

"A study on the Investment Behaviour towards Systematic Investment Plan of Mutual Fund"

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Abstract: The mutual fund is an indirect investment help the investor to diversify the investment in different avenues. These help investors in several ways by giving different opportunities to invest in the schemes. This study had made attempt to know the investors buying factors and the decision towards the mutual fund. In order to achieve these objectives a structured questionnaire is prepared and distributed to 50 respondents of Mangalore region and based on the responses findings and suggestion is drawn.

Introduction:

Orderly Investment Plan is a keen extremely to make riches. It doesn't request single amount ventures. Only a little, consistently. Additionally? With SIP, you don't have to time the market. Over a long stretch, your venture midpoints out the market highs and lows. Subsequently you purchase more units when the market is low and less when the market is high. Taste is really little on reserve funds and enormous on advantages. In this way, build up a decent propensity for general reserve funds. Specialists continue saying that the best time to purchase is when markets are falling and the correct time to offer is the point at which the market is topping, it's recently impractical for an ordinary speculator since when the market is falling it's hard to purchase. In any case, contributing through SIPs help one dodge the slip-up of purchasing progressively when the market crests and less when the market fall.

FEATURES

1. Train: The cardinal control of building your corpus is to remain cantered, put frequently and keep up train in your contributing example. A couple of hundreds put aside consistently won't influence your month to month discretionary cashflow. You will likewise think that its less demanding to part with a couple of hundreds consistently, as opposed to set aside a vast whole to invest in one shot.

2. Energy of Compounding: Venture masters dependably prescribe that one must begin putting ahead of schedule in life. One of the primary explanations behind doing that is the

advantage of aggravating. How about we clarify this with a case. Individual A began contributing Rs, 10,000/- every year at 30 years old. Individual B began contributing a similar sum each year at 35 years old. When they accomplished the age of 60 individually, A had assembled a corpus of Rs. 12.23 lakh while individual B's corpus was just Rs. 7.89 lakh. For this illustration, a rate of return of 8% intensified has been expected.

3. Rupee Cost Averaging: This is particularly valid for interests in values. When you put a similar sum in a reserve at customary interims after some time, you purchase more units when the cost is lower and less units when the costs are higher. Along these lines, you would diminish your normal cost per share (or per unit) after some time. While making little speculations through SIP may not appear to be engaging at in the first place, it empowers speculators to start sparing. Throughout the years, it truly can include and give you attractive returns. A month to month SIP of Rs. 1000 at the rate of 9% would develop Rs. 6.69 lakh in 10 years, Rs. 17.83 lakh in 30 years and Rs. 44.20 lakh in 40 years. Notwithstanding for the money rich, SIPs diminishes the shot of contributing at the wrong time and losing their rest over a wrong speculation choice. In any case, contributing at lower levels determines the genuine advantage of a SIP.

4. Accommodation: This is an exceptionally advantageous method for contributing. You need to simply submit checks alongside the topped off enrolment frame. The common store will store the keeps an eye on the asked for date and credit the units to one's record and will send the affirmation for the same.

Review of literature

Nalini Prava Tripathy (1996) pointed that, mutual funds creates awareness among urban and rural middle class people about the benefits of investment in capital market, through profitable and safe avenues. Mutual fund could be able to make up a large amount of the surplus funds available with these people.

Raja Rajan (1997,1998) high helped division of speculators on the premise of their qualities, venture size, and the connection between stage in life cycle of the speculators and their venture.

Terrance (1998) analyzed the conduct of individual financial specialists and discovered them displaying demeanour impacts, that is, they understand their beneficial stocks require as speculation at a significantly higher rate than their unfruitful ones. The demeanor impact is found to impact showcase cost; yet its financial criticalness is probably going to be the best for individual speculators.

Background of the study

Investment is an important aspect for an investor he invest his savings for various reasons some time he invest for the return some time for tax benefits. Systematic investment plan of the mutual fund gives the average

return by giving option to invest in monthly fixed amount this study has been conducted in Mangalore region by selecting fifty respondents to know the behaviour of the respondents systematic investment plan of mutual fund.

Mode of Investment:

An investor will select such a combination of securities which maximizes his utility.

1. Direct Investment Alternatives –In direct investment, the individual makes his own choice and takes his own investment decisions.

(a) Settled main speculations: In settled central ventures, the key sum and the development sum are know with conviction. The cases of these ventures are: money, investment funds financial balance, reserve funds authentications, Government Bonds, corporate securities, corporate debentures.

(b) Variable main securities: In factor vital securities the development esteem is not known with conviction. The cases of these securities are: value offers, inclination offers, convertible debentures and inclination offers.

(c) Non security speculations: the cases of non-security speculations are: land, contracts, items, business wanders, workmanship, collectibles and different resources.

Indirect investment alternatives

Aberrant speculation options are an essential and quickly developing portion of our financial. In aberrant ventures, the individual financial specialists have no influence over the sum contributed. The speculations are depended to the care of specific associations. These associations deal with the assets for the benefit of speculators with the assistance of gathering of trustees. Cases of circuitous venture choices are:

- Pension fund
- Provident fund
- Insurance
- Investment companies and
- Unit trust of India.

Objectives:

a. To study investor attitude towards investment option selection.

b. To identify factors affecting investor attitude towards investment option selection with special reference to sip.

Methodology

This study has been conducted based on primary and secondary data

Primary data based on structured questionnaire which is given for 50 respondents and personal interview and secondary data is based on the past record which based on the magazine, journals and books.

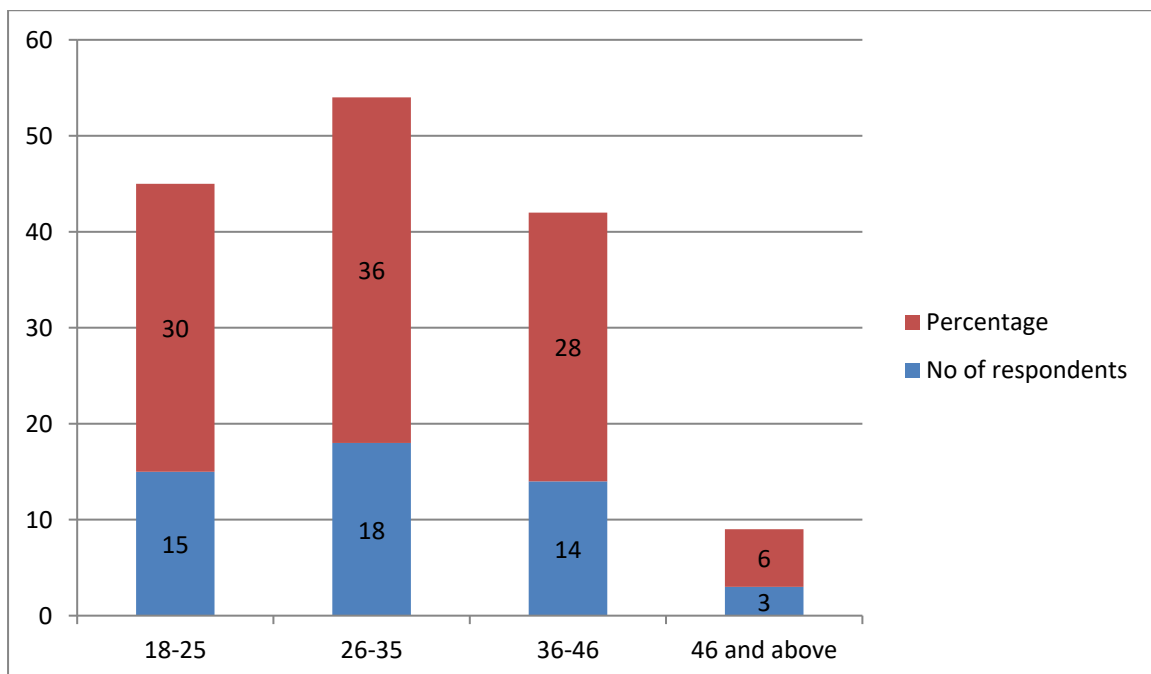
Analysis

Table 1: Showing the age of the respondents

Age	No of respondents	Percentage
18-25	15	30
26-35	18	36
36-46	14	28
46 and above	03	06

Source: Primary data

Chart 1: Showing the age of the respondents



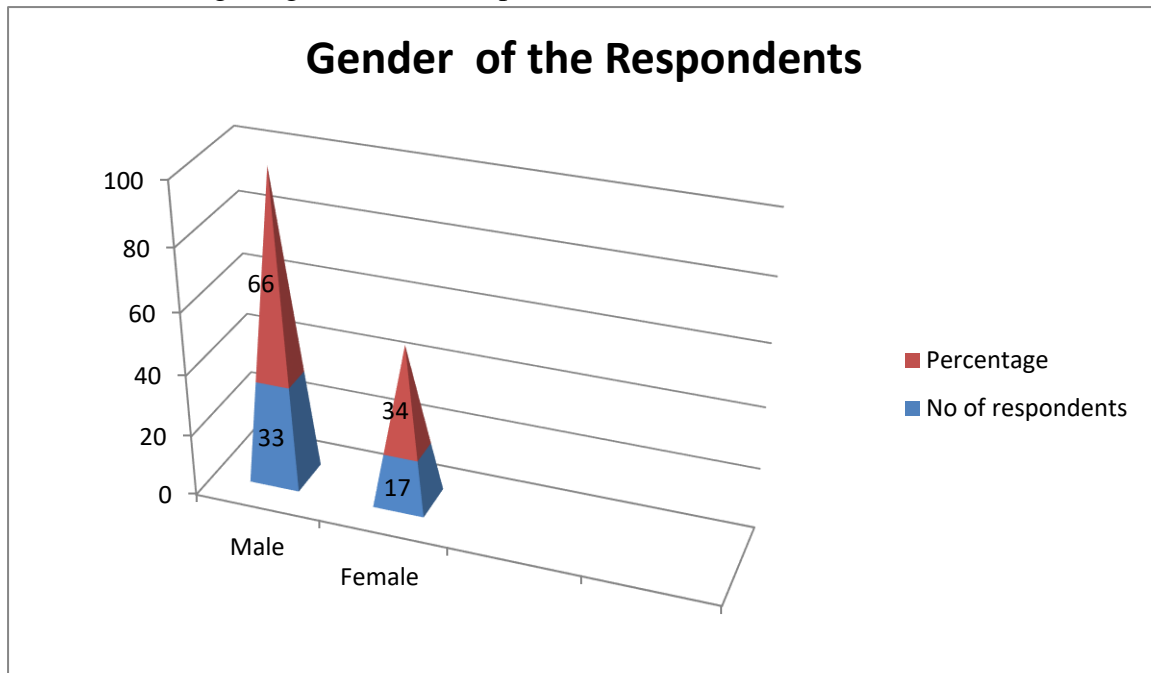
Interpretation: The above chart shows the age of the respondents and out of 50 respondents 36% of the respondents are age between 26-35 year age and 30% of the respondents are between 18-25 year age and 28% are in the age group of 36-46 and remaining are in the age of above 46.

Table 2: Showing the gender of the respondents

Gender	No of respondents	Percentage
Male	33	66
Female	17	34

Source: Primary data

Chart 2: Showing the gender of the respondents



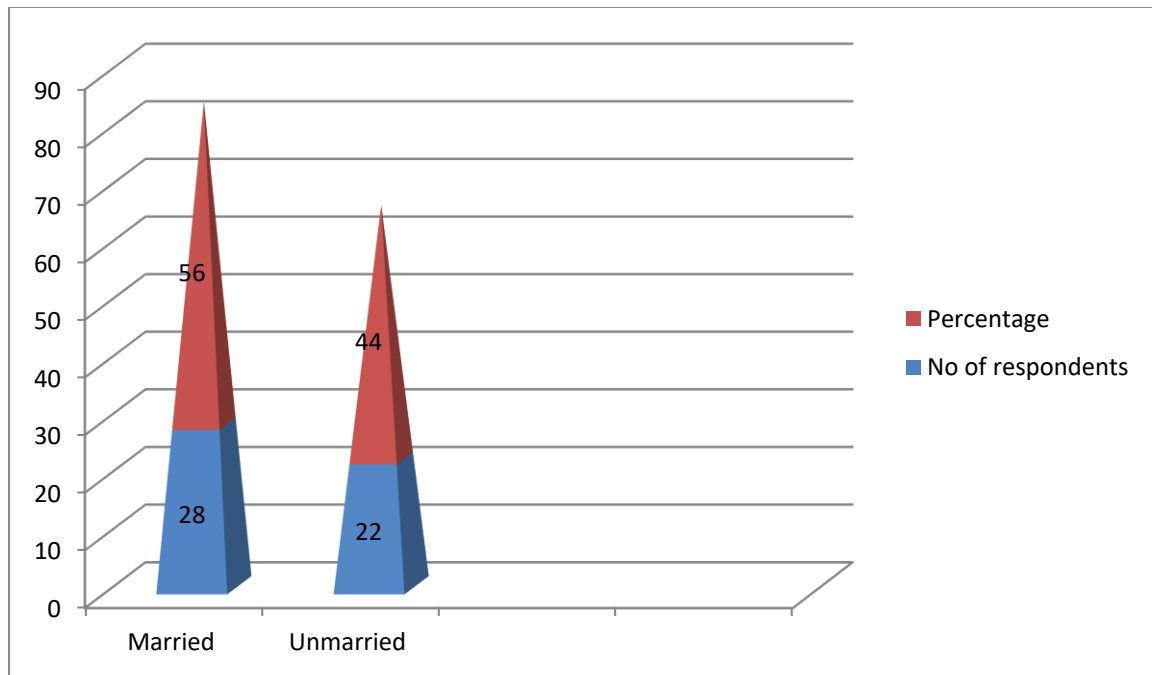
Interpretation: The above figure shows the gender of the respondents out of 100% respondents 66% are male and remaining was female.

Table 3: showing the marital status of the respondents

Status	No of respondents	Percentage
Married	28	56
Unmarried	22	44

Source: Primary data

Chart 3: Showing the marital status of the respondents



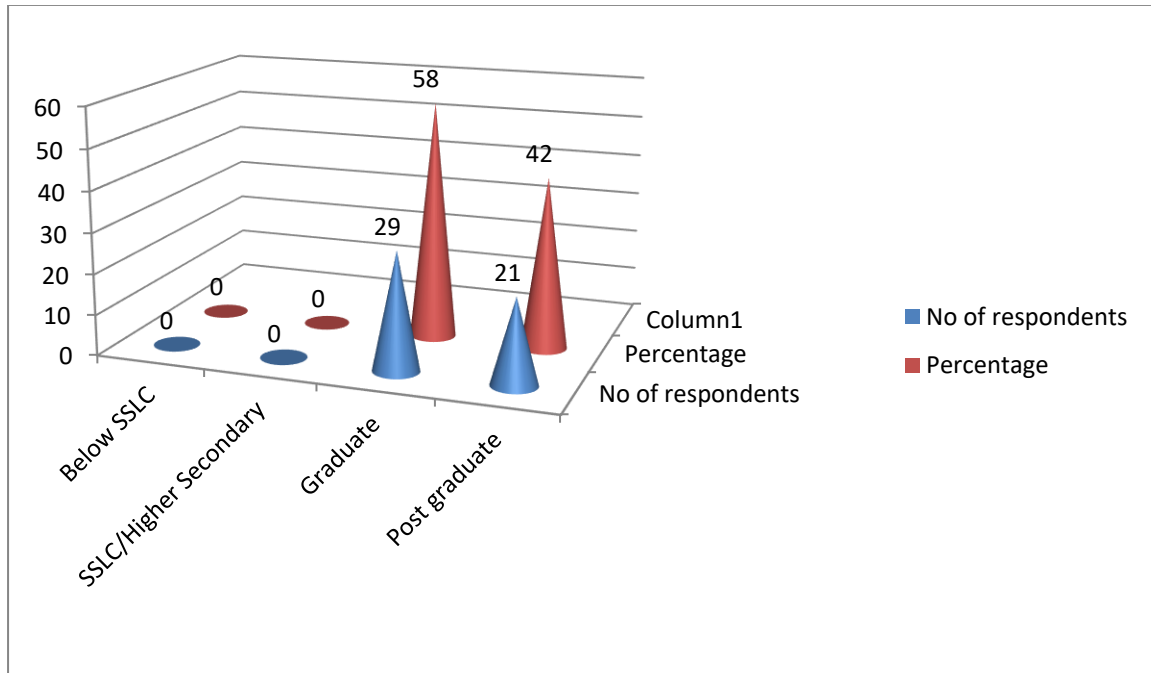
Interpretation: The out of 50 respondents 28 are married and remaining 22 are unmarried.

Table 4: Showing the level of education

Education	No of respondents	Percentage
Below SSLC	Nil	Nil
SSLC/Higher Secondary	Nil	Nil
Graduate	29	58
Post graduate	21	42

Source: Primary data

Chart 4: showing the level of education



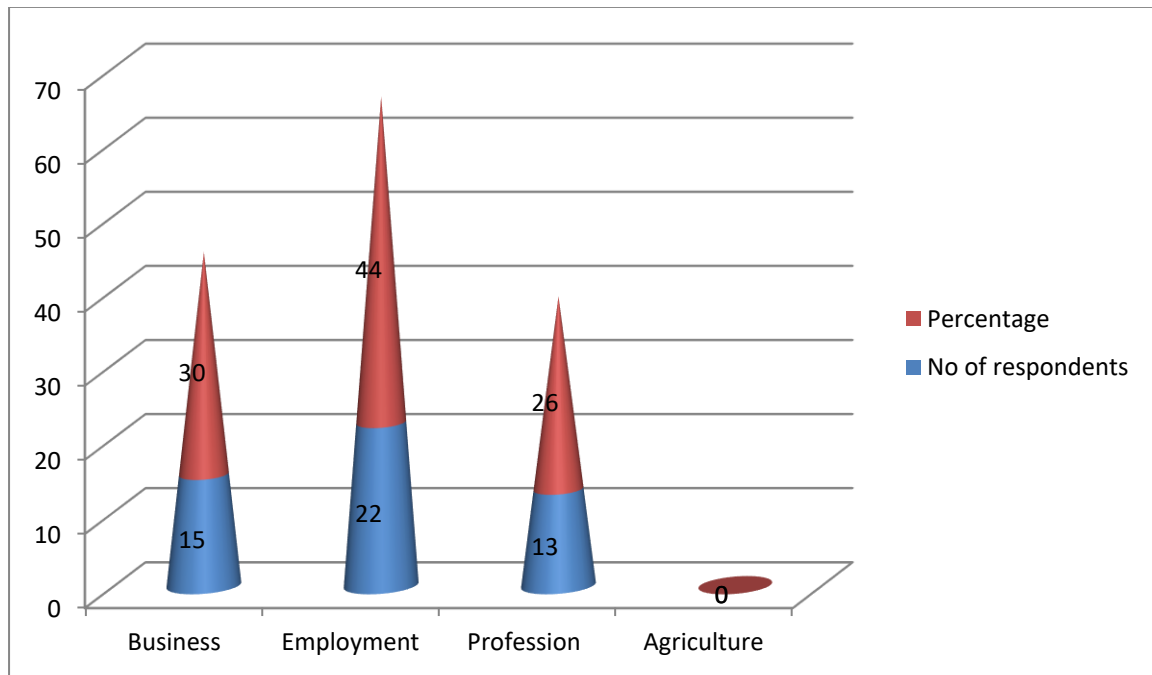
Interpretation: The above chart shows the education level of the respondents. Out of 100% respondents 58% are graduate and remaining are post graduate.

Table 5: showing the occupation of the respondents

Occupation	No of respondents	Percentage
Business	15	30
Employment	22	44
Profession	13	26
Agriculture	nil	nil

Source: Primary data

Chart5: showing the occupation of the respondents



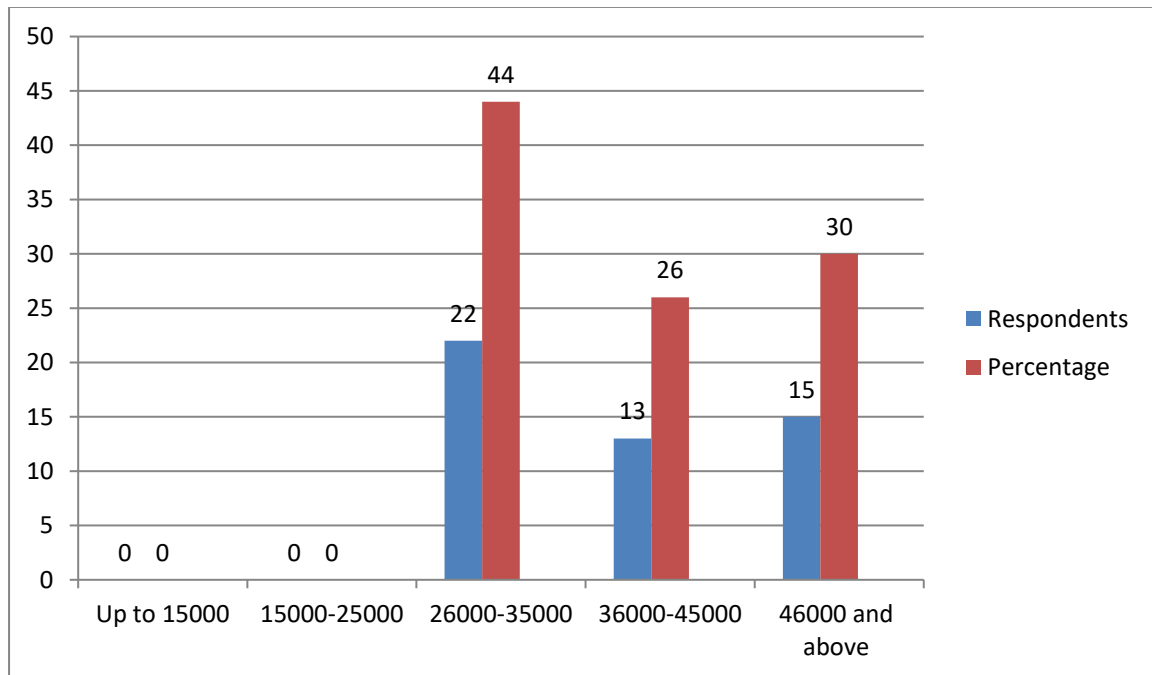
Interpretation: The above chart shows the occupation of the respondents out of 50 respondents 22 respondents are employees, 15 are business man and remaining are professions.

Table 6: Shows the monthly income of the respondents

Income	Respondents	Percentage
Up to 15000	Nil	Nil
15000-25000	Nil	Nil
26000-35000	22	44
36000-45000	13	26
46000 and above	15	30

Source: Primary data

Chart 6: Shows the monthly income of the respondents



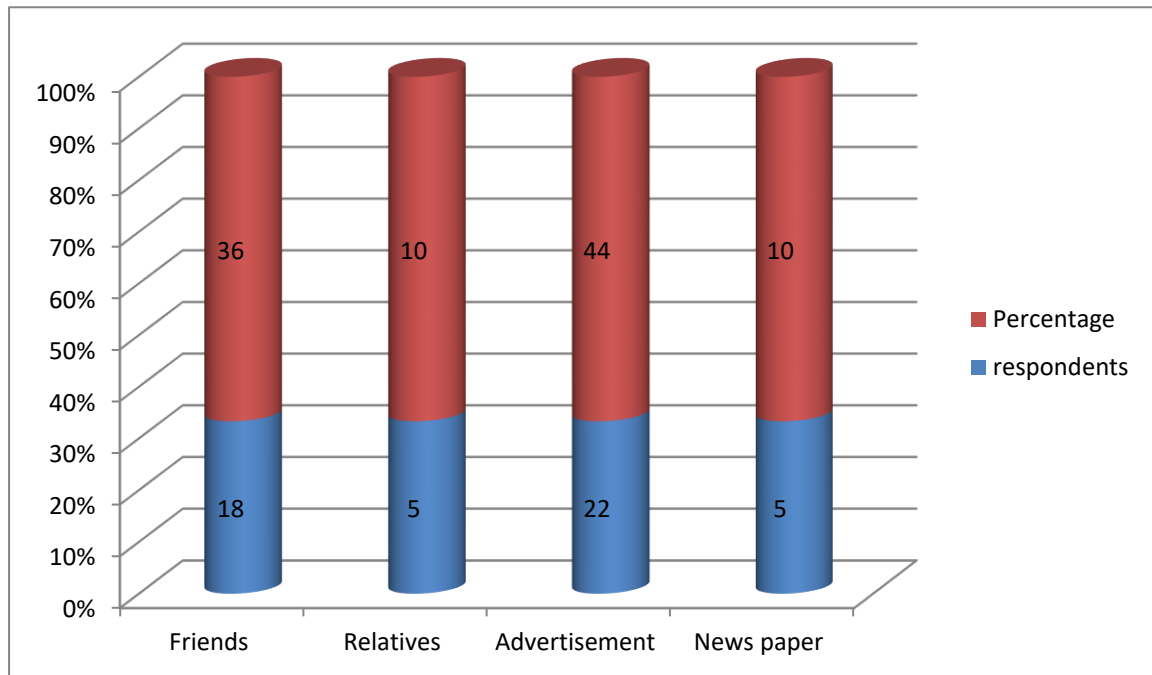
Interpretation: The 30% of the respondents are having the 46000 monthly income , 44% are having the income between 26000-35000 and remaining are having the income of 36000-45000.

Table 7: Shows the source of the information

Source	Respondents	Percentage
Friends	18	36
Relatives	5	10
Advertisement	22	44
News paper	5	10

Source: Primary data

Chart 7: Shows the source of information



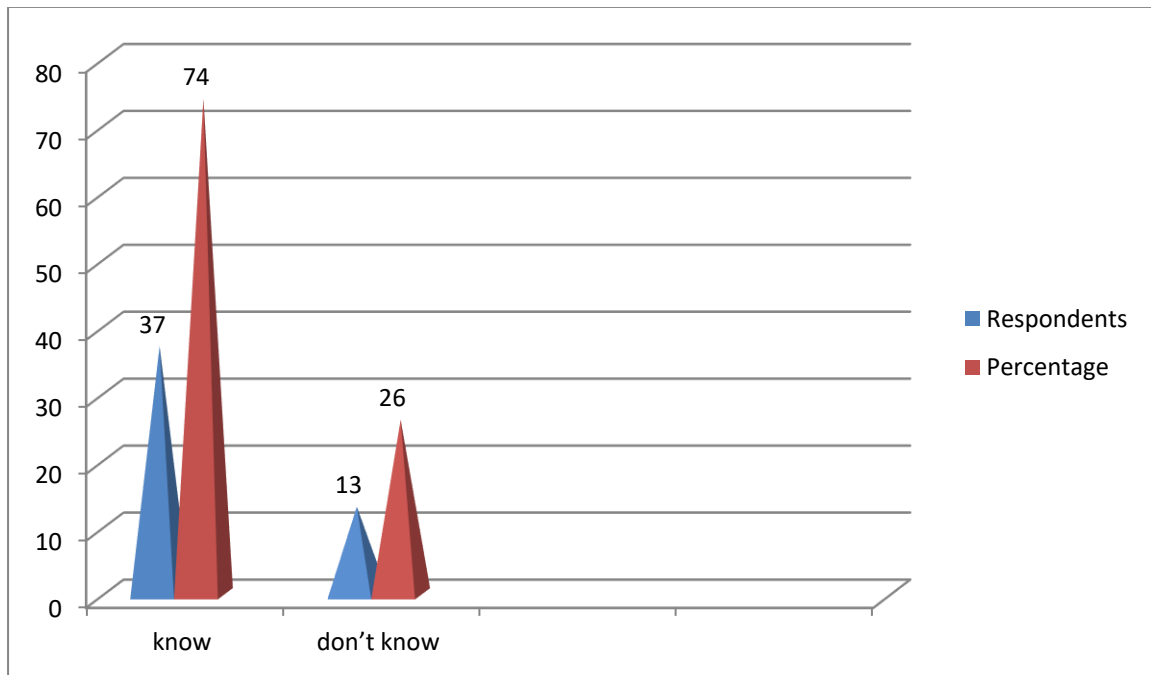
Interpretation: The source of the information which the investor are received. There are 44% are received the information through the advertisement, 36% are through friends and reaming 10% are through relatives and newspaper.

Table 8: Showing the knowledge about systematic investment plan

	Respondents	Percentage
Know	37	74
Don't know	13	26

Source: Primary data

Chart 8: Showing the knowledge about systematic investment plan



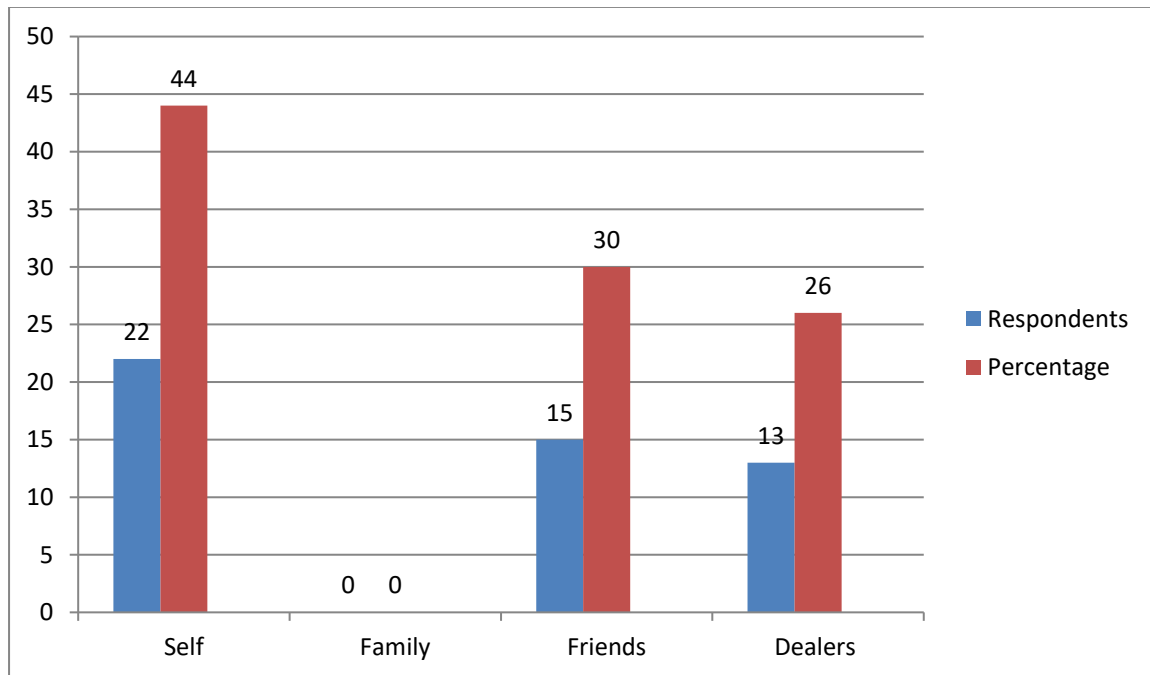
Interpretation: There are 74% of the responded are aware about the systematic investment plan and reaming are not aware.

Table 9: showing the factor influence on investment decision

Factors	Respondents	Percentage
Self	22	44
Family	Nil	Nil
Friends	15	30
Dealers	13	26

Source: Primary data

Chart 9: Showing the factors influence on investment decision



Interpretation: The above chart reveals that the majority of the investors takes self decision on the investment and 30% and 26% of the respondents were invested because of the friends and dealer advice.

Findings of the study

1. The majority of the investors are in the age between 26-35 year.
2. 66% of the respondents are male and remaining are females.
3. Out of 100% respondents more than 50% are married.
4. The educations of the respondents are graduation and post graduation.
5. The majority of the respondents who invested in the investment are businessmen and employees.
6. The investor's monthly income is more than 25000 per month.
7. There are 74% of the respondents are aware of the systematic investment plan.
8. Majority of the investor invested in systematic investment plan because of the friends and advertisement.
9. The majority of the investor takes self decision for the invest in the systematic investment plan.

Suggestion

1. More mindfulness about SIP can be made to the overall population through commercials special projects and so forth.
2. Legitimate rules must be given to Business, agriculture individuals for enhancing their mindfulness with respect to ventures.

3. Merchants can make more mindfulness with respect to SIP to expand speculator's state of mind towards SIP.
4. Merchants can have a well disposed approach with financial specialists to advance speculator's basic leadership control on common assets.

Conclusion

The mutual fund is growing industry in India because there small investors who are willing to invest in the capital market. But they find difficult in the investment in capital market due to money constraint. But the mutual fund helps even the small investor to invest in the mutual fund scheme by giving them variety of option for investment. In this investment systematic investment scheme is one major scheme for the investors, it help them to invest in the fund by small amount to large amount in this way this is different from other investment avenue.

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