

CHAPTER VI

6.1. INTRODUCTION

This chapter deals with the FINDINGS AND SUGESSTIONS of the study. The findings of the study are based on the analysis of the primary data that are collected from the sample investors. Based on the findings of the study some suggestions are recommended which could be implemented to improve the satisfaction of the investors.

The microscopic cross examination of the primary and secondary data reveals the following results. Primary and secondary data are explored completely to ascertain the important factors of the study, to identify the reason for investors investing in mutual funds markets. Now the investors possess greater awareness through TV, newspaper and other sources of information. The transparency in mutual funds market is considered as one of the reforms that magnetically attracted the investors and increased their numbers.

6.2. FINDINGS OF THE STUDY

- The level of attitude of investors towards mutual funds was measured on the basis of score values. The levels are classified into three categories namely low, medium and high. Out of 455, 53 investors with the score of 0-30 had low attitude towards mutual funds investment, the medium attitude investors were 360 numbers with the score of 30-40, while 42 had a score between 40-50 were categorized as investors with high level of attitude.

- The study revealed that the mutual funds investment widely prevalent among men (63.3%) and women (36.7%) in our study area. This may be due to the reason that men are economically stronger than women.
- Table 5.3 shows that the relationship between Investors' Sex and Attitude towards Mutual Funds. Since the calculated value (7.749) is less than the table value (9.488) at 5 per cent significance level. It is concluded that there is no significant relationship between Investors' Sex and Attitude towards Mutual Funds.
- It is evident that 53.20 per cent of the investors belonged to the age group of below 30 years who were the major investors.
- Table 5.5 shows the Relationship between Investors' Age and Attitude towards Mutual Funds. Since the calculated value (6.748) is less than the table value (9.488) at 5 per cent significance level. It is concluded that there is no significant relationship between Investors' Age and Attitude towards Mutual Fund.
- It was found that out of 455 respondents, 48.40 per cent had studied up to Graduate level, 37.60 per cent were post graduates, 10.10 per cent were professionals and the remaining had +2 or school level education.
- Table 5.7 shows the Relationship between Investors' Qualification and Attitude towards Mutual Funds. Since the calculated value (49.358) is greater than the table value (9.488) at 5 per cent significance level. It is concluded that there is significant relationship between Investors' Qualification and Attitude towards Mutual Funds.
- Regarding marital status of the respondents, 54.70 per cent were unmarried and the balances 45.30 per cent were married.

- Table 5.9 shows the Relationship between Investors' Marital Status and Attitude towards Mutual Funds. Since the calculated value (2.830) is lesser than the table value (5.991) at 5 per cent significance level. It is concluded that there is no significant relationship between Investors' Marital Status and Attitude towards Mutual Funds.
- Out of 455 investors, 56 were Professional people, 120 investors were businessman, 267 investors were salaried people and the remaining 12 investors were retired persons
- Table 5.11 shows the Relationship between Investors' Occupation and Attitude towards Mutual Fund. Since the calculated value (6.732) is less than the table value (9.488) at 5 per cent significance level. It is concluded that there is no significant relationship between Investors' Occupation and Attitude towards Mutual Funds.
- Investors classified on the basis of experience in occupation showed that 57.80 per cent had below 5 years Experience, 8.60 per cent had 5-10 years experience, 6.60 per cent had 10-15 years experience, 15.40 per cent had 15-20 years experience and 11.60 per cent had above 20 years experience.
- Table 5.13 shows the Relationship between Investors' Experience and Attitude towards Mutual Funds. Since the calculated value (15.659) is greater than the table value (9.488) at 5 per cent significance level. It is concluded that there is significant relationship between Investors' Experience and Attitude towards Mutual Funds.
- Out of 455 investors, 85.50 per cent lived in own houses, 10.50 per cent lived in rented houses and balance 4 per cent in leased houses.

- Table 5.15 shows the Relationship between Investors' Residence and Attitude towards Mutual Funds. Since the calculated value (26.321) is greater than the table value (9.488) at 5 per cent significance level. It is concluded that there is significant relationship between Investors' Residence and Attitude towards Mutual Funds.
- Regarding the income wise classification of the investors, 62.40 per cent belonged to the income group of below ` 100000 p.a. and 3.70 per cent belonged to above ` 500000 p.a.
- Table 5.17 shows the Relationship between Investors' annual income and Attitude towards Mutual Funds. Since the calculated value (37.90) is greater than the table value (9.488) at 5 per cent significance level. It is concluded that there is significant relationship between Investors' Annual Income and Attitude towards Mutual Funds.
- The study revealed that in the study area majority of the people were able to save less than Rs.50000. A great majority (93.6%) of the investors are having savings habit.
- The table 5.20 shows that 28.8 per cent of the investors have strongest objective of savings to provide for retirement life.
- From the table 5.23 using Garret Ranking Technique Analysis, it is interpreted that the investors gives first preference to bank deposit savings avenue for the investment purpose.

- From the table 5.25 using one way ANOVA, it is concluded that 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.
- It can be concluded from the table 5.27, that all the variables were significant with respect to the age and level of confidence upon financial plan.
- The table 5.28 highlights the main reason for investing in mutual funds is higher rate of return (38.70%) and no one selected the well regulated reason for investing in mutual funds.
- The table 5.29 clearly indicates that the majority of the investors (28.4%) select mutual funds investment by reading prospectus and annual reports.
- The table 5.30 apparently indicates that the majority of investors (55.2%) purchasing mutual funds units through brokers.
- From the table 5.31 it is clearly found that family & friends are the important majority of the investors (34.1%) prefer as consultancy source of mutual funds investment.
- The table 5.32 shows that, open ended scheme is the most preferred scheme by the investors (51.0%) based on structure of mutual funds.
- The table 5.33 reveals that the most preferred scheme by investment objectives of the investors is growth scheme (51.0%).
- The table 5.34 shows that, most of the investors (52.30%) incurred load expenses.

- It could be observed from the table 5.35, 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.
- From the table 5.36, it is concluded that the investors are able to get perfect information about Mutual Funds through Annual report by Mutual Funds Companies and Newspapers.
- From the table 5.39, it is interpreted that the investors give first preference to Liquidity for the investment purpose using Garret Ranking Technique Analysis.
- It is found from the table 5.41, 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.
- Majority of the investors (40.70%), the expected rate is 10 - 15 per cent depicted in the table 5.43.
- The table 5.44 displays the level of awareness of the investors in mutual funds plans. 60.90 per cent of the investors have the awareness about various plans of mutual fund and the remaining 39.10 per cent of investors do not have such awareness.
- Among the aware investors, majority of the investors (35.74%) have the awareness about open ended mutual fund scheme.

- It is evident from the table 5.46, 135 investors (29.70%) do not have the clear idea about the Public issues. It is the major difficulty faced by the investors.
- The table 5.47 shows that majority 241(53%) investors having the intended to stay in mutual funds for 1 – 3 years.
- From the table 5.48, it is understood that 252 investors (55.30%) have invested below ` 10, 000 in mutual funds.
- 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 meager role in the field of mutual funds.
- The table 5.50 discuss about the help needed by the investors for promoting mutual funds investment. Majority of the investors (43.42%) need help to safeguard money for current and future benefits.
- From the table 5.51, it is clear that 55.30 per cent of the investors have persuasion and moral torture and the balance 54.80 per cent of investors do not have persuasion and moral torture.
- From the table 5.53, it is inferred that top four major factors which influenced the investor 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.

- From the table 5.55 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.
- 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 table 5.57.

6.3 SUGGESTIONS

Based on the study the following suggestions are made:

- There should be more transparency about the companies and their performance so that the investors can decide their investments in the appropriate scheme of mutual funds.
- Corporate governance has to be implemented in all mutual funds exchange.
- Innovative technologies like integration of fund managers, dematerialization, online trading, creation and development of web pages must be brought in mutual fund markets for its growth and attracting the educated investors.
- Strategies like hedging, index futures and so on, must emerge in the mutual funds market to reduce the market risk and provisions must be made to ensure the return, at least, of the principal amount of the investors.
- Suitable strategies must be deployed to encourage women investors. Awareness programmes have to be conducted in all places to induce women investors to play a healthy role.

- The competition to mutual funds market has come from instructional investors like mutual funds and real estate. So the companies must be careful enough in issuing their mutual funds.
- Mutual funds, Debentures and Bonds are familiar to urban investors. But the awareness of their counterparts in rural areas about these are very low.
- Investors are the hub of the mutual funds market. Their satisfaction is the most important factor. Hence, the satisfaction of the investor should be ensured by providing safety, return and liquidity for their investments.
- Mutual fund market should have a higher level critical factors involved in making investment decisions.
- Companies should provide information/education to investors at large with detailed data including the role of SEBI to make them smart.
- Regarding mutual fund market issues, more journals, newspapers and TV media should cover the subject so as to have a wider reach to the investors.
- Maintaining customer relationship through polite response to the customers and promptly attending to their grievances are also recommended.
- Like marketing, here the whole concentration is likely to be “investor-oriented”. Companies are expected to give proper attention to their investors. Service after sales should be given promptly and effectively by advisors / agents. It would be properly watched by mutual fund companies.
- New investors are not advised to invest their money heavily, but instead could select Systematic Investment Plan (SIP).
- As far as the mutual fund market is concerned, research carried out is very less. So, Securities and Exchange Board of India (SEBI) and other agencies may provide assistance to carry out advanced research in this area.

- If the performance of the funds is not satisfactory / good continuously for six months and more, investors are advised to withdraw their money from it.
- Credit rating agencies should rate the equalities and mutual funds for the benefit of the investors.
- SEBI and other intermediaries should evolve suitable strategies to tap the funds in the rural markets by conducting awareness programmes, marketing through self help groups, sale of mutual fund units through village and rural co-operative banks and other measures.
- Investors should think before investing. Collect and analyze enough information about the funds plan to invest. Try to know the AMC, fund manager and his experiences and research section of the particular fund which is selected investment.

6.4. SCOPE FOR FURTHER RESEARCH

Mutual fund is such a wide area of research that no single study can cover its different dimensions. Based on the study done by the researcher, the following suggestions are identified for further research.

- Since the present study is at a district level, it could be extended to the State level and subsequently to national level.
- Attitudes of institutional and corporate investors towards mutual funds.
- Implications of internet mutual funds trading in India can be taken up for the study.
- Effect of technological innovation in mutual funds markets can be studied.

6.5. CONCLUSIONS

It is well established fact that in India the household savings have a dominant role to play in the capital formation of the country. Channelizing the household savings to capital markets has been successfully done by mutual funds in India. An Indian mutual fund market has now grown into a great material market with a lot of qualitative inputs and emphasis on investor protection and disclosure norms. The market has become automated, transparent and self-driven.

Last decade has seen enormous expansion in the size of mutual fund industry in India Especially, the private sector has shown galloping growth. India has achieved the distinction of possessing the largest population of investors next to the U.K. Perhaps ours is the only country to have the largest number of listed companies with around 24 Regional Fund managers and National Fund managers most of them automated.

Psychology of the investing public has undergone a change and more investors are now attracted towards the capital market. In a global capital market environment, Indian mutual fund industry can emerge as one of the strongest players by absorbing investment technology and modified managerial practices in the regional context, while thinking and acting with a global vision. There is a need to overcome weakness of mutual fund companies and provide investors with the most needed good products and services and superior performance.

Today mutual funds are the most popular and the safest parameter for an investor. Thus at the dawn of the new millennium, mutual fund market has increased the wealth of Indian companies and investors. No doubt in strong economic recovery, upturn in demand, improved market structure, and other measures have also been the contributory driving force. Mutual funds can also be suggested to people who prefer long-term investments, because promising greater returns are assured by various mutual funds schemes.