A STUDY OF INVESTORS AWARENESS LEVEL ON MUTUAL FUNDS IN MUMBAI REGION

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INTRODUCTION

A mutual fund is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities such as stocks, bonds, money market instruments, and other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

Mutual funds pool money from the investing public and use that money to buy other securities, usually stocks and bonds. The value of the mutual fund company depends on the performance of the securities it decides to buy. So, when you buy a unit or share of a mutual fund, you are buying the performance of its portfolio or more precisely, a part of the portfolio's value. Investing in a share of a mutual fund is different from investing in shares of stock. Unlike stock, mutual fund shares do not give its holders any voting rights. A share of a mutual fund represents investments in many different stocks (or other securities) instead of just one holding.

Most popular Mutual Funds Investment Plans

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>AUM (in Rs. Crore)</th>
<th>NAV</th>
<th>Expense Ratio</th>
<th>3 Months</th>
<th>6 Months</th>
<th>1 Year</th>
<th>3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Prudential Bluechip Fund – Growth</td>
<td>22,162.14</td>
<td>42.6500</td>
<td>1.78</td>
<td>2.01</td>
<td>4.57</td>
<td>5.96</td>
<td>13.01</td>
</tr>
<tr>
<td>SBI Bluechip Fund – Growth</td>
<td>257.43</td>
<td>59.6685</td>
<td>1.83</td>
<td>5.41</td>
<td>7.47</td>
<td>4.24</td>
<td>16.35</td>
</tr>
<tr>
<td>Aditya Birla Sun Life Tax Relief 96 – Growth</td>
<td>991.26</td>
<td>30.4900</td>
<td>2.03</td>
<td>-2.40</td>
<td>-1.60</td>
<td>-3.62</td>
<td>11.34</td>
</tr>
<tr>
<td>ICICI Prudential Equity &amp; Debt Fund – Growth</td>
<td>260.36</td>
<td>134.6500</td>
<td>1.69</td>
<td>1.86</td>
<td>5.51</td>
<td>5.66</td>
<td>12.37</td>
</tr>
<tr>
<td>L &amp; T India Value Fund – Growth</td>
<td>540.63</td>
<td>35.7320</td>
<td>1.86</td>
<td>0.99</td>
<td>3.34</td>
<td>-0.72</td>
<td>12.07</td>
</tr>
<tr>
<td>SBI Magnum Multicap Fund – Growth</td>
<td>755.92</td>
<td>49.3271</td>
<td>1.93</td>
<td>2.93</td>
<td>7.44</td>
<td>4.35</td>
<td>12.47</td>
</tr>
<tr>
<td>L &amp; T Tax Advantage Fund – Growth</td>
<td>3420.69</td>
<td>53.5630</td>
<td>2.05</td>
<td>1.40</td>
<td>0.92</td>
<td>-2.95</td>
<td>11.55</td>
</tr>
<tr>
<td>Motilal Oswal Multicap 35 Fund Regular – Growth</td>
<td>1363.49</td>
<td>26.1649</td>
<td>1.56</td>
<td>0.96</td>
<td>3.24</td>
<td>-1.77</td>
<td>13.65</td>
</tr>
<tr>
<td>Mirae Asset Emerging Bluechip Fund Regular – Growth</td>
<td>7616.50</td>
<td>53.6880</td>
<td>2.0</td>
<td>0.98</td>
<td>5.48</td>
<td>7.95</td>
<td>17.33</td>
</tr>
<tr>
<td>DSP Equity Opportunities Fund – Growth</td>
<td>5720.56</td>
<td>217.7410</td>
<td>1.92</td>
<td>-0.56</td>
<td>4.11</td>
<td>1.65</td>
<td>12.25</td>
</tr>
</tbody>
</table>
RESEARCH METHODOLOGY

Objective
- The basic objective of the study is to know the awareness level of the public on mutual fund.
- To know the willingness of the people to invest in mutual fund.
- To know the trend of investment in mutual fund.
- To know the source of information to the public for mutual fund.
- The mode of investing in mutual fund.

SOURCES OF DATA COLLECTION:
Data for this paper is collected through
During my paper, I collected data through various sources:

Primary Data:-
Primary data for this paper is collected via conducting a survey by circulating a questionnaire. The survey was conducted with a sample size of 60 people. The survey has all types of age group involved and of all income groups.

Secondary data:-
Secondary data is collected from internet, publishers, etc.

DATA ANALYSIS AND INTERPRETATION

- 55% respondents are from age group of 18 to 24 years which indicates that the research population is at entry level jobs and beginning of the career.
- The second major constituent of the resource population consists of the age group 25 to 35 years of age indicating 21% of the research population being well settled and at executive levels off the job.
- The third highest constituent of the resource population consist of an age group of 36 to 45 years of age which makes up for 15% of the entire population of the research.
- The other two criteria are 45 and above and 18 or below which consist of 3% it and 5%.

So our research has more numbers of respondents from age group of 18-24.
58% of the respondents are from income group 3 lakhs and below which indicates the research population which is a smaller income group.

The second major constituent of the resource population consists of the income group of 4-6 lakhs indicating 27% of the research population being average income group.

The third highest constituent of the source population consist of an income group of 7-10 lakhs which makes up for 8% of the entire population of the research.

The last criteria are 10 lakhs and above which consist of 7% of the population.

So the majority of the respondents for the research consist of smaller income group.

Which investment option do you prefer to generate Income?

- Public Provident Fund
- Bank Fixed Deposits
- Mutual Funds
- Gold Real Estate

Over 53% of the respondents have responded positive for mutual funds.

Real estate has a response ratio of 40%.

Bank fixed deposit at 36%.
Public provident funds at 28%.
Gold is at 26%.

From this we can interpret that the people already have ample amount of awareness related to mutual funds and show awareness towards the rate of return derived and also show awareness towards the new policies that have been recently rolled out.

Do you know about Mutual Funds?
- Yes
- No

There are 80% of the respondents who have knowledge about MFs.
20% of the respondents have no knowledge about MFs.

We can interpret that there are people who are aware of mutual funds but still there is a small section who is not aware of mutual funds and what are they.

What are the source of information about Mutual Funds to you?
- Advertisement
- Bank
- Financial advisors/CA
- Peer groups
57% of the respondents have received bits and pieces information from advertisement.
45% of the respondents have gained information from financial advisors or chartered accountant.
43% of the respondents have received information from their peer groups.
28% claim to have received information from Bank and other financial institutions.

We can ascertain that advertisement campaign for mutual funds has created a huge amount of awareness related to mutual funds.

Do you know that Mutual Fund is related to Share Market?
- Yes
- No
- Don’t know
87% of the population is aware that mutual fund is related to share market. Rest did not know whether it is related to the share market or not.

So the majority of the respondents know that MFs is related to Share Market.

- **Have you ever invested in Mutual Funds?**
  - Yes
  - No

  - 60% of the population has never invested in mutual funds.
  - 40% of the population is investing in mutual funds or is willing to invest in mutual fund.

So majority of the population has not invested in MFs.

If no: What is (are) the reasons?
  - Never thought about it
  - Lack of knowledge
  - Risky
  - Do not have enough savings

- 39% of the responding population does not invest in mutual fund because of lack of knowledge.
Others do not have enough savings (31%),

22% of the population never thought about investing in mutual funds and the balance population finds mutual funds risky.

So the major reason turned out to be lack of knowledge.

- If yes: What is (are) your preferred channel for Mutual Fund Investment?
  - Financial advisors
  - AMC
  - Bank

First preferred channel is financial advisor which has 46%.

Bank is preferred 32%.

AMC is preferred 22%.

It shows that majority of the investors come through Financial Advisors.

- Which mode of investment will you prefer?
  - One Time Investment
  - Systematic Investment Plan

78% of the population uses systematic investment plan (SIP) to invest in mutual fund.

22% of the population uses one time investment.
We can interpret that majority of the population wants their hard earned money to be invested systematically whereas there is a small group who prefer to invest huge amount of money at once.

FINDINGS
On the basis of analysis and interpretation researcher has come to the following FINDINGS that are presented below one by one:

- As per the survey taken we can understand that a larger section of the population from the age of 18 to 24 aspiring entry level jobs at various organisations are willing to invest in mutual funds but seem to have limited or very low amount of knowledge pertaining to mutual funds and tools to invest in mutual funds.
- Also as a larger section of the population is from 18 to 24 we can see a trend of investing in smaller units or as a mutual fund terms can consider systematic investment plans
- It can also be referred that people who have taken the survey exclaimed to be relying on advertisements has the highest source of information regarding mutual funds followed by financial advisors or/and chartered accountants and peer groups and banking institutions.
- Also it can be inferred that people prefer to invest mutual funds via financial advisors, banks and AMC.

SUGGESTIONS
Based on the findings of the survey the following are the suggestions that can be implemented to facilitate ease of access mutual funds investment:

- Keeping in mind that the larger chunk of the population is at entry level jobs we can formulate systematic investment plans which facilitate small Investments to be pooled from small investors.
- Advertisements being the key source of information amongst the respondents of the survey we can try and make more informative and self-explanatory ads which are easy to understand by common public.

CONCLUSION
To conclude we can say that even after being a relatively new concept in India mutual funds has picked up attention of a lot of investors in very short period of time
Having said that we can observe that there is still ample space for or expansion of the mutual fund market. More and more investors are willing to invest in mutual funds this displays great scope in future.

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- Websites:
  1) http://www.njgroup.in/about.php