

A study on investors behaviour towards mutual funds in Chennai city

Thiruvassagam. G and Rajasekar. D

AMET Business School, AMET University, Chennai, India

Abstract

“A observe of Investor's conduct toward Mutual finances almost about Chennai ” which is in particular finished to recognize about the investor's behavior with regard to their demographic factors, funding decisions and source of records. as a way to apprehend the level of investor's behaviour, a survey turned into conducted deliberating various parameters concerned in buyers selection making. For the purpose of evaluation, a questionnaire survey approach turned into decided on retaining in mind goals of the take a look at. The information had been accumulated from primary and secondary sources. The primary assets were collected from the traders who invested in various avenues. The secondary resources are from books, journals and the internet. because the investor populace is good sized a pattern length of a hundred changed into taken. The facts had been analyzed the usage of the statistical equipment like percentage evaluation, T-take a look at and ANOVA. The document turned into concluded with findings and recommendations and precis. From the findings, it become inferred overall that the investor is in Chennai town are having extra assets of statistics for the Mutual fund. maximum of the respondents are quite happy with the advantages and the service rendered by using the mutual funds of Chennai city.

Key Words: Mutual Funds, Investors,

1. Introduction

Mutual budget play a critical role in aid mobilization and their efficient allocation in a transitional economic system like India. economic transition is commonly marked with the aid of modifications within the monetary mechanism, institutional integration, marketplace regulation, relocation of saving and investments, and adjustments in the intersect oral relationships. those changes often suggest

negativity which shakes traders' self assurance inside the capital markets. Mutual finances perform a important venture because the efficient allocation of sources in this type of transitional period. The method of liberalization, deregulation, and restructuring of the Indian economic system has similarly created the need for efficient allocation of resources. on this technique of improvement, mutual budget have emerged as robust financial

intermediaries and are gambling an critical position in bringing stability to the monetary system and performance to the resource allocation method. in the course of the sector, mutual finances have worked as a reliable tool of trade in economic intermediation, improvement of the capital markets, and growth of the corporate zone. The energetic involvement of mutual budget in selling economic development also can be visible in their dominant presence within the money and capital markets. Mutual finances make a considerable contribution in vibrating both the markets.

2. Mutual fund definition

A mutual fund is basically a trust and play a significant role as financial intermediaries in mobilizing the saving of people, mostly small and middle income groups, and investing them, hopefully, on a scientific basis. In a mix of income, yielding corporate securities to have a reasonable return on their bonds, In general, mutual fund are perceived to be safer than fixed deposit of companies and debenture with respect to all attributes, that is, safety, liquidity and return. Mutual funds are considered safer than shares of new companies, especially those implementing Greenfield projects, but riskier than bank deposits which are considered risk free. While choosing a scheme, investors look for return, safety, service rendered and promoters' reputation.

3. Need and importance of the study

A number of new investors and significant fresh fund have been inducted into the

mutual fund industry. In addition, the Government is also keen to attract foreign investment into India mutual fund industry through various schemes, membership, and number of listed companies, investor's population, new institution and instruments. It has been noticed particularly during the last 2 to 3 years are – Economic liberalizing policy of the Government for the corporate sector – Free pricing, Invitation to foreign institutional investors to make investment in the corporate sector, Direct foreign investment in industries, Emergence of new institutions and financial instruments.

The instruments can be traded at low cost and are highly liquid. Mutual fund activities in India were limited to only money markets, but are new developments into a various market. In recent years, new instruments such as 182 days treasury bills, certificate of deposits and commercial paper have been introduced. Interbank call money transactions still form the major part mutual fund market. The market is highly volatile. Treasury bill and certificate of deposit are now widely used but use of commercial paper has not picked up because of its high money market rate. The above argument profounder forces the researcher to study the implication of financial sector reforms especially on the India capital market. It is also important to study how the economic reforms flourish the mutual fund industry and help the investors to possess the awareness and transparency.

4. Statement of the problem

In 1991, the India authorities initiated a

complete marketplace-oriented shape software. on the center of this system become a phased deregulation of the monetary zone, at the side of reforms of change and industrial regulations. vital elements of the economic liberalization software wherein a lifting of numerous hobby price ceilings in each credit score and bond markets, an easing or requirement that had made it obligatory for banks to hold a part of their portfolio in non-hobby-bearing reserve and coffee-yielding government securities, a partial dismantling of obstacles to entry into the banking region and more freedom given to banks to shut unviable branches in rural and semi-city areas. along side the liberalization measures become a pass to introduce a regulatory mechanism that might make sure the safety and solvency of the monetary region within the deregulated surroundings. consequently, this have a look at is focused on analyzing the results f financial quarter reforms on mutual fund and the have an impact on of the trendy development at the conduct of investors.

5. Review of the literature

Panigrahi & Prakash (2009) In their study of “Investor's choices of Mutual Funds and their schemes – a study of inter fund variations in returns” found the importance of different factors on which investor`s choices of Mutual Funds depend. They also find in their study that the returns of public and private funds, taken together as well as separately differ significantly and there is no set pattern of rise and fall of returns of either public or private funds.

Devasenathipati & Saleendran et al (2007) , In their study of “Awareness and Perception of people towards Mutual Funds at a Coimbatore City” found the various factors affecting investors behavior towards investment in mutual funds and satisfaction level of investors from different factors related to mutual fund investment like rate of return, tax consideration factors, safety.

6. Objectives of the study

- To study the investor behaviour towards mutual fund.
- To know the factors considered by investors while investing in a mutual fund
- To identify the factors of characteristics of mutual funds with respect to gender and age
- To offer suggestions and recommendation to investors and mutual fund organization for better investment options.

7. Hypothesis

Null Hypothesis 1: Ho: - There is no significant impact factors of characteristic features mutual funds on the investment preference of investors.

Alternative Hypothesis: H1:- There is a significant impact factor of characteristic feature mutual funds on the investment preference of investors.

8. Scope and limitation of the study

The study covers all types of the investors in the mutual fund industry. It includes the investors in different part of Chennai city without discrimination regarding family life

cycle, age, education, income and occupation. The scope of the study has been limited to certain market reforms, perfected in investments and the mutual fund industry. The pilot study restricted the statement regarding factors of characteristics of mutual funds and the latest developments in the mutual fund industry since 1991, though many reforms are present in Indian capital market, the most popular reforms are identified and considered for the study. This study focuses mainly on the implications of financial sector reforms and its impact of Indian mutual funds. Therefore, this study cannot be generalized for all the states in Indian or any country in the world.

9. Methodology

9.1 Research design

Studies design is a chain of advanced decisions that taken together comprise a master plan or version for the behavior of an research. So studies layout gives a framework of plan for examine, which guides the gathering, size, evaluation and interpretation of the facts. The design in my article is descriptive.

9.2 Pilot study and pre-testing

A preliminary investigation was undertaken by contacting 30 investors of mutual funds to identify the important variables regarding characteristic feature of mutual funds, instrument and the changes, return on investments, and latest developments in the mutual funds industry. The purpose of the pilot study is to test the quality of the items in the questionnaire and to confirm the feasibility of the study. This preliminary

investigation is conducted in different parts of Chennai and arrived the percentage of 78.3% by using the cronbach alpha criterion method, which is suitable for the circulating the questionnaire.

9.3 Data collection method

9.3.1 Source of data collection

Both primary and secondary data have been used. The Primary source of data includes personal interviews as well as structured questionnaire. Secondary source of the data included the use of books, journals, brochures and internet services.

9.3.2 Universe

The universe for the survey included all the investors investing in Mutual Funds in Chennai City.

9.3.3 Sampling plan - sampling unit

The target population included Business class, Service class, Professionals who had invested in Mutual Funds.

9.3.4 Sample size

A identical size of 123 respondents are taken for the observe in a random sampling technique, a number of the 123 questionnaire simplest 114 respondents back the stuffed in questionnaire, out of this handiest one hundred of them are located usable. The pattern of this look at covers the different components of Chennai. for this reason, the exact pattern of the take a look at is 100.

9.3.5 Sampling technique

The sampling technique was non-probability convenience sampling technique

9.4 Data analysis and interpretation

The information has been processed and analyzed through tabulation interpretation so that the findings can be communicated and can be effortlessly understood. The findings are offered in the satisfactory viable way. Tables and graphs were used for example of the predominant findings of the studies. The data are analyzed the usage of statistical package for social science (SPSS) and other laptop applications. The statistical tools like percentage evaluation, evaluation of variance, and one sample T-check.

9.5 Number of year's dealing with mutual funds:

The investors in Chennai city are requested to give the responses for the number of years dealing with Mutual funds. The options, which are given to them, are below 5 years, 6-10 years, 11-15 years and above 16 years. The following table gives the percentage of their number of year's dealing with mutual funds.

Table : 1 - Age of the investors

Age	Frequency	Percentage
<25	19	19
26-40	31	31
41-55	22	22
>55	28	28
Total	100	100

The age of the investors is playing crucial role to identify the investment behavior. It is considered as a useful demographic variable to segment the investors based on their perception of the

investment pattern. The respondents were divided into four groups namely less than 25, 26-40 and 41-55 and above 55. The above table clearly indicates that a maximum of 31 percent of investors are in the age group 26 to 40 followed by the investors in the age group >55 with 28 percent, 22 percent in the age group 41-55 and 19 per cent in the age group <25.

Table 2 - Gender of the Investors

Gender	Frequency	Percentage
Male	60	60
Female	40	40
Total	100	100

Masculinity is a vital factor to identify the performance of the investors. In general, most of the investors in mutual fund are males. The females are not much exposed to the effectiveness of mutual fund reforms and their consequences. From the above table it is clear that 60% of the investors are males and 40% are females. This profoundly states that males are more enthusiastic than females in mutual funds investment.

Table:3 - Education of the investors

Education	Frequency	Percentage
School	6	6
Diploma	22	22
Graduate	30	30
Postgraduate	21	21
Professional	21	21
Total	100	100

Education is a powerful background for the investors to analysis the pros and

cons of investment in capital market. It is found that most of the investors are having a good education background. 30 percent of the investors are graduates and 21% are post graduates and 21% are professionals, 22% are diploma holders and a minimum of 6% are educated up to school level. This shows that the educated investors are able to analyze the advantages and disadvantages of investing in mutual funds and they concede that they are able to get transparent information through television and magazines regarding mutual funds in India

Table:4-Occupation of the investors

Occupation	Frequency	Percentage
Government	17	17
Private	52	52
Self-employed	27	27
Retired	4	4
Total	100	100

Occupation of the investors paves the way and induces the investment pattern of the investors. In this study, it is identified that most of the investors are working on private concerns or running their own business, especially 52% and 27% of investors are employed in private or their business concerns. The Government employees are not enthusiastic more in mutual funds investment and only 17% invest in mutual funds and 4% investors retired from their service.

Table : 5 - Income of the investors

Income	Frequency	Percentage
<1 lakh	31	31
1-2 lakhs	45	45
2-3 lakhs	18	18
>3 lakhs	6	6
Total	100	100

The income is the most important

factors for all the investors to allot separate amount for the investment, which will be used for their future purpose. It is found that 45% investors are belonging to the income group 1 to 2 lakhs and 31% investors are having the income less than 1 lakh, 18% are in the income group 2 to 3 lakhs. The 6 percent investors with more than 3 lakhs income are showing more interest on investments in mutual fund.

Table :6-Number of year's dealings with Mutual funds

Number of years	Frequency	Percentage
Below 5 years	6	6
6-10 years	75	75
11-15 years	8	8
Above 15 years	11	11
Total	100	100

From the above table it is clear that 6 percent investors are dealing with Mutual funds for less than 5 years, 75 percent of the investors are having 6 to 10 years of experience, 8 percent investors are possessing dealing with Mutual funds for 11 to 15 years and 11 percent investors of Chennai city are having more than 15 years of experience with Mutual funds. Therefore, it is inferred that most of the investors are interacting with Mutual funds scenario.

Table:7- Percentage of investment in Mutual funds

Percentage of investment	Frequency	Percentage
Below 25%	53	53
26% to 50%	30	30
51% to 75%	17	17
76% to 100%	0	0
Total	100	100

From the above table it is revealed that a maximum of 53 percent of investors allot 25 percent of their investment towards Mutual funds followed by 30 percent of the investors invest 26 to 50 percent of their investment towards Mutual funds market. A minimum of 17 percent investors invest a maximum of 51 to 75 percent of their investment in Mutual funds.

Table:8-Preference of Investment

Preference of Investment	Mean Ranks	Rank
Mutual Funds	1.87	1
Government bonds	4.60	5
Fixed deposits	2.80	2
Gold	3.31	3
Debentures	5.55	7
Real Estate	4.55	4

From the above table it is found that the ranking preference of investors has given a clear picture about their investment preference. It is revealed from table 4.3 that most of the investors in Chennai city give Mutual funds market as their first investment preference followed by fixed deposits, gold, real estate government bonds, mutual funds and debentures. So it is concluded that the investors are highly enthusiastic in Mutual funds investment after their reforms.

Table:9-Reason for investments

Reason for Investments	Mean Ranks	Rank
Return	7	7
Tax benefits	76	76
Liquidity	7	7
Safety	10	10

From the above table it is ascertained that investors give first preference to return of their investment followed by safety for their investment, liquidity and benefits. This shows that the main reason for investments is better returns and more safety.

Table:10-Investment decisions of investor

Influencers	Frequency	Percentage
Head of the family	25	25
Dependents	5	5
Consultants	38	38
Friends and relatives	32	32
Total	100	100

From the above table it is inferred that the investment decisions of investors in Chennai City is mostly influenced by consultants. A maximum of 38 percent of investors are influenced by investment consultants followed by 32 percent influence from friends and relatives, 25 percent influence from head of family and 5 percent influence from dependents of the family in their investment procedure.

Preference of Investment

Table :11 - Preference of investment in Mutual funds – Markets

Nature of Market	Frequency	Percentage
Pure growth schemes	25	25
Income and growth scheme	15	15
Tax saving schemes	60	60
Total	100	100

From the above table it is clear that the investors in Chennai conveniently invest in pure growth scheme, Income and growth scheme and tax saving schemes. A

maximum 60 percent of investors invest in tax saving schemes followed by 25 percent invest in pure growth schemes alone and 15 percent invest income and growth schemes alone. So, it is concluded that most of the investors look at tax savings scheme on the basis of their better returns and safety liquidity and tax benefits.

Table: 12- Preference of investment in Mutual funds-Industry

Industry	Mean Ranks	Rank
Balanced	3.9	2
Magnum Global	4.07	3
Contra	4.36	4
Tax Gain	2.09	1

From the above table it is ascertained that the investors in Chennai prefer more on Tax gain due to its enormous boom followed by Balanced. Magnum Global and contra. Therefore, it is concluded that the investors prefer to invest in Tax gain to maximum returns in some cases they also invest in balanced and Magnum which are suitable for returns and safety.

Tabze :13-Investments other than Mutual funds schemes

Opinion	Frequency	Percentage
Yes	66	66
No	34	34
Total	100	100

From the above table, it is found that a maximum number of 66% of investors in Chennai are dealing with different Mutual funds other than SBI Mutual Funds. Hence, it is concluded that the maximum investors in Chennai are dealing with other mutual funds

in other to get better and safe returns.

Table:14-Source of information about Mutual funds

Source of information	Frequency	Percentage
Newspaper	84	84
Journals/Magazines	52	52
TV Channels	82	82
Stock brokers	33	33
Investment Consultants	35	35
Websites	53	53
Friends/relatives	46	46

From the above table, it is found that 84 percent of investors in Chennai are able to get maximum information about Mutual funds through News paper followed by 82 percent through TV channels. 53 percent through web sites, 52 percent through journals/magazines, 46 percent through friends/relatives, 35 percent through consultants and 33 percent through stock brokers. So it is concluded that investors in Chennai city are having more source information for the Mutual funds.

Table 15- One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
RICM1	100	3.7000	.83485	.08348
RICM2	100	3.9100	.66810	.06681
RICM3	100	3.6300	.77401	.07740
RICM4	100	3.8500	.75712	.07571
RICM5	100	3.4400	.93550	.09355
RICM6	100	3.5100	.87033	.08703
RICM7	100	4.0000	.72474	.07247
RICM8	100	3.7600	.62150	.06215
PM09	100	4.0800	.54458	.05446
PM10	100	3.7500	.70173	.07017
PM11	100	3.8700	.74745	.07475
PM12	100	4.0700	.70000	.07000
SM13	100	4.0800	.63054	.06305
SM14	100	3.7900	.76930	.07693
SM15	100	3.7300	.94125	.09413
SM16	100	3.7400	.82413	.08241
SM17	100	3.8900	.73711	.07371
SM18	100	4.0200	.77824	.07782
SM19	100	3.9600	.79035	.07903
SM20	100	4.1600	.64698	.06470

The one sample statistic table revealed that the mean values of the variables are greater than 3 as well as 4. This implies that the 100 investors collectively appraised that they agree or strongly agree with the statements. The t-test values of these 20 variables with test value three are presented below.

T	Df	Sig.	Mean	95% Confidence Interval of the Difference		
				2- Difference	Interval of the Difference	
					Lower	Upper
RICM1	8.385	99	.000	.70000	.5343	.8657
RICM2	13.621	99	.000	.91000	.7774	1.0426
RICM3	8.139	99	.000	.63000	.4764	.7836
RICM4	11.227	99	.000	.85000	.6998	1.0002
RICM5	4.703	99	.000	.44000	.2544	.6256
RICM6	5.860	99	.000	.51000	.3373	.6827
RICM7	13.798	99	.000	1.00000	.8562	1.1438
RICM8	12.228	99	.000	.76000	.6367	.8833
PM09	19.832	99	.000	1.08000	.9719	1.1881
PM10	10.688	99	.000	.75000	.6108	.8892
PM11	11.640	99	.000	.87000	.7217	1.0183
PM12	15.286	99	.000	1.07000	.9311	1.2089
SM13	17.128	99	.000	1.08000	.9549	1.2051
SM14	10.269	99	.000	.79000	.6374	.9426
SM15	7.756	99	.000	.73000	.5432	.9168
SM16	8.979	99	.000	.74000	.5765	.9035
SM17	12.074	99	.000	.89000	.7437	1.0363
SM18	13.107	99	.000	1.02000	.8656	1.1744
SM19	12.147	99	.000	.96000	.8032	1.1168
SM20	17.929	99	.000	1.16000	1.0316	1.2884

From the above table it is inferred that the mean values are significantly greater than 3. So it is concluded the investors agreed that the mutual fund schemes give high return with less risk. They felt that mutual funds are useful to invest during NFO and taxation periods. They are magnetically attracted by the transparency of operations and less tailor

cost in their proceedings. Investors appreciated the capital appreciation and requirement of less capital investments in mutual funds. In fact, they have more affinity on SBI Equity Schemes which possess market volatile. They are reasonably attracted by SBI debt schemes and balanced funds. They have accepted that they are knowledgeable in investing in sector funds and preferred dividend payout options. The emergence of growth options are reinvestment options lead to high appreciation among the investors. The mutual fund investors are satisfied with annual returns and also accepted their poor knowledge over portfolio risk. They are knowledgeable to accept the operation of mutual funds by fund managers and appreciated the prompt services of SBI mutual funds.

From the above table it is found that there is no significant difference in the opinion of male and female investors about the characteristics of mutual funds. In fact both the investors have identified the indispensability of the factors.

Table:17- Analysis of variance of factors of characteristics of mutual funds with respect to gender.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Capital Appreciation	Between Groups	.750	1	.750	1.533	.219
	Within Groups	47.943	98	.489		
	Total	48.693	99			
	Total	48.693	99			
Purposive Investment	Between Groups	.295	1	.295	2.888	.092
	Within Groups	10.004	98	.102		
	Total	10.299	99			
	Total	10.299	99			
Safe service	Between Groups	.166	1	.166	.323	.571
	Within Groups	50.321	98	.513		
	Total	50.487	99			
	Total	50.487	99			
Extra Cost	Between Groups	.177	1	.177	.588	.445
	Within Groups	29.462	98	.301		
	Total	29.639	99			
	Total	29.639	99			
Risk free	Between Groups	.001	1	.001	.004	.947
	Within Groups	30.261	98	.309		
	Total	30.262	99			
	Total	30.262	99			
Transparent growth	Between Groups	.118	1	.118	.865	.355
	Within Groups	13.413	98	.137		
	Total	13.531	99			
	Total	13.531	99			
Innovative schemes	Between Groups	.000	1	.000	.002	.964
	Within Groups	14.482	98	.148		
	Total	14.482	99			
	Total	14.482	99			
Good performance	Between Groups	.144	1	.144	.881	.350
	Within Groups	16.041	98	.164		
	Total	16.185	99			
	Total	16.185	99			

Table 18: Analysis of variance of factors of characteristics of mutual funds with respect to age

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Capital Appreciation	Between Groups	1.806	2	.903	1.868	.160
	Within Groups	46.887	97	.483		
	Total	48.693	99			
	Total	48.693	99			
Purposive Investment	Between Groups	.481	2	.241	2.377	.098
	Within Groups	9.818	97	.101		
	Total	10.299	99			
	Total	10.299	99			
Safe service	Between Groups	.016	2	.008	.015	.985
	Within Groups	50.471	97	.520		
	Total	50.487	99			
	Total	50.487	99			
Extra Cost	Between Groups	.186	2	.093	.307	.737
	Within Groups	29.453	97	.304		
	Total	29.639	99			
	Total	29.639	99			
Risk free	Between Groups	1.015	2	.508	1.684	.191
	Within Groups	29.247	97	.302		
	Total	30.262	99			
	Total	30.262	99			
Transparent growth	Between Groups	1.684	2	.842	6.893	.002
	Within Groups	11.848	97	.122		
	Total	13.531	99			
	Total	13.531	99			
Innovative schemes	Between Groups	.284	2	.142	.969	.383
	Within Groups	14.198	97	.146		
	Total	14.482	99			
	Total	14.482	99			
Good performance	Between Groups	.234	2	.117	.711	.494
	Within Groups	15.951	97	.164		
	Total	16.185	99			
	Total	16.185	99			

□

Table:19 - Duncan

		Subset for alpha	
		= .05	
Age	N	1	2
<25	17	3.4632	
26-40	70		3.7536
41-55	13		3.9135
Sig.		1.000	0.151

The analysis of variance ascertained that there is a difference of opinion prevailing among investors different age group. The application of Duncan analysis revealed that the investors in the age group less than 25 possess less awareness than other investors due to their experience. Other investors are highly aware of the factors of mutual fund.

10. Findings

A maximum of 31 percent of investors are in the age group 26 to 40 followed by the investors in the age group >55 with 28 percent, 22 percent in the age group 41-55 and 19 per cent in the age group <25. It is clear that 60% of the investors are males and 40% are females. The profoundly states that males are more enthusiastic than females in mutual fund investment. It is found that most of the investors are having good education background. 30 percent of the investors are graduates and 22% percent are diploma holders and a minimum of 6 percent are educated upto school level. This shows that the educated investors are able to analyze the advantages and disadvantages of investment

in mutual funds and they concede that they are able to get transparent information through television and magazines regarding mutual funds in India. Most of the investors are working in private concerns or running their own business especially 52% and 27% of investors are employed in private or their business concerns. The Government employees are not enthusiastic more in mutual funds investment and only 17 percent invest in mutual funds and 4 per cent investors retired from their service. It is found that 45% investors are belonging to the income group 1 to 2 lakhs and 31% investors are having the income less than 1 lakh, 18% are in the income group 2 to 3 lakhs. It is also inferred that 6 percent investors with more than 3 lakhs income are showing more interest on investments in capital market. It is clear that 6 percent investors are dealing with Mutual funds for less than 5 years, 75 percent of the investors are having 6 to 10 years of experience, 8 percent investors are possessing dealings with Mutual funds for 11 to 15 years and 11 percent investors of Chennai city are having more than 15 years of experience with Mutual funds. So it is inferred that of the investors are interacting with Mutual funds scenario. A maximum of 53 percent of investors allot 25 percent of their investment towards mutual funds followed by 30 percent of the investors invest 26 to 50 percent of their investment towards mutual fund market. A minimum of 17 percent investors invests a maximum of 51 to 75 percent of their investment in mutual funds. Most of the investors in Chennai city

give mutual funds market as their first investment preference followed by fixed deposits, gold, real estate, government bonds, mutual funds and debentures. So it is concluded that the investors are highly enthusiastic in mutual funds investment after their reforms. It is ascertained that investors give first preference to the return of their investment followed by safety for their investment, liquidity and tax benefits. This shows that the main reason for investments is better returns and more safety. A maximum of 38 percent of investors are influenced by investment consultants followed by 32 percent influence from friends and relatives. 25 percent influence from head of family and 5 percent influence from dependents of the family in their investment procedure. A maximum of 60 percent of investors invest in tax saving schemes followed by 25 percent invest in pure growth schemes alone and 15 percent invest in income and growth schemes alone. So, it is concluded that most of the investors look at tax savings schemes on the basis of their better returns and safety, liquidity and tax benefits. It is concluded that the investors prefer to invest in SBI Tax gain to get minimum returns in some cases they also invest in SBI balanced and SBI Magnum, which are suitable for returns and safety. A maximum number of 66% of investors in Chennai are dealing with Mutual funds other than SBI mutual funds. Hence, it is concluded that the maximum investors in Chennai are dealing with other mutual funds in order to get better and safe returns. It is

found that 84 percent of investors in Chennai are able to get maximum information about Mutual funds through Newspapers followed by 82 percent through TV channels, 53 percent through web sites, 52 percent through journals/magazines, 46 percent through friends/relatives, 35 percent through consultants and 33 percent through stock brokers. So it is concluded that investors in Chennai city are having more source of information for the Mutual fund.

11. Suggestions

The transparency must be made among the companies and their performance, so that the investors can decide their investment on suitable mutual funds. Innovative technologies must be brought in mutual fund industry for growth and to attract maximum number of investors. Special strategies must emerge in mutual fund industry to reduce the market risk. Provisions must be made to return at least the principal amount of investors. Marketing strategies must be employed to encourage women investors, special reservation can also be given to certain investors of the economy. The competitions of capital market have come from mutual funds, real estate and gold. Therefore, the companies must be careful enough to issuing their fund schemes. Transparency must be made both in mutual funds and in fund managers equally to help the investors to get their returns safely.

12. Conclusion

The latest developments in mutual funds are

emerged in the form of refining the procedures adopted by the companies issuing the funds, strategies for the growth of mutual fund industry, programs to educate and attract the investors, and innovative technological advancements like electronic and online transactions etc. The demographic variables of the investors are affecting their awareness on characteristics of mutual funds and its latest developments, Especially age, gender, educational qualification, occupation is playing the vital role. Investors are willing to take risk to invest in mutual funds, at the same time they prefer their money to work hard to earn more profit and return safely. The main reason for investing in mutual fund is good return and liquidity. Some of the investors forced to invest for their tax benefit. Investors are depending on mutual fund consultant rather than family members and friend, for their investment. They believe consultants observe all sort of developments and reforms intensely. The investment pattern is associated to industry preference, criteria for investment, nature of stock exchange and custodial service. The mutual fund reforms invited a large chunk of investors. Investors are showing more enthusiasm in investing on gold and lands for

the appreciation of investment amount in short span of time. The transparency and smooth dealings in mutual funds industry attracted many investors to invest in mutual funds offered by many industry banking and IT industry.

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