



Investor Preference About Investment in Mutual Funds with Special Reference of Bonanza Portfolio Limited at Salem

KEYWORDS

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INTRODUCTION TO THE STUDY

The study was conducted to evaluate the investor preference about investment in mutual funds with special reference of bonanza portfolio limited at salem. Mutual fund is essentially a mechanism of pooling together saving of large number of investors by issuing for collective investment with a stated objective of attractive yield capital appreciation, holding safety and liquidity as prime parameters.

The concept of mutual fund was conceived too pool resources of the small investors and deploys the same in the capital market through participation in the mutual fund schemes. Different investment avenues are available to investors.

For conducting the research work primary data was collected through, the questionnaires and the secondary data was collected from personal records, website, books and journals.

To calculate the investor preference about mutual funds the study was consider the investors annual income, educational qualification, channel preference and amount invested in mutual funds. The major tools used were percentage analysis, chi-square test and correlation co-efficient method.

NEED FOR THE STUDY

- The study was conducted to know the investor preference towards invest in mutual funds
- To know the descriptive characteristics of investors
- To analyse the how the investor descriptive characteristics are affect investors preference about mutual fund investment
- To know the investors satisfaction towards invest in mutual funds

OBJECTIVE OF THE STUDY

- To identify the investor preference about investment in Mutual Funds
- To identify the investors channel preference for investing in Mutual Funds.
- To identify the satisfaction level of investor's by investing in Mutual Funds.

RESEARCH METHODOLOGY

Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent.

METHODOLOGY OF THE STUDY

Type of research	- Descriptive research
Research approach	- Field Study
Research instrument	- Questionnaire
Sampling Method	- Probability (Simple random Sampling)
Collected Data's	- Primary Data
Sample Size	- 100

RESEARCH DESIGN

A Research design is purely and simply the framework or plan

for the guides the collection and analysis of data.

It is the overall operational pattern or framework of the project that stipulated the information to be collected, from which source and what procedures. A Research design might be described as a series of advance decision that taken together from a specific master plan or the model for the conduct of the investigation. Descriptive research is used in this project.

NATURE OF DATA

The task of data collection begins after research problems have been defined and research design chalked out. Data is the foundation for all marketing research. The researchers can obtain data form.

- Primary data
- Secondary data

ANALYTICAL DESIGN STATISTICAL TOOLS

To arrange and interpret the collected data the following statistical tools were used.

Percentage analysis Method.
Chi square Method

LIMITATION OF THE STUDY

The research study was limited to Salem only.

The research is conducted with a limited size of 100 investors.

The study is confined to the investors of the mutual fund.

The study had a time constraint as the time was only a period of six months.

The data provided by the respondents may not be 100% correct as they too have their limitations

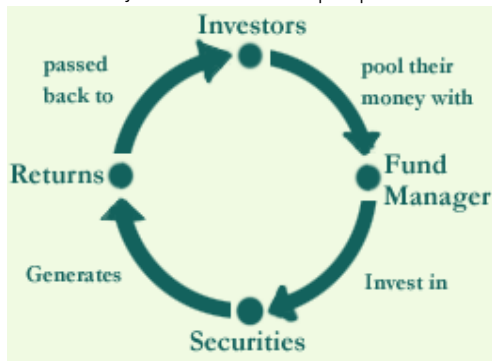
MUTUAL FUND

Mutual fund is a type of professionally managed collective investment vehicle that pools money from many investors to purchase securities. While there is no legal definition of mutual fund, the term is most commonly applied only to those collective investment vehicles that are regulated, available to the general public and open-ended in nature. Hedge funds are not considered a type of mutual fund.

Definition of 'Mutual Fund':

An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the in-

vestment objectives stated in its prospectus.



ORGANIZATION PROFILE ABOUT THE COMPANY:

Bonanza developed into one of the largest financial services and broking house in India within a short span of time. Today, bonanza is the fastest growing financial services 5 mega group companies under it. With diligent effort, acknowledged industry leadership and experience, Bonanza has spread its trustworthy expertise all over the country with pan-India presence across more than 1784 outlets spread across 560 cities.

With a smorgasbord of services across all verticals in finance, Bonanzas offers you the perfect blend of financial services right from Equity Broking, Advisory Services that cover Portfolio Management Services, Mutual Fund Investments, and Insurance to Exceptional Depository Services.

Bonanza believes in being technologically advanced so that we can offer you- our tech- savvy customers- an integrated and innovative platform to trade online as well as offline. Besides, we also have one of the finest and most dedicated research teams with experts who have in-depth, unsurpassed knowledge of the market place. All this and more makes Bonanza the perfect place for you to take your first step in the direction of financial success.

Bonanza is affiliated with the best in the industry- right from the NSE, BSE MCX, MCX-SX to CDSL, NSDL, ICEX and USE etc. These affiliations prove our worth in the market and make bonanza a name reckon with.

With various titles and achievements under our belt, Bonanza looks forward to rougher challenges and newer milestones to conquer, so that you- our customer can get nothing less than the BES

SERVICE PROVIDED BY BONANZA

1. Mutual Funds
2. Insurance
3. PMS
4. Share Broking
5. IPO
6. Currency Derivatives
7. Commodity Broking

CORPORATE TIEUPS

The company has Corporate Tie ups with Birla Sunlife, Bajaj Allianz, ICICI Prudential, SBI , Aviva , Kotak Mahindra and Reliance for Life Insurance and General Insurance. In General Insurance, Bonanza provides Insurance for Motor, Health, Travel, Housekeeper, Shopkeeper, Marine, Personal and Group Insurance.

COMPETITORS:

- Angel Broking
- India Infoline
- India Bulls
- Bajaj Capital

CHI SQUARE TEST NO: 1

Aim:

To perform the Chi-Square test and to find out whether there is a significant relationship between the respondent Educational qualification & channel preference to invest in Mutual Funds.

The Chi Square Test between the respondent Educational qualification & channel preference to invest in Mutual Funds.

	Under Graduation	Graduation	Post Graduation	Professional Degree	Total
Stock Brokers	14	11	12	8	45
Banks	7	12	7	5	31
Distributors	6	10	4	4	24
Total	27	33	23	17	100

Chi-Square- $\chi^2 = \sum (O-E)^2 / E$

Where 'O' is the Observed value

'E' is Expected Value

POSSIBLE HYPOTHESIS:

Ho= There is no significant relationship between respondent Educational qualification & channel preference to invest in Mutual Funds.

H1= There is significant relationship between respondent Educational qualification & channel preference to invest in Mutual Funds.

TEST VALUE:

Calculated value	Table value	Degree of freedom	Significant level
3.2	12.59	6	5%

Degree of freedom = (c-1) (r-1)
 = (4-1)(3-1)
 = 6

Tabulated Chi-square value of 6 degree of freedom at 5% level of significance is 12.59.

Calculated value is less than tabulated value. Ho is accepted.

INFERENCE:

It's observed above the table that calculated value of chi-square is less than the table value. Hence the null hypothesis is accepted and it concluded that there is no significant relationship between respondent Educational qualification & channel preference to invest in Mutual Fund

SUMMARY OF FINDINGS, SUGGESTION, CONCLUSION

FINDINGS:

PERCENTAGE ANALYSIS METHOD

77% of male investors, whereas only 23% of female investors invest in Mutual Funds.

33% of investor's have a income between Rs 150001 – 200000 per month,

Nearly 45% of the investor's are graduates

Returns has been the main reason for preferring mutual funds as 41% of the respondents have opted for it

46% of the respondents feel that savings is the major factor of difference for investing in mutual funds

Most of the investors prefer Open ended schemes which near up to 78%

56% of investors make an Investment analysis

34% of investors are aware of the risks related to their investment

All the investors agree to the statement "When Return is more risk is also more".

CHI-SQUARE ANALYSIS METHOD

There is no significant relationship between respondent Educational qualification and channel preference to invest in Mutual Funds.

There is no significant relationship between respondent Educational qualification & investor preference factor to invest in Mutual Fund.

SUGGESTION

The maximum investors are preferred to made the payment option to executives at the doors so the company can keep it well.

The investors are not extremely satisfied with Expert Guid-

ance and information availability form the company so company can concentrate more on to provide guidance and information to investors.

The most of the investors are aware of the risk related to their investments so company can provide a proper guidance and information to their clients.

CONCLUSION:

This study has made to attempt to understand investor preference towards Mutual fund investments at salem.

Running a successful Mutual Fund requires a through understanding of psyche of the investors. The Mutual fund companies must know the what their investors think about the fund and Risk factors towards the mutual fund investments.

This research has suggested that the organization to boot the mutual fund investment company shall educate the public to the benefits of mutual funds through the advertisement, publicity campaigns having stall exhibition.

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