

**A STUDY RELATED TO INDIVIDUAL INVESTOR PERCEPTION TOWARDS INVESTMENT OPTIONS AVAILABLE TO THEM IN MUMBAI (INDIA)****CA Monica Lodha<sup>1</sup> and Dr. (CA). Mahesh Bhiwandikar<sup>2</sup>**Director, S K Somaiya College, Somaiya Vidyavihar University, Mumbai  
Associate Professor, K M Agrawal College, Kalyan**ABSTRACT**

*Purpose-* The purpose of this study is to find out the individual investor interest in the investment of different options available to them.

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

*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.

*Keywords-* Mutual funds, investor, investment options, financial sector, perception.

**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.

**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.

**REVIEW OF LITERATURE**

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.

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Gitman had said that an investment is an asset for the investor that can generate the positive value. When people invest in banks in saving accounts, they get fixed interest rate whereas investment in equity shares can give very high income.

According to Katherina Glac(2009), some investors are very socially responsible, and they are also sacrificing the returns over the conventional investments. Socially responsible investors have a great potential to invest in reasonable investments.

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.

Daniel Dorn(2010) is of the view that over the OTC derivatives have been accepted very easily by the people of Europe and Asia because people get lot of choice between many instruments that are little bit different from the other instruments. In his paper he examined the choices of small investors for the OTC derivatives and realized that role of financial intermediaries is very important to explain the investors for the investment options for sustainability and equilibrium with the financial product diversification and price dispersion.

Parihar and Sharma(2009) 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.

Naik and Shaikh(2022) since last three decades world is looking towards the better return investments and India is also not an exception. They say that investors have perceived very developed financial markets where many foreign investors are also interested to invest in Indian financial markets. Mutual funds, insurance companies, local pension funds and various other hedge funds are channelizing the domestic savings into the financial markets.

Jacob and Gupta(2023) examined that Mutual fund during the covid 19 period favoured the funds with lower risk and high flexibility because people were not assured for the profitability, and they wanted the flexibility of liquidation. People were also interested to invest in the funds which could outperform the other investments in the long run.

Ranganathan (2006) stated in her paper that Indian capital market had grown tremendously with the reforms like liberalization, globalization and privatization. The Indian economy opened up and various expansions carried out in the capital and money market with the help of financial institutions, intermediaries and financial markets.

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.

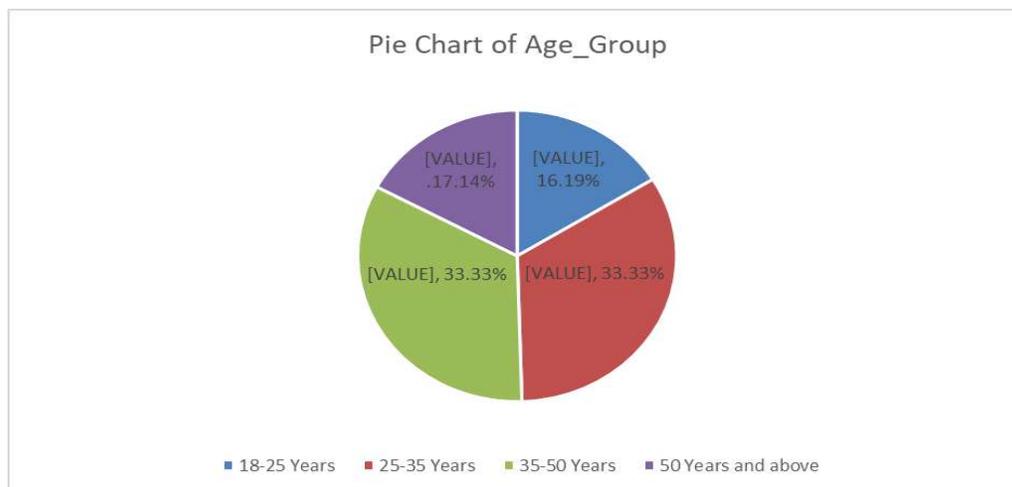
H1 There is significant variation in Investor perception towards Mutual Fund & Other Investment Avenues.

### DATA ANALYSIS AND INTERPRETATION

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

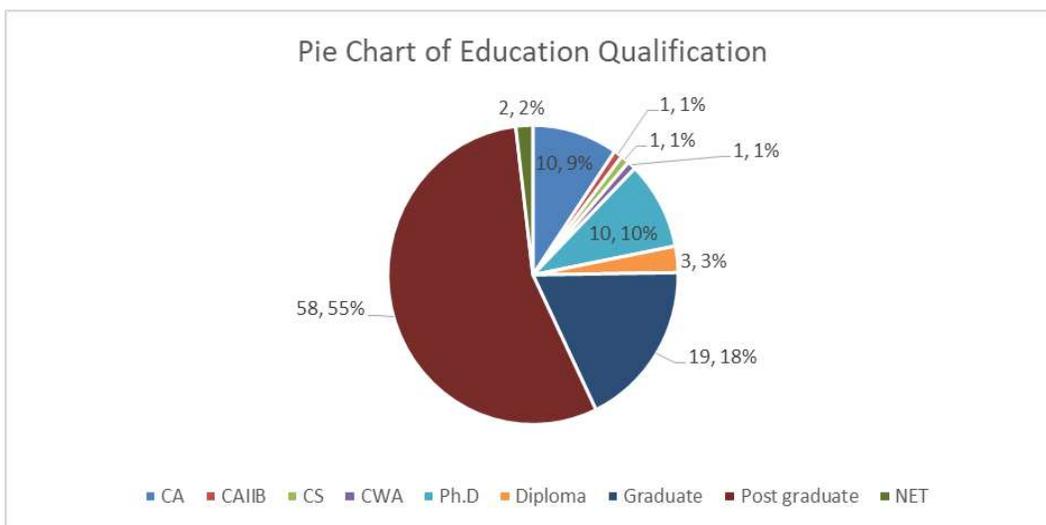
#### Q1. Age

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%
<b>Total</b>	<b>105</b>	<b>100%</b>



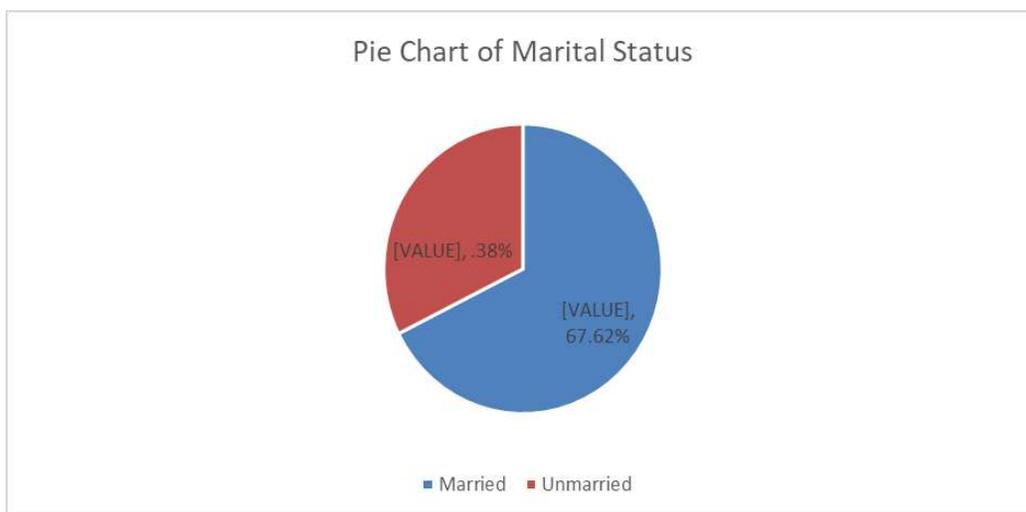
#### Q2. Education qualification of the Investors

Qualification	Frequency	Percentage
CA	10	9.52%
CAIIB	1	0.95%
CS	1	0.95%
CWA	1	0.95%
Ph.D	10	9.52%
Diploma	3	2.86%
Graduate	19	18.10%
Postgraduate	58	55.24%
NET	2	1.90%
<b>Total</b>	<b>105</b>	<b>100%</b>



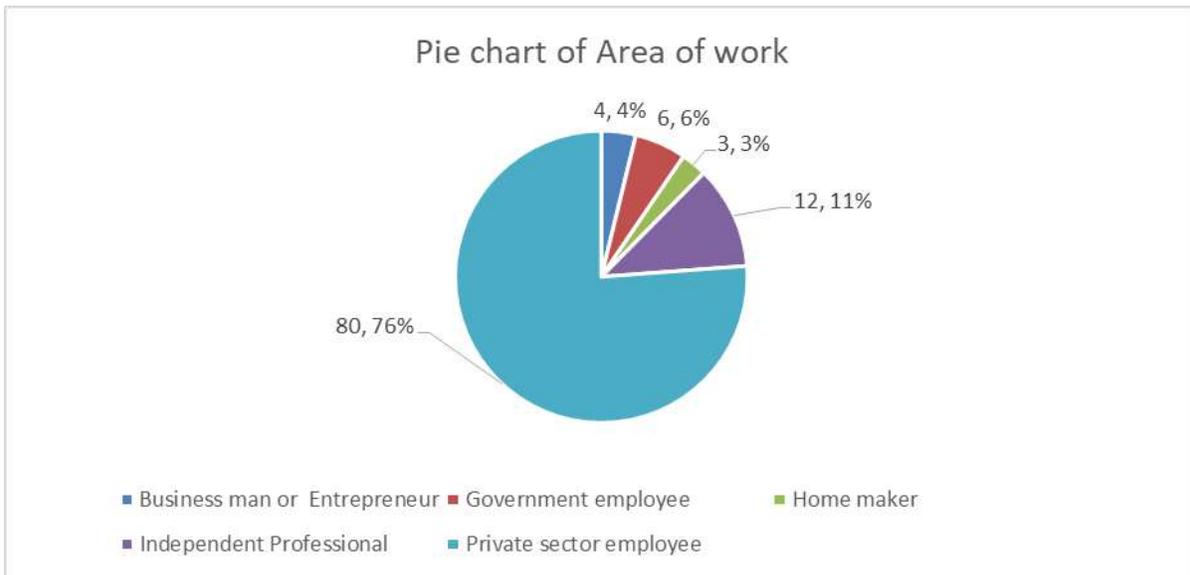
**Q3. Marital status**

Marital Status	Frequency	Percentage
Married	71	67.62%
Unmarried	34	32.38%
Total	105	100%



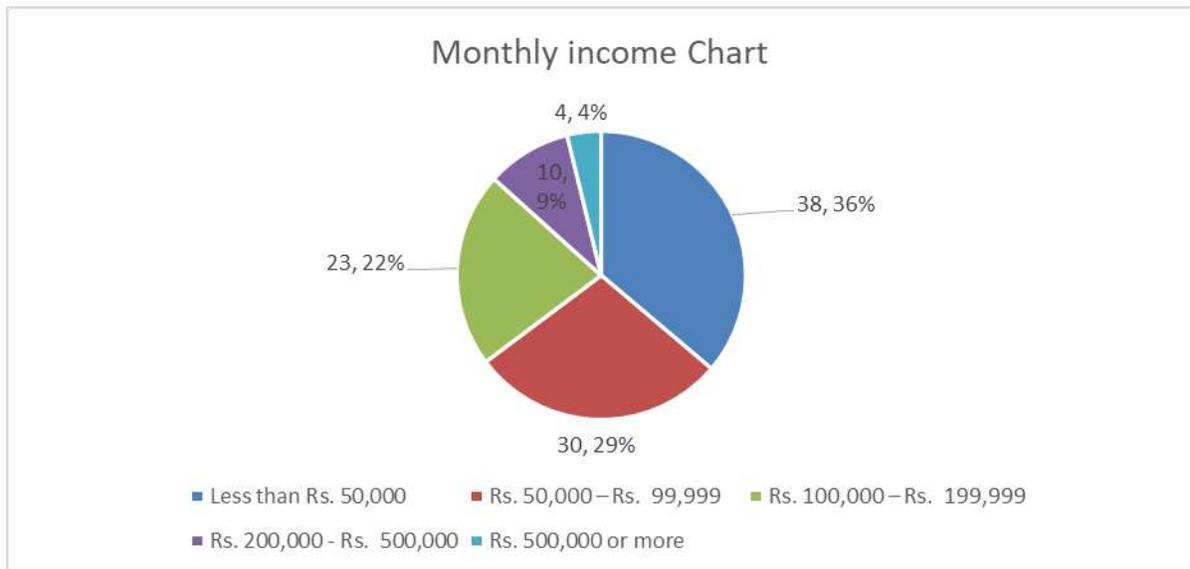
**Q4. Area of work**

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%
<b>Total</b>	<b>105</b>	<b>100.00%</b>



**Q5. 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%
<b>Total</b>	<b>105</b>	<b>100.00%</b>



**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

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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.

<b>Chi-Square Tests</b>			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.873 <sup>a</sup>	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 AND SUGGESTIONS

From the above research it is concluded that the variation in investor perception is due to the knowledge and understanding towards the investment avenues available to investors. Although the new generation is slowly and gradually attracted towards the Stock market, those investors who do not have time to directly invest in stock market are finding a way through Mutual funds where a |Asset Management Company does the Professional work of investing in stocks and securities. Now days the investor in Mumbai has various alternatives as well as opportunities to invest and so mutual funds are the best alternative substantially adopted by them.

### 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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