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PROJECT DISSERTATION ON

FACTORS INFLUENCING INVESTMENT DECISION IN MUTUAL FUNDS

SUBMITTED BY:

LAKSHAY VOHRA
23/UMBA/53

Under the Guidance of
Ms. ANUSHKA UPADHYAY



DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

CERTIFICATE

This is to certify that the project dissertation report titled “Factors Influencing Investment Decision In Mutual Funds” is an academic work done by Lakshay Vohra submitted in the partial fulfilment of the requirement for the award of the degree of Masters of Business Administration from Delhi School of Management,, under my guidance & direction. To the best of my knowledge and belief the data & information presented by her in the report has not been submitted earlier.

Signature of Faculty Guide:

Name of the Faculty Guide: Ms. Anushka Upadhyay

Designation:

Date:

Declaration

1 This is to certify that I have completed the Project Dissertation “Factors Influencing Investment
1 Decision In Mutual Funds” under the guidance of Ms. Anushka Upadhyay in partial fulfilment of the
requirement for the award of degree of Masters of Business Administration at Delhi School of Management.
This is an original piece of work & I have not submitted it earlier elsewhere.

Signature of student:

Name: Lakshay Vohra

Roll No.: 23/UMNBA/53

Date:

ACKNOWLEDGEMENT

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The curriculum and course structure of the MBA program, which encompasses modern developments in management and organizational studies, offered a robust foundation for this dissertation. I would also like to appreciate all individuals who contributed their time and knowledge during the primary and secondary data collection phases.

I thank my peers, family members, and all the respondents of my survey for their active participation and support throughout the research. Their cooperation was crucial in drawing practical insights and validating the findings presented in this report.

Lakshay Vohra 23/UMBA/53

Executive Summary

This research delves into the Indian mutual fund industry, evaluating its historical growth, structural framework, and the key determinants that influence individual investment decisions. The sector originated in 1973 with the establishment of the Unit Trust of India (UTI), and has since witnessed a steady rise in both assets under management (AUM) and investor participation.

As of 2024, the mutual fund industry in India has grown substantially, with AUM reaching an impressive Rs. 57.26 trillion. Nevertheless, the market remains underpenetrated, with less than 10% of households participating. Major impediments such as inadequate financial literacy, limited investor awareness, and restricted access to investment channels continue to hinder broader adoption.

The core objective of this study is to explore the variables that shape mutual fund investment behavior across various demographics—such as salaried professionals, entrepreneurs, and retired individuals. Primary data was gathered using structured surveys, focusing on factors like risk appetite, return expectations, investment goals, and personal financial planning strategies.

The research also investigates the regulatory landscape and the contribution of mutual fund distributors in expanding retail outreach. It examines popular investment instruments like equity funds, debt funds, ELSS (tax-saving schemes), and the growing popularity of Systematic Investment Plans (SIPs), particularly among long-term investors.

The findings underscore the transformative potential of mutual funds in India's investment landscape. However, it is imperative to address barriers such as financial illiteracy and awareness gaps. The insights from this report

offer actionable recommendations for policymakers, financial advisors, and asset management companies to enhance market penetration and promote mutual funds as a reliable investment tool for Indian households.

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CHAPTER 1

INTRODUCTION

1.2.5 Understanding Mutual Funds

Mutual funds are financial instruments that pool resources from various investors who share common financial goals. These funds are professionally managed by fund managers who allocate the capital into diverse investment avenues, including equities, bonds, and other marketable securities. In return for their contributions, investors are allotted units proportional to the amount invested.

The mutual fund structure offers several advantages—most notably, diversification, professional fund management, liquidity, and economies of scale in trading. As the underlying investments generate returns in the form of capital gains, interest income, or dividends, these benefits are proportionately distributed among unit holders, minus fund management expenses.

1.2.9 Evolution of Mutual Funds in India

The Indian mutual fund industry began its journey in 1963 with the launch of the Unit Trust of India (UTI), which operated under the aegis of the Reserve Bank of India (RBI). This marked the inception of collective investment schemes in the country. UTI enjoyed a monopoly in the mutual fund sector until 1987, after which public sector entities like SBI, Canara Bank, and PNB entered the fray, offering investors alternative fund options.

The growth of the industry can be segmented into five distinct phases:

Phase I (1964–1987):

This foundational period was marked by the dominance of UTI. It introduced the Unit Scheme 1964 and laid the groundwork for investor participation in pooled investments.

Phase II (1987–1993):

This era saw the entry of other public sector mutual funds established by banks and insurance firms, including LIC and GIC. By the end of this phase, the industry's assets under management (AUM) had reached ₹47,004 crore, driven primarily by institutional initiatives.

Phase III (1993–2003):

The liberalization of India's financial markets led to the emergence of private sector mutual funds, beginning with Kothari Pioneer (later acquired by Franklin Templeton). This period also marked the introduction of SEBI's first mutual fund regulations in 1993, which were later revised in 1996 to enhance transparency and governance.

Phase IV (Post-2003):

After the dissolution of the UTI Act in 2003, UTI was split into UTI Mutual Fund and SUUTI. The industry became more regulated under SEBI, leading to increased investor confidence and a surge in product innovation and foreign participation.

Phase V (2014–2024):

Over the past decade, the mutual fund industry has experienced exponential growth, supported by regulatory reforms, distributor outreach in tier-II and tier-III cities, and the rising popularity of Systematic Investment Plans (SIPs). The AUM has skyrocketed from ₹ 9.45 trillion in 2014 to ₹ 7.26 trillion in 2024. Similarly, the number of investor folios has more than doubled, signifying deepening retail participation.

Role of AMFI (Association of Mutual Funds in India)

AMFI was established in 1995 to standardize practices in the mutual fund industry and promote investor protection. Its objectives include:

- Enforcing ethical business conduct across all stakeholders.
- Communicating with SEBI and other regulators regarding industry matters.
- Enhancing investor education through nationwide awareness campaigns.
- Penalizing violations of the AMFI Code of Conduct, including suspension of distributor licenses.
- Undertaking research and disseminating industry data.

AMFI has played a pivotal role in promoting transparency and investor confidence, thereby aiding the overall development of the mutual fund ecosystem in India.

1.4 Importance of the Study

Despite promising growth figures, mutual funds in India are underutilized. Less than 10% of Indian households invest in mutual funds, compared to far higher penetration in developed economies. In nations like the U.S., mutual funds manage assets equivalent to several multiples of bank deposits, while in India, mutual fund AUMs are still significantly lower than total bank deposits.

The major hurdles impeding growth include:

- Limited awareness about mutual funds and their benefits.
- Inadequate financial literacy, especially among rural and semi-urban populations.
- Barriers in documentation (e.g., PAN, bank KYC) and digital access.

A cultural preference for tangible assets like gold and real estate.

This research aims to delve into these issues, evaluating investor preferences and decision-making behavior. It identifies the key factors that encourage or dissuade individuals from

investing in mutual funds.

1.5 Objectives of the Study

The central objectives that guide this dissertation include:

Gaining a comprehensive understanding of the mutual fund industry and its key characteristics.

Categorizing various types of mutual funds based on structure and asset class.

- Investigating the psychological and financial factors influencing investor behavior.
- Understanding demographic preferences and how they affect fund selection.
- Analyzing the impact of marketing channels, distribution, and financial advisory services on investment decisions.

1.6 Categories of Mutual Funds

Mutual funds can be categorized in multiple ways:

A. Based on Structure

1. Open-Ended Funds:

These funds allow continuous buying and redemption of units based on the Net Asset Value (NAV). There is no lock-in period, making them highly liquid.

2. Close-Ended Funds:

These have a fixed maturity period and can only be subscribed during the New Fund Offer (NFO) period. They are listed on stock exchanges to ensure liquidity.

3. Interval Funds:

These are hybrid schemes combining features of open and close-ended funds. They open for repurchase at predetermined intervals.

B. Based on Asset Class

1. Equity/ Growth Funds:

Invest predominantly in equities with the objective of capital appreciation. Ideal for long-term investors willing to take on higher risk.

2. Debt/Income Funds:

These focus on **fixed-income securities like bonds** and **debentures**, offering **stability** and **predictable returns**.

3. **Liquid Funds:**
Invest in **short-term instruments such as Treasury Bills** and **Commercial Papers**. They are **suitable for short-term goals** and offer **low risk** with **moderate returns**.

4. **Tax-Saving Funds (ELSS):**
These **equity-linked savings schemes** qualify for **tax deductions under Section 80C of the Income Tax Act**. They carry a **mandatory lock-in period of three years**.

5. Capital

Protection

Funds: Aim to safeguard the principal by investing a major portion in debt and a smaller portion in equity to potentially enhance returns.

6. Fixed

Maturity

Plans: Structured to align the maturity of the **scheme** with the underlying assets, providing predictable returns with minimal **interest rate risk**.

7. **Pension equity and**

6 These are **long-term** retirement-oriented funds, with investments spread across **debt to balance risk** and ensure regular post-retirement income.

1.7 Rationale for the Study

The mutual fund sector in India holds vast untapped potential, especially among lower-income and underrepresented segments. By identifying the behavioral and structural barriers to mutual fund adoption, this study seeks to recommend practical strategies to:

- Encourage broader participation from diverse income groups.
- Promote digital and offline awareness campaigns.
- Simplify mutual fund products and their communication.

In doing so, the research aims to contribute to the democratization of wealth creation through mutual funds.

Sometoprated mutualfunds:

LUMPSUM RETURNS

Category : Largecap	Return (%)				Value of Rs. 10 Lac			
SCHEME NAME	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aditya Birla Sun Life Equity Fund - Gr	9.91	12.21	22.18	12.41	1,099,100	1,412,846	2,722,705	3,221,436
Aditya Birla Sun Life Frontline Equity Fund - Gr	8.35	8.51	17.18	13.00	1,083,500	1,277,642	2,209,365	3,394,567
DSP BlackRock Equity Opportunities Fund - Gr	10.92	12.37	20.30	12.81	1,109,200	1,418,898	2,519,580	3,337,921
Edelweiss Large & Mid Cap Fund - Regular Gr	17.76	9.01	17.49	10.58	1,177,600	1,295,385	2,238,744	2,733,794
HDFC Growth Fund Gr	12.05	10.59	15.28	11.12	1,120,500	1,352,532	2,035,963	2,870,267
Indiabulls Blue Chip Fund - Gr	12.76	9.45	14.08	NA	1,127,600	1,311,135	1,932,180	NA
Kotak Opportunities Fund - Gr	9.23	10.42	19.26	11.43	1,092,300	1,346,304	2,412,537	2,951,354
Kotak Select Focus Fund - Gr	10.70	11.72	21.16	NA	1,107,000	1,394,417	2,610,937	NA
Motilal Oswal MOST Focused Multicap 35 Fund - Gr	15.52	15.61	NA	NA	1,155,200	1,545,205	NA	NA
Reliance Top 200 Fund - Gr	12.09	8.24	17.99	11.93	1,120,900	1,268,129	2,286,789	3,086,491

Category : Midcap	Return (%)				Value of Rs. 10 Lac			
SCHEME NAME	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aditya Birla Sun Life Pure Value Fund - Gr	17.14	16.67	28.82	19.74	1,171,400	1,588,099	3,547,452	6,058,883
Aditya Birla Sun Life Small and Midcap Fund - Gr	15.20	18.96	27.68	15.84	1,152,000	1,683,460	3,393,238	4,350,964
DSP BlackRock Midcap Fund - Reg Gr	10.82	14.91	25.87	17.41	1,108,200	1,517,307	3,159,448	4,977,954
DSP BlackRock Small Cap Fund - Gr*	8.15	16.44	33.37	20.20	1,081,500	1,578,725	4,219,789	6,295,709
Franklin India Smaller Companies Fund - Gr	13.94	15.23	30.18	18.36	1,139,400	1,530,019	3,738,706	5,395,722
HDFC Small Cap Fund - Gr	31.55	20.16	24.58	NA	1,315,500	1,734,921	3,000,832	NA
Kotak Emerging Equity Scheme - Gr	10.99	14.81	26.57	13.66	1,109,900	1,513,349	3,248,283	3,598,127
L&T Emerging Businesses Fund - Gr	27.34	22.76	NA	NA	1,273,400	1,849,995	NA	NA
L&T Midcap Fund - Gr	18.69	17.27	29.76	17.05	1,186,900	1,612,727	3,678,783	4,827,410

SIP RETURNS

Category : Largecap	Return (%)				Value (Rs.)			
Investment of Rs.1,00,000/- per month					12,00,000	36,00,000	60,00,000	1,20,00,000
SCHEME NAME	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aditya Birla Sun Life Equity Fund - Gr	0.70	15.06	18.76	18.76	1,204,545	4,502,206	9,576,927	28,910,916
Aditya Birla Sun Life Frontline Equity Fund - Gr	-0.64	11.04	13.91	15.02	1,195,836	4,248,150	8,502,703	26,330,057
DSP BlackRock Equity Opportunities Fund - Gr	0.87	15.12	17.80	16.21	1,205,648	4,506,073	9,355,109	28,068,040
Edelweiss Large & Mid Cap Fund - Regular Gr	10.37	14.36	15.44	14.32	1,266,389	4,457,259	8,829,256	25,360,167
HDFC Growth Fund Gr	2.96	13.82	14.53	13.45	1,219,154	4,422,790	8,633,697	24,206,303
Indiabulls Blue Chip Fund - Gr	-4.88	13.28	13.32	NA	1,231,489	4,388,499	8,379,716	NA
Kotak Opportunities Fund - Gr	-1.14	13.19	16.37	15.24	1,192,577	4,382,801	9,033,222	26,642,767
Kotak Select Focus Fund - Gr	0.60	14.05	17.77	NA	1,203,896	4,437,449	9,348,252	NA
Motilal Oswal MOST Focused Multicap 35 Fund - Gr	7.19	19.04	NA	NA	1,246,239	4,763,519	NA	NA
Reliance Top 200 Fund - Gr	1.50	12.82	15.54	14.88	1,209,728	4,359,429	8,850,988	26,133,044

Category : Midcap	Return (%)				Value (Rs.)			
Investment of Rs.1,00,000/- per month					12,00,000	36,00,000	60,00,000	1,20,00,000
SCHEME NAME	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aditya Birla Sun Life Pure Value Fund - Gr	3.75	19.83	25.24	22.48	1,224,238	4,816,561	11,200,900	39,371,608
Aditya Birla Sun Life Small and Midcap Fund - Gr	3.13	20.98	25.37	21.24	1,220,249	4,894,476	11,235,837	36,817,744
DSP BlackRock Midcap Fund - Reg Gr	3.20	17.24	22.85	20.89	1,220,700	4,644,120	10,575,497	36,127,616
DSP BlackRock Small Cap Fund - Gr*	-1.20	16.37	27.77	25.36	1,192,186	4,587,133	11,898,352	46,010,483
Franklin India Smaller Companies Fund - Gr	6.05	17.82	25.10	23.99	1,238,972	4,682,372	11,163,382	42,723,276
HDFC Small Cap Fund - Gr	22.68	26.41	24.74	NA	1,342,819	5,273,721	11,067,419	NA
Kotak Emerging Equity Scheme - Gr	4.37	17.20	24.34	20.46	1,228,219	4,641,489	10,961,650	35,297,626
L&T Emerging Businesses Fund - Gr	11.55	28.37	NA	NA	1,273,822	5,415,273	NA	NA
L&T Midcap Fund - Gr	3.85	20.92	26.36	22.24	1,224,881	4,890,390	11,505,072	38,863,755
SBI Small & Midcap Fund - Gr*	18.38	26.84	33.29	NA	1,316,392	5,304,562	13,554,017	NA

Category : Balance	Return (%)				Value (Rs.)			
Investment of Rs.1,00,000/- per month					12,00,000	36,00,000	60,00,000	1,20,00,000
SCHEME NAME	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aditya Birla Sun Life Balanced 95 Fund - Gr	1.54	11.23	14.57	15.02	1,209,987	4,259,936	8,642,210	26,330,057
DSP BlackRock Equity & Bond Fund - Gr	0.81	11.08	14.49	13.40	1,205,259	4,250,629	8,625,191	24,141,676
L&T India Prudence Fund - Gr	2.08	11.60	15.41	NA	1,213,477	4,282,952	8,822,746	NA
Reliance Regular Savings Fund Balance Plan - Gr	3.11	12.42	15.22	15.34	1,220,120	4,334,255	8,781,616	26,786,177
SBI Magnum Balance Fund - Div	5.83	11.08	14.45	14.38	1,237,567	4,250,629	8,616,693	25,441,827

Category : Balance	Return (%)				Value of Rs. 10 Lac			
SCHEME NAME	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aditya Birla Sun Life Balanced 95 Fund - Gr	7.97	9.48	17.29	13.80	1,079,700	1,312,213	2,219,754	3,642,693
DSP BlackRock Equity & Bond Fund - Gr	8.43	9.93	16.38	11.81	1,084,300	1,328,461	2,134,970	3,053,560
L&T India Prudence Fund - Gr	10.49	9.86	18.70	NA	1,104,900	1,325,924	2,356,425	NA
Reliance Regular Savings Fund Balance Plan - Gr	12.15	10.61	17.51	14.68	1,121,500	1,353,266	2,240,651	3,934,385
SBI Magnum Balance Fund - Div	14.97	8.94	17.62	11.35	1,149,700	1,292,892	2,251,157	2,930,233

CHAPTER 2

LITERATURE REVIEW

2 Tapan KPanda & Dr. Nalini Prava Tripathy (2001)

Their research focused on how customer orientation affects the design of mutual fund products. The aim was to explore the primary buying factors that influence mutual fund selection. Through extensive factor analysis, they identified 24 key variables shaping investor choices, including awareness, convenience, investor expectations, and brand value. The study revealed that small investors, in particular, make decisions based on multiple subjective factors such as perceived risk and return expectations. The findings emphasized the importance of marketing variables and product design that align with consumer preferences.

K. Viyyanna Rao & Nirmal Daita (2013)

This study introduced the EIC (Economic-Industry-Company) framework to assess how macroeconomic variables impact mutual fund investments. The researchers conducted a case study on Reliance Capital Asset Management Ltd. (RCAML), analyzing the correlation between fund characteristics and market conditions.

Their findings suggested a strong positive relationship between fund size and performance indicators like NAV and price-to-earnings ratio. Conversely, turnover and standard deviation were negatively correlated, suggesting that frequent trading activities can mitigate overall risk.

R. Padmaja (2014)

In her research on consumer behavior toward ICICI Prudential Mutual Funds in Vijayawada, Padmaja found that most respondents were aware of mutual funds and the associated tax benefits. The primary investment motive was savings. Her study highlighted that age influenced investment preferences: individuals between 20–30 years favored mutual funds, while different schemes appealed to specific occupational groups. Professionals under 40 preferred mutual funds, and equity-based funds were particularly popular among service-sector respondents.

2 G. Malyadri & B. Sudheer Kumar (2013)

Their study analyzed investment behavior concerning HDFC Mutual Funds. It concluded that open-ended schemes were preferred for short-term goals and higher returns, whereas close-ended schemes attracted conservative investors looking for long-term, low-risk returns. Despite a 73% awareness rate among participants, only 12% actively invested in mutual funds, indicating a significant gap between knowledge and action.

Dr. Binod Kumar Singh (2012)

This study explored investor attitudes toward mutual funds across a sample of 250 respondents. The attitude breakdown was as follows: 71 respondents held a positive view, 117 were neutral, and 62 expressed a negative outlook. Using Chi-Square analysis, the study established that demographic factors such as gender, income, and

educational qualifications significantly influenced investor behavior. Key decision drivers were ranked as follows: expected

returns (highest), liquidity, flexibility, transparency, and affordability. This study provided a data-driven understanding of investor priorities.

K.Lakshmana Rao (2011)

Rao's research focused on educational qualifications and their impact on mutual fund adoption. The findings showed that individuals with postgraduate degrees or professional backgrounds were more likely to invest in mutual funds. Furthermore, awareness about equity funds was highest (35.71%), followed by balanced funds and ELSS schemes. The study reinforced the role of education in influencing financial literacy and adoption rates.

Dr.Nishi Sharma (2018)

Dr. Sharma used factor analysis to examine Indian investors' perceptions of mutual funds. Three major factors emerged:

1. Scheme/Fund Attributes—including safety, regular updates, NAV visibility, and credit ratings.
2. Monetary Benefits—such as capital gains, tax incentives, liquidity, and consistent returns.
3. Sponsor's Credentials—involving the sponsor's reputation, service quality, responsiveness, and expertise.

The research highlighted the importance of not just financial returns but also brand trust and service quality in shaping investor confidence.

Manasa Vipparthi & Ashwin Margam (2023)

In a comparative analysis between public and private sector mutual funds, this study found that investor characteristics like age, marital status, and profession heavily influenced investment preferences. Core influencing factors included tax benefits, transparency, flexibility, and the quality of service provided. The study emphasized that while public sector funds were trusted for security, private sector funds were more appealing due to higher perceived returns and better promotional efforts.

Summary of Literature Findings

The reviewed literature collectively underscores the complexity of mutual fund investment decisions. Several recurring themes emerge:

- **Demographics Matter:** Age, gender, education, and income significantly influence investor preferences.
- **Awareness ≠ Participation:** High awareness does not always translate into action due to fear, lack of trust, or inertia.
- **Customization is Key:** Investors prefer schemes that align with their personal goals, tax needs, and risk tolerance.

- **Behavioral Factors:** Psychological elements such as risk aversion, herd mentality, and previous financial experiences shape decisions.
- **Marketing and Service Quality:** Communication, brand reputation, and ease of access influence investment adoption.

CHAPTER 3

RESEARCH METHODOLOGY

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Objectives of the Study

The core purpose of this research is to understand the key factors that impact investor decisions regarding mutual fund investments. Specifically, the study is guided by the following objectives:

- To acquire a detailed understanding of the structure and evolution of the mutual fund industry in India.
- To identify and categorize various types of mutual funds schemes based on structural and asset-based classifications.
- To analyze the behavioral, financial, and demographic variables that influence investor decisions.
- To understand how risk preferences, financial awareness, and return expectations drive mutual fund adoption.
- To evaluate investor attitudes toward financial planning and their openness to mutual fund products as long-term wealth-building tools.

3.2 Research Design

The research follows a descriptive research design, which is best suited for analyzing the characteristics, preferences, and opinions of a population segment. Descriptive studies do not manipulate variables but instead focus on observing and interpreting existing conditions. In this context, the aim is to describe and interpret investor behavior concerning mutual funds based on factual data and responses from the selected sample.

This design helps in:

- Profiling investor characteristics such as age, income, and occupation.
- Understanding how different factors affect decision-making processes.
- Drawing logical conclusions about trends and investment patterns.

Types of Data Used

To gain a holistic view of mutual fund investment behavior, the study utilizes both primary and secondary data:

- **Primary Data:** The main source of insights comes from first-hand data collected via a structured online questionnaire. Respondents include individuals from diverse backgrounds such as salaried professionals, business owners, and retirees. The survey was distributed using Google Forms, enabling convenient data collection across different demographic groups.
- **Secondary Data:** Additional information was gathered from academic journals, financial research articles, industry reports, and online databases. This secondary research helped in validating the findings from the primary data and provided historical and contextual insights into the mutual fund sector.

Data Collection Tools and Instruments

The primary research tool was a structured questionnaire composed of both closed-ended and multiple-choice questions. The questionnaire covered areas such as:

- Demographic details (age, gender, income, occupation)
- Investment behavior (preferred duration, risk appetite, expected returns)
- Experience with mutual funds (whether currently invested or not)
- Preferences regarding communication and decision-making channels

Challenges and barriers to mutual fund investment

The questions were designed to be clear and objective, reducing respondent ambiguity and improving the reliability of responses.

Sampling Method and Respondent Profile

A non-probability sampling method, specifically convenience sampling, was adopted due to practical constraints such as time, accessibility, and resource availability. The sample comprised individuals who were easily reachable and willing to participate in the survey.

Respondent Profile Summary:

- Age groups ranged from under 25 to over 50.
- Gender representation included both male and female participants.
- Income levels varied, with a significant portion earning between ₹ 15,000 to ₹ 40,000 per month.
- Occupational backgrounds included service-class employees, professionals, entrepreneurs, and retirees.
- Investment preferences covered short-term, long-term, and mixed strategies.

This diversified sample enabled the study to capture a wide spectrum of investor mindsets.

Importance of the Methodological Approach

Using a combination of primary and secondary data, supported by a descriptive research framework, allowed the study to:

- Identify both rational and emotional factors affecting mutual fund investment.
- Validate observed trends using real-world responses.
- Offer relevant insights into consumer perceptions and expectations.
- Assess the role of investor education, access to information, and service delivery.

Limitations of Methodology

While the methodology was effective in capturing key insights, it also faced some limitations:

- The sample was limited in size and region, which may not represent the entire Indian population.
- Convenience sampling may introduce bias, as participants were selected based on availability.
- Responses were self-reported, which can be influenced by personal bias or a lack of financial knowledge.
- The study did not incorporate complex financial modeling or risk-adjusted performance analysis.

CHAPTER

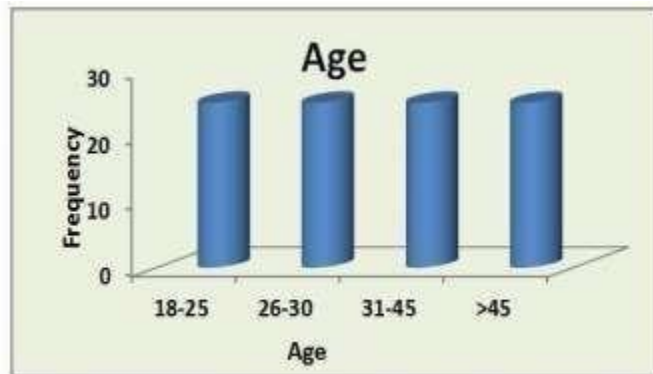
4 DATA PRESENTATION

&

ANALYSIS

1) Age:

Age group	Frequency	Percent
18-25	25	25%
26-30	25	25%
31-45	25	25%
>45	25	25%
Total	100	100%



Interpretation: Age plays a significant role in shaping investment behavior.

individuals

Younger may prioritize growth and higher returns, while older respondents tend to be more

conservative and risk-averse. A diverse age range among respondents allows this study to explore investment

motivations across generations.

2) Gender:

Gender	Frequency	Percent
Male	64	64%
Female	36	36%
Total	100	100%

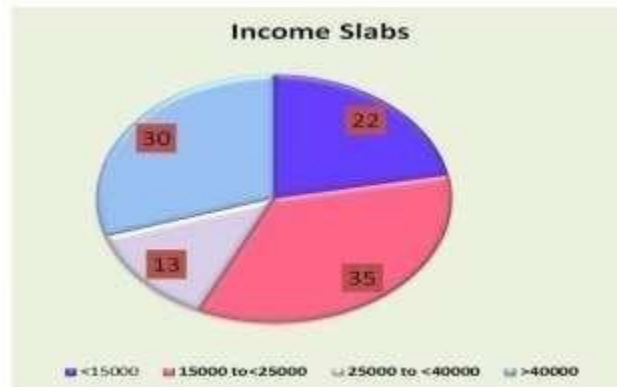


Interpretation: While mutual fund investments have traditionally been dominated by males, the increasing participation of women reflects a positive shift toward financial inclusiveness. Gender-based

preferences in risk and product type selection can offer useful insights for fund managers.

3) Income:

Income Slab	Frequency	Percent
<15000	22	22%
15000 to <25000	35	35%
25000 to <40000	13	13%
>40000	30	30%
Total	100	100%



Interpretation: Income levels influence investment capacity and risk tolerance. Individuals in higher income brackets may have surplus funds to invest, while those in lower income groups may require more financial awareness and flexible investment products.

4) Occupation:

Occupation	Frequency	Percent
Service	45	45%
Business	13	13%
Professionals	15	15%
Others	27	27%
Total	100	100%



Interpretation: Occupational roles correlate with investment behavior. Salaried individuals often seek stable, long-term investments. Business owners may prefer liquid investments, while professionals tend to diversify. Understanding occupation-based preferences helps tailor mutual fund marketing strategies.²⁷

5) *InvestmentPattern:*

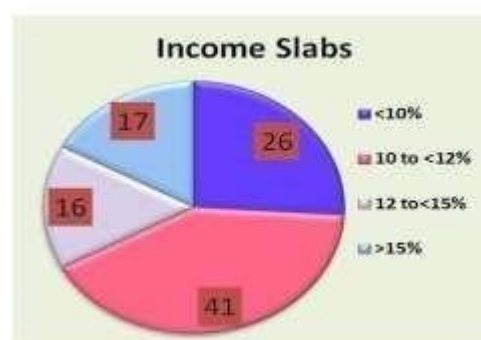
Term	Frequency	Percent	Valid Percent	Cumulative
Short Term	42	42%	42	42
Long Term	50	50%	50	92
Both	8	8%	8	100
Total	100	100%	100	



Interpretation: Long-term investing shows growing maturity among investors, possibly influenced by awareness of SIPs and goal-based investing. Short-term investors may seek liquidity or quick gains, indicating a need for hybrid funds and balanced schemes.

6) *ExpectationofPeopleintermsofRateofReturn:*

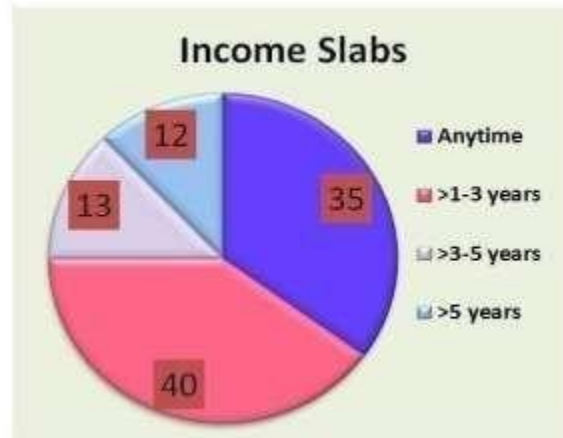
Rate of return	Frequency	Percent
<10%	26	26%
10 to <12%	41	41%
12 to<15%	16	16%
>15%	17	17%
Total	100	100%



Interpretation: These expectations reflect moderate optimism among investors. While many understand realistic return ranges, a substantial portion still hopes for higher-than-average gains, which may influence their risk appetite and choice of funds.

7) *LiquidityRequirement:*

Valid	Frequency	Percent
Anytime	35	35%
>1-3 years	40	40%
>3-5 years	13	13%
>5 years	12	12%
Total	100	100%



Interpretation: Liquidity remains a key concern for most investors. Products like liquid funds, low-duration debt funds, and open-ended equity funds cater to these needs. Offering flexible redemption options can enhance investor satisfaction.

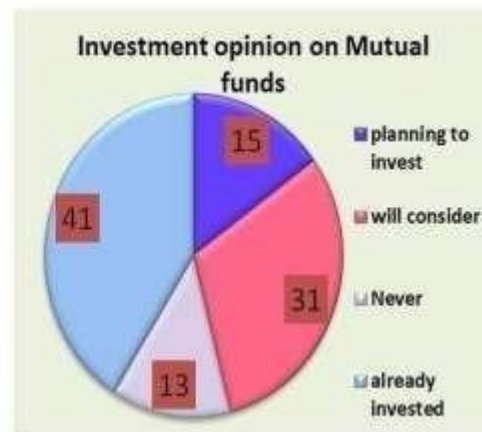
8) *AlreadyInvestedinMutualFunds:*

Mutual fund Investor	Frequency	Percent
Yes	41	41%
No	59	59%
Total	100	100%



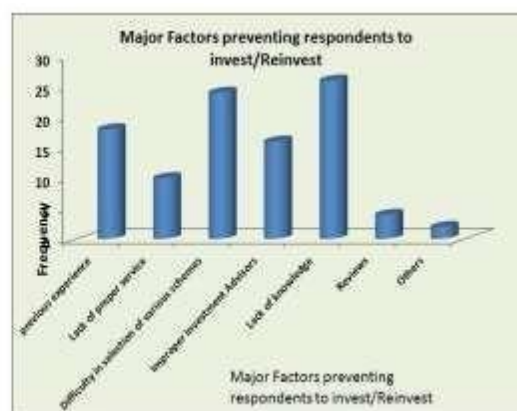
Interpretation: Though awareness seems to be increasing, actual investment remains modest. Bridging the gap between awareness and action requires stronger educational outreach and simplified onboarding processes. *Opinions on Investing in Mutual Funds:*

Investment opinion on Mutual funds	Frequency	Percent
planning to invest	15	15%
will consider	31	31%
Never	13	13%
already invested	41	41%
Total	100	100%



Interpretation: Though awareness seems to be increasing, actual investment remains modest. Bridging the gap between awareness and action requires stronger educational outreach and simplified onboarding processes. *Major factors preventing respondents to invest/reinvest in Mutual funds:*

Factors	Frequency	Percent
previous experience	18	18%
Lack of proper service	10	10%
Difficulty in selection of various schemes	24	24%
Improper Investment Advisors	16	16%
Lack of knowledge	26	26%
Reviews	4	4%
Others	2	2%
Total	100	100%



Interpretation:FactorssuchasLackofknowledgeanddifficultyinselectionfrom variousschemeswasmajorhindrance. The previousexperience and improperinvestment advisorshave alsopreventedmanycustomersfrominvesting/reinvesting.

9) *FrequencyofCheckingInvestmentPerformance:*

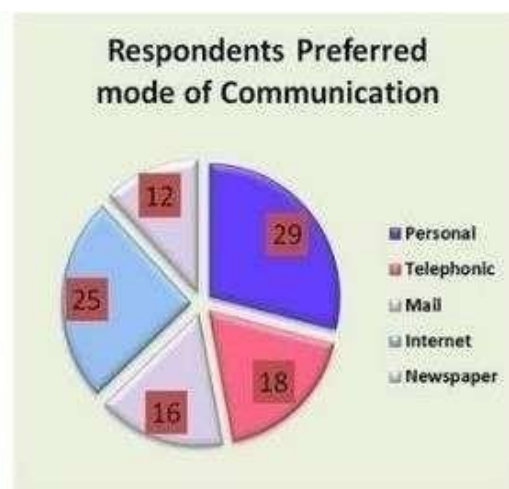
investors checking the investment performance	Frequency	Percent
Daily	5	12%
Weekly	10	24%
Monthly	12	29%
Once In A While	11	28%
During Maturity	3	7%
Total	41	100%



Interpretation:Maximumno.ofpeoplei.e.29%checktheperformanceonceamonthfollowed by28% ofpeople who check once in a while and only7% ofthe people check the performance at maturity.

10) *PreferredModeof Communication:*

Respondents Preferred mode of Communication	Frequency	Percent
Personal	12	29%
Telephonic	8	18%
Mail	6	16%
Internet	10	25%
Newspaper	5	12%
Total	41	100%



Interpretation:Majoritypreferstoknowtheoffersbypersonalcommunication.

CHAPTER5

Findings, Conclusion & Recommendations

CONCLUSION

The study aimed to analyze customer expectations and the key factors influencing their investment decisions.

It found that the perceived image of the investment is a primary driver in convincing customers, followed by the product's future potential and overall appeal.

- A significant portion of respondents (41%) have already invested, indicating a moderate level of market penetration.
- Global economic trends have positioned mutual funds as an attractive option for investors seeking risk mitigation and portfolio diversification.
- Current conditions in the debt market are drawing customers toward mutual fund debt instruments, which are perceived as offering reliable returns amid equity market volatility.
- Technological advancements, such as real-time information access and seamless processes for purchasing, payments, and redemptions, have contributed to the growth of the mutual fund industry as a popular investment avenue.
- Customers tend to prefer engaging with mutual fund offices or bank over independent investment advisors, suggesting that more mutual fund representatives should be placed in banks.
- Investor interest across various mutual fund options highlights a vast potential market for mutual fund investment.

Recommendations

- **Promoting Investor Education**—Financial institutions and regulatory authorities should actively organize educational initiatives to enhance public awareness about mutual fund strategies, associated risks, and potential benefits.
- **Ensuring Transparent Fund Operations** —Mutual fund providers must maintain transparency by openly communicating fee structures, risk factors, and historical performance to empower investors with informed decision-making.
- **Personalized Investment Solutions**—Fund managers should develop tailored investment plans each aligned with investor's appetite, financial objectives, and investment time.
- **Strengthening Regulatory Oversight**—Regulators should reinforce existing frameworks to safeguard investors against fraud and mismanagement, thereby ensuring the long-term stability of the mutual fund sector.
- **Promoting Long-Term Investment Approaches**—Investors should be guided to focus on long-term financial goals, discouraging reactions based on short-term market fluctuations.
- **Engaging Government Employees in Mutual Funds** —Efforts should be made to encourage government employees to consider mutual funds as a viable investment avenue, offering better returns and financial growth compared to traditional saving methods.
- **Spreading Awareness Among Low-Income Groups**—People earning less than ₹ 10,000 per month should be educated about the advantages of mutual fund investments, enabling them to potentially boost household income and improve their quality of life.

Limitations

- **Limited Sample Size** – The study is based on a relatively small group of respondents, which may not adequately represent the broader investor population. Expanding the sample size could lead to more generalizable and accurate conclusions.
- **Demographic Narrowness** – The research focuses on select age groups, professions, and income brackets, potentially excluding viewpoints from a wider range of mutual fund investors, particularly those from varied regions or socio-economic backgrounds.
- **Bias in Self-Reported Data** – Since the findings are derived from self-reported responses, they may be influenced by individual biases, limited financial knowledge, or recent personal experiences. Some participants may also offer socially acceptable answers instead of reflecting their actual investment behavior.
- **Restricted Range of Investment Factors** – While the study examines influential factors such as income, occupation, and return expectations, it does not delve deeply into other important elements like tax implications, government regulations, or global economic trends.
- **Temporal Limitations** – The research captures investor attitudes at a single point in time. However, changes in economic conditions, inflation, or market trends could significantly alter investment decisions over the long term.
- **Absence of Professional Financial Analysis** – The study lacks in-depth financial modeling or insights from professional fund managers, which could have enriched the understanding of mutual fund investment trends.
- **Insufficient Coverage of Behavioral Influences** – Key psychological factors such as risk aversion, herd mentality, and emotionally-driven decisions are not thoroughly addressed, even though they play a crucial role in shaping investor behavior.

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ANNEXURE

SAMPLEQUESTIONNAIRE (GoogleForm)

Ques1)Age.....

Ques2)Gender

- a) Male
- b) Female

Ques3)WhatisyourMonthlyIncome?

- a) Lessthan15,000
- b) 15,000to 25,000
- c) 25,000to40,000
- d) Morethan40,000

Ques4)What isyourOccupation?

- a) Service
- b) Business
- c) Professional
- d) Other

Ques5)What willbeyourinvestment pattern?

- a) LongTerm
- b) ShortTerm
- c) Both
- d) None

Ques6)Whatratoofreturnwillyouexpectfromyourinvestment?

Ques7)Whatareyourliquidityrequirements?

- a) Anytime
- b) 1to3years
- c) 3-5years
- d) Morethan5years

Ques8)Haveyou investedinmutualfunds?

Ques9)WhatareyouropinionsoninvestinginMutualFunds?

- a) Planningto invest
- b) Consideringtoinvest
- c) Willneverinvest
- d) Alreadyinvested

Ques10)Any otheropinionwhichyouhaveregardingmutualfundsthatpreventsyoufrom investing/
reinvesting?

Ques11)When do you check your investment performance?

- a) Daily
- b) Weekly
- c) Monthly
- d) Once in a while
- e) Other

Ques12)What is your preferred mode of communication?

- a) Personal
- b) Telephonic
- c) Mail
- d) Internet
- e) Other