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### RESEARCH ARTICLE

#### INVESTOR'S AWARENESS AND PERCEPTION TOWARDS MUTUAL FUND INVESTMENT: AN EXPLORATORY STUDY

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#### Abstract

Mutual Fund as an investment option gives a platform to risk averse investors who do not prefer to take high risk on their hard earned money. In India, Mutual Fund Industry is growing at a rapid pace and has emerged as a vital segment of the financial markets, specifically in channelizing and mobilizing the financial savings of hundreds of individuals in equity and debt instruments. Since investment in mutual funds is influenced by investor's perception, the purpose of the present study is to examine investor's awareness and perception towards mutual fund as a means of investment. The study is based on primary data collected through a questionnaire from 105 respondents residing in Delhi-NCR. Major reasons for investor's preference for mutual fund investment were found to be tax benefit, security, liquidity, return and reliability. Research findings suggest that there is a significant relationship between gender and investor's perception with respect to returns in mutual funds. Also, a significant relationship exists between age and investor's perception with regard to higher tax shield provided by mutual funds.

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#### Introduction:-

Mutual fund is a trust that pools the savings of a number of investors who share a common goal. The pooled in money which is collected from people is then invested in capital market instruments like shares, debentures and other securities. The income which has been earned through these investments is shared by its unitholders in proportion to the number of units owned by them. Hence, for a common man, investment in mutual funds is regarded the most suitable investment as it offers an individual with an opportunity to invest in a diversified and professionally managed basket of securities at a relatively low cost. In December 2015, AUM of ₹13460 billion was recorded by the Mutual fund industry in India (Deloitte, 2016) whereas, as per a survey conducted by SEBI in 2013 one biggest challenge faced by the Indian mutual fund industry was the lack of healthy participation (SEBI, 2014).

Mutual Funds help in expanding investment opportunities, efficient channelization of individual's savings, fostering market development and growth of the economy (RBI, 2018).

From the past few years Mutual funds have become an important section in the money marketplace. For mutual fund houses SIPs have become a popular and successful option in the recent years in India (Citi, 2019). The growth of the

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mutual fund industry is phenomenal as people have become more risk averse and prefer investing their savings in a secure investment option which is managed by competent fund managers. During the September 2020 quarter, the mutual fund industry's asset base rose by 12% to ₹27.6 lakh crore due to rebound in the markets. In the first quarter i.e. from April-June, the average asset under management consisting of 45 players stood at ₹24.63 lakh crore according to Association of Mutual Funds in India. The assets under management in equities had a CAGR growth rate of around 13.5% in the decade March 2010 to March 2020 (CRISIL, 2020). In the coming years it is estimated that the CAGR growth rate would be around 15%. The Indian Mutual Fund Industry is categorized based on the asset class such as debt oriented schemes, Equity oriented schemes, Money Market etc. As per the report of 'Mordor Intelligence', The AUM in Indian Mutual Fund Industry stood at ₹24.55 trillion as of on May 31st, 2020. The AUM in India has grown four fold in a decade (2010 - 2020) and aimed at fourfold growth by 2025. Equity AUMs were the major contributor with 42.1% share while debt oriented schemes contributed for 28.8% of AUMs and Liquid/money market stood at 23.3% in September 2019. The total number of portfolios stood at 91 Million as on 31<sup>st</sup> May, 2020 and the major investment was from retail segment ₹80.3 Million.

Using big data analytics and data-driven models for improving the customer offering & their engagement could act as a game changer for the mutual fund industry. Moreover, e-commerce platforms along with simpler e-KYC process if allowed to trade in mutual funds could result in opening up of larger market for the mutual funds (ICRA & ASSOCHAM, 2015). Thus from the statistics, it could be seen that mutual fund industry has a huge potential for growth and can be considered a more safe and secure investment option to channelize and mobilize the savings of the investors. Hence, this study is aimed at examining the investor's awareness and perception towards mutual funds. The study also aims to explore the relationship between demographic variables such as investor's gender & age with regard to their perception towards mutual funds.

This research paper is divided as follows: Section 2 contains the literature review; Section 3 defines the objectives & the research methodology; Section 4 presents the data analysis & interpretation; Section 5 provides the findings and section 6 contains discussion and conclusion.

### **Literature Review:-**

Mutual Fund Industry forms an important part of the financial market specially in directing the savings of individuals in equity and debt instruments. Numerous studies have been conducted across the globe till date to understand the perception of mutual fund investors. However, with the growing importance and interest of investors in the field of Mutual Funds brings in the need to examine the existing literature in order to understand the perception of investors while investing in mutual funds.

A recent study by Bhutada and Pingale (2019) found that mutual funds is perceived to be the better investment option by the consumers as compared to the other options because it is linked to equity market. Ramaraj and David (2019) concluded HDFC mutual fund perform better than SBI mutual fund in case of large cap oriented equity scheme whereas in case of midcap and small cap oriented equity schemes SBI mutual fund perform better than HDFC mutual fund. Anandan and Savaraj (2020) found that investors might or might not be confident on investing in mutual funds as according to them mutual funds are unsafe as compared to other assets, so they prefer bank deposit instead as they provide safe & guaranteed return. Bindalet al. (2019) explained that most investors prefer to invest in private sector mutual fund companies in open ended schemes. Also, majority of the investors prefer high risk and return from the investments and purchase mutual fund units from brokers. Kumar et al. (2019) concluded that investors in the middle income group believe that regular income and liquidity of the income plays a significant role and flexibility in investment leads to good performance of the fund. The study also revealed that through proper communication and awareness about mutual funds investors' confidence can be boosted up to invest in mutual funds. Mishra (2019) concluded that gender is not an investment criteria while investing in mutual funds; people aged between 25-50 years of age are more likely to invest in mutual funds; people who are educated are more likely to invest in mutual funds as they have more knowledge about it. He also observed that print and electronic media are the most popular medium for promotion of mutual funds. One of the major findings indicated that people who have invested in mutual funds are satisfied but a large section of investors are still dissatisfied. The reason for their dissatisfaction is poor after sales service. Further, Saini and Mittal (2018) concluded that most individuals are aware about mutual funds and perceive return as the most important parameter while investing followed by credit rating and inflation. Moreover, some of the investors who have invested in mutual funds are satisfied with the performance of the funds while others have an average experience and the remaining are dissatisfied with the performance of the funds. Another study by Udhayasankar and Maran (2018) outlined that investors feel that before investing in

specific fund, company should properly analyze all the factors and parameters related to investment. The study further highlighted that investors nowadays have become more sophisticated and demanding than before hence, it is important for the company to understand the customer requirements in order to sustain in the industry in the long run. Kaur and Arora (2018) revealed that most investors have invested in mutual funds. Return on investment is a major factor of investment in mutual funds because of which investors invest in growth fund schemes and each investor has its own goal of investing in mutual funds. Bajracharya and Mathema (2017) observed that investors are unsure of investing in mutual funds and consider it to be an unsafe option. Most investors prefer bank deposits as a form of investment because they are safe in nature and provide fixed return. The study also highlighted the various problems faced by an investor in selecting mutual funds due to stock market risk and uncertainties because of which the investor avoids investing in mutual funds. Additionally, Prasad and Vijayakumar (2017) concluded that with increased attractiveness in the stock market, investors are shifting towards investment in stock market and only a small segment of investors are investing in mutual funds. The study also revealed that the Indian Investors invest for a period of 2-3 days and more investment is preferred in fixed deposits due to the safety attached to it. Another study conducted by Dharet al. (2017) in Dhaka city, Bangladesh concluded that reputation of fund managers, return and risk are the important factors for investors for investment in mutual funds and investors have high expectations from the fund managers. The two factors which are considered important for investing in mutual funds are intrinsic features of the fund and the income features of the fund. The important factors for mutual fund companies to attract investors are performance of fund managers, brand name and entry and exit loads. Sebastian (2017) highlighted that investors are increasingly concerned about the selection of funds and are demanding detailed information on mutual fund investment. The study also concluded that the success and growth of the mutual fund industry depends upon the sound financial management policies and investment practices. Sekar and Srilakshmi (2016) concluded that mostly investors are aware about mutual funds but their perception towards it is not positive and the main concern of investors is related to risk of mutual funds. The main reason for investors investing in mutual funds is tax saving and the liquidity provided by the fund. Also majority of the investors are not aware about the advantages of a mutual fund. Reddy and Sudhakar (2016) found that most investors are males belonging to higher income group. Mostly investors invest in long term savings and prefer bank deposits followed by equity share, P.O. Saving Schemes and then mutual funds. Investors prefer to invest in mutual funds which provide them with higher return at low risk and great amount of security.

Saini et al. (2015) stated that most of the investors have a positive outlook towards mutual funds and in order to maintain this trust investors should be provided with timely information related to the changing trends in the mutual fund industry. Another study by Kothari and Mindargi (2013) highlighted that individuals belonging to middle income group are more likely to invest in the mutual funds and bear the risk. The study also indicated that mostly investors prefer to invest in open-ended schemes and have invested their money for tax assumption followed by higher returns and value creation in fund. Also, investors have invested in short term duration rather than long term because of the numerous risks associated with the long term duration of the investment. Rathnamani (2013) observed that most investors invested in mutual funds with an expectation of high return at low risk. Most of the investors are aged between 31-40 years and are ready to take low to moderate risk. A study by Vasudevan and Peermohaideen (2012) concluded that around 56% of the investors believe that the risk involved in mutual fund is medium. The unmarried investors were of the view that the risk associated with investment in mutual fund is low as compared to married investors who were of the view that the risk in mutual fund investment is medium in nature. Also most investors were satisfied with the returns on their funds. Singh (2011) investigated that most people are confused about investment in Mutual Funds and have not formed any attitude regarding it. Various demographic factors such as gender, income and education level have a significant impact on the mutual fund investors. Return and liquidity are the most attractive option when it comes to the benefits provided by mutual funds followed by flexibility, transparency and affordability.

Mutual Fund Industry is a growing industry and has a huge scope of growth and success in the coming years (Citigroup, 2019). In the equity and bond market, mutual funds have become major players in India but still the penetration of mutual fund industry (measured by AUM/GDP ratio) is low as compared to the other emerging markets (RBI, 2018). The per head proportion of population in India who own mutual fund is quite small and almost in 100 cities, the mutual fund use is in the early stage of development (Citi, 2019). Mutual fund companies are faced with the tough time to understand customer's preferences and their investment pattern (Capgemini, 2020). Thus, the awareness and perception of investors towards mutual funds is still not clear and hence, there is a research gap.

## Research objectives and Research Methodology:-

Keeping in mind, the research gap the following objectives have been formulated:

### Objectives:-

1. To examine the investor's awareness and perception towards mutual fund investment
2. To identify reasons for investor's preference for mutual fund investment
3. To study the relationship between demographic variables such as investor's gender and age with regard to their perception towards mutual funds

### Research Methodology:-

The study has been conducted using primary data with the help of a questionnaire. The questionnaire was developed using close ended questions. Also, a five-point Likert Scale was used to collect and analyze the data. Primary Research was done by generating leads through references, personal contacts and other sources. The data of 105 respondents residing in Delhi-NCR was gathered. The data was analyzed with the help of Chi-Square test, bar graphs and percentages.

### Data Analysis & Interpretation

#### Demographic Analysis

**Table 1:-** Demographic Details.

Demographics	Responses	Percentage
Gender	Male	66%
	Female	34%
Age	20-29 years	18%
	30-39 years	26%
	40-49 years	28%
	50-59 years	26%
	Above 60 years	2%
Occupation	Government/ public sector	25%
	Private sector	38%
	Self-employed	22%
	Housewife/ retired	9%
	Student	6%
Annual Income	Less than 100000 INR	9%
	100000 INR – 400000 INR	33%
	400001 INR– 800000 INR	4%
	800001 INR - 1200000 INR	33%
	Above 1200000 INR	21%

As shown in Table-1, out of 105 respondents, 66% were males while 34% of them were females; 28% of the respondents were aged between 40-49 years while 26% were aged between 30-39 years and 50-59 years each; around 38% of the respondents were working in the private sector; and 33% of the respondents lie in the income group of 100000INR-400000 INR and 800000INR-1200000 INR each.

### Investor's Awareness towards Mutual Funds

**Table 2:-** (Investor's Awareness towards Mutual Funds).

Questions	Responses										
	Yes	No	Every time	Most of the times	Sometimes	Not at all	Closed ended	Open ended	Private sector	Public sector	Both
Are you Aware of Mutual Fund Investment?	97%	3%									
Have you ever invested in	82%	18%									

mutual funds?											
Are you willing to recommend mutual fund investments to your friends and relatives?	92%	8%									
Is Mutual Fund Investment, Profitable?			16%	40%	37%	7%					
Which Scheme do you prefer in Mutual Fund?							29%	71%			
In which sector do you prefer to invest in Mutual Funds?									15%	34%	51%

It is clearly evident in Table-2 that around 97% people were aware about mutual fund investment, 82% have invested in mutual funds and 92% were willing to recommend investment in mutual fund to their friends and relatives. 40% people believe that mutual fund investment has been profitable to them most of the times; 71% prefer open ended scheme in mutual fund and 51% prefer to invest in both Private and Public sector Mutual Funds.

### Investor's Perception towards Mutual Funds

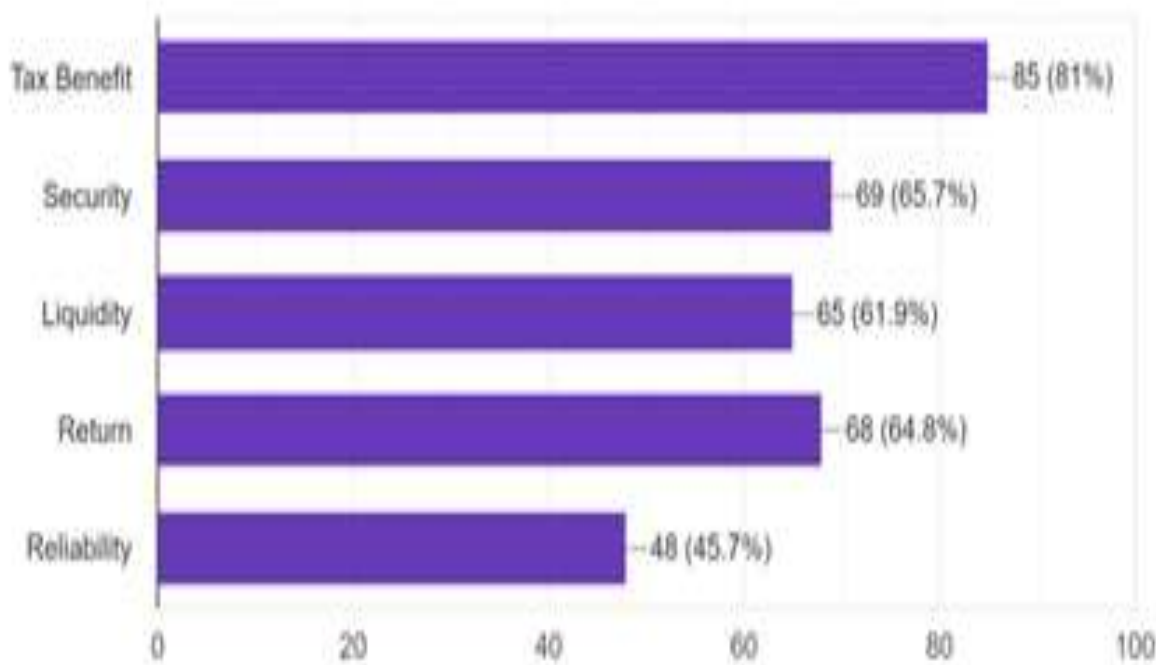
**Table 3:-** (Investor's Perception towards Mutual Funds).

Questions	Responses				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
Do you agree that Public sector mutual funds are more secured than Private sector mutual funds?	-	16%	23%	42%	19%
Do you think that mutual funds with large corpus perform better than mutual funds with small corpus?	-	49%	23%	26%	2%
Do you agree that open ended funds provide more liquidity?	-	11%	21%	47%	16%
Do you think that close ended Private / Public Sector mutual funds are more risky?	-	18%	24%	42%	16%
Do you think that the mutual funds provide higher tax shield to the investors?	-	6%	18%	64%	12%
Do you agree that risk involved in Mutual Funds is considerably	3%	14%	21%	54%	8%

less than other investment?					
Do you agree that liquidity is good in the mutual fund investment?	-	9%	22%	64%	5%
Do you think that mutual funds provide better returns than other investments?	2%	17%	29%	39%	13%

Table-3 shows that 64% of the respondents agree that mutual funds provide higher tax shield to the investors; 54% agree that risk involved in mutual funds is considerably less; 64% agree that liquidity in mutual funds is good; and 39% agree that mutual funds provide better returns than other investments.

**Identification of Reasons for Investment in Mutual Funds**



**Fig.-1:-** Reasons for investing in Mutual Funds.

Figure-1 shows that the most important reason for an investor to invest in mutual funds is to avail tax benefit as 81% of the respondents invest for availing tax benefit. Investment in mutual fund provides investor a deduction under Section 80C of the Income Tax Act,1961 as a result the tax liability of the investor reduces. Another important reason is security of money in mutual funds which is believed by 65.7% of the respondents. Since mutual fund companies invest in diversified portfolios, thus, incase one stock or security performs poorly then it does not affect the performance of other stocks in the portfolio. As a result the risk is lowered down and the loss of that particular stock is compensated by the profit in another stock. 61.9% of the respondents consider liquidity as an important reason for investing in mutual funds while 64.8% respondents believe that return on mutual find is an important factor. 45.7% of the respondents consider reliability as one of the reason for investing in mutual funds.

**Chi-Square Test Analysis**

In order to analyse relationship between demographic variables such as investor’s gender and age with regard to their perception towards mutual funds, Chi-Square test was applied.

**Gender \* Do you think that the mutual funds provide higher tax shield to the investors?**

H<sub>1</sub>: There is no significant relationship between gender & investor's perception with respect to higher tax shield provided by mutual funds.

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.350 <sup>a</sup>	3	.226
Likelihood Ratio	4.309	3	.230
Linear-by-Linear Association	.057	1	.811
N of Valid Cases	105		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.06.

Since the P value (.226) is greater than the significance value (0.05), therefore hypothesis H<sub>1</sub> is not rejected i.e. there is no significant relationship between gender & investor's perception with respect to higher tax shield on mutual funds.

**Gender \* Do you agree that risk involved in Mutual Funds is considerably less than other investment?**

H<sub>2</sub>: There is no significant relationship between gender & investor's perception with respect to risk involved in mutual funds.

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.210 <sup>a</sup>	4	.125
Likelihood Ratio	8.011	4	.091
Linear-by-Linear Association	.163	1	.687
N of Valid Cases	105		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.03.

Since the P value (.125) is greater than the significance value (0.05), therefore hypothesis H<sub>2</sub> is not rejected i.e. there is no significant relationship between gender & investor's perception with respect to risk involved in mutual funds.

**Gender \* Do you agree that liquidity is good in the mutual fund investment?**

H<sub>3</sub>: There is no significant relationship between gender & investor's perception with respect to liquidity in the mutual fund investment.

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.714 <sup>a</sup>	3	.870
Likelihood Ratio	.708	3	.871
Linear-by-Linear Association	.315	1	.575
N of Valid Cases	105		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.71.

Since the P value (.870) is greater than the significance value (0.05), therefore hypothesis H<sub>3</sub> is not rejected i.e. there is no significant relationship between gender & investor's perception with respect to liquidity in the mutual funds investment.

**Gender \* Do you think that mutual funds provide better returns than other investments?**

H<sub>4</sub>: There is no significant relationship between gender & investor's perception with respect to returns in mutual funds

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.046 <sup>a</sup>	4	.011
Likelihood Ratio	15.490	4	.004
Linear-by-Linear Association	.651	1	.420
N of Valid Cases	105		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is .69.

Since the P value (.011) is less than the significance value (0.05), therefore hypothesis H<sub>4</sub> is rejected i.e. there is a significant relationship between gender & investor's perception with respect to returns in mutual funds.

**Age \* Do you think that the mutual funds provide higher tax shield to the investors?**

H<sub>5</sub>: There is no significant relationship between age & investor's perception with respect to higher tax shield provided by mutual funds.

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	35.552 <sup>a</sup>	12	.000
Likelihood Ratio	36.665	12	.000
Linear-by-Linear Association	1.932	1	.165
N of Valid Cases	105		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .11.

Since the P value (.000) is less than the significance value (0.05), therefore hypothesis H<sub>5</sub> is rejected i.e. there is a significant relationship between age & investor's perception with respect to higher tax shield provided by mutual funds.

**Age \* Do you agree that risk involved in Mutual Funds is considerably less than other investment?**

H<sub>6</sub>: There is no significant relationship between age & investor's perception with respect to risk involved in mutual funds

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.002 <sup>a</sup>	16	.385
Likelihood Ratio	18.146	16	.315
Linear-by-Linear Association	.878	1	.349
N of Valid Cases	105		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .06.

Since the P value (.385) is greater than the significance value (0.05), therefore hypothesis H<sub>6</sub> is not rejected i.e. there is no relationship association between age & investor's perception with respect to risk involved in mutual funds.

**Age \* Do you agree that liquidity is good in the mutual fund investment?**

H<sub>7</sub>: There is no significant relationship between age & investor's perception with respect to liquidity in the mutual fund investment.

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.442 <sup>a</sup>	12	.134
Likelihood Ratio	14.677	12	.260
Linear-by-Linear Association	.894	1	.344
N of Valid Cases	105		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .10.

Since the P value (.134) is greater than the significance value (0.05), therefore hypothesis H<sub>7</sub> is not rejected i.e. there is no significant relationship between age & investor's perception with respect to liquidity in the mutual fund investment.

**Age \* Do you think that mutual funds provide better returns than other investments?**

H<sub>8</sub>: There is no significant relationship between age & investor's perception with respect to returns in mutual funds

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.610 <sup>a</sup>	16	.553
Likelihood Ratio	18.487	16	.296
Linear-by-Linear Association	.219	1	.640
N of Valid Cases	105		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is .04.

Since the P value (.553) is greater than the significance value (0.05), therefore hypothesis H<sub>8</sub> is not rejected i.e. there is no significant relationship between age & investor's perception with respect to returns in mutual funds.



## Findings

Some of the major findings of the study have been summarized below:

1. Out of 105 respondents, 28% of the respondents are aged between 40-49 years and 38% of the work in private sector. Thus, the target market of mutual fund companies could be people in the age group of 40-49 years working in private sector.
2. Most of the respondents were aware about what mutual funds are and how do these mutual fund actually work as well as most of the respondents have invested in mutual funds once in their life.
3. Around 40% of the respondents consider investing in mutual funds as a profitable option.
4. The main reason for an investor to invest in a mutual fund is the tax benefit which is provided to him/her followed by the security, liquidity, return and reliability factor.
5. 71% of the respondents prefer to invest in open ended schemes as they believe that these schemes provide them with more liquidity as investors have an option to buy or redeem the fund at any given period of time as per their convenience.
6. Most respondents believe that the investment of mutual funds in public sector is more secured as compared to investment of mutual funds in a private sector.
7. Many respondents have a view that the close ended funds are risky in nature and provide less security which is why they don't prefer investing in close ended mutual funds.
8. Most respondents disagree to the statement that the mutual funds which have large corpus provide better returns as compared to the mutual funds having small corpus.
9. Most of the respondents have neutral view regarding investing in public sector or private sector i.e. they can invest in either of the sectors.
10. 92% of the respondents were willing to recommend others to invest in mutual funds because of their past experience of investment in mutual funds.
11. Results of Chi-Square Test analysis have been summarized in Table-4.

**Table 4:-** (Results of Chi-Square Test Analysis)

Hypotheses	Remarks
There is no significant relationship between gender & investor's perception with respect to higher tax shield provided by mutual funds	Do not reject
There is no significant relationship between gender & investor's perception with respect to risk involved in mutual funds	Do not reject
There is no significant relationship between gender & investor's perception with respect to liquidity in the mutual fund investment	Do not reject
There is no significant relationship between gender & investor's perception with respect to returns in mutual funds	Reject
There is no significant relationship between age & investor's perception with respect to higher tax shield provided by mutual funds	Reject
There is no significant relationship between age & investor's perception with respect to risk involved in mutual funds	Do not reject
There is no significant relationship between age & investor's perception with respect to liquidity in the mutual fund investment	Do not reject
There is no significant relationship between age & investor's perception with respect to returns in mutual funds	Do not reject

## Discussion and Conclusion:-

Using the data collected through primary research, it was analyzed that most of the mutual fund investors were males aged between 40-49 years working in the private sector. The prime reason for this finding is that in Indian Society, mostly in all households, decisions related to investment and finance are taken by the male members of the family since past many years and this trend is still visible in most of the families. Hence, for companies in order to make sure that more and more investors invest in their company they should target men who are in their middle age. Further, it was found that one of the major reasons for investors to invest in mutual funds is that mutual funds provide various tax benefits. Investing in mutual funds provide investors with a tax deduction under section 80C of the Income Tax Act, 1961. Investors who are keen towards saving their tax prefer investing in mutual funds and other securities. The results of the study indicated that majority of the investors prefer to invest in open ended schemes as it provides them with an option to buy or redeem the fund at any given period of time as per their

convenience. Most of the respondents prefer to invest in public sector mutual funds as they have a perception that investing their money in public sector mutual fund is more safe and secure as compared to private sector mutual funds as public sector mutual fund companies are owned and controlled by government so there are less chances of any fraud and transparency of funds is also maintained.

The study has also been able to identify various parameters upon which an investor thinks before investing his money in any kind of security be it managed by the government or private companies. Deduction in the tax amount at the time of filing income tax returns is the major motivator for an investor to invest in mutual funds followed by security and liquidity of the mutual fund. Further, relationship between demographic variables such as investor's gender and age with investor's perception towards mutual funds has been studied. Research findings suggest that there is a significant relationship between gender and investor's perception with respect to returns in mutual funds. Also, a significant relationship exists between age & investor's perception with regard to higher tax shield provided by mutual funds. Thus, the companies in order to encourage investment in mutual funds must focus on investor preferences and demographics; and accordingly bring out new and innovative schemes which are not only in the interest of their old as well as potential investors but are also profitable to the company. Additionally, the study showed that in the coming future there is a lot of scope for mutual fund industry as it has been growing enormously from the past few years and is also expected to grow at a good pace. Therefore, there are high chances that people might channelize their savings into mutual funds. Overall, the findings of the present study contribute to both theory and practice.

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