A STUDY ON MARKET POTENTIAL FOR MUTUAL FUND SCHEMES AMONG YOUNG INVESTORS WITH SPECIAL REFERENCE OF VIRUDHUNAGAR

Dr.L.Joshua Paul Moses

Assistant Professor, Department of Management Studies,VHNSN College (Autonomous), Virudhunagar,T.N, India

V.Kalai Selvan

(II.MBA) Student, Department of Management StudiesVHNSN College (Autonomous), Virudhunagar,T.N, India

ABSTRACT

Mutual fund as an investment avenue provides a platform to the investor who does not want to take high risk on their hard earned investment. In India, mutual fund industry is growing rapidly and this industry has emerged as an important segment of financial market of India, especially in channelizing and mobilizing the savings of millions of individuals into the investment in equity and debt instruments. Mutual fund investment is less risky than investing directly in stocks and is therefore a safer option for risk adverse investor.

KEYWORDS: *Mutual fund, investment, debt instruments, investors,*

INTRODUCTION

A competent fund manager should analyze young investors' behaviour, perception, and attitude and understand their needs and expectations to gear up the performance to meet investor expectations and requirements.

Investment in mutual fund is affected by the attitude of investors and hence the objective of the study is to identify the investor's attitude on mutual fund as an investment avenue and the major findings reveal the factors that influence buying behaviour of mutual fund investors.

The study aims at finding out the attitude of the young investors' towards investment on mutual funds in Virudhunagar city with 50 respondents who are likely to be an investor.

LITERATURE REVIEW

The study was all about the investor who were diversifying their risk and what the attitude towards the investment on mutual fund is. The published relating to the above topic is reviewed. The relevant literature is reviewed on the basis of Newspaper, journals and some papers on conference.

1. "Investor can also plan like one mutual fund of diversified equity plan, second mutual fund of balanced type and third one year can plan of debt type".
2. "The ensures that the portfolio is not single fund,one needs to avoid over – diversification as that would achieve nothing".

OBJECTIVES OF THE STUDY

- To find the awareness level of young investors about mutual fund.
- To analyze the preference of young investors to invest in mutual fund.
- To examine the problems which the young investors faced during investment in mutual fund.

STATEMENT OF THE STUDY

Mutual fund is presently growing industry in India. Mutual funds have their weakness and may not be for everyone. No investment is risk free. If the entire stock market declines in value, the value of mutual fund shares will go down as well, no matter how balanced the portfolio is. Low risk preferred people only invest in mutual funds especially balanced funds and money market funds than when they buy and sell stocks on their own.

When a young investors invest in a mutual fund, they depend on the fund manager to make the right decisions regarding the funds' portfolio. And the many people not have much knowledge about mutual fund as per the literature review. Therefore, a study on young investors' perception, attitude towards mutual fund as an investment avenue needs to be assessed.

SCOPE OF THE STUDY

This paper provides information about Future of Mutual Funds industry as well as awareness level amongst young investor for Mutual Funds. Also this report gives an outlook how the mutual funds are performing in the current market situation as an alternate investment avenue.

This paper on mutual funds is informative the students who want to understand and undertake assignments in the Mutual fund industry. This study helps to the general people who can understand the importance and explore the new option for investment in Mutual Funds. Different financial institutions provide services that are both complementary to and competitive with each other. A well-built financial system directly contributes to the growth of the country.

LIMITATIONS OF THE STUDY
- Many of the respondents doesn't have a clear knowledge on Mutual fund schemes.
- Some respondents are started to answer the questionnaire, only after know about "What are the benefits we can have in Mutual fund schemes".

RESEARCH METHODOLOGY

A primary research was carried out through a questionnaire. The questionnaire was well structured and the responses were sought from the respondents. The nature of the questions was such that it avoided ambiguous responses from the respondents and it also helped in quick analysis of the data collected. We followed it by a descriptive research design in order to understand the problem and carry out the research in a lucid manner.

The survey research study method was employed and a structured questionnaire was used to collect data from the desired sample. The data was collected from 50 respondents who are resided in Virudhunagar city. A survey design provides a description of some fraction of the population that is sampled through the data collection process. The study also employed the questionnaire as the data collection Instrument for the study. The responses are gathered in a standardized way, so questionnaires are more objective, certainly more so than interviews.

SAMPLING DESIGN

The present researcher has decided to have the sample size of 50 respondents. Convenience sampling method was used for the selection of samples.

STATISTICAL TOOLS SUCH AS
- percentage calculation,
- One way ANOVA,
- Chi-square (were used for the analysis of survey data.)

Chi-Square Test:

The test statistic is some statistic that may be computed from the data sample. The test statistics serves as a decision maker, since the decision to reject or not to reject the null hypothesis depends on the magnitude of the test statistics. For qualitative data analysis and to see the association between two variables we use chi-square. This is a statistical method used to assess the goodness of fit between a set of observed and those of expected values theoretically. Chisquare statistic basically helps in research. It is widely used for testing relationships between categorical variables. The null hypothesis of the Chi-Square test is that no relationship exists (not statistically significant) on the categorical variables in the population; they are independent.

Data- Analysis and Interpretation
Hypothesis testing:
Case 1: Chi-square Testing:

Null Hypothesis (H_0) → There is no significant difference between age and preferred Investment plan for children's education.

Alternate Hypothesis (H_1) → there is a significant difference between age and preferred Investment plan for children's education.

Case 2: Anova Testing:

Null Hypothesis (H_0) → There is no significant difference between age and investing in mutual fund.

Alternate Hypothesis (H_1) → there is a significant difference between age and investing in mutual fund.

S.no.	variables	Description	frequency	Percent
1	Age	25-35 Years	36	72.0
2	Gender	Female	26	52.0
3	Status	Married	27	54.0
4	Qualification	UG	27	54.0
5	Family size	3-5 Members	44	88.0
6	Income	Rs.20,001-Rs.40,000	34	68.0
7	Occupation	Salaried employee	25	50.0

Table No.1 : Table Showing Demograpic Characteristics Of Respondent

The analysis of the demographic profile of respondents reveals that the majority of respondents are in the age group of 25-35 years. The female population contributes to 52% and 54% respondents' educational qualification is UG Degree Holders. 54% respondent are Married. 44% respondent family size is 3-5 members. Higher percentage of 34% of respondents' monthly family income is between Rs.20,001 and Rs.40,000. 25% respondent is salaried workers.

Anova	Sum of Squares	df	Sig.
Between Groups	1.147	2	.834

Table No. 1 :Anova test

A Anova test was performed and relationship was found between respondent age and invested in mutual fund, Hence Alternative hypothesis is accepected, there is a significant difference between age and investing in mutual fund.

Table No.2 : Table Showing The Alternatives Of Investment personal Factor

S.NO.	PARTICULARS	WEIGHTED AVERAGE SCORE
1.	Insurance	2.68
2.	Recurrence Deposit	3.26
3.	Gold	3.40
4.	Realest	3.60
5.	Fixed Deposit	4.00
6.	Mutual fund	4.06

From the above table No. 2 respondent are more likely to invest their money insurance and recurrence Deposit respondent does have an awareness in investing money in mutual fund. Respondent have more awareness in investing money in Insurance

Table No.3 : Showing The Influencing Factors While Investment

S.NO.	PARTICULARS	WEIGHT AVERAGE SCORE
1.	Return	2.953
2.	Safety	3.302
3.	Saving from Return	3.325
4.	Saving for Children	3.651
5.	Wealth Creation	4.162

From above table the respondent gave 1st rank while investing money for their Rate of return and 2nd rank for the safety purpose. respondent gave 5th rank while investing money for wealth creation The respondent gave 1st rank while investing money for their rate of returns.

Table No. : comparing the age group and a type of investment

Age	Types of investment			Total
	Rd	Insurance	Mutual fund	
18-25yr	0	1	0	1
25-35yr	**18**	**15**	**3**	**36**
>40yr	7	4	2	13
Total	25	20	5	50

From the above table clearly shows the respondent investment .18-25 yrs people does not have any awareness in investment .25-35 yrs respondent have a awareness of investing money in RD. above 40 yrs respondent morely invested in Rd.The respondent in the age group of 25-35 yrs have an awareness in investing money in RD.

Table No.4 : Showing The Influencing Factors While Investment

S.No	Test	Value	Df	Asymp. Sig. (2-sided)
1.	Pearson Chi-Square	2.317[a]	4	.678

A Chi-square test was performed and relationship was found between respondent age and ever invested in mutual fund, $X^2 = 4, N = 100) = 2.317$, p = 0.678. Therefore, as the P-value (0.678) is greater than the significance level (0.005), accept the null hypothesis. there is a significant difference between age and preferred Investment plan for children's education.

FINDINGS
- Majority of respondents are in the age group of 25-35 years and their monthly family income is between Rs.20,001 and Rs.40,000. 25% respondent are salaried workers.
- Respondent have more awareness of investing money in Insurance
- Investors invest money in mutal funds for their returns
- The respondent in the age group of 25-35 yrs have an awareness in investing money in RD.

SUGGESTIONS
- To improve the knowledge of people about mutual fund, they need some awareness programmer.
- Respondents have well defied definition from the advertisements.
- This survey reveals that the different types of Suggestion of respondents about Mutual fund.

CONCLUSION
This study becomes more feasible to understand the deciding factors, needs of respondents to invest on Mutual fund at the same time make awareness on Mutual funds guide them it will help full in returns.

REFERENCE
1. **Dr. Shantanu Mehta** (September 2012), in his research paper "Preference of Investors for Indian Mutual Funds and its Performance Evaluation", published in Pacific Business Review International Vol. 5.
2. **V.N.Sreeja** (2013), "Indian Mutual Funds AUM grew at its fastest pace since April, aided by strong inflows and RBI measures".