



ORIGINAL RESEARCH PAPER

Statistics

AN EMPIRICAL STUDY AND DETAILED STATISTICAL ANALYSIS OF THE VARIABLES PLAYING KEY ROLE IN CONSUMERS' BEHAVIOUR IN THE MUTUAL FUND MARKET IN THE TRIBAL ASSEMBLY SEATS OF SOUTH GUJARAT

KEY WORDS: Mutual Fund, retail investors, preferinvestment, investors profile variables, dependent variables, independent variables, ST reserved seats of Nandod, Dediapada, Jhagadiya, Mangrol, Mandvi, Mahuva, Vyara, Nizar, Dang, Gandevi, Vansda, Dharampur, Kaprada, Umargaon.

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ABSTRACT

Mutual funds have emerged as an important segment of financial markets and so far have delivered value to the investors. No industry can flourish without a proper regulatory mechanism. These initiatives would help towards making the Indian mutual fund industry more vibrant and competitive. The need of study has been aroused in order to see the factors influencing the retail investors to prefer investment regarding the mutual funds in the assembly segments of **Nandod and Dediapada seats of Narmada District, Jhagadiya seat of Bharuch District, Mangrol, Mandvi and Mahuva seats of Surat District, Vyara and Nizar seats of Tapi District, Dang seat in Dang District, Gandevi and Vansda seats in Navsari District, Dharampur, Kaprada and Umargaon seats in Valsad District of Gujarat Legislative Assembly** which are reserved for the **Scheduled Tribe Candidates**. In order to study the factors influencing the retail investors to prefer investment in mutual funds in the above mentioned areas, we have used **one-way analysis of variance as the statistical tool**.

INTRODUCTION:

A Mutual Fund (henceforth MF) is an investment tool that allows small investors access to a well-diversified portfolio of equities, bonds and other securities. Each shareholder participates in the gain or loss of the fund. Units are issued and can be redeemed as needed. The most common feature of the mutual fund unit is low cost, professional investment management, increased diversification. Thus, MF industry has moved from offering a handful of schemes like equity, debt or balanced funds to liquid, money market, sector specific funds, index funds and gilt edged funds. **SEBI Mutual Funds Regulations 1993**, defines Mutual Fund as (as given by Jayadev.M (1995), **"A fund established in the form of a trust by a sponsor to raise monies by the trustees through the sale of units to the public under one or more schemes for investing in securities in accordance with these regulations"**. Frank Reilly defines Mutual Funds **"as financial intermediaries which bring a wide variety of securities within the reach of the most modest investors"**.

Literature Review:

- **Giridhari Mohanta and Dr. Sathya Swaroop Debasish (2011)** studied that investors invest in different investment avenues for fulfilling financial, social and psychological need.
- **Agapova (2011)** found that flows to family non-MMMFs are negatively related to family MMMF flows, and family non-MMMF cash flow volatility is positively related to family MMMF cash flow volatility.
- **Badrinath S.G. and Gubellini S. (2011)** have evaluated the return performance of long-short, market-neutral and bear mutual funds using multi-factor models and a conditional CAPM.
- **Cao, Ghysels and Hatheway (2011)** have investigated global funds and specialized domestic equity fund and found that risk and return characteristics of these two groups of funds are significantly different from funds employing derivatives sparingly or not at all.
- **Agarwal R. et al. (1981)** have reviewed that since long the performance of mutual funds has been receiving a great deal of attention from both practitioners and academics. With an aggregate investment of trillion dollars in India, the investing public's interest in identifying successful fund managers is understandable.

Need for the Study:

The study is an attempt to know about the profile of the individual investor and the variables influencing to invest on mutual funds. The study also reveals the influence of demographic factors like gender, age and education on investment of the investors in the areas of districts of **South Gujarat with sizeable tribal population**.

OBJECTIVE OF THE STUDY:

- To develop a profile of individual investor in terms of their demographic factors.
- To know the investment behaviour of the individual investor.
- To know the dependence/independence of demographic factors (education) of the investor and their investment behavior.

METHODOLOGY:

On the responses of the questionnaire analyses have been carried out. Various statistical tools like one way ANOVA have been carried out. In the present study, 5 % per cent level significance of chi-square value satisfies the conditions for validity of data. The survey was conducted with a sample size of 256 investors. We classified investor's education into five education groups. The details are given in table-1.

Table-1: Education Group Detail

Name of Age Group	Category	Comments
HS dropout	1	Did not complete high school
HS graduate	2	Completed high school
Some College	3	Attended some college
College graduate	4	Graduated from college
Degree +	5	Master's degree & Ph.D.

Analysis of the Survey:

The demographic attributes of the investors like gender, age, education level, etc. are discussed and observations and conclusions are given at the end.

Statistical Hypothesis:

Average investment and education are the two independent attributes of the investors in educated tribal population.

ANOVA Table (1): Hypothesis Tests (Male)

Testing of Hypothesis Source	Sum of Squares	Degrees of Freedom	Mean Squares	F-ratio	p-value
Between Education Groups (Male Investors)	6862.358	4	1715.590	7.854	0.0001
Within Education Groups (Male Investors)	21625.649	99	218.441		

ANOVA Table (2): Hypothesis Tests (Female)

Test of Hypothesis Source	Sum of Squares	Degrees of Freedom	Mean Squares	F-ratio	p-value
Between Education Groups (Female Investors)	4399.949	4	1099.987	5.011	0.0001

Within Education Groups (Female Investors)	32267.338	147	219.506		
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CONCLUSIONS:

- The male investors are dominating female investors in their contribution in total investment. Since the male sector have more financial responsibility as compared to the female sector.
- Highest portion of the investment among both (male and female) investors are of **degree+ investors** and least part is of **HS dropout investors**.
- At **5% level of significance**, it was found that education group is significant. Thus, at least one of the education group differs from the other with respect to investment. **Education** plays a vital role where investment is concerned.
- **“Degree +”** male investors among the tribal males were most able to invest some part of their earning for the investment in mutual fund while **“degree +”** and **“some college education”** group of female tribal investors were most able to invest in mutual fund.
- In both male and female investors, it was found that age group of **30-45** has the maximum investment, which clearly depicts that the educated tribal youngsters are keen to invest in the mutual fund market.

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