

A STUDY ON INVESTOR'S PERCEPTION AND SATISFACTION TOWARDS MUTUAL FUNDS WITH SPECIAL REFERENCE TO COIMBATORE

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ABSTRACT

Mutual funds play a major role in the investment pattern in today's world. Now a days, most people are interested in investing in mutual funds. Mutual fund schemes have recorded significant progress on all funds, yet they have not been able to fully utilize their potential. In this study, a total of 120 respondents were taken up and data was collected through a questionnaire. Various statistical tools were applied to arrive at the concerned result. Therefore, in this paper, an attempt has been made to analyze investors's perceptions and satisfactions with mutual funds.

Key words: mutual fund, mobilization, securities, stocks, bonds, capital gain, money market.

INTRODUCTION

Mutual funds are middlemen in the financial system that pool the resources of investors and use them to purchase securities such as stocks, corporate bonds and money market instruments. Because they may deploy family savings in profitable industries, they are now a competitor to banks in the mobilization of savings. Since individual investors do not have the time, knowledge, or money to contact the capital market directly, they have developed a significant interest in capital gains and tax credits.

Objective of the study

- To Identify factors influencing youth investment.
- To Analyze Investor's perceptions of mutual fund schemes.
- To Assess satisfaction levels in mutual fund investments.
- To Investigate risk factors among investors.

Scope of the study

- Analyzes factors influencing mutual fund schemes.
- Assesses mutual fund performance in Coimbatore city.

- Understands youth perceptions towards investment.

Limitation of the study

- Limited sample size 120 respondents.
- The respondents were restricted only to Mutual Fund investor's.

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 Jenson 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 investor's investing in Coimbatore city.

Statement of the problem

Mutual funds are a crucial part of India's financial services industry, offering a variety of investment products with professional management teams at low costs. However, competition has increased, with hundreds of mutual funds competing to quickly market their products. investors can benefit from compounding for 23 years, as per a study focusing on their perceptions and satisfaction levels of investing in mutual funds, particularly in Coimbatore city.

Research methodology

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

Method of 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 120 Tools used for Analysis : Data analysis tools are simple percentage and Chi- Square test.

TOOLS USED

- ❖ Simple percentage

- ❖ Chi-square

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

Data Analysis and Interpretation Percentage analysis

Table 1: Age of the respondents

Age(years)	Respondents	Percentage %
Below 30	82	68.3%
31-40	24	20%
41-50	7	5.8%
Above 50	7	5.8%
TOTAL	120	100%

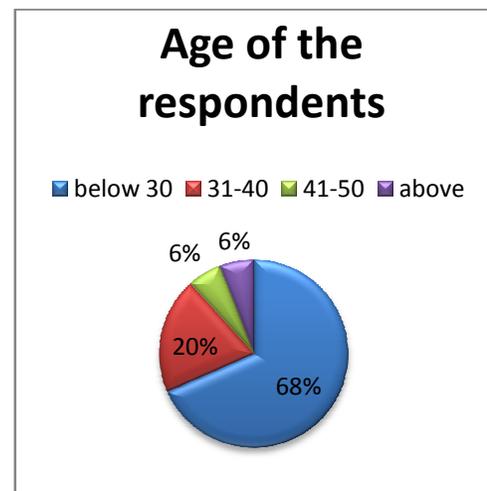


Fig 1:Age of the Respondents

Interpretation

It is interpreted that majority (68.3%) of the respondents are in the age group of below 30.

Table 2: While investing the money which factor the respondents prefer most

Investment goals	Respondents	Percentage %
Liquidity	34	28.3%
Low risk	51	42.5%
High return	25	20.8%
Company reputation	10	8.3%
Total	120	100%



Fig 2: While investing the money which factor the respondents prefer most.

Interpretation: It is interpreted that majority (43%) of the respondents prefer most factor is Low risk.

Chi-Square analysis

Chi-square analysis formula: $\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$

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

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

Particulars	Male	Female	Grand total
One time investment	27	29	56
Systematic investment plan	41	23	64
Grand	68	52	120

Table 1: Chi-Square

O	E	(O-E) ²	(O _i -E _i) ² /E _i
27	32	25	0.8
41	36	25	0.7
29	24	25	1.04
23	28	25	0.9
120	120	100	3.44

Source: Primary data

Significant level = 0.05

Result: The calculations of the chi-square value is (3.44) is less than (16.92) table value hence the

hypothesis is accepted. Therefore it is found that there is significant relationship between respondents and their investing in mutual funds.

Findings

- 1) The majority 57% of respondents are male.
- 2) The majority 68% of respondents are in the age group of below 30 years(68%).
- 3) The 44% of Investors are Graduate.
- 4) The 35% of Investors annual income Rs. 2.5 lakh - Rs. 5 lakh.
- 5) The majority 53% of respondents are married .
- 6) The majority 50% of respondents Occupation is Profession.
- 7) The majority 52% of respondents Annual Savings is Rs.30,000 - Rs.50,000.
- 8) The majority 56% of respondents preference of mutual fund sector is public sector.
- 9) The 23% of Investors preference of investment is fixed deposit.
- 10) The 43% of the respondents prefer low risk.
- 11) The 46% of respondents has only in savings of mutual funds.
- 12) The 31% of the investors allure of reduction in risk transaction cost.

13) The 25% of investors money invested in HDFC .

14) The majority 53% of respondents invest in mutual fund mode is Systematic investment plan.

15) The 32% of the respondents purchase mutual funds is Brokers only.

16) The 30% of the investors prefer to invest their money HDFC Mutual fund.

17) The 25% of the investors investing a mutual fund sector is Gold Fund.

18) The 48% of investors like to receive the return Dividend Reinvestment in every year.

Suggestion

From the above study I would like to suggest some points

- ✓ In this study, investors are aware of investment mutual funds, but only a few of them are investing in mutual funds. They can make low investments.
- ✓ In this study Investors are more preferring to invest in lower risk they can consider to take invest in better schemes.
- ✓ Investors highly prefer to invest their money on fixed deposit
- ✓ Investors are also ready to invest in the private sector, so companies can increase their market in this focused area (Coimbatore City).

- ✓ Investors 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 Investors 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 Investors benefits from the economic growth. This study concludes that Investors 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 Investors for saving the money. The respondents of mutual funds schemes and plans has been satisfied with mutual funds.

Rrference

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