



Title :

A STUDY OF MUTUALFUND MARKET WITH PERSPECTIVE OF DEVELOPING ECONOMY

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INTRODUCTION

- Concept of mutual fund is being very much popular from the last some years as it mutual fund is fund of diversity in investment concept. If as general meaning of mutual fund is “it is a fund is essentially a common pool of money in which investors put in their contribution and this collective amount is invested according to the investment objective ‘
- According to “sebi “ mutual fund is a mechanism for pooling the resources by issuing units the investors and investing funds in securities as disclosed in offer document .investment in securities are spread across a wide cross-section of industries and sectors thus the risk reduced
- There is mainly three types of mutual fund scheme which as follow:
 - 1) Equity or Growth funds
 - 2) Fixed income fund
 - 3) Hybrid funds
- mutual fund is work as a bifurcation of risk so the investor can bear minimum loss with handsome earning as the main aim in mutual fund is to invest as according to scheme in which investor choose and then it must be supposed to risk according to scheme as the basic concept follow “ high risk than high return” and vice versa

ABSTRACT

• Indian mutual fund industry offers number schemes and serves broadly all type of investors. the range of product include equity fund, debt, liquid and balance fund. there are also fund meant exclusive for young and old small and large investors. as in mutual fund market its reinvest fund in different segment so it is very use full circulation of money in market. mutual funds companies its invest in diversity of area and different companies so it helps to industries

that they can working efficiently and make efficient use of finance its helps to being leads to our country to developed level from developing so as it for every industry they have a chance to use this fund developed their business as well as economy and its also purchasing power of people which leads to increase per capita income and national income so especially for developing economy mutual fund is work like a back bone.

(KEY WORDS: developing, reinvestment, circulation of money)

OBJECTIVES: -

- ✓ Multidimension reinvestment by mutual fund companies helps to push up all industries
- ✓ Mutual fund work as seeds for stand up and developing of infant industries
- ✓ Mutual fund allocates the funds from high to low risk and on depend on different type of scheme so people got many options of investment according to risk and return
- ✓ Mutual fund also attracts the money from foreign countries so it also pulls investment and it reached to development process of country
- ✓ There is separate fund scheme as well to develop separate industry and also choice for people who wants to invest and got return from only particular that industry

Why mutual fund needs to do change in investment pattern:-

- In the investment parameter there is all class of people wants to invest in the different area and security of investment but as in share market u can invest in must be share which is quit most risky market so as it chance of loss maximum same as return also and in other investment function like debenture ,Fixed deposit, bond market etc. has been your money block in one segment of industry so some time people not ready to invest and due to this circulation of money in the market is reduced so the main task for government to circulate money on the market and for investors to invest with good return and less risk so mutual fund scheme launch with concept of collect money from investors and invest it into the low to high risk segment and control over maximum chance of loss and maintain their trust for investment of people so they can attract in more and more investment and at other side the second think is chance is created for the industry who wants capital for run to their business because people just invest in the scheme or type of fund and mutual funds companies its invest in diversity of area and different companies so it helps to industries that they can working efficiently and make efficient use of finance its helps to being leads to our country to developed level from developing

IMPORTANCE:-

- It leads to income generation for company and investors of mutual fund both.
- It also helps to growing infant and small-scale industry
- Its also attend maximum level of a development with adequate circulation of money
- It helps to control poverty and increase employment activities as increase in PCI and NI.
- With the increase in return its also increase the saving tendency of people.
- Deficiency of money in the market decreases as it helps to circulate money in the market for a long term.

LIMITATIONS: -

- Due to Future uncertainty and external market condition leads to less return as well as people restrict their investment.
- Unorganised reinvestment and inefficiency work by company leads to loss in the market.
- Other investment parameters and segment are decategorizes so share market and other security market goes in negative slope.
- As a mutual fund long term investment system may not easy to accept by people due to orthodox human tendency and other hand may also affected by people also suffered from low per capita income.
- Improper reinvestment system may leads to uneven allocation of funds and sometime its create one sided development which create inequality of income and wealth.

IS MUTUAL FUND MARKET INVESTMENT LEADS TO FUTURE DEVELOPMENT?

- As investment mutual fund market investment pattern is a process of collect finance of investment from people and its reinvest in the different segment and sector in the market and provide respective return according to investment.
- Reinvestment pattern is not only a pattern for a return but its also funding for existing and in fund industries in the country and the secured fund from this and easy run for their business activity with this many firms are circulate their money in the market and every firm may got benefit of it and with the efficient use of this they achieve goal to maximize profit and in return who invested in mutual fund market got return from it and its directly leads to increase in per capita income as well as national income.

LITRETURE REVIEW

As per the comparative study of selected mutual fund in India mutual fund market has grown up by leaps and bounds, as per the last decade there is tremendous change seen in mutual fund

market as fund manager is doing well management of funds with increase return to investors and satisfy the demand of management as the fund manager manage the fund in that way it proper bifurcation of fund as it creates proper circulation of money and it shows proper and efficient use of money

Ms.k.hemadivya (April 2012)

➤ There have been done an evaluation of risk adjusted performance of mutual funds in india.in this mutual fund scheme it based on risk-return relationship model and return on mutual fund funds are also compared with return on equity share of different sector of economy. There is also calculation of return on ten mutual fund scheme and return on equity shares of three FMCG, Information technology and power sectors that study over the time period 2006 to 2009

DR. Sandeep Bansal and Sanjeev Kumar (feb 2012)

➤ As per the comparative study of actively managed fund and index fund in India other name of index fund is passively managed fund .actively managed funds is mostly overlapped index manage fund due to comparison of both there actively manage fund give more return as compared to passively or index fund in India and it s actual conclusion we can get with the use of data analysis method of t-test.

Megha pandey (2013)

➤ Comparative study of mutual fund analysis on selected mutual fund scheme there is analyse on five year NAV and portfolios allocation .as per the study of this allocation that it reveals investors choose medium to long term investment scheme and they feel its most suitable method to invest.

Dr. K. Veeraiah and Dr. A. Kishore Kumar (Jan 2014),

➤ There has been emerging scenario of mutual fund in India an analytical study of tax fund as per the study here only equity fund of public sector and private sector was took into consideration. Corporate and institutions who form only 1.16% of the total number of investors accounts in the mutual fund industry and its contribution in amount was 2,87,108.01 cr which is 56.55% of the total net asset in the mutual fund industry.

Dr.yogesh kumar Mehta (feb 2012)

❖ METHODOLOGY

➤ *The geographical area of the research is India. for the consumer's view and impact on them are taken in to consideration for research. Expected time to complete thesis as from my side is in time period of three years or less than this*

➤ RESEARCH METHODOLOGY

The research would be descriptive, empirical as well as analytical. The design would be based on the objectives of the Study. Data in relation to mutulfund would be collected from the existing investor. The data collected through the interviews And questionnaires will be subject to further statistical methods of analysis.

- ✓ [https://www.mutualfundssahihai.com/en/what-are-various-types-mutual-funds?--=&gclid=Cj0KCQiA2uH-BRCCARIsAEeef3l0jhoh5TurwhQC3FUneX0RVoy26fzAMNO47CWETDjy3uHjnapFltgaAsPREALw_wcB&utm_campaign=Sok Mutual Funds Top Geos Desktop 14 May 19&utm_medium=search_google AMFI&utm_source=google web](https://www.mutualfundssahihai.com/en/what-are-various-types-mutual-funds?--=&gclid=Cj0KCQiA2uH-BRCCARIsAEeef3l0jhoh5TurwhQC3FUneX0RVoy26fzAMNO47CWETDjy3uHjnapFltgaAsPREALw_wcB&utm_campaign=Sok%20Mutual%20Funds%20Top%20Geos%20Desktop%2014%20May%2019&utm_medium=search_google&utm_source=google_web)
- ✓ www.sodhganga.com

