

Periodic Research

Study of Factors Influencing Investment Decisions in Mutual Fund Schemes

Abstract

The present paper is an attempt to examine the factors influencing investment decisions in mutual funds schemes. The study is descriptive in nature based on primary data of 134 respondents from Haryana and NCR region. The t-test and ANOVA has been used in analyzing the factors influencing mutual fund investment decision. The study found that diversification and scheme expenses ratio were major factor which were considered by the investors at the time of mutual fund investment. It was also observed that male investors relatively more active toward mutual fund investments in comparison of female investors. The study also observed that the past performance, fund reputation and size of corpus were major factors which were preferred by the high income group investors. The ownership of fund and size of corpus were most preferable investment variables which considered by the mutual fund investors on the basis of educational level. But on the basis of occupation of investors, the past performance and fund reputation are the most influential factor affecting the investors' preference towards the mutual fund investment. The study concluded that the demographic factors have the influence on investment decisions in mutual fund schemes.

Keywords: Liquidity, Volatility, Diversification, Systematic Risk.

Introduction

Mutual fund is a financial institution that pools and professionally manages money from many investors and allocates to equity, bond, commodities, and real estate and cash instruments. Mutual Fund invests in diversified asset classes and diversified securities within an asset class more optimally than a single investor. The systematic and unsystematic risk exists while making investment decisions. Systematic risk is related to the market, while unsystematic risk is related to the conditions of individual assets. The major tool of mutual fund is diversification technique which reduces the unsystematic risk of a portfolio and investors face only systematic risk. A mutual fund has more funds, and hence has more capabilities to invest in various types of securities than a single investor (Statman, 1987), (Lhabitant and Learned, 2002). The advantages of diversified portfolios make mutual funds attractive for investment purposes. The mutual fund industry in India started with the establishment of Unit Trust of India (UTI) by Government of India and the Reserve Bank of India in 1963. Both public and private sector banks were allowed to enter the business of mutual fund in the year of 1987 and 1993 respectively. Since then the mutual fund industry has been growing day by day. As per the data available from Association of Mutual Fund in India (AMFI), there are 42 mutual funds in India. All these mutual funds houses provide more than 2500 scheme with different kind of features and objectives. Every scheme comes with different type of combination such as risk involved, dividend option, growth option, income option to name a few. An investor can choose a particular scheme by matching his investment objective with the objective of that scheme. Even there are studies that have explored the factors that drive the investors to choose among the schemes available to them. But keeping in view the growing asset base of mutual funds and the luminous investment platform provided by mutual funds, there is a need of more rigorous exploration of factors that induce the investors to invest in a particular type of scheme. The present study is an attempt for making a contribution toward the pool of existing literature on this issue. The next section deals with the brief review of existing literature available followed by the research methodology and analysis of data. Finally we conclude the results of present study in the last section.

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Review of Literature

This section presents a review of research studies conducted on Investor's Behavior towards Mutual Funds. The research work reviewed here has been sourced from various sources. **Bollen (2007)** observed that mutual fund investors are more loyal to socially responsible funds while socially mutual funds are more volatile than the conventional mutual funds. **Ru Wu and Yuan Chang (2008)** concluded that investors evaluate performance of mutual fund on the basis of mutual fund's dividend yield, market risk premium, NAV of mutual fund and investment environment. Investment environment includes interest rate, exchange rate, money supply and consumer price index. **Saini et. al. (2011)** tested investors' awareness and opinion regarding major deficiencies in working of mutual fund industry by selecting 200 investors from Chandigarh with the help of chi-square test and ranking method. The study observed that the main objective of the mutual fund investors is to avail the tax benefits followed by high return, safety of the schemes. The majority of the respondents use newspapers (23%) as a source of information followed by brokers (22%), internet (22%). It is also interesting to notice that there is no source of adequate information investors can rely upon. **Pandey (2011)** analysed the pattern of investors' behavior regarding periodic and non-periodic investment and described that people have potential for periodic investment. The frequency of periodic investment is very less due to high volatility, ignorance of people, lack of knowledge and expertise. **Yang and Wu (2011)** studied the relationship between investor's sentiment and price volatility in Taiwanese stock exchange (TAIEX) for the period from 2002 to 2008 by using Grey relation analysis model. The investor sentiments impact the price volatility and TAIEX option the most influenced during the research period. **Mishra and Kumar (2012)** examined the relationship between information search and processing behaviour of mutual fund (MF) and marketing of mutual fund schemes. There is positive relation between investor's subjective knowledge (SK) and purchase involvement decision (PDI). The purchase involvement decision (PDI) positively influences the investors Depth Information Search (DIS) and Depth Information Processing (DIP) regarding the mutual fund investment. **Mishra and Kumar (2012)** measured the degree of impact of Purchase Decision Involvement (PDI) of mutual fund on investment behavior of mutual fund investor of Jammu region in Jammu & Kashmir, India. The results of regression analysis and t-test indicated that there is significant difference between the behavior of low Purchase Decision Involvement (PDI) of mutual fund investor and high PDI investor. The study suggested that High PDI investors consider some specific brand and analyze them in depth and width by comparing different attributes of mutual fund. The mutual fund companies target low PDI investors in comparison to high PDI investor to sell their products. **Balamurugan and Raj (2012)** analyzed the investment pattern of investors of Unit Trust of India

(UTI) from Thoottukudi, Tamil Nadu (India). The result indicated that gender, age, level of income, occupation and level of satisfaction influence the behaviour of mutual fund investors. The study suggested that UTI Mutual fund should conduct awareness program, provide better services and introduce new schemes for investors. **Walia and Kiran (2012)** found that an individual's age, level of knowledge, income level, and volatility of stock market and disclosure practices of mutual fund industry has significant impact on risk perception of mutual fund investors. **Paul (2012)** conducted a survey to identify gap between investor's expectation and experience of mutual fund investor of Guwahati city. There is significant difference between expectation and experience of mutual fund investor. The industry should design new products and grievance system to meet the expectation of mutual fund industry. **Vyas (2012)** analyzed the investor's perception and expectation about mutual fund. Gold found to be the most preferred investment avenue followed by bank deposits, life insurance and lump sum investment. The study also reveals that 73% investors know about risk factor in mutual fund and 53% analyze the risk. **Sharma (2012)** conducted a study to identify the desirable characteristics of mutual funds by using three main factors namely fund/ scheme related attribute, monetary benefits and sponsor's related attributes. The mutual fund companies should disclose updated information, provided assurance of safety and monetary benefits. **Shah and Baser (2012)** conducted a survey to investigate preference for fund performance and fund's sponsor qualities regarding age and occupation of mutual fund investor in Ahmedabad city. The investors' age effects their preference for fund reputation, brand name and minimum initial investment. The occupation effects investor preference for fund reputation, withdrawal facilities, sponsor brand name, sponsor expertise and sponsor past performance. **Idhayajothi et al. (2013)** analyzed the customer attitude towards UTI mutual funds and described that 64 percent respondents are satisfied with the schemes of UTI, 65 percent respondents have invested in UTI for capital gains, 59 percent respondents satisfied with guidance and advice of UTI agents and 74 percent agree that the agent service of UTI and collection of forms is excellent. **Swain and Sahoo (2013)** concluded that people are not aware about mutual fund products and graduated younger people (25-35) can be potential customer of mutual fund. The systematic investment plan (SIP) is an innovative instrument and attracts mutual fund investors in comparison to one time investment plan. **Lai and Hsu (2013)** tested the relationship between fund manager's behavior and individual investor sentiment regarding mutual fund and found significant impact of individual investor's sentiment on fund manager behaviour. The investor's greed and fear bring the unreasonable changes in price of stock which enforces the fund manager to change the allocation of fund. **Sharma and Rao (2014)** attempted to study effect of age on risk appetite of retail investor of Rajasthan for investing in

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mutual fund. The age negatively influences the risk taking ability of individual. **Massa and Yadav (2015)** studied influence of market sentiment on mutual fund strategies by using the Grey relation analysis and found that low Fund's Sentiment Beta (FSB) outperform high FSB funds by 3.8% per year even after controlling the effects for standard risk and fund characteristics. **Hea and Caobet (2015)** studied the performance and market timing ability of active Chinese stock mutual funds and examined the relationship of fund characteristics and fund flows with fund performance and market timing ability. The result shows that there exists an inverted- U shape relationship between fund flow volatility and performance.

Research Objectives

The main objective of the study is to examine the factors influencing investment decisions in mutual funds schemes.

Research Design

The study under consideration is descriptive in nature. In order to collect the data from respondents a questionnaire has been used. The survey was administered personally on face-to-face basis with the respondents.

Database and Sampling

The present study on An Evaluative Study of Alternative investment Schemes (with special reference to Mutual Funds) is based on primary data collected from respondents of Haryana and NCR. With the aim of collecting primary data, a sample of 150 investors has been selected using simple random sampling. Out of this, 16 incomplete or otherwise unusable questionnaires were discarded and the data on 134 investors is used for analysis. A questionnaire is prepared and administered personally. The survey is limited to Haryana and NCR only.

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Period of Study

The period of the present study was November 2015 to December 2016 and the sample survey for the study was conducted during the period January 2016 to March 2016.

Statistical Tools

The t-test and ANOVA has been used in analyzing the factors influencing mutual fund investment decision.

Scope and Limitation of the Study

Mutual fund is emerging as a lucrative investment avenue for the investors as the mutual funds schemes provide a wide variety of option where investors can choose any scheme according to their requirement and availability of funds. The present study will be a helping hand for the fund manager for devising policies about the mutual funds schemes. The study draws light of the factors that drive the investors while choosing mutual fund scheme. Due to the constraint of time and money the scope of present study is limited to the state of Haryana and NCR that can be considered as potential limitations of the study. The sample size is limited to 134 respondents only.

A Profile of Respondents

The present study is an attempt to examine the investor's behavior towards investment in mutual fund schemes in Haryana and Delhi. An investor's investment decision is influenced by risk, return and other demographic factors like income level, life cycle stage, age, education level, sex, marital status, occupation, residential status, family size, joint family or nuclear family, peer group, lifestyles, financial literacy and personality characteristics etc. The study under consideration is based on 134 respondents on the basis of well filled questionnaire which belong to different areas of Haryana and NCR area. Table 1 contains the details of profile of the respondents considered under the present study.

Table 1 Demographic Characteristics and Frequency Distribution

Variables	Attributes	Frequency	Percentage
Sex	MALE	103	76.9
	FEMALE	31	23.1
	TOTAL	134	100
Age (Years)	UP TO 30 YEARS	10	7.5
	31-40 YEARS	60	44.8
	41-50 YEARS	42	31.3
	ABOVE 50	22	16.4
	TOTAL	134	100
Marital Status	MARRIED	129	96.3
	UNMARRIED	5	3.7
	TOTAL	134	100
Education Level	UP TO GRADUATE	21	15.7
	POST GRADUATE	43	32.1
	PROFESIONAL	70	52.7
	TOTAL	134	100
Residential Area	URBAN	63	47
	NCR REGION	58	43.3
	DELHI	13	9.7
	TOTAL	134	100

Annual Family Saving	UP TO 300000	29	21.6
	300001-500000	60	44.8
	ABOVE 500000	45	33.6
	TOTAL	100	100
Occupation	SERVICE	103	76.9
	PROFESSIONAL	20	14.9
	BUSINESS	11	8.2
	TOTAL	134	100
Family Income Per Year	UP TO 100000	35	26.1
	ABOVE 1000000	99	73.9
	TOTAL	134	100
Saving In Mutual Fund (%) Per Year	10-20%	52	38.8
	21-30%	69	51.5
	31-40%	13	9.7
	TOTAL	134	100
Investment Frequency In Mutual Fund (Years)	LESS THAN 2 Yrs	32	23.9
	2-5 Yrs	33	24.6
	5-10 Yrs	58	43.3
	MORE THAN 10 Yrs	11	8.2
	TOTAL	134	100

The table 1 shows that 76.9 percent of the respondents are males and the 23.1 percent are female. Thus, the sample is dominated by male respondents. Table reveals the highest percentage (44.8) of the respondents belong to the age-group of 31-40 yrs; only 7.5 per cent fall in the category of lowest age group i.e. up to 30 yrs. The representation of senior respondents (i.e. above 50 years age) in the sample is 16.4 percent. Thus, the sample is good representative of all the age group of investors' population. The Table indicates that study covers only 3.7 per cent unmarried respondents and 96.3 per cent married respondents. So, the study largely covers the married investors. About 47.8 percent of respondents are graduates or having higher qualification. The study covers 52.7 per cent under professional respondents. So, the study largely covers the educated respondents. Table presents the distribution of the sample investors amongst different occupations shows that the highest proportion (76.9%) of the

respondents belongs to service class. Hence, the sample is dominated by service class. 73.9 per cent of the respondents are in the category of high income group. Study is representative of moderate to high income class investors having vast scope for planning their portfolio.

Table also shows that very less number of respondents (21.6%) have saving up to Rs.300000, 44.8 per cent respondents are in the category of Rs. 3, 00,001-5, 00,000 saving per year. About 33.6 percent of total respondents fall in the saving level of more than Rs.5, 00,000 per year. Thus, the study is focused on the middle level savings investors. After going through the profile of respondents, it may be concluded that the sample is representative in terms of various age groups, income groups, occupational groups, males and females and married and unmarried investors.

Table 2 Comparisons of Factors Influencing Mutual Fund Investment on the Basis of Gender

Factor	Gender	Mean	Std. Deviation	Std. Error Mean	T (sig. 2-tailed)
Risk and return	Male	4.85	.354	.035	.213 (.832)
	Female	4.84	.374	.067	
Safety	Male	4.53	.501	.049	2.415 (.017)*
	Female	4.29	.461	.083	
Diversification	Male	4.25	.437	.043	1.445 (.151)
	Female	4.13	.341	.061	
Liquidity	Male	4.06	.235	.023	1.374 (.172)
	Female	4.00	.000	.000	
Past performance	Male	4.00	.140	.014	1.050 (.296)
	Female	3.97	.180	.032	
Fund Reputation	Male	4.00	.140	.014	1.050 (.296)
	Female	3.97	.180	.032	
Scheme's Expenses Ratio	Male	4.01	.221	.022	2.404 (.018)*
	Female	3.87	.428	.077	
Ownership of fund	Male	3.47	.539	.053	.429 (.668)
	Female	3.42	.502	.090	
Size of Corpus	Male	3.42	.552	.054	.569 (.570)

	Female	3.35	.486	.087	
Grievance and Redressal Mechanism	Male	3.89	.418	.041	1.384 (.169)
	Female	3.77	.425	0.76	

* 5% level of significance
 Table 2 compares the mean of factor influencing the investment pattern of investors on the basis of gender. There is significant difference between male and female investors regarding the factors which play an important role in mutual fund investment. The result witnessed that diversification ($t = 1.445$, $P = .017$) and scheme expenses ratio ($t = 2.404$, $P = .018$) shows significant difference across gender of investors. The diversification and scheme expenses ratio were major factor which were considered by the investors at the time of mutual fund investment. It has been observed that male investors relatively more active toward mutual fund investments in comparison of female investors.

** 10% level of significance
 =2.404, $P = .018$) shows significant difference across gender of investors. The diversification and scheme expenses ratio were major factor which were considered by the investors at the time of mutual fund investment. It has been observed that male investors relatively more active toward mutual fund investments in comparison of female investors.

Table 3 Comparison of Factors Influencing Mutual Fund Investment on the Basis of Family Income

Factor	Family Income	N	Mean	Std. deviation	Std. Error Mean	T (sig. 2-tailed)
Risk and return	Up to 10 lack	35	4.86	.355	.035	.123 (.903)
	Above 10 lack	99	4.85	.360	.067	
Safety	Up to 10 lack	35	4.51	.507	.086	.502 (.616)
	Above 10 lack	99	4.46	.501	.050	
Diversification	Up to 10 lack	35	4.23	.426	.072	.077 (.939)
	Above 10 lack	99	4.22	.418	.042	
Liquidity	Up to 10 lack	35	4.06	.236	.040	.409 (.683)
	Above 10 lack	99	4.04	.198	.020	
Past performance	Up to 10 lack	35	3.97	.169	.029	-.968 (.335)
	Above 10 lack	99	4.00	.143	.014	
Fund Reputation	Up to 10 lack	35	3.97	.169	.029	-.968 (.335)
	Above 10 lack	99	4.00	.143	.014	
Scheme's Expenses Ratio	Up to 10 lack	35	4.00	.243	.041	.536 (.593)
	Above 10 lack	99	3.97	.302	.030	
Ownership of fund	Up to 10 lack	35	3.49	.562	.095	.395 (.693)
	Above 10 lack	99	3.44	.519	.052	
Size of Corpus	Up to 10 lack	35	3.37	.547	.092	-.404 (.687)
	Above 10 lack	99	3.41	.535	.054	
Grievance and Redressal Mechanism	Up to 10 lack	35	3.74	.443	.075	-2.031 (.044)*
	Above 10 lack	99	3.91	.406	.041	

* 5% level of significance
 The investor's attitude towards mutual fund have been obtained and analyzed on the basis of family income. The income of investors is categorized into two categories. First one is up to 10 lacs (low income group) and second is above 10 lacs (High income group). Table 3 indicates that there is significant difference between low and high income group investors regarding the factors which play important role in mutual fund investment. High mean value of low income group investors show the positive attitude towards risk and return, safety, diversification,

** 10% level of significance
 liquidity, scheme expenses ratio and ownership of fund. The Past performance, fund reputation and size of corpus were major factors which were preferred by the high income group investors. Low income group investors ($M = 3.74$) and high income group investors ($M = 3.91$) of mutual fund show the significant difference ($t = -2.031$, $P = .044$) regarding grievances and redressal mechanism. The result shows that the investors mainly focus on grievances and redressal mechanism at the time of mutual fund investment.

Table 4 Comparisons of Factors Influencing Mutual Fund Investment on the Basis of Marital Status

Factor	Family Income	N	Mean	Std. deviation	Std. Error Mean	T (sig. 2-tailed)
Risk and return	Married	129	4.86	.348	.031	1.607 (.110)
	Unmarried	5	4.60	.548	.245	
Safety	Married	129	4.47	.501	.044	-.555 (.580)
	Unmarried	5	4.60	.548	.245	
Diversification	Married	129	4.22	.419	.037	.130 (.897)
	Unmarried	5	4.20	.447	.200	
Liquidity	Married	129	4.05	.211	.019	.490 (.625)
	Unmarried	5	4.00	.000	.000	
Past performance	Married	129	4.00	.125	.011	3.013 (.003)*
	Unmarried	5	3.80	.447	.200	
Fund Reputation	Married	129	4.00	.125	.011	3.013 (.003)*

	Unmarried	5	3.80	.447	.200	
Scheme's Expenses Ratio	Married	129	3.98	.292	.026	-.177 (.860)
	Unmarried	5	4.00	.000	.000	
Ownership of fund	Married	129	3.43	.528	.046	-2.388 (.018)*
	Unmarried	5	4.00	.000	.000	
Size of Corpus	Married	129	3.39	.535	.047	-1.699 (.092)**
	Unmarried	5	3.80	.447	.200	
Grievance and Redressal Mechanism	Married	129	3.86	.428	.038	-.726 (.469)
	Unmarried	5	4.00	.000	.000	

* 5% level of significance

** 10% level of significance

The impact of marital status on the investor's attitude towards mutual fund has been analysed as depicted in table 4. Table 4 indicates that there is significant difference between married and unmarried investors class regarding the factors which play an important role in mutual fund investment. High mean value of married class investors shows the positive attitude towards risk and return, diversification, liquidity, fund reputation and past performance. The safety, scheme expenses ratio, ownership of fund, size of corpus and grievances and redressal

mechanism, fund reputation and size of corpus are the major factors preferred by the unmarried group investors. The result explained the significance difference between marital status of investors and past performance ($t = 3.013$, $P = .003$), fund reputation ($t = 3.013$, $P = .003$), ownership of the fund ($t = -2.388$, $P = .018$) and size of corpus ($t = -1.699$, $P = .092$). The result shows that the investors mainly focus on past performance, fund reputation and ownership of fund regarding the marital status of the investors at the time of mutual fund investment.

Table 5 Comparison of Factors Influencing In Investment Decision Making on the Basis of Investors Age

Variables	DF	Age of the Investors				F- Value	Sig. Value
		Mean					
		Upto 30 Years	31-40 years	41-50 years	Above 50 years		
Risk and return	3	4.7	4.85	4.88	4.86	.697	.556
Safety	3	4.5	4.48	4.48	4.45	.024	.995
Diversification	3	4.2	4.22	4.24	4.23	.033	.992
Liquidity	3	4.00	4.03	4.07	4.05	.441	.724
Past Performance	3	3.9	4.00	4.00	4.00	1.383	.251
Funds reputation	3	3.9	3.98	4.02	4.00	2.016	.115
Scheme's expense ratio	3	4.00	4.00	4.00	3.86	1.399	.246
Ownership of fund	3	3.8	3.47	3.33	3.5	2.285	.082**
Size of corpus	3	3.7	3.4	3.31	3.45	1.535	.029*
Grievance Redressal Mechanism	3	4.00	3.87	3.81	3.91	.661	.577

* 5% level of significance

** 10% level of significance

Table 5 describes the ANOVA results of the effect of age on the investment variables at the time of mutual fund investment. The results indicate that the younger age group up to 30 years prefers the ownership of fund (3.80), size of corpus (3.7) and grievance redressal mechanism (4.00) with higher Mean value at the time of mutual investment. The age groups among 41-50 years have higher Mean value regarding risk & return (4.88), safety (4.48), diversification (4.24), liquidity (4.07), past

performance (4.00), fund reputation (4.02) and scheme expenses ratio (4.00). It is interesting to notice that there is statistically significant difference between age of the investors and size of corpus ($F = 1.535$, $P = .029$) & ownership of fund ($F = 2.285$, $P = .029$). The result concludes that size of corpus and ownership of fund are most influential factor considered by the people at the time of mutual fund investment with reference to age of the investors.

Table 6 Comparison of Factors Influencing in Investment Decision Making on the Basis of Education Level

Variables	DF	Education Qualification of the Investor			F- Value	Sig. Value
		Mean Value				
		Up To Graduation	Post- Graduation	Professional		
Risk and return	2	4.81	4.91	4.83	.803	.450
Safety	2	4.38	4.40	4.56	1.874	.158
Diversification	2	4.14	4.19	4.27	1.022	.363
Liquidity	2	4.05	4.00	4.07	1.593	.207
Past Performance	2	4.00	3.95	4.01	2.261	.108
Funds reputation	2	4.00	3.98	4.00	.348	.707

Scheme's expense ratio	2	4.05	3.98	3.96	.802	.451
Ownership of fund	2	3.48	3.30	3.54	2.849	.061**
Size of corpus	2	3.33	3.28	3.50	2.528	.084**
Grievance redressal mechanism	2	3.81	3.84	3.90	.514	.599

* 5% level of significance
 The ANOVA results have explained the effect of educational qualification of the investors on the investment variables at the time of mutual fund investment. The graduate people influenced by fund reputation (4.00) and scheme expenses ratio (4.05) with higher mean value at the time of mutual fund investment. The high Mean value of risk and return (4.91) is most influential factor for post graduate investor group. The safety (4.56), diversification (4.27), liquidity (4.07), past performance (4.01), ownership of fund (3.54) and grievance redressal

** 10% level of significance
 mechanism (3.90) are most influential investment factors for professional investors for mutual fund investment.

The ANOVA results shows that there is significant difference between educational qualification of investors and ownership of fund (F = 2.849, P= .061) and size of corpus (F=2.528, P=.084). The ownership of fund and size of corpus are most preferable investment variables considered by the mutual fund investors regarding educational level.

Table 7 Comparison of Factors Influencing Investment Decision Making on the Basis of Occupation of the Investors

Variables	DF	Occupation of the Investors			F- Value	Sig. Value
		Mean Value				
		Service	Business	Professional		
Risk And Return	3	4.86	4.80	4.82	.315	.730
Safety	3	4.48	4.40	4.64	.789	.456
Diversification	3	4.20	4.25	4.36	.768	.466
Liquidity	3	4.04	4.05	4.09	.317	.729
Past Performance	3	3.98	4.00	4.09	2.790	.065**
Funds Reputation	3	3.98	4.00	4.09	2.790	.065**
Scheme's Expense Ratio	3	3.98	3.95	4.00	.130	.878
Ownership of Fund	3	3.46	3.40	3.55	.266	.767
Size of Corpus	3	3.43	3.30	3.36	.500	.608
Grievance Redressal Mechanism	3	3.88	3.75	3.91	.904	.407

* 5% level of significance
 Table 7 presented the effect of occupation of investor and investment variables at the time of mutual fund investment regarding the occupation of investors. The result indicated that the service group investor more influenced by risk & return (4.86) and size of corpus (3.43) with higher mean value at the time of mutual fund investment. The high Mean value of safety (4.64), diversification (4.36), past performance (4.09), liquidity (4.09), fund reputation (4.09), scheme expenses ratio (4.00), ownership of fund (3.35), grievance redressal mechanism (3.91)

** 10% level of significance
 and size of corpus (3.36) are most influential factors for professional investor group. The businessmen have not considered these factors for mutual fund investment .The ANOVA results shows that there is significant difference between occupation of investors and past performance (F= 2.790, P= .065) & fund reputation (F= 2.790, P= .065) at the time of mutual fund investment. The past performance and fund reputation are the most influential factor affecting the investor's preference towards the mutual fund investment with respect to their occupation.

Table 8 Comparison of Factors Influencing In Investment Decision Making on the Basis of Saving of Investors

Variables	DF	Saving % per year of the investors			F- VALUE	SIG. VALUE
		Mean Value				
		10-20 % Per years	21-30 % Per years	31-40 % Per years		
Risk and return	2	4.87	4.83	4.92	.470	.626
Safety	2	4.56	4.43	4.38	1.141	.323
Diversification	2	4.19	4.26	4.15	.596	.552
Liquidity	2	4.00	4.07	4.08	2.009	.138
Past Performance	2	3.98	4.00	4.00	.259	.773
Funds reputation	2	3.96	4.01	4.00	1.891	.155
Scheme's expense ratio	2	3.96	4.00	3.92	.523	.594
Ownership of fund	2	3.48	3.43	3.46	.112	.895
Size of corpus	2	3.44	3.39	3.31	.358	.700
Grievance redressal mechanism	2	3.83	3.88	3.92	.403	.669

* 5% level of significance

** 10% level of significance

Table 8 contains the ANOVA results, to ascertain the effect of saving per year of investor and investment variables at the time of mutual fund investment. The results indicate that the low saving (10-20 % per year) group investor more influenced by safety (4.56), ownership of fund (3.48) and size of corpus (3.44) with higher mean value at the time of mutual fund investment. The high Mean value of diversification (4.26), past performance (4.00), fund reputation (4.01) and scheme expenses ratio (4.00)

are most influential factors for moderate saving (21-30 % per year) group. The higher saving (31-40 % per year) considered risk & return (4.92), liquidity (4.08) and grievance redressal mechanism (3.92) these factors for mutual fund investment. The ANOVA results shows that saving of investors not significantly related to all factor of investment during the time of mutual fund investment. In simple word, the investors saving do not influence the investor's preference towards the mutual fund investment.

Table 9 Comparison of Factors Influencing In Investment Decision Making on the Basis of Investment Horizon

Variables	DF	Investment Horizon of The Investor				F-Value	Sig. Value
		Mean Value					
		Last 2 years	2-5 years	5-10 years	Above 10 years		
Risk and return	3	4.81	4.94	4.81	4.91	1.146	.333
Safety	3	4.47	4.36	4.57	4.36	1.416	.241
Diversification	3	4.12	4.18	4.31	4.18	1.590	.195
Liquidity	3	4.00	4.06	4.07	4.00	.993	.398
Past Performance	3	3.97	4.00	4.02	3.91	1.999	.117
Funds reputation	3	3.97	4.00	4.00	4.00	.347	.791
Scheme's expense ratio	3	3.94	3.97	3.98	4.09	.792	.500
Ownership of fund	3	3.53	3.24	3.55	3.36	2.869	.039*
Size of corpus	3	3.41	3.18	3.55	3.27	3.802	.012*
Grievance redressal mechanism	3	3.81	3.76	3.95	3.91	1.705	.169

* 5% level of significance

** 10% level of significance

Table 9 describes the ANOVA results of the effect of investment frequency and investment variables at the time of mutual fund investment. The results indicate that the investors group with investment horizon of two years is not influenced by these factors at the time of mutual fund investment. The investors group with investment horizon of 2-5 years is more influenced by risk & returns (4.94) and fund reputation (4.00) with higher mean value at the time of mutual fund investment. The high Mean value of safety (4.57) diversification (4.31), liquidity (4.07) past performance (4.02), ownership of fund (3.55), size of corpus (3.55) and grievance redressal mechanism (3.95) are most influential factors for 5-10 year investment horizon. More than 10 years investment horizon investors have considered scheme expenses ratio (4.09) factor for mutual fund investment. The ANOVA results show that investment horizon is significantly related to ownership of fund (F=2.869, P=.039) and size of corpus (F=3.802, P=.012) at the time of mutual fund investment.

Conclusion

The study found that male investors relatively more active toward mutual fund investments in comparison of female investors. The diversification and scheme expenses ratio are major factors considered by the investors at the time of mutual fund investment. The past performance, fund reputation and size of corpus are major factors preferred by the high income group investors. The result shows that the investors mainly focus on grievances and

redressal mechanism at the time of mutual fund investment. The study observed that the size of corpus and ownership of fund are most influential factors considered by the people at the time of mutual fund investment with reference to age of the investors. The ownership of fund and size of corpus are most preferable investment variables considered by the mutual fund investors regarding their educational level. The past performance and fund reputation are the most influential factors affecting the investor's preference towards the mutual fund investment with respect to their occupation. The results indicate that the investors group with investment horizon of 2 years not influenced by these factors during mutual fund investment. The investors group with investment horizon of 2-5 years more influenced by risk & returns and fund reputation (4.00) with higher mean value at the time of mutual fund investment. The high Mean value of safety (4.57) diversification (4.31), liquidity (4.07) past performance (4.02), ownership of fund (3.55), size of corpus (3.55) and grievance redressal mechanism (3.95) were most influential factors for 5-10 year investment horizon. The above than 10 year investment horizon investors considered scheme expenses ratio (4.09) factors for mutual fund investment.

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