



A study on satisfaction level of mutual fund investors

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Abstract

Mutual funds are seemingly the easiest and the least stressful way to invest in the stock market. Quiet a large amount of money has been invested in mutual funds during the past few years. Any investor would like to invest in a reputed Mutual Fund organization. Mutual funds are financial intermediaries concerned with mobilizing savings of those who have surplus and the canalization of these savings in those avenues where there is a demand for funds. These intermediaries employ their resources in such a manner as to provide combined benefits of low risk, steady return, high liquidity and capital appreciation through diversification and expert management. Reforms in the Indian economic system and the opening up of the economy have been the reasons for the tremendous growth in the Indian capital market. This study analyzes the impact of different demographic variables on the satisfaction of investors towards mutual funds.

Keywords: stock market, high liquidity

Introduction

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 invested by the fund manager in different types of securities depending upon the objective of the scheme. These could range from shares to debentures to money market instruments. The income earned through these investments and the capital appreciations realized by the scheme are shared by its unit holders in proportion to the number of units owned by them (pro - rata). 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 portfolio at a relatively low cost.

Research Methodology

Madhusudhan V Jambodekar (1996) did a study to find out the awareness about Mutual Funds among investors and to identify the factors which influence the purchasing decision and the choice of a particular fund. Newspapers and Magazines are the primary source of information through which investors get the information about Mutual fund schemes and fund provider service is the important factor

while choosing Mutual Fund Schemes.

Sujit Sikidar and Amrit Pal Singh (1996) have done a survey to understand the behavioral aspects of the investors of the North Eastern region towards equity and mutual funds investment portfolio. The survey states that the salaried and self-employed were the major investors in mutual fund primarily due to tax concessions. UTI and SBI schemes were popular in that part of the country then and other funds was not as successful during the time when survey was done.

Shankar (1996) states that Mutual Funds viewed as commodity products by the Indian investors, and to capture the market one should follow the consumer product distribution model.

Objectives

- To study the satisfaction level of mutual fund investors

ANOVA

Relationship between age and respondents opinion towards satisfaction with investment in mutual fund

H_0 "There is no significant association between age and the opinion towards satisfaction with investment in mutual fund"

Table 1

Sources of Deviation	Sum of squares	Degrees of freedom	Mean square	Variance Ratio F	Significance
Between Groups	.565	4	.141	.657	.623
Within Groups	20.435	95	.215		
Total	21.000	99			

From the ANOVA table, the significance level is 0.623 which is greater than the 5% level of significance. Hence we accept null hypothesis (H_0). (i.e.) There is no significant association between age and the opinion towards satisfaction with investment in mutual fund.

Relationship between occupation and respondents opinion towards satisfaction with investment in mutual fund

H_0 "There is no significant association between occupation and the opinion towards satisfaction with investment in mutual fund"

Table 2

Sources of Deviation	Sum of squares	Degrees of freedom	Mean square	Variance Ratio F	Significance
Between Groups	.955	2	.478	2.311	.105
Within Groups	20.045	97	.207		
Total	21.000	99			

From the ANOVA table, the significance level is 0.105 which is greater than the 5% level of significance. Hence we accept null hypothesis (H₀). (i.e.) There is no significant association between occupation and the opinion towards satisfaction with investment in mutual fund.

Relationship between experience and respondents opinion towards satisfaction with investment in mutual fund

H₀ “There is no significant association between experience and the opinion towards satisfaction with investment in mutual fund”

Table 3

Sources of Deviation	Sum of squares	Degrees of freedom	Mean square	Variance Ratio F	Significance
Between Groups	.591	4	.148	.688	.602
Within Groups	20.409	95	.215		
Total	21.000	99			

From the ANOVA table, the significance level is 0.602 which is greater than the 5% level of significance. Hence we accept null hypothesis (H₀). (i.e.) There is no significant association between experience and the opinion towards satisfaction with investment in mutual fund.

Relationship between qualification and respondents opinion towards satisfaction with investment in mutual fund

H₀ “There is no significant association between qualification and the opinion towards satisfaction with investment in mutual fund”

Table 4

Sources of Deviation	Sum of squares	Degrees of freedom	Mean square	Variance Ratio F	Significance
Between Groups	.976	4	.244	1.157	.335
Within Groups	20.024	95	.211		
Total	21.000	99			

From the ANOVA table, the significance level is 0.335 which is greater than the 5% level of significance. Hence we accept null hypothesis (H₀). (i.e.) There is no significant association between qualification and the opinion towards satisfaction with investment in mutual fund.

Relationship between income and respondents opinion towards satisfaction with investment in mutual fund

H₀ “There is no significant association between income and the opinion towards satisfaction with investment in mutual fund”

Table 5

Sources of Deviation	Sum of squares	Degrees of freedom	Mean square	Variance Ratio F	Significance
Between Groups	.676	5	.135	.625	.681
Within Groups	20.324	94	.216		
Total	21.000	99			

From the ANOVA table, the significance level is 0.681 which is greater than the 5% level of significance. Hence we accept null hypothesis (H₀). (i.e.) There is no significant association between income and the opinion towards satisfaction with investment in mutual fund.

From the T-test it is clear that at 5% level of significance with the significant value of .796. There is no significant association between income and respondents rating for insurance product offered. Hence the hypothesis is accepted.

T-Test

Relationship between gender and respondents opinion towards satisfaction with investment in mutual fund

H₀: “There is no significant association between income and respondents opinion towards satisfaction with investment in mutual fund”

Relationship between marital status and respondents’ opinion towards satisfaction with investment in mutual fund

H₀: “There is no significant association between marital status and respondent’s opinion towards satisfaction with investment in mutual fund”

Table 6

	Degrees of freedom	Significance
-.260	98	.796

Table 7

	Degrees of freedom	Significance
1.576	98	.118

From the T-test it is clear that at 5% level of significance with the significant value of .118. There is no significant association between marital status and respondents rating for insurance product offered. Hence the hypothesis is accepted.

Suggestions

- While investing in mutual funds we suggest regular income scheme to be introduced by the companies.
- The respondents have a primary objective of growth and income while investing in mutual funds.
- The mutual fund companies should provide with medium returns to the investors, so that the risk undertaken by them also reduces and the investors also would find it easy to invest from their pockets.

Conclusion

In the modern world the trend of financial market plays very crucial role in the development of nation's economy. Common public is also interested to get higher rate of dividends for their investments in various money markets out of those, mutual fund offers the highest rate of dividends even though the risk is high. Hence investors should take at most care and must make thorough enquiry about the mutual fund schemes available and make their investment. We conclude stating that investor should invest their money in mutual fund scheme, in which they are interested to invest. The investors should also take care to check the credit rating of the mutual fund companies before making their investment in mutual funds.

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