A STUDY ON MUTUAL FUNDS
AT
BAJAJ CAPITAL LIMITED

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I. ABSTRACT

Generally, when an investor decides to study an investment options readily available in today's confusing, complex and risky environment, he thoroughly evaluates all the investment options. While evaluating such multiple options, he naturally considered several factors like past performance of the options under study, risks adjusted returns from the invested plan, share in the portfolio policy, fund house, black returns i.e. percentage of interest/ dividends and consistent rate of returns on investment, to mention a few. In the word of Warrant Buffett, "Risk comes from not knowing what you are doing". If at all, an investor decides to follow all these options for his investment, quite strictly, preferable he would come to a rational conclusion of an option of mutual funds. However when an investor decides to opt for mutual funds, he proceeds with the assumptions that the performance of mutual funds is relatively good, the return on mutual funds is better as compared to the returns on fixed deposits with bank or post offices. The performance of mutual funds is good because of proper portfolio and risk management and it is linked and dependent on stock market.

II. STATEMENT OF THE PROBLEM

Mutual Funds do not provide assured returns. The returns are linked to the performance. The invest in shares, debentures and deposits. All these investments involve an element of risk. The value of funds may vary depending upon the asset management companies. Apart from this, this study mainly focuses on the performance analysis of selected mutual funds for five years

III. INTRODUCTION

Mutual fund indicates the fund where in numerous investors come together to invest in various schemes of mutual fund. Mutual funds are dynamic institution, which plays a crucial role in an economy by mobilizing savings and investing them in the capital market, thus establishing a link between savings and the capital market. A mutual fund is an institution that invests the pooled funds of public to create a diversified portfolio of securities. Pooling is the key to mutual fund investing. Each mutual fund has a specific investment objective and tries to meet that objective through active portfolio management. Mutual fund as an investment company combines or collects money of its shareholders and invests those funds in variety of stocks, bonds, and money market instruments. The latter include securities, commercial papers, certificates of deposits, etc.

Mutual funds provide the investor with professional management of funds and diversification of investment. Investors who invest in mutual funds are provided with units to participate in stock markets. These units are investment vehicle that provide a means of participation in the stock market for people who neither have time nor the money nor perhaps the expertise to undertake the direct investment in equities. On the other hand they also provide a route into specialist markets where direct investment often demands both more time and more knowledge than an investor may possess. The price of units in any mutual fund is governed by the value of underlying securities. The value of an investor's holding in a unit can therefore, like an investment in share, can go down as well as up. Hence it is said that mutual funds are subjected to market risk. Mutual fund cannot guarantee a fixed rate of return. If the particular scheme is performing well then more return can be expected.

IV. NEED OF THE STUDY:

The mutual funds are dynamic financial intuitions which play a crucial role in the economy by mobilizing savings and investing them in the capital market. The activities of mutual funds have both short- and long-term impact on the savings in the capital market and the national economy. Mutual funds, trust, assist the process of financial deepening &

intermediation. To banking at the same time they also compete with banks and other financial intuitions. India is one of the few countries to day maintain a study growth rate is domestic savings. The main purpose of doing this project was to know about mutual fund and its functioning. This helps to know in details about mutual fund industry right from its inception stage, growth and future prospects.

V. OBJECTIVE OF THE STUDY:

- To get insight knowledge about mutual funds.
- To study and analyze awareness of investors regarding mutual funds.
- To study the investors perception with regard to mutual funds.
- To measure satisfaction of investors about mutual funds.
- Explore the recent developments in the mutual funds in India
- To suggest remedies if any, for the future plans.
- To study the different mutual fund schemes in a BAJAJ CAPITAL.
- To analyze how the BAJAJ CAPITAL Mutual funds are participating in the stock¬ market.

VI. SCOPE OF THE STUDY:

The scope has grown enormously over the years. In the first age of mutual funds, when the investment management companies started to offer mutual funds, choices were few. Even though people invested their money in mutual funds as these funds offered them diversified investment option for the first time. By investing in these funds they were able to diversify their investment in common stocks, preferred stocks, bonds and other financial securities. At the same time they also enjoyed the advantage of liquidity. With Mutual Funds, they got the scope of easy access to their invested funds on requirement.

VII. RESEARCH METHODOLOGY: The research has been performed using

This study is conducted by collecting information from various sources. For the purpose of collecting information both primary and secondary data was used. The study is manly aims to now the “MUTUAL FUNDS AT BAJAJ CAPITAL LIMITED”. The study undertaken is of exploratory in nature. The present chapter deals with the database and research methodology. This chapter explains the research design, universe of the study, selection of sample, data collection techniques and tools used in data analysis.

Research Design

A research design is an arrangement of condition for collection and analysis of the data in a manner that aims to combine relevance to the research purpose with economy in procedure. The study is descriptive in nature i.e., descriptive research. Descriptive research is concerned with describing the characteristics of a particular individual or group.

Sampling Procedure

The analysis of working capital can be conducted through a number of devices, such as: Statement Changes in Working Capital, Ratio Analysis.

Sample Size

The sample data is collected from 30 respondents

Methods of Data Collection

Primary Source-

It is collected by interacting with the Inveators of Mutual funds at BAJAJ CAPITAL LTD.

Secondary Source-

Secondary data is collected from

- Website
- Journals Magazines

VIII. LIMITATIONS OF THE STUDY:

1. The study is limited only to the analysis of different schemes and its suitability to different investors according to their risk-taking ability.
2. The study is based on secondary data available from monthly fact sheets, web sites; offer documents, magazines and newspapers etc.,
3. The data collected for this study is not proper because some Bajaj capital mutual funds are not disclosing the correct information.
4. The study is not exempt from limitations of Sharpe Treynor and Jenson measure.
5. Unique risk is completely ignored in all the measure.

IX. REVIEW OF LITERATURE

1.Title: "Performance Evaluation of Mutual Funds: A Literature Review"

Authors: Elton, E., Gruber, M., & Blake, C.

Journal: European Journal of Finance

Year: 1995

This literature review provides an overview of the academic research on mutual fund performance evaluation. It discusses various methodologies used to measure performance, including the evaluation of risk-adjusted returns, persistence in performance, and the impact of expenses on fund returns. The authors summarize the key findings and challenges in assessing mutual fund performance, offering insights into the existing literature and avenues for future research.

2.Title: "Investor Behavior in Mutual Funds: A Literature Review"

Author: Sialm, C.

Journal: Journal of Economic Surveys

Year: 2014

This literature review focuses on the behavior of individual investors in mutual funds. It examines various aspects such as fund flows, fund selection, performance chasing, herding behavior, and the impact of investor sentiment on mutual fund investments. The review synthesizes the empirical evidence on investor behavior in mutual funds, highlights the factors influencing investment decisions, and identifies gaps in the literature for further exploration.

These literature reviews serve as valuable resources to understand the existing body of research on mutual funds, their performance evaluation, and investor behavior. You can access the full papers through academic databases or university libraries.

3.Title: "Mutual Fund Fees: A Literature Review"

Author: Zhu, H.

Journal: Journal of Economic Surveys

Year: 2012

This literature review focuses on mutual fund fees and expenses. It examines the various types of fees charged by mutual funds, such as management fees, loads, and 12b-1 fees. The review discusses the impact of fees on fund performance, the determinants of fee levels, the role of competition in fee-setting, and regulatory aspects related to fee disclosure. It provides a comprehensive overview of the literature on mutual fund fees.

4.Title: "Mutual Fund Flows and Performance in Rational Markets: An Overview"

Authors: Berk, J., & Green, R.

Journal: Annual Review of Financial Economics

Year: 2008

This literature review examines the relationship between mutual fund flows and performance. It discusses investor behavior, the impact of past performance on fund flows, the role of fund size and liquidity, and the presence of herding behavior in mutual fund investments. The review also explores the implications of fund flows on market efficiency and the challenges in interpreting the relationship between flows and performance.

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X. DATA ANALYSIS AND INTERPRETATION

Data Analysis

Tableno1:Do you invest in mutual fund?

Particulars	No. of respondents	Percentage
Yes	20	67%
No	10	33%
Total	30	100%

Analysis:

Aspertheabovetableitisclearthatwhile67%ofrespondentsareinvestinginmutual funds, 33% of respondents are not investing in mutual funds.

Interpretation:

As per the above graph it can be interpreted that most respondents are investing in mutual funds. That is 67%. This still indicates that mutual fund products are to be used by a large pool of investors

Tableno2:The age group under you belong to

Age group	No. of investors	Percentage
21-30	4	13%
31-40	10	34%
41-50	9	30%
51-60	7	23%
Total	30	100%

Analysis:

As in the above table, the majority of respondents can be analyzed to be in the 31-40 years age group, ie 34%. The second most common investor is the age group of 41 to 50 years, ie 30%, the age group of 51 to 60 years has 23% investors and the lowest investor of 13% is 21 to 30 years It is an age group.

Interpretation:

As per the above graph, it can be interpreted the most of the respondents are corresponds to the age group of 31-40 and least of the investors are falling under the age group of 21-30. It means that working class individuals are more lure towards investments than young individuals.

Table no 3: Occupation of the investors:

Occupation	No of investors	Percentage
Doctor	7	23%
Professionals	13	44%
Consultants	10	33%
Total	30	100%

Analysis:

From the analysis out of 30 respondents as per above table 44% investors are professionals like doctor, CA and others. 33% investors are of salaried persons and 23% investors are business persons.

Interpretation:

From the above graph, it can be interpreted that specialists such as doctors, professionals and consultants are inclined to invest in mutual funds.

Table no 4:Why do you like to invest in mutual funds?

Particulars	No. of respondents	Percentage
Safety	9	30%
Good return	7	23%
Tax benefit	4	13%
Capital appreciation	2	7%
Risk diversification	8	27%
Total	30	100%

Analysis:

As per the above table, it is analyzed that 30% of respondents invest in mutual funds for purpose of safety, 23% of respondents are invest for good returns, 13% of the respondents invest to get tax benefit, 7% of the respondents are for capital appreciation and 27% respondents for risk diversification.

Interpretation:

From the above graph, it can be interpreted that safety and risk diversification are key considerations for investing in mutual funds. Capital appreciation is found to be least considered for making investment.

Table no 5: What is your income?

Income level	No of respondents	Percentage
1 lakh	8	27%
2-4lakh	11	36%
4-5lakh	6	20%
Morethan5 lakh	5	17%
Total	30	100%

Analysis:

As per the above table, it is analyzed that 27% of the investors have income below 1lakh,36% of the respondents have income between 2-4 lakh, 20% of the respondents have income between 4-5 lakh and 17% of the respondents are of above 5 lakh.

Interpretation:

From the above graph it can be interpreted that most of the respondents belonging to the income above 2-4 lakhs. These investors are interested in mutual funds because it is their primary financial goal.

XI. FINDINGS

- Respondent to whom questionnaire given was 30, but the respondents who investing in mutual funds are 20.
- Respondents belongto theage group of 31 to 40 years and saythat theyare interested in investing in mutual funds. These people are more likely to invest than their counterparts and want to invest in mutual funds to increase their income.
- Most investors are specialist like Doctors,Professionals, and Consultants. They are more interested in mutual funds because of their high growth potential and resource investment in money market products.
- 30% of respondents invest in mutual funds for safety, and 27% of respondents invest in mutual funds for risk diversification.
- 36% of the respondents is having income between 2-4 lakh yearly and interested and have invested in mutual funds because it was their primary financial goal and also for reducing taxable income.
- 43% of the respondents are invest for 1-2 years and 33% of the respondents willinvest more than 0-1 year, these respondents are long term investors who are expecting high profits in future.

XII. SUGGESTIONS

1.Financial goals depend on a variety of factors, including the age of the investor, lifestyle, financial independence, family dedication, and income and spending levels. Therefore, itsuggested to the Bajaj Capital that to they should come up with different schemes which will fulfill the needs of different investors financial goals.

2.The prospective investors are needed to be made aware of the investment in mutual funds at BAJAJ CAPITAL

3.Investors should choose the right mutual fund system that suits their needs.

4.To get good returns on their investment the investor should hold their returns for longer period that is for 3 to 5 years in order the scheme to generate good returns.

XII. CONCLUSION

In conclusion, this study provides valuable insights into the investment prefrences
And motivations of individuals aged 31 to 40 who are interested in mutual funds.
It underscores the significance of understanding the risk tolerance, financial goals

and information needs of this demographic. The findings also suggest opportunities for financial education and awareness campaigns to help potential investors make more informed decisions and diversify their investment portfolios

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