



A STUDY ON COMPARING INVESTOR BEHAVIOR TOWARD TRADITIONAL INVESTMENT PLAN & MUTUAL FUND IN SURAT

Vishva Gangani¹, Taral Patel²

¹Student, B.V. Patel Institute of Management, Uka Tarsadia University, Mahuva, Bardoli, Gujarat, India

²Assistant Professor, B.V. Patel Institute of Management, Uka Tarsadia University, Mahuva, Bardoli, Gujarat, India

ABSTRACT

Indian mutual fund industry is growing at a good pace. But large segment of investors are still outside the umbrella of the industry. The aim of study was preference about various schemes for asset in mutual fund and factors considered by the investors while making invest in mutual fund. Safety, high return, tax benefits, and low risk are the factors that you feel are important while making investment in mutual fund or traditional investment plan. A sample size of 141 respondents was taken for carrying out research. For achieving the objective of the study has used the descriptive research design and primary data collection method for getting the result. Researcher has used Chi-square, Frequency, cross tabulation, to get verified result. It is conducted through this research work that employees are tried to save a good amount for their future needs. The best option for the employees is Mutual Fund. Employees believe that saving money helps in many ways.

KEYWORDS: Mutual fund, Traditional investment plans, Analysis, Study

INTRODUCTION

Unit Trust of India was the first mutual fund set up in India in the year 1963. In late 1980s, Government allowed public sector banks and institutions to set up mutual funds. Different investment avenues are available to investors. Mutual funds also offer good investment opportunities to the investors. Like all investments, they also carry certain risks. The investors should compare the risks and expected returns after adjustment of tax on various instruments while taking investment decisions. The investors may seek advice from experts while making investment decisions. With an objective to make the investors aware of functioning of mutual funds, an attempt has been made to provide information in question-answer format which may help the investors in taking investment decisions. the notion of traditional investments refers to putting money into well-known assets (such as bonds, cash, real estate, and equity shares) with the expectation of capital appreciation, dividends, and interest earnings. Traditional investments are to be contrasted with alternative investments.

LITRETURE REVIEW

Sridevi, JULY, (2019) conducted A study on Investor Behavior toward Mutual Fund Investment. Their Objective are to study the investment pattern of the mutual fund investor in Kerala. To identify the factor that influences the choice of investment of the individual investors. The respondent was selected by using probability random sampling method from investor and questionnaires was collected from 150 samples. Conclusion is it can be concluding that the Indian mutual fund industries are growing at a good pace But large segment of

investor are still outside the umbrella of the industry the reach of the fund houses to different segment of investors are still a key challenges.

Dr. JK Raju, February, (2018) conducted A study on Investors Attitude towards Mutual Fund as an Investment Avenue. Their Objective are to study about the factors responsible for the selection of mutual fund as investment options. To study and rank the factor having implication on attitudes of investor towards mutual fund. Research Methodology Data has been collected from primary data through questionnaire. The respondent was selected by using survey method from investor and a questionnaire was collected from 100 samples. Conclusion is the result of the study reveals that the low income investors have invested their money in systematic investment plan schemes with the savings motives. The high income investors, most of the respondents have invested their money in the mutual fund.

Sharma D., September (2013) conducted A study on Investment Perception and Selection Behavior towards Mutual Fund. Their Objective are to study the meaning, organization, working, and growth of mutual fund in India. To depict the present & Future potential of mutual fund. To find out the various factor affecting the behavior of selection towards mutual fund. Research Methodology The researcher was used causal design and primary data collection. The respondent was selected by using non convenient sampling method and it was collected through personal interviews. Conclusion is the result of the study mutual fund plays an increasingly important role in financial intermediaries. As of yearend 1992, the U.S mutual fund industry had more than \$ 1.5 trillion under management in +3000 funds.



Rao, Mohana P. (2006) opined that, UTI followed by LIC Mutual Fund dominated the market with 54 and 15 schemes respectively. His interview with 120 respondents showed that, 96 percent invested in UTI due to better service and return. 50 percent of shareholding and 25 percent of unit-holding respondents were from metro cities. Investor’s services, income–cum-growth option and capital appreciation were very important aspects while choosing a fund. He identified that the close-end schemes were very popular among investors and respondents in general expected private sector funds to improve the quality of services, investors’ confidence besides reducing fraud and mismanagement.

Mishra (1986) in his study has worked on objective to check the impact of operating of LIC and impact of LIC’s performance on the client satisfaction. It had been complete that being the sole company providing best services to the customers by satisfying their desires, is running with success by earning sufficient and by providing extended services to the purchasers. The study examined that LIC is managing its client base primarily with agency channel. With the wide unfold hands of LIC in each a part of the country, the purchasers are given with variety of insurance product at their door steps as per their needs.

ANALYSIS

OBJECTIVE

- To know various factors of investment considered by the investors while selecting to invest in the mutual fund.
- To find out demographical factors of investors affecting investment decision in traditional investment plan and Mutual fund.

RESEARCH METHODOLOGY

The research is an exploratory followed by descriptive one because the entire project is based on questionnaire and analysis which is of exploratory nature followed by the detailed description and analysis show the project is of descriptive design also. In this research primary data for the present study. Primary data were generated through questionnaire for this study. A well-structured questionnaire was prepared and distributed to collect information. The study has been conducted in the Surat city where the population for the research was general people. For this study, the sample size taken for the survey is of 141 people from Surat city. The sampling technique used in this study is non-probability convenience sampling. In such a technique research seeks his or her own convenience to reach the ultimate target group. Statistical techniques like simple percentage analysis, frequency distribution table, chi-square test and various charts by MS Excel and SPSS has been used for data analysis.

Table: 1

		Frequency	Percentage
Gender	Male	94	66.6
	Female	47	33.3
Age	< 20 years	9	6.4
	21 to 30 years	62	44.0
	31 to 40 years	41	29.1
	41 to 50 years	20	14.2
	> 50 years	9	6.4
Qualification	HSC	25	17.7
	Graduate	59	41.8
	Post graduate	37	26.2
	Specific	20	14.2
Occupation	Student	26	18.4
	Business	43	30.5
	Professional	18	12.8
	Salaried	37	26.2
	Others	17	12.1
Earning Family Member	1	13	9.2
	2	54	38.3
	3	33	23.4
	4	22	15.6
	More than 4	19	13.5
Family Annual Income	Below 3,00,000	16	11.3
	3,00,001 to 5,00,000	23	16.3
	5,00,001 to 7,00,000	27	19.1
	7,00,001 to 9,00,000	23	16.3
	Above 9,00,001	52	36.9



Marital Status	Married	92	65.2
	Unmarried	46	32.6
	Divorce	3	2.1

The study Of Mutual fund and Traditional investment plan found that 66.6% investors are male and 33.3% investors are female respondents. Majority of the investor's age group has between 21-30 years which considered highest 40% of sample population. 141of respondents were represent done with graduate which constituted highest 41.8% of sample population. Majority of the investors are doing business which

considered highest 30.5%.The majority of the investors in their family earning member is 2 which constituted highest 38.3%. The majority of the investors in their family annual income are Above 9, 00,001 which constituted highest 36.9%. Majority of the investors are married which constituted highest 65.2% of sample population.

Table: 2

Particular	Frequency	Percent
Are you investor?		
Yes	138	97.9
No	3	2.1
How do you know about mutual fund schemes? (Multiple choice)		
Family & Friends	53	20.2
Agent & broker	66	25.1
Outdoor media	48	18.3
Print media	43	16.3
Electronic media	36	13.7
Word-of-Mouth	17	6.5
How do you select mutual fund schemes?		
Schemes objective	36	25.5
Performance	40	28.4
Investment	31	22.0
fund manager	12	8.5
Comparison with others schemes	22	15.6
Which types of traditional plans do you prefer?		
Insurance	40	28.4
Bank deposit	37	26.2
Postal schemes	15	10.6
Mutual fund	31	22.0
Equity	15	10.6
Others	3	2.1

The total investors141, 97.9% of the respondents are Investors and 2.1% of the respondents are not Investors. Majority of the investors are known about mutual fund scheme by the Agent and Brokers which constituted highest 25.1% of sample population. Majority of the investors are

select Performance option which constituted highest 28.4%. Majority of the investors prefer Insurance Traditional plan which constituted highest 28.4% of Population.

Table: 3

H0: There is association between Gender, Qualification and investment decision of MF.

H1: There is no association between Gender, Qualification and investment decision of MF.

Statements	Mean	Standard deviation	Chi-square	Result(H0)
Represent association between Gender and investment decision of mutual fund.				
I review my investment decision frequently	1.65	0.927	0.694	Accepted
Investment decision do have impact on life style	1.95	0.936	0.260	Accepted



I made wise decision for investing in MF	2.25	1.050	0.126	Accepted
I set long term financial goal and strive to achieve them	1.84	1.086	0.981	Accepted
I never put all money in a single investment option	2.01	1.236	0.533	Accepted
I have invested in MF after consult with expert	2.06	1.184	0.723	Accepted
I have invested repeatedly in MF	2.40	1.207	0.616	Accepted
I recommend others to invest in Mf	2.02	1.268	0.441	Accepted
Represent association between Qualification and investment decision of mutual fund.				
I review my investment decision frequently	1.65	0.927	0.325	Accepted
Investment decision do have impact on life style	1.95	0.936	0.670	Accepted
I made wise decision for investing in MF	2.25	1.050	0.023	Rejected
I set long term financial goal and strive to achieve them	1.84	1.086	0.397	Accepted
I never put all money in a single investment option	2.01	1.236	0.189	Accepted
I have invested in MF after consult with expert	2.06	1.184	0.148	Accepted
I have invested repeatedly in MF	2.40	1.207	0.636	Accepted
I recommend others to invest in Mf	2.02	1.268	0.545	Accepted

RESULT

chi square result shows that investment decision frequently, Investment decision impact on life style, decision for investing in MF, set long term financial goal, never put money in a single investment, invested in MF after consult with expert, invested repeatedly in MF, recommend others to invest in Mf this all statements shows that there is association between Gender and investment decision because result is greater than 0.05 so H₀ is accepted.

Chi square result shows that there is association between Qualification and investment decision of mutual fund because all statements chi square result are greater than 0.05 so H₀ is accepted and H₀ is rejected in made wise decision for investing in MF because there result is less than 0.05.

CONCLUSION

It can be conclude that the Indian mutual fund industry is growing at a good pace. But large segment of investors are still outside the umbrella of the industry. The aim of study was preference about various schemes for asset in mutual fund and factors considered by the investors while making invest in mutual fund and traditional investment plan. Safety, high return, tax benefits, and low risk are the factors that you feel are important while making investment in mutual fund and traditional plan. From the above report it is conclude investor do investment with the suggestion of their friends and families, agents & brokers, media and word-of-mouth. Insurance plan is most prefer by the investors and Bank deposit, Postal scheme, equity and others traditional



investment plan. Mutual fund plan and investment period place are better to concentrate.

BIBLIOGRAPHY

1. Anjali Acharya, A. C. (September, 2018). *Investment Behavior of Investors towards Mutual funds". Emerging Trends and innovations in Modern Management. Volume: 3, Issue: September 2018*
2. Dr. JK Raju, M. M. (February, 2018.). *A study on Investors Attitude towards Mutual Fund as an Investment Avenue. Journal of Emerging Technologies and innovative Research. February 2018, Volume 5, Issue 2, ISSN-2349-5162*
3. Dr. Parul Mittal, M. S. (March, 2019). *A study of Investor's behavior towards Indian Mutual Fund in Haryana. IOSR Journal of Business and Management. Volume 21, Issue 3. Ser. III (March, 2019), ISSN: 2278-487X*
4. Dr. Rajesh Kumar, N. G. (December, 2014). *An Empirical study on Investor's Perception towards Mutual Fund. International Journal of Research in Management & Business Studies. Vol. 1, Issue:4 Dec 2014, ISSN:2348-6503*
5. K.Alamelu, D. (2017). *Investors Perception towards Mutual Fund in Madurai District, Tamil Nadu. International Journal of Engineering Development and Research. Volume 5, Issue 3, ISSN: 2321-9939*
6. Kamaruniza, A. K. (2020). *Mutual fund Investor's Investment Behavior - An Empirical Analysis. International Journal of Advance Science and Technology.*
7. Kumar, R. (June, 2020). *An Empirical Study on Investors Behavior towards Mutual Funds Investment. Review of Professional Management.*
8. Mindargi, (June, 2013). *A study on Investor's Attitude towards Mutual Funds with special reference to investors in Solapur City. International Journal of Accounting and Financial management Research. Vol. 3, Issue 2, ISSN: 2249-6882*
9. Mishra, d. J. (October-2019). *A study on Investor's Perception towards mutual fund in the city of Bhubaneswar. SSRG International Journal of Economics and Management Studies. ISSN: 2393 - 9125*
10. Mr.S.Balamurugan, D. (May, 2020). *Study on Investors Behavior in Systematic Plan of Mutual Fund. Mukta Shabd Journal. ISSN No : 2347-3150*
11. Nandan K R, R. K. (October, 2019). *Behavioral Study on Investor's towards Mutual Fund with Special Reference to Bangalore Investors. International Journal of Innovation Science and Research Technology. Volume 4, Issue 10, October ISSN: 2456-2165*
12. Prof Mohd Akbar Ali Khan, A. (January, 2013). *Investors Behavior towards Investment in Mutual Fund - A Comparative Study in Telangana region in the State of Andhra Pradesh. Madras University Journal of Business and Finance.*
13. prof. (Dr.) Mohit Gangwar (2017), *a Study of Investor Behavior for Investment in Mutual Fund in Allahabad. International Advance Research Journal in Science, Engineering, and Technology. Vol.4, Issue 7 July 2017, ISSN: 2393-8021*
14. Sailaja, D. N. (March, 2018). *A Study on Investors Awareness towards Mutual Funds Investment. International Journal of Civil Engineering and Technology. Volume 9, Issue 3, March 2018, ISSN: 0976-6316*
15. Sebastian, A. (December, 2017). *A study on Investor's Perception towards Mutual Funds with special reference to Cochin City. International Journal of Research in Economics and Social Science. Volume:7, ISSN: 2249-7382*
16. Sharma, D. (September, 2013). *Investment Perception and Selection Behavior towards Mutual Fund. International Journal of techno-Management Research. a. ISSN: 0972-9380*
17. Sharma, R. (June-2015). *Behavior of Mutual Fund Investor towards Investment Option: Mutual Fund. Journal of management Research and Analysis.*
18. Sridevi, D. (JULY, 2019). *INVESTOR'S BEHAVIOR TOWARDS MUTUAL FUND INVESTMENT. EPRA International Journal of Research and Developments. Volume: 4, Issue: 7 July 2019, ISSN: 2455-7838*
19. Subramanya P R, (March, 2013). *Investors Attitude towards Mutual Fund (Special Reference to Chikkamagalore District, Karnataka State, India). International Journal of Management & Business Studies. Vol. 3, Issue 1, Jan - March 2013 ISSN : 2230-9519*
20. SUDARMATHI, J. D. B. (2017). *A study on investor's behavior towards Mutual fund. IJARIE. Vol-3 Issue-5 2017, IJARIE-ISSN(O)-2395-4396*
21. Tyagi, D. (August, 2018). *A study on Investor's Attitude towards Mutual Funds in Delhi. AEIJMR. Vol:6, Issue:08 Aug, ISSN:2348-6724*
22. Velmugan, D. (September, 2019). *A study on Investors Attitude towards Mutual Fund in Tiruchirappalli. Journal of Composition Theory. ISSN : 0731-6755*
23. Vipin Kumar, P. B. (February, 2014). *A Study on Investor's Behavior towards Mutual Fund in Rohtak, Haryana. International Journal of Engineering and Management Research.*
24. Vivek Gupta, V. M. (April 2013). *Mutual Fund: A study Investors' Behavior in Panipat Region. International Journal of 3600 Management Review.*