

A Study on Youngsters Perceptions and Level of Satisfaction Investing in Mutual Fund with Special Reference to Coimbatore City

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ABSTRACT

The mutual funds plays a major role in the investment pattern in today's world. Now a days most of people are interested to have investment in any mutual funds. Mutual funds schemes has recorded significant progress on all funds yet it has not been able to utilize it's potential fully. In this study a total of 150 respondents were taken up and data collected through questionnaire various statistical tools were applied to arrive at the concerned result .Therefore in this paper an attempt has been made to analyse youngsters perception and level of satisfication towards mutual funds.

KEYWORDS : Mutual fund, Mutual funds investment, Awareness, youngsters perception.

INTRODUCTION

Mutual funds are financial intermediaries which collect the savings of investors and invest them in primary and secondary securities like money investments corporate and government bonds and equity shares of join stock company. They have emerged as rivals to banks in savings mobilisation because banking services could not show extra ordinary efforts to employ house hold savings in remunerative sectors. Individual investors have developed keen interest in the capital gains along with fiscal concession since small investors generally do not have sufficient time knowledge experience and resources for directly approaching the capital market they have to rely on a intermediary which under take informed investment decisions and provides the benefits of professional expertise.

MUTUAL FUND HISTORY

Investors achieve important advantage from mutual funds such as expert professional management reductions in risk diversified portfolios liquidity of investment tax benefits and economies of scale. An investors can invest his money in one or more schemes of mutual fund according his

choice and becomes the unit holder of the schemes.

OBJECTIVES OF STUDY

- 1) To study awareness of youngsters about investment in mutual fund.
- 2) To identify the factors which influence the youngsters to invest in mutual fund schemes
- 3) To study the youngsters perception about mutual fund schemes
- 4) To study the level of satisfaction in investing mutual funds.
- 5) To study about youngsters risk factors in mutual funds.

SCOPE OF THE STUDY

- 1) The scope of the study is to analyse the youngsters investing the mutual funds.
- 2) From this study would help youngsters to know how to invest in the various schemes of mutual funds by identifying factors.
- 3)To know the performance of mutual funds in Coimbatore city.
- 4) To understand the perception of youngsters towards investment avenues

LIMITATIONS OF STUDY

- 1) Limited sample size 150 respondents.
- 2) The respondents were restricted only to youngsters.

REVIEW OF LITERATURE

Houetal (2017) argues that the factor model comprised of the market size investment and profitability factors proposed in Houetal (2015) on perform the standard three four and Fama French Five factor models. They claim that it provide the lowest average magnitude of the high minus low alphas among all the models. Their model is tested across 161 significant with the average magnitude of the high minus low decile portfolio alphas of 0.26% per month in contrast to 0.36% in both the Carhart and the five factor model.

N. Bhagyasree and B. Kishori (2016) investigated the performance of open ended growth oriented schemes for the period from April 2011 to March 2015 of transition economy. The historical performance of the selected schemes were evaluated on the basis of Sharpe, Treynors and Jensen measure whose result will be useful for investors for taking better investment decisions.

Priyan 2018 is very pivotal for the performance evaluation as that study the check investment style of large cap equity mutual fund using style exposure analysis proposed by Sharpe (1992) . To assess the dynamic drift in the style of a fund a rolling period exposure style analysis of the funds has been carried out by using 36 month rolling period window.

Kaharaman (2021) examines investors mistakes in the context of purchasing inappropriate share classes for mutual fund leading to real consequences of investors. The author present evidence to suggest that the selection of these inferior share funds is a form of exploitation of investors. In addition the author examine fee flow sensitivity and holding periods to test whether mutual fund flow suggest rational or native purchase of these funds concluding that those are active native purchase.

Enriquez (2020-2021) examine prospectus readability and other textual features using natural language processing and machines learning technique and related these features of prospectus sentences. This concept is distinct from comprehension of the underlying concept which could require expert knowledge. One descriptive fact that they documents are at youngsters investing in Coimbatore city.

STATEMENT OF THE PROBLEM

Mutual funds are important part of the financial services industry in India. They provide a wide range of investment products to retail investors who wants to invest their money with professional management teams and low cost. The biggest change is that it has become more competitive. There are hundreds of them and they are all trying to get their products to market as quickly as possible. A young investors to invest in benefits from power of compounding 23 years down the line. The study is based on youngsters perception and satisfaction level of investing in mutual funds with special reference to Coimbatore city.

RESEARCH METHODOLOGY

Research methods is defined as the systematic method to resolve problems through data gathering using various techniques.

METHOD OF DATA COLLECTION

The data collected for this study is

Primary Data :The primary data are those which are called as fresh for primary time.

Secondary Data : Secondary Data is collected from Google form through internet.

Area of Study : The area of study through Coimbatore city.

Sample size : The sample size is 150

Tools used for Analysis : Data analysis tools are simple percentage and Chi- Square test.

Simple percentage : Percentage base analysis helps to find which factors is significant among a number of factors.

Chi- square : A chi- square statistics which compare observe (or) model result is used to test the measures of expectations

. Analysis and Interpretation
Demographic profile of the respondents

| Demographic | | No. Of respondents | Percentage |
|--|-------------------------------|--------------------|------------|
| 1) Gender | a) Male | 99 | 66.00 |
| | b) Female | 51 | 34.00 |
| 2) Age | a) 15-20 | 3 | 2.00 |
| | b) 20-25 | 55 | 36.00 |
| | c) 25-30 | 78 | 52.00 |
| | d) Above 30 | 14 | 9.33 |
| 3) Are you aware of investing in mutual funds? | a) Yes | 131 | 87.33 |
| | b) No | 19 | 12.67 |
| 4) Are you aware of benefits and conditions of investment? | a) Yes | 118 | 78.67 |
| | b) No | 32 | 21.33 |
| 5) How did you know about investing in mutual funds? | a) Friends | 26 | 17.33 |
| | b) Relatives | 76 | 50.67 |
| | c) Tv and advertisement | 38 | 25.33 |
| | d) Online Website | 10 | 6.67 |
| 6) How long are you investing in mutual funds? | a) 8-10 years | 21 | 14.00 |
| | b) 10-13 years | 81 | 54.00 |
| | c) 13- 18 years | 46 | 30.67 |
| | d) 18-20 years | 2 | 1.33 |
| 7) What is your experience of investment in mutual funds? | a) Less than 3 years | 18 | 12.00 |
| | b) 3-5 years | 59 | 59.33 |
| | c) 5-10 years | 28 | 28.67 |
| | d) More than 10years | 0 | 0.00 |
| 8) Which type of fund do you invest? | a) Growth Plan | 27 | 18.00 |
| | b) Income Plan | 80 | 53.33 |
| | c) Systematic investment plan | 39 | 40.67 |
| | d) Dividend Reinvestment plan | 6 | 4.00 |
| 9) From the following type of plans which would you prefer to invest? | a) Yes | 131 | 87.33 |
| | b) No | 19 | 12.67 |
| 10) What is your level of satisfaction towards investment schemes in mutual funds? | a) Low | 13 | 8.67 |
| | b) Medium | 89 | 59.33 |
| | c) High | 46 | 30.67 |
| | d) Very high | 2 | 1.33 |
| 11) Are you satisfied with return from mutual funds? | a) Satisfied | 19 | 12.67 |
| | b) Highly satisfied | 111 | 74.00 |
| | c) Agree | 20 | 13.33 |

| | | | |
|--|---------------------|-------|-------|
| | d) Disagree | 0 | 0.00 |
| 12) At which level satisfaction acquired at risk levels? | a) Highly satisfied | 28 | 18.67 |
| | b) Satisfied | 116 | 77.33 |
| | c) Neutral | 4 | 2.67 |
| | d) Dis satisfied | 21.33 | 1.33 |

INTERPRETATION:

Table 1 clearly states that demographic profile of the sample respondents. Majority of the responds fall in the age group 25 – 30 and most them are married peoples. Majority of the respondents are youngsters. Most of the respondents are investing in mutual funds. Majority of respondents has knowing the mutual funds through relatives. Most of respondents has experience in 3 – 5 years. Most of them are preferring money market fund. Majority of respondents are preferring systematic investment plan. Most of them are

aware of investing in mutual funds. Majority of respondents has satisfaction towards medium level of mutual fund. Most of them are satisfied in returns. Majority of respondents are acquired at satisfied with risk levels.

CHI SQUARE ANALYSIS FORMULA

$$X^2 = \sum (O_i - E_i)^2 / E_i$$

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

H1- There is significant relationship between the gender of the respondents and their mutual funds.

CHI -SQUARE

| Particulars | Yes | No | Total |
|-------------|------------|-----------|------------|
| Male | 77 | 24 | 101 |
| Female | 41 | 8 | 49 |
| | 118 | 32 | 150 |

| O | E | (O-E) | (O-E) 2 | (O-E)2/E |
|------------|---------------|-------------|----------------|---------------|
| 77 | 79.45 | -2.45 | 6.0025 | 0.0755 |
| 24 | 21.54 | 2.46 | 6.0516 | 0.2809 |
| 41 | 38.54 | 2.46 | 6.0516 | 0.1570 |
| 8 | 10.45 | 2.15 | 4.6225 | 0.4423 |
| 150 | 149.98 | 9.52 | 22.7282 | 0.9557 |

| Satisfaction level in mutual funds | Factors that affect purchase new fund offer | | | | |
|------------------------------------|---|------------------|-------------|----------|------------|
| | Awareness | Past performance | Risk factor | Dividend | Total |
| Low | 10 | 1 | 1 | 1 | 13 |
| Medium | 5 | 40 | 44 | 0 | 89 |
| High | 5 | 39 | 1 | 1 | 46 |
| Very high | 1 | - | - | 1 | 2 |
| | | | | | |
| | 21 | 80 | 47 | 2 | 150 |

Source: Primary data
Significant level = 0.05

Result: The calculations of the chi-square value is (0.9557) is less than (3.841) table value hence the hypothesis is accepted. Therefore it is found that there is significant relationship between respondents and their investing in mutual funds

. **H1** :There is significant relationship between satisfaction level in mutual funds and factors that affected in purchase of new fund offers in mutual funds.

CHI -SQUARE

| O | E | (O-E) | (O-E) 2 | (O-E) 2/E |
|----|-------|--------|---------|-----------|
| 10 | 1.82 | 8.18 | 66.91 | 36.76 |
| 1 | 6.93 | -5.93 | 35.16 | 5.07 |
| 1 | 0.94 | 0.06 | 3.60 | 3.82 |
| 1 | 0.17 | 0.83 | 0.68 | 4.00 |
| 5 | 12.46 | -7.46 | 55.65 | 4.46 |
| 40 | 47.46 | 7.46 | 55.65 | 1.17 |
| 44 | 27.88 | 16.12 | 259.85 | 9.32 |
| 0 | 1.18 | -1.18 | 1.39 | 1.17 |
| 5 | 6.44 | -1.44 | 2.07 | 0.32 |
| 39 | 8.53 | 30.47 | 928.42 | 108.84 |
| 1 | 14.41 | -13.41 | 179.82 | 12.47 |
| 1 | 0.61 | 0.39 | 0.15 | 0.24 |
| 1 | 0.28 | 0.72 | 0.51 | 1.82 |

| | | | | |
|---|------|-------|--------------|---------------|
| 0 | 1.06 | -1.06 | 1.12 | 1.05 |
| 1 | 0.62 | 0.38 | 0.14 | 0.22 |
| 1 | 0.02 | 0.98 | 0.96 | 48.00 |
| | | | Total | 238.73 |

SOURCE : PRIMARY DATA

Significant level = 0.05

Interpretation :

The calculations of chi-square is 238.73 is more than (16.919) table value hence the hypothesis is rejected. Therefore the relationship between satisfaction level in mutual funds and factors that affected in purchase of new fund offers in mutual funds.

RESULT AND DISCUSSION

- 1) The majority of respondents of male (66%)
- 2) The majority of respondents are in the age group of 25-30 years(52%)
- 3) The majority of youngsters are professional (49%)
- 4) The majority of youngsters earn monthly income Rs. 26000- Rs. 40000 (43%)
- 5) The majority of respondents are married (50%)
- 6) The majority of respondents came to know about mutual funds through relatives (50%)
- 7) Nearly (51%) of youngsters are investing in mutual funds
- 8) Nearly (40.67%) of the youngsters has investing in types of plans has systematic investment plan
- 9) Nearly (54%) of the respondents of youngsters have long investing in mutual fund
- 10) Mostly (54%) of the respondents has purchase of mutual funds
- 11) The minority of respondents(46%) has only in savings of mutual funds .
- 12) Nearly (54%) of the respondents has expecting in returns
- 13) The minority of respondents (62%)in investment often in mutual funds .
- 14) Nearly of respondents (54%) type of funds in money market fund .

- 15) The mostly of respondents (59%) in experience in mutual funds .
- 16) The minority of respondents(53%) in factors affected in purchase of new fund offer.
- 17) Nearly of respondents (87%) in awareness of investment in mutual funds .
- 18) The mostly of respondents are in benefits of terms and conditions (78%)
- 19) Minority of respondents(59%) has satisfaction of mutual funds .
- 20) Nearly (66%) respondents of services in mutual funds .
- 21) Mostly the respondents (77%) has percentage of returns .
- 22) Nearly respondents (77%) in level of satisfaction
- 23) Nearly of respondents (59%) has awareness performance .
- 24) Mostly of respondents (54%) has experienced of mutual funds .

SUGGESTIONS

From the above study I would like to suggest some points

- 1) In this study the youngsters are aware of investment mutual funds but only few of them are investing in mutual funds .They can invest low investment.
- 2) In this study youngsters are more preferring to invest in lower risk they can consider to take invest in better schemes.
- 3) Youngsters has more preferring to SBI schemes to investing they can prefer institutions other schemes also.
- 4) Youngsters has expecting the return in 10%- 15% they can prefer percentage in other schemes.
- 5) Youngsters are preferring the systematic investment plan they can also prefer other plans for their investment.

CONCLUSION

The mutual funds plays a major role in the investment pattern in today's world. Now a

days youngsters are choosing right way to invest their money in mutual funds. Mutual funds schemes has recorded significant progress on all funds yet it has not been able to utilize it's potential fully. The important goals of the mutual funds schemes is to attract and mobilise in order to enable the youngsters benefits from the economic growth. This study concludes that youngsters

has investing their money in mutual funds for future purpose. Mutual funds schemes and plans has become more popular all over the world which offers the youngsters for saving the money. The respondents of mutual funds schemes and plans has been satisfied with mutual funds.

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