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7.1 INTRODUCTION:

Major findings of this chapter are as below.

1. The subject of financial management is of immense interest to both academicians and practicing managers. Practicing managers are interested in this subject because among the most crucial, decisions of the firm are those which relate to finance, and an understanding of the theory of financial management provides them with conceptual and analytical insights to make those decisions skilfully.

2. Finance is one of the important activities of a business firm. These firms raise funds to acquire manufacturing and other facilities. Thus, the scope of finance includes real and financial assets, equity and borrowed funds, finance and other management functions.

3. The fundamental principle of finance is that a business proposal raises the value of the firm only when it is greater than the initial cash outlay required to implement the proposal.

4. The functions of raising funds, investing them in assets and distributing returns earned from assets to shareholders are respectively known as financing, investment and dividend decisions. Finance decisions include investment of long term asset-mix decisions, finance or capital-mix decision, dividend or profit allocation decision and liquidity or short-term asset-mix decisions which are performed simultaneously and continuously in the normal course of the business. While performing the finance functions, the financial manager should strive to maximize the market value of the shares.

5. Some of the important routine finance functions are supervision of cash receipts and payments and safeguarding of cash balances, custody and safeguarding of securities, insurance policies and other
valuable papers, taking case of the mechanical details of new outside financing and record keeping and reporting.

6. Organization of the finance function typically includes the chief finance officer, who may be designated as direction or vice president, supervises the work of the treasures and the controller. In return, these officers are assisted by several specialist managers working under them.

7. Importance of finance cannot over emphasise. The importance of financial administration involves success of promotion which depends on financial management. Smooth running of an enterprise, focal point of decision making, determinant of business success, measure of performance.

8. Financial management emerged as a distinct field of study at the turn of the 20th century. Its evolution may be divided into three broad phases. The traditional phase, transitional phase and the modern phase. The transitional phase began around the early 1940s and continued through the early 1950s. The modern phase began in the mid 1950s and has witnessed an accelerated pace of development with the infusion of ideas from economic theory.

9. A financial manager is a person who is responsible in significant way to carry out the finance functions which includes raising of funds, allocation of funds, profit planning and understanding capital markets.

10. Net investments are those which are gross investments minus disinvestments for an economic unit. Investment refers to acquisition of some assets. It also means the conversion of money and use of funds for productive and income earning assets.

11. Characteristics of investment include risk, return, safety, liquidity and marketability.
12. The professional management of assets such as real estate and securities, such as equities, bonds and other debt instruments, is called investment management. Investment management services are sought by investors, which could be companies, banks, insurance firms or individuals, with the purpose of meeting stated financial goals.

13. The need for investment management arises due to the existence of a large number of complex financial products, financial market volatility and changes in regulatory requirements.

14. The process or functions of investment management generally consists of five steps of setting the investment objectives, establishing investment policy, selecting the portfolio strategy, selecting the assets and measuring and evaluating the performance.

15. The investor must state and document the matters that would require his attention in future like building human capital and knowledge base, life and disability insurance investment in real estate, children education, charitable activity etc.

16. Investors generally invest for the objectives like income, appreciation of capital, safety, liquidity, hedge against inflation and tax planning.

17. There are different types of securities conferring different sets of rights on the investors and different sets of conditions under which these rights can be exercised. The various avenues for investment, ranging from risk-less to high risk investment opportunities consist of both security and non-security forms of investment. This includes debentures and bonds, equity and preference shares, national savings schemes, national savings certificates, provident funds, corporate fixed deposits, life insurance policies, unit
schemes of UTI, schemes of mutual funds, post office savings, bank accounts and others.

18. Mutual funds are associations or trusts of public members who wish to make investments in the financial instruments or assets of the business sector or corporate sector for the mutual benefit of its members. The fund collects the moneys of these members from their savings and invests them in a diversified portfolio of financial assets with a view to reduce risks and to maximize their income and capital appreciation for distribution to its members on a pro-rata basis.

19. With a view to make the mutual fund schemes popular with the small investors, the Government of India has permitted various tax concessions to the investors. The Equity Linked Savings Scheme (ELSS) implemented by the Mutual Funds, is a further step in this direction. Investment in this scheme will have the benefit of tax concession.

20. A uniform treatment to all the mutual funds and even to venture capital funds is given so that there is a level playing field for all and performance comparisons are meaningful.

As this chapter is purely theoretical chapter explaining only over view of financial management, the researcher has not suggested recommendation for this chapter.
7.2 PROFILE OF MUTUAL FUND:

Major findings of this chapter are as below:

1. Mutual fund is a type of financial intermediary that pools the funds of investors who seek the same general investment objective and invests them in a number of different types of financial claims (e.g., equity shares, bonds, money market instrument). These pooled funds provide thousands of investors with proportional investment managers. The term ‘mutual’ is used in the sense that all its returns, minus its expenses, are shared by the funds unit holders.

2. There are many benefits of investing in mutual funds that can accrue to small investors like diversification benefits, low transaction costs, availability of various schemes, professional management, liquidity, tax benefits, flexibility and well regulated.

3. Investment in mutual fund has its disadvantages like the investors cannot take the decision of investing or selling of the securities, investors face the risk of the fund manager not performing well, the fees charged by the fund reduces the returns available to the investors, etc.

4. The structure of mutual fund is four-tier structure which includes sponsor, trustee, custodian and asset management company.

5. The origin of mutual fund industry in India is with the introduction of the concept of mutual fund by UTI in the year 1963. In 1987 non-UTI players entered.

6. The mutual fund industry can be broadly put into four phases—
   1. First phase(1964-1987) : Establishment and growth of UTI
7. Mutual funds differ from each other on the basis of various factors like their term, investment objectives, types of investors and load of mutual funds. There are different schemes of mutual fund which includes ELSS, income, balanced, gilt, liquid, Gold ETFs, other ETFs, equity and fund of funds investing overseas.

8. There are various schemes of mutual fund in order to attract investors of different nature. With reference to total numbers of schemes of mutual funds, Gold ETF Scheme has shown the tremendous growth which is followed by Income Schemes during 2006 to 2012.

9. During the year 2006 to 2012, the overall growth rate of sector wise total resources mobilized by mutual funds is highest in public sector and category wise resources mobilization by mutual fund is highest in Gold ETFs and the lowest is funds of funds investing overseas. Overall growth rate of many schemes of mutual fund has shown an upward trend during the year 2006 to 2012.

As this chapter is purely theoretical chapter explaining only overview of mutual fund, the researcher suggested recommendation for this chapter.

7.3 PROFILE OF RESPONDENTS AND THEIR OPINION ABOUT MUTUAL FUND INVESTMENT

7.3.1 Major findings:

Major findings of this chapter are as below:

1. Selected 1000 respondents have been distributed according to various demographic characteristics like gender, age, education qualification, occupation, and monthly income.
2. The survey of 1000 respondents shows that 87.90% respondents are male and 12.10% respondents are female who invest in mutual fund.

3. Maximum respondents 47.30% investing in mutual fund are of the age between 26 years to 35 years and minimum respondents 03.10% are above the age of 55 years.

4. Maximum respondents 43.90% and 43.80%, who are graduates and post graduates respectively, prefer to invest in mutual funds while minimum 05.60% respondents who have done their education only upto schooling prefer to invest in mutual fund.

5. Highest salaried respondents 79.20% prefer to invest in mutual fund.

6. The maximum respondents 28.60% earning between Rs.40,001 to Rs.55,000 and minimum respondents 05.20% earning below Rs.10,000 invest in mutual fund.

7. Out of 1000 respondents maximum 982 respondents i.e. 98.20% prefer to invest in mutual fund.

8. Maximum respondents 41.10% prefer their investment term of 6-8 years and maximum 77.50% respondents’ liquidity requirement is average.

9. Majority of the respondents 25.30% save annually Rs. 2, 00,000 to Rs. 3, 00,000.

10. The main objective of maximum respondents 67.10% respondents of saving in mutual fund is to meet future contingencies.

11. Highest respondents 77.10% come to know about mutual fund from brokers and agents and majority of the respondents prefer long term (more than 5 years) for mutual fund investment.
12. Highest respondents 82.40% purchase mutual funds from brokers only and maximum 60.80% respondents prefer systematic investment plan for mutual fund investment.

13. Maximum 83.40% respondents prefer to invest in private sector of mutual fund and 91.00% respondents give 1st rank to private sector.

14. Highest 98.40% respondents prefer open ended schemes of mutual fund.

15. Maximum respondents 91.50% prefer to invest in equity (growth) scheme of mutual fund while the same scheme is given the 1st rank by maximum respondents 82.30%.

16. Maximum 85.50% respondents give high importance to the satisfaction level of mutual fund as a factor affecting selection of mutual fund.

17. Maximum 96.60% and 96.40% respondents agree with the given statements of investment in mutual fund that investment in mutual fund helps them to realize the benefits of stock market investing and entry and exit out of mutual fund is easy respectively.

7.3.2 Recommendations:

On the basis of above findings, following recommendations can be suggested.

1. There are more male respondents than females who invest in mutual fund because generally brokers meet males at their office to convince them for the investment in mutual fund. So the brokers of mutual should meet females also to explain the benefits of mutual fund investment and try to divert their investment options from Gold, F.D. etc. to mutual fund.
2. Mutual fund industry should try to give the assured returns to attract the respondents especially who are above 55 years, who seek their financial security and fixed income in their old age.

3. The respondents who have done education upto only their schooling cannot understand the terms, charges, services and other conditions of mutual fund easily because of their low graduation. So the brokers of mutual fund should explain personally all such things and benefits of investing in mutual fund in detail to increase their ratio.

4. Mutual fund investment should be promoted properly in rural areas where people like farmers are not aware about the benefits of mutual fund, to attract them. Moreover even retired people should be attracted towards the schemes which give fixed and regular income for their financial security to increase their ratio for mutual fund investment.

5. Awareness among the respondents who are earning monthly below Rs. 10,000 should be convinced about systematic investment plan (SIP) where respondents can invest in mutual fund with the minimum amount of Rs. 1,000 and can spare rest of their earning for their basic needs. They should be convinced that such a small amount of investment can give them a big return in future.

6. Only 7.80% respondents do not invest in mutual fund, Such respondents should be attracted by explaining them the benefits of mutual fund investment and should try to divert their options of investment where they are investing.

7. Short term of investment gives generally low return with the low risk. The schemes which can give high returns in short time should be introduced to promote short term investment.
8. The respondents who are earning annually below Rs. 50,000 should be encouraged for SIP where they can start their investment in mutual fund with a very small amount of Rs. 1000 and can get diversified benefits of mutual fund investment.

9. Mutual fund industry should give constant advertisement in newspapers and magazines, TV / Radio and internet with the detailed explanation of various schemes and the benefits of a particular scheme in a simple language so that even a common man can understand easily. As a result the respondents to whom the brokers and agents cannot reach may also be attracted towards mutual fund investment.

10. If respondents purchase their mutual fund units from AMCs, they need to go to the AMCs for registration, purchase, redemption etc. And due to the less staff members in AMCs they cannot provide good services to their clients. But purchasing mutual funds from brokers is easier i.e. they get all the services at their place. Thus, AMCs should increase their staff to provide good services and encourage purchasing mutual fund from AMCs. People should be informed about the online services which they can avail by sitting at their place and not purchasing mutual fund from brokers to avoid commission charges.

11. Maximum respondents prefer equity scheme only to get high return. Respondents should be explained the benefits of other schemes also to attract their investment in different schemes of mutual fund. If mutual fund industry is succeed in such efforts, all schemes of mutual fund can get balanced development.

12. Mutual fund industry should focus on the matters for which respondents gave negative opinion. Mutual fund industry should improve some services like mutual fund investing should give a
definite positive return, return of the principal amount invested in any mutual fund should be assured, due to professional investment a good return should be availed and ups and downs of stock market should not affect the return from mutual fund.

7.4 SECTOR WISE AND SCHEME WISE ANALYSIS OF MUTUAL FUND

7.4.1 Major findings:

Major findings of this chapter are as below:

1. Distribution of respondents according to their preference for the sectors of mutual fund and service level of mutual fund shows that 81.40% respondents in private sector and 93.70% respondents in public sector give high importance to the service level of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and service level of mutual fund. So H₀ is rejected and H₁ is accepted.

2. Distribution of respondents according to their preference for the sectors of mutual fund and satisfaction level of mutual fund shows that 89.00% respondents in private sector and 69.60% respondents in public sector give high importance to the satisfaction level of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and satisfaction level of mutual fund. So H₀ is rejected and H₁ is accepted.

3. Distribution of respondents according to their preference for the sectors of mutual fund and regular income of mutual fund shows that 40.30% respondents give partial importance to the regular income of mutual fund in private sector and 38.00% respondents in public sector give high importance to the satisfaction level of
mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and regular income of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

4. Distribution of respondents according to their preference for the sectors of mutual fund and tax savings of mutual fund shows that 61.90% respondents in private sector and 30.40% respondents in public sector give high importance to the tax savings of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and tax savings of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

5. Distribution of respondents according to their preference for the sectors of mutual fund and time period of mutual fund shows that 64.50% respondents in private sector and 51.90% respondents in public sector give high importance to the time period of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and time period of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

6. Distribution of respondents according to their preference for the sectors of mutual fund and risk factors of mutual fund shows that 65.50% respondents in private sector and 75.90% respondents in public sector give high importance to the risk factors of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and risk factors of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

7. Distribution of respondents according to their preference for the sectors of mutual fund and liquidity of mutual fund shows that 64.70% respondents in private sector and 69.60% respondents in public sector give high importance to the liquidity of mutual fund.
Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and liquidity of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

8. Distribution of respondents according to their preference for the sectors of mutual fund and capital appreciation of mutual fund shows that 81.80% respondents in private sector and 93.70% respondents in public sector give high importance to the capital appreciation of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and capital appreciation of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

9. Distribution of respondents according to their preference for the sectors of mutual fund and fund performance record of mutual fund shows that 64.40% respondents in private sector and 72.20% respondents in public sector give high importance to the fund performance record of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and fund performance record of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

10. Distribution of respondents according to their preference for the sectors of mutual fund and fund reputation and brand name of mutual fund shows that 80.90% respondents in private sector and 91.10% respondents in public sector give high importance to the fund reputation and brand name of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and fund reputation and brand name of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

11. Distribution of respondents according to their preference for the sectors of mutual fund and withdrawal facilities of mutual fund
shows that 28.90% respondents in private sector and 73.40% respondents in public sector give high importance to the withdrawal facilities of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and withdrawal facilities of mutual fund. So H$_0$ is rejected and H$_1$ is accepted.

12. Distribution of respondents according to their preference for the sectors of mutual fund and innovative schemes of mutual fund shows that 54.60% respondents in private sector and 67.10% respondents in public sector give high importance to the innovative schemes of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and innovative schemes of mutual fund. So H$_0$ is rejected and H$_1$ is accepted.

13. Distribution of respondents according to their preference for the sectors of mutual fund and disclosure of NAV on every trading day of mutual fund shows that 21.80% respondents in private sector and 93.70% respondents in public sector give high importance to the disclosure of NAV on every trading day of mutual fund. Application of chi-square test shows that there is significant difference between public and private sector of mutual fund and disclosure of NAV on every trading day of mutual fund. So H$_0$ is rejected and H$_1$ is accepted.

14. Distribution of respondents according to their preference for the type of mutual fund and service level of mutual fund shows that 81.20% respondents preferring open ended schemes and 81.30% respondents preferring close ended schemes give high importance to the service level of mutual fund. Application of chi-square test shows that there is no significant difference between open ended
15. Distribution of respondents according to their preference for the type of mutual fund and satisfaction level of mutual fund shows that 85.60% respondents preferring open ended schemes and 81.30% respondents preferring close ended schemes give high importance to the satisfaction level of mutual fund. Application of chi-square test shows that there is no significant difference between open ended and close ended schemes of mutual fund and satisfaction level of mutual fund. So H₀ is accepted.

16. Distribution of respondents according to their preference for the type of mutual fund and regular income of mutual fund shows that 20.20% respondents preferring open ended schemes and 56.30% respondents preferring close ended schemes give high importance to the regular income of mutual fund. Application of chi-square test shows that there is significant difference between open ended and close ended schemes of mutual fund and regular income of mutual fund. So H₀ is rejected and H₁ is accepted.

17. Distribution of respondents according to their preference for the type of mutual fund and tax savings of mutual fund shows that 54.50% respondents preferring open ended schemes and 31.30% respondents preferring close ended schemes give high importance to the tax savings of mutual fund. Application of chi-square test shows that there is no significant difference between open ended and close ended schemes of mutual fund and tax savings of mutual fund. So H₀ is accepted.

18. Distribution of respondents according to their preference for the type of mutual fund and time period of mutual fund shows that 64.00% respondents preferring open ended schemes and 50.00%
respondents preferring close ended schemes give high importance
to the time period of mutual fund. Application of chi-square test
shows that there is no significant difference between open ended
and close ended schemes of mutual fund and time period of mutual
fund. So $H_0$ is accepted.

19. Distribution of respondents according to their preference for the
type of mutual fund and risk factors of mutual fund shows that
66.60% respondents preferring open ended schemes and 56.30%
respondents preferring close ended schemes give high importance
to the risk factors of mutual fund. Application of chi-square test
shows that there is significant difference between open ended and
close ended schemes of mutual fund and risk factors of mutual
fund. So $H_0$ is rejected and $H_0$ is accepted.

20. Distribution of respondents according to their preference for the
type of mutual fund and liquidity of mutual fund shows that
63.00% respondents preferring open ended schemes and 56.30%
respondents preferring close ended schemes give high importance
to the liquidity of mutual fund. Application of chi-square test
shows that there is significant difference between open ended and
close ended schemes of mutual fund and liquidity of mutual fund.
So $H_0$ is accepted.

21. Distribution of respondents according to their preference for the
type of mutual fund and capital appreciation of mutual fund shows
that 83.80% respondents preferring open ended schemes and
87.50% respondents preferring close ended schemes give high
importance to the capital appreciation of mutual fund. Application
of chi-square test shows that there is significant difference between
open ended and close ended schemes of mutual fund and capital
appreciation of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.
22. Distribution of respondents according to their preference for the type of mutual fund and fund performance record of mutual fund shows that 68.10% respondents preferring open ended schemes and 62.50% respondents preferring close ended schemes give high importance to the fund performance record of mutual fund. Application of chi-square test shows that there is significant difference between open ended and close ended schemes of mutual fund and fund performance record of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

23. Distribution of respondents according to their preference for the type of mutual fund and fund reputation and brand name of mutual fund shows that 83.40% respondents preferring open ended schemes and 68.80% respondents preferring close ended schemes give high importance to the fund reputation and brand name of mutual fund. Application of chi-square test shows that there is no significant difference between open ended and close ended schemes of mutual fund and fund reputation and brand name of mutual fund. So $H_0$ is accepted.

24. Distribution of respondents according to their preference for the type of mutual fund and withdrawal facilities of mutual fund shows that 31.80% respondents preferring open ended schemes and 75.00% respondents preferring close ended schemes give high importance to the withdrawal facilities of mutual fund. Application of chi-square test shows that there is significant difference between open ended and close ended schemes of mutual fund and withdrawal facilities of mutual fund. So $H_0$ is rejected and $H_1$ is accepted.

25. Distribution of respondents according to their preference for the type of mutual fund and innovative schemes of mutual fund shows
that 53.60% respondents preferring open ended schemes and 50.00% respondents preferring close ended schemes give high importance to the innovative schemes of mutual fund. Application of chi-square test shows that there is no significant difference between open ended and close ended schemes of mutual fund and innovative schemes of mutual fund. So $H_0$ is accepted.

26. Distribution of respondents according to their preference for the type of mutual fund and disclosure of NAV on every trading day of mutual fund shows that 22.80% respondents preferring open ended schemes and 31.30% respondents preferring close ended schemes give high importance to the disclosure of NAV on every trading day of mutual fund. Application of chi-square test shows that there is no significant difference between open ended and close ended schemes of mutual fund and service level of mutual fund. So $H_0$ is accepted.

7.4.2 **Recommendations:**

On the basis of above findings, following recommendations can be suggested.

1. Almost all the respondents give high importance to the service level of both public sectors and private sector mutual fund both. Thus all the AMCs should focus to satisfy their investors in terms of the services like easy registration, transactions, withdrawal services, fees and others charges because all the investors seek for the best services from brokers or AMCs.

2. Maximum respondents expect high satisfaction level from private sector mutual fund which includes high return on their investment. Thus private sectors should focus to satisfy their investors who give high importance to the satisfaction level.
3. The respondents who give high importance to the regular income should be advised by the AMCs or brokers to invest in the debt schemes or Fixed Maturity Plan (FMP) which provides regular income be it private or public sector companies.

4. The respondents, who give high importance to the factor of tax savings should be advised to invest in equity schemes whose dividend is tax free, be it private or public sector companies.

5. Risk factor is given high importance by maximum respondents for both private and public sector mutual funds. Such respondents should be convinced to invest in debt funds which are less risky but in such schemes returns are also low.

6. There are maximum respondents who give high importance to the factor of liquidity. Such respondents should be advised by the brokers or AMCs to invest in “liquid and liquid plus” scheme where they can get their money back on a very next day or equity funds in which they can get their money back after six days (3+3) days, which can be in both the private or public sector companies’ funds.

7. In both public sector and private sector, the respondents give high importance to the fund performance record and fund reputation and brand name. The fund houses should focus on the reputation and image by providing good services and high satisfaction to maintain their good record which ultimately helps in maintaining and attracting the present and potential investors.

8. The respondents who give high importance to the withdrawal facilities should be convinced to invest in Systematic Withdrawal Plan (SWP) in which they can withdraw their money at specific time period, be it private or public sector funds.
9. Innovative schemes are given high importance by the respondents such respondents should be explained or they should be made aware by AMCs or brokers about global funds in which they can invest out of India or the schemes in which they can deposit their money in banks and then the same can be transferred into banks i.e. Systematic Transfer Plan (STP) which is available in both private and public sector companies’ funds.

10. Maximum respondents preferring open ended schemes given high importance to the tax savings. Hence they should be convinced to invest in equity schemes which dividend is tax free.

11. The respondents preferring open ended schemes given high importance to the risk factors. Such respondents should be made aware about the debt funds which are open ended and for the short time, which is less risky.

12. The respondents preferring open ended schemes and give high importance to the liquidity requirement should invest in the liquid and liquid plus scheme in which they can get their return on the very next day or in equity funds where they get their money back in (3+3) days.

7.5 CROSS DISTRIBUTION OF RESPONDENTS ACCORDING TO SELECTED DEMOGRAPHICAL VARIABLES WITH SELECTED PARAMETERS OF MUTUAL FUND

7.5.1 Major findings:

Major findings of this chapter are as below:

1. Distribution of respondents according to their selected demographic variables and service level of mutual fund shows that 89.50% male respondents and 10.50% female respondents, maximum 46.80% respondents with the age between 26 years to 35
years, maximum graduates 49.30%, maximum salaried respondents 80.80% and 32.50% respondents earning monthly Rs. 40,001- Rs. 55,000 give high importance to the service level of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and service level of mutual fund. So H₀ is rejected and H₁ is accepted in the cross tabulation of all selected demographic variables of respondents and service level of mutual fund.

2. Distribution of respondents according to their selected demographic variables and satisfaction level of mutual fund shows that maximum respondents which include, 98.30% female respondents, 100% professional respondents, 100% farmer respondents and 100% respondents connected with other occupation, 93.40% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the satisfaction level of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and satisfaction level of mutual fund. So H₀ is rejected and H₁ is accepted. But maximum 93.50% respondents having the age above 55 years give high importance to the satisfaction level of mutual fund where H₀ is accepted. So there is no significant difference between age of respondents and satisfaction level of mutual fund.

3. Distribution of respondents according to their selected demographic variables and regular income of mutual fund shows that maximum respondents which include, 88.80% male respondents, 48.10% respondents having the age between 26 years to 35 years, 42.20% post graduates, 79.10% salaried respondents, 44.20% respondents earning monthly between Rs. 10,001 to Rs.
25,000 give high importance to the regular income from mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and regular income of mutual fund. So $H_0$ is rejected and $H_1$ is accepted in the cross tabulation of all the selected demographic variables and regular income of mutual fund.

4. Distribution of respondents according to their selected demographic variables and tax savings of mutual fund shows that maximum respondents which include, 87.60% male respondents, 52.30% respondents having the age between 26 years to 35 years, 45.70% graduates, 86.10% salaried respondents, 37.50% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the tax savings of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and tax savings of mutual fund. So $H_0$ is rejected and $H_1$ is accepted in the cross tabulation of all the selected demographic variables and tax savings of mutual fund.

5. Distribution of respondents according to their selected demographic variables and time period of mutual fund shows that maximum respondents which include, 88.60% male respondents, 52.20% respondents having the age between 26 years to 35 years, 54.10% post graduates, 89.00% salaried respondents, 39.00% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the time period of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and time period of mutual fund. So $H_0$ is rejected and $H_1$ is accepted in the cross tabulation of all the selected demographic variables and time period of mutual fund.
accepted in the cross tabulation of all the selected demographic variables and time period of mutual fund.

6. Distribution of respondents according to their selected demographic variables and risk factors of mutual fund shows that maximum respondents which include, 83.40% male respondents, 58.00% respondents having the age between 26 years to 35 years, 54.50% post graduates, 73.50% salaried respondents, 32.80% respondents earning monthly between Rs. 10,001 to Rs. 25,000 give high importance to the risk factors of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and risk factors of mutual fund. So $H_0$ is rejected and $H_1$ is accepted in the cross tabulation of all the selected demographic variables and risk factors of mutual fund.

7. Distribution of respondents according to their selected demographic variables and liquidity of mutual fund shows that maximum respondents which include, 89.30% male respondents, 35.60% respondents having the age between 26 years to 35 years, 56.30% graduates, 74.60% salaried respondents, 33.00% respondents earning monthly more than Rs. 55,000 give high importance to the liquidity of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and liquidity of mutual fund. So $H_0$ is rejected and $H_1$ is accepted in the cross tabulation of all the selected demographic variables and liquidity of mutual fund.

8. Distribution of respondents according to their selected demographic variables and capital appreciation of mutual fund shows that maximum respondents which include, 86.20% male
respondents, 51.70% respondents having the age between 26 years to 35 years, 47.00% post graduates, 87.60% salaried respondents, 29.40% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the capital appreciation of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and capital appreciation of mutual fund. So H₀ is rejected and H₁ is accepted in the cross tabulation of all the selected demographic variables and capital appreciation of mutual fund.

9. Distribution of respondents according to their selected demographic variables and fund performance record of mutual fund shows that maximum respondents which include, 92.50% male respondents, 53.20% respondents having the age between 26 years to 35 years, 55.70% post graduates, 71.80% salaried respondents, 28.40% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the fund performance record of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and fund performance record of mutual fund. So H₀ is rejected and H₁ is accepted in the cross tabulation of all the selected demographic variables and fund performance record of mutual fund.

10. Distribution of respondents according to their selected demographic variables and fund reputation and brand name of mutual fund shows that maximum respondents which include, 88.20% male respondents, 42.10% respondents having the age between 26 years to 35 years, 44.10% post graduates, 78.50% salaried respondents, 32.00% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the fund
reputation and brand name of mutual fund. Application of chi-
square test shows that there is significant difference between
selected demographic variables of respondents and fund reputation
and brand name of mutual fund. So H₀ is rejected and H₁ is
accepted in the cross tabulation of all the selected demographic
variables and fund reputation and brand name of mutual fund.

11. Distribution of respondents according to their selected
demographic variables and withdrawal facilities of mutual fund
shows that maximum respondents which include, 79.40% male
respondents, 56.30% respondents having the age between 26 years
to 35 years, 56.90% post graduates, 90.20% salaried respondents,
50.20% respondents earning monthly between Rs. 10,001 to Rs.
25,000 give high importance to the withdrawal facilities of mutual
fund. Application of chi-square test shows that there is significant
difference between selected demographic variables of respondents
and withdrawal facilities of mutual fund. So H₀ is rejected and H₁ is
accepted in the cross tabulation of all the selected demographic
variables and withdrawal facilities of mutual fund.

12. Distribution of respondents according to their selected
demographic variables and innovative schemes of mutual fund
shows that maximum respondents which include, 88.00% male
respondents, 44.50% respondents having the age between 26 years
to 35 years, 50.10% post graduates, 91.20% salaried respondents,
37.20% respondents earning monthly between Rs. 40,001 to Rs.
55,000 give high importance to the innovative schemes of mutual
fund. Application of chi-square test shows that there is significant
difference between selected demographic variables of respondents
and innovative schemes of mutual fund. So H₀ is rejected and H₁ is
accepted in the cross tabulation of all the selected demographic variables and innovative schemes of mutual fund.

13. Distribution of respondents according to their selected demographic variables and disclosure of NAV on every trading day of mutual fund shows that maximum respondents which include, 96.10% male respondents, 43.70% respondents having the age between 36 years to 45 years, 59.80% graduates, 91.70% salaried respondents, 42.80% respondents earning monthly between Rs. 40,001 to Rs. 55,000 give high importance to the disclosure of NAV on every trading day of mutual fund. Application of chi-square test shows that there is significant difference between selected demographic variables of respondents and disclosure of NAV on every trading day of mutual fund. So \( H_0 \) is rejected and \( H_1 \) is accepted in the cross tabulation of all the selected demographic variables and disclosure of NAV on every trading day of mutual fund.

7.5.2 **Recommendations:**

On the basis of above findings, following recommendations can be suggested.

1. The importance of the service level of mutual funds like registration, purchase, redemption, ups and downs of security market etc. should be explained to the female respondents and the respondents who are earning below Rs.10,000 by the mutual fund industry to attract towards investment in mutual fund.

2. Satisfaction level is very important factor for female respondents, farmer respondents and the respondents having the age above 55 years. Mutual fund industry should try to satisfy such groups to
invest in mutual fund by providing high return and financial security to them.

3. Mutual fund industry should explain the importance of regular income to the female respondents who do not give high importance due to lack of information and also to the respondents earning below Rs. 10,000 who can get regular income by adopting SIP in which they can start with minimum Rs. 1,000.

4. The schemes in which the respondents can invest for short time and can get high return should be explained to the females, farmers and those who earn below Rs. 10,000 to make them understand the importance of time period for mutual fund investment.

5. Risk factor is one of the most important factors of mutual funds. Maximum male respondents, respondents of 26 years to 35 years, post graduates, salaried respondents and the respondents who earn between Rs. 10,001 to Rs. 25,000 give high importance to the risk factor. They should be advised by AMCs or brokers to invest in such a way that can reduce their risk.

6. Liquidity requirement of almost all the respondents are average and they give high importance to this factor. Thus mutual funds should be flexible enough to be withdrawn and get cash whenever the respondents want or lock in period should be short so that these respondents can fulfil their requirement of liquidity.

7. The respondents who given high importance to the capital appreciation should be advised by the AMCs or brokers to invest in more than one scheme. So if there is a loss in one scheme due to ups and downs of security market, another scheme gets profit. Thus they will be able to satisfy their need of capital appreciation.

8. Generally respondents consider the performance record of the funds in which they want to invest their money. Thus, the mutual
fund houses should inform such respondents about their performance periodically without fail which can give them the satisfaction about their investment in a particular fund.

9. Fund reputation and brand name plays an important role to maintain and to attract the investors. AMFI should keep a constant watch on the transactions of the fund houses which protects the interest of the investors that ultimately build its reputation and brand name.

10. Scheme innovation is very important factor for maximum male respondents, respondents of 26 years to 35 years, post graduates, salaried respondents, respondents earning between Rs. 40001 to Rs. 55000 expecting more earnings. To satisfy such a need, fund houses should suggest the global funds which have innovation of investing out of India and Systematic transfer plan (STP) to keep their interest alive in mutual fund market.