A Study of Investment Awareness and Preference of Individuals Toward Various Mutual Fund Schemes with Reference to Islampur City

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Abstract. Mutual fund is an investment option which includes bonds, stock or securities used by the professional money managers. Investment is done for earning the regular and risk free returns from investment. In our country number of investment options are available, they are ranging from insurance policies to stocks. The study aims at finding the awareness of individuals towards mutual fund and preferences toward it. In our study it is found that the more number of respondents are aware about mutual fund. Investors purchase funds from brokers and asset management companies in large numbers. The majority of respondents are satisfied with mutual fund investment.

1. Introduction

A Mutual Fund is a mechanism for polling together the small savings of the people by issuing them securities in the form of units, the mutual fund mobilizes the funds of the small investors and invests them in marketable securities following the objectives of the fund. Mutual Fund, highlighting to be the most appropriate investment for the common man, offers opportunities to invest under the diversified basket of securities, professionally managed, at a comparatively lower cost.

Mutual Fund Shaw its existence through a number of schemes launched from time to time with the aim to go accomplish beforehand should get registered with SEBI. This industry in India started with the formation of the unit. Trust of India (UTS) in 1963 was an initiative of the Reserve Bank of India and the government of India.

There are different types of Mutual Funds based on Asset class, structure, Risk, and benefits. The type are as a open-ended, close-ended, multi cap, large cap, mid cap, small cap, regular income fund, growth fund etc.

The study is related to know about the investor attitude toward mutual fund. The different elements that affects on investment in mutual fund and awareness about that. And what features attracts to investors to invest in mutual fund schemes.

2.Review of Literature

According to Dhall, 2021 From the study it is concluded that about 28% of investors are aged between 40-49 years. And from that 38% are work in private sector. Most of respondents are aware about mutual fund schemes. And most of respondents have invested in mutual fund once in the life. About 40% investors responds as mutual fund is profitable [1].

According to Dr. M.P. Desai, 2013 Most of mutual fund investors are investing in insurance sector because the safety and security reason. 40% of investors shows interest in open ended fund. Open ended fund is first choice of mutual fund investors. Most of the investor's purpose for investing is wealth creation [2].

According to Dr. S Saravanan, 2021, advertisement is the main sources of information to aware the investors. The investors who are able to save more money they have capacity of more investment in mutual fund. The returns which gates from investment is the major factor of satisfaction of investors [3].

According to Ainapur, 2020, The less investors are awared about mutual funds schemes. The investors who have invested in mutual fund are satisfied and they get good returns from investment. Most of the 36% investors are investing in Systematic Investment Plan because most of them are salaried persons. The individuals are invested in less amount because they have fear of risk factor [4].

According to (Mini, 2020), The more investors in mutual fund are graduate student and they are most chosen in investing is UTI and Reliance mutual fund. And unaware investors are interested time deposit and other fixed Assets. The most of limited knowledge of mutual funds. The investors age group of 20-35 was more attracted toward mutual funds investment. as compared to female the male investors are more in number [5].

According to Raju, 2018, The most investors choice for investing in mutual fund because better return and safety return. In this study 02 % responded are investing in mutual fund and 18% are investing other. Most investors are mutual fund directly from AMC and other purchased from brokers [6].

According to Bajracharya, 2017, The study conducted in Nepal city and the finding is investors that limited knowledge and limited resources the mutual fund industry was growing stage. And the study found investors are not assured investing in mutual fund and are thinking mutual fund is not safe [7].

According to Malini, 2017, In most of investor investing in mutual fund in safety factor. And some investors as don't know this investing option and many people first choice for investing money was Bank FD. Because safety reason. And in rural area people income also very less and same people are investing those business man and Government servant are investor in mutual fund [8].

According to Vijayakumar It was presenting the less income group are taking high risk and investing in the mutual fund and same people are not interested. In investment is less because the so many people imperfect knowledge of investment and in middle class family woman's are invest there money. In gold and jewelleries, service and retired person are investing in fixed deposit [9].

According to Elmanda, et al., The peoples are expecting the tangible benefits from mutual fund investment. And most people the mutual fund was easy use and. It was good risk cover

consider and company ensure the people feature and investment so many people are first choice to invest money is mutual fund. So many people invest money because low risk and high return this reason [10].

3. Method

Key variables to be studied are**,** The key variables used in the study are as follow: Preference, Awareness, Individuals, Mutual Fund.

Nature of data to be used for the study, The data were collected from both primary and secondary sources. Secondary data was collected from books, journals, and published articles. Primary data were collected from respondents through a closed and structured questionnaire.

Area of the study**,** We are going to study the awareness and preferences to individuals about mutual fund in Islampur City Tal- Walwa, Dist – Sangli, Maharashtra.

Data Collection Tools**,** Data can be collected from various ways from different sources. The main method used for data collection is questionnaire or interview. We prepare questionnaire which contains questions regarding the mutual fund scheme.

Sampling Technique, As the sample size is infinite, so we have to use nonprobability sampling technique. So out of five nonprobability sampling techniques we are going to use Convenience sampling, Purposive sampling, Snowball sampling for the study.

4. Results and Discussion

In this study primary data has been used. We have collected responses from 157 respondents by distribution of google form. Then collected data was classified, tabulated and analysis with help of statistical tools MS-excel and Statistical Package for the Social Science (SPSS). And it's findings have been presented in step by step manner are as follows:

Table 1. Respondence. The following table shows gender wise classification of respondence.

Sr. No.	Respondence	Count	Percentage %
1	Male	116	73.9
2	Female	41	26.1
	Total	157	100

Source: (Primary Data)

Interpretation: It is observed that 73.9% respondents were male whereas 26.1% respondents were female. The majority of respondents were male.

Table 2. Occupation. Following table shows distribution of respondents on the basis of Occupation.

Sr. No.	Occupation	Response	Percentage %
1	Student	70	44.6
2	Farmer	13	8.3
3	Businessman	21	13.4
4	Private sector employee	37	23.6
5	Government employee	16	10.2

Source: (Primary Data)

Interpretation: It is observed that 44.6% of respondents are Students, 8.3% Farmers, 13.4% Businessman, 23.6% Private sector employees, 10.2% Government employees.

Table 3. Monthly Income. Following table shows monthly income of respondents.

Sr. No.	Monthly Income	Response	Percentage %
1	Upto Rs. 15000	73	46.5
2	Rs. 15000-25000	25	15.9
3	Rs. 25000-40000	35	22.3
4	Rs.40000-60000	14	8.9
5	Rs. 60000-100000	5	3.2
6	Above Rs. 100000	5	3.2

Source: (Primary Data)
Interpretation: It is observed that 46.5% of respondents were monthly income upto Rs.15000 Majority of respondents having monthly income below Rs.15000.

Table 4. Household Income. The following table shows household income of respondents.

Sr. No.	Household Income	Response	Percentage
1	Upto Rs.15000	50	31.8
2	Rs.15000-25000	29	18.5
3	Rs.25000-40000	32	20.4
4	Rs.40000-60000	17	10.8
5	Rs.60000-100000	17	10.8
6	Above Rs.100000	12	7.6

Source: (Primary Data)

Interpretation: In this study it is found that 31.8% respondents having household income upto Rs.15000. Majority of respondents having household income upto Rs.15000.

Table 5. Disposable Income. The following table shows disposable income of respondents.

Sr. No.	Disposable Income	Response	Percentage
1	Rs.10000-15000	86	58.8
2	Rs.15000-25000	43	27.4
3	Rs.25000-35000	17	10.8
4	Rs.35000-50000	8	5.1
5	Above Rs.50000	3	1.9

Source: (Primary Data)

Interpretation: In this study it is found that 58.8% respondents having disposable income Rs.10000-15000.

Table 6. How much percentage do you prefer to invest? The following shows percentage of amount to save.

Sr. No.	percentage of amount to save.	Response	Percentage %
1	Upto20%	89	56.7
2	20-40%	51	32.5
3	40-60%	13	8.3
4	60-80%	3	1.3
5	No	1	0.6

Source: (Primary Data)

Interpretation : In this study it is found that 56.7% respondents were ready to save upto 20%.

Table 7. Are you planning to save/ Invest? The following shows readiness of investors to saving.

Sr. No.	Interest to Saving	Response	Percentage %
1	Yes	134	85.4
2	No	23	14.6

Source: (Primary Data)

Interpretation : It is observed that 85.4% respondents were plan to save. Most of the respondents are plan to saving.

Table 8. Are you aware about Mutual Fund? Following table shows awareness of respondents toward Mutual fund.

Sr. No.	Awareness about Mutual Fund	Response	Percentage %
1	Yes	130	82.8
2	No	27	17.2

Source: (Primary Data)

Interpretation: It is observed that 82.8% of respondents are aware about mutual fund. Most of the respondents are aware about Mutual fund.

Table 9. Which investment do you feel more profitable? Following table shows which investment option is profitable for respondents.

Sr. No.	Investments options	Response	Percentage %
1	Fixed Deposits	42	26.8
2	Mutual Fund	72	45.9
3	Equities	22	13.4
4	Others	21	26.8

Source: (Primary Data)

Interpretation: It is observed that 26.8% respondent chose fixed deposits as an profitable option, 45.9% respondents chose mutual fund,13.4% respondents chose equities.

Table 10. Are you interested in Mutual Fund investment? Following table shows interest of respondents in Mutual Fund investment.

Sr. No.	Interest of respondents	Response	Percentage %
1	Yes	117	74.5
2	No	40	25.5

Source: (Primary Data)

Interpretation: About 74.5% respondents are interested in Mutual fund Investment.

Table 11. How much amount do you want to invest in Mutual fund? Following table shows amount of investment by respondents in mutual funds.

Sr. No.	Amount Investors	Response	Percentage %
1	Upto Rs.10000	102	65
2	Rs. 10000-20000	41	26.1
3	Rs.20000-40000	7	4.5
4	Above Rs.40000	7	4.5

Source: (Primary Data)

Interpretation: It is observed that 65% respondents are ready to invest upto Rs.10000.

Table 12. How much time horizon for investment in Mutual Fund? Following table shows time horizon for investment in mutual fund.

Sr. No.	Time Horizon	Response	Percentage %
1	Short-term	89	56.7
2	Long-term	68	43.3

Source: (Primary Data)

Interpretation : From the study it is observed that 56.7% respondents are investment in short-term schemes and 43.3% respondents are invest in long-term schemes.

Table 13. From where you purchase Mutual Fund? Following table shows source for mutual fund purchase.

Sr. No.	Source for MF purchase	Response	Percentage %
1	Directly From AMC's	50	31.8
2	Brokers	50	31.8
3	Brokers/ Sub-brokers	19	12.1
4	Other Sources	38	24.2

Source: (Primary Data)

Interpretation: It is observed that 31.8% of respondents purchase mutual fund from AMC's and equal percentage of respondents purchase from brokers.

Table 14. In which Mutual Fund scheme you would like to invest? Following table shows preference of investors for mutual fund Schemes.

Sr. No.	Mutual fund Schemes	Response	Percentage %
1	Open-ended	61	38.9
2	Close-ended	18	11.5
3	Regular Income Fund	26	16.6
4	Growth Fund	32	20.4

Sr. No.	Mutual fund Schemes	Response	Percentage %
5	Others	20	12.7

Source: (Primary Data)

Interpretation: 38.9% investors prefer open-ended mutual fund schemes. Followed by 20.4% growth funds, 16.6% regular income fund, etc.

Table 15. Can you get returns as per your expectations?

Sr. No.	Returns as per expectation	Response	Percentage %
1	Yes	129	82.2
2	No	28	17.8

Source: (Primary Data)

Interpretation: It is found that 82.2% respondents can get returns as per there expectation.

Table 16. How much returns you get? Following table shows percentage of returns from mutual fund investment.

Sr. No.	Returns from investment	Response	Percentage %
1	Upto 5 %	51	32.5
2	5-10%	57	36.3
3	10-15%	27	17.2
4	15-20%	14	8.9
5	More than 20 %	8	8

Source: (Primary Data)

Interpretation: It is observed that 36.3 % respondents can get 5-10% returns from mutual fund investment.

Table 17. Which Asset Management Company (AMC) will you prefer to invest?

Sr. No.	AMC's	Response	Percentage %
1	Reliance	39	24.3
2	HDFC	71	45.2
3	SBIMF	12	7.6
4	UTI	00	00
5	ICICI	23	14.6
6	Kotak	10	6.4
7	JM Finance	2	1.3

Source: (Primary Data)

Interpretation: It is observed that 45.2% respondents prefer HDFC for investment. Followed by 24.3% Reliance, 14.6% ICICI. Most of the investors invest in HDFC.

Table 18. Are you satisfied with Mutual Fund investment? Following table shows whether investors are satisfied with mutual fund investment or not.

Sr. No.	Satisfaction of investors	Response	Percentage %
1	Yes	136	86.6
2	No	21	13.4

Source: (Primary Data)

Interpretation: 86.4% respondents are satisfied with mutual fund investment.

Findings:
1. From the survey it is found that the majority of respondents were male.
2. Majority of respondents having monthly income below Rs.15000.
3. Most of the investors ready to invest upto 20% of their income.
4. About 82.8% respondents are aware about mutual fund investment.
5. 45.9% respondents feel that mutual fund is profitable option for investment.
6. Majority of respondents wants to purchase funds from brokers and directly from asset management companies.

7. Open-ended mutual fund scheme is mostly preferred by investors in our study.
8. 82.2% respondents can get returns as per there expectation.
9. 45.2% respondents prefer HDFC for investment. Followed by 24.3% Reliance, 14.6% ICICI. Most of the investors invest in HDFC.
10. A large amount of investors satisfied from mutual fund investment.

5. Conclusion

Mutual fund is good option for investors, the risk is minimum and returns from investment are also guaranteed. The study found that there is positive relation between awareness of mutual fund and preferences towards it. It is observed that majority of respondence are from lover income group, they are having monthly income of upto Rs.15000. The students are more aware about mutual fund because of new trends in investment option. Females are less aware about mutual fund investment.

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