



A STUDY ON INVESTORS' PERCEPTION TOWARDS MUTUAL FUNDS(SYSTEMATIC INVESTMENT PLAN(SIP) IN BIDAR CITY (KARNATAKA STATE)

Prof. Jyoti Ainapur

Department of MBA, GNDEC Bidar, Karnataka state (India)

ABSTRACT

In India, when thinking about investment, the first and foremost challenge that all investors face is an overabundance of options. From bonds to fixed deposits, gold to stocks, money market securities and a combination of all these, each has its set of benefits and challenges. Furthermore, investors need to consider the time horizon of their investments, risk appetite and returns based on the goals they want to achieve. Mutual Funds are having so many advantages like; Comparatively higher Return on Investment (ROI), Managed by experts, Built-in Diversification, Ease of investing and monitoring, Tax Benefits and Liquidity and Systematic Withdrawal Plan, in spite of all these advantages still investors are not interested in investing in Mutual funds , may be because of lack of awareness, so the study has been undertaken to know the investors perception towards Mutual funds (Systematic Investment Plan)by studying it is found that awareness is less towards mutual funds , Broking houses have organize awareness programs to motivate people to invest in mutual funds.

INTRODUCTION:

Systematic Investment Plan is an approach to investing within managed investments which involves investing a set of amount at regular intervals rather than investing a larger lump sum amount in one shot. By investing this way you are not attempting to capture the highs and lows of the market but rather the cost of your investment is averaged over a period of time. The essence of SIPs is that when the markets fall investors automatically acquire more units. Likewise they acquire lesser units when the

market rises. This means that you buy less when the price is high whereas you buy more the price is low. Hence the average cost per unit drops down over a period of time.

Mutual funds that invest in stock market-related instruments cannot be termed risk-free or safe as investment in shares are inherently risky by nature, whereas funds that invest in fixed-income instruments are relatively safe and those that invest only in government securities are the safest. Systematic Investment Plan (SIP) is a smart financial planning tool that helps you to create wealth, by investing small sums of money every month, over a period of time. Systematic Investment Plan (SIP) is a planned approach to investments and an investment technique that allows you to provide for the future by investing small amounts of money in Mutual Fund schemes of your choice.

LITERATURE REVIEW

WARREN BUFFET:(2000)

Pradip kar I. Natarajan, J.P. Singh and others Estimated that only 9% of the Indian households invest in shares, around 12% invest in Mutual funds & concluded on certain Investment attributes. They concluded that unless the needs of the investors are critically examined and identified, their savings cannot be transformed into productive capital. This will help to understand the investor behavior, which can have managerial implications for policy makers.

DEBALINA ROY & KOUSHIK GHOSH: volume1, number 1 (2011), pp,49-62

Says how the investment in Mutual funds through (SIP) can Gain momentum & increase % of income. Investigations are also performed

to find out what % of bank customers invest in Mutual funds Especially through SIP with specific reference to HDFC Bank. Our sample study also suggests that young investors are tending towards Mutual funds investments & preferring SIPS'S MORE than The Aged investors .

SAUDAGAR GODSE:(2014)

This study is primarily modeled with the underlying concept of Rupee-cost Averaging This unique strategy facilities investors to restrict their unit purchase in a rising market & Expands them in a falling market According to the article the disciplined mechanism like SIP help long term Investors to reap good returns over a period of time. From this examination it is very certain that the value based shared reserve plans have a considerable measure of potential to give significant yields however speculators ought to know about the plans those are truly activities and giving exceptional yields ..

LAXMAN PRASAD: Volume 20, Issue 8, (Aug. 2015), PP 10-15

“Identifying the consumer’s Investment Behavior towards Systematic Investment Plan Bhilai Region.” Money related exchange include a few hazard factors taste are instrumental in distancing those hazard factors from customary instrumental and moving danger to those substances that are prepared to take them

RISHAB TELUKUNTA: Volume-3, Issue-6,2017

Mutual Funds and Systematic investment plans with their best performing funds look at the past development and combine it with current trend it can be concluded trends.

LEELAWATI AND SHWETA AGARWAL: volume-7,issue-1.april 2014

Assets creation by systematic investment plan According to government should promote systematic investment plan especially for

DATE ANALYSIS AND INTERPRETATION

1) Age of the investors

Ages	26-35	36-45	46-55	Above55
No. Of investors	15	24	06	05

From the above table it can be seen that the more investors are from the age group of 36-45 Yrs, i.e. 24%, and some investor are from the age group of 26-35 yrs i.e. 15% , and the remaining investors are of 46-55yrs, i.e. 6%,

people of rural areas those who do not have more income for wealth creation

K. Alamelu¹ and G. Indhumathi²: volume 14, nov-3.2017

Analysis if SIP Investments of Mutual Funds in India SIPs have proved to be an ideal mode of investment for investors who do not have the resources to pursue active investments.

OBJECTIVE OF THE STUDY

- 1) To understand the concept of SIP
- 2) To review the existing literature on SIP
- 3) To understand investors perception towards SIP

RESEARCH METHODOLOGY:-

(a) **PRIMARY DATA:-** Direct interaction with investors and also through Questionnaires’.

(b) **SECONDARY DATA:-**The secondary information, which is needed was collected from the company’s database and websites and brochures of mutual funds.

Data collection Technique:-

The data was gathered by using questionnaire.

SAMPLING METHOD:-

❖ **Sampling Procedure:-**

The samples were selected from the clients/visitors of Geojit Financial Service Bidar Branch

❖ **SAMPLE SIZE:-**

The sample size is restricted to 50 Respondents

❖ **QUESTIONNAIRE:-**

Thus questions in the questionnaire were simple the respondents were given pledge that the data collected kept secretly and will be used for the study reason.

Hypotheses Testing

Chi Square Test

H0: There is no relationship exist between Age & mode of Investment.

H1: There is a relationship exist between Age & mode if Investment.

preferable salaried employed whose sources are fixed.

1 Awareness about Mutual Funds

Response	No. of Respondents	Percentage
Yes	22	44%
No	28	56%
Total	50	100%

From the above table it can be seen that only 44% people are aware of Mutual Fund and of information and knowledge 56% are not aware of Mutual Funds due to lack of information and knowledge.

2. Educational Details of investors

Educational details	No of Investors	Percentage
Graduate	35	70%
Below Graduate	10	20%
Others	05	10%
Total	50	100%

From the above table it can be seen that among Graduated investors are of 70%, and Under Graduates are of 20% and remaining others are of 10%. It can be interpreted that education is the important factor for investment in financial products, brokers have to organize awareness programs to create awareness of mutual funds by organizing investors meet etc.,

3. Investors occupation

Investors occupation	No. of investors	Percentage
Self Employed	10	20%
Salaried	15	30%
Business	18	36%
Retired	07	14%
Total	50	100%

From the above table it can be seen that, 36% of investors are Businessman, 30% belongs to salaried, 20% investors are self-employed, and remaining 14% are Retired persons because this two category people salaried and business are booked profit compare to other investment avenues.

4. Family wages of the investor

Income Group	No. of respondents	Percentage
<300,000 to 500,000	28	56%
500,0001 to 10,00,000	12	24%
10,00,0001 to Above 2500,000	10	20%
Total	50	100%

From the above table it can be seen that 56% of investors income is Rs 300,000 to 500,000, 24% investors is more than Rs 500,0001 to 10,00,000 and 10% investors income group is Above 2500,000, Brokers have to educate the high income group investors to invest more in Mutual funds by justifying their returns.

5) Investor preference in diverse kind of savings.

Types of savings	No of investors	Percentage
Mutual Funds	12	24%
Stock Market	07	14%
Shares	03	6%
Fixed Deposits	21	42%

Bonds	02	4%
Gold	01	2%
Insurance	04	8%
Total	50	100%

From the above table it can be seen that , 42% investors have invested in Fixed Deposits because people think it is a safety investment measure, 24% in Mutual Funds due to lack of knowledge, 14% in Stock Market because it is a risky investment 8% in Insurance, 6% in Shares, 4% in Bonds, and 2% in Gold. This is because investors are not educated properly they are having fear in investing in mutual funds because of lack of knowledge so , they prefer other investment avenues.

6) How do they come to know about Mutual Fund

source of data	No. of Respondents	Percentage
Notice	9	18%
Companion gathering	6	12%
Banks	10	20%
Financial guide	25	50%
Total	50	100%

From the above table it can be seen that . 50% are familiar about Mutual Fund Through financial Advisors, 20% people are familiar through Banks, 18% are familiar through Advertisement and remaining 12% are through Peer Group.

7) Mode of venture preferred by the Investors

Mode of Investment	No. Of Respondents	Percentage
One Time Investment	32	64%
Systematic Investment plan	18	36%
Total	50	100%

From the above table it can be seen that , 64% preferred One Time Investment because here most of the investors are business persons so they prefer for long time investment and 36% go for Systematic Investment Plan because some investors are salaried persons.

8) Channel Preferred by the financial specialists for Mutual Fund Investment

Channel	No. Of investors	Percentage
Directly from AMC's	02	4%
Brokers	18	36%
Brokers/sub-Brokers	28	56%
Other Sources	02	4%
Total	50	100%

From the above table it can be seen that 56% prefers to invest through Brokers/sub-Brokers easily, 4% through Directly from AMC's and 36% through Brokers because these are the 2% from Other sources.

9) Preference of Investors for Future Investment interest in Mutual Fund

Name of AMC	No. Of Investors	Percentage
ICICI Prudential	04	8%
UTI	06	12%
SBIMF	22	44%
HDFC	10	20%

Reliance	05	10%
JM Mutual Fund	03	6%
Other Specify	Nil	0
Total	50	100

From the above table it can be seen that 22% preferred to invest in SBIMF because this is a most trusted funds so more no of investors easily invest in SBIMF compared to any other company funds,10% choose to invest in HDFC, 6% choose to invest in UTI, 5% choose to invest in Reliance, 4% opts to invest in ICICI Prudential, and 3% prefer to invest in JM Mutual Fund, SBIMF is providing more NAV compare to other company Mutual Funds and even Brokers are also suggesting investors to invest in SBIMF Mutual funds.

10) Portfolios preferred by the Investors

Portfolios	No. Of respondents	Percentage
equity Fund	36	72%
debt Fund	08	16%
Hybrid Fund	06	12%
Total	50	100

From the above table it can be seen that 72% fund is high risk and high return category prefer for Equity Portfolio, 16% Prefer to Debt Fund and 12% prefer Hybrid Portfolios, equity investors who bear high risk they will earn more profit .

11) Customers investment in SIP

Customers Investment	No. Of Investors	Percentage
500Rs	07	14%
500-1000Rs	35	70%
1000 & Above	08	16%
Total	50	100

From the above table it can be seen that 70% of Customers Prefer to Investment Rs 500-1000 P.M because this is a minimum amount so everybody can afford it easily , 16% of customers prefer to Investment more than 1000 P.M to purchase more no of units and 14% Customers prefer to Investment Rs 500 P.M , it depends on their income source.

12. Investment period of SIP Policy

No. of years Invested	No. of investors	Percentage
Less than 5years	08	16%
5-10 years	10	20%
10years & Above	32	64%
Total	50	100

From the above table it can be seen that 16% Years and 64% above 10 Years ,majority of investors invests up to a period of Less than 5 people prefer for long term investment because years,20% investors invests for a period of 5-10 of high return.

13. Customers satisfaction with SIP Return

Response	No. of investors	Percentage
Satisfied	38	76%
Not satisfied	12	24%
Total	50	100%

From the above table it can be seen that 76% of customers are satisfied with SIP returns, and 24% of Customers are not satisfied with SIP returns. Majority are satisfied because they got high return compare their expected returns

14. Problem Faced while Redeeming Mutual Fund

Response	No. of investors	Percentage
Yes	16	31%
No	34	68%
Total	50	100%

From the above table it can be seen that 30% Customers do not face any Problem while Redeeming Funds Whereas 70% Customers Face Problems while Redeeming Funds they will be facing a problem while redeeming funds like mismatch in Signatures on cheques of investors and many other problems there.

15. Will you recommend others to Invest in Mutual Funds?

Response	No. of Investors	Percentage
Agree	16	31%
Disagree	34	69%
Total	50	100%

From the above table it can be seen that 30% of investors will Recommend others about whereas 70% of investors will not Recommend others to Invest, because mutual funds are market determined we cannot assure you definite returns little risk is there though there are portfolio managers who will be managing our funds and also thorough knowledge of financial market one should have to invest in any financial securities.

Hypothesis test:

Particular	Degree of Freedom	Calculated value(chi square)	Tabular value at 5% level of significance	H0 Null hypothesis Accepted/Rejected
Systematic investment plan	3	8.4	7.815	Rejected

As the calculated value is more than the table value. Therefore null hypothesis(H0) is Accepted and alternative hypothesis(H1) rejected.

H0: (Accepted) There is a relationship exist between Age and mode of investment of systematic investment plan.

CONCLUSION;

From the above study it can be concluded that very less investors are aware of Mutual Funds in Bidar City but those who have invested in these funds are satisfied and earned good profit. Know it is a challenge for the stock brokers to create the awareness of Mutual funds in the society and explain them that how best their funds are managed by the asset manager based on their risk taking ability.

References

1. Joseph, G., Telma, M., and Romeo, A.(2015). “A study of sip & lip of selected large cap stocks listed in nse”. International Journal of Management Research & Review, Vol.5, No.2, Art.No-8, pp117-136
2. Juwairiya, P.P. (2014). “Systematic investment plan-the way to invest in mutual funds”. Sai Om Journal of Commerce & Management, Vol.9, No1, pp. 2347-7563
3. Paul, T.(2012). “An assessment of gap between expectations and experiences of mutual fund investors” International Journal of Marketing, Financial Services & Management Research,

Vol.1,No.7,pp-2277-3622.

4. Sharma, S.(2015). “ELSS Mutual Funds in India: Investor Perception and Satisfaction”, International Journal of Finance and Accounting , 4(2): 131-139
5. Sindhu, K.P.,& Kumar, S. R.(2014). “Investment horizon of mutual fund investors”, Geinternational journal of management research,Vol.2, No.8
6. Soni, P., Khan, I. (2012). “Systematic investment plan v/s other investment avenues in individual

- portfolio management – A comparative study”, International Journal in Multidisciplinary and Academic Research, Vol. 1, No. 3.
7. Vyas, R.(2013). “Factors influencing investment decision in mutual funds” ZENITH International Journal of Business Economics & Management Researc, Vol.3, No.7. pp-2249- 8826
8. Zenti, R.(2014). “Are lump sum investments riskier than systematic investment plans?”
9. www.amfiindia.com
10. www.indianresearchjournals.com