

# Women Investor's Perception Towards Problems Associated With Investment In Select Mutual Fund In Kerala

Dr. T. Srinivasan<sup>1\*</sup>, Dhini. K. V<sup>2</sup>

<sup>1\*</sup>Director-CDOE, Annamalai University, Tamilnadu-608 002

<sup>2</sup>Ph. D Research Scholar, Department of Commerce, Annamalai University, Tamilnadu-608 002

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## ARTICLE INFO

## ABSTRACT

Any economy's ability to expand and thrive is largely dependent on how much investment in the sector is encouraged. The general public's savings must be mobilized for beneficial purposes with the assistance of certain specialized agencies. A mutual fund is a type of trust that collects small and medium-sized investors' savings. Under the direction of a knowledgeable fund manager, the funds received are invested in capital market instruments like shares, debentures, and other securities. The capital market is being used by small and medium-sized investors without requiring them to take on a lot of risk. Prior to purchasing a mutual fund, the investor needs to weigh all potential risks. The current study made an effort to assess investors' perceptions of the difficulties associated with investing in mutual fund schemes. The study was carried out in August 2023 and is qualitative in nature. In order to understand how investors perceive these products, a purposive sample of 400 respondents who invest in mutual funds was selected. The data is collected via Google forms and analyzed with SPSS. The study's conclusions demonstrated the need for mutual fund companies to provide prospectors with important information, including the scheme's risk profile, return performance, asset count, and reputation.

**Keywords:** Mutual fund, Perception, Fund manager, Fund mobilized, Scheme

## Introduction

India is one of the biggest developing countries, with great growth and earning potential across the board for businesses. The agricultural sector in India makes up 17% of the country's Gross Domestic Product (GDP), the industrial sector contributes 26%, and the services sector contributes 57%. There are numerous reasons for India's economic growth and the country's financial sector developments are just one of them. These are the financial intermediaries that effectively coordinate resources from various economic sectors within the financial sector. Pooled investment vehicles have been incredibly successful in the last few years and have attracted a lot of public attention to the state of the global financial system. As pooled investment vehicles, mutual funds have been essential in helping small investors mobilize their capital and reap the rewards of capital market investing. The assets under management (AUM) of these investment vehicles have increased magnificently. In the third quarter of 2017, there was a \$800 billion global net cash inflow to all funds, up from \$609 billion in the second quarter of 2023.

Globally, mutual funds (MF) are becoming a more popular option for investors. The most prosperous financial invention in recent memory is the mutual fund. "Mutual funds are pooled investments which provide liquidity and enable investors to enjoy economies of scale in gaining access to well diversified portfolios of securities which are often differentiated by fund styles such as aggressive growth, growth and income, equity-income, and small companies," according to a succinct definition of mutual funds provided by Cuthbert Son et al. The capital market receives the resources that mutual funds mobilize, aiding in closing the investment and savings gap. In order to generate returns, the mobilized resources are invested in a variety of securities, including stocks, bonds, money market instruments, and other assets. The amount of resources that mutual funds in India have raised has doubled over the last two decades. The main drivers of

the Indian mutual fund industry's phenomenal growth are the expansion of personal financial assets, the development of infrastructure, and the rise in foreign participation.

### Statement of the Problem

Diverse investor types with a range of investment goals can be found in nations such as India. Investors' primary goal is to maximize returns on minimal investments while minimizing risk. Comprehending the conduct of investors is a challenging undertaking that necessitates an in-depth understanding of every aspect of the past and present that impacts their decision-making and behavior. When deciding whether or not to invest in mutual funds, it is crucial to take into account the factors that the investors find truly important. Financial advisors can design their strategies to best serve their clients if they have a thorough understanding of investor behavior. The same holds true for mutual fund companies, where better mutual fund products can be designed to better meet investors' investment goals. Furthermore, the government can gain insight into the issues that investors find most important and sensitive, which will help shape necessary legislation in a way that will appease investors and enhance market efficiency. The majority of retirees and those in the small- to medium-income bracket cannot afford to directly invest in company shares due to risk aversion and ignorance. Numerous studies showed that although mutual fund investments are rising in India, the sector is still having difficulty gaining the trust of investors. Even when investing in mutual funds, one must take into account the different risks associated with mutual funds, mutual companies, fund managers' services, etc. In light of this, the current study aims to analyze investor perceptions of issues related to mutual fund investments, with a focus on the state of Kerala.

### Objectives of the Study

The study aims to accomplish the following objectives:

1. To determine the investing pattern of the mutual fund investors
2. To research the issues faced by investors in mutual funds and how they view the complaints and redressal process of the funds.

### Scope of the Study

The study sheds light on the attitudes, problems, risk tolerance, and investing patterns of mutual fund investors, thereby revealing their behavior. The geographical divisions of the state of Kerala are included in the study area. The present study has selected the behavior of mutual fund investors who invest through the SBI AMC due to the AMC's extensive geographical reach in India, serving nearly the entire nation. Based on the amount of money they invest in mutual funds, the study splits the investors into two groups: small investors, who invest up to Rs.80,000, and large investors, who invest more than Rs.80,000.

### Problems in Mutual funds

Investing in the capital market, particularly with mutual funds, carries a number of risks. The researcher attempted to comprehend the issues that investors encounter when making mutual fund investments in this section. The Table 1 displays the specific results, displays the problems that have been compiled using the mean score ranking technique.

**TABLE 1: PROBLEMS FACED BY RESPONDENTS INVESTING IN MUTUAL FUNDS**

Problems	Mean Score	SD
Fund manager manipulates portfolio without any prior notification.	3.50	.058
Untimely investment by manager is a big problem	3.38	.051
Delay in the disbursement of dividends	3.42	.047
Redemption requests are often delayed	3.35	.050
Lack of disclosure of norms and high risk	3.35	.049
Need to refer equity market condition	3.38	.062
No insurance coverage for losses	3.26	.042
Returns not assured	3.42	.039
Portfolio is so designed that it is less diversified	3.44	.051
High loading charges on Portfolio	3.46	.055
High market regulation measures	3.37	.045
High brokerage	3.26	.051
Lack of transparency	3.43	.044
No proper advise by Brokers	3.46	.049
Companies has poor creditworthiness	3.39	.052
Stock market crash	3.49	.039
Uncertain risk of market	3.46	.028
Mutual Funds are not customized portfolios	3.55	.034
False and biased investment information in Advertisement	3.48	.040
Difficulty in selection of schemes	3.12	.039
Unstable returns	3.39	.039

Sometimes advisor takes wrong decision it adversely affects	3.42	.052
Non Trust in Corporate Investment	3.34	.039
Unpredictable market conditions	3.40	.048
Complexity of investment products makes confusion	3.31	.037

Source: Computed from Primary data

It is found from the above analysis that the mean score of different problems associated with investing in mutual fund are fund manager manipulates portfolio without any prior notification(3.50), Untimely investment by manager is a big problem (3.38), Delay in the disbursement of dividends (3.42), Redemption requests are often delayed (3.35), Lack of disclosure of norms and high risk (3.35), Need to refer equity market condition (3.38), No insurance coverage for losses (3.26), Returns not assured (3.42), Portfolio is so designed that it is less diversified (3.44), High loading charges on Portfolio (3.46) , High market regulation measures (3.37), High brokerage (3.26), Lack of transparency (3.43), No proper advise by Brokers(3.46), Companies has poor creditworthiness( 3.39) , Stock market crash (3.49), Mutual Funds are not customized portfolios (3.46), Uncertain risk of market (3.55), False and biased investment information in advertisement (3.48), Difficulty in selection of schemes (3.12), Unstable returns (3.39), Sometimes advisor takes wrong decision it adversely affects (3.42), Non Trust in Corporate Investment (3.34), Unpredictable market conditions (3.40) and Complexity of investment products makes confusion (3.31).

### Respondents' Age and Level of Problem Facing

In order to find the significant difference among the different age group of respondents towards facing problems while investing in mutual funds, a hypothesis was framed and analyzed with by use of ANOVA test. Ho "There is no significant difference among the respondents with respect to their age in facing problems towards investing in mutual funds". The results of ANOVA analysis is presented in Table 2.

**TABLE 2: RESPONDENTS' AGE AND LEVEL OF PROBLEM-FACING TOWARDS INVESTING IN MUTUAL FUNDS**

S. No.	Age	No. of Respondents	Mean score	SD	CV
1	20 -40	111	3.81	0.36	9.46
2	40-60	124	3.49	0.44	12.60
3	Above 60	65	3.89	0.31	7.81
	Overall	400	3.75	0.39	10.41
Groups	Sum of Squares	df.	Mean Square	'F' value	'p' value
Between Groups	152.560	31	3.784	3.629	.000 ***
Within Groups	668.108	368	1.537		
Total	820.668	399			

Source: Computed from primary data

The result F-test (3.629) is significant at 1 per cent level, since the p-value is less than 0.01, therefore, the null hypothesis is rejected. Significant difference is found among the respondents belonging to different age groups towards level of problem facing while investing in mutual funds. It is also found that there is more consistency in the variation (CV = 7.81) of respondents belongs to above 60 years age group than other age group of respondents.

### Respondents' Marital Status and Level of Problem Facing

In order to find the significant difference in among the respondents belongs to different marital status towards facing problems while investing in mutual funds, a hypothesis was framed and analysed with by use of 't' test.

Ho "There is no significant difference among the respondents with respect to their marital status in facing problems towards investing in mutual funds". The results of 't' analysis is presented in Table 3.

**TABLE 3: RESPONDENTS' MARITAL STATUS AND LEVEL OF PROBLEM FACING TOWARDS INVESTING IN MUTUAL FUNDS**

S. No.	Marital Status	No. of Respondents	Mean score	SD	CV
1	Married	306	4.08	0.31	7.27
2	Unmarried	144	3.72	0.38	10.11
3	Overall	400	3.75	0.35	8.89
Groups	Sum of Squares	df	Mean Square	't' value	'p' value

Between Groups	11.539	31	.368	2.889	.000 ***
Within Groups	91.258	368	.186		
Total	102.797	399			

Source: Computed from primary data

The result t-test (2.889) is significant at 1 per cent level, since the p-value is less than 0.01. Therefore, the null hypothesis is rejected. Significant difference is found among the respondents belonging to different marital status groups towards level of problem facing while investing in mutual funds. It is also found that there is more consistency in the variation (CV= 7.27) of married respondents than unmarried respondents.

### Respondents' Family Type and Level of Problem Facing

In order to find the significant difference in among the respondents belongs to different types of family towards facing problems while investing in mutual funds, a hypothesis was framed and analysed with by use of 't' test.

Ho "There is no significant difference among the respondents with respect to their family type in facing problems towards investing in mutual funds". The results of 't' analysis is presented in Table 4.

**TABLE 4: RESPONDENT'S FAMILY TYPE AND LEVEL OF PROBLEM FACING TOWARDS INVESTING IN MUTUAL FUNDS**

S. No.	Family Type	No. of Respondents	Mean score	SD	CV
1.	Nuclear Family	192	3.98	0.38	10.24
2.	Joint Family	208	4.01	0.35	8.93
	Overall	400	3.93	0.39	11.19
Groups	Sum of Squares	df	Mean Square	't' value	'p' value
Between Groups	15.368	31	.412	6.306	.000 ***
Within Groups	115.047	368	.301		
Total	130.415	399			

Source: Computed from primary data

The result t-test (6.306) is significant at 1 per cent level, since the p-value is less than 0.01; therefore, the null hypothesis is rejected. Significant difference is found among the respondents belonging to different types of family towards level of problem facing while investing in mutual funds. It is noted from this analysis all the selected respondents for the present study are experienced not equal level of problems in investing in mutual funds. It is also found that there is more consistency in the variation (CV= 8.93) of respondents from joint family than respondents from nuclear family.

### Respondents' Educational Qualification and Level of Problem Facing

In order to find the significant difference in among the respondents having different educational qualification towards facing problems while investing in mutual funds a hypothesis was framed and analyzed with by use of ANOVA test.

Ho "There is no significant difference among the respondents with respect to their educational qualification in facing problems towards investing in mutual funds". The results of ANOVA analysis is presented in Table 5.

**TABLE 5: RESPONDENTS' EDUCATIONAL QUALIFICATION AND LEVEL OF PROBLEM FACING TOWARDS INVESTING IN MUTUAL FUNDS**

S. No.	Educational Qualification	No. of Respondents	Mean score	SD	CV
1	School level	76	3.55	0.40	11.48
2	Bachelor degree	170	3.65	0.38	10.42
3	Master degree	66	3.30	0.46	14.07
4	Diploma and others	88	3.56	0.42	11.03
	Overall	400	3.39	0.47	13.48
Groups	Sum of Squares	df	Mean Square	'F' value	'p' value
Between Groups	50.865	31	1.503	5.155	.000 ***
Within Groups	351.897	368	.791		
Total	402.762	399			

Source: Computed from primary data

The result F-test (5.155) is significant at 1 per cent level, since the p-value is less than 0.01. Therefore, the null hypothesis is rejected. Significant difference is found among the respondents having different types of educational qualification towards level of problem facing while investing in mutual funds. It is also found that there is more consistency in the variation (CV= 10.42) of respondent having bachelor degree than respondents.

### Respondents' Monthly Family Income and Level of Problem Facing

In order to find the significant difference in among the respondents having different range of monthly family income towards facing problems while investing in mutual funds, a hypothesis was framed and analysed with by use of ANOVA test.

Ho "There is no significant difference among the respondents with respect to their monthly family income in facing problems towards investing in mutual funds".

The results of ANOVA analysis is presented in the following table 6.

**TABLE 6: RESPONDENTS' MONTHLY FAMILY INCOME AND LEVEL OF PROBLEM FACING TOWARDS INVESTING IN MUTUAL FUNDS**

S. No.	Monthly Family Income	No. of Respondents	Mean score	SD	CV
1	Less than Rs. 25,000	56	3.71	0.50	13.32
2	Rs.25,000 to 50,000	212	3.56	0.45	12.64
3	Rs. 50,000 to 75,000	94	3.61	0.48	13.30
4	Above Rs 75,000	38	3.52	0.41	11.78
	Overall	400	3.54	0.43	12.29
Groups	Sum of Squares	df	Mean Square	'F' value	'p' value
Between Groups	59.634	31	1.748	3.689	.000 ***
Within Groups	334.895	368	.711		
Total	394.529	399			

Source: Computed from primary data

The result F-test (3.689) is significant at 1 per cent level, since the p-value is more than 0.01. Therefore, the null hypothesis is rejected. Significant difference is found among the respondents having different range of monthly family income towards level of problem facing while using investing in mutual funds. It is noted from this analysis all the selected respondents for the present study are experienced not equal level of problems in investing in mutual funds. It is also found that there is more consistency in the variation (CV= 11.79) of respondent having more than Rs. 75,000 monthly family income than other respondents.

### Respondents' Residential Area Income and Level of Problem Facing

In order to find the significant difference in among the respondents residential area towards facing problems while investing in mutual funds, a hypothesis was framed and analyzed with by use of ANOVA test.

Ho "There is no significant difference among the respondents with respect to their residential area in facing problems towards investing in mutual funds". The results of ANOVA analysis is presented in Table 7

**TABLE 7: RESPONDENTS' RESIDENTIAL AREA AND LEVEL OF PROBLEM FACING TOWARDS INVESTING IN MUTUAL FUNDS**

S. No.	Monthly Family Income	No. of Respondents	Mean score	SD	CV
1	Rural	52	3.47	0.39	11.34
2	Semi-Urban	115	3.53	0.34	9.36
3	Urban	233	3.70	0.28	7.83
	Overall	400	3.59	0.31	8.35
Groups	Sum of Squares	df	Mean Square	'F' value	'p' value
Between Groups	25.211	31	.788	2.758	.001 ***
Within Groups	270.238	368	.564		
Total	295.449	399			

Source: Computed from primary data

The result f-test (2.758) is significant at 1 per cent level, since the p-value is more than 0.01. Therefore, the null hypothesis is rejected. Significant difference is found among the respondents having different residential place towards level of problem facing while investing in mutual funds. It is noted from this analysis all the selected respondents for the present study are experienced not equal level of problems in investing in mutual

funds. It is also found that there is more consistency in the variation (CV= 7.83) of respondent from urban area than other respondents.

### Conclusion

The study comes to the conclusion that investments made in a variety of mutual fund-related issues are made with the hope of earning both short- and long-term profits as well as capital appreciation. The fundamental concept underlying mutual fund investments for all government, private, independent contractors, and retirees in this research is to use excess funds in advantageous plans that will allow for both rollover and high returns. A typical man would never choose a risky investment plan when considering his options. Given the current state of uncertainty and unpredictability in the share and gold markets, investors should exercise caution when analyzing the market before making any decisions.

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