

“A Research Study on Women Investors' Attitudes toward Mutual Fund Investments in Rajkot city”

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Abstract:

Every investor is highly interested to invest in the India's growth story. Because of its growing and emerging market for investors, mutual funds are safe and for helping higher return. This research study bases to identify the various encouraging factors of women investor's approach for doing mutual fund investment. As comparison of direct equities market, mutual funds are recommending reasonably more return and less risk. In this study, review of investors' awareness of mutual fund investment which has been considers on monthly income and future needs. This research study shows on to identify mutual fund awareness of women investor in Rajkot city. The objective of investment has been observing that importance of different elements influencing women investor while taking decision regarding mutual fund investment. A survey was conducted on Rajkot city. The method of questionnaire was used to collect data of 123 female investors. For data analysis used chi-square testing method and Interpretation of primary information. The outcomes of this study will help the mutual fund industry for shaping to increase awareness regarding mutual fund investment among women investor.

Keywords: Women Investors, Mutual Funds

Introduction:

A mutual fund is a collective investment vehicle that collects & pools money from a number of investors and invests the same in equities, bonds, government securities, money market instruments. The money collected in mutual fund scheme is invested by professional fund managers in stocks and bonds etc.

The money collected in mutual fund scheme is invested by professional fund managers in stocks and bonds etc. in line with a scheme's investment objective. The income / gains generated from this collective investment scheme are distributed proportionately amongst the investors, after deducting applicable expenses and levies, by calculating a scheme's "Net Asset Value". In return, mutual fund charges a small fee.

In short, mutual fund is a collective pool of money contributed by several investors and managed by a professional Fund Manager. Mutual Funds in India are established in the form of a Trust under Indian Trust Act, 1882, in accordance with SEBI (Mutual Funds) Regulations, 1996.

How a Mutual Fund works?

When you invest in a mutual fund, you are pooling your money with many other investors. Mutual fund issues "Units" against the amount invested at the prevailing NAV. Returns from a mutual fund may include income distributions to investors out of dividends, interest, capital gains or other income earned by the mutual fund.

Why invest in mutual funds:

Mutual funds provide certain distinct advantages over investing in individual securities. Mutual funds offer multiple choices for investment across equity shares, corporate bonds, government securities, and money market instruments, providing an excellent avenue for retail investors to participate and benefit from the up trends in capital markets. The main advantages are that you can invest in a variety of securities for a relatively low cost and leave the investment decisions to a professional manager.

Literature Review:

(Srinivasan, 2023) The goal of the current study was to determine how investors perceived the challenges of investing. The study, which is qualitative in nature, was conducted in August 2023. A purposive sample of 400 mutual fund investors was chosen in order to learn more about how investors see these products. Google forms are used to gather the data, and SPSS is used for analysis. The study's findings showed that mutual fund companies must give prospectors crucial information about the scheme, such as its reputation, asset count, return performance, and risk profile.

(Purohit, 2016) The primary goal of this study is to determine which mutual fund plans in the Jaipur district of Rajasthan (India) urban working women prefer. A sample size of 100 working women with varying demographic features is selected using the random sampling technique. This study examines how women's attitudes about mutual fund investing are influenced by demographic characteristics.

(Singh, 2011) This study examines a number of topics, including mutual fund operations, structure, and comparisons between bank and mutual fund investments as well as NAV calculations. This study examines how different demographic characteristics affect investors' perceptions of mutual funds. The Chi-square test has been used to measure a variety of phenomena and analyze the data gathered effectively and efficiently in order to draw reliable conclusions. Ranking was done using weighted scores, and scoring was also done using a scale to analyze the various factors that influence mutual fund investment.

(Chawla, 2014) The study's sample of 431 respondents was selected through convenience sampling in order to gain insight into individual investors' mutual fund purchasing patterns. The article lists the several qualities that investors look for in mutual fund investments. Credibility of the fund and other aspects of the fund are the two fundamental elements of significance that are extracted. It is determined how these parameters relate to demographic characteristics. The essay makes recommendations for further study as well as for mutual fund businesses.

Scope of the study:

The study is necessary since investors' primary goal is to increase returns while taking risk and liquidity into account. An investor searches for different investment opportunities with this goal in mind. Compared to direct stock market investment, mutual funds offer relatively higher returns and lower risk. An assessment of investors' perceptions of mutual fund investing, with a focus on monthly earnings Plan funds, has been attempted in this study article.

Objectives:

- Identify mutual fund awareness among women investors in Rajkot city.
- To examine the significance of the elements influencing women's mutual fund investment decisions.

- To examine the risk tolerance levels and investment strategies of women.
- To explore the barriers faced by women in investing and how these can be overcome.

Research Methodology:

A survey was carried out in Rajkot city. A questionnaire was used to survey 123 female investors in individual mutual funds. The selection of female investors was based on experience investing in mutual funds and familiarity with the fundamental terms used in the industry. An effort has been undertaken to determine how female investors see investing in mutual funds and to pinpoint the contributing elements. Chi-square and other statistical tools have been used to test the hypothesis and obtain considerable acceptance. SPSS is utilized to examine the data. There is a 5% margin of error and a 95% confidence level. Data reliability is assessed using Cronbach's alpha.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.770	13

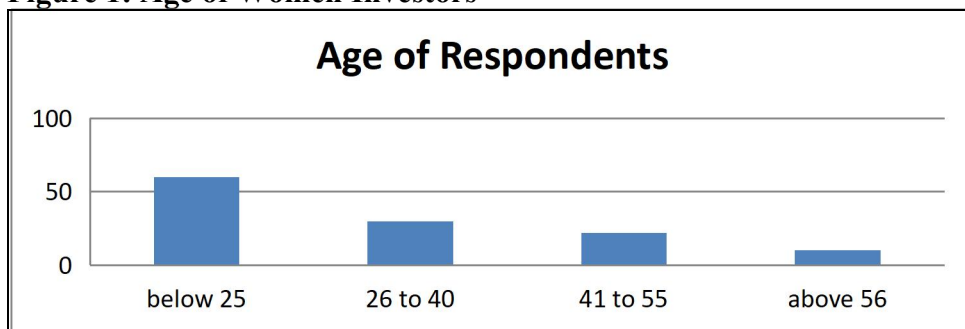
Source: Calculated with SPSS

The alpha score in this case is 0.770, confirming the consistent quality of the items being studied and establishing their reliability for additional investigation.

Data Analysis and Interpretation:

Each element is taken into consideration while analyzing the data gathered via the questionnaire, and the results are shown below.

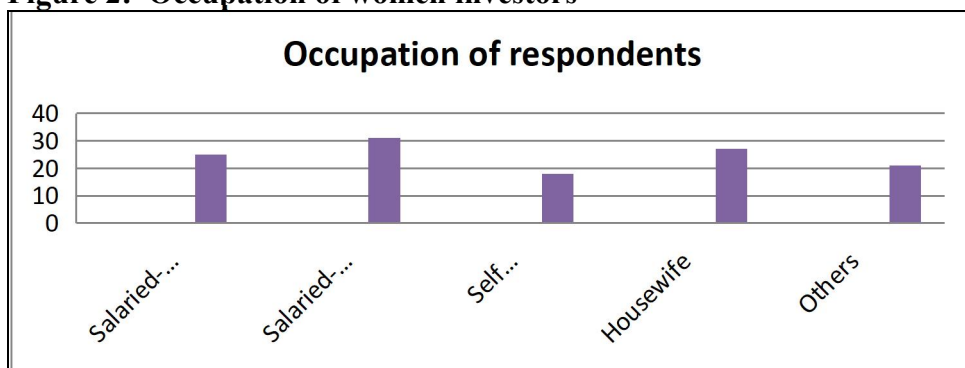
Figure 1: Age of Women Investors



Source: Primary data

According to Figure 1, of the 123 respondents, 49.6% of the women are below the ages of 25, 24.4% are between the ages of 26 and 40, and 17.9% are between the ages of 41 and 55. Just 8.1 % are in the above 55 age range.

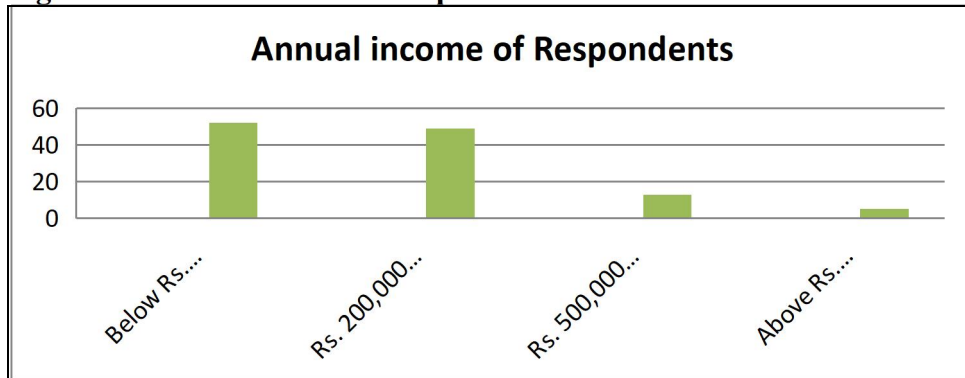
Figure 2: Occupation of women investors



Source: Primary data

It is observed from figure 2, that majority of the women respondents are salaried in private sector 25.2% and 20.3%, 14.6%, 22% and 17.9% are, government servant, self employed, housewife and others respectively.

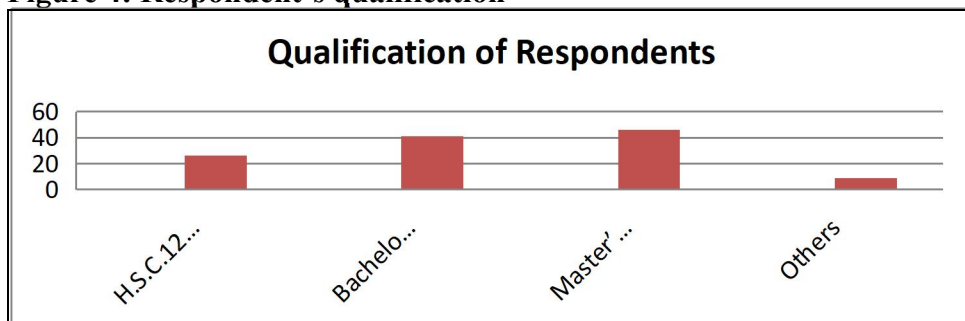
Figure 3: Annual Income of Respondents



Source: Primary data

According to Figure 3, information of annual income of respondents. 44.2%, 40.8%, 10.8% and 4.2% respondents fall between range of below 5 lakhs, 2 to 5 lakhs, 5 to 10 lakhs and more than 10 lakhs respectively.

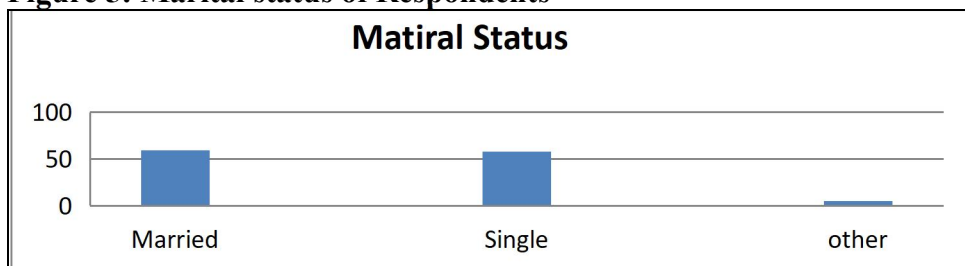
Figure 4: Respondent's qualification



Source: Primary data

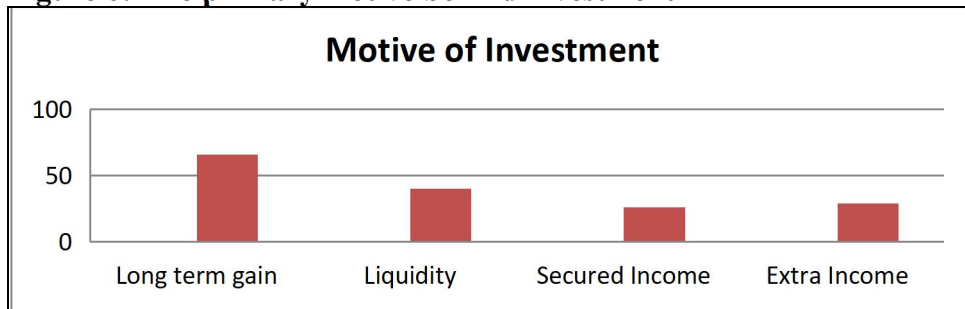
It is observed from figure 4, that majority of the women respondents are H.S.C. (21.1%) and 33.3%, 38.2% and 7.3% are Bachelor's degree, Master's degree and others respectively.

Figure 5: Marital status of Respondents



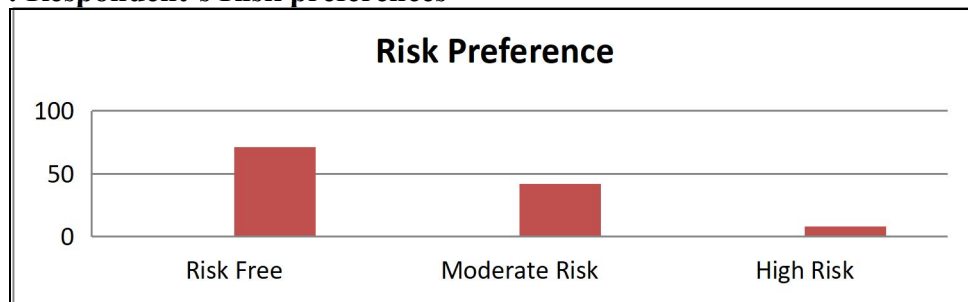
Source: Primary data

Figure 5 shows that 48% of the women respondents are married and 48 % are unmarried and 4.1 % women are included others.

Figure 6: The primary motive behind investment

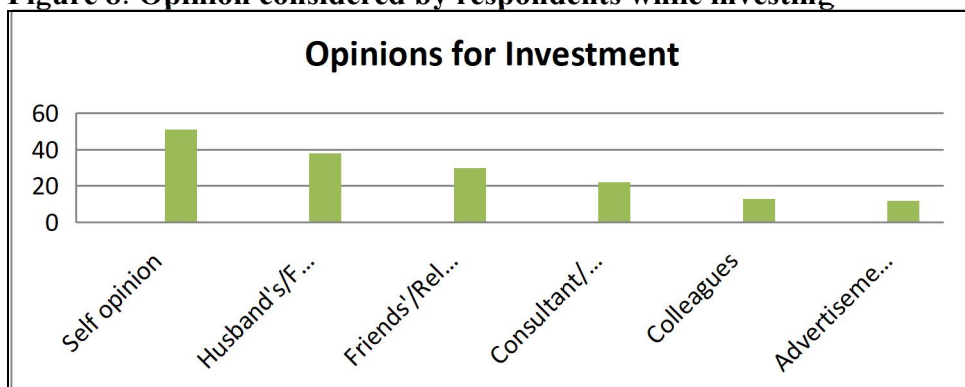
Source: Primary data

According to figure 6, majority respondents are interested in long term investment as 55%, 33% women investors are interested in cash on hand approach, 21% and 24% women investors are interested in secured and extra income as per research analysis.

Figure 7: Respondent's Risk preferences

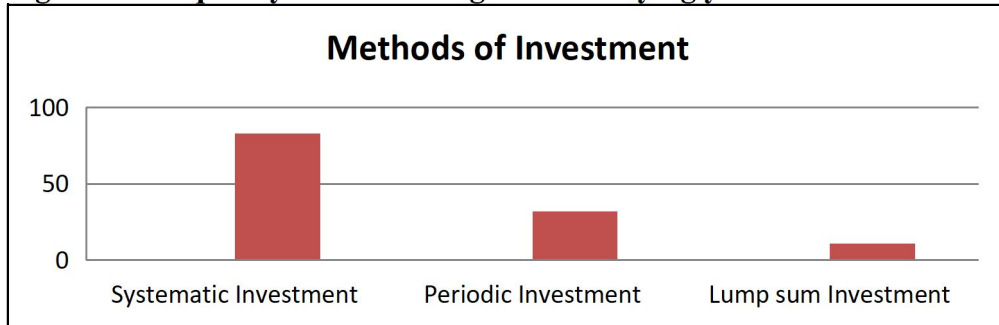
Source: Primary data

It is clearly evident from figure 7 that majority of women considered 58% risk free investment, 35% moderate risk and 7% only women interested in high risk investment.

Figure 8: Opinion considered by respondents while investing

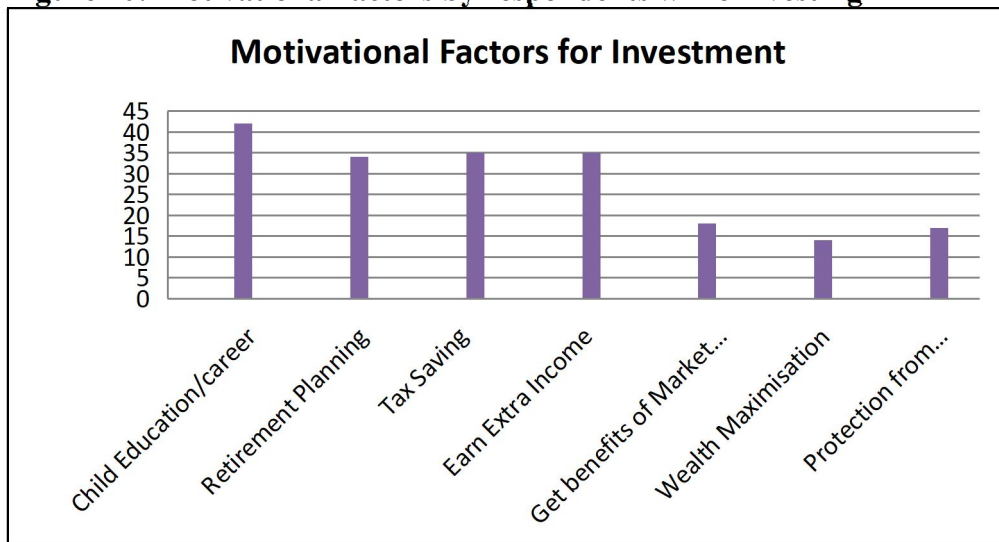
Source: Primary data

It is clearly evident from figure 8 that majority of women considered self opinion 43.7% husbands and father's opinion (32.8 %) while investing. 25.2% women take their friends or relatives opinion. 19.8% 11.8%, 10.9% women consider opinion of agents, colleagues and advertisement.

Figure 9: Frequency of Monitoring and Modifying your Investment Plans

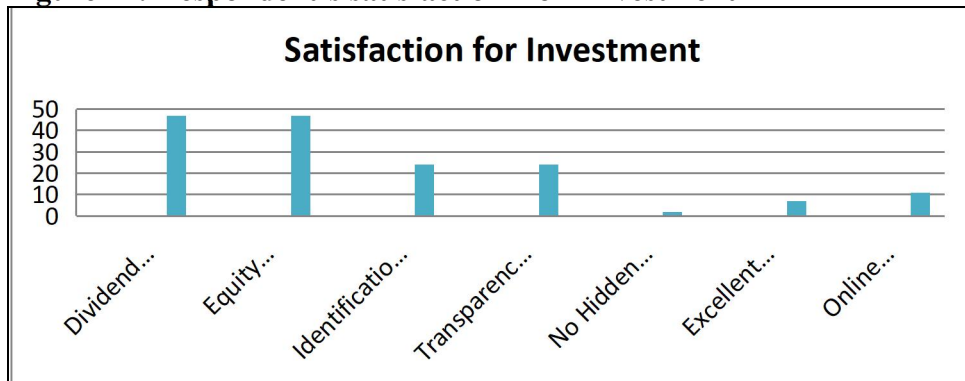
Source: Primary data

Figure 9 shows frequency of monitoring and modification in investment plans by women. 69.4%, 27.3% and 9.1% women monitor and modify their investment plans Systematic Investment, Periodic Investment and Lump sum Investment respectively.

Figure 10: Motivational factors by respondents while investing

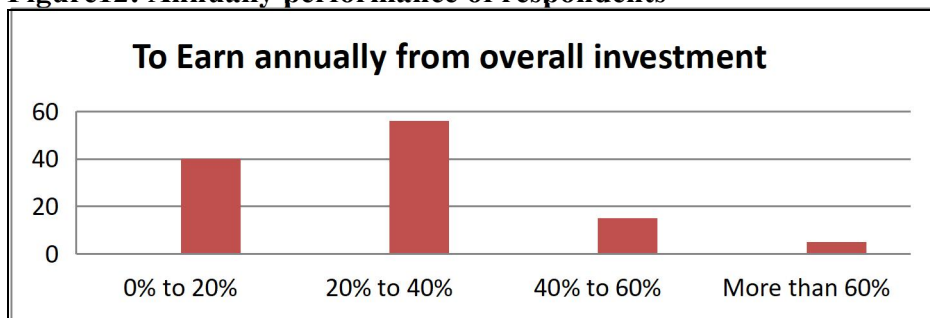
Source: Primary data

According to figure 10, we see that majority of women investor as 35.3% likely to do investment as her children's education and career settlement. Even 29.4%, 30.3% and 30.3% women investors motivated to do investment for their retirement planning, tax saving and to earn extra income respectively. Remaining women investor motivated to get benefits of market opportunities, wealth maximization and protection from inflation as 16%, 12.6% and 14.3% respectively.

Figure 11: Respondent's satisfaction from investment

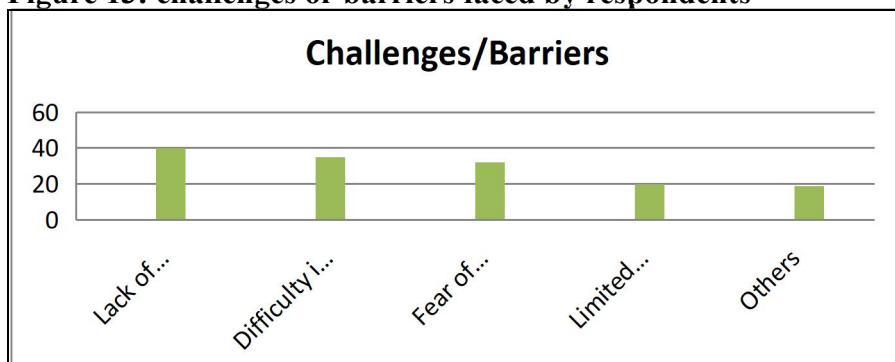
Source: Primary data

It is observed from figure 11, that majority of the women respondents are satisfied for 40.7% equity return on investment, 40.7% satisfaction ratio for dividend payout ratio while 25% are satisfied because no hidden cost and transparency in operations. Also we can consider that 10% to 20% satisfied for excellent distribution network and user friendly online investment portal which Identification of my needs.

Figure12: Annually performance of respondents

Source: Primary data

According to figure 12, majority women investors (48%) are getting as 20% to 40% returns on their total investment while 35% respondents are getting return as below 20% and 12.6%, 4.3% respondents to earn return 40% to 60% and more than 60% respectively.

Figure 13: challenges or barriers faced by respondents

Source: Primary data

It has been observed from figure13 that 36% women investors face challenges as lack of knowledge regarding investment, 31.6% respondents have problem to find out right mutual fund as per their requirements, 28.9% respondents have fear of market volatility or instability,

18.4% and 16.7% respondents have to face challenges as scarcity of capital and other so many barriers while investing.

Hypothesis testing

The null hypothesis is accepted if the significant value from the chi-square analysis is higher than 0.05. The test findings are summarized in the accompanying table, and the acceptance or rejection of the null hypothesis is indicated in brackets.

Chi square values

Investment Avenues	Age	Marital Status	Occupation	Income	Opinion of others
Systematic Investment	0.282 HO: Accepted	0.122 HO: Accepted	0.471 HO: Accepted	0.275 HO: Accepted	0.451 HO: Accepted
Periodic Investment	0.482 HO: Accepted	0.931 HO: Accepted	0.893 HO: Accepted	0.525 HO: Accepted	0.730 HO: Accepted
Lump sum Investment	0.225 HO: Accepted	0.446 HO: Accepted	0.928 HO: Accepted	0.279 HO: Accepted	0.794 HO: Accepted

Conclusion:

According to the report, the majority of female investors have knowledge of the different mutual fund plans. Investors in mutual funds are primarily between the ages of 25 and 55, with incomes ranging from Rs 2, 00,000 to 5, 00,000. The primary features of mutual funds that attract female investors are children's education and tax-saving benefits. The majority of female investors are conscious of the various mutual fund schemes, and they choose to invest in Mutual funds due to their reliable returns as 20% to 40%.

Suggestion:

The best advice for female investors is to keep their investments for a long time while thinking about their saving habits and the amount of risk involved; to reduce investment risk, they should avoid investing in highly volatile funds; to gather any necessary data before making an investment; to conduct periodic reviews of their investments; to behaviour risk analyses on a regular and appropriate basis; and to keep accurate records of every transaction. To minimize the risk connected to investing, investors should also carefully and intelligently diversify their mutual fund holdings.

Future Scope for the Study:

The study can analyze the financial choices of women investors in mutual fund investments by taking a broad look at their awareness of these schemes. In particular, open-ended or closed-ended systems and their investment habits of making decisions may be the subject of future research.

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