Mutual Funds Investors Behaviour in Delhi

Dr. Preety Wadhwa*
Sourabh Bansal**
Ankit Gupta***

Introduction

Investing is a very fascinating activity that captivates people from any field whether they are from business background or have low or high status in society and whatever be the level of knowledge they possess. A person with more money will have more consumption and thus he will invest in share or securities or will deposit in his bank account to get high returns to fulfill its current needs. The companies with the extra money invest in their business to expand or start with the new venture. All these activities contribute towards "investment". Mutual Fund is one of these investment opportunities that most of the people invest in. It is one of the most preferred financial instruments that give higher returns to the investor. The Mutual Fund came into existence back in year 1964 when Unit Trust of India was assimilate as Statutory Corporation. When UTI is incorporated, it enjoyed monopoly powers in year 1963 as it was established by the Central bank i.e., Reserve Bank Of India(RBI).The first scheme launched by Unit Trust of India(UTI) in 1964 is by the name of "Unit scheme", which had attracted many potential investors in single investment scheme. The first bank that introduces the concept of mutual fund was State Bank of India (SBI) which was recognized by the name "SBI Mutual Fund" in July, 1987. The government also gave the permission to the insurance companies to join mutual fund.

Thus, Money is said to be a delicate matter for most people because there are many investment options available out there that an investor has to choose from. The most important question that an investor has to choose is where to invest his savings i.e. whether to invest in national savings, banks, post office, fixed deposits, shares, non-banking finance companies or at last in Mutual Funds. A Mutual Fund is a fund or we can say a trust that pools the savings of investors who have a common financial goal. This pool of fund is then invested in capital market instruments such as debentures, shares and other securities. These capital investments earn capital appreciation and income which is shared among unit holders in proportion to the number of units owned by them. The growth in mutual fund is slow and its market segment contributes $1.48 trillion in the U.S. against a corpus of $100 million in India. In mutual fund, there is a complete consent between the unit holders and they bear same percentage as the contribution to make up the single ownership. Mutual funds are monitored by SEBI which takes care of the interest of the investors. Securities and Exchange Board of India (SEBI) is the governing body of all the financial intermediaries.

The money market of India is controlled by Securities and Exchange Board of India (SEBI) which is established under the act Securities and Exchange board of India,1992. The number of stock exchanges operated under the approved government laws, policies and programmers are 23 stock exchanges. These stock

Dr. Preety Wadhwa*
Associate Professor BVIMR
Sourabh Bansal**
MBA
Ankit Gupta***
MBA

exchanges together build up the organized segment for securities issued by the public and private companies, central government and the state government. The growth of Mutual Funds is seen to be very slow and to evolve it into modern day Mutual Funds, it took long years. Mutual Funds emerged in Netherlands in 18th century and then and then got to Scotland, Switzerland, and United States in the 19th century. Mutual Fund's main motive is to provide diversified investment opportunity and deliver it to its investors. The idea of Mutual Funds developed over the years and the investors have received more choices of diversified investment portfolio through it. In today's world of immense competition and globalization, the success of a company is determined by the market price of its stock. The investors like to invest in those company's stocks that can give them maximum return or benefits. In early years, when the mutual fund concept was growing, the investors had only a few investment opportunities where they could invest their money. But now the investors have many alternative investment opportunities to invest their savings through different investment channels. One such investment channel is to invest through mutual funds. With the help of both the brokerage houses and the fund managers, who educate the investors and make them aware of mutual find schemes, mutual funds has seen a tremendous growth.

Mutual Funds are seen by investors as financial intermediaries who identify investment opportunity, process financial information, formulate investment strategies, invest funds and monitor progress for the investors at very less cost. These combined efforts of fund managers and mutual fund brokers have led to the success of Mutual Funds. A Fund manager should understand investor's needs and expectations and their behavior so as to improve his performance to meet the investor's requirements. Mutual fund companies should understand the behavior of investors on fund selection/switching and to design the fund in accordance with the dynamic needs of consumers otherwise survival of funds will be very difficult in future. The exciting area of study and research of Behavioral finance has been gaining importance in recent years because of the interest of marketing worlds and financial economies. Mutual Funds (MFs) now have emerged to be an important investment avenue for retail investors because of reforms in Indian financial sector and developments in Indian financial markets. The investment habits of investors in India have undergone a drastic of change. With increasing number of Mutual Fund companies of private as well as public sectors entering into the market with new and innovative schemes, has catered to the increasing requirements of the investors in India and abroad. For particularly small investors, mutual fund provides a better alternative for investments, and obtains benefits of expertise based equity investments. So in current scenario, in which our market is flooded with hundreds of investment schemes, it is important for the companies to analyze the needs of consumers and find out the necessary factors that affect these needs.

Therefore, the study is important to know whether the investors are willing to invest in shares or in mutual funds and also there is an urgent need to study the investor's behavior in the market due to growing competition between large players that has different financial strengths and strategies.

Review of Literature

Reviewing of all the literature on the area of research is a preliminary step before starting to plan the study. There are many studies conducted in connection with the investment tools. It is important to have a glance of all the relevant material connected with the research. This study is based on the Mutual Fund investor's behavior in Delhi-NCR. A person can invest in any of the schemes namely; Mutual Funds, Bonds and Shares, Equities, Real Estate, Post Office, Gold, PPF, Fixed Deposits and many more. The investors want to have their money in safer hands and want to get regular profit (interest) from it. So, many of them invest their money in Mutual funds as Mutual Funds provide greater return at high risk (Madhusudan V. Jambodekar, 1996). Shanmgham (2000) research on individual investors to study the information source does investors depends, founded 3 factors economical, sociological and psychological that control investors decisions. Madhusudhan (1996) survey to find out what all factors to be undertaken that influence the behaviour of investors in mutual funds. The study result in open mind scheme were more preferred over the closed ended and growth scheme. Newspaper and advertisement are widely spread sources of information about mutual fund. Shivanighalot (1998) found that load fee and expense ratio is one of the major cause in mutual fund scheme for inefficient and inactive of investors hence companies must reduce it to make better investment scheme. Syama sunder (1998) conducted a survey resulting in lack of awareness in small cities, town and also prime factors are brand image and high return for investment. Singh and chander (2004) found some causes for not investing in mutual fund like poor regulation and control, inefficient management and lack of performance. Desigan et al. (2006) concluded that women investors are not very much interested in mutual funds. Murthi (1997) proposed problem related with measuring performance as identifying the appropriate benchmark, not focusing on accounting for the transaction cost. In India, chander (2000) found the outperform while singh and single (2000) found the funds underperform their benchmark. Sujitsikidar&Amrit Pal Singh (1996) proposed a survey of north eastern region measuring the behavioural pattern of equity and mutual fund investment. The survey founded that mutual fund are preferred by salaried and self-employed individual due to the tax benefits. Syama sunder (1998) conducted a research with identifying the indepth view into the operation of private sector mutual fund with special reference to Kothari Pioneer. The survey found that in Visakhapatnam like small cities, the knowledge about mutual fund is not satisfactory, but somewho open ended mutual fund are more preferable than any other schemes and agents can help to create mutual fund culture, asset management companies brand is core to be considered to invest in mutual fund. Harsh Rungta (2000) concerned with ascertaining the brand competence of asset management companies. Shankar (1996) discussed the work & steer of consumer product distribution model which penetrate mutual fund culture in society asset management. Raja Rajan (1997) found that increasing popularity of mutual fund are underlined segment of investors of mutual fund. Markowitz (1952) & Tobin (1958) conducted a survey resulting in the 'risk' is the one of the important factor of variability of returns. Treynon (1965), Sharpe (1966) & Jenson (1968) compared professionally portfolio returns with some standard benchmark. Rahul Malik (1997) underlined that there is a need for awareness of mutual fund amongs the general public as liquidity is perceived as high & tax benefits & procedural understanding are low for investment purpose. Investment in Mutual Funds is in great demand now days. Many research papers have been published on mutual funds. A study carried out by Shankar (1996) revealed that consumer distribution model helps in bringing Indian Investors to invest in Mutual funds on a large scale. According to Jambodekar (1996), people invest more in income scheme and open ended schemes. They prefer them over closed ended and growth schemes as they give more return and one can invest in these schemes any time. People of North east India invest more in Mutual Funds because of only one advantage i.e; tax saving. They only see tax saving benefit any nothing else. Sikidar& Singh (1996) A study conducted by Raja (1998) results that the investment in Mutual Funds is based on age, gander, income and other demographic factors. On the other hand, many investors invest in Mutual Funds because of short term benefits. They only see performance of Mutual funds for short period and use information about Mutual Funds for selection of decisions. Lu Zheng (1999). According to the survey conducted by Shanmugham (2000), the psychological and sociological factors are the main factors that influence people to invest in Mutual Funds. Raghav (2001) conducted a study in South India and he found that people invest in Mutual Funds because Mutual Funds provide regular returns and saves taxes. According to Keli (2005); past performance and fund investment are the two main factors that helps the investors to select the right scheme for them so that they can invest their valuable money in the best scheme. Women are the one who never invest in Mutual Funds. This is because of the lack of awareness about Mutual Funds, long procedures, complex structures etc. This was revealed by Desigan et al. (2006) in his study over women investors in India. K. Lashmanarao (2011) found that SEBI, AMFI, and

IRDA should take necessary measures to make the investment process easier and should provide more benefits to the investors so that more and more people can get aware about Mutual funds and they can easily invest in Mutual funds. Anand&Murugalah (2004) further added to k. Lashmanarao by saying that financial companies should also take some steps to aware people about Mutual funds. They should make their procedure of doing the work easier by introducing some innovative idea in it. This would help in bringing more and more investors to invest in Mutual Funds. A study on Investors buying behaviour for financial assets, specially focus on Mutual Funds, conducted by DhimenJani (2012) revealed that investment in Mutual funds will increase if commissions and other benefits will be given more to the financial companies. Also, he further found that the demographic factors are the main reasons behind the Mutual Fund investment. Rathnamani (2002) conducted a survey in Kerala. He found that investors invest in Mutual Funds because of high return in future and it saves tax. Singh & Singh (2000) found out that investors invest in only those schemes which give high return and a regular return. They invest in these schemes through brokers. A study conducted by Kumar (1996) revealed that investors prefer to invest in real estate and gold more over Mutual funds as they are less risky. Saini& Raj (1998) found that many investors shows positive reactions towards investment in Mutual funds. Capon &Fitzmann (1997) found that only those people invest their money in Mutual Funds who have full knowledge about mutual funds and who can handle the risks, are investing their money in Mutual Funds. Capon &Fitzmann (1998) found that only higher income people invest their money in mutual funds. The people with lower income and in middle income prefer to invest in gold than in mutual funds. Singh &Chander (1996) found that many people don't invest in Mutual Funds. This is because of the strict rules and regulations made by regulating authorities like SEBI. Also, they were unable to control the market. Lusardi, Annamaria, Mitchell and Olivia S. (2007) revealed that there are many households who are unfamiliar with the basic knowledge of investment and economic concepts needed to make saving decisions. Such financial illiteracy is widespread: the young and older people in the United States and other countries appear woefully under-informed about basic financial concepts, with serious implications for saving, retirement planning, mortgages, and other decisions. In response, governments and several nonprofit organizations have undertaken initiatives to enhance financial literacy. Ms. PoojaChaturvedi Sharma & Dr. Anoop Pandey (March 2014) underlined the big part of investors behavior having a vague perception about mutual funds investment plans are confused to invest in mutual funds or other type of securities, not able to make a attitude towards this particular form of investment due to the lack awareness about various functions of mutual funds. Gender, income, age, and level of education have also a significant affect influencing the investor's behavior towards mutual funds.Therefore, they suggested that for achieving heights in the financial sector in small cities, the mutual fund companies should adopt some relevant strategies in such a way that helps in fulfilling the investors' expectations. The main task to perform before the mutual fund industry is to convert potential investors into reality investors as people in metro cities have considerably high levels of awareness but the challenge lies in small cities. G.J. Alexander et al. (1998) the typical mutual fund investor surveyed is older, wealthier, and better educated than the average American investor Awareness of the expenses and risks associated with mutual funds can be improved. Although the average fund shareholder has invested in funds for several years, most fund shareholders do not appear to appreciate the relationship between fund expenses and performance. The survey results also suggest that more can be done to make mutual fund prospectuses more useful to investors, especially since over 40% of those surveyed stated that they never used the prospectus. Moreover, the survey respondents considered the prospectus only the fifth best source of information about the funds that they purchased. Two rules that were recently adopted by the SEC are significant and timely steps in this direction. The first rule requires the use of "plain English" that avoids legalese in disclosure documents such as prospectuses. The second rule allows shortened but more focused prospectuses, known as profile prospectuses, to be sent to potential mutual fund purchasers.Simran Saini, BimalAnjum and Ramandeep Saini (May 2011) objective is to study the factors like Qualification, occupation and annual income that can win back the investor's confidence to invest in mutual funds are the minimum assured returns (32.14%) followed by transparency (28.58%) and consistency (22.44%), though they found that, the most important feature is considered by the investors is the past performance and stability of mutual funds that attract the investors while choosing a mutual fund, followed by the past dividend records, the portfolio of the scheme, entry/ exit load and the fund managers name. Their study also reveals that for majority of the respondents newspapers (23.97%) are the main source of information followed by brokers (22.96%), internet (22.96%), and tax consultants (17.86%) and friends/ relatives (10.74%). Therefore they conclude that the main objective of the respondents behind investing in mutual funds is the tax benefits offered by it followed by high return and safety of the schemes.

Research Objectives

1. To analyze the factors that influence the behavior of investors to be considered while investing in mutual funds including the factors that stops the investors to invest in mutual funds.
2. To determine the effect of demographic elements dealing with mutual fund.

Hypothesis

1. $H0_1$– There is no significant relationship between attributes of the investors with the factors considered while investing in mutual funds.
2. $H0_2$- There is no significant relationship between high management cost with the behavior of investors investing in mutual funds.
3. $H0_3$- There is no significant relationship between Middle class income investors with the behavior effecting to the mutual funds.

Sample and data collection

This research is conducted in Delhi. This research is Descriptive type of research study. Cross sectional study is adopted under descriptive research. It is related to the analysis of Investor's behaviour towards investment in mutual funds of Delhi. 140 Respondents of different age groups and different income structure were surveyed with the help of structured questionnaire. Primary data is collected through structured questionnaire (The questions are circulated in hard copy as well as in soft copy through Survey Monkey). Secondary data is collected through Magazines and Internet was used to study the existing literatures. The technique used is Non Probability Judgmental Sampling Technique to develop a sense of reliability and accuracy for the research. For reliability Cronbach's Alpha value was checked which came out to be 0.805.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.805	35

Instrument Used

SPSS 19 (Statistical Package for Social Sciences) is statistical software used for the analysis of data obtained. It was first introduced in 1968 and till now 23rd version is available, also known as IBM-SPSS. The scale of the questionnaire was developed by Sweta Goel (june, 2013). The original scale was modified in the number of statements according to the best suitability of the paper. Changes in the questionnaire were made under the guidance of experts. Five point Likert scale which is most commonly used and preferable scale (5= 'strongly agree' and 1= 'strongly disagree') was used for the study. The tools used are Factor Analysis Test (Factor Analysis Test is conducted to get the factor(s) that influence the others), Chi-square Test (to find out the association between variable(s) with the help of contingency table).

Data Analysis

1. **$H0_1$– There is no significant relationship**

Table 2.1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.931
Bartlett's Test of Sphericity	Approx. Chi-Square	2028.225
	Df	28
	Sig.	.000

between attributes of the investors with the factors considered while investing in mutual funds.

- A study of Kaiser-Meyer-Olkin's Measure of Sampling Adequecy (MSA) found high correlation for all the variables with score of 0.931 ie; the data is highly correlated which indicate that the sample size is adequate for sampling. (KMO & Bartlett's Table 2.1)
- Barlett test of sphericity is used to highlight the overall significance of correlation matrices here the data is significant with .000 < .05* and it also provided support for the validity of the factor analysis.

*The sig. value must be less than .05 as paper is working with 95% confidence level.

Now when it is accomplished that the data is suitable for factor analysis, will go for the Total Variable Explained box which suggests that it extract only one factor which records for 91.175% of the variance of the relationship between variables. (Total Variance Explained Table 2.2).

There is only one factor, having Eigen value exceeding 1. The % of variance in Rotation Sums of Squared Loadings represent as an index to determine how well the total factor solution accounts for what the variables together represent. Here it accounts for 91.175% of the total variations, that is striking extraction as it can be economize on the number of factors (from 8 it has reduced to 1 factor) while we have lost 8.825% information content for factors.

Further, will have a look to the Component Matrix Box as factors are rotated for better interpretation. The goal of rotation is to attain an optimal simple structure which attempts to have each variable load on as few factors as possible, but maximizes the number of high loadings on each variable (Rummel, 1970). Ultimately, the simple structure attempts to have each factor define a distinct cluster of interrelated variables so that interpretation is easier (Cattell, 1973). This paper works with .50 as absolute value in coefficient display

Table 2.2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.294	91.175	91.175	7.294	91.175	91.175
2	.170	2.121	93.296			
3	.155	1.938	95.235			
4	.121	1.513	96.748			
5	.091	1.141	97.889			
6	.080	1.005	98.894			
7	.055	.681	99.576			
8	.034	.424	100.000			

Table 2.3: Component Matrix[a]

	Component
	1
Investment in Mutual Funds through SIP helps in regular savings.	.963
Investment in Mutual Funds helps to save tax.	.962
Mutual Fund investment are diversified.	.958
Mutual Funds provide higher return.	.955
Investment in Mutual Fund is more liquid than investment in Fixed Deposits.	.954
Investment in Mutual Funds through SIP reduces Risk/Uncertainity.	.954
Investment in Mutual Funds provide regular income.	.946
Investment in Mutual Funds provide more safety than other investment opportunities.	.945

format while testing the factor analysis. The matrix extracts the 1 factor which is highly considered by the investors with .963 as a load value. The factor is named as **Investment through SIP.** Therefore, the NULL hypothesis is rejected as there is a significant relationship between the attributes of the investors with the factors considered while investing in mutual funds.

2. **$H0_2$- There is no significant relationship between high management cost with the behavior of investors investing in mutual funds.**

- A study of Kaiser-Meyer-Olkin's Measure of Sampling Adequecy (MSA) found high correlation for all the variables with score of 0.921 ie; the data is highly correlated which indicate that the sample size is adequate for sampling. (KMO & Bartlett's Table 2.1)
- Barlett test of sphericity is used to highlight the overall significance of correlation matrices here the data is significant with .000 < .05* and it also provided support for the validity of the factor analysis.

*The sig. value must be less than .05 as paper is working with 95% confidence level.

It is accomplished that the data is suitable for factor analysis, now we will go for the Total Variable Explained box which suggests that it extract only one factor which records for 89.090% of the variance of the relationship between variables. (Total Variance Explained Table 3.2).

There is only one factor, having Eigen value exceeding 1. The % of variance in Rotation Sums of Squared Loadings represent as an index to determine how well the total factor solution accounts for what the variables together represent. Here it accounts for 89.090% of the total variations, that is outstanding extraction as it can be economize on the number of factors (from 6 it has reduced to 1 factor) while we have lost 10.91% information content for factors.

Further, will have a look to the Component Matrix Box as factors are rotated for better interpretation. This

Table 3.1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.921
Bartlett's Test of Sphericity	Approx. Chi-Square	1199.356
	Df	15
	Sig.	.000

Table 3.2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.345	89.090	89.090	5.345	89.090	89.090
2	.206	3.433	92.523			
3	.148	2.468	94.991			
4	.134	2.237	97.228			
5	.092	1.537	98.765			
6	.074	1.235	100.000			

paper works with .50 as absolute value in coefficient display format while testing the factor analysis. The matrix extracts the 1 factor which is highly considered by the investors with .956 as a load value. The factor is named as **High Management Cost.** Therefore, the NULL hypothesis is rejected as there is a significant relationship between the attributes of the investors with the factors considered while investing in mutual funds.

Table 3.4: Component Matrix

	Component
	1
High management cost is involved in Mutual Funds.	.956
Comparing with stock market, Mutual Funds provide less return to investors.	.948
Lack of procedural clarity is also a factor of dissatisfaction.	.947
Mutual Funds involve ‘High Risk’ factor due to continuous fluctuation in the capital market.	.946
Switching off from Mutual Funds is due to lack of awareness.	.937
Investors in Mutual Funds have no control over portfolio.	.930

3. **$H0_2$- There is no significant relationship between Middle class income investors with the behavior effecting to the mutual funds.**

Considering the behaviour of investors in row and Annual Income category in column, the Cross Tabulation Table determines the total number of people invested and concluded that middle income investors invested more than the other category (taking the middle income from 3-9 lakhs per annum). Out of the 61 investors, 13 comes under lower income category investors, 30 as middle income category investors and rest comes under high income category investors ie. 18. Though the majority of the investors belongs to middle class income category which defines that people with the limited income are more attracted towards the mutual funds as they seems the mutual fund as a mode of saving and high return. Whereas the higher class income category investors prefer to invest more in securities like Debenture, Gold Reserves and Real Estates etc. This result is abstracted from the output of the chi-square test. Therefore, the NULL HYPOTHESIS got rejected. So there is a significant relationship between middle class income investors with the behavior effecting to the mutual funds.

Findings and Conclusion

The objective of this paper is to find out the factors

Table 3: Have you invested money in any Mutual Fund? * Annual Income: Crosstabulation

			Annual Income:					Total
			Less than 3 Lakhs	3-5 Lakhs	6-9 Lakhs	10-14 Lakhs	15 Lakhs and above	
Have you invested money in any Mutual Fund?	Yes	Count	13	15	15	14	4	61
		% within Have you invested money in any Mutual Fund?	21.3%	24.6%	24.6%	23.0%	6.6%	100.0%
		% within Annual Income:	32.5%	51.7%	44.1%	43.8%	80.0%	43.6%
		% of Total	9.3%	10.7%	10.7%	10.0%	2.9%	43.6%
	No	Count	27	14	19	18	1	79
		% within Have you invested money in any Mutual Fund?	34.2%	17.7%	24.1%	22.8%	1.3%	100.0%
		% within Annual Income:	67.5%	48.3%	55.9%	56.3%	20.0%	56.4%
		% of Total	19.3%	10.0%	13.6%	12.9%	0.7%	56.4%
Total		Count	40	29	34	32	5	140
		% within Have you invested money in any Mutual Fund?	28.6%	20.7%	24.3%	22.9%	3.6%	100.0%
		% within Annual Income:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	28.6%	20.7%	24.3%	22.9%	3.6%	100.0%

effecting the behavior and perception of the investors towards the mutual funds. This research is conducted on 140 Respondents, residents of Delhi consisting the factors which attracts them and also stops them to invest in mutual funds. The hypothesis based on the behavior of the people investing in mutual funds. Based on this research here we found that the tax saving, regular income, higher return and more liquidity are the important factor considered by the investors in Delhi as it helps the people to make their disposable income more efficient in terms of investment in the securities and earn a healthy return. So therefore considering all the factors together we named as Investment through SIP as one factor is that which motivate more and more investors. From the total population of Delhi, here we have concluded that the middle class income people prefer mutual fund as a prior source of investment as by investing they get the marginal income provided by diversification and long term investment benefits. Another hypothesis depicts that the people who do not invested in mutual funds considered the factor high management cost involved in maintaining the mutual fund followed by lack of awareness.

The conclusion of this paper is the behavior of the investors influenced by many factors and also demographic elements comprises of age, gender, income etc. affect the mindset of the investors. The aim of investors is to earn high return and safeguard the interest of investing with less risk. The most important factors considered by the people of Delhi is Investment Through SIP which attracts the people and lack of awareness and high management cost are the factors that stop the people not to invest in mutual funds comparing with other type of securities like stock market, real estates, bonds and debentures etc. Therefore this paper provides a concept of behavior and perception influenced by many factors of the mutual funds investors that upgrade the knowledge of the investors of Delhi.

Managerial Usefulness

The mutual fund companies can take advantage of our research for judging the behavior of investors of Delhi. The other researchers can have a glance over the behavior and perception pattern of the mutual funds investors by this paper in more reliable and authentic manner. As this paper has focused on quality work that is supported by facts and figures. According to the paper, they can make relevant changes in their mutual funds and in their organization so that they can attract the investors. Also the mutual funds co. can change their marketing strategies accordingly. Our study reveals that middle class income investors invest more in mutual funds as it provides them tax free investment and they can make the easy and regular returns. This paper identified many factors that can bring the changes in the behavior of the investors resulting to which companies can grab the opportunity to make best out of it and also to have preventive measures for safe the companies objectives from outside available threats.

References

1. Agudo L. F. and Magallon M. V., "Empirical evidence of performance persistence in a relatively unexplored market: The case of Spanish Investment Funds", Applied Financial Economics Letters, vol. I, pp. 85-88, 2005.
2. Allen D.E. and Tan M.L., "A test of the persistence in the performance of U.K. Managed Funds", The Journal of Business Finance & Accounting, vol. 26, no. 5, pp. 559-593, 1999.
3. Anderson R. I., Brockman C. M., Giannikos C. and McLeod R. W., "A Non-Parametric Examination of Real Estate Mutual Fund Efficiency", International Journal of Business and Economics, vol. 3, no. 3, pp. 225-238, 2004.
4. Apap A. and Griffith J. M., "The Impact of Expenses on Equity Mutual Fund Performance", Journal of Financial Planning, vol. 11, no. 1, pp. 76-81, 1998.
5. Babalos V., Kostakis A. and Philippas N, "Managing Mutual Funds or Managing Expense Ratios? Evidence From Greek Fund Industry", 2009, http://ssrn.com/abstract=1016779, accessed on Sep 20, 2012.
6. Barinov A., "Measuring Performance of Russian Equity Funds", http://www.nes.ru/`~agoriaev/Papers/Barinov%20Measuring%20performance%20of%20Russian%20equity% 20funds%20MThesis03.pdf., 2003, Accessed on March 1, 2006.
7. Basso A. and Funari S., "A Data Envelopment Analysis Approach to Measure The Mutual Fund Performance", European Journal of Operational Research, vol. 135, no. 3, pp. 477-492, Dec 2001.
8. Bauer R., Otten R., and Rad A. T., "New Zealand mutual funds: Measuring performance and persistence in performance", Accounting and Finance, vol. 46, pp. 347-363, 2006.
9. Belgacem S. B. and Hellara S., "Predicting Tunisian Mutual Fund Performance Using Dynamic Panel Data Model", The Journal of Risk Finance, vol. 12, no. 3, pp. 208-225, 2011.
10. Blake C. R., Elton E. J. and Gruber M. J., "The Performance of Bond Mutual Funds", The Journal of Business, vol. 66, pp. 371-403, 1993..

11. Bogle J. C., "Selecting Equity Mutual Funds", Journal of Portfolio Management vol. 18, no. 2, pp. 94-100, 1992.
12. Boles J., Donthu N. and Lohtia R., "Salesperson Evaluation Using Relative Performance Efficiency: The Application of Data envelopment Analysis", Journal of Personal Selling & Sales Management, vol. 15, no. 3, pp. 31-49, 1995.
13. Cai J., Chan, K. C. and Yamada T., "The Performance of Japanese Mutual Funds", The Review of Financial studies, vol. 10, no. 2, pp. 237-273, 1997.
14. Carhart M.M., "On persistence in mutual fund performance", Journal of Finance, vol. 52, pp. 57-82, 1997.
15. Casarin R., Pelizzon L. and Piva A., "Performances and performance persistence of Italian equity founds", Working Paper no. 00.06, http://www.greta.it/italiano/pagine/P dfFile/00.06.PDF, 2000, accessed on October 23, 2005.
16. Chan L. H., Chen and Lakonishok J., "On Mutual Fund Investment Styles", Review of Financial Studies, vol. 15, pp. 1407-1437, 2002.
17. Chander R., "Performance Appraisal of Mutual Funds in India", Unpublished doctoral dissertation, Kurukshetra University, Kurukshetra, 1999.
18. Chander R., "Performance Appraisal of Mutual Funds in India", Finance India, vol. 14, no. 4, 1256-1261, 2000.
19. Chander R., "Investment performance of managers' stock selection abilities: Empirical evidence from the Indian capital market", Decision, vol. 32, no. 1, pp. 65-90, 2005.
20. Chander S. and Singh J., "Performance of Mutual Funds in India: An Empirical Evidence", the ICFAI Journal of Applied Finance, vol. 10, no. 6, pp. 45-62, 2004.
21. Chang K. P., "Evaluating Mutual Fund Performance: An Application of Minimum Convex Input Requirement Set Approach", Computers and Operations Research, vol. 31, pp. 929–940, 2004.
22. Warren Bailey Alok Kumar David Ng Journal of Financial Economics July 2010
23. sainiSimran; anjumbimal and sainiramandeep "Investors' awareness and perception about mutual funds" International Journal of Multidisciplinary ResearchVol.1 Issue 1, May 2011
24. P tripathynalini "Mutual Fund In India: A Financial Service In Capital Market" FINANCE INDIA Vol. X, No. 1, March 1996, Pages— 85–91
25. Agudo L. F. and Magallon M. V., "Empirical evidence of performance persistence in a relatively unexplored market: The case of Spanish Investment Funds", Applied Financial Economics Letters, vol. I, pp. 85-88, 2005.
26. Abeysekera SP, Rosenbloom ES. A Simulation Model Between Lump Sum and Dollar Cost Averaging. Journal of Financial Planning 2000; 13(6): 86–92.
27. Atra RJ, Mann TL. Dollar-cost Averaging and Seasonality: SomeInternational Evidence. Journal of Financial Planning 2001; 14(7): 98.
28. Dubil R. Lifetime Dollar-Cost Averaging: Forget Cost Savings, Think Risk Reduction. Journal of Financial Planning 2005; 18(10): 86-90.
29. Edleson ME. Value Averaging: A New Approach to Accumulation. American Association of Individual Investors Journal 1988; 10(7): 11–14.
30. Israelsen CL. Lump Sums Take Their Lumps. Financial Planning 1999; 1: 51–56.

31. Marshall PS, Baldwin EJ. A Statistical Comparison of Dollar Cost Averaging and Purely Random Investment Techniques.Journal of Financial and Strategic Decision Making 1994; 7(2): 66–71.
32. Available online at https://www.indianembassy.org/financial-systemin-india.php
33. Available online at http://www.amfiindia.com/showhtml.aspx?page=mfconcept
34. Padmaja R; A study of Consumer Behavior towards Mutual Funds with special reference to ICICI Prudential Mutual Funds, Vijayawada. International Journal of Management Research and Business Strategy, 2013; 2 (2):1-14.
35. Rathnamani V; Investor s Preferences towards Mutual Fund Industry in Trichy. Journal of Business and Management, 2013; 6(6): 48-55.
36. Kumar M; A Study of Customers Preference towards Investment in Equity Shares and Mutual Funds. International Journal of Education and Psychological Research, 2013; 2(2):95-100.
37. Mishra KS, Kumar M; How Mutual Fund Investors Objective & Subjective knowledge Impacts their Information Search and Processing Behavior. Journal of Financial Services Marketing, 2011;16(1): 27-41.
38. Mishra KS, Kumar M; The impact of perceived purchase risk on investment behaviour of mutual fund investors Decision, 2012;39 (2):3-20.
39. Sharma M, Kaur H, Jain P; A Study on Factor Influencing Satisfaction of Investors Towards Mutual Funds Industry Using Servqual Model: An Empirical Study. International Journal of Management & Business Studies, 2012; 2(4):52-56.
40. Das SK; Semi Urban Investors Attitude and Perferences in Mutual Fund Investment: A case study of NagaonDistricts of Assam. International Journal of Marketing, Financial Services &Management Research, 2012;1(9):70 91.
41. Awan HM, Arshad S; Factors valued by Investors while investing in Mutual Funds- A behavioural context. Interdisciplinary Journal of Contemporary Research Business, 2012; 4(1): 503-514.
42. ThyagarajanG;Performance Evaluation of Indian Mutual Fund Industry from 2002-2007 with Special Reference to Franklin Templeton, HDFC and ICICI Prudential Mutual Funds. Ninth AIMS International Conference on Management, 2012; 336-347.
43. Saini S, Anjum B, Saini R; Investors awareness and perception about Mutual Funds. Zenith- International Journal of Multidisciplinary Research, 2011;1(1):14-29.
44. Gupta M, Chander S; Consideration of Sources of Information as Selection Criteria in Mutual Fund Purchase: A Comparative Study of Retail and Non- Retail Investors. The IUP Journal of Applied Finance, 2011; 17 (1):27-42.
45. Walia N, KiranR;An Analysis of Investor s Risk Perception towards Mutual Funds Services. International Journal of Business and Management, 2009;4(5):106-120.
46. Parihar BB, Sharma R, Parihar DS; AnalyzingInvestors' Attitude Towards Mutual Funds as an Investment Option. The IUP Journal of Management Research, 2009; 8 (7): 56-64.
47. Anand S. and Murugaiah V (2004),"Marketing of financial services: strategic issues", SCMC journal of Indian Management, july-sept.
48. Bogle J C (1992), "Selecting Equity Mutual Fund", The Journal of Portfolio Management, Vol. 18 No.2, PP. 94-100.
49. D.W Harless, S.P. Peterson, Investor behaviour and the persistence of poorly-performing mutual funds, Journal of Economic Behaviour &Organization, 37, (1998), 257-276.

50. DesiganGnana, Kalaselvi S and Ansuya L (2006)," Women Consumers Perception Towards Investment: An empirical Study," Indian Journal of Marketing, April
51. Ippolito R A (1992),"Consumer Reaction to Measure of Poor Quality: evidence from the mutual fund industry," Journal of Law and Economics, Vol. 35, pp. 45-70
52. Jambodekar, M.V (1996). Marketing strategies of mutual fund – Current Practices and Future Directions Working Paper, UTI IIM, Centre for capital market education and Research,Banglore
53. Dr. K. Lakshmana Rao (2011),"Analysis of Consumers perception towards mutual fund schemes", Zenith International Journal of Multidisciplinary Research, Vol. 1 Issue 8, December 2011, ISSN 22315780
54. Kulshrestha, C.M. (1994). Mastering Mutual Fund. New Delhi: Vision Books
55. Keti, P (2005) A theory of cognitive Dissonance, Stanford; Stanford University Press.
56. Lu Zheng (1999), "Is Money Smart? A study of mutual fund investor's fund selection ability", The Journal of Finance, Vol. LIV , No.3