

A STUDY ON INVESTOR'S ATTITUDE TOWARDS SYSTEMATIC INVESTMENT PLAN IN MUTUAL FUNDS

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ABSTRACT : Investors have lot of investment avenues. The risk and return available for each of the avenue differ from one avenue to other. An attempt has been made in this study to find out the investment decision of investors in Ernakulam district and to assess the investor's awareness and perception towards mutual fund. Most of the investors have some knowledge about the mutual fund but not fully aware. Investors consider Systematic investment plan is the best option for investment.

KEYWORDS-INVETOR, MUTUAL FUND, SYSTEMATIC INVESTMENT PLAN (SIP).

INTRODUCTION

An investment is an asset or item acquired with the goal of generating income or appreciation .In economic sense an investment is the purchase of goods that are not consumed totally but are used in the future to create wealth. Savings is setting aside money you don't spend now for emergencies or for future purchase. It is the money you want to be able to access quickly, with little or no risk and with the least amount of taxes. The new economic policy 1991 gave wide environment for small and common investors to participate in various investment avenues. Savings and investment play a vital role in promoting the economic growth of India. Financial institutions play a vital role in the economic development of the country. They facilitate the allocation of care resources by transferring them from savers to borrowers, there by accelerating the investment activities. Mutual fund plays an important role in this process.

There are a wide variety of investment options available for investors. Some of them have high risk and some others have low risk. Choosing right investment from the plethora of investment avenues are considered to be most important challenge.Selectng right investment from financial market require considerable knowledge. Most of the investors lack the knowledge of handling the operations in the financial market .in this situation mutual fund became most suitable financial instrument with the advantage of professional management, diversification, and reduction of risk etc.Systematic investment plan is one of the plan available in mutual fund for investing small amounts periodically instead of investing in lump sum. In systematic investment plan (SIP)a fixed amount of money is debited by the investor's bank account periodically and invested in specified mutual fund.

The investor is allocated a number of units according to the current net asset value. Every time a sum invested, more units are added to the investor account. The investor is getting more units when the price is low and fewer units when the price is high. In long run average cost per unit is supposed to be lower.

REVIEW OF LITERATURE

(TRIVEDI, SWAIN, & DASH, 2017)The study on investor's perception relating to liquidity and investment decision, investors consider liquidity and fund scheme as an important factor of investment. Study with risk, the low risk fund attracts the investors in mutual fund. The effect of gender difference on investment decision of mutual fund they found that Males are more interested in mutual fund investment than female, the effect of age factor and financial awareness on investment decision, The youth and elderly people are less aware about the mutual fund.

(PANDIAN, 2017)A study on investors perception towards mutual fund investment with special reference to socio economic conditions ,he studied socio economic condition influencing investor's perception towards mutual fund investment in the area of Virudhunagar among 500 investors .He states that all investors have medium level of perception towards various dimensions namely perception towards fluctuations, perception towards drops in stock market, perception towards challenges in mutual fund, reason for selecting particular company, factors considered for selecting mutual fund and satisfaction towards mutual fund

(AINAPUR, 2018)The study has been conducted to know the investor's perception towards mutual fund(systematic investment plan).By studying it is found that awareness is less towards mutual funds . He points out that broking houses have to organise awareness programs to motivate invest in mutual funds

(DAVE & SHUKLA, 2014) The research is carried out to understand the perception of investor's towards mutual funds. The way of promotion of a product influences their investment attitude. There are various factors which are the major reason for generation of perception in investor's. Investors usually consider various factors like professional advice, low transaction cost,etc.Most of the mutual fund investors have their own perception about the specific product due to the way they visualise the product.

(PARAB, 2019)In this article the researcher made to compare the performance of mutual fund schemes of Axis bank and ICICI bank. For this information about net asset value of 52 week high and 52 week low net asset value from the year 1'st January 2013 to 24'th January 2018 ie,6years were collected from respective websites of companies and analysed. Among the two institutions mutual fund schemes the performance of ICICI scheme is far better than Axis mutual fund schemes. Every investor wants to invest money which comprises of low risk, high return, and easy redemption. To the researcher's opinion, before investment in mutual funds one ought to be attentive in every aspect.

(WADHWA, VASHISHT, & KAUR, 2015)The study describes different factors that impact the purchase decision of investors towards mutual funds. For this they studied 300 investors of Delhi NCR having different demographic profile. The return and rating by credit rating agencies are the important factors that investors considered for taking purchase decision of mutual fund. The study also reveals that financial literacy of the respondent is very important for making investment decision. So in order to increase mutual fund investment the mutual fund companies had to formulate strategies which help to full fill the investor's expectation.

OBJECTIVE OF THE STUDY

1. To know the investment decision of investors?
2. To know the investor's awareness towards mutual fund?
3. To know investor's preference towards an investment option?

RESEARCH METHODOLOGY

Research design

This study is descriptive in nature

Data collection

Both primary and secondary data collection methods were adopted. The primary data were collected by preparing questionnaires. Secondary data were collected from research papers, journals, magazines and website. Data was gathered by using questionnaire

Sampling method

Samples were selected from bank employees around Ernakulam city

Sample size-110

Sample area-Ernakulam

Tools of data analysis

The data and information collected is classified, tabulated and processed and findings are presented in a systematic manner

Hypothesis testing

Chi-square test

Ho: There is no relationship exist between awareness and gender

H1: There exist a relationship between awareness and gender

Data analysis and interpretations

1. Frequency distribution of respondents on the basis of Gender

Gender	No. of respondents	percentage
Male	86	78
Female	24	22
Total	110	100

Interpretation

In the present study 78% respondents are male and 22% are female

2. Frequency distribution of respondents on the basis of age

Age	No. of respondents	percentage
Below30years	17	15
30-40years	31	28
40-50years	39	36
Above50years	23	21
Total	110	100

Interpretation

Out of total respondents majority 36% are from the age group of 40-50, 28% are from 30-40, 21% are from above 50. only 15% are from less than 30 years

3. Frequency distribution of respondents on the basis of academic qualification

Educational qualification	No. of respondents	percentage
Under graduate	0	0
graduate	26	23
Post graduate	36	33
professionals	48	44
Total	110	100

Interpretation

Out of total respondents 44% are professionals, 33% are post graduate and 23% are post graduate.

4. Frequency distribution of respondents on the basis of income

Annual income	No. of respondents	percentage
Below3,00,000	14	13
3,00,000-5,00,000	21	19
5,00,000-8,00,000	33	30
Above8,00,000	42	38
Total	110	100

Interpretation

Out of 38% of the respondents annual earnings are more than 8,00,000, 30% have earnings between 5,00,000-8,00,000, 19% are between 3,00,000-5,00,000 and only 13% are below 3,00,000.

5. Frequency distribution of respondents on the basis of marital status.

Marital status	No. of respondents	percentage
married	96	87
unmarried	14	13
Total	110	100

Interpretation

Out of total respondents 87% are married

6. Purpose of investment in mutual fund

Sl.no	purpose	No. of respondents	percentage
1	savings	26	24
2	Capital appreciation	26	24
3	Regular income	6	5
4	Tax benefit	14	13
5	liquidity	8	7
6	Purchase of an asset	7	6
7	diversification	14	13
8	Professional management	9	8
	Total	110	100

Interpretation

Savings and capital appreciation is the primary purpose of the investor following tax benefit and diversification

7. Annual savings out of total earning

Annual savings	No. of respondents	percentage
Less than 20%	32	29
20-30%	43	39
30-40%	16	15
40-50%	12	11
More than 50%	7	6
total	110	100

Interpretation

Majority of the respondents (39%) save 20%-30% of their annual savings

8. Awareness of benefits of mutual fund

Sl.no	Awareness	No. Of respondents
1	Not aware	27
2	Some knowledge	64
3	Fully aware	19
	total	110

Interpretation

Out of total respondent 58% have some knowledge about mutual fund

9. Preference of investment avenues

Investment avenues	Rank
Bank deposits	1
Post office	2
Real estate	6
Gold	5
Bonds	7
Mutual funds	3
Insurance	4

Interpretation

Bank deposits and post office savings are considered as number 1 & 2 respectively mutual funds have only 3rd choice.

10. Preference mode of investment in mutual fund

Sl.no	Mode of payment	No. Of respondents
1	One time	22
2	SIP	88

Interpretation

SIP is the preferred mode of investment as compared to one time investment among mutual fund

11. Hypothesis test:

Particulars	Degree of freedom	Calculated value	Critical value (tabular value)
Awareness and gender	2	9.0207	5.99

Result:-As the calculated value is greater than critical value Ho can be rejected. We can accept H1.

CONCLUSION

There exist a relation between awareness and gender. Most of the investors prefer mutual fund for savings and capital appreciation. Majority of the respondents (39%) save 20-30% of their earnings.58% have some knowledge about the mutual fund only 19% argue that they have full knowledge about mutual fund. Most of the investor's prefer systematic investment plan than others.

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