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Awareness Level of mutual fund investment in Shirala Taluka (Dist. Sangli)

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I) Introduction:

A mutual fund is a pool of money that is managed by a fund manager, and as of July 31, 2022, the mutual fund industry's market size was close to 37.75 trillion dollars. The predicted growth rate for the mutual fund sector over the next ten years is close to 13.4%. Numerous mutual fund types depend on an investor's capacity for taking risks. This study focuses on the mutual fund investment awareness of clients in rural places and also evaluates the major factors that impact mutual fund investment. There are the same (common) standard risk considerations for all mutual fund schemes. Given the fact that these problems are inherent of market investment, investors must comply with them.

II) Objectives of study:

1. To Study investors' awareness towards the mutual funds.
2. To find out the relationship between qualification of investors and their preferences for investment.
3. To study the investors level of satisfaction after investing in mutual funds.
4. To study the reasons why investors are selecting mutual funds as an investing opportunity.

III) Importance of study:

- 1) This study enhances our knowledge of rural investors' financial literacy.

- 2) This study aids in our understanding of investor preferences and knowledge of mutual funds offered by DSP Mutual Funds.
- 3) The company can use the findings of this study to better advertise their mutual funds by learning how investors of all types interpret investing in mutual funds.

IV) Research Design:

For this study, we work on the primary data and select the snowball sampling method to collect the data.

Research Type: Qualitative Research

Data Collection: Primary & Secondary Data

Sample Size: 384

Respondents – People from Shirala Taluka

Sources of Data Collection:

Together primary and secondary data will be used in this inquiry. A collection of primary and secondary sources are used to obtain data.

A) Primary data-

The Questionnaire is applied to capture the Primary Data. With the aid of a questionnaire in the Google Form, all relevant information is collected from the participants.

Questionnaire Method

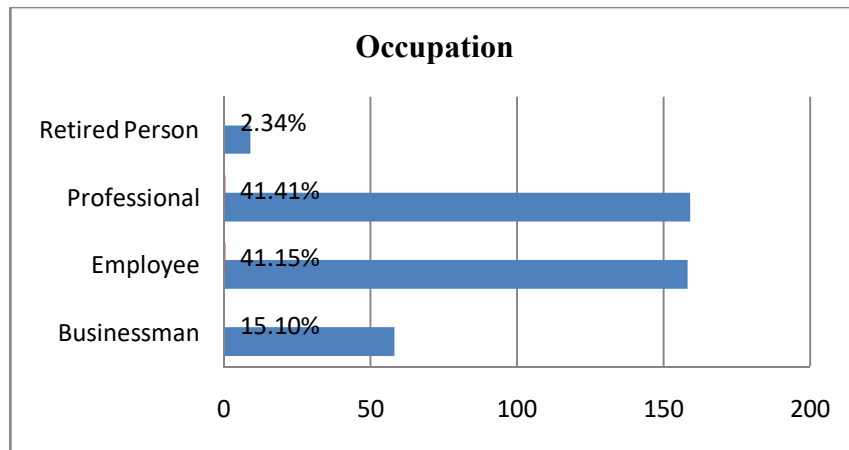
B) Secondary data

Secondary data is compiled from outlets such as journals, newspapers, websites, papers, and magazine research, and some others.

V) Data Analysis & Interpretation:

Occupation of Respondents

| Sr. No. | Occupation | Responses | Percentage |
|---------|----------------|------------|-------------|
| 1 | Businessman | 58 | 15.10% |
| 2 | Employee | 158 | 41.15% |
| 3 | Professional | 159 | 41.41% |
| 4 | Retired Person | 9 | 2.34% |
| | Total | 384 | 100% |

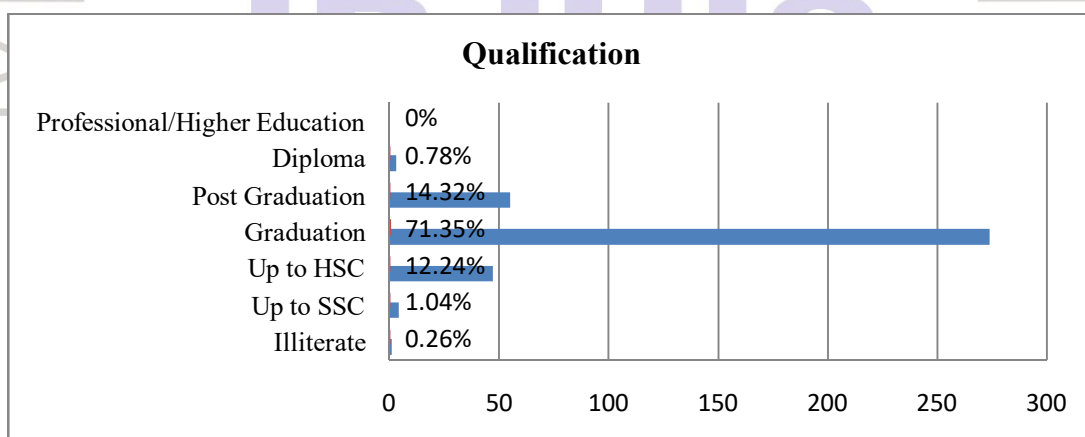


Occupation of Respondents:

Interpretation:-The majority of respondents (41.41%) work as professionals and invest their money in various industries (159). Furthermore, a minority of responders are retired individuals who invest their money in other industries. It has been discovered that older adults have made fewer investments than others.

Educational qualification of Respondents:

| Sr. No. | Educational Qualification | Responses | Percentage |
|---------|-------------------------------|------------|-------------|
| 1 | Illiterate | 1 | 0.26% |
| 2 | Up to SSC | 4 | 1.04% |
| 3 | Up to HSC | 47 | 12.24% |
| 4 | Graduation | 274 | 71.35% |
| 5 | Post Graduation | 55 | 14.32% |
| 6 | Diploma | 3 | 0.78% |
| 7 | Professional/Higher Education | 0 | 0% |
| | Total | 384 | 100% |

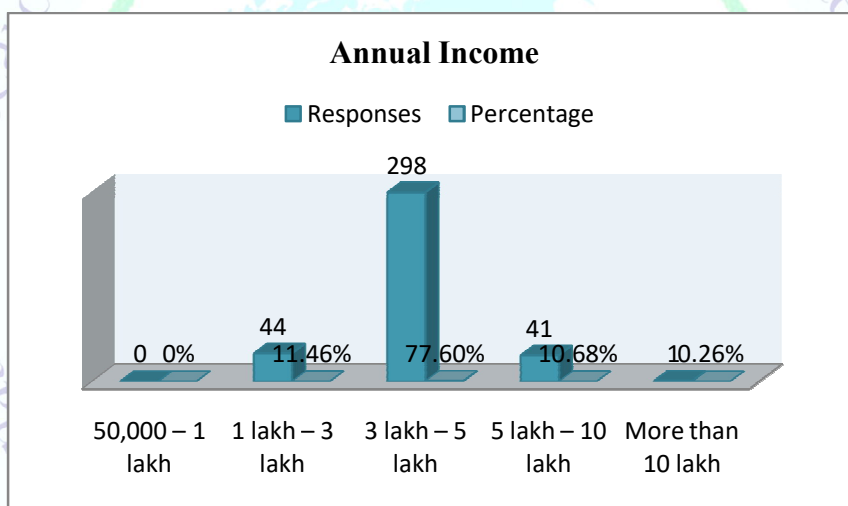


Graph No. 5.2.4 Educational qualification of Respondents

Interpretation:-About 71.35% of respondents are graduates who invest their money in various industries. The graduates are more conscious of their financial investments. Illiterate folks are also shown to be less knowledgeable about their financial investments.

Annual Income of the Respondents:

| Sr. No. | Annual Income | Responses | Percentage |
|---------|-------------------|------------|-------------|
| 1 | 50,000 – 1 lakh | 0 | 0% |
| 2 | 1 lakh – 3 lakh | 44 | 11.46% |
| 3 | 3 lakh – 5 lakh | 298 | 77.60% |
| 4 | 5 lakh – 10 lakh | 41 | 10.68% |
| 5 | More than 10 lakh | 1 | 0.26% |
| | Total | 384 | 100% |



Graph No. 5.2.5 Annual Income if Respondents

Interpretation:-The majority of respondents, who make investments in a variety of industries, fall into the 3–5 lakh income bracket. Very few respondents from other income groups reported investing their money in other industries. The other income categories are less knowledgeable about financial investments.

Preferred Investment type of the Respondents:

| Sr. No. | Investment Type | Responses | Percentage |
|---------|----------------------|-----------|------------|
| 1 | Saving Account | 5 | 1.30% |
| 2 | Fixed Deposit | 10 | 2.60% |
| 3 | Insurance | 65 | 16.93% |
| 4 | Post Office-NSC, etc | 20 | 5.21% |

| | | | |
|----|--------------------|------------|-------------|
| 5 | Shares | 85 | 22.14% |
| 6 | Gold/Silver | 42 | 10.94% |
| 7 | Real Estate | 27 | 7.03% |
| 8 | PFF/PF | 13 | 3.39% |
| 9 | Mutual Funds | 102 | 26.56% |
| 10 | Bonds / Debentures | 15 | 3.91% |
| | Total | 384 | 100% |

Mostly prefer Investment type of Respondents:

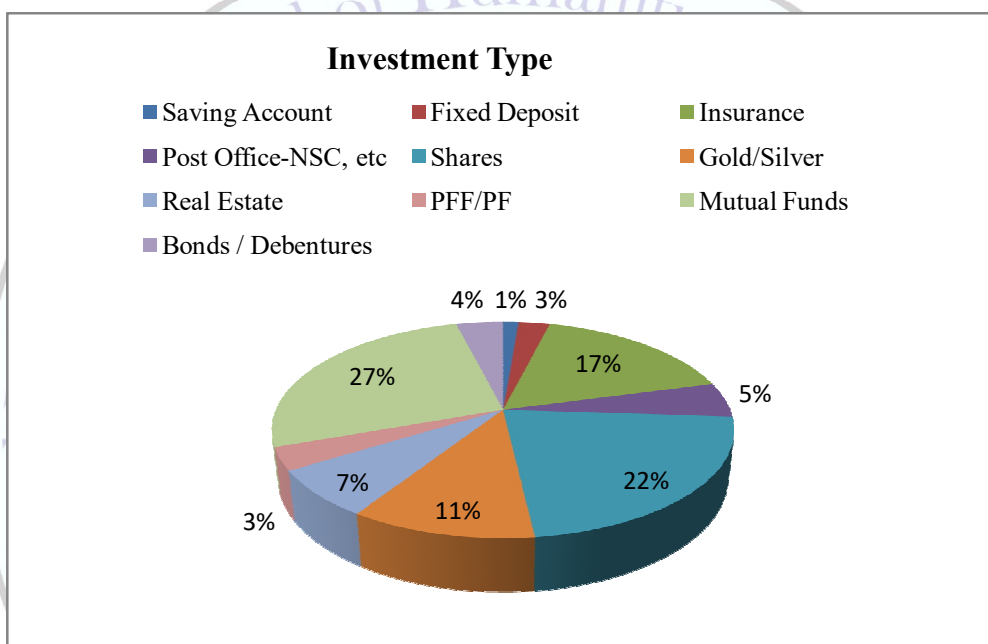
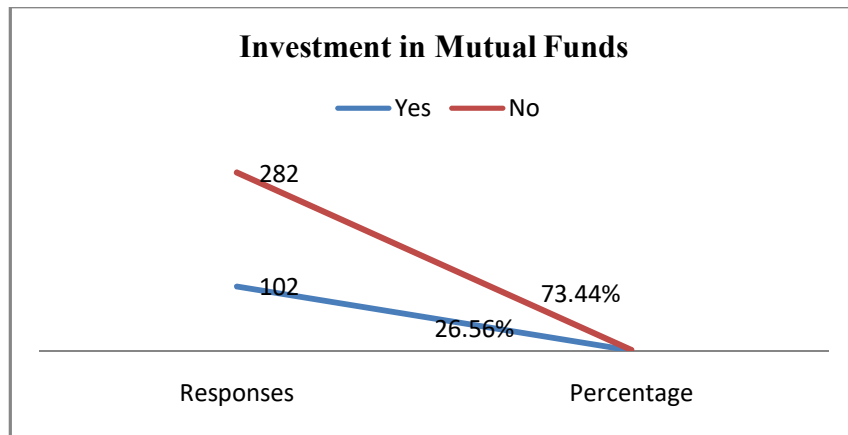


Chart No. 5.2.8 Mostly prefer Investment type of Respondents

Interpretation:-Out of 384 respondents, 26.56% (102) of them chose mutual funds as their method of investment. Only 1.30% of respondents invest their money in savings accounts (5). The remaining respondents make investments in various types of sectors.

Respondents invest in Mutual Funds:

| Sr. No. | Invest in Mutual Funds | Responses | Percentage |
|---------|------------------------|------------|-------------|
| 1 | Yes | 102 | 26.56% |
| 2 | No | 282 | 73.44% |
| | Total | 384 | 100% |



Graph No. 5.2.9 Respondents invest in Mutual Funds

Interpretation:- Shirala Taluka respondents make up about 73.44% of those who do not invest in mutual funds. Only 26.56% of those surveyed say they invest in mutual funds. Most respondents don't know much about mutual funds.

The objective of Respondents to invest in Mutual Fund:

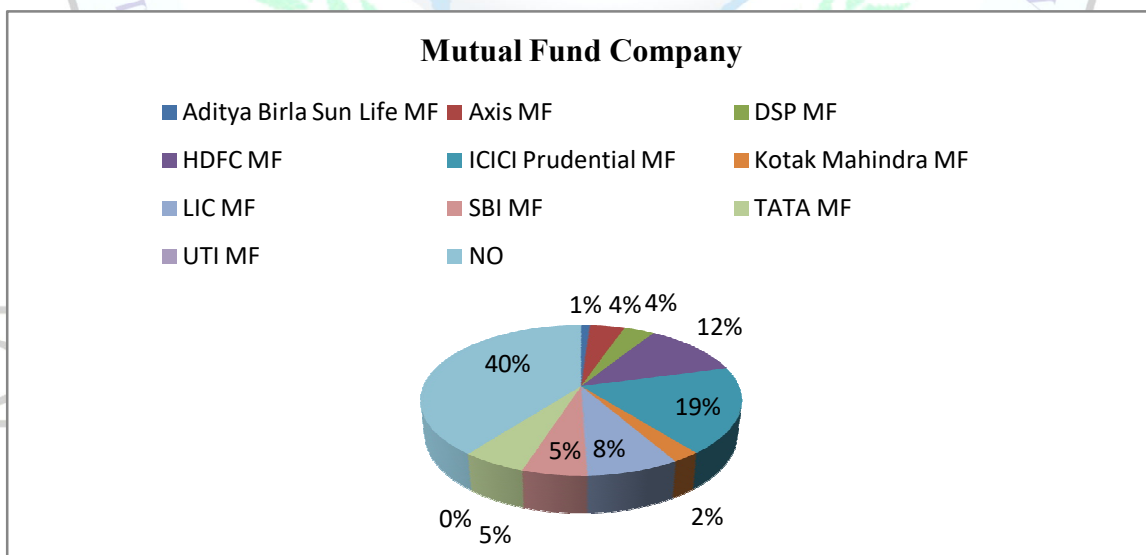
| Sr. No. | Objective to Invest in Mutual Funds | Responses | Percentage |
|---------|-------------------------------------|------------|-------------|
| 1 | Risk | 19 | 4.95% |
| 2 | Return | 63 | 16.41% |
| 3 | Tax Benefit | 6 | 1.56% |
| 4 | Capital Appreciation | 4 | 1.04% |
| 5 | Safety | 9 | 2.34% |
| 6 | Liquidity | 1 | 0.26% |
| 7 | Principal | 0 | 0% |
| 8 | Diversification | 1 | 0.26% |
| 9 | No | 281 | 73.18% |
| | Total | 384 | 100% |

Interpretation:- Out of the 384 respondents, the majority are unaware about investing in mutual funds. As a result, they have no need to invest in mutual funds. They represent around 73.18% of all respondents. The remaining 26.82% are informed about investing in mutual funds. As a result, everyone has various goals while investing in mutual funds. Out of that, 16.41% have a return goal, 4.95% have a risk goal, 2.34% have a safety goal, 1.56% have a tax benefit goal, 1.04% have a

capital appreciation goal, 0.26% have a liquidity goal, and 0% have a principal goal.

Mutual Fund Company Respondents prefer to invest their money:

| Sr. No. | Mutual Fund Company | Responses | Percentage |
|---------|--------------------------|------------|-------------|
| 1 | Aditya Birla Sun Life MF | 4 | 1.04% |
| 2 | Axis MF | 16 | 4.17% |
| 3 | DSP MF | 14 | 3.65% |
| 4 | HDFC MF | 46 | 11.98% |
| 5 | ICICI Prudential MF | 71 | 18.49% |
| 6 | Kotak Mahindra MF | 9 | 2.34% |
| 7 | LIC MF | 30 | 7.81% |
| 8 | SBI MF | 21 | 5.47% |
| 9 | TATA MF | 21 | 5.47% |
| 10 | UTI MF | 0 | 0% |
| 11 | NO | 152 | 39.58% |
| | Total | 384 | 100% |



Interpretation:-39.58% of respondents, or the majority, said they would not invest their money with any mutual fund provider. It demonstrates that they are ignorant about mutual funds. In addition, 18.49% of respondents say they prefer to invest their money with the ICICI prudential MF organisation. They are knowledgeable about all ICICI prudential MF company policies, 11.98% of respondents chose to invest their money with HDFC MF. The policies of the HDFC

MF are known to them. 7.81% of those surveyed prefer to invest their money with LIC MF. SBI and TATA MF Company are preferred by 5.47% of respondents as places to put their money. These responders are aware of the policies of these companies. The remaining respondents would rather invest their money in other MF businesses.

VI) Findings:

- 1) 64.50% (248) of respondents, the majority of whom are men, invest their earnings. While there are fewer female investors than male investors who invest money taken directly from their paychecks. It demonstrates how less informed female investors are than male investors.
- 2) 51.56% respondents was between the ages of 31 and 40. It demonstrates that respondents in the age range of 31 to 40 had a greater understanding of investing than respondents in other age ranges.
- 3) 71.35% of respondents are graduates who invest their money in various industries. The graduates are more conscious of their financial investments. Illiterate folks are also shown to be less knowledgeable about their financial investments.
- 4) Out of 384 respondents, 26.56% (102) of them chose mutual funds as their method of investment. Only 1.30% of respondents invest their money in savings accounts (5).
- 5) Shirala Taluka respondents make up about 73.44% of those who do not invest in mutual funds. Only 26.56% of those surveyed say they invest in mutual funds. Most respondents don't know much about mutual funds.
- 6) The 73.18% respondents (73.18%) are unaware of investing in mutual funds. They lack any informational resources that would aid in educating people about the benefits of investing in mutual funds. And of the remaining respondents who are aware of investing in mutual funds.
- 7) 39.58% of respondents, or the majority, said they would not invest their money with any mutual fund provider. In addition, 18.49% of respondents say they prefer to invest their money with the ICICI prudential MF organization. 11.98% of respondents chose to invest their money with HDFC MF.
- 8) The 51.56 % respondents anticipate gains from mutual funds of 10% to 30%. With their mutual fund investment, they anticipate modest gains. According to 45.83% of respondents, mutual funds should yield more than 30%. It demonstrates that they aim to get the most out of their mutual fund investment.

VII) Suggestions:

1. Because women invest their money in a variety of sources, the business needs to concentrate on women. Women make up a very small percentage of investors. Therefore, the business must find these clients and inform them about investing in mutual funds.

2. People in rural areas often have limited knowledge of mutual funds. Therefore, they are unable to invest in mutual funds. The business can operate in such a remote place. The business can grow its clientele through promoting, running campaigns, and offering guidance. in order for people to invest in mutual funds and become aware of them.
3. For investors in Shirala Taluka, all mutual funds should arrange and provide educational sessions on investing.
4. The many investment plans offered by mutual funds need to be made more widely known by mutual fund businesses through social media, which is a key channel for reaching customers.
5. The baseline of loyal, long-term small investors must be increased, according to DSP Mutual Fund. The strain of risk is lessened by long-term investments for both investors and mutual funds.

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