	1.00	0.884

Extraction Method Principal Component Analysis

Factor analysis was used to condense and analyse the general attitudes of investors towards mutual funds investment. The Principal factor with orthogonal varimax rotational is mostly used and widely available in factor analytic computer programmes. One of the final results of factor analyse is called rotation factor matrix, table of co-efficient that express the ratios between the attitude variables and underlying the factors

Fund/Scheme Quality on Scheme Selection

The factors that could influence the investors in their selection of mutual funds/schemes were grouped under the head “Fund/Scheme Qualities”. The factors that are included under this head are Fund’s/Scheme’s performance record, Fund’s/Scheme’s reputation or brand name. Scheme’s expense ratio, Scheme’s portfolio of investments, reputation of schemes, portfolio managers, withdrawal facilities, favorable rating by a rating agency, innovativeness of the scheme, products with tax benefits and entry& exit load. The analysis revealed that the investor considers the variables, Fund’s/ Scheme’s brand name, rating by a rating agency, innovativeness of the scheme, products with tax benefits, schemes portfolio constituents are the first five important factors in their selection the funds or schemes.

Fund Sponsors Qualities

The factors that could influence the investors in their selection of mutual funds were grouped under the head “Fund Sponsors Qualities”. The factors that are included under this head are reputation of sponsoring firm, sponsor offers a wide range of schemes with different investment objectives, sponsor has a recognized brand name, sponsor has a well developed agency network and sponsor has an efficient research wing and sponsor’s expertise in managing money. The fund sponsor quality related variables were analysed for their importance. The analysis revealed that the investor considers the variables reputation of the sponsoring firm, brand name of sponsor, sponsor offers a wide range of schemes with different investment objectives, sponsor expertise in managing money, sponsor has a well developed agency network are the first five important variables in their fund sponsor quality. The mean values of the readings were obtained and the factors were ranked according to their importance of investment services.

Table 5.53

Factor Analysis for Fund Related and Fund Sponsor Qualities

Variables	Component						Communalities
	1	2	3	4	5	6	
Sponsor has a well developed agency & network	0.947	0.041	0.109	0.082	0.029	0.017	0.918
Reputation of the sponsoring firm	0.902	0.027	-0.24	0.109	0.119	-0.152	0.865
Sponsor's Past performance in terms of risk and return	0.81	0.077	0.038	0.007	0.246	0.4	0.884
Sponsor has a recognized brand name	0.782	-0.09	-0.08	0.427	0.043	-0.054	0.775
Funds reputation or brand name	0.086	0.877	0.005	-0.142	-0.12	-0.088	0.819
Scheme's expense ratio	-0.02	0.79	0.103	0.238	-0.021	0.063	0.697
Scheme's portfolio of investment	0.083	0.773	0.187	-0.069	0.407	0.162	0.832
Reputation of the fund manager/scheme	-0.09	0.598	-0.15	0.333	0.278	0.427	0.757
Innovativeness of the scheme	0.045	0.058	0.843	0.067	-0.156	0.17	0.773
Products with Tax Benefits	-0.15	0.011	0.762	0.072	0.456	-0.025	0.817
Favourable rating by a rating agency	0.155	0.478	0.537	0.293	-0.162	-0.136	0.671
Sponsor's expertise in managing money	0.285	0.049	0.087	0.878	0.026	-0.089	0.87
Sponsor's has a well developed research & infrastructure	0.242	0.078	0.476	0.618	0.147	0.291	0.78
Entry & Exit load	-0.03	0.369	0.409	0.42	0.237	0.251	0.6
Fund performance record	0.22	0.013	-0.08	0.008	0.779	-0.077	0.667
Minimum initial investment	0.176	0.131	0.303	0.402	0.583	0.197	0.68
Withdrawal facilities	0.019	0.059	0.144	0.009	-0.046	0.9	0.838
Cumulative %	19.04	35.24	48.11	59.749	69.274	77.896	--

Rotated Component Matrix(a)

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization
Rotation converged in 6 iterations

Inference:

The investors' attitude towards mutual funds investment based on the factor analysis is depicted in the above table 5.53. It is inferred that top four major factors which influenced the investors' attitude towards mutual funds are listed in the order of preference. Sponsor has well developed agency & network, reputation of the sponsoring firm, sponsor's past performance in terms of risk and return, sponsor's has a recognized brand name.

The minor factors which are influenced by the investors' attitude towards mutual funds investment are listed in the order of preference from the least withdrawal facilities, minimum initial investment, fund performance record, entry & exit load and sponsors have a well developed research & infrastructure.

TABLE5.54**Statement related to Mutual Funds**

Particulars	Yes	No	Do Not Know	Total
Investment in MF helps you realize the benefits of stock Market investing	372	48	35	455
MF investing gives a definite positive return	194	202	59	455
Return of the principal amount invested in any MF is assured	220	161	74	455
MF returns and principal are fully protected and guaranteed by Association of Mutual Funds (AMFI)	325	89	41	455
Bank sponsored Mutual Funds give a definite positive return which is greater than bank fixed deposits rate for a similar period	177	213	65	455
Entry and Exit out of Mutual Funds is easy	273	130	52	455
Due to professional investment, a good return can be expected of Mutual Fund	242	172	41	455
Ups and downs of stock Market will not affect the return from MF.	159	261	35	455
There are many MF Schemes to meet the varied needs of investors	261	159	35	455
AMFI protects the interests of MF industry and the unit holders	314	112	29	455

Source : Primary Data

The factors that could influence the investors in their selection of mutual funds were grouped under the head “influence of investment services”. The factors that are included under this head are disclosure of investment objectives, method and periodicity of valuation in advertisement, disclosure of the method and periodicity of the scheme’s sale and repurchase in the offer documents.

The disclosure of NAV on every trading day, disclosure of deviation of the investments from the original pattern, disclosure of scheme’s investment on every trading day, mutual funds investors’ grievance redressed machinery and fringe benefit like free insurance, free credit card, loans on collateral and tax benefits. The ranks were ascertained by obtaining the value of the responses.

The investment service variables are analysed for their performance. The analysis revealed that the investors consider the variables announcement of Net Asset Value (NAV) on every trading day, mutual fund investors grievance redressal machinery, additional services like free insurance, free credit card, tax benefits. The disclosure of deviation of the investments from the expected pattern, disclosure of method, periodicity of schemes sales and repurchase in offer documents are the first five important variables in their investment service variables.

TABLE 5.55
One-Sample Kolmogorov-Smirnov Test
Descriptive Statistics

Variables	N	Mean	Std. Deviation	Kolmogorov- Smirnov Z	Asymp. Sig. (2-tailed)
Investment in MF helps you realize the benefits of stock Market investing	455	2.7407	0.5888	10.405	0
MF investing gives a definite positive return	455	2.2967	0.68487	5.848	0
Return of the principal amount invested in any MF is assured	455	2.3209	0.73783	6.503	0
MF returns and principal are fully protected and guaranteed by Association of Mutual Funds (AMFI)	455	2.6242	0.64476	9.264	0
Bank sponsored Mutual Funds give a definite positive return which is greater than bank fixed deposits rate for a similar period	455	2.2462	0.68725	5.39	0
Entry and Exit out of Mutual Funds is easy	455	2.4857	0.6924	7.918	0
Due to professional investment, a good return can be expected of Mutual Fund	455	2.4418	0.65404	7.15	0
Ups and downs of stock Market will not affect the return from MF.	455	2.2725	0.59404	6.983	0
There are many MF Schemes to meet the varied needs of investors	455	2.4967	0.63618	7.662	0
AMFI protects the interests of MF industry and the unit holders	455	2.6264	0.60191	9.017	0

Test distribution is Normal.
 Calculated from Data.

Inference:

Investment in mutual funds helps you realize the benefits of stock market investing ($Z=10.405$), mutual funds investing gives a definite positive return($Z=5.848$), return of the principal amount invested in any MF is assured ($Z=6.503$), MF returns and principal are fully protected and guaranteed by Association of Mutual Funds (AMFI) ($Z=9.264$), Bank sponsored mutual funds give a definite positive return which is greater than bank fixed deposits rate for a similar period ($Z=5.39$), Entry and Exit out of mutual funds is easy ($Z=7.918$), Due to professional investment, a good return can be expected of mutual funds ($Z=7.15$), Ups and downs of stock Market will not affect the return from mutual fund ($Z=6.983$), There are many mutual funds schemes to meet the varied needs of investors ($Z=7.662$), AMFI protects the interests of mutual funds industry and the unit holders ($Z=9.017$).

Table 5.55 discloses that the calculated value Z is greater than the table value at 5 per cent significance level. It is concluded that there is a significant relationship between the statement of the mutual funds and the investors' attitude towards mutual funds.

TABLE 5.56**Satisfaction level of Mutual Funds Investors**

Particulars	Very good	Good	Average	Poor	Very poor	Total
Return on Investment	119	121	179	30	6	455
Reliability & Safety	65	154	212	18	6	455
Future Growth/Multiplication	125	106	183	29	12	455
Liquidity	76	212	101	60	6	455
Tax Benefit	41	290	64	48	12	455
Risk factor	82	110	131	120	12	455
Prestige	11	229	125	36	54	455

Source: Primary Data

TABLE 5.57**Satisfaction level of Mutual Funds Investors (Likert Scale)**

Particulars	Very good	Good	Average	Poor	Very poor	Total	Rank
Return on Investment	595	484	537	60	6	1682	1
Reliability & Safety	325	616	636	36	6	1619	5
Future Growth/ Multiplication	625	424	549	58	12	1668	2
Liquidity	380	848	303	120	6	1657	4
Tax Benefit	205	1160	192	96	12	1665	3
Risk factor	410	440	393	240	12	1495	6
Prestige	55	916	375	72	54	1472	7

Source: Computed Data

Inference:

From the Likert scaling analysis, Investors give top priority to return on investment as a satisfying factor in selecting the mutual funds schemes which has been highlighted in the above table 5.57 by having the rank as one for return on investment. From the table it is interpreted that, the investor gives least priority for prestige factor in selecting the mutual fund schemes which has been ranked as seven. The various other factors which decide the satisfaction level of the investors are ranked in the ascending order in the following manner like Future growth/multiplication, tax benefit, liquidity reliability & safety and risk factor.

CONCLUSION

In order to analyze and identify the attitude of investors towards mutual funds investment, factor analysis was used. The levels of attitude of investors towards mutual funds investment statement by using Likert scale method. In order to examine whether factors like age, sex, education, marital status, type of family, type of residence, occupation, experience, income level influenced the level of attitude towards mutual funds, chi-square was used. All the factors were significant at 5 per cent level except sex, age and marital status.