

A Study on The Investment Pattern of Investors Towards Mutual Fund in The Ludhiana City

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ABSTRACT

Mutual funds have emerged as a tool of one's financial well-being. As information and awareness is rising more and more people are enjoying the benefits of investing in mutual funds. This study is conducted to discover the factors that influence the behavior of investors and their investment pattern while investing in mutual funds including the factors that stops the investors to invest in mutual funds. By a descriptive research on a sample of more than 100 respondents from the Ludhiana city, it shall be found that which factors and risks the young investors considers before investing. The findings will help the asset management companies to identify the areas of improvements in order to create greater awareness among young investors regarding investment in mutual funds.

Keywords : Commodities, Equity Shares, Systematic Investment Plan.

I. INTRODUCTION

Investment is a commitment of funds in real assets or financial assets. There are various avenues of investment in accordance with individual preferences. Investments are made in different asset classes depending on individual's risk and return characteristics. Investment choices are physical assets and financial assets. Gold, Commodities and Real estate are examples of physical assets, which have a physical form. Financial assets are securities, which are certificates embodying a financial contract between parties. Bonds, Equity shares, Deposits and Insurance policies are some of the examples of financial assets.

Wise investment of personal saving necessitates a clear understanding of objectives of saving. Every investment channel can be viewed as a package offering a unique combination, which fulfils the objectives of: (i) principal value, (ii) expected income, (iii) ease of converting principal into cash, and (iv)

tax consequences. Each outlet has a greater or lesser degree of uncertainty associated with each factors.

Investment is the process of putting money to work to earn income. Investing even a small amount can produce considerable growth over long period. Investors continuously plan for their investments to fulfill major needs like financial protection, career building, asset purchase, marriage, children's education, retirement funding etc. For this investors need to take decision regarding how much to invest? And where to invest? To choose wisely, investors need to know investment options thoroughly. It is financial services institutions and intermediaries which help the investors for transforming saving into investment, production and growth. It is a mechanism or arrangement for the mobilization of funds, their transfer and allocation. A financial services intermediary has enormous value in the financial market. A mutual Fund is recognized as a medium as well as long term investment option.

The first introduction of mutual fund in India occurred in 1963, when the Government of India launched Unit Trust of India. A mutual fund is an investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and other assets. Mutual funds are operated by professional money managers, who allocate the fund's investments and attempt to produce capital gains and/or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

Appreciation or reduction in value of investments is reflected in Net Asset Value (NAV) of the concerned scheme, declared by the fund from time to time.

Mutual Fund Schemes are managed by respective Asset Management Companies (AMC). Different business groups, financial institutions and banks sponsors these AMCs either alone or in collaboration with other firms. An asset management company (AMC) is a company that invests its clients' pooled funds into securities that match declared financial objectives. Asset management companies provide investors with more diversification and investing options than they would have by themselves. AMCs manage mutual funds, hedge funds and pension plans, and these companies earn income by charging service fees or commissions to their clients.

1.1.1 TYPES OF MUTUAL FUNDS:

Money market funds: The money market consists of safe (risk-free) short term debt instruments, mostly government treasury bills.

Income funds: These funds are named for their purpose: to provide current income on a steady basis. These funds invest primarily in government and

high-quality government debt, holding these bonds until maturity in order to provide interest streams

Bond funds: These funds invest and actively trade in various types of bonds. Bond funds are often actively managed and seek to buy relatively undervalued bonds in order to sell them at a profit.

Balanced funds: The objective of these funds is to provide the mixture of safety, income and capital appreciation.

Equity funds: Funds that invest primarily in stocks represent the largest category of mutual funds. Generally, the investment objective of this class of funds is long term capital growth

Global/International funds: International fund (or foreign fund) invests only in assets located outside your home country.

Specialty funds: This classification of mutual funds is more of an all-encompassing category that consists of funds that have proved to be popular. These type of mutual funds forgo broad diversification to concentrate on a certain segment of a economy or a targeted strategy.

Index funds: These are passively managed funds that seek to replicate the performance of a broad market index such as the NIFTY and SENSEX

Exchange traded funds: These ever most popular investment vehicles pool investments and employ strategies consistent with mutual funds, but they are structured as investment trusts that are traded on stock exchanges, and have the added benefits of the features of stocks

1.2 REVIEW OF LITERATURE

Trivedi, Swain and Dash (2017) conducted a research on a study of investor's perception towards a mutual fund decision: an Indian perspective and focused on the relationship between investment decision and factors like liquidity, financial awareness, and demography. It was found low risk funds and liquidity of fund scheme is having impact on the

investor's perception for investing in the mutual fund. It was an analytical and descriptive research; primary source of data collection is used for present study with the sample size of 200 respondents.

Kumar and Rajkumar (2014) conducted a research on awareness and knowledge of mutual fund among the investors with special reference to Chennai to evaluate the knowledge, general and variable effects about the investors' perception and performance of investment avenues. A survey was conducted among 250 mutual fund Investors in Chennai as per simple random sampling and found out that many respondents have clear knowledge about the potential advantages of investing in mutual funds.

Saini, Anjum and R.Saini (2016) conducted a research on investors' awareness and perception about mutual funds with an objective to analyze the investors' awareness and perception regarding investing in mutual funds. Data for the study is collected from a sample of 200 investors in Chandigarh by using stratified sampling and it was found out that mostly the investors have positive approach towards investing in mutual funds, in order to maintain their confidence in mutual funds they should be provided with timely information relating to different trends in the mutual fund industry.

Goel and Khatik (2017) conducted a study on investors' awareness and preference towards mutual funds as an investment option with an objective to know the Investors' awareness and preference towards Mutual Funds as an Investment option. Primary data using judgment sampling through questionnaire method as well as secondary data from wide range of literature from various journal publications had been utilized. It was found out that majority of investors have heard about mutual funds but still a important fraction of them have not initiated to investment because of having lacking in full knowledge of mutual funds.

Sharma (2012) conducted a research on Indian investor's perception towards mutual funds with an attempt to investigate the reasons responsible for lesser recognition of mutual fund as a prime investment option. The study is primarily based upon primary data collected from a structured survey through questionnaire and was administered on 100 plus respondents online as well as in person. It was found out that three factors named as fund/scheme related attributes, monetary benefits and sponsors' related attributes may be offered to investors for securing their patronage.

II. METHODS AND MATERIAL

OBJECTIVES OF THE STUDY

- To know the level of awareness regarding mutual funds among the investors of Ludhiana.
- To know the perception of investors regarding the perceived risk and return in mutual funds.
- To know the investment pattern of the investors on the basis of selected demographic variable that is income.

RESEARCH DESIGN

The nature of this study is a descriptive type, and the aim of the study draws a picture of the study's topic, thus a quantitative research strategy is used in this study. A descriptive research method is used for the research.

1.3.3 SAMPLING PLAN

The samples for the study is collected through simple questionnaires intended to collect information about the respondents' knowledge regarding mutual funds. The distribution of questionnaires was done through an online platform and physical hard form.

1) TARGET POPULATION

The study is intended towards the responses from investors of the city of Ludhiana, Punjab. The sampling unit used for the study will be both the investors

2) SAMPLING TECHNIQUE

Simple random sampling technique is used in the study.

3) SAMPLE SIZE

A sample size is a part of the population chosen for a survey or experiment. More than 100 respondents are studied through questionnaire method of collecting primary data. The optimum sample size has been selected by using the Cochran's Formula at 95% confidence level and 10% being the margin of error.

$$n_0 = \frac{Z^2 pq}{e^2}$$

Cochran's Formula :

4) RESEARCH INSTRUMENT

The research instrument is the questionnaire consisting of questions related to the objective of the research. It contains 18-20 questions covering the different aspects through which the analysis will be done.

DATA COLLECTION

Two methods are used for data collection. The primary data is collected through well-structured questionnaire and is adopted from prior studies.

DATA ANALYSIS TOOLS/ TECHNIQUES

This study used qualitative data analysis to compile finding from the research. Statistical software like SPSS will be used to study the relation between the perceived risk or return and investment in mutual funds. The collected data as responses was coded and feed into the software and various tests like Weighted mean and Chi-square were applied. The Variables are

computed in SPSS to know the dependency of the various variables on the investment in mutual funds by the investors in the city of Ludhiana.

NEED AND SCOPE OF STUDY

Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of an economy plays a vital role in this area. Mutual fund industries are gaining importance because the salaried class people and the middle income people prefer their investment preferable avenue for their investment destination. Gradually educated citizens are gaining the knowledge of saving and investment cycle and its effects in an economy.

5) DATA ANALYSIS AND INTERPRETATION

ANALYSIS AND INTERPRETATION

While investing your money, which factor you prefer the most? Any one
101 responses

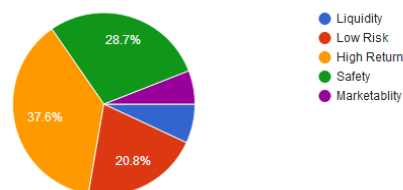


Figure 1 : Percentage breakup of factors which the investors prefer

Analysis: The above data says that out of the sample investors in Ludhiana city 37.6% people prefer high returns, 28.7% people go for safety while investing their money, 20.8% people prefer low risk, 6.9% people prefer liquidity and 5.9% people look for marketability option in the investment.

Interpretation: High return is that one factor which is most preferred by the investors in Ludhiana city and the next most preferred factor which investors look for is the safety of money.

Which investment do you feel more profitable

101 responses

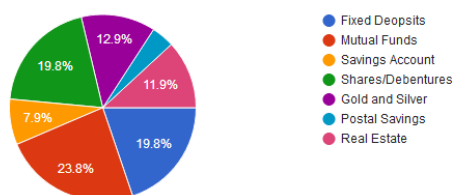


Figure 2 : Percentage breakup of investment avenues considered profitable

Analysis: By analyzing the above data it can be said that 23.8% people feel mutual funds more profitable, 19.8% people feels fixed deposits more profitable, 19.8% people considers postal savings, 12.9% people considers gold and silver more profitable, 11.9% feels real estate more profitable, 7.9% people consider saving account more profitable, 4% feels postal savings more profitable.

Interpretation: Majority of the people in Ludhiana city considers mutual funds as the most profitable investment option.

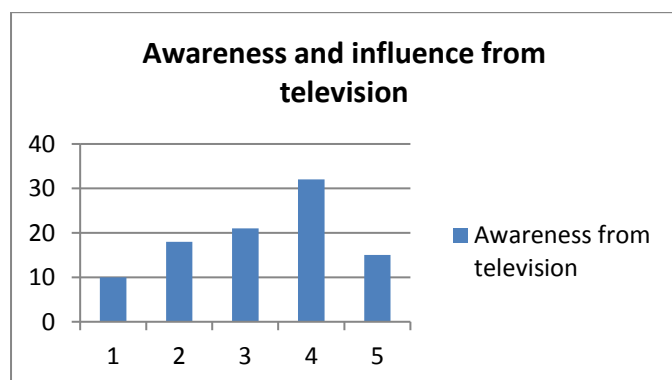


Figure 3 : Awareness and influence from television (1 is the lowest and 5 is the highest ranking)

Analysis: Total 96 people got aware from television regarding mutual funds and 14 people said that there purchase decision of mutual funds is least influenced from television and 15 people said that there

purchase decision of mutual funds is highly influenced from television.

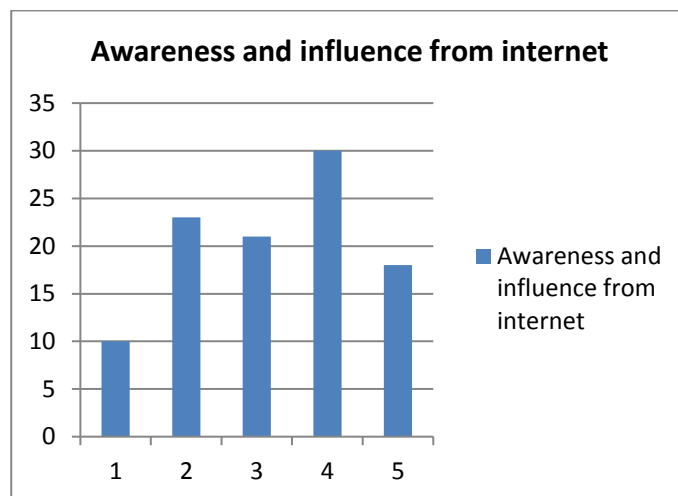


Figure 4 : Awareness and influence from internet (1 is the lowest and 5 is the highest ranking)

Analysis: All the respondents got aware from the internet about the mutual funds and 10 people said that there purchase decision of mutual funds is least influenced from internet and 18 people said that there purchase decision of mutual funds is highly influenced from internet.

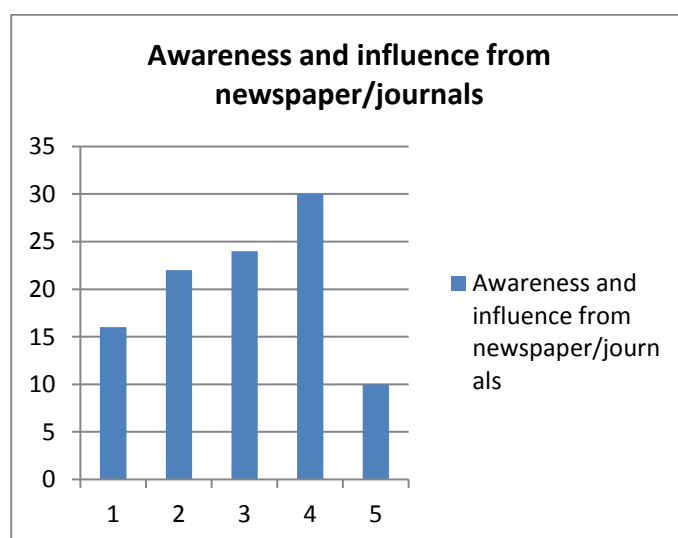


Figure 5 : Awareness and influence from newspapers/journals (1 is the lowest and 5 is the highest ranking)

Analysis: All the respondents got aware from the newspaper/journals about the mutual funds and 16 people said that there purchase decision of mutual funds is least influenced from newspaper/journals and 10 people said that there purchase decision of mutual funds is highly influenced from newspaper/journals.

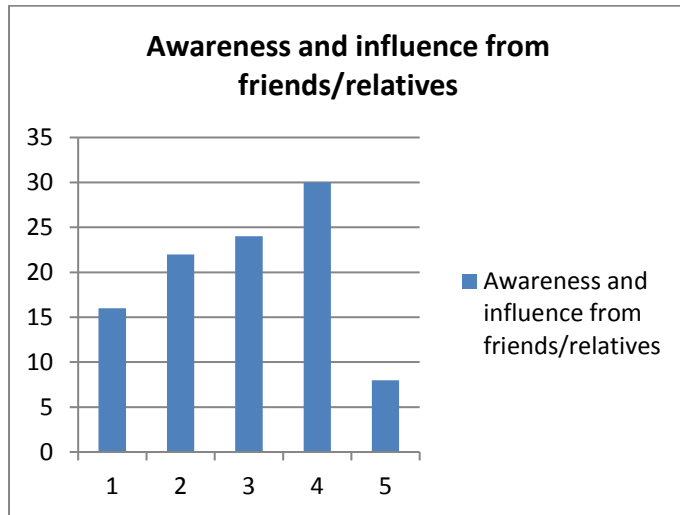


Figure 6 : Awareness and influence from friends/relatives

(1 is the lowest and 5 is the highest ranking)

Analysis: All the respondents got aware from the friends/relatives about the mutual funds and 16 people said that there purchase decision of mutual funds is least influenced from friends/relatives and 8 people said that there purchase decision of mutual funds is highly influenced from friends/relatives.

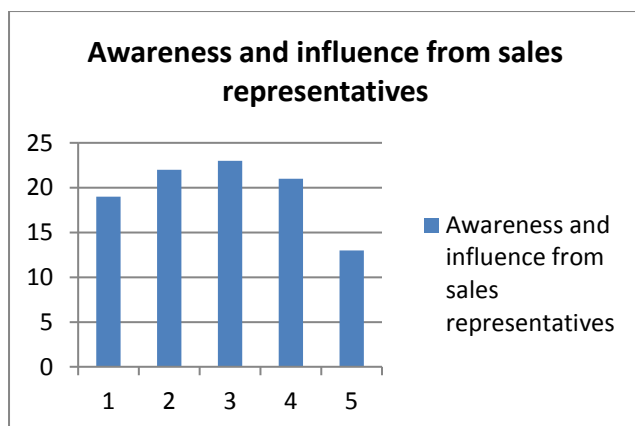


Figure 7 : Awareness and influence from sales representatives

(1 is the lowest and 5 is the highest ranking)

Analysis: All the respondents got aware from the sales representatives about the mutual funds and 19 people said that there purchase decision of mutual funds is least influenced from sales representatives and 13 people said that there purchase decision of mutual funds is highly influenced from sales representatives.

Interpretation: From the above graphs it can be interpreted that people in Ludhiana city was aware and influenced the most from the internet and then from television regarding mutual funds.

Which factor prevent you to invest in mutual fund?

101 responses

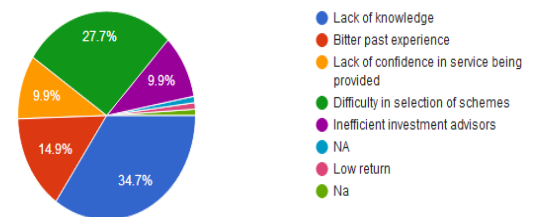


Figure 8 : Percentage breakup of preventive factors

Analysis: After analyzing the data it was observed that lack of knowledge about the mutual funds is the factor which prevents most of the people to invest in mutual funds, 34.7% people do not invest in mutual funds due to lack of knowledge, 27.7% considers difficulty in selection of schemes as a factor which prevents them to invest in mutual funds. 14.9% people avoid investing in mutual funds because of bitter past experience. 9.9% people are having lack of confidence in service being provided another 9.9% people hesitates from investing in mutual funds because of inefficient investment advisors and only 1% people avoid investing in mutual funds because they believe that they will get low returns.

Interpretation: The factor which prevents the investors of Ludhiana city to invest in mutual funds is the lack of knowledge regarding which kind of schemes can fulfill their investment objectives.

When you invest in mutual funds which mode of investment will you prefer?

101 responses

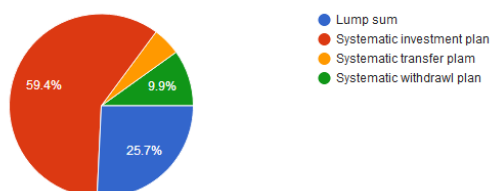


Figure 9 : Percentage breakup of preferred mode of investment

Analysis: There are four modes of investing in mutual funds, and out of 101 respondents 59.4% people opt for systematic investment plan, 25.7% people opt for lump sum mode, 9.9% people go for systematic withdrawal plan, 5% people opted for systematic transfer plan.

Interpretation: Most of the people in Ludhiana city are investing in mutual funds through the mode of systematic investment plan. It is a good mode of investment and gives you the benefit of rupee cost averaging.

Which following schemes of mutual funds suits you most for making investment?

101 responses

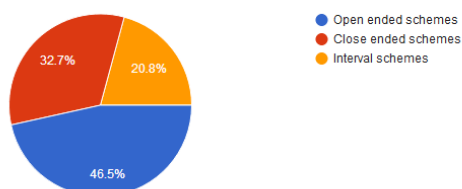


Figure 10 : Suitability of schemes

Analysis: It is clear from the above data that most of the people (46.5%) prefer to invest in open ended schemes because of the liquidity that these schemes offer. 32.7% people considers suitable to invest in close ended schemes and another 20.8% people finds suitable to invest in interval schemes.

Interpretation: It has been interpreted that people in the city invest in open ended schemes as it offers a great degree of liquidity to the investors and there is no exit load in such schemes.

Please tick the mutual fund schemes mentioned below you have opted for investment

101 responses

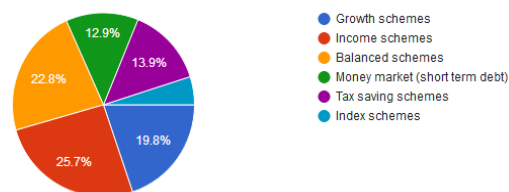


Figure 11 : Percentage breakup of mutual fund schemes opted by investors

Analysis: The data collected from the respondents of Ludhiana city says that 25.7% people invest in income schemes, 22.8% people invest in balanced schemes, 19.8% people invests in growth schemes, 13.9% people invests in tax saving schemes, 12.9% people invests in money market schemes, 5% people invests in index schemes.

Interpretation: Most of the people in the city go for income schemes. These kinds of schemes give the investors monthly income but the returns are less as compared to the growth schemes.

WEIGHTED MEAN

W	Scale	X	WX
5	Highly favorable	58	290
4	Favorable	26	104
3	Somewhat favorable	17	51
2	Not very favorable	0	0
1	Not at all favorable	0	0

Weighted mean = $445/15 = 29.667$

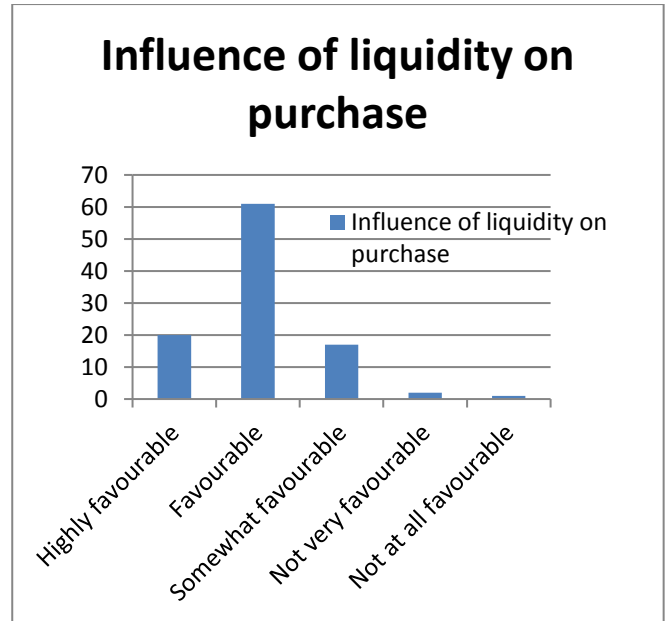


Figure 12 : Influence of liquidity on purchase

Analysis: Out of all the respondents, 20 people consider that liquidity highly influences their purchase decision, 61 people said liquidity influence their purchase decision, 17 people said that liquidity somewhat influence their purchase decision, 2 people said that liquidity does not much influence their purchase decision, 1 person said that liquidity does not influence the purchase decision.

STATISTICAL TOOL

INCOME OF RSPONDENTS AND MODE OF INVESTMENT

Income of respondents * Mode of investment in mutual funds Crosstabulation

			Mode of investment in mutual funds				Total
			lumpsum	systematic investment plan	systematic transfer plan	systematic withdrawl plan	
Income of respondents	below 1 lakh	Count	3	15	2	3	23
		Expected Count	5.9	13.7	1.1	2.3	23
	between 1 lakh to 2 lakhs	Count	10	15	1	3	29
		Expected Count	7.5	17.2	1.4	2.9	29

between 2 lakhs to 3 lakhs	Count	11	10	1	4	26
	Expected Count	6.7	15.4	1.3	2.6	26
between 3 lakhs to 4 lakhs	Count	2	9	1	0	12
	Expected Count	3.1	7.1	0.6	1.2	12
between 4 lakhs to 5 lakhs	Count	0	2	0	0	2
	Expected Count	0.5	1.2	0.1	0.2	2
above 5 lakh	Count	0	9	0	0	9
	Expected Count	2.3	5.3	0.4	0.9	9
Total	Count	26	60	5	10	101
	Expected Count	26	60	5	10	101

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.142 ^a	15	.207
Likelihood Ratio	24.072	15	.064
Linear-by-Linear Association	.460	1	.498
N of Valid Cases	101		

a. 16 cells (66.7%) have expected count less than 5. The minimum expected count is .10.

INTERPRETATION: The significance value (0.207) is much more than the alpha value (0.05). Therefore, we can say that there is no significant relationship between income and mode of investment. Mode of investment is independent of income.

INCOME OF RESPONDENTS AND INVESTMENT PATTERN

Income of respondents * Investment pattern in mutual funds

Crosstabulation

			Investment pattern in mutual funds				Total
			monthly	once in six months	once in a year	very rare	
Income	below 1	Count	5	10	1	7	23

Income of respondents * Investment pattern in mutual funds**Crosstabulation**

of responde nts	lakh	Expecte d Count	5	8.4	4.3	5.2	23
	between 1 lakh to 2 lakhs	Count Expecte d Count	5 6.3	2 10.6	14 5.5	8 6.6	29
	between 2 lakhs to 3 lakhs	Count Expecte d Count	2 5.7	17 9.5	3 4.9	4 5.9	26
	between 3 lakhs to 4 lakhs	Count Expecte d Count	4 2.6	4 4.4	1 2.3	3 2.7	12
	between 4 lakhs to 5 lakhs	Count Expecte d Count	0 0.4	2 0.7	0 0.4	0 0.5	2
	above 5 lakh	Count Expecte d Count	6 2	2 3.3	0 1.7	1 2	9
Total		Count Expecte d Count	22 22	37 37	19 19	23 23	101 101

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.010 ^a	15	.000
Likelihood Ratio	50.025	15	.000
Linear-by-Linear Association	6.709	1	.010
N of Valid Cases	101		

a. 14 cells (58.3%) have expected count less than 5. The minimum expected count is .38.

INTERPRETATION: The significance value (0.0) is less than the alpha value (0.05). Therefore, we can say that there is significant relationship between income and investment pattern. Investment pattern is dependent on income.

INCOME OF RESPONDENTS AND PURCHASE OF MUTUAL FUNDS**Income of respondents * Purchase of mutual funds Crosstabulation**

			Purchase of mutual funds			Total
			directly from AMC	brokers only	brokers/sub brokers	
Income of respondents	below 1 lakh	Count	6	12	5	23
		Expected Count	8.7	8.7	5.7	23
	between 1 lakh to 2 lakhs	Count	13	9	7	29
		Expected Count	10.9	10.9	7.2	29
	between 2 lakhs to 3 lakhs	Count	11	7	8	26
		Expected Count	9.8	9.8	6.4	26
	between 3 lakhs to 4 lakhs	Count	5	4	3	12
		Expected Count	4.5	4.5	3	12
	between 4 lakhs to 5 lakhs	Count	0	1	1	2
		Expected Count	0.8	0.8	0.5	2
	above 5 lakh	Count	3	5	1	9
		Expected Count	3.4	3.4	2.2	9
Total		Count	38	38	25	101
		Expected Count	38	38	25	101

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.204 ^a	10	.706
Likelihood Ratio	7.925	10	.636
Linear-by-Linear Association	.035	1	.853
N of Valid Cases	101		

a. 9 cells (50.0%) have expected count less than 5. The minimum expected count is .50.

INTERPRETATION: The significance value (0.706) is much more than the alpha value (0.05). Therefore, we can say that there is no significant relationship between income and purchase of mutual funds. Source of purchase of mutual funds is independent of income.

INCOME OF RESPONDENTS AND SUITABILITY OF SCHEMES

Income of respondents * Suitability Crosstabulation

			Suitability			Total
			open ended schemes	close ended schemes	interval schemes	
Income of respondents	below 1 lakh	Count	12	5	6	23
		Expected Count	10.7	7.5	4.8	23
	between 1 lakh to 2 lakhs	Count	10	11	8	29
		Expected Count	13.5	9.5	6	29
	between 2 lakhs to 3 lakhs	Count	14	10	2	26
		Expected Count	12.1	8.5	5.4	26
	between 3 lakhs to 4 lakhs	Count	7	4	1	12
		Expected Count	5.6	3.9	2.5	12
	between 4 lakhs to 5 lakhs	Count	0	0	2	2
		Expected Count	0.9	0.7	0.4	2
	above 5 lakh	Count	4	3	2	9
		Expected Count	4.2	2.9	1.9	9
	Total	Count	47	33	21	101
		Expected Count	47	33	21	101

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.708 ^a	10	.143
Likelihood Ratio	14.372	10	.157
Linear-by-Linear Association	.039	1	.844
N of Valid Cases	101		

a. 9 cells (50.0%) have expected count less than 5. The minimum expected count is .42.

INTERPRETATION: The significance value (0.143) is much more than the alpha value (0.05). Therefore, we can say that there is no significant relationship between income and suitability of mutual fund schemes. Suitability of mutual fund schemes is independent of income.

INCOME OF RESPONDENTS AND MUTUAL FUND SCHEMES OPTED**Income of respondents * mutual fund schemes opted Crosstabulation**

			mutual fund schemes opted						Total
			growth schemes	income schemes	balanced schemes	money market schemes	tax saving schemes	index schemes	
Income of respondents	below 1 lakh	Count	6	5	4	3	5	0	23
		Expected Count	4.6	5.9	5.2	3	3.2	1.1	23
	between 1 lakh to 2 lakhs	Count	7	7	5	5	4	1	29
		Expected Count	5.7	7.5	6.6	3.7	4	1.4	29
	between 2 lakhs to 3 lakhs	Count	4	7	9	3	1	2	26
		Expected Count	5.1	6.7	5.9	3.3	3.6	1.3	26
	between 3 lakhs to 4 lakhs	Count	0	4	4	2	0	2	12
		Expected Count	2.4	3.1	2.7	1.5	1.7	0.6	12
	between 4 lakhs to 5 lakhs	Count	0	1	0	0	1	0	2
		Expected Count	0.4	0.5	0.5	0.3	0.3	0.1	2
	above 5 lakh	Count	3	2	1	0	3	0	9
		Expected	1.8	2.3	2	1.2	1.2	0.4	9

	Count							
Total	Count	20	26	23	13	14	5	101
	Expected							
	Count	20	26	23	13	14	5	101

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.889 ^a	25	.414
Likelihood Ratio	31.243	25	.181
Linear-by-Linear Association	.208	1	.648
N of Valid Cases	101		

a. 28 cells (77.8%) have expected count less than 5. The minimum expected count is .10.

INTERPRETATION: The significance value (0.414) is much more than the alpha value (0.05). Therefore, we can say that there is no significant relationship between income and mutual fund schemes opted. Mutual fund schemes opted is independent of income.

III. FINDINGS, CONCLUSION AND RECOMMENDATIONS

FINDINGS OF THE STUDY

- Many people in Ludhiana are investing in mutual funds but still there is some percentage of population in the city which is unaware regarding the benefits of investing in mutual funds.
- High return is that one factor which is most preferred by the investors in Ludhiana city and the next most preferred factor which investors look for is the safety of money.
- People in Ludhiana city are aware and influenced the most from the internet and then from television regarding mutual funds.
- The factor which prevents the investors of Ludhiana city to invest in mutual funds is the lack of knowledge regarding which kind of schemes can fulfill their investment objectives.
- Most of the people in Ludhiana city understand that mutual funds are subjected to market risk. They understand that returns from the funds depends on the volatility of the market, therefore, they feel that the risk involved in investing in mutual funds is moderate.
- Majority of the people in Ludhiana city considers mutual funds as the most profitable investment option.
- Majority of the people in the city considers the past returns from the scheme before investing in another mutual fund schemes. This shows that the past returns play a very important role in selecting a scheme for investment purpose.
- People in Ludhiana city do not invest much of their savings in mutual funds this could be because of the lack of knowledge regarding the availability of different schemes which could benefit them and can fulfill their investment objectives.
- Most of the people in Ludhiana city are investing in mutual funds through the mode of systematic investment plan.
- People in Ludhiana city invest in mutual funds not much frequently. They invest in mutual funds once in six months.

- In Ludhiana city, people purchase mutual fund schemes from both brokers and asset management companies (AMCs).
- People in the city invest in open ended schemes as it offers a great degree of liquidity to the investors and there is no exit load in such schemes.
- Most of the people in the city go for income schemes. These kinds of schemes give the investors monthly income but the returns are less as compared to the growth schemes.
- The factor which influences the purchase of mutual fund schemes most is safety of capital. People in Ludhiana city wants their capital not just to remain same but they want their capital to grow as well along with the returns.
- Investment pattern of investors is dependent on the income of respondents. It means that income of respondents' affects whether the investors invests monthly, once in six months, once in a year, very rare.

IV. CONCLUSION

Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of an economy plays a vital role in this area. Gradually educated citizens are gaining the knowledge of saving and investment cycle and its effects in an economy. Many has opted for SIP. But still there are some lacking in our economy especially in the field of mutual fund investment criteria. Many people still hesitate to enter to this field. The research paper implies the various areas on which this industry has to struggle. The various target group, their awareness and financial literacy, their age group and gender differences play a vital role to upgrade the mutual fund industry. Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of an economy

CONCLUSION Mutual fund industry has still to struggle to gain more investors. Financial literacy among females and youths will definitely bring huge success to this industry. For that reason the government is looking to provide financial studies at the school level. Adults who are already investing in mutual funds should not withdraw from the same as they attain experience in the field. In Indian market where financial instruments are capturing almost every unit of the society, mutual fund industry has a great scope if it gives more attention to the factors which will ultimately lead to the satisfaction of the investors which will help mutual fund industry to boom up. The various target groups, their awareness and financial literacy, their age group and gender differences play a vital role to upgrade the mutual fund industry. Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of an economy plays a vital role in this area. Gradually educated citizens are gaining the knowledge of saving and investment cycle and its effects in an economy. Many has opted for SIP. But still there are some lacking in our economy especially in the field of mutual fund investment criteria. Many people still hesitate to enter to this field. The research paper implies the various areas on which this industry has to struggle. The various target group, their awareness and financial literacy, their age group and gender differences play a vital role to upgrade the mutual fund industry

V. RECOMMENDATIONS

Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of the economy plays a vital role in this area. Gradually educated citizens are gaining the knowledge of saving and investment. Many as opted for SIP. But still there is some lacking in our

economy especially in the field of mutual fund criteria. Many people still hesitate to enter in this industry. To boost the mutual fund investment, AMC shall educate the public to the benefits of mutual funds through the advertisement, publicity campaigns.

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Cite this article as :

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