



A STUDY ON PERFORMANCE OF SBI MUTUAL FUNDS IN TIRUCHIRAPALLI DISTRICT OF TAMILNADU

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ABSTRACT

A mutual fund is a pool of money from numerous investors who wish to save or make money just like you. Investing in a mutual fund can be lot easier than buying and selling individual stocks and bonds on your own. Investors can sell their shares when they want.

Investment is a commitment of funds in real assets or financial assets. Investment involves risk and gain. In the present dynamic global environment, exploring investment avenues are of great relevance. Investment skills developed over a period of time are considerably influenced by experience and spadework carried out to arrive at conclusions. The success of an investment activity depends on the knowledge and ability of investors to invest, the right amount, in the right type of investment, at the right time.

CONCEPT OF MUTUAL FUND

Definition of mutual funds: The Securities and Exchange Board of India (Mutual funds) Regulations, 1993 define mutual fund as” a fund established in the form of a trust by a sponsor to raise monies by the trustees through the sale of units to the public, under one or more schemes for investing in securities in accordance with these regulations”.

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these

investments and the capital appreciation realized is shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

SIGNIFICANCE OF THE STUDY

It is observed that investors are more reliable and attached with a particular type of investment avenues. So it becomes significant to study the motivational factors that compel them for selecting the investment avenues. A study on performance of SBI mutual funds in Tiruchirappalli district, assumes a greater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and house-hold investors in particular, which ultimately leads to the economic development of a nation.

SCOPE OF THE STUDY

The present study covered performance of SBI mutual fund on the basis of investment pattern, motivated factors in your SBI investment, factors influencing your SBI mutual fund decisions, SBI mutual fund investment portfolio, problems faced by the SBI mutual fund investors and risk factors towards SBI mutual fund.

DEFINITION OF THE PROBLEM

The various SBI investment avenues for people to invest their money are growth, growth and income funds, balanced funds, money market mutual fund, open-end fund and closed-end fund and so on. An investor can choose from a variety of funds to suit his risk tolerance, various SBI mutual fund investment avenues and objectives. Against this background, the researcher has taken up this topic.

The investors are finding various problems in selecting their various SBI mutual fund investments. It is identified that there is a need for research work in the field of performance of SBI mutual funds in Tiruchirappalli district of TamilNadu.

The present study covered level of performance of SBI mutual funds on the basis of investment pattern, motivational factors in investment, factors influencing investment decisions, investment patterns, investment portfolio, savings avenues, investment preference,

level of satisfaction, various mutual fund savings, problems faced by the investors and risk factors.

OBJECTIVES OF THE STUDY

The objective of the study is to understand the study on performance of SBI mutual funds in Tiruchirappalli District. For this, the specific objectives of the research work are as under:

1. To study the profile and performance of SBI mutual funds in Tiruchirappalli District.
2. To analyze the factors are influencing the investors' opinion regarding different SBI mutual funds in Tiruchirappalli District.
3. To measure the investors' level of satisfaction towards different SBI mutual funds in Tiruchirappalli District.
4. To identify the problems faced by the investors towards SBI mutual funds in Tiruchirappalli District.
5. To offer suitable suggestions to measure the SBI mutual funds in Tiruchirappalli District.

HYPOTHESES

Based on the above objectives, the following hypotheses framed and formulated for the study.

H₀ 1: There is no significant difference between investors' opinion and levels of satisfaction towards SBI mutual fund on the basis of demographic profile.

H₀ 2: There is no significant different between the problems faced by the SBI mutual fund investors and demographic profile.

H₀ 3: There is no significant different between the risk factors toward SBI mutual fund investors and demographic profile.

RESEARCH METHODOLOGY

The present study is based on field survey method. The study is purely empirical and analytical which is supported by only primary data. Designing a suitable methodology and

selecting the analytical tools are important for a meaningful analysis of any research problem. It includes sample design, period of study, and collection of data tools for analysis.

Primary Data

The primary data were collected directly from the sample investors through a well-devised questionnaire.

Secondary Data

The secondary data relating to the study were collected from books, journals, research articles, magazines, reports, newspapers and websites.

Sampling Procedure

The convenience sampling method was adopted for the study. The study is confined to Tiruchirappalli District only. Since the size of universe is infinite, the researcher decided to select a sample size of 520 respondents SBI mutual fund investors.

Statistical Tools Used for the Analysis

The following statistical techniques had been applied depending on the nature of data collected from the respondents, Percentage analysis, Descriptive analysis, Independent samples T-test, one way ANOVA, Correlation analysis, Regression analysis and factor analysis. The reliability and validity analysis of the data in this study was analyzed using Statistical Package for Social Sciences

PERIOD OF THE STUDY

The present study covered both primary and secondary data. The primary data has been collected in a period of six months from July 2015 to December 2015 for the purpose of analysis and evaluation. This period was considered to be normal for a study like this.

LIMITATIONS OF THE STUDY

The limitations of the study has been identified as follows in this study.

1. The study is based on the reported responses evoked through the questionnaire technique rather than on direct observation of what investors actually do. Sometimes respondents were unwilling to answer and it was difficult to convince them to get answers for all the questions.
2. The research work was carried out only in Tiruchirappalli district.

3. No specific theoretical model on performance of SBI mutual funds is applied in this present study.
4. SBI mutual funds investors namely government and private employees are taken for the study.

CONCLUSION

The sample schemes studied, SBI Magnum Multiplier plus Scheme topped the list in all the three portfolio performance models. All the sample schemes (except LIC MF Equity Scheme) ensured positive returns due to stock selection skills of fund managers. The variance explained by the market was high in the case of SBI Magnum Multiplier Plus scheme. The market performance had a significant positive influence on scheme performance in case of all the schemes covered under the study. The present NAV is positively significantly correlated with that of its past NAV but the impact got reduced as the time lag increased.

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