

A STUDY ON CUSTOMER PERCEPTION FOR INVESTMENT OPTION BETWEEN EQUITY AND MUTUAL FUND OF HDFC



RESEARCH PAPER

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ABSTRACT

Equity and Mutual Fund is an important aspect for an investor when they invest their money and want to earn higher return, so they prefer to invest their amount in mutual fund and equity.

Investment can be defined as an item of value purchased for income capital application. Investments are made to achieve a specific objective and savings are made to meet an unforeseen event. In this research paper the perception of customer in respect to investment in equity and mutual fund is studied. It was found that every customer wants to invest in good company which will provides good returns to them against invested amount.

INTRODUCTION

According to a customer perception, the investor will determine the company history that it is good for us or not, if the data of the company is good than an investor will invest his/her money easily. Every investor wants that he invested in a good company and he will earn big lot of money on his mutual fund or equity. The analysis requires consideration of the internal and external factors that can have an effect on their investment. If an investor or customer does a good analysis than he is invested in good company their investor will be get maximum amount. Mutual Fund schemes are usually open-ended (perpetually open for investment and redemptions) or closed end (with a fixed term). A mutual fund scheme issues units that are normally priced at Rs.10 during the initial offer. Thus, the number of units you own as against the total number of units issued by the mutual fund scheme determines your share in the profits or loss of a scheme. In the case of open-end schemes, units can be purchased from or sold back to the fund at a Net Asset Value (NAV) based price on all business days.

The NAV is the actual value of a unit of the fund on a given day. Thus, when you invest in a mutual fund scheme, you normally get an account statement mentioning the number of units that have been allotted to you and the NAV based price at which the units have been allotted. The account statement is similar to your bank statement.

OBJECTIVES OF THE STUDY

1. To determine the type of mutual fund investor prefers the most.
2. To analyze the perception of customer that which type of investment they want.
3. To analyze the awareness of mutual fund.

LITERATURE REVIEW

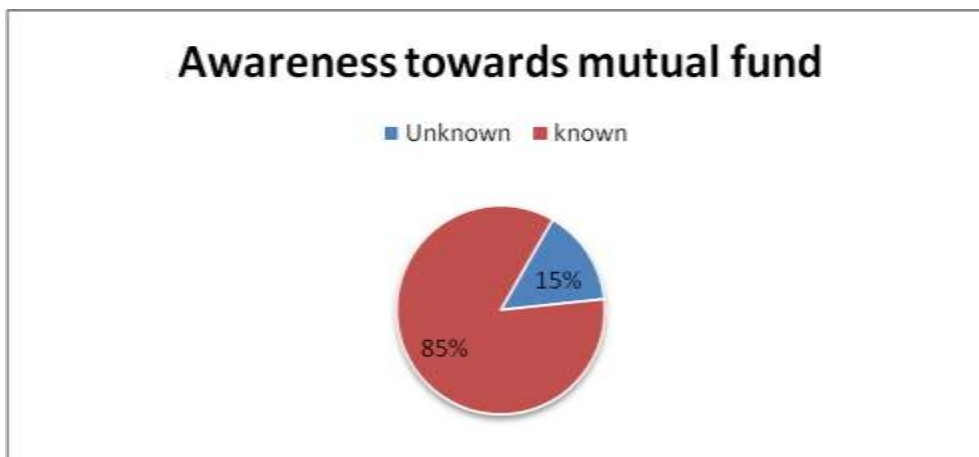
The literature has emphasized the important role played by the human component in the competitiveness and response capacity of organizations, and this is reflected in numerous publications and research studies that have appeared in recent years (Barney 1991; Barney and Wright, 1998; Wright et al., 1994). According to this view, human capital is proposed as one of the key resources on which companies build their competitive advantage (Becker and Gerhart, 1996; Boxall, 1996; Tyson, 1995).

RESEARCH METHODOLOGY

Data type	Primary and Secondary
Sampling Unit	Investors
Sampling Type	Convenience Sampling'
Sample Size	40
Research tool	Questionnaire
Type of Research	Descriptive Research
Data Collection Method	Primary Data
Area	Moradabad

FINDINGS

1. How many customers know about the mutual funds?



- According to this statement 15% investor unknown and 85% investor is known. So customer awareness is necessary regarding mutual funds.

2. Factors considered by investor while investing?

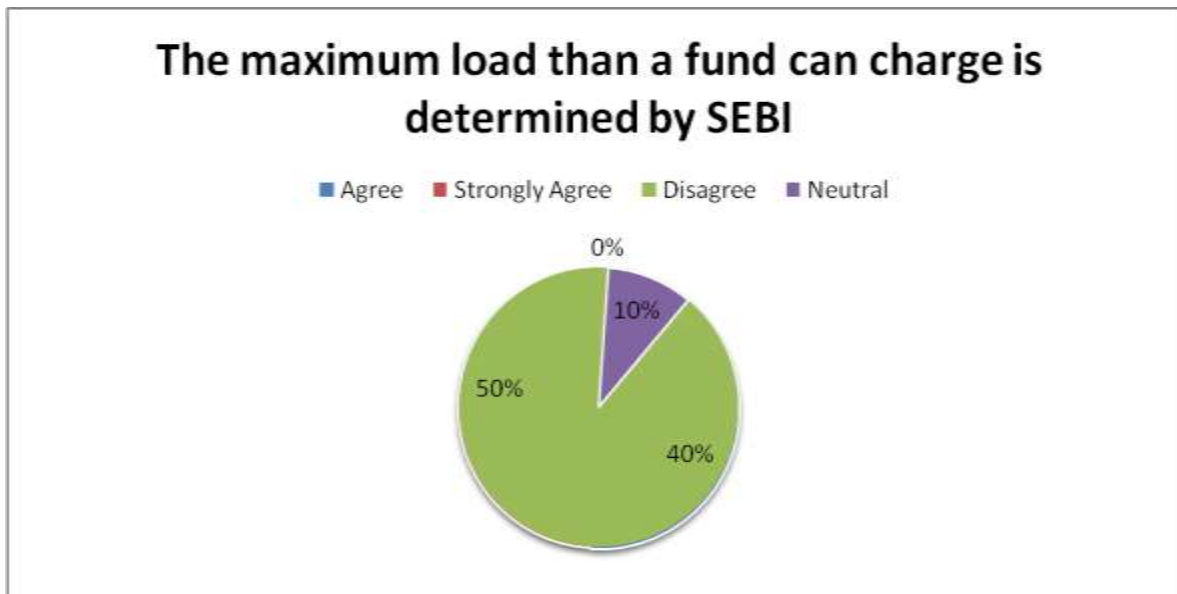
- (a) Safety & security
- (b) Tax exemption
- (c) Liquidity
- (d) Profitability
- (e) Return pattern



- According to this statement 20% investor considered safety & security, 30% considered tax exemption, 25% liquidity, 10% profitability, and 15% investor consider return pattern.

3. The maximum load than a fund can charge is determined by SEBI?

- (a) Agree (b) Strongly Agree
(c) Disagree (d) Neutral



- According to this statement 40% investors are agree, 50% strongly agree, 0% disagree and 10% neutral for maximum load than a fund can charge is determined by SEBI .

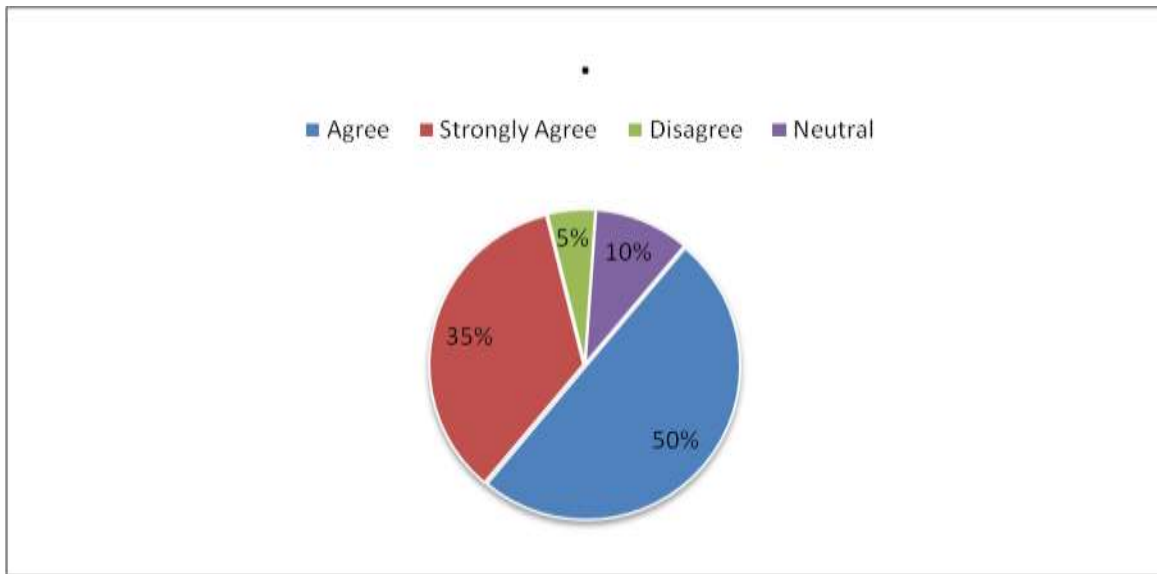
4. A mutual fund is not a company that manages investment portfolios of net worth individual.

(a) Agree

(b) Strongly Agree

(c) Disagree

(d) Neutral



According to this statement 50% investors are agree, 35% strongly agree, 5% disagree and 10% neutral.

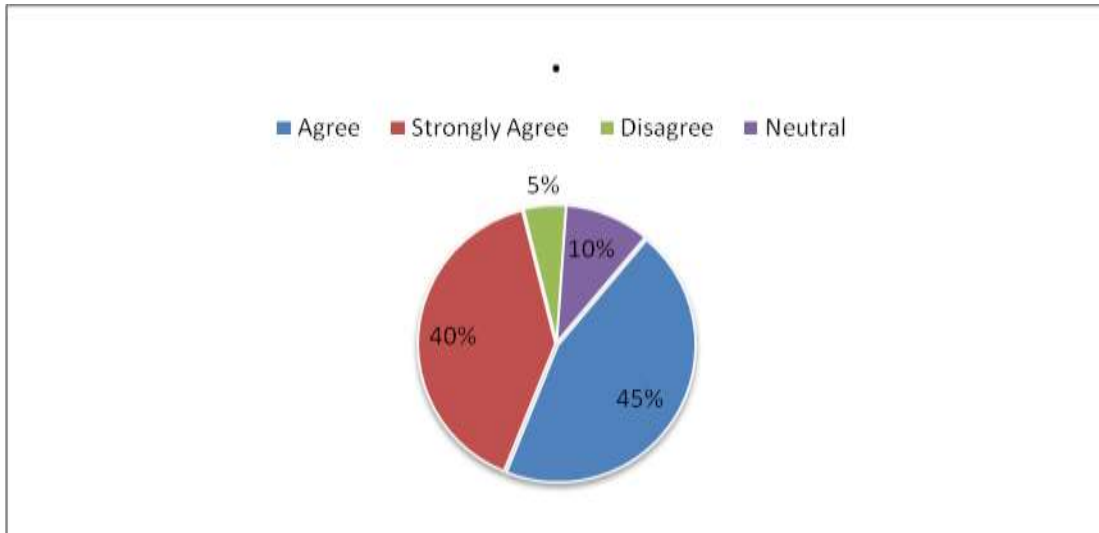
5. SEBI restricts mutual fund investments in companies from in a part of the same group as the AMC. This is in the interest of investor protection.

(a) Agree

(b) Strongly Agree

(c) Disagree

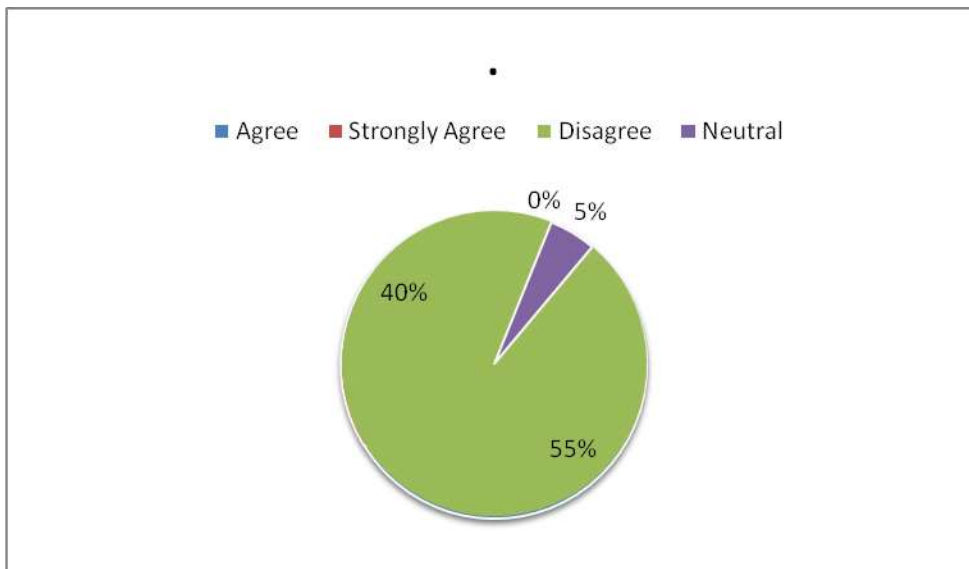
(d) Neutral



According to this statement 45% investors are agree, 40% strongly agree, 5% disagree and 10% neutral.

6. Mutual funds are allowed to borrow only to meet redemption demand.

- (a) Agree
- (b) Strongly Agree
- (c) Disagree
- (d) Neutral



- According to this statement 55% investors are agree, 40% strongly agree, 0% disagree and 5% neutral.

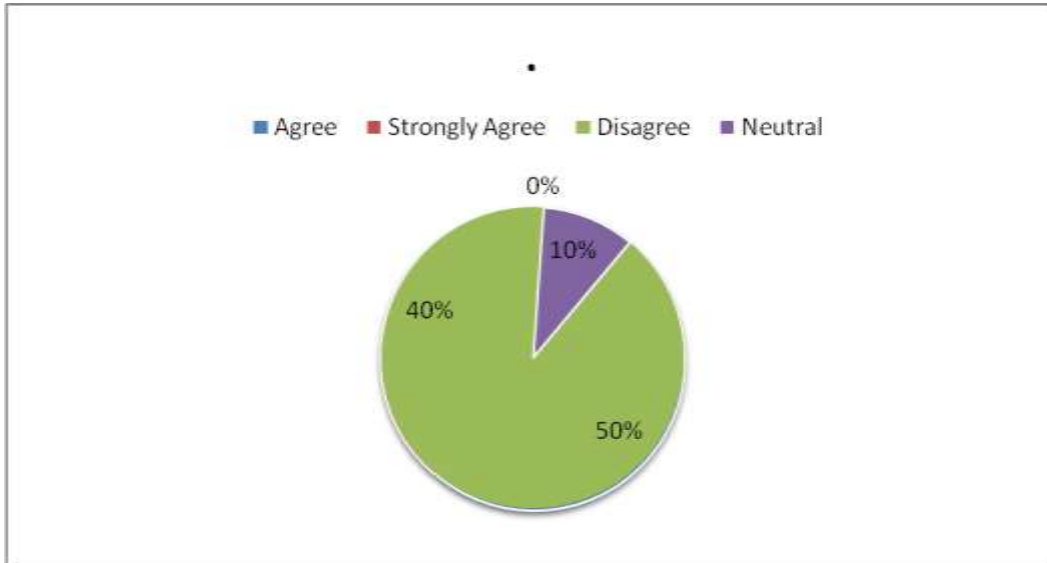
7. NRIs are eligible to invest in Mutual Funds.

(a) Agree

(b) Strongly Agree

(c) Disagree

(d) Neutral



- According to this statement 50% investors are agree, 40% strongly agree, 0% disagree and 10% neutral.

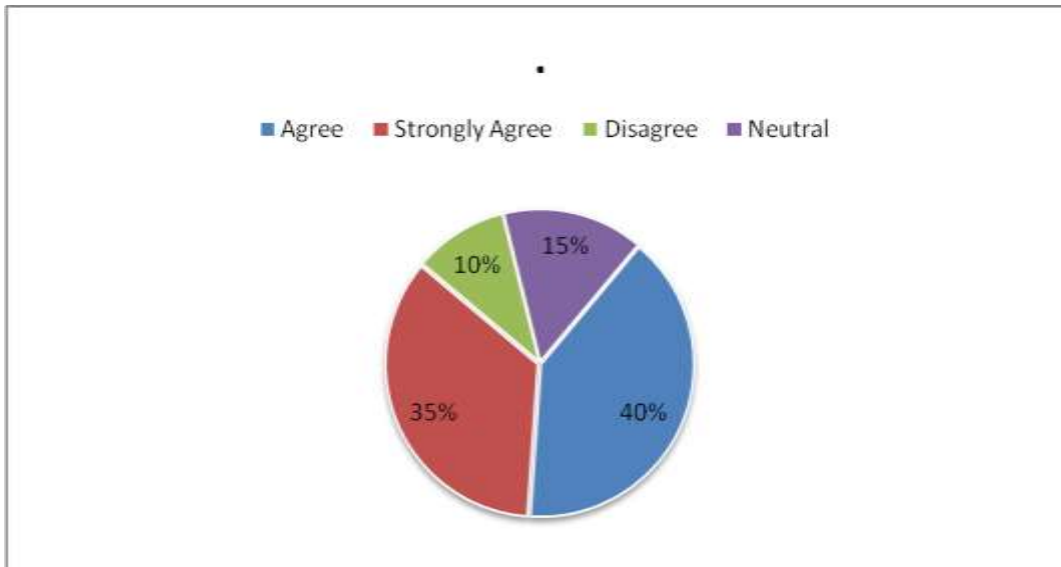
8. Overseas Corporate Bodies allowed inviting in Mutual Funds.

(a) Agree

(b) Strongly Agree

(c) Disagree

(d) Neutral



- According to this statement 40% investors are agree, 35% strongly agree, 10% disagree and 15% neutral.

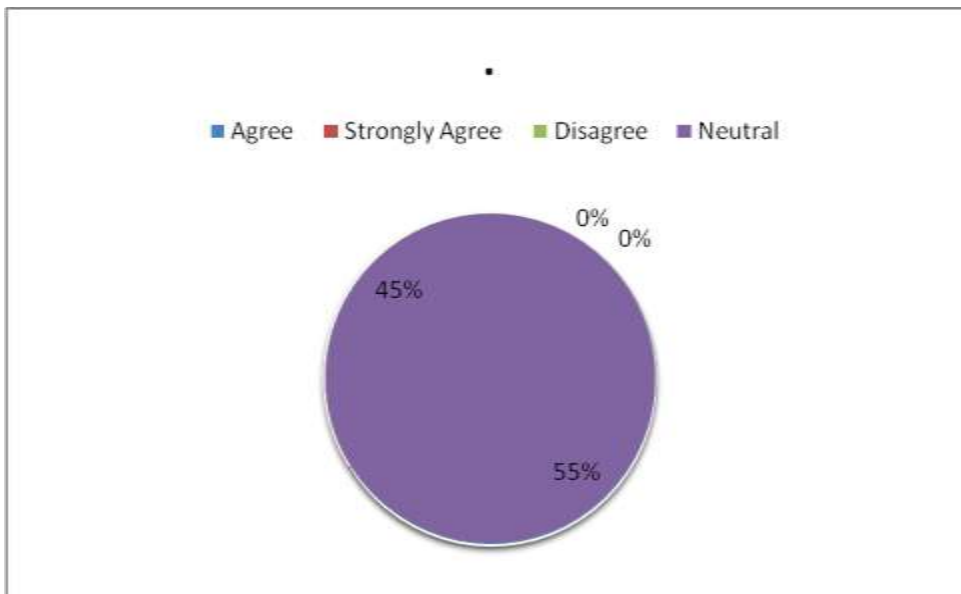
9. Generally, Individuals categories of investor need advice for investing in Mutual Fund.

(a) Agree

(b) Strongly Agree

(c) Disagree

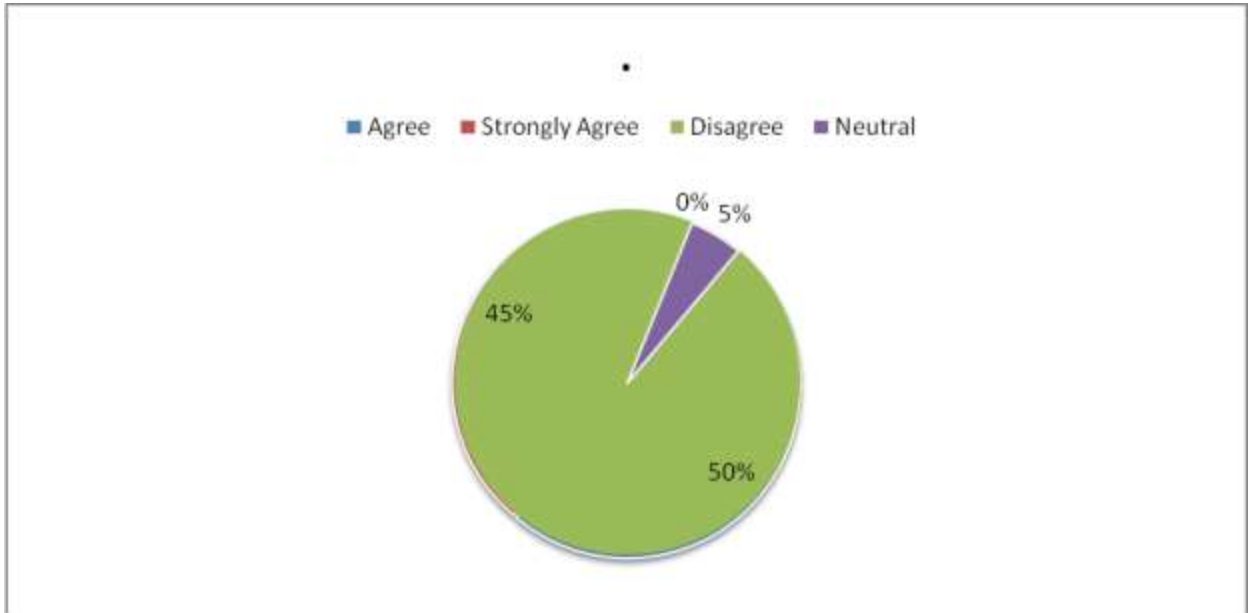
(d) Neutral



- According to this statement 55% investors are agree, 45% strongly agree.

10. UTI Mutual Fund has majority of the agents selling its Mutual Fund units in India.

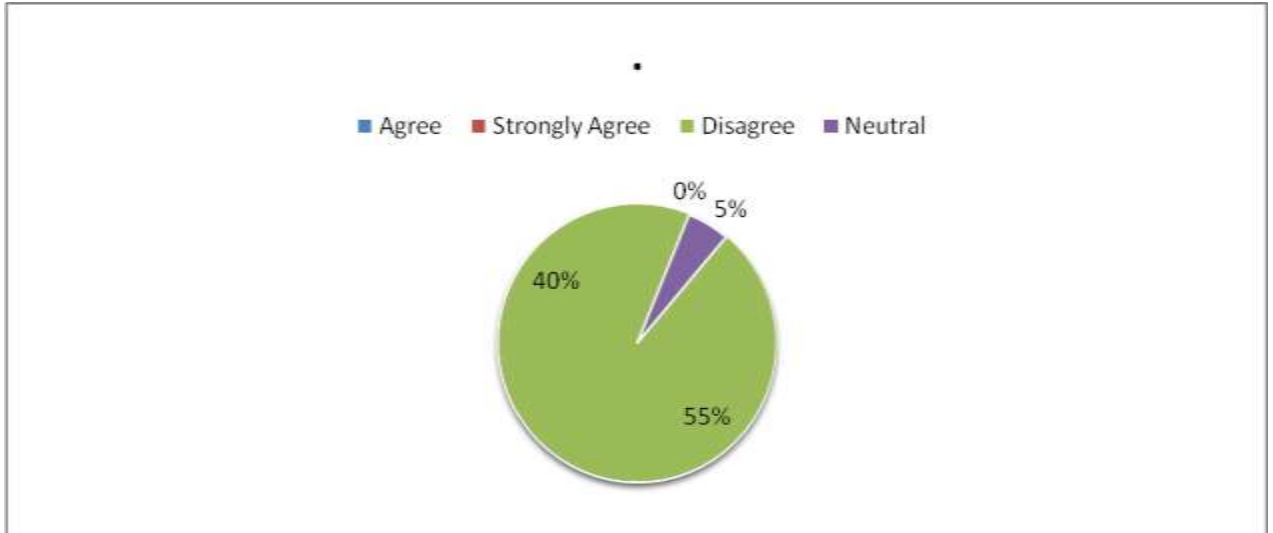
- (a) Agree (b) Strongly Agree
(c) Disagree (d) Neutral



- According to this statement 50% investors are agree, 45% strongly agree, 0% disagree and 5% neutral.

11. In developed countries, an important Mutual Fund Marketing channel is through banks.

- (a) Agree (b) Strongly Agree
(c) Disagree (d) Neutral



- According to this statement 55% investors are agree, 40% strongly agree, 0% disagree and 5% neutral.

FINDINGS

- Investors are mainly concerned with the risk factors of Mutual Fund and are not directing towards them.
- Many people don't know the advantage of mutual funds and the various types of mutual fund.
- A common investor looks for the safety & security and Tax exemptions while investing.
- The investors who have invested in mutual fund mainly go for Tax exemption.

CONCLUSION

After having analyzed the data, it was observed that practically there are many investors who invest their money in a good manner but some investor not invested in a proper manner. This is the thing that has been mentioned time and again in the report, as, in the absence of continuity; it becomes a redundant exercise. Before actually deciding drafting what should be the kind of investment system.

SUGGESTIONS

1. Since HDFC Mutual fund doesn't have any standardized policy for promotion and it is also revealed from one of the findings highlighting favoritism. Hence it is suggested that the promotional policy based on seniority (time scale) followed by merit, be framed.

LIMITATIONS

A few limitations and constraints came in way of conducting the present study, under which the researcher had to work are as follows:

- Although all attempts were made to make this an objective study, biases on the part of respondents might have resulted in some subjectivity.

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4) www.projectsfeedback.com.