

A STUDY RELATED TO INDIVIDUAL INVESTOR PERCEPTION TOWARDS VARIOUS INVESTMENT OPTIONS IN MUMBAI REGION

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Abstract :

The financial environment is witnessing tremendous and spectacular growth during the last few decades. Various Investment options(Gold, real estate, Financial Instruments) at disposal of Investor has provided them an opportunity to increase their returns on their Investments .The important financial instruments include mutual funds, small saving schemes, deposits, bonds, corporate securities and insurance. Investment decision is based on level of awareness of the investors , their objective for making an investment, risk and return of an Investment. Thus we can say that perception towards a particular investment decides the ideal investment decisions and this paper puts an insight into how people are interested in investing various options available to them in Mumbai Region .

Key words: Mutual Funds, Investor, Investment Options, Financial Sector, Perception

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Introduction:

India is growing rapidly in the financial sector, where number of options are available to the investors to invest in different areas and earn a huge profit and multiply the profitability with less risk. In early days investment options were only Bank deposits, bonds, government schemes etc. but nowadays various market related options are available to the investors to invest in various government and non-government funds which are a form of alternative investments(Salunkhe et al., 2020). For decision making every investor divides the investment goals in three basics categories i.e., long term, medium term, and short-term investment. Investment means putting the funds in some asset which is going to give handsome returns according to our expectations and leads to capital appreciation(Ikhar Mahendra kumar2014)Investment plan is a blueprint or road map which give clear picture of investment(Bhasin, 2023). Growth and finance of country are interdependent, if financial sector is strong, definitely there will be high growth rate of the economy and vice versa(Green, 2008). Various types of investments options available in India are fixed deposits, PPF, LIC and GIC policies, Government schemes, debt funds, corporate funds, government bonds, mutual funds ULIPS, direct equity, equity mutual funds, NPS, real estate, senior citizen saving schemes, SGBs, NSCs, Post office time deposits, Debt funds, Hybrid funds, ETFs, IPOs, FDs, etc. Various factors to be considered while investing are long term goals of getting huge amount, lowering the risk, best performance of money, less lock in period, tax benefit etc.(Bhasin, 2023). Investment

decisions are taken with respect to market outcomes and conceptual knowledge and awareness of investors regarding the investments. Investors behaviour towards the investments change with respect to behavioural finance. (Praba, 2011). Thus we can say that perception towards a particular investment decides the ideal investment decisions and this paper puts an insight into how people are interested in investing various options available to them in Mumbai Region .

Statement of the problem:

Indian investors have number of options available to invest in the financial sector and that is one of the reason of the diversion of funds to different options. No investment is without risk or risk free. Anyone can invest in different options available to them. With this background, the research is conducted to study the investors preference towards different options available to them in Mumbai city.

Design/Methodology/approach- The research was conducted with the help of questionnaire designed to ask from the samples (100 respondents) chosen deliberately with the intension of investing.

Review of Literature:

Manikandan A. and Muthumeenakshi M. (2017) studied the existing literature on investor perceptions towards different investment avenues. The writers cover a wide range of investing options, including bank deposits, mutual funds, stocks, gold, and real estate. They also identify a variety of characteristics that impact investor attitudes, such as risk tolerance, investing goals, and financial literacy. According to the research, investors have a good opinion of all investment options, although their choices vary based on their unique circumstances. According to the study, it is critical for investors to select investing options that are linked with their particular risk tolerance, investment goals, and financial knowledge. To avoid risk, investors should diversify their portfolios by investing in diverse asset groups.

Tripuraneni Jaggaiah and Samiya Mubeen (2018) undertake a study that analyzes the perceptions of Indian women investors towards mutual funds. The authors collect data on investor awareness, knowledge, attitude, and experience with mutual funds using a survey of 200 women investors in Hyderabad. The majority of women investors in Hyderabad are aware of mutual funds, but their understanding of mutual funds is limited. Women investors in Hyderabad have a favourable attitude towards mutual funds. The study does, however, discover that women investors are hesitant to engage in mutual funds owing to a lack of information and expertise.

Aashish Sangwan (2019) investigates investor investment choices and perceptions of various financial instruments with a focus on Hisar. The study discovers that investors prefer to invest in bank deposits, stocks, mutual funds, and commodities in the ratio 5:3:8:4. The article also discovers that all investors' interests are the same when investing in mutual funds, and the investors' preferences for strong returns, frequency of investment, and tax benefits are in the ratio of 6:3:1.

S. Senthil Kumar and S. Sangeetha (2021) investigate the influence of investor perception on desire for mutual fund investing in Chennai. The research examines four elements that impact investors' perceptions of mutual fund investing, including performance evaluation, risk-return trade-off, service quality, and convenience.

Parihar and Sharma (2009) had realized that Mutual funds are the monetary intercessors that can summon savings of people and canalize that in the new avenues where funds are demanded. Recently mutual funds have emerged as active fragment in the financial sector. has also realized that mutual funds are the pools of saving and they share common objective of investors. The funds are collected in capital market instruments like shares, debentures, and other securities.

Katharina, Helmut, and Julia (2012) argue that today’s way of informing the investors about risk in the financial markets is not enough to give them proper knowledge about the risk in investment in the financial market. The financial advisors should know how risk is perceived by these investors and how it is affecting the investment decisions.

Ghosh and Barman (2020) did their study related to investment pattern of female faculties compare to male faculties in Mumbai and they concluded that women are well informed about their investments nowadays and they take their financial decisions independently, that is the reason may financial products are designed in considerations with women investors.

Need of the study:

Individual investor is having alternative sources of income, and it leads to their profitability. This study is very important to find out various investment options available to them and their knowledge about investing in a particular option.

Scope of the study:

This paper provides the insight of investors attitude towards investing in different options of investment available to them.

Limitations of study:

Limited time is one of the limitations of this study, another thing is the place. The researcher has conducted this study from Mumbai , Maharashtra ,India so some variation will be noticed in the investment interest of individual investors in other parts of India as well as other countries.

Hypothesis:

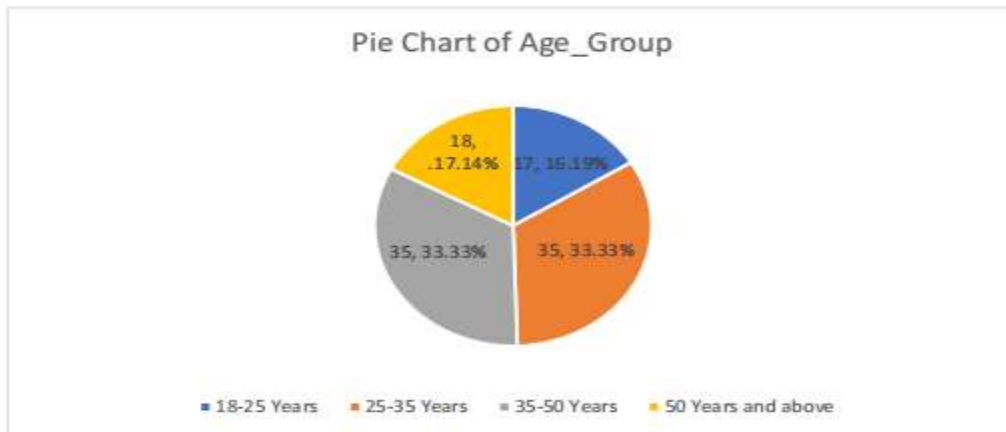
H0 There is no significant variation in Investor perception towards Mutual Fund & Other Investment Avenues.

H1 There is significant variation in Investor perception towards Mutual Fund & Other Investment Avenues.

Data analysis and interpretation:

Data is collected with the help of structured questionnaire and analysed with the help of SPSS

Age group	Frequency	Percentage
18-25 Years	17	16.19%
25-35 Years	35	33.33%
35-50 Years	35	33.33%
50 Years and above	18	17.14%
Total	105	100%



Area of work

Area of work	Frequency	Percentage
Business man or Entrepreneur	4	3.81%
Government employee	6	5.71%
Home maker	3	2.86%
Independent Professional	12	11.43%
Private sector employee	80	76.19%
Total	105	100.00%

Monthly Income Details

Monthly income	Frequency	Percentage
Less than Rs. 50,000	38	36.19%
Rs. 50,000 – Rs. 99,999	30	28.57%
Rs. 100,000 – Rs. 199,999	23	21.90%
Rs. 200,000 - Rs. 500,000	10	9.52%
Rs. 500,000 or more	4	3.81%
Total	105	100.00%

Hypothesis test

H0: There is no significant variation in investors perception towards Mutual Fund & Other Investment Avenues

H1: There is significant variation in investors perception towards Mutual Fund & Other Investment Avenues

Since observations are in terms of frequencies, Chi-square test is used to test the Null Hypothesis.

The SPSS **Chi-Square Tests** result table is as below.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.873 ^a	5	.003
Likelihood Ratio	17.252	5	.004
Linear-by-Linear Association	11.399	1	<.001
N of Valid Cases	1294		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.53.

Here the Chi-square value is $17.873 > 10.07$ (Table value) \rightarrow Ho is rejected at 5% los. The test is significant as the p-value = $0.003 < 0.05$

Conclusion: There is an association between the investor's perception towards Mutual Fund & Other Investment Avenues at 5% los.

Findings:

This study finds that there is significant variation in Investor perception towards Mutual Fund & Other Investment Avenues due to their knowledge and understanding for the avenues to invest and also their earnings.

Conclusion:

Individual investor or Retail investors is the spine of financial market, growth of financial market is increased substantially. There are sea changes in understanding of investors and their perceptions towards investing in various options available to them. This study shows the appetite of individual investors who are non-professional investors and their perceptions towards investing in a particular avenue available to them. Individual investors are always trying to get quick money and that will be possible with the help of investing in mutual funds and equity linked saving schemes when the market conditions are favourable and the other long term avenues are helpful when the market conditions are not favourable.

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