



**A Study on Investor's Behaviour on Mutual Funds Products with reference to Bangalore City**

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**Abstract**

*In India the Mutual Fund was established in the year 1964. This paper presents a framework that builds the investor's behaviour towards mutual funds investment. The Primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. Savings is an important part of the economy of any nation. Mutual fund is a retail product designed to target small investors, salaried people and other who are intimidated by the mysteries of stock market but nevertheless, like to reap the benefits of stock market investing. This necessitates the Asset Management Companies (AMCs) to understand the fund/scheme selection/switching behavior of the investors to design suitable products to meet the changing financial needs of the investors.*

**Introduction**

A Mutual Fund is an investment medium that pools funds from various investors and invests the funds in stocks, bonds, short-term money-market instruments, other securities or assets or some combination of these investments.

The origin of the concept of mutual fund dates back to the very dawn of commercial history. It is said that Egyptians and Phoenicians sold their shares in vessels and caravans with a view to spreading the risk attached with these risky ventures. However, the real credit of introducing the modern concept of mutual fund goes to the foreign and colonial Government Trust of London established in 1868, thereafter, a large number of close-ended +mutual funds were formed in the U.S.A. in 1930's followed by many countries in Europe, the Far East and Latin America. In most of the countries, both open and close-ended types were popular. In India, it gained momentum only in 1980, though it began in the year 1964 with the Unit Trust of India launching its first fund, the Unit scheme 1964. While the mutual funds had its origin in Belgium,



it did not take firm root in continental soil but flourished when transplanted in UK and USA surroundings.

### **Review of Literature**

Review of literature provides a critical summary of research already done on the research topic. It provides reader a quick overview of the problem addressed, stresses the need for the new study and demonstrates how it will contribute to existing evidence.

**Sundar and Prakash (2014)** in their study examined the awareness among the investor community in choosing the best mutual fund scheme as it conducted a comparative analysis of the mutual funds. This study also showed that much information about mutual funds is not available publicly. There is no information on fund styles or comprehensive league tables to allow the comparison of mutual funds in the market.

**Dr.V.Sridevi (July 2019)** in her study shows that there is no relationship between Gender of the Investor and their Behaviour towards Mutual Fund Investments and also tells that main reason for investing in Mutual Fund is Higher return and concluded that Indian mutual fund industry is growing at a good pace. By increasing financial knowledge and awareness to stimulate investor's in mutual fund investment. This will attract investors towards mutual fund investment. The limited distribution network and investors service can be enhanced for wider reach beyond large cities.

### **Objectives**

1. To study the awareness on Mutual Fund Investment of investors in Bangalore.
2. To study in Investment Pattern of the mutual fund investors in Bangalore.
3. To study the factor influencing the investors in mutual fund.
4. To identify and compare the attributes relating to investor's behaviour, preference and their influence on the purchase of Mutual Fund products.
5. To make necessary suggestions to Mutual Fund Companies to introduce the effective Products.

### **Scope of the Study**

The Study is Limited to only Bangalore City.



## **Tools and Techniques of Data Collection**

### **Methods of Data Collection**

A Questionnaire method is used as a tool for collecting information from the Individuals. A well-structured questionnaire was prepared with a view to collect information from the customers of mutual fund parts.

**Sample Size:** The Sample Size Taken for the study is 50

**Table No. 1**  
**Analysis of the age of respondent's**

<b>Age</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
20 yrs - 30 yrs	38	76%
30 yrs - 40 yrs	9	18%
40 yrs - 50 yrs	1	2%
above 50 yrs	2	4%
<b>Total</b>	<b>50</b>	<b>100</b>

### **Interpretation :**

From the above table it includes that 76% of the respondents are under the age group of 20-30 years, 18% of the respondents are 30-40 years, 2% of the respondents are 40-50 years, 4% of the respondents are above 50 years age group.

Most of the respondents are under the age group of 20-30 years.

**Table No. 2**  
**Analysis of the occupation of respondent's**

<b>Occupation</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
Salaried	45	90%
Business	5	10%
Retired	-	-
<b>Total</b>	<b>50</b>	<b>100</b>

### **Interpretation:**



From the above table it indicates that 90% of the respondents are Salaried and 10% are of Business Person.

**Table No. 3**

**Analysis of the income category of respondent's**

<b>Income</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
Below ₹ 2,00,000	12	24%
₹ 2,00,000 - ₹ 3,00,000	11	22%
₹ 3,00,000 - ₹ 4,00,000	11	22%
₹ 4,00,000 & above	16	32%
<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:**

The above table shows that 32% of the respondents are comes under the category of ₹ 4,00,000 & above, 24% of the respondents comes under Below ₹ 2,00,000 and 22% each comes under the category of ₹ 2,00,000 - ₹ 3,00,000 and ₹ 3,00,000 - ₹ 4,00,000.

**Table No. 4**

**Analysis of the Mutual Fund awareness of respondent's**

<b>Particulars</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
Yes	43	86%
No	7	14%
<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:**

From the above table it is clear that 86% of the respondents are aware about Mutual Fund and 14% of the respondents are not aware about Mutual Fund.

**Table No. 5**

**Analysis of the Investment decision of respondent's**

<b>Particulars</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
Yes	36	72%
No	14	28%
<b>Total</b>	<b>50</b>	<b>100</b>



**Interpretation**

The above table shows that 72% of the respondents are have decided to invest in Mutual Fund Product and remaining 28% of the respondents are not ready to invest on Mutual Fund Product.

**Table No. 6**

**Analysis of the respondent’s preference in investing period on Mutual Fund**

<b>Years</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
Less than 2 years	21	72.40%
2 - 4 years	6	20.70%
4 - 8 years	1	3.40%
above 8 years	1	3.40%
<b>Total</b>	<b>29</b>	<b>100</b>

**Interpretation:**

From the above data it is clear that almost 72% of the respondents who are willing to invest on Mutual Fund Product are ready to invest for Less than 2 years, 20% of the investors who are ready to invest for a period of 2 - 4 years and remaining investors are ready to invest for a period of more than 4 years.

**Table No. 7**

**Analysis of respondent’s Preference in mode of Investment Prefer in Mutual Fund**

<b>Particulars</b>	<b>No. of. respondents</b>	<b>% of respondents</b>
One Time Investment	16	32%
Systematic Investment Plan	28	56%
Systematic Transfer Plan	6	12%
<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:**

From the above table it shows that 56% of the investors will prefer in Systematic Investment Plan, 32% of the investors will prefer in One Time Investment and remaining 12% of the investors will prefer in Systematic Transfer Plan.



**Table No. 8**

**Analysis of the respondent's Plan of life in investment which Investor's Prefer**

<b>Particulars</b>	<b>No. of respondents</b>	<b>% of respondents</b>
Organized	47	94%
Unorganized	3	6%
<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:**

From the above table shows that 94% of the investors have decided to invest in Organized platform as it is secured and safety platform and it is subject to market risk, and remaining only 6% of the respondents are feels unorganized platform due to lack of guarantee and lack of skills.

**Findings:**

- 76% of the respondents are under the age group of 20-30 years
- Majority of the Respondents are coming under the Salaried group.
- 32% of the respondents are comes under the category of ₹ 4,00,000 & above, 24% of the respondents comes under Below ₹ 2,00,000 and 22% each comes under the category of ₹ 2,00,000 - ₹ 3,00,000 and ₹ 3,00,000 - ₹ 4,00,000.
- 86% of the respondents are aware about Mutual Fund. Many of them were partially aware about Mutual Fund.
- 72% of the respondents are prefer to invest on Mutual Fund Product.
- 28% of the respondents are not ready to invest on Mutual Fund Products for many reasons like Lack of knowledge, Lack of guidance, Risk factor etc.,
- Out of 72% of the respondents who are willing to invest on Mutual Fund Product are ready to invest for Less than 2 years, 20% of the investors who are ready to invest for a period of 2 - 4 years and remaining investors are ready to invest for a period of more than 4 years.
- 44% of the respondents are like to invest in SBI Mutual Fund.
- 56% of the investors prefer to invest in Systematic Investment Plan mode.
- Equal weightage to be given for Dividend Payout and Growth in NAV as a mode of returns every year.
- Most of the investors are managing their investment in self.



- Almost 94% of the investors who choose Organised mode as a life in Investment as it is safe and secured platform.

**Suggestions:**

- The awareness of Mutual Fund Product among the respondents only few respondents are ready to invest on Mutual Fund Product the reason behind this is Lack of confidence, Lack of Guidance, Risky factor etc.,
- It is suggested that the company which offers Mutual Fund Product to their customers should assist them by giving proper and complete information .
- It is also to be suggest that the companies should create a better platform by improving their efficiency in the market.
- As majority of the investors who are self-traders, here it is suggested that to take the advice from the experts to reduce the risk.
- The Companies should also focus all the group of respondents by giving better offer with best schemes.

**Conclusion:**

The Study on Investor's Behaviour on Mutual Fund Products with reference to Bangalore city – A Study with limit only to Bangalore city where responses are collected from the 50, The main objective of this study is to identify the awareness of Mutual fund among the respondents. The Study revealed that many of the respondents are aware about Mutual Fund but only few were ready to invest only because of the various reasons like Lack of Confidence, Lack of guidance, Risky factors etc., so the investor need more knowledge about the mutual fund and also they need some assists from the experts. Since many investors expressed their interest in study more about the market, The Proper data to be given clearly about the market and their investment preferences. Based on the investor profile and investor preferences, suggestions have made for the companies to increase its market penetration.



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