



## A STATISTICAL STUDY OF VARIABLES AFFECTING CONSUMERS' BEHAVIOUR IN MUTUAL FUND MARKET IN THE TRIBAL ASSEMBLY SEATS OF NORTH GUJARAT

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**ABSTRACT** An important segment of financial markets is the field of mutual funds. So far, mutual funds have delivered value to the investors. Not a single industry can flourish without a proper regulatory mechanism. Here are some initiatives which would help towards making the Indian mutual fund industry more vibrant and competitive. Here, the need of study has been aroused in order to see the factors influencing the retail investment regarding the mutual funds in the **tribal assembly seats of North Gujarat**. Our study is based on testing of hypotheses.

**Null Hypothesis:** Investment and education are the two independent attributes in the field of investment as far as tribal population is concerned.

**Alternative Hypothesis:** Investment and education are the two dependent attributes in the field of investment as far as tribal population is concerned.

In order to study the above hypotheses, we use the statistical technique of analysis of one-way variance.

**KEYWORDS :** Mutual fund, factors influence to selection of mutual funds, variables influencing investors decision, investors profile variables, dependent variables, independent variables, Danta Assembly Seat of Banaskantha District, Khedbrahma Assembly Seat of Sabarkantha District, Bhiloda Assembly Seat of Aravalli District.

### INTRODUCTION:

During last few years, the Indian capital market has been increasing in a tremendous manner. Many developments have taken place in the Indian financial market with the reforms in the field of economy, industrial policy, public and financial sectors. As a result, the economy has opened up. Indian mutual fund industry came into existence in the year 1963 as a part of development in the capital market. It has become an important and dynamic sector of the Indian capital markets particularly in the past five years.

### Literature Review:

- It has been reviewed by **Agarwal R.K. et al. (2010)** that the performance of mutual funds has been receiving a great deal of attention from both practitioners and academics. The interest of the public in investment is understandable with an aggregate investment of trillion dollars in India. The goal of identifying superior fund managers is interesting as it encourages development and application of new models and theories as far as academic perspective is concerned. It is also our aim to identify the out performers for healthy investments. We have also ranked the investment opportunities for better evaluation of these funds based on various adjusted ratios like Sharpe ratio, Jensen Measure, Fama ratio, Sortino ratio, Treynor's ratio and few others. Therefore, an attempt has been made to capture the critical measures of performance evaluation of mutual funds.
- It was studied by **Giridhari Mohanta & Dr. Sathya Swaroop Debasish (2011)** that investors invest in different investment avenues for fulfilling their financial, social and psychological needs.
- An attempt was made by **Haslem, Baker and Smith (2008)** to investigate the relation between performance and expense ratios of 1,779 domestic, actively managed retail equity funds. They concluded that superior performance, on average, occurs among large funds with low expense ratios, low trading activity and no or low front-end loads.
- Agapova (2011)** found that cash flow volatility is positively and negatively related as far as investment and opinions related to investments in the families are concerned.
- Cao, Ghysels & Hatheway (2011)** have investigated global funds and specialized domestic equity fund. They found that risk and return characteristics of these two groups of funds are significantly different from funds employing derivatives sparingly or not at all.

### Need for the Study:

The study reveals the influence of risk orientation on investment as far as demographic factors like gender and age are concerned in the above mentioned seats of Gujarat assembly reserved for tribal candidates.

### Objective Of The Study:

To know the investment behaviour of the individual investor with

orientation in the assembly seats of Gujarat legislative assembly reserved for tribal candidates.

### Methodology:

- Our questionnaire consists of total 35 questions out of which first 15 questions were focused to know the demographic characteristics of the investors.
- Next 4 questions were to find the risk orientation of the investor and rest of the questions were to find the other objectives of the study.
- The survey was conducted with a sample size of 256 investors of Gujarat.
- Here in this paper, we only discuss the risk orientation and investment trend in mutual funds. On the responses of the questionnaire, analyses have been carried out. We have used statistical tool ONE WAY ANOVA for this purpose.

### Analysis Of The Survey:

The important components of any investment are the role of uncertainty and the lack of financial knowledge about the return over investments avenues among the investors. The ability of investors to tolerate the risk of return is referred to as risk tolerance (Schaefer 1978). As far as the expert's opinion is concerned, risk tolerance always tends to be subjective rather than objective.

### Hypothesis Testing:

We use ONE-WAY ANOVA Technique to compare average investment of response in mutual fund and risk orientation of investor. The p-value of risk is everywhere which is 0.029 (ANOVA Table 1). It is more than 0.0005. The effect of risk is everywhere on investment which is not significant (p-value >0.0005). (ANOVA Table 2). It was found that risk leads to return is the variable with the p-value=0, ie; (p-value < 0.0005). It was found that risk leads to return is significant (ANOVA Table 3).

### ANOVA Table (1): Hypothesis Tests (all Investors)

Testing of Hypothesis Source	Sum of Squares	Degrees of Freedom	Mean Squares	F-ratio	p-value
Risk Factor is found everywhere	1242.870	1	1242.870	4.827	0.029
Error	65400.053	254	257.481		

### ANOVA Table (2):

Test of Hypothesis Source	Sum of Squares	Degrees of Freedom	Mean Squares	F-ratio	p-value
Taking risk be considered as a required quality of investors	11.359	1	11.359	4.788	0.030

Error	351.073	148	2.372		
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**ANOVA Table (3):**

Test of Hypothesis Source	Sum of Squares	Degrees of Freedom	Mean Squares	F-ratio	p-value
There is relatively low risk	56.452	1	56.452	23.507	0.000
Error	609.977	254	2.401		

Here we conduct ONE WAY ANOVA at 5% level of significance. The ANOVA table-2 is obtained using the transformed investment of investors as the dependent variable and five education groups of investors as category variable. ANOVA table-2 suggests a significant difference among the four means of education groups of investors with p-value=0, ie; (p-value < 0.0005). It was found that education group is significant. Thus, at least one of the education groups differs from the others with respect to investment.

**CONCLUSION:**

We come to the conclusion that investors having different education group among the tribal population have different average investment in mutual funds. On the basis of the results obtained as per the ONE WAY ANOVA TECHNIQUE, it is quite clear that investors with degree + education group have maximum average investment in mutual funds as compared to other groups of the tribal population. That is why the present study looks at the perception level of the investors towards investment in mutual funds.

**Suggestion:**

Presently, more and more funds are entering the industry. Their survival mainly depends on their marketing strategies because they need to survive and thrive in this highly promising industry, in the face of such cutthroat competition. Therefore, the mutual fund industry today needs to develop products to **fulfill customer needs and their education in tribal areas of assembly seats of Danta, Khedbrahma and Bhiloda of Gujarat Legislative Assembly and the areas of Banaskantha, Sabarkantha and Aravalli districts of North Gujarat having significant tribal population.**

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