

Andhra Pradesh Capital Region (Amaravathi) Investors' Preference Towards Mutual Fund Sectors and Schemes – Qualitative Study

Vasavi Palla, Nagendra Kumar Turaga Srinivasa Rao Bandaru

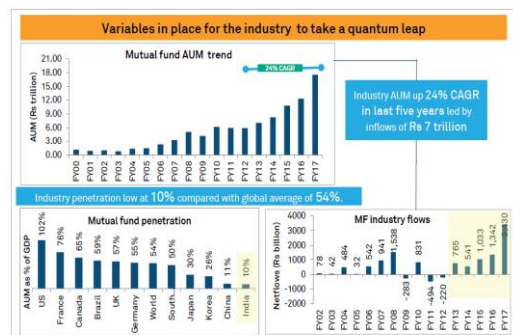
Abstract--- Mutual fund sectors in India are growing due to risk aversion attitude of investors and dynamism in market. Investors' preference on investment in mutual fund sectors and schemes, as a single study, is an unexplored area. The aim of study is to examine the impact of demographic factors on sectors and schemes of mutual fund with special focus on the emerging capital region of Andhra Pradesh. The study is qualitative but descriptive in nature. Primary data collected using well-structured questionnaire and secondary data from existing print and digital resources. The collected data analysed using descriptive statistics like chi square tool. Except Age, and Gender all other factors are significant in terms of preference of mutual fund sectors by investors and in terms preference of mutual fund schemes all factors are significantly affecting investors. This study helps in finding out the necessary facts regarding investors' investment in different sectors and schemes of mutual funds in AP Capital Region. The findings and conclusions are drawn from the primary data analysis and interpretation results with the help of descriptive statistics.

Keywords— Mutual Fund; Sectors; schemes; Investors perception; AP Capital Region

INTRODUCTION

In 21 century, Indian investors are more dynamic and inflation cautious. Investors, to meet their dynamic future financial requirements and beat inflation, are leaving traditional mode of investment avenues and adopting diversifying investment strategies. Mutual funds became vivacious investment avenue among the various available investment options for millennium investors (Jiju Vardhan, Piyush Gupta, Yatendra Chauhan, Prahlad Salian, Ashiah Ravalia, and Parth Pandya, 2017; J. R. Joshi, 2013; Rajesh Chakrabarti, Sarat Malik, Sudhakar Khairnar, and Aadhaar Verma, 2014). Mutual fund humble beginning started in our nation, in 1963, with the establishment of Unit Trust of India (UTI). The mutual fund industry evolved to adopt best

practices i.e., removal of entry load, investor awareness and outreach campaigns as part in investor education, penetration in to the nook and corner of the nation, introduction of direct investment plans, adaptation of technology to ease the overall investment process. The following figure shows variables in place for the industry to take quantum leap.



Mutual fund penetration data as of December 2016 (data pertains to open-ended mutual funds)
Data pertains to month-end AUM as of March; AUM growth pertains to period ended March 2017
Source: AMFI, ICI, IMF, CRISIL Research

Mutual fund organisations collect funds from various streams of public, and invest the pool in various avenues on behalf of risk averting investors, but performing operations like collection of fund, investment of fund, diversification of fund etc., require professional research and analytical skills. It is possible through qualitative, quantitative and mixed research. There is a galaxy of exploratory, empirical research studies on mutual fund sector: investor's satisfaction on mutual funds (Deepa. P and A. Latha, 2018; Amalesh Bhowal and Tarak Paul, 2018; Nishu Gupta and Arpita Sharma, 2016; Manoj Sh, Hardeep K, and Purva J, 2012; G. Ashok Reddy and S. Raghunatha Reddy, 2017); investor's attitude, behaviour, perceptions and preference towards mutual fund (M. Gurusamy, 2011; Shanthnu Mehta, 2012; Binod Kumar Singh, 2012; V. Rathnamani, 2013; Gaurav Agrawal, Mini Jain, 2013; Geetha Sineni and S. Siva Reddy, 2017; Dr. S. M. Rariq Zafaar; Adeel Maqbool; and S.M. Khaalid, 2018); women Preference towards mutual fund (Deepthi George, and Jagadees Chandran, 2016; P. Vanishreesah, 2017; Tina Vohra and Mandeep Kumar, 2017); factors have an impact on investment in mutual funds (Varun Sagar Singal and Rishi Manrai, 2018; S. Neelima and D. Surya Chandra Rao, 2016; Arathy B, Aswathy A Nair, Anju Sai P and Pravitha N R, 2015);

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Investor's preference, Risk and Return analysis, towards Private and Public mutual funds (Ashok Kumar and Suman Rani, 2018; Vinay Kandpa and P. C. Kavidaya (2014), P Alekhya, 2012); performance of mutual funds (Vinita Bharat Manek, 2016; Amir Rehmani, 2018; Sweta Goel and Mukta Mani, 2018; Duggimpudi, R, Abdou, Hussein, and Zaki, M, 2010; R. Venkataraman and Thilak Venkatesan, 2016). Moreover,

some scholars evaluated performance of selected mutual fund schemes using Sharpe and Treynor's ratio, and found performance depends on the performance of underlying portfolio (Manoj Kumar Dash & Gouri Shankar Lall, 2018), whereas there is scant research as single ruminates on investor's preference towards both mutual fund sectors (private and public) and schemes. This paper is an endeavour to explore preferences of investors, as a single study, both on mutual fund sectors and schemes. This paper also made an attempt to explore impact of demographic factors on Andhra Pradesh Capital Region (Amravati) investor's preference towards mutual fund sectors and schemes, which is uniqueness in the study.

REVIEW OF LITERATURE

Varun Sagar Singa land Rishi Manrai (2018) have examined the factors affecting investment decisions on mutual funds, impact of behavioral factors on investment, and factors that prevent invest in mutual funds. His study results show the fact that the mutual fund companies and retailers should understand investor level of awareness to create and offer new and innovative products; improve their marketing strategies to sustain long run in the market.

Deepa. P and A. Latha (2018) disclosed dissatisfaction of investors towards the available market information on mutual fund investments and highlighted expectations for better service quality from mutual fund investment companies. The study emphasised the need for understanding investor's psychology to cater the expectations of investors for better relations.

G. Ashok Reddy and S Raghunatha Reddy (2017), studied satisfaction level of mutual fund investors about services provided by mutual funds investors' forum. They analysed socio economic profiles of the investors and satisfaction on services provided by the investors forum, the study was descriptive and non-probabilistic sampling adopted. However, investors satisfied with services rendered by the investor's forum.

Geetha Sineni, and S. Siva Reddy (2017) attempted to find the rural and semi-urban investor's perceptions on mutual fund investment and analysed their satisfaction levels. The implications of the study reported that asset managers should take into consideration the perception of investors in financing decisions to create effective satisfaction to the investor. The results of the study disclose that the investor's perception is reliant on the demographic profile and have a direct impact on the investor's choice of investment.

Sanesh C and Gresham V (2016) focused on finding preferences and priorities of investors' on mutual fund schemes; variables influencing and pre and post investing behaviour of investors on/for developing new schemes. The results show that investment preference towards mutual fund

schemes changing with length of investment, return and safety.

Deepthi George and Jagadees Chandran (2016) examined the preference and attitude of women investors and their requirements. Investors expressed return and safety is the major motives behind their investment; minor group of respondents expressed their willingness to undertake high level of risk, rest of them preferred to play a safe game. It also finds significant relationship between period of investment and return.

Arathy B, Aswathy A Nair, Anju Sai P, Pravitha N R (2015) have analyzed mutual fund investors' perceptions, preferences, factors influencing their investment decisions; factors preventing investors and factors motivating the investors from/to invest in mutual fund, evaluation of performance of mutual fund to suggest the best one. The study shows that tax benefits, high return, and price and capital appreciation are the factors influencing the investment decisions of mutual investors. Equity based schemes are most preferred investment funds whereas bitter past experiences are the preventing factors in their investing decisions. There is no suggestion on best mutual fund investment.

OBJECTIVES

1. To explore views of selected Andhra Pradesh Capital Region investor's towards their investment preference in Mutual Funds sectors.
2. To elicit views of selected Andhra Pradesh Capital Region investor's towards mutual funds schemes as an investment option.
3. To explore impact of demographic factors on Andhra Pradesh Capital Region (Amravati) investor's preference towards mutual fund sectors and schemes.
4. To offer conclusion and implications for the study.

SCOPE

The extent of the study is to explore views of selected Andhra Pradesh Capital Region investor's towards their investment preference in mutual fund sectors and elicit their options towards various mutual fund schemes. The study considered 250 (male and female) investor's responses in Andhra Pradesh Capital Region (Amaravathi).

METHODOLOGY

This study approach is qualitative; worldview is constructivism; and design is qualitative but descriptive in nature. The research gap is identified taking into consideration the past decade research publications in the domain which are available in the form of print and e-resources. The primary data collected using well-structured and tested questionnaire consisting of questions relating to: demographic, preferences and option of investors towards mutual fund sectors and mutual fund schemes.

Out of the 350 questionnaires distributed to the randomly selected investors in Amaravathi Region only 283 questionnaires were returned by the respondents, after proper verification and validation only 250 fully responded questionnaires considered for the study. The collected data is tabulated, analysed and interpreted using descriptive statistics. The secondary data for literature review collected from journals, books, theses/dissertations and web resources. Based on the findings, conclusion is drawn and implications of the study reported.

LIMITATIONS

This qualitative study is done by considering only randomly selected (250) respondent's responses in the Andhra Pradesh Capital Regions to explore their views on mutual fund sector preferences and elicit their mutual fund schemes option. The implications are subject to the limitations of sample size, and respondent's psychological and emotional characteristics.

DATA ANALYSIS & RESULTS

Preference of Investors for Different Mutual Funds

1) Different Sectors of Mutual Funds:

Mutual fund schemes are offered by Government owned institutions like UTI, Financial Institutions and Private Institutions. The Investors' preferences with regard to the choice of sector were elicited and analysed, based on various personal factors like age, education, gender, location, income and occupation.

It is found that out of 250 respondents, 79 (31.6%) have preferred to invest in Government (UTI) sector, 106 (42.4%) in financial institutions (Banks, LIC, GIC etc) and the rest 65 (26%) in the private sector.

a) Impact of Age:

Table: 1.1 Impact of Age on Investment Preference in Mutual Fund Sectors

S.No	Age	Govt. (UTI)		Financial Institutions		Private		Total	
1	Below 30	14	21%	34	52%	18	27%	66	100%
2	31-40	33	36%	30	33%	29	32%	92	100%
3	41-50	20	34%	30	52%	8	14%	58	100%
4	51 above	12	35%	12	35%	10	29%	34	100%
	Total	79		106		65		250	

$\chi^2 = 9.49$ (Not significant at 0.05 level or 0.10 level)

The above table presents age-wise distribution of the respondents with regard to their preference to invest in mutual funds. Out of the 250 respondents, 158 (63.2%) were found to be below the age group of 40 years. And respondents belonging to the age group of 31-40 liked Government (UTI) (36%) mutual funds, financial institutions mutual funds were liked by the younger age group of below 30 (52%) and 41-50 years middle aged respondents (52%). Respondents above the 51 years liked Government (UTI) and financial institutions equally.

As the difference in percentages is insignificant the age has no impact on the investor's preference to invest in different sectors of mutual funds. Moreover, the calculated chi-square value is not significant even at 0.10 level of significance. People belonging to all age groups have responded almost equally to the mutual funds of different sectors.

b) Impact of Gender

Table: 1.2 Impact of Gender on Investment Preference on Different Sectors of Mutual Fund

S.no.	Gender	Government (UTI)		Financial Institutions		Private		Total	
1	Male	67	30%	94	42%	61	27%	222	100%
2	Female	12	43%	12	43%	4	14%	28	100%
	Total	79		106		65		250	

$\chi^2 = 2.93$ (not Significant at 0.05 or 0.10 level)

The above table presents Gender-wise distribution of the respondents with regard to their preference to invest in mutual funds of different sectors. Out of 250 respondents 222 (89%) were males. A minimum of 42 per cent of the respondents among males were found to have invested in the mutual funds of financial institutions. In the same way 43 per cent of the respondents each among females were found to have invested in the Government (UTI) and financial institutions mutual funds.

The table reveals that gender has no impact on the preference to sectors. The calculated chi-square value is not significant even at 0.10 level of significance. People belonging to all, irrespective of their gender have responded almost equally to the mutual funds of different sectors.

c) Impact of Geographical Location:

Table: 1.3 Impact of Geographical Location on Investment in Different Sectors of Mutual Funds

S. No.	Area	Government		Financial Institutions		Private		Total	
1	Urban	54	39%	57	41%	27	20%	138	100%
2	Semi urban	18	23%	32	41%	28	36%	78	100%
3	Rural	7	21%	17	50%	10	29%	34	100%
	Total	79		106		65		250	

$\chi^2 = 11.39$ (Significant at 0.05 level)

The above table presents geographical distribution of the respondents with regard to their preference to invest in mutual funds of different sectors. It is found that respondents belonging to urban area were 138 (55%) semi-urban area were 78 (31%) and the rest were rural respondents. It is also found that 80 per cent of the urban respondents have preferred to invest in government and financial institutions mutual funds. And 139 respondents of semi-urban and rural liked to invest in financial institutions and private sector mutual funds.

The table reveals that geographical location has an impact on the investors, preference to sectors. The calculated chi-square value is significant, at 0.05 level of significance.



Andhra Pradesh Capital Region (Amaravathi) Investors' Preference Towards Mutual Fund Sectors and Schemes – Qualitative Study

People belonging to urban area have their choice of preference in government (UTI) and financial institutions mutual funds and people belonging to the semi-urban and rural areas have their choice in financial institutions and private sector mutual funds.

d) Impact of Education:

Table: 1.4 Impact of Education on Investment in Different Sectors of Mutual Funds

S.no.	Educational Qualification	Government (UTI)		Financial Institutions		Private		Total	
1	Graduation and above	62	30%	90	43%	56	27%	208	100%
2	Pre-university	11	42%	10	38%	5	19%	26	100%
3	S.S.C. and below	6	38%	6	38%	4	25%	16	100%
	Total	79		106		65		250	

$\chi^2 = 2.09$ (not Significant at 0.10 level)

The above table presents the distribution of the respondents on the basis of educational qualification with regard to their preference to invest in mutual funds of different sectors. Out of the 250 respondents 208 (74%) were graduates and the rest were below graduates. 43 per cent of the graduate respondents were found to invest in the mutual funds of financial institutions. 42 per cent of the respondents from the pre-university qualification have liked to invest in the Government (UTI) sector mutual funds. Respondents of S.S.C. and below qualification were found to invest equally (38% each) in the Government (UTI) and financial institutions mutual funds.

From the above it is clear that educational qualification of the respondents has an impact on the investor's choice to different sectors of mutual funds. The calculated chi-square value is not significant at 0.10 level of significance. People belonging to higher educational qualifications have liked to invest in financial institution mutual funds. People belonging to lower educational qualification have liked to invest in government sector mutual funds.

e) Impact of Occupation:

Table: 1.5 Impact of Occupation on Investment in Different Sectors of Mutual Funds

S.No.	Occupation	Government (UTI)		Financial		Private		Total	
1	Salaried	64	35%	78	42%	42	23%	184	100%
2	Self-employed	12	23%	24	45%	17	32%	53	100%
3	Retired	3	23%	4	31%	6	46%	13	100%
	Total	79		106		65		250	

$\chi^2 = 6.25$ (Significant at 0.05 level)

The above table presents the distribution of respondents on the basis of occupation with regard to their preference to invest in mutual funds of different sectors. Out of the 250 respondents 184 (74%) were salaried persons and the rest were self-employed and retired persons. 45 per cent of the salaried persons preferred to invest in financial institutions mutual funds and self-employed persons have liked financial institutions and private sector (77%) mutual funds, While

retired persons got their choice to private sector (46%) mutual funds.

The analysis concluded that occupation has an impact on the investor's preference to different sectors mutual funds. The calculated chi-square value is not significant, at 0.05 level of significance. People belonging to salaried person category have preferred to invest in financial institutional mutual funds. And people belonging to self-employed have preferred to invest in financial institutions and private sector mutual funds. And retired persons preferred to invest in private sector mutual funds.

f) Impact of Monthly Household Income:

Table: 1.6 Different Sectors of Mutual Funds – Impact of monthly House-hold Income

S.no.	Monthly Income (Rs.)	Govt. (UTI)		Financial Institutions		Private		Total	
1	Below 10,000	22	27%	33	40%	28	34%	83	100%
2	10,000-20,000	32	37%	32	37%	22	26%	86	100%
3	20,000-50,000	11	20%	34	63%	9	17%	54	100%
4	50,000 above	14	52%	7	26%	6	22%	27	100%
	Total	79		106		65		250	

$\chi^2 = 13.49$ (Significant at 0.05 level)

The above table presents the distribution of respondents on the basis of monthly house-hold income with regard to their preference to invest in mutual funds of different sectors. Out of the 250 respondents, 169 (68%) were found to be in the monthly income range of less than Rs. 20,000. It is also found that respondents belonged to the monthly income of Rs. 20,000 - Rs. 50,000 have preferred to invest in financial institutions mutual funds (63%) and the other respondents who had a monthly income of above Rs. 50,000 have preferred their choice to (52%) the Government sector mutual funds. 34 per cent of the respondents belonging to the monthly income of below Rs. 10,000 preferred to invest in private sector mutual funds.

As per the above analysis it is concluded that monthly income has an impact on the investor's preference to different sectors of mutual funds. The Calculated Chi-square value is significant at 0.05 level of significance. People belonging higher monthly income preferred to invest in financial institutions and Government (UTI) mutual funds. People belonging to lower monthly income preferred to invest in Government and financial sector mutual funds.

2. Different Schemes of Mutual Funds:

Mutual fund companies offer different schemes to suit the needs of investors. More commonly offered schemes are a) Growth schemes, b) Income Schemes, c) Balanced Schemes, d) Sector scheme. The choice of the investors were obtained and analysed, based on socio economic factors like age, gender, location education, income and occupation.

Out of the 250 respondents 92 (37%) preferred growth schemes, 84 (34%) income schemes, 56 (22%) balanced schemes and the rest 18 (7%) liked to invest in sectoral schemes.

a) Impact of Age:

Table: 2.1 Impact of Age on Investment in Mutual Fund Schemes

S. No.	Age	Growth		Income		Balanced		Sectoral		Total	
1	Below 30	22	33%	32	48%	6	9%	6	9%	66	100%
2	31 – 40	25	27%	32	35%	28	30%	7	8%	92	100%
3	41 – 50	30	52%	10	17%	18	31%	-	-	58	100%
4	51 & above	15	44%	10	29%	4	12%	5	15%	34	100%
	Total	92		84		56		18		250	

$\chi^2 = 30.25$ (Significant at 0.05 level)

The above table presents age-wise distribution of the respondents with regard to the type of mutual fund scheme liked by them. It is found that out of the 250 respondents 216 (86%) were in the age group of below 50 years. 52 per cent of the respondents below 30 years of age have liked income schemes, 52 per cent of the respondents between the age limit of 41 and 50 years have liked growth schemes. 30 per cent of the balanced schemes were liked by the respondents between the age limit of 31 and 40 years. Most of the sectoral schemes were liked by the respondents below the age limit of 40 years.

The table reveals that age has an impact on the preference of different mutual funds schemes. The calculated chi-square value is significant at 0.05 level of significance. People belonging to younger age group liked income schemes, sectoral schemes and balanced schemes. People belonging to older age group preferred growth schemes.

b) Impact of Gender:

Table: 2.2 Impact of Gender on Investment in Mutual Fund Schemes

S.no.	Gender	Growth		Income		Balanced		Sectoral		Total	
1	Males	80	36%	77	35%	47	21%	18	8%	222	100%
2	Female	12	43%	7	25%	9	32%	-	-	28	100%
	Total	92		84		56		18		250	

$\chi^2 = 4.61$ (Not significant at 0.05 or 0.10 levels)

The above table presents gender-wise distribution of the respondents with regard to the type of mutual fund scheme liked by them. It is found that out of the 250 respondents 222 (89%) were males. 38 per cent of the male respondents liked growth schemes. 43 per cent Female respondents liked income scheme and 25% of female respondents liked growth schemes. And 32 per cent of the female respondents liked balanced schemes.

It is found from the table that gender has no impact on the preference of the different mutual fund schemes. The calculated chi-square value is not significant even at 0.10 level of significance.

c) Impact of Geographical Location:

Table: 2.3 Impact of Geographical Location on Investment in Mutual Fund Schemes

Area	Growth		Income		Balanced		Sectorial		Total	
Urban	45	32%	49	35%	35	25%	9	6%	138	100
Semi-Urban	40	51%	17	22%	14	17%	7	8%	78	100
Rural	7	20%	18	53%	7	20%	2	5%	34	100
Total	92		84		56		18		250	

$\chi^2 = 24.62$ (Significant at 0.05 level)

The above table presents geographical distribution of the respondents with respect to the type of mutual fund scheme liked by them. Respondents belonging to urban area were 138 (55%) semi-urban area 78 (31%) and the rest were rural respondents. It is observed from the table that out of the 138 urban respondents 94 (68%) have preferred to invest growth and income schemes. 51 per cent of the semi-urban respondents have liked growth schemes. 52 per cent of the rural respondents have liked income schemes. Most of the balanced schemes and sectoral schemes were liked by the urban respondents.

The analysis reveals that geographical location of the investors has an impact on the preference of different mutual fund schemes. The calculated chi-square value is significant at 0.05 level of significance. People belonging to urban area have liked growth and income schemes. Semi-urban people influenced by the growth schemes and rural people by the income schemes.

d) Impact of Education:

Table: 2.4 Impact of Education on Investment in Mutual Fund Schemes

S.No.	Educational qualification	Growth		Income		Balanced		Sectorial		Total	
1	Graduation and Above	74	36%	66	32%	50	24%	18	9%	208	83%
2	Pre-university	13	50%	13	50%	0	0%	0	0%	26	10%
3	SSC and below	5	31%	5	31%	6	38%	0	0%	16	6%
	Total	92		84		56		18		250	100%

$\chi^2 = 14.39$ (Significant at 0.05 level)

The above table presents the distribution of respondents on the basis of educational qualification with regard to the type of mutual fund scheme liked by them. It is found that out of the 250 respondents 208 (84%) were graduates and the rest were below graduates. 35 per cent of the graduate respondents liked growth schemes. Respondents of pre-university qualification have liked to invest in growth as well as income schemes equally. 31 per cent of the respondents of S.S.C. qualification have liked to



Andhra Pradesh Capital Region (Amaravathi) Investors' Preference Towards Mutual Fund Sectors and Schemes – Qualitative Study

invest in income schemes. Sectoral schemes were liked by the only graduate respondents.

From the analysis it is clear that educational qualification of the respondents has an impact on the preference of different mutual fund schemes. The calculated chi-square value is significant at 0.05 level of significance. People with higher educational qualification have liked to invest in growth schemes, income schemes and sectoral schemes. People with lower educational qualifications have liked to invest only in income schemes.

e) Impact of Occupation:

Table: 2.5 Impact of Occupation on Investment in Mutual Fund Schemes

S.No.	Employment	Growth		Income		Balanced		Sectoral		Total	
1	Salaried	60	33%	62	34%	48	26%	14	8%	184	100%
2	& Retired	32	48%	22	33%	8	12%	4	6%	66	100%
	Total	92		84		56		18		250	

$$x^2 = 7.72 \text{ (Significant at 0.05 level)}$$

The above table presents distribution of the respondents on the basis of occupation with regard to the type of mutual fund scheme liked by them. It is found that out of the 250 respondents 184 (73%) were salaried employees and the rest were self employed and retired persons, 67 per cent of the salaried respondents have liked to invest in growth schemes and income schemes. 48 per cent of the self employed and retired respondents have preferred only income schemes. Sectoral schemes and balanced schemes were also liked by the salaried persons.

Hence it is clear from the table that occupation of the respondents has an impact on the preference of different mutual fund schemes. The calculated chi-square value is not significant at 0.05 level of significance. People belonging to salaried category have liked to invest in growth and income schemes. And people belonging to self employed and retired category have liked growth schemes.

f) Impact of monthly Household Income

Table: 2.6 Impact of Monthly Household Income on invest in Mutual Fund Schemes

S.no.	Monthly income (Rs.)	Growth		Income		Balanced		Sectoral		Total	
1	Below 10,000	17	20%	46	55%	13	16%	7	8%	83	100%
2	10,000-20,000	37	43%	22	26%	17	20%	10	12%	86	100%
3	20,000-50,000	23	43%	13	24%	17	31%	1	2%	54	100%
4	50000 above	15	56%	3	11%	9	33%	-	-	27	100%
	Total	92		84		56		18		250	

$$x^2 = 40.90 \text{ (Significant at 0.05 level)}$$

The above table presents distribution of the respondents on the basis of monthly household income with regard to the type of mutual fund schemes liked. It is found that out of the 250 respondents 169 (67%) had a monthly income of below Rs. 20,000. 55 per cent of the respondents belonging to the monthly income of below Rs. 10,000 have liked to invest in income schemes. 43 per cent of the respondents who were found to be the monthly income of Rs. 10,000 and Rs. 20,000 have liked to invest in growth schemes only. Most of

the balanced schemes were liked by the respondents who had a monthly income of Rs. 20,000 to Rs. 50,000. And sectoral schemes were liked by the respondents of below Rs. 20,000 income.

From the table it is clear that monthly income has an impact on the preference of different mutual fund schemes. The Chi-square value calculated is significant at 0.05 level of significance.

FINDINGS:

- Preference of investors to invest in different sectors of mutual funds is not influenced by the age and gender as the chi-square value is not significant. People belonging to different age groups and gender have responded almost equally to the mutual funds of government (UTI), financial institutions and private Sector.
- Investment portfolio of mutual fund investors in other instruments reveal that mutual fund investors liked to invest more (87.2%) in banks, post office and other public sector bonds than the equity shares (53.6%).
- As far as safety of investment in different instruments is concerned that 86 per cent of mutual fund investors opined that bank deposits, post office deposits are safest investment than the private chits and equity shares. And they also felt that public sector mutual funds are reasonably safer than the private sector mutual funds.
- Preference of investors to invest in different sectors of mutual funds is influenced by geographical location, education, occupation and monthly household income of the investors as the chi-square value is significant.
- 55.5 per cent of people belonging to urban area have their choice of preference to invest in government (UTI) and 42.4 per cent in financial institutions mutual funds. And 31.2 per cent of people belonging to semi-under and rural areas have their choice in financial institutions and private sector mutual funds.
- As far as educational qualification of respondents is concerned, 83.2 per cent of respondents belonging to higher educational qualifications have liked to invest in financial institution mutual funds. People belonging to lower educational qualification have liked to invest in government sector mutual funds.
- Investors preference of different sectors of mutual funds in respect of occupation is concerned, 35 per cent of salaried persons have preferred to invest in government sector and 42 per cent in financial institutions mutual funds. Self-employed persons have preferred to invest in financial institutions (45%) and private sector (32%) mutual funds and retired persons to invest in government sector (23%), financial institutions (31%) and private sector (46%) mutual funds.

- Monthly income of investors concludes that respondents belonging to higher monthly income of Rs. 50,000 and above preferred to invest in financial institutions and private sector mutual funds. Contrarily lower monthly income of below Rs. 10,000 respondents preferred to invest in government sector mutual funds.
- Investor's preference of different mutual fund schemes is not influenced by gender as the chi-square value is not significant. All investors, irrespective of their gender liked growth schemes, income schemes, balanced schemes and sectoral schemes almost equally.
- Age, geographical location, education, occupation and monthly household income of respondents have an impact on the investment of different mutual fund schemes.
- People belonging to younger age group of below 40 years were liked income schemes, sectoral schemes and balanced schemes. People belonging to older age group of 50 years and above preferred growth schemes.
- People living in urban area have liked all types of schemes. 51 per cent of semi-urban people were influenced by the growth schemes and 53 per cent of rural people by the income schemes.
- People with higher educational qualification of graduation and above have liked to invest in growth schemes, income schemes and sectoral schemes. People with lower level of educational qualifications have liked to invest in income schemes.
- Salaried persons have liked to invest all types of schemes. 32 per cent of self-employed and retired categories have liked only growth schemes.
- 55 per cent of people belonging to low income group (below Rs. 10,000) have liked to invest in income schemes, and 56 per cent of people belonging to high income (Rs. 50,000 above) have liked growth schemes. Balanced schemes and sectoral schemes were liked by the lower and middle income group people.

SUGGESTIONS

There are three types of players in the mutual fund market viz., Government (UTI), Financial Institutions (Banks, LIC, GIC etc) and Private Sector. The preference of the investors to invest in the mutual funds of different sectors is found to be significant. Investors belonging to urban area, higher educational qualification, salaried and self-employed persons, higher income group investors have preferred to invest in financial institutions mutual funds. Investors belonging to lower educational qualification, lower income group have their choice of preference towards government sector mutual funds. Private sector mutual funds have been liked by the rural and self-employed investors. Factors like age and gender do not have any significant influence on the investors preference towards different sectors of mutual funds.

Mutual funds offer four types of schemes viz., growth schemes, income schemes, balanced schemes and sectoral schemes. The preference of the investors about different mutual fund schemes is found to be significant. The preference of the investors towards income schemes is more significant in the case of investors belonging to younger age group, rural investors and investors with lower educational qualification. Growth schemes have been liked by the old age, semi-urban, self-employed and high income group investors. Sectoral schemes and balanced schemes have been liked by the young and middle income group investors. Gender has no influence on the investor's preference towards different types of mutual fund schemes.

CONCLUSION

Respondents' preference for the different sectors of mutual funds is not influenced by the age and gender. Other socio-economic factors like geographical location, education, occupation and income of the respondents have influenced the preferences. Respondents belonging to the urban area, lower educational qualification, and lower income have preferred the government (UTI) mutual funds. Respondents belonging to semi-urban, rural, higher educational qualifications, higher monthly income and self-employed preferred the financial institutions mutual funds. Private sector mutual funds were liked mostly by the semi-urban and rural respondents, self-employed and retired persons.

Investors' choice about different mutual fund schemes is influenced by all other socio-economic factors other than gender. Investors belonging to younger age, low income, rural area, lower education have liked income schemes. Growth schemes were mostly liked by the old age people, semi-urban, salaried persons and higher income group respondents. Balanced schemes were liked by the younger age, middle income respondents. And lastly sectoral schemes were liked by the higher education and middle income group respondents.

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Andhra Pradesh Capital Region (Amaravathi) Investors' Preference Towards Mutual Fund Sectors and Schemes – Qualitative Study

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