

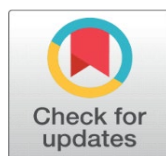
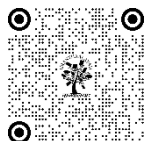
INVESTOR PERCEPTION OF MUTUAL FUNDS: A STUDY ON SYSTEMATIC INVESTMENT PLAN WITH SPECIAL REFERENCE TO MOTIHARI, BIHAR

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ABSTRACT

The mutual fund emerged as a medium to mobilize the savings of the common public towards productive use. A mutual fund is a trust that mobilises the savings of several small investors who have a common financial goal. This paper aims to investigate valuable insights into how SIPs and mutual funds are perceived in developing regions like Motihari Bihar. The data from 250 respondents were collected using a structured questionnaire through a convenient sampling method and gathered data were analysed through SPSS 23 using statistical tools such as Chi-square test, ANOVA, and Correlation Test. The majority of investors in Motihari City are aged 31-40, with 86% being male. The largest group is undergraduates, with 58.8% being private employees. Most investors have a monthly income between 50000-100000. This study explores Motihari region mutual fund investors' attitudes and perspectives, focusing on satisfaction levels, investing preferences, and demographics. Despite concerns about the disclosure of information and challenges during the investing process, most investors are confident in mutual fund's ability to provide returns and maintain well-diversified portfolios.

Keywords: Mutual Fund, SIPs, Investor, Market Return, Investment Risk

1. INTRODUCTION

When it comes to the growth and development of a developing economy like India, then to a larger extent it depends on the level of promotion of investments in the economy. Individuals save their surplus money and these savings of the common public have to be deployed for productive purposes with the help of some specialized agencies. A mutual fund emerged as a medium to mobilize the savings of the common public towards productive use. A mutual fund is a trust that mobilizes the savings of several small investors who have a common financial goal. Individuals investing their money in mutual funds don't need to worry about which security will be more beneficial to invest in, they don't need to think about all these things like risk and return analysis in different securities like stock, debenture etc, because mutual fund agencies do that on their behalf. Once they are done collecting money from different investors, then the collected will be invested in capital market instruments such as shares, debentures and other securities. The capacity of mutual funds to pool

money and then transfer that capital to the locations where it may be of the greatest use to the economy makes mutual funds an essential component of the economy. Hence mutual fund is an appropriate investment avenue for the common man as they offer the opportunity to invest in diversified, professionally managed portfolio securities at a relatively low cost. Mutual funds have tremendous potential for sustainable future growth and are now one of the fastest-growing industries in the Indian economy. Over the past ten years, the majority of investors have been persuaded to invest in mutual funds and their numerous products, such as Systematic Investment Plans, equity funds, debt funds, and hybrid funds. These products have also contributed significantly to the industry's flourishing economy. One quick and easy way for people to invest their savings and increase their wealth is through mutual funds. A structured investment plan is often known as SIP. This is a platform for investing in mutual funds. SIPs allow investors to invest an equal amount monthly in their specified mutual fund schemes. When SIP is activated, investors designate a certain amount that gets deducted from their bank accounts monthly and invested in the mutual fund of their deciding upon. Small investors who wish to save a smaller amount but still take advantage of rupee cost averaging's long-term benefits might do so with the financial assistance of a systematic investment strategy. The majority of mutual fund and broking companies deliver Systematic Investment Plans. When comparing a lump-sum investment to a systematic investment plan, the latter offers more options. SIP is an increasingly popular option among investors who want an opportunity for larger returns while minimising investments. The key objective of SIP is to facilitate the accumulation of assets simply. Rupee cost averaging, on the contrary, allows investors to purchase more stock at times of market volatility by deploying scheduled periodic speculating into mutual funds. The only mutual fund strategy designed to draw in short-term investors is the systematic investment plan. SIP offers investors higher returns than other investment options like bank deposits and postal savings accounts, and this option will benefit investors more because SIP allows payments to be made regularly. A systematic investment plan cannot guarantee income or save investors from risking money in a bearish market. An investor should take into consideration his financial capacity to maintain buying during times of low-price levels since systematic investment plan (SIP) investing entails ongoing market involvement regardless of the performance price level of assets. A mutual fund is a basket of securities which contains a variety of financial products in various combinations and these various combinations of financial securities are individually called portfolios. In a mutual fund company, the fund managers make portfolios of different combinations. They continuously analyse the market risk and then invest the money taken by different individuals, so that a positive return can be provided to the mutual fund investors. The income earned through these investments is shared by its unit holders in proportion to the number of units owned by them. The people who invest in mutual funds are generally exposed to much lower risk compared to those who directly invest in bonds and stocks. Mutual fund investment involves lower risk as the investment is diversified into different bonds and stocks. So, if at any time the market value of the stock of any particular company drops, then the loss incurred by the mutual fund can be offset by the market gain of any other bond or stock. The success of an investment activity depends on the knowledge and ability of investors to invest the right amount in the right type of investment at the right time. This study has been done to understand the knowledge of Mutual funds and financial literacy among investors, and their perception towards the investment in Mutual funds in the individuals of the Motihari region. According to the literature, we have gone through, there are lots of studies conducted on investment plans towards mutual funds. Most of the studies on systematic investment plans and mutual funds have been conducted in metropolitan or urban cities where financial literacy and investment options are more prevalent i.e. Karnataka (Subramanya, et al., 2013), (Kaveri, et al., (2017), Tamil Nadu (Alamelu, et al., 2017), J&K (Khurshid, R., 2016) and many more. There is a scarcity of research focusing on smaller, developing regions like Motihari in Bihar, where socio-economic conditions and investment behaviour may differ significantly. Financial Literacy is relatively low, and perception of SIPs and mutual funds may be influenced by a lack of awareness and understanding of investment in this region. Various government initiatives aimed at promoting financial inclusion and literacy may have influenced investors' perception towards SIPs and Mutual funds. However, there is a gap in understanding the effectiveness of creating investments toward SIPs and mutual funds in the Motihari region. Addressing these gaps, this study has been done to provide valuable insights into how SIPs and mutual funds are perceived in developing regions like Motihari Bihar.

2. LITERATURE REVIEW

Kalit, A., & Vernekar, M. P. (2016) analyzed that Mutual funds are an exceptional form of trust, organisation, or financial enterprise that acts as a middleman in investments and allocates a lot of people's resources to corporate assets in a way that minimizes risk, increases capital, and yields consistent returns. The general topic of this essay is how investors behave when it comes to mutual fund schemes. Investor expectations are shaped by perception, and people

often associate perception with behaviour. Even when the other factors affecting an investor's behaviour remain constant, the investor's actions could change from one-time frame to the next. Individual investors frequently use observable sociodemographic factors as a stand-in for the underlying psychological processes that influence investing decisions.

Senapati et al. (2018) examined that although the Indian mutual fund (MF) market has grown significantly, there is still unrealized potential. Studies reveal a spike in mutual fund investments between 2000 and 2018, with many people choosing MFs because of their low expenses, excellent returns, and diversified portfolios. The majority of respondents prefer mutual funds (MFs) over alternative investments, and the majority save less than 20% of their income. Investors primarily obtain information on Systematic Investment Plans (SIPs) from financial institutions, the Internet, and the media. Research on MF awareness and perception is lacking despite this. To take advantage of this increase, industry stakeholders must comprehend these factors

Rakesh & Srinivas (2013) suggested that all investor age groups can be shown to be involved in mutual fund investments overall; however, investors under 35 years old are more likely to plan their investments ahead of time and to take on greater risk to increase profits. To increase the number of investments made through mutual funds, it is noteworthy that the organizations are focusing on this specific age group.

R & Renuka Murthy (2013) sought to investigate small investors' perceptions of mutual funds in a Chikkamagalore study. Using a simple statistical analysis and random selection of 150 respondents, the study revealed that there was a favourable inclination among investors to invest in mutual funds. When it comes to investing, prudent people put safety first and consult with experienced advisors before taking any action. The study also showed that when choosing mutual funds to invest in, investors primarily choose income, growth, and equity funds. According to another study project, investors' attitudes toward mutual funds are typically favourable, mostly due to the investment vehicle's perceived safety and possible returns. It has been discovered that socioeconomic factors including age, gender, education, income, and occupation favourably affect investors' sentiments regarding mutual funds

Vitthal Limbore et al. (2023) studied investor perceptions of mutual funds, which are a sort of professionally managed investment plan that purchases assets by pooling the funds of several investors. This examination focuses on how investors view a variety of significant measures, including stock market return changes, mutual fund issues, and factors influencing their mutual fund and investment decisions. In addition, characteristics such as mutual fund preferences and satisfaction levels are examined. This study examines investors' knowledge, sentiments, preferences, and pleasure with mutual funds utilising secondary data from the corpus of previous research.

Rehan et al. (2018) examined the state of mutual fund investment in Pakistan, where despite being considered safe and professionally managed globally, mutual funds are relatively underutilized. The study focuses on demographic factors affecting investor awareness and perceptions, finding that age and education significantly impact awareness levels. Factors such as transparency, fund reputation, and risk management also shape investor perceptions. Despite these benefits, traditional investment avenues like real estate and savings accounts remain popular. The review underscores the importance of targeted education efforts and effective communication strategies to enhance investor confidence and promote mutual funds as a viable investment option in Pakistan.

Dr. M. & B. (2017) explored the connection between investor attitude, perception, and mutual fund investment choices, with particular attention to a descriptive and analytical study carried out in Velachery, Chennai. Since mutual funds are becoming more and more popular as investment vehicles with a range of advantages, it is critical to comprehend investor behaviour to evaluate their preferences and decision-making processes. Study Design and Methodology: The study's sample size of fifty participants was chosen using judgment sampling, and it focuses on mutual fund investors in Velachery, Chennai. Primary and secondary sources are used in the data-gathering process, and a questionnaire centered on socioeconomic characteristics, attitudes, perceptions, and investment decisions is used. Regression analysis, descriptive statistics, frequencies, reliability analysis, and correlation are some of the statistical approaches used to analyse the data.

Rakesh & Srinivas (2013) got to know after conducting their research that India's liberalization, privatization, and globalization (LPG) policies have had a profound impact on investor behaviour and market dynamics. Although most of the studies to date have concentrated on financial risk, planning, and general behaviour, little is known about how investors perceive particular investment portfolios. Young investors (less than 35 years old) in particular tend to take risks and have well-defined investment intentions, which makes them an important target market for financial institutions, particularly in the mutual fund industry. In India's changing financial landscape, filling this gap with focused research is essential to creating investing products and strategies that work.

Swadia (2014) analyzed that the financial sector has grown significantly as a result of the monetary policy liberalization, and the mutual fund business has emerged as one of its products. These affordable investment options, which are especially appealing to middle-class individuals, provide diverse portfolios under the expert management of specialists. On the other hand, an investor's perspective is a major factor in deciding how willing they are to invest. Research indicates that although most investors have a favourable opinion of mutual funds, greater participation is impeded by security concerns and a lack of knowledge. Encouraging more mutual fund investment requires resolving investor concerns and bridging the knowledge gap.

Tripathy & Kumar Patjoshi (2020) found that Mutual funds are widely recognised as one of the greatest investment alternatives for anyone seeking a diversified, professionally managed, low-cost portfolio. They are a desirable choice for investors wishing to make small investments in the hopes of achieving big returns down the road since they provide a simple and low-risk way to get into the stock market. The securities market offers investors a range of investment possibilities in the present financial climate, such as shares, bonds, debentures, gold, and bank deposits. Nonetheless, investors are increasingly choosing to diversify their risks in the pursuit of greater returns. Even if mutual funds are a viable alternative for investing, the market is still developing and many investors are not fully informed about them. It has been discovered that demographic factors like age and education have a big impact on investor awareness.

Nagaraja (2021) revealed that Investments increase the country's capital stock, which promotes economic progress. Investors' money is pooled by mutual funds for use in a variety of securities. Despite the advantages, there are still obstacles in the way of educating investors and spreading awareness about mutual funds. Financial literacy is essential to the success of the sector, particularly for young people and women. SIPs, or systematic investment plans, provide a way to make regular investments while reducing market volatility. Informed investment decisions necessitate increased awareness and transparency.

Jaggaiiah & Mubeen (2018) disclosed that mutual funds function as trusts that combine the savings of multiple investors with similar goals in mind. According to the fund's declared goals, money can be distributed among capital market instruments using this collective investment mechanism. The mutual fund sector has grown significantly in India, drawing in a lot of investors who view it as a secure investment with the possibility of higher returns than direct stock purchases. An alternative that is less hazardous for investors who are wary of direct stock market volatility is mutual funds. A lot of interest is shown in Monthly Income Plan (MIP) funds, which are popular among female investors since they offer monthly returns at a lower risk. These funds have a balanced risk-return profile in contrast to other investment options because they mostly invest in debt instruments and have little equity exposure.

Selvan (2023) showed that the financial markets of today provide access to stocks, bonds, debentures, mutual funds, and other investment options. Despite their potential advantages, these financial instruments have not yet attained the same level of appeal as more conventional options such as gold, fixed deposits, and real estate. Nevertheless, by promoting savings and directing them toward profitable ventures, they significantly contribute to economic expansion. People who want to invest their money in a reliable and well-managed company are increasingly choosing mutual funds in particular. Mutual funds allow people to put their extra money to use in places where it's needed, protecting and increasing their wealth as knowledge of mutual funds and their advantages grows. According to a recent study, investors' attitudes regarding mutual fund investments are changing as a result of their increased awareness and comprehension of these kinds of investments. This highlights how the mutual fund industry is changing in India and how important investor mood and perception are in influencing investing choices.

Khurshid, (2016) found that the mutual fund industry has expanded dramatically and earned investor recognition throughout the last 20 years. Even with their ease of use and potential for high returns, monitoring risk-return dynamics and catering to a variety of investor preferences continue to be difficult tasks. This essay seeks to shed light on the variables that influence how investors view mutual funds, with a particular emphasis on the hidden elements that lead to investor dissatisfaction. Growth is more important to investors than avoiding risk, which makes mutual funds a popular choice for investments. Gaining more investor confidence and involvement in mutual fund investments requires an understanding of investor expectations.

Sharma, (2019) analyzed that for millions of investors, especially in India, where individual investors frequently struggle to find solutions with the ability to hedge against inflation and generate positive real returns, mutual funds have democratized the world of investing. This study aims to investigate the perceptions of mutual funds among educated investors in Delhi/NCR. Credibility, ease of use, success factors, fund family reputation, and fund attributes are important elements that impact mutual fund buying behaviour. The study emphasizes the industry's early stages in India but also points out areas for expansion, if certain conditions are met, including as good returns, expert fund management, and

focused approaches to reach untapped markets like women and higher income groups. Mutual fund companies must comprehend investor preferences to maximize potential and promote increased participation.

Gunasekaran (2017) suggested that the best investment option for the average person is now mutual funds, which provide reasonably priced access to a diverse portfolio of professionally managed securities. A range of mutual fund schemes are available for investors to select from, each tailored to their objectives while accounting for variables such as age, financial status, risk tolerance, and projected return. The Indian mutual fund business has grown dramatically in the last few years as a result of the entry of many private players with international experience. Nonetheless, investor perception has a big impact on mutual fund success. For the mutual fund sector to continue growing and succeeding, it is essential to comprehend investors' attitudes and impressions of the product.

Kalit & Vernekar (2022) analyzed that Investments allow people to increase their earning potential and are a crucial tool for wealth generation and business expansion. One important area of research that sheds light on the prospects of different investment products is investor perception. The economy is expanding quickly, and this is changing investor understanding and perception, which calls for constant assessment. Investors are looking for effective ways to fight inflation and generate growth in the current financial environment, which is marked by inflationary pressures. The financial markets have seen a rise in the popularity of mutual fund investments as a result of their professional management and high return potential. Investor impression is crucial, especially when it comes to indirect investment channels like mutual funds, even as technical and fundamental analysis steers investment decisions in the stock market.

Vitthal Limbore et al. (2023) showed that a mutual fund is a collective investment program that is professionally managed and pools the resources of several persons to make investments in securities. Mutual fund investments are influenced by investors' opinions in several ways, such as overall satisfaction, fund selection criteria, and market changes. This study uses secondary data from a literature review to investigate investors' attitudes, preferences, and actions toward mutual funds. It is advised that enterprises and government agencies improve adviser training and investor literacy to build investor trust and promote mutual fund participation. The results of the study highlight the significant influence that investor behaviour and perception have on mutual fund investment preferences. Therefore, by incorporating a variety of investment channels, businesses should enhance their mutual fund products in addition to concentrating on optimizing returns. To sum up, to maximize mutual fund investments, it is critical to comprehend the attitudes and actions of investors. Businesses and legislators can boost investor trust and encourage mutual fund participation by attending to investors' preferences and concerns. This will help to maintain the growth and stability of the market as a whole. The purpose of this study is to investigate the investing choices and practices of mutual fund and non-mutual fund investors. The study offers insights into the elements influencing investment decisions by examining their patterns of investment behaviour. This study focuses in particular on Rajkot city investors' perceptions of mutual funds. Assessing market trends and investor preferences requires an understanding of how investors view mutual funds as the greatest possible investment vehicle. In conclusion, mutual funds have become more and more popular as a recommended investment choice for people looking to strike a balance between risk and return. Investment strategies and product development in the mutual fund business are guided by investor perceptions, which are crucial in recognizing the different demands of investors and meeting their needs through customized financial solutions.

Kumar Reddy & Sudhakar (2016) suggested that funds are a group investment scheme where several people pool their resources to achieve a common financial objective. Investors are exposed to the stock market without needing to have a deep understanding of its intricacies because this pooled capital is subsequently deployed in line with predetermined objectives. Mutual funds are a popular choice for investors, especially for those with little experience in the stock market. Mutual funds offer low-cost, low-risk diversification and access to potential rewards by investing in a professionally managed portfolio of securities. Because of their accessibility and diversification, mutual funds are a great option for the average person looking to accumulate wealth over time.

Swain et al. (2017) analyzed that a balance between the supply of different financial instruments and investors' demand perspectives is required in the dynamic Indian financial market due to the escalating competition. Any investment endeavour's primary objective is to maximise profits while reducing risk exposure. The most crucial financial tool that helps investors achieve this objective is mutual funds. This study aims to clarify different risks resulting from mutual fund schemes and their impact on investor perception. Through an analysis of data gathered from investors in mutual funds and those who do not, the study aims to comprehend the connection between investment choices and variables including liquidity, financial literacy, and demographic traits.

Hassan & Fazili (2019) analyzed those financial markets are inherently risky, and this influences the choices and results made by investors. Investors want to limit risk exposure in addition to seeking returns. In finance, the link between risk

and return is still fundamental, with higher levels of risk generally corresponding to higher potential rewards. Nonetheless, investors—especially individual investors—have a propensity to behave in a risk-averse manner, favouring assets with more assurance. This study aims to understand how risk is perceived by mutual fund investors in the Jammu and Kashmir territory. This study aims to understand how investors in mutual funds in the Jammu and Kashmir area view risk. Examining this element is essential for learning more about investor behaviour because risk perception has a big influence on individual investing decisions. Investors in mutual funds perceive risk differently for a variety of reasons. **Jain & Malik (2022)** conducted a study and found that Globalization and economic liberalization have made India a more attractive location for foreign investment and raised awareness of investment options such as mutual funds, debentures, and shares. Mutual funds, which provide investors with a diversified and expertly managed investment choice, have become more well-known in the financial industry among the abundance of investment options. The survey attempts to find out people's perceptions concerning HDFC Mutual Funds, one of the major players in the Indian mutual fund industry. The study intends to gain insights into investor emotions and preferences by gathering primary data from 100 Jabalpur-based investors who have invested in HDFC mutual funds using a structured questionnaire. Different demographic factors are taken into account, such as age, gender, education, occupation, marital status, and annual earnings.

Dhall et al. (2021) examined and found that investing in mutual funds can be a very appealing choice for those who are risk-averse and want to protect their hard-earned money while still getting decent returns. The mutual fund industry in India has grown quickly, playing a key role in the nation's financial institutions and enabling the conversion of savings accounts' funds into debt and equity instruments. Decisions about investments are heavily influenced by investor perception, especially when it comes to mutual funds. Consequently, the purpose of this study is to look at investors' opinions and knowledge about mutual funds as a kind of investment. The study uses a primary data gathering method that involves distributing a questionnaire to 105 respondents who live in Delhi-NCR.

Prabhavathi & Kishore (2013) analyzed that Mutual funds, which promised better returns for individual investors and democratized access to sophisticated techniques, transformed investment practices worldwide. This research looks at how mutual funds and investor attitudes and preferences have changed over time, emphasizing behavior-influencing elements including reliance on SIPs and a preference for professional management. The importance of mutual funds is highlighted by their involvement in market dynamics, which promotes efficiency and liquidity.

Swain, and Dash (2017) suggested that the Indian financial market is changing quickly, and to satisfy investor viewpoints, there must be a balance between the supply and demand of financial products. Investors looking for the best returns at the lowest risk are increasingly turning to mutual funds. This review of the literature explores the many risks associated with mutual fund schemes and how factors like liquidity, financial literacy, and demographics affect investing choices. When investing in mutual funds, investors take on several risks, such as operational, liquidity, and market risk. Comprehending these hazards is essential for making well-informed choices and overseeing your portfolio. This study looks into how various risk factors affect investors' perceptions and actions in the mutual fund industry.

Nautiyal (2017) suggested that even while family savings are prevalent in India, especially among rural households, the adoption of investment options like mutual funds and equity instruments is still very low. Even if investments in mutual funds have increased recently, there is still much space for development. For novice investors, mutual funds provide an entry point into the financial markets; nonetheless, it's critical to comprehend the variables affecting perception, especially those about gender disparities. To offer insights for improving mutual fund penetration and creating customized product offers, this literature review investigates the relationship between gender and perception regarding mutual fund investments. Gender and Perception: poor Penetration Despite High Savings: The poor penetration of mutual funds, especially in rural regions, contrasts with India's high household savings rate. Recognizing the elements causing this discrepancy, such as variations in perception based on gender,

Bindal, Gupta & Dubey (2019) With an emphasis on marketing management, this analysis investigates investor recognition and recent changes in mutual fund premiums in Alwar City. It highlights how crucial it is to match investor preferences with financial tools in India's developing financial system. Various factors, including perceptions of risk, liquidity, and demographics, impact the choices made by investors. Although the study offers insightful information on the viewpoints of urban investors, it ignores rural investors and several important marketing considerations. To create mutual fund industry-wide and investor-beneficial marketing strategies, it is imperative to have a thorough understanding of investor perception.

3. RESEARCH GAP

After conducting the literature review it was found that there has not been any research on Motihari zone regarding the investor's perception of mutual funds. The objective of this study is to measure and investigate investors' attitudes about mutual funds in the Motihari, Bihar area to close the gap.

4. OBJECTIVE

- To measure the investor's perception towards mutual funds.
- To identify the reasons for investment in mutual funds.
- To measure the return on investment in mutual funds.
- To evaluate the risk tolerance level of the investors.

5. RESEARCH METHODOLOGY

RESEARCH APPROACH

The study will investigate the range of perspectives that individual East-Champaran investors have concerning mutual funds. With the help of this study, we will get to know about their perception of risk, return, safety, knowledge, and many other things regarding mutual funds. This study will focus on reading the minds of investors, and we will get to know what they think about investing in mutual funds in the current time of 2024. This study will explore information regarding investor perception of investors of Motihari, Bihar.

DATA COLLECTION METHOD

The examination of primary and secondary data forms the basis of the study. The secondary data about mutual funds are taken from various research papers and journals and the primary source of data are those individuals of Motihari, Bihar who are investing through mutual funds, as they will be able to give correct answers to the questions required for this study. They are businessman and also from other professions.

DATA COLLECTION

While collecting primary data, the required questions were sent to almost 250 individuals who are currently investing in mutual funds and were ready to give their time for this study regarding investor perception towards mutual funds. Questions were sent to the respondents via E-Mail and Social Media sites. The process of collecting relevant data from mutual fund investors for this study took almost 7 days.

QUESTIONNAIRE DESIGN

In this study, a questionnaire was used for surveying mutual fund investors in Motihari, Bihar. As the study focuses on the perception of mutual fund investors, so the particular is built in such a way that we will get to know about a variety of investor perceptions regarding investing in mutual funds like their risk perception, profit perception, satisfaction perception, and also some other types of perception.

An online Google form was created with the help of Google and then circulated among respondents to collect relevant data through their answers. The questionnaire could be bifurcated into two sections. Section A was used to collect the demographic profile of the respondents. Questions for demographic profiles were adopted. Section B was inculcated to collect the investor's perception towards mutual funds. Questions were adapted from the studies (Nagar & Salai, 2021).

DATA ANALYSIS

The gathered data were analysed through SPSS 23 using statistical tools such Chi-square test, ANOVA, and Correlation Test.

RESEARCH HYPOTHESIS

H0 1: There is no significant relation between investment objective and investment period.

H0 2: There is no significant relation between respondent opinions on the security of mutual funds.

H0 3: There is no significant relation between annual income and the mutual fund.

H0 4: There is no significant relationship between the respondent's opinion on the security of mutual funds and whether mutual funds disclose all the relevant information to their investors

6. DATA ANALYSIS AND INTERPRETATION:

Table 1 Demographic Profile of Respondents

FACTORS	DIMENSIONS	RESPONDENTS	PERCENTAGE
GENDER	Male	215	86
	Female	35	14
AGE	20-30Yrs	52	20.8
	31-40Yrs	120	48
	41-50Yrs	78	31.2
OCCUPATION	Government Employee	52	20.8
	Private Employee	147	58.8
	Businessman	35	14.0
	Other	16	6.4
MONTHLY INCOME	Less than 50000	61	24.4
	50000-100000	153	61.2
	More than 100000	36	14.2
EDUCATIONAL QUALIFICATION	HSC/SSC	17	6.8
	Under-Graduate	88	35.2
	Post-Graduate	55	22.0
	Professionals	47	18.8
	Others	43	17.2

Table 1 shows the investor's details such as ages, genders, qualifications, occupations and monthly income in this demographic profile. This would allow them to better plan their future investments, and it was thought that knowing if their decisions would be directly influenced by the investment period and aim would be useful. For this purpose, the data has been analysed and shown in the table above. It is observed from Table 1 that most of the investors are from the age group of 31-40 years (48%) followed by the age group of 41-50 years (31.2%). The data shows that investors in the age range of 31 to 40 years were more drawn to mutual funds. The respondents based on the genders show more investors in Motihari city are male (86 %) followed by Female (14 %). This data suggests that women are now investing in mutual funds in this city. The highest percentage of investors are undergrads (35.2%), followed by post-grads (22%), and investors who are professionals (18.8%). This helps to explain the data. Thus, this research indicates that educational background plays a role when it comes to investment. According to the respondents' occupations, private employees make up 58.8% of all investors, followed by government workers (20.8%) and business owners (14%). This shows that employees in both the public and commercial sectors are more aware of mutual funds. According to respondents, the majority of investors (61.2%) had monthly earnings between 50,000-100,000, followed by those with incomes less than 50,000 (24.4%) and those with incomes greater than 100,000 (14%).

Table 2 Investor respondents based on investment objective

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Diversification	21	8.4
Better Return & Safety	74	29.6
Reduction in risk and cost	23	9.2
Regular Income	51	20.4
Tax benefit	81	32.4
Total	250	100

According to the above table, 8.4% of respondents said that diversification was their top investment objective, followed by better return and safety (29.5%), risk and cost reduction (9.2%), regular income (20.4%), and tax benefits (32.4%).

Table 3 Respondents based on investment period

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
5-10 Years	153	61.2
11-15Years	33	13.2
16-20Years	50	20
Above 21Years	14	5.6
Total	250	100

From the above table it interpreted that 61.2% of the respondent's investment period is 5-10 years, 13.2% of the respondent's investment period is 11-15 Years, 30% of the respondent's investment period is 16-20 Years and 5-6% of the respondent's investment period is above 21 Years.

HYPOTHESIS TESTING

HYPOTHESIS 1

The relationship between investment objective and investment period.

NULL HYPOTHESIS (H₀)

There is no relationship between investment objective and investment period.

ALTERNATIVE HYPOTHESIS (H₁)

There is a relationship between investment objective and investment period.

CHI-SQUARE TEST

Table 4: Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Investment Period * Investment Objective	250	100.0 %	0	0.0%	250	100.0%

Table 5: Investment Objective * Investment Period Crosstabulation

			Investment Period				Total
			5-10 Years	11-15 Years	16-20 Years	Above 21 Years	
Investment Objective	Diversification	Count	12	8	1	0	21
	Better return & safety	Count	52	9	9	4	74
	Reduction in risk and cost	Count	11	4	8	0	23
	Regular Income	Count	36	3	7	5	51
	Tax benefit	Count	42	9	25	5	81
	Total	Count	153	33	50	14	250

Table 6: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.312 ^a	12	.001
Likelihood Ratio	33.138	12	.001
Linear-by-Linear Association	5.993	1	.014
N of Valid Cases	250		

a. 9 cells (45.0%) have an expected count of less than 5. The minimum expected count is 1.18.

RESULT

A chi-square test of independence was performed to investigate the associations between the investment objective and investment period. The chi-square test of independence revealed that the calculated value is higher than the tabulated value, thus we accept the alternative hypothesis and conclude that there is a substantial association between the investment objective and investment period. Therefore, the alternative hypothesis (H₁) is accepted.

HYPOTHESIS 2

The relationship between education qualification and mutual funds generates the best return for its investors.

NULL HYPOTHESIS(H₀)

There is no significant difference between education qualifications and mutual funds.

ALTERNATIVE HYPOTHESIS(H₁)

There is a significant difference between education qualifications and mutual funds.

Table 7: Descriptives

Educational Qualification

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Strongly Agree	34	3.5588	1.05000	.18007	3.1925	3.9252	2.00	5.00
Agree	175	2.9657	1.25440	.09482	2.7786	3.1529	1.00	5.00
Neutral	41	2.9512	1.16084	.18129	2.5848	3.3176	1.00	5.00
Total	250	3.0440	1.22641	.07756	2.8912	3.1968	1.00	5.00

Table 8: ANOVA

Educational Qualification

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.437	2	5.218	3.540	0.030
Within Groups	364.079	247	1.474		
Total	374.516	249			

The wide variations in educational backgrounds and perspectives on the best return for mutual fund investors were examined using ANOVA. The ANOVA result shows that the significant value is less than 0.05, so we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). The perspectives on mutual funds and their ability to produce the highest return for investors range greatly from one another in the context of education. We therefore accept the Alternative Hypothesis.

HYPOTHESIS 3

The relationship between monthly income and the mutual fund that has outperformed the market returns.

NULL HYPOTHESIS(H0)

There is no significant difference between monthly income and the mutual fund.

ALTERNATIVE HYPOTHESIS(H1)

There is a significant difference between monthly income and the mutual fund

Table 9: Descriptives Statistics

Monthly Income								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Strongly Agree	49	2.1633	.74574	.10653	1.9491	2.3775	1.00	3.00
Agree	161	1.8509	.53865	.04245	1.7671	1.9348	1.00	3.00
Neutral	40	1.7750	.65974	.10431	1.5640	1.9860	1.00	3.00
Total	250	1.9000	.61605	.03896	1.8233	1.9767	1.00	3.00

Table 10: ANOVA

Monthly Income

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.409	2	2.204	6.044	0.003
Within Groups	90.091	247	0.365		
Total	94.500	249			

The result of ANOVA shows that a significant value is lower than 0.05, we accept the alternative (H1) and reject the Null hypothesis (H0). Therefore, there is a significant difference relationship between monthly income and the mutual fund that has outperformed the market returns. Hence, the alternative hypothesis is accepted.

HYPOTHESIS 4

The relationship between the respondent's opinion on the security of mutual funds and whether mutual funds disclose all the relevant information to its investors.

NULL HYPOTHESIS(H0)

There is no significant relationship between the respondent's opinion on the security of mutual funds and whether mutual funds disclose all the relevant information to its investors.

ALTERNATIVE HYPOTHESIS(H1)

There is a significant relationship between the respondent's opinion on the security of mutual funds and whether mutual funds disclose all the relevant information to its investors.

Table 11: Correlations			
		What is your opinion on the security of mutual funds?	mutual fund discloses all the relevant information to its investors
What is your opinion on the security of mutual funds?	Pearson Correlation	1	.610**
	Sig. (2-tailed)		.000
	N	250	250
Whether a mutual fund discloses all the relevant information to its investors	Pearson Correlation	.610**	1
	Sig. (2-tailed)	.000	
	N	250	250

** Correlation is significant at the 0.01 level (2-tailed).

The result of Table 11 shows that there is a highly favourable and substantial correlation between respondents' opinions about the security of mutual funds and whether they disclose each crucial information. The result of the Pearson correlation is 0.610**, therefore these two variables exhibit a strong correlation.

7. FINDINGS

1. The majority of investors (48%) are between the ages of 31 and 40.
2. A significant portion of investors in Motihari City are male (86%).
3. The largest percentage of investors (35.2%) are undergraduates.
4. Most (58.8%) investors belong to private employees.
5. Most (61.2%) of the investor's monthly income is between 50000-100000.
6. There is a significant relationship between the investment objective and investment period. Hence, the alternative hypothesis (H1) is accepted.
7. There is a significant difference between educational qualifications and opinions on mutual funds to generate the best return for its investors. Hence, we accept the Alternative Hypothesis.
8. There is a significant difference relationship between monthly income and the mutual fund that has outperformed the market returns. Hence, the alternative hypothesis is accepted.
9. The Pearson correlation value is 0.610**. Hence the two variables show a high correlation.

8. SUGGESTION

Mutual fund companies must have an innovative approach to persuade investors to put their money into mutual funds. This will help the mutual fund develop in the future by drawing in more young investors along with people interested in advancing their careers as professionals. Mutual fund businesses should raise awareness among investors about their plans. Due to the perception that mutual funds carry greater risk than traditional assets like bank deposits and postal savings accounts, few individuals still make these forms of investments.

Systematic investing programs provide higher returns than alternative investment options. The core idea of an organised investment strategy is the perk of rupee cost averaging. SIP is likely to draw more short-term investors who seek to make monthly investments utilising their money. A tax benefit for mutual fund investments might convince investors to make systematic investments as opposed to merely utilising equity-linked savings initiatives.

9. CONCLUSION

In summary, this study offers a thorough examination of the attitudes and perspectives of Motihari region mutual fund investors, providing insightful information about their satisfaction levels, investing preferences, and demographics. Several significant conclusions have been drawn from the examination of data gathered from a sample of 250 investors, providing insight into different facets of Investors' sentiments and behaviour.

According to the study's demographics, the majority of investors are men, which is in line with more general trends in the financial sector. Since the majority of investors are between the ages of 31 and 40, it seems probable that a substantial portion of the population is at the highest peak of their earning and investment potential.

Additionally, the distribution of investors' occupations emphasises the prominence of private workers, indicating a significant involvement from people with steady income sources and discretionary cash. When it comes to investors' opinions on mutual funds, the results show that most of them are favourable. A significant percentage of respondents are confident in mutual fund's ability to provide returns, and most of them support the idea that mutual funds keep well-diversified portfolios. This optimistic attitude also includes the conviction that mutual funds have successfully met their goals and advanced the Indian capital markets, highlighting investor confidence in the performance of these investment vehicles.

But the survey also identifies places where investors are apprehensive and uneasy. The disclosure of relevant information and any challenges that may arise throughout the investing process are major sources of concern, even though many people view mutual funds as a less risky investment option and have faith in the security of their investments. Notwithstanding these reservations, the vast majority of investors show high levels of satisfaction with their mutual fund investments. This encouraging opinion highlights the contribution mutual funds make to the overall financial well-being and wealth-building of Motihari, Bihar region investors by helping them achieve a variety of financial goals and objectives.

10. IMPLICATION

In the future, studies may examine ways to improve investor confidence and involvement with mutual fund investments by delving deeper into the fundamental causes impacting investor perceptions and behaviour. To ensure the future expansion and development of the mutual fund business in Motihari, Bihar, and beyond, financial institutions and regulatory bodies will also need to continuously evaluate investor sentiment and satisfaction levels to make necessary adjustments to their plans and policies.

CONFLICT OF INTERESTS

None.

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