



## INVESTOR'S PREFERENCES TOWARDS THE INCOME FROM VARIOUS PRODUCTS OF MUTUAL FUNDS WITH SPECIAL REFERENCE TO NALKONDA DISTRICT

**Dr. Rima Naman Shah**

*Lecture at G.B.Shah College, Vasna, Ahmedabad, Gujarat.*

### **Introduction**

All the citizens are engaged in various activities depending on the knowledge availability of funds and feasibility of return from the activities to generate income for meeting the basic requirements of the human being. After meeting the basic requirements if there is any balance, it is kept as the saving which can be utilized for the future requirement. If the savings of the individual is kept in the home or locker, there will not be any return from the saving. Instead of keeping the savings idle without any income if it is invested in the outside, adequate income may be generated from the savings. Hence all the people try to invest the amount saved in various nature of investment to get maximum return.

The primary motivation for an individual to invest is to alter his consumption pattern in order to achieve higher levels of consumption in future. The essential quality of an investment is that it involves waiting for a reward. The commitment of resources are saved or put away from current consumption in the hope that some benefits will accrue in future. The investments are based on "Time Preference for money" which signifies that "A rupee today is worth more than tomorrow". In olden days wealth was not invested, as avenues for investments were not available and the only means left with, was dumping the wealth in secret places for future usage. As such, returns were not there. In the modern era, various avenues of investments are available for investors. At present, apart from bank deposits and share market, other modes of investments are also available, such as National Saving Certificates (NSC's), Public Provident Funds (PPF's), Chit Funds, Mutual Funds, Insurance, and Investments in gold and silver, Real Estate and the like. The attitude of people towards investment varies with their age, educational level, occupation, income and so on.

The business men, Government employees and the employees working in private sectors of Thelungana State invest their savings in mutual funds with a view to generate income from their savings. The brokers and agents dealing mutual funds give false information about the growth rate. The investors are in a position to believe information given by the mediators and agents in mutual funds, as most of us do not have much knowledge in the mutual funds. But the income from the mutual fund is not guaranteed in all products of mutual funds. In many cases the investors could not get sufficient return from their investment. Even the literates could not earn income from mutual funds. There are more risks in generating the income from mutual fund. Some time the investors are in a position to lose their investment partly. Why these are all happening? What are reasons behind this? How these issues can be solved? To know proper solution to these issues it is inevitable to have thorough study on "**Investor's preferences towards the income from various products of Mutual Funds with special reference to Nalkonda District**"

### **Types of Mutual Fund Products**

#### **Equity Schemes**

1. Equity Fund
2. Focus Fund
3. India Tiger Fund
4. Micro CAP Fund
5. Natural Resources and New e-Energy Fund
6. Opportunity Fund
7. Small and Mid CAP Fund
8. Technology Com. Fund
9. Top 10 Equity Fund
10. REGESS Fund

#### **Hybrid Schemes**

1. Balanced Fund
2. MIP Fund

#### **Fixed Income Schemes**

1. Bond Fund
2. Liquidity Fund
3. Treasury Bill Fund



4. Income Opportunity Fund
5. Government Security Fund
6. Money Manager Fund
7. Short Term Fund
8. Strategic Bond Fund

### **Statement of the Problem**

The employees in Government offices and private sectors and the business men in hesitate to invest their money in mutual fund and its products, whatever may be the return from the investment they do not bother about it. Instead if they invest their money in the mutual fund there are facing problems to get return from their investment. Though there are many sources to invest the money with safe, the employees due to lack of awareness keep their savings in their house itself because of the fear of paying tax to the government. Under such circumstances the purpose of saving is not served. They could not generate income from their savings by way investment. In many occasions the amount invested by the investors does not generate income as they did not choose the right products under mutual funds. This creates problems in their family which leads to part with from the spouse. Further in future they could not meet the emergency requirement as they spend the saved amount without any reasons.

### **Significance of the Study**

At present even the educated people are not satisfied with the income from mutual funds. They are in confusion to choose particular product under mutual fund to invest their savings. Due to lack of awareness and limited knowledge in mutual funds the investors do not have any idea about the area of investment. It paved way to them to keep the money with them till it is required in future. If the money is not circulated properly there is no value at all. The investors must be made aware of various areas of investment and the possible return from the particular area of investment. Salem is familiar for its industrial development in Nalkonda District It is also one of the cities in Thelungana State which has considerable number of Industries where there are much investors involved in mutual fund business. The investors in Salem also face numbers of issues when they start investing mutual funds. Many bitter experiences are evidenced to the investors regarding the profitability, risk and also the problems from the agents or middlemen involving share trading and mutual fund business. Lack of adequate knowledge in the mutual funds and also due to misguidance from somebody many investors in Nalkonda District have lost their funds when they invest in mutual fund investments. For this a thorough knowledge should be needed to all of us. Then only we can make awareness to the unknown and innocent in mutual fund investment through the authorities concerned.

### **Objectives of the Study**

The following are the objectives of the study

1. To know the existing products of various mutual fund companies.
2. To know the opinion of the investors regarding the income from various products of mutual funds
3. To measure the satisfaction level of the investors about the mutual products and services of the fund managers.
4. To find remedial measures to solve the problems faced by the employees in the investment made.
5. To offer recommendations to the authorities concerned to do needful to create awareness to the employees about investment pattern and safeguard their investment.

### **Research Methodology**

#### **Research Design**

Descriptive research was conducted in this study to make the research effective and useful to the needy.

**Sources of Data:**The study comprises of both primary and secondary data.

**Primary Data:**Primary data was collected from the sample respondents from the population by way preparing a questionnaire. The questionnaire was prepared with the guidance of the experts in the relevant field. Necessary corrections were made in the questionnaire to complete the research work successfully. For the purpose of collection of primary data a structured interview schedule / questionnaire has been prepared and used to get the opinion of the respondents.

**Secondary Data:**Secondary data pertaining to the study are gathered from journals, magazines. Secondary data are also collected from various libraries, university libraries and government libraries. Published and unpublished data are also referred for this study purpose.

**Sample Selection:**The researcher followed multi-stage sampling in the selection of samples. All investors in mutual funds in Nalkonda District form the universe of the study. The sample for the study was selected through a three-stage sampling



procedure. The first stage involved the choice of knowing the investors in mutual fund from various brokers and offices involved in the mutual fund business. Second stage is selection of major towns and also rural villages in Nalkonda District. From the selected urban and rural areas, the targeted group i.e. the investors were selected at random from all parts of Nalkonda District. The third stage is the selection respondents from the total population. The selected respondents consist of business men, government employees and the private sector employees. The respondents from the total population were selected at random by using convenient sampling method. The respondents consists both men and women investors. As the population in the study area is numerous, it is very difficult to meet the entire population for the purpose of survey. Due to time constraint the researcher restricted the respondents up to 300. It is considered enough for the effective research work. Hence from the total population 300 samples were selected by using convenient sampling method.

**Study Period:**The study period for the research work covers 3 month period starting from October 2015 to December 2015.

**Statistical Tools:**The collected data were analyzed and interpreted properly to find the result of the research work. Further to know the association between two variables in deciding the particular issues statistical tools like simple percentage, chi-square, ANOVA and regression were used to make the study effective and successful.

**Limitation of the Study:**The researcher took all possible cares to avoid shortcomings and errors in the correction of data. All possible care and skill were exercised to derive the conclusions and bring out the findings of the study. In spite of all the efforts taken by the researcher in this study, the presence study has certain limitations as it deals with the attitudes and perceptions of investors towards the income with special reference to Salam District

1. The data was collected from the investors in the mutual funds from all parts of Nalkonda District, so the findings of the study may not be considered for other states of the country.
2. The respondents did not give co-operation at the time of questionnaire or interview schedule. So the findings of the work are based on the information given by the respondents. There may be possibility for bias in the information provided by the respondents.
3. The survey was conducted only with the investors in the mutual funds in the study area. So it may not be considered for taking policy decisions related to other states of the country.

#### **Review of Literature`**

It is a matter of concern for the investing community that so far no active research has been carried out on the evaluation of performance persistency of Indian mutual fund the researcher has made a pioneering attempt to evaluate the performance persistency of Indian mutual funds. Since mutual funds have made a strong progress in U.S.A. from 1920 onwards many authors have contributed their thoughts for evaluation of such funds. Though there are a few Indian studies which made an attempt to rank the performance of schemes floated by different mutual fund organizations, they have failed to give any definite clues based on strong statistical significance.

IPPOLITO (1992) says that fund/scheme selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds.

Goetzman (1997) states that there is evidence that investor psychology affect fund/scheme selection and switching.

De Bondt and Thaler (1985) while investigating the possible psychological basis for investor behavior, argue that mean reversion in stock prices is an evidence of investor over reaction where investors over emphasize recent firm performance in forming future expectations. In India, one of the earliest attempts was made by NCAER in 1964 when a survey of households was undertaken to understand the attitude towards and motivation for saving of individuals.

Another NCAER study in 1996 analyzed the structure of the capital market and presented the views and attitudes of individual shareholders. SEBI – NCAER Survey (2000) was carried out to estimate the number of households and the population of individual investors, their economic and demographic profile, portfolio size, and investment preference for equity as well as other savings instruments. This is a unique and comprehensive study of Indian Investors, for; data was collected from 3,00,0000 geographically dispersed rural and urban households. Some of the relevant findings of the study are: Households preference for instruments match their risk perception; Bank Deposit has an appeal across all income class; 43% of the non-investor households equivalent to around 60 million households (estimated) apparently lack awareness about stock markets; and, compared with low income groups, the higher income groups have higher share of investments in Mutual Funds (MFs).



Gupta (1994) made a household investor survey with the objective to provide data on the investor preferences on MFs and other financial assets. The findings of the study were more appropriate, at that time, to the policy makers and mutual funds to design the financial products for the future.

Kulshreshta (1994) offers certain guidelines to the investors in selecting the mutual fund schemes.

Shanmugham (2000) conducted a survey of 201 individual investors to study the information sourcing by investors, their perceptions of various investments.

Madhusudhan V Jambodekar (1996) conducted a study to assess the awareness of MFs among investors, to identify the information sources influencing the buying decision and the factors influencing the choice of a particular fund. The study reveals among other things that Income Schemes and Open Ended Schemes are more preferred than Growth Schemes and Close Ended Schemes during the then prevalent market conditions. Investors look for safety of Principal, Liquidity and Capital appreciation in the order of importance; Newspapers and Magazines are the first source of information through which investors get to know about MFs/Schemes and investor service is a major differentiating factor in the selection of Mutual Fund Schemes.

Sujit Sikidar and Amrit Pal Singh (1996) carried out a survey with an objective to understand the behavioral aspects of the investors of the North Eastern region towards equity and mutual funds investment portfolio. The survey revealed that the salaried and self employed formed the major investors in mutual fund primarily due to tax concessions. UTI and SBI schemes were popular in that part of the country then and other funds had not proved to be a big hit during the time when survey was done.

### Analysis and Interpretation of Data

**Table No.1, Table Showing the Gender of the Respondents**

S. No	Gender	No of respondents	Percent
1	Male	240	80
2	Female	60	20
Total		300	100.0

Source: primary data

### Interpretation

The above table reveals that from 300 respondents 80 percent of the respondents are male while the remaining 20 percent of the respondents are female members.

**Table No.2, Table Showing the Age of the Respondents**

S. No	Age group	Frequency	Percent
1	18-25 years	132	44.0
2	26-35 years	132	44.0
3	36-45 years	24	8.0
4	above 45 years	12	4.0
Total		300	100.0

Source: primary data

### Interpretation

From the above table it is clearly understood that among 300 respondents 44 percent of the respondents belong to the age group of 18-25 years and 26-35 years respectively, percent of the respondents belong to the age group of 36-45 years while the remaining 4 percent of the respondents belong to the age group above 45 years.

**Table No.3, Table Showing the Occupation of the Respondents**

S. No	Occupation of the Respondents	Frequency	Percent
1	Employee in private sector	66	22.0
2	Government employee	72	24.0
3	Labour in textile industry	42	14.0
4	Labour in other industry	36	12.0
5	Business	84	28.0



S. No	Occupation of the Respondents	Frequency	Percent
1	Employee in private sector	66	22.0
2	Government employee	72	24.0
3	Labour in textile industry	42	14.0
4	Labour in other industry	36	12.0
5	Business	84	28.0
Total		300	100.0

Source: primary data

#### Interpretation

The above table clearly depicts that among 300 respondents 28 percent of the respondents are doing business, 24 percent of the respondents are government employees, 22 percent of the respondents are employed in Private sectors. 14 percent of the respondents are labour in textile industry, 12 percent of the respondents are working as a labour in other industry.

**Table No.4, Table Showing the Educational Qualification of The Respondents**

S. No	Education of the Respondents	Frequency	Percent
1	Illiterate	18	6.0
2	Upto school level	168	56.0
3	Degree level	78	26.0
4	Professional and others	36	12.0
Total		300	100.0

Source: primary data

#### Interpretation

From the above table it is noted that among 300 respondents 56 percent of the respondents studied up to school level, 26 percent of the respondents studied up to degree, 12 percent of the respondents have studied professional and other courses, while the remaining 6 percent of the respondents are illiterates.

**Table No.5, Table Showing the Monthly Income of the Respondents**

S. No	Monthly Income	Frequency	Percent
1	Below Rs.6000	24	8.0
2	Rs.6001-8000	120	40.0
3	Rs.8001-10000	72	24.0
4	Rs.10001-15000	54	18.0
5	Above Rs.15000	30	10.0
Total		300	100.0

Source: primary data

#### Interpretation

The above table limelight that among 300 respondents 40 percent of the respondents earn Rs.6001-8000 as their monthly income, 24 percent of the respondents get a monthly income of Rs.8001-10000, 18 percent of the respondents are earning Rs.10001-15000 per month, 10 percent of the respondents earn above Rs.15000 per month and the remaining 8% of the respondents earn only below Rs.6000.

**Table No.6, Table Showing the Opinion of the Respondents Regarding Return in Mutual Fund**

S. No	Opinion	Frequency	Percent
1	Very good	17	5.7
2	Good	107	35.7
3	Normal	95	31.7
4	Poor	47	15.7
5	Very poor	34	11.2
Total		300	100.0

Source: primary data



### Interpretation

The above table reveals that among 300 respondents 35.7 percent of the respondents informed that they get good return while investing in mutual fund, 31.7 percent of the respondents conveyed that they get normal return when they invest in mutual funds, 15.7 percent of the respondents expressed that they get poor return while investing in mutual fund, 11.2 percent of the respondents told that they very poor return from the mutual fund investment while the remaining 5.7 percent of the respondents informed that they get very good return from the mutual fund.

**Table No.7, Table Showing the Satisfaction Level of the Respondents Regarding Services of the Agents in Mutual Fund**

S. No	Satisfaction Level	Frequency	Percent
1	Highly satisfied	21	7.0
2	Satisfied	99	33.0
3	Partly satisfied	99	33.0
4	Dissatisfied	48	16.0
5	Highly dissatisfied	33	11.0
Total		300	100.0

Source: primary data

### Interpretation

From the above table it is clearly understood that among 300 respondents 33 percent of the respondents are partly satisfied and satisfied respectively with the services of the agents in mutual fund, while 16 percent of the respondents are dissatisfied with the services of the agents in mutual fund, 11 percent of the respondents are highly dissatisfied with the services of the agents in mutual fund whereas the remaining 7 percent of the respondents are highly satisfied with the services of the agents in mutual fund.

**Table No.8, Table Showing the Acceptance Level Regarding the Right Utilization of Fund by the Fund Managers in Mutual Fund**

S. No	Acceptance level	Frequency	Percent
1	Strongly agree	22	7.3
2	Agree	110	36.7
3	Neutral	89	29.7
4	Disagree	49	16.3
5	Strongly disagree	30	10.0
Total		300	100.0

Source: primary data

### Interpretation

The above table limelight that among 300 respondents 36.7 percent of the respondents agree with the right utilization of fund managers in mutual fund , 29.7 percent of the respondents are neutral 36.7 percent of the respondents agree with the right utilization of fund managers in mutual fund, 16.3 percent of the respondents disagree with 36.7 percent of the respondents agree with the right utilization of fund managers in mutual fund, 10 percent of the respondents strongly disagree 36.7 percent of the respondents agree with the right utilization of fund managers in mutual fund, while the remaining 7.3 percent of the respondents strongly agree 36.7 percent of the respondents agree with the right utilization of fund managers in mutual fund.

**Table No.9, Table Showing the Opinion Regarding the Knowledge about Various Mutual Fund Products**

S. No	Opinion	Frequency	Percent
1	Very good	28	9.3
2	Good	109	36.3
3	Normal	82	27.3
4	Poor	49	16.3
4	Very poor	32	10.8
Total		300	100.0

Source: primary data



### Interpretation

The above table explicit that among 300 respondents 36.3 percent of the respondents informed that they have good knowledge about various products available in Mutual fund, 27.3 percent of the respondents stated that they have normal and moderate knowledge about various products available in Mutual fund, 16.3 percent of the respondents expressed that they have poor knowledge about various products available in Mutual fund , 10.8 percent of the respondents informed that they have very poor knowledge about various products available in Mutual fund, while the remaining 9.3 percent of the respondents conveyed that they have very good knowledge about various products available in Mutual fund

**Table No.10, Association between the Education of the Respondents and Their Satisfaction Regarding the Return from the Investment in Mutual Fund**

S. No	Education of the Respondents	Satisfaction level					Total
		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Satisfied	
1	Illiterate	0 (1.4)	8 (6.6)	5 (5.4)	2 (2.8)	3 (1.8)	18
2	Up to school level	15 (13.4)	65 (61.6)	46 (50.4)	28 (25.8)	14 (16.8)	168
3	Degree level	8 (6.2)	27 (28.6)	25 (23.4)	9 (12.0)	9 (7.8)	78
4	Professional and others	1 (2.9)	10 (13.2)	14 (10.8)	7 (5.5)	4 (3.60)	36
	Total	24	110	90	46	30	300

### The Figures in the Parenthesis Shows the Expected Frequencies

#### Null Hypothesis

There is no significant relationship between the educational qualifications of the respondents and their satisfaction level regarding the return from the investment in mutual fund.

#### Alternative hypothesis

There is a significant relationship between the educational qualifications of the respondents and their satisfaction level regarding the return from the investment in mutual fund.

**Table No.11**

Factor	Calculated value <sup>2</sup>	Table value	DF	Remarks
Education	9.195	21.026	12	Insignificant

As the calculated value of <sup>2</sup>(9.195) is less than the table value (21.026) for 12 degrees of freedom at 5% level of significance, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between the educational qualifications of the respondents and their satisfaction level regarding the return from the investment in mutual fund. The opinion of the respondents is based on the individual attitudes.

**Table No.12 Association Between The Age Of The Respondents And Their Agree Level Regarding The Initiatives Taken By The Government To Monitor The Activities Of The Mediators**

S. No	age of the respondents	Agree level					Total
		Strongly agree	Agree	Neutral	Disagree	Highly disagree	
1	18-25 years	14(10.6)	46(48.4)	41(39.6)	19(20.2)	12(13.2)	132
2	26-35 years	8(10.6)	48(48.4)	42(39.6)	23(20.2)	11(13.2)	132
3	36-45 years	1(1.9)	9(8.8)	5(7.2)	4(3.7)	5(2.4)	24
4	above 45 years	1(1.0)	7(4.4)	2(3.6)	0(1.8)	2(1.2)	12
	Total	24	110	90	46	30	300



**The Figures in the Parenthesis Shows the Expected Frequencies**

**Null Hypothesis**

There is no significant relationship between the age of the respondents and their acceptance level regarding the initiative taken by the government to monitor the activities of the mediators.

**Alternative Hypothesis**

There is a significant relationship between the age of the respondents and their acceptance level regarding the initiative taken by the government to monitor the activities of the mediators.

**Table No.13**

Factor	Calculated value <sup>2</sup>	Table value	DF	Remarks
Age	11.571	21.026	12	Insignificant

As the calculated value of <sup>2</sup> ( 11.571) is less than the table value (21.026) for 12 degrees of freedom at 5% level of significance, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between the ages of the respondents and there is no significant relationship between the age of the respondents and their acceptance level regarding the initiative taken by the government to monitor the activities of the mediators. The acceptance level of the respondents is based on some other factor.

**Table No.4.64, Table Showing the Association between Education of the Respondents and the Variables Stated Below (9 Variables)**

		ANOVA					
S. No	Variables		Sum of Squares	DF	Mean Square	F	Sig.
1	Opinion about the knowledge about type of mutual funds	Between Groups	10.170	3	3.390	2.802	.040
		Within Groups	358.110	296	1.210		
		Total	368.280	299			
2	Attractive return from the investment	Between Groups	2.500	3	.833	.725	.538
		Within Groups	340.416	296	1.150		
		Total	342.917	299			
3	Opinion about the services of the agents	Between Groups	2.147	3	.716	.596	.618
		Within Groups	355.400	296	1.201		
		Total	357.547	299			
4	Right choice of mutual fund products	Between Groups	.594	3	.198	.163	.921
		Within Groups	359.656	296	1.215		
		Total	360.250	299			
5	Opinion about the government initiatives to monitor the services of the agents	Between Groups	3.572	3	1.191	.981	.402
		Within Groups	359.414	296	1.214		
		Total	362.987	299			
6	Satisfaction about the return from the investment	Between Groups	1.381	3	.460	.410	.746
		Within Groups	331.989	296	1.122		
		Total	333.370	299			
7	Acceptance level regarding the choice of different products in mutual fund	Between Groups	3.475	3	1.158	.889	.447
		Within Groups	385.512	296	1.302		
		Total	388.987	299			
8	Opinion about the return from SIP	Between Groups	6.150	3	2.050	1.760	.155
		Within Groups	344.767	296	1.165		
		Total	350.917	299			
9	Opinion about the risk involved in Mutual fund	Between Groups	6.352	3	2.117	1.837	.140
		Within Groups	341.178	296	1.153		





ANOVA							
S. No	Variables		Sum of Squares	DF	Mean Square	F	Sig.
1	Opinion about the knowledge about type of mutual funds	Between Groups	10.170	3	3.390	2.802	.040
		Within Groups	358.110	296	1.210		
		Total	368.280	299			
2	Attractive return from the investment	Between Groups	2.500	3	.833	.725	.538
		Within Groups	340.416	296	1.150		
		Total	342.917	299			
3	Opinion about the services of the agents	Between Groups	2.147	3	.716	.596	.618
		Within Groups	355.400	296	1.201		
		Total	357.547	299			
4	Right choice of mutual fund products	Between Groups	.594	3	.198	.163	.921
		Within Groups	359.656	296	1.215		
		Total	360.250	299			
5	Opinion about the government initiatives to monitor the services of the agents	Between Groups	3.572	3	1.191	.981	.402
		Within Groups	359.414	296	1.214		
		Total	362.987	299			
6	Satisfaction about the return from the investment	Between Groups	1.381	3	.460	.410	.746
		Within Groups	331.989	296	1.122		
		Total	333.370	299			
7	Acceptance level regarding the choice of different products in mutual fund	Between Groups	3.475	3	1.158	.889	.447
		Within Groups	385.512	296	1.302		
		Total	388.987	299			
8	Opinion about the return from SIP	Between Groups	6.150	3	2.050	1.760	.155
		Within Groups	344.767	296	1.165		
		Total	350.917	299			
9	Opinion about the risk involved in Mutual fund	Between Groups	6.352	3	2.117	1.837	.140
		Within Groups	341.178	296	1.153		
		Total	347.530	299			

The ANOVA table identifies 9 statements (9 variables) which are significant with the education qualification of the respondents. The last column in the table indicates that all the statements are significant at 0.05 levels (equivalent to 95% confidence level) as they have probability values less than 0.01.

### Findings of the Research Work

The collected data were tabulated properly. After that data were analyzed by using various statistical tools which relevant to the research to the research topic and based on the analysis interpretation and inference were made. The following are the major finding of the research work.

### 5.2 Findings

1. While considering the gender in this study most (80) percent of the respondents are male members.
2. Major proportion of the respondents belonged to the age group (44) percent of the respondents belong to the age group of 18-25 years and 26-35 years respectively.
3. Majority (28) percent of the respondents are involved in business and employed in private sector respectively, (24) percent of the respondents are government employees,
4. Regarding the education most (56) percent of the respondents studied up to school level,
5. Considerable portion (40) percent of the respondents earn Rs.6001-8000 as their monthly income, 24 percent of the respondents get a monthly income of Rs.8001-10000.



6. Most (35.7 percent) of the respondents informed that they get good return while investing in mutual fund.
7. Majority (33 percent) of the respondents are partly satisfied and satisfied respectively with the services of the agents in mutual fund.
8. Considerable portion of the 68 percent of the respondents informed that they know about various types of mutual fund.
9. Most (36.7 percent) of the respondents agree with the right utilization of fund managers in mutual fund.
10. Majority of the respondents (68 percent) informed that the mediators give wrong information about the return from the mutual funds.

### **Findings from Chi-Square Test**

There is no significant relationship between the educational qualifications of the respondents and their satisfaction level regarding the return from the investment in mutual fund

There is no significant relationship between the age of the respondents and their acceptance level regarding the initiative taken by the government to monitor the activities of the mediators.

### **Suggestions**

- Few respondents informed that the service providers in the mutual fund scheme charge more amount as commission. This practice should be monitored by the government and instruct the service providers to charge nominal amount as commission.
- Some of the respondents informed that they do not have technical knowhow in mutual fund. Hence an awareness programme should be organized in the study area by the Government and NGOs to create awareness among the investors.
- Few respondents informed that there is no initiative from the SEBI to provide up to date information about the changes in the mutual fund (risks and unit value of products & growth rate). Hence the government if possible should direct the SEBI to provide up to date information about the products in the mutual fund and various new schemes in mutual funds.

### **Conclusion**

The present study says about the investors preferences towards mutual funds in Nalkonda district. The study explains that many investors are preferred to invest in mutual fund in order to have high return at low level of risk, safety liquidity. The world of investment has been changing day to day, so investor's preferences toward investment pattern also changed. In this study investors are willing to take moderate and low level risk; most of the investors belong to moderate investment style. In order to have more investors to invest in mutual funds, mutual fund companies have to bring some awareness program about the benefits of investing in mutual funds, and the safety and security provided by mutual fund companies in this changing stock market situation.

### **References**

1. Dr.S Gurusamy (2010) Financial Services and System pp 268-270.
2. D. Kandavel (2011) "Factor influencing retail investors to prefer investments in mutual fund in puducherry an empirical study" International journal of exclusive management study, vol 1 Issue 7 Online Issn 2249-2585 pp 1-3.
3. Dr. Ravi vyas (2012) " Mutual fund investor's behavior and perception in Indore city ", International refereed research journal, vol 3 issue (3) 1 July 2012, pp 68-69, 72.
4. Nidhi walia (2005) " An analysis of investor's risk perception towards mutual fund services ", international journal of business and management, vol 4, pp 107.
5. Simran sainsi \*, Dr. Bimal anjun \*\*, Ramandeep sainsi \*\*\*, Investors awareness and perception about mutual funds , International journal of multidisciplinary research vol 1, Issue 1, may 2011 pp 14, 17-18.