

## A Study on Investor Awareness of Debt Mutual Fund – With Special Reference to Employees in Information Technology Sector in Chennai

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### ABSTRACT

*Mutual fund debt schemes have gained lot of popularity over the last few years. Individual investors held 3.64 lakh crores in debt mutual fund in September 2017 which is 22% higher than what it was in September 2016. There are various options available in debt mutual funds, Investor has to study the characteristics of the fund and select the appropriate fund based on his risk profile and time frame of the investment. Generally people who have studied core finance and those who are employed in financial institutions have a good idea about the various investment avenues. In case of people employed in Information technology sector they are generally paid more and has more exposure towards latest technology advancements, this research is intended to analyse their financial literacy level with respect to various debt mutual funds schemes. Towards this main objective data was collected using a pretested schedule from 120 respondents who are employed in information technology sector in Chennai region, The data collected were analysed using appropriate statistical tools. The results indicate that there is a significant relationship between age and awareness about gilt short term mutual fund, there is a significant relationship between age and awareness about hybrid debt oriented mutual fund. The results also indicate that there is significant difference between purpose of investment in debt mutual funds and source to know about mutual fund. Exploratory and Confirmatory Factor analysis were used to shortlist the opinion of the respondents about debt mutual fund.*

**Keywords:** Debt Mutual fund, awareness, Risk, Taxation, maturity profile, financial literacy.

### INTRODUCTION:

Debt mutual funds provide various alternatives to investors who seek an alternate avenue for fixed deposits and want to stay away from equity. These funds come with various time periods and wide range of investment options. They are not risk free, but have lesser risk when compared to equity mutual funds

### Debt Mutual Fund categories:

Debt Fund category	Where do they invest?
Liquid / Money Market Funds	This category of funds invests in highly liquid money market instruments, which in turn provides easy liquidity. The fund aim to earn return which is equivalent to prevailing money market rates and can serve as an alternative instrument for parking surplus cash for short periods. These funds can be looked for parking funds even for a day. Returns on liquid funds fluctuate less in comparison with other funds.

Debt Fund category	Where do they invest?
Ultra Short Term Funds	These funds were earlier called as Liquid Plus Funds; these funds invest in very short term debt securities and a small portion in longer term debt securities. They are also called as Cash or Treasury Management Funds. Investors who have short term surplus for a period of less than an year can consider these funds.
Floating Rate Funds	Floating rate funds primarily invest in floating rate debt securities, floating rate securities are those wherethe interest changes in line with the interest rate scenario in debt markets. The interest rate as and when required is reset with reference to a benchmark. These funds can be looked into when interest rates in the markets are in raising trend.
Income funds (short and medium term)	These funds invest in debt securities with a maturity of upto 3 years. These funds have an average maturity which is longer than Liquid and Ultra Short Term Funds and shorter than pure Income Funds. These funds perform when short term interest rates are high. Investors who have low to moderate risk appetite can invest. The preferred investment time frame of 9 to 12 months.
Gilt Funds	Gilt Funds invest in government securities of medium and long term maturities. Gilt funds do not have the risk of default as the issuer of the security is the government. Gilt funds have high degree of interest rate risk, The higher the maturity of the time of the instrument, higher the interest rate risk.
Dynamic Bond Funds	These schemes invest in debt securities with different maturity profiles. Normally these funds are managed actively. These funds Invest across all classes of debt and money market instruments
Income funds	These funds invest in corporate bonds, government bonds and money market instruments. They are highly susceptible to the interest rate changes. They are suitable for long term investment and those who have higher risk taking ability. The idle time to invest in these funds is when the interest rates are at peak and are expected to reduce.
Fixed Maturity Plans (FMPs)	FMP are closed ended Debt Mutual Funds. They in debt instruments with a specific date of maturity which is almost equal to the maturity date of the scheme.. FMPs are a good option for investors who are conservative in nature; these funds do not carry any interest rate risk if the investor stays invested until maturity.
Monthly Income Plans (MIP)	MIP schemes invest in both debt and equity instruments. The portion of equity component varies between 0 to 25%. These funds carry certain amount of risk as it invests in equity instruments. They have monthly dividend option where most of the funds try to distribute surplus in the form of dividend to the investor. Dividend under this scheme is not mandatory.
Capital Protection Oriented Funds	These funds are popularly called as CPO, as the name suggests these funds do not assure protection against capital, they are hybrid funds that invest both in Debt and in equity. They are normally close ended funds. The fund manager aims at protecting capital by matching the downside in equity value with return from debt instruments.
Multiple Yield Funds	These funds are close ended in nature. They belong to the income funds category. It also has exposure to equity which aims to provide capital appreciation

**Benefits of Investing in Debt Funds:**

- Debt funds invest predominantly in debt securities. Equity market volatility does not affect debt funds.
- Debt funds provide diversification and stability to the portfolio.
- It acts as an alternate to Bank and corporate fixed deposits
- Debt funds provides better post tax returns when compared to deposits
- Open ended debt funds provides flexibility to withdraw money at any time
- Dividend declared by debt funds is tax free at the hands of the investor

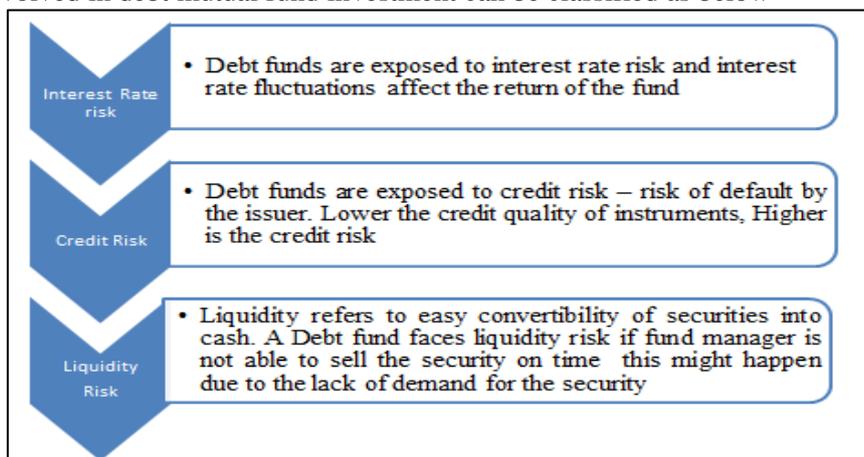
**Things to review before investing in Debt Funds:**

The following things need to be checked before investing in a debt fund

<b>Factors</b>	<b>Details</b>
Investment Horizon	All Debt mutual funds normally specify the time frame for which the investments can be made Investor should consider the time horizon specified and must invest according to it. Investor normally stay invested long without considering this factor which may lead to adverse effect in their return due to changes made in portfolio.
Maturity profile	Maturity profile gives the picture of the various time frames of investments the funds has made for example investments ranging from 6 months to 1 year or 3 years. It helps to understand the interest rate risk associated with the fund based on the timeframe of maturity. In a falling interest rate scenario, normally funds maintain higher portfolio maturities.
Credit risk and Credit rating	Debt Mutual Funds are allowed to invest in securities with different credit ratings. The ratings are assigned by credit rating agencies. Rating indicates the credit worthiness of the borrower. Higher the rating, higher is the creditworthiness but the returns may be lower in comparison to a lower rating. If a fund invest more in Sovereign instruments then it is taking a lower credit risk
Asset allocation	It is better to study the portfolio of the debt fund and the scheme information document and fund fact sheet to know where and all the fund is investing. The fund which invests in rated instruments with exposure towards public and private sector instruments would balance the asset allocation. Investments in good Corporate and public sector bonds would earn higher interest income The fund managers often change the portfolio depending on market scenario and they also maintain cash exposure depending on the redemption pressure that they have.
Average Maturity of portfolio	This refers to the average maturity of all the instruments held in the portfolio. It can be represented in day or years. It would be helpful in assessing the period of investment
Duration of portfolio	This refers to the price sensitivity of the fund with respect to interest rate changes. Funds which have a longer duration would be more sensitive interest rates changes. For example, Let us assume that interest rates goes down or up by 1% in a month, the Net Asset Value (NAV) of a Bond fund would be going up or down by 3 per cent if modified duration of portfolio is 3 years.
Yield	A measure of interest income generated by bonds is called as yield. Debt funds which invest in bonds having higher coupon rate would generate higher portfolio yield. The yield to maturity in debt fund indicates the rate of return an investor can expect if he stays invested till maturity
Investment Objective	The investment objective need to be studied before investing in any fund. This would help the investor to understand where the money is going to be deployed

**Risks Involved in Debt Mutual Fund Investing:**

The risk that are involved in debt mutual fund investment can be classified as below



### **Debt funds – Taxation:**

Debt fund are taxed under the capital gain segment. Dividend earned from any debt mutual fund is tax free at the hands of the investor. The gains earned in debt funds which are sold within a period of 36 months from date of purchase is termed as short term capital gain and taxed at income tax slab rate. Whereas gains earned from funds which are sold beyond 36 months from the date of purchase is termed to be long term capital gain and the tax rate without indexation is 20%.

### **REVIEW OF LITERATURE:**

The following reviews are the summaries of earlier researches conducted with respect to Debt Mutual Fund.

Archana Goel and Laveena (2015) in their research paper have made a comparative study on performance analysis of debt & equity schemes at HDFC with reference to Birla sun life & ICICI mutual fund schemes by taking their daily returns & to know the category of funds where the investor would like to invest in. 15 schemes had been included in the research. The timeline for the research work is from 1st Jan 2009 to 31st Dec, 2013. Different tools used for rating include Sharpe, beta, average, NAV and standard deviation. The results showed that of all schemes, HDFC infrastructure fund, short term plan & long term gilt fund are proficient. Birla Sun life Tax saving fund & Index fund are also excellent than HDFC & ICICI

MiliKar and ParahShilin their research paper studies the performance of debt mutual fund segment in comparison to the other segments of mutual funds. The trend and present status of debt funds in the Indian Mutual Funds Industry was also be examined. It is revealed from the study that due to various doldrums and risks associated in equity market people are gaining interest to invest in debt mutual funds as it figuring out a regular income to the investors with a minimum risks.

Selvavinayagam K (2012) in his research paper analyze the performance of various schemes in Equity Fund and Debt Fund of the share trading firm and gives suggestion based on outcome of the results with regard to the best investment scheme. The tools used for this study are standard deviation, beta and performance measures are done with the help of Treynor Measure, Sharpe Measure, and Jensen Measure. This study covers only five years of fund value and it is fully based on secondary data only.

Gade S. & Ram P.(2012) in their research paper compared the performance of 15 equity & debt schemes of mutual funds of Birla Sun Life with reliance & ICICI Prudential from 2007 to 2010. They concluded that Birla Sun Life Tax Plan, Diversified Growth Type & Short term Fund performed better than ICICI & Reliance. In sector schemes, Reliance Pharma Fund was Better than ICICI & Birla Sun Life.

Poongavanam. S (2011) in his study evaluated the performance of public & private sector mutual funds. 340 schemes were covered for the period of 2003-07 relating to debt, money market, equity & balanced category to measure the risk & return. While conducting hypothesis testing she found that returns of public equity funds are less than private equity funds. The returns of private debt funds are the lowest. Public balanced funds have lowest risk return per unit return ratio & public debt category has the highest.

Sharad Panwar and Dr. R. Madhumathi, (2005) studied the characteristics and Performance Evaluation of selected Mutual Fund in India - The study has been carried out to investigate the difference in characteristics of assets held, to study the portfolio diversification and to analyse the variable effects of diversification on investment performance. From the study it was found that public sector sponsored funds do not differ significantly from private sector sponsored funds in terms of mean returns. The study reveals that there exist a significant difference among the public sector mutual funds and private sector mutual funds

### **RESEARCH GAP AND OBJECTIVE OF THE STUDY:**

From the above literatures, it may be seen from earlier studies that investor's awareness about debt mutual fund for employees in information technology sector was not made. Hence this study has been taken up specifically

1. To analyse their awareness towards debt mutual funds
2. To study the relationship between age and awareness of various debt mutual funds of employees working in information technology sector
3. To analyse the opinion of the respondents about debt mutual fund related factors

### **Hypothesis:**

H0: There is no significant relationship between the Age of the respondents and various debt mutual funds

H0: The hypothesized model has a good fit.

## RESEARCH METHODOLOGY:

Any research has to be constructed on the systematic collection and analysing the data. For this study, the survey method was adopted to collect the data from the employees belonging to information technology sector using a well-structured and pre tested questionnaire from 120 respondents in Chennai. Respondents were selected by Snow Ball Method and the data were collected from employees of Infosys, TCS, Wipro, HCL, Cognizant Technologies, Flextronics in and around Chennai.

Name of the company	Number of Respondents
Infosys	24
TCS	29
Wipro	18
HCL	13
Cognizant	32
Flextronics	4
<b>Total</b>	<b>120</b>

The secondary data was collected from websites, newspapers, journals, magazines, etc. The collected data were analyzed with statistical tools like Chi Square, Exploratory factor analysis, Confirmatory Factor analysis, one way anovatechniques.

### Variables:

Following are the independent and dependent variables :

S. No	Independent Variable
1	Age
2	Gender
3	Marital status
4	Occupation cadre
5	Educational Qualification
6	Monthly income
S. No	Dependent Variable
1	Purpose of investing in Debt mutual fund
2	Periodicity of investment
3	Level of awareness of various Debt mutual fund
4	Opinion about debt mutual funds

## DATA ANALYSIS AND INTERPRETATION:

### Profile of the Respondents :

#### Age :

From the below table it may be observed that 52.80% of respondents are in the Age group between 31-40 years and 20% of the respondents are in 21-30 years category.

**Table 1: Age of the respondents**

Particulars	Frequency	Percentage
Between 21-30 years	24	20.0
Between 31-40 years	61	50.8
> 40 Years	35	29.2
<b>Total</b>	<b>120</b>	<b>100.0</b>

#### Gender:

From the below table It may be observed that 85% of the respondents are male and 15% are female.

**Table 2: Gender of the respondents**

Particulars	Frequency	Percentage
Male	102	85.0
Female	18	15.0
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Educational Qualification:**

From the below table it may be observed that out of the total respondents 37.50% are graduates and 52.5% are post graduates.

**Table 3: Educational Qualification of the respondents**

Particulars	Frequency	Percentage
Graduate	45	37.5
Post Graduate	63	52.5
Professional	12	10.0
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Monthly Income:**

From the below table it may be observed that out of the total respondents 52.5% of the respondents come under the monthly income band of 40001 to 40000 and 29.20% under above 60000.

**Table 4: Monthly Income of the respondents**

Particulars	Frequency	Percentage
Rs.20001 to Rs.40000	22	18.3
Rs.40001 to Rs.60000	63	52.5
Above Rs.60000	35	29.2
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Marital Status:**

From the below table it may be observed that out of the total respondents 87.50% are married and 12.5% are single.

**Table 5: Marital Status of the respondents**

Particulars	Frequency	Percentage
Single	15	12.5
Married	105	87.5
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Management Cadre:**

From the below table it may be observed that out of the total respondents 29.20% of the respondents are in lower management cadre and 52.5% are in middle management cadre.

**Table 6: Management cadre of the respondents**

Particulars	Frequency	Percentage
Top management	22	18.3
Middle Management	63	52.5
Lower Management	35	29.2
<b>Total</b>	<b>200</b>	<b>100.0</b>

**Investment Period:**

It may be observed from the below table that out of the total respondents nearly 25.80% of respondents invest for a period between 2 to 3 years and 27.5% between 1 -2 years.

**Table 7: Investment period**

Particulars	Frequency	Percentage
Less than 1 year	33	27.5
Between 1-2 years	27	22.5
Between 2-3 Years	31	25.8
Between 3-4 Years	10	15.8
> 4 Years	10	8.3
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Main Purpose of Investment:**

It may be observed from the below table that out of the total respondents nearly 47.5% of the respondents have invested for growth purpose and 24.2% of the respondents have stated safety as the purpose for investment

**Table 8: Main purpose of Investment**

Particulars	Frequency	Percentage
Tax Benefit	2	1.7
Growth of Investment	57	47.5
Income for retirement	9	7.5
For Future Goals	23	19.2
Safety	29	24.2
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Investment Pattern:**

It may be observed from the below table that out of the total respondents nearly 54.2% of the respondents make one time lumpsum investment and 25.80% use monthly STP option.

**Table 9: Investment pattern**

Particulars	Frequency	Percentage
Monthly SIP	24	20.0%
Monthly STP	31	25.8%
Lumpsum one time investment	65	54.2%
<b>Total</b>	<b>120</b>	

**Source to Know About Mutual Fund:**

It may be observed from the below table that out of the total respondents nearly 20.8% of the respondents have known details about mutual fund through agents and 20.0 % through Bank channel.

**Table 11: Source to know about Mutual fund**

Particulars	Frequency	Percentage
Friends	14	11.7
Relatives	22	18.3
Bank	24	20.0
Agent	25	20.8
Magazine	19	15.8
Internet	16	13.3
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Ideal Time Frame for Debt Mutual Fund Investment:**

It may be observed from the below table that out of the total respondents nearly 44.2% of the respondents feel that above 5 years is the ideal time frame for debt mutual fund investment and 26.7% feel that it is between 1 to 3 years.

**Table 12: Ideal time frame for Equity Mutual fund Investment**

Particulars	Frequency	Percentage
Less than 1 years	8	6.7
Between 1-3 years	32	26.7
Between 3-5 years	27	22.5
5 years and above	53	44.2
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Satisfaction with Debt Mutual Fund Investment:**

It may be observed from the below table that out of the total respondents nearly 28.3% of the respondents are "Very Satisfied" with their mutual fund investment and 29.20% of the respondents are somewhat satisfied.

**Table 13: Satisfaction with Mutual fund Investment**

Particulars	Frequency	Percentage
Very Un Satisfied	18	15.0
Somewhat Unsatisfied	17	14.2
Neutral	16	13.3
Somewhat satisfied	35	29.2
Very satisfied	34	28.3
<b>Total</b>	<b>120</b>	<b>100.0</b>

**Awareness Level of various types of Mutual Funds:**

Debt fund has various sub categories, each category invest in different type of securities and the risk associated with each type of category varies, similarly the returns and the investment time horizon also varies. Investor awareness about the various scheme category plays a very important role in helping them to identify the correct scheme category and

The below table shows the response received from respondents against each type of debt mutual fund

**Table 14: Awareness Level of various type of Debt Mutual fund**

Fund Type	Not at all Aware	Slightly Aware	Somewhat aware	Moderately aware	Extremely aware
Gilt short term fund	16	43	15	26	20
Gilt – Medium & long term	11	46	16	29	18
Income fund	9	14	19	49	29
Bond fund	16	52	19	18	15
Liquid funds	51	28	11	9	21
Ultra short term funds	41	36	10	8	25
Hybrid – debt oriented	10	46	8	36	20

**Age and Awareness level of various Debt Mutual fund:**

The chi-square test is used for studying whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

Here Chi square technique has been used to study the significant difference between age and the awareness level of various debt mutual fund.

**Table 15: Chi Square value for Age with Awareness of various Debt Mutual fund categories**

Category	Chi square value	Sig	Result
Gilt short term fund	24.990	0.001	Reject Null Hypothesis
Gilt – Medium & long term	9.361	0.312	Accept Null Hypothesis
Income fund	15.039	0.583	Accept Null Hypothesis
Bond fund	6.899	0.547	Accept Null Hypothesis
Liquid funds	5.721	0.678	Accept Null Hypothesis
Ultra short term funds	11.357	0.182	Accept Null Hypothesis
Hybrid – debt oriented	20.566	0.008	Reject Null Hypothesis

**Opinions about debt mutual fund:**

Respondents were asked to provide their opinion on the various aspects of debt mutual fund the factors for which opinion were sought are as follows

Opinion	Short Name
Debt Mutual funds provides better return than Fixed deposit	OP1
Debt Mutual funds are Safer	OP2
Debt Mutual funds provide tax advantage	OP3
Liquidity is not a problem in debt mutual fund	OP4
Ideal time frame for staying invested in Debt Mutual fund can be less than equity mutual funds	OP5

Opinion	Short Name
Certain category of debt mutual fund are less volatile	OP6
Debt mutual fund can make loss in shorter period	OP7
Tax free dividend is a big advantage	OP8
I buy debt mutual fund as it is suitable for my portfolio	OP9
Debt Mutual funds helps in diversification of portfolio	OP10
Debt Mutual funds are good for regular returns	OP11

Both exploratory and confirmatory factor analysis were used to identify the opinions which were given more importance

**EXPLORATORY FACTOR ANALYSIS:**

The 11 Debt fund related opinions were analysed for their importance. The analysis reveals that the investors consider only 7 variables as very important.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.677
Bartlett's Test of Sphericity	Approx. Chi-Square	115.988
	Df	21
	Sig.	.000

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.266	32.371	32.371	2.266	32.371	32.371	1.647	23.527	23.527
2	1.408	20.119	52.490	1.408	20.119	52.490	1.645	23.496	47.023
3	.891	12.728	65.218	.891	12.728	65.218	1.274	18.196	65.218
4	.768	10.965	76.183						
5	.638	9.117	85.300						
6	.545	7.784	93.084						
7	.484	6.916	100.000						

**Extraction Method:** Principal Component Analysis

**Rotated Component Matrix**

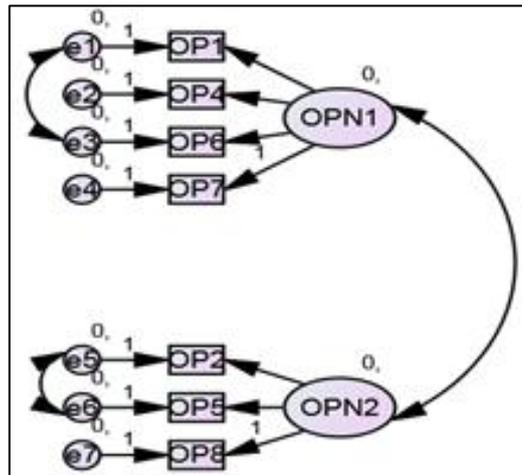
	Component		
	1	2	3
OP2	.820		
OP5	.745		
OP7		.879	
OP1	.481	.602	
OP6		.593	
OP8			.815
OP4			.653

**Extraction Method:** Principal Component Analysis.

**Rotation Method:** Varimax with Kaiser Normalization.

From the above rotated component matrix it can be inferred that Safety and ideal time frame can be grouped as one factor, Return, volatility and loss can be grouped as second factor and Liquidity and tax free dividend can be grouped as third factor. KMO value is within the prescribed limits at 0.67. Values which are less than 0.45 were ignored for the analysis.

**CONFIRMATORY FACTOR ANALYSIS:**



According to Gerbing and Anderson (1992), the criteria for an acceptable model are as follows: RMSEA of 0.08 or lower; CFI of 0.90 or higher; and NFI of 0.90 or higher.

**HYPOTHESIS:**

**Null hypothesis (H0):** The hypothesized model has a good fit.

**Alternate hypothesis (H1):** The hypothesized model does not have a good fit.

**Table 17: Model Fit Indices**

Fit Indices	Results	Suggested Values
Comparative Fit index (CFI)	0.922	> 0.90 (Hu and Bentler, 1999)
Normated Fit Index (NFI)	0.848	≥ 0.90 (Hu and Bentler, 1999)
Tucker Lewis Index (TLI)	0.801	≥ 0.90 (Hair et al., 1998)
Root mean square error of approximation (RMSEA)	0.074	< 0.08 (Hair et al., 2006)

The CFI, RMSEA are within the prescribed limits.

**Bayesian Analysis for Estimation of Mediation Model:**

The Bayesian analysis is done for determining the convergence statistic value. During Bayesian estimation, unhappy face (red) denotes large value of Convergence Statistic. AMOS software shows “happy face” in which values of C.S is smaller, sufficient and it is conservative.

	Mean	S.E.	S.D.	C.S.	Skewness	Kurtosis	Min	Max	Name
<b>Regression weights</b>									
OP6<->OPN1	2.3	0.1	1.3	1.0	1.9	4.3	0.3	10.6	
OP4<->OPN1	0.5	0.0	0.3	1.0	0.5	1.1	-0.5	2.2	
OP1<->OPN1	3.2	0.1	2.0	1.0	2.0	5.2	0.2	15.7	
OP5<->OPN2	1.0	0.0	0.6	1.0	3.2	18.1	-0.1	6.2	
OP2<->OPN2	0.8	0.0	0.6	1.0	2.7	15.8	-1.4	6.7	
<b>Intercepts</b>									
OP7	4.1	0.0	0.1	1.0	0.0	0.1	3.7	4.6	
OP6	4.3	0.0	0.1	1.0	0.0	0.1	3.8	4.8	
OP4	4.3	0.0	0.1	1.0	0.0	0.1	3.9	4.7	
OP1	3.8	0.0	0.1	1.0	0.0	0.1	3.1	4.4	
OP8	4.0	0.0	0.1	1.0	0.0	0.0	3.6	4.5	
OP5	4.1	0.0	0.1	1.0	0.0	0.1	3.7	4.5	
OP2	4.0	0.0	0.1	1.0	0.0	0.1	3.3	4.7	
<b>Covariances</b>									
OPN2<->OPN1	0.2	0.0	0.1	1.0	0.8	0.8	0.0	0.7	
e6<->e5	0.4	0.0	0.2	1.0	-0.3	1.8	-1.0	1.4	
e3<->e1	-0.8	0.0	0.7	1.0	-2.3	8.0	-6.7	0.5	
<b>Variances</b>									
OPN1	0.2	0.0	0.1	1.0	0.9	1.1	0.0	1.0	
OPN2	0.3	0.0	0.2	1.0	2.4	16.6	-0.4	3.4	
e4	1.0	0.0	0.2	1.0	0.3	0.3	0.3	1.8	
e3	0.3	0.0	0.6	1.0	-2.4	8.8	-4.3	1.6	
e2	1.0	0.0	0.1	1.0	0.5	0.5	0.5	1.8	
e1	0.6	0.0	1.2	1.0	-2.3	7.5	-7.4	3.2	
e7	1.0	0.0	0.2	1.0	-1.3	12.2	-2.1	2.2	
e6	0.7	0.0	0.2	1.0	-0.8	4.6	-1.2	1.6	
e5	2.2	0.0	0.3	1.0	0.3	0.7	0.4	4.1	

The above picture denotes a smiling face, reflecting satisfactory convergence. The value is C.S is 1.0012.

## **SUMMARY AND CONCLUSION:**

Debt Mutual fund as an investment avenue is gaining popularity, there are lot of categories in debt mutual fund, and investing without proper knowledge may lead to loss. Investor should not go by the scheme names such as “Capital Protection Fund”, “Monthly Income Plan” and think that their capital is protected or they will get monthly dividend from the scheme. It is better to study the scheme document and understand about the nature of scheme, objective of the scheme, in which instrument the investment is made, ideal tenure for investment before making investment.

It is not easy to differentiate between the various type of schemes and there should be awareness programmes conducted at various offices and public places about the mutual funds in general and in particular about debt funds to senior citizens .

The summary of research is given below.

1. Out of 120 respondents, 85% of the respondents are male and 50.80 % of the respondents were in the category of 31-40 years of age. 52.5% are post graduate and 52.5% earn a monthly income of 40001 to 60000.
2. It is observed that 27.5% of the respondents prefer Less than 1 year as investment period. 47.5 % of the respondents invest for the purpose of growth in investment. 54.2% of the respondents make one time lumpsum investment. 20.8% of the respondents have known details about mutual fund through agents. 44.2% of the respondents feel that above 5 years is the ideal time frame for debt mutual fund investment. nearly 28.3% of the respondents are “Very Satisfied” with their mutual fund investment
3. There is significant relationship between the Age of the respondents and Gilt Short term fund
4. There is no significant relationship between the Age of the respondents and Gilt Medium and Long term fund
5. There is no significant relationship between the Age of the respondents and Income fund
6. There is no significant relationship between the Age of the respondents and Bond fund
7. There is no significant relationship between the Age of the respondents and Liquid fund
8. There is no significant relationship between the Age of the respondents and Ultra Short term fund
9. There is significant relationship between the Age of the respondents and Hybrid debt oriented fund
10. The model fits within the prescribed limits of RMSEA and CFI

Debt mutual funds are not Risk free. The person who is investing must not think that it is risk free and he can invest and withdraw the same anytime. In short term it might be volatile and can give negative returns also. It is always advisable for the investor to decide on the following before investing in debt fund.

- a. Time frame of the investment
- b. Whether the fund selected is based on the time frame of the investment
- c. Whether the fund suits the risk profile of the investor
- d. Whether the fund has invested in high quality credit instruments
- e. Whether the fund has any lock in period

These checks are required before investing the money.

## **SUGGESTION FOR FUTURE RESEARCH:**

The present research on the Investor awareness towards debt mutual fund investment with respect to employees belonging to information technology sector analysed many items in line with the objectives set for the study. The present study has focused on identifying the awareness, factors considered while selecting schemes and their opinion about debt mutual fund schemes. On the basis of secondary data, the results were analyzed. In the context of limitations of the study, and the experience gained during the study, some of the potential areas are identified for future researches. Potential areas for research have been identified in the following areas:

- a. Similar study can be conducted with other financial products as well.
- b. Awareness about debt mutual funds can be analysed in other sectors like manufacturing, education etc.
- c. Gender wise financial literacy relating to debt mutual fund with respect to a particular region can also be studied.

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