CHAPTER-2: REVIEW OF LITERATURE

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2.1 Introduction

A literature review is provides historical based information in the literature related to over selected area of study. The review should be described, summaries, assess and explain this literature. It should give theoretical base for the research and help us determine the nature of our research. Second chapter study the articles, literature and scholarly journals which is directly related with my study. The portfolio management is essential it is a matter of concern for the investing community. The main attention of my study is “Performance Appraisal of managed portfolio – A Study of the selected mutual fund schemes and investors perceptions in special reference to Gujarat state”.

Figure 2.1 Review of Literature
2.2 Literature Review Based on Thesis

Irissappane (April 2000)¹ the study was selected the close-ended fund of UTI, LIC mutual fund and Can bank MF in special reference to growth and income type of scheme. The study concluded that growth scheme from selected institution hardly provided fair return. In context financial reforms managing of mutual fund has become more challenging than ever before. New model of management like new way of thinking, new knowledge, new skill and new techniques must be implemented. The study observed that return generated from most of the schemes is far below the expectation. Therefore, the fund managers have to concentrate on superior portfolio management techniques in managing their corpus and generate a fair return to the investors. Government and status alone cannot provide full protection to the investors. Fund managers and investors should release their responsibilities to minimize the gravity of the problem.

Gupta Amitabh (2001)² evaluated the performance of 73 selected schemes with different investment objectives, both from the public and private sector using Market Index and Fundexs. NAV of both close-end and open-end schemes from April 1994 to March 1999 were tested. Under the research found that sample schemes were not adequately diversified, return of schemes and risk was not in consistency with their objectives. There was no evidence of market timing abilities of mutual fund industry in India.

Naidu (2002)³ pointed the investors’ perceptions on mutual fund of rural and urban investors in Nellore District of Andra Pradesh. Popularity of mutual fund in developed countries like USA in which they account for 40 to 54% of financial saving. Growth of mutual fund in India share in house hold saving raised from 0.3% in 1980-81 to 5.2% in 1999-2000. SEBI need to develop a comprehensive and scientific system for measuring the performance of the all types of mutual fund schemes. This thesis found out that taking long term view of investment,
management avoiding emotional reaction with market movement, invest frequently, setting logical expectation and hold mix investment.

**Leelamma (2004)** studied “performance appraisal of SBI mutual fund with special reference to kerala state.” Various mode of investment by its nature, investor perspective and current performance from this it emerges that each investment alternative has its own strength & weakness. The basis aim of SBI MF is to provide a vehicle for industries to avail the opportunities offered by the capital and money market. MF gives better return than bank deposits. Management of RBI aware that expectation vary from investors to investors and attempt to cater to different need of investors through various schemes return, safety and liquidity packaged in different forms are the tree main features offered by SBI mutual fund to the investors.

**James (June 2007)** studied shown that scenario of mutual fund in India and around the world. The study analyzed data on expenses, income, net assets and evaluation of expenses incurred, income generated and net assets acquired by mutual fund. A multi dimensional analysis of these data has been performed using percentage, trend analysis, ratio, chi-square test, Anova and multiple regression models. The investor’s performance of various mutual fund scheme across industry sector and fund categories analyzing using average annualized NAV gains, standard deviations of NAV, beta co-efficient, Sharpe & Treynor ratio, portfolio alpha & R-square. In Indian MF market average redemption is the highest in the case of liquid MF followed by income fund. The Variation in the net assets held by different categories of funds is found statistically highly significant. It was found that there exist wide range of diversifies in the matter of profile, structure composition, behavior pattern in respect of expenses, income, corpus and net assets of AMCs as well as risk features, risk-return relationship, ability to cover the risk-less returns, market timing ability and portfolio diversification of fund schemes across the sectors and categories.
Lakshmi (October 2007)⁶ “performance of the Indian mutual fund industry: a study with special reference to growth schemes.” The study was evaluated the performance of growth schemes using Sharpe, Treynor, Jensen and Eugene Fama’s measure of portfolio evaluation. The study covered the investor perception (investors, Brokers and fund manager) regarding MF. As per study Investor gives more preference to bank deposit and broker preferred equity shares. Investors and brokers preferred Private sector, joint venture and growth schemes. Regular income, profitability, safety and tax benefits appreciated investors in the choice of scheme, Fund manager viewed that MF have the ability to weather the investing in fund is much better in terms of return than depository money in banks. It was suggested that mutual fund as institutional investors have to ensure professional market analysis, minimizing of risk, optimum diversification and optimizing of return. Fund manager have to provide facilities of professional management by way of market timing & stock selection skills. AMC managed way of superior management, efficient market forecasting and consisting in the performance.

Ande D. G. (September 2008)⁷ thesis determined the factor that the drive from portfolio fund managers performance. Study examine eighteen criteria for evaluation the factor affecting the performance of mutual fund and the four core factor affecting the performance of the open - ended equity schemes are existing return, stock selection and timing, risk management and excess return over the benchmark. Systematic risk and unsystematic risk are equally essential factor after lower risk, it’s considered for the portfolio.

Malhotra (2009)⁸ the study was shown that there is no positive relationship between the past and the current performance and there is an inverse relationship between the transaction cost and performance of the funds. Large number of respondent considered return is the most essential parameter for selecting the schemes of mutual funds. Past record, growth prospects, credit rating by different credit rating agencies and market fluctuations significantly influence for
investment decision. Private sector mutual fund secured and well performed than public sector MF. Factors like Goal, time, risk, inflation, internal & external factor also considering before taking decision regarding investment.

Batra (2010) problem studied “Marketing practices of mutual fund.” Practice of marketing play vital role on exposure of mutual fund schemes. The survey has brought out that satisfaction relating to advertising budget that marketing executives are less satisfied. Its recommended that SEBI should grant mote advertisement budget to mutual fund companies, appoint educated & experienced agent for further growth and healthy relationship, agent focus on real bonds making power between company and investors, increased advertisement about the product, provide sufficient training to the employees, organizing seminars, workshop company can create awareness among the corporate line, government office and even fund managers, focus on rural youth bring transparency in the transactions. In case of communication channel personal contact effectively influences investor behavior as compared to other channels. Awareness of MF in semi urban area, rural area should be created to have appropriately sales in all areas.

Rao (November 2010) objective of the study was to evaluate selected mutual fund of the industry and assess perceptions of mutual fund investors. Study covered Franklin Templeton, ICICI MF, LIC MF, Reliance MF, SBI Magnum MF and UTI MF. From the MF companies 25 MF schemes has selected for the study. Actively managed portfolio, timing, selectivity and other factors will affect the return of a fund scheme. Close-end mutual fund manager have more leeway and less career risk than open-ends. Because it’s simple, redemption pressure and mutual fund investors are not long-term partners. Respondent give least preference to tax benefits SEBI is actively regulating the mutual funds to reduce the costs to investors. But the IRDA’s regulation is not stick so the insurance companies are benefiting a lot by offering ULIPs.
Sasidharam (2010) researched about investment in equity and equity culture in Kerala state. Corporate equity culture and level of satisfaction among the people in Kerala was low. Study was suggested that the response of investors to the government should focus on the main facets like discover and punish the guilty-to deter future offenders, recover the money and reform the financial system, availability of more brokers in rural area, encourage people to make investment in primary market and organized awareness program at college level. It was stated that capital market helps to mobilization of savings of individual and pulls them into reservoir of capital which can be used for the economic development of the country if proper measures were taken to satisfy investor preference.

Priya (April 2011) study revealed that the investment pattern, investors attitude, perception, level of grievance and redressed mechanism. Study classified investors in the small and large investors. Majority of the investors was long-termed investors. Essential strategy adopted by investors is keep holding till the return matches the target. Major factor considered among small investors are liquidity factors, brand equity, risk involved & past performance of the funds. Whereas among the large investors influencing variables like scheme portfolio, reputation of fund manager and type of fund. Risk tolerance level using Hery’s Garrett ranking techniques how low risk is debt fund, gold fund, balance fund, tax fund and diversified fund. Fund which have high risk are sector fund, reality fund, index fund and equity fund. Investors attitude toward essential risk among the small investors have market risk, political risk and management risk among the large investors have industry, market & current risk. Mutual fund investors viewed problems among small investors are untimed investment, poor portfolio and wrong investment pattern. Large investors faced problem like poor fund management, delay in redemption request, non-publication of daily NAV, inefficient fund manager and recession in dollar value. It was suggested that AMC care in appointment of fund manager reputation & manager can allow to
manager more than 3 schemes at a time, constant new law for the protection of MF investors, SEBI control biased investment recommendation, efficient audit should be made compulsory, compulsory rating for all MF schemes, organized a Grievance committee on every state capital, more focus on rural and semi urban area (small investors) and AMC should give up top priority to mutual fund investors.

Zabiulla (October 2011)\(^\text{13}\) examined the sample of 220 equity growth-oriented equity schemes for the portfolio strategies and performance of fund manager in India. Mutual fund consist a higher risk than the market volatility. The fund manager was failed to identify the individual stock that are under value & include them in the MF portfolio. The study was analyzed that Indian fund manager were engaged in market timing but fail to outguess the broad market movement & fail to determine the right time to enter/exit the market. Information ratio found to be satisfactory to provide the investors with the incremental return given the level of benchmark relative risk. Large cap and small cap stock portfolio holding generate the excess return than small cap fund.

Neelakantan (2011)\(^\text{14}\) the aim of the study was to understand investment pattern of debt market, factor considering while investment in debt market and how’s industry, market and company analysis helps to generate decision - making. It was concluded that investment pattern of debt market investors is based on their objectives, time frame, return expectation and risk tolerance attitude. Investment in debt market is proving good decision on long run because it involves a trade between the risk & return. Long term investment strategy like investing from income, value investing and growth investing strategies helps investor can be successful in their investment portfolio. Diversification considered essential instrument in debt market investor should purchase not less than 15 different investment instruments if possible.

Vennila (June 2012)\(^\text{15}\) the author study about ten mutual fund schemes performance on the basis of five - year data covered open - ended scheme only.
Fact analyzed that high rate of diversification in schemes provide better growth performance than investment diversification was less. Study concluded that HDFC top 200 and HDFC equity fund schemes performed steadily during both pre and post recession period. It is much advisable for the client to invest in this scheme. In Indian capital market MF need to take some strategy to bring more confidence among investors would be able to project the image successfully. To suggested that investors should not only consider past performance of fund in order to select AMC but considered portfolio evaluation with regard to fund managers, criteria for deciding asset mix and vision of the manager with investors satisfaction.

R. Manimurugan (July 2012) study based on “investors perception and attitude towards mutual fund investment in Namakkal district.” It was observed that large number of investor’s complaints and grievances regarding the mutual fund schemes are not properly resolved. It was found that mostly respondents opined that there were limited visits made by the mutual fund agent to contact the investors. Male and marred respondents have more attractive toward fund investment and also supplied relevant information about withdrawal facilities of the mutual fund investment. Private sector MF played a crucial role followed by bank sponsored mutual funds and other market players.

Senthil (December 2012) “An evidence based investigation of individual portfolio decision - making in Indian perspective”. Financial decision making of individual investors influenced factor like awareness about investment avenues, financial concept, saving & spending, discussing financial problem and current reform in financial market. Respondents were selecting mutual fund investment because of flexibility of changing the scheme of the fund & professional management. The ranking preference of the investors found using Fuzzy techniques shows the following order bank deposit, post office, real estate, gold, mutual fund and shares.
Johan (2012)\textsuperscript{18} the author was studying implementation of active portfolio management and construction in investment strategy. The main aims of the study was an investment strategy by assembling a diversified portfolio with the aim is to determine whether active portfolio management is more attractive than high performance benchmark investing on a long term basis. Under the thesis research methodology covered applied theoretical approach and expert interview. Optimizing the portfolio against a strong performing benchmark prescribes concentrated portfolio. To obtain High expected return from investment fund need to be allocated to a combination of investment opportunities with both very high and very low systematic risk in order to maximize expected return & retain systematic risk at market level.

Mahajan (2012)\textsuperscript{19} studied “management of portfolio – a research study of investors”. It’s helpful for the investors to choose proper investment avenue and to generate profitable investment portfolio. The study was focus on investor’s awareness about different investment options and portfolio management. The survey of management of portfolio by investors was conducted in Mumbai. A various investment options have been covered like shares, debentures, bonds, government securities, insurance policies, mutual fund, silvers/gold & real estate. The study was found that most of educated investors in Mumbai saved around 27\% of their household income. Study suggested to the investors that instead of keeping long term investment their time horizon should depend of objectives & type of investment avenues and suggest than marketable investment are profitable. It was also concluded that investors are not interested in PMS Service because lack of positive response from PMS and it costly and it is restricted to equity only.

Purnima Mehta (2012)\textsuperscript{20} examined the profile and perception of investors towards mutual funds. The study was covered three city of Gujarat. Investors profile including variables like age, marital status, occupation, education, qualification, monthly income, expenditure and savings. It was found that
The purpose of saving by the respondents was for children education (56.33%), followed by retirement. Most of the respondents (76%) preferred to invest in open-ended schemes, growth scheme, SIP of mutual funds. It was guide to mutual fund companies that provide information to public regarding usefulness of investment in mutual fund and investors considered only one or two factors for investing in mutual fund, but they should considered other factors such as higher return, degree of transparency, efficient services, fund management and reputation of mutual fund investors investing in a combination of schemes to achieve their specific goal.

Jinqiang Guo (2012) under the thesis author was studying quantitative investment strategies and portfolio management in hedging fund. This paper evaluate a long term tactical assets’ allocation strategy helps term short-term opportunities in the capital market while benchmarked against the long term strategic portfolio. Empirical result in the paper suggested that the information ratios are quite impressive under the multi-period conditional strategies, especially under the multi-period conditional strategy. It analyzed issue of matching tactical asset allocations with long-term strategic assets allocation and investor prefers to keep systematic risk exposures with short-term active portfolio strategy.

Sharma (June 2013) India’s Agro based economy and the fact that organized future market emerged in India. Diversified basket of Agro climate zone ensured that the bust in one part of the country, it is made well by a boom in another part. Hence, nature has ensured that the economy of the country against adverse fallout.

Nagajothi (July 2013) it was focus on analyzing technique & strategies of investors, investment preference and satisfaction in portfolio management. Which technique investors adopted for portfolio management it’s based on analysis. It may be ignored unsystematic risk and other essential factors. Mutual fund investors prefer company reputation as the most desirable factor to invest.
Investors have speculative approach toward mutual fund. Investors belong from 25 to 30 age group are highly satisfied & preferred to invest in mutual fund considering it to be less risky. It was recommended that mutual fund has highly to market risks.

**Thomas (July 2013)** the studied the investors pre-buying behavior and post buying behavior using structural equation model. The result of SEM shows that factor considering in mutual fund investment behavior were divided among four covered like investment factor, pre-buying behavior, post-buying behavior and portfolio revision. The pre-buying behavior influenced by product attributes & environment forces. Post-buying behavior measured by redemption, additional buying & future buying intention and portfolio revision refer to the switching behavior of the investors.

**Mangawa (2013)** the study carried out on selected equity schemes, diversified schemes, income balance fund, balance fund, monthly income plan, short term and long term fund according to four/five stars rating by mutual fund insight. R-square indicates the superior performance of the fund manager with risky market. It would suggest that moderate risky investors invest in balance schemes. Mutual fund industry needs to develop research wing to predict the market volatility which helps to create efficient portfolio management.

**Ansari (2013)** author study about equity fund, equity tax fund, balance fund, bond fund and cash fund schemes of mutual fund. According to the nature of the 45 schemes selected as sample. Research was shown that trend analysis of average NAV of equity fund schemes and tax planning scheme has increasing trend. Global financial meltdown occurred during 2007-09 has affected by NAV of equity schemes. Equity fund scheme provided highest risk & return & the lowest risk & return in cash of funds scheme. Investor’s opinions that investing in MF was less risky compared to share. It was more suitable to small investors who want entering into capital market. Broker opinion that risk and return features of Indian mutual fund were not in conforming to their stated objective.
manager view that the MF have ability to weather the market fluctuation and accepted that investing in fund is better in terms of return than depositing money in banks.

Murthy (2013) study examined the “investment behavior of working women with a special focus on equity oriented securities.” Finding of the study was high proportion of working women is participating in household investment decisions, equity investors are relatively younger, women are entering into equity market through mutual fund and insurance. Majority of working women perceive that equity investment suits them, most of the women investors are making equity investment to create wealth, risk and return are not the prime factors deciding equity investment, occupation play major role in decision of investment, misuse of derivative product by women investors. Most of preferred online investment and less awareness about risk minimizing techniques of MF schemes. It was suggested that provided the required amount of time, increase awareness and knowledge, focusing more on risk minimizing techniques, emotional balance, improve commitment & seriousness, formulation of personal financial plan, professional advice, participation in investor education programs, networking, virtual investment game, family member support, raising role of media in promotion and support by the government etc.

Goel (2013) under the research study the author was evaluated the performance of MF with various input and output has been tested on the basis of their efficiency and inefficiency and also analyzed the performance of MF with their attributes. Author study 119 MF schemes included balance scheme, equity/growth scheme, income funds and equity linked saving schemes. Primary data collected through questionnaire from MF investors and non MF investors. 23 balance MF schemes and it was found that 15 schemes (65%) come out to efficient and rest of 8 (35%) were inefficient. It has found the cause of inefficient performance of MFS in load fees, charges by companies, expenses ratio, and risk involve in term of beta and minimum initial investment. MF companies should
focus to reducing their expenses and management fees, if older MF not performing efficiently so winding up or through review of strategy is needed/restructured, large MF not performed well then either to improve their management or avail limited funds. Investors expect good regulations, experts’ advice and strong grievance mechanism.

**Chapadia (January 2014)** study reach the factor influence mutual fund investors behavior. Behavior finance covered sociology (Human social behavior & group), Psychology (scientific study of behavior & mental process) and Finance (Availability of making decision, capital acquisition and allocation). The study reveals that mutual fund expand but same time some schemes not performing well hence its challenge to the investor to pick the right schemes. Investors suffer from varies biases like representative bias, frame dependence, familiarity bias, over confidence and psychology of risk. This thesis proves that investor’s behavior towards mutual fund is not rational but behavior biased.

**Sharmacharjee (2014)** the researcher point out the performance of selected thirty schemes of the five selected AMC during the period April 2001 to 2011. The performance analyzed through Sharpe ratio, Treynor ratio, Jensen Alpha, Sharpe differential return, M-M measure and fema’s selectivity. The analysis shows that as compared to the fund average 43% schemes earned good return, 47% schemes perform better in term of Sharpe ratio, 30% in terms of Jensen Alpha, 53% in terms of Treynor ratio and 57% schemes were more risky.

**Patel (2014)** economic analysis of growth scheme of SBI and reliance mutual fund describes using index number. 56% Indian household saving held in bank deposit, 16% in insurance, 10% in currency, 5% in share/bond/debenture and only 2.5% invest in mutual fund industry. In 2013 contribution of SBI mutual fund and Reliance mutual fund was 6.7% and 11.5% respectively in total asset under management.

**Vanipriya R. (Feb. 2014)** perception of mutual fund investors depend upon the tax benefits, security & futuristic return. Present study outlines that mostly the
investors have a positive approach towards investing in mutual fund funds. Investor perceptual difference between the public and private sector mutual fund towards safety factor provide sector mutual fund is more than public sector. Private sector provided transparent information through television, magazines, and public sector mutual fund investors getting vast Tax benefits than private sectors. Mutual fund of petroleum companies and banking sector influence most investors to perceive the returns. Based on the observation it was suggested that investor has chosen equity or stock market related mutual fund, then he may go for SIP method. Mutual fund companies offer document should be simple & free of technicalities. Investors must be diversified investment in different mutual fund. The evaluation of mutual funds has been a matter of concerns in India for the researchers, fund managers, academicians and financial analysts to a great extent after 1985.

Joshi (April 2015)\textsuperscript{33} the purpose of the thesis was to investigate if an investor can apply modern portfolio theory in order to achieve a higher return than investing in an index portfolio. Under the study analyzed twenty Index. Study shown that portfolio created as per Markowitz portfolio theory gives more return than NSE nifty indexes. Negatively correlate assets in the portfolio would reduce portfolio risk and minimize overall risk. Risk and return of portfolio depends on assets of portfolio and their correlation other than portfolio there is less risk and more return comparing to NSE nifty 50.

Rajkumar (May 2015)\textsuperscript{34} its pertains to investor strong agreed to guarantee of capital, low risk, long term benefit and well return regulated by SEBI. Mutual towards safety factor private sector mutual fund is more than public sector. Investors has chosen systematic investment plan and avoid investing in the sector fund. Perceptions of respondents depend upon Tax benefits, security and futuristic return.

S. prakhsh (Sep. 2015)\textsuperscript{35} the author was studied “perception of small investors towards mutual funds: a study with reference to Chennai city”. Performance
analysis of various mutual funds in calculated using Jenson’s alpha, Treynor ratio, Sharpe and Beta Ratios. The techno portfolio advisor predict the investment decision of investors across mutual fund companies using fuzzy logic considering the parameters such as investors age, Return rate & goal. The study covered five aspects of mutual fund like product awareness, awareness of asset management company reputation, understanding mutual fund risk, quality of investment advisors and understanding asset management company services. The suggestion was given like investor service, new product design, streamline cost, investment advisor decision, high distribution network model, investment advisor discount, and Grab rural sales and technology usage. AMC need to reorient their business towards fulfilling customer needs like customer seek reliable investment advisor, the manufacturer – distributor – customer relationship for collectively promoting the financial success of customers across all facets their professional & personal lives. Hence, require creating network of experts in funds management along with financial advice, innovative product offerings technology support and efficient service delivery.

2.3 Review of Literature Based on Research Paper

Magnum Eovald (April 1998) author has studying about how different model of portfolio management are helping to convert input into better output. He studied Different types of theory including indifference curve and risk aversion, efficient set, capital asset pricing model, portfolio management and information theory and universal portfolio. It’s concluded that general investment theory and information theory will gain a greater insight into portfolio management. Portfolio selection will be considered as well as empirical distribution of future market performance.

R. Vaidyanathan (1999) the study was based on “Asset-liability management: issues and trend in Indian context”. It focused on up-and-coming contours of
conglomerate financial services & their implications for asset and liability management. It’s refers to the management of deposits, credit, investment, borrowing, forex reserve and capital. It was concluded that reorienting our institutional structures and having a conglomerate regulatory framework for monitoring capital adequacy, liquidity, solvency and marketability etc.

Narasimhan M S and Vijayalakshmi S (2001)\textsuperscript{38} analyzed the top holding of 76 mutual fund schemes from January 1998 to March 1999. The study showed that, 62 stocks were held in portfolio of several schemes, of which only 26 companies provided positive gains. The top holdings represented more than 90 percent of the total corpus in the case of 11 funds. Top holdings showed higher risk levels compared to the return. Correlation between portfolio stocks and diversification benefits was significant at one percent level for 30 pairs and at five Percent level for 53 pairs.

Livio Stracca (2005)\textsuperscript{39} he studied about delegated portfolio management analysis with principal (Investors) and Agent (portfolio management) model. Under this model agent informed to the principal about it is own quality (adverse selection) or can obtain superior information through valuable efforts which is ignored by the principal (moral hazard). Such paper concluded the agent control efforts and can influence risk makes it more difficult for the principal to write incentive friendly contracts which are optimal from her standpoint and also influence on reputation concern. Delegated portfolio management should be able to determine the optimal structure in a principal and agent setting its general equilibrium implication jointly.

Hoda Tabeli (2007)\textsuperscript{40} the study covered three area like relationship portfolio model, portfolio theory and business banking relationship. The Development of relationship portfolio model claims implicitly or explicitly that they could easily use model as a managerial tool.
Ravichaandram (2008)\textsuperscript{41} the objective of the study who are risks adverse for trade in derivatives the development of derivatives has carried in response to a search for higher yields and lower funding costs analyzed that majority of respondent (36\%) preferred wealth maximization instruments followed by steady growth instruments. Respondents receive that market risk & credit risk is major observed than legal risk and operational risk. Chi-square test it found that risk factor is highly considered in financial market. In derivatives market most of the investors stock index futures followed by stock index options. So the institute should develop more product by it can attract more investors through the stock market is subject to high risk by using derivatives the loss can be minimized to an extent.

Kasilingam & Jayabal (2009)\textsuperscript{42} this study was attempt to measure the nature of perception of investors about small saving schemes will have an essentially impact on the saving behavior of peoples. Factor analysis was used to reduce variables into smaller number of manageable variables by exploring common dimension available among the variables. Under the study in factor analysis perception factors covered convenient set-up, government aid, populist scheme, nationalist, savings, awareness and development etc. the analysis was presented that perception of investors has an impact on their risk bearing capacity and range of investment. It was also shown that perception is influenced by age, experience, saving motive, tax consideration and behavior of individuals. Description analysis concluded that experience is the discriminate factors, if people get good service and return during investment tenure, they will have positive perception otherwise negative perception will persist.

Pierre Hereil, Philippe Mitaine, Nicolas Moussavi and Thierry Roncalli (June 2010)\textsuperscript{43} study carried out on “mutual fund ratings and performance persistence”. It concluded that fund selection is more art than science and quantitative analysis combine with qualitative insight. In equity mutual fund return based on right stock selection at right time. It’s purely depending on fund
manager ability. Due to homogenous investment behavior difficult to compare the performance of the mutual fund selection of mutual fund not using only quantitative analysis but qualitative is also necessary. Performance support that persistence exists on short term horizons but it’s become less relevant over longer periods.

Elizabeth, John & Arnoud (2011)\textsuperscript{44} those researchers was study about the “project portfolio management in turbulent Time”. The study covered the industries like News & media, professional, service, insurance, pharmaceutical and IT service. This research has identified practices that strategic alignment of projects like Visibility of project, allocating the scarce resources, prioritization and categorization of project, balancing risk across projects and deescalation of projects. The study concluded lessons for manager such as right projects, aligning strategic with objectives, align numbers of project with effective governance process, focusing skill resource rather than funding, stopping no longer sufficient project etc.

Dr. B. Nimalathasan and Mr. R. kumar Gandhi (March 2012)\textsuperscript{45} researchers took equity diversified schemes and mid-cap schemes of the four banks and performance of the schemes compared using Beta (β), standard deviation (Ϭ), Treynor ratio, Sharpe ratio, information ratio and jenson Alpha (α). Canara Robeco equity diversified (G) is preferred and recommended schemes in category of open ended equity diversified scheme fund using Treynor, Sharpe and information ratio. Open - ended mid-cap schemes HDFC capital builder (G) is preferred fund based on Treynor, sharp, information ratio and alpha index.

Binod kumar singh (March-2012)\textsuperscript{46} had studied investor’s attitude towards mutual fund as an investment option and found that the demographic factors like Gender, Income & Literacy have significantly influenced the investor’s attitude towards mutual funds. Advantages perceived are concerned with return potential
and Liquidity has been perceived to be most attractive by the respondent followed by flexibility, affordability and transparency.

**Dr. Ravi Vyas (July-2012)** concluded his study to investors should keep their investment for long time keeping in mind the level of risk involve and saving pattern they should take consultancy from financial advisors so as a reduce risky investment and invest a reasonable part of investment in the liquid security to meet any contingencies.

**Nishi Sharma (August 2012)** this paper attempts to study the investors was satisfaction and identify factor essential for security investors penetration. It was found that benefits which emerge out from the investment in mutual fund may be categorized into three category first scheme related attributes, second monetary benefits provided by funds and lastly related to sponsor related attributes. Sponsor related attribute in order to secure the patronage of Indian investors mutual fund sector expected to ensure of safety and monetary benefits.

**Dr. Shantanu Mehta and Charmi shah (Sep. 2012)** studied shown that performance of equity tax saving schemes, equity diversified schemes, equity sector fund and investors perception of mutual fund. Investors most preferred schemes followed by Equity tax saving schemes, equity diversified schemes and equity sector fund. Author recommend that investors may plant one diversified equity fund, second balance fund, third debt plan and don’t judge a fund by NAV only. AMCs use NFO to create excitement and push their fund. Hence, it’s necessary for the investors to understand NFOs are merely marketing devices.

**Ms. Avani shah & Dr. Narayan Baser (October 2012)** study concluded occupation variables that affects investors preference for fund. Sponsor qualities, brand name, Sponsor past performance, sponsor strategy and style in terms of risk and return whereas age does not play role in building the investor’s preference for fund sponsor qualities.
Singh & Kanta (2012)\textsuperscript{51} the main purpose of the study was to know the perception of demat account of the customers. Under the study adopted stratified random sampling method. Demat account covering charges like account opening, annual account maintenance fees and transactions charges different from depository participants. The study was found that 95\% of the customers having the habit of investment for secure & bright future. Majority of customers (55\%) prefer to enter into stock market through brokers. 70\% customers believe that demat account is beneficial to them. Majority of female from all categories (salaries/ business/others) are not confident while trading in share market.

Sweta Goel, Rahul Sharma & Mukta Mani (2012)\textsuperscript{52} the paper was investigated the performance related features of open-ended mutual funds. Regression model used to cover three independent variables like return, expenses and assets (features). Performance negatively related with expenses ratio. High expenses ratio leads to fall the risk adjusted return. Return and assets size positively related with schemes performance. Raised assets size will lead to increase risk adjusted returns, as per the result performance of mutual fund is affected by its key characteristics.

Sivarethinamohan & Ararganthan (January 2013)\textsuperscript{53} here the author was study “a study on investors’ preference in Indian commodity market in Trichy district Tamilnadu. Coffee, wheat & cotton are more dealing commodity. Under the commodity market more respondent (56.7\%) have preferred to invest in metals, 24.4\% of preferred Agro product, 4.4\% in energy & 16.7\% of respondent have preferred bullions. It was also shown that 25\% or more than income are received from investment. The Market knowledge, risks, returns, security, maturity and liquidity are interred correlation, which guides the investors to investment in commodity market. The paper was suggestible that short term investment because long term and also it will help the investors to increase their knowledge in commodities market product, its direction and trends.
Chhajed & Mehta (March 2013) study was pointed “market behavior and price discovery in Indian agriculture commodity markets”. The study found that the price discovery mechanism is quite different for different commodities but it suggested that Speculation/Hedging can be used in forecasting spot & future price. In Indian most of the investors are not aware of organized commodity market. Indian investor perception about commodity is risky to very risky investment. In near future commodity market will become hotspot for Indians farmers rather than spot market and producer and traders as well as consumers will be benefited from it. Natural resource such as seasonal cycles based on harvest, monsoons, and depressions events would also be expected to have an impact on price discovery in commodity markets.

Ms. Shalini Goyal and Ms. Dauly Bansal (May 2013) legal documents prospects of the mutual fund schemes provided essential information will help to take investment decisions. Investors need to adopt two crucial skill senses of timing and investment discipline to be adopted at the same time for successful investing.

Sharma (June 2013) India’s agro based economy and the fact that organized future market emerged in India. Diversified basket of agro climate zone ensured that the bust in one part of the country, it is made well by a boom in another part. Hence, nature has ensured that the economy of the country against adverse fallout.

Guarav Agrawal and Dr. mini jain (October-December 2013) author studied about investors preference towards mutual fund in compared to other avenues. It was concluded that maximum number of investors aware about banks and LIC investment only. Around 80% respondents not aware about real estate, mutual fund and NSC investment avenues main criteria for selection of investment is return and in case of safety mostly respondent select bank & LIC. For tax consideration post office schemes & mutual fund was preferable avenues.
Y. Prabhavati & N T Krishna Kishore (November 2013) investors need to aware about states of different sectors like power, banking, infrastructure, health and pharmaceuticals before selecting a schemes and know the latest sebi guidelines. Volatile market environment in mutual funds performed active in promoting healthy capital market and excess liquidity in money market.

Manoj (2013) the study focuses on customer’s preference toward investment in mutual fund and equity shares. Return and liquidity is the most important attribute for investment consideration, the paper concluded that more respondent preferred to invest in mutual fund rather than equity shares. Study revealed that investors negatively work to invest in non-negotiable securities because premature withdrawn not allowed.

Chetna P. (January, 2014) paper the author studied about the selection of bank portfolio with mini-max approach using Markowitz model. The focus of the study was known the level of risk through variance on banks return, better coefficient of correlation among selected banks and analysis portfolio risk for the diversification. Such paper analyzed portfolio of SBI, HDFC and ICICI bank including different ratios. It was concluded that Markowitz assist in the selection of most efficient portfolio by analyzing various possible portfolio of the given securities. It’s mainly based on expected return (mean) and standard deviation (variance). As per mini-max approach diversified portfolio according to minimum market proved return gives less return as with high level of risk and maximum market proved return gives more return with less risk.

Rakesh H.M. (January 2014) behavioral finance was based on the psychology attempt to understand how emotions & cognitive errors influence individual investor’s behavior. The main aim of the paper was to identify the major factors which have greater influence on the behavior of commodity market investors. The main factors that have influence on the behavior of commodity market investors
covered low risk, maximum return, informational asymmetry and objective knowledge. Degree of influence of information asymmetry, objective knowledge & high return on the behavior of investors toward commodity market is little higher than the factor analysis and descriptive analysis have led that there are multiple factors that have mostly influence on the behavior of commodity market investors to be significant with as per cent confidence level.

**Preeti Sharma & N. N. Rao (January 2014)**\(^{62}\) Risk orientation represent the risk bearing capacity and interest of the investors. Mutual fund investment and investors behavior is highly associated with risk orientation. Factor associated with risk orientation covered risk capacity, company name, peer group, credibility of sponsor, tolerance, fund objectives, risk adjusted return and type of portfolio, age and the risk behavior significantly related with each other. It was proved that risk appetite become low they are more prone to avoid risk.

**Vibha lamba (February 2014)**\(^{63}\) under the paper the author highlighted the portfolio management in India. Such paper concluded that risk & return are two side of coin. So risk managed properly and systematically for the profitability and overall development. The study evaluated every business operation are connected with risk by maintaining a conservative financial profile, risk management practice and using internal control system by making structure policy with pre - defined authorities and responsibilities for safeguarding of its against loss.

**Vipin kumar & Preeti Bansal (February 2014)**\(^{64}\) investors think that mutual fund is a safe medium to invest in share market as a compared to direct investment. Out of 125 respondents 84.8% preferred to invest in existing mutual fund schemes than new funds. Most of peoples holding and aware about equity fund, debt fund and balance fund. Long term investment involves risk and saving pattern. Investors should take help of private financial consultants will assist to reduce risk in investment. Mutual fund companies need to provide full support for
the investors in terms of advisory services, participation of investors in portfolio design, ensure full disclosure of information and provide proper consultancy.

Bhowal & Paul (Dec. 2014)\textsuperscript{65} focused on “measuring satisfaction of mutual fund investors from the customer communication dimension of the marketing mix.” Customer experience is strongly depends on the perceived experience and prior expectation of the consumers. The gap between the level of experience act as an indicator of the success or future prospects of a product. Satisfaction is concern with performance of the product or service that satisfied the expectation of the customers. It was shown that the level of experience is lower than the level of expectation from mutual fund investment with respect to the customer communication dimension of marketing mix. It has been found that houses focus more on product planning & development but a without proper communication with the investors will difficulty have the desired impact upon the investors.

Amit P (2014)\textsuperscript{66} the study measured the performance of portfolio management & mutual funds using Sharpe’s performance index and calculate ideal portfolio using Sharpe’s model of different bank diversified stock portfolio protections have offered superior long term inflation protection. Study covered top six performing mutual fund on the basis of the analysis investors want to reap a better then it’s would be advisable to go for debt or arbitrate scheme which ensure both safety and returns.

Kumar R. & Goel N. (2014)\textsuperscript{67} in their study attempted to analyze the investor perception towards mutual fund in selected district of the Punjab. The analyzed the primary data through statistical tools like tabulation, ranking, percentage, scoring, kendall’s coefficient of accordance and weighted average score etc. the study was shown that majority of the investors relied on past performance of the MF. While making investment growth has been considered most essential factors while make investment followed by regular income and liquidity. The study
found that most of the investors have used absolute return and prospectus/News/letters for getting information while investing. Major deficiency was shown by the investors in public sectors MF were dissatisfaction regarding service offered. In private sector Mutual Funds major deficiency shows regarding lack of awareness.

**Anith & Bhargavi P.(2014)** conducted the study to know about investor’s perception towards investment. The studied found out the significant of demographic factors of population such as gender, education, age, income, occupation and family size with savings. The Element of investment decision covered priorities of investment, period of investment; reach of information source, analytical abilities and frequently of investment. Paper was concluded that demographic factors directly effects on risk perception. Gender effects decision in a manner than male have more risk preferences than female and thus affects the risky decision-making behavior negatively and are reluctant to take risky decision.

**Jariwala (2014)** “Indian women investors: emotional decision makers in stock-market.” This study examines the human emotions off greed, fear; love & disbelief influence the decision - making process of women investors considering investment opportunities in the Indian stock market. Some degree of risk associated with every investment. Investors need to spend time & identify risk before taking investment decision.

**Prabhu & vechalekar (2014)** conducted his study to awareness level of investors regarding monthly income plan fund in mutual fund. It was analyzed that mutual fund investors mainly belong to the age group from 19 year to 55 year and fall in the income group of Rs. 30000 to Rs. 70000 & above. Majority of investors preferred to invest in MIP because consistent returns given by these funds. The main factors allure the investors is diversification of portfolio and tax benefits.
**Dr. vikas choudhary and Preeti sehgal chawala (2014)**

Aim of the research was evaluated and compare the performance of selected diversified equity mutual fund in India. The performance of the sample schemes has been evaluated in terms of return, risk and risk adjusted return. In term of average return seventy-five percentage schemes performed superior, sixty-two percent selecting schemes less risky in term to standard deviation. Beta indicates portfolio less risky than market portfolio and coefficient of determination of eight funds indicate higher diversified portfolio.

**S. prassanna kumar and S. Rajkumar (2014)**

Respondents having well knowledge about mutual fund but not aware about technical words like entry load, exit load, open-ended and close ended. Banker plays the vital role in influencing the investors to invest in mutual fund and investors preferred bank sponsored mutual fund schemes. Author suggested innovative thought that various schemes may be introduced to attract female respondents so economy is leaning towards women’s financial empowerment.

**Syed Husain ashraf and Dhanraj Sharma (2014)**

Paper carried out research on “performance evaluation of Indian equity mutual funds against established benchmarks index”. The sample consisting five private and two banks sponsored AMC according on highest average asset under management in the industry during period April 2007 to March 2017. It was observed influence of market factors is closely effected behavior of mutual funds returns. Correlation between portfolio return and benchmark return was significantly high. Stand on past monthly return most of sample schemes were outperformed the market benchmark index in term of Treynor and Sharpe ratio. Femā’s measure reveals that 70% of the schemes have reported positive net selectivity indicating superior stock selection of the fund managers.
Dr. V. Ramanujan and A Bhuvabeswari (February 2015)\(^7\) the paper attempts to analyzed growth of mutual fund industry including parameters like growth of assets under management, asset under management institution wise, sector wise mutual fund sales and redemption, scheme wise resource mobilization by mutual fund and total number of schemes. The Growth of mutual fund industry increased 90587 crores to 905120 crores in 2001 to 2014. The assets under management of all sectors, scheme wise resource mobilization, total number of schemes, mutual fund sales and redemption has raised from the year 2004 to 2014. But total number of folios shown as decreased in growth and fund of fund schemes.

Senthil (March 2015)\(^7\) pointed out that investors trading habits, goals of investors, literacy, awareness level and emotional risk tolerance. The study concluded that most of the investors in commodity future market are involved in short term trading with take high risk in trading. The main aim of the increase their wealth through commodity future market with avenue for diversification. It was suggested that investors should maintain high rate of margin money on the basis of technical analysis. Net selectivity skill and ability skill helps the investors to improve their emotional risk tolerance. Their policy - maker if they update the policy periodically in commodity future market it will help to protect the interest of the investors.

Krishna kumar, Kadambat, Raghavendra T S & B M singh (May 2015)\(^7\) study track three years performance of the 43 equity linked saving schemes (ELSS) of Indian mutual funds. ELSS funds over more than 20 years of experience of its existence but has not been very popular among the investors because its underperformed compared with diversified equity fund and benchmark index ELSS funds have underperformed 61\% of the sample diversified fund and 45\% of benchmark index. The study reveals there is inconsistency in performance of ELSS funds over time.
Lakhande (July 2015)\textsuperscript{77} the study was carried out to know the awareness and pattern of savings and investments of the rural investors. The study disclosed that rural investors placed great trust in services and product offered by nationalized banks and there gives more preference to safety and liquidity rather than high returns. Rural investors most preferred to invest in bank deposits, gold & ornaments, insurance policies offered by LIC, governments bonds and savings certificates. The study was suggested that insurance companies should create an effective communication mechanism to provide insurance cover to rural people. In order to raise the progress of deposit mobilization & capital formation in rural economy financial literacy program should be implemented with the help of Banks, rural developer’s officers and NGOs.

Ramkrishna Mishra (July 2015)\textsuperscript{78} for the study data collected from 136 sample respondents in Bhubaneswar of Odisha towards mutual fund investments. Fourteen considered variables extracted into three factors like investment, return and future respectively. It was examined the difference of perception of large and small investors. Mostly small investors were favorable to the perception about tax return and investment and large investors were favorable about future and return.

Arathy B., Aswathy nair, Anju sai and Pravitha N. R. (August 2015)\textsuperscript{79} tax benefits, high return, diversification, liquidity, risk, brand image, price and capital appreciation are factors influenced investment decision of retail investors in mutual funds. Tax benefits, liquidity, return potential, low cost and transparency encourages the investors to invest in mutual funds. Bitter past expenses is a preventing factor while considered investment decision. Equity based was most preferred scheme and investor’s satisfaction may be rated to average.

K. Parimalakanthi & Dr. M Ashok Kumar (December 2015)\textsuperscript{80} the result of the factor analysis disclose that investors before making investment find various investment options followed by seeking intermediaries advice and transaction cost. At the time of investment considered diversification and undertakes the responsibility for their investment. Future investment scenario preferred retain
their investment till a need arises, wish to make more investments in the same avenue. Paper suggested that SEBI need to change the rules for portfolio management service provider and users as the minimum amount required for portfolio management is high and fees also quite higher so. Authority reforms the rules more investors can opt for the services. The outcomes pointed majority of respondents prefer bank deposits followed by investment in gold and silver investment avenues.

Pandya & Kathavarayan (2015)\textsuperscript{81} studied that “investment preference toward commodity market and other investment option” have shown that most of the respondent are willing to trade in commodity market (72\%). The study was deal with investor preference in commodity trading by finding out the features of various share brokers, level of awareness, trading mechanism in commodity market, level of preference & involvement in commodity trading and market. It suggested to the investors are highly interested investing in metal in the commodity market, but they have also invested in other commodity trade in the market to build portfolio to diversify risk.

Apprao & Babu (2015)\textsuperscript{82} the author survey on “A study on investors’ perception towards Investment Avenue on Godavari district in Andhra Pradesh.” The main objective of the study was to know the investors’ perceptions toward investment alternatives and suggest suitable strategies for investment companies according to the perception of investors. The study was found that majority of the respondents aware of schemes like national saving certificate, indira vikas patra, kisan vikas patra, postal savings schemes, chits, bank FD, company FD, shares, bonds, debentures, government securities and real estate etc. it was observed that large number of respondent complaints and grievances regarding the managers and staff of stock broking firm are not properly resolved. Paper was suggested that income level of the investors most of the investors are interested to divert
their saving to profitable investment opportunities. Construction of efficient portfolio is advisable to maximize the return & minimize the risk.

Dr. Vikar kumar and Ankit Srivastava (Jan-feb 2016)\textsuperscript{83} present paper studied the performance of 20 open-ended equity schemes with growth option being launched by private sector mutual fund schemes. The Schemes divided into four categories like low return & low risk, high return & low risk, high return & high risk and fourth is low return & high risk. Out of the total schemes studied all schemes showed as average return higher than in compared to BSE 100 and sensex. Mutual fund and fund manager protects small investors against vagaries of stock market.

Ms. M Kalaiselvi (Jan-Feb. 2016)\textsuperscript{84} study carried out on 250 respondents of pollachi town was shown that majority (30%) respondents hold the equity mutual fund schemes, 44.8% preferred high risk and high return. 60% respondents buy units through brokers. The Investors are not willing to invest in mutual fund because they not assured minimum return. This study has made to attempt to understand the financial behavior of mutual fund investors in connection with the scheme selection & preference.

Priti Mane (February 2016)\textsuperscript{85} as per the result most investors preferred SBI mutual fund and Next preferred is ICICI among the seven selected AMCs. Awareness about mutual fund are low and peoples believed risky than other investments due to market uncertainties and risk investors faced issue while selecting mutual fund schemes.

Dr. T. Unnamalai (February 2016)\textsuperscript{86} study carried out on 250 investors of the Musuri taluka on investor’s awareness about mutual fund. Majority of investors (226) invest as per advice of the broker. Brokers, distributors and agent are in a position to safe guard their customers. Company need to arrange customer’s awareness programmers to boost the morale and confidence of the investors. The
study reveals mutual fund industry is to convert the potential investors into the reality investors.

**Dr. Arvind kumar singh and kumar veer singh (March 2016)** study carried on 200 respondents of phagwara city on punjab. Study revealed that more investors (112) preferred private sector AMC. They should be aware about benefits of mutual fund but nobody will invest until they fully convinced. Advisor should try to convince more and more young investors who show some interest in investing should pay off. Customer having graduation are large easier to sell and there is a large untapped market there. Most of the prospects and potential investors have large scope for the companies to tap the salaries persons.

**Dr. M Ravichandran & T. Iswarya (April 2016)** the research paper respond that equity mutual fund schemes show remarkable return for the period of first year and fifth year with provided both income and capital appreciation while avoiding excessive risk. Private and public AMC have been performed for better than public sector. Treynor result found that 19 out of 29 schemes had outperformed the benchmark.

**N. Bhagyasree and Mrs. B. Khisori (April 2016)** present paper investigated into thirty open-ended growth oriented equity scheme for the period from april 2011 to march 2015. Past performance appraisal show according to sharpe, treynor and jenson’s measure. 14 out of 30 sample mutual fund schemes had outperformed the benchmark return. Sharpe ratio was positive for all schemes which provided return greater than risk free rate. Jenson measure reveals the 18 schemes has negative alpha and remaining 12 have positive alpha. Some schemes underperformed were facing the diversification problem.

**Vinita Bharat Manek (May-April 2016)** the objective of this paper was to investigated the significance of portfolio turnover on mutual fund return. It helps investors to how to invest in funds based on management style based on open -
ended diversified growth oriented equity schemes. Passive fund have s low portfolio ratio however active fund may have a high or low portfolio turnover depending upon the managers style for stock selection. Scheme Return and benchmark return having strong relationship but portfolio turnover also impact on return. Outperformance of the schemes consist other attributes like management style, strategy, market timing and stock selection.

A.V.V.S. Subhalakshami & R.R. balachandar (January 2017)\textsuperscript{91} researcher studied the investors’ attitude towards mutual fund as an investment option of vellore district of Tamilnadu. Current scenario of mutual funds is safe and no risk. Low risk provide low return and high risk generate high profit. Study reveals that still more people not aware about mutual fund. Investors need to educated and motivated in era of investment investors need to diversify their investment in mutual fund as like SIP, Lump sum investment, short term and long term investment.

Mital Bhayani (April 2017)\textsuperscript{92} analyzed trend of mutual fund industry through total assets, investors types and location wise (T-15 & B-15). In February 2017 Rs. 17.9 Trillion assets are managed by the mutual fund industry as compared to 11.28 Trillion in December 2014. Out of total assets 83% (11.1 lakh crore) of the assets has come from top 15 locations and remaining 17% (2.31 lakh crore) has come from non-T locations. In December 2019 around 99% of account from individual investors and only 1% belong from institutional investors in industry. Around 80% individual investors have folio from equity oriented scheme. In February 2017 Around 75% individual investors and 91% of institutional investors come from T-15 location. It was indicated that large segment of investors are still outside the umbrella of the industry to reach the fund houses to different segment of society is still a key challenge.
2.4 Review of Literature Based on Articles and Others

**Makowitz (1999)**

He has introduced the modern portfolio theory. The theory including adequate theory of investment that qualified and incorporated risk in portfolio diversification, portfolio selection, covered the effect of diversification when risk are co-related distinguished between efficient and inefficient portfolio, and analyzed risk-return trade off on the portfolio as whole. This theory indicated the importance of diversifying investment to reduce the total risk of the portfolio.


This research report the finding of a continuing research investigation into portfolio management practice and performance. It was analyzed the solution related portfolio including first thing first resource capacity analysis, demand analysis, developed a product innovation and technology strategy and integrate portfolio management into new product process. This research was shown that feature a systematic portfolio management process regardless of the specific approach outperform the rest.

**Mayur M. Shukla (2006-07)**

He analyzed the mutual fund portfolio management of IDBI bank. The main objective of the study understood the concept of portfolio management in relation to mutual fund and evaluate ideal portfolio consisting the best mutual fund scheme with possible return over different period using standard deviation, Beta, Sharpe ratio and Alpha. The study describes that diversified stock portfolio have offered superior long term inflation protection. Equity is essential for longer and retiring early. Debt or arbitrate scheme eliminate risk element which ensure both safety and returns.

**Angela Hei – Yan Leung (2009)**

Author was studying portfolio selection and risk management of Dow Jones Industrial Average (DJIA) stock using R application. This paper focus on the types of investment, selection of portfolio using risk and return, diversification, short sales and risk management using R application of statistical software. It’s analyzed CJIA portfolio through method
like equal allocation, single index model with and without short sales, constant correlation model with and without short sales. It has analyzed that portfolio selection and risk management framework laid out only the beginning to a very broad array of future explorations, and it is required scholar to continue to contribute and improve existing theories and methods.

**University of Mumbai (2010-11)** the project report based on overview of portfolio management in India. The main purpose of the project was to know about ascertain investor awareness about services provided by portfolio management institutions and Weather they are interested to hire such services or not. It was analyzed that young people having more awareness about services offered by portfolio manager and invested in equities. Individual investors believe that there is a better scope for portfolio management in the future.

**Badulkhan (2011)** the author was studying that the portfolio management of pension fund. The main purpose of the study was identifying the main factors in asset allocation in making a correct choice for a well-balanced construction of a portfolio. It was analyzed that inflation rate highly influenced portfolio. At time return on assets minus inflation rate is the real rate of return on assets.

**Leslie (2011)** under the study based the “A New foundation for portfolio management”. The purpose of this study was proposed new investment principle decision-making principles related to risk, growth and utility. The study was focus on environment responsibility and doing the right thing rather than environmental sustainability as an imperative for survival and competitive advantages. Past performance is not guaranty of future results.

**William Bentum (2012)** the main objectives of the thesis was find drivers of commercial banks financial profitability in Ghana over this period of financial crisis. It was analyzing that non-income generating service more influenced the profitability during the financial crisis. High capital adequacy able to reduce their
cost of capital through the providing safety to depositor and interbank market hence made high profit.

PMI’s (2012) pulse of the profession in depth report portfolio management was conducting in March 2012 among 443 portfolio managers around the world including different field like information technology, financial services, government, consulting, manufacturing and telecom. From this report their analyzed that any organization more focus on project meet or exceed their ROI then focus on achievement of strategic goal. It also analyzed portfolio management drives raised ROI and reduce risk and helps firms to consisting deliver business value an extraordinary commodity in today voltaic global market place. The study was identifying the best practice like elevate portfolio management to a strategic level, create a portfolio minded culture and implement appropriate tools & practices.

2.5 Research Gap

In Indian context much research carried out on investors’ perceptions and behaviors towards mutual fund and performance evaluation of mutual fund schemes available in India. Mutual fund industry is one of essential part of Indian capital market. Moreover, existing research carried on mutual fund are based on financial performance of various schemes, awareness or perceptions of investors regarding mutual fund. Various researches consisted like Irissappane D. (April 2000) evaluate performance of close ended schemes, Leelamma M. (March 2004) performance appraisal of SBI mutual fund, Lakshmi (October 2007) performance in special reference to growth schemes, Vennila (June 2012) studied performance of selected mutual fund schemes based on higher performance schemes during pre & post recession era, Ansari (2013) analyzed five star rated mutual fund schemes, Goel (July 2013) studied close ended mutual fund schemes using Data envelopment model, Mangawa (2013) analyzed comparative study of close ended
and open-ended schemes, Sharmacharjee (2014) studied open-ended schemes of the five selected AMC. Much existing research carried out on open-ended schemes, close ended schemes, Growth schemes, private sector mutual fund and public sector mutual fund. Research gap find that no studied focus on balance mutual fund schemes. Hence, present study focus on evaluate the performance of balance mutual fund schemes of the selected public and private sector AMC. Balance schemes consisting investment in both Equity and Debt funds. As per basic sense market grows up increase investment in Equity fund under portfolio and market goes down raise investment in debt fund. Under the circumstances of market volatility balance schemes maintain balance between Equity and Debt. Present study focus on performance appraisal selected balance schemes.

In India mainly in the state of Gujarat few of the research carried out on mutual fund investor’s investment perception towards mutual fund. Chapadia (January 2014) thesis attempts to better understand explain how emotions and cognitive errors influence behavior and the decision making process from new insight of behavior finance in Gujarat. Mehta (2012) studies shows that the investor’s perception towards mutual fund investments consisted investment alternatives and factor impact it, investors expectation and preference of various mutual fund schemes in Gujarat. In Gujarat few studied focus on investor’s perception towards mutual fund investments. Recent research covered investors’ perceptions towards mutual fund in Surat, Ahmedabad and Baroda cities of Gujarat Region.