

Study on Mutual Fund Performance and Factors Affecting Mutual Fund Investments by Retail Investors in Eastern U. P.

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ABSTRACT

This paper analyse mutual fund performance in current scenario and the investment behaviour of retail investors of eastern U.P. (INDIA). As we know mutual fund investments are subject to market risk. Investors with different temperament have different way of investing having the different objective of investment. Investors with different sentiment have the different investment objective. If we talk about the risk taking ability of the investors there are three types of investors exist in the market. Investors who can take the risk are known as risk taker. Those who cannot take enough risk are risk averter and some of the investors take calculative risk depending upon the past scenario also comes under the average category. Investors with different risk taking ability have the different objectives of mutual fund investment.

Keywords: Factors affecting mutual fund investment, Investors risk analysis, Investment pattern of retail investors, Mutual fund performance, Retail investors.

INTRODUCTION:

The concept of mutual fund emerged in India in 1963, when the Government of India launched the unit trust of India (UTI). Until 1987 UTI enjoyed a monopoly in India in the Indian mutual fund market. As the mutual fund industry provides an option of diversified investment structure with varying degree of risk, it was supposed to be the most lucrative mark for the Indian investors. It was believed that it will purely tap the saving of common man. In mutual fund many investors contribute to form a common pool of money .this pool of money is invested in accordance with the stated objective. Many people have chosen mutual fund as their primary means of investing .mutual fund provide professional management, diversification, convenience and liquidity. Retail investors make an informed investment decision and chose a mutual fund which is right for their goals, investment time and risk tolerance.

Besides the Indian mutual fund industry that started with traditional product like equity fund, debt fund and balanced fund has significantly expanded in the product portfolio. Today, the industry has introduced an array of product such as liquid/money market funds, sector specific funds, index fund, gilt fund, capital protection oriented scheme, special category funds, exchange traded funds etc. It also has introduced gold ETF fund in 2007 with an aim to allow mutual fund to invest in gold related instruments. Further the industry has also launched special scheme to invest in foreign countries. The wide variety of schemes provided by the Indian mutual fund industry provides multiple options of investment to common man. Hence with increasing investment avenues in mutual fund, and also with changing dynamic macroeconomic scenario of Indian market the analysis and performance of various kind of mutual fund schemes is the major matter of concern behind every retail investor. The purpose of the research is to determine behaviour of the investors and investment preferences for the same. Investors perception will provide a way to accurately measure how investors think about the product and services provided by the company .today's trying economic condition have forced

difficult decision for companies .most are making conservative decisions that reflect a survival mode in the business operations .during these difficult times, understanding what investor on an on-going basis is critical for survival. Executive need a third party understanding on where investor's loyalties stand. More than ever management need on-going feedback from the investors' partners and employees in order to innovate and grow.

NEED AND SIGNIFICANCE OF STUDY:

As for as this study is concerned ,I have taken eastern part of Uttar Pradesh for my analysis.as we know that people of eastern UP are not much aware of investment but still some of them had made their investment in mutual fund with this here I want to analyse the attitude and behaviour of people of eastern UP with reference to the investment in eastern part of UP. This study is important because as far as my knowledge there were no analysis which have covering the eastern part of UP.

REVIEW OF LITERATURE:

(Grinblatt and Titman1992) studied how mutual fund performance relates to past performance. These tests are based on a multiple portfolio benchmark that was formed on the basis of securities characteristics. They find the evidence that differences in performance between funds persist over time and that his persistence is consistent with the ability of fund managers to earn abnormal returns. They concluded that there is a positive persistence in mutual fund performance. The persistence cannot be explained by inefficiencies in the benchmark that they related to firm size, dividend yield, past returns, skewness, interest rate sensitivity or CAPM beta. In this paper they can also asserts that the past performance of the fund provides useful information for investors who are considering an investment in mutual funds.

(Sharpe 1996) explains the theory of portfolio selection, the theory of pricing of capital assets under conditions of risk, and the general behaviour of stock market prices. Results obtained in all three areas are relevant for evaluating mutual fund performance. However one paper pointing the direction for future studies of mutual fund performance has appeared. He concluded and represents an attempt to bring to bear on the measurement and prediction on mutual fund performance , some of the result of recent work in capital theory and the behaviour of stock –market prices.

(Basso and Funari 2000) present a model which can be used to evaluate the performance of mutual fund. This model applies an operational research methodology, called Data envelopment analysis (DEA), which allows to measure the relative efficiency of decision making units. This approach allows to define mutual fund performance indexes that can take into account several inputs and thus consider different risk measures and above all investment costs. They concluded the DEA performance indexes for mutual fund proposed two classes of DEA indexes. The first one generalizes the traditional measures(subscription and redemption costs and burden of fund investment) and second class of indexes considers multiple inputs and multiple outputs structures (stochaic dominance and time lay-out etc.)

(Bergtresser and Poterba 2001) explores the relationship between the after tax returns that taxable investors earn on equity mutual fund and subsequent cash inflows to these funds. The study reveals that the individual tax burden that investors face when they negatively correlated with fund inflows. This is consistence with the view that taxable investors consider the impact of income taxation on asset returns when they decide which mutual fund shares to purchase or redeem. Mutual fund that offers higher after tax return attracts greater inflows than those with lowest after tax returns.

(Keswani and Stolin 2005) studied the effect of several sector level variables on sector level performance. Their choice of variables is based on the notion the more competitive a sector is, the less likely it is to be characterized by persistence in its funds performance. In all their result indicate that the competitiveness of a fund sector influences the persistence in the relative performance of its member.

(Renneboog et al 2008) provides a critical view of literature on socially responsible investment (SRI). Particular to SRI is that both financial goals and social objectives are pursued. Over the past decade, RI has experienced an explosive growth around the world reflecting the increasing awareness of investors to social, environmental, ethical and corporate governance issues. A number of question are reviewed in this paper on the causes and the shareholder's value impact of corporate social responsibility (CSR). They concluded that the existing studies hint but do not unequivocally demonstrate that SRI investors are willing to accept suboptimal financial performance to pursue and ethical objectives.

(Charness and Gneezy 2011) studied the strong evidence for gender differences in risk taking and also, Are men willing to take financial risk than women? And they concluded that women make smaller investments in the

risky asset than do men, and so appear to be financially more risk averse. (Chang HSU et al 2012) The study investigates the performance of 30 Taiwan open-ended equity mutual fund and the sample period was divided into sub periods ,the bull market period(Nov 2006 to oct 2007) and the bear market (Nov 2007 to Oct 2008) and the analysis of the performance evaluation used six indicators to track the equity mutual fund with positive (negative) performance in the bull(bear) market. Moreover, most of the mutual fund performance ranking are inconsistency for both bull and bear market period.

RESEARCH METHODOLOGY:

Research objectives and hypothesis:

Research objective 1: To analyse the past two years performance of mutual fund industry.

Research Objective 2: To know the various factors that may affect selection of mutual fund schemes directly or indirectly.

Research Objectives 2.1: To find out the association between the variables of Investment Objective and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude

Hypothesis 1: There is no association between the variables of investment objective (Tax benefit) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Hypothesis 2: There is no association between the variables of investment objective (Returns) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Hypothesis 3: There is no association between the variables of investment objective (Professional management) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Hypothesis 4: There is no association between the variables of investment objective (Diversification) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Hypothesis 5: There is no association between the variables of investment objective (Convenience) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Hypothesis 6: There is no association between the variables of investment objective (Flexibility) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Secondary and Primary data sources

There are two different types of sources when collecting data: primary and secondary data sources. Primary sources are directly related to the study purpose. Primary data consists of all the data collected throughout the study that directly related to the study purpose, both personally gathered as well as data from a third party that has been collected with an equivalent purpose. Secondary data on the other hand contains relevant data that has been collected with a different purpose, but from which conclusions is valuable for the purpose. In this research work, secondary data was collected from the reports of various companies dealing in mutual fund in order to assess the performance of mutual fund.

Throughout the Pilot study, the researcher used primary data sources. The primary data was collected through an empirical study. The empirical study was made through administering a questionnaire / schedules to collect the data regarding the following dimensions-

- Performance of mutual fund
- Investment behaviour of retail investors
- Impact of mutual fund performance on the investors' decision

Factors affecting selection of mutual fund

Questionnaire Development:

A well-structured questionnaire was developed after an extensive review of literature and the exploratory investigations. As this research study is for retail investors, a final questionnaire was developed to conduct the pilot study on the respondents.

Respondents were asked to indicate their attitudinal response on several statements on Performance of mutual fund, Investment behaviour of retail investors, Impact of mutual fund performance on the investors' decision & Factors affecting selection of mutual fund on a LIKERT scale based questions. There are five choices namely, Strongly Disagree (1), Disagree (2), Undecided (neither agree nor disagree) (3), Agree (4), and Strongly Agree (5). Population and Sampling

The definition of the population for the proposed research has also been done. As per the topic of the study- 'A study on mutual fund performance and factors affecting mutual fund investment in mutual fund by investors in

eastern U.P.’ for the study in question retail investors in eastern, U.P., India have been taken as the realistic/accessible population.

In this research, we have to select the population on the basis of their basic investment behaviour in mutual funds in eastern, U.P., India. The target population, is that population to which we would like to draw inferences, comprises of 500 retail investors in eastern, U.P., This is the population actually surveyed.

The unit of analysis was a retail investor of mutual fund in eastern, U.P., India, it was selected as observation unit. The choice of retail investors as the observation unit relied upon the assumption that retail investors of in eastern, U.P., India represent the sentiments of all the retail investors of mutual fund in India. The entire survey population was of 500 respondents; they were sampled and surveyed.

Respondents were chosen using Convenient Sampling Technique.

Data Collection:

Data collection in surveys generally is based on questionnaires. There mainly are two ways to collect questionnaire data: via self-administered questionnaires (i.e. e mail), or via personal interviews .

The questionnaires in this study were basically distributed among the respondents manually and through email. This was considered as the most suitable option due to the wide geographical distribution of samples in the entire eastern, U.P., India.

Survey Duration:

The survey was handed out directly to respondents, from the start of April 2018 up till the end of July 2018.

DATA ANALYSIS AND INTERPRETATION:

Chi Square Analysis: Association between Investment Objective and Investors’ Attitude

Research Objective 2: To analyse the investment behavior of the retail investors.

Research Objective 2.1: To find out the association between the variables of Investment Objective and Investors’ Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Hypothesis : There is no association between the variables of Investment Objective and Investors’ Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

❖ **Hypothesis 1:** There is no association between the variables of investment objective (Tax benefit) and Investors’ Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Table-Crosstab

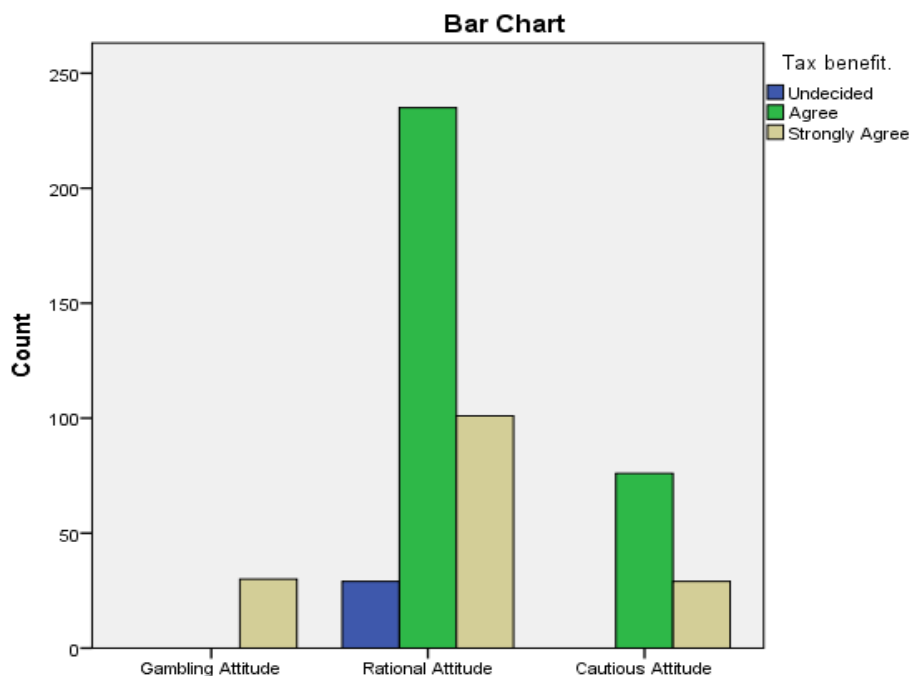
Crosstab						
			Tax benefit.			Total
			Undecided	Agree	Strongly Agree	
Investors’ Attitude	Gambling Attitude	Count	0	0	30	30
		% within	0.0%	0.0%	100.0%	100.0%
		% of Total	0.0%	0.0%	6.0%	6.0%
	Rational Attitude	Count	29	235	101	365
		% within	7.9%	64.4%	27.7%	100.0%
		% of Total	5.8%	47.0%	20.2%	73.0%
	Cautious Attitude	Count	0	76	29	105
		% within	0.0%	72.4%	27.6%	100.0%
		% of Total	0.0%	15.2%	5.8%	21.0%
Total		Count	29	311	160	500
		% within	5.8%	62.2%	32.0%	100.0%
		% of Total	5.8%	62.2%	32.0%	100.0%

Table- Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	77.533 ^a	4	.000
Likelihood Ratio	87.979	4	.000
Linear-by-Linear Association	11.116	1	.001
N of Valid Cases	500		
a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 1.74.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.394	.000
	Cramer's V	.278	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation & Findings:

From the table it was found that asymptotic significance for Pearson Chi Square comes out to be less than 0.05, so we reject hypothesis at 5% level of significance. Hence it can be concluded that two variables are associated.



Investors' behaviour

❖ **Hypothesis 2:** There is no association between the variables of investment objective (Returns) and Investors' Attitude (Gambling Attitude, Rational Attitude & Cautious Attitude).

Table-Crosstab

		Crosstab						Total
		Returns						
Investors' Attitude	Gambling Attitude	Count	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
				6	11	0	5	8
		% within	20.0%	36.7%	0.0%	16.7%	26.7%	100.0%
		% of Total	1.2%	2.2%	0.0%	1.0%	1.6%	6.0%
	Rational	Count	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
		25	67	77	153	43	365	

Crosstab							
		Returns					Total
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
Attitude	% within	6.8%	18.4%	21.1%	41.9%	11.8%	100.0%
	% of Total	5.0%	13.4%	15.4%	30.6%	8.6%	73.0%
Cautious Attitude	Count	22	26	19	27	11	105
	% within	21.0%	24.8%	18.1%	25.7%	10.5%	100.0%
	% of Total	4.4%	5.2%	3.8%	5.4%	2.2%	21.0%
Total	Count	53	104	96	185	62	500
	% within	10.6%	20.8%	19.2%	37.0%	12.4%	100.0%
	% of Total	10.6%	20.8%	19.2%	37.0%	12.4%	100.0%

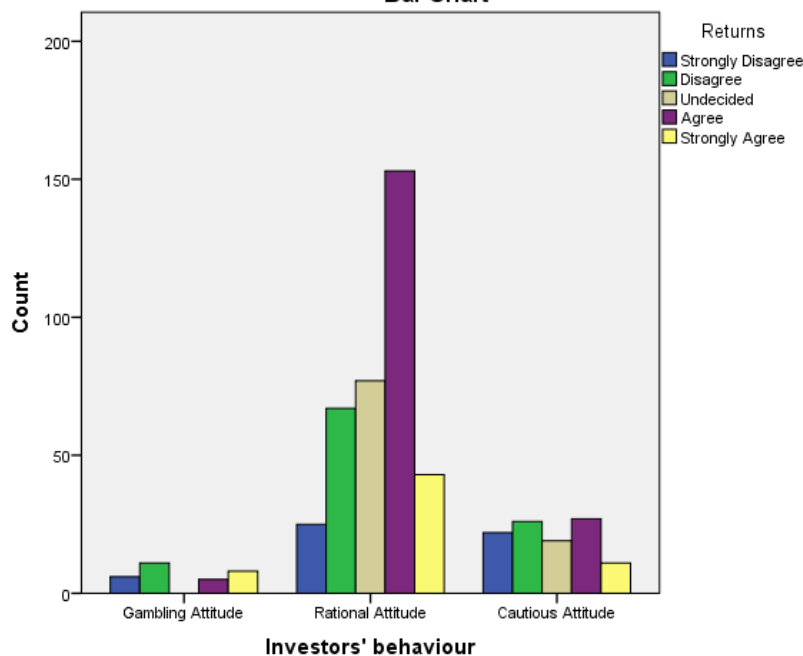
Table- Chi-Square Tests

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.645 ^a	8	.000
Likelihood Ratio	47.505	8	.000
Linear-by-Linear Association	6.334	1	.012
N of Valid Cases	500		
a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 3.18.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.299	.000
	Cramer's V	.211	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation & Findings:

From the table it was found that asymptotic significance for Pearson Chi Square comes out to be less than 0.05, so we reject hypothesis at 5% level of significance. Hence it can be concluded that two variables are associated.

Bar Chart



❖ **Hypothesis 3:** There is no association between the variables of investment objective (**Professional management**) and **Investors' Attitude** (Gambling Attitude, Rational Attitude & Cautious Attitude).

Table-Crosstab

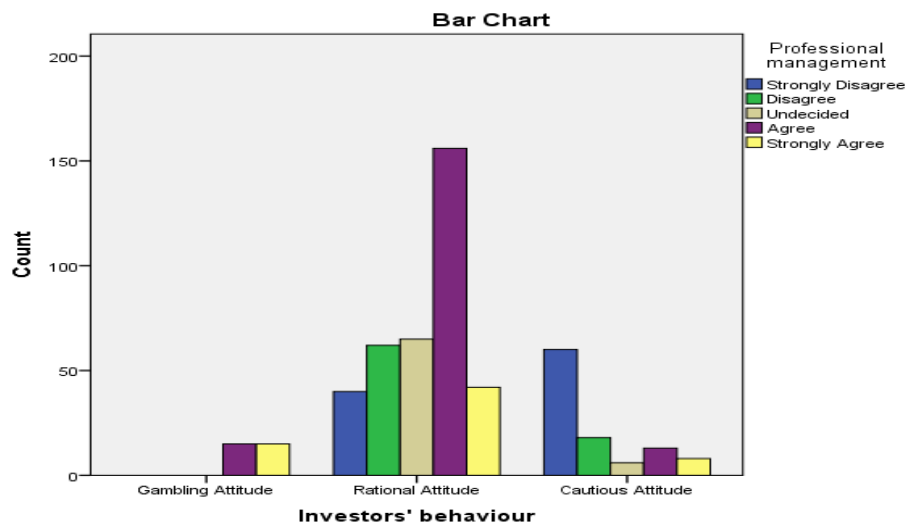
		Crosstab						Total
		Professional management					Total	
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		
Investors' Attitude	Gambling Attitude	Count	0	0	0	15	15	30
		% within	0.0%	0.0%	0.0%	50.0%	50.0%	100.0%
		% of Total	0.0%	0.0%	0.0%	3.0%	3.0%	6.0%
	Rational Attitude	Count	40	62	65	156	42	365
		% within	11.0%	17.0%	17.8%	42.7%	11.5%	100.0%
		% of Total	8.0%	12.4%	13.0%	31.2%	8.4%	73.0%
	Cautious Attitude	Count	60	18	6	13	8	105
		% within	57.1%	17.1%	5.7%	12.4%	7.6%	100.0%
		% of Total	12.0%	3.6%	1.2%	2.6%	1.6%	21.0%
Total		Count	100	80	71	184	65	500
		% within	20.0%	16.0%	14.2%	36.8%	13.0%	100.0%
		% of Total	20.0%	16.0%	14.2%	36.8%	13.0%	100.0%

Table- Chi-Square Tests

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	167.875 ^a	8	.000
Likelihood Ratio	155.437	8	.000
Linear-by-Linear Association	110.742	1	.000
N of Valid Cases	500		
a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 3.90.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.579	.000
	Cramer's V	.410	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation & Findings:

From the table it was found that asymptotic significance for Pearson Chi Square comes out to be less than 0.05, so we reject hypothesis at 5% level of significance. Hence it can be concluded that two variables are associated.



❖ **Hypothesis 4:** There is no association between the variables of investment objective (**Diversification**) and **Investors' Attitude** (Gambling Attitude, Rational Attitude & Cautious Attitude).

Table-Crosstab

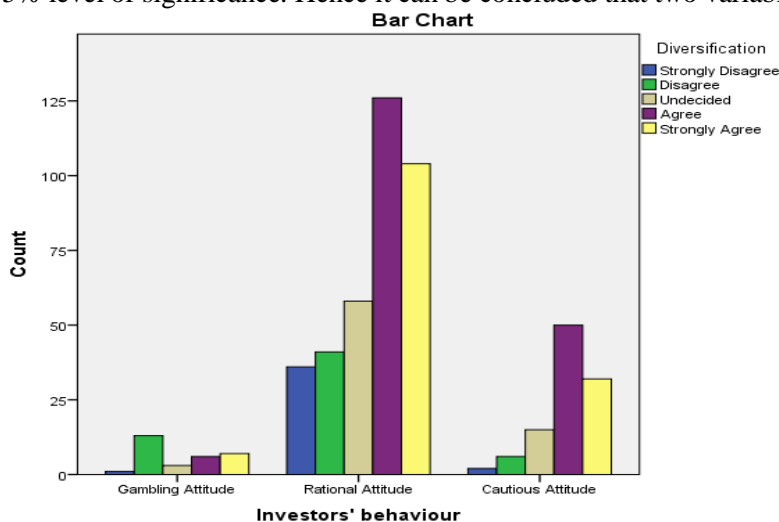
		Crosstab						Total
		Diversification						
			Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
Investors' Attitude	Gambling Attitude	Count	1	13	3	6	7	30
		% within	3.3%	43.3%	10.0%	20.0%	23.3%	100.0%
		% of Total	0.2%	2.6%	0.6%	1.2%	1.4%	6.0%
	Rational Attitude	Count	36	41	58	126	104	365
		% within	9.9%	11.2%	15.9%	34.5%	28.5%	100.0%
		% of Total	7.2%	8.2%	11.6%	25.2%	20.8%	73.0%
	Cautious Attitude	Count	2	6	15	50	32	105
		% within	1.9%	5.7%	14.3%	47.6%	30.5%	100.0%
		% of Total	0.4%	1.2%	3.0%	10.0%	6.4%	21.0%
Total		Count	39	60	76	182	143	500
		% within	7.8%	12.0%	15.2%	36.4%	28.6%	100.0%
		% of Total	7.8%	12.0%	15.2%	36.4%	28.6%	100.0%

Table- Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	42.947 ^a	8	.000
Likelihood Ratio	36.160	8	.000
Linear-by-Linear Association	13.135	1	.000
N of Valid Cases	500		
a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 2.34.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.293	.000
	Cramer's V	.207	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation & Findings:

From the table it was found that asymptotic significance for Pearson Chi Square comes out to be less than 0.05, so we reject hypothesis at 5% level of significance. Hence it can be concluded that two variables are associated.



Hypothesis 5: There is no association between the variables of investment objective (**Convenience**) and **Investors' Attitude** (Gambling Attitude, Rational Attitude & Cautious Attitude).

Table-Crosstab

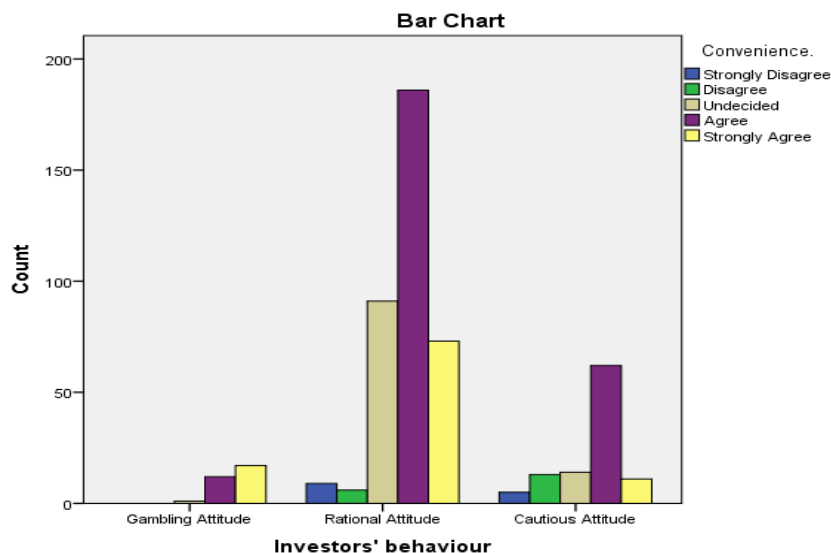
		Crosstab						Total
		Convenience.						
			Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
Investors' Attitude	Gambling Attitude	Count	0	0	1	12	17	30
		% within	0.0%	0.0%	3.3%	40.0%	56.7%	100.0%
		% of Total	0.0%	0.0%	0.2%	2.4%	3.4%	6.0%
	Rational Attitude	Count	9	6	91	186	73	365
		% within	2.5%	1.6%	24.9%	51.0%	20.0%	100.0%
		% of Total	1.8%	1.2%	18.2%	37.2%	14.6%	73.0%
	Cautious Attitude	Count	5	13	14	62	11	105
		% within	4.8%	12.4%	13.3%	59.0%	10.5%	100.0%
		% of Total	1.0%	2.6%	2.8%	12.4%	2.2%	21.0%
Total		Count	14	19	106	260	101	500
		% within	2.8%	3.8%	21.2%	52.0%	20.2%	100.0%
		% of Total	2.8%	3.8%	21.2%	52.0%	20.2%	100.0%

Table- Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	64.942 ^a	8	.000
Likelihood Ratio	57.614	8	.000
Linear-by-Linear Association	22.817	1	.000
N of Valid Cases	500		
a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is .84.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.360	.000
	Cramer's V	.255	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation & Findings:

From the table it was found that asymptotic significance for Pearson Chi Square comes out to be less than 0.05, so we reject hypothesis at 5% level of significance. Hence it can be concluded that two variables are associated.



❖ **Hypothesis 6:** There is no association between the variables of investment objective (**Flexibility**) and **Investors' Attitude** (Gambling Attitude, Rational Attitude & Cautious Attitude).

Table-Crosstab

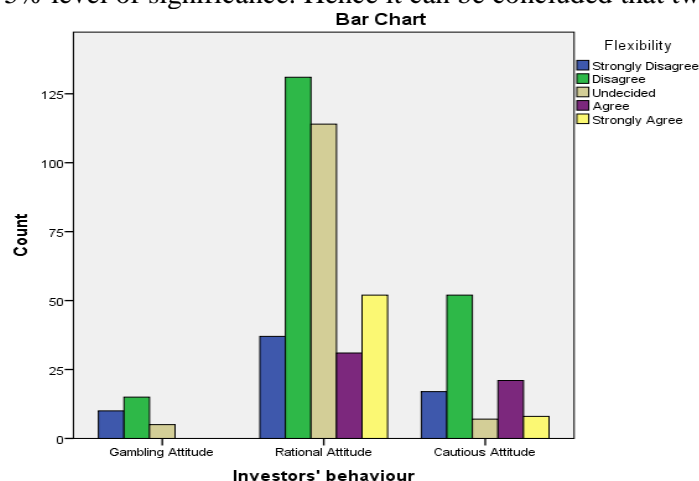
		Crosstab						Total
		Flexibility						
			Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
Investors' Attitude	Gambling Attitude	Count	10	15	5	0	0	30
		% within	33.3%	50.0%	16.7%	0.0%	0.0%	100.0%
		% of Total	2.0%	3.0%	1.0%	0.0%	0.0%	6.0%
	Rational Attitude	Count	37	131	114	31	52	365
		% within	10.1%	35.9%	31.2%	8.5%	14.2%	100.0%
		% of Total	7.4%	26.2%	22.8%	6.2%	10.4%	73.0%
	Cautious Attitude	Count	17	52	7	21	8	105
		% within	16.2%	49.5%	6.7%	20.0%	7.6%	100.0%
		% of Total	3.4%	10.4%	1.4%	4.2%	1.6%	21.0%
Total		Count	64	198	126	52	60	500
		% within	12.8%	39.6%	25.2%	10.4%	12.0%	100.0%
		% of Total	12.8%	39.6%	25.2%	10.4%	12.0%	100.0%

Table- Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	58.511 ^a	8	.000
Likelihood Ratio	66.024	8	.000
Linear-by-Linear Association	.478	1	.489
N of Valid Cases	500		
a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 3.12.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.342	.000
	Cramer's V	.242	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation & Findings:

From the table it was found that asymptotic significance for Pearson Chi Square comes out to be less than 0.05, so we reject hypothesis at 5% level of significance. Hence it can be concluded that two variables are associated.



FINDINGS:

Findings of mutual fund performance (industry trend):

- ❖ It has been clear from the statistics that industry has been shown a positive trend with respect to quarterly asset under management with retail participation.
- ❖ ICICI mutual fund, HDFC mutual fund, Reliance mutual fund, and Birla sun life mutual fund were among the top funds category.
- ❖ Top AMC's has been shown year on year growth.
- ❖ Investor trend show that industry shown a positive trend and added folio to every quarter
- ❖ Inflow and outflow analysis show that retail investor were driven by SIPs in equity.
- ❖ Statistics from the sector update show that financial services sector remained on the top which in current quarter is replaced by pharmaceutical sector.
- ❖ Analysis also show that all equity mutual fund category remains on the top because of the positive trend in benchmark indices
- ❖ There were increase in investor base due to various regulatory measures taken to protect the interest of investor by SEBI and AMFI.
- ❖ Overall we can say that year on year mutual fund industry showing a positive trend due to the various measures taken by SEBI to create the awareness among the investors regarding mutual fund and also various regulatory action taken by SEBI to protect the interest of investor.

Findings: Chi Square Analysis: Association between Investment Objective and Investors' Attitude:

Findings:

It was found that there were total 500 respondents (retail investors in mutual fund), categorized on the basis of their investment attitude into 3 groups namely- Gambling Attitude, Rational Attitude & Cautious Attitude.

Gambling Attitude:

There were 30 respondents who had gambling attitude, out of which, 0.0% respondents were undecided, 0.0% respondents agreed and 100.0% respondents were strongly agreed that mutual fund gives tax benefit.

Rational Attitude:

There were 365 respondents who had rational attitude, out of which, 7.9% respondents were undecided, 64.4% respondents agreed and 27.7% respondents strongly agreed that mutual fund gives tax benefit.

Cautious Attitude:

There were 105 respondents who had cautious attitude, out of which, 0.0% respondents were undecided, 72.4% respondents agreed and 27.6% respondents strongly agreed that mutual fund gives tax benefit.

Findings:

It was found that there were total 500 respondents (retail investors in mutual fund), categorized on the basis of their investment attitude into 3 groups namely- Gambling Attitude, Rational Attitude & Cautious Attitude.

Gambling Attitude:

There were 30 respondents who had gambling attitude, out of which, 20.0% respondents strongly disagreed, 36.7% respondents disagreed, 0.0% respondents were undecided, 16.7% respondents agreed and 26.7% respondents strongly agreed that Mutual funds give returns.

Rational Attitude:

There were 365 respondents who had rational attitude, out of which, 6.8% respondents strongly disagreed, 18.4% respondents disagreed, 21.1% respondents were undecided, 41.9% respondents agreed and 11.8% respondents strongly agreed that Mutual funds give returns.

Cautious Attitude:

There were 105 respondents who had cautious attitude, out of which, 21.0% respondents strongly disagreed, 24.8% respondents disagreed, 18.1% respondents were undecided, 25.7% respondents agreed and 10.5% respondents strongly agreed that Mutual funds give returns.

Findings:

It was found that there were total 500 respondents (retail investors in mutual fund), categorized on the basis of their investment attitude into 3 groups namely- Gambling Attitude, Rational Attitude & Cautious Attitude.

Gambling Attitude:

There were 30 respondents who had gambling attitude, out of which, 0.0% respondents strongly disagreed, 0.0% respondents disagreed, 0.0% respondents were undecided, 50.0% respondents agreed and 50.0% respondents strongly agreed that Mutual funds deliver professional management.

Rational Attitude:

There were 365 respondents who had rational attitude, out of which, 11.0% respondents strongly disagreed, 17.0% respondents disagreed, 17.8% respondents were undecided, 42.7% respondents agreed and 11.5% respondents strongly agreed that Mutual funds deliver professional management.

Cautious Attitude:

There were 105 respondents who had cautious attitude, out of which, 57.1% respondents strongly disagreed, 17.1% respondents disagreed, 5.7% respondents were undecided, 12.4% respondents agreed and 7.6% respondents strongly agreed that Mutual funds deliver professional management.

Findings:

It was found that there were total 500 respondents (retail investors in mutual fund), categorized on the basis of their investment attitude into 3 groups namely- Gambling Attitude, Rational Attitude & Cautious Attitude.

Gambling Attitude:

There were 30 respondents who had gambling attitude, out of which, 3.3% respondents strongly disagreed, 43.3% respondents disagreed, 10.0% respondents were undecided, 20.0% respondents agreed and 23.3% respondents strongly agreed that Mutual funds have diversification.

Rational Attitude:

There were 365 respondents who had rational attitude, out of which, 9.9% respondents strongly disagreed, 11.2% respondents disagreed, 15.9% respondents were undecided, 34.5% respondents agreed and 28.5% respondents strongly agreed that Mutual funds have diversification.

Cautious Attitude:

There were 105 respondents who had cautious attitude, out of which, 1.9% respondents strongly disagreed, 5.7% respondents disagreed, 14.3% respondents were undecided, 47.6% respondents agreed and 30.5% respondents strongly agreed that Mutual funds have diversification.

Findings: It was found that there were total 500 respondents (retail investors in mutual fund), categorised on the basis of their investment attitude into 3 groups namely- Gambling Attitude, Rational Attitude & Cautious Attitude.

Gambling Attitude:

There were 30 respondents who had gambling attitude, out of which, 0.0% respondents strongly disagreed, 0.0% respondents disagreed, 3.3% respondents were undecided, 40.0% respondents agreed and 56.7% respondents strongly agreed that Mutual funds provide convenience.

Rational Attitude:

There were 365 respondents who had rational attitude, out of which, 2.5% respondents strongly disagreed, 1.6% respondents disagreed, 24.9% respondents were undecided, 51.0% respondents agreed and 20.0% respondents strongly agreed that Mutual funds provide convenience.

Cautious Attitude:

There were 105 respondents who had cautious attitude, out of which, 4.8% respondents strongly disagreed, 12.4% respondents disagreed, 13.3% respondents were undecided, 59.0% respondents agreed and 10.5% respondents strongly agreed that Mutual funds provide convenience.

Findings:

It was found that there were total 500 respondents (retail investors in mutual fund), categorised on the basis of their investment attitude into 3 groups namely- Gambling Attitude, Rational Attitude & Cautious Attitude.

Gambling Attitude:

There were 30 respondents who had gambling attitude, out of which, 33.3% respondents strongly disagreed, 50.0% respondents disagreed, 16.7% respondents were undecided, 0.0% respondents agreed and 0.0% respondents strongly agreed that Mutual funds have flexibility.

Rational Attitude:

There were 365 respondents who had rational attitude, out of which, 10.1% respondents strongly disagreed, 35.9% respondents disagreed, 31.2% respondents were undecided, 8.5% respondents agreed and 14.2% respondents strongly agreed that Mutual funds have flexibility.

Cautious Attitude:

There were 105 respondents who had cautious attitude, out of which, 16.2% respondents strongly disagreed, 49.5% respondents disagreed, 6.7% respondents were undecided, 20.0% respondents agreed and 7.6% respondents strongly agreed that Mutual funds have flexibility.

CONCLUSION AND SUGGESTION:

We can conclude investors with different categories (gambling, cautious, and rational) have different choice of investment objective while making an investment in mutual fund. All the investment objective will have different parameter for different kind of investor. We can conclude that any objective which is selected by an respondent with cautious attitude may be rejected by an respondent with rational and gambling attitude investor. Hence again we can say that every investor having a different investment objective because every investor have different attitude (gambling, rational, cautious) having the different risk taking capacity and also having the different choice of investment objective.

To summarise up conclusion it can be said that investors behaviour while investing in mutual fund will depend upon their attitude and investors having the different attitude will have different objective and having the different reasons while making future investment decision.

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