CONTEMPORARY PRACTICES IN MANAGEMENT AND INFORMATION TECHNOLOGY

Dr. Hiral Parikh
Dr. Rachna Gandhi
Ms. Vidhi Sutaria

K.S. School of Business
Management & Information Technology
Gujarat University, Ahmedabad - 380 009

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A STUDY OF AWARENESS OF MUTUAL FUNDS INVESTMENT IN AHMEDABAD CITY

— *Dr. Hiral Parikh, Shrushti Shah & Nikunj Prajapati*

Abstract :

In India mutual funds industry has grown drastically since last 20 years. The main reason behind this is that, that people with inefficient knowledge and limited funds prefer mutual funds schemes to get advantage of entire market. Mutual funds pool resources from thousands of investors and diversifies it's investment into many different holdings such as stocks, bonds or government securities in order to provide high returns and safety. The present study focuses on various types of mutual funds and investor towards them.

The study uses primary data of 121 respondents which is collected through the method of questionnaire. Respondents are widely spread in various income groups, age groups and occupation so that we get knowledge of entire market. The paper takes gender and income as independent variables and studies various parameters of investments like satisfaction level, period of investments, risk and return and percentage of savings to be invested in mutual funds.. It is found that the investors prefer doing SIP over lump sum investments in mutual funds. From the research point of view, the present study will helpful in the field of personal investment.

Keywords : Mutual funds (MFs), SIP, gender-wise, income-wise, risk and return

I. Introduction :

Mutual funds are subject to market risks. India is heading towards Make-in-India project and encouraging small and medium scale industries. The risk free investments in India has taken a diversion towards risky investments at the same time a little safer than direct stock markets. The encouragement is given to mutual funds so that the economy grows and investors get higher returns.

There are various types of mutual funds and their benefits. Depending on the need of an investor he can invests. The paper focuses on the various types of mutual funds and investors perception towards them.

II. A Review of Literature :

Sharma, (2020) observed that, equity share schemes have higher risk with higher return and mutual funds schemes have lower risk with lower return there are some companies

that can give positive returns to their investors. the annualized
bank ltd, Infosys ltd, Kotak Mahindra mf, SBI Mutual funds
funds and Axis mutual funds are positive and the investor
adds that, investment in both equity and mutual funds

Maheshwari, (2020) studied the performance of
performance evaluation technique like Ranking, Average
Ratio and outcome from an evaluation will let the investor
categories of mutual fund.

Chakraborty, (2013) in his study examined that
a retail product designed to target individual investors,
market but, like to take advantage of stock market
of a mutual fund product and expecting a good
the hour. A successful fund manager should study investor
based on the demographic profile and understands
the performance to meet investor requirements.

Shiyang Huang, (2020) argued and empirically tested whether the
practices can con-tribute to the increasing fragility in the Treasury market.
empirical findings to support our argument. First, the documented
trade Treasuries to manage their liquidity needs, as the trading
on Treasuries than that on corporate bonds.

Panigrahi, (2020) observed that, the ELSS have offered attractive returns
of analysis making them an attractive investment option for investors.
recognized this as it is evident from the current AUM of this category of funds
lakh crore. Moreover, the tax benefit available by investing in ELSS, which reduces
income to the extent of mutual fund industry in our economy. The findings of the
could create business opportunities for many sub-functions involved in the
ELSS mutual funds such as portfolio management service providers, stand-alone
managers, professional training institutions and candidates willing to adopt this as a
option.

Kishore Kumar Das, (2020) found that, with adaptation of digitalization in mutual
it has shown a very positive sign of increased participation by the investors. Demonetization
may have initially hampered the financial markets, but soon it witnessed highest
contributions towards asset base of mutual funds, in the year 2017 as compared to over
decade. Investors can now make direct investments, without involvement of any broker
distributor, soon ecommerce platform will make it even easier for the investors to invest
mutual funds.

III. Research Methodology :

Objectives of the Study :

1. To study the awareness of mutual funds in the people of Ahmedabad city based on gender
2. To study the awareness of mutual funds in the people of Ahmedabad based on Income

Reserech Design :

The study uses descri

TABLE NO 1 : FREQUENCY TABLE

FREQUENCY TABLE	INVESTING FUNDS	IN
GENDER		
	96	
	25	64
TOTAL	**121**	18
INDIVIDUAL INCOME PER ANNUM		82
	38	
	57	20
	20	42
	3	17
NOT MENTIONED	3	1
TOTAL	**121**	2
		82

Out of 121 respondents, there are 82(68%) people investing in mutual funds and [illegible] people are not interested in mutual funds investment. From 82 respondents, [illegible] males and 18(22%) females investing in mutual funds. Mutual funds investm[illegible] depends more on an individual income which can be a base to select that how m[illegible] investment one is ready to do in mutual funds and whether they are interested to inv[illegible] their spare income or do they find other investment options better. **Table no. 1** shows th[illegible] more than half 42(51%) out of 82 respondents earning an income between Rs. 500000 to R[illegible] 1000000 are investing in mutual funds. And 17 (21%) respondents with income betwee[illegible] Rs.10,00,001 to Rs.25,00,000 are investing in mutual funds. The high income groups ar[illegible] comparatively investing low in mutual funds as they find other investment options giving better returns than mutual funds.

Data analysis based on gender of the respondents :

TABLE NO 2: Gender and Investing in Mutual Funds

GENDER	INVESTING IN MUTUAL FUNDS		**TOTAL**
	YES	NO	
MALE	64	32	**96**
FEMALE	18	7	**25**
TOTAL	**82**	**39**	**121**

Scope of the Study :

The scope of the study is limited to Ahmedabad city.

Sources of Data :

There are two types of data collection techniques, primary as well as secondary sources. ***Primary data***: To evaluate the preference of mutual funds, the study uses primary data and it is collected with the help of questionnaire which administered 121 respondents. ***Secondary data:*** Various websites, books, journals, research papers and magazines are used to collect secondary information on mutual funds.

Sampling :

The sample size for the purpose of study is 121 respondents and the sampling method is convenient sampling.

Tools and Tehniques :

For the purpose of addressing the objectives under study, various statistical tools are used such as cross tabulation and Chi square test.

Hypothesis :

H0: There is no significant relationship between gender and awareness of investors in mutual funds

H1: There is significant relationship between gender and awareness of investors in mutual funds

H0: There is no significant relationship between income and awareness of investors in mutual funds

H1: There is significant relationship between income and awareness of investors in mutual funds

Mutual Funds :

A mutual fund is an investment vehicle in which many investors pool their capital to earn in which companies he should invest remains confused. So, he can pool his capital in mutual funds to get benefit of overall market. A mutual funds agency collects this capital from the market of investors and invest it in various securities like share, bonds, stocks and other money market instruments. Mutual funds are divided into several types of categories representing the kinds of securities they invest in, their investment objectives, and the type of return they seek.

A share of mutual fund represents investment in different securities instead of just holding one.

Various Types of Mutual Funds :

1. Equity funds
2. Debt funds
3. Money market funds
4. Index funds
5. Balanced funds or hybrid funds
6. Income funds

TABLE NO 25: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.580	12	0.48
Likelihood Ratio	14.376	12	0.277
Linear-by-Linear Association	4.922	1	0.027
N of Valid Cases	80		

H0: There is no significant relationship between income and % of savings in MFs.

H1: There is significant relationship between income and % of savings in MFs.

From the **table no. 24** it is observed that respondents with income of 500000 to 1000000 invest less than 15% of their savings in mutual funds. And 15% to 25% of the savings are invested by respondents with income of between 500000 to 1000000. Therefore the investors with middle income group prefer mutual funds. The chi- square statistic is 11.580 and the significance value is 0.480 which is higher than 0.05 that says income has relationship hence H0 is rejected.

TABLE NO 26: Income and % of Return on Mutual Funds

INCOME	%OF RETURNS ON MUTUAL FUNDS					TOTAL
	ZERO	LESS THAN 15%	15-25%	25-50%	MORE THAN 50%	
BELOW RS. 500000	2	12	6	0	0	**20**
RS. 500000- RS. 1000000	0	15	22	4	1	**42**
RS. 1000001- RS. 2500000	0	6	7	2	2	**17**
ABOVE RS. 2500001	0	0	0	0	1	**1**
TOTAL	**2**	**33**	**35**	**6**	**4**	**80**

TABLE NO 27: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.017	12	0.001
Likelihood Ratio	22.532	12	0.032
Linear-by-Linear Association	13.282	1	0
N of Valid Cases	80		

H0:There is no significant relationship between income and % of returns.

H1:There is significant relationship between and % of returns.

From the **table no. 27**, there are 22(28%) people out of 80 investing respondents earning Rs. 500000 RS 1000000 expect returns of 15-25%. The chi- square statistic is 34.017 and the significance value is 0.001 hence H0 is accepted.

Table no. 16 shows that 16 males and 2 females out of 82 respondents in the questionnaire found other investment options better. The chi-square statistic is 1.271 and the significance value is 0.736 which is higher than 0.05 that confirms gender has relationship or effect on mutual fund investment decision, hence H0 is rejected.

Data analysis based on Income of the respondents :

TABLE NO 18: Income and Investment in Mutual Funds

INCOME	INVESTMENT IN MUTUAL FUNDS	
	YES	NO
BELOW RS. 500000	20	18
RS. 500000- RS. 1000000	42	15
RS. 1000001- RS. 2500000	17	3
ABOVE RS. 2500001	1	2
TOTAL	**80**	**38**

TABLE NO 19: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.251	3	0.026
Likelihood Ratio	9.297	3	0.026
Linear-by-Linear Association	3.362	1	0.067
N of Valid Cases	118		

NOTE: As 3 people out of 121 respondents have not mentioned the income the tests run with income base has 118 valid cases.

H0: There is no significant relationship between income and investment in mutual funds

H1: There is significant relationship between income and investment in mutual funds. From

The **table no. 18** we can say that there are 42(53%) people out of 118 respondents whose income is RS 500000 to RS 1000000 investing in mutual funds. The chi square statistic is 9.251 and the significance value is 0.026 which is less than 0.05 that confirms that income has no effect on investments, hence H0 is accepted for the present study.

TABLE NO 20: Income and Period of Investment

INCOME	PERIOD OF INVESTMENT				TOTAL
	0-3 YEARS	3-7 YEARS	7-10 YEARS	MORE THAN 10 YEARS	
BELOW RS. 500000	9	6	2	3	20
RS. 500000-RS. 1000000	15	19	4	4	42
RS. 1000001RS. 2500000	2	4	4	7	17
ABOVE RS. 2500001	0	0	0	1	1
TOTAL	**26**	**29**	**10**	**15**	**80**

TABLE NO 3: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.258	1	0.611
Likelihood Ratio	0.263	1	0.608
Linear-by- Linear Association	0.256	1	0.613
N of Valid Cases	121		

H0: There is no significant relationship between gender and investing in mutual funds

H1: There is significant relationship between gender and investing in mutual funds

The **table no. 2** shows that 64(78%) males and 18(21%) females are investing in mutual funds out of 82 respondents. Only 32 males and 7 females are not investing from the total 121 respondents. The chi-square statistic is 1.258 and the significance value is 0.611 which is higher than 0.05 that confirms gender has relationship on mutual fund investment, hence H0 is rejected.

TABLE NO 4: Gender and Investing Period

GENDER	PERIOD OF INVESTMENT				TOTAL
	0-3 YEARS	3-7 YEARS	7-10 YEARS	MORE THAN 10 YEARS	
MALE	18	23	10	13	64
FEMALE	9	6	1	2	18
TOTAL	**27**	**29**	**11**	**15**	82

TABLE NO 5: Chi-Square Tests

	Value	Df	Asymp. Sig. (2- sided)
Pearson Chi-Square	3.781	3	0.286
Likelihood Ratio	3.888	3	0.274
Linear-by-Linear Association	3.017	1	0.082
N of Valid Cases	82		

The **table no. 4** shows that 23(36%) males out of 64 total males invest for 3-7 years and 9(50%) females out of 18 total females invest for 0-3 years. Males prefer long term investment compared to females. The chi-square statistic is 3.781 and the significance value is 0.286 which is higher than 0.05 that confirms that gender has relationship with investment period, hence H0 is rejected.

TABLE NO 6: Gender and kind of Investment

	KIND OF INVESTMENT		TOTAL
GENDER	SIP (SYSTE MATIC INVEST MENT PLAN)	LUMP SUM	
MALE	49	15	64
FEMALE	13	5	18
TOTAL	62	20	82

TABLE NO 14: Gender and awareness of MF Investor

GENDER	AWARENESS OF AS AN MUTUAL FUND INVESTOR				TOT
	TOTALLY IGNORANT	PARTIAL KNOWLEDGE ABOUT MUTUAL FUNDS	AWARE ONLY OF SPECIFIC SCHEMES	FULLY AWARE	
MALE	2	21	17	24	64
FEMALE	1	9	7	1	18
TOTAL	**3**	**30**	**24**	**25**	82

TABLE NO 15: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.793	3	0.079
Likelihood Ratio	8.469	3	0.037
Linear-by-Linear Association	5.063	1	0.024
N of Valid Cases	82		

H0: There is no significant relationship between gender and their awareness as an inv

H1: There is significant relationship between gender and their awareness as an inves

Table no. 14 shows that 9(11%) females out of 82 respondents are only partially a about the funds and 24(29%) males out of total 82 respondents are fully aware about t chisquare statistic is 6.793 and the significance value is 0.079 that is higher than 0.05 le H0 is rejected.

TABLE NO 16: Gender and Not Investing In Mutual Funds Cross tabulation

GENDER	NOT INVESTING IN MUTUAL FUNDS				TOTA
	LACK OF KNOWLEDGE	FIND OTHER INVESTMENT OPTIONS BETTER	FIND IT RISKY	LACK OF SAVINGS	
MALE	5	16	3	8	32
FEMALE	2	2	1	2	7
TOTAL	7	**18**	**4**	10	39

TABLE NO 17: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.271	3	0.736
Likelihood Ratio	1.268	3	0.737
Linear-by-Linear Association	0	1	0.984
N of Valid Cases	39		

H0: There is no significant relationship

H1: There is signif

TABLE NO 21: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.257	9	0.032
Likelihood Ratio	16.906	9	0.05
Linear-by-Linear Association	9.238	1	0.002
N of Valid Cases	80		

H0: There is no significant relationship between income and investing period.

H1: There is significant relationship between income and investing period.

Table no. 20 shows that 19(24%) out of 80 respondents investing in MFs earn 500000 to RS 1000000 per annum invest for 3-7 years. The chi- square statistic is 18.257 the significance value is 0.032 that is less than 0.05 hence H0 is accepted for the study.

TABLE NO 21: Income and kind of Investment

INCOME	KIND OF INVESTMENT		TOTAL
	SIP (SYSTEMATIC INVESTMENT PLAN)	LUMP SUM	
BELOW RS. 500000	16	4	20
RS. 500000- RS. 1000000	31	11	42
RS. 1000001RS. 2500000	13	4	17
ABOVE RS. 2500001	1	0	1
TOTAL	**61**	**19**	80

TABLE NO 22: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	0.605	3	0.895
Likelihood Ratio	0.839	3	0.84
Linear-by-Linear Association	0.008	1	0.931
N of Valid Cases	80		

H0: There is no significant relationship between income and kind of investment.

H1: There is significant relationship between income and kind of investment.

The **Table no. 22** shows that 31(39%) people out of 80 investing respondents invest SIP within the income of RS 1000000. The chi- square statistic is 0.605 and the significance value is 0.895 which is higher than 0.05 that confirms that income has relationship on kind investments hence H0 is rejected.

TABLE NO 24: Income and % of Savings in Mutual Fund

INCOME	% OF SAVINGS IN MUTUAL FUND					TOTAL
	Zero	Less than 15%	15-25%	26-50%	More than 50%	
BELOW RS. 500000	1	14	5	0	0	20
RS. 500000- RS. 1000000	0	20	17	4	1	42
RS. 1000001- RS. 2500000	1	6	7	3	0	17
ABOVE RS. 2500001	0	0	1	0	0	1
TOTAL	**2**	**40**	**30**	**7**	**1**	80

TABLE NO 7: Chi-Square Tests

	Value	Df	Asymp. Sig. (2- sided)
Pearson Chi-Square	0.144	1	0.705
Continuity Correction	0.005	1	0.946
Likelihood Ratio	0.141	1	0.708
Fisher's Exact Test			
Linear-by-Linear Association	0.142	1	0.707
N of Valid Cases	82		

H0: There is no significant relationship between gender and kind of investments

H1: There is significant relationship between gender and kind of investments.

The **table no. 6** shows that 49(76%) males out of 64 total males and 13(72%) fema of 18 total females prefer SIPs compared to lump sum investments. The chi- square s is 0.144 and the significance value is 0.705 which is higher than 0.05 that confirm gender has relationship on kind of investments, hence H0 is rejected.

TABLE NO 8: Gender and Satisfaction Level

GENDER	SATISFACTION LEVEL		TOTAL
	YES	NO	
MALE	51	13	64
FEMALE	14	4	18
TOTAL	**65**	**17**	82

TABLE NO 9: Chi-Square Tests

Column1	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.031	1	0.86
Likelihood Ratio	0.031	1	0.861
Linear-by-Linear Association	0.031	1	0.861
N of Valid Cases	82		

H0: There is no significant relationship between gender and satisfaction level.

H1: There is significant relationship between gender and satisfaction level.

From the **table no. 8** it is observed that there are 51(62%) males are satisfied and 14(females are comparatively less satisfied than males out of total 82 respondents. The square statistic is 0.031 and the significance value is 0.860 which is less than 0.05 that that gender has relationship with satisfaction level, hence H0 is rejected.

TABLE NO 10: Gender and % of Savings in Mutual Funds

GENDER	% OF SAVINGS IN MUTUAL FUNDS				TOTA
	Zero	Less than 15%	15-25%	26-50%	More than 50%
MALE	3	31	23	6	1
FEMALE	0	10	7	1	0
TOTAL	**3**				

TABLE NO 11: Chi-Square Tests

	Value	Df	Asymp. Sig. (2sided)
Pearson Chi-Square	1.541	4	0.819
Likelihood Ratio	2.42	4	0.659
Linear-by- Linear Association	0.054	1	0.816
N of Valid Cases	82		

H0:There is no significant relationship between gender and % of savings in mutual funds.

H1:There is significant relationship between gender and % of savings in mutual funds.

From the **table no. 10** it is observed that 31(38%) males and 10(12%) females out of 82 respondents invest less than 15% of their savings in mutual funds. The chi-square statistic is 1.541 and the significance value is 0.819 which is less than 0.05 that confirms that gender has relationship on % of savings, hence H0 is rejected.

TABLE NO 12: Gender and Preference of Investment Parameters

GENDER	PREFERENCE OF INVESTMENT PARAMETERS					TOTAL
	INVEST-MENT PERIOD/ LOCK IN PERIOD	LOW RISK	HIGHER RETURN S	MARKET FLUCTUATIONS/ INFLATION	CONSISTENCY OF PERFORMANCE E OF A MUTUAL FUND	
MALE	31	13	6	5	9	**64**
FEMALE	8	5	3	0	2	**18**
TOTAL	**39**	**18**	**9**	**5**	**11**	**82**

TABLE NO 13: Chi-Square Tests

	Value	Df	Asymp. Sig. (2sided)
Pearson Chi-Square	2.582	4	0.63
Likelihood Ratio	3.573	4	0.467
Linear-by-Linear Association	0.12	1	0.729
N of Valid Cases	82		

H0:There is no significant relationship between gender and parameters considered for investment

H1:There is significant relationship between gender and parameters considered for investment.

The **table no. 12** shows that 31(38%) males and 8(10%) females out of total 82 respondents consider the lock in period for investing in mutual funds. The chi-square statistic is 2.582 and the significance value is 0.630 which is higher than 0.05 that confirms that gender has relationship on preferences of various investment parameters so H0 is rejected.

TABLE NO 28: Income and Not Investing in Mutual Funds

INCOME	NOT INVESTING IN MUTUAL FUNDS			
	LACK OF KNOWLEDGE	FIND OTHER INVESTMENT OPTIONS BETTER	FIND IT RISKY	LACK OF SAVINGS
BELOW RS. 500000	3	8	3	4
RS. 500000RS. 1000000	2	8	1	4
RS. 1000001 RS. 2500000	2	1	0	0
ABOVE RS. 2500001	0	1	0	1
TOTAL	**7**	**18**	**4**	**9**

TABLE NO 29: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.424	9	0.593
Likelihood Ratio	7.312	9	0.605
Linear-by-Linear Association	0.096	1	0.757
N of Valid Cases	38		

H0:There is no significant relationship between income and not investing in MFs

H1:There is significant relationship between income and not investing in MFs.

From **table no. 28** it is observed that there are 8(21%) respondents out of 38 d invest in MFs within RS 500000- RS 1000000 who finds other investment options bet mutual funds. The chi-square statistic is 7.424 and the significance value is 0.593 w higher than 0.05 that shows income has relationship on not investing in mutual funds H0 is rejected.

V. CONCLUSION :

The objective of the paper was to study awareness of mutual funds in the Ahmedabad. The study concludes that more males invest in mutual funds compa females. Males invest for long term in mutual funds. Both gender prefer SIP over lum investment and the period of investment is around 3 to 7 years. The percentage of s males and females invest in mutual funds remains same but at the same time satisfac the returns differs between the both. Males and females, both consider the same para and also they find themselves only partially aware about the mutual fund scheme study also considers income as a base to know about the investors preference whe observed that income has no relationship on whether the people wants to invest in funds or not. Also income has no relationship on returns expected and also no relati with the period of investment on the other hand income has a direct relationship w kind of investments. It is observed that high income group of people invest their sav other options like real estate, commodities etc. Thus the study concludes that gende relationship with awareness of mutual funds and income to certain extend plays a deciding in which type of mutual fund it has to be invested.

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