Investors' Perception About Mutual Funds In India: An Empirical Study

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ABSTRACT

Mutual Funds have emerged as an important investment alternative to invest in the capital markets. They provide an opportunity to avail the services of professionals at a very nominal cost, even in the case of small investments. However, there are 34 mutual funds in India competing with each other and offering multiple mutual fund products. Knowing the perception of mutual fund investors can help these institutions to market their schemes in a better way. In this context, the present study is an attempt to study the perception of mutual fund investors regarding a few important aspects.
Keywords : Respondents' Perception, Mutual Funds, Mutual Fund Schemes, Investors' Behaviour
JEL Classification : C12,C14,C83 and G20

INTRODUCTION

Mutual Fund is an investment intermediary set up in the form of a trust that collects funds from investors, pools it and allocates the funds to the financial market instruments like Equity, Debenture etc. It issues securities (known as units) to the investors (known as unit-holders) in accordance with the quantum of money invested by them. Every Mutual Fund is managed by a fund manager, who, by using his investment management skills and the necessary research work, ensures better returns than what an investor can manage on his own. The capital appreciation and other incomes earned from these investments are passed on to the investors in proportion of the number of units they own. However, all mutual fund investments are subject to market risk and every fund manager is expected to design the portfolio keeping in view the investment objective of a particular mutual fund scheme.

Presently, there are 34 Mutual Funds in India. The total number of schemes which were 382 in number in March 2003 increased to 1309 in March 2012. The total resources mobilized by the mutual funds were ₹ 79464 crores in March 2003, that went up to 587217 crores in March 2012. Due to the benefits accrued by investments in mutual funds, they have gained popularity in the Indian market. As a result, they have also attracted the attention of young researchers. A few of the research studies conducted by the researchers have been summarized in the following section.

REVIEW OF LITERATURE

Chakarabarti and Rungta (2000) examined the importance of brand effect in determining the competitive advantage of the AMCs. The study revealed that brand image influenced the investor's perception and ultimately the fund/scheme selection.

Rajeswari & Ramamoorthy (2001) in their study attempted to measure the awareness of retail investors about the concept and functioning of mutual funds in Bombay, Bangalore and Hyderabad. The study was based on data collected through a survey from 92 potential investors (67 men and 25 women) and 101 present investors (72 men and 29 women) from the selected three cities during May 2000. The study revealed that 56.7 per cent of the men and 52.0 per cent of the women among the potential investors had poor/inadequate awareness about mutual funds. Among the present investors, 33.3 per cent men and 65.5 per cent women had poor/inadequate awareness.

Gilkar (2002) in his study examined the empirical evidence with regards to the perceptions of 86 mutual fund investors (1995-2000) from Jammu and Srinagar. The study revealed that growth products were rated highest by the respondents, whereas income products had the least preference. Recommendation of friends and relatives played a major role in investment decisions. Lack of awareness and poor investor services were considered as the main obstacles hindering the growth of mutual funds.

Mehru (2004) in his study analyzed the problems of mutual funds in India. The study highlighted several problems

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such as lack of awareness among investors, poor after sale services, non disclosure of portfolio by mutual funds, inter scheme transfer of funds and lack of professional fund managers. The author suggested that greater transparency, increased innovations, better services to the investors, liquidity and higher returns could make mutual fund schemes more popular and investor friendly in India.

Mittal and Gupta (2008) examined the awareness of the investors about mutual funds and various factors affecting the investment decision to invest in mutual funds. The study revealed that 85 per cent of the respondents were aware of the mutual fund products and the associated risks. Further, most of the investors were satisfied with the services provided by the mutual funds.

Viramgami (2009) in his study of resource mobilization by Indian mutual fund industry concluded that Income schemes, Liquid/MM schemes, and Growth schemes showed growth between March 2000 to March 2007. In terms of resources, mobilization, liquid/money market, Growth, ELSS and Income funds emerged as the most popular schemes among investors and these three accounted for more than 70 per cent of the resources. Among various sectors operating in the mutual fund industry, the private sector mutual funds were the most prominent players in the industry.

Vyas and Moonat (2012) studied the perception and behaviour of mutual funds investors in Indore, Madhya Pradesh. The study was based on 363 mutual fund investors. The results revealed that most of the respondents invested in equity options with a time span of one to three years. Though 73 per cent of the investors were aware about the risks associated with the mutual funds, yet only 53 per cent of the investors analyzed the associated risks. Lump sum investment was the most preferred mode followed by SIP. Gold was the most important option among investors, and mutual funds ranked 6th in this regard. Further, mutual funds got an average score on all parameters like safety, liquidity, reliability, tax benefits and high returns.

RESEARCH METHODOLOGY

In the light of the above research, the present research paper is an attempt to study the investment perception of mutual fund investors in Punjab. The study is based on primary data collected from 200 mutual fund investors in 2011 (January to December) with the help of a pre-tested questionnaire. However, the study has been restricted to the state of Punjab only. The universe of the study consists of mutual fund investors residing in the state of Punjab. The researchers resorted to two stage sampling framework for the study. At the first stage, districts to be covered under the primary survey were selected. It was planned to select three districts of Punjab by giving representation to all the three belts of Punjab viz, - Malwa (Barnala, Bathinda, Fatehgarh Sahib, Faridkot, Ferozepur, Ludhiana, Mansa, Moga, Muktsar, Patiala, Ropar, Sangrur, Mohali) ; Majha (Amritsar, Gurdaspur and Tarn Taran) ; and Doaba (Jalandhar, Hoshiarpur, Kapurthala and Nawanshahr). Taking population as a base, three districts namely - Ludhiana from Malwa, Amritsar from Majha, and Jalandhar from Doaba - were selected for the survey as these districts have the highest population in their respective belts. At the second stage of sampling, a sample of 200 respondents was taken. Initially, it was decided to select the sample on a random basis, but due to non-availability of a sampling framework, the research plan was modified, and it was decided to adopt judgement sampling. As the Malwa belt covers more than 60 per cent districts of Punjab, the researchers decided to give maximum representation to the Malwa belt by taking a sample of 100 respondents. From Doaba and Majha, a sample of 50 respondents each was taken.

The various aspects studied included respondents' know-how regarding mutual funds, respondents' perception regarding effectiveness of advertising media in relation to mutual funds; respondents' opinion regarding most the important attribute of a successful fund manager ; respondents' perception regarding their risk tolerance with respect to mutual fund investments and ; respondents' opinion with regards to various aspects related to mutual funds. Data has been analyzed by dividing the respondents in various age , occupation, savings and experience categories. The research tools used in the study include Percentages, Average Weighted Scores, Chi-square test and Kendall's Coefficient of Concordance (W).

ANALYSIS AND DISCUSSION

❖ **General Profile Of The Respondents :** The Table 1 reveals the general profile of the investors. Age-wise, the respondents have been divided into three categories, i.e. up to 30 years (A1), 30 - 40 years (A2) and 40 years and above (A3). The Table 1 reveals that a maximum number of respondents fell in the category A1 (49.5%), followed by the category A2 (29.5%) and category A3 (21%). Occupation-wise, the respondents have been divided into three

categories, i.e. Service (O1), Business (O2) and others O3 (23%). The table reveals that the highest percentage of the respondents were in O1 (46%), followed by O2 (31%) and O3 (23%) categories.

Table 1 : General Profile of The Respondents

Age (years)		Occupation		Annual Savings (in ₹)		Investment Experience	
Up to 30 (A1)	99 (49.5)	Service (O1)	92 (46)	Up to 100000 (S1)	119 (59.5)	Up to 3 years (E1)	67 (33.5)
30-40 (A2)	59 (29.5)	Business (O2)	62 (31)	100000-200000 (S2)	47 (23.5)	3-5 years (E2)	69 (34.5)
40 & Above (A3)	42 (21)	Others (O3)	46 (23)	Above 200000 (S3)	34 (17)	Above 5 years (E3)	64 (32)
Note: Figures in parenthesis denote percentage.							
Source: Primary Data							

Annual-savings wise, the respondents have been divided into three categories, i.e. up to ₹ 1,00,000 (S1) , ₹ 1,00,000-2,00,000 (S2) , and above ₹ 2,00,000 (S3). The Table 1 reveals that the maximum number of respondents fell in the category S1 (59.5%), followed by category S2 (23.5%), and category S3 (17%). Investment-experience wise, the respondents have been divided into three categories, i.e. up to 3 years (E1), 3-5 years (E2), and above 5 years (E3). The Table 1 reveals that the maximum number of respondents fell in the category E2 (34.5%), followed by the category E1 (33.5%), and category E3 (32%).

❖ **Knowledge Possessed By The Respondents' Regarding Mutual Funds :** To ascertain the level of knowledge the investors had regarding mutual funds, they were asked to rate their level of knowledge on a five-point scale. Their responses are presented in the Table 2. The Table 2 shows that 63 per cent of the respondents possessed extensive knowledge of mutual funds. It is followed by the respondents (36%) who had average knowledge in this regard. Only 2 respondents (1%) possessed poor knowledge regarding mutual funds.

Category-wise, a majority of the respondents, irrespective of their age, occupational, savings and experience categories (except E1) possessed good knowledge of mutual funds followed by those (except E1) who had average knowledge of mutual funds. In case of category E1, 56.72 per cent of the respondents had average knowledge of mutual funds followed by those who had good knowledge of mutual funds (40.3%). Average Weighted Scores (AWS) have been calculated category-wise by assigning weights as 5,4,3,2, 1 to very good, good, average, poor, and very poor respectively, and by dividing the total scores so obtained by the number of respondents. Category-wise, the average weighted scores reveal no major knowledge differences with respect to age, occupational and savings categories. However, experience-wise, the respondents from category E3 were more knowledgeable (AWS =3.83), followed by

Table 2 : Knowledge of Respondents' Regarding Mutual Funds (Age-wise, Occupation-wise, Savings-wise and Experience-wise Distribution)

Categories → / Knowledge ↓	A1	A2	A3	O1	O2	O3	S1	S2	S3	E1	E2	E3	Total
Very Poor	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Poor	2 (2.02)	0 (0)	0 (0)	2 (2.17)	0 (0)	0 (0)	1 (0.84)	1 (2.13)	0 (0)	2 (2.99)	0 (0)	0 (0)	2 (1)
Average	34 (34.34)	23 (38.98)	15 (35.71)	28 (30.43)	25 (40.32)	19 (41.30)	45 (37.82)	14 (29.79)	13 (38.24)	38 (56.72)	22 (31.88)	12 (18.75)	72 (36.00)
Good	61 (61.62)	35 (59.32)	27 (64.29)	60 (65.22)	37 (59.68)	26 (56.52)	71 (59.66)	32 (68.09)	20 (58.82)	27 (40.30)	45 (65.22)	51 (79.69)	123 (61.50)
Very Good	2 (2.02)	1 (1.69)	0 (0)	2 (2.17)	0 (0)	1 (2.17)	2 (1.68)	0 (0)	1 (2.94)	0 (0)	2 (2.90)	1 (1.56)	3 (1.50)
N	**99.00**	**59**	**42**	**92**	**62**	**46**	**119**	**47**	**34**	**67**	**69**	**64**	**200**
AWS	**3.64**	**3.63**	**3.64**	**3.67**	**3.60**	**3.61**	**3.62**	**3.66**	**3.65**	**3.37**	**3.71**	**3.83**	
Source: Primary Data													

Table 3 : Respondents' Perception Regarding Effectiveness of Advertising Media In Relation To Mutual Funds (Age-wise, Occupation-wise, Savings-wise and Experience-wise Distribution)

Categories → / Media Source ↓	A_1	A_2	A_3	O_1	O_2	O_3	S_1	S_2	S_3	E_1	E_2	E_3	Total
TV	61 (61.62)	35 (59.32)	24 (57.14)	56 (60.87)	42 (67.74)	22 (47.83)	72 (60.50)	25 (53.19)	23 (67.65)	40 (59.70)	47 (68.12)	33 (51.56)	120 (60)
Newspapers	5 (5.05)	16 (27.12)	10 (23.81)	11 (11.96)	10 (16.13)	10 (21.74)	20 (16.81)	7 (14.89)	4 (11.76)	5 (7.46)	9 (13.04)	17 (26.56)	31 (15.50)
Professional Magazines/ Journals	11 (11.11)	4 (6.78)	2 (4.76)	7 (7.61)	3 (4.84)	7 (15.22)	13 (10.92)	3 (6.38)	1 (2.94)	10 (14.93)	1 (1.45)	6 (9.38)	17 (8.50)
Internet	22 (22.22)	4 (6.78)	6 (14.29)	18 (19.57)	7 (11.29)	7 (15.22)	14 (11.76)	12 (25.53)	6 (17.65)	12 (17.91)	12 (17.39)	8 (12.50)	32 (16.00)
N	**99**	**59**	**42**	**92**	**62**	**46**	**119**	**47**	**34**	**67**	**69**	**64**	**200**
chi-square val.	**21.39* df=6**			**11.12 df=6**			**7.52 df=6**			**17.71* df=6**			

Note : * denotes Significant at 5 per cent level of significance Source: Primary Data

the respondents from categories E2 (AWS = 3.71) and E1 (AWS = 3.37). This indicates a positive correlation between experience and knowledge of the respondents, as indicated by the average weighted scores.

❖ **Respondents' Perception Regarding Effectiveness Of Advertising Media In Relation To Mutual Funds :** Respondents were asked to suggest an advertising media which they thought would be most effective in relation to mutual funds. Their responses have been given in the Table 3. The table highlights that 60 per cent of the respondents preferred TV as an advertising media, followed by those who preferred the Internet (16%), Newspapers (15.5%) and Professional Magazines/Journals (8.5%). Category-wise, a majority of the respondents, irrespective of their age, occupational, savings and experience categories suggested that Television was the best media for advertising regarding mutual funds. More than 20 percent of the respondents from categories A2, A3, O3 and E3 suggested advertising in Newspapers for this purpose. Further, 25.53 per cent of the respondents from category S2, and 22.22 percent of the respondents from the category A1 suggested the use of the Internet in this regard.

Chi-Square value at 5 per cent level of significance reveals that significant differences existed among various age and experience categories with respect to the respondents' perception regarding effectiveness of advertising media in relation to mutual funds. Further, no significant differences were found among the respondents belonging to various occupational and savings categories in this regard.

❖ **Respondents' Opinion Regarding The Most Important Attributes Of A Successful Fund Manager :** Respondents were asked to list the important attributes of a successful fund manager in relation to mutual funds. Their responses have been provided in the Table 4. The table highlights that 42.5 per cent of the respondents suggested a fund manager's 'Investment track record' to be the most important attribute followed by 'Experience' (32.5%), 'Investment philosophy/ methodology' (13%) and 'Qualification' (12%).

Category-wise, the Table 4 reveals that the respondents, irrespective of their age, occupational, savings and experience categories had listed 'Investment track record' and 'Experience' (except category S2) as the most important attributes of a successful fund manager. In case of category S2, 'Investment philosophy and methodology' had been listed as the second most important attribute in this regard. 'Qualification' and 'Investment philosophy / methodology' was not given much importance by the respondents from various ages, occupational, savings (except category S2) and experience categories in this regard.

Chi-Square value at 5 per cent level of significance reveals that significant differences existed among various occupational, savings and experience categories with respect to the respondents' opinion regarding the most important attributes of a successful fund manager. Further, no significant differences were found among the respondents belonging to various age categories in this regard.

Table 4 : Respondents' Opinion Regarding The Most Important Attributes of A Successful Fund Manager (Age-wise, Occupation-wise, Savings-wise and Experience-wise Distribution)

Categories → / Attributes ↓	A_1	A_2	A_3	O_1	O_2	O_3	S_1	S_2	S_3	E_1	E_2	E_3	Total
Qualification	17 (17.17)	4 (6.78)	3 (7.14)	18 (19.57)	3 (4.84)	3 (6.52)	12 (10.08)	9 (19.15)	3 (8.82)	11 (16.42)	12 (17.39)	1 (1.56)	24 (12.00)
Experience	35 (35.35)	20 (33.90)	10 (23.81)	32 (34.78)	17 (27.42)	16 (34.78)	45 (37.82)	7 (14.89)	13 (38.24)	20 (29.85)	30 (43.48)	15 (23.44)	65 (32.50)
Investment Track Record	36 (36.36)	28 (47.46)	21 (50)	31 (33.70)	34 (54.84)	20 (43.48)	51 (42.86)	18 (38.30)	16 (47.06)	29 (43.28)	21 (30.43)	35 (54.69)	85 (42.50)
Investment Philosophy/ Methodology	11 (11.11)	7 (11.86)	8 (19.05)	11 (11.96)	8 (12.90)	7 (15.22)	11 (9.24)	13 (27.66)	2 (5.88)	7 (10.45)	6 (8.70)	13 (20.31)	26 (13.00)
N	**99**	**59**	**42**	**92**	**62**	**46**	**119**	**47**	**34**	**67**	**69**	**64**	**200**
chi-square val.	**8.92 df=6**			**13.06* df=6**			**19.26* df=6**			**21.45* df=6**			

Note : * denotes Significant at 5 per cent level of significance Source: Primary Data

❖ **Respondents' Perception Regarding Their Risk Tolerance With Reference To Mutual Fund Investments :** The Table 5 reveals how the respondents placed themselves on the risk tolerance scale while investing in mutual funds. As is evident from the Table 5, 58.5 per cent of the respondents considered themselves as moderate risk takers followed by those who were risk averse (27%), and high risk takers (14.5).

Table 5 : Respondents' Perception Regarding Their Risk Tolerance Levels With Reference To Mutual Fund Investments (Age-wise, Occupation-wise, Savings-wise and Experience-wise Distribution)

Categories → / Risk Tolerance ↓	A_1	A_2	A_3	O_1	O_2	O_3	S_1	S_2	S_3	E_1	E_2	E_3	Total
High Risk Taker	12 (12.12)	11 (18.64)	6 (14.29)	14 (15.22)	8 (12.90)	7 (15.22)	18 (15.13)	6 (12.77)	5 (14.71)	14 (20.90)	6 (8.70)	9 (14.06)	29 (14.50)
Moderate Risk Taker	55 (55.56)	30 (50.85)	32 (76.19)	48 (52.17)	38 (61.29)	31 (67.39)	63 (52.94)	30 (63.83)	24 (70.59)	37 (55.22)	46 (66.67)	34 (53.13)	117 (58.50)
Risk Averse	32 (32.32)	18 (30.51)	4 (9.52)	30 (32.61)	16 (25.81)	8 (17.39)	38 (31.93)	11 (23.40)	5 (14.71)	16 (23.88)	17 (24.64)	21 (32.81)	54 (27.00)
N	**99**	**59**	**42**	**92**	**62**	**46**	**119**	**47**	**34**	**67**	**69**	**64**	**200**
Chi-square value	**10.13* df=4**			**4.17 df=4**			**5.04 df=4**			**5.91 df=4**			

Note : * denotes Significant at 5 per cent level of significance Source: Primary Data

Category-wise, a majority of the respondents, irrespective of their categories, were moderate risk takers followed by the risk averse (except category A3). High risk taking on the risk tolerance scale was given the least preference by the respondents irrespective of their age (except A3 category), occupational, savings and experience categories. In case of the category A3, 14.29 per cent of the respondents showed an inclination towards high risk taking followed by those who were risk averse (9.52%). Chi-Square value at 5 per cent level of significance reveals that no significant differences existed among various occupational, savings and experience categories with respect to risk tolerance levels while making investments in mutual funds. However, significant differences were found among respondents belonging to various age categories in this regard.

❖ **Respondents' Opinion With Regards To Mutual Funds :** The Table 6 shows that a majority of the respondents had expressed their agreement with regard to the statements - 'Mutual Funds are useful for small investors' (97%), 'Mutual Funds have better professional expertise than individual investors' (93.5%), 'Tax incentives on Mutual Fund investments should be increased' (90%), 'Mutual Funds are more suitable for Indian investors' (89.5%), 'Mutual Fund

products are desirable for the growth of the capital markets' (83%), 'Mutual Funds give higher return than other investments'(83%) , 'Private sector Mutual Funds perform better than public sector Mutual Funds' (76%), and 'Mutual Fund investments are akin to owning any other asset' (54.5%). 39.5 per cent of the respondents were indifferent towards the statement 'Public Sector Mutual Funds are more secured than private sector Mutual Funds'. It is followed by those who expressed their disagreement (31.5%) and agreement (29%) with this statement. 50 per cent of the respondents agreed with the statement that 'Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus'. It is followed by those who were indifferent (39.5%) and disagreed (10.5%) with this statement. It is worth mentioning that 28.5 per cent of the respondents were indifferent towards the statement 'Mutual Fund investment is like owning any other asset'. However, 17 per cent of the respondents expressed their disagreement with this statement.

For category-wise analysis, Average Weighted Scores (AWS) were calculated by assigning weights 5, 4, 3, 2, 1, to Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree respectively, and by dividing the scores so obtained by the number of respondents.

The Table 7 shows that the respondents had a high level of agreement with the statements 'Mutual Funds are useful for small investors' (AWS = 4.72), 'Mutual Funds have better professional expertise than an individual investor' (AWS = 4.54), 'Tax incentives on Mutual Fund investments should be increased' (AWS=4.46), 'Mutual Funds are more suitable for Indian investors' (AWS=4.26), 'Mutual Fund products are desirable for the growth of the capital markets' (AWS=4.21), 'Mutual Funds give higher returns than other investments' (AWS=4.18), 'Private sector Mutual Funds perform better than public sector Mutual Funds' (AWS=4.02), 'Mutual Fund investments are akin to owning any other asset' (AWS=3.65), and 'Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus' (AWS=3.59). However, the respondents seemed to be indifferent (AWS=3.01) with regards to the statement 'Public Sector Mutual Funds are more secured than private sector Mutual Funds'.

Age-wise, the Table 7 reveals that the respondents, irrespective of their age categories, had a high level of agreement with the statements - 'Mutual Funds are useful for small investors', 'Mutual Funds have better professional expertise than an individual investor', 'Tax incentives on Mutual Fund investments should be increased', 'Mutual Funds are more suitable for Indian investors', 'Mutual Fund products are desirable for the growth of the capital markets', 'Mutual Funds give higher returns than other investments', 'Private sector Mutual Funds perform better than public sector Mutual Funds', 'Mutual Fund investments are akin to owning any other asset', and 'Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus'. However, the respondents in all the age categories seemed to be indifferent with regards to the statement 'Public Sector Mutual Funds are more secured than private sector Mutual Funds' (AWS being slightly below or above 3). Kendall's Coefficient of Concordance reveals that there exists significant concurrence of rankings (W=0.968) among the respondents from different age categories with respect to various statements relating to mutual funds.

Occupation-wise, the Table 7 reveals that the respondents, irrespective of their occupational categories, had a high

Table 6 : Respondents' Opinion With Regards To Mutual Funds (N = 200)

Statements	SA	A	N	DA	SDA
Mutual Funds are useful for small investors.	152 (76)	42 (21)	4 (2)	2 (1)	0 (0)
Private sector Mutual Funds perform better than Public Sector Mutual Funds.	68 (34)	84 (42)	35 (17.5)	10 (5)	3 (1.5)
Mutual Funds with large corpus perform better than Mutual Funds with small corpus.	38 (19)	62 (31)	79 (39.5)	21(10.5)	0 (0)
Mutual Funds give higher returns than other investments.	84 (42)	82 (41)	19 (9.5)	15 (7.5)	0 (0)
Public Sector Mutual Funds are more secure than private sector Mutual Funds.	17 (8.5)	41 (20.5)	79 (39.5)	53 (26.5)	10 (5)
Mutual Funds have better professional expertise than an individual investor.	121 (60.5)	66 (33)	12 (6)	1 (0.5)	0 (0)
Mutual Fund products are desirable for the growth of the capital markets.	84 (42)	82(41)	26 (13)	8 (4)	0 (0)
Tax incentives on Mutual Fund investments should be increased.	115 (57.5)	65 (32.5)	17 (8.5)	3 (1.5)	0 (0)
Mutual Funds investments are akin to any other asset.	56 (28)	53 (26.5)	57 (28.5)	32 (16)	2 (1)
Mutual Funds are more suitable for the Indian investors.	78 (39)	101 (50.5)	16 (8)	5 (2.5)	0 (0)

Source: Primary Data

level of agreement with the statements 'Mutual Funds are useful for small investors', 'Mutual Funds have better professional expertise than an individual investor', 'Tax incentives on Mutual Fund investments should be increased', 'Mutual Funds are more suitable for Indian investors, 'Mutual Fund products are desirable for the growth of the capital markets, 'Mutual Funds give higher returns than other investments', 'Private sector Mutual Funds perform better than public sector Mutual Funds', 'Mutual Fund investments are akin to owning any other asset', and 'Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus'. However, the respondents in all the occupational categories seemed to be indifferent with regards to the statement 'Public Sector Mutual Funds are more secured than private sector Mutual Funds' (AWS being slightly below or above 3). Kendall's Coefficient of Concordance reveals that there exists significant concurrence of rankings (W=0.981) among the respondents from different occupational categories with respect to various statements relating to mutual funds.

Savings-wise, the Table 7 reveals that the respondents, irrespective of their categories, had a high level of agreement with the statements 'Mutual Funds are useful for small investors', 'Mutual Funds have better professional expertise than individual investors', 'Tax incentives on Mutual Fund investments should be increased', 'Mutual Funds are more suitable for Indian investors', 'Mutual Fund products are desirable for the growth of the capital market', 'Mutual Funds give higher returns than other investments', 'Private sector Mutual Funds perform better than public sector Mutual Funds', 'Mutual Fund investments are akin to owning any other asset' and 'Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus'.

The respondents from categories S1 and S2 seemed to be indifferent to the statement 'Public Sector Mutual Funds are more secured than private sector Mutual Funds' (AWS being slightly below or above 3). However, the respondents from category S3 (AWS = 3.29) seemed to agree with the above statement. Kendall's Coefficient of Concordance reveals that there exists significant concurrence of rankings (W=0.957) among the respondents from different savings categories with respect to various statements relating to mutual funds.

Experience-wise, the Table 7 reveals that the respondents, irrespective of their categories, had a high level of agreement with the statements - 'Mutual Funds are useful for small investors', 'Mutual Funds have better professional expertise than an individual investor', 'Tax incentives on Mutual Fund investments should be increased', 'Mutual

Table 7 : Average Weighted Score Showing Respondents' Opinion With Regard sTo Mutual Funds (Age-wise, Occupation-wise, Savings-wise and Experience-wise Distribution) (N = 200)

Statements↓ Categories→	A1	A2	A3	O1	O2	O3	S1	S2	S3	E1	E2	E3	AWS
Mutual Funds are useful for small investors.	4.68	4.85	4.64	4.64	4.84	4.72	4.72	4.62	4.85	4.42	4.87	4.88	4.72
Private Sector Mutual Funds perform better than Public Sector Mutual Funds.	3.90	4.14	4.14	3.97	4.10	4.02	4.02	4.09	3.94	3.78	3.99	4.31	4.02
Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus.	3.62	3.63	3.45	3.52	3.77	3.46	3.53	3.59	3.76	3.58	3.64	3.53	3.59
Mutual Funds give higher returns than other investments.	4.06	4.31	4.26	4.04	4.40	4.13	4.23	4.00	4.24	3.81	4.26	4.47	4.18
Public Sector Mutual Funds are more secure than Private Sector Mutual Funds.	2.99	3.12	2.90	3.05	2.87	3.11	2.96	2.93	3.29	3.25	3.12	2.64	3.01
Mutual Funds have better professional expertise than an individual investor.	4.54	4.56	4.50	4.55	4.56	4.46	4.56	4.40	4.62	4.49	4.48	4.64	4.54
Mutual Fund products are desirable for the growth of the capital market.	4.06	4.44	4.24	4.10	4.40	4.17	4.21	4.06	4.41	3.94	4.19	4.52	4.21
Tax incentives on Mutual Fund investments should be increased.	4.38	4.64	4.38	4.40	4.65	4.33	4.37	4.47	4.76	4.16	4.52	4.70	4.46
Mutual Fund investments are akin to any other asset.	3.46	3.73	3.95	3.50	3.74	3.80	3.73	3.53	3.50	3.51	3.38	4.08	3.65
Mutual Funds are more suitable for the Indian investors.	4.19	4.41	4.21	4.20	4.44	4.15	4.22	4.21	4.47	3.97	4.42	4.39	4.26
Kendall's Coefficient Of Concordance (W)	**0.968**			**0.981**			**0.957**			**0.957**			
Chi-Square value	**26.13* d.f.= 9**			**26.49* d.f.= 9**			**25.84* d.f.= 9**			**25.84* d.f.= 9**			

Source: Primary Data Note : * denotes significant at 5 per cent level of significance

Funds are more suitable for Indian investors', 'Mutual Fund products are desirable for the growth of the capital markets', 'Mutual Funds give higher returns than other investments', 'Private sector Mutual Funds perform better than public sector Mutual Funds', 'Mutual Fund investments are akin to any other asset', and 'Mutual Funds with a large corpus perform better than Mutual Funds with a small corpus'.

The respondents from category E1 showed their agreement with this statement, 'Public Sector Mutual Funds are more secured than private sector Mutual Funds' (AWS=3.25). However , the respondents from category E2 seemed to be indifferent (AWS being slightly above 3) to this statement. Moreover, the respondents from category E3 showed disagreement in this regard (AWS = 2.96). Kendall's Coefficient of Concordance reveals that there exists significant concurrence of rankings (W= 0.957) amongst the respondents from various experience categories with respect to various statements relating to mutual funds.

FINDINGS

❖ A majority of the investors possessed good knowledge of mutual funds. Further, experience and knowledge of the respondents seemed to be positively correlated.

❖ A majority of the investors suggested Television to be an effective advertising media in relation to mutual funds. Significant differences existed among various age and experience categories with respect to respondents' perception regarding the effectiveness of the advertising media in relation to Mutual Funds.

❖ Investment track record and experience were perceived to be the most important attributes of a successful fund manager, while qualification of the fund manager was not given much importance by the respondents. Further, significant differences existed among various occupational, savings and experience categories with respect to respondents' opinion regarding the most important attributes of a successful fund manager.

❖ A majority of the investors perceived themselves as moderate risk takers. However, significant differences were found among respondents belonging to various age categories in this regard.

❖ A majority of the respondents expressed their agreement with regard to the statements 'Mutual Funds are useful for small investors', 'Mutual Funds have better professional expertise than an individual investor' (AWS= 4.54), 'Tax incentives on Mutual Fund investments should be increased' (AWS=4.46), 'Mutual Funds are more suitable for the Indian investors' (AWS=4.26), 'Mutual Fund products are desirable for the growth of the capital markets' (AWS=4.21), 'Mutual Funds give higher returns than other investments' (AWS=4.18), and 'Private sector Mutual Funds perform better than public sector Mutual Funds' (AWS=4.02).

SUGGESTIONS

❖ Mutual Funds are not simple investments, they require a good amount of awareness about the capital markets and the related laws. This necessitates a need for investor's education through seminars, conferences etc. This can also be done through regular use of the TV, the Internet, Newspapers and Professional Magazines/Journals. From time to time, mutual fund companies should update the information on its website. Such information should be displayed in the simplest possible manner so that even a layman can grasp the information. Further, campaigns can be carried out to popularize SIPs (Systematic Investment Plan) to encourage investors to invest in mutual funds.

❖ Winning the investor's confidence and protecting their right is the common objective of all mutual fund companies. SEBI should see to it that Mutual Fund companies follow corporate governance regulations, and their working is transparent. If these rules are not being followed properly, a provision of punishment should be made for those who violate the same. Further, this needs a continuous research by SEBI and independent agencies to highlight the weaknesses in the existing regulations to modify them in future in favour of the investors.

❖ Due to the changing scenario, the need for online trading of securities is felt. Efforts should be made to promote online trading of mutual funds. This will save time and cost. This can be done by educating the people in this regard.

❖ Mutual fund companies should establish investor grievance cells. A separate ombudsman scheme should be initiated for redressing the grievances of mutual fund investors effectively. Each mutual fund should be required to establish its own investor's grievance cell. This will help to sort out the grievances of the investors.

❖ Mutual funds should build investors' confidence through schemes meeting the diversified needs of investors, speedy disposal of information, improved transparency in operations, better customer services and assured benefits due to professionalism.

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