INVESTORS' AWARENESS TOWARDS MUTUAL FUND IN KATHMANDU VALLEY

A Dissertation Submitted to the Office of the Dean, Faculty of Management in partial fulfillment of requirements for the Master's Degree

By

SUBASH DHAKAL

Campus Roll No.: 09/075

Exam Symbol No.: 14129/19

T.U. Regd. No: 7-2-25-358-2010

Shanker Dev Campus

Kathmandu, Nepal

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CERTIFICATE OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **"Investors' Awareness towards Mutual Fund in Kathmandu Valley"**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Subash Dhakal

November, 2024

REPORT OF RESEARCH COMMITTEE

Mr. Subash Dhakal has defended research proposal entitled **"Investors' Awareness Towards Mutual Fund in Kathmandu Valley"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Mr. Kamal Prakash Adhikari and submit the thesis for evaluation and vice-voce examination.

……
Kamal Prakash Adhikari
Dissertation Supervisor

Dissertation Proposal Defended Date:

……

……
Asso. Prof. Sajeeb Kumar Shrestha
Chairperson, Research Committee

Dissertation Viva-voce Date:

……

APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"Investors' Awareness Towards Mutual Fund in Kathmandu Valley"** presented by Mr. Subash Dhakal a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva Voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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Kamal Prakash Adhikari

Dissertation Supervisor

.....

Internal Examiner

.....

Internal Expert

.....

External Examiner

.....

Chairperson, Research Committee

.....

Campus Chief

November 2024

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Subash Dhakal

Shanker Dev Campus

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ABBREVIATION

AI	Artificial Intelligence
AMFI	Association of Mutual Funds in India
ANOVA	Analysis of Variance
CAPM	Capital Asset Pricing Model
EMH	Efficient Market Theory
ICI	Investment Company Institute
IPO	Initial Public Offering
MIP	Monthly Income Plan
N	No of Respondents
NAV	Net Assets Value
NCM	Nepal Capital Market
R	Regression Coefficient
SD	Standard Deviation
SEBI	Securities and Exchange Board of India
SEBON	Securities Board of Nepal
SEC	Securities and Exchange Commission
Sig	Significance
SPSS	Statistical Package for the Social Science

Abstract

This research has been conducted to analyze the level of awareness on investors of Kathmandu valley towards mutual fund as an investment option. Primary objective of this research is to identify the factors that affect investors' awareness particularly the mutual fund. A quantitative survey was conducted among 395 participants aged 18 to 55 and above using structured questionnaire to gain access to their financial literacy and investment behavior. The research found that there is strong correlation between financial literacy and investment decision. Participants with higher knowledge of investment risk are more likely to seek professional help and able to select investment option with lower risk. Moreover gender is also influencing factor in making investment decision. Similarly access to technology has been significant help to investors to make quick investment decision with many available analysis tools to minimize risk and financial loss. These findings suggest that enhancing financial literacy program can lead to more informed and prudent decision making. This research is useful to launch program in financial literacy and provides space for further study in field of financial awareness as factors affecting awareness as dynamic.

Keywords: *Mutual fund, awareness, risk, financial literacy, return*

CHAPTER - I

INTRODUCTION

1.1 Background of the study

A mutual fund is an investment option that consists of a pool of money gathered from numerous individuals (both person and institutions) with the intention of investing in securities like stocks, bonds, money market instruments, and other assets(ICI, 2018). Expert money managers oversee mutual funds, allocating investments and working to generate income or capital gains for fund owners. In other words, it is a pool of money managed by professional fund manager (AMFI, 2017). The portfolio of a mutual fund is managed and constructed to align with the investment goals specified in the fund's prospectus. The greatest choice for investors who want to grow their wealth but don't have the money, time, or motivation to conduct market research is a mutual fund. In return, a small charge is collected by the fund manager and deducted from the investment. The maximum fees that mutual funds are permitted to charge have been established by the regulatory authority, in Nepal it's SEBON. This research is about how much investors are familiar with mutual funds. This study tried to identify the level of awareness among existing and potential investors on mutual fund inside Kathmandu Valley.

According to Reilly and Brown (2003), investing is the act of putting money for a specific amount of time in a particular business with the hope of earning a respectable return that would adequately compensate the investor for the risk they assumed and the time they decided to commit the cash. Consequently, investing decisions usually include postponing the use of financial resources in order to maximize future benefits while forgoing current consumption. A range of investment analysis techniques, including technical analysis, fundamental analysis, and judgment, are commonly used by investors as a basis for their decisions. An additional presumption is that information availability, market conditions, and other investors' investment results affect how investors make decisions.

Mutual fund is special setup for pure investment purpose. Its purpose is to maximize wealth keeping associated risk low as much as possible. Concept of Mutual Fund in Nepal is new, but despite being short in history it is gaining popularity and more and more investors are placing their wealth in this. There has been high growth in this sector after introduction of

Mutual Fund Regulation (2010). This outcome has been made possible by the combined efforts of brokerage firms and fund managers, who assist individuals in need by educating potential investors and enlightening them about mutual fund schemes through various forms of promotion (Kadel, 2018). By investing in mutual funds, an investor can get exposure to a range of assets without having voting rights and should bear certain fees also subject to certain requirements, or restrictions.

Through mutual funds, small and individual investors can gain access to professionally managed stock, bond, and other security portfolios. As a result, the gains or losses of the fund are distributed proportionately to each stakeholder. Mutual funds make a variety of investments, and changes in the fund's overall market capitalization which is the result of aggregating the returns of all of the individual assets are usually used to verify how well the fund is performing. Generally NAV is used to measure such performance No any investment in the world is free of risk but comparably mutual funds are taken as low risk investment. It has many advantages such as diversification, managed by experts, easy in-out etc. But its some cons are costly in nature, over diversification, performance issues etc. In developing countries like Nepal fund managers introduce different schemes but are not fully subscribed, reason behind this is general people are unaware about benefits of it. Waggle (2020) carried out research to ascertain the level of interest that Nepali investors had in mutual funds. The study's findings indicated that the majority of investors are interested in trading on the capital market for investments, and Nepalese capital market is male dominated. Mutual fund investments are made by those who don't know enough about them, and they would rather invest in common stock.

In the context of Nepal, mutual funds have only been around for 29 years. Thus, Nepalese investors perceive the mutual fund's launch as novel. With the launch of NCM Mutual Fund in 2050 B.S. (1993 A.D.), the Nepali investment market entered the mutual fund era. With a total of Rs. 100 million in funds collected, NCM was an open-ended fund initiative. These days, the merchant bankers are raising more than that amount, which has grown to be a significant component of Nepal's stock market. The Securities Board of Nepal (SEBON) must approve these mutual funds in accordance with the Mutual Fund Regulation Act of 2010. When compared to the equities of commercial banks, insurance companies, development banks, financing, and microfinance organizations, people are less attracted towards mutual funds as they are not as appealing as common stocks. The range of schemes

that investors can choose from around the world are not obtainable for regional Nepalese investors. Even though Nepal's stock market has recently expanded, mutual funds have not shown particularly well in the nation in terms of performance or success.

Currently there are two types mutual fund in operation closed ended mutual fund and open end mutual fund. A predetermined quantity of shares are issued by closed-end funds for a predetermined amount of time. These funds will mature over a certain period, and they are not permitted to increase or decrease the number of shares after the issue. Pricing is determined by supply and demand of shares. Open-end mutual funds have no maturity period and are able to adjust the number of shares to suit their needs. Unlike close end, open end mutual fund are sold directly to fund manager at the end of trading day at net assets value (NAV). In Nepalese securities market, the success and performance of mutual funds is not noticeable. However, available mutual funds in Nepal have not only provided alternative avenues of investment to the benefits of investor but also source of raising funds to the benefits of corporate investor.

Karn (2024) found that despite being curious about mutual fund people are afraid to invest their wealth in mutual fund as they are unable to perform to the level of general people expectation. This is due to the reason that fund manager are either unwilling or unable to educate people other about benefits of mutual fund other than price increase on secondary market. This has led to low level of awareness even in big cities like Kathmandu.

1.2 Problem Statement

Problem statement also known as research problem is a question that the researcher seeks to answer by conducting an investigation (Leedy and Ormrod, 2010). It is also a situation where a gap exists between actual and desired state (Sekaran and Bougie, 2013). According to Oxford Advance Dictionary term 'awareness' refers to the knowledge or understanding that something exists and is important. Awareness can also refer to being interested in something. For example, an awareness of the importance of eating a healthy diet. Investors' awareness is affected by many factors but is important to identify such factors that affect investors' awareness level. Low investor awareness is major issue in Nepalese capital market. Investors usually use information obtained from their close friends or group of friends. This most of time leads to loss to both market and individual investor.

Nepalese mutual fund market is at infant state, people still are unaware how mutual funds operate. Reasons behind this can be personal as well as non-personal. Personal reasons can be availability of funds, education, age, risk tolerance level whereas non personal reasons are availability of market information, cost, limited investment option etc. On the bright side, more and more people are wanting to know about mutual funds, thanks to online platform, hence the future of mutual fund in Nepal is heading towards growth.

Singh (2009) researched investors' level of awareness and acceptability of mutual funds in Rachi area, India, where 150 people were asked questions related to awareness level. The result was that people knew about mutual fund from self-education and secondly from friends and families. People invested in mutual fund because of wealth creation, tax planning and for higher return, moreover they consider security and liquidity as major factor to invest in fund. The study found that only 32 respondents knew about Systematic Investment Plan (SIP) and 80 respondents were unaware about it.

Prabhu (2014) investigated to find out investors preference, factors affecting decision making and awareness level towards Monthly Income Plan (MIP) in Pune, India. This researched showed that despite investing in stocks investors were unaware about benefits of investing in mutual fund. They were unaware about MIP but those who invested in MIP were attracted only due to consistent return. This researched showed that only economically active age group were investing in mutual fund and other stocks of their own choice without considering its benefits.

Bajcharya (2018) conducted a research on investors' awareness towards mutual fund in Kathmandu Valley which showed that most of the investors are doubtful to invest the new age investment like mutual fund and the investor is not high with awareness level of mutual fund. Study recommended for existing regulatory change, work to improve investors' awareness and encourage companies to collect fund from mutual fund.

Sailaga (2018) conducted researched on investors' awareness towards mutual fund focusing in Chennai, India from 104 respondents which showed that investors are investing in mutual fund with different goal i.e. some invested for higher return while some invested due to tax benefit. Most interesting part was that most respondents were mutual fund investor but had little knowledge and information about how mutual fund operates and various risk associated with it.

This research mainly tries to answer below major research questions that were major concern of the study:

- What are the major factors that affect the investors' awareness level?
- How those factors affect investors' awareness?
- What is the impact of variables on investors' awareness?

1.3 Objectives of the study

Though investing habit is increasing in Nepalese capital market, existing as well as new investors tend to follow their own experience and perception when it comes to investment decision. This affects level of awareness among investors. The aim behind this study is to upgrade our knowledge on investors investing behavior and factors affecting investing decision and habit.

Besides, study's objectives are:

- To identify the factors affecting mutual fund investors' awareness.
- To examine the relation between education, gender, risk knowledge, intent and ability to invest and technology and mutual fund investors' awareness.
- To analyze the impact of education, gender, risk knowledge, intent and ability to invest and technology on mutual fund investors' awareness.

1.4 Research Hypothesis

Based on objectives following hypothesis is set:

H1: There is significant relation between education and awareness level.

H2: There is significant relation between gender of an individual and awareness level.

H3: There is significant relation between knowledge of risk and awareness level.

H4: There is significant relation between intent & ability to invest and awareness level.

H5: There is significant relation between technology and awareness level.

1.5 Rationale of the study

This study will be helpful to existing or future researcher in determining level of investors' awareness towards mutual fund and factors affecting investment decision when it comes to mutual fund. This research will be useful to merchant bankers who introduce different mutual fund schemes. Knowing level of investors' awareness, they prepare schemes accordingly. If they find level of awareness is not as per their expectation they are obliged to launch literacy program related to mutual fund. Having a detail understanding of the current state of awareness can help in the design of required educational activities and marketing programs to boost market growth. Investors with high awareness level are full aware of risk associated with mutual fund and are likely to plan their investment decision based on their risk tolerance level. This research will also assist regulatory bodies to access weather current regulatory guidelines are enough to enhance investors awareness or more should be done.

This study will help general people to understand more about mutual fund and make it new investment option as per their financial capacity. This study will be helpful to other institutions, government bodies, and individual person in understanding peoples level of awareness and perception towards mutual fund and make strategies and policies accordingly. There are many mutual fund managers in market launching different types of scheme and this study will provide them first-hand knowledge about suitability of their scheme. In context of Nepal, growth of mutual fund is slow. It is still unable to gain popularity as IPO of share capital. Hence this study will provide insight knowledge on why investors are not making mutual fund as their primary investment option. This study will give some ideas on how to improve the growth of mutual fund. This study is useful to students who wants to understand mutual fund and also wants to make it one of their investment option.

1.6 Limitation of the study

This research is conducted with limited resources in short time period with small sample size from Kathmandu Valley. Even though all requirements to make any study reliable has been incorporated this study may not be free from limits and errors. The main problem was data collection, thought results are compelling it does not represent all constituent of Nepal. Major limitation of the study are:

- Peoples' awareness level determined from small area cannot be generalized to general population.
- Research is conducted on limited variables which may not be suitable to today's dynamic world.
- People are reluctant to provide information about their wealth, hence result generated from such data is not free from biasness.
- It is not possible to project investors' awareness towards mutual fund from this study to the entire population.

CHAPTER II

LITERATURE REVIEW

Literature review in a simple words is an overview of already published works. A literature review examines published research in a certain field and occasionally research conducted in a specific field within a specific time frame. Though it might be as easy as summarizing the sources, a literature review often follows an organizational structure and incorporates both synthesis and summary. As we know mutual fund's main aim is to increase wealth of any investor irrespective of their investment size and there many factors that affect investors' level of awareness and these factors are also influencing decision making process. In this study some major journals and articles are studied.

2.1 Theoretical Review

2.1.1 Efficient Market Hypothesis (EMH)

The efficient market hypothesis (EMH), also referred to as the efficient market theory was developed by Eugene Fama in 1965, is a theory that suggests that share prices accurately reflect all relevant information and hence continuous alpha production is not feasible. The Efficient Market Hypothesis holds that stocks on exchanges always trade at their fair value, meaning that investors cannot buy cheap equities or sell them for inflated prices. Hence, professional stock selection and market timing should not be able to outperform the market as a whole; the only option for an investor to get larger returns is to make riskier bets.

Random walks, which describe price series in which all subsequent price changes are random deviations from prior prices, are related to the efficient market hypothesis. The price change tomorrow will just reflect the news of tomorrow and will not be influenced by the price fluctuations today if information is freely flowing and is instantly reflected in stock prices. However, as news is by nature unpredictable, the alterations in price that follow must also be random and unpredictable.

Key Forms of EMH

There are three forms of this theory, weak, semi-strong and strong form.

- Weak Form

The weak version of the Efficient Market Hypothesis (EMH) makes the assumption that stock prices accurately represent all information that is now available to the public market, but it is possible that fresh information that is not yet public knowledge is not reflected. It also makes the assumption that information from the past on volume, price, and returns is not indicative of future pricing. Because past price performance cannot forecast future price action that will be based on fresh information, the weak form EMH suggests that technical trading strategies cannot consistently provide excess profits. Although the weak version downplays technical analysis, it does not rule out the potential that better fundamental analysis could offer a way to beat the average return on investment for the market as a whole.

- Semi- Strong Form

The theory's semi-strong version downplays the value of both technical and fundamental analysis. The assumptions of the weak form of the EMH are expanded upon in the semi-strong form, which further assumes that prices react swiftly to any new information that becomes accessible to the public, making fundamental analysis useless for forecasting future price movements.

- Strong Form

According to the strong version of the Efficient Market Hypothesis, prices consistently represent all available information, both public and private. In addition to insider knowledge, this covers all information that is currently or historically available to the general public. Investors presume that information that is not publicly available, like confidential information that is only known to a business's top management, has already been reflected into the stock price of the company. In light of this, the strong form of the EMH holds that investors cannot continuously surpass the market average in returns thanks to any predictive advantage, not even insider knowledge.

The theory's main finding is that since stocks always trade at their fair market value, it is nearly hard to find a good deal on an undervalued stock or to profitably short sell an overvalued stock. Professional stock analysis and well-executed market timing techniques have no chance of outperforming the market's average performance. If that's the case, investors can only achieve higher returns by assuming significantly higher risk.

Despite its significance, the efficient-market hypothesis is not without criticisms and limitations. Some critics argue that several factors prevent markets from being perfectly efficient, including:

a. Behavioral Finance:

Critics argue that EMH does not account for psychological factors and irrational behaviors exhibited by investors, which can lead to market anomalies.

Behavioral finance suggests that cognitive biases, such as overconfidence and herd behavior, can lead to mispricing in the market.

b. Market Anomalies:

Empirical evidence shows anomalies such as the January effect (stocks tend to perform better in January), the momentum effect (stocks that have performed well in the past continue to perform well in the short term), and the value effect (value stocks tend to outperform growth stocks).These anomalies challenge the notion that markets are perfectly efficient.

c. Real-World Events:

Events such as the 1987 stock market crash and the 2008 financial crisis have been cited as evidence that markets do not always efficiently process information.

Critics point to market bubbles, crashes, and persistent anomalies as evidence against strong market efficiency. An entire field of finance, behavioral economics, has developed to explore how market participants are inefficient.

Another criticism of the efficient-market hypothesis is that certain valuation anomalies persist, even though the hypothesis says they shouldn’t. One is that small companies tend

to outperform larger ones; another is that value stocks tend to outperform those with higher price-to-earnings (P/E) ratios.

2.1.2 Behavior Finance Theory

This is an economic theory that explains a lot of illogical financial actions, such using credit cards excessively or selling in a panic following a market decline. Rather of using reason, people frequently base their financial decisions on their emotions. To examine investor behavior, behavioral finance employs financial psychology. Behavioral finance claims that investors are illogical. They make judgment errors instead because of cognitive biases and a lack of self-control.

Key Concepts

- Overconfidence

Most people tend to overestimate their abilities in many areas. Overconfidence about one's knowledge of the market or a particular stock can lead to rash moves such as trying to time the market—that is, attempting to determine when it is optimal to purchase or sell stocks—or overinvesting in high-risk equities, which carry a higher chance of losing money.

- Herd Mentality

Humans are social animals, so going along with the crowd is in our nature. In financial markets, however, herd mentality can lead to asset bubbles, which is when the price of an asset like a stock rises rapidly but will eventually fall, and market crashes, which occur when a lot of investors sell off their stock.

- Loss Aversion

People feel the pain of a loss more acutely than the euphoria of a win, even if they win more than they lose. In financial terms, investors will often hold onto stocks they should sell to avoid realizing a loss. Conversely, they may sell too early to avoid further losses, when waiting for a market rebound would be the better option. Often investors with a strong loss aversion bias have portfolios that are too conservative, underperforming market norms.

- Confirmation

Confirmation bias explains how two people with opposing viewpoints can hear the same information, and each comes away believing it supports their opinion. When you have a firmly-held belief, you give heavier weight to evidence supporting your belief while minimizing evidence contradicting it. In finance, confirmation bias can lead you to overlook investment strategies or assets that fall outside of your bubble, causing you to miss significant growth opportunities. You may also invest too heavily in one area because you haven't fully analyzed the risks.

- Heuristics

Heuristics is the process of simplifying a problem when you don't have enough information to make a "perfect" decision. In these instances, you're likely to use a shortcut or rule-of-thumb to make a decision that feels right. Heuristics simplify the decision-making process, which means they simplify the financial decision making process, as well. Without them, you'd have to spend much more time making decisions. However, relying on heuristics without carefully analyzing investment options can lead to irrational or incorrect decisions.

- Mental Accounting

In mental accounting, you place different values on money based on how you obtained it. If you buy a winning lottery ticket, for instance, you might blow it all on a spontaneous shopping spree even though you carefully budget your paycheck. This can lead to irrational financial decisions.

- Anchoring

Anchoring a type of heuristics use unintentionally unrelated data as a point of reference. A common anchor is something from history. In the event that, for instance, you paid Rs. 100 for a stock, and it begins to lose value, you might be inclined to hang onto it rather than sell it for less. Salespeople begin discussions considerably above market value in order to take advantage of anchoring. When the price drops, it will appear like a wonderful deal because the inflated price acts as an anchor.

Implications for Investors

- Diversification: Reducing risk by spreading investments across various asset classes.
- Long term Perspective: Avoiding short-term market noise and focusing on long-term goals.
- Commitment Strategies: Establishing rules for investment decisions to avoid emotional reactions to market fluctuations.
- Education and Awareness: Increasing awareness of biases and heuristics to improve decision-making.

2.1.3 Theory of Information Cascades

The information cascade theory explains a situation in which people decide to act on the advice of others instead of depending on their own knowledge, even while they are in possession of their own private information. This phenomenon frequently happens in settings where people may watch the activities of those who have made decisions before them and where decision-making is sequential.

Key Characteristics

- Herd Behavior

People simply copy others because they assume that a huge number of people can't all be wrong, and after a while, very little new information is added to the cascade. We call this behavior of the herd. On a large scale, this imitation may result in incorrect behavior. Bubbles and busts in the market are two examples.

- Fragility

Information cascades are typically fragile by nature because people might just be responding to rumors and observations made by others. The behaviors of the cascade can be altered, as well as its direction, by any new public information or a more accurate information source.

- Disappearance of External Information

When people make decisions based on the actions of others, they're not adding new information to the public's knowledge base.

How Information Cascades Form

- Initial Decisions

The first few individuals make decisions based on their private information. If their signals are strong, they follow their own information.

- Subsequent Decisions

As more individuals observe the actions of those before them, they begin to weigh these observed actions against their own private information. If enough people before them make the same choice, an individual may decide to follow the crowd, assuming the earlier individuals had better information.

- Cascade Initiation

A cascade starts when an individual's decision heavily relies on the actions of others, disregarding their own information. This leads to subsequent individuals also following the same behavior, reinforcing the cascade.

2.1.4 Capital Asset Pricing Model (CAPM)

The Capital Asset Pricing Model (CAPM) is a foundational concept in finance that describes the relationship between systematic risk and expected return for assets, particularly stocks. It serves as a method to determine an appropriate required rate of return of an asset, taking into account its risk relative to the market.

Key Components of CAPM

1. Expected Return of an Asset (E(Ri))

The return that investors expect to earn from an investment over a certain period.

2. Risk-Free Rate (Rf)

The return on an investment with zero risk, typically represented by government bonds (e.g., U.S. Treasury bonds).

3. Market Return (E(Rm))

The expected return of the market as a whole, often measured by a market index like the S&P 500.

4. Beta (βi)

A measure of an asset's volatility or systematic risk relative to the overall market. A beta of 1 indicates that the asset's price moves with the market. A beta greater than 1 indicates higher volatility than the market, while a beta less than 1 indicates lower volatility.

CAPM Formula

$$\mathbf{E(Ri) = Rf + \beta i(E(Rm) - Rf)}$$

Where:

E(Ri) is the expected return of the investment.

Rf is the risk-free rate.

βi is the beta of the investment.

E(Rm) is the expected return of the market.

(E(Rm) - Rf) is the market risk premium.

Understanding the CAPM

1. Risk-Free Rate (Rf)

This component represents the return on an investment with zero risk. It is the minimum return an investor expects for any investment because they could invest in risk-free securities and earn this return.

2. Beta (β_i)

Beta measures the sensitivity of the asset's returns to the returns of the market.

$\beta = 1$: The asset's returns move in line with the market.

$\beta > 1$: The asset is more volatile than the market.

$\beta < 1$: The asset is less volatile than the market.

3. Market Risk Premium (E(Rm) - Rf)

The additional return expected from holding a risky market portfolio instead of risk-free assets. It compensates investors for taking on the additional risk.

Applications of CAPM

1. Portfolio Management

CAPM is used to estimate the expected return on an asset or portfolio, helping investors make decisions about asset allocation and portfolio construction.

2. Capital Budgeting

Firms use CAPM to determine the required return on projects or investments, ensuring that the expected returns exceed the cost of capital.

3. Performance Evaluation

CAPM helps in evaluating the performance of investment managers by comparing the actual return of a portfolio to the expected return based on its beta.

Assumptions of CAPM

1. Efficient Markets

All investors have access to the same information, and securities are fairly priced.

2. Risk-Aversion

Investors prefer less risk to more risk for the same level of expected return.

3. Single Period Transaction Horizon

Investors are planning for a single investment period.

4. No Taxes or Transaction Costs

These factors are ignored in CAPM model.

5. Unlimited Borrowing and Lending at the Risk-Free Rate

Investors can borrow or lend any amount at the risk-free rate.

Limitations of CAPM

1. Simplistic Assumptions

The assumptions of CAPM are often unrealistic, such as no taxes, no transaction costs, and the ability to borrow and lend at the risk-free rate.

2. Beta Limitations

Beta assumes that past volatility is an indicator of future risk, which may not always be accurate.

3. Market Portfolio

Identifying the true market portfolio, which includes all investable assets, is practically challenging.

4. Single Factor Model

CAPM only considers market risk and ignores other factors like size, value, and momentum which can also influence returns.

Despite its limitations, CAPM remains a widely used and foundational tool in finance for understanding the relationship between risk and return.

Importance for Investors

1. Risk-Return Tradeoff:

Investors need to understand the tradeoff between risk and return. Higher expected returns typically come with higher risk, as indicated by a higher beta.

2. Diversification:

CAPM assumes that investors hold a diversified portfolio, which eliminates unsystematic risk (specific to individual assets). Awareness of this concept encourages investors to diversify to reduce overall portfolio risk.

3. Market Efficiency:

CAPM assumes markets are efficient, meaning all available information is reflected in asset prices. Investors should be aware of this when making investment decisions, as it affects their ability to 'beat the market.'

4. Risk Premium:

Investors should understand that the risk premium (market return minus risk-free rate) compensates for taking on additional risk. Awareness of this helps in evaluating whether the expected return justifies the risk involved.

5. Investment Strategies:

Knowledge of CAPM can help investors develop strategies aligned with their risk tolerance and return expectations. For example, a risk-averse investor might seek low-beta stocks.

Practical Application for Investors

Portfolio Management: Investors can use CAPM to assess the expected return on an investment and to build a portfolio that aligns with their risk-return profile.

Performance Evaluation: CAPM provides a benchmark to evaluate the performance of an investment by comparing actual returns with expected returns based on the asset's beta.

Investment Decisions: Investors can make informed decisions by understanding the relationship between risk and expected return, helping them to choose investments that meet their financial goals and risk tolerance.

Increasing Investor Awareness

Education: Financial literacy programs can help investors understand fundamental concepts like CAPM.

Financial Advisors: Engaging with financial advisors can enhance investor awareness and application of CAPM in personal investment strategies.

Technology: Investment platforms can incorporate CAPM insights into their tools, providing investors with accessible information to make informed decisions.

By increasing awareness of CAPM, investors can better understand the risk-return dynamics of their investments and make more informed decisions to achieve their financial objectives.

2.2 Empirical Review

In their analysis of recent trends in the mutual fund industry, Ramamurthy and Reddy (2005) came to the conclusion that the main advantages for small investors are attributable to effective management, investment diversification, ease of administration, liquidity, affordability, flexibility, and a wide range of options under SEBI regulation. The study also examined current trends in the mutual fund industry, such as different mutual fund companies' exit and entry strategies, various real estate and commodity-related schemes, the introduction of the banking sector into the mutual fund business, and the online purchase and sale of mutual funds.

Singh and Jha (2009) did a study on investor understanding and acceptability of mutual funds. They discovered that although investors like mutual funds because of their potential for return, liquidity, and safety, they were not entirely aware of the systematic investment

plan. Before making a mutual fund investment, investors also take into account a number of factors that influence mutual fund price.

Parihar, Sharma, and Parihar (2010) conducted a study to analyze investors' attitudes regarding mutual funds as an investment choice. They discovered that most investors still do not have any opinions on investing in mutual funds. Investor ignorance regarding the idea and operation of mutual funds has been noted as the primary cause of this. The researchers arrived at the conclusion that investors' attitudes towards mutual funds are highly influenced by demographic characteristics, including age, gender, and income. Surprisingly, however, research has shown that investors' attitudes on mutual funds are unaffected by the other two demographic factors-education and occupation. They also conducted an analysis on the benefits provided by mutual funds, finding that investors find return potential and liquidity to be the most alluring, followed by flexibility, affordability, and transparency.

Ravi (2012) stated that mutual funds, a component of financial markets, have grown in popularity among investors due to their convenient nature and ability to facilitate simple operations with good returns. These days, it appears that financial markets are more significant and efficient in the fight against inflation. Even yet, they are not the preferred choice of many other investors because they rely more on the erratic stock markets and work hard to differentiate their product line in order to appeal to ordinary investors. The present study centered on several elements that underscore investors' perceptions regarding mutual funds. It was discovered that most investors had only invested in mutual funds for a maximum of three years before leaving the fund when the returns were not what they had hoped for. Investors also continued to rely on bank and post office deposits. Investors' top priorities were the SIP investment option and the equity option. It was also shown that the majority of investors relied on their broker and agent to perform the risk analysis on their investments rather than doing it themselves.

In their study of 400 financial investors, comprising executives and non-executives, regarding individual investments in mutual funds, Rakesh and Shrinivas (2013) found that 185 investors are eager to invest in bank-backed shared assets due to security concerns, while 126 financial backers are eager to invest in establishments due to profits. In order to increase their profits and protect themselves from risks, the remaining 89 investors are eager to engage in joint ventures and private areas. The goal of this study is to ascertain

how a particular characteristic and investors' awareness of mutual funds are related. Research also found that age, income, gender, education of investor had critical relation with investing decision but they didn't have any significant relation with mutual fund.

In order to provide an empirical analysis of the factors impacting investment in mutual funds, Chawla (2014) used a sample size of 431 respondents for the study. Convenience sampling was used to choose the samples in order to better understand how individual investors purchase mutual funds. The article identifies a few characteristics that investors consider important while making mutual fund investments which are creditability of the fund and miscellaneous features of the fund. It is determined how these elements relate to the demographic data. The essay offers suggestions for future study as well as advice for mutual fund companies.

Parimi and Girish (2015) conducted the research for the identification of the variables influencing and impacting the trading behavior of retail investors in the Indian equities market. Using analytical technique, primary data from retail investors with varying age groups, professional backgrounds, and demographics in India are gathered. Utilizing primary data gathered from retail investors with a range of age ranges, professional backgrounds, and Indian demographics. The study's findings indicate that a number of factors, including trading behavior of retail investors, such as broker advice, personal analysis, the equity stock's current price, financial analyst recommendations, and an investor's confidence in the advice provided by their financial advisor, play a significant role in influencing and affecting trading behavior. The study's findings provide financial services providers in emerging countries like India with useful information about what to consider when promoting their goods and services to Indian equities market retail investors.

Kumar and Kaushik (2016) carried a research to determine how investors see mutual fund investment based on socioeconomic factors, awareness, and perception. The study's findings indicate a favorable correlation between increased knowledge of mutual fund characteristics and the likelihood of investing in them. They also discovered that investors' perceptions of risk had little bearing on their choice to invest in mutual funds. It was also shown that there was a correlation between investors' awareness of mutual funds and their age, gender, income, occupation, and degree of education.

Bajracharya (2016) found that mutual fund units are unable to perform as per their benchmark standards. Some have performed better than they had anticipated benchmark of its systemically connected risks, but in terms of volatility, the majority of funds have not outperformed. Samples are very diverse due to their high degree of portfolio diversification. Compared to other mutual funds, which have a broader portfolio and higher risk, they have a lower total risk in their portfolio. Mutual funds have not taken over as the preferred option for saving money, despite their great potential for mobilizing resources, offering investment opportunities to small investors, and having a wide range of products that allow them to collect diverse risk profiles. This is primarily due to the lack of high-quality stocks and the underdeveloped state of the capital market.

Khatri (2017) analyzed the reason behind the IPO investment as well as the factors that motivated the investor. A study design is an overall structure that specifies what information is to be collected from which sources and by which techniques. Both distractive and analytical analysis methodologies were applied in the data analysis. The current study is descriptive in nature, and it collects primary data for its objectives. A systematic questionnaire is used to gather primary data in order to get pertinent information. Investors who are making initial public offerings (IPO) comprise the poll participants. The study came to the conclusion that an IPO's main motivation is usually to provide an exit option or raise funds.

Similarly in research by Vidhya and Magesh (2018) found that different investor expect different return as people involve in trading are of different categories and they lack knowledge in technique to utilize while trading. This has self-restricted investors to enter or increase their investment. Rather than analyzing market most investor depend on social media and believe in word of mouth and investor tent to invest in mutual fund more than other long term investment plan.

Prabakaran (2019) revealed that risk awareness among investors is low but general awareness on intent to invest is significant. The study also concluded that awareness of the stock market was important to the investors because of, without knowing any information, it leads to heavy loss and it never adjusts the forthcoming investment.

Kumar and Abdulla (2020) in their study found that majority of investors do know that there is risk in mutual fund investment but are unaware about types of risk such as liquidity

risk, interest rate risk and systematic risk. Moreover geography and gender do not affect level of satisfaction but age, education and occupation does. Even though majority of investors have moderate level of knowledge on mutual fund but their level of satisfaction is high.

Kumar and Abdulla (2021) looked for the different information sources that investors used and whether or not the kind of information used affected the investors' investment returns. Additionally, an attempt has been made to determine whether the investor's location and educational attainment and the information sources they accessed are related in any way. Based on information gathered from 400 mutual fund investors, it was discovered that most investors use official information sources, and the kind of sources used did affect the investor's investment yield.

Sumathy and Das (2022) in their research "A Study on Mutual Fund Investors' Awareness", found that, unless marketing and educational programs regarding the mutual fund is launched, level of awareness among investors cannot be upgraded. People invest in mutual fund rather than in other investment options more with a sole objective for more return disregarding risk factors associated with it. Even educated group of individuals uses information generated from friends and families for investment, this has bypassed all technical and fundamental analysis. Study also revealed that fund characteristics, goodwill, capital appreciation, high return, tax benefits are major factors for mutual fund investing.

Murugan et al. (2024) surveyed 240 investors in city of Chhenai to know the investors behavior about mutual funds which showed that Bank Deposits and equity shares are the maximum investment liquid investment options. Generally, retired and salaried employees prefer investments in mutual funds for tax savings. Considering investors, it was found that mutual funds, bank deposits and equity shares are the maximum investment options. Investors mainly focus on return, risk, liquidity, and tax benefit factors when selecting investment option.

Kulkarni et al. (2024) conducted a research to study the effectiveness of statutory disclosures in the Indian mutual fund industry, it was looked into if the disclaimers help investors make decisions. The study set out to investigate the effectiveness of statutory disclosures in the mutual fund business in India through empirical means. Because disclaimers have varying effects on investors' beliefs, attitudes, and capacities for making

well-informed decisions, the study distinguished between two types of investors: newcomer and seasoned. A standardized questionnaire was used in the survey to assess the opinions of 388 investors, 243 of whom were new to investing and 145 of whom were seasoned. The logistic regression model, independent t-test, and mean comparison were used to examine the data. The findings showed that statutory disclaimers had less of an impact on experienced investors than on new ones.

Table 1

Summary Table

SN	Author & Year	Variables	Methodology	Major Findings
1	Rakesh and Shrinivas (2013)	age, gender, education, source of information	correlation, regression	independent variables have critical relation with investment decision
2	Chawla (2014)	tax saving, regular income, safety, high return	correlation, regression	investors want higher return, tax saving along with capital appreciations and low risk
3	Parimi and Girish (2015)	broker's advice, personal analysis, current price, online trade	Factor analysis	firms offering financial services should keep these factors while offering services to gain maximum customer satisfaction
4	Khatri (2017)	advertisement, legal status, management efficiency, planning	factor analysis	investor take broker's advice while investing and they face major problem like delay refund and lack clarity in allotment

5	Vidhya and Magesh (2018)	income, education, market access, market information	correlation, regression	rather than self-analyzing most investor rely on social media and word of mouth of their closest kin and they lack awareness on future options and commodity trading
6	Prabakaran (2019)	risk attitude, age, income	correlation, regression	awareness of stock market is must to avoid any loss
7	Kumar and Abdulla (2020)	income, education, age, market access	correlation regression	geography and gender do not affect satisfaction but age education and occupation does
8	Sumanthy and Das (2021)	education, gender, income	percentage analysis and chi-square	fund characteristics, goodwill, capital appreciation, high return, tax benefits are major factors for mutual fund investing
9	Kulkarni, Dam, Pathan and Vasunder (2024)	age, gender, occupation, income	t-test, regression	different investor process financial disclosure differently
10	Murugan, Rao, Gurumoorthi, Ganaprasuna (2024)	return, risk liquidity, tax saving	regression	it was found that mutual funds, bank deposits and equity shares are the maximum investment liquid investment options

2.3 Mutual fund operation flow chart

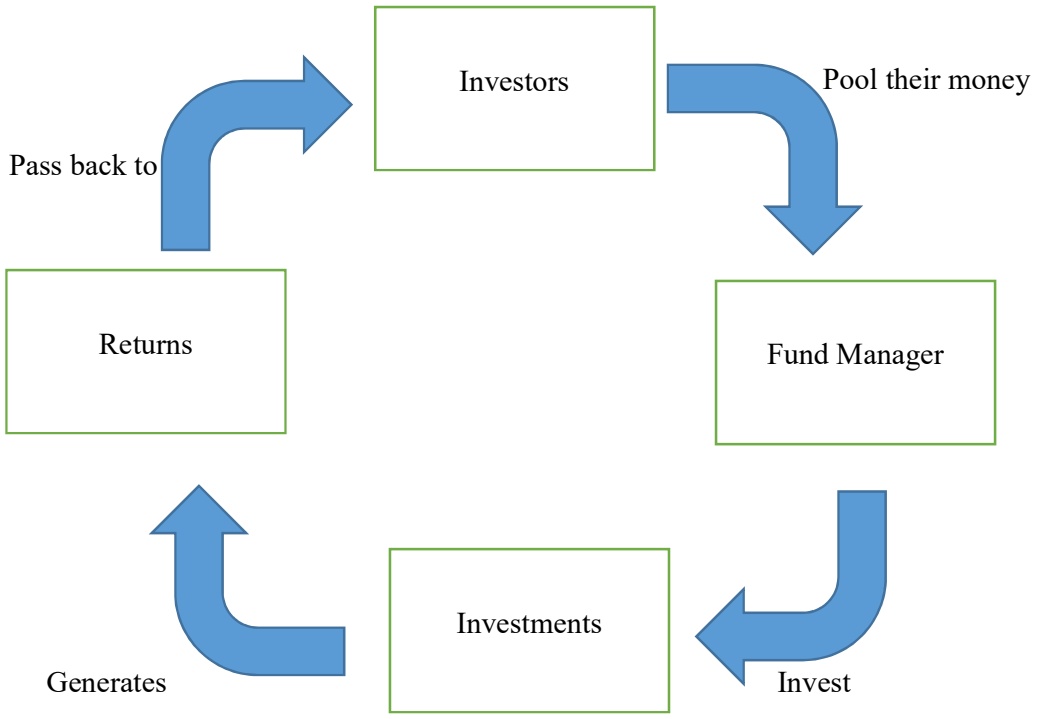

Figure 1: Mutual Fund operation flow chart

2.4 Research Gap

A research gap is an area where the lack of knowledge and insufficient research data limits the ability to make reliable judgments on a research subject (Chand, 2023). In other words, it is a topic or area for which missing or insufficient information limits the ability to reach a conclusion for a question The examination of a few significant past studies has revealed a distinct research vacuum in the field of investor awareness in the Nepalese mutual fund market no research has been done. Moreover this research is focused on Kathmandu valley where residents are from different education background, income level. A different focus of the study is investors; while they are eager to learn, another aspect is how they currently obtain market information. Numerous other factors also influence investor knowledge, however the variables employed in the previous study focused primarily on risk and return aspects. Not much research has been done in the Nepalese context on the variables influencing investor awareness of mutual fund investments. Therefore, by introducing a potential variable, this study attempts to close that gap.

Singh and Jha (2009) conducted a study on 150 investors to analyze the awareness level of mutual fund, acceptability of mutual fund, factors behind the investment in mutual fund, the factors which will be considered by the investors before investing in mutual funds and awareness of systematic investment plan by using systemic questionnaire and concluded that tax benefit, hope for steady income, safe, wealth creation, age affects the decisions.

Tripathi (2020) attempted to study the outlook of citizens towards awareness with special reference to mutual funds in Ahmedabad where it was concluded that investors are investing in mutual funds because of these advantages' professional management, diversification, liquidity, return potential, low cost, tax benefits, and others. Investors are taking mutual fund schemes as risky investment but still they want to invest in it.

CHAPTER III

Research Methodology

The particular steps or methods used to find, choose, arrange, and assess data on a subject are known as research methodology. It is the primary principle that will guide your research Dawson (2019). It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments.

3.1 Research Design

The framework of research methodologies and techniques selected by a researcher to carry out a study is known as research design. The design enables researchers to focus on the most effective research techniques for the topic at hand and organize their investigations for success.

A descriptive research design and a casual- comparative research design are used for this investigation. The goal of descriptive research is to present an accurate image of people, things, or situations. Descriptive research covers conditions, practices, structures, held attitudes, continuing processes, distinctions or links, and evident trends. Accurately characterizing the individuals, actions, or conditions is the goal of descriptive study. The descriptive method's adaptability, which allows it to use both qualitative and quantitative data and is advantageous for researchers.

Causal-comparative research is a methodology used to identify cause-effect relationships between independent and dependent variables. Cause and effect can be examined in hindsight by researchers. This can assist in identifying the causes or effects of existing differences within or between various groups of people.

Since the goal of this study is to gather information regarding investor awareness of the Nepalese mutual fund market, the research design has been determined to be appropriate. The features of individual investors have been identified and defined, and the profile of responders has been learned thanks to this type of study methodology.

3.2 Population and Sample, and Sampling Design

Population refers to the entire group of people, events, or things that a researcher wishes to examine for the study. A sample can only represent a certain proportion of the population or cosmos. Sampling is the process of selecting a portion of the population from which to derive conclusions or make judgments about the universe.

Since the focus of this study is on the elements that influence investors' awareness level, the demographic covers all investors in the Kathmandu Valley who work in a variety of industries. A population census is not appropriate for this kind of research. As a result, out of 395 respondents, a representative sample of the population has been selected for sample size. The people who responded are from a range of backgrounds: business owners, working adults, and retirees.

3.3 Nature and sources of data, and the instrument of data collection

The researcher collected information from the original sources of the data and then conducted analysis to draw findings. Therefore, the primary tool used to gather data was survey questionnaires. A questionnaire is an organized set of inquiries used to gather responses from respondents regarding a specific topic. This questionnaire was designed to collect the opinions, deeds, and behaviors of respondents. Because the survey is closed ended, respondents are only able to select from the options offered.

Self-administered questions were distributed using digital sources such e-mail, whatsapp, facebook, messenger. Online survey form questionnaires are generated in a manner similar to traditional surveys, with multiple questions presented on a single page. The respondent scrolls to the bottom of the page after responding to every question. When the respondent could not be reached, this method was used.

Initially, the study's conceptual framework was developed from secondary sources. Among the secondary materials were articles, journals, and other students' work on related topics. Furthermore, main data will be supplemented with secondary data as needed.

In this study, the research instrument to collect data is the questionnaire. It composes of two parts:

Part 1: General background information question about gender, age, education, occupation, income.

Part 2: Constructs and questions included in the questionnaire.

3.4 Methods of Analysis

Data analysis is the process of sanitizing, assessing, analyzing, and visualizing data to produce meaningful knowledge. Procedure compliance is necessary for interpreting data analysis results and generating conclusions. We will classify and enter the data collected through surveys and document evaluations into a database. For the data analysis, MS Word, SPSS, and MS Excel will be used.

The collected data are first correctly prepared, organized in various tables, and then compared with each other in order to assess the findings. This study will make use of statistical methods. Primary data are gathered by surveys and processed with SPSS. The research will address the statistical methods required to evaluate the data and derive a conclusion from the investigation.

3.4.1 Descriptive Statistics

Short informative coefficients known as descriptive statistics give a summary of a particular data collection, which could be a population representation or a sample of the total population. Descriptive statistics fall into three categories: measurements of variability, measurements of central tendency, and frequency distribution. Central tendency is indicated by the mean, median, and mode, but variability is indicated by the standard deviation, the lowest and greatest values of each variable, and their sum.

The mean also called as the average value, is a single value that is used to represent every value in the series within the data range. It depicts the whole set of data that is situated roughly halfway between the two extremes. The mean of the research variables consists of education, gender, knowledge of risk, intent and ability to invest and technology. It is calculated as below:

$$\text{Mean } (\bar{X}) = \frac{\sum X}{n}$$

The average amount by which an observation deviates from the mean on each side is roughly measured by the standard deviation. It is computed for the designated independent and dependent variables. The standard deviation increases with data dispersion. The standard deviation computed of the variables utilized in the research are education, gender, knowledge on risk, intent and ability to invest and technology. The standard deviation is expressed as follows:

$$\text{SD} = \sqrt{\frac{\sum (x - x)^2}{n - 1}}$$

Where, SD = Standard Deviation

$\sum (x - \bar{x})^2$ = Sum of square of the standard deviation measured from arithmetic average

n = Total number of observations

3.4.2 Correlation Analysis

A statistical method for determining the degree of relationship between two or more variables is correlation. In simpler terms, when two variables are used to quantify their link, it is referred to as simple correlation. If changes in one variable have an impact on changes in another, the variables are said to be co-related. The degree of connection between two sets of figures is measured by the coefficient of correlation. Karl Pearson's approach is used in the study among the several techniques for determining the coefficient of correlation. For each sample, correlation is computed for the observation to determine the strength of the relationship between the independent and dependent variables.

3.4.3 Regression Analysis

A statistical tool called regression is used to assess how strongly one dependent variable is correlated with one or more other variables. It contains a variety of methods for modeling and examining several variables in order to determine how they relate to one another. In this study, the direction of the relationship between the variables that are independent and dependent for each sample is ascertained using regression analysis. This section ascertains

which independent variable effectively defines variability of the result as well as the relative significance of variability of dependent variable in relation to other factors. The relationship between the dependent variable, investors' awareness and independent variables education, gender, risk knowledge, intent and ability to invest and technology was determined using linear regression analysis. One of the benefit using linear regression analysis was being able to assess several independent factors that influence the dependent variables at the same time. It gives us further insight about the slope of relationship. Multiple regression model for the relationship is formulated in the equation below:

$Y= a+\beta 1Edu+\beta 2Gen+\beta 3Rk+\beta 4IA+\beta 5Tech+ei$

Where, Y = Investors' Mutual Fund Awareness

a = intercept

Edu = Education

Gen = Gender

Rk = Knowledge of Risk

IA = Intent and Ability to Invest

Tech = Technology

βi = Coefficient of slope of regression model

ei = error term

3.5 Research Framework and definition of variables

Independent Variable

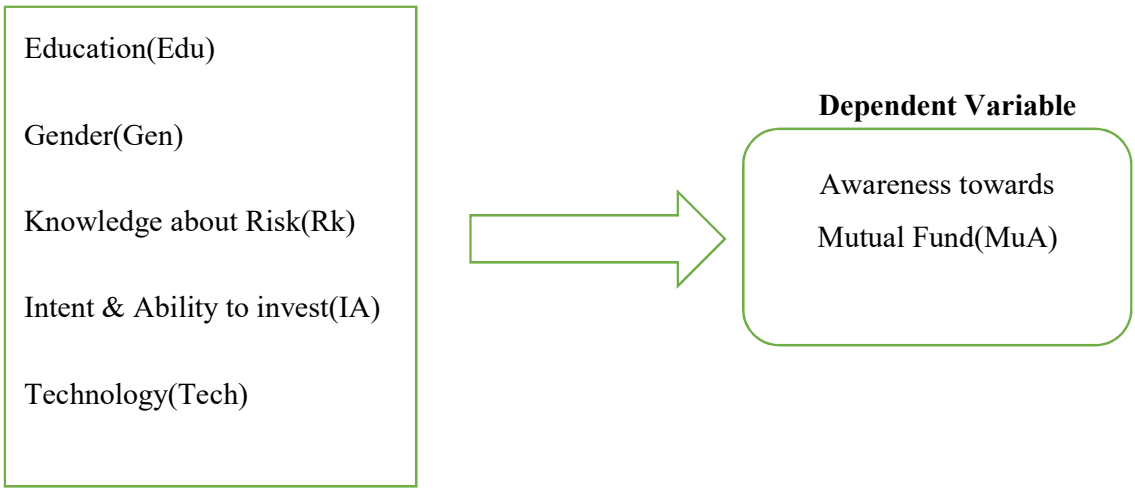

Figure 2: Research framework

Source: Bhattacharjee and Singh (2017), Prabakaran (2019), Yalamati (2023)

Independent Variables

Those variables which are not affected by other variables but have impact on other variables is independent variable. Independent variables in above framework are as follows:

a. Education

People with higher level of education are also more likely to have advanced level of knowledge and to display positive actions and attitudes. Guiso and Jappelli(2013) found that education is directly related to awareness. Educated people are more likely to answer research question honestly and correctly.

b. Gender

Gender is another main factor to be considered on study of financial awareness. Chen and Volpe (2002) found that as men are more involved in trading of financial activities than women hence women lacks knowledge and willingness to learn about financial topics.

c. Knowledge about risk

Risk in finance refers to chance where return is different from expected return. Risk includes the possibility of losing some or all of an investment. Risk affects awareness level of an individual as low risk attracts more investors whereas high risk situation does quit opposite.

d. Intent and ability to invest

If a person is determined to invest it is called intent whereas ability refers to capacity to execute that intent by financially and psychologically. Kabita (2015) found that investors awareness is directly relate with their intent and ability to invest.

e. Technology

It is application of scientific knowledge for practical purpose. Improved technology are more advance and easy to use hence attracts people attention. Technology directly affects investors' awareness as it gives easy access to market information, trading facility.

Dependent Variable

A variable is considered dependent if it depends on an independent variable. Dependent variables are studied under the supposition or demand that they depend, by some law or rule on the values of other variables.

Figure 2 shows investor awareness is dependent variable in which independent variable have mixed effect.

Chapter IV

Results and Discussion

This chapter covers the analysis and interpretation of the primary data collected through questionnaires. The completed questionnaires that the participants submitted provided the primary data for the study. Data analysis is carried out with consideration for the study's objectives, which were covered earlier in this chapter. Data analysis is done with SPSS. Tables and a graphic are used to present the facts to make it easier to understand. The mean, standard deviation, and frequencies have also been used to investigate the meaningful relationship between different variables. Figures and tables are frequently used to assess the data. The Presentation and analysis of primary data collected through the questionnaire are explained here under.

4.1 Demographics Profile of Respondents

The demographic analysis and interpretation of primary data obtained from questionnaires given to various investors are covered in this part. This aids in gaining understanding of the respondents' demographic traits that are being studied. Gender, age group, qualification and monthly income level are among the respondent's personal details.

Table 2

Distribution of Respondents' Profile

	Frequency	**Percentage (%)**
Age		
18-30	89	22.53
31-40	207	52.41
41-50	51	12.91
50 or above	48	12.15
Gender		
Male	242	61.27
Female	153	38.73
Others	0	0.00
Monthly Income		
Below Rs.30000	96	24.30
30001 to 40000	40	10.13
40001 to 50000	49	12.41
50001 or above	210	53.16
Education		
literate	43	10.89
+2	28	7.09
Bachelors	186	47.09
Masters or above	138	34.94

The desired outcome was the percentage of respondents' distribution broken down by gender. The frequency distribution and gender % of the respondents are shown in Table 1. Out of the 395 respondents, 143 were female and 242 were male. This indicates that there were more replies from men as compared to women.

Table 3

Distribution of Mutual Fund Investors' Profile

	Frequency	**Percentage (%)**
Age		
18-30	36	24
31-40	82	54.67
41-50	15	10
50 or above	17	11.33
Gender		
Male	108	72
Female	42	28
Others	0	0.00
Monthly Income		
Below Rs.30000	10	6.67
30001 to 40000	11	7.33
40001 to 50000	32	21.33
50001 or above	37	24.67
Education		
literate	0	0
+2	0	0
Bachelors	63	42
Masters or above	87	58

Moreover out of 395 respondents, only 150 respondents mentioned they are mutual fund investor and among those 150, 108 were male and only 42 were female which shows that there less involvement of female than male in mutual fund investment which is shown in Table 2.

The current age distribution of responders is displayed in Table 2. The respondents' ages were divided into four categories: 18-30, 31-40, 41-50, and above 50 years. The age group of 18 to 30 years old accounted for 24 percent making second largest group of the 150 respondents that were included in the survey. Ages of 31 to 40 make up the largest age group of respondents, accounting for 54.67 percent of the sample. With 15 responders, the

smallest group belongs to the 10 percent age group of those 41 to 50. In a similar way, the age group over 50, which included 17 responders, had the third largest proportion of only 11.33%.

Another demographic factor to take into account when evaluating investors' awareness is the monthly income. Four levels were used to categorize the respondents' income: below 30,000, 30001-40,000, 40001-50,000, and over 50,000. Table 2 displays the respondents' monthly income distribution. The majority of the 24.67% respondents have monthly income above 50000. There were 37 responders in this category. In a comparable manner, 32 respondents reported earning between Rs. 40001 and Rs. 50000. This group made up 21.33 percent of the population. The group with less than Rs.30000 per months were 10 which is 6.67%. There were just 11 responses that reported of having an income range of 30001 to 40000 which makes of 7.33% of total investors' population.

When evaluating education of investors' none of respondents replied as just literate or only having +2 education. Out of 150 investors 63 which is 42% replied that they have Bachelors level education and remaining 87 which makes of 58% have education of masters or above.

4.2 Descriptive Analysis

This section covers the data collected during the study procedure using the questionnaires for descriptive analysis. The descriptive data consists of the frequency, standard deviation, mean. Likert scale questions were utilized to ascertain the correlation between the independent and dependent variables. On a five-point Likert scale, with 1 denoting strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree, the respondents were asked to score each research component. The descriptive analysis is presented as a table to facilitate readers' understanding of the variables.

4.2.1 Education

Education is one of the research's independent factors. Eight research questions were developed in relation to this independent variable. Table 3 shows the detailed education statistics, including the mean and standard deviation for every item. Table 3 shows that the components' means range from 2.53 to 4.09. The majority of investor feel that mutual fund is better option for long term return, with a mean score of 4.09. Most of the statement have

received agreement from customers; nevertheless, the least number, 2.53, is related to "I have attended seminars or workshops related to mutual fund investments."

Table 3

Descriptive Statistics of Education

Statements	Mean	Std. Deviation
I am familiar with basic concept of mutual funds.	3.95	0.595
I understand different types of mutual fund available like equity, debt and hybrid.	3.44	0.839
I know how to evaluate the performance of a mutual fund.	3.25	0.957
I am confident in my ability to choose a mutual fund that suits my investment goals.	3.30	0.932
I understand the fees and charges associated with mutual funds.	3.30	1.085
I regularly read financial news or reports to stay informed about mutual funds.	2.73	1.091
I have attended seminars or workshops related to mutual fund investments.	2.53	1.151
I believe that mutual funds are a good investment option for long-term financial goals.	4.09	1.187
Average Mean:3.32 Average Std. Deviation: 0.98		

After examining the response, the statement with the least deviation is that "I am familiar with basic concept of mutual funds", with a deviation of only 0.595. The response with the most deviation is "I believe that mutual funds are a good investment option for long-term financial goals", with a deviation of 1.187. The average mean of Education is 3.32, which suggests that investors' education has an impact on their decision to invest in mutual fund, as shown by response tendency toward agreement. The average education answer has a 0.98 deviation. With a mean score of 4.09, it can be concluded that the majority of respondents, with the highest mean, agreed that mutual fund is good investment option for long term financial goal.

4.2.2 Gender

One of the independent variable of the research is Gender. Five questions are developed under this variable. Table 4 displays the descriptive analysis of every question that is developed on gender where mean ranges from 3.29 to 4.13 and standard deviation ranges from 0.522 to 1.162.

Table 4

Descriptive Statistics of Gender

Statements	Mean	Std. Deviation
I feel that men are more likely to invest in mutual funds compared to women.	4.13	0.688
I believe that women need more education on mutual funds compared to men.	3.37	1.109
I think that mutual fund advertisements are more targeted towards men than women.	3.29	0.522
I believe that women are as capable as men in understanding and investing in mutual funds.	4.07	1.162
I think financial advisors treat men and women equally when discussing mutual funds.	3.37	1.138
Average Mean: 3.64 Average Std. Deviation: 0.92		

From the analysis it is found that the statement "I feel that men are more likely to invest in mutual funds compared to men" has highest mean with 4.13 which suggest that respondents believe that men are more likely to invest in mutual fund than men. Moreover the statement "I think that mutual fund advertisements are more targeted towards men than women." has lowest standard deviation suggesting that respondents agree to that statement.

4.2.3 Knowledge of Risk

Risk is another independent variable that affects both awareness and decision making of investor. Seven questions are developed and distributed, whose result is in Table 5 showing descriptive analysis of question developed on risk.

Table 5

Descriptive Statistics of Knowledge of Risk

Statements	Mean	Std. Deviation
I understand that mutual funds involve various levels of risk depending on the type of fund.	4.29	0.980
I understand that diversification in mutual funds can help reduce risk.	4.33	0.988
I am aware of the market risk associated with mutual funds, which can affect the value of investments.	3.92	1.046
I believe that understanding the risk profile of a mutual fund is crucial before making an investment decision.	4.20	0.976
I consult with financial advisors to understand the risk factors of different mutual funds.	2.89	1.132
I am aware that economic and political factors can influence the risk and returns of mutual funds.	4.24	1.212
I believe that mutual funds can be a suitable investment option despite the inherent risks.	4.26	1.149
Average Mean: 4.01 Average Std. Deviation: 1.069		

Table 5 shows descriptive analysis of Knowledge of Risk where maximum mean is 4.33 for statement "I understand that diversification in mutual funds can help reduce risk", this indicates that most respondents understand and believe in the risk-reducing benefits of diversification in mutual funds. Similarly the standard deviation of 0.988 suggests this understanding is consistent across respondents.

4.2.4 Intent & Ability to invest

Intent and ability are another important variable influencing investors' awareness. Seven statements are prepared and data collected which is reflected in Table 6.

Table 6

Descriptive Statistics of Intent & Ability to Invest

Statements	Mean	Std. Deviation
I am interested in learning more about mutual funds as an investment option.	3.94	0.872
I have the financial resources available to invest in mutual funds.	3.30	0.975
I intend to invest in mutual funds within the next 12 months.	3.31	0.507
I feel confident in my ability to research and select mutual funds on my own.	3.03	1.172
I am willing to seek advice from a financial advisor before investing in mutual funds.	4.08	1.114
I am motivated to invest in mutual funds to achieve specific financial goals (e.g., retirement, education).	3.89	1.275
Average Mean: 3.6 Average Std. Deviation: 0.99		

Table 6 shows descriptive analysis of Intent & Ability to invest where maximum mean value is 4.08. A mean score of 4.08 suggests that, on average, respondents are quite willing to seek advice from a financial advisor before investing in mutual funds. On a typical 5-point Likert scale, this score is close to "agree." This indicates a positive attitude towards seeking professional advice among most respondents. The standard deviation of 1.114 shows a moderate variation in responses. While the average response is high, the larger SD compared to other statements indicates that there is a wider spread of opinions. Some respondents may strongly agree with the statement, while others may be neutral or even disagree.

4.2.5 Technology

In the modern world technology has made daily work easy, fast and reliable so as mutual fund investment and analysis, hence five statements are prepared to collect data which is presented in Table 7.

Table 7

Descriptive Statistics of Technology

Statements	Mean	Std. Deviation
I am aware of online platforms that facilitate mutual fund investments.	3.79	0.538
I prefer using technology (apps, websites) over traditional methods (brokers, banks) for investing in mutual funds.	3.54	0.967
I believe that technology has made investing in mutual funds more accessible and convenient.	4.16	0.639
I rely on social media and online communities for advice and tips on mutual fund investments.	2.87	0.929
I believe that using technology can enhance my investment returns in mutual funds.	3.58	0.717
Average Mean: 3.59 Average Std. Deviation: 0.76		

The mean score of 4.16 reflects a strong belief among investors that technology has made investing in mutual funds more accessible and convenient, and the low standard deviation of 0.639 indicates a high level of agreement on this sentiment. This highlights the critical role of technology in modern investment practices and presents opportunities for financial service providers to further innovate and support their clients through technological advancements.

4.2.6 Investors' Awareness towards Mutual Fund

Dependent variable in the study is investors' awareness, Table 8 shows investors' awareness mean and standard deviation.

Table 8

Descriptive Statistics of Investors' Awareness

Statements	Mean	Std. Deviation
I am aware of risk in mutual fund of investment and know ways to minimize them.	4.09	1.187
My academic knowledge is sufficient to understand mutual fund.	3.92	1.046
Gender-specific financial education programs can enhance my understanding of mutual funds.	3.89	1.275
I am financially capable to invest in mutual fund in near future.	4.09	1.187
Technology has made it easier for me to learn about and invest in mutual funds.	3.58	0.717
Average mean: 3.914 Average Std. Deviation: 1.0824		

The mean score of 4.09 for both statements " I am aware of risk in mutual fund of investment and know ways to minimize them" and " I am financially capable to invest in mutual fund in near future" suggests that respondents are generally confident and positive about their awareness of mutual fund investment risks, their ability to minimize these risks, and their financial capability to invest. This score reflects a well-informed and financially prepared group of respondents, likely indicative of a target demographic that is well-educated and possibly experienced in financial matters. The consistency of the mean score across both statements implies a coherent understanding and readiness among the respondents regarding mutual fund investments. But both statements has same SD value which is 1.187 the moderate standard deviation indicates that there is some variation in the responses. While many respondents agree with the statements, there are some who may have different levels of agreements.

Similarly, standard deviation of 0.717 for the statement "Technology has made it easier for me to learn about and invest in mutual funds" indicates a low level of variability around the mean score. This suggests that most respondents share a similar view that technology has indeed made these investment activities easier. The consensus reflected by this low standard deviation supports the conclusion that technology is broadly accepted and utilized in the context of mutual fund investment, allowing for targeted advancements and enhancements in technological offerings in the financial sector.

4.3 Correlation Analysis

Correlation analysis is used to determine how strongly two items are related to each other. Here the correlation between investors' awareness and explanatory variables (education, gender, knowledge of risk, intent & ability to invest and technology) has been presented and analyzed. A positive correlation indicates that the two are positively correlated, with one increasing in reaction to the other's rise. One increasing while the other the opposite of the aforementioned, a negative correlation, indicates falls.

The correlation matrix functions as an all-inclusive summary of the information. A correlation value of zero indicates that there is no linear link between the two variables, while correlation coefficients between two variables range from +1 (showing a fully positive relationship) to -1 (representing a perfectly negative relationship).

Table 9

Correlation among the variables

Variables		Awareness	Edu	Gen	Rk	IA	Tech
Investor Awareness	Pearson Correlation	1					
	Sig. (2-tailed)						
Education	Pearson Correlation	0.093	1				
	Sig. (2-tailed)	0.259					
Gender	Pearson Correlation	.393**	-0.024	1			
	Sig. (2-tailed)	0.000	0.774				
Knowledge of risk	Pearson Correlation	.703**	-0.078	.765**	1		
	Sig. (2-tailed)	0.000	0.340	0.000			
Intent & Ability	Pearson Correlation	.506**	.193*	.545**	.641**	1	
	Sig. (2-tailed)	0.000	0.018	0.000	0.000		
Technology	Pearson Correlation	.196*	.500**	.414**	.341**	.450**	1
	Sig. (2-tailed)	0.016	0.000	0.000	0.000	0.000	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 8 show the correlation between the independent and dependent variables. In this research the dependent variable is the Investors' Awareness and independent variables are Education, gender, knowledge of risk, intent & ability to invest, technology. The objective of the research is to analyze the relationship between independent and dependent variables and is calculated in this correlation table.

The relationship between the investors' awareness and education is positive low level of relationship. The correlations value is 0.093 which represent the low positive correlations value.

The relationship between the investors' awareness and gender is positive moderate level. The correlations value is 0.393 which represent the low positive correlations value.

The relationship between the investors' awareness and risk knowledge is strong positive and high level of significant relationship. The correlations value is 0.703 which represent the high positive correlations value.

The relationship between the investors' awareness and Intent & Ability to invest is positive and moderate level of relationship but not perfectly and also is significant relationship. The correlations value is 0.506 which represent the moderate positive correlations value.

The relationship between the investors' awareness and technology is positive and low level of relationship but not perfectly and also which in significant relationship. The correlations value is 0. 196 which represent the low positive correlations value.

4.4 Regression Analysis

The ability of a correlation study to establish a strong relationship between two variables is limited. It is impossible to pinpoint the precise nature of the relationship between the variables using correlation analysis. Here, regression analysis provides further information on the relationship's slope. It is used to predict and describe the partnership's characteristics. This section identifies the independent variable that contributes most significantly to the result variability and the relative contribution of the dependent variable's variability to the outcome variability in relation to other factors.

4.4.1 Regression analysis of independent variables with Investors' Awareness

Table 10

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764[a]	0.584	0.570	0.46852

a. Predictors: (Constant): Technology, Risk Knowledge, Education, Intent & Ability, Gender

b. Dependent Variable: Investors' Awareness

Table 9 shows the model summary of 150 observations of respondent of different background. Here R-square score is 0.584, indicating that independent factors such as education, gender, risk knowledge, intent & ability and technology account for 58.4% of the variance in the dependent variable, or investors' awareness but 41.6% of total variance is explained by other factors which are not included in this study.

Table 11

ANOVA of variables

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.423	5	8.885	40.474	<.001[b]
	Residual	31.610	144	0.220		
	Total	76.033	149			

a. Dependent Variable: Investors' Awareness

b. Predictors: (Constant): Technology, Risk Knowledge, Education, Intent & Ability, Gender

Table 10 shows the ANOVA of samples. It shows the value of F-stat is 40.474 and significance at 5% significance level because of P-value < 0.05. This indicates that the overall model is a reasonable fit and there is a statistically significant association between the different independent variables with the dependent variable.

Table 12

Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.620	0.341		4.750	0.000
	Education	0.253	0.078	0.216	3.235	0.002
	Gender	-0.355	0.095	-0.324	-3.731	0.000
	Risk Knowledge	0.803	0.079	0.958	10.192	0.000
	Intent & Ability	0.100	0.081	0.093	1.234	0.219
	Technology	-0.235	0.116	-0.147	-2.017	0.046

a. Dependent Variable: Investors' Awareness

Table 11 indicates, the impact of the education to the investors' awareness is positive which is shown by positive beta value of 0.253. The beta value shows 1 percent change in education brings positive 0.253 percentage change into investors' awareness. The standard error calculated is very low i.e. 0.078 which mean high level of accuracy of calculated value.

The impact of gender to the investors' awareness is negative which shown by the beta value of negative 0.355. This shows 1 percent change in gender leads to negatively 0.355 percentage change into investors' awareness. The standard error calculated is low i.e. 0.095 which means high level of accuracy of calculated value.

Similarly the impact of risk knowledge to investors' awareness is positive as shown by positive beta 0.803 implying 1 percent change in risk knowledge leads to 0.803 percent positive change in investors' awareness. The standard error calculated is 0.079 which is low meaning, high level of accuracy of calculated value. The significant value is 0 so the impact is significant.

Table 11 shows the impact of intent & ability to invest has positive impact on investors' awareness which is shown by positive beta value 0.100. This refers to 1 percent change in

intent & ability leads to positive 0.100 percentage change in investors' awareness. The standard error is low i.e. 0.093 meaning high level of accuracy of calculated value.

The variable technology has negative impact on investors' awareness as shown by negative beta value of -0.235. This means 1 percent change of technology leads to negative 0.235 change in investors' awareness. The standard error is very low which means high level of accuracy of calculated value.

The following can be deduced from the regression equation based on the coefficients of variables:

Investors' awareness (est.) = 1.620 + 0.253Edu - 0.355Gen + 0.803Rk + 0.001IA-0.235Tech

Where,

Edu = Education

Gen = Gender

Rk = Knowledge of Risk

IA = Intent and Ability to Invest

Tech = Technology

4.5 Hypothesis Testing

H1: There is significant relation between education and awareness level.

Table 11 shows the multiple regression analysis. Education has significant impact on investors' awareness where the significant (P) value is less than 0.05(ά) i.e. 0.002 so the impact is significant. Therefore, it can be decided that there is significant impact of education on investors' awareness. Thus, hypothesis (H1) is accepted.

H2: There is significant relation between gender of an individual and awareness level.

From the multiple regression table 11 gender too has significant impact on investors' awareness as the significant value is less than 0.05(P=0.00<0.05) so the impact is significant. Hence, it can be decided that there is significant impact of gender on investors' awareness. Thus, hypothesis (H2) is accepted.

H3: There is significant relation between knowledge of risk and awareness level.

In table 11, the multiple regression analysis knowledge of risk of investor has significant impact on investors' awareness since significant value is 0.00 which is less than 0.05. Hence, it can be decided that there is significant impact of knowledge of risk on investors' awareness level so hypothesis (H3) is accepted.

H4: There is significant relation between intent & ability to invest and awareness level.

From the regression analysis, there is no significant effect between intent & ability to invest and investors' awareness level. The regression is insignificant because the p-value is more than alpha i.e., 0.219>0.05 which means that the result obtained from the sample cannot be generalized. Hence, we accept the null hypothesis at a 5% level of significance so that the above-stated hypothesis H3 is Rejected i.e., intent & ability to invest has no significant effect on investors' awareness level.

H5: There is significant relation between technology and awareness level.

From the regression analysis, there is no significant effect between technology and investors' awareness level. The regression is insignificant because the p-value is less than alpha i.e., 0.046<0.05 which means that the technology has significant impact on investors' awareness level. Hence, we accept the hypothesis (H5) i.e., technology has significant effect on investors' awareness level.

Table 13

Summary of hypothesis testing

	Hypothesis	Accepted /Rejected
H1	There is significant relation between education and awareness level.	Accepted
H2	There is significant relation between gender of an individual and awareness level.	Accepted
H3	There is significant relation between knowledge of risk and awareness level.	Accepted
H4	There is significant relation between intent & ability to invest and awareness level.	Rejected
H5	There is significant relation between technology and awareness level.	Accepted

4.6 Discussion

Finding the variables influencing mutual fund investing decisions was the study's main goal. In this regard, independent factors include education, gender, knowledge of risk, intent & ability to invest and technology were found to be influencing elements while making mutual fund investments.

The education data analysis results showed a favorable and statistically significant link with mutual fund investment decisions as well as awareness. Investors invest in mutual funds according to their own education and information received. The outcome agrees with the findings of Bhattacharjee and Singh (2017) who found a strong correlation between education, gender and investors' awareness. Additionally, Abdulla and Kumar (2020) found a strong correlation between respondents' age, gender and occupation and the awareness about various kind of risk associated in investing in mutual funds.

According to the study, risk knowledge has the biggest correlation with the investor's awareness towards a mutual fund investment. The study's conclusions agreed with those of earlier research. It has been discovered that investors' risk knowledge and their mutual fund investing decisions and awareness have a positive and significant association. It is also discovered that the influence is noteworthy and favorable. The study adds credence to other

studies showing a link between mutual fund investors' investing selections and their propensity for accepting risks. The study conducted by Velmurugan and Anand (2015) found that risk taking ability of the investors had significant impact in mutual fund investment. Sarbabidya and Saha (2018) identified risk tolerance of the investors as one of the major factors affecting investment decision. Negative influence of the factor was found demotivating among the investors in Bangladesh and effective measures were required to be taken for the same. Annamalah et al., (2019) discovered investors' decision about mutual fund investment was significantly influenced by risk taking behavior of the investors.

The study demonstrates a moderate correlation between investors' awareness level and their intent and ability to invest. Bhattacharjee and Singh (2017) discovered that intent and ability to invest were found least significant determinants of investors' awareness.

The study of technology data showed that the influence of technology on investors' awareness was significant, with a negative standardized coefficient. Technology was positively correlated with Awareness, these correlations suggest that while technology has made investing more accessible. This indicates a need for more user-friendly technological solutions and better digital literacy among investors. Yalamati (2023) discovered that AI has ability to improve and empower performance of individual investor.

Chapter V

Summary and Conclusion

5.1 Summary

The aim of this research is to identify the different factors that affect mutual fund investors' awareness. Mutual fund investors' awareness is the study's dependent variable. The study's independent variables are education, gender, knowledge of risk, intent & ability to invest, and technology. To ascertain the mutual fund investment selections, the study makes use of a variety of statistical methods and techniques, including regression analysis, correlational analysis, and descriptive analysis. The primary data for the study was gathered using a systematic, organized questionnaire, and SPSS was used to further analyze the data.

Risk Knowledge emerged as the most influential factor affecting investment behavior in mutual funds, with the highest standardized coefficient and high significance. The correlation matrix further supports this, showing strong positive correlations between Risk Knowledge and Awareness. This highlights that individuals with higher risk knowledge are more likely to be aware of investment opportunities and confident in their investment decisions. It underscores the critical role of financial literacy in fostering investment activities.

Gender significantly influenced investment behaviors, with a negative standardized coefficient and high significance. Gender was positively correlated with Awareness. These correlations suggest that gender differences may exist in investment knowledge and confidence, potentially reflecting broader societal trends. The findings indicate the need for detail financial education programs to address gender-specific concerns and help bridge the investment gap.

Education had a positive impact on investment behaviors, with a standardized coefficient and was statistically significant. This highlights the role of educational attainment in equipping individuals with the necessary skills and knowledge to make informed investment decisions. Higher education levels likely enhance financial literacy and technological proficiency, enabling better assessment and management of investment risks.

The influence of Technology on investment behavior was significant, with a negative standardized coefficient and a significance level of p. Technology was positively correlated with Awareness. These correlations suggest that while technology has made investing more accessible, it may also introduce complexities or a sense of overwhelm for some investors. This indicates a need for more user-friendly technological solutions and better digital literacy among investors.

Intent and Ability to invest showed a positive but not statistically significant impact. This factor was positively correlated with Awareness. While Intent and Ability are intuitively important, their lack of significance in this model suggests that other variables, such as risk knowledge and education, play a more direct role in influencing investment behavior. This may imply that having the intent and financial ability alone is not sufficient without the accompanying knowledge and confidence to navigate investment choices.

5.2 Conclusion

The study's objective was to identify the key elements and relevant data that influence investors' awareness of mutual funds. The study examined the ways in which five different elements influenced the investors' decision. In order to achieve the goal of the research, the researcher examined a wide range of books, journals, papers, and other materials during the literature review. The findings demonstrated that risk awareness and variables like education and gender had a substantial positive impact on investors' awareness.

To ascertain the relationship between the independent and dependent factors as well as the impact of the various independent variables on investors' awareness, a survey study was conducted. The independent variables that were taken into account included the investors' education level, gender, risk awareness, intent and capacity to invest, and technology. Awareness of mutual funds among investors served as the dependent variable.

The study's conclusion discusses the significance of risk knowledge in affecting mutual fund investment awareness. Technology and education are both important, but the ways in which they have different effects point to a complicated relationship that needs more research. Policymakers and financial educators will be better able to assist the general public in making knowledgeable and confident investing decisions if they comprehend and handle these important problems.

5.3 Implications

Numerous practical applications can be made of the study's conclusions. Making financial education programs a top priority will aid potential investors in understanding risk. These kinds of programs can be tailored to address concerns unique to a particular gender and help close the investment gap. Financial institutions and technology platforms need to provide more intuitive and user-friendly solutions to support investors so that the advantages of technology are successfully leveraged without overwhelming customers.

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Appendix

Investor's Awareness Towards Mutual Fund in Kathmandu Valley

This survey aims to explore the level of awareness, understanding, and attitudes of individual investors towards mutual funds as an investment option. Despite the growing popularity of mutual funds, there exists a gap in understanding how well investors grasp the nuances of these financial instruments, including their benefits, risks, and operational mechanisms. This study seeks to shed light on these aspects, identifying areas where investors are well-informed and pinpointing gaps in knowledge that could potentially impact their investment decisions and financial well-being.

Please be assured that all of the information gathered will be kept completely secret and used only for academic purposes.

1. What is your age group?

- 18-30
- 31-40
- 41-50
- 50 or above

2. What is your gender?

- Male
- Female
- Other:

3. What is your monthly income range?

- Below Rs. 30,000
- 30001 to 39999
- 40000 to 49999
- 50000 or above

4. What is your highest level of education?

- Literate
- +2
- Bachelors
- Masters or above

5. Have you ever invested in mutual fund?

- Yes *Skip to question 8*
- No *Skip to question 6*

6. If No, what is stopping you from investing?

- Not Interested
- Do not want to take risk
- Not well informed about mutual funds
- I have other investment options

7. What would make you consider investing in mutual funds in the future?

- More information/education on mutual funds
- Better financial situation
- Recommendations from trusted sources
- Improved track record of mutual funds

This section contains questionnaire for the purpose of finding level of understanding and awareness of mutual fund investors.

Factors: Education

I am familiar with basic concept of mutual funds.

- Strongly Agree
- Agree
- Neutral

- Strongly Disagree
- Disagree

I understand different types of mutual fund available like equity, debt, and hybrid.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I know how to evaluate the performance of a mutual fund.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I am confident in my ability to choose a mutual fund that suits my investment goals.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I understand the fees and charges associated with mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I regularly read financial news or reports to stay informed about mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I have attended seminars or workshops related to mutual fund investments.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that mutual funds are a good investment option for long term financial goals.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

Factor: Gender

I feel that men are more likely to invest in mutual funds compared to women.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that women need more education on mutual funds compared to men.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I think that mutual fund advertisements are more targeted towards men than women.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that women are as capable as men in understanding and investing in mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I think financial advisors treat men and women equally when discussing mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

Factor: Risk

I understand that mutual funds involve various levels of risk depending on the type of fund.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I understand that diversification in mutual funds can help reduce risk.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I am aware of the market risk associated with mutual funds, which can affect the value of investments.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that understanding the risk profile of a mutual fund is crucial before making an investment decision.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I consult with financial advisors to understand the risk factors of different mutual funds.

- Strongly Agree

- Agree
- Neutral
- Strongly Disagree
- Disagree

I am aware that economic and political factors can influence the risk and returns of mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that mutual funds can be a suitable investment option despite inherent risks.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree

Factor: Intent & Ability to invest

I am interested in learning more about mutual funds as an investment option.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I have the financial resources available to invest in mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree

- Disagree

I intend to invest in mutual funds within the next 12 months.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I feel confident in my ability to research and select mutual funds on my own.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I am willing to seek advice from a financial advisor before investing in mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I am motivated to invest in mutual funds to achieve specific financial goals (e.g. retirement, education)

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

Factor: Technology

I am aware of online platforms that facilitate mutual fund investments.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I prefer using technology (apps, websites) over traditional methods (brokers, banks) for investing in mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that technology has made investing in mutual funds more accessible and convenient.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I rely social media and online communities for advice and tips on mutual fund investments.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I believe that using technology can enhance my investment returns in mutual funds.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

Investors Awareness

I am aware of risk in mutual fund of investment and know ways to minimize them.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

My academic knowledge is sufficient to understand mutual fund.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

Gender specific financial education programs can enhance my understanding of mutual fund.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

I am financially capable to invest in mutual fund in near future.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

Technology has made it easier for me to learn about and invest in mutual fund.

- Strongly Agree
- Agree
- Neutral
- Strongly Disagree
- Disagree

INVESTORS' AWARENESS TOWARDS MUTUAL FUND IN KAT...

By: SUBASH DHAKAL

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Abstract This research has been conducted to analyze the level of awareness on investors of Kathmandu valley towards mutual fund as an investment option. Primary objective of this research is to identify the factors that affect investors' awareness particularly the mutual fund. A quantitative survey was conducted among 395 participants aged 18 to 55 and above using structured questionnaire to gain access to their financial literacy and investment behavior. The research found that there is strong correlation between financial literacy and investment decision. Participants with higher knowledge of