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RESEARCH EXPLORER-International Journal on Economic and Business Management

ISSN: 2250-1940 (P) 2349-1647 (O)

Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)

Volume XIV, Issue 48

July - September 2025

Formally UGC Approved Journal (63185), © Author

INVESTOR AWARENESS AND PERCEPTION TOWARDS MUTUAL FUNDS SPECIAL REFERENCE TO PERAMBALUR

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ABSTRACT

Mutual funds are most suitable investment for a common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a reasonably low cost. The diversification of schemes provides a variety of options to suit the individual objectives according to their age, financial position, risk tolerance and return expectations. Investment in mutual funds is affected by the perception of the investors. The study focuses on identify the investor's awareness and perception towards mutual funds and to analyse the factors influencing investors' perception towards mutual fund, the survey was conducted in Perambalur and data was collected by applying convenience method of sampling. Statistical tools like "Chi-square" and "Anova" were applied to analyse the data. The result of Anova test is to reveal an association among the age group and monthly income, the chi-square test revealed an association among the problem faced by the investor in mutual fund and good option to invest in mutual fund.

Keywords: Mutual Fund, Awareness, Perception, Satisfaction

INTRODUCTION

Mutual funds refer to funds which collect money from investors and put this money in stocks, bonds and other securities to gain financial profit. Persons whose money is used by the mutual fund manager to buy stocks, bonds and other securities, get a percentage of the profit earned by the mutual fund in return of their investments. In this way, the mutual fund offers benefit to both parties. A mutual fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciation realized is shared by its unit holders in proportion to the number of units owned by them. Thus, a mutual fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. The flow chart below describes broadly the working of a mutual fund.

A mutual fund is a professionally managed type of collective investment scheme that pools money from many investors and invests it in stocks, bonds, short-term money market instruments, and/or other securities. The mutual fund will have a fund manager that trades the pooled money on a regular basis. Currently, the worldwide value of all mutual funds totals more than \$26 trillion.

SCOPE OF THE STUDY

- To get a better understanding of how investors feel about mutual funds
- Define and analyze the investor's shaping and motivating factors

- The analysis measure of the investor's experience
- Define and examine the investor's shaping and motivating factors

OBJECTIVE OF THE STUDY

- To study the investor perception towards mutual fund.
- To understand the factor influencing the investor while making decision.
- To examine the level of satisfaction of the investor.
- To identify the problem faced by mutual fund investor.

REVIEW OF LITERATURE

Komal B. Sharma (2020) Mutual funds playing a key role in the development of india's debt market and have emerged as a key source of funding. Mutual funds considered as one of the best investment options as compared to other alternatives, as low cost is the common feature of the mutual fund. Mutual fund schemes also provide diversified portfolio management and reducing risk and maximizing returns. Mutual fund scheme is the most ideal investment for the common man as it provides a professionally managed stock market and low risk with maximum returns. The basic need and objectives of this study are to evaluate the performance of selected debt mutual fund schemes in India and to examine the risk and return component among these mutual funds. The present study is based on secondary data of five debt mutual funds launched by the different private sector companies between the period of January 2017 to December 2019.

Amitsundaram (2020) The outbreak of the covid-19 pandemic caused widespread panic among people around the world. Many countries enforced a fierce lockdown to curb the spread of the virus. But the lockdown had other plans for businesses as many of them were forced to shut shop leading to highly volatile market conditions and bearish economic conditions in most countries.

M.Samira (2018) In this paper an attempt was made understand the investor preference towards mutual funds. The study has been conducted on the basis of primary data and secondary data. Majority of respondents feel that mutual fund they invested on the recommendations and advise of the financial advisors and banks. Data was collected using questionnaire, the most common tool to evaluate the customers' awareness. The sample unit of the study is people living in the city of Salem.

RESEARCH METHODOLOGY

This study based on Descriptive research, this study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study. Convenience sampling method used to collect the sample from the target population. Primary and secondary data was collect for this study; primary data were collected from the respondent through well-structured questionnaire, secondary data collected from the annual report and websites. 105 samples collected from the respondent for this analysis. the data analysis tools (SPSS) used for testing of hypotheses. Simple percentage, chi-square and AOVA test used to analysis the data.

Hypothesis for the study

Chi-square:

Null hypothesis (H_0) -There is no association between the problems faced by investor in mutual fund and good opinion to invest in mutual fund

Alternative hypothesis(H_1) - There is association between the problems faced by investor in mutual fund and good opinion to invest in mutual fund.

ANOVA:

Null hypothesis (H_0)-There is no association between Age Group and Monthly Income.

Alternative hypothesis (H_1)-There is association between Age Group and Monthly Income.

IV. DATA ANALYSIS AND INTERPRETATION

Table No. 1. shows that Age group of the Respondents

Age Group	No.of Respondents	Percentage
Lessthan20	0	0
20-30	26	25%
30-40	66	63%
50andabove	13	12%
Total	105	100

(Source: Primary Data)

Interpretation:

From the above table it is interpreted that the 63% respondents are fall in the age category of 30-40 years, 25% in 20-30 years and 2% in 50 and above.

Table No. 2. shows that Gender of the Respondents

Gender	No. of Respondents	Percentage
Male	74	70%
Female	31	30%
Total	105	100

(Source: Primary Data)

Interpretation:

From the above table it is interpreted that the 70% respondents are male and 30% respondents are female

FINDINGS OF THE STUDY

- 63% of the respondents are fall in the age category of 30- 40 years.
- 70%oftherespondentsaremale.
- 41%oftherespondentssaybusiness.
- 49% of the respondents are falls in monthly income category of less than rs.50000.
- 55%oftherespondentsaresaysannualsavingsislessthan 50000.
- 43% of the respondents are aware of the mutual fund investment through internet.
- 22%oftherespondent'sproblemisdelayonselling unit.
- There is no significance difference between the problem faced by investor in mutual fund and good opinion to invest in mutual fund.
- There is no significance difference between age group and monthly income.

SUGGESTION OF THE STUDY

- The investor should keep an eye on the performance of scheme and other good schemes which are available in the market.
- Efforts should be made to encourage or enhance online dealing of mutual funds. This will save time and cost. They can effortlessly sell or purchase any number of funds whenever they want.
- The mutual fund industry must also help people in mobilizing their savings in such a way that they can get maximum benefits out of them.
- Once they invested in mutual fund, they need returns and if is not giving proper returns to then again it is affecting the interest of the investors to invest in mutual fund.
- They should provide more information about their investment product and services mean they should also concentrate on promotion of their schemes.
- Some investors suggested that the fund values of the mutual fund investment should be informed to the investors through sms on fortnightly basis. This will help the investors in keeping themselves up to date with the latest information of different funds.

CONCLUSION

The minds of the investing public look for investments are safe and that it will earn good returns. This study conducted was regarding the factors influencing the investor's awareness and perception towards mutual fund investment. It is highlighted that investors of middle-income level agree that regular income and liquidity of the investment plays a vital role. It can be perceived that high risk leads to high returns in the investment. The flexibility in the investment would lead to good performance of the funds. There's a scope where investors belonging to different age groups seek for many other factors that can attract them to invest in the mutual fund industry than just the ones considered for the study. Measures should be taken to increase the confidence and morale of the investors. This can be done through proper communication and by educating investors to invest in mutual funds. Sensible and right information should be given to them by various communication modes so that they get to know about the latest trends in the market. Mutual funds are still and would carry on to be the unique financial instrument in the country.

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