CHAPTER 7

INVESTMENT BEHAVIOUR OF RETAIL INVESTORS: AN EMPIRICAL ANALYSIS

CHAPTER CONTENTS

CHAPTER 7
INVESTMENT BEHAVIOUR OF RETAIL INVESTORS: AN EMPIRICAL ANALYSIS

7.1 INTRODUCTION

It is generally said that MF is a retail product designed to target small investors, salaried people and others who are intimidated by the stock market but, nevertheless, like to reap the benefits of stock market investing. At the retail level, investors are unique and are a highly heterogeneous group.

In the preceding chapters, *viz.*, Chapter 5 and Chapter 6 the performance evaluation measures are applied to various mutual fund schemes for a period of ten years. As mentioned in Chapter 1, this chapter makes an attempt to analyze the behavior of retail investors, with reference to mutual fund.

As discussed in the preceding chapters, the primary data collection, through the use of questionnaire was carried out in the big cities of Gujarat *viz.* Ahmedabad, Baroda and Surat.

The research design of this research study was **Referral Sampling Method**. The reasons for selecting this method were:

1. No list of mutual fund investors was available and
2. Many investors were reluctant to divulge their investment details especially the amount of money invested.

As no list of mutual fund investors was available, the researcher estimated sample size as the total number of 450 retail investors, i.e. 150 retail investors from each three major cities in the state of Gujarat. Out of the total numbers of 450 respondents, finally total number of 400 responses was considered for the purpose of Data Analysis and Interpretation i.e. 133 responses from Ahmedabad, 138 responses from Baroda and 129 responses from Surat.

The questionnaire is put up in Appendix-II for ready reference. The order of the discussion in the chapter is as follows: Demographic Profile of SRMFIs, Other Characteristics of SRMFIs, Findings of the Study, Hypotheses Testing, Influential Fund Selection Factors, Reasons for Withdrawing Investment and/or not Investing Further in Mutual Funds and Summary & Conclusions.

7.2 OVERALL PROFILE OF RETAIL MUTUAL FUND INVESTORS BY DEMOGRAPHIC FACTORS

The researcher has provided profile of the SRMFIs by demographic factors on the basis of their Gender, Age, Academic Qualifications, Marital Status, Occupation, Annual Income, Annual Savings and Financial Responsibility, respectively as follows.

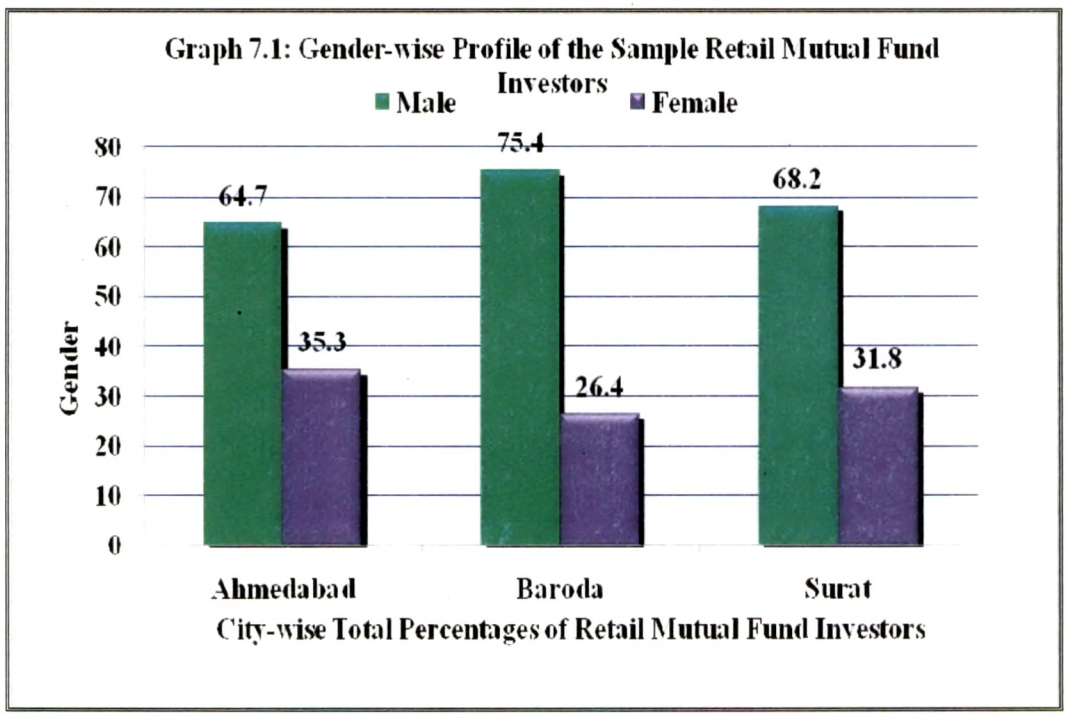
Overall Profile of the SRMFIs is given in Table 7.1 to Table 7.8 as follows.

7.2.1 GENDER PROFILE OF THE SRMFIs

Table 7.1: Gender Profile of the SRMFIs

Sr. No.	Gender	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Male	86 (64.7%)	104 (75.4%)	88 (68.2%)	278 (69.5%)
2	Female	47 (35.3%)	34 (26.6%)	41 (31.8%)	122 (29.5%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



In case of Ahmedabad City, 86 (64.7 per cent) of the SRMFIs were males and 47 (35.3 per cent) were females. In case of Baroda City 104 (75.4 per cent) of the SRMFIs were males and 34 (26.6 per cent) were females. And in case of Surat City 88 (68.2 per cent) of the SRMFIs were males and 41 (31.8 per cent) of the SRMFIs were females.

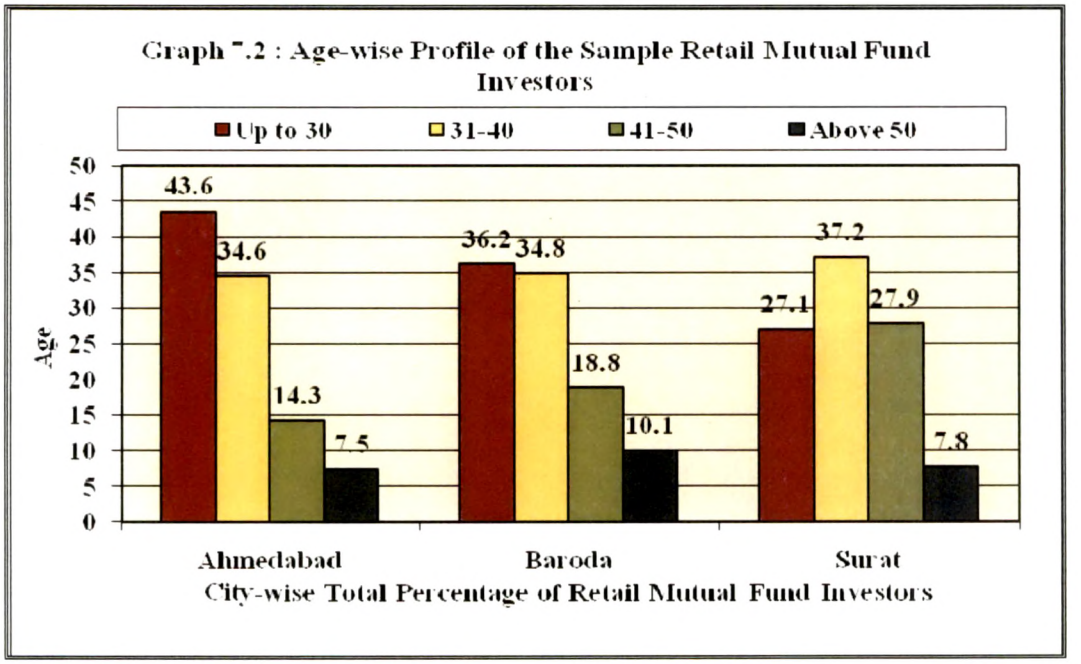
Overall results indicated that 278 (69.5 per cent) of the SRMFIs were males and 122 (29.5 per cent) were females. Generally males bear the financial responsibility in Indian society, and therefore they have to make investment decisions to fulfill the financial obligations.

7.2.2 AGE PROFILE OF THE SRMFIs

Table 7.2: Age Profile of the SRMFIs

Sr. No.	Age in completed years	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	Up to 30	58 (43.6%)	50 (36.2%)	35 (27.1%)	143(35.8%)
2	31-40	46 (34.6%)	48 (34.8%)	48 (37.2%)	142 (35.5%)
3	41-50	19 (14.3%)	26 (18.8%)	36 (27.9%)	81 (20.3%)
4	Above 50	10 (7.5%)	14 (10.1%)	10 (7.8%)	34 (8.5%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



In case of Ahmedabad City, 58 (43.6 per cent) of the SRMFIs were below age of 30, 46 (34.6 per cent) were in the age group of 31-40, 19 (14.3 per cent) were in the age group of 41-50 and 10 (7.5 per cent) were in the age group of above 50. In case of Baroda City, 50 (36.2 per cent) of the SRMFIs were below the age of 30, 48 (34.8 per cent) were in the age group of 31-40, 26 (18.8 per cent) were in the age group of 41-50 and 14 (10.1 per cent) were in the age group of above 50. And in case of Surat

City, 35 (27.1 per cent) were below the age of 30, 48 (37.2 per cent) were in the age group of 31-40, 36 (27.9 per cent) were in the age group of 41-50 and 10 (7.8 per cent) were in the age group of above 50.

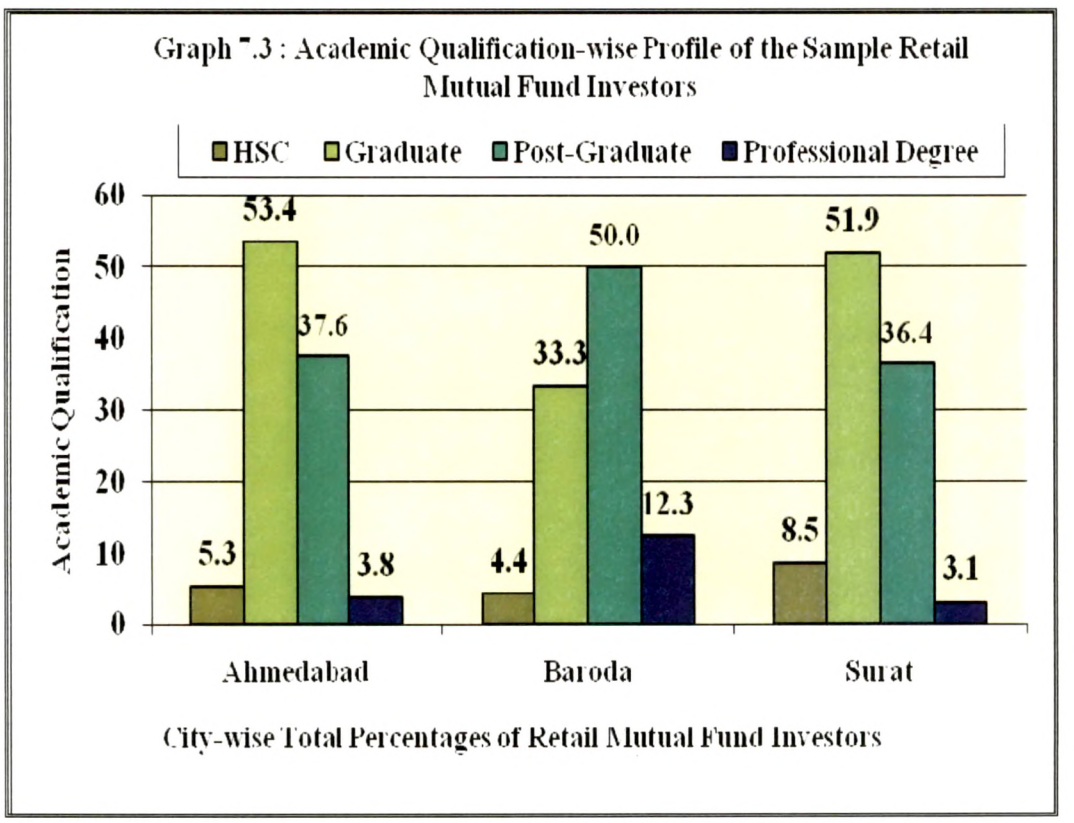
Overall results indicated that 143 (35.8 per cent) of the SRMFIs were below the age of 30, 142 (35.5 per cent) were in the age group of 31-40, 81 (20.3 per cent) were in the age group of 41-50 and 34 (8.5 per cent) were in the age group of above 50.

7.2.3 ACADEMIC PROFILE OF THE SRMFIs

Table 7.3: Academic Profile of the SRMFIs

Sr. No.	Academic Qualification	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	HSC	07 (5.3%)	06 (4.4%)	11 (8.5%)	24 (6.0%)
2	Graduate	71 (53.4%)	46 (33.3%)	67 (51.9%)	184 (46.0%)
3	Post-Graduate	50 (37.6%)	69 (50.0%)	47 (36.4%)	166 (41.5%)
4	Professional Degree	05 (3.8%)	17 (12.3%)	04 (3.1%)	26 (6.5%)
	Total	**133 (100%)**	**138 (100%)**	**129 100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



In case of Ahmedabad City, 07 (5.3 per cent) of the SRMFIs were HSC, 71 (53.4 per cent) were graduate, 50 (37.6 per cent) were post-graduate and 05 (3.8 per cent) were having Professional degree. In case of Baroda City, 06 (4.4 per cent) of the SRMFIs were HSC, 46 (33.3 per cent) were graduate, 69 (50 per cent) were post-graduate and 17 (12.3 per cent) were having Professional degree. And in case of Surat City, 11 (8.5 per cent) of the SRMFIs were HSC, 67 (51.9 per cent) were graduate, 47 (36.4 per cent) were post-graduate and 04 (3.1 per cent) were having Professional degree.

Overall results indicated that 24 (6 per cent) of the SRMFIs were HSC, 184 (46 per cent) were graduate, 166 (41.5 per cent) were post-graduate and 26 (6.5 per cent) were having Professional degree.

It is interesting to note that most SRMFIs possessed higher education i.e. 350 (87.5 percent) graduate and post-graduate and this factor would increase the reliability of conclusions drawn.

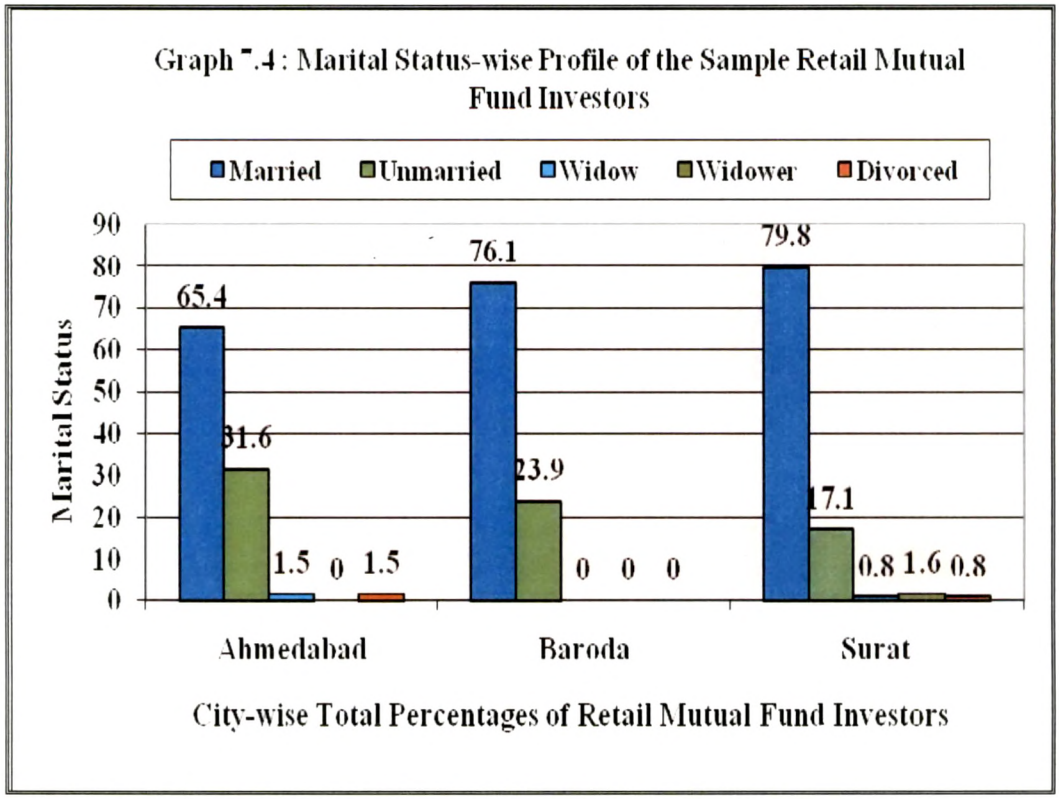
7.2.4 MARITAL PROFILE OF THE SRMFIs

In case of Ahmedabad City, 87 (65.4 per cent) of the retail SRMFIs were married, 42 were unmarried, 2 were widow and 2 were divorced. In case of Baroda City, 105 (76.1 per cent) of the SRMFIs were married and 33 were unmarried. And in case of Surat City, 103 (79.8 per cent) of the SRMFIs were married, 22 were unmarried, 1 was widow, 2 were widower and 1 was divorced.

Table 7.4: Marital Profile of the SRMFIs

Sr. No.	Marital Status	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Married	87 (65.4%)	105 (76.1%)	103 (79.8%)	295(73.8%)
2	Unmarried	42 (31.6%)	33 (23.9%)	22 (17.1%)	97 (24.3%)
3	Widow	02 (1.5%)	00 (00.0%)	01 (0.8%)	03 (0.8%)
4	Widower	00 (00.0%)	00 (00.0%)	02 (1.6%)	02 (0.5%)
5	Divorced	02 (1.5%)	00 (00.0%)	01 (0.8%)	03 (0.8%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



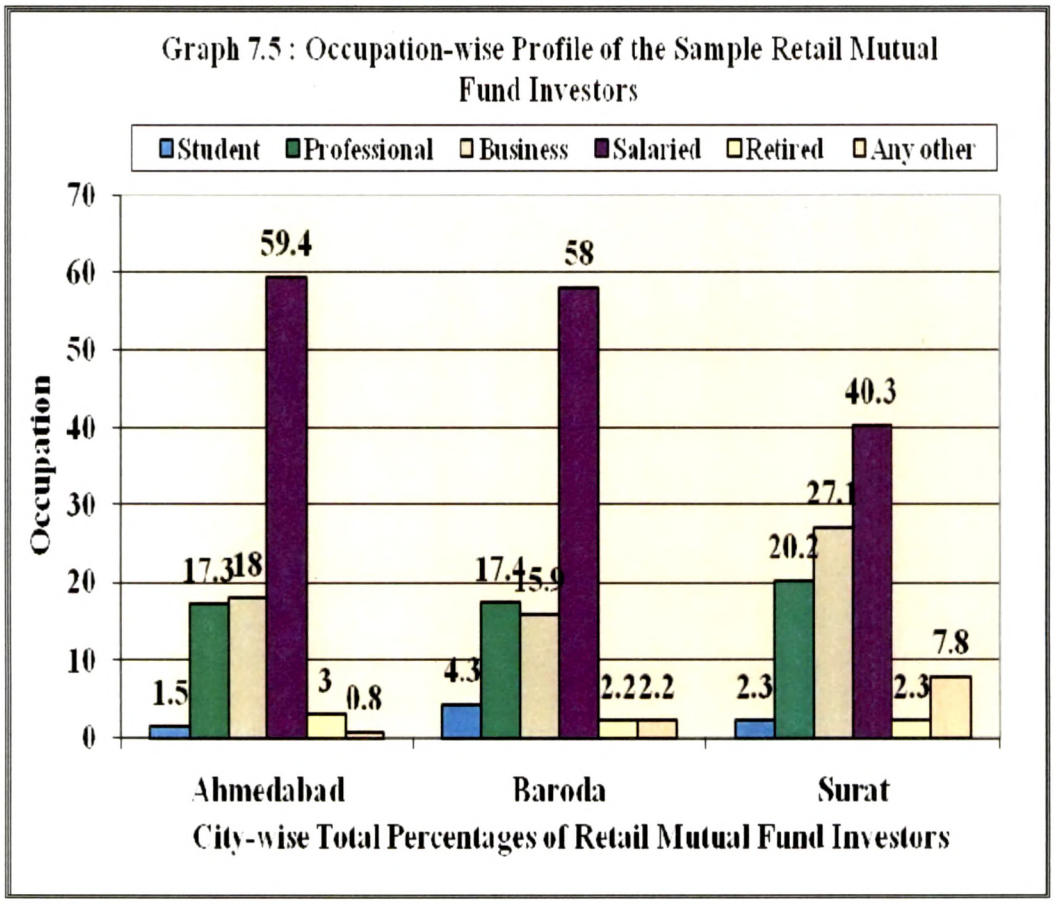
Overall results indicated that 295 (73.8 per cent) of the SRMFIs were married, 97 (24.3 per cent) were unmarried, 3 were widow, 2 were widower and 3 were divorced. It is noted that 295 (73.8 per cent) of the SRMFIs were married and married individual is considered to have dependents so relatively more invested and involved in making financial investments.

7.2.5 OCCUPATION PROFILE OF THE SRMFIs

Table 7.5: Occupation Profile of the SRMFIs

Sr. No.	Occupation	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Student	02 (1.5%)	06 (4.3%)	03 (2.3%)	11 (2.8%)
2	Professional	23 (17.3%)	24 (17.4%)	26 (20.2%)	73 (18.3%)
3	Business	24 (18.0%)	22 (15.9%)	35 (27.1%)	81 (20.3%)
4	Salaried	79 (59.4%)	80 (58.0%)	52 (40.3%)	211 (52.8%)
5	Retired	04 (3.0%)	03 (2.2%)	03 (2.3%)	10 (2.5%)
6	Any other	01 (0.8%)	03 (2.2%)	10 (7.8%)	14 (3.5%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



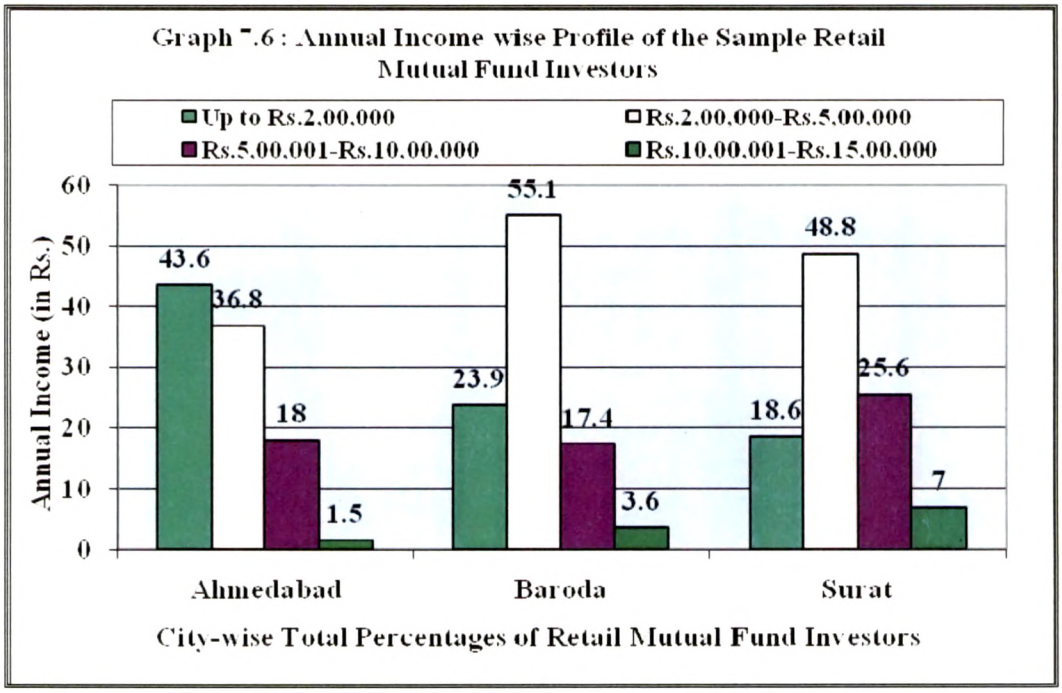
In case of Ahmedabad City, 2 (1.5 per cent) of the SRMFIs were student, 23 (17.3 per cent) were professional, 24 (18 per cent) were business men, 79 (59.4 per cent) were salaried, 4 (3 per cent) were retired and 1 (0.8 per cent) was engaged in other activities. In case of Baroda City, 6 (4.3 per cent) of the SRMFIs were student, 24 (17.4 per cent) were professional, 22 (15.9 per cent) were business men, 80 (58 per cent) were salaried, 3 (2.2 per cent) were retired and 3 (2.2 per cent) were engaged in other activities. And in case of Surat City, 3 (2.3 per cent) of the SRMFIs were student, 26 (20.2 per cent) were professional, 35 (17.1 per cent) were business men, 52 (40.3 per cent) were salaried, 3 (2.3 per cent) were retired and 10 (7.8 per cent) in other activities.

Overall results indicated that 11 (2.8 per cent) of the SRMFIs were student, 73 (18.3 per cent) were professional, 81 (20.3 per cent) were business men, 211 (52.8 per cent) were salaried, 10 (2.5 per cent) were retired and 14 (3.5 per cent) were engaged in other activities.

7.2.6 ANNUAL INCOME PROFILE OF THE SRMFIs

Table 7.6: Annual Income Profile of the SRMFIs					
Sr. No.	**Annual Income (in Rs.)**	**Total Number and Percentages of Respondents (City Wise)**			**Overall Number & Percentages of Respondents**
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Up to Rs.2,00,000	58 (43.6%)	33 (23.9%)	24(18.6%)	115 (28.8%)
2	Rs.2,00,000-Rs.5,00,000	49 (36.8%)	76 (55.1%)	63(48.8%)	188 (47.0%)
3	Rs.5,00,001-Rs.10,00,000	24 (18.0%)	24 (17.4%)	33(25.6%)	81 (20.3%)
4	Rs.10,00,001-Rs.15,00,000	02 (1.5%)	05 (3.6%)	09 (7.0%)	16 (4.0%)
	Total	**133 (100%)**	**138 (100%)**	**129(100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



In case of Ahmedabad City, 58 (43.6 per cent) of the SRMFIs were found as having Annual Income up to Rs.2,00,000, 49 (36.8 per cent) were found as having Annual Income between Rs.2,00,000 to Rs. 5,00,000, 24 (18 per cent) were found as having Annual Income between Rs.5,00,001 to Rs. 10,00,000 and 2 (1.5 per cent) were found as having Annual Income between Rs.10,00,001 to Rs. 15,00,000. In case of Baroda City, 33 (23.9 per cent) of the SRMFIs were found as having Annual Income up to Rs.2,00,000, 76 (55.1 per cent) were found as having Annual Income between Rs.2,00,000 to Rs. 5,00,000, 24 (17.4 per cent) were found as having Annual Income between Rs.5,00,001 to Rs. 10,00,000 and 5 (3.6 per cent) were found as having Annual Income between Rs.10,00,001 to Rs. 15,00,000. And in case of Surat City, 24

(18.6 per cent) of the SRMFIs were found as having Annual Income up to Rs.2,00,000, 63 (48.8 per cent) were found as having Annual Income between Rs.2,00,000 to Rs. 5,00,000, 33 (25.6 per cent) were found as having Annual Income between Rs.5,00,001 to Rs. 10,00,000 and 9 (7 per cent) were found as having Annual Income between Rs.10,00,001 to Rs. 15,00,000.

Overall results indicated that 115 (28.8 per cent) of the SRMFIs were found as having Annual Income up to Rs.2,00,000, 188 (47 per cent) were found as having Annual Income between Rs.2,00,000 to Rs. 5,00,000, 81 (20.3 per cent) were found as having Annual Income between Rs.5,00,001 to Rs. 10,00,000 and 16 (4 per cent) were found as having Annual Income between Rs.10,00,001 to Rs. 15,00,000.

7.2.7 ANNUAL SAVINGS PROFILE OF THE SRMFIs

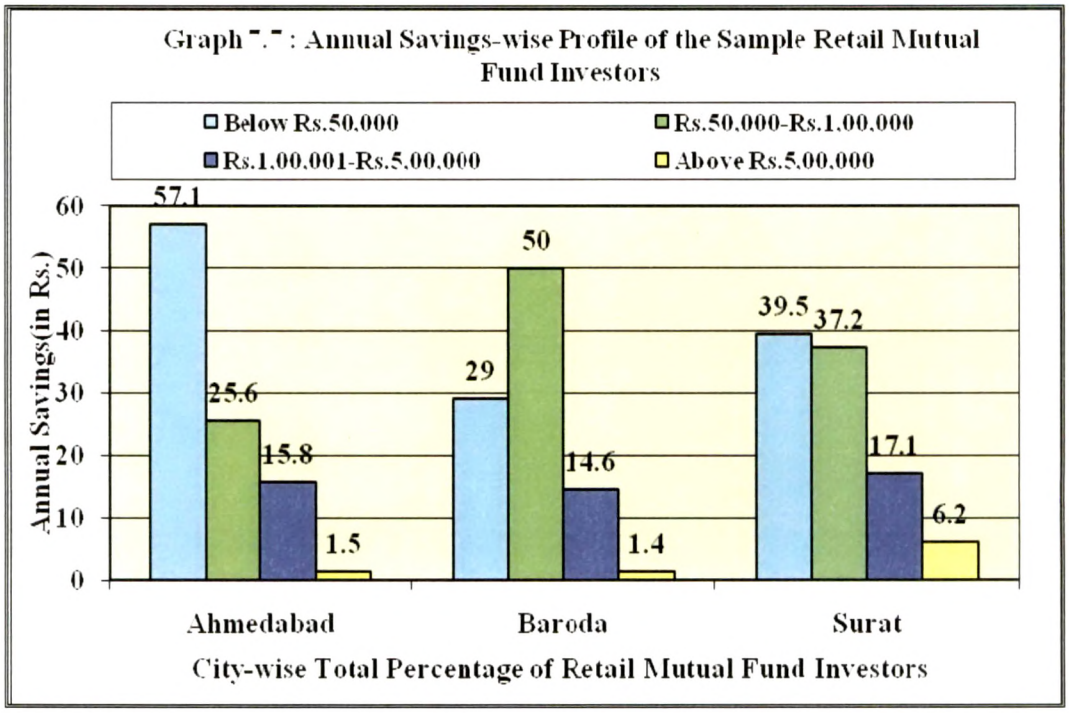
Table 7.7: Annual Savings Profile of the SRMFIs

Sr. No.	Annual Savings (in Rs.)	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	Below Rs.50,000	76 (57.1%)	40 (29.0%)	51 (39.5%)	167 (41.8%)
2	Rs.50,000-Rs.1,00,000	34 (25.6%)	69 (50.0%)	48 (37.2%)	151 (37.8%)
3	Rs.1,00,001-Rs.5,00,000	21 (15.8%)	27 (14.6%)	22 (17.1%)	70 (17.5%)
4	Above Rs.5,00,000	02 (1.5%)	02 (1.4%)	08 (6.2%)	12 (3.0%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.

In case of Ahmedabad City, 76 (57.1 per cent) of the SRMFIs were found as having Annual Savings below Rs.50,000, 34 (25.6 per cent) were found as having Annual Savings between Rs.50,000 to Rs. 1,00,000, 21 (15.8 per cent) were found as having Annual Savings between Rs.1,00,001 to Rs. 5,00,000 and 2 (1.5 per cent) were found as having Annual Savings above Rs.5,00,000. In case of Baroda City, 40 (29 per cent) of the SRMFIs were found as having Annual Savings below Rs.50,000, 69 (50 per cent) were found as having Annual Savings between Rs.50,000 to Rs. 1,00,000, 27 (14.6 per cent) were found as having Annual Savings between Rs.1,00,001 to Rs. 5,00,000 and 2 (1.4 per cent) were found as having Annual Savings above Rs.5,00,000. And in case of Surat City, 51 (39.5 per cent) of the SRMFIs were found as having Annual Savings below Rs.50,000, 48 (37.2 per cent) were found as having

Annual Savings between Rs.50,000 to Rs. 1,00,000, 22 (17.1 per cent) were found as having Annual Savings between Rs.1,00,001 to Rs. 5,00,000 and 8 (6.2 per cent) were found as having Annual Savings above Rs.5,00,000.



Overall results indicated that 167 (41.8 per cent) of the SRMFIs were found as having Annual Savings below Rs.50,000, 151 (37.8 per cent) were found as having Annual Savings between Rs.50,000 to Rs. 1,00,000, 70 (17.5 per cent) were found as having Annual Savings between Rs.1,00,001 to Rs. 5,00,000 and 12 (3 per cent) were found as having Annual Savings above Rs.5,00,000.

7.2.8 FINANCIAL RESPONSIBILITY PROFILE OF THE SRMFIs

Here, in the study financial responsibility is defined as number of dependents in the family.

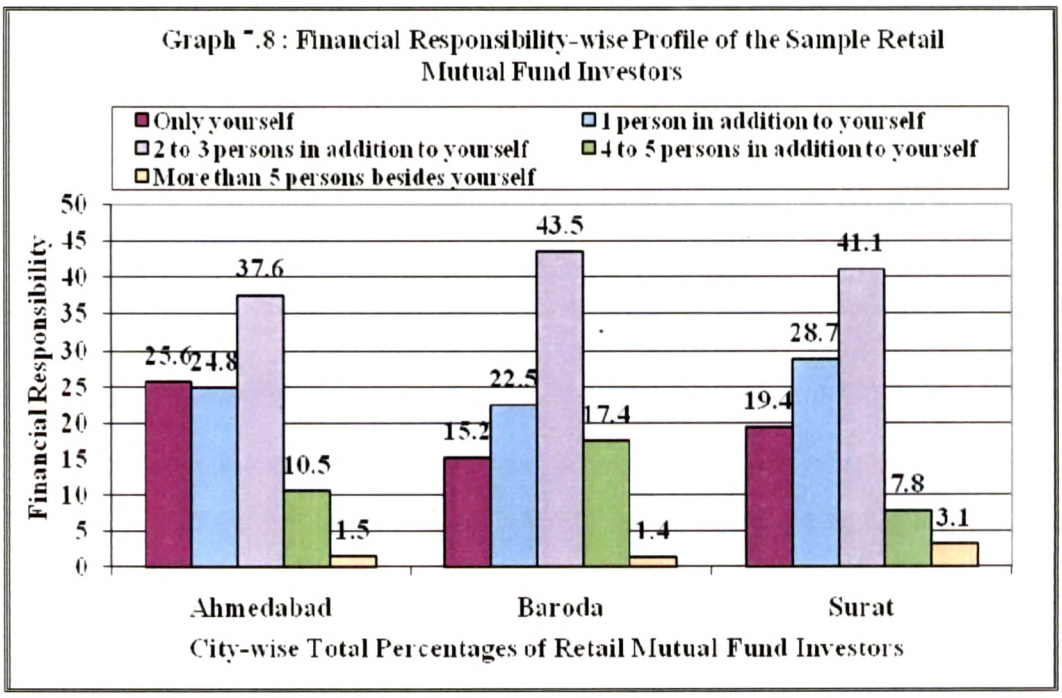
In case of Ahmedabad City, 34 (25.6 per cent) of the SRMFIs were responsible for themselves, 33 (24.8 per cent) were responsible for one person in addition to themselves, 50 (37.6 per cent) were responsible for two to three persons in addition to themselves, 14 (10.5 per cent) were responsible for four to five persons in addition to themselves, and 02 (1.5 per cent) were responsible for more than five persons besides themselves. In case of Baroda City, 21 (15.2 per cent) of the SRMFIs were responsible for themselves, 31 (22.5 per cent) were responsible for one person in addition to themselves, 60 (43.5 per cent) were responsible for two to three persons in

addition to themselves, 24 (17.4 per cent) were responsible for four to five persons in addition to themselves, and 02 (1.4 per cent) were responsible for more than five persons besides themselves. And in case of Surat City, 25 (19.4 per cent) of the SRMFIs were responsible for themselves, 37 (28.7 per cent) were responsible for one person in addition to themselves, 53 (41.1 per cent) were responsible for two to three persons in addition to themselves, 10 (7.8 per cent) were responsible for four to five persons in addition to themselves, and 4 (3.1 per cent) were responsible for more than five persons besides themselves.

Table 7.8: Financial Responsibility Profile of the SRMFIs

Sr. No.	Financial Responsibility	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Only yourself	34 (25.6%)	21 (15.2%)	25 (19.4%)	80 (20.0%)
2	1 person in addition to yourself	33 (24.8%)	31 (22.5%)	37 (28.7%)	101 (25.3%)
3	2 to 3 persons in addition to yourself	50 (37.6%)	60 (43.5%)	53 (41.1%)	163 (40.8%)
4	4 to 5 persons in addition to yourself	14 (10.5%)	24 (17.4%)	10 (7.8%)	48 (12.0%)
5	More than 5 persons besides yourself	02 (1.5%)	02 (1.4%)	04 (3.1%)	08 (2.0%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.



Overall results indicated that 80 (20.0 per cent) of the SRMFIs were responsible for themselves, 101 (25.3 per cent) were responsible for one person in addition to themselves, 163 (40.8 per cent) were responsible for two to three persons in addition to themselves, 48 (12.0 per cent) were responsible for four to five persons in addition to themselves, and 8 (2.0 per cent) were responsible for more than five persons besides themselves. Thus in all three selected cities, the highest percentage of respondents were responsible for two to three persons in addition to themselves.

7.3 OTHER CHARACTERISTICS OF SAMPLE RETAIL MUTUAL FUND INVESTORS

The researcher has attempted to enquire about other characteristics of SRMFIs such as basis for investment decision and financial literacy.

7.3.1 BASIS FOR INVESTMENT DECISION OF THE SRMFIs

Table 7.9: Basis for Investment Decision of the SRMFIs

Sr. No.	Basis for Investment Decisions	Total Number and Percentages of Respondents (City Wise)			Total Number & Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	Taken on own initiative	82 (61.7%)	58 (42.0%)	63 (48.8%)	203 (50.8%)
2	Taken on own initiative but with help from an expert	42 (31.6%)	71 (51.5%)	44 (34.1%)	157 (39.3%)
3	Made by expert on investors behalf	09 (6.8%)	09 (6.5%)	22 (17.1%)	40 (10.0%)
	Total	**133 (100%)**	**138 (100%)**	**129(100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.

In case of Ahmedabad City, 82 (61.7 per cent) of the SRMFIs make investment decisions without the help and advice from experts, 42 (31.6 per cent) investors consult some experts, for advice in investment decisions while only 9 (6.8 per cent) of the investors allow expert to take decision on their behalf. In case of Baroda City, 58 (42.0 per cent) of the SRMFIs make investment decisions without the help and advice from experts, 71 (51.5 per cent) investors consult some experts, for advice in investment decisions while only 9 (6.5 per cent) of the investors allow expert to take decision on their behalf. And in case of Surat City, 63 (48.8 per cent) of the SRMFIs make investment decisions without the help and advice from experts, 44 (34.1 per

cent) investors consult some experts, for advice in investment decisions while only 22 (17.1 per cent) of the investors allow expert to take decision on their behalf.

Overall results indicated that 203 (50.8 per cent) of the SRMFIs make investment decisions without the help and advice from experts, 157 (39.3 per cent) investors consult some experts, for advice in investment decisions while only 40 (10.0 per cent) of the investors allow expert to take decision on their behalf. So, it can be concluded that investors are having sufficient knowledge about the financial market for taking investment decision. The result is similar to reported by **Syed Tabassum Sultana (2010)[1].**

7.3.2 FINANCIAL LITERACY OF THE SRMFIs

Here, in the study financial literacy is defined as "awareness of the respondents about the different financial terms used in financial market".

Table 7.10: Financial Literacy of the SRMFIs

Sr. No.	Financial Literacy	Total Number and Percentages of Respondents (City Wise)			Total Number & Percentages of Respondents
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Financial literates	121 (91.0%)	116 (84.1%)	110 (85.3%)	347 (86.8%)
2	Financial illiterates	12 (9.0%)	22 (15.9%)	19 (14.7%)	53 (13.3%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.

When investors were queried about their financial literacy i.e. their ability or knowledge about financial terms or aspects of investments, Table 10 above shows, that most of the investors in case of Ahmedabad City, 121(91.0 per cent) were financial literates and only 12 (9.0 per cent) investors were financial illiterates. In case of Baroda City, 116(84.1 per cent) were financial literates and only 22 (15.9 per cent) investors were financial illiterates. And in case of Surat City, 110(85.3 per cent) were financial literates and only 19 (14.7 per cent) investors were financial illiterates.

Overall results indicated that 347(86.8 per cent) were financial literates and only 53 (13.3 per cent) investors were financial illiterates. This is because the researcher had selected only those respondents who have knowledge about financial markets, Mutual Funds in particular.

7.4 FINDINGS OF THE STUDY

Over and above examining the basic profile of SRMFIs, certain aspects typical to mutual fund, were also examined by raising specific questions for the same. These included saving objectives, saving avenues, attitude of SRMFIs towards MFs, preferred route to MF investing, period of investment in MF, preference for MF investment in future, MF scheme preference *etc.* The following para discusses response to the same.

7.4.1 INVESTMENT OBJECTIVES OF THE SRMFIs

This question deals with the investment objectives of the SRMFIs. There can be multiple objectives and hence the total count may be more than the total respondents.

Table 7.11: Investment Objectives of the SRMFIs

Sr. No.	Savings Objectives	Total Number and Percentages of respondents (City Wise)			Total Number and Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	To provide for Retirement	42 (31.6%)	60 (43.5%)	25 (19.4%)	127 (31.8%)
2	To meet contingencies	49 (36.8%)	47 (34.1%)	31 (24.0%)	127 (31.8%)
3	For purchase of assets	43 (32.3%)	56 (40.6%)	38 (29.5%)	137 (34.3%)
4	For capital appreciation	37 (27.8%)	47 (34.1%)	27 (20.9%)	111 (27.8%)
5	For tax reduction	59 (44.4%)	69 (50.0%)	56 (43.4%)	184 (46.0%)
6	For children's education	42 (31.6%)	54 (39.1%)	60 (46.5%)	156 (39.0%)
7	For regular income	53 (39.8%)	55 (39.9%)	50 (38.8%)	158 (39.5%)
8	For safety of principal	28 (21.1%)	23 (16.7%)	11 (8.5%)	62 (15.5%)
9	Any other	5 (3.8%)	4 (2.9%)	4 (3.1%)	13 (3.3%)
	Total	**358(269.2%)**	**415(300.7%)**	**302(234.1%)**	**1075(268.8%)**

Note: Figures in parentheses represent the percentage.

Table 7.11 shows, that in case of Ahmedabad city the first investment objectives of individual SRMFIs is for tax reduction 59 (44.4 percent) followed by regular income 53 (39.8 per cent), for contingencies 49 (36.8 per cent), purchase of asset 43 (32.3 per cent), for children's education 42 (31.6 per cent) and for retirement 42 (31.6 per cent). In case of Baroda city the first investment objectives of individual SRMFIs is for tax reduction (50.0 per cent) followed by for retirement (43.5 per cent), purchase of asset

(40.6 per cent), regular income (39.9 per cent) and for children's education (39.1 per cent). In case of Surat city the first investment objectives of individual SRMFIs is for children's education (46.5 per cent) followed by tax reduction (43.4 per cent), regular income (38.8 per cent), to purchase of asset (29.5 per cent) and for contingencies (24.0 per cent).

Overall results indicated that the first investment objectives of individual SRMFIs is for tax reduction 184 (46.0 per cent) followed by regular income 158 (39.5 per cent), for children's education 156 (39.0 per cent), purchase of asset 137 (34.3 per cent) , for contingencies 127 (31.8 per cent) and for retirement 127(31.8 per cent). And least preference is given to the objectives like safety of principal 62 (15.5 per cent) and capital appreciation 111 (27.80 per cent). Hence Mutual Fund Companies can attract a pool of investors by designing products with tax benefits and which can produce regular income.

7.4.2 INVESTMENT AVENUE PREFERENCE OF THE SRMFIs

Table 7.12: Investments Avenue Preference of the SRMFIs

Sr. No.	Investment Avenue / City	WMV (City wise) and Rank			WMV (Over All) and Rank
		Ahmedabad	Baroda	Surat	
1	Foreign Currency	2.77 (XII)	2.96 (XI)	4.41 (X)	3.36 (XI)
2	Life Insurance	9.11 (II)	9.72 (I)	8.18 (III)	9.02 (III)
3	Shares / Equity	8.15 (IV)	7.84 (IV)	6.47 (V)	7.5 (IV)
4	Postal Savings	7.83 (V)	6.36 (IX)	5.81 (VII)	6.67 (VII)
5	Real Estate	6.53 (IX)	6.46 (VIII)	5.48 (VIII)	6.17 (IX)
6	Bonds	3.87 (X)	4.33 (X)	3.43 (XII)	3.89 (X)
7	Commodities/ Derivatives	2.83 (XI)	2.38 (XII)	1.76 (XIII)	2.33 (XIII)
8	Bank Deposit	9.47 (I)	9.64 (III)	10.01 (II)	9.7 (I)
9	Pension & Provident Fund	7.74 (VI)	6.93 (VI)	7.26 (IV)	7.31 (V)
10	Units of UTI & MF	8.65 (III)	9.67 (II)	10.22 (I)	9.51 (II)
11	Chits	2.41 (XIII)	1.94 (XIII)	3.84 (XI)	2.71 (XII)
12	Gold	7.14 (VIII)	7.31 (V)	5.83 (VI)	6.78 (VI)
13	PPF	7.31 (VII)	6.64 (VII)	4.52 (IX)	6.18 (VIII)
14	Others	1.15 (XIV)	1.26 (XIV)	1.17 (XIV)	1.2 (XIV)

Asset preference pattern of investors provides an insight into the investment attitude of investors, which will influence the policy formation for garnering the individual investments. Table 7.12 above shows the results of preferred investments avenues

among the investors. The study reveals Bank Deposits are the most popular investments instrument among individual investors of Ahmedabad, followed by Life Insurance, Units of UTI & Mutual Funds, Shares / Equity, Postal Savings, Pension & Provident Fund, PPF, Gold, Real Estate, Bonds, Commodities/ Derivatives, Foreign Currency and Chits. In Baroda, Life Insurance is the most popular investments instrument among individual investors which is followed by Units of UTI & Mutual Funds, Bank Deposits, Shares / Equity, Gold, Pension & Provident Fund, PPF, Real Estate, Postal Savings, Bonds, Foreign Currency, Commodities/ Derivatives and Chits. In Surat, Units of UTI & Mutual Funds is the most popular investments instrument among individual investors which is followed by Bank Deposits, Life Insurance, Pension & Provident Fund, Shares / Equity, Gold, Postal Savings, PPF, Real Estate, Foreign Currency, Chits, Bonds and Commodities/ Derivatives.

Overall, Bank Deposits is the most popular investments instrument among individual investors which is followed by Units of UTI & Mutual Funds, Life Insurance, Shares / Equity, Pension & Provident Fund, Gold, Postal Savings, PPF, Real Estate, Bonds Foreign Currency, Chits, and Commodities/ Derivatives. As Bank Deposits is one of the few financial products, which enable an average salaried person to get reasonable and regular returns, along with safety of capital and Mutual funds also gives good return with low risk.

7.4.3 PRESENT ATTITUDE OF THE SRMFIs TOWARDS THE FOLLOWING FINANCIAL INSTRUMENTS, IN THE INDIAN CAPITAL MARKET

Table 7.13 to Table 7.15 shows the overall results of the present attitude of the sample SRMFIs towards the different financial instruments i.e. shares, debentures, mutual funds and bonds, in the Indian Capital Market. Every asset class has different characteristics. Stocks have the potential to provide high total returns with proportionate level of risk, while bonds may provide lower risks along with regular income. The attitude of every individual investor may be influenced by their investment goals, risk tolerance, time horizon, personal circumstances or performance aspect of the asset class.

Table 7.13: Present Attitude of the SRMFIs towards the following Financial Instruments in Ahmedabad City							
Sr. No.	Present Attitude towards the Financial Instruments	Highly Favourable	Favourable	Some What Favou-rable	Not Very Favou-rable	Not at All Favou-rable	Total
1	Shares	36 (27.1%)	52 (39.1%)	23 (17.3%)	17 (12.8%)	5 (3.7%)	133 (100%)
2	Debentures	12 (9.0%)	41 (30.8%)	52 (39.1%)	15 (11.3%)	13 (9.8%)	133 (100%)
3	Mutual Funds	45 (33.8%)	60 (45.1%)	21 (15.8%)	6 (4.5%)	1 (0.8%)	133 (100%)
4	Bonds	19 (14.3%)	34 (25.6%)	32 (24.1%)	24 (18.0%)	24 (18.0%)	133 (100%)

Note: Figures in parentheses represent the percentage.

Table 7.14: Present Attitude of the SRMFIs towards the following Financial Instruments in Baroda City							
Sr. No.	Present Attitude towards the Financial Instruments	Highly Favourable	Favourable	Some What Favou-rable	Not Very Favou-Rable	Not at All Favou-rable	Total
1	Shares	31 (22.5%)	57 (41.3%)	39 (28.3%)	10 (7.2%)	1 (0.7%)	138 (100%)
2	Debentures	9 (6.5%)	30 (21.7%)	61 (44.2%)	31 (22.5%)	7 (5.1%)	138 (100%)
3	Mutual Funds	32 (23.2%)	79 (57.2%)	24 (17.4%)	3 (2.2%)	0 (0.0%)	138 (100%)
4	Bonds	8 (5.8%)	40 (29.0%)	46 (33.3%)	27 (19.6%)	17 (12.3%)	138 (100%)

Note: Figures in parentheses represent the percentage.

Table 7.15: Present Attitude of the SRMFIs towards the following Financial Instruments in Surat City							
Sr. No.	Present Attitude towards the Financial Instruments	Highly Favourable	Favourable	Some What Favou-Rable	Not Very Favou-Rable	Not at All Favou-rable	Total
1	Shares	23 (17.8%)	73 (56.6%)	29 (22.5%)	4 (3.1%)	0 (0.0%)	129 (100%)
2	Debentures	25 (19.4%)	54 (41.9%)	35 (27.1%)	13 (10.1%)	2 (1.6%)	129 (100%)
3	Mutual Funds	55 (42.6%)	58 (45.0%)	14 (10.9%)	2 (1.6%)	0 (0.0%)	129 (100%)
4	Bonds	32 (24.8%)	47 (36.4%)	24 (18.6%)	23 (17.8%)	3 (2.3%)	129 (100%)

Note: Figures in parentheses represent the percentage.

Table 7.16: Present Attitude of the SRMFIs towards the following Financial Instruments, in the Indian Capital Market							
Sr. No.	Present Attitude towards the Financial Instruments	Ahmedabad		Baroda		Surat	
		WMV	Rank	WMV	Rank	WMV	Rank
1	Shares	3.73	II	3.78	II	3.89	II
2	Debentures	3.18	III	3.02	III	3.67	III
3	Mutual Funds	4.07	I	4.01	I	4.29	I
4	Bonds	3.00	IV	2.96	IV	3.64	IV

The Financial instruments were rated on a 5-point scale. The investment preference for Shares, Debentures, Mutual Funds and Bonds for **Ahmedabad City** reveals that highest number of the respondents have shown Mutual Fund as highly favourable & favourable. The detailed percentage for other instruments is presented in the Table 7.13. The investment preference for Shares, Debentures, Mutual Funds and Bonds for **Baroda City** reveals that highest number of the respondents have shown Mutual Fund as highly favourable & favourable. The detailed percentage for other instruments is presented in the Table 7.14. The investment preference for Shares, Debentures, Mutual Funds and Bonds for **Surat City** reveals that highest number of the respondents have shown Mutual Fund as highly favourable & favourable. The detailed percentage for other instruments is presented in the Table 7.15.

Table 7.16 presents the Weighted Mean Value (WMV) and Rank of all the four financial instruments in Ahmedabad, Baroda and Surat city. Results are similar in all the three cities of Gujarat. Based on WMV Mutual Fund is ranked first, Shares is ranked second, a debenture is ranked third and a bond is ranked fourth. It is revealed from the study that **Mutual Fund** is becoming the **most preferred** financial instrument.

7.4.4 PREFERRED ROUTE TO MUTUAL FUND INVESTING BY THE SRMFIs

Investors may use some sources to gain awareness regarding investing in mutual funds. In case of Ahmedabad city the most preferred route to gain awareness about mutual fund is Reference Groups/Friends 58 (43.6 per cent) followed by Newspapers (General/ Business) 53 (39.8 per cent), Brokers/Agents 43 (32.3 per cent), Internet 38 (28.6 per cent). In case of Baroda city the most preferred route to gain awareness about mutual fund is Reference Groups/Friends 68 (49.3 per cent) followed by Newspapers (Business) 65 (47.1 per cent), Internet 57 (41.3 per cent), Newspapers

(General) 49 (35.5 per cent) and Financial Magazines 46 (33.3 per cent). In case of Surat city the most preferred route to gain awareness about mutual fund is Brokers/Agents 52 (40.3 per cent) followed by Newspapers (General) 43 (33.3 per cent), Reference Groups/Friends 36 (27.9 per cent) Newspapers (Business) 35 (27.1 per cent) and Television 29 (22.5 per cent).

Table 7.17: Preferred Route to Mutual Fund Investing by the SRMFIs

Sr. No.	Preferred Route to Mutual Fund Investing	Total Number and Percentages of respondents (City Wise)			Overall Number and Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	Reference Groups/ Friends	58(43.6%)	68(49.3%)	36(27.9%)	162(40.5%)
2	Newspapers (general)	53(39.8%)	49(35.5%)	43(33.3%)	145(36.3%)
3	Newspapers (business)	53(39.8%)	65(47.1%)	35(27.1%)	153(38.3%)
4	Financial Magazines	29(21.8%)	46(33.3%)	20(15.5%)	95(23.8%)
5	Direct from company	9(6.8%)	21(15.2%)	11(8.5%)	41(10.3%)
6	Television	25(18.8%)	37(26.8%)	29(22.5%)	91(22.8%)
7	Brokers/Agents	43(32.3%)	42(30.4%)	52(40.3%)	137(34.3%)
8	Internet	38(28.6%)	57(41.3%)	26 (20.2%)	121(30.3%)
9	Stores Display	5(3.8%)	2(1.4%)	1(0.8%)	8(2.0%)
10	Any other	4(3.0%)	3(2.2%)	2(1.6%)	9(2.3%)
	Total	**359(269.2%)**	**438(300.7%)**	**129(224.8%)**	**1087(271.8%)**

Note: Figures in parentheses represent the percentage.

Overall results indicated that the sources in the study are confined to Reference Groups/Friends 162 (40.5 per cent), Newspapers (Business) 153 (38.3 per cent), Newspapers (General) 145 (36.3 per cent), Brokers/Agents 137 (34.3 per cent), Internet 121 (30.3 per cent), Financial Magazines 95 (23.8 per cent), Television 91 (22.8 per cent), Direct from company 41 (10.3 per cent) and Stores Display 8 (2.00 per cent). Findings of the study reveal that investors attach high priorities to word of mouth and published information, thereby preferring reference groups/friends and newspapers. This throws light on the possibility that mutual fund investors spend time discussing, analyzing and examining relevant information before taking any decision for selecting schemes for investment. This result is similar to that reported by **Kavitha Ranganathan (2006)[2]** and **Jaspal Singh *et al.* (2006)[3].**

7.4.5 PERIOD OF INVESTMENT IN MUTUAL FUNDS BY THE SRMFIs

Table 7.18: Period of Investment in Mutual Funds by the SRMFIs					
Sr. No.	**Period of Investment in Mutual Funds**	**Total Number and Percentages of Respondents (City Wise)**			**Overall Number & Percentages of Respondents**
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Last two years	62(46.6%)	54(39.1%)	47(36.4%)	163(40.8%)
2	More than two years but less than five years	54(40.6%)	63(45.7%)	53(41.1%)	170(42.5%)
3	Five to ten years	12(9%)	16(11.6%)	21(16.3%)	49(12.3%)
4	More than ten years	5(3.8%)	5(3.6%)	8(6.2%)	18(4.5%)
	Total	**133(100%)**	**138(100%)**	**129(100%)**	**400(100%)**

Note: Figures in parentheses represent the percentage.

Table 7.18 above shows that, the period of investment in mutual fund by SRMFIs. In Ahmedabad city 62 (46.6 per cent) of the investors investing in mutual funds from last two years, 54 (40.6 per cent) of the investors investing in mutual funds from more than two years but less than five years. In Baroda city 54 (39.1 per cent) of the investors investing in mutual funds from last two years, 63 (45.7 per cent) of the investors investing in mutual funds from more than two years but less than five years. In Surat city 47 (36.4 per cent) of the investors investing in mutual funds from last two years, 53 (41.1 per cent) of the investors investing in mutual funds from more than two years but less than five years.

Overall, 163 (40.8 per cent) of the investors investing in mutual funds from last two years, 170 (42.5 per cent) of the investors investing in mutual funds from more than two years but less than five years. From the above results, it can be revealed that from last five years the awareness among the people is increased about mutual fund and also become popular and one of the most preferred investment option.

Table 1.3 of Chapter 1 points the track of investment done under various heads from year 1999-2000 to 2008-09. Mutual Funds investments have been increased from 3.4 per cent in year 1999-2000 to 7.9 in 2007-08. The total percent has doubled in a time span of nine years.

Here in this study, the researcher has asked the question pertaining to the investment period in mutual funds. It was found that the investment in mutual funds is increasing every year. The same results are also depicted in the data reported by the SEBI in its Handbook 2009.

7.4.6 MUTUAL FUND INVESTMENT PREFERENCE IN FUTURE BY THE SRMFIs

To examine the future attitudes of investors towards MF, the next question was "Do you prefer to continue your investment in Mutual Funds?". The findings of the same are presented in Table 7.19.

Table 7.19: Mutual Fund Investment Preference in Future by the SRMFIs

Sr. No.	Mutual Fund Investment Preference in Future	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
		Ahmedabad	Baroda	Surat	Total
1	Yes	90 (67.7%)	116 (84.1%)	85 (65.9%)	291 (72.8%)
2	No	3 (2.3%)	7 (5.1%)	7 (5.4%)	17 (4.3%)
3	Not Sure	40 (30.1%)	15 (10.9%)	37 (28.7%)	92 (23.0%)
	Total	**133 (100%)**	**138 (100%)**	**129 (100%)**	**400 (100%)**

Note: Figures in parentheses represent the percentage.

Table 7.19 above shows that, there is a fair opportunity for MF investments in future 67.7 per cent, 84.1 per cent and 65.9 per cent of the respondents have voted towards 'Yes' respectively for Ahmedabad, Baroda and Surat City.

Overall results indicated that 291 (72.8 per cent) of the respondents have voted towards 'Yes'. However, 17 (4.3 per cent) have voted 'No' and 92 (23.0 per cent) as 'Not Sure' as their preference in future MF investment. The study found that 291 (72.8 per cent) of the mutual fund investors prefer to invest in future. Means it can be concluded that they are satisfied with the mutual fund investment. There must be plenty reasons for 109 (27.3 per cent: No and Not Sure category) investors to have posed a negative approach towards MFs. Now to divert this negative approach towards the positive approach firstly, AMCs should take steps and see that funds are not virtually at the mercy of institutional investors. MFs should not indulge in unethical practices and launch schemes that benefit institutional investors at the cost of retail investors. Also, the AMCs should try and tap the NRI market, as they can diversify from Bank Deposits to MFs. The main task at hand for the AMCs is to tackle investor sentiments with greater transparency and credibility in the functioning.

7.4.7 MUTUAL FUND SCHEME PREFERENCE AMONG THE SRMFIs

MF offers various types of the schemes to meet with the objectives of the investors. To examine the preference of MF investors, the list of 10 types of MF schemes was given to the respondents, with a request to rank the same. The findings are presented in Table 7.20.

Table 7.20: Mutual Fund Scheme Preference among the SRMFIs					
Sr. No.	Mutual Fund Scheme	Weighted Mean Value (City wise) and Rank			Weighted Mean Value (Over All) and Rank
	City	Ahmedabad	Baroda	Surat	
1	Growth Scheme	8.74 (I)	8.09 (I)	6.84 (I)	7.90 (I)
2	Money Market Scheme	3.49 (VI)	4.67 (V)	3.58 (VI)	3.925 (VI)
3	Load Scheme	2.20 (IX)	2.59 (IX)	2.12 (X)	2.31 (X)
4	Industry Specific Scheme	3.23 (VII)	3.86 (VII)	2.16 (IX)	3.10 (VII)
5	Income Scheme	6.16 (III)	6.97 (II)	5.50 (III)	6.23 (II)
6	Index Scheme	4.20 (V)	4.36 (VI)	3.88 (V)	4.15 (V)
7	Unload Scheme	2.20 (IX)	2.33 (X)	2.49 (VIII)	2.34 (IX)
8	Balanced Scheme	4.90 (IV)	5.99 (IV)	6.73 (II)	5.87 (IV)
9	Tax Saving Scheme	6.45 (II)	6.73 (III)	4.71 (IV)	5.99 (III)
10	Sectoral Scheme	2.61 (VIII)	3.47 (VIII)	3 (VII)	3.03 (VIII)

Table 7.20 above shows the results of preferred mutual fund scheme among the investors. The study reveals growth schemes are the most popular scheme among individual investors of Ahmedabad, followed by tax savings, income, balanced, index, money market, industry specific, sectoral, load and unload. In Baroda also growth schemes are the most popular scheme among individual investors followed by income, tax savings, balanced, money market, index, industry specific, sectoral, load and unload. In Surat also growth schemes are the most popular scheme among individual investors followed by balanced, income, tax savings, index, money market, sectoral, unload, industry specific and load.

Overall growth schemes are the most popular scheme among individual investors followed by income, tax savings, balanced, index, money market, industry specific, sectoral, unload and load. The preference for growth or any other scheme is also influenced by stock market conditions prevailing at the time of investment decision. The prevailing market conditions have prompted investors to look for growth schemes and income schemes have become attractive due to increasing interest rates and the hike in salaries of the individuals have increased the demand for tax savings schemes. This result is similar to that reported by **Kavitha Ranganathan (2006)** and **Jaspal Singh *et al.* (2006).**

7.4.8 SCHEME PREFERENCE BY OPERATION BY THE SRMFIs

As is known operationally schemes can be divided in four parts *viz.* Open-ended schemes, Close-ended schemes, Interval schemes and Systematic Investment Plan (SIP). In the next question, an attempt is made to examine the preference of the respondents to these schemes.

Table 7.21: Scheme Preference by Operation by the SRMFIs

Sr. No.	Scheme Preference by Operation	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	**Ahmedabad**	**Baroda**	**Surat**	**Total**
1	Open ended schemes	83(62.4%)	76(55.1%)	56(43.4%)	215 (53.8%)
2	Close ended schemes	28(21.1%)	30(21.7%)	37(28.7%)	95 (23.8%)
3	Interval schemes	6(4.5%)	16(11.6%)	16(12.4%)	38 (9.5%)
4	Systematic Investment Plan(SIP)	73(54.9%)	71(51.4%)	74(57.4%)	218(54.5%)
	Total	**190(142.9%)**	**193(139.9%)**	**183(141.9%)**	**566(141.6%)**

Note: Figures in parentheses represent the percentage.

Table 7.21 above shows the analysis of scheme preference by nature of operation. In case of Ahmedabad city open ended schemes 83 (62.4 per cent) and Systematic Investment Plan (SIP) 73 (54.9 per cent) are most preferred scheme. In case of Baroda city also open ended schemes 76 (55.1 per cent) and Systematic Investment Plan (SIP) 74 (51.4 per cent) are the most preferred scheme. In case of Surat city Systematic Investment Plan (SIP) 74 (57.4 per cent) and open ended schemes 56 (43.4 per cent) are most preferred scheme. And Interval schemes are the least preferred scheme in all the three cities.

Overall results indicated Systematic Investment Plan (SIP) 218 (54.5 per cent) and open ended schemes 215 (53.8 per cent) are most preferred scheme. Majority of the investors 284 (71.1 per cent) in this study are from salaried group 211 (52.8 per cent) and professionals 73 (18.3 per cent). These investors prefer to invest month-wise, as their income is on a monthly basis and also because of liquidity feature due importance given to these schemes. Moderate preference i.e. 95 (23.8 per cent) has been given by the investors to Close-ended schemes. Only 38 (9.5 per cent) of the investors have voted for Interval Schemes which shows lack of awareness with regard to this feature. This result is similar to that reported by **Kavitha Ranganathan (2006)** and **Jaspal Singh *et al.* (2006).**

7.4.9 PREFERENTIAL FEATURE IN MUTUAL FUNDS AMONG SRMFIs

For the purpose of examining which feature the equity investors look to at a time of investment, eight features were identified. The next question intends to examine the importance given to each such feature by the respondents. The findings are presented in Table 7.22.

Table 7.22: Preferential Feature in Mutual Funds among SRMFIs

Sr. No.	Objectives	Weighted Mean Value (City wise) and Rank			Weighted Mean Value (Over All) and Rank
	City	Ahmedabad	Baroda	Surat	
1	Safety	4.84(II)	4.97(II)	3.65(V)	4.50 (II)
2	Good Return	5.85(I)	5.25(I)	4.44(III)	5.19 (I)
3	Tax Benefit	4.72(III)	4.30(IV)	3.30(VI)	4.12 (IV)
4	Professional management	3.19(VII)	3.75(VI)	2.47(VIII)	3.15 (VIII)
5	Capital Appreciation	4.26(IV)	4.60(III)	4.52(I)	4.46 (III)
6	Diversification Benefit	3.31(VI)	3.68(VII)	2.90(VII)	3.31 (VII)
7	Flexibility	2.57(VIII)	3.96(V)	3.78(IV)	3.44 (VI)
8	Liquidity	4.02(V)	3.62(VIII)	4.47(II)	4.03 (V)

Table 7.22 shows that, the preferential feature in mutual funds among the investors. In case of Ahmedabad city investors look for good return first in mutual fund products, followed by safety, tax benefit, capital appreciation, liquidity, diversification benefit, professional management and flexibility. In Baroda city investors look for good return first in mutual fund products, followed by safety, capital appreciation, tax benefit, flexibility, professional management, diversification benefit, and liquidity. In Surat city investors look for capital appreciation first in mutual fund products, followed by liquidity, good return, flexibility, safety, tax benefit, diversification benefit and professional management.

Overall, investors look for good return first in mutual fund products, followed by safety, capital appreciation, tax benefit, liquidity, flexibility, diversification benefit and professional management. This result is similar to that reported by **Kavitha Ranganathan (2006).**

7.4.10 PREFERRED MODE OF COMMUNICATION IN MUTUAL FUND INVESTING BY THE SRMFIs

Various modes of communication are available to the investors. The present study intends to examine preference for communication modes.

Table 7.23: Preferred Mode of Communication in Mutual Fund Investing by the SRMFIs					
Sr. No.	Preferred Mode of Communication in Mutual Fund Investing	Total Number and Percentages of Respondents (City Wise)			Overall Number & Percentages of Respondents
	City	Ahmedabad	Baroda	Surat	Total
1	Automated response	19(14.3%)	22(15.9%)	20(15.5%)	**61(15.3%)**
2	Personally visit the office	49(36.8%)	40(29.0%)	52(40.3%)	**141(35.3%)**
3	Telephone the office	24(18.0%)	21(15.2%)	32(24.8%)	**77(19.3%)**
4	Automated response followed by personal interact	34(25.6%)	50(36.2%)	22(17.1%)	**106(26.5%)**
5	No preferences	7(5.3%)	5(3.6%)	3(2.3%)	**15(3.8%)**
	Total	**133(100%)**	**138(100%)**	**129(100%)**	**400(100%)**

Note: Figures in parentheses represent the percentage.

Table 7.23 shows, that in case of Ahmedabad city 49 (36.8 per cent) of the respondents prefer to personally visit the office to get the information about their investment, 34 (25.6 per cent) of the respondents prefer automated response followed by personal interact, 24 (18.0 per cent) of the respondents prefer to telephone the office, and 19 (14.3 per cent) of the respondents prefer automated response. In Baroda city 50 (36.2 per cent) of the respondents prefer automated response followed by personal interact and 40 (29.0 per cent) of the respondents prefer to personally visit the office to get the information about their investment. In Surat city 52 (40.3 per cent) of the respondents prefer to personally visit the office to get the information about their investment and 32 (24.8 per cent) of the respondents prefer to telephone the office.

Overall results indicated that 141 (35.3 per cent) of the respondents prefer to 'personally visit the office' to get the information about their investment, 106 (26.5 per cent) of the respondents prefer 'automated response followed by personal interact', 77 (19.3 per cent) of the respondents prefer to 'telephone the office', 61 (15.3 per cent) of the respondents prefer 'automated response' and 15 (3.8 per cent) of the respondents have 'no preferences'. The results of the study show that 247 (61.8 per cent) of the investors have given highest importance to "personal interaction" and "automated response followed by personal interaction". Thus it can be concluded that there must be improvement in internet and telecommunication services in India. There is a possibility of more usage of automated services if they are more "user-friendly".

7.4.11 TOP-OF-MIND RECALL OF MUTUAL FUNDS/SCHEMES AMONG THE SRMFIs

Table 7.24 shows that, Top-of-Mind Recall of Mutual Funds/Schemes among the SRMFIs.

Table 7.24: Top-of-Mind Recall of Mutual Funds/Schemes among the SRMFIs

Sr. No.	Mutual Funds / Schemes	WMV	Sr. No.	Mutual Funds / Schemes	WMV
1	Reliance Mutual Fund	2.01	19	IDBI Mutual Fund	0.10
2	HDFC Mutual Fund	1.89	20	Escorts Mutual Fund	0.09
3	SBI Mutual Fund	1.32	21	IDFC Mutual Fund	0.09
4	Prudential ICICI Mutual Fund	1.26	22	Religare Mutual Fund	0.07
5	UTI Mutual Fund	1.11	23	Taurus Mutual Fund	0.07
6	Birla Sun Life Mutual Fund	0.84	24	ING Vysya Mutual Fund	0.07
7	Tata Mutual fund	0.58	25	Baroda Pioneer Mutual Fund	0.07
8	Franklin Templeton Mutual Fund	0.52	26	BNP Paribas Mutual Fund	0.06
9	LIC Mutual Fund	0.47	27	Alliance Capital Mutual Fund	0.05
10	Kotak Mahindra Mutual Fund	0.44	28	GIC Mutual Fund	0.03
11	DSP Merril Lynch Mutual Fund	0.41	29	Edelweiss Mutual Fund	0.03
12	Canara Robeco Mutual Fund	0.29	30	J. P. Morgan Stanley Mutual Fund	0.03
13	Fidelity Mutual Fund	0.25	31	Benchmark Mutual Fund	0.02
14	Sundaram BNP Paribus Mutual Fund	0.23	32	AIG Mutual Fund	0.02
15	HSBC Mutual Fund	0.21	33	Morgan Stanley Mutual Fund	0.02
16	Principal Mutual Fund	0.15	34	Standard Chartered Mutual Fund	0.02
17	JM Financial Mutual Fund	0.14	35	Fortis Mutual Fund	0.01
18	BHARTI AXA Mutual Fund	0.14	36	Sahara Mutual Fund	0.01

Top-Of-Mind Recall throws light on the strength of brand identity, awareness, acceptability and preference. This calls for a high degree of brand equity and loyalty, which is the direct result of the promotion strategy of the AMCs and a good performance over a period of time. MFs are no more just financial instruments, rather a product or a service, which should be tailor-made to attract and retain investors. AMCs should realize that it is not just the USPs (Unique Selling Propositions) that count, but the ESPs (Extra Sensory Perceptions), which will help to track, gauge and deliver satisfaction to the targeted investor groups. Top-Of-Mind Recall test of Mutual Funds was administered in the questionnaire, which was distributed to 400 respondents during June-September 2010, in Ahmedabad, Baroda and Surat. This

study yielded superlative results where 36 registered Mutual Funds were recalled by the investors. The top five amongst them were Reliance Mutual Fund, HDFC Mutual Fund, SBI Mutual Fund, Prudential ICICI Mutual Fund and UTI Mutual Fund. The WMVs for all 36 MF are presented in Table 7.24. It is revealed that all the top five remembered mutual funds are Indian mutual fund companies and three are from private sector and two are from banking sectors. It is baffling to know that out of 41 registered MFs, 36 Mutual Funds were recalled, in a few moments of time spent by the investor in filling up the Questionnaire.

7.4.12 MUTUAL FUND CONCEPTUAL AWARENESS LEVEL AMONG THE SRMFIs

In the next question an attempt is made to know the Conceptual Awareness Level of the sample investors.

Table 7.25: Mutual Fund Conceptual Awareness Level among the SRMFIs

	Yes	No	Do Not Know	Total
Investment in MF helps you realize the benefits of stock Market investing.	313 (78.3%)	60 (15.0%)	27 (6.8%)	400 (100%)
MF investing gives a definite positive return.	140 (35.0%)	210 (52.5%)	50 (12.5%)	400 (100%)
Return of the Principal are fully protected and guaranteed by Association of Mutual Funds of India (AMFI).	126 (31.5%)	193 (48.3%)	81 (20.3%)	400 (100%)
Return of the Principal amount invested in any MF is assured.	127 (31.8%)	213 (53.2%)	60 (15.0%)	400 (100%)
Bank sponsored Mutual Funds gives a definite positive return which is greater than Bank fixed deposits rate for a similar period	173 (43.3%)	161 (40.3%)	66 (16.5%)	400 (100%)
Mutual Funds gives good returns compared to fixed deposits of listed companies	195 (48.8%)	137 (34.3%)	68 (17.0%)	400 (100%)
Entry and exit out of Mutual funds is easy	215 (53.8%)	141 (35.3%)	44 (11.0%)	400 (100%)
Due to professional investment, a good return can be expected of Mutual fund	281 (70.3%)	81 (20.3%)	38 (9.5%)	400 (100%)
Ups and downs of stock market will not affect the return from MF.	89 (22.3%)	256 (64.0%)	55 (13.8%)	400 (100%)
There are many MF schemes to meet the varied needs of investors.	278 (69.5%)	71 (17.8%)	51 (12.8%)	400 (100%)
AMFI protects the interests of MF industry and the unit holders.	224 (56.0%)	98 (24.5%)	78 (19.5%)	400 (100%)

Note: Figures in parentheses represent the percentage.

It is very important to have awareness about the different investment options and their benefits. Investors, while taking their investment decisions use unique internal characteristics (influenced by their cognitive domain) and also yield to the

environmental pressures of the external financial markets. 'Awareness' belongs to the cognitive domain. Hence, it is crucial for the AMCs to know the level of awareness about MFs among the investing public. This will enable them to create an external environment that can influence investment decisions of investors. To examine this total 11 statements were given to the respondents to be answered as 'Yes', 'No' or 'Do not know'. The findings are presented in Table 7.25.

The Table 7.25 reveals that the general awareness level among individual investors of the concept and functioning of MFs is good. This could be attributed to the wide publicity given to MF industry by the media for varied reasons. Agent training programmes and investor education programmes organized by AMFI could also have contributed to this level of awareness. However, this study was based in major cities of Gujarat, i.e. Ahmedabad, Baroda and Surat where the awareness level may be considerably high. But, the litmus test for the industry is the expansion of the distribution network to smaller urban and rural areas where most of the small investors live. The challenge would be to educate these investors about the advantages of investing in mutual funds compared to traditional saving instruments.

7.5 HYPOTHESIS TESTING

After having basic analysis of the responses received to the Questionnaire, in this part an attempt is made to test the hypotheses with reference to primary data collection. The following hypotheses are tested:

H_{01} : Attitude towards Financial Instruments and Gender are independent of each other.

H_{02} : Attitude towards Financial Instruments and Age are independent of each other.

H_{03} : Attitude towards Financial Instruments and Academic Qualification are independent of each other.

H_{04} : Attitude towards Financial Instruments and Marital Status are independent of each other.

H_{05} : Attitude towards Financial Instruments and Occupation are independent of each other.

H_{06} : Attitude towards Financial Instruments and Annual Income are independent of each other.

H_{07} : Attitude towards Financial Instruments and Annual Savings are independent of each other.

H_{08} : Attitude towards Financial Instruments and Financial Responsibility are independent of each other.

H_{09} : Period of investment in mutual fund and Gender are independent of each other.

H_{010}: Period of investment in mutual fund and Age are independent of each other.

H_{011}: Period of investment in mutual fund and Academic Qualification are independent of each other.

H_{012} : Period of investment in mutual fund and Marital Status are independent of each other.

H_{013} : Period of investment in mutual fund and Occupation are independent of each other.

H_{014} : Period of investment in mutual fund and Annual Income are independent of each other.

H_{015} : Period of investment in mutual fund and Annual Savings are independent of each other.

H_{016}: Period of investment in mutual fund and Financial Responsibility are independent of each other.

H_{017} : Scheme Preference and Gender are independent of each another.

H_{018} : Scheme Preference and Age are independent of each another.

H_{019}: Scheme Preference and Academic Qualification are independent of each another.

H_{020}: Scheme Preference and Marital Status are independent of each another.

H_{021}: Scheme Preference and Occupation are independent of each another.

H_{022}: Scheme Preference and Annual Income are independent of each another.

H_{023}: Scheme Preference and Annual Savings are independent of each another.

H_{024}: Scheme Preference and Financial Responsibility are independent of each another.

H_{025}: Mutual Fund Investment Preference in future and Gender are independent from each other.

H_{026}: Mutual Fund Investment Preference in future and Age are independent from each other.

H_{027}: Mutual Fund Investment Preference in future and Academic Qualification are independent from each other.

H_{028}: Mutual Fund Investment Preference in future and Marital Status are independent from each other.

H_{029}: Mutual Fund Investment Preference in future and Occupation are independent from each other.

H_{030}: Mutual Fund Investment Preference in future and Annual Income are independent from each other.

H_{031}: Mutual Fund Investment Preference in future and Annual Savings are independent from each other.

H_{032}: Mutual Fund Investment Preference in future and Financial Responsibility are independent from each other.

For the purpose of testing of hypotheses H_{01} to H_{32}, Chi-square test is applied to examine association of attributes.

7.5.1 SRMFIs ATTITUDE TOWARDS FINANCIAL INSTRUMENTS:

There are many financial instruments available in the capital market as per the requirement of the investors. Capital market investment is long term in nature. Hence, people are very much conscious while they invest their money in long term instruments. Investor's return is one of the crucial determinants that set the attitude towards different financial instruments in the capital market. In this study, four different financial instruments *viz.,* Shares, Debentures, Mutual Funds and Bonds has been taken. There are many other demographic factors which set the attitude towards financial instruments. For analyzing the relationship between SRMFIs attitude towards Financial Instruments on account of Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility the following hypotheses are taken into consideration:

7.5.1.1 GENDER-WISE ANALYSIS

H_{01}: Attitude towards Financial Instruments and Gender are independent of each other.

As shown in Table 7.26 it can be observed that the male SRMFIs have given 'Mutual Funds' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (57.3 per cent) financial instrument which is followed by 'Shares' (50.3 per cent), 'Bond' (30.1 per cent) and 'Debentures' (28.8 per cent). And the female SRMFIs have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (25.1 per cent) financial instrument which is followed by 'Shares' (13.3 per cent), 'Bond' (15.0 per

cent) and 'Debentures' (14.0 per cent). From the above data, it could be concluded that the attitude towards the financial instruments are same in case of gender.

Table 7.26 : SRMFIs Attitude towards Financial Instruments vis-à-vis Gender					
Gender	**Financial Instruments**				
		Shares	**Debentures**	**Mutual Funds**	**Bonds**
Male	HF	70 (17.5%)	30 (7.5%)	95 (23.8%)	31 (7.8%)
	F	131 (32.8%)	85 (21.3%)	134 (33.5%)	89 (22.3%)
	SWF	61 (15.3%)	105 (26.3%)	43 (10.8%)	78 (19.5%)
	NVF	14 (3.5%)	43 (10.8%)	5 (1.3%)	49 (12.3%)
	NAAF	2 (0.5%)	15 (3.8%)	1 (0.3%)	31 (7.8%)
	Total	**278 (69.5%)**	**278 (69.5%)**	**278 (69.5%)**	**278 (69.5%)**
Female	HF	20 (0.5%)	16 (4.0%)	37 (9.3%)	28 (7.0%)
	F	51 (12.8%)	40 (10.0%)	63 (15.8%)	32 (8.0%)
	SWF	30 (7.5%)	43 (10.8%)	16 (4.0%)	24 (6.0%)
	NVF	17 (4.3%)	16 (4.0%)	6 (1.5%)	25 (6.3%)
	NAAF	4 (1.0%)	7 (1.8%)	0 (0.0%)	13 (3.3%)
	Total	**122 (30.5%)**	**122 (30.5%)**	**122 (30.5%)**	**122 (30.5%)**
Total		**400 (100%)**	**400 (100%)**	**400 (100%)**	**400 (100%)**
Note: Figures in parentheses represent the percentage.					

Table 7.27 : Financial Instruments vis-à-vis Gender - χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	16.063 *	0.003
Debentures	1.013	0.908
Mutual Funds	4.341	0.362
Bonds	11.675 *	0.020
Table Value of χ^2 at 4 df = **9.488** , at 5 Per cent Level of Significance		

Table 7.27 shows the results of Chi-square test between Financial Instruments and Gender. Conducting Chi-square test at 5 per cent level of significance with 4 degrees of freedom, for the 'Shares' and 'Bonds' the computed value of χ^2 is higher than the Table-value. This tends to reject null hypothesis, indicating there by that attitude for investment in Shares & Bonds and Gender are dependent on each other.

7.5.1.2 AGE-WISE ANALYSIS

H_{02} : Attitude towards Financial Instruments and Age are independent of each other.

From Table 7.28 it can be observed that the SRMFIs with the age group of 'up to 30' have given 'Mutual Funds' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (29.5 per cent) financial instrument which is followed by 'Shares' (25.1 per cent), 'Bond' (14.1 per cent) and 'Debentures' (14.1 per cent). The SRMFIs with the age group of '31-40' have given

'Mutual Funds' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (28.3 per cent) financial instrument which is followed by 'Shares' (23.3 per cent), 'Bond' (15.6 per cent) and 'Debentures' (14.8 per cent). The SRMFIs with the age group of '41-50' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (17.0 per cent) financial instrument which is followed by 'Shares' (15.3 per cent), 'Bond' (13.0 per cent) and 'Debentures' (11.0 per cent). The SRMFIs with the age group of 'Above 50' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (7.5 per cent) financial instrument which is followed by 'Shares' (4.5 per cent), 'Debentures' (3.1 per cent) and 'Bond' (2.6 per cent).

Table 7.28 : SRMFIs Attitude towards Financial Instruments vis-à-vis Age

Age		Financial Instruments			
		Shares	**Debentures**	**Mutual Funds**	**Bonds**
Up to 30	HF	37 (9.3%)	7 (1.8%)	52 (13.0%)	17 (4.3%)
	F	63 (15.8%)	49 (12.3%)	66 (16.5%)	39 (9.8%)
	SWF	31 (7.8%)	56 (14.0%)	21 (5.3%)	47 (11.8%)
	NVF	10 (2.5%)	25 (6.3%)	3 (0.8%)	29 (7.3%)
	NAAF	2 (0.5%)	6 (1.5%)	1 (0.3%)	11 (2.8%)
	Total	**143 (35.8%)**	**143 (35.8%)**	**143 (35.8%)**	**143 (35.8%)**
31-40	HF	27 (6.8%)	16 (4.0%)	42 (10.5%)	13 (3.3%)
	F	66 (16.5%)	43 (10.8%)	71 (17.8%)	49 (12.3%)
	SWF	34 (8.5%)	56 (14.0%)	24 (6.0%)	40 (10.0%)
	NVF	14 (3.5%)	19 (4.8%)	5 (1.3%)	24 (6.0%)
	NAAF	1 (0.3%)	8 (2.0%)	0 (0.0%)	16 (4.0%)
	Total	**142 (35.5%)**	**142 (35.5%)**	**142 (35.5%)**	**142 (35.5%)**
41-50	HF	24 (6.0%)	18 (4.5%)	28 (7.0%)	24 (6.0%)
	F	37 (9.3%)	26 (6.5%)	40 (10.0%)	28 (7.0%)
	SWF	14 (3.5%)	26 (6.5%)	10 (2.5%)	13 (3.3%)
	NVF	5 (1.3%)	7 (1.8%)	3 (0.8%)	9 (2.3%)
	NAAF	1 (0.3%)	4 (1.0%)	0 (0.0%)	7 (1.8%)
	Total	**81 (20.3%)**	**81 (20.3%)**	**81 (20.3%)**	**81 (20.3%)**
Above 50	HF	2 (0.5%)	5 (1.3%)	10 (2.5%)	5 (1.3%)
	F	16 (4.0%)	7 (1.8%)	20 (5.0%)	5 (1.3%)
	SWF	12 (3.0%)	10 (2.5%)	4 (1.0%)	2 (0.5%)
	NVF	2 (0.5%)	8 (2.0%)	0 (0.0%)	12 (3.0%)
	NAAF	2 (0.5%)	4 (1.0%)	0 (0.0%)	10 (2.5%)
	Total	**34 (8.5%)**	**34 (8.5%)**	**34 (8.5%)**	**34 (8.5%)**
Total		**400 (100.0%)**	**400 (100.0%)**	**400(100.0%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

In some cases 'Debentures' and 'Bonds' have given the least favourable scores by the SRMFIs. From the data, it could be concluded that the attitude towards the financial instruments are same in case of age and the most preferred financial instrument is 'Mutual Fund'.

Table 7.29 : Financial Instruments vis-à-vis Age - χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	17.518	0.131
Debentures	24.660*	0.017
Mutual Funds	6.612	0.882
Bonds	52.194*	0.000
Table Value of χ^2 at 12 df = **21.026** , at 5 Per cent Level of Significance		

Table 7.29 shows the results of Chi-square test between different Financial Instruments and Age. Conducting Chi-square test at 5 per cent level of significance with 12 degrees of freedom, for the 'Debentures' and 'Bonds' the computed value of χ^2 is higher than the Table-value. This again tends to reject null hypothesis, indicating there by that attitude for investment in Debentures & Bonds and Age are not independent of each other.

7.5.1.3 ACADEMIC QUALIFICATION-WISE ANALYSIS

H_{03}: Attitude towards Financial Instruments and Academic Qualification are independent of each other.

As shown in Table 7.30 it can be observed that the SRMFIs with academic qualification of 'HSC' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (4.5 per cent) which is followed by 'Shares' (4.3 per cent), 'Bond' (3.8 per cent) and 'Debentures' (4.0 per cent). The SRMFIs with the 'Graduate' degree have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (39.3 per cent) financial instrument which is followed by 'Shares' (33.0 per cent), 'Debentures' (20.8 per cent) and 'Bond' (20.3 per cent). The SRMFIs with the 'Post-Graduate' degree have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (33.5 per cent) financial instrument which is followed by 'Shares' (26.8 per cent), 'Bond' (18.5 per cent) and 'Debentures' (15.8 per cent). And the SRMFIs with the 'Professional' degree have given 'Mutual Funds' as most preferred financial instrument with highly favourable

and favourable score of (5.0 per cent) financial instrument which is followed by 'Shares' (4.0 per cent), 'Bond' (2.6 per cent) and 'Debentures' (2.3 per cent). It is also clear that the SRMFIs with 'Graduate' degree and 'Post-Graduate' degree, have given the least favourable scores to 'Debentures' and 'Bonds'.

Table 7.30 : SRMFIs Attitude towards Financial Instruments vis-à-vis Academic Qualification

Academic Qualification		Financial Instruments			
		Shares	Debentures	Mutual Funds	Bonds
HSC	HF	3 (0.8%)	8 (2.0%)	6 (1.5%)	7 (1.8%)
	F	14 (3.5%)	8 (2.0%)	12 (3.0%)	8 (2.0%)
	SWF	5 (1.3%)	6 (1.5%)	4 (1.0%)	2 (0.5%)
	NVF	2 (0.5%)	1 (0.3%)	2 (0.5%)	5 (1.3%)
	NAAF	0 (0.0%)	1 (0.3%)	0 (0.0%)	2 (0.5%)
	Total	**24 (6.0%)**	**24 (6.0%)**	**24 (6.0%)**	**24 (6.0%)**
Graduate	HF	50 (12.5%)	26 (6.5%)	68 (17.0%)	27 (6.8%)
	F	82 (20.5%)	57 (14.3%)	89 (22.3%)	54 (13.5%)
	SWF	31 (7.8%)	67 (16.8%)	23 (5.8%)	46 (11.5%)
	NVF	18 (4.5%)	27 (6.8%)	4 (1.0%)	33 (8.3%)
	NAAF	3 (0.8%)	7 (1.8%)	0 (0.0%)	24 (6.0%)
	Total	**184 (46.0%)**	**184 (46.0%)**	**184 (46.0%)**	**184 (46.0%)**
Post-Graduate	HF	33 (8.3%)	11 (2.8%)	54 (13.5%)	24 (6.0%)
	F	74 (18.5%)	52 (13.0%)	80 (20.0%)	50 (12.5%)
	SWF	47 (11.8%)	64 (16.0%)	29 (7.3%)	46 (11.5%)
	NVF	9 (2.3%)	27 (6.8%)	2 (0.5%)	29 (7.3%)
	NAAF	3 (0.8%)	12 (3.0%)	1 (0.3%)	17 (4.3%)
	Total	**166 (41.5%)**	**166 (41.5%)**	**166 (41.5%)**	**166 (41.5%)**
Professional Degree	HF	4 (1.0%)	1 (0.3%)	4 (1.0%)	1 (0.3%)
	F	12 (3.0%)	8 (2.0%)	16 (4.0%)	9 (2.3%)
	SWF	8 (2.0%)	11 (2.8%)	3 (0.8%)	8 (2.0%)
	NVF	2 (0.5%)	4 (1.0%)	3 (0.8%)	7 (1.8%)
	NAAF	0 (0.0%)	2 (0.5%)	0 (0.0%)	1 (0.3%)
	Total	**26 (6.5%)**	**26 (6.5%)**	**26 (6.5%)**	**26 (6.5%)**
Total		**400 (100.0%)**	**400 (100.0%)**	**400 (100.0%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

Table 7.31 : Financial Instruments vis-à-vis Academic Qualification - χ^2 test

Financial Instruments	Chi-Square	Significance
Shares	13.760	0.316
Debentures	21.363*	0.045
Mutual Funds	19.462	0.078
Bonds	12.515	0.405

Table Value of χ^2 at 12 df = **21.026** , at 5 Per cent Level of Significance

Table 7.31 shows the results of Chi-square test between different Financial Instruments and Academic Qualification. Conducting Chi-square test at 5 per cent level of significance with 12 degrees of freedom, only for the 'Debentures' the computed value of χ^2 is higher than the Table-value. Thus, it can be inferred that only in case of Debentures attitude towards financial instruments is not independent from Academic Qualification.

7.5.1.4 MARITAL STATUS-WISE ANALYSIS

H_{04}: Attitude towards Financial Instruments and Marital Status are independent of each other.

Table 7.32 : SRMFIs Attitude towards Financial Instruments vis-à-vis Marital Status

Marital Status		Financial Instruments			
		Shares	**Debentures**	**Mutual Funds**	**Bonds**
Married	HF	60 (15.0%)	37 (9.3%)	89 (22.3%)	44 (11.0%)
	F	132 (33.0%)	84 (21.0%)	157 (39.3%)	90 (22.5%)
	SWF	73 (18.3%)	112 (28.0%)	41 (10.3%)	70 (17.5%)
	NVF	24 (6.0%)	43 (10.8%)	8 (2.0%)	57 (14.3%)
	NAAF	6 (1.5%)	19 (4.8%)	0 (0.0%)	34 (8.5%)
	Total	**295 (73.8%)**	**295 (73.8%)**	**295 (73.8%)**	**295 (73.8%)**
Unmarried	HF	28 (7.0%)	8 (2.0%)	38 (9.5%)	13 (3.3%)
	F	46 (11.5%)	37 (9.3%)	39 (9.8%)	28 (7.0%)
	SWF	16 (4.0%)	34 (8.5%)	17 (4.3%)	31 (7.8%)
	NVF	7 (1.8%)	16 (4.0%)	2 (0.5%)	16 (4.0%)
	NAAF	0 (0.0%)	2 (0.5%)	1 (0.3%)	9 (2.3%)
	Total	**97 (24.3%)**	**97 (24.3%)**	**97 (24.3%)**	**97 (24.3%)**
Widow	HF	2 (0.5%)	1 (0.3%)	2 (0.5%)	1 (0.3%)
	F	1 (0.3%)	1 (0.3%)	0 (0.0%)	1 (0.3%)
	SWF	0 (0.0%)	0 (0.0%)	1 (0.3%)	0 (0.0%)
	NVF	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	NAAF	0 (0.0%)	1 (0.3%)	0 (0.0%)	1 (0.3%)
	Total	**3 (0.8%)**	**3 (0.8%)**	**3 (0.8%)**	**3 (0.8%)**
Widower	HF	0 (0.0%)	0 (0.0%)	2 (0.5%)	1 (0.3%)
	F	2 (0.5%)	0 (0.0%)	0 (0.0%)	1 (0.3%)
	SWF	0 (0.0%)	2 (0.5%)	0 (0.0%)	0 (0.0%)
	NVF	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	NAAF	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	Total	**2 (0.5%)**	**2 (0.5%)**	**2 (0.5%)**	**2 (0.5%)**
Divorced	HF	0 (0.0%)	0 (0.0%)	1 (0.3%)	0 (0.0%)
	F	1 (0.3%)	3 (0.8%)	1 (0.3%)	1 (0.3%)
	SWF	2 (0.5%)	0 (0.0%)	0 (0.0%)	1 (0.3%)
	NVF	0 (0.0%)	0 (0.0%)	1 (0.3%)	1 (0.3%)
	NAAF	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	Total	**3 (0.8%)**	**3 (0.8%)**	**3 (0.8%)**	**3 (0.8%)**
Total		**400 (100.0%)**	**400(100.0%)**	**400(100.0%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

As shown in Table 7.32 it can be clearly observed that the married SRMFIs have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of 61.6 per cent which is followed by 'Shares' 48.0 per cent, 'Bond' 33.5 per cent and 'Debentures' 30.3 per cent. And unmarried SRMFIs have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of 19.3 per cent followed by 'Shares' at 18.5 per cent, 'Debentures' at 11.3 per cent and 'Bond' at 10.3 per cent. It is also revealed that Debentures and Bonds are least preferred by the married SRMFIs.

Table 7.33 : Financial Instruments vis-à-vis Marital Status - χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	16.415	0.424
Debentures	23.344	0.105
Mutual Funds	26.485*	0.048
Bonds	10.442	0.843
Table Value of χ^2 at 16 df = **26.296** , at 5 Per cent Level of Significance		

Table 7.33 shows the results of Chi-square test between different Financial Instruments and Marital Status. Conducting Chi-square test at 5 per cent level of significance with 16 degrees of freedom, only for the 'Mutual Funds' the computed value of χ^2 is higher than the Table-value. Thus, it can be inferred that only in case of Mutual Funds attitude towards financial instruments and Marital Status are not independent of each other.

7.5.1.5 OCCUPATION-WISE ANALYSIS

H_{05}: Attitude towards Financial Instruments and Occupation are independent of each other.

As shown in Table 7.34 it can be clearly observed that the Professional SRMFIs have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (15.6 per cent) which is followed by 'Shares' (13.5 per cent), 'Debentures' (9.1 per cent) and 'Bonds' (9.0 per cent). The SRMFIs belongs to Business class have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (16.8 per cent) financial instrument which is followed by 'Shares' (16.1 per cent), 'Bond' (10.3 per cent) and 'Debentures' (9.1 per cent). And the Salaried SRMFIs have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (43.3 per cent) financial instrument which is followed by 'Shares' (32.1 per cent), 'Bond' (22.5 per

cent) and 'Debentures' (21.5 per cent). It is also clear that the SRMFIs belong to Salaried Class and Business Class has given the least favourable scores to 'Debentures' and 'Bonds'.

Table 7.34 : SRMFIs Attitude towards Financial Instruments vis-à-vis Occupation

Occupation		Financial Instruments			
		Shares	**Debentures**	**Mutual Funds**	**Bonds**
Student	HF	2 (0.5%)	1 (0.3%)	3 (0.8%)	1 (0.3%)
	F	7 (1.8%)	1 (0.3%)	6 (1.5%)	1 (0.3%)
	SWF	1 (0.3%)	6 (1.5%)	2 (0.5%)	5 (1.3%)
	NVF	1 (0.3%)	3 (0.8%)	0 (0.0%)	2 (0.5%)
	NAAF	0 (0.0%)	0 (0.0%)	0 (0.0%)	2 (0.5%)
	Total	**11 (2.8%)**	**11 (2.8%)**	**11 (2.8%)**	**11 (2.8%)**
Professional	HF	18 (4.5%)	11 (2.8%)	25 (6.3%)	12 (3.0%)
	F	36 (9.0%)	25 (6.3%)	37 (9.3%)	24 (6.0%)
	SWF	16 (4.0%)	31 (7.8%)	11 (2.8%)	21 (5.3%)
	NVF	2 (0.5%)	5 (1.3%)	0 (0.0%)	11 (2.8%)
	NAAF	1 (0.3%)	0 (0.0%)	0 (0.0%)	5 (1.3%)
	Total	**73 (18.3%)**	**73 (18.3%)**	**73 (18.3%)**	**73 (18.3%)**
Business	HF	21 (5.3%)	13 (3.3%)	28 (7.0%)	13 (3.3%)
	F	43 (10.8%)	23 (5.8%)	39 (9.8%)	28 (7.0%)
	SWF	12 (3.0%)	34 (8.5%)	11 (2.8%)	20 (5.0%)
	NVF	5 (1.3%)	8 (2.0%)	3 (0.8%)	11 (2.8%)
	NAAF	0 (0.0%)	3 (0.8%)	0 (0.0%)	9 (2.3%)
	Total	**81 (20.3%)**	**81 (20.3%)**	**81 (20.3%)**	**81 (20.3%)**
Salaried	HF	45 (11.3%)	18 (4.5%)	68 (17.0%)	28 (7.0%)
	F	83 (20.8%)	68 (17.0%)	105 (26.3%)	62 (15.5%)
	SWF	58 (14.5%)	75 (18.8%)	30 (7.5%)	55 (13.8%)
	NVF	20 (5.0%)	38 (9.5%)	7 (1.8%)	44 (11.0%)
	NAAF	5 (1.3%)	12 (3.0%)	1 (0.3%)	22 (5.5%)
	Total	**211 (52.8%)**	**211 (52.8%)**	**211 (52.8%)**	**211 (52.8%)**
Retired	HF	1 (0.3%)	0 (0.0%)	4 (1.0%)	1 (0.3%)
	F	6 (1.5%)	1 (0.3%)	5 (1.3%)	0 (0.0%)
	SWF	2 (0.5%)	1 (0.3%)	1 (0.3%)	0 (0.0%)
	NVF	1 (0.3%)	5 (1.3%)	0 (0.0%)	5 (1.3%)
	NAAF	0 (0.0%)	3 (0.8%)	0 (0.0%)	4 (1.0%)
	Total	**10 (2.5%)**	**10 (2.5%)**	**10 (2.5%)**	**10 (2.5%)**
Any Other	HF	3 (0.8%)	3 (0.8%)	4 (1.0%)	4 (1.0%)
	F	7 (1.8%)	7 (1.8%)	5 (1.3%)	6 (1.5%)
	SWF	2 (0.5%)	1 (0.3%)	4 (1.0%)	1 (0.3%)
	NVF	2 (0.5%)	0 (0.0%)	1 (0.3%)	1 (0.3%)
	NAAF	0 (0.0%)	3 (0.8%)	0 (0.0%)	2 (0.5%)
	Total	**14 (3.5%)**	**14 (3.5%)**	**14 (3.5%)**	**14 (3.5%)**
Total		**400(100.0%)**	**400(100.0%)**	**400(100.0%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Table 7.35 : Financial Instruments vis-à-vis Occupation - χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	18.670	0.543
Debentures	57.335*	0.000
Mutual Funds	11.675	0.020
Bonds	33.331*	0.031
Table Value of χ^2 at 20 df = **31.410**, at 5 Per cent Level of Significance.		

Table 7.35 shows the results of Chi-square test between different Financial Instruments and Occupation. Conducting Chi-square test at 5 per cent level of significance with 20 degrees of freedom, for the 'Debentures' and 'Bonds' the computed value of χ^2 is higher than the Table-value. Thus, it can be inferred that in case of Debentures and Bonds attitude towards financial instruments is affected by Occupation.

7.5.1.6 ANNUAL INCOME-WISE ANALYSIS

H_{06}: Attitude towards Financial Instruments and Annual Income are independent of each other.

As shown in Table 7.36 it can be clearly observed that the SRMFIs with annual income of 'up to Rs.2,00,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of 22.3 per cent which is followed by 'Shares' 20.5 per cent, 'Debentures' 12.3 per cent and 'Bonds' 11.1 per cent. The SRMFIs with annual income of 'Rs.2,00,001 to Rs. 5,00,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable with a score of 38.1 per cent followed by 'Shares' at 30.8 per cent, 'Bond' at 21.8 per cent and 'Debentures' at 18.6 per cent. The SRMFIs with annual income of 'Rs.5,00,001 to Rs. 10,00,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable with a score of 18.3 per cent followed by 'Shares' at 14.1 per cent, 'Bond' at 10.5 per cent and 'Debentures' at 10.1 per cent. And the SRMFIs with annual income of 'Rs.10,00,001 to Rs. 15,00,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of 3.8 per cent which is followed by 'Shares' 2.8 per cent, 'Debentures' 2.1 per cent and 'Bonds' 1.8 per cent. It is also clear that the SRMFIs with annual income of 'up to Rs. 5,00,000' have given the least favourable scores to 'Debentures' and 'Bonds'.

Table 7.36 : SRMFIs Attitude towards Financial Instruments vis-à-vis Annual Income					
Annual Income	**Financial Instruments**				
		Shares	**Debentures**	**Mutual Funds**	**Bonds**
Up to Rs. 200000	HF	34 (8.5%)	13 (3.3%)	32 (8.0%)	15 (3.8%)
	F	48 (12.0%)	36 (9.0%)	57 (14.3%)	29 (7.3%)
	SWF	17 (4.3%)	42 (10.5%)	21 (5.3%)	31 (7.8%)
	NVF	14 (3.5%)	17 (4.3%)	4 (1.0%)	25(6.3%)
	NAAF	2 (0.5%)	7 (1.8%)	1 (0.3%)	15(3.8%)
	Total	**115 (28.8%)**	**115 (28.8%)**	**115 (28.8%)**	**115 (28.8%)**
Rs. 200001 - Rs. 500000	HF	35 (8.8%)	17 (4.3%)	65 (16.3%)	28 (7.0%)
	F	88 (22.0%)	57 (14.3%)	87 (21.8%)	59 (14.8%)
	SWF	52 (13.0%)	80 (20.0%)	30 (7.5%)	46 (11.5%)
	NVF	11 (2.8%)	23 (5.8%)	6 (1.5%)	33 (8.3%)
	NAAF	2 (0.5%)	11 (2.8%)	0 (0.0%)	22 (5.5%)
	Total	**188 (47.0%)**	**188 (47.0%)**	**188 (47.0%)**	**188 (47.0%)**
Rs. 500001 - Rs. 1000000	HF	17 (4.3%)	13 (3.3%)	27 (6.8%)	12 (3.0%)
	F	39 (9.8%)	27 (6.8%)	46 (11.5%)	30 (7.5%)
	SWF	18 (4.5%)	22 (5.5%)	8 (2.0%)	19 (4.8%)
	NVF	5 (1.3%)	17 (4.3%)	0 (0.0%)	14 (3.5%)
	NAAF	2 (0.5%)	2 (0.5%)	0 (0.0%)	6 (1.5%)
	Total	**81 (20.3%)**	**81 (20.3%)**	**81 (20.3%)**	**81 (20.3%)**
Rs. 1000001 - Rs. 1500000	HF	4 (1.0%)	3 (0.8%)	8 (2.0%)	4 (1.0%)
	F	7 (1.8%)	5 (1.3%)	7 (1.8%)	3 (0.8%)
	SWF	4 (1.0%)	4 (1.0%)	0 (0.0%)	6 (1.5%)
	NVF	1 (0.3%)	2 (0.5%)	1 (0.3%)	2 (0.5%)
	NAAF	0 (0.0%)	2 (0.5%)	0 (0.0%)	1 (0.3%)
	Total	**16 (4.0%)**	**16 (4.0%)**	**16 (4.0%)**	**16 (4.0%)**
Total		**400(100.0%)**	**400 (100.0%)**	**400 (100.0%)**	**400 (100.0%)**
Note: Figures in parentheses represent the percentage.					

Table 7.37 : Financial Instruments vis-à-vis Annual Income - χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	14.863	0.249
Debentures	13.552	0.330
Mutual Funds	14.436	0.274
Bonds	8.474	0.747
Table Value of χ^2 at 12 df = **21.026** , at 5 Per cent Level of Significance		

Table 7.37 shows the results of Chi-square test between different Financial Instruments and Annual Income. Conducting Chi-square test at 5 per cent level of significance with 12 degrees of freedom, it can be inferred that attitude towards financial instruments is independent of Annual Income.

7.5.1.7 ANNUAL SAVINGS-WISE ANALYSIS

H_{07}: Attitude towards Financial Instruments and Annual Savings are independent of each other.

Table 7.38 : SRMFIs Attitude towards Financial Instruments vis-à-vis Annual Savings

Annual Savings	Financial Instruments				
		Shares	Debentures	Mutual Funds	Bonds
Below Rs. 50000	HF	47 (11.8%)	13 (3.3%)	62 (15.5%)	24 (6.0%)
	F	75 (18.8%)	61 (15.3%)	71 (17.8%)	52 (13.0%)
	SWF	30 (7.5%)	63 (15.8%)	28 (7.0%)	41 (10.3%)
	NVF	14 (3.5%)	22 (5.5%)	5 (1.3%)	33 (8.3%)
	NAAF	1 (0.3%)	8 (2.0%)	1 (0.3%)	17 (4.3%)
	Total	**167 (41.8%)**	**167 (41.8%)**	**167 (41.8%)**	**167 (41.8%)**
Rs. 50000 - Rs. 100000	HF	33 (8.3%)	25 (6.3%)	41 (10.3%)	17 (4.3%)
	F	63 (15.8%)	39 (9.8%)	81 (20.3%)	42 (10.5%)
	SWF	43 (10.8%)	57 (14.3%)	24 (6.0%)	41 (10.3%)
	NVF	9 (2.3%)	19 (4.8%)	5 (1.3%)	30 (7.5%)
	NAAF	3 (0.8%)	11 (2.8%)	0 (0.0%)	21 (5.3%)
	Total	**151 (37.8%)**	**151 (37.8%)**	**151 (37.8%)**	**151 (37.8%)**
Rs. 100001 - Rs. 500000	HF	9 (2.3%)	7 (1.8%)	24 (6.0%)	15 (3.8%)
	F	37 (9.3%)	20 (5.0%)	40 (10.0%)	23 (5.8%)
	SWF	16 (4.0%)	25 (6.3%)	6 (1.5%)	18 (4.5%)
	NVF	7 (1.8%)	17 (4.3%)	0 (0.0%)	9 (2.3%)
	NAAF	1 (0.3%)	1 (0.3%)	0 (0.0%)	5 (1.3%)
	Total	**70 (17.5%)**	**70 (17.5%)**	**70 (17.5%)**	**70 (17.5%)**
Above Rs. 500000	HF	1 (0.3%)	1 (0.3%)	5 (1.3%)	3 (0.8%)
	F	7 (1.8%)	5 (1.3%)	5 (1.3%)	4 (1.0%)
	SWF	2 (0.5%)	3 (0.8%)	1 (0.3%)	2 (0.5%)
	NVF	1 (0.3%)	1 (0.3%)	1 (0.3%)	2 (0.5%)
	NAAF	1 (0.3%)	2 (0.5%)	0 (0.0%)	1 (0.3%)
	Total	**12 (3.0%)**	**12 (3.0%)**	**12 (3.0%)**	**12 (3.0%)**
Total		**400(100.0%)**	**400(100.0%)**	**400 (100.0%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

As shown in Table 7.38 it can be clearly observed that the SRMFIs with annual savings of 'Below Rs.50,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (33.3 per cent) which is followed by 'Shares' (30.6 per cent), 'Bonds' (19.0 per cent) and 'Debentures' (18.6 per cent). The SRMFIs with annual savings of 'Rs.50,000 to Rs. 1,00,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (30.6 per cent) financial instrument which is followed by 'Shares' (24.1 per cent), 'Debentures' (16.1 per cent) and 'Bond' (14.8 per cent). The SRMFIs with annual savings of 'Rs.1,00,001 to Rs. 5,00,000' have given 'Mutual Funds' as

most preferred financial instrument with highly favourable and favourable score of (16.0 per cent) financial instrument which is followed by 'Shares' (11.6 per cent), 'Bond' (9.6 per cent) and 'Debentures' (6.8 per cent). And the SRMFIs with annual savings of 'Above Rs.5,00,000' have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (2.6 per cent) which is followed by 'Shares' (2.1 per cent), 'Bonds' (1.8 per cent) and 'Debentures' (1.6 per cent).

Table 7.39 : Financial Instruments vis-à-vis Annual Savings - χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	18.216	0.109
Debentures	20.904	0.052
Mutual Funds	13.520	0.332
Bonds	9.169	0.688
Table Value of χ^2 at 12 df = **21.026** , at 5 Per cent Level of Significance		

Table 7.39 shows the results of Chi-square test between different Financial Instruments and Annual Savings. Conducting Chi-square test at 5 per cent level of significance with 12 degrees of freedom, it can be inferred that attitude towards financial instruments is independent of Annual Savings.

7.5.1.8 FINANCIAL RESPONSIBILITY-WISE ANALYSIS

H_{08}: Attitude towards Financial Instruments and Financial Responsibility are independent of each other.

As shown in Table 7.40 it can be clearly observed that the SRMFIs responsible for himself/herself only have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (15.8 per cent) followed by 'Shares' (11.3 per cent), 'Debentures' (10.5 per cent) and 'Bonds' (9.6 per cent). The SRMFIs responsible for one person in addition to himself/herself have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (19.3 per cent) financial instrument followed by 'Shares' (17.5 per cent), 'Bond' (13.3 per cent) and 'Debentures' (12.0 per cent). The SRMFIs responsible for two to three persons in addition to himself/herself have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (35.6 per cent) financial instrument followed by 'Shares' (28.5 per cent), 'Bond' (16.0 per cent) and 'Debentures' (14.8 per cent). The SRMFIs responsible for three to four persons in addition to himself/herself have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (10.0 per cent) followed

by 'Shares' (9.3 per cent), 'Bonds' (4.8 per cent) and 'Debentures' (4.8 per cent). The SRMFIs responsible for more than five persons in addition to himself/herself have given 'Mutual Funds' as most preferred financial instrument with highly favourable and favourable score of (1.8 per cent) followed by 'Shares' (1.6 per cent), 'Bonds' (1.6 per cent) and 'Debentures' (0.8 per cent). It is also reveals if the dependents/financial responsibilities are less, SRMFIs prefer Shares and Mutual Funds as a financial instruments.

Table 7.40 : SRMFIs Attitude towards Financial Instruments vis-à-vis Financial Responsibility

Financial Responsibility		Financial Instruments			
		Shares	**Debentures**	**Mutual Funds**	**Bonds**
Only yourself	HF	17 (4.3%)	8(2.0%)	23 (5.8%)	13 (3.3%)
	F	28 (7.0%)	34 (8.5%)	40 (10.0%)	25 (6.3%)
	SWF	23 (5.8%)	22 (5.5%)	14 (3.5%)	16 (4.0%)
	NVF	11 (2.8%)	13 (3.3%)	2 (0.5%)	15 (3.8%)
	NAAF	1 (0.3%)	3 (0.8%)	1 (0.3%)	11 (2.8%)
	Total	**80 (20.0%)**	**80 (20.0%)**	**80 (20.0%)**	**80 (20.0%)**
1 person in addition to yourself	HF	14 (3.5%)	16 (4.0%)	40 (10.0%)	21 (5.3%)
	F	56 (14.0%)	32 (8.0%)	37 (9.3%)	32 (8.0%)
	SWF	20 (5.0%)	36 (9.0%)	23 (5.8%)	24 (6.0%)
	NVF	9 (2.3%)	12 (3.0%)	1 (0.3%)	18 (4.5%)
	NAAF	2 (0.5%)	5 (1.3%)	0 (0.0%)	6 (1.5%)
	Total	**101(25.3%)**	**101(25.3%)**	**101(25.3%)**	**101 (25.3%)**
2 to 3 persons in addition to yourself	HF	46 (11.5%)	15 (3.8%)	53 (13.3%)	16 (4.0%)
	F	68 (17.0%)	44 (11.0%)	89 (22.3%)	48 (12.0%)
	SWF	36 (9.0%)	61 (15.3%)	15 (3.8%)	48 (12.0%)
	NVF	10 (2.5%)	32 (8.0%)	6 (1.5%)	30 (7.5%)
	NAAF	3 (0.8%)	11 (2.8%)	0 (0.0%)	21 (5.3%)
	Total	**163(40.8%)**	**163 (40.8%)**	**163 (40.8%)**	**163 (40.8%)**
4 to 5 persons in addition to yourself	HF	10 (2.5%)	6 (1.5%)	12 (3.0%)	6 (1.5%)
	F	27 (6.8%)	13 (3.3%)	28(7.0%)	13 (3.3%)
	SWF	10 (2.5%)	25 (6.3%)	6 (1.5%)	12 (3.0%)
	NVF	1(0.3%)	1 (0.3%)	2 (0.5%)	11 (2.8%)
	NAAF	0 (0.0%)	3 (0.8%)	0 (0.0%)	6 (1.5%)
	Total	**48 (12.0%)**	**48 (12.0%)**	**48 (12.0%)**	**48 (12.0%)**
More than 5 persons besides yourself	HF	3 (0.8%)	1 (0.3%)	4 (1.0%)	3 (0.8%)
	F	3 (0.8%)	2 (0.5%)	3(0.8%)	3 (0.8%)
	SWF	2 (0.5%)	4 (1.0%)	1 (0.3%)	2 (0.5%)
	NVF	0 (0.0%)	1 (0.3%)	0 (0.0%)	0 (0.0%)
	NAAF	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	Total	**8 (2.0%)**	**8 (2.0%)**	**8 (2.0%)**	**8(2.0%)**
Total		**400(100.0%)**	**400(100.0%)**	**400(100.0%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Table 7.41 : Financial Instruments vis-à-vis Financial Responsibility- χ^2 test		
Financial Instruments	**Chi-Square**	**Significance**
Shares	22.596	0.125
Debentures	22.513	0.127
Mutual Funds	23.315	0.106
Bonds	17.201	0.373
Table Value of χ^2 at 16 df = **26.296** , at 5 Per cent Level of Significance		

Table 7.41 shows the results of Chi-square test between different Financial Instruments and Financial Responsibility. Conducting Chi-square test at 5 per cent level of significance with 16 degrees of freedom, it can be inferred that attitude towards financial instruments is independent of Financial Responsibility.

Thus, it can be inferred that in case of Shares, attitude towards financial instruments is dependent on Gender. In case of Debentures, it is dependent on Age, Academic Qualification and Occupation. While in case of Mutual Funds, attitude towards financial instruments is dependent on Marital Status and in case of Bonds, attitude towards financial instruments is dependent on Gender, Age and Occupation.

7.5.2 PERIOD OF INVESTMENT IN MUTUAL FUND BY SRMFIs:

There are many investment options available in the financial markets based on the requirement of the person. In this study, one of the question asked to the SRMFIs that 'from how many years they are investing in mutual funds?' The reason behind putting this question is to identify from when the popularity of mutual fund as an investment option increased among the SRMFIs.

For examining whether there is any significance difference in period of investment in mutual fund by SRMFIs on account of Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility the following hypotheses are taken into consideration:

7.5.2.1 GENDER-WISE ANALYSIS

H_{09} : *Period of investment in mutual fund and Gender are independent of each other.*

Table 7.42 shows the cross tabulation between period of investment in mutual fund by SRMFIs and gender of the SRMFIs. The above table reveals that out of 278 (69.5 per cent) male SRMFIs, 224 (56.1 per cent) are investing in MF from last five years. Out of 122 (30.5 per cent) female SRMFIs, 109 (27.3 per cent) are investing in MF from last five years. Conducting Chi-square test at 5 per cent level of significance, it is

found that the computed value of χ^2 (6.697) is lower than table value of χ^2 (7.815). This indicates that periodicity of investment in mutual fund is independent of the Gender.

Table 7.42 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Gender- χ^2 test					
Gender	**Period of Investment in Mutual Fund by SRMFIs**				**Total**
	PI ≤ 2 yrs.	**2 yrs.< PI ≤ 5 yrs.**	**5 yrs. < PI ≤ 10 yrs.**	**PI ≥ 10 yrs.**	
Male	105 (26.3%)	119 (29.8%)	38 (9.5%)	16 (4.0%)	**278 (69.5%)**
Female	58 (14.5%)	51 (12.8%)	11 (2.8%)	2 (0.5%)	**122 (30.5%)**
Total	**163 (40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400 (100.0%)**
Note: Figures in parentheses represent the percentage.					
Chi-square value: **6.697 < 7.815** (Table Value of χ^2) at 3 df and 5 per cent Level of Significance.					

7.5.2.2 AGE-WISE ANALYSIS

H_{010} : Period of investment in mutual fund and Age are independent of each other.

Table 7.43 shows the cross tabulation between period of investment in mutual fund by SRMFIs and age of the SRMFIs. The Table 7.43 reveals that out of 143 (35.8 per cent) SRMFIs within age group of 'up to 30' ,137 (34.3 per cent) are investing in MF from last five years. Out of 223 (35.5 per cent) SRMFIs within age group of '31-50', 186 (46.5 per cent) are investing in MF from last five years. And out of 34 (8.5 per cent) SRMFIs within age group of 'Above 50', 10 (2.5 per cent) are investing in MF from last five years.

Table 7.43 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Age- χ^2 test					
Age	**Period of Investment in Mutual Funds by SRMFIs**				**Total**
	PI ≤ 2 yrs.	**2 yrs.< PI ≤ 5 yrs.**	**5 yrs. < PI ≤ 10 yrs.**	**PI ≥ 10 yrs.**	
Up to 30	105 (26.3%)	32 (8.0%)	5 (1.3%)	1(0.3%)	**143 (35.8%)**
31-40	50 (12.5%)	80 (20.0%)	11 (2.8%)	1 (0.3%)	**142 (35.5%)**
41-50	8 (2.0%)	48 (12.0%)	22 (5.5%)	3 (0.8%)	**81 (20.3%)**
Above 50	0 (0.0%)	10 (2.5%)	11 (2.8%)	13 (3.3%)	**34 (8.5%)**
Total	**163 (40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.					
Chi-square value: 230.537 > 16.919 (Table Value of χ^2) at 9 df and 5 per cent Level of Significance.					

Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (230.537) is higher than the Table value of $\chi 2$ (16.919). This

indicates that periodicity of investment in mutual fund is dependent on the age of investor.

7.5.2.3 ACADEMIC QUALIFICATION-WISE ANALYSIS

H_{011}: Period of investment in mutual fund and Academic Qualification are independent of each other.

Table 7.44 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Academic Qualification- χ^2 test

Academic Qualification	Period of Investment in Mutual Funds by SRMFIs				Total
	PI ≤ 2 yrs.	2 yrs.< PI ≤ 5 yrs.	5 yrs. < PI ≤ 10 yrs.	PI ≥ 10 yrs.	
HSC	7 (1.8%)	13 (3.3%)	4 (1.0%)	0 (0.0%)	**24 (6.0%)**
Graduate	63(15.8%)	86 (21.5%)	28 (7.0%)	7 (1.8%)	**184 (46.0%)**
Post-Graduate	87 (21.8%)	56 (14.0%)	14 (3.5%)	9 (2.3%)	**166 (41.5%)**
Professional Degree	6 (1.5%)	15 (3.8%)	3 (0.8%)	2 (0.5%)	**26 (6.5%)**
Total	**163 (40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value: **22.064 > 16.919** (Table Value of χ^2) at 9 df and 5 Per cent Level of Significance.

Table 7.44 shows the cross tabulation between period of investment in mutual fund by SRMFIs and academic qualification of the SRMFIs. The above table reveals that out of 24 (6.0 per cent) SRMFIs with academic qualification of 'HSC', 20 (5.1 per cent) are investing in MF from last five years. Out of 184 (46.0 per cent) SRMFIs with 'Graduate' degree, 149 (37.3 per cent) are investing in MF from last five years. Out of 166 (41.5 per cent) SRMFIs with 'Post-Graduate' degree, 143 (35.8 per cent) are investing in MF from last five years. And out of 26 (6.5 per cent) SRMFIs with 'Professional' degree, 21 (5.3 per cent) are investing in MF from last five years. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (22.064) is higher than the table value of χ^2 (16.919). This indicates that the periodicity of investment in mutual fund is dependent on the Academic Qualification.

7.5.2.4 MARITAL STATUS-WISE ANALYSIS

H_{012}: Period of investment in mutual fund and Marital Status are independent of each other.

Table 7.45 shows the cross tabulation between period of investment in mutual fund by SRMFIs and marital status of the SRMFIs. The Table 7.45 reveals that the majority of the SRMFIs were from married and unmarried category 392 (98.1 per cent). The

table reveals that out of 295 (73.8 per cent) married SRMFIs, 233 (58.3 per cent) are investing in MF from last five years. And out of 97 (24.3 per cent) unmarried SRMFIs, 92 (23.0 per cent) are investing in MF from last five years. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (58.922) is higher than the table value of χ^2 (21.026). This indicates that the periodicity of investment in mutual fund is dependent on the Marital Status.

Table 7.45 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Marital Status- χ^2 test

Marital Status	Period of Iinvestment in Mutual Funds by SRMFIs				Total
	PI ≤ 2 yrs.	2 yrs.< PI ≤ 5 yrs.	5 yrs. < PI ≤ 10 yrs.	PI ≥ 10 yrs.	
Married	91 (22.8%)	142 (35.5%)	44 (11.0%)	18 (4.5%)	**295(73.8%)**
Unmarried	70 (17.5%)	22 (5.5%)	5 (1.3%)	0 (0.0%)	**97 (24.3%)**
Widow	0 (0.0%)	3 (0.8%)	0 (0.0%)	0 (0.0%)	**3 (0.8%)**
Widower	1 (0.3%)	1 (0.3%)	0 (0.0%)	0 (0.0%)	**2 (0.5%)**
Divorced	1 (0.3%)	2 (0.5%)	0 (0.0%)	0 (0.0%)	**3 (0.8%)**
Total	**163 (40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value: 58.922 > 21.026 (Table Value of χ^2) at 12 df and 5 Per cent Level of Significance.

7.5.2.5 OCCUPATION-WISE ANALYSIS

H_{013} : Period of investment in mutual fund and Occupation are independent of each other.

Table 7.46 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Occupation- χ^2 test

Occupation	Period of Investment in Mutual Funds by SRMFIs				Total
	PI ≤ 2 yrs.	2 yrs.< PI ≤ 5 yrs.	5 yrs. < PI ≤ 10 yrs.	PI ≥ 10 yrs.	
Student	11 (2.8%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	**11 (2.8%)**
Professional	30 (7.5%)	36 (9.0%)	5 (1.3%)	2 (0.5%)	**73 (18.3%)**
Business	15 (3.8%)	43 (10.8%)	19 (4.8%)	4 (1.0%)	**81 (20.3%)**
Salaried	99 (24.8%)	86 (21.5%)	22 (5.5%)	4 (1.0%)	**211 (52.8%)**
Retired	0 (0.0%)	0 (0.0%)	2 (0.5%)	8 (2.0%)	**10 (2.5%)**
Any other	8 (2.0%)	5 (1.3%)	1 (0.3%)	0 (0.0%)	**14 (3.5%)**
Total	**163 (40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value: **182.698 >24.996** (Table Value of χ^2) at 15 df and 5 Per cent Level of Significance.

Table 7.46 shows the cross tabulation between period of investment in mutual fund by SRMFIs and Occupation of the SRMFIs. The Table 7.46 reveals that the majority of the respondents were either salaried, businessman or professionals 365 (91.00 per cent). Out of 73 (18.3 per cent) professional SRMFIs, 66 (16.5 per cent) are investing in MF from last five years. Out of 81 (20.3 per cent) businessman SRMFIs, 58 (14.6 per cent) are investing in MF from last five years. Out of 211 (20.3 per cent) salaried SRMFIs, 185 (46.3 per cent) are investing in MF from last five years. And out of 10 (2.5 per cent) retired SRMFIs 2 (0.5 per cent) are investing in MF from five to ten years and 8 (2.0 per cent) are investing in MF from more than ten years.

Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (182.698) is higher than the table value of χ^2 (24.996). It can be inferred that the periodicity of investment in mutual fund is dependent on the Occupation.

7.5.2.6 ANNUAL INCOME-WISE ANALYSIS

H_{014} : Period of investment in mutual fund and Annual Income are independent of each other.

Table 7.47 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Annual Income- χ^2 test

Annual Income	Period of Investment in Mutual Funds by SRMFIs				Total
	PI ≤ 2 yrs.	2 yrs.< PI ≤ 5 yrs.	5 yrs. < PI ≤ 10 yrs.	PI ≥ 10 yrs.	
Up to Rs 2,00,000	81 (20.3%)	30 (7.5%)	1 (0.3%)	3(0.8%)	**115 (28.8%)**
Rs. 2,00,001- Rs. 5,00,000	62 (15.5%)	98 (24.5%)	21 (5.3%)	7 (1.8%)	**188 (47.0%)**
Rs. 5,00,001- Rs. 10,00,000	19 (4.8%)	39 (9.8%)	19 (4.8%)	4 (1.0%)	**81 (20.3%)**
Rs. 10,00,001- Rs. 15,00,000	1(0.3%)	3 (0.8%)	8 (2.0%)	4 (1.0%)	**16 (4.0%)**
Total	**163 (40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.					
Chi-square value: **107.791 >16.919** (Table Value of χ^2) at 9 df and 5 Per cent Level of Significance.					

Table 7.47 shows the cross tabulation between period of investment in mutual fund by SRMFIs and annual income of the SRMFIs. The table reveals that out of 115 (28.8 per cent) SRMFIs with annual income of 'up to Rs.2,00,000', 111 (27.8 per cent) are investing in MF from last five years. Out of 188 (47.0 per cent) SRMFIs with annual income of between 'Rs. 2,00,001 to Rs.5,00,000', 160 (40.0 per cent) are investing in

MF from last five years. Out of 81 (20.3 per cent) SRMFIs with annual income of between 'Rs. 5,00,001 to Rs.10,00,000' , 58 (14.6 per cent) are investing in MF from last five years. And out of 16 (4.0 per cent) SRMFIs with annual income of between 'Rs. 10,00,001 to Rs.15,00,000' , 4 (1.0 per cent) are investing in MF from last five years.

Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (107.791) is higher than the table value of χ^2 (16.919). From this it can be inferred that the periodicity of investment in mutual fund and Annual Income are not independent.

7.5.2.7 ANNUAL SAVINGS-WISE ANALYSIS

H_{015} : Period of investment in mutual fund and Annual Savings are independent of each other.

Table 7.48 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Annual Savings- χ^2 test

Annual Savings	Period of Investment in Mutual Funds by SRMFIs				Total
	PI ≤ 2 yrs.	2 yrs.< PI ≤ 5 yrs.	5 yrs. < PI ≤ 10 yrs.	PI ≥ 10 yrs.	
Below Rs.50,000	97 (24.3%)	57 (14.3%)	8 (2.0%)	5 (1.3%)	**167 (41.8%)**
Rs.50,000 to Rs. 1,00,000	48 (12.0%)	77 (19.3%)	17 (4.3%)	9 (2.3%)	**151 (37.8%)**
Rs.1,00,001 to Rs. 5,00,000	14 (3.5%)	35 (8.8%)	19 (4.8%)	2 (0.5%)	**70 (17.5%)**
Above Rs.5,00,000	4 (1.0%)	1 (0.3%)	5 (1.3%)	2 (0.5%)	**12 (3.0%)**
Total	**163(40.8%)**	**170 (42.5%)**	**49(12.3%)**	**18 (4.5%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value: **67.167 >16.919** (Table Value of χ^2) at 9 df and 5 Per cent Level of Significance.

Table 7.48 shows the cross tabulation between period of investment in mutual fund by SRMFIs and Annual Savings of the SRMFIs. The table reveals that out of 167 (41.8 per cent) SRMFIs with annual savings of 'below Rs.50,000', 154 (38.6 per cent) are investing in MF from last five years. Out of 151 (37.8 per cent) SRMFIs with annual income of between 'Rs. 50,000 to Rs.1,00,000', 125 (31.3 per cent) are investing in MF from last five years. Out of 70 (17.5 per cent) SRMFIs with annual income of between 'Rs. 1,00,001 to Rs.5,00,000' , 49 (12.3 per cent) are investing in MF from

last five years. And out of 12 (3.0 per cent) SRMFIs with annual income of between 'Above Rs. 5,00,000' , 5 (1.3 per cent) are investing in MF from last five years. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (67.167) is higher than the table value of χ^2 (16.919). From this it can be inferred that the period of investment in mutual fund is dependent on the Annual Savings of the respondents.

7.5.2.8 FINANCIAL RESPONSIBILITY-WISE ANALYSIS

H_{016}: Period of investment in mutual fund and Financial Responsibility are independent of each other.

Table 7.49 : Period of investment (PI) in mutual fund by SRMFIs vis-à-vis Financial Responsibility- χ^2 test

Financial Responsibility	Period of Investment in Mutual Funds by SRMFIs				Total
	PI ≤ 2 yrs.	2 yrs.< PI ≤ 5 yrs.	5 yrs. < PI ≤ 10 yrs.	PI ≥ 10 yrs.	
Only yourself	45 (11.3%)	25 (6.3%)	6 (1.5%)	4 (1.0%)	**80 (20.0%)**
1 person in addition to yourself	54 (13.5%)	35 (8.8%)	9 (2.3%)	3 (0.8%)	**101 (25.3%)**
2 to 3 persons in addition to yourself	54 (13.5%)	79 (19.8%)	22 (5.5%)	8 (2.0%)	**163 (40.8%)**
4 to 5 persons in addition to yourself	10 (2.5%)	28 (7.0%)	7 (1.8%)	3 (0.8%)	**48 (12.0%)**
More than 5 persons besides yourself	0 (0.0%)	3 (0.8%)	5 (1.3%)	0 (0.0%)	**8 (2.0%)**
Total	**163(40.8%)**	**170 (42.5%)**	**49 (12.3%)**	**18 (4.5%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value: **47.689 > 21.026** (Table Value of χ^2) at 12 df and 5 Per cent Level of Significance.

Table 7.49 shows the cross tabulation between period of investment in mutual fund by SRMFIs and Financial Responsibility. The table reveals that if a SRMFIs responsible for himself/herself only, in this case out of 80 (20.0 per cent), 70 (17.6 per cent) are investing in MF from last five years. If a SRMFIs responsible for one person in addition to himself/herself, in this case out of 101(25.3 per cent), 89 (22.3 per cent) are investing in MF from last five years. If a SRMFIs responsible for two to three persons in addition to himself/herself, in this case out of 163 (40.8 per cent), 133 (33.3 per cent) are investing in MF from last five years. If a SRMFIs responsible for

four to five persons in addition to himself/herself, in this case out of 48 (12.0 per cent), 38 (9.5 per cent) are investing in MF from last five years.

Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (47.689) is higher than the table value of χ^2 (21.026). From this it can be inferred that the period of investment in mutual fund is dependent on the Financial Responsibility of the respondents.

Thus, overall it can be inferred that the period of investment in mutual fund is dependent on age, academic qualification, marital status, occupation, annual income, annual savings and financial responsibility of the respondents except for gender.

7.5.3 CHI-SQUARE TEST FOR SCHEME PREFERRED BY SRMFIs:

Schemes of mutual funds can be classified on the basis of time duration, and/or on the basis of scheme objectives. From time duration point of view mutual fund schemes can be classified as Open-ended Schemes, Close-ended Schemes, Interval Schemes and Systematic Investment Plan (SIP).

For examining the dependence of scheme preferred by SRMFIs on account of Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility the following hypotheses are taken into consideration:

7.5.3.1 GENDER-WISE ANALYSIS

H_{017}: Scheme preference and Gender are independent of each other.

Table 7.50 : Scheme Preferred by SRMFIs vis-à-vis Gender

Scheme Preferred		Gender		Total
		Male	Female	
Open ended scheme	Yes	164 (41.0%)	51 (12.8%)	215 (53.8%)
	No	114 (28.5%)	71 (17.8%)	185 (46.3%)
	Total	**278 (69.5%)**	**122 (30.5%)**	**400 (100.0%)**
Interval Schemes	Yes	29 (7.3%)	9 (2.3%)	38 (9.5%)
	No	249 (62.3%)	113 (28.3%)	362 (90.5%)
	Total	**278 (69.5%)**	**122 (30.5%)**	**400 (100.0%)**
Close ended scheme	Yes	68 (17.0%)	27 (6.8%)	95 (23.8%)
	No	210 (52.5%)	95 (23.8%)	305 (76.3%)
	Total	**278 (69.5%)**	**122 (30.5%)**	**400 (100.0%)**
Systematic Investment Plan (SIP)	Yes	155 (38.8%)	63 (15.8%)	218 (54.6%)
	No	123 (30.6%)	59 (14.8%)	182 (45.4%)
	Total	**278 (69.5%)**	**122 (30.5%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

As shown in Table 7.50 it can be clearly observed that out of 278 (69.5 per cent) Male SRMFIs, 164 (41.0 per cent) have given 'Open-ended Scheme' as most preferred followed by 'Systematic Investment Plan' 155 (38.8 per cent), 'Close-ended Scheme' 68 (17.0 per cent) and 'Interval Schemes' 29 (7.3 per cent). And out of 122 (30.5 per cent) Female SRMFIs, 63 (15.8 per cent) have given 'Systematic Investment Plan' as most preferred followed by 'Open-ended Scheme' 51 (12.8 per cent), 'Close-ended Scheme' 27 (6.8 per cent) and 'Interval Schemes' 9 (2.3 per cent).

Table 7.51 : Scheme Preferred vis-à-vis Gender - χ^2 test		
Scheme Preference	**Chi-Square**	**Significance**
Open-ended Schemes	10.078*	0.002
Interval Schemes	0.920	0.337
Close-ended Schemes	0.254	0.614
Systematic Investment Plan (SIP)	0.637	0.425
Table Value of χ^2 at 1 df = **3.841**, at 5 Per cent Level of Significance.		

Table 7.51 shows the results of Chi-square test between scheme preferred and gender. Conducting Chi-square test at 5 per cent level of significance it is observed that only for the Open-ended scheme the computed value of χ^2 is higher than the table value. Thus, it can be inferred that the investment preference for Open-ended schemes is dependent on Gender. And for other three schemes the computed value of χ^2 is lower than the table value. Thus, it can be inferred that the investment preference for other three schemes is independent on Gender.

7.5.3.2 AGE-WISE ANALYSIS

H_{018}: Scheme Preference and Age are independent of each other.

Table 7.52 : Scheme Preferred by SRMFIs vis-à-vis Age						
Scheme Preferred		**Age**				**Total**
		Up to 30	**31-40**	**41-50**	**Above 50**	
Open ended scheme	Yes	77 (19.3%)	77 (19.3%)	41 (10.3%)	20 (5.0%)	215(53.8%)
	No	66 (16.5%)	65 (16.3%)	40 (10.0%)	14 (3.5%)	185(46.3%)
	Total	**143(35.8%)**	**142(35.5%)**	**81(20.3%)**	**34(8.5%)**	**400(100.0%)**
Interval Schemes	Yes	9 (2.3%)	11 (2.8%)	15 (3.8%)	3 (0.8%)	38 (9.5%)
	No	134(33.5%)	13 (32.8%)	66 (16.5%)	31 (7.8%)	362 (90.5%)
	Total	**143(35.8%)**	**142(35.5%)**	**81(20.3%)**	**34(8.5%)**	**400(100.0%)**
Close ended scheme	Yes	25 (6.3%)	37(9.3%)	19 (4.8%)	14 (3.5%)	95 (23.8%)
	No	118(29.5%)	105(26.3%)	62 (15.5%)	20 (5.0%)	305 (76.3%)
	Total	**143(35.8%)**	**142(35.5%)**	**81(20.3%)**	**34(8.5%)**	**400(100.0%)**
Systematic Investment Plan (SIP)	Yes	90 (22.6%)	83 (20.8%)	29 (7.3%)	16 (4.0%)	218 (54.6%)
	No	53 (13.3%)	59 (14.8%)	52 (12.8%)	18 (4.5%)	182 (45.4%)
	Total	**143(35.8%)**	**142(35.5%)**	**81(20.3%)**	**34(8.5%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.						

As shown in Table 7.52 it can be clearly observed that out of SRMFIs belonging to age group of 'up to 30', 90 (22.6 per cent) have given 'Systematic Investment Plan' as most preferred followed by 'Open-ended Scheme' 77 (19.3 per cent). Out of the SRMFIs belonging to age group of '31-40', 83 (20.8 per cent) have given 'Systematic Investment Plan' as most preferred followed by 'Open-ended Scheme' 77 (19.3 per cent). 41 (10.3 per cent) out of the SRMFIs belonging to age group of '41-50', have given 'Open-ended Scheme' as most preferred followed by 'Systematic Investment Plan' 29 (7.3 per cent). Out of 20 (5.0 per cent) the SRMFIs belonging to age group of 'Above 50', have given 'Open-ended Scheme' as most preferred followed by 'Systematic Investment Plan' 16 (4.0 per cent).

Table 7.53 : Scheme Preferred vis-à-vis Age - χ^2 test		
Scheme Preference	**Chi-Square**	**Significance**
Open-ended Schemes	0.685	0.877
Interval Schemes	9.899*	0.019
Close-ended Schemes	9.224*	0.026
Systematic Investment Plan (SIP)	16.508*	0.001
Table Value of χ^2 at 3 df = **7.815**, at 5 Per cent Level of Significance		

Table 7.53 shows the results of chi-square test between scheme preferred and age. Conducting Chi-square test at 5 per cent level of significance it is observed that for Interval schemes, Close-ended schemes and Systematic Investment Plan (SIP) the computed value of χ^2 is higher than the table value. Thus, it can be inferred that the investment preference for Interval schemes, Close-ended schemes and Systematic Investment Plan (SIP) is dependent on Age. And for only Open-ended scheme the computed value of χ^2 is lower than the table value. Thus, it can be inferred that the investment preference for Open-ended scheme is independent on Age.

7.5.3.3 ACADEMIC QUALIFICATION-WISE ANALYSIS

H_{019}: Scheme Preference and Academic Qualification are independent of each other.

As shown in Table 7.54 it can be clearly observed that SRMFIs with 'HSC' Qualification have given 'Open-ended Scheme' 12 (3.0 per cent) as most preferred followed by 'Systematic Investment Plan' 8 (2.0 per cent). The SRMFIs with 'Graduate' degree have given 'Systematic Investment Plan' 96 (24.1 per cent) as most preferred followed by 'Open-ended Scheme' 86 (21.5 per cent). The SRMFIs with 'Post-Graduate' degree have given 'Open-ended Scheme' 103 (25.8 per cent) as most

preferred followed by 'Systematic Investment Plan' 97 (24.3 per cent). And the SRMFIs with 'Professional' degree have given 'Systematic Investment Plan' 17 (4.3 per cent) as most preferred followed by 'Open-ended Scheme' 14 (3.5 per cent).

Table 7.54 : Scheme Preferred by SRMFIs vis-à-vis Academic Qualification

Scheme Preferred		Academic Qualification				Total
		HSC	Graduate	Post-Graduate	Professional Degree	
Open ended scheme	Yes	12(3.0%)	86(21.5%)	103(25.8%)	14 (3.5%)	215 (53.8%)
	No	12(3.0%)	98(24.5%)	63 (15.8%)	12 (3.0%)	185 (46.3%)
	Total	**24(6.0%)**	**184(46.0%)**	**166(41.5%)**	**26(6.5%)**	**400(100.0%)**
Interval Schemes	Yes	5(1.3%)	18(4.5%)	14(3.5%)	1(0.3%)	38(9.5%)
	No	19(4.8%)	166(41.5%)	152(38.0%)	25(6.3%)	362(90.5%)
	Total	**24(6.0%)**	**184(46.0%)**	**166(41.5%)**	**26 (6.5%)**	**400(100.0%)**
Close ended scheme	Yes	4 (1.0%)	45 (11.3%)	39 (9.8%)	7 (1.8%)	95 (23.8%)
	No	20(5.0%)	139(34.8%)	127(31.8%)	19(4.8%)	305(76.3%)
	Total	**24(6.0%)**	**184(46.0%)**	**166(41.5%)**	**26 (6.5%)**	**400(100.0%)**
Systematic Investment Plan (SIP)	Yes	8 (2.0%)	96 (24.1%)	97 (24.3%)	17 (4.3%)	218(54.5%)
	No	16(4.0%)	88 (22.1%)	69 (17.3%)	9 (2.0%)	182(45.5%)
	Total	**24(6.0%)**	**184(46.0%)**	**166(41.5%)**	**26 (6.5%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Table 7.55 : Scheme Preferred vis-à-vis Academic Qualification - χ^2 test

Scheme Preference	Chi-Square	Significance
Open-ended Schemes	8.372*	0.039
Interval Schemes	4.789	0.188
Close-ended Schemes	0.866	0.834
Systematic Investment Plan (SIP)	7.612	0.055
Table Value of $\chi 2$ at 3 df = **7.815**, at 5 Per cent Level of Significance		

Table 7.55 shows the results of chi-square test between Scheme preferred and Academic Qualification. Conducting Chi-square test at 5 per cent level of significance it is observed that only for the Open-ended scheme the computed value of χ^2 is higher than the table value. Thus, it can be inferred that the investment in Open-ended schemes is determined by the Academic Qualification. And for other three schemes the computed value of χ^2 is lower than the table value. Thus, it can be inferred that the investment preference for other three schemes is independent on Academic Qualification.

7.5.3.4 MARITAL STATUS-WISE ANALYSIS

H_{020}: Scheme Preference and Marital Status are independent of each other.

As shown in Table 7.56 it can be clearly observed that Married SRMFIs have given 'Open-ended Scheme' 165 (41.3 per cent) as most preferred followed by 'Systematic

Investment Plan' 160 (40.1 per cent). And Unmarried SRMFIs have given 'Systematic Investment Plan' 52 (13.0 per cent) as most preferred followed by 'Open-ended Scheme' 47 (11.8 per cent).

Table 7.56 : Scheme Preferred by SRMFIs vis-à-vis Marital Status

Scheme Preferred		Marital Status					Total
		Married	Unmarried	Widow	Widower	Divorced	
Open ended scheme	Yes	165 (41.3%)	47 (11.8%)	1 (0.3%)	1 (0.3%)	1 (0.3%)	215 (53.8%)
	No	130 (32.5%)	50 (12.5%)	2 (0.5%)	1 (0.3%)	2 (0.5%)	185 (46.3%)
	Total	**295 (73.8%)**	**97 (24.3%)**	**3 (0.8%)**	**2 (0.5%)**	**3 (0.8%)**	400 (100.0%)
Interval Schemes	Yes	30 (7.5%)	8 (2.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	38 9.5%
	No	265 (66.3%)	89 (22.3%)	3 (0.8%)	2 (0.5%)	3 (0.8%)	362 90.5%
	Total	**295 (73.8%)**	**97 (24.3%)**	**3 (0.8%)**	**2 (0.5%)**	**3 (0.8%)**	400 (100.0%)
Close ended scheme	Yes	83 (20.8%)	12 (3.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	95 23.8%
	No	212 (53.0%)	85 (21.3%)	3 (0.8%)	2 (0.5%)	3 (0.8%)	305 (76.3%)
	Total	**295 (73.8%)**	**97 (24.3%)**	**3 (0.8%)**	**2 (0.5%)**	**3 (0.8%)**	400 (100.0%)
Systematic Investment Plan (SIP)	Yes	160 (40.1%)	52 (13.0%)	2 (0.5%)	2 (0.5%)	2 (0.5%)	218 54.5%
	No	135 (33.6%)	45 (11.3%)	1 (0.3%)	0 (0.0%)	1 (0.3%)	182 45.5%
	Total	**295 (73.8%)**	**97 (24.3%)**	**3 (0.8%)**	**2 (0.5%)**	**3 (0.8%)**	400 100.0%

Note: Figures in parentheses represent the percentage.

Table 7.57 : Scheme Preferred vis-à-vis Marital Status - χ^2 test

Scheme Preference	Chi-Square	Significance
Open-ended Schemes	2.677	0.613
Interval Schemes	1.171	0.883
Close-ended Schemes	12.560*	0.014
Systematic Investment Plan (SIP)	2.058	0.725
Table Value of χ^2 at 4 df = **9.488**, at 5 Per cent Level of Significance		

Table 7.57 above shows the results of Chi-square test between Scheme Preferred and Marital Status. Conducting Chi-square test at 5 per cent level of significance it is observed that only for the Close-ended scheme the computed value of χ^2 is higher than the table value. Thus, it can be inferred that the investment preference for Close-

ended schemes is dependent on Marital Status. And for other three schemes the computed value of χ^2 is lower than the table value. Thus, it can be inferred that the investment preference for other three schemes is independent on Marital Status.

7.5.3.5 OCCUPATION-WISE ANALYSIS

H_{021} : Scheme Preference and Occupation are independent of each other.

Table 7.58 : Scheme Preferred by SRMFIs vis-à-vis Occupation

Scheme Preferred		Occupation						Total
		Student	Profess-ional	Business	Salaried	Retired	Any Other	
Open ended scheme	Yes	3 (0.8%)	41 (10.3%)	43 (10.8%)	117 (29.3%)	9 (2.3%)	2 (0.5%)	215 (53.8%)
	No	8 (2.0%)	32 (8.0%)	38 (9.5%)	94 (23.5%)	1 (0.3%0	12 (3.0%)	185 (46.3%)
	Total	**11 (2.8%)**	**73 (18.3%)**	**81 (20.3%)**	**211 (52.8%)**	**10 (2.5%)**	**14 (3.5%)**	**400 (100.0%)**
Interval Scheme	Yes	1 (0.3%)	9 (2.3%)	15 (3.8%)	11 (2.8%)	1 (0.3%)	1 (0.3%)	38 (9.5%)
	No	10 (2.5%)	64 (16.0%)	66 (16.5%)	200 (50.0%)	9 (2.3%)	13 (3.3%)	362 (90.5%)
	Total	**11 (2.8%)**	**73 (18.3%)**	**81 (20.3%)**	**211 (52.8%)**	**10 (2.5%)**	**14 (3.5%)**	**400 (100.0%)**
Close ended scheme	Yes	0 (0.0%)	20 (5.0%)	19 (4.8%)	43 (10.8%)	5 (1.3%)	8 (2.0%)	95 (23.8%)
	No	11 (2.8%)	53 (13.3%)	62 (15.5%)	168 (42.0%)	5 (1.3%)	6 (1.5%)	305 (76.3%)
	Total	**11 (2.8%)**	**73 (18.3%)**	**81 (20.3%)**	**211 (52.8%)**	**10 (2.5%)**	**14 (3.5%)**	**400 (100.0%)**
Syste-matic Invest ment Plan (SIP)	Yes	8 (2.0%)	45 (11.3%)	34 (8.5%)	117 (29.3%)	8 (2.0%)	6 (1.5%)	218 (54.5%)
	No	3 (0.8%)	28 (7.0%)	47 (11.8%)	94 (23.3%)	2 (0.5%)	8 (2.0%)	182 (45.5%)
	Total	**11 (2.8%)**	**73 (18.3%)**	**81 (20.3%)**	**211 (52.8%)**	**10 (2.5%)**	**14 (3.5%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

As shown in Table 7.58 it can be clearly observed that Professional SRMFIs have given 'Systematic Investment Plan' 45 (11.3 per cent) as most preferred followed by 'Open-ended Scheme' 41 (10.3 per cent). The SRMFIs belong to Business Class has given 'Open-ended Scheme' 43 (10.8 per cent) as most preferred followed by 'Systematic Investment Plan' 34 (8.5 per cent). The Salaried SRMFIs have given equal preference to 'Open-ended Scheme' 117 (29.3 per cent) and 'Systematic Investment Plan' 117 (29.3 per cent) as most preferred.

Table 7.59 : Scheme Preferred vis-à-vis Occupation - χ^2 test		
Scheme Preference	**Chi-Square**	**Significance**
Open-ended Schemes	17.590*	0.004
Interval Schemes	12.948*	0.024
Close-ended Schemes	17.716*	0.003
Systematic Investment Plan (SIP)	11.615*	0.040
Table Value of χ^2 at 5 df = **11.070**, at 5 Per cent Level of Significance		

Table 7.59 above shows the results of Chi-square test between Scheme Preferred and Occupation. Conducting Chi-square test at 5 per cent level of significance it is found that Scheme preference depends on Occupation for all the types of the schemes.

7.5.3.6 ANNUAL INCOME -WISE ANALYSIS

H_{022}: Scheme Preference and Annual Income are independent of each other.

Table 7.60 : Scheme Preferred by SRMFIs vis-à-vis Annual Income						
Scheme Preferred		**Annual Income**				**Total**
		Up to Rs. 200000	**Rs.200001-Rs.500000**	**Rs.500001-Rs.1000000**	**Rs.1000001-Rs.1500000**	
Open ended scheme	Yes	62 (15.5%)	103 (25.8%)	44 (11.0%)	6 (1.5%)	**215 (53.8%)**
	No	53 (13.3%)	85 (21.3%)	37 (9.3%)	10 (2.5%)	**185 (46.3%)**
	Total	**115 (28.8%)**	**188 (47.1%)**	**81 (20.3%)**	**16 (3.8%)**	**400 (100.0%)**
Interval Schemes	Yes	5 (1.3%)	19 (4.8%)	11 (2.8%)	3 (0.8%)	**38 (9.5%)**
	No	110 (27.5%)	169 (42.3%)	70 (17.5%)	13 (3.3%)	**362 (90.5%)**
	Total	**115 (28.8%)**	**188 (47.1%)**	**81 (20.3%)**	**16 (3.8%)**	**400 (100.0%)**
Close ended scheme	Yes	21 (5.3%)	48 (12.0%)	21 (5.3%)	5 (1.3%)	**95 (23.8%)**
	No	94 (23.5%)	140 (35.0%)	60 (15.0%)	11 (2.8%)	**305 (76.3%)**
	Total	**115 (28.8%)**	**188 (47.1%)**	**81 (20.3%)**	**16 (3.8%)**	**400 (100.0%)**
Systematic Investment Plan (SIP)	Yes	63 (15.8%)	101 (25.3%)	45 (11.3%)	9 (2.3%)	**218 (54.5%)**
	No	52 (13.0%)	87 (21.8%)	36 (9.0%)	7 (1.5%)	**182 (45.5%)**
	Total	**115 (28.8%)**	**188 (47.1%)**	**81 (20.3%)**	**16 (3.8%)**	**400 (100.0%)**
Note: Figures in parentheses represent the percentage.						

As shown in Table 7.60 it can be clearly observed that SRMFIs with Annual Income 'up to Rs.2,00,000' have given 'Systematic Investment Plan' 63 (15.8 per cent) as most preferred followed by 'Open-ended Scheme' 62 (15.5 per cent). The SRMFIs

with Annual Income between 'Rs.2,00,001 –Rs.5,00,000' have given 'Open-ended Scheme' 103 (25.8 per cent) as most preferred followed by 'Systematic Investment Plan' 101 (25.3 per cent). The SRMFIs with Annual Income between 'Rs.5,00,001 – Rs.10,00,000' have given 'Systematic Investment Plan' 45 (11.3 per cent) as most preferred followed by 'Open-ended Scheme' 44 (11.0 per cent). The SRMFIs with Annual Income 'Rs.10,00,001 – Rs.15,00,000' have given 'Systematic Investment Plan' 9 (2.3 per cent) as most preferred followed by 'Open-ended Scheme' 6 (1.5 per cent).

Table 7.61 : Scheme Preferred vis-à-vis Annual Income - χ^2 test		
Scheme Preference	**Chi-Square**	**Significance**
Open-ended Schemes	1.793	0.617
Interval Schemes	6.792	0.079
Close-ended Schemes	2.952	0.399
Systematic Investment Plan (SIP)	0.266	0.966
Table Value of χ^2 at 3 df = **7.815**, at 5 Per cent Level of Significance		

Table 7.61 above shows the results of Chi-square test between Scheme Preferred and Annual Income. Conducting Chi-square test at 5 per cent level of significance with 3 degrees of freedom, it is also found that Scheme preference and Annual Income are independent of each other.

7.5.3.7 ANNUAL SAVINGS -WISE ANALYSIS

H_{023} : Scheme Preference and Annual Savings are independent of each other.

As shown in Table 7.62 it can be clearly observed that SRMFIs with Annual Savings 'Below Rs.50,000' have given 'Systematic Investment Plan' 96 (24.1 per cent) as most preferred followed by 'Open-ended Scheme' 86 (21.5 per cent). The SRMFIs with Annual Savings between 'Rs.50,000 –Rs.1,00,000' have given 'Open-ended Scheme' 81 (21.3 per cent) as most preferred followed by 'Systematic Investment Plan' 72 (18.0 per cent). The SRMFIs with Annual Savings between 'Rs.1,00,001 – Rs.5,00,000' have given 'Systematic Investment Plan' 43 (10.8 per cent) as most preferred followed by 'Open-ended Scheme' 37 (9.3 per cent). The SRMFIs with Annual Savings ' Above Rs.5,00,000' have given equal preference to 'Open-ended Scheme' 7 (1.8 per cent) and 'Systematic Investment Plan' 7 (1.8 per cent) as most preferred.

Table 7.62 : Scheme Preferred by SRMFIs vis-à-vis Annual Savings						
Scheme Preferred		**Annual Savings**				**Total**
		Below Rs. 50000	**Rs.50000-Rs.100000**	**Rs.100001-Rs.500000**	**Above Rs.500000**	
Open ended scheme	Yes	86 (21.5%)	85 (21.3%)	37 (9.3%)	7 (1.8%)	215 (53.8%)
	No	81 (20.3%)	66 (16.5%)	33 (8.3%)	5 (1.3%)	185 (46.3%)
	Total	**167 (41.9%)**	**151 (37.8%)**	**70 (17.5%)**	**12 (2.8%)**	**400 (100.0%)**
Interval Schemes	Yes	14 (3.5%)	13 (3.3%)	9 (2.3%)	2 (0.5%)	38 (9.5%)
	No	153 (38.3%)	138 (34.5%)	61 (15.3%)	10 (2.5%)	362 (90.5%)
	Total	**167 (41.9%)**	**151 (37.8%)**	**70 (17.5%)**	**12 (2.8%)**	**400 (100.0%)**
Close ended scheme	Yes	29 (7.3%)	40 (10.0%)	22 (5.5%)	4 (1.0%)	95 (23.8%)
	No	138 (34.5%)	111 (27.8%)	48 (12.0%)	8 (2.0%)	305 (76.3%)
	Total	**167 (41.9%)**	**151 (37.8%)**	**70 (17.5%)**	**12 (2.8%)**	**400 (100.0%)**
Systematic Investment Plan (SIP)	Yes	96 (24.1%)	72 (18.0%)	43 (10.8%)	7 (1.8%)	218 (54.5%)
	No	71 (17.8%)	79 (19.8%)	27 (6.8%)	5 (1.3%)	182 (45.5%)
	Total	**167 (41.9%)**	**151 (37.8%)**	**70 (17.5%)**	**12 (2.8%)**	**400 (100.0%)**
Note: Figures in parentheses represent the percentage.						

Table 7.63 : Scheme Preferred vis-à-vis Annual Savings - χ^2 test		
Scheme Preference	**Chi-Square**	**Significance**
Open-ended Schemes	0.857	0.836
Interval Schemes	2.016	0.569
Close-ended Schemes	7.273	0.064
Systematic Investment Plan (SIP)	5.156	0.161
Table Value of χ^2 at 3 df = **7.815**, at 5 Per cent Level of Significance		

Table 7.63 above shows the results of Chi-square test between Scheme Preferred and Annual Savings. Conducting Chi-square test at 5 per cent level of significance with 3 degrees of freedom, it is also found that Scheme preference and Annual Savings are independent of each other.

7.5.3.8 FINANCIAL RESPONSIBILITY-WISE ANALYSIS

H_{024}: Scheme Preference and Financial Responsibility are independent of each other.

As shown in Table 7.64 it can be clearly observed that if a person is responsible for himself/herself only have given 'Systematic Investment Plan' 44 (11.0 per cent) as

most preferred followed by 'Open-ended Scheme' 37 (9.3 per cent). The SRMFIs responsible for one person in addition to himself/herself have given 'Open-ended Scheme' 54 (13.5 per cent) as most preferred followed by 'Systematic Investment Plan' 53 (13.3 per cent). The SRMFIs responsible for two to three persons in addition to himself/herself have given 'Systematic Investment Plan' 94 (23.6 per cent) as most preferred followed by 'Open-ended Scheme' 93 (23.3 per cent). The SRMFIs responsible for three to four persons in addition to himself/herself have given 'Open-ended Scheme' 29 (7.3 per cent) as most preferred followed by 'Systematic Investment Plan' 24 (6.0 per cent). The SRMFIs responsible for more than five persons in addition to himself/herself have given 'Systematic Investment Plan' 3 (0.8 per cent) as most preferred followed by 'Open-ended Scheme' 2 (0.5 per cent).

Table 7.64 : Scheme Preferred by SRMFIs vis-à-vis Financial Responsibility

Scheme Preferred		Financial Responsibility					Total
		Only yourself	1 person in addition to yourself	2 to 3 persons in addition to yourself	4 to 5 persons in addition to yourself	More than 5 persons besides yourself	
Open ended scheme	Yes	37 (9.3%)	54 (13.5%)	93 (23.3%)	29 (7.3%)	2 (0.5%)	**215 (53.8%)**
	No	43 (10.8%)	47 (11.8%)	70 (17.5%)	19 (4.8%)	6 (1.5%)	**185 (46.3%)**
	Total	**80 (20.1%)**	**101 (25.3%)**	**163 (40.9%)**	**48 (12.0%)**	**8 (2.0%)**	**400 (100.0%)**
Interval Schemes	Yes	5 (1.3%)	10 (2.5%)	17 (4.3%)	4 (1.0%)	2 (0.5%)	**38 (9.5%)**
	No	75 (18.8%)	91 (22.8%)	146 (36.5%)	44 (11.0%)	6 (1.5%)	**362 (90.5%)**
	Total	**80 (20.1%)**	**101 (25.3%)**	**163 (40.9%)**	**48 (12.0%)**	**8 (2.0%)**	**400 (100.0%)**
Close ended scheme	Yes	13 (3.3%)	23 (5.8%)	50 (12.5%)	8 (2.0%)	1 (0.3%)	**95 (23.8%)**
	No	67 (16.8%)	78 (19.5%)	113 (28.3%)	40 (10.0%)	7 (1.8%)	**305 (76.3%)**
	Total	**80 (20.1%)**	**101 (25.3%)**	**163 (40.9%)**	**48 (12.0%)**	**8 (2.0%)**	**400 (100.0%)**
Systematic Investment Plan (SIP)	Yes	44 (11.0%)	53 (13.3%)	94 (23.6%)	24 (6.0%)	3 (0.8%)	**218 (54.5%)**
	No	36 (9.0%)	48 (12.0%)	69 (17.3%)	24 (6.0%)	5 (1.3%)	**182 (45.5%)**
	Total	**80 (20.1%)**	**101 (25.3%)**	**163 (40.9%)**	**48 (12.0%)**	**8 (2.0%)**	**400 (100.0%)**

Note: Figures in parentheses represent the percentage.

Table 7.65 : Scheme Preferred vis-à-vis Financial Responsibility- χ^2 test		
Scheme Preference	**Chi-Square**	**Significance**
Open-ended Schemes	6.048	0.196
Interval Schemes	3.477	0.481
Close-ended Schemes	8.743	0.068
Systematic Investment Plan (SIP)	2.081	0.721
Table Value of χ^2 at 5 df = **9.488**, at 5 Per cent Level of Significance		

Table 7.65 above shows the results of chi-square test between Scheme Preferred and Financial Responsibility. Conducting Chi-square test at 5 per cent level of significance with 3 degrees of freedom, it is also found that Scheme preference and Financial Responsibility are independent of each other.

Overall, it can be clearly observed that the Systematic Investment Plan 218 (54.5 per cent) is most preferred Scheme by SRMFIs, which is followed by Open-ended Scheme 215 (53.8 per cent), Close-ended Scheme 95 (23.8 per cent) and Interval Schemes 38 (9.5 per cent).

Thus, it can be concluded that the investment preference for Open-ended schemes is dependent on Gender, Academic Qualification and Occupation. The investment preference for Close-ended schemes is dependent on Age, Marital Status and Occupation. And the investment preference for Interval schemes and Systematic Investment Plan (SIP) is dependent on Age and Occupation.

7.5.4 SRMFIs MUTUAL FUND INVESTMENT PREFERENCE IN FUTURE:

There are many factors which affects the decision for keeping investment in mutual funds. But the most important factor or attribute is return you are getting by investing in mutual funds. Here the researcher has asked the question regarding whether SRMFIs prefer to keep on their investment in mutual fund or not. With this one can judge the future investment prospect in mutual funds. The following para attempts to examine the independence between SRMFIs Mutual Fund Investment Preference in future with reference to Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, and Financial Responsibility.

7.5.4.1 GENDER-WISE ANALYSIS

H_{025} : 'Mutual Fund Investment Preference in future' and 'Gender' are independent from each other.

Table 7.66 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Gender - χ^2 test				
Gender	**Mutual Fund Investment Preference in future**			**Total**
	Yes	No	Not Sure	
Male	208 (52.0%)	15 (3.8%)	55 (13.8%)	**278 (69.5%)**
Female	83 (20.8%)	2 (0.5%)	37 (9.3%)	**122 (30.5%)**
Total	**291 (72.8%)**	**17 (4.3%)**	**92 (23.0%)**	**400 (100.0%)**
Note: Figures in parentheses represent the percentage.				
Chi-square value : **7.450 >5.991** (Table Value of χ^2) , at 2 df and 5 per cent Level of Significance				

Table 7.66 shows the cross tabulation between mutual fund investment preference in future and gender of the SRMFIs. The above table reveals that out of 278 (69.5 per cent) , 208 (52.0 per cent) male investors have given positive preference for investment in mutual funds in future while out of 122 (30.5 per cent) , 83 (20.8 per cent) female investors have given positive preference for investment in mutual funds in future. Overall 291 (72.8 per cent) SRMFIs prefer to keep on their investment in mutual funds. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (7.450) is higher than table value of χ^2 (5.991) Thus, H_{025} is rejected concluding that Mutual Fund Investment Preference in future and Gender are dependent of each other .

7.5.4.2 AGE-WISE ANALYSIS

H_{026}: 'Mutual Fund Investment Preference in future' and 'Age' are independent from each other.

Table 7.67 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Age - χ^2 test				
Age	**Mutual Fund Investment Preference in future**			**Total**
	Yes	No	Not Sure	
Up to 30	103(25.8%)	6(1.5%)	34(8.5%)	**143(35.8%)**
31-40	98(24.5%)	8(2.0%)	36(9.0%)	**142(35.5%)**
41-50	60(15.0%)	3(0.8%)	18(4.5%)	**81(20.3%)**
Above 50	30(7.5%)	0(0.0%)	4(1.0%)	**34(8.5%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.				
Chi-square value : **5.832 < 12.592** (Table Value of χ^2) , at 6 df and 5 per cent Level of Significance				

Table 7.67 shows the cross tabulation between mutual fund investment preference in future and age of the SRMFIs. The above table reveals that out of 143 (35.8 per cent), 103 (25.8 per cent) SRMFIs with the age of 'up to 30' prefer to continue their

investment in mutual funds. Out of 142 (35.5 per cent), 98 (24.5 per cent) SRMFIs with the age of '31-40' prefer to continue their investment in mutual funds. And out of 81 (20.3 per cent), 60 (15.0 per cent) and out of 34 (8.5 per cent), 30 (7.5 per cent) SRMFIs with the age of '41-50' and 'above 50' respectively prefer to continue their investment in mutual funds. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (5.832) is less than table value of χ^2 (12.592) Thus, H_{026} is accepted concluding that Mutual Fund Investment Preference in future and Age are independent of each other .

7.5.4.3 ACADEMIC QUALIFICATION -WISE ANALYSIS

H_{027}: 'Mutual Fund Investment Preference in future' and 'Academic Qualification' are independent from each other.

Table 7.68 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Academic Qualification - χ^2 test

Academic Qualification	Mutual Fund Investment Preference in future			Total
	Yes	No	Not Sure	
HSC	17(4.3%)	0(0.0%)	7(1.8%)	**24(6.0%)**
Graduate	127(31.8%)	10(2.5%)	47(11.8%)	**184(46.0%)**
Post-Graduate	127(31.8%)	7(1.8%)	32(8.0%)	**166(41.5%)**
Professional Degree	20(5.0%)	0(0.0%)	6(1.5%)	**26(6.5%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.				
Chi-square value : **5.396 < 12.592** (Table Value of χ^2), at 6 df and 5 per cent Level of Significance				

Table 7.68 shows the cross tabulation between mutual fund investment preference in future and Academic Qualification of the SRMFIs. The above table reveals that out of 24 (6.0 per cent), 17 (4.3 per cent) SRMFIs with the academic qualification of 'HSC' prefer to continue their investment in mutual funds. Out of 184 (46.0 per cent), 127 (31.8 per cent) SRMFIs with the academic qualification of 'Graduate' prefer to continue their investment in mutual funds. And out of 166 (41.5 per cent), 127 (31.8 per cent) and out of 26 (6.5 per cent), 20 (5.0 per cent) SRMFIs with the academic qualification of 'Post-Graduate' and 'Professional Degree' respectively prefer to continue their investment in mutual funds. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (5.396) is less than table value of χ^2 (12.592) Thus, H_{027} is accepted concluding that Mutual Fund Investment Preference in future and Academic Qualification are independent of each other .

7.5.4.4 MARITAL STATUS -WISE ANALYSIS

H_{028}: 'Mutual Fund Investment Preference in future' and 'Marital Status' are independent from each other.

Table 7.69 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Marital Status - χ^2 test

Marital Status	Mutual Fund Investment Preference in future			Total
	Yes	No	Not Sure	
Married	215 (53.8%)	11 (2.8%)	69 (17.3%)	**295 (73.8%)**
Unmarried	71 (17.8%)	6 (1.5%)	20 (5.0%)	**97 (24.3%)**
Widow	1(0.3%)	0(0.0%)	2(0.5%)	**3(0.8%)**
Widower	2(0.5%)	0(0.0%)	0(0.0%)	**2(0.5%)**
Divorced	2(0.5%)	0(0.0%)	1(0.3%)	**3(0.8%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value : **5.592 < 15.507** (Table Value of χ^2), at 8 df and 5 per cent Level of Significance

Table 7.69 shows the cross tabulation between mutual fund investment preference in future and Marital Status of the SRMFIs. The above table reveals that the majority of the SRMFIs were from married and unmarried category 392 (98.1 per cent). The above table reveals that out of 295 (73.8 per cent), 215 (53.8 per cent) 'Married' SRMFIs prefer to continue their investment in mutual funds. And out of 97 (24.3 per cent), 71 (17.8 per cent) 'Unmarried' SRMFIs prefer to continue their investment in mutual funds. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (5.592) is less than table value of χ^2 (15.507) Thus, H_{028} is accepted concluding that Mutual Fund Investment Preference in future and Marital Status are independent of each other .

7.5.4.5 OCCUPATION -WISE ANALYSIS

H_{029}: Mutual Fund Investment Preference in future and Occupation are independent from each other.

Table 7.70 shows the cross tabulation between mutual fund investment preference in future and Occupation of the SRMFIs. The above table reveals that the majority of the respondents were either salaried, businessman or professionals 365 (91.00 per cent). The above table reveals that out of 73 (18.3 per cent), 54 (13.5 per cent) 'Professional' SRMFIs prefer to continue their investment in mutual funds. Out of 81 (20.3 per cent), 54 (13.5 per cent) 'Businessman' SRMFIs prefer to continue their investment in mutual funds. And out of 211 (52.8 per cent), 163 (40.8 per cent) 'Salaried' SRMFIs prefer to continue their investment in mutual funds. Conducting

Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (21.213) is higher than table value of χ^2 (18.307) Thus, H_{029} is rejected concluding that 'Mutual Fund Investment Preference in future' depends on 'Occupation'.

Table 7.70 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Occupation - χ^2 test				
Occupation	**Mutual Fund Investment Preference in future**			**Total**
	Yes	No	Not Sure	
Student	8(2.0%)	1(0.3%)	2(0.5%)	**11(2.8%)**
Professional	54(13.5%)	2(0.5%)	17(4.3%)	**73 (18.3%)**
Business	54(13.5%)	8(2.0%)	19(4.8%)	**81(20.3%)**
Salaried	163(40.8%)	5(1.3%)	43(10.8%)	**211(52.8%)**
Retired	7(1.8%)	0(0.0%)	3(0.8%)	**10(2.5%)**
Any other	5(1.3%)	1(0.3%)	8(2.0%)	**14(3.5%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.				
Chi-square value : **21.213 > 18.307** (Table Value of χ^2) , at 10 df and 5 per cent Level of Significance				

7.5.4.6 ANNUAL INCOME -WISE ANALYSIS

H_{030}: *'Mutual Fund Investment Preference in future' and 'Annual Income' are independent from each other.*

Table 7.71 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Annual Income - χ^2 test				
Annual Income	**Mutual Fund Investment Preference in future**			**Total**
	Yes	No	Not Sure	
Up to Rs 2,00,000	85 (21.3%)	4(1.0%)	26(6.5%)	**115(28.8%)**
Rs. 2,00,001-Rs. 5,00,000	131(32.8%)	7(1.8%)	50(12.5%)	**188(47.0%)**
Rs. 5,00,001-Rs. 10,00,000	62(15.5%)	6(1.5%)	13(3.3%)	**81(20.3%)**
Rs. 10,00,001-Rs. 15,00,000	13(3.3%)	0(0.0%)	3(0.8%)	**16(4.0%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**
Note: Figures in parentheses represent the percentage.				
Chi-square value : **6.339 < 12.592** (Table Value of χ^2), at 6 df and 5 per cent Level of Significance				

Table 7.71 shows the cross tabulation between mutual fund investment preference in future and Annual Income of the SRMFIs. The above table reveals that the majority of the respondents were having annual income up to Rs. 5,00,000 i.e. 303 (75.8 per cent). The above table reveals that out of 115 (28.8 per cent), 85 (21.3 per cent) SRMFIs with the annual income 'up to Rs. 2,00,000' prefer to continue their

investment in mutual funds. Out of 188 (47.0 per cent), 131 (32.8 per cent) SRMFIs with the annual income between'Rs.2,00,001 to Rs. 5,00,000' prefer to continue their investment in mutual funds. And out of 81 (20.3 per cent), 62 (15.5 per cent) and out of 16 (4.0 per cent), 13 (3.3 per cent) SRMFIs with the annual income between 'Rs.5,00,001 to Rs. 10,00,000' and 'Rs.10,00,001 to Rs. 15,00,000' respectively prefer to continue their investment in mutual funds. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (6.339) is less than table value of χ^2 (12.592) Thus, H_{030} is accepted concluding that Mutual Fund Investment Preference in future and Annual Income are independent of each other .

7.5.4.7 ANNUAL SAVINGS -WISE ANALYSIS

H_{031}: 'Mutual Fund Investment Preference in future' and 'Annual savings' are independent from each other.

Table 7.72 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Annual Savings - χ^2 test

Annual Savings	Mutual Fund Investment Preference in future			Total
	Yes	No	Not Sure	
Below Rs.50,000	120(30.0%)	6(1.5%)	41(10.3%)	**167(41.8%)**
Rs.50,000 to Rs. 1,00,000	105(26.3%)	10(2.5%)	36(9.0%)	**151(37.8%)**
Rs.1,00,001 to Rs. 5,00,000	54(13.5%)	1(0.3%)	15(3.8%)	**70(17.5%)**
Above Rs.5,00,000	12(3.0%)	0(0.0%)	0(0.0%)	**12(3.0%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value : **8.690 < 12.592** (Table Value of χ^2) , at 6 df and 5 per cent Level of Significance

Table 7.72 shows the cross tabulation between mutual fund investment preference in future and Annual Savings of the SRMFIs. The above table reveals that the majority of the respondents were having annual savings below Rs. 1,00,000 i.e. 318 (79.6 per cent). The above table reveals that out of 167 (41.8 per cent), 120 (30.0 per cent) SRMFIs with the annual savings 'below Rs. 50,000' prefer to continue their investment in mutual funds. Out of 151 (37.8 per cent), 105 (26.3 per cent) SRMFIs with the annual savings between 'Rs.50,000 to Rs. 1,00,000' prefer to continue their investment in mutual funds. And out of 70 (17.5 per cent), 54 (13.5 per cent) and out of 12 (3.0 per cent), 12 (3.0 per cent) SRMFIs with the annual savings between 'Rs.1,00,001 to Rs. 5,00,000' and 'Above Rs.5,00,00' respectively prefer to continue their investment in mutual funds. Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (8.690) is less than table value

of χ^2 (12.592) Thus, H_{031} is accepted concluding that Mutual Fund Investment Preference in future and Annual Savings are independent of each other .

7.5.4.8 FINANCIAL RESPONSIBILITY-WISE ANALYSIS

H_{032}: Mutual Fund Investment Preference in future and Financial Responsibility are independent from each other.

Table 7.73 shows the cross tabulation between mutual fund investment preference in future and Financial Responsibility of the SRMFIs. The above table reveals that if a SRMFIs responsible for himself/herself only, in this case out of 80(20.0 per cent), 55 (13.8 per cent) prefer to continue their investment in mutual funds. If a SRMFIs responsible for one person in addition to himself/herself, in this case out of 101(25.3 per cent), 74 (18.5 per cent) prefer to continue their investment in mutual funds. And if a SRMFIs responsible for two to three persons in addition to himself/herself , in this case out of 163 (40.8 per cent), 115 (28.8 per cent) prefer to continue their investment in mutual funds.

Table 7.73 : Mutual Fund investment preference in future by SRMFIs vis-à-vis Financial Responsibility - χ^2 test

Financial Responsibility	Mutual Fund Investment Preference in future			Total
	Yes	No	Not Sure	
Only yourself	55(13.8%)	4(1.0%)	21(5.3%)	**80(20.0%)**
1 person in addition to yourself	74(18.5%)	6(1.5%)	21(5.3%)	**101(25.3%)**
2 to 3 persons in addition to yourself	115(28.8%)	7(1.8%)	41(10.3%)	**163(40.8%)**
4 to 5 persons in addition to yourself	42(10.5%)	0(0.0%)	6(1.5%)	**48(12.0%)**
More than 5 persons besides yourself	5(1.3%)	0(0.0%)	3(0.8%)	**8(2.0%)**
Total	**291(72.8%)**	**17(4.3%)**	**92(23.0%)**	**400(100.0%)**

Note: Figures in parentheses represent the percentage.

Chi-square value : **8.947 < 15.507** (Table Value of χ^2) , at 8 df and 5 per cent Level of Significance

Conducting Chi-square test at 5 per cent level of significance, it is found that the computed value of χ^2 (8.947) is less than table value of χ^2 (15.507) Thus, H_{032} is accepted concluding that 'Mutual Fund Investment Preference in future' and 'Financial Responsibility' are independent of each other .

Overall, it could be concluded that the 'Mutual Fund Investment Preference in future' is dependent on gender and occupation of the SRMFIs. Mutual Fund Investment Preference in future is independent from Age, Academic Qualification, Marital Status, Annual Income, Annual Savings and financial Responsibility.

7.6 ANALYSIS OF INFLUENTIAL FUND SELECTION FACTORS

For identifying the influential fund selection factors, the SRMFIs were asked to rate the importance of the 27 specified variables on a five-point scale ranging from Highly Important (5) to Not at All Important (1). And for analyzing the reasons for withdrawing investment and/or not investing further in mutual funds, the SRMFIs were asked to express their level of agreement to the given thirteen reasons on a five-point scale ranging from Strongly Agree (5) to Strongly disagree (1) according to their perception. For this purpose firstly, Weighted Mean Value was calculated from the data collected to assign comparatively important qualities and reasons. In the second stage Reliability Testing was applied and in the third stage Factor Analysis was applied.

Factor Analysis Using Principal Component Analysis

Factor Analysis allows us to look at groups of variables that tend to relate to each other and estimate what underlying reasons might cause these variables to be more highly correlated with each other" **Naresh K Malhotra (2007)[4].**

The tool of SPSS 17.0 was extensively used to classify a large number of variables into smaller number of factors. Factor Analysis was used to determine whether there was any common constructs that represented investor concerns. All variables were analyzed using the Varimax Algorithm of Orthogonal Rotation, the most commonly used method. Evaluation of the resulting constructs and naming of the factors is largely subjective. Hence, to identify investors' underlying Fund/Scheme selection criteria and the reasons for withdrawing investment and/or not investing further in mutual funds, so as to group those into specific factors, which would further identify Investor types, to enable the designing of appropriate marketing strategies, Factor Analysis carried out using Principal Component Analysis. The factors that could influence the SRMFIs in their selection of Mutual funds/ Schemes and was first grouped into three major factors – Fund Related Qualities, Fund Sponsor Qualities and Investor Related Services. Then the 27 identified variables were classified under the appropriate group as follows:

A) Fund Related Qualities

- **A1.** Fund performance record
- **A2.** Funds reputation or brand name
- **A3.** Scheme's expense ratio

A4. Scheme's portfolio of investment

A5. Reputation of the Fund Manager/Scheme

A6. Awareness of fund

A7. Public/Private sector ownership

A8. Withdrawal facilities

A9. Favourable rating by a rating agency

A10. Products with tax benefits

A11. Innovativeness of the schemes

A12. Entry & Exit load

A13. Minimum initial investment

B) Fund Sponsor Qualities

B1. Reputation of sponsoring firm

B2. Sponsor has a recognized brand name

B3. Sponsor has a well developed agency & Network

B4. Sponsor's expertise in managing money

B5. Sponsor has a well developed research & infrastructure

B6. Sponsor's past performance in terms of risk and return

C) Investor Related Services

C1. Disclosure of investment objective in the advertisement

C2. Disclosure of periodicity of valuation in the advertisement / Illustrative examples

C3. Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document

C4. Disclosure of NAV on every trading day

C5. Disclosure of deviation of investments from the original pattern

C6. MF's Investor's grievance redressal machinery

C7. Fringe benefit i.e. free insurance, credit cards, loans on collateral, tax benefits *etc.*

C8. Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and unnecessary follow up with brokers and companies.

7.6.1 ANALYSIS OF INFLUENCE OF FUND RELATED QUALITIES ON SELECTION OF FUND/SCHEMES

7.6.1.1 WMV

In first stage WMV was calculated from the data collected to assign comparatively important qualities and reasons. The results obtained by applying WMV are presented in Table 7.74.

Table 7.74 : Importance of Fund Related Qualities on Selection of Fund/Schemes

Sr. No.	Variables	HI	I	SWI	NVI	NAAI	WMV	Rank
A1	Fund performance record	224 (56.0%)	158 (39.50%)	14 (3.5%)	4 (1.0%)	0 (0.0%)	4.51	I
A2	Funds reputation or brand name	166 (41.5%)	163 (40.75%)	56 (14.0%)	9 (2.25%)	6 (1.50%)	4.19	II
A3	Scheme's expense ratio	113 (28.25%)	159 (39.75%)	101 (25.25%)	24 (6.0%)	3 (0.75%)	3.89	VII
A4	Scheme's portfolio of investment	133 (33.25%)	162 (40.5%)	74 (18.5%)	25 (6.25%)	6 (1.50%)	3.98	IV
A5	Reputation of the Fund Manager/Scheme	104 (26.0%)	163 (40.75%)	90 (22.5%)	35 (8.75%)	8 (2.0%)	3.80	X
A6	Awareness of fund	122 (30.5%)	173 (43.25%)	65 (16.25%)	34 (8.50%)	6 (1.50%)	3.93	VI
A7	Public/Private sector ownership	116 (29.0%)	151 (37.75%)	98 (24.50%)	23 (5.75%)	12 (3.00%)	3.84	VIII
A8	Withdrawal facilities	134 (33.5%)	171 (42.75%)	61 (15.25%)	25 (6.25%)	9 (2.25%)	3.99	III
A9	Favourable rating by a rating agency	103 (25.75%)	162 (40.5%)	94 (23.5%)	37 (9.25%)	4 (1.0%)	3.81	IX
A10	Products with tax benefits	140 (35.0%)	148 (37.0%)	79 (19.75%)	22 (5.50%)	11 (2.75%)	3.96	V
A11	Innovativeness of the schemes	91 (22.75%)	170 (42.5%)	84 (21.0%)	43 (10.75%)	12 (3.0%)	3.71	XIII
A12	Entry & Exit load	109 (27.25%)	162 (40.5%)	83 (20.75%)	33 (8.25%)	13 (3.25%)	3.80	XI
A13	Minimum initial investment	109 (27.25%)	150 (37.5%)	89 (22.25%)	39 (9.75%)	13 (3.25%)	3.76	XII

Note: Figures in parentheses represent the percentage.

Table 7.74 above shows that great importance has been attached by the SRMFIs to the statements like 'Fund performance record' with a WMV of 4.51 followed by 'Funds reputation or brand name' with a WMV of 4.19, 'Withdrawal facilities' with a WMV of 3.99, 'Scheme's portfolio of investment' with a WMV of 3.98, 'Products with tax benefits' with a WMV of 3.96, 'Awareness of fund' with a WMV of 3.93, 'Scheme's

expense ratio' with a WMV of 3.89. And it is also found that 'Public/Private sector ownership' with a WMV of 3.84, 'Favourable rating by a rating agency' has a WMV of 3.81, 'Reputation of the Fund Manager/Scheme' has a WMV of 3.80, 'Entry & Exit load' has a WMV of 3.80, 'Minimum initial investment' has a WMV of 3.76 and 'Innovativeness of the schemes' with a WMV of 3.71, indicating least importance by the SRMFIs.

7.6.1.2 RELIABILITY TESTING

In the second stage, the researcher has performed a reliability test for each of the variables used for Factor Analysis which were subjected to Internal Consistency Test or reliability of the variables. **Cronbach's α (alpha)** is a coefficient of reliability. The variables obtained an overall α value of 0.765 and individually also all the thirteen variables have reliability coefficient higher than 0.60 and this is considered acceptable. All the thirteen variables were thus retained for the Factor Analysis that is presented with their respective α value in Table 7.75:

Table 7.75 : Overall Results of Reliability Testing for Fund Related Qualities

Sr. No.	Variables	Cronbach's Alpha
A1	Fund performance record	0.758
A2	Funds reputation or brand name	0.762
A3	Scheme's expense ratio	0.748
A4	Scheme's portfolio of investment	0.749
A5	Reputation of the Fund Manager/Scheme	0.747
A6	Awareness of fund	0.749
A7	Public/Private sector ownership	0.749
A8	Withdrawal facilities	0.744
A9	Favourable rating by a rating agency	0.748
A10	Products with tax benefits	0.755
A11	Innovativeness of the schemes	0.749
A12	Entry & Exit load	0.748
A13	Minimum initial investment	0.743
	Overall Reliability	**0.765**

7.6.1.3 FACTOR ANALYSIS

In the third stage, the researcher has applied Factor Analysis for identification of influential fund related qualities on selection of fund/schemes. Results of Principal Component Analysis for Fund Related Qualities are tabulated in Table 7.76.

Table 7.76: Results of Principal Component Analysis: Fund Related Qualities

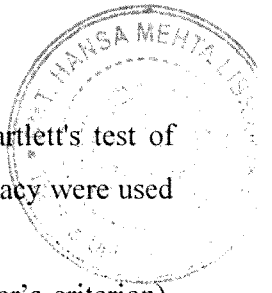
KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.792
Bartlett's Test of Sphericity	Approx. Chi-Square	803.716
	Df	78
	Sig.	0.000

Sr. No.	Communalities		Component	Initial Eigen values		
	Initial	Extraction		Total	% of Variance	Cumulative %
A1	1.000	0.425	1	3.423	26.331	26.331
A2	1.000	0.536	2	1.274	9.797	36.128
A3	1.000	0.597	3	1.143	8.791	44.919
A4	1.000	0.417	4	1.022	7.864	52.783
A5	1.000	0.536	5	0.890	6.849	59.632
A6	1.000	0.597	6	0.835	6.425	66.057
A7	1.000	0.584	7	0.804	6.188	72.245
A8	1.000	0.465	8	0.778	5.986	78.231
A9	1.000	0.457	9	0.691	5.317	83.548
A10	1.000	0.504	10	0.627	4.820	88.369
A11	1.000	0.594	11	0.562	4.319	92.688
A12	1.000	0.650	12	0.500	3.846	96.534
A13	1.000	0.501	13	0.451	3.466	100.000

Total Variance Explained						
Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.423	26.331	26.331	2.011	15.468	15.468
2	1.274	9.797	36.128	1.749	13.458	28.926
3	1.143	8.791	44.919	1.569	12.069	40.994
4	1.022	7.864	52.783	1.532	11.788	52.783

Component Matrix				
Sr. No.	Component			
	1	2	3	4
A1	0.414			0.445
A2		0.463		
A3	0.534			0.404
A4	0.522			
A5	0.555		0.416	
A6	0.524			-0.419
A7	0.520	-0.538		
A8	0.569			
A9	0.537			
A10	0.459			
A11	0.517		-0.429	
A12	0.533		-0.491	
A13	0.578			

Rotated Component Matrix				
Sr. No.	Component			
	1	2	3	4
A1			0.631	
A2				0.689
A3			0.728	
A4				0.540
A5			0.517	
A6	0.412			0.647
A7	0.756			
A8	0.603			
A9	0.589			
A10	0.547			
A11		0.696		
A12		0.734		
A13		0.644		



In the fund related qualities analysis, 13 variables were analyzed. Bartlett's test of sphericity and Kaiser- Meyer Olkin (KMO) measure of sampling adequacy were used to examine the appropriateness of factor analysis.

Retaining only the variables with Eigen values greater than one (Kaiser's criterion), one can infer that 26.331% of variance is explained by factor 1; 9.797% of variance is explained by factor 2 , 8.791% of variance is explained by factor 3 and 7.864% of variance is explained by factor 4 and together, all four factors contributed to 52.783% of variance.

Factor loadings are very high in case of factor 1 (10 out of 13 variables have factor loading >0.5). It reveals that 77% of the variables are clubbed into one factor. But on the basis of theory, one can infer that there must be more than one factor. Therefore, Varimax Rotation was done to obtain factors that can be named and interpreted. Under Varimax Rotation also 4 out of 13 variables have factor loadings >0.5 in case of factor 1.

On the basis of Varimax Rotation with Kaiser Normalization, 4 factors have emerged. Each factor is constituted of all those variables that have factor loadings greater than or equal to 0.5. Thus A7, A8, A9 and A10 constituted the first factor. This is conceptualized as "Intrinsic fund Qualities". Variables A12, A11 and A13 constituted the second factor and this was conceptualized as "Product Features"; A3, A1 and A5 constituted the third factor and was conceptualized as "Scheme's Performance" factor and A2, A6 and A4 constituted the fourth factor and was conceptualized as "Scheme's Image and Portfolio" factor. Thus, after rotation, factor 1 "Intrinsic Product Qualities" accounts for 15.468% of the variance; factor 2 "Product Features" accounts for 13.458% of variance, factor 3 "Scheme's Performance" accounts for 12.069% of variance and factor 4 "Scheme's Image and Portfolio" accounts for 11.788% of variance all 4 factors together explain for 52.783% of variance. The identified factors with the associated variable and factor loadings are presented in Table 7.77.

The rotated matrix has revealed this factor 1 named "Intrinsic Fund Qualities" as most important factor with highest Eigen value of 3.423. In total four variables have been loaded on this factor and are arranged according to their loading values. The Table 7.77 reveals that the variable 'Public/Private sector ownership' has got the highest loading of 0.756 and it is followed by the variables 'withdrawal facilities' with 0.603 loading, 'Favourable rating by a rating agency' with 0.589 loading and 'Products with

tax benefits' with 0.547 loading. Intrinsic Fund Qualities describes the various concerns in the investor's mind that are taken into account for making decision regarding investment in mutual funds.

Table 7.77 : Identification of Fund Related Qualities on selection of fund/scheme

Factor Name	Sr. No.	Variables	Factor Loadings
Intrinsic Fund Qualities	A7	Public/Private sector ownership	0.756
	A8	Withdrawal facilities	0.603
	A9	Favourable rating by a rating agency	0.589
	A10	Products with tax benefits	0.547
Product Features	A12	Entry & Exit load	0.734
	A11	Innovativeness of the schemes	0.696
	A13	Minimum initial investment	0.644
Scheme's Performance	A3	Scheme's expense ratio	0.728
	A1	Fund performance record	0.631
	A5	Reputation of the Fund Manager/Scheme	0.517
Scheme's Image and Portfolio	A2	Funds reputation or brand name	0.689
	A6	Awareness of fund	0.647
	A4	Scheme's portfolio of investment	0.540

The rotated matrix has revealed this factor 2 named "Product Features" as second important factor with Eigen value of 1.274. In total three variables have been loaded on this factor and are arranged according to their loading values. The above Table 7.77 reveals that the variable 'Entry & Exit load' has got the highest loading of 0.734 and it is followed by the variables 'Innovativeness of the schemes' with 0.696 loading and 'Minimum initial investment' with 0.644 loading. Product Features also describes the various concerns in the mind of investors that are taken into account for making decision regarding investment in mutual funds.

The third important factor named "Scheme's Performance" with Eigen value of 1.143 as shown in the rotated matrix. Total three variables have been loaded on this factor and are arranged according to their loading values. The above Table 7.77 reveals that the variable 'Scheme's expense ratio' has got the highest loading of 0.728 and it is followed by the variables 'Fund performance record' with 0.631 loading and 'Reputation of the Fund Manager/Scheme' with 0.517 loading. This factor describes the various aspects of scheme's performance perceptions of investors about mutual funds. Here the variable 'Reputation of fund manager/scheme' has been loaded with this factor which shows that scheme's performance improves with this variable.

The rotated matrix has revealed this factor 4 named "Scheme's Image and Portfolio" as fourth important factor with Eigen value 1.022. In total three variables have been

loaded on this factor and are arranged according to their loading values. The above table reveals that the variable 'Funds reputation or brand name' has got the highest loading of 0.689 and it is followed by the variables 'Scheme's portfolio of investment' with 0.647 loading and 'Products with tax benefits' with 0.540 loading. Here 'Scheme's portfolio of investment' has been loaded on this factor which shows that scheme's image get better with this factor.

The factors thus extracted, have enabled to categorize types of investors who give importance to these factors in their fund selection techniques.

Professional investors give more importance to the factors like 'Scheme's expense ratio', 'Fund performance record and Reputation of the Fund Manager/Scheme' while selecting the fund/scheme. And in the minds of image conscious investors' 'funds reputation or brand name', 'awareness of fund', 'Favorable rating by a rating agency' and 'Scheme's portfolio of investment' are the major influencing factors for selection of fund/scheme. While cautious investors are risk averse and concern about the factors like 'ownership of the fund/scheme', 'Withdrawal facilities', 'Products with tax benefits', 'Entry & Exit load', 'Innovativeness of the schemes' and 'Minimum initial investment'.

7.6.2 ANALYSIS OF INFLUENCE OF FUND SPONSOR QUALITIES ON SELECTION OF FUND/SCHEMES

As mentioned at the outset in the selection of fund, over and above fund qualities, sponsor qualities are equally important. The identified fund sponsor qualities as questioned to the respondents is listed in para 7.6 as (B). The present section analyses the same.

7.6.2.1 WMV

In first stage WMV were calculated from the data collected to assign comparatively important qualities and reasons. The results obtained by applying WMV are presented in Table 7.78.

Table 7.78 shows that great importance has been attached by the SRMFIs to the 'Reputation of sponsoring firm' with a WMV of 4.03 followed by 'Sponsor's past performance in terms of risk and return' with a WMV of 4.02 and 'Sponsor's expertise in managing money' with a WMV of 4.00, 'Sponsor has a well developed research & infrastructure' with a WMV of 3.98. And it is also found that 'Sponsor has

a recognized brand name' with a WMV of 3.87 and 'Sponsor has a well developed agency & Network' with a WMV of 3.76, indicating least importance by the SRMFIs.

Table 7.78 : Importance of Fund Sponsor Qualities on Selection of Fund/Schemes

Sr. No.	Variables	HI	I	SWI	NVI	NAAI	WMV	Rank
B1	Reputation of sponsoring firm	129 (32.3%)	182 (45.5%)	64 (16.0%)	20 (5.0%)	5 (1.3%)	4.03	I
B2	Sponsor has a recognized brand name	97 (24.3%)	188 (47.0%)	87 (21.8%)	20 (5.0%)	8 (2.0%)	3.87	V
B3	Sponsor has a well developed agency & Network	102 (25.5%)	153 (38.3%)	97 (24.3%)	41 (10.3%)	7 (1.8%)	3.76	VI
B4	Sponsor's expertise in managing money	133 (33.3%)	178 (44.5%)	56 (14.0%)	23 (5.8%)	10 (2.5%)	4.00	III
B5	Sponsor has a well developed research & infrastructure	144 (36.0%)	147 (36.8%)	73 (18.3%)	27 (6.8%)	9 (2.3%)	3.98	IV
B6	Sponsor's past performance in terms of risk and return	144 (36.0%)	162 (40.5%)	61 (15.3%)	22 (5.5%)	11 (2.8%)	4.02	II

Note: Figures in parentheses represent the percentage.

7.6.2.2 RELIABILITY TESTING

In the second stage, the researcher has performed a reliability test for each of the variables used for Factor Analysis which were subjected to Internal Consistency Test or reliability of the variables. **Cronbach's α (alpha)** is a coefficient of reliability. As the variables obtained an overall α value of 0.713 and individually also all the six variables have reliability coefficient higher than 0.60 and considered acceptable. All the six variables were thus retained for the Factor Analysis that is presented with their respective α value in Table 7.79:

Table 7.79 : Overall Results of Reliability Testing for Fund Sponsor Qualities

Sr. No.	Variables	Cronbach's Alpha
B1	Reputation of sponsoring firm	0.689
B2	Sponsor has a recognized brand name	0.677
B3	Sponsor has a well developed agency & Network	0.675
B4	Sponsor's expertise in managing money	0.663
B5	Sponsor has a well developed research & infrastructure	0.665
B6	Sponsor's past performance in terms of risk and return	0.678
	Overall Reliability	**0.713**

7.6.1.3 FACTOR ANALYSIS

In the third stage, Factor Analysis is applied for identification of influential fund sponsor qualities on selection of fund/schemes. Results of Principal Component Analysis for Fund Sponsor Related Qualities are tabulated in Table 7.80.

Table 7.80: Results of Principal Component Analysis: Fund Sponsor Related Qualities

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.769
Bartlett's Test of Sphericity	Approx. Chi-Square	380.782
	Df	15
	Sig.	0.000

Communalities				Component	Initial Eigen values		
Sr. No.	Initial	Extraction			Total	% of Variance	Cumulative %
B1	1.000	0.730		1	2.469	41.153	41.153
B2	1.000	0.705		2	1.011	16.852	58.005
B3	1.000	0.447		3	0.723	12.056	70.061
B4	1.000	0.632		4	0.678	11.293	81.354
B5	1.000	0.503		5	0.579	9.643	90.997
B6	1.000	0.462		6	0.540	9.003	100.000

Total Variance Explained						
Compo-nent	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.469	41.153	41.153	1.999	33.318	33.318
2	1.011	16.852	58.005	1.481	24.687	58.005

Component Matrix				Rotated Component Matrix		
	Component			Sr. No.	Component	
Sr. No.	1	2			1	2
B4	0.676	-0.418		B4	0.794	
B5	0.674			B3	0.680	
B3	0.641			B6	0.664	
B2	0.633	0.552		B5	0.636	
B6	0.630			B1		0.844
B1	0.590	0.618		B2		0.814

In the Fund Sponsor Qualities analysis, six variables were analyzed. Bartlett's test of sphericity and Kaiser- Meyer Olkin (KMO) measure of sampling adequacy were used to examine the appropriateness of Factor Analysis.

Retaining only the variables with Eigen values greater than one (Kaiser's criterion), one can infer that 41.153% of variance is explained by factor 1 and 16.852% of

variance is explained by factor 2 and together, all two factors contributed to 58.005% of variance.

Factor loadings are very high in case of factor 1 (All six variables have factor loading >0.5). It reveals that all variables are clubbed into one factor. But on the basis of theory, one can infer that there must be more than one factor. Therefore, Varimax Rotation was carried out to obtain factors that can be named and interpreted. Under Varimax Rotation also 4 out of 6 variables have factor loadings >0.5 in case of factor 1.

On the basis of Varimax Rotation with Kaiser Normalization, 2 factors have emerged. Each factor is constituted of all those variables that have factor loadings greater than or equal to 0.5. Thus variables B4, B3, B6 and B5 constituted the first factor. This is conceptualized as "Proficient Performance". Variables B1 and B2 constituted the second factor and this was conceptualized as "Reputation/Brand Name". Thus, after rotation, factor 1 "Proficient Performance" accounts for 33.318 % of the variance and factor 2 "Product Features accounts for 24.687 % of variance and together all two factors together explain for 58.005% of variance.

The identified factors with the associated variable and factor loadings are presented in Table 7.81.

Table 7.81 : Identification of Fund Sponsor Qualities on selection of fund/scheme

Factor Name	Sr. No.	Variables	Factor Loadings
Proficient Performance	B4	Sponsor's expertise in managing money	0.794
	B3	Sponsor has a well developed research & infrastructure	0.680
	B6	Sponsor's past performance in terms of risk and return	0.664
	B5	Sponsor has a well developed agency & Network	0.636
Reputation/ Brand Name	B1	Reputation of sponsoring firm	0.844
	B2	Sponsor has a recognized brand name	0.814

The rotated matrix has revealed this factor 1 named "Proficient Performance" as most important factor with highest Eigen value of 2.469. In total four variables have been loaded on this factor and are arranged according to their loading values. The Table 7.81 reveals that the variable 'Sponsor's expertise in managing money' has got the highest loading of 0.794 and it is followed by the variables 'Sponsor has a well developed research & infrastructure' with 0.680 loading, 'Sponsor's past performance

in terms of risk and return' with 0.664 loading and 'Sponsor has a well developed agency & Network' with 0.636 loading.

The rotated matrix has revealed this factor 2 named "Reputation/Brand Name" as second important factor with Eigen value of 1.011. In total two variables have been loaded on this factor and are arranged according to their loading values. The Table 7.81 reveals that the variable 'Reputation of sponsoring firm' has got the highest loading of 0.844 and it is followed by the variable 'Sponsor has a recognized brand name' with 0.814 loading.

The factors thus extracted, have enabled to categorize types of investors who give importance to these factors in their fund selection techniques.

The various concerns in the mind of professional investors that the fund/schemes able to perform well with well-built sponsor qualities like 'expertise in managing money', 'well developed agency, network, research and infrastructure' and of course 'past performance of the sponsor'. And in the minds of image conscious investors' 'reputation of sponsoring firm' and 'recognized brand name' are the major influencing factors for selection of fund/scheme.

7.6.3 ANALYSIS OF INVESTOR RELATED SERVICES ON SELECTION OF FUND/SCHEMES

In the third group of factors influencing the selection of funds are 'Investor Related Services'. As discussed in para 7.6, totally eight such factors have been identified. The present para analyses the importance of these factors.

7.6.3.1 WMV

In first stage WMV was calculated from the data collected to assign comparatively important qualities and reasons. The results obtained by applying WMV are presented in Table 7.82.

Table 7.82 shows that great importance has been attached by the SRMFIs to the 'Disclosure of NAV on every trading day' with a WMV of 3.87 followed by 'Disclosure of periodicity of valuation in the advertisement / Illustrative examples' with a WMV of 3.83, 'Disclosure of investment objective in the advertisement' with a WMV of 3.82, 'Disclosure of deviation of investments from the original pattern' with a WMV of 3.81 and 'Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document' has a WMV of 3.80. And it is also found that 'Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and

unnecessary follow up with brokers and companies' has a WMV of 3.67, 'MF's Investor's grievance redressal machinery' has a WMV of 3.64 and 'Fringe benefit i.e. free insurance, credit cards, loans on collateral, tax benefits *etc.*' has a WMV of 3.64, indicating least importance by the SRMFIs.

Table 7.82 : Importance of Investor Related Services on Selection of Fund/Schemes

Sr. No.	Variables	HI	I	SWI	NVI	NAAI	WMV	Rank
C1	Disclosure of investment objective in the advertisement	113 (28.3%)	161 (40.3%)	78 (19.5%)	37 (9.3%)	11 (2.8%)	3.82	III
C2	Disclosure of periodicity of valuation in the advertisement / Illustrative examples	83 (20.8%)	205 (51.3%)	78 (19.5%)	29 (7.3%)	5 (1.3%)	3.83	II
C3	Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document	89 (22.3%)	194 (48.5%)	76 (19.0%)	31 (7.8%)	10 (2.5%)	3.80	V
C4	Disclosure of NAV on every trading day	110 (27.5%)	174 (43.5%)	80 (20.0%)	25 (6.3%)	11 (2.8%)	3.87	I
C5	Disclosure of deviation of investments from the original pattern	103 (25.8%)	170 (42.5%)	85 (21.3%)	33 (8.3%)	9 (2.3%)	3.81	IV
C6	MF's Investor's grievance redressal machinery	95 (23.8%)	157 (39.3%)	76 (19.0%)	52 (13.0%)	20 (5.0%)	3.64	VII
C7	Fringe benefit i.e. free insurance, credit cards , loans on collateral, tax benefits *etc.*	80 (20.0%)	167 (41.8%)	92 (23.0%)	51 (12.8%)	10 (2.5%)	3.64	VIII
C8	Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and unnecessary follow up with brokers and companies.	66 (16.5%)	186 (46.5%)	104 (26.0%)	37 (9.3%)	7 (1.8%)	3.67	VI

Note: Figures in parentheses represent the percentage.

7.6.3.2 RELIABILITY TESTING

In the second stage, a reliability test is performed for each of the variables used for Factor Analysis which were subjected to Internal Consistency Test or reliability of the variables. **Cronbach's α (alpha)** is a coefficient of reliability. As the variables

obtained an overall α value of 0.637 and individually also all the eight variables have reliability coefficient nearer to 0.60 and considered acceptable. All the six variables were thus retained for the Factor Analysis that is presented with their respective α value in Table 7.83:

Table 7.83 : Overall Results of Reliability Testing to Investor Related Services		
Sr. No.	**Variables**	**Cronbach's Alpha**
C1	Disclosure of investment objective in the advertisement	0.593
C2	Disclosure of periodicity of valuation in the advertisement / Illustrative examples	0.594
C3	Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document	0.575
C4	Disclosure of NAV on every trading day	0.637
C5	Disclosure of deviation of investments from the original pattern	0.603
C6	MF's Investor's grievance redressal machinery	0.602
C7	Fringe benefit i.e. free insurance, credit cards , loans on collateral, tax benefits *etc.*	0.644
C8	Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and unnecessary follow up with brokers and companies.	0.589
	Overall Reliability	**0.637**

7.6.3.3 FACTOR ANALYSIS

In the third stage, the researcher has applied Factor Analysis for identification of influential investor related services on selection of fund/schemes. Results of Principal Component Analysis for Investor Related Services are tabulated in Table 7.84.

Table 7.84: Results of Principal Component Analysis: Investor Related Services

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.730
Bartlett's Test of Sphericity	Approx. Chi-Square	330.303
	Df	28
	Sig.	0.000

Communalities				Compenent	Initial Eigen values		
Sr. No.	**Initial**	**Extraction**			**Total**	**% of Variance**	**Cumulative %**
C1	1.000	0.644		**1**	2.331	29.132	29.132
C2	1.000	0.545		**2**	1.132	14.144	43.275
C3	1.000	0.544		**3**	1.028	12.849	56.125
C4	1.000	0.674		**4**	0.838	10.479	66.604
C5	1.000	0.393		**5**	0.804	10.051	76.655
C6	1.000	0.415		**6**	0.688	8.600	85.255
C7	1.000	0.695		**7**	0.643	8.033	93.288
C8	1.000	0.580		**8**	0.537	6.712	100.000

Total Variance Explained						
Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.331	29.132	29.132	1.765	22.066	22.066
2	1.132	14.144	43.275	1.373	17.165	39.231
3	1.028	12.849	56.125	1.351	16.893	56.125

Component Matrix				Rotated Component Matrix			
	Component				Component		
Sr. No.	1	2	3	Sr. No.	1	2	3
C1	0.621	-0.466		C1	0.801		
C2	0.598	-0.432		C2	0.710		
C3	0.668			C3	0.644		
C4			0.711	C4		0.812	
C5	0.537			C5		0.547	
C6	0.546			C6		0.556	
C7		0.650	-0.402	C7			0.832
C8	0.581	0.454		C8			0.694

In the investor related services, eight variables were analyzed. Bartlett's test of sphericity and Kaiser- Meyer Olkin (KMO) measure of sampling adequacy were used to examine the appropriateness of factor analysis.

Retaining only the variables with Eigen values greater than one (Kaiser's criterion), one can infer that 29.132% of variance is explained by factor 1, 14.144% of variance is explained by factor 2 and 12.849% of variance is explained by factor 3 and together, all three factors contributed to 56.125% of variance.

Factor loadings are very high in case of factor 1 (6 out of 8 variables have factor loading >0.5). It reveals that 75% of the variables are clubbed into one factor. But on the basis of theory, one can infer that there must be more than one factor. Therefore, Varimax Rotation was carried out to obtain factors that can be named and interpreted. Under Varimax Rotation also 3 out of 8 variables have factor loadings >0.5 in case of factor 1.

On the basis of Varimax Rotation with Kaiser Normalization, 3 factors have emerged. Each factor is constituted of all those variables that have factor loadings greater than or equal to 0.5. Thus variables C1, C2 and C3 constituted the first factor. This is conceptualized as "Initial Disclosures". Variables C4, C5 and C6 constituted the second factor and this is conceptualized this factor as "Visible disclosures" and variables C7 and C8 constituted the third factor and this was conceptualized as

"Fringe Benefits". Thus, after rotation, factor 1 "Initial Disclosures" accounts for 22.066 % of the variance , factor 2 "Visible disclosures" accounts for 17.165 % of variance and factor 3 "Fringe Benefits" accounts for 16.893 % of variance and together all three factors together explain for 56.125% of variance.

The identified factors with the associated variable and factor loadings are given in Table 7.85.

Table 7.85 : Identification of Investor Related Services on selection of fund/scheme

Factor Name	Sr. No.	Variables	Factor Loadings
Initial Disclosures	C1	Disclosure of investment objective in the advertisement	0.801
	C2	Disclosure of periodicity of valuation in the advertisement / Illustrative examples	0.710
	C3	Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document	0.644
Visible disclosures	C4	Disclosure of NAV on every trading day	0.812
	C6	MF's Investor's grievance redressal machinery	0.556
	C5	Disclosure of deviation of investments from the original pattern	0.547
Fringe Benefits	C7	Fringe benefit i.e. free insurance, credit cards , loans on collateral, tax benefits *etc.*	0.832
	C8	Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and unnecessary follow up with brokers and companies.	0.694

The rotated matrix has revealed Factor 1, "Initial Disclosures" as the most important factor with highest Eigen value of 2.331. In total three variables have been loaded on this factor and are arranged according to their loading values. The Table 7.85 reveals that the variable 'Disclosure of investment objective in the advertisement' has got the highest loading of 0.801 and it is followed by the variables 'Disclosure of periodicity of valuation in the advertisement / Illustrative' examples with 0.710 loading and 'Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document' with 0.644 loading.

The rotated matrix has revealed Factor 2, "Visible Disclosures" as second important factor with Eigen value of 1.132. In total three variables have been loaded on this factor and are arranged according to their loading values. The above table reveals that the variable 'Disclosure of NAV on every trading day' has got the highest loading of 0.812 and it is followed by the variable 'MF's Investor's grievance redressal

machinery' with 0.556 loading and 'Disclosure of deviation of investments from the original pattern' with 0.547 loading.

The rotated matrix has revealed Factor 3, "Fringe Benefits" as third important factor with Eigen value of 1.028. In total two variables have been loaded on this factor and are arranged according to their loading values. The above table reveals that the variable 'Fringe benefit i.e. free insurance, credit cards, loans on collateral, tax benefits *etc.*' has got the highest loading of 0.832 and it is followed by the variable 'Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and unnecessary follow up with brokers and companies' with 0.694 loading.

The factors thus extracted, have enabled to categorize types of investors who give importance to these factors in their fund selection techniques.

Professional investors give more importance to the factors like 'Disclosure of investment objective in the advertisement', 'Disclosure of periodicity of valuation in the advertisement / Illustrative examples' and 'Disclosure of the method and the periodicity of the schemes sales and repurchases in the offer document while selecting the fund/scheme'. And in the minds of image conscious investors' 'Fringe benefit i.e. free insurance, credit cards, loans on collateral, tax benefits *etc.*' and 'Preferred Mutual Fund to avoid problems, i.e., bad deliveries, and unnecessary follow up with brokers and companies' are the major influencing factors for selection of fund/scheme. The cautious investors are risk averse and concern more about the factors like 'Disclosure of NAV on every trading day', 'MF's Investor's grievance redressal machinery' and 'Disclosure of deviation of investments from the original pattern'.

7.7 REASONS FOR WITHDRAWING INVESTMENT AND/OR NOT INVESTING FURTHER IN MUTUAL FUNDS

The performance of any mutual fund depends upon two major factors. Firstly, the trends in the capital markets of the country and secondly, the fund selection and market timing abilities of fund managers, i.e. how quickly the fund manager moves out of high beta-coefficient investment on sensing the onset of bearish trend in the markets. Whatever have been the reasons, the majority of the mutual funds, so far, have not been able to come up to the expectations of investors.

In the light of this as explained in Chapter on Research Methodology, in the brief discussion on Questionnaire, the Question was raised about 'Reasons for Withdrawing Investment and/or not Investing Further in mutual Fund'.

For this, total 13 variables that could influence the SRMFIs for withdrawing investment and/or not investing further in mutual funds were identified as follows:

D1. Returns from MFs have been less than expected.

D2. Regulatory bodies like SEBI and others have not been able to control funds properly.

D3. Professionally expert managers have underperformed / Inability to respond towards market volatility.

D4. Growth in the unit value has been very slow.

D5. Insecurity of investment due to connivance between fund managers and corporate houses.

D6. Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund.

D7. Absence of any law regarding participation of fund holder in decisions concerning portfolio selection.

D8. Grievance redressal has not been effective.

D9. Management costs charged to the funds have been high.

D10. Probability of negative return on account of volatility in stock market & unsecured returns.

D11. Personal need.

D12. High hidden cost.

D13. Investment v/s investor's objective.

7.7.1 ANALYSIS OF REASONS FOR WITHDRAWING INVESTMENT AND/OR NOT INVESTING FURTHER IN MUTUAL FUNDS

7.7.1.1 WMV

In first stage WMV was calculated from the data collected to assign comparatively important qualities and reasons. The results obtained by applying WMV are presented in Table 7.86.

Table 7.86 : Reasons for withdrawing investment and/or not investing further in mutual funds								
Sr. No.	**Variables**	**HI**	**I**	**SWI**	**NVI**	**NAAI**	**WMV**	**Rank**
D1	Returns from MFs have been less than expected	120 (30.0%)	182 (45.5%)	66 (16.5%)	29 (7.25%)	3 (0.75%)	3.97	I
D2	Regulatory bodies like SEBI and others have not been able to control funds properly	58 (14.5%)	154 (38.5%)	131 (32.75%)	48 (12.0%)	9 (2.25%)	3.51	VIII
D3	Professionally expert managers have under performed / Inability to respond towards market volatility	67 (16.75%)	158 (39.5%)	128 (32.0%)	32 (8.0%)	15 (3.75%)	3.58	VI
D4	Growth in the unit value has been very slow	81 (20.25%)	181 (45.25%)	91 (22.75%)	39 (9.75%)	8 (2.0%)	3.72	III
D5	Insecurity of investment due to connivance between fund managers and corporate houses	56 (14.0%)	157 (39.25%)	107 (26.75%)	62 (15.5%)	18 (4.5%)	3.43	X
D6	Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund	54 (13.5%)	159 (39.8%)	117 (29.3%)	53 (13.3%)	17 (4.3%)	3.45	IX
D7	Absence of any law regarding participation of fund holder in decisions concerning portfolio selection	53 (13.3%)	135 (33.8%)	128 (32.0%)	61 (15.3%)	23 (5.8%)	3.34	XII
D8	Grievance redressal has not been effective	57 (14.3%)	118 (29.5%)	151 (37.8%)	59 (14.8%)	15 (3.8%)	3.36	XI
D9	Management cost charged to the funds have been high	77 (19.3%)	168 (42.0%)	90 (22.5%)	54 (13.5%)	11 (2.8%)	3.62	V
D10	Probability of negative return on account of volatility in stock market & unsecured returns.	72 (18.0%)	166 (41.5%)	115 (28.8%)	37 (9.3%)	10 (2.5%)	3.63	IV
D11	Personal need	118 (29.5%)	165 (41.3%)	77 (19.3%)	30 (7.5%)	10 (2.5%)	3.88	II
D12	High hidden cost	67 (16.8%)	153 (38.3%)	128 (32.0%)	41 (10.3%)	11 (2.8%)	3.56	VII
D13	Investment v/s investor's objective	45 (11.3%)	160 (10.0%)	111 (27.8%)	54 (13.5%)	30 (7.5%)	3.34	XIII

Note: Figures in parentheses represent the percentage.

Table 7.86 shows that investors have assigned great significance to the reasons 'Returns from MFs have been less than expected' with a WMV of 3.97 followed by 'Personal need' with a WMV of 3.88, 'Growth in the unit value has been very slow' with a WMV of 3.72, 'Probability of negative return on account of volatility in stock market & unsecured returns' with a WMV of 3.63 and 'Management cost charged to the funds have been high' with a WMV of 3.62 has been rated as most important in that order that resulted in their repulsion investment in mutual funds. From the above result it can be concluded that performance of the mutual fund/scheme have great significance for investment in mutual fund. And if the performance of the fund/scheme is not as per expectations they may withdraw their investment from mutual fund. It is found that 'Professionally expert managers have under performed / Inability to respond towards market volatility' has a WMV of 3.58, 'High hidden cost' has a WMV of 3.56, 'Regulatory bodies like SEBI and others have not been able to control funds properly' has a WMV of 3.51, 'Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund' has a WMV of 3.45 and 'Insecurity of investment due to connivance between fund managers and corporate houses' has a WMV of 3.43. These have been placed next in the row marked for discouraging investors. Reasons of 'Grievance redressal has not been effective' has a WMV of 3.36, 'Absence of any law regarding participation of fund holder in decisions concerning portfolio selection' with a WMV of 3.34 and 'Investment v/s investor's objective' has a WMV of 3.34. It can be inferred that these factors have not been accorded much significance by the investors.

7.7.1.2 RELIABILITY TESTING

In the second stage, the researcher has performed a reliability test for each of the variables used for Factor Analysis which were subjected to Internal Consistency Test or reliability of the variables. **Cronbach's α (alpha)** is a coefficient of reliability. As the variables obtained an overall α value of 0.753 and individually also all the thirteen variables have reliability coefficient higher than 0.60 and considered acceptable. All the thirteen variables were thus retained for the Factor Analysis that is presented with their respective α value in Table 7.87.

Table 7.87: Overall Results of Reliability Testing to the Reasons for withdrawing investment and/or not investing further in mutual funds		
Sr. No.	**Variables**	**Cronbach's Alpha**
D1	Returns from MFs have been less than expected	0.739
D2	Regulatory bodies like SEBI and others have not been able to control funds properly	0.742
D3	Professionally expert managers have under performed / Inability to respond towards market volatility	0.738
D4	Growth in the unit value has been very slow	0.735
D5	Insecurity of investment due to connivance between fund managers and corporate houses	0.734
D6	Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund	0.726
D7	Absence of any law regarding participation of fund holder in decisions concerning portfolio selection	0.731
D8	Grievance redressal has not been effective	0.742
D9	Management cost charged to the funds have been high	0.740
D10	Probability of negative return on account of volatility in stock market & unsecured returns.	0.744
D11	Personal need	0.754
D12	High hidden cost	0.723
D13	Investment v/s investor's objective	0.743
	Overall Reliability	**0.753**

7.6.3.3 FACTOR ANALYSIS

In the third stage, Factor Analysis is applied for identification of the Reasons for withdrawing investment and/or not investing further in mutual funds. Results of Principal Component Analysis for the Reasons for withdrawing investment and/or not investing further in mutual funds are tabulated in Table 7.88.

Table 7.88: Results of Principal Component Analysis: Reasons for withdrawing investment and/or not investing further in mutual funds

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.791
Bartlett's Test of Sphericity	Approx. Chi-Square	816.716
	Df	78
	Sig.	0.000

Communalities				Compenent	Initial Eigen values		
Sr. No.	Initial	Extraction			Total	% of Variance	Cumulative %
D1	1.000	0.602		1	3.351	25.775	25.775
D2	1.000	0.531		2	1.444	11.107	36.881
D3	1.000	0.523		3	1.166	8.970	45.851
D4	1.000	0.483		4	1.035	7.961	53.812
D5	1.000	0.489		5	0.948	7.295	61.107
D6	1.000	0.519		6	0.798	6.142	67.249
D7	1.000	0.528		7	0.758	5.832	73.081
D8	1.000	0.616		8	0.698	5.372	78.453
D9	1.000	0.737		9	0.636	4.894	83.347
D10	1.000	0.368		10	0.601	4.626	87.974
D11	1.000	0.542		11	0.572	4.399	92.372
D12	1.000	0.564		12	0.515	3.964	96.336
D13	1.000	0.494		13	0.476	3.664	100.000

Total Variance Explained						
Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.351	25.775	25.775	2.058	15.832	15.832
2	1.444	11.107	36.881	1.861	14.314	30.146
3	1.166	8.970	45.851	1.695	13.041	43.187
4	1.035	7.961	53.812	1.381	10.625	53.812

Component Matrix						Rotated Component Matrix				
Sr. No.	Component					Sr. No.	Component			
	1	2	3	4			1	2	3	4
D1	0.506	-0.572				D1	0.772			
D2	0.477	-0.454				D2	0.681			
D3	0.518	-0.402				D3	0.615			
D4	0.539					D4	0.424		0.533	
D5	0.557					D5	0.487			
D6	0.612					D6		0.658		
D7	0.561					D7		0.696		
D8	0.456		-0.513			D8		0.465		0.618
D9	0.468			0.642		D9				0.797
D10	0.423					D10			0.580	
D11		0.525				D11			0.704	
D12	0.638					D12			0.565	
D13	0.441					D13		0.642		

As mentioned in the preceding paragraph for the reasons for withdrawing investment and/or not investing further in mutual funds analysis, 13 variables were analyzed. Bartlett's test of sphericity and Kaiser- Meyer Olkin (KMO) measure of sampling adequacy were used to examine the appropriateness of factor analysis.

Retaining only the variables with Eigen values greater than one (Kaiser's criterion), one can infer that 25.775% of variance is explained by factor 1; 11.107% of variance

is explained by factor 2 , 8.970% of variance is explained by factor 3 and 7.961% of variance is explained by factor 4 and together, all four factors contributed to 53.812% of variance.

Factor loadings are very high in case of factor 1 (7 out of 13 variables have factor loading >0.5). It reveals that 54% of the variables are clubbed into one factor. But on the basis of theory, one can infer that there must be more than one factor. Therefore, Varimax Rotation was carried out to obtain factors that can be named and interpreted. Under Varimax Rotation 3 out of 13 variables have factor loadings >0.5 in case of factor 1.

On the basis of Varimax Rotation with Kaiser Normalization, 4 factors have emerged. Each factor is constituted of all those variables that have factor loadings greater than or equal to 0.5. But the variable D5 'Insecurity of investment due to connivance between fund managers and corporate houses' have factor loading less than 0.5. Thus, variable D5 is not considered for the further analysis. Thus D1, D2, and D3 constituted the first factor. This is conceptualized as "Poor Regulation and under performance by Mutual Fund"; D7, D6 and D13 constituted the second factor and this was conceptualized as "Service Behaviour"; D11, D10, D12 and D4 constituted the third factor and was conceptualized as "Individual Influential Factor" and D9 and D8 constituted the fourth factor and was conceptualized as "Inefficient Management of Mutual Funds". Thus, after rotation, factor 1 "Poor Regulation and under performance by Mutual Fund" accounts for 15.832% of the variance; factor 2 "Service Behaviour" accounts for 14.314% of variance, factor 3 "Individual Influential Factor" accounts for 13.041% of variance and factor 4 "Inefficient Management of Mutual Funds" accounts for 10.625% of variance. All four factors together explain for 53.812% of variance. The identified factors with the associated variable and factor loadings are given in Table 7.53.

The rotated matrix has revealed factor 1 named "Poor Regulation and under performance by Mutual Fund" as most important factor with highest Eigen value of 3.351. In total three variables have been loaded on this factor and are arranged according to their loading values. The Table 7.89 reveals that the variable 'Returns from MFs have been less than expected' has got the highest loading of 0.772 and it is followed by the variables 'Regulatory bodies like SEBI and others have not been able to control funds properly' with 0.681 loading and 'Professionally expert managers

have underperformed / Inability to respond towards market volatility' with 0.615 loading.

Table 7.89 : Identification of Reasons for withdrawing investment and/or not investing further in mutual funds

Factor Name	Sr. No.	Variables	Factor Loadings
Poor Regulation and under performance by Mutual Fund	D1	Returns from MFs have been less than expected	0.772
	D2	Regulatory bodies like SEBI and others have not been able to control funds properly	0.681
	D3	Professionally expert managers have under performed / Inability to respond towards market volatility	0.615
Service Behaviour	D7	Absence of any law regarding participation of fund holder in decisions concerning portfolio selection	0.696
	D6	Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund	0.658
	D13	Investment v/s investor's objective	0.642
Individual Influential Factor	D11	Personal need	0.704
	D10	Probability of negative return on account of volatility in stock market & unsecured returns.	0.580
	D12	High hidden cost	0.565
	D4	Growth in the unit value has been very slow	0.533
Inefficient Management of Mutual Funds	D9	Management cost charged to the funds have been high	0.797
	D8	Grievance redressal has not been effective	0.618

The rotated matrix has revealed factor 2 "Service Behaviour" as second important factor with Eigen value of 1.444. In total three variables have been loaded on this factor and are arranged according to their loading values. The Table 7.89 reveals that the variable 'Absence of any law regarding participation of fund holder in decisions concerning portfolio selection' has got the highest loading of 0.696 and it is followed by the variable 'Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund' with 0.658 loading and 'Investment v/s investor's' objective with 0.642 loading.

The rotated matrix has revealed this factor 3 named "Individual Influential Factor" as third important factor with Eigen value of 1.166. In total four variables have been loaded on this factor and are arranged according to their loading values. The Table 7.89 reveals that the variable 'Personal need' has got the highest loading of 0.704 and it is followed by the variable 'Probability of negative return on account of volatility in

stock market & unsecured returns' with 0.580 loading, 'High hidden cost' with 0.565 loading and 'Growth in the unit value has been very slow' with 0.533 loading.

The rotated matrix has revealed factor 4 "Inefficient Management of Mutual Funds" as fourth important factor with Eigen value of 1.035. In total two variables have been loaded on this factor and are arranged according to their loading values. The Table 7.89 reveals that the variable 'Management cost charged to the funds have been high' has got the highest loading of 0.797 and it is followed by the variable 'Grievance redressal' has not been effective with 0.618 loading.

The factors thus extracted, have enabled to categorize types of investors who give importance to these factors in their fund selection techniques.

Professional investors give more importance to the factors 'Returns from MFs have been less than expected' , 'Regulatory bodies like SEBI and others have not been able to control funds properly', 'Professionally expert managers have under performed / Inability to respond towards market volatility' , 'Absence of any law regarding participation of fund holder in decisions concerning portfolio selection' , 'Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund' and 'Investment v/s investor's objective'. The cautious investors are risk averse and concern about the factors like 'Personal need' , 'Probability of negative return on account of volatility in stock market & unsecured returns', 'High hidden cost', 'Growth in the unit value has been very slow', 'Management cost charged to the funds have been high' and 'Grievance redressal has not been effective'. On concluding this, the most discouraging factors for the investors are 'Under performance of the fund/schemes as against expectation', 'Inefficient Management' and 'Personal need'. Moreover, investors have shown deep concern for 'Absence of any law regarding participation of fund holders in decisions concerning portfolio selection', besides the feeling of 'Regulatory bodies like SEBI and others have not been able to control funds properly'.

7.8 SUMMARY AND CONCLUSIONS

From the analysis carried out in the chapter to evaluate the Investment behavior of retail investors towards mutual funds, conceptual awareness regarding MFs and the reasons responsible for withdrawal of investments and/or not investing in mutual funds following conclusions can be drawn. The survey conducted during the period, June 2010- September 2010, from the total number of 450 retail investors, i.e. 150

retail investors from each three major cities in the state of Gujarat *viz.* Ahmedabad, Surat and Baroda. Out of the total numbers of 450 respondents, finally total number of 400 responses was considered for the purpose of Data Analysis and Interpretation i.e. 133 responses from Ahmedabad, 138 responses from Baroda and 129 responses from Surat.

7.8.1 PROFILE

Profiles of the Retail Mutual Fund Investors by Demographic Factors are summarized in Table 7.90.

Table 7.90 : Profile of Retail Mutual Fund Investors by Demographic Factors

Investor Particulars		Number of Respondents Total = 400 (in %)			
		Ahmedabad	**Baroda**	**Surat**	**Total**
Sex	Male	86 (64.7%)	104 (75.4%)	88 (68.2%)	278 (69.5%)
	Female	47 (35.3%)	34 (26.6%)	41 (31.8%)	122 (29.5%)
Age	Up to 30	58 (43.6%)	50 (36.2%)	35 (27.1%)	143 (35.8%)
	31-40	46 (34.6%)	48 (34.8%)	48 (37.2%)	142 (35.5%)
	41-50	19 (14.3%)	26 (18.8%)	36 (27.9%)	81 (20.3%)
	Above 50	10 (7.5%)	14 (10.1%)	10 (7.8%)	34 (8.5%)
Academic Qualifications	HSC	07 (5.3%)	06 (4.4%)	11 (8.5%)	24 (6.0%)
	Graduate	71 (53.4%)	46 (33.3%)	67 (51.9%)	184 (46.0%)
	Post-Graduate	50 (37.6%)	69 (50.0%)	47 (36.4%)	166 (41.5%)
	Professional Degree	05 (3.8%)	17 (12.3%)	04 (3.1%)	26 (6.5%)
Marital Status	Married	87 (65.4%)	105 (76.1%)	103 (79.8%)	295 (73.8%)
	Unmarried	42 (31.6%)	33 (23.9%)	22 (17.1%)	97 (24.3%)
	Widow	02 (1.5%)	00 (00.0%)	01 (0.8%)	03 (0.8%)
	Widower	00 (00.0%)	00 (00.0%)	02 (1.6%)	02 (0.5%)
	Divorced	02 (1.5%)	00 (00.0%)	01 (0.8%)	03 (0.8%)
Occupation	Student	02 (1.5%)	06 (4.3%)	03 (2.3%)	11 (2.8%)
	Professional	23 (17.3%)	24 (17.4%)	26 (20.2%)	73 (18.3%)
	Business	24 (18.0%)	22 (15.9%)	35 (27.1%)	81 (20.3%)
	Salaried	79 (59.4%)	80 (58.0%)	52 (40.3%)	211 (52.8%)
	Retired	04 (3.0%)	03 (2.2%)	03 (2.3%)	10 (2.5%)
	Any other	01 (0.8%)	03 (2.2%)	10 (7.8%)	14 (3.5%)

Annual Income (in Rs.)	Up to Rs 2,00,000	58 (43.6%)	33 (23.9%)	24 (18.6%)	115 (28.8%)
	Rs.2,00,001- Rs. 5,00,000	49 (36.8%)	76 (55.1%)	63 (48.8%)	188 (47.0%)
	Rs.5,00,001-Rs. 10,00,000	24 (18.0%)	24 (17.4%)	33 (25.6%)	81 (20.3%)
	Rs.10,00,001- Rs.15,00,000	02 (1.5%)	05 (3.6%)	09 (7.0%)	16 (4.0%)
Annual Savings (in Rs.)	Below Rs 50,000	76 (57.1%)	40 (29.0%)	51 (39.5%)	167 (41.8%)
	Rs.50,000-Rs 1,00,000	34 (25.6%)	69 (50.0%)	48 (37.2%)	151 (37.8%)
	Rs.1,00,001- Rs 5,00,000	21 (15.8%)	27 (14.6%)	22 (17.1%)	70 (17.5%)
	Above Rs. 5, 00,000	02 (1.5%)	02 (1.4%)	08 (6.2%)	12 (3.0%)
Financial Responsibility	Only yourself	34 (25.6%)	21 (15.2%)	25 (19.4%)	80 (20.0%)
	1 person in addition to yourself	33 (24.8%)	31 (22.5%)	37 (28.7%)	101 (25.3%)
	2 to 3 persons in addition to yourself	50 (37.6%)	60 (43.5%)	53 (41.1%)	163 (40.8%)
	4 to 5 persons in addition to yourself	14 (10.5%)	24 (17.4%)	10 (7.8%)	48 (12.0%)
	More than 5 persons besides yourself	02 (1.5%)	02 (1.4%)	04 (3.1%)	08 (2.0%)
Basis for Investment Decisions	Taken on own initiative	82 (61.7%)	58 (42.0%)	63 (48.8%)	203 (50.8%)
	Taken on own initiative but with help from an expert	42 (31.6%)	71 (51.5%)	44 (34.1%)	157 (39.3%)
	Made by expert on investors behalf	09 (6.8%)	09 (6.5%)	22 (17.1%)	40 (10.0%)
Financial literacy	Financial literates	121 (91.0%)	116 (84.1%)	110 (85.3%)	347 (86.8%)
	Financial illiterates	12 (9.0%)	22 (15.9%)	19 (14.7%)	53 (13.3%)

Note: Figures in parenthesis represent the percentage.

Table 7.90 reveals that,

- Male investors dominate the investment market in India.
- Majority of the investors are from the age group of 40 and below.
- Most of the sample investors possess higher education like graduation, post graduation and professional degree.
- Most of the investors are taking the investment decisions as they are married and have more financial responsibilities (dependents).
- Majority of the investors belong to salaried class followed by business class and professionals.
- Majority of the investors are having annual income of Rs. 5,00,000 and below.
- Majority of the investors are having annual savings of Rs. 1,00,000 and below.

- Most of the investors are having financial responsibility for 1 to 3 persons in addition to themselves.
- The investors' decisions are based on their own initiative.
- Most of the investors are financial literates.

7.8.2 KEY RESULTS

1. **Investment Objectives:**

   The first investment objectives of individual retail mutual fund investors is "for tax reduction" 184 (46.0 per cent) followed by "regular income" 158 (39.5 per cent), "for children's education" 156 (39.0 per cent), "purchase of asset" 137 (34.3 per cent), "for contingencies" 127 (31.8 per cent) and "for retirement" 127(31.8 per cent). Hence Mutual Fund Companies can attract a pool of investors by designing products with tax benefits and which can produce regular income.

2. **Investments Avenue Preference:**

   Asset preference pattern of investors provides an insight into the investment attitude of investors, which will influence the policy formation for garnering the individual investments. The study reveals that "Bank Deposits" is the most popular investment instrument among individual investors which is followed by Units of UTI & Mutual Funds, Life Insurance, Shares / Equity, Pension & Provident Fund, Gold, Postal Savings, PPF, Real Estate, Bonds Foreign Currency, Chits, and Commodities/ Derivatives. As Bank Deposits is one of the few financial products, which enable an average salaried person to get reasonable and regular returns, along with safety of capital and Mutual funds also gives good return with low risk.

3. **Present Attitude towards the following Financial Instruments, in the Indian Capital Market:**

   Every financial asset has different characteristics. Stocks have the potential to provide high total returns with proportionate level of risk, while bonds may provide lower risks along with regular income. The attitude of every individual investor may be influenced by their investment goals, risk tolerance, time horizon, personal circumstances or performance aspect of the asset class.

   The Financial instruments were rated on a 5-point scale. The study reveals that 68.0 per cent of respondents rated Shares between highly favourable to

favourable, 42.8 per cent rated Debentures between highly favourable to favourable, 82.3 per cent rated Mutual Funds between highly favourable to favourable and 180 (45.1 per cent) have rated Bonds between highly favourable to favourable. Based on WMV Mutual Fund is ranked first, Shares second, debentures third and bonds are ranked fourth. It is revealed from the study that mutual fund is becoming more preferred financial instrument followed by shares. The MF industry has progressed in many aspects i.e. product innovation, distribution reach, investor education or leveraging technology for enhancing service standards. As MF is an ideal vehicle for both Debt and Equity products, it has the potential to emerge as one of the major growth drivers of the market in future.

4. **Preferred Route to Mutual Fund Investing:**

Investors may use some sources to gain awareness regarding investing in Mutual Funds. The results indicated that the sources in the study are confined to Reference Groups/Friends 40.5 per cent, Newspapers (Business) 38.3 per cent, Newspapers (General) 36.3 per cent, Brokers/Agents 34.3 per cent, Internet 30.3 per cent, Financial Magazines 23.8 per cent, Television 22.8 per cent, Direct from company 10.3 per cent and Stores Display 2.00 per cent. Findings of the study reveal that investors attach high priorities to word of mouth and published information, thereby preferring reference groups/friends and newspapers. This throws light on the possibility that mutual fund investors spend time discussing, analyzing and examining relevant information before taking any decision for selecting schemes for investment.

5. **Period of Investment in Mutual Funds:**

The study reveals that 40.8 per cent of the investors investing in mutual funds from last two years, 42.5 per cent of the investors investing in mutual funds from more than two years but less than five years, 12.3 per cent of the investors investing in mutual funds from five to ten years and 4.5 per cent of the investors investing in mutual funds from more than ten years. From the above results, it can be revealed that from last five years the awareness among the people is increased about mutual fund and also become popular and one of the most preferred investment option.

6. **Mutual Fund Investment Preference in Future:**

The result indicates that 291 (72.8 per cent) of the respondents have voted towards 'Yes'. It can be inferred that they are satisfied with the mutual fund investment. There must be plenty reasons for those denying to invest or not sure regarding investing in future. Now to convert this negative approach to the positive approach firstly, AMCs should take steps and see that funds are not virtually at the mercy of institutional investors. MFs should not indulge in unethical practices and launch schemes that benefit institutional investors at the cost of retail investors. Also, the AMCs should try and tap the NRI market, as they can diversify from Bank Deposits to MFs. The main task at hand for the AMCs is to tackle investor sentiments with greater transparency and credibility in the functioning.

7. **Mutual Fund Scheme Preference:**

Investors have several of options ranging from Growth schemes to Fixed Income schemes. Now-a-days investors are not offered just plain vanilla schemes but a varied basket to tune with their risk appetite. Overall growth schemes ranked 'First' by the respondents followed by income schemes ranked 'Second', tax savings schemes ranked 'Third', balanced schemes ranked 'Fourth' and index schemes ranked 'Fifth'. The preference for growth or any other scheme is also influenced by stock market conditions prevailing at the time of investment decision. The prevailing market conditions have prompted investors to look for growth schemes and income schemes have become attractive due to increasing interest rates and the hike in salaries of the individuals have increased the demand for tax savings schemes.

8. **Scheme Preference by Operation:**

The study indicates that Systematic Investment Plan (SIP) 54.5 per cent and Open ended schemes 53.8 per cent are the most preferred scheme. Majority of the investors are from salaried group and professionals. These investors prefer to invest month-wise, as their income is on a monthly basis and also because of liquidity feature due importance given to these schemes. Moderate preference has been given by the investors to Close-ended schemes. Only 9.5 per cent of the investors have voted for Interval Schemes.

9. Preferential Feature in Mutual Funds:

The study shows that investors look for good return first in mutual fund products, followed by safety, capital appreciation, tax benefit, liquidity, flexibility, diversification benefit and professional management.

10. Preferred Mode of Communication in Mutual Fund:

The study reveals that 35.3 per cent of the respondents prefer to personally visit the office to get the information about their investment and 26.5 per cent of the respondents prefer automated response followed by personal interact. The results of the study show that 247 (61.8 per cent) of the investors have given highest importance to personal interaction and automated response followed by personal interaction. Thus it can be concluded that there must be improvement in internet and telecommunication services in India. There is a possibility of more usage of automated services if they are more "user-friendly".

11. Top-of-Mind Recall of Mutual Funds/Schemes:

Top-Of-Mind Recall throws light on the strength of brand identity, awareness, acceptability and preference. This calls for a high degree of brand equity and loyalty, which is the direct result of the promotion strategy of the AMCs and a good performance over a period of time. This study yielded superlative results where 36 registered Mutual Funds were recalled by the investors as mentioned in **(Table 7.24)**.

12. Mutual Fund Conceptual Awareness Level:

The study attempted to examine the level of conceptual awareness amongst the respondents through well drafted 11 statements. The study reveals that the general awareness level among individual investors of the concept and functioning of MFs is good **(Table 7.25).** This could be attributed to the wide publicity given to MF industry by the media, as well as agent training programmes and investor education programmes organized by AMFI.

7.8.3 HYPOTHESES TESTING

For the purpose of testing of hypotheses H_{01} to H_{32}, Chi-square test is applied to examine association of attributes.

The results of Chi-Square test are put forward as follows:

7.8.3.1 ASSOCIATION BETWEEN SRMFIs ATTITUDE TOWARDS FINANCIAL INSTRUMENTS AND DEMOGRAPHIC FACTORS:

On examining the association between SRMFIs attitude towards Financial Instruments on the one hand and Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility (individually) on the other hand the following results are observed.

- On examining association between Attitude towards Financial Instruments and Gender, it was observed that decision to invest in Shares and Bonds is *dependent* on Gender ($\mathbf{H_1}$).
- On examining association between Attitude towards Financial Instruments and Age, it was observed that decision to invest in Debentures and Bonds is *dependent* on Age ($\mathbf{H_2}$).
- On examining association between Attitude towards Financial Instruments and Academic Qualification, it was observed that decision to invest in Debentures is *dependent* on Academic Qualification ($\mathbf{H_3}$).
- On examining association between Attitude towards Financial Instruments and Marital Status, it was observed that investment decision for Mutual Funds is *dependent* on Marital Status ($\mathbf{H_4}$).
- On examining association between Attitude towards Financial Instruments and Occupation, it was observed that investment decision in for Debentures and Bonds is *dependent* on Occupation ($\mathbf{H_5}$).
- On examining association between Attitude towards Financial Instruments and Annual Income, it was observed that attitude towards financial instruments is *independent* on Annual Income ($\mathbf{H_6}$).
- On examining association between Attitude towards Financial Instruments and Annual Savings, it was observed that attitude towards financial instruments is *independent* of Annual Savings ($\mathbf{H_7}$).
- On examining association between Attitude towards Financial Instruments and Financial Responsibility, it was observed that attitude towards financial instruments is *independent* of Financial Responsibility ($\mathbf{H_8}$).

7.8.3.2 PERIOD OF INVESTMENT IN MUTUAL FUND BY SRMFIs AND DEMOGRAPHIC FACTORS:

On examining whether there is any association between the period of investment in mutual fund by SRMFIs on the one hand and Gender, Age, Academic Qualification,

Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility (individually) on the other hand the following results are observed.

- On examining association between Period of investment in mutual fund and Gender, it was observed that periodicity of investment in mutual fund is *independent* of the Gender **(H_9)**.
- On examining association between Period of investment in mutual fund and Age, it was observed that periodicity of investment in mutual fund is *dependent* on the Age **(H_{10})**.
- On examining association between Period of investment in mutual fund and Academic Qualification, it was observed that periodicity of investment in mutual fund is *dependent* on the Academic Qualification **(H_{11})**.
- On examining association between Period of investment in mutual fund and Marital Status, it was observed that periodicity of investment in mutual fund is *dependent* on the Marital Status **(H_{12})**.
- On examining association between Period of investment in mutual fund and Occupation, it was observed that periodicity of investment in mutual fund is *dependent* on the Occupation **(H_{13})**.
- On examining association between Period of investment in mutual fund and Annual Income, it was observed that periodicity of investment in mutual fund is *dependent* on the Annual Income **(H_{14})**.
- On examining association between Period of investment in mutual fund and Annual Savings, it was observed that periodicity of investment in mutual fund is *dependent* on the Annual Savings **(H_{15})**.
- On examining association between Period of investment in mutual fund and Financial Responsibility, it was observed that periodicity of investment in mutual fund is *dependent* on the Financial Responsibility **(H_{16})**.

7.8.3.3 FOR SCHEME PREFERRED BY SRMFIs AND DEMOGRAPHIC FACTORS:

On examining association between scheme preferred by SRMFIs on the one hand and Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility (individually) on the other hand the following results are observed.

- On examining association between Scheme Preference and Gender, it was observed that the investment preference for Open-ended schemes is *dependent* on Gender **(H_{17})**.
- On examining association between Scheme Preference and Age, it was observed that the investment preference for Interval schemes, Close-ended schemes and Systematic Investment Plan (SIP) is *dependent* on Age **(H_{18})**.
- On examining association between Scheme Preference and Academic Qualification, it was observed that the investment in Open-ended schemes is *dependent* on the Academic Qualification **(H_{19})**.
- On examining association between Scheme Preference and Marital Status, it was observed that the investment preference for Close-ended schemes is *dependent* on Marital Status **(H_{20})**.
- On examining association between Scheme Preference and Occupation, it was observed that Scheme preference for all schemes is *dependent* on Occupation **(H_{21})**.
- On examining association between Scheme Preference and Annual Income, it was observed that Scheme preference and Annual Income are *independent* of each other **(H_{22})**.
- On examining association between Scheme Preference and Annual Savings, it was observed that Scheme preference and Annual Savings are *independent* of each other **(H_{23})**.
- On examining association between Scheme Preference and Financial Responsibility, it was observed that Scheme preference and Financial Responsibility are *independent* of each other **(H_{24})**.

7.8.3.4 FOR SRMFIS MUTUAL FUND INVESTMENT PREFERENCE IN FUTURE AND DEMOGRAPHIC FACTORS:

On examining association between SRMFIs Mutual Fund Investment Preference in future on the one hand and Gender, Age, Academic Qualification, Marital Status, Occupation, Annual Income, Annual Savings, Financial Responsibility (individually) on the other hand the following results are observed.

- On examining association between Mutual Fund Investment Preference in future and Gender, it was observed that the Mutual Fund Investment Preference in future and Gender are *dependent* of each other **(H_{25})**.

- On examining association between Mutual Fund Investment Preference in future and Age, it was observed that the Mutual Fund Investment Preference in future and Age are *independent* of each other **(H_{26})**.
- On examining association between Mutual Fund Investment Preference in future and Academic Qualification, it was observed that the Mutual Fund Investment Preference in future and Academic Qualification are *independent* of each other **(H_{27})**.
- On examining association between Mutual Fund Investment Preference in future and Marital Status, it was observed that the Mutual Fund Investment Preference in future and Marital Status are *independent* of each other **(H_{28})**.
- On examining association between Mutual Fund Investment Preference in future and Occupation, it was observed that the Mutual Fund Investment Preference in future is *dependent* on Occupation **(H_{29})**.
- On examining association between Mutual Fund Investment Preference in future and Annual Income, it was observed that the Mutual Fund Investment Preference in future and Annual Income are *independent* of each other **(H_{30})**.
- On examining association between Mutual Fund Investment Preference in future and Annual Savings, it was observed that the Mutual Fund Investment Preference in future and Annual Savings are *independent* of each other **(H_{31})**.
- On examining association between Mutual Fund Investment Preference in future and Financial Responsibility, it was observed that the Mutual Fund Investment Preference in future and Financial Responsibility are *independent* of each other **(H_{32})**.

7.8.4 ANALYSIS OF INFLUENTIAL FUND SELECTION FACTORS

For identifying the influential fund selection factors, the SRMFIs were asked to rate the importance of the 27 specified variables on a five-point scale ranging from Highly Important (5) to Not at All Important (1). For this purpose firstly, Weighted Mean Value was calculated from the data collected to assign comparatively important qualities and reasons. In the second stage Reliability Testing was applied and in the third stage Factor Analysis was applied.

7.8.4.1 ANALYSIS OF INFLUENCE OF "FUND RELATED QUALITIES" ON SELECTION OF FUND/SCHEMES

In this group totally thirteen variables were identified.

WMV

Highest importance has been attached by the SRMFIs to 'Fund performance record' with a WMV of 4.51 followed by 'Funds reputation or brand name' with a WMV of 4.19 **(Table 7. 74).**

RELIABILITY TESTING

The variables obtained an overall α value of 0.765 and individually also all the thirteen variables have reliability coefficient higher than 0.60. Therefore, they were considered acceptable.

FACTOR ANALYSIS

On the basis of Varimax Rotation with Kaiser Normalization, 4 factors have emerged under "Fund Related Qualities":

- **Intrinsic Fund Qualities**

  As basic fund qualities, Investors provide highest weightage to variable like public/private sector ownership. Moreover withdrawal facilities, favorable rating by a rating agency and tax benefits were given the importance as an essential fund quality for the selection of the mutual fund.

- **Product Features**

  Furthermore, from the product features point of view entry & exit load, innovativeness of the schemes and initial investment requirement are given importance.

- **Scheme's Performance**

  Low expense ratio with good performance record and fund manager/scheme's reputation offers the good performance of the scheme.

- **Scheme's Image and Portfolio**

  Investors also believe that the scheme's image is dependent upon the Funds reputation or brand name, awareness of fund and Scheme's portfolio of investment.

7.8.4.2 ANALYSIS OF INFLUENCE OF "FUND SPONSOR QUALITIES" ON SELECTION OF FUND/SCHEMES

In this group totally six variables were identified.

WMV

Highest importance has been attached by the retail mutual fund investors to "Reputation of sponsoring firm" with a maximum weighted mean value followed by

"Sponsor's past performance in terms of risk and return" and "Sponsor's expertise in managing money" **(Table 7. 78).**

RELIABILITY TESTING

the variables obtained an overall α value of 0.713 and individually also all the six variables have reliability coefficient higher than 0.60. Therefore, they were considered acceptable.

FACTOR ANALYSIS

On the basis of Varimax Rotation with Kaiser Normalization, 2 factors have emerged under "Fund Sponsor Qualities":

- **Proficient Performance**

  Investors believe that if sponsor is expert in managing money, better past performance in terms of risk and return and if it has a well developed research & infrastructure and network and agency, than only it will have proficient performance.

- **Reputation/Brand Name**

  Reputation of sponsoring firm and brand name is also very much important in selecting the fund.

7.8.4.3 ANALYSIS OF INFLUENCE OF "INVESTOR RELATED SERVICES" ON SELECTION OF FUND/SCHEMES

In this group totally eight variables were identified.

WMV

Highest importance has been attached by the retail mutual fund investors to "Disclosure of NAV on every trading day" with a maximum WMV followed by "Disclosure of periodicity of valuation in the advertisement / Illustrative examples", "Disclosure of investment objective in the advertisement" and "Disclosure of deviation of investments from the original pattern" **(Table 7.82).**

RELIABILITY TESTING

The variables obtained an overall α value of 0.637 and individually also four variables have reliability coefficient higher than 0.60 and other four variables have reliability coefficient nearer to 0.60. Therefore, they were considered acceptable.

FACTOR ANALYSIS

On the basis of Varimax Rotation with Kaiser Normalization, 3 factors have emerged under "Investor Related Services":

- **Initial Disclosures**

  Preliminary disclosures like investment objective in the advertisement, periodicity of valuation in the advertisement / Illustrative examples and the method and the periodicity of the schemes sales and repurchases in the offer document are also very much important in selection of the fund/scheme.

- **Visible disclosures**

  As preliminary disclosures are important, same way secondary disclosures are also very much important in selection of fund/schemes. Visible/secondary disclosures like disclosure of NAV on every trading day, disclosure of deviation of investments from the original pattern. Investor's grievance redressal machinery is also given due importance in selection of fund/schemes.

- **Fringe Benefits**

  Fringe benefits i.e. benefits other than investment, play an important role in selection of the fund/schemes. Investors also preferred mutual fund to avoid problems of bad deliveries, and unnecessary follow up with brokers and companies.

7.8.5 ANALYSIS OF REASONS FOR WITHDRAWING INVESTMENT AND/OR NOT INVESTING FURTHER IN MUTUAL FUNDS

Withdrawal from MF schemes and further non-investment in MF schemes is a cause of worry for Mutual Fund managers. For analyzing the reasons for withdrawing investment and/or not investing further in mutual funds, the SRMFIs were asked to express their level of agreement to the given thirteen reasons on a five-point scale ranging from Strongly Agree (5) to Strongly disagree (1) according to their perception. From the analysis carried out following broad conclusions can be drawn:

WMV

Investors have assigned great significance to the reasons "Returns from MFs have been less than expected" with a highest weighted mean value followed by "Personal need", "Growth in the unit value has been very slow" **(Table 7.86).** From the above result it can be concluded that performance of the mutual fund/scheme have great significance for investment in mutual fund. And if the performance of the fund/scheme is not as per expectations they may withdraw their investment from mutual fund.

RELIABILITY TESTING

The variables obtained an overall α value of 0.753 and individually also all the thirteen variables have reliability coefficient higher than 0.60. Therefore, they were considered acceptable.

FACTOR ANALYSIS

The application of factor analysis to study the "Reasons for withdrawing investment and/or not investing further in mutual funds" has revealed the following four factors:

- **Poor Regulation and under performance by Mutual Fund**

  Investors have shown deep concern for 'Returns from MFs have been less than expectation' and 'Professionally expert managers have inability to respond towards market volatility'. Investors generally complain that regulatory bodies like SEBI and others have not been able to control funds properly.

- **Service Behaviour**

  Investors have also revealed deep concern for 'Absence of any law regarding participation of fund holder in decisions concerning portfolio selection', 'Besides Non understanding of certain technical terms and conditions permitting abrupt withdrawal of scheme by the fund' and 'Investment v/s investor's objective', where also the variable playing vital role for decision to withdraw.

- **Individual Influential Factor**

  Other factors also influence the investors to withdraw their investment and/or not investing further in mutual funds. Like Personal need, Probability of negative return on account of volatility in stock market & unsecured returns, High hidden cost and Growth in the unit value has been very slow.

- **Inefficient Management of Mutual Funds**

  Moreover, high management cost charged to the funds and ineffective grievance redressal, thereby discouraging investors to keep their funds parked in mutual funds.

Thus, this chapter revealed certain important behavioral aspects of investors with reference to investment in Mutual Funds.

----------****----------

REFERENCES

1. Sultana, Syed Tabassum (2010); "An Empirical Study of Indian Individual Investors' Behavior"; *Global Journal of Finance and Management*; Vol.2, No.1; PP. 19-33.
2. Ranganathan, Kavitha (2006);"A Study of Fund Selection Behaviour of Individual Investors towards Mutual Funds - With Reference To Mumbai City"; *The ICFAI Journal of Behavioral Finance* ; Vol. III, No.2; PP. 63-88.
3. Singh, Jaspal and Chander ,Subhash (2006); "Investors' preference for Investment in Mutual funds" An Empirical Evidence"; *The ICFAI Journal of Behavioral Finance* ; Vol. III, No.1; PP. 7-17.
4. Naresh K. Malhotra (2007); "Marketing Research an Applied Orientation"; Pearson Prentice Hall; Fifth Edition; PP.608.