INTRODUCTION
In this era of globalization and competition, the success of an industry is determined by the market performance of its stock. The investors too like to invest only in the stock of those companies from which they can get maximum gains. In early years of growth of mutual fund industry, investors were available only with few investment avenues to invest their money. But with the passage of time a lot of opportunities are available to the investors for investing their money in different investment channels. One such channel is to invest in mutual funds along with effective financial management. Mutual funds have seen a tremendous growth in the last few years. This is the result of combined efforts of the brokerage houses and the fund managers who come to one’s rescue by educating the investors and making them aware of the mutual fund schemes by different modes of promotion.

TYPES OF MUTUAL FUNDS
There are number of mutual funds to suit the need and preferences of the investors. The objective of earning helps in deciding the types of funds where investment is made. The mutual funds are classified into following:

On the basis of ownership:
- Public sector mutual funds: UTI and SBI are the foremost mutual funds launched in India. After that the various public organisations like IND bank-MF, CAN bank-MF, BOI-MF, PNB-MF and many more.
- Private sector mutual funds: in 1992, the government allowed the private sector to join mutual fund industry.

On the basis of scheme of operation:
- Open ended schemes: these are those schemes in which the period of maturity of the scheme is not specified.
- Close ended schemes: these are those schemes in which the period of maturity of the scheme is specified.
- Interval schemes: these are that scheme which is kept open for a specific interval and after that it operates as a close scheme.

On the basis of portfolio:
- Income funds: This fund provides maximum income

IMPORTANCE OF MUTUAL FUNDS
The investors get the benefit of expert supervision while investing in mutual funds. The risk factor also reduces because the mutual funds invest in the large companies. There are certain schemes of mutual funds which provide tax advantage also. Mutual funds provide flexible investment plans to its subscribers. Mutual funds are regulated and monitored by SEBI. Mutual funds are expected to provide higher returns to the investors. Mutual fund provides diversification.

ABSTRACT
With the opening of Indian economy, many developments have taken place in the capital market. The Indian financial system nurtures the savings among investors and channels them to their optimum and effective use. In today’s competitive era, the various investment avenues are available to the investors. Investors in general have enthusiasm to invest in those particular avenues which will produce the maximum returns with minimum risks. So, the mutual funds have opened a new outlook to the most of small investors by taking the investment to their doorstep. Mostly in India, small investors go for that information which don’t act as hurdle against inflation and give negative returns. The present study focuses on the behavior of investors towards mutual funds. This study will be useful to the brokers, distributors and to all investors.

KEYWORDS
Investment, Mutual funds, Investor, Behavior, Individual

MUTUAL FUNDS: INDIVIDUAL INVESTOR BEHAVIOR

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The present study is the behavior of investors towards the mutual fund investments. Investors' opinion and perception has been studied relating to various issues like type of mutual fund scheme, main objective behind investing in mutual fund scheme, investors' opinion relating to factors that attract them to invest in mutual funds, sources of information and the various suggestions for making the investment in mutual fund more effective.

Behavior of Investors Towards Mutual Funds

Investment behavior is the behavior of the investors while investing in any investment options. In other words, what an investor look in while investing in the investment avenues. Ippolito (1992) found that scheme selection by investors was based on past performance of the funds and money flows into the fund, are more rapidly than the flow out of losing funds. Shiller (1993) reported that many investors did not have data analysis and interpretation skills because data from the market supported the merits of index investing, passive investors were more likely to base their investment choices on information received from objective or scientific sources. Gupta (1994) made a household investor survey with the objective to provide data on the investor preferences on MFs and other financial assets. The findings of the study were more appropriate, at that time, to the policy makers and mutual funds to design the financial products for the future. Kulshreshtha (1994) offered certain guidelines to the investors in selecting the mutual fund schemes. Phillip (1995) reported that there was a change in financial decision-making and investor behaviour as a result of participating in investor education programmes sponsored by employees. Berhein and Garnette (1996) affirmed Philip's findings and further stated that a serious national campaign to promote savings through education and information had a measurable impact on financial behavior. Madhusudhan V Jambodekar (1996) conducted study to size-up the direction of mutual funds in investors and identified factors influence mutual fund investment decision. They found that the open-ended scheme was most favoured among other things that income schemes and open-ended schemes and income schemes were preferred over closed-ended and growth schemes. Santhiyavalli and Usharani (2012) concluded that the investors mostly invest in mutual funds due to high capital appreciation in the long run. Vyas (2012) investor thought that mutual fund investment was safe mode. Aggarwal and Jain (2013) found that the Mutual Fund was the most suitable investment mode for the common man to invest in a diversified and professionally managed portfolio at a relatively low cost. Zafar et al (2013) found that open-ended fund was the most popular for investment in mutual fund. The most important variables while investing in mutual funds were fund performance, fund assets size and age of the fund. Harirhan (2014) discussed the six main benefits of investing in the mutual funds which were professional expertise, diversification, liquidity, low cost of asset management, ease of process and well regulated.

From the above discussion, we try to understand the investment behavior of people. The people preferred to invest in particular investment options according to their need. The people were preferred to invest in particular investment options with certain objective in mind. There were various objectives behind investment in particular investment avenues such as retirement planning, tax saving, children marriage, future obligation, children insurance, improve standard of living, acquisition of asset, supporting parents, health insurance, income regularity and many more.

All the people preferred to invest in safe and secure investment avenues. The open-ended scheme was most favoured among other things that income schemes and open-ended schemes and income schemes were preferred over closed-ended and growth schemes. The main factors which affect the investors to invest in mutual funds are past performance, past dividend record, stability of returns and other factors.

Conclusion

So, from the above discussion, we can conclude that in order to maintain the investor confidence in mutual funds they should be provided with timely information relating to different trends in the mutual fund industry. For achieving heights in the financial sector, the mutual fund companies should formulate the strategies in such a way that helps in fulfilling the investors' expectations. Today the main task before mutual fund industry is to convert the potential investors into the reality investors. New and more innovative schemes should be launched from time to time so that investor's confidence should be maintained. All this will lead to the overall growth and development of the mutual fund industry.

Reference