



A STUDY ON INVESTORS PREFERENCE TOWARDS MUTUAL FUND IN MADURAI CITY

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ABSTRACT:

The mutual fund industry has witnessed substantial growth in recent years, driven by increasing investor awareness and the availability of diverse investment options. Understanding investor preferences is crucial for mutual fund companies to design effective strategies and offerings. This study aims to explore the preferences of investors towards mutual funds in Madurai City, a prominent urban centre in Tamil Nadu, India. The research employs a mixed-methods approach, combining quantitative surveys and qualitative interviews to gather comprehensive insights. A structured questionnaire is administered to a sample of investors in Madurai City, capturing demographic information and investment preferences related to mutual funds. Additionally, in-depth interviews are conducted with select investors to delve deeper into their motivations, attitudes, and decision-making processes regarding mutual fund investments.

KEYWORDS:

INVESTOR PREFERENCES, RISK TOLERANCE, INVESTMENT GOALS, KNOWLEDGE ABOUT MUTUAL FUNDS, AND PERCEPTIONS OF FUND PERFORMANCE. THE STUDY EXAMINES THE ROLE OF DEMOGRAPHIC VARIABLES SUCH AS AGE, INCOME LEVEL, OCCUPATION, AND EDUCATIONAL BACKGROUND.

1.1 INTRODUCTION

Out of the various traditional investment avenues like bank saving account, fixed deposit, PPF very few are providing high return and also because of high inflation the real return from these avenues are very low. However a retail investors do not have expert knowledge and sufficient time to directly invest in capital markets. One get confuse in deciding that in which stock to invest, when to invest as they do not have price sensitive information readily available all the time and also how much to invest in a particular security. As a solution to the problem, Mutual Funds are the best option available to a retail investors as it is having a advantage of professional management with higher liquidity and better returns.

Investors can explore investment in mutual funds schemes according to their financial goal, needs and various other parameters like their age, financial position, risk tolerance and return expectations which in turn will offer them exposure to various asset classes according to their selection. Investments in mutual fund are also safe as they are regulated by SEBI.

In today's time smart phones and internet has enables investors to conduct all sorts of transactions anywhere at any point of time which in turn also saves time and money. Nowadays one can directly invest in mutual funds online by visiting the websites of mutual fund companies. Through smart phone also investment and tracking is possible these days within a short span of time through the use of apps. The research paper is to know the investors

awareness about mutual funds and their preference for it as a investment option.

1.2 STATEMENT OF THE PROBLEM:

The primary objectives of an investment proposal would fit into one or a combination of two broad categories viz., income and capital appreciation. Mutual funds are emerging as the favourite investment vehicle because of many advantages they have than other investment alternatives, particularly for the investor who has limited resources and intends low risks. From the review of previous studies, it is found that they were concentrated on Investors, financial behaviour in Indian perspective. There was no study establishing the perception of investors, characteristics of mutual funds on investment decisions with respect to a specific district in Tamil Nadu. In this background a study has been felt necessary to discover the pattern of investment adopted by them and to elucidate their expectations to make them achieve their investment objectives. Hence, this study would be helpful of too many investors who want to know a rational method to have a better, safe and profitable investment portfolio.

1.3 REVIEW OF LITERATURE:

Kothari and Mindargi (June 2017) found out that people lying in middle income group are more attracted towards mutual funds and are ready to bear risk though many investors do not invest in mutual funds due to lack of

knowledge. There are investors who find government bonds a better option as compared to mutual funds.

Ms.Paramjeet Singh (2015) was used the following words to explain Mutual Fund as the encouraging public response to the Mutual Fund reveals the potential of mobilizing the saving of the masses for industrial finance.

Ms.Avani Shah and Dr. Narayan Baser (2012) carried out a survey in Ahmadabad with an objective to study the investor's preference in selection of mutual funds. They have taken two variables: Age and occupation and tried to find the impact of these two variables on investors preference towards mutual funds and concluded that occupation is a variable that affect the investors preference but age does not play any important role.

Prabhu and Vechalekar (2010) in their study perception of Indian investor towards investment in mutual funds found out that investors like to invest money in mutual funds as they feel that it is less risky to invest in mutual funds rather than investing directly in stock market. However, it was also found that many investors are still not aware of the various benefits that come along with investment in mutual funds.

Walia and Kiran (2009) in their study investigated the problems encountered by investors with due to unprofessional services of mutual funds. The study found that majority of individual investors doesn't consider mutual funds as highly risky investment. In fact on a ranking scale it is considered to be on higher side when compared with other financial avenues. The study also reported that significant relationship of interdependence exists between income level of investors and their perception for investment returns from mutual funds investment.

1.4.OBJECTIVES:

- To study the awareness level regarding mutual fund in Madurai district.
- To find the factors influencing to invest in mutual funds.
- To find out the performance of Mutual fund schemes.
- To know the Investors' preference towards Mutual Funds.
- To study the attitude of investors towards investment in mutual funds.

1.5. RESEARCH DESIGN:

The study undertaken by the researcher is related to the study of mutual fund is the better investment plan and questionnaire is made by me to knowing the preference of the investors for investing in the mutual funds. The collection of various facts and data were in form of personal observation and directly interacting with the existing customers as well as new customer formed.

SAMPLE DESIGN:

This research study is Descriptive in nature.

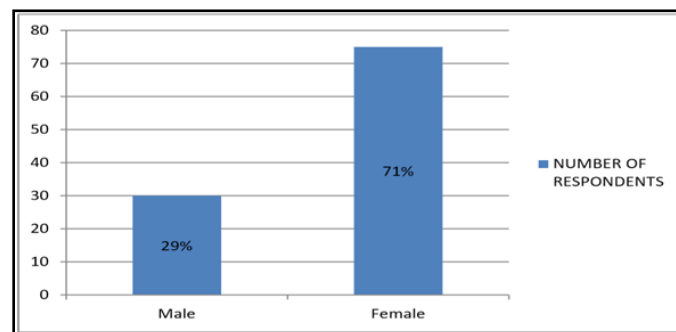
SAMPLING METHOD:

Judgment sampling.

1.6. DATA ANALYSIS:

TABLE 1.6.1 GENDER

GENDER	NUMBER OF RESPONDENTS	PERCENTAGE (%)
MALE	30	29
FEMALE	75	71
TOTAL	105	100



(Source: primary data)

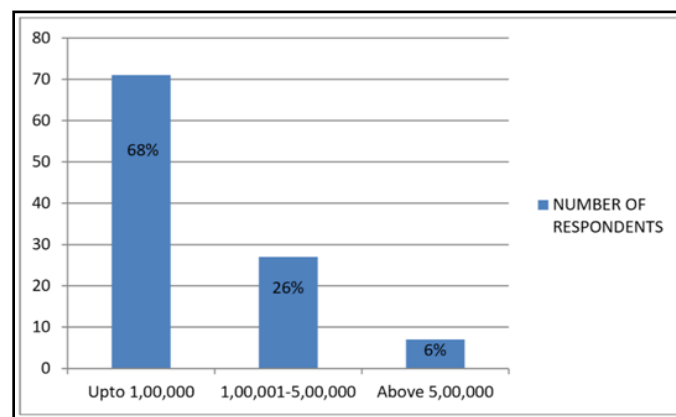
INTERPRETATION:

From the Table 1.6.1. it can be seen that 71 % of the respondents are Female and 29% of the respondents are Male.

Hence it can be concluded that majority of the respondents are Female (71%).

TABLE 1.6.2 ANNUAL INCOME

ANNUAL INCOME	NUMBER OF RESPONDENTS	PERCENTAGE(%)
Upto 1,00,000	71	68
1,00,001-5,00,000	27	26
Above 5,00,000	7	6
Total	105	100



(Source: primary data)

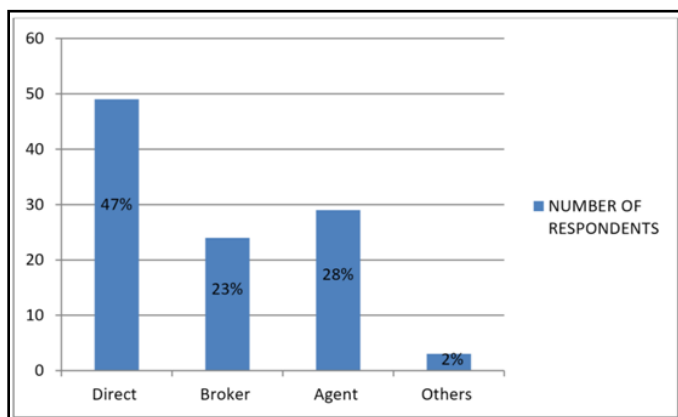
INTERPRETATION:

From the Table 2 , it can be seen that 68% are upto 1,00,000 and 26% are 1,00,001-5,00,000 and 6% are above 5,00,000.

Hence ,it can be concluded that majority of respondents are upto 1,00,000(68%)

TABLE 1.6.3 INVESTMENT IN MUTUAL FUND THROUGH

INVESTMENT IN MUTUAL FUND THROUGH	NUMBER OF RESPONDENTS	PERCENTAGE(%)
DIRECT	49	47
BROKER	24	23
AGENTS	29	28
OTHERS	3	3
TOTAL	105	100



(Source: primary data)

INTERPRETATION:

From the Table 1.6.3. it can be seen that 47% are direct, 23% are broker, 28% are agent and 2% are others.

Hence, the majority of the respondents are belongs to direct (47%).

1.7 .FINDINGS & CONCLUSION:

1. Majority of the female investors 71% are able to invest in mutual.
2. Majority of the investors are able to invest between 20 to 35% out of their total earnings.
3. Investment in mutual fund through direct way is chosen by 47% of the respondents.

1.8 SUGGESTION

The construction of the mutual fund scheme's portfolio is done by taking various factors so even after evaluating the mutual funds and ranking them we cannot say which is the best fund house or scheme in all. Nothing is certain in case of mutual funds as they are subject to market risks, An estimate can be made considering various past performances and future outlooks and best money out of these schemes can be generated.

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