



A STUDY ON INVESTORS ATTITUDE TOWARDS PERFORMANCE OF INFRASTRUCTURE GROWTH FUND.

Dr. M. Viswanathan* Dr. P. Poongodi **

* Associate Professor, Department of Management Science, Kongu Arts and Science College, (Autonomous) Erode .

** Professor and Head, Department of Management Science, Kongu Arts and Science College, (Autonomous) Erode.

Abstract

Saving is the surplus of income over expenditure and when such savings are invested to generate more money, it is called investment. In India, Mutual Fund industry started in 1963 with the formation of Unit Trust of India. Mutual fund companies are offering innovative schemes to attract the investors. So considering these points this paper is an attempt to examine the investor's attitude towards performance of infrastructure growth fund, Primary and secondary data have been used in the study. Sample size has taken 250 investors for survey. The questionnaire method was used to collect the data.

Key words: Mutual fund, innovative schemes, investor's attitude, infrastructure growth fund.

INTRODUCTION

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. The infrastructure theme was birthed a decade ago and investors flocked to the funds when the returns delivered were stupendous. The story almost sold itself as investors were licking their 2008 bear market wounds. The funds never did fully recover. Until now! As the market celebrated with the new government in place, infrastructure stocks were ardently courted. Infrastructure funds seem to have been finally lifted out of their funk. Investors looking at the latest returns might well get swayed.

INFRASTRUCTURE FUND

India Infrastructure Fund (IIF) aims to primarily invest equity for the long-term in companies that derive value from development and operation of infrastructure assets/projects in India. The resulting portfolio is expected to comprise Greenfield, Brownfield and operational assets/projects in core infrastructure sub-sectors including transport (toll roads, rail, ports, and airports), energy and utilities (power generation, renewable, pipelines, transmission, distribution and storage), telecommunications infrastructure and urban infrastructure.

REVIEW OF LITERATURE

Shanthi and Balanaga Gurunathan (2011) in their article entitled, "An analysis of investors' attitude towards tax saving mutual funds in India" endeavoured to analyse the attitude of Tamil Nadu investors' towards preference, knowledge, awareness and satisfaction on tax saving mutual funds. The study found that most of the investors are averse to mutual fund due to the volatility; and young investors were interested in tax saving mutual funds. The study suggested that more number of motivations cum awareness programs should be organized by the AMCs along with the regulatory authorities to bridge the gaps between the investors and investment, which explain the risk, return, merits, demerits and other features of the mutual fund product and ways to deliver better services. The study reveals the importance of awareness programs and the attitude of the mutual fund investors.

Binod Kumar (2012) in his study entitled "A study on investors' attitude towards mutual funds as an investment option" explained structure of mutual fund, operations of mutual fund, comparison between investment in mutual fund and bank and calculation of NAV etc. have been considered. In this paper, the impacts of various demographic factors on investors' attitude towards mutual fund have been studied. For measuring various phenomena and analyzing the collected data effectively and efficiently for drawing sound conclusions, Chi-square test has been used and for analyzing the various factors responsible for investment in mutual funds, ranking was done on the basis of weighted scores and scoring was also done on the basis of scale.

Pritam & shivganga (2012) in their study entitled "A study of investors attitude towards mutual fund with special reference to investors in solapur city" attempts the role of Indian mutual fund industry as significant financial service in financial market has really been noteworthy. In fact, the mutual fund industry has emerged as an important segment of financial market of India, especially in channelizing the savings of millions of individuals into the investment in equity and debt instruments. Mutual funds are seemingly the easiest and the least stressful way to invest in the stock market. Quiet a large amount of money has been invested in mutual funds during the past few years. Any investor would like to invest in a reputed Mutual Fund organization. Mutual funds are financial intermediaries concerned with mobilizing savings of those who have surplus and the canalization of these savings in those avenues where there is a demand for funds. These intermediaries employ the resources in such a manner as to provide combined benefits of low risk, steady return, high liquidity and capital appreciation



through diversification and expert management. Reforms in the Indian economic system and the opening up of the economy have been the reasons for the tremendous growth in the Indian capital market. This study analyzes the impact of different demographic variables on the attitude of investors towards mutual funds. Apart from this, it also focuses on the benefits delivered by mutual funds to investors. To this end, 200 respondents of Solapur City, having different demographic profiles were surveyed. The study reveals that the majority of investors have still not formed any attitude towards mutual fund investments.

Sharma et.al (2012) in their research paper entitled, “A study on factor influencing satisfaction of investors towards mutual funds industry using serve qual model: An empirical study”, tried to find out the expectations of customers toward the mutual fund companies and factors influencing customer satisfaction. The study found that SERVQUAL model and the employment status of the customer are the factors that have a bearing over the customer satisfaction towards mutual fund industry and both constructs have positive relationship between them. Satisfaction of the customer is found to be dependent on transparency of the mutual fund company’s transaction and how well the promises are fulfilled by the service provider. The study brings to light that fulfilment of promises and transparency in operation provide satisfaction to the customers of mutual fund industry.

Nishi Sharma (2012) in his study entitled “Indian Investor’s Perception towards Mutual Funds” examine concept of mutual fund emerged in Netherlands in 18th century and introduced in India by Unit Trust of India in 1960s. As the mutual fund industry provides an option of diversified investment structure with varying degree of risk, the study supposed to be the most lucrative market for Indian investors. The study believed that it will surely tap the savings of common man. But in practice it failed to become a primary choice for investment to Indian investor. During almost six decades (1965-2011) the value of assets under management of mutual fund industry experienced great swings. As against the developed countries where almost every second investor is a mutual unit holder, the product could not get much popularity in India. In this reference, the present paper attempts to investigate the reasons responsible for lesser recognition of mutual fund as a prime investment option. It examines the investor’s perception with reference to distinct features provided by mutual fund companies to attract them for investing in specific funds/schemes. The study uses principal component analysis as a tool for factor reduction. The paper explored three factors named as fund/scheme related attributes, monetary benefits and sponsor’s related attributes (having respectively six, four and four variables) which may be offered to investors for securing their patronage. The results are expected to provide fruitful insight to mutual fund companies for tailoring their offers suitable to cater the needs and expectations of Indian investors.

Mini (2013) in his study entitled “Investor’s preference towards mutual fund in comparison to other investment avenues.” discuss the different kinds of investment avenues are available to the investors. All investment modes have advantages & disadvantages. An investor tries to balance these benefits and shortcomings of different investment modes before investing in them. Among various investment modes, Mutual Fund is The most suitable investment mode for the common man, as it offers an opportunity To invest in a diversified and professionally managed portfolio at a relatively low cost. The study an attempt is made to study mainly the investment avenue preferred by the investors of Mathura, and we have tried to analyze the investor’ s Preference towards investment in mutual funds when other investment avenues are also available in the market.

NEED FOR THE STUDY

In our country the Mutual fund companies, part of financial sector, are expected to show profits, through they are service-oriented organizations. The days are gone, when the mutual fund companies were set up with an exclusive motto of “service” instead of profit. The recent economic reforms urge the mutual fund companies to introduce various mutual fund schemes in order to make profit by directing the schemes at target group of customers. The need for development of mutual fund companies is thus once again recognize and it will now be possible to introduce a variety of need based various mutual fund products in our own market, similar to those in the overseas market. This study will help the public and private sector mutual fund companies to analyze its performance and to take corrective measures in the sphere of their mutual fund products.

OBJECTIVES OF THE STUDY

The following are the main objectives of the study:

- To study the customer awareness regarding infrastructure growth fund.
- To study on investors attitude towards performance of infrastructure growth fund.
- To study the level of satisfaction of the customers about performance of infrastructure growth fund invested
- To study the reasons for prefer infrastructure growth fund



SCOPE OF THE STUDY

Customer satisfaction is a feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations. So, satisfaction is a function of perceived performance and expectations. If the performance falls short of expectation, the customer is dissatisfied. If the performance matches the expectation, the customer is satisfied.

- A study on customer satisfaction helps the organization to understand each and every need of the customer.
- Helps the company to understand the efficiency of the service provided to the customers, so that it can create the basis for further improvement.

The study helps to assess the real opinion and mindset of customers and aids to meet out their expectation in future. This in turn will increase the volume of sales.

LIMITATIONS OF THE STUDY

The study has the following limitations.

- The study was conducted only in Erode district. This may not give a generalized conclusion.
- The number of respondents was limited to 250 only.
- The analysis is based on the data provided by the respondents. The views of those who did not participate in the survey is not included.
- The conclusions are based on the opinions expressed by the customers. Hence they cannot be assured to unbiased or true representation of reality

RESEARCH METHODOLOGY

The research problem has been formulated in clear cut forms. The Descriptive Research Design was used in this study. The convenience sampling design is used in the study. The sample size taken for the study is 250 respondents. In order to fulfill the objective set out, survey was undertaken by using well framed questionnaire that was filled by the respondent. Primary data is the data collected afresh for the first time. The primary data is collected through questionnaire method in infrastructure growth fund investor. The secondary data is collected from published materials, company record, journal, magazine, newspaper and other media.

FRAME WORK OF ANALYSIS

Age and Level of Satisfaction on Performance of Infrastructure Growth Fund

Age is an important factor in decision making on any issue, particularly on Infrastructure growth fund. In this analysis we have made three categories. These categories are young (below 30 yrs) middle aged (31-40 yrs) and old (above 40 years). The sample consists of 72 respondents (28.8 percent) in the first group, 76 (respondents (30.4% percent) in the second and 102 (40.8 percentage) in the third group. The distribution of sample respondents according to age and the level of satisfaction on performances of Infrastructure growth Fund.

Table No: 1, Age and Level of Satisfaction on Performance of Infrastructure Growth Fund

S.No	Age	No. of Respondent	%	Average	Range		
					Min	Max	S.D
1	Young (Below 30)	72	28.8	40.4	34.0	46.0	3.6
2	Middle (31-40)	76	30.4	39.4	34.0	46.0	3.5
3	Old(above 40)	102	40.8	39.7	30.0	45.0	3.5
	Total	250	100				

It should be absorbed from the above table that the level of satisfaction on performance of infrastructure growth Fund was range between 34 and 46 among the young respondents with can average of 40.4. The middle aged respondents were ranged between 34 and 46 with an average of 39.9 On the other hand the need of satisfaction by the old age respondents ranged between 30 and 45 with an average of 40.8 from the analysis it is fund that old aged respondents have perceived maximum level of satisfaction on performance of infrastructure growth Fund.

Age and Level of Satisfaction on Performance of Infrastructure Growth Fund (Two – Way Table)

With a view to the degree association between age of the respondent and their level of satisfaction on performance of infrastructure growth Fund, a two –way table was prepared with the following table.



Table No: 2, Age and Level of Satisfaction on Performance of Infrastructure Growth Fund (Two – Way Table)

S.No	Level of Satisfaction				Total
	Age	Low	Medium	High	
1	Young Below 30	26(36.1)	20(27.8)	26(36.1)	72
2	Middle 31-40	9(11.8)	31(40.8)	36(47.4)	76
3	Old (above 40)	25(24.5)	35(34.3)	42(41.2)	102
4	Total	60	86	104	250

It is found from the table that the percentage of the respondent's high level of satisfaction on performance of infrastructure growth Fund was the highest (47.4%) in middle aged respondents & the same was the lowest (36.1%) among the old aged respondents. The percentages of medium level of satisfaction on performance of infrastructure growth Fund was the highest (40.8%) among the middle ages respondents of the lowest (27.8%) among the young ages respondents. on the other hand, the percentage of the low level of satisfaction in performance of Mutual Fund Companies was the highest (36.1%) among the young ages respondents and the lowest (11.8%) among the middle ages respondents.

Age and Level of Satisfaction on Performance of Infrastructure Growth Fund (Chi - Square)

In order to find the relationship between age and level of Satisfaction on performance of Infrastructure growth Fund, a chi-Square test was employed and results and the tests are shown in the following table.

TABLE NO: 3

AGE AND LEVEL OF SATISFACTION ON PERFORMANCE OF INFRASTRUCTURE GROWTH FUND (CHI - SQUARE)

Factor	Calculate X ² value	Table Value	D.F	Remarks
Age	12.046	9.488	4	Significance at 5% level

It is divulged from the above table that the calculated Chi – Square value is greater than the table value and the result in significance at 5% level. Hence the hypothesis “age and level of satisfaction on performance of Infrastructure growth Fund are not associated does not holds good. From this analysis it is identified that there is a close relationship between the age of the respondents and their level of satisfaction on performance of Infrastructure growth Fund.

Educational Qualification and Level of Satisfaction on Performance Of Infrastructure Growth Fund

Education is one of the important factors to develop knowledge and awareness among the common man. It sharpens the mind of the individual and makes much clever person in decision making. For the purpose of this study, the educational Qualification of the respondents was studied Centre four heads Vis, no formal qualification, and school level, collegiate and professional. The sample consists of 29 (11.6%) No Formal Qualification, 129 (51.6%) School level, 57 (22.8%) collegiate, 35 (14.0%) professional level of respondents. The distribution of sample respondents according to the educational qualification and level of satisfaction on performance of Infrastructure growth Fund is shown in the following table.

Table No: 4, Educational Qualification and Level of Satisfaction on Performance of Infrastructure Growth Fund

S.No	Educational Qualification	No. Of Respondent	%	Average	Range		S.D
					Min	Max	
1	No Formal Qualification	29	11.6	40.7	30.0	46.0	3.7
2	School Level	129	51.6	40.1	34.0	46.0	3.5
3	Collegiate	57	22.8	39.9	34.0	45.0	3.7
4	Professional	35	14.0	39.1	34.0	44.0	2.9
	Total	250	100				

It is identify from the above table that the level of satisfaction on performance of Infrastructure growth fund was ranged between 30 and 40 among the no formal qualification with an average of 40.7. The school level respondents were ranged between 34 and 46 with an average of 40.1 The collegiate level respondents were ranged between 34 and 45 with an average of 39.9 on the other hand the level of satisfaction by the professional level respondents ranged between 34 and 44 with an



average of 39.1 from the analysis it is found that no formal qualification respondents have perceived maximum level of satisfaction on performance of Infrastructure growth fund.

Educational Qualification and Level of Satisfaction on Performance of Infrastructure Growth Fund (Two – Way Table)

With a view to the degree association between educational qualification of the respondent called their level of satisfaction on performance of Infrastructure growth fund, a two –way table was prepared with the following table.

Table No: 5. Educational Qualification and Level of Satisfaction on Performance of Infrastructure Growth Fund (Two – Way Table)

S.No	Educational Qualification	Level of satisfaction			Total
		Low	Medium	High	
1	No formal Qualification	5(17.2)	8(27.6)	16(55.2)	29
2	School level	26(20.2)	46(35.7)	57(44.2)	129
3	Collegiate	19(33.3)	13(22.8)	25(43.9)	57
4	Professional	18(28.6)	19(54.3)	6(17.1)	35
	Total	60	86	104	250

It could be observed from the above table that the percentage of the respondents high level of satisfaction on performance of Infrastructure growth fund was the highest (55.2%) in No formal Qualification and the same was the lower (17.1%) among the professional level respondents the percentage of medium level of satisfaction on performance of Infrastructure growth fund was the (54.3%) among the professional level respondents and the lowest (22.8%) among the collegiate level respondents of the other hand. The percentage of the low level of satisfaction on performance of Infrastructure growth fund was the highest (33.3%) among the collegiate level respondents and the lowest (17.2%) among the No formal Qualification.

Educational Qualification and Level of Satisfaction on Performance of Infrastructure Growth Fund(Chi - Square)

In order to find the relationship between educational Qualification and level of satisfaction on performance of Infrastructure growth fund Chi-Square test was employed and results and the tests are shown in the following table.

Table No: 6, Educational Qualification and Level of Satisfaction on Performance of Infrastructure Growth Fund(Chi - Square)

Factor	CalculateX ² value	Table Value	D.F	Remarks
Educational Qualification	17.015	12.592	6	Significance 5% level

From the above table it is found that the calculated Chi-Square value is greater than the table value and the result is significance at 5% level. Hence the hypothesis “Educational Qualification and level of satisfaction on performance of Infrastructure growth fund are not associated” does not holds goods. From this analysis it is identified that there is a close relationship between the Educational Qualification of the respondents and their level of satisfaction on performance of Infrastructure growth fund.

FINDINGS

- It was found the analysis that, above 40 age respondent are having maximum level of satisfaction on performance of infrastructure growth fund then the young and middle category of respondents. The result of Chi-square test also proved that there is a close relationship between the age of the respondent and their level of satisfaction on performance of infrastructure growth fund.
- While analyzing the educational qualification of the respondent and their opinion on the performance of infrastructure growth fund , it is found that the maximum level of satisfaction on performance of infrastructure growth fund was among the respondent who have acquired no formal qualification and the result of Chi- square test also proved that there is a close relationship between the Educational Qualification of the respondent and the level of satisfaction on performance of infrastructure growth fund.

SUGGESTION

1. The Asset Management Companies should take the initiative of training the stock brokers about the new funds from time to time which also makes the advisors connected to the company.



2. The Asset management companies should also emphasis on the monitoring of funds which directly relates to the returns of a specific fund.
3. The mutual fund companies should focus on the advertising strategy and also the marketing of the product.
4. The mutual fund companies should emphasis on creating an awareness about the SIP options which is always preferable when the market is volatile.
5. It is observed that the mutual fund companies have failed to render their services in the rural parts of the study area. Hence, it is suggested that mutual fund companies may concentrate on opening a new branches in the rural area to provide better service for most rural people.

CONCLUSION

The competition climate in the Indian mutual fund market has changed dramatically over the last few years. At the same time, changes have been taking place in the government regulations and technology. The expectations of customers are also changing. The mutual fund companies have to introduce many new products in the market.

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