

INVESTOR'S PERCEPTIONS OF SECTORS EQUITY MUTUAL FUND IN INDIA

Mr. MEGHARAJA.B¹

Dr. CHALAWADI C.I²

Abstract

Investment takes vital role in the present economy for the movements of inflations rate year by year due to the changes in the rules and regulations of the Indian government to the changes of ruling party once in five years, therefore the investors indented to make their money safety and maintain with same values for the future. Hence investors make savings through the sacrifice their day to day activities for the sake of future benefits. In the present economy have different investment avenues in India such as Post office savings, bank deposit, insurance, securities market, real estate, mutual funds and gold etc. In these avenues few of them high risk and return, low risk and low returns, but some avenues require knowledge for deployment of savings except mutual fund. A mutual fund managed by the professionals, the study was conducted to know the investor who belongs to Bellary district, who actively participated investing in mutual fund, their perceptions on sectors equity mutual fund in India. The study data analysed and interpreted of questionnaire through the statistical tools. Hence the researcher attempted to know the investors' perceptions of sectors equity mutual fund in India.

Key words: *Descriptive statistics, one sample t test, Chi-square test etc.*

¹ Assistant Professor and Research Scholar, Department of Studies and Research in Commerce, Vijayanagara Sri Krishnadevaraya University, Jnanasagara Campus, Vinayaka Nagar –Bellary. Karnataka State, India.

² Research Guide and Assistant Professor, Department of Studies and Research in Commerce, Vijayanagara Sri Krishnadevaraya University, Post Graduate Centre, Yelburga (Post &Tq) Koppal (Dist), Karnataka (State)

Introduction

The investment is a commitment of fund by person intention to earning additional return for the their investment and mutual funds collected savings from the small investor and invest them in corporate securities and government securities, in the present day economy mutual fund has been playing vital role for attracting potential investors and existing investors who had invested others than mutual funds such as stock market, bank deposit, post office and real estate. A mutual fund is an investment vehicle made up of a pool of funds collected from many investors for the purpose of investing in assets and securities such as stocks, bonds or money market instruments. Mutual funds are operated by fund managers, who invest the fund capital and attempt to produce capital gains and income for the fund investors. An asset management company (AMC) is a company that manages a mutual fund. For all practical purposes, it is an organized form of a money portfolio manager which has several mutual fund schemes with similar or varied investment objectives. The AMC hires a professional money manager, who buys and sells securities in line with the fund's stated objective. A mutual fund portfolio is structured and maintained to match the investment objectives stated in its prospectus. Each investor owns shares, which represent a portion of the holdings of the fund. Thus, a mutual fund is one of the most viable investment options for the small investor as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. Mutual funds invest in a wide amount of securities, and performance is usually tracked as the change in the total market cap of the fund, derived by aggregating performance of the underlying investments. Mutual fund units, or shares, can typically be purchased or redeemed as needed at the fund's current net asset value (NAV) per share. A fund's NAV is derived by dividing the total value of the securities in the portfolio by the total amount of shares outstanding. Mutual funds allow investors to pool in their money for a diversified selection of securities, managed by a professional fund manager. It offers an array of innovative products like fund of funds, exchange-traded funds, Fixed Maturity Plans, Sectoral Funds and many more.

The intention of the investors to invest at mutual funds are as follows



along with Beat Inflation, Expert Managers, Convenience, Low Cost, Diversification, Higher Return Potential, Liquidity, Safety & Transparency etc..

Statement of the problem

The mutual fund has been made tremendously significant role in the present scenario and it has been attracting the unknown and prospective investor who would like to invest, hence the study attempt to know the investors who made investment especially risky securities by the mutual funds such as sectors equity mutual funds, those sectors are Banking, Fast Moving Consumer Goods, Infrastructure, Pharmacy and others those involved high risky securities. The study went to attempt to know the investors' perceptions of sectors equity mutual fund India. The researcher has collected data from the investors who actively involved sectors equity mutual fund at Bellary district in Karnataka by using structure questionnaire and evaluated them through the suitable statistical tools on an entailed "investor's perceptions of sectors equity mutual fund in India"

Objectives of the study

- To know the profile of the investors who invested in sectors equity mutual fund in India.
- To examine the investors' perceptions of sectors equity mutual fund in India
- To analyses the investors' perceptions and opinions by the statistical tools

Hypotheses of the study

Ho1 – There is no significant difference in perceptions for investment given by investors

Sources of the study

The study data was collected by distributed purely based (Primary data) on close ended structured questionnaire, those investors belong to Bellary district and actively invested sectors equity mutual fund in India.

Types of research design: Descriptive research

Sampling technique: connivance sampling in non probability sampling

Sampling frame or Unit: The research was conducted in Bellary city only and Investors who invested at sectors equity mutual fund in India.

Period of the study: From 01-01-2017 to 31- 10-2017.

Sample size of the study: A sample of 50 investors used to conduct the study

Tools used for the study: close ended structured questionnaire used for the collecting perceptions and opinions of the investors who actively invested in sectors equity mutual fund in India.

Statistical Tools: the tools used in this study are: descriptive statistics' and Chi-Square Test for Association two hypotheses were made in this study and hypothesis testing was done using Chi square for association using ms excel. Both hypotheses were tested with 95% confidence level i.e. at 5% significant level.

Scaling technique: Five point Likert type scale used for analysis of the study and interpretation (Strongly disagree-1, Disagree-2, neutral -3, Agree-4, strongly agree-5)

Limitations of the study

The study data was collected from investors who at the stock broking working hours.

The study scope has limited Bellary District only.

The study data collected of 50 filed questionnaires from the investors.

Primary data analyses and interpretations

Profile of the investors

Age	<35	35-45	45-55	>55	Total
Respondents	20	15	5	10	50
Percentage	40	30	10	20	100
Members of the Family	<2	2-4	4-6	>6	
Respondents	25	15	7	3	50
Percentage	50	30	14	6	100
Educ. Qualification.	Primary	Secondary	Graduate	Post Graduate	
Respondents	3	10	25	12	50
Percentage	6	20	50	24	100
Occupation	Employee	Business	Former	Others	
Respondents	30	17	0	3	50
Percentage	60	34	0	6	100
Monthly savings ('000)	<5	5-10	10-15	>15	
Respondents	23	17	7	3	50
Percentage	46	34	14	6	100

Analyses and interpretation

The study demographical area base on that 20 percent of the respondents age less than the 35 years and 30 percent of respondents age between 35 to 45, 10 percent of the respondents age between 45 to 55, rest of the percent of the respondent age more than the 55 ages.

Respondent's intention to invest in mutual funds beyond family responsibility indicates that 50 percent of the respondents have simple family, and 30 percent of the respondents were 2 to 4 members and 14 and 6 percents of the respondent's family member are up to 6 and more than 6 respectively, totally concludes that more family member are not able to investment at mutual fund and less family member may not be invest at mutual funds.

The study respondents educational qualification, 26 percent of the respondents belonging to primary and secondary education, 74 percent of the respondents are graduate and post graduate, it concludes that higher the qualification of the investors have more aware of mutual funds in study area.

The respondent's occupation of the study, among 94 percent respondents belong to Employees and business and rest of the respondents are others occupations. It clearly tells that it was attracted of employees and business in the sample study.

The investor's savings of the study express that 46 percent of the respondents made savings less than the Rs. 5000, and 34 percent made savings between 5000 to 10000 and 14 and 6 percent of the respondents made investment at mutual funds more than 10000. It concludes that less savers, it was attracted and not to more savers in the sample area.

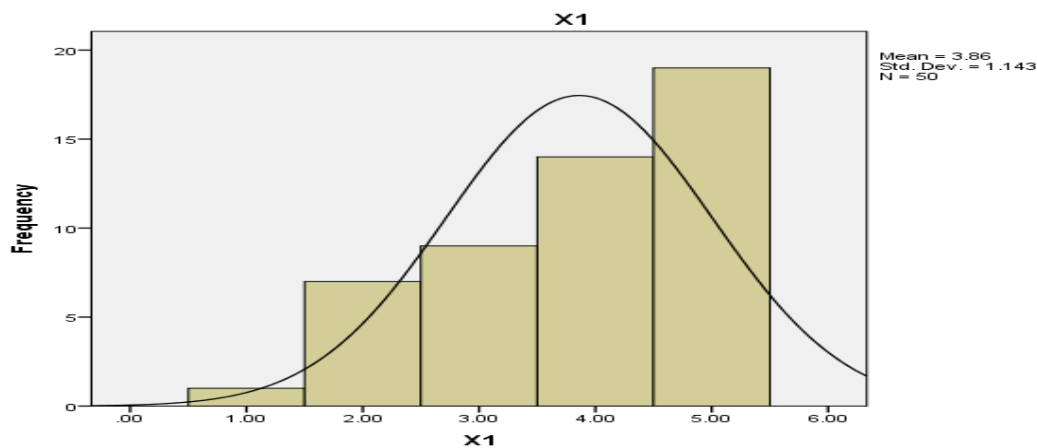
Investors Perceptions of the statements codes for analysis and interpretation of the data.

Codes	Statements to the investors
X1	Are you satisfied by investing mutual fund?
X2	Do you have a satisfaction for investing in equity mutual funds?
X3	Do you have a satisfaction for investing in sectors equity mutual funds?
X4	How do you feel about services of the sectors equity mutual fund AMC's India?
X5	What about your perceptions toward AMC's services India?
X6	How do you feel about the fund managers in your AMCs?
X7	Are you satisfied by getting options from the fund manager in your AMCs?
X8	How do you feel about AMC's Service fee charges in India?

Table-1

Investor's satisfaction of mutual funds in India (X1)

X1		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Dissatisfied	1	2.0	2.0	2.0
	Dissatisfied	7	14.0	14.0	16.0
	Neutral	9	18.0	18.0	34.0
	Satisfied	14	28.0	28.0	62.0
	Highly Satisfied	19	38.0	38.0	100.0
	Total	50	100.0	100.0	

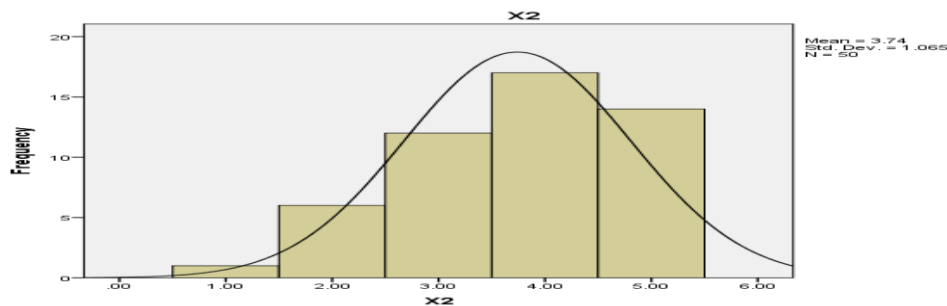


Interpretation: The above table 1 and Chart 1 depicted that majority of the respondents (19) are highly satisfied, 14 respondents' satisfied and 9 respondents are neutral and remaining respondents are dissatisfied. Hence it shows that the selected investors 67 percents are satisfied and highly satisfied and 16 percent of the investors are not satisfied towards mutual fund in India.

Table-2

Satisfaction for investing in equity mutual funds (X2)

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	1	2.0	2.0	2.0
Dissatisfied	6	12.0	12.0	14.0
Valid Neutral	12	24.0	24.0	38.0
Satisfied	17	34.0	34.0	72.0
Highly Satisfied	14	28.0	28.0	100.0
Total	50	100.0	100.0	

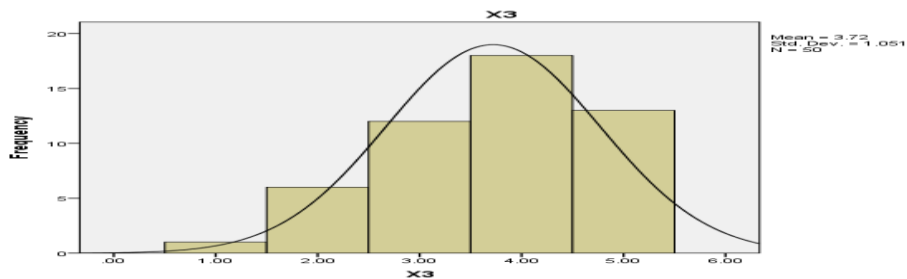


Interpretation: The above table 2 and Chart 2 shows that majority of the respondents (17) are satisfied, 14 respondents' highly satisfied and 12 respondents are neutral and remaining respondents are dissatisfied. Hence it shows that the selected majority investors 62 percents are satisfied and highly satisfied and 14 percent of the investors are dissatisfied and highly dissatisfied on investing on equity mutual funds in India.

Table-3

Investors satisfactions of sectors equity mutual funds (X3)

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	1	2.0	2.0	2.0
Dissatisfied	6	12.0	12.0	14.0
Valid Neutral	12	24.0	24.0	38.0
Satisfied	18	36.0	36.0	74.0
Highly Satisfied	13	26.0	26.0	100.0
Total	50	100.0	100.0	

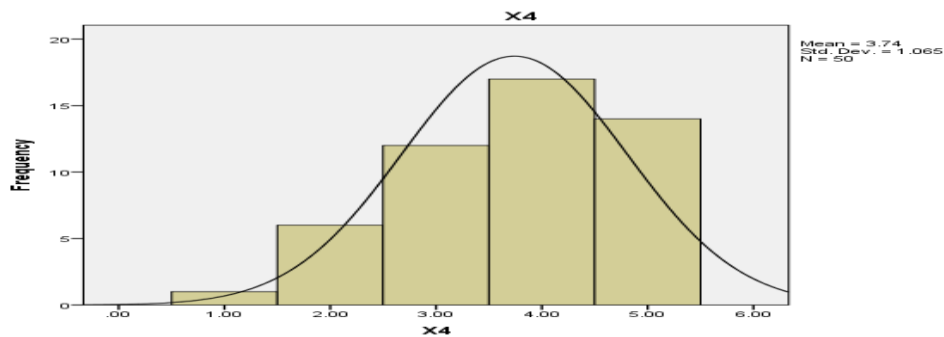


Interpretation: The above table 3 and Chart 3 shows that majority of the respondents 18 are satisfied, 13 respondents' highly satisfied and 12 respondents are neutral and remaining respondents are dissatisfied and highly dissatisfied. Hence it concludes that the selected majority investors 62 percents are satisfied and highly satisfied and 14 percent of the investors are dissatisfied and highly dissatisfied on investing on sectors equity mutual fund in India.

Table-4

Investors satisfactions of services offered by the AMC's on sectors equity mutual fund in India (X4)

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	1	2.0	2.0	2.0
Dissatisfied	6	12.0	12.0	14.0
Valid Neutral	12	24.0	24.0	38.0
Satisfied	17	34.0	34.0	72.0
Highly Satisfied	14	28.0	28.0	100.0
Total	50	100.0	100.0	

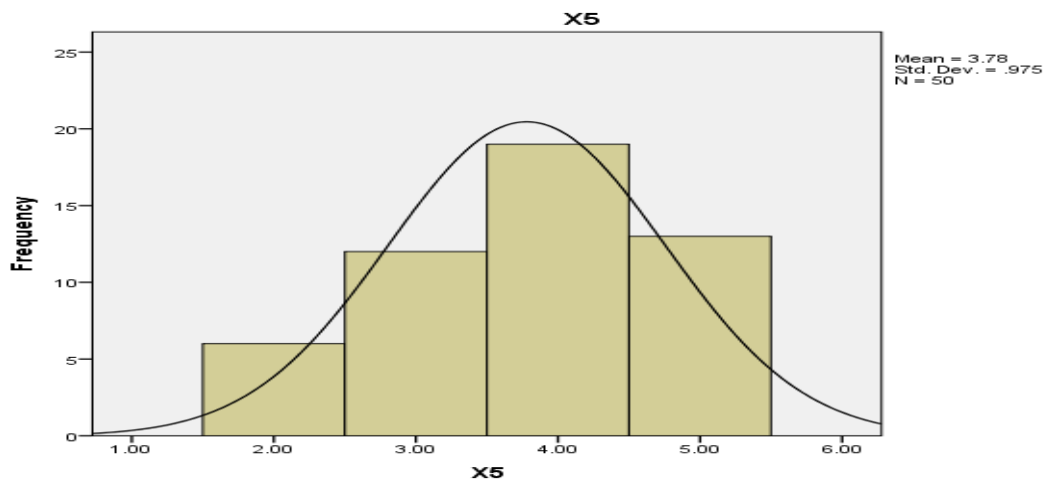


Interpretation: The above table 4 and Chart 4 states that majority of the 17 respondents are satisfied, 13 respondents' highly satisfied and 12 respondents are neutral and rest of the respondents are dissatisfied and highly dissatisfied. Hence it concludes that the selected majority investors 62 percents are satisfied and highly satisfied and 14 percent of the investors are dissatisfied and highly dissatisfied on services offered by the AMC's on sectors equity mutual fund in India.

Table-5

Investors perceptions toward AMC's general services in India (X5)

	Frequency	Percent	Valid Percent	Cumulative Percent
Dissatisfied	6	12.0	12.0	12.0
Neutral	12	24.0	24.0	36.0
Satisfied	19	38.0	38.0	74.0
Highly Satisfied	13	26.0	26.0	100.0
Total	50	100.0	100.0	

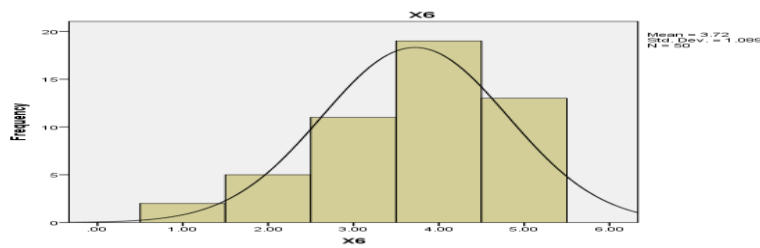


Interpretation: The above table 5 and Chart 5 states that 19 respondents are satisfied, 13 respondents' highly satisfied and 12 respondents are neutral and rest of the respondents are dissatisfied. Hence it concludes that the selected majority investors 64 percents are satisfied and highly satisfied and 12 percent of the investors are dissatisfied on services offered by the AMCs on general on mutual fund in India.

Table-6

Investors perceptions on the fund managers in AMCs (X6)

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	2	4.0	4.0	4.0
Dissatisfied	5	10.0	10.0	14.0
Valid Neutral	11	22.0	22.0	36.0
Satisfied	19	38.0	38.0	74.0
Highly Satisfied	13	26.0	26.0	100.0
Total	50	100.0	100.0	

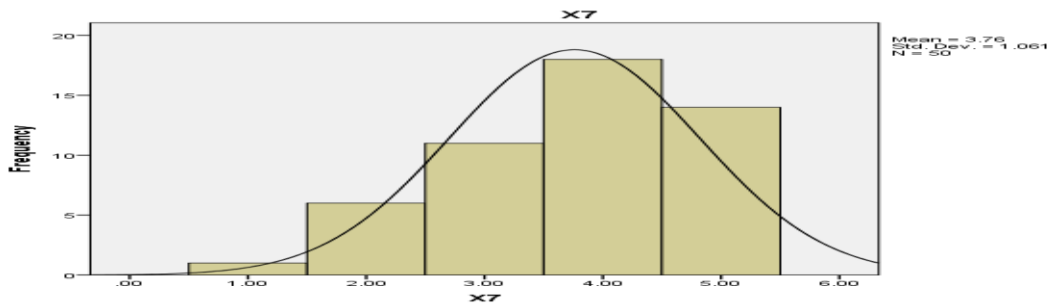


Interpretation: The above table 6 and Chart 6 states that majority of the 19 respondents are satisfied, 13 respondents' highly satisfied and 11 respondents are neutral and rest of the respondents are dissatisfied and highly dissatisfied. Hence it concludes that the selected majority investors 64 percents are satisfied and highly satisfied and 14 percent of the investors are dissatisfied and highly dissatisfied on the fund managers in AMCs.

Table -7

Investors satisfaction on options given by the fund manager in AMCs (X7)

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	1	2.0	2.0	2.0
Dissatisfied	6	12.0	12.0	14.0
Valid Neutral	11	22.0	22.0	36.0
Satisfied	18	36.0	36.0	72.0
Highly Satisfied	14	28.0	28.0	100.0
Total	50	100.0	100.0	

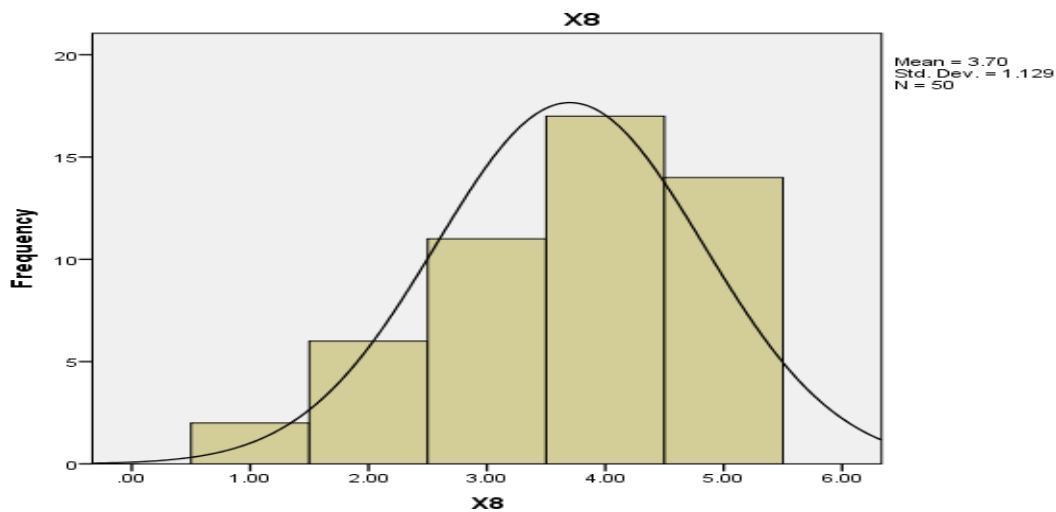


Interpretation: The above table 7 and Chart 7 shows that majority of the respondents 18 are satisfied, 14 respondents' highly satisfied and 11 respondents are neutral and rest of the respondents are dissatisfied and highly dissatisfied. Hence it concludes that the selected majority investors 64 percents are satisfied and highly satisfied and 14 percent of the investors are dissatisfied and highly dissatisfied on investing on Investors satisfaction on options given by the fund manager in AMCs.

Table-8

Investors perceptions towards AMC's Service fee charges in India (X8)

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	2	4.0	4.0	4.0
Dissatisfied	6	12.0	12.0	16.0
Valid Neutral	11	22.0	22.0	38.0
Satisfied	17	34.0	34.0	72.0
Highly Satisfied	14	28.0	28.0	100.0
Total	50	100.0	100.0	



Interpretation: The above table 8 and Chart 8 shows that majority of the respondents 17 are satisfied, 14 respondents' highly satisfied and 11 respondents are neutral and remaining respondents are dissatisfied and highly dissatisfied. Hence it concludes that the selected majority investors 62 percents are satisfied and highly satisfied and 16 percent of the investors are dissatisfied and highly dissatisfied on investing towards AMC's Service fee charges in India

Table-9**Descriptive statistics of selected investors' perceptions on sectors equity mutual fund in India**

Descriptive Statistics									
		X1	X2	X3	X4	X5	X6	X7	X8
N	Valid	50	50	50	50	50	50	50	50
	Missing	0	0	0	0	0	0	0	0
Mean		3.8600	3.7400	3.7200	3.7400	3.7800	3.7200	3.7600	3.7000
Median		4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Mode		5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Std. Deviation		1.14304	1.06541	1.05056	1.06541	.97499	1.08872	1.06061	1.12938
CV		0.296	0.285	0.282	0.285	0.258	0.293	0.282	0.305
Variance		1.307	1.135	1.104	1.135	.951	1.185	1.125	1.276
Skewness		-.654	-.505	-.504	-.505	-.361	-.694	-.563	-.611
Std. Error of Skewness		.337	.337	.337	.337	.337	.337	.337	.337
Kurtosis		-.656	-.501	-.438	-.501	-.806	-.053	-.414	-.369
Std. Error of Kurtosis		.662	.662	.662	.662	.662	.662	.662	.662
Range		4.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Sum		193.00	187.00	186.00	187.00	189.00	186.00	188.00	185.00

Analysis and interpretation:

N: (Numbers of the observation), it represents the 50 respondents given their perceptions on sectors equity mutual fund in India and there is no missing observation all statements

Mean: The mean is the average perceptions level of a group of students and the study selected respondents shared their view under five point likert scale express that majority of the respondents positive perceptions more than the 3, hence that selected investors are satisfied on statistical data.

The median is the point in the distribution that splits the scores in two equal groups, which is also known as the midpoint of a distribution, or the 50th percentile.

The mode is the most frequently occurring score in a distribution

The selected respondents standard Deviations are more than the 1 and less than the 1.5 except the X5 (.97). The higher the standard deviation, the wider the distribution of the scores is around the mean. This indicates a more heterogeneous or dissimilar spread of raw scores on a scale. A lower value of the standard deviation indicates a narrower distribution (more similar or homogeneous) of the raw scores around the mean.

The CV makes interpreting a bit easier by dividing the standard deviation by the mean ($1.143/3.86=0.296$). Higher values indicate higher variability. Hence the above data shows that less variations means investors have consistent perceptions on sectors equity mutual fund.

Skewness: A symmetrical distribution has a skewness of zero. An asymmetrical distribution with a long tail to the right (higher values) has a positive skew and an asymmetrical distribution with a long tail to the left (lower values) has a negative skew.

Kurtosis: it is measured against the normal distribution. If the kurtosis is close to 0, then a normal distribution is often assumed. These are called mesokurtic distributions. If the kurtosis is less than zero, then the distribution is light tails and is called a platykurtic distribution. If the kurtosis is greater than zero, then the distribution has heavier tails and is called a leptokurtic distribution

The range, R, is the difference between the lowest and the highest scores in a distribution. The range is easy to compute and interpret, but it only indicates the difference between the two extreme scores in a set.

The table shows the One-Sample T Test

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
X1	23.879	49	.000	3.86000	3.5352	4.1848
X2	24.822	49	.000	3.74000	3.4372	4.0428
X3	25.038	49	.000	3.72000	3.4214	4.0186
X4	24.822	49	.000	3.74000	3.4372	4.0428
X5	27.414	49	.000	3.78000	3.5029	4.0571
X6	24.161	49	.000	3.72000	3.4106	4.0294
X7	25.068	49	.000	3.76000	3.4586	4.0614
X8	23.166	49	.000	3.70000	3.3790	4.0210

Analysis: The above calculated value of the investors' perceptions on sectors equity mutual fund in India shows that calculated values of one sample T test greater than the table value is 1.960 at 5 percent level of significance and 49 degree of freedom for two tailed test. Hence the null hypotheses have rejected and alternative hypotheses accepted. It concludes that there is significant difference between the selected investors' perceptions on sectors equity mutual fund in India.

The table shows the Chi-Square Test Statistics

	X1	X2	X3	X4	X5	X6	X7	X8
Chi-Square	18.800 ^a	16.600 ^a	17.400 ^a	16.600 ^a	6.800 ^b	18.000 ^a	17.800 ^a	14.600 ^a
df	4	4	4	4	3	4	4	4
Asymp. Sig.	.001	.002	.002	.002	.079	.001	.001	.006

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 10.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 12.5.

Ho- there is no significance difference between the investors' perceptions on sectors equity mutual fund in India.

Ha- there is significance difference between the investors' perceptions on sectors equity mutual fund in India.

Analysis and interpretation: The above sampled fifty investors' perceptions to words sectors equity mutual funds were evaluated that those investor's perceptions were same on sectors equity mutual fund in India. The data was analysed using a chi-square goodness of fit test. The null hypotheses were rejected ($P < .05$) to all except X5, under 5 percent levels of significance table value is 11.668 at 4 degree of freedom but X5 calculated value is 6.8 less than the above table value, hence its null hypothesis has accepted and others are rejected. The majority of the investors have the same perceptions towards the sectors equity mutual fund but not on the AMCs.

Finding and conclusion

The study attempt to know the investors' perceptions sectors equity mutual fund in India, descriptive research used for analyses and interpretation of the collected structured questionnaire, those are issued to the Bellary District in Karnataka State on random sampling. The study has analysed that 68 percent of the respondents are satisfied of mutual fund. The 62 percent of the respondents are satisfied by investing in the equity and sectors equity mutual fund. The 62 percent of the respondents satisfied services and fee charges of the AMCs on sectors equity mutual fund. The 64 percent of the respondents are satisfied on services given by the AMC's. 66 percent of the respondents are satisfied which is options given by the fund managers in the AMC's. One sample t test, the null hypotheses have rejected and alternative hypotheses accepted. It concludes that there is significant difference between the selected investors' perceptions on sectors equity mutual fund in India. The majority of the investors have the same perceptions towards the sectors equity mutual fund but not on the AMCs. Overall paper says that investors who invested sectors equity mutual fund are satisfied by taking high risk as well as high returns.

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