



**A STUDY ON INVESTORS' PERCEPTION TOWARDS
MUTUAL FUNDS (SYSTEMATIC INVESTMENT PLAN (SIP)
IN ANANTAPUR AND KURNOOL**

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Abstract:

In India, when thinking about investment, the first and foremost challenge that all investors face is an overabundance of options. From bonds to fixed deposits, gold to stocks, money market securities and a combination of all these, each has its set of benefits and challenges. Furthermore, investors need to consider the time horizon of their investments, risk appetite and returns based on the goals they want to achieve. Mutual Funds are having so many advantages like; Comparatively higher Return on Investment (ROI), Managed by experts, Built-in Diversification, Ease of investing and monitoring, Tax Benefits and Liquidity and Systematic Withdrawal Plan, in spite of all these advantages still investors are not interested in investing in Mutual funds, may be because of lack of awareness, so the study has been undertaken to know the investors perception towards Mutual funds (Systematic Investment Plan)by studying it is found that awareness is less towards mutual funds, Broking houses have organize awareness programs to motivate people to invest in mutual funds.

Keywords: *Diversification, Systematic Investment Plan, Return on Investment, Mutual Fund, Fixed deposits.*

1.Introduction:

Systematic Investment Plan is an approach to investing within managed investments which



involves investing a set of amount at regular intervals rather than investing a larger lumpsum amount in one shot. By investing this way you are not attempting to capture the highs and lows of the market but rather the cost of your investment is averaged over a period of time. The essence of SIPs is that when the markets fall investors automatically acquire more units. Likewise they acquire lesser units when the market rises. This means that you buy less when the price is high whereas you buy more the price is low. Hence the average cost per unit drops down over a period of time.

Mutual funds that invest in stock marketrelated instruments cannot be termed risk-freeor safe as investment in shares are inherently risky by nature, whereas funds that invest infixed-income instruments are relatively safe and those that invest only in government securities are the safest. Systematic Investment Plan (SIP) is a smart financial planning tool that helps you to create wealth, by investing small sums of money every month, over a period of time. Systematic Investment Plan (SIP) is a planned approach to investments and an investment technique that allows you to provide for the future by investing small amounts of money in Mutual Fund schemes of your choice.

Objective of the Study

- 1) To understand the concept of Systematic Investment Plan
- 2) To review the existing literature on Systematic Investment Plan
- 3) To understand investors perception towards Systematic Investment Plan

RESEARCH METHODOLOGY

This is Empirical Data By using Primary source like Questionnaire and also secondary source of data like Journals, New papers, Articles etc.

Samples:110

Tools and Techniques: Percentages = (No of Respondents/Total Respondents)x100

Review of Literature

1. **Venkatesh (2004)** found that fund-houses are able to educate the unit-holders, the spateof minor-variant funds may not be the order of the day. Investor fatigue need not set in.



2. **Saraswathi (2006)**² found that small savings are pooled and entrusted to Mutual Funds which can be used to buy the chips where regular returns and capital appreciation are ensured.
3. **Ms.KavithaRanganathan (2006)**³ reveals that the Salaried person's savings are most often deposited in Mutual Funds; MF industry in India has a large untapped market in urban areas besides the virgin markets in semi-urban and rural areas.
4. **Sumalatha.B.S (2007)**⁴ found that the entry of large number of private and the foreign Mutual Funds (both joint venture predominantly Indian and foreign) has changed the structure of the industry as a whole. The sector wise analysis of competition shows that the competition is moderate among the sectors. Within the sectors, competition is high in the public sector and foreign sector and it has declined in the private sector.
5. **Kavitha R. (2007)**⁵ analyzed the fund selection behavior of individual investors toward Mutual Fund in Mumbai city during the period July 2004-December 2004 and found that there is fair opportunity to mutual investment in Future.
6. **N. Geetha & M. Ramesh (2011)**⁶ study reveals that the personal profiles of investors have direct influence over the investors in making Mutual Fund investment decisions. Mutual Fund investors are not much sure that the Mutual Fund investments are secure and they are disagree that Mutual Fund investments generate better returns.

DATA ANALYSIS AND INTERPRETATION

1) Age of investors

Age	26-35	36-45	46-55	Above55
N.O.INV	35	44	26	05

From the above table it can be seen that the more investors are from the age group of 36-45 yrs, i.e. 44%, and some investors are from the age group of 26-35 yrs i.e. 35%, and the remaining investors are of 46-55 yrs i.e. 26% and the smallest amount investors are from the age group of above 55. It can be interpreted that 36-45 age group investors are investing and they are aware of its benefits because with small amount they can start investing and they are preferable salaried employed whose sources are fixed.



2. Awareness about mutual funds

Response	N.O.Investors	Percentage
Yes	58	53%
No	52	47%
Total	110	100

From the above table it can be seen among the customer awareness 58% noare awareness of mutual funds and remaining 47% of investor not aware of mutual funds

3. Educational details of investors

Educational details	No.of. investors	Percentage
Graduate	65	59%
Below graduate	35	32%
Others	10	9%
total	110	100

From the above table it can be seen that aming graduate investors are 59%,and under graduates are of 32% and remaining others are of 9%.it can be interpreted that education is the important factor for investment in financial products .

4. Investors occupation

Investor occupation	n.o.investors	Percentage
Self employed	25	23%
Salaried	30	27%
Business	45	41%
Retired	10	9%
total	110	100%

From the above table it can be seen that 41% of investors are businessman,27% belongs to salaried,23% investors are self-employed,and remaining 9% are retired person.because this two salaried and business to are booked profit compare to other investment avenues.

5. Salaries of the investors per annum

wages	n.o.investors	Percentage
<300,000-500,000	58	53%
500,000-10,00,000	32	29%
10,00,000-above 2500,000	20	18%
total	110	100%



From the above table it can be seen that 53% of investors income is Rs 300,000-500,000,29% of investors is more than Rs 500,000-10,00,000 and 18% investor group is above 2500000,Brokers have to educate the high income group investors to invest more in mutualfunds by justyfing their returns .

6. Investor preference in diverse in kind of savings.

Types of savings	n.o.invetors	percentage
Mutual funds	26	24%
Stock market	17	15%
Shares	14	13%
Fixed deposits	40	36%
Bonds	05	4%
Gold	02	2%
Insurance	06	6%
total	110	100%

From the above table it can be seen that ,36%investors have invested in fixed deposits because people think it is a safety investment measure, 24% in mutualfunds due to lack of knowledge.This is because investor are not educated properly they are having fear in investing in mutual funds because of lack of knowledge so, they prefer other investment avenues.

7.How do they come to know about mutual fund

Source of data	n.o.investers	Percentage
Notice	14	13%
Companion gathering	16	14%
Banks	32	29%
Financial guide	48	44%
total	110	100

From the above table it can seen that, 44%are familiar about mutual fund through financial advisor, 29%people are familiar through banks, 13% are familiar through notice and remaining 14% are through peer group.

8.mode of venture preferred by the investors

Mode of invest ment	n.o.investors	Percentage
One time investment	72	65%
Systematic investment plan	38	35%
total	110	100%



From the above table it can be seen that 65% preferred one time investment because here most of the investors are business persons so they prefer for long time investment and 35% investors preferred systematic investment plan because some investors are salaried persons.

9. channel preferred by the financial specialist for mutual fund investment

channel	n.o.investers	Percentage
Directly from AMC's	12	11%
Brokers	28	25%
Brokers/sub brokers	58	53%
Other sources	12	11%
total	100	100%

From the above table it can be seen that 53% prefers to invest through brokers/sub brokers, 25% through brokers because these are the institutions through which they will invest easily.

10. preference of investors for future investment interest in mutual fund

Name of AMC's	n.o.investers	Percentage
ICICI Prudential	12	11%
UTI	16	14%
SBIMF	34	31%
HDFC	20	18%
Reliance	15	14%
JM Mutual fund	13	12%
Other specify	Nil	0
total	110	100%

From the above table it can be seen that 31% preferred to invest in SBIMF because this is a most trusted funds so more no of investors easily invest in SBIMF compared to any other company funds. Even brokers also suggesting to invest in SBIMF mutual funds.

11. portfolios preferred by the investors

portfolios	n.o.investors	percentage
Eqity fund	66	60%
Debt fund	28	25%
Hybrid fund	16	15%
total	110	100%



From the above table it can be seen that 60% prefer for Equity portfolio, 25% prefer to debt fund and 15% prefer Hybrid portfolios, equity fund is high risk and return category, investors who bear high risk they will earn more profit.

12. customers investment in SIP

Customers investment	n.o.investment	percentage
500Rs	15	13%
500-1000Rs	70	64%
1000&Above	25	23%
total	110	100%

From the above table it can be seen that 64% of customer prefer to investment Rs 500-1000P.M because this is minimum amount so every body can afford it easily. 23% customers prefer to investment more than 1000P.M to purchase more no of units and 13% customers prefer to investment Rs 500P.M, it depends on their income source.

13. Investment period of SIP Policy

n.o.years invested	n.o.investors	percentage
Less than 5 years	12	11%
5-10 years	28	25%
10 years&above	70	64%
total	110	100%

From the above table it can be seen that 11% investors invests up to period less than 5 year. 25% investors invests for a period of 5-10 years and 64% above 10 years.

14. customer satisfaction with SIP Return

Response	n.o.investors	Percentage
Satisfied	82	75%
Not satisfied	28	25%
total	110	100%

From the above table it can be seen that 75% of customers are satisfied with SIP returns and 25% customers are not satisfied with SIP returns. Majority are satisfied because they got high return compare their expected returns.



15. problem faced while redeeming mutual funds

Response	n.o.investers	Percentage
Yes	35	32%
No	75	68%
Total	110	100%

From the above table it can be seen that 32% customers don't face any problem while redeeming funds whereas 68% customers face problems while redeeming funds they will be facing like mismatch in signature on cheques of investors and many other problems there.

16. Will you recommend others to invest in mutual funds?

Response	n.o.investors	Percentage
Agree	76	69%
Disagree	34	31%
Total	110	100%

From the above table it can be seen that 31% of investors will recommend others about mutual funds whereas 69% of investors will not recommend others to invest. Because mutual funds are market determined we cannot assure you define return little risk is there through there are portfolio managers who will be managing our funds and also through knowledge of financial market one should have to invest in any financial securities.

Findings:

1. The above table 1 indicate that 47% awareness of mutual funds and also they are preferred for mainly safe money that's way invested in Fixed deposits after that followed by Mutual funds
2. So many of the investors are mainly graduates i.e.59% and remaining are below graduates
3. The above table 8 venture preferred by One Time Investment 65%
4. The above table 14 indicate that most of investors satisfied SIP Returns

Suggestion:

1. Mutual fund has been focused as an investment avenue in past few years only. The financial growth and stability of an economy plays a vital role in this area.
2. Gradually educated citizens are gaining the knowledge of saving and investment cycle and its effects in an economy.
3. Many has opted for SIP. But still there are some lacking in our economy especially in the field of mutual fund investment criteria.

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CONCLUSION;

From the above study it can be concluded that very less investors are aware of Mutual Funds in Anantapur and Kurnool City but those who have invested in these funds are satisfied and earned good profit. Know it is a challenge for the stock brokers to create the awareness of Mutual funds in the society and explain them that how best their funds are managed by the asset manager based on their risk taking ability.

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Questionnaire

Name of the Investor _____

1. Age of the investors
 - a) 26-35
 - b) 36-45
 - c) 46-55
 - d) Above55
2. Awareness about Mutual Funds
 - a) Yes

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- b) No
3. Educational Details of investors
 - a) Graduate
 - b) Below Graduate
 - c) Others
4. Investors occupation
 - a) Self Employed
 - b) Salaried
 - c) Business
 - d) Retired
5. **Family wages of the investor**
 - a) <300,000 to 500,000
 - b) 500,0001 to 10,00,000
 - c) 10,00,0001 to Above 2500,000
6. **Investor preference in diverse kind of savings.**
 - a) Mutual Funds
 - b) Stock Market
 - c) Shares
 - d) Fixed Deposits
 - e) Bonds
 - f) Gold
 - g) Insurance
7. **How do they come to know about Mutual Fund**
 - a) Notice
 - b) Companion gathering
 - c) Banks
 - d) Financial guide
8. **Mode of venture preferred by the Investors**
 - a) One Time Investment
 - b) Systematic Investment plan
9. **Channel Preferred by the financial specialists for Mutual Fund Investment**
 - a) Directly from AMC's

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- b) Brokers
- c) Brokers/sub-Brokers
- d) Other Sources
- 10. **Preference of Investors for Future Investment interest in Mutual Fund**
 - a) ICICI Prudential
 - b) UTI
 - c) SBIMF
 - d) HDFC
 - e) Reliance
 - f) JM Mutual Fund
 - g) Other Specify
- 11. **Portfolios preferred by the Investors**
 - a) equity Fund
 - b) debt Fund
 - c) Hybrid Fund
- 12. **Customers investment in SIP**
 - a) 500Rs
 - b) 500-1000Rs
 - c) 1000 & Above
- 13. **Investment period of SIP Policy**
 - a) Less than 5years
 - b) 5-10 years
 - c) 10years & Above
- 14. **Customers satisfaction with SIP Return**
 - a) Satisfied
 - b) Not satisfied
- 15. **Problem Faced while Redeeming Mutual Fund**
 - a) Yes
 - b) No
- 16. **Will you recommend others to Invest in Mutual Funds?**
 - a) Agree
 - b) Disagree
- 17. Any Other Information_____