

# A STUDY ON IDENTIFYING THE MOST POPULAR MUTUAL FUND SCHEMES IN COIMBATORE CITY

**Author:** Mrs. D.Sujaritha Assistant Professor, Department of B.COM (A&F), PSGR Krishnammal College for women Coimbatore

**Co-Author:** Ms. R.Abinaya III B.COM AF, PSGR Krishnammal College for women Coimbatore

## ABSTRACT

Mutual fund has wide opportunity for the investors to earn maximum return. The study is about identifying the most popular mutual fund schemes. The main purpose of this study is to help people to recognize the best schemes and also in which schemes they are investing. There are variety of schemes in mutual funds they are equity fund, debt fund, hybrid fund, growth fund ,income fund ,low risk fund ,tax saving fund .

## INTRODUCTION

Mutual fund pools the money from the investors, invest them in securities and earn income through interest, dividend etc. It is professionally managed by a fund manager. It has a collective investment vehicle even the small investors can invest in large securities. The returns are high with low cost .There are various investment schemes such as:

### 1. Growth / Equity Scheme:

The growth or equity scheme provides the investors an increase in the capital for a long period of time. The growth scheme have high risk.

### 2.Income / Debt Scheme:

The income or debt scheme provides regular and constant income to the investors.The income scheme have less risk.

### 3.Balanced Fund:

The balance fund provides a balance between return and capital appreciation. It is the mixture of equity and fixed income securities.

#### 4. Index scheme:

Index scheme plays an important role in deciding the price of the mutual fund .When price of index rises the price of the mutual fund also rises .Similarly when the price falls the price of the mutual fund also falls.The Index are BSE,SENSEX,NIFTY etc.

#### 5. Tax saving scheme:

The Income Tax Act,1961 provides tax saving scheme.The lock in period for tax saving scheme is 3 years.

### LITERATURE REVIEW

**1.Madhusudhan (1996)** conducted a study and revealed that income schemes and open-ended schemes are preferred over growth schemes and close-ended schemes during the prevalent market conditions. Investors look for Safety of Principal, Liquidity and Capital Appreciation in order of importance in the selection of mutual funds.

**2.Chalam , G.V. (2003)**, used the primary data of about 200 investors to know the determinants of investment in various types of assets including in mutual funds for the five years period (1997-2002). He observed that the return, capital appreciation and Tax savings are the most influencing factors in inducing most of the investors to opt for the MF schemes.

**3.Prof. V. Vanaja and Dr. R. Karrupasamy (2013)**, have done a Study on the Performance of select Private Sector Balanced Category Mutual Fund Schemes in India. This study of performance evaluation would help the investors to choose the best schemes available and will also help the AUM's in better portfolio construction and can rectify the problems of underperforming schemes. The objective of the study is to evaluate the performance of select Private sector balanced schemes on the basis of returns and comparison with their bench marks and also to appraise the performance of different category of funds using risk adjusted measures as suggested by Sharpe, Treynor and Jensen.

**4.Prof. Kalpesh P Prajapati and Prof. Mahesh K Patel (Jul 2012)**, have done a Comparative Study On Performance Evaluation of Mutual Fund Schemes Of Indian Companies. In this paper the performance evaluation of Indian mutual funds is carried out through relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure, and Fama's measure. The data used is daily closing NAVs. The source of data is website of Association of Mutual Funds in India (AMFI). The study period is 1<sup>st</sup> January 2007 to 31<sup>st</sup> December, 2011. The results of performance measures suggest that most of the mutual fund have given positive return during 2007 to 2011.

**5.Rahul Singal, Anuradha Garg and Dr Sanjay Singla (May 2013)**, have done Performance Appraisal of Growth Mutual Fund. The paper examines the performance of 25 Growth Mutual Fund Schemes. Over the time period Jan

2004 to Dec 2008. For this purpose three techniques are used (I) Beta (II) Sharpe Ratio (III) Treynor Ratio. Rank is given according to result drawn from this scheme and comparison is also made between results drawn from different schemes and normally the different are insignificant.

### **STATEMENT OF PROBLEM**

The study is about identifying the most popular mutual fund schemes in Coimbatore city. The main hindrance of this study is that people are not aware about all the schemes in mutual fund.

### **OBJECTIVE OF THE STUDY**

To identify the most popular mutual fund schemes in Coimbatore city.

### **RESEARCH METHODOLOGY**

The data was collected through Questionnaire from 100 investors residing in Coimbatore City. The data's were analyzed using descriptive statistics such as one way Anova.

Sample Size: 100 Investors.

Sampling Time: July, 2019 – August, 2019.

Research Instrument: Structured Questionnaire

### **ANALYSIS OF THE STUDY**

The study was done by using one way Anova. It is compared with type of mutual fund and annual income of the investors. The significant level is more than 0.05. The null hypothesis are accepted. There is a relationship between schemes of mutual fund and annual income.

## Oneway

### ANOVA

type of mutual fund

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.236	3	3.412	1.266	.290
Within Groups	258.674	96	2.695		
Total	268.910	99			

The study was done by using one way Anova. It is compared with type of mutual fund and duration of investment .The duration was between less than 3 years to more than 10 years.

The significant level is more than 0.05. The null hypothesis are accepted. There is a relationship between schemes of mutual fund and duration of investment.

## Oneway

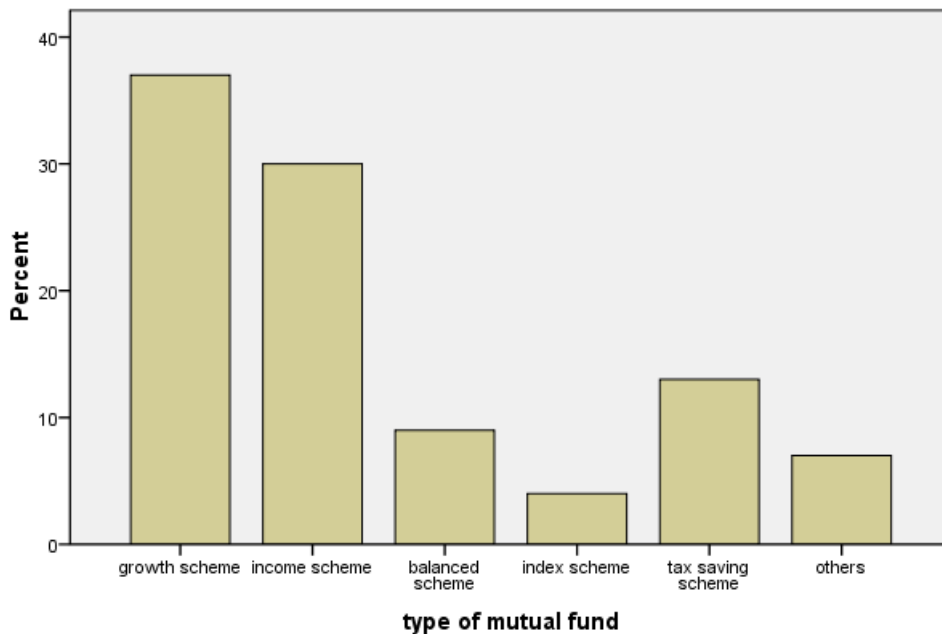
### ANOVA

type of mutual fund

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.967	3	2.322	.851	.469
Within Groups	261.943	96	2.729		
Total	268.910	99			

**SIMPLE PERCENTAGE****type of mutual fund**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	growth scheme	37	37.0	37.0	37.0
	income scheme	30	30.0	30.0	67.0
	balanced scheme	9	9.0	9.0	76.0
	index scheme	4	4.0	4.0	80.0
	tax saving scheme	13	13.0	13.0	93.0
	others	7	7.0	7.0	100.0
	Total	100	100.0	100.0	

**type of mutual fund**

The graph shows that the growth scheme is higher than other schemes. As the sample is taken from 100 investors and the preference is given to growth and income scheme.

**CONCLUSION**

The study concludes that there is relationship between schemes of mutual fund and annual income of the investors and duration of the investors.

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