

CHAPTER-II

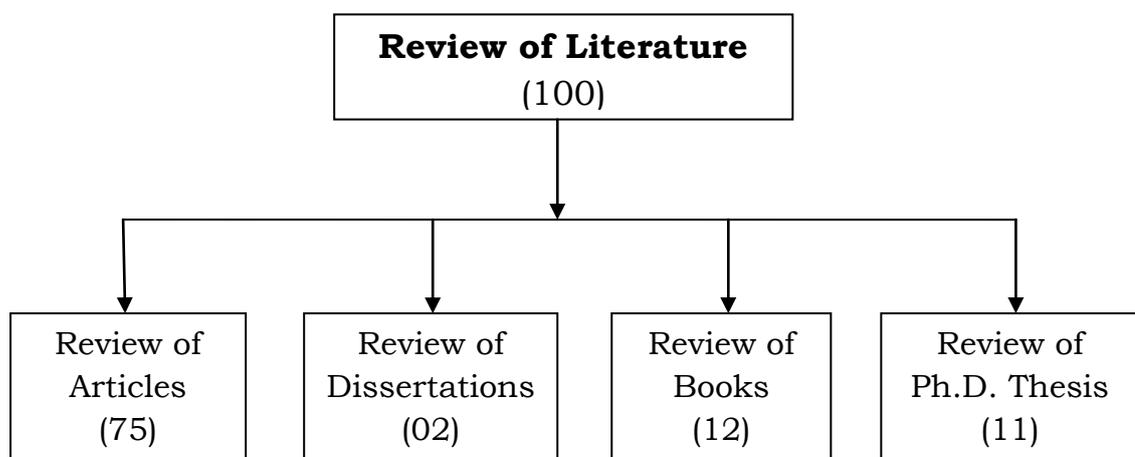
REVIEW OF LITERATURE

2.1 INTRODUCTION:

A review of theoretical and empirical literature pertaining to the topic of the study is an integral part of any research work. Mutual funds play a crucial role in reducing risk and transaction cost while investing in the stock markets. They offer a more efficient route of investing. In the process of encouraging more investments, they help in realizing true prices of securities. This, in turn, helps to attract investments through the initial public offer route and mobilize the savings of Indian households.

A number of studies on the growth and financial performance of mutual funds have been carried out during the past years in the developed and developing countries. A brief review reveals the wealth of contributions towards the performance evaluation of mutual fund, market timing and stock selection abilities of the fund manager.

Hence, an attempt has been made in this chapter to present a review of various studies relating to mutual funds are summarized in four heads. They are articles, dissertations, books and Ph.D. Thesis.



2.2. REVIEW OF ARTICLES:

Review of research articles includes national and international level pertaining to the mutual funds area are summarised as below.

Irwin, Brown, FE (1965)¹ analyzed issues relating to investment policy, portfolio turnover rate, the performance of mutual funds and its impact on the stock markets. The mutual funds had identified that a significant impact on the price movement in the stock market. They concluded that, on an average, funds did not perform better than the composite markets and there was no persistent relationship between portfolio turnover and fund performance.

Mc Kelvey (1966)² study entitled “Intangible factors in stock evaluation” work pointed out that when making an investment decision, one should look for certain factors beyond current earnings and dividends. The factor suggested in his study are growth trend, quality of growth, qualitative factors, management factors, the validity of earnings, use of leverages, diversification, shareholder relations and other intangible factors. The intangible factors are stocks with restricted voting rights, full of voting right, the reputation of the underwriter and the length of time the shares which have been marketed. The study emphasizes that current earnings and yield are important factors in determining the attractiveness of the stock, but they are not the only ones.

Jensen (1968)³ has developed a composite portfolio evaluation technique concerning risk-adjusted returns. The researcher evaluated the ability of 115 fund managers in selecting securities during the period 1945-66. Analysis of net returns indicated that 39 funds have above-average returns, while 76 funds yielded abnormally poor returns. Using gross returns, 48 funds showed above average results and 67 funds below average results. Jensen concluded that there was very little evidence that funds were able to perform significantly better

than expected as fund managers were not able to forecast securities price movements.

Smith and Tito (1969)⁴ have examined the inter-relationships between the three widely used composite measures of investment performance and suggested a fourth alternative, identified some aspects of differentiation in the process. While ranking the funds on the basis of ex-post performance, alternative measures produced little differences. However, conclusions differed widely when performance was compared with the market. In view of this, they suggested modified Jensen's measure based on estimating equation and slope coefficient.

Friend, Blume and Crockett (1970)⁵ has compared the performance of 86 funds with random portfolios. The study concluded that mutual funds performed badly in terms of total risk. Funds with higher turnover outperformed the market. The size of the fund did not have any impact on their performance.

Roger E. Potler (1970)⁶ has found empirical evidence suggesting the same basic factors motivating professional and non-professional investors. The factors were a desire for income from dividends, rapid growth and quick profits through and purposeful investment as a protective outlet for savings.

Arditti (1971)⁷ found that Sharpe's conclusion got altered when the annual rate of return was introduced as a third dimension. He found that contrary to Sharpe's findings the average fund performance could no longer be judged inferior to the performance of DJIA. Fund managers opted higher risk for better annual returns.

Williamson (1972)⁸ compared ranks of 180 funds between 1961-65 and 1966-70. There was no correlation between the rankings of the two periods. The investment abilities of most of the fund

managers were identical. He highlighted the growing prominence of volatility in the measurement of investment risk.

Fama (1972)⁹ developed methods to distinguish observed return due to the ability to pick up the best securities at a given level of risk from that of predictions of price movements in the market. He introduced a multi-period model allowing evaluation on a period-by-period and on a cumulative basis. He branded that, return on a portfolio constitutes of return for security selection and return for bearing risk. His contributions combined the concepts from modern theories of portfolio selection and capital market equilibrium with more traditional concepts of good portfolio management.

Klemosky(1973)¹⁰ analyzed investment performance of 40 funds based on quarterly returns during the period 1966-71. He acknowledged that biases in Sharpe, Treynor, and Jensen's measures, could be removed by using mean absolute deviation and semi-standard deviation as risk surrogates compared to the composite measures derived from the CAPM.

McDonald and John (1974)¹¹ has examined 123 mutual funds and identified the existence of a positive relationship between objectives and risk. The study identified the existence of a positive relationship between return and risk. The relationship between objective and risk-adjusted performance indicated that more aggressive funds experienced better results.

Gupta (1974)¹² evaluated the performance of mutual fund industry for the period 1962-71 using Sharpe, Treynor, and Jensen models. All the funds covered under the study outperformed the market irrespective of the choice of market index. The results indicated that all the three models provided identical results. All the mutual fund subgroups outperformed the market using DJIA while income and balanced groups underperformed S&P 500. Return per

unit of risk varied with the level of volatility assumed and he concluded that, funds with higher volatility exhibited superior performance.

Meyer's (1977)¹³ findings based on stochastic dominance model revalidated Sharpe's findings with the caution that it was relevant for mutual funds in the designated past, rather than for the future period.

Klemosky (1977)¹⁴ examined performance consistency of 158 fund managers for the period 1968-75. The ranking of performance showed better consistency between four-year periods and relatively lower consistency between adjacent two-year periods.

Gupta Ramesh (1989)¹⁵ evaluated fund performance in India comparing the returns earned by schemes of similar risk and similar constraints. An explicit risk-return relationship was developed to make comparison across funds with different risk levels. His study decomposed total return into a return from investors risk, return from managers' risk and target risk. Mutual fund return due to selectivity was decomposed into return due to the selection of securities and timing of investment in a particular class of securities.

Vidhyashankar S (1990)¹⁶ identified a shift from bank or company deposits to mutual funds due to its superiority by way of ensuring a healthy and orderly development of capital market with adequate investor protection through SEBI interference. The study identified that mutual funds in the Indian capital market have a bright future as one of the predominant instruments of savings by the end of the century.

Bansal L K (1991)¹⁷ identified that mutual fund like other financial institutions is a potential intermediary between the prospective investor and the capital market. The mutual fund, as an investment agency was preferred since 1985-86 due to the benefits of

liquidity, safety and reasonable appreciation assured by the industry. The schemes with assured returns showed tremendous progress. The majority of the funds floated by commercial banks gave an impression that the responsibility of funds laid with the respective banks and their investment was secured.

Sarkar A K (1991)¹⁸ critically examined mutual fund evaluation methodology and pointed out that Sharpe and Treynor performance measures ranked mutual funds in spite of their differences in terms of risk. The Sharpe and Treynor index could be used to rank the performance of portfolios with different risk levels.

Batra and Bhatia (1992)¹⁹ appreciated the performance of various funds in terms of return and funds mobilized. UTI, LIC and SBI Mutual Fund are in the capital market for many years declaring dividends ranging from 11 percent to 16 percent. The performance of Canbank Mutual Fund, Indian Bank Mutual Fund and PNB Mutual Fund were highly commendable. The performance of many schemes was equally good compared to industrial securities.

Gupta L C (1992)²⁰ attempted a household survey of investors with the objective of identifying investors' preferences for mutual funds so as to help policy makers and mutual funds in designing mutual fund products and in shaping the mutual fund industry.

Gangadhar V (1992)²¹ identified mutual funds as the prime vehicle for mobilization of household sectors' savings as it ensures the triple benefits of steady return, capital appreciation and low risk. He identified that open-end funds were very popular in India due to its size, economies of operations and for its liquidity. Investors opted for mutual funds with the expectation of higher return for a given risk, greater convenience and liquidity.

Lal C and Sharma Seema (1992)²² identified that the household sector's share in the Indian domestic savings increased from 73.6 percent in 1950-51 to 83.6 percent in 1988-89. The share of financial assets increased from 56 percent in 1970-71 to over 60 percent in 1989-90 bringing out a tremendous impact on all the constituents of the financial market.

Sahu R K (1992)²³ identified mutual funds as a suitable investment vehicle to strengthen the capital market, as the total assets were around Rs.30,000 crores while the total resources in equity were less than 15 percent of market capitalization.

Venugopalan S (1992)²⁴ opined that India (15 million) ranks third in the World next to U.S.A. (50 million) and Japan (25 million) in terms of a number of shareholders ensuring the spread of equity cult. However, many investors face hardships in the share market due to lack of professional advice, inability to minimize risk, limited resources and information.

Anagol (1992)²⁵ identified the urgent need for a comprehensive self-regulatory regime for mutual funds in India, in the context of divergence in its size, constitution, regulation among funds and sweeping deregulation and liberalization in the financial sector.

Shashikant Uma (1993)²⁶ critically examined the rationale and relevance of mutual fund operations in Indian Money Markets. She pointed out that money market mutual funds with low-risk and low return offered conservative investors a reliable investment avenue for short-term investment.

Ansari (1993)²⁷ stressed the need for mutual funds to bring in innovative schemes suitable to the varied needs of the small savers in order to become predominant financial service institution in the country.

Sahu R K and Panda J (1993)²⁸ identified that the savings of the Indian public in mutual funds was 5 to 6 percent of total financial savings, 11 to 12 percent of bank deposits and less than 15 percent of equity market capitalization. The study suggested that mutual funds should develop suitable strategies keeping in view the savings potentials, growth prospects of investment outlets, national policies and priorities.

Saha Asish and Rama Murthy Y Sree (1993-94)²⁹ identified that return, liquidity, safety and capital appreciation played a predominant role in the preference of the schemes by investors. The preference of the households towards shares and debentures was 7 percent by 1989-90. Mutual funds being an alternative way for the direct purchase of stocks should be managed effectively adopting investment analysis, valuation models, and portfolio management techniques. The study suggested that fund managers could adopt portfolio selection techniques to make more informed judgments rather than making investments on an intuition basis.

Shukla and Singh (1994)³⁰ attempted to identify whether portfolio manager's professional education brought out superior performance. They found that equity mutual funds managed by professionally qualified managers were riskier but better diversified than the others. Though the performance differences were not statistically significant, the three professionally qualified fund managers reviewed outperformed by others.

Shah Ajay and Thomas Susan (1994)³¹ studied the performance of 11 mutual fund schemes on the basis of market prices. Weekly returns computed for these schemes since their launch of the scheme to April 1994 were evaluated using Jensen and Sharpe measures. They concluded that, except UTI UGS 2000, none of the

sample schemes earned superior returns than the market due to very high risk and inadequate diversification.

Kale and Uma (1995)³² conducted a study on the performance of 77 schemes managed by 8 mutual funds. The study revealed that growth schemes yielded 47 percent CAGR, tax-planning schemes 30 percent CAGR followed by balanced schemes with 28 percent CAGR and income schemes with 18 percent CAGR.

The Delhi-based Value Research India Pvt. Ltd (1996)³³ conducted a survey covering the bearish phase of Indian stock markets from 30th June 1994 to 31st December 1995. The survey examined 83 mutual fund schemes. The study revealed that 15 schemes provided negative returns, of which, 13 were growth schemes. Returns from income schemes and income-cum-growth schemes were more than 20 percent. From the point of risk-adjusted monthly returns, of the 53 growth schemes, 28 (52.8 percent) could beat the index even in a bear phase.

Tripathy Nalini Prava (1996)³⁴ identified that the Indian capital market expanded tremendously as a result of economic reforms, globalization and privatization. The household sector accounted for about 80 percent of country's savings and only about one-third of such savings were available for the corporate sector. The study suggested that mutual funds should build investors confidence through schemes meeting the diversified needs of investors, speedy disposal of information, improved transparency in operation, better customer service and assured benefits of professionalism.

Yadav R A and Mishra, Biswadeep (1996)³⁵ evaluated 14 close end schemes over the period of April 1992 to March 1995 with BSE National Index as a benchmark. Their analysis indicated that 57 percent of sample schemes had a mean return higher than that of the market, higher Sharpe Index and lower Treynor index. Schemes

performed well in terms of diversification and total variability of returns but failed to provide adequate risk-premium per unit of systematic risk. 57 percent had positive alpha signifying superior performance in terms of timing ability of fund managers. Fund managers of growth schemes adopted a conservative investment policy and maintained a low portfolio beta to restrict losses in a rapidly falling stock market.

Jayadev M (1996)³⁶ studied the performance of UTI Mastergain 1991 and SBI Magnum Express from 1992-94 with 13 percent return offered by post office monthly income deposits as a risk-free return. Mastergain earned an average return of 2.89 percent as against market earnings of 2.84 percent. The volatility of Magnum Express was high compared to Mastergain. Master gain had a superior performance over its benchmark (Economic Times Ordinary Share Price Index) by taking greater risk than the market. Mastergain indicated a lesser degree of diversification of the portfolio with lower R^2 value and very high unique risk. Magnum Express portfolio was well diversified with higher R^2 value along with lower unique risk and total risk. Both the funds did not earn superior returns because of lack of selectivity on the part of the fund managers indicating that the funds did not offer the advantages of professionalism to the investors.

Sahadevan S and Thiripalraju M (1997)³⁷ stated that mutual funds provided an opportunity for the middle and lower income groups to acquire shares. The savings of household sector constituted more than 75 percent of the GDS along with a shift in the preference from physical assets to financial assets and also identified that savings pattern of households shifted from bank deposits to shares, debentures and mutual funds.

Gupta and Sehgal (1998)³⁸ in their research paper “Investment Performance of Mutual Funds: The Indian Experience” tried to find out the investment performance of 80 mutual fund schemes managed

by 25 mutual funds, 15 in the private sector and 10 in the public sector for the time period of June 1992-1996. The study has examined the performance in terms of fund diversification and consistency of performance. The paper concludes that mutual fund industry's portfolio has performed well. But it supported the consistency of performance pattern.

Kumar V K (1999)³⁹ analyzed the roles, products and the problems faced by the IMFI. He suggested the turnaround strategies of awareness programs, transparency of information, distinct marketing and distribution systems to rebuild confidence.

Irissappane Aravazhi (2000)⁴⁰ evaluated the investment pattern and performance of 34 close-end schemes from 1988-98 and elicited the views of investors and managers belonging to Chennai, Mumbai, Pune and Delhi. The survey identified that the investors desired a return equivalent to market. 16 schemes reported greater risk than the market volatility. The majority of the schemes had a lower beta. Negative values in the case of Treynor and Sharpe index among many schemes indicated the mockery of the market. He further identified that the fund managers of 26 schemes had missed the chance of gaining from scheduling with response to changes in the market.

Gupta Amitabh (2000)⁴¹ identified that the IMFI had come a long way since its inception in 1964. The transformation in the previous decade was the outcome of policy initiatives taken by the Government of India to break the monolithic structure of the industry in 1987 by permitting public sector banks and insurance sectors to enter the market.

Agrawal, Ashok Motilal (2000)⁴² opined that mutual funds have made a remarkable progress during 1987-95. The cumulative investible funds of the mutual funds industry recorded a skyrocketing

growth since 1987 and reached Rs.8,059 crores by December 31, 1995, from Rs.4,564 crores during 1986-87.

Ramesh Chander (2000)⁴³ examined 34 mutual fund schemes with reference to the three fund characteristics with 91-days treasury bills rated as risk-free investment from January 1994 to December 1997. Returns based on NAV of many sample schemes were superior and highly volatile compared to BSE SENSEX. Open-end schemes outperformed close-end schemes in term of return. Income funds outsmarted growth and balanced funds. Banks and UTI sponsored schemes performed fairly well in relation to sponsorship. Average annual return of sample schemes was 7.34 percent due to diversification and 4.1 percent due to stock selectivity. The study revealed the poor market timing ability of mutual fund investment. The researcher also identified that 12 factors explained the majority of total variance in portfolio management practices.

Gupta Amitabh (2001)⁴⁴ evaluated the performance of 73 selected schemes with different investment objectives, both from the public and private sector using Market Index and Fundex. NAV of both close-end and open-end schemes from April 1994 to March 1999 was tested. The sample schemes were not adequately diversified, risk and return of schemes were not in conformity with their objectives, and there was no evidence of market timing abilities of mutual fund industry in India.

Narasimhan M S and Vijayalakshmi S (2001)⁴⁵ analyzed the top holding of 76 mutual fund schemes from January 1998 to March 1999. The study showed that 62 stocks were held in the portfolio of several schemes of which only 26 companies provided positive gains. The top holdings represented more than 90 percent of the total corpus in the case of 11 funds. The top holdings showed higher risk levels compared to the return. The correlation between portfolio stocks and

diversification benefits was significant at one percent level for 30 pairs and at five percent level for 53 pairs.

Roshni Jayam's (2002)⁴⁶ Study brought out that equities had a good chance of appreciation in future. The researcher was of the view that, investors should correctly judge their investment objective and risk appetite before picking schemes, diversified equity funds were typically safer than others and index funds were the best when market movements were not certain. The researcher suggested Systematic Withdrawal Plan (SWP) with growth option was more suitable for investors in need of regular cash inflows.

Bansal Manish (2003)⁴⁷ survey of 2,819 respondents revealed that the percentage of investors holding only UTI schemes reduced. The unit holders loyalty seemed to have become a myth as investors were looking for performance. Unit-holders spread their holdings over two or more funds with an urge to diversify increasing competitive mutual fund environment.

Singh, Jaspal and Subhash Chander (2003)⁴⁸ identified that past record and growth prospects influenced the choice of scheme. Investors in mutual funds expected repurchase facility, prompt service and adequate information. Return, portfolio selection and NAV were important criteria's for mutual fund appraisal. The ANOVA results indicated that occupational status; age had insignificant influence on the choice of scheme. Salaried and retired categories had priority for past record and safety in their mutual fund investment decisions.

Saha, Tapas Rajan (2003)⁴⁹ identified that Prudential ICICI Balanced Fund, Zurich(I) Equity Fund were the best among the equity funds while Pioneer ITI Treasury scheme was the best among debt schemes. They concluded that the efficiency of the fund managers was the key to the success of mutual funds and so the AMCs had to ensure more professional outlook for better results.

Rajarajan (2003)⁵⁰ in the research article titled “Investors Demographics and Risk Bearing Capacity” has focused on finding out whether there exists any relationship between Indian investors demographics characteristics and their risk-bearing capacity. The paper also identifies the pattern of demographics on the risk bearing capacity of investors. The study was conducted in Chennai with a sample of 450 investors. The risk bearing capacity was measured in the study as the percentage of investment in the high-risk assets to total financial assets.

Satish D (2004)⁵¹ opined that investors from seven major cities in India had a preference for mutual funds compared to banking and insurance products. Investors expected a moderate return and accepted the moderate risk. 60 percent of investors preferred growth schemes. The image of AMC acted as a major factor in the choice of schemes. Investors had the same level of confidence towards shares and mutual funds.

Sharath Juttur (2004)⁵² Studied on 58 schemes during the bear period (September 1998 to April 2002). He identified that the risk was low for 37 schemes, below average risk for 11 and of average risk for 10 schemes. Risk-return analysis revealed that average mutual funds were found to be with low unsystematic and high total risk. The return was positive in the case of 46 schemes, with 30 schemes yielding above 5 percent. 32 schemes have positive Treynor ratio, 30 schemes have positive Sharpe ratio and 35 schemes have positive Jensen measure due to the bearish market with low CAPM returns.

Elango's (2004)⁵³ analytical results indicate that private funds have a high positive association between the past and current year NAV compared to public sector. The private sector schemes outperformed public sector in terms of NAV range value, innovative products and in the deployment of funds. Public sector funds showed

low volatility as against greater variability for private sector indicating low consistency. Student 't' test indicated the existence of a high significant difference between the mean NAV of private sector funds and public sector with a high statistical significance of (-)5.95.

Venkateshwarlu M (2004)⁵⁴ had analyzed investors from the twin cities of Hyderabad and Secunderabad. Investors preferred to invest in open-end schemes with growth objectives. Chi-squared value revealed that the size of income class is independent of preference pattern and dependent on the choice of fund floating institution. Reasonable returns and long-term strategy adopted by the scheme were the criteria of scheme selection. Investors perceived that too many restrictions led to the average performance of mutual funds in India.

Ramamurthy and Reddy (2005)⁵⁵ conducted a study to analyze recent trends in the mutual fund industry and drawn a conclusion that the main benefits for small investors are efficient management, diversification of investment, easy administration, nice return potential, liquidity, transparency, flexibility, affordability, wide range of choice and a proper regulation governed by SEBI. The study also analyzed about recent trends in mutual fund industry like various exit and entry policies of mutual fund companies, various schemes related to real estate, commodity, bullion and precious metals, entering of the banking sector in a mutual fund, buying and selling of mutual funds through online.

Sondhi H J and Jain P K (2005)⁵⁶ examined 17 public and 19 private sector mutual fund equity schemes. The mean and median returns for the aggregate period (1993-2002) were lower than the returns on 364 days treasury bills and higher than the BSE 100 index. Alliance Equity fund was the top performer and Canbonus and LIC Dhanvikas(I) were the worst performers. They hypothesized that majority of the sample schemes earned returns better than the

market. Private equity schemes have superior performance due to its popularity; fund management practices, well-researched stock selection and timing skills. More than three-fourth of public sector schemes were unable to achieve better returns in spite of higher investor confidence associated with high safety. The funds did not show consistency in performance.

Muthappan P K and Damodharan E (2006)⁵⁷ evaluated 40 schemes for the period April 1995 to March 2000. The study identified that majority of the schemes earned returns higher than the market but lower than 91 days Treasury bill rate. The average risk of the schemes was higher than the market. 15 schemes have an above average monthly return. Growth schemes earned an average monthly return. The risk and return of the schemes were not always in conformity with their stated investment objectives. The sample schemes were not adequately diversified, as the average unique risk was 7.45 percent with an average diversification of 35.01 percent. 23 schemes outperformed both in terms of total risk and systematic risk. 19 schemes with positive alpha values indicated superior performance. The study concludes that the Indian mutual funds were not properly diversified.

S. Mohannan (2006)⁵⁸ in his article put emphasis on the Indian mutual fund industry which is one of the fastest growing sectors in the Indian capital and financial markets. Stating that the mutual fund industry has been dramatic improvements in quantity as well as the quality of product and service offerings. Results founded that mutual funds assets under management grew by 96% between the end of 1997 and June 2003 and as a result it increased from 8% of GDP to 15%.

Sanjay Kant Khare (2007)⁵⁹ opined that investors could purchase stocks or bonds with much lower trading costs through mutual funds and enjoy the advantages of diversification and lower

risk. The researcher identified that, with a higher savings rate of 23 percent, channeling savings into mutual funds sector has been growing rapidly as retail investors were gradually keeping out of the primary and secondary market. Mutual funds have to penetrate into rural areas with diversified products, better corporate governance and through the introduction of financial planners.

Sahoo and Hathy (2007)⁶⁰ in the article titled “Prediction of Mutual Funds: Use of Neural Network Technique” apply a forecasting model on a testing set consisting of monthly Net Asset Values of mutual funds of GIC, LIC and UTI for the period 2001-2004 to predict the performance of the funds. The findings reveal that financial neural networks must be used to learn and generalize data as it is substantiated by the authors that the Multi Layer Perception (MLP) is a model superior to another statistical model of forecasting. The paper is an excellent work on finding alternatives predictive model for mutual fund performance.

Noronha(2007)⁶¹ has evaluated the performance of 11 equity schemes of three asset management companies with the help of Sharpe and Treynor measure for a period April 2002-March 2005. The study found that equity, tax plan and index funds offer diversification and are able to earn better returns as compared to sector specific funds. The study is a commendable work on the performance of MFs highlighting the better-earning capacity of equity, tax plans and index funds.

Prasad Phani Kumar and Umesh Maiya (2008)⁶² have made an attempt to study the growth of mutual fund industry in India. The study focuses basically, on the growth of mutual fund industry in India. The growth of the mutual fund industry was studied under various parameters like Assets Under Management (AUM), resources mobilized and the transactions done by the mutual fund Industry in the stock market. The study found out that the majority of the

resources mobilized by the mutual funds schemes are through the income/debt schemes. It is concluded that more efforts have to be made by the mutual funds to create awareness among the investors regarding the earnings potential of the equity/growth schemes.

Guha (2008)⁶³ focused on return-based style analysis of equity mutual fund in India using quadratic optimization of an asset class factor model proposed by William Sharpe. The study found the “Style Benchmarks” of each of its sample of equity funds as optimum exposure to 11 passive asset indexes. The study also analyzed the relative performance of the funds with respect to their style benchmarks. The results of the study showed that the funds have not been able to beat their style benchmarks on the average.

Hitesh (2009)⁶⁴ has made a study on “Resource Mobilization by Indian Mutual Fund Industry”. His objectives of the study are to analyze a total number of schemes under mutual funds, sector wise as well as a category in resource mobilized by mutual fund industry. He also discussed advantages of investing mutual funds such as professional management, diversification and convenient administration, returns potential, low costs, liquidity, transparency, flexibility, choice of schemes, tax benefits and well regulated. He suggested and concluded that income schemes, liquid/MM schemes, growth schemes have shown growth during the study period. In terms of resource mobilization, liquid/money market, growth, ELSS and income funds have emerged as the most popular schemes among investors and this three account for more than about 70 percent of the resources mobilization by Indian mutual fund industry.

Lakshmi (2009)⁶⁵ studied the investor servicing factor. It shows that the investors in mutual funds place quality of service very high among the attributes, something even above returns. It is thus for the fund managers, marketing interest to ensure that investors service

commitments are well executed. The entry of foreign fund managers brings to the capital market a new level of service.

Prabakaran and Jayabal (2010)⁶⁶ evaluated the performance of mutual fund schemes. The study conducted with a sample of 23 schemes chosen as per the priority given by the respondents in Dharmapuri district covered a period from April 2002 to March 2007. The study used the methodology of Sharpe, Jensen and Fama for the performance evaluation of mutual funds. The results of the study found that 13 schemes out of 23 schemes selected had superior performance than the benchmark portfolio in terms of Sharpe ratio, 13 schemes had the superior performance of Treynor ratio and 14 schemes have superior performance according to Jensen measure. The Fama's measure indicated in the study that the returns out of diversification were less. Thus, the Indian mutual funds were not properly diversified.

Garg (2011)⁶⁷ examined the performance of top ten mutual funds that was selected on the basis of previous years return. The study analyzed the performance on the basis of return, standard deviation, beta as well as Treynor, Jensen and Sharpe indexes. The study also used Carhart's four-factor model for analyzing the performance of mutual funds. The results revealed that Reliance Regular Saving Scheme Fund(RRSSF) had achieved the highest final score and Canara Robeco Infra fund had achieved the lowest final score in the one-year category.

Deepak Agarwal (2011)⁶⁸ opined that mutual fund contributes to globalization of financial markets and is one among the main sources for capital formation in emerging economies. He analyzed the pricing mechanism of Indian mutual fund industry, data at both the fund-manager and fund-investor levels. There has been incredible growth in the mutual fund industry in India, attracting large investments from domestic and foreign investors. Tremendous

increase in the number of AMCs providing ample of opportunity to the investors in the form of safety, hedging, arbitrage, the limited risk with better returns than any other long-term securities which have resulted in attracting more investors towards mutual fund investments.

Yadav J.S. and Yadav O.S. (2012)⁶⁹ in their article entitled “The Indian Stock Market: A Comparative Study of Mutual Funds and Foreign Institutional Investors” analysis the comparison between mutual funds and Foreign Institutional Investors (FIIs). It was found that though India is an attractive destination for investment by Foreign Institutional Investors, investments made by the mutual funds were greater than investment made by FII’s. During the recession MF industry has played a vital role in pushing the economy upward while FII’s withdrew their investment, showing the importance of MF’s in Indian economy.

Alekhy P (2012)⁷⁰ undertaken the study to evaluate the comparative performance of public and private sector mutual fund schemes. The paper focused on the performance of mutual fund equity scheme for past 3 years from 2009 to 2011. Funds were ranked according to Sharpes, Treynors and Jensons performance measure.

Usha Rekha (2012)⁷¹ has taken initiative to study on “Growth of Indian Mutual Fund Industry-A Review”. She discussed the history of mutual funds in India. The mutual fund industry started with the setting up of Unit Trust of India (UTI) in 1964, enjoyed the monopoly power up to 1987. Public sector banks were allowed to establish mutual funds in 1987. Since 1993, the private sector and foreign institutions were permitted to set up mutual funds. By the end of March 2011, there are 41 fund houses under 1131 schemes with assets under managed by Rs.592250 crores.

She concluded that the Indian mutual fund industry is to witness rapid growth in AUM over next few years. The fund houses should concentrate on innovative product offerings, efficient service delivery and supportive technology. The mutual fund industry needs to develop products to fulfill the need of customers and help the customer understand how the product cater to their needs.

Kumaresan (2012)⁷² in his article entitled “A Study on Asset Under Management of Indian Mutual Fund Industry” was analysed the growth of the mutual fund industry in India. He suggested that mutual funds are attracting only low percent of GDP, the asset under management of the fund in India is found to be 9.5 percent. Hence, the association of mutual fund houses should give wide publicity about the availability of different schemes, meeting the objectives of a different category of investors. He concluded that mutual fund industry in India today is at a threshold of significance growth. The outlook continues to be extremely positive in terms of AUM growth. In spite of many problems plaguing the Indian mutual fund sector, this sector has emerged as a significant financial intermediary.

Narasimhan (2013)⁷³ had made an attempt to study on “Mutual Funds: A Change in Indian Investment Perspective”. He discussed that mutual funds have a new ‘mantra’ for Indian investors. Mutual funds market plays a predominant role on par with another investment instrument. There has been a tremendous shift from traditional investment avenues like N.S.C. and P.P.F. etc to mutual funds and this trend is rapidly increasing day-by-day. He concluded that mutual funds play an important role in supporting the capital market, which is quite essential for supporting a growing economy like India and also plays a leading role in the development of secondary securities market.

Santhi (2013)⁷⁴ looked into the magnification of market size and entanglement of mutual funds. Data collected revealed that a number of intermediaries and AUM has increased many folds since 1990. Major areas of concern were systematic risk & excess volatility and as a solution to this, SEBI was established in 1992 to regulate various securities market in India. Another matter, which drew author's attention, was the suitability of mutual funds and composite securities for retail investors and for this, AMFI was incorporated in 1995, as this considers investor concern as sovereign. One more growing topic of concern is the inadequacy of clarity & liquidity of securities and for this SEBI came for assistance.

Sharma (2013)⁷⁵ has worked to assess the return earned by the sample mutual fund schemes and weighted against the standard market returns and found that large numbers of Mutual Funds have surpassed the market benchmark indexes in Sharpe and Treynor Ratios and the correlation between them is significantly higher. They also found that a fund and its market return have a high correlation.

2.3. REVIEW OF DISSERTATION:

Review of dissertation is discussed as below.

Karigoleshwar S.F (2007)⁷⁶ has conducted a research about the "Investment in Mutual Funds: A Study of Investors in Gulbarga City". Here the researcher observed that out of 100 respondents 52 percent of the respondents have invested in mutual funds. The study reveals that 71 percent of respondents are interested in investing in mutual funds in future. He suggested that investors relation play a vital role in mobilizing the resources. Most of the mutual fund companies have ignored this and failed to communicate to the investors about their organization and operation. So, he suggested the mutual fund companies should build a mechanism, which will help to develop better investor relationship.

Megil Subha (2009)⁷⁷ in his study on “Attitude of Investors towards Mutual Fund”, examined the expectation of mutual fund investors, the investors prefers to invest in a mutual fund with the expectation of getting regular income. Similarly as an investment and to get tax benefit they prefer to invest their savings in mutual fund. Another great expectation about a mutual fund is that they should give guaranteed return which is not there.

2.4. REVIEW OF BOOKS:

Review of books related to the mutual funds areas was highlighted below.

Krishnamurthi S (1997)⁷⁸ identified mutual funds as an ideal investment vehicle for small and medium investors with limited resources, to reap the benefits of investing in blue chip shares through firm allotment in primary market, avoid due shares, access to price sensitive information and spread risk along with the benefits of professional fund management.

Lalit K. Bansal (1997)⁷⁹ in his book “Management and Working of Mutual Funds” explains the mutual funds in pre-1992 and post 1992 period. It covers various mutual fund schemes, it’s accounting, calculation of NAV, analysis of U.S.64 - scheme, management of various schemes etc.

Jayadev (1998)⁸⁰ in his book entitled “Investment Policy and Performance of Mutual Funds” reveals the state of Indian Public Sector mutual funds. The study covers the rate of return risk investment policy, regulation and pricing of mutual fund schemes. The spotlight of the study was investing in mutual funds means the investor is expected to high risk. Thus, a strong regulatory framework is advocated for mutual funds to protect the investor.

Ralph G Noton (1999)⁸¹ in his book “Investing for Income: A Bond Mutual Fund Approach to High-Return, Low-Risk Profits” outlines fresh easy to understand insights into maximizing income while lowering risk investing for income demonstrates the convincing reasons that bond funds are the nearly perfect investment.

Chander (2002)⁸² wrote a book on “Performance Appraisals of Mutual Funds in India”, examined the risk –return of mutual funds with a view to investigating mutual fund performance in terms of theoretical performance evaluation model developed by Sharpe, Treynor and Jensen. In his study, he also made a comprehensive decomposition of portfolio performance attribute to various activities of fund manager such as stock selectivity, market timing, risk bearing and diversification. In addition, the author also examines the contemporary portfolio management practices with regard to portfolio construction, portfolio management, portfolio performance evaluation, and investor service and disclosure practices.

Amitabh Gupta (2002)⁸³ A research book entitled “Mutual funds in India”, evaluated performance of 73 Indian mutual fund schemes and examined the market abilities of the mutual fund manager. The study period is from 1994 to 1999. The book explained the growth and development of mutual fund industry in India during the period of 1987 to 2001. The author concluded that India fund manager did not seem to have generated excess return during the study period. It found that Indian mutual funds, particularly the private sector fund, had also taken the initiative to improve their investors services and distribution network.

Singh (2003)⁸⁴ in his book “Mutual Funds in India” covered all aspects of mutual funds like theoretical aspects, regulatory framework of mutual funds in India and mutual funds organized by banks and the private sector. He has made a comparative analysis of the performance of various mutual funds in order to provide better insight

into the working of mutual funds and also given various suggestions for the improvement of mutual funds industry in India.

Sadhak (2003)⁸⁵ wrote a book on “Mutual Funds in India Marketing Strategies and Investment practices”, discussed that the mutual funds industry is still in a nascent stage in India, but has assumed considerable significance in the post-liberalized market economy. He critically examines the recent growth and performance of mutual funds in India, while identifying the constraints in their development. He addresses the major structural, regulatory and operational issues pertaining to Indian mutual funds, keeping in mind the changing perceptions of investors and the emerging market structure. Considering the growing globalization of Indian financial markets and their integration with world markets, he also outlines the conceptual framework and established operational practices of mutual funds in developed countries such as the USA, UK and Japan. In the process, he provides valuable data relating to mutual funds in these countries and in India. Overall, the book focuses on strategic directions for mutual funds with regard to marketing and investment to enable them to cope with the emerging challenges in the fast-changing savings and capital markets in India

Rao Mohana P (1998)⁸⁶ opined that UTI followed by LIC Mutual Fund dominated the market with 54 and 15 schemes respectively. His interview with 120 respondents showed that 96 percent invested in UTI due to better service and return. 50 percent of shareholding and 25 percent of unit-holding respondents were from metro cities. Investor’s services, income-cum-growth option and capital appreciation were very important aspects while choosing a fund. He identified that the close-end schemes were very popular among investors and respondents in general expected private sector funds to improve the quality of services, investors confidence besides reducing fraud and mismanagement.

Nalini Prava Tripathy (2007)⁸⁷ wrote a book on “Mutual Funds in India: Emerging Issues” author covered the different aspects of the financial markets in India, as money market, capital market, DFHI, financial sectors reforms etc. And also discussed on history, importance, classifications, advantages, emerging issues of mutual funds in India. Regulations and SEBI guidelines relating to mutual funds are focused. AMFI is an apex body of all Asset Management Companies (AMC), which has been registered with SEBI. AMFI brought down the Indian Mutual Fund Industry to professional and healthy market with ethical lines enhancing and maintaining standards. Mutual funds marketing, mutual fund derivatives, future scenario of the mutual fund industry and a message for investors relating to investing in mutual funds. These aspects are focused in her book.

Sundar Sankaran (2012)⁸⁸ in his book entitled on “Indian Mutual Funds Hand Book” author covered different aspects relating to the mutual funds such as parties involved, types of schemes, NAV, benefits of investing in mutual fund like tax efficiency, choice of risk position, professional management, investment convenience, liquidity etc. Mutual funds comparison with other products like company fixed deposits, bank deposits, bonds and debentures, equities life insurance products are also discussed. The legal structure of mutual funds in India like a sponsor, trusteeship, AMC, maintenance of investors records, unique client code, custody of investments, setting up of mutual fund operation etc. Investments in mutual funds schemes such as equity, debt and derivatives also focused. Performance evaluation of mutual funds schemes comparison with risk, return and risk adjusted return tools such as Sharpe ratio, Treynor ratio, Jensen Alpha, Eugene Fama, Appraisal ratio, Modigliani, Sortino ratio are also discussed in his book.

Ingle D.V. (2013)⁸⁹ wrote a book entitled on “Mutual Funds in India”, the author discussed different aspects related to the history of mutual fund in India in various phases since 1964 to 2004. Also highlighted on the significance, fundamental attributes, regulations and problems relating to mutual funds etc covered in the book. The author has focused on UTI mutual fund under various aspects like bifurcation, trustees, AMC, custodian, transfer agents, objectives, investment philosophy, tax implications, value added services and major schemes offered by UTI mutual fund industry have been discussed. He also covered in his book, that Indian economy is one of the fastest growing economies of the world and targeting a GDP growth of 9 percent in the eleventh plan period, the role of the financial sector, as well as the role of mutual funds industry in India, is an important segment of the financial market for resource mobilization. The consistency in the performance of mutual funds has been a major factor that attracts many investors. The mutual fund industry growth is estimated at about 50 percent much higher than that of bank fixed deposits which are growing at about 20 percent.

2.5. REVIEW OF PH.D. THESIS:

Review of Ph.D. thesis includes research done so far by the researchers at different places on different aspects of mutual funds areas was summarised as below.

Shome (1994)⁹⁰ has carried out a research on “**A Study of Performance of Indian Mutual Funds**”, based on growth schemes examined the performance of the mutual fund industry between April 1993 to March 1994 with BSE SENSEX as a market surrogate. The study revealed that, in the case of 10 schemes, the average rate of return on mutual funds were marginally lower than the market return while the standard deviation was higher than the market. The analysis also provided that the performance of a fund was not closely associated with its size.

Wangal K.A. (1999)⁹¹ in his thesis **“The functions of Unit Trust of India and its Contribution in Indian Economy: 1985 to 1995”** concluded that UTI played a very active role in capital formation and investment in the Indian Industries. UTI promoted and mobilized savings at the national level and achieved significant growth. UTI earned significant earning through the various schemes. UTI distributed it’s earning to unit holder consistently. A number of unit holders grew substantially. UTI worked successfully in the country as well as abroad.

Ramesh Chander (2000)⁹² in his doctoral dissertation entitled, **“Performance Appraisal of Mutual Funds in India”** studied the investment performance of selected Mutual Funds in terms of risk and returns across the fund characteristics. Besides, the study examined the portfolio management practices of mutual fund managers with respect to portfolio construction, portfolio management, portfolio evaluation, disclosure practices and investors services. The researcher concluded that in terms of average returns, the majority of the sample mutual fund schemes have recorded superior Performance compared to a benchmark portfolio.

Leelamma M (2004)⁹³ conducted a doctoral research on **“Performance Appraisal of SBI Mutual Funds with special reference to Kerala State”**. Her objectives of the study was to analyse to what extent the mutual fund is effective as an investment mode to the investors, the various investment alternatives available to the investors in comparison with mutual funds and know how far the SBI mutual fund schemes are able to win the confidence of the investors. She finds, entry of private sector mutual funds which adversely affect the public or bank and institution sponsored by mutual funds. The downward phase of the stock market has a negative impact on mutual fund industry. The poor growth rate in NAV of public sector mutual funds badly affected the Industry.

She suggested and concluded to keep up the brand image in the minds of people through better performance both in the case of returns as well as after sales services. Give more financial information to the investors so that they can take decisions on their own investment. There are different Investment avenues available with varying degrees of risk and return. SBI MF schemes adopt time-bound investment programmes. The real benefit can only be realized at the time of redemption. Temporary fluctuations in NAV and re-purchase price do not reflect the real benefits.

Miglani (2006)⁹⁴ has undertaken a research on the topic **“Performance Appraisal of Mutual Funds in India: Empirical Evaluation of Risk and Timing Performance”**. The study made to present an insight into the mutual fund industry rather the capital market. Mutual fund industry is changing rapidly and no one can predict for the next moment to come. Objectives of the study were to examine the growth and development of mutual fund industry in India and to evaluate the performance of selected mutual fund schemes. He has selected a sample of 98 mutual fund schemes having different investment objectives. Both the public and private sector, were selected for the purpose of performance evaluation and also for testing the market timing abilities of the Indian fund managers. For evaluating the performance of mutual fund scheme modules such as rate of return, Sharpe, Treynor, Jensen differential return, Sharpe differential return, Appraisal module had been used.

He finds and concluded that, during the first stage, UTI achieved a formative growth because no competitor was available there due to corruption and red tapism in government sector where fund did not show any meaningful growth. Out of total resource mobilized by all the Mutual fund, UTI still holds the maximum share. However, the trend has moved in favour of the private sector, more sharply after 1998-99. Risk and return analysis indicates that majority of the schemes of fund manager are investing its collection in

risky assets for getting maximum return. Beta value shows that only tax planning schemes are not investing according to their systematic risk.

Lakshmi (2007)⁹⁵ has undertaken a work entitled **“Performance of the Indian Mutual Fund Industry: A Study With Special Reference to Growth Schemes”**. Her objectives of the study were to appraise the performance of mutual fund industry in India under the regulated environment and the relationship between the performance of market index with that of the growth schemes. She find that the mutual fund industry had undergone a lot of mergers, acquisitions and closures besides the entry of many new mutual funds.

In the study it is suggested that mutual funds should build confidence in the existing unit holders as well as the public which was not covered so far. Mutual funds have to prove as an ideal investment vehicle for retail investors by way of assuring better returns in relation to the risk involved and by way of better customer services. Mutual funds as institutional investors have to ensure professional market analysis, optimum diversification of the portfolio, minimizing risk and optimizing of return. She concluded that the IMFI had shown a good progress in terms of a number of private sector Indian mutual funds, a number of schemes launched, funds mobilized and assets under management. There had been a good number of schemes launched particularly in close-end type with income objective.

Mamta Batra (2010)⁹⁶ carried out research on the topic entitled **“Marketing Practices of Mutual Funds”**, and made an attempt to study the current Marketing Practices of Mutual Funds and the thrust area, which marketing-mix are more emphasized in selected mutual funds. They selected fourteen mutual funds companies of both public and private sector. She also selected 50 for marketing executive and 250 investors of the sample are surveyed. Her findings reveal the

overall growth of mutual fund as a financial product by adopting various marketing practices. During the period of the study, positive growth has been registered by mutual funds in terms of resource mobilization as well as marketing practices adopted by the marketers of a mutual fund.

It is suggested that the public sector mutual fund companies are deploying small proportion of their finance in the individual market segment as compared to private companies. The satisfaction measure shows that marketing executives are less satisfied in this regard. It is, therefore, recommended that SEBI should grant more advertisement budget to mutual fund companies in the existing situation. It may improve the company image and investors base.

Chetna. T. Parmar (2010)⁹⁷ had conducted doctoral research on **“An Empirical Investigation on Performance of Mutual Fund Industry in India”**. The objectives of the study was to evaluate the growth of mutual funds, examine the return from selected MF and documents investments on selected assets allocation trends of mutual funds. Here researcher has selected a sample of 19 equity diversified mutual fund schemes, 15 balanced index and income scheme and 10 long term and short term period schemes of various public and private sector mutual funds industry. The study also used the various tools for analysis measurement of schemes such as averages, standard deviation, Beta, R-square, Sharpe ratio, earning per share and price to book ratio.

It is found that, in current scenario mutual fund is better option for investment than any other option because it provides higher return with professionally managed portfolio, good research team continuously watch on performance of not just Indian stock exchange but international capital market and to know industry growth and industrial life cycle, fundamental analysis of particular company, so

that investors preferred to invest in mutual fund when compared to investment in direct equity.

The study suggested that it is important to understand that each mutual fund has different risks and rewards. In general, the high potential returns, the higher the risk of loss. If you are in risk averse investor, you make an investment in Gilt and money market/liquid funds, which shows low risk, compare to other schemes operating in the market. The mutual fund companies should explore adequate risk to generate a good return. Mutual fund research team should select tools to analyze risk liked Value at Risk and Beta. The risk is compared with the same class of scheme with different AMC.

Naushad Alam (2010)⁹⁸ has carried out a doctoral research on **“Indian Mutual Funds Industry since Liberalization: A Case Study of HDFC Mutual Fund”**. The objectives of the study were to find out the impact of liberalization on the growth trend of the Indian mutual funds industry and to evaluate the role of mutual funds in the mobilization of household sector savings. The statistical tools used for the analysis of data were Mean, variance, standard deviation and linear regression. For evaluating the performance of mutual funds, the rate of return, Sharpe Ratio, Treynor Ratio, Jensen Measure, Sharpe Differential Measure and Famas Composite of Investment Performance measures were used.

It is noticed that entry of private sector mutual funds adversely affected the prospects of banks sponsored by other public sector mutual funds. As the share, net resource mobilization of these institution supported mutual funds has gone down gradually since the inception of private sector mutual funds. It is also suggested that HDFC mutual funds in order to become number one asset management company should continue to provide a better return and after sale service to its customer. HDFC mutual funds should organize

regular refresher course for agents and broker. This will improve their skill and more money will be channelized for investment.

Raja Mannar's (2013)⁹⁹ work entitled **“Performance of Mutual Funds in Private Sector Banks”**. Has discussed an overview of mutual fund industry in India such as global scenario, growth, classification, advantages and disadvantages, shortcoming operations of mutual funds. The objectives of the study were the performance of mutual fund industry in India and to examine the basic characteristics of the fund houses, and the operational parameters of the mutual fund schemes pertaining to the four private sector banks like HDFC, ICICI Prudential, Axis and Kotak Mahindra.

The study revealed that the market return was compared with portfolio return for all the selected schemes. The return earned from all the HDFC Mutual Funds was more than market return for the entire study period with the exception of the midcap fund. However, the similar positive difference was less in ICICI Prudential Mutual Fund. The reverse trend was observed in the case of midcap fund inferior to market. The Axis fund underperformed the market during the study period. It is suggested and concludes that all the mutual funds are operated in the public sector. Hence, the private sector may be allowed to float mutual funds, intensifying competition in this industry. Due to operations of many mutual funds, there is a need for appropriate guidelines for self-regulation in respect of publicity /advertisement and inter-scheme transactions within each mutual fund. Mutual fund Industry has emerged dominant financial intermediary in Indian capital market. The main objective of investing in the mutual fund is to diversify risk. Though the mutual fund invests in a diversified portfolio, the fund managers take different levels of risk in order to achieve the scheme objectives.

Meenakshi Garg (2014)¹⁰⁰ conducted a research on the topic of **“A Study on Performance Evaluations of Selected Mutual funds in India”**. Here an attempt has been made to examine the trends in terms of growth, size, volume etc. of mutual funds in India and evaluate the financial performance of selected mutual funds in India. For evaluating the financial performance of selected mutual funds, the period of the study was taken by the researcher from April 2002 to March 2013. The sample was selected Tax Saving Schemes, ETF, Growth (Equity Diversified) and Index/sectorial and Contra Fund. She finds that Tax saving schemes out-performed the market in terms of absolute return in different years of the study. However, these schemes and market returns did not provide an adequate return to cover risk-free return and total risk of the scheme.

The market performance funds have a significant positive influence on the entire sample schemes performance. The present NAV is positively and significantly correlated with the past NAV for all the time lags of the selected schemes. The study also suggested that the mutual fund must ensure not only good performance over the market but also consistency in their return. This is possible only when latest techniques and modes of forecasting are followed by the asset management companies while making their future projections.

2.6. RESEARCH GAP:

This research had reviewed more than 100 studies related in the field of mutual funds. But most of the reviews are based on the performance of the mutual funds. No one of the research is related to the investors perceptions towards mutual funds. After 2005, the mutual fund companies are increased rapidly and also increased the number of investors. All these research at the international level and national level shows that still there are ambiguous areas in a mutual fund. There are no universally applicable techniques and hence, the researcher aimed at making an earnest attempt in analyzing the Investors Perceptions Towards Mutual Funds in Hyderabad Karnataka

Area: A Study with reference to Selected Mutual Funds. So that, this research is very useful to the mutual fund companies and investors.

2.7. CONCLUSION:

In this chapter, the various work carried on mutual funds over a period of 25 years has been reviewed and presented. From this review, one is logically led to believe that a lot of research has been pursued in the field of a mutual fund over the years. To sum up the review of the literature, it may be seen that research has been pursued on various aspects of investment, such as investment experience, investor styles, investment decision factors, statistical tools used in investment strategy, regulation of the financial market and so on.

A lot of ground is yet to be covered in the direction of individual investors perception towards the mutual fund. The various changes in technology, media, communication, human behaviour, growth in the number of companies and the changing phase of corporate issues have all contributed to changes in the individual investment attitude and it has provided scope for research in this direction.

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