

FACTORS INFLUENCING INVESTMENT IN MUTUAL FUND SCHEMES OF NEPAL

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Factors Influencing Investment in Mutual Fund Schemes of Nepal**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has 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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REPORT OF RESEARCH COMMITTEE

Mr. Basanta Singh Dhami has defended research proposal entitled “**Factors Influencing Investment in Mutual Fund Schemes of Nepal**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Mr. Joginder Goet and submit the thesis for evaluation and viva voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the dissertation entitled “**Factors Influencing Investment in Mutual Fund Schemes of Nepal**” presented by Mr. Basanta Singh Dhama for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the dissertation is worthy of acceptance.

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ABBREVIATIONS

&	:	And
CAPM	:	Capital Asset Pricing Model
CGT	:	Corporate governance and transparency
EMH	:	Efficient Market Hypothesis
EOI	:	Ease of Investment
IMF	:	Investment in Mutual Fund
IPO	:	Initial Public offerings
LTD	:	Limited
MBS	:	Master of Business Studies
MF	:	Mutual Fund
NAV	:	Net Asset Value
NEPSE	:	Nepal Stock Exchange
POM	:	Performance of Mutual Fund
PTMF	:	Perception towards Mutual Fund
SD	:	Standard Deviation
SEBON	:	Securities Board of Nepal
SIP	:	Single Investment Plan
SRI	:	Socially Responsible Investment
TU	:	Tribhuvan University

ABSTRACT

The objective of this study is to investigate the factors that influence investment in mutual fund schemes of Nepal. The independent factors in this study include performance of mutual fund, fund manage qualities, corporate governance and transparency, ease of investment and perception towards mutual funds, whereas investment in mutual fund is the dependent variable. The primary data for the study was acquired through a structured questionnaire survey, which was delivered to 400 samples, representing the study's sample size. descriptive and causal comparative research design were used to find accurate data and effects on factors. Whereas, mean, standard deviation, correlation and regression was used as statistical tools to find out the result.

The study found a positive correlation between performance of mutual fund, fund manage qualities, corporate governance and transparency, ease of investment and perception towards mutual fund with investment in mutual fund and These factors also had significant effects on investment in mutual fund.

Key words: *performance of mutual fund, fund manage qualities, corporate governance and transparency, Ease of investment, perception towards mutual fund and investment in mutual fund.*

CHAPTER – I

INTRODUCTION

1.1 Background of the study

The efficient and effective allocation of limited resources is an important aspect in a country's economic development. One such restricted resource is capital. Savings accumulation prepares the ground for capital creation. The economy surplus actors save and spend their excess in a variety of financial assets, which are subsequently used by deficiency groups to invest in a diversity of real wealth, so producing value. A country financial system promotes growth of capital by linking surplus and deficit entities via capital markets, financial services and financial instruments (Bajracharya & Aithal, 2024). In today's globalized and competitive world, a company future is largely defined by its stock performance. Investors prioritize investing in companies that offer the most potential for profit. During the early inception of the mutual fund business, investors had limited investing options (Saini et al., 2011). However, as time goes on investors have more and more options for allocating their capital through various investment avenue. This is the outcome of the combined efforts of fund managers and brokerage firms, who save the day by informing investors about mutual fund schemes and teaching them about various forms of promotion (Mane, 2016). The market for mutual funds generates cash by selling small units to people, which are then invested in diverse areas (Rani & Hooda, 2017). In Nepal, a relatively small percentage of people only make large-scale investments. Therefore, mutual funds are one of the main investment sources for a nation like Nepal.

Mutual fund works as institutional investors besides the commercial bank. it issued large number of shares to the public having small unit of base price. Mutual funds are the organizations that pool money from different investors and use it to buy stocks, bonds and short-term loans, among other things (Choudhary & Chawla, 2014). both open-ended and closed-ended fund exists. there is no effect on closed-ended funds from trading on the stock exchange, supply and demand determine the value of a share (Sharma & Thapa, 2019). It helps to the diversify of total risk into different sector through portfolio. Mutual funds are among the most common sorts of investing organizations. It is especially appealing to small investors, for whom it provides ongoing management services for a vast and diverse security portfolio (Paudel et al., 2023).

In essence, a mutual fund is a business that combines the capital of its shareholders to purchase financial securities, creating a less hazardous portfolio than an individual would. When an investor buys share of mutual funds, they pay net asset value (NAV) plus any applicable sales load and transaction fees. Mutual funds are retail product which is designed for those who do not directly invest in the share market because of its unpredictable and volatile nature. Retail investors have benefited greatly from mutual funds, which are acknowledged as a way to pool the investments of inexperienced individuals that are expertly managed by fund managers for a steady return as well as capital appreciation (Pant et al., 2022).

In mutual fund history, it was first introduced in Europe in the 19th century, especially in Great Britain. In 1968, Robert Fleming established the first investment trust, known as the Foreign and Colonial Investment Trust, with the goal of managing the wealthiest classes of Scottish citizens investments by distributing them among several stocks. This investment trust was similar to the close-ended mutual funds that are in place today, as were other investment trusts that were later established in the US and Britain. Massachusetts Investor's Trust, the country's first mutual fund, was founded in March 1924. The open-ended mutual fund was this. The 1929 stock market crash, the Great Depression, and the start of World War II all slowed the mutual fund industry's growth. However, in the 1990s and 1960s, new products and services made mutual funds more popular (Agrawal & Jain, 2013). There have been many different kinds of mutual funds created as a result of the strong expansion. The first mutual fund in Nepal was created in 1993–1994 and is called NCM Mutual fund–2050 by NIDC Capital Market. In the beginning, it floated units with a par value of Rs 10. The fund was classified as open-end. During the initial period of the stock market boom, the fund did well. But in 1995, it began to perform poorly, and the intense selling pressure forced the suspension of trade. On August 9, 2002, the fund was reorganized into a close-end fund and reopened under the name "NCM Mutual Fund, 2059." The former unit owners were given the choice to take part in this new program or receive a refund. Ten million units with a face value of Rs 10 make up the fund. Comparably, Citizen Investment Trust ran the Citizen Unit Scheme (CUS) as a second collective investment plan during the 1994–1995 period. According to the 2010 mutual fund regulations, the Siddhartha Mutual Fund is the first mutual fund that Siddhartha Bank Limited has registered with SEBON. The fund manager for the Siddhartha mutual fund is Siddhartha Capital. The fund's initial scheme

was the Siddhartha Investment Growth Scheme 1 (SIGS-1), this scheme was closed end fund (Thapa, 2023).

Mutual funds in Nepal are managed by merchant banker (fund manager) and sponsored by Commercial bank licensed by Nepal Rastra Bank. only those merchant bankers that are direct subsidiaries of commercial bank float and manage mutual fund. As such, mutual funds companies are full subsidiaries of commercial bank. Currently there are 14 mutual funds (Except CIT) operating in the Nepalese market and 43 mutual fund schemes running in the Nepal stock market (36 closed-ended and 7 open-ended mutual fund scheme). These mutual funds have to approved by SEBON first to publish the offer letter and accept are allotted, they are listed in NEPSE.

In current scenario mutual fund is less attraction compared to shares of commercial banks, insurance, development banks, finance and micro finances. The various schemes or options that are available to investors worldwide are not available to local investors in Nepal. In spite of the recent growth in Nepalese securities market, the success and performance of mutual funds is not noticeable in the country.

1.2 Problem statement

Singal and Manrai (2018) analyzed the factors affecting Investment In mutual fund. Investing on mutual fund investments is comparatively less hazardous than investing in the stock market. less risk combined with moderate returns and professional management act as a magnet for risk-averse Investors to Invest their savings in financial markets . mutual funds have many advantages for marginal Investors which Include convenience, low or risk, expert management, economic of scale. Both exploratory, as well as descriptive Research designs where used in the study. For primary data collection, structured questionnaire that can be administered by oneself serves as the survey instrument. The survey was carried out in the SDMC region of Delhi where 226 people are used as sample along with proportionate quota sampling technique. Performance of mutual fund, fund manage qualities and perception towards mutual fund showed positive impact on investment in mutual fund where as corporate goverance and transparency, ease of investment didnt effect on investment in mutual fund.the investors perception play a very vital role in the investment decision making process.

Ganapati (2015) examined Investor's Perception towards the mutual fund: An empirical study with reference to Coimbatore city. where the findings indicate that there is an important connection between investors occupation and risk tolerance level as well as their degree of education. The findings also show that there is no visible correlation between investors' occupation and mutual fund expertise, neither between investor's monthly savings and mutual fund knowledge. In order to compare the fund returns with the current rate of risk-free returns, investors must take this into account. This allows for the selection of investment opportunities and schemes to be made. The schemes had low returns because of the fund manager's inadequate risk tolerance, timing, stock selection and diversification skills. here factors like performance of mutual fund, fund manage qualities, corporate governance and transparency, ease of investment and perception towards mutual fund does not impact on mutual fund.

Kandel (2019) examined investor's preference towards mutual fund: An Analytical Evidence from Kathmandu valley. Investors have an average level of acquaintance with shares, a low level with bonds, debentures, money market instruments and a high level of connection with fixed-income assets among the financial securities currently offered in the Nepalese capital market. When it came to mutual fund structure preferences, almost two thirds of respondents overall supported closed-end mutual funds. Those interested in mutual funds like to learn about mutual funds from close relatives, then from self-analysis. TV advertisements and print newspapers work well since these mediums are favored by potential investors. According to the study's finding, mutual funds might be a great tool for closing the divide in Nepal between private savers and well-established businesses. Currently, traders are becoming increasingly interested in mutual funds. This study shows influencing factors and development of mutual fund schemes have positive relationship between them, whereas which various influencing factors shows relationship with mutual fund schemes are not mentioned.

Pant et al., (2022) Examined Determinants of Mutual Fund Performance in Nepal. The present research looks at the relationship between macroeconomic and internal factors, as well as the outcomes of mutual funds. The effect of internal factors such fund size, fund age, cash ratio and expense ratio are analyzed in this study. The commercial bank rate, the rate of inflation and the stock indicator are the macroeconomic variables. To reach these findings, a sample of six closed-end mutual funds was chosen from the set and subjected

to descriptive and causal-comparative analysis. During this study, the risk-adjusted performance evaluation technique Sharpe's ratio is the dependent variable, and the predictor factors are fund size, fund age, cash ratio, expense ratio, commercial bank rate, inflation rate and NEPSE index. Similarly, data indicates that fund age significantly improves performance. whereas the performance of mutual funds in Nepal is significantly impacted negatively by cash ratios, expense ratios, bank rates, inflation and stock indexes. On the other hand, there is a contradiction in the criteria that determine fund size, yet the performance of Nepalese mutual funds is unaffected by the market index. Therefore, a fund's performance in Nepal is largely determined by both internal and macroeconomic factors.

Paudel (2010) examined Scenario of Mutual Fund Industry in Nepal: A Discussion. By providing superior products, processes and services, the Nepalese mutual fund industry has not done well in winning over small individual users trust and faith. Mutual funds must gain traction among urban areas' middle-class and upper-class residents. In addition to attempting to identify obstacles and opportunities for mutual funds in Nepal, the current study has attempted to investigate these issues using mutual fund operations in that country. An essential component of the Nepalese financial system may be the functioning of mutual funds. Current mutual fund companies need to implement better technology and put more of an emphasis on quickly disseminating information in order to improve the quality of their services.

Mutual funds can be used by investors in Nepal as an alternative to bank fixed deposits rather than as a means of making investments in the securities market. Investors preferred to invest in shares in comparison to mutual fund schemes even though mutual fund provide benefits such as reservation in public issue, avoidance of dual taxation to the dividends provided to its investors. The majority of retirees and member of the small and medium income cannot afford to directly participate in company share due to risk aversion and lack of understanding. Therefore, this study deals with following issues

- i. What is the current scenario of mutual fund performance in Nepal?
- ii. Does any relationship exist between factors influencing mutual fund with investment in mutual fund of individual investors?
- iii. How do factors influencing mutual fund impact on investment in mutual fund?

1.3 Objectives of the study

The major objective of this study is to analyze the factors influencing the mutual funds in Nepal. In order to achieve the basic objective, the specific objectives are as follows:

- i. To assess the current scenario of mutual fund performance in Nepal.
- ii. To examine the relationship between factors influencing mutual fund with investment in mutual fund of individual investors.
- iii. To analyze factors influencing mutual fund impact on the investment in mutual fund.

1.4 Hypothesis

Testing of hypothesis is one of the most important aspects of the research study. A hypothesis is a provisional assessment, notion or assumption on the characteristics of a population. After a hypothesis is established, it must be tested to determine its validity and whether it should be accepted or rejected. The sample contains the sole information that aids in our decision-making (Acharya et al., 2020).

H1: There is significant relationship between performance of mutual fund and investment in mutual fund.

H2: There is significant relationship between fund manage qualities and investment in mutual fund.

H3: There is significant relationship between corporate governance and transparency and investment in mutual fund.

H4: There is significant relationship between ease of investment and investment in mutual fund.

H5: There is significant relationship between perception towards mutual fund and investment in mutual fund.

1.5 Rationale of the study

The purpose of this study is to investigate the factors that affect individual investors decisions to invest in mutual fund schemes. Many studies on investing in mutual funds or unit investment trusts have been conducted worldwide, but not much of them have been conducted in Nepal. This study significantly advances the body of knowledge regarding the variables influencing mutual fund investment from the standpoint of the individual investor. Furthermore, by focusing on the most common elements that affect an individual investor's decision to invest in mutual funds in order to secure their future profitability and investment

security, this research will support academics, practitioners and researchers in their studies. the better understanding of investors perception and outcomes is important for financial planner because an understanding of how investors generally responded to market movement.

- i. The study will assist investment banks to design, innovate products to educate investors about mutual funds and its benefits.
- ii. The study will help identify key areas, factors and elements for improving mutual fund industry in Nepal.
- iii. This research will help address the issue of the variables impacting mutual fund schemes in the Nepalese financial sector and provide strategies and policies to sustain their operations.

1.6 Limitations of the study

The study focuses to analyze certain factor that influences investment in mutual fund schemes. Finding of the study will be helpful to the investors, mutual fund, issuing companies, issue manager of mutual fund and other regulators bodies in order to predict the future trends and give reliable information to mutual fund investors. The investing companies can decide on their future in policies and strategies.

- i. This study focuses on individual investors only, not institutional investors. The analysis of five independent variables throughout the study.
- ii. The data will be collected through structured questionnaire and validity of the study depends upon the accuracy of the data provide by respondents.
- iii. Convenience sampling serves as the study's foundation. Consequently, sample bias may arise, making it difficult to extrapolate the study's conclusions to the entire mutual fund investing community.
- iv. All of the study's responses were gathered within the Kathmandu Valley. As a result, only respondents who live in the Kathmandu Valley may participate in the study.

CHAPTER – II

LITERATURE REVIEW

The review of the literature is a crucial aspect of planning of the study. this chapter concerns with the existing literature and research studies about factors influencing investment in mutual fund schemes of Nepal. While preparing the review, a number of books, dissertations, research papers, reports and articles from journals and newspaper are examined. The goal of examining the literature is to gain some knowledge in one's field, identify any fresh contributions and obtain inspiration for creating research designs. This literature review crated the study's framework and pointed out gaps in the body of knowledge that support the development of the study's research hypotheses.

2.1 Conceptual review

A type of intermediate theory with the ability to relate to all facets of research are conceptual reviews. Conceptual review acts like maps that provide coherence to empirical inquiry. The review covers the area of research work and theoretical concepts developed by various scholars.

Concepts of mutual fund

A mutual fund is a type of investment instrument used by investors who pool their funds to purchase a variety of securities with the goal of earning attractive dividends and capital growth. A mutual fund is a type of trust that draw savings and allocate them in capital markets. mutual fund is an institutional structure with a specific purpose designed for investing, and it acts as a conduit for investments. Its primary responsibility is to aggregate and gather the small investors funds, build a larger corpus of tremendous resources and allocate those enormous resources to a well-diversified portfolio of secure assets. It aims to reduce the level of risk associated with equity investments while maximizing rewards (Neeraja et al, 2023).

A mutual fund is a collection of funds contributed by numerous participants that are overseen by a qualified fund manager. In order to maximize its owner's wealth, the fund raises money from the large number of them and uses it to invest in a diverse portfolio of bonds, stocks and fixed income securities. In proportion to their investment in the fund, the investors acquire share units. The net asset value of the fund is used to compute its profits,

which are then allocated to investors based on the number of shares they own after operating expenses and fees are subtracted.

A mutual fund is a professionally managed investment that combines the capital of several investors and makes bets on fixed income products, financial securities and other comparable assets. Mutual funds provide benefits to investors such as professionally investment management, daily liquidity and investment diversification. Two varieties of mutual funds exist, that are close-end and open-end. Net Asset Value (NAV), which is determined by the fund manager, is used to price mutual funds. The real worth of one unit of specific scheme for a given business day is known as net asset value. Mutual funds are governed by the securities board of Nepal (SEBON) and are established and regulated under mutual fund regulation (2067). Different rules and condition for the operation of mutual fund have been set by the regulation (Thapa,2023). There are two types of mutual fund that are as follows:

Unmanaged mutual fund

It is an investing firm that provides a predetermined, unmanaged portfolio, usually consisting of bonds and stocks. Its goal is to produce dividend income and capital appreciation. It creates the portfolio once and doesn't alter it over the maturity period. It only offers a limited number of units for one Time public selling. Investors receive the proceeds from the sale of any remaining portfolio securities when it terminates. This kind includes unit investment trusts.

Managed mutual fund

It is an investment business with a predetermined portfolio that the fund manager may change at any time. The board of directors, chosen by the investors, selects the management company to oversee the portfolio in managed mutual funds. Typically, the fund sponsor appoints a fund manager with investment experience to oversee the portfolio.

A. Open ended mutual fund

An open-ended mutual fund raises capital by continuously issuing new shares at any moment. There is no mature period for it. Although its shares are not traded on the stock market, fund managers have the option to buy them back from unit holders who wish to sell. At net asset value, units are exchanged.

B. Closed ended mutual fund

A set number of shares are issued at the initial public offering (IPO) of a closed-ended fund. Closed-ended fund units are traded on the stock market. They trade similarly to other company equities. They are not redeemable until they reach a set maturity period.

Investment objectives classes

There are four primary classes on the basics of investment objectives, which are as follows:

i. Money market funds

Money market mutual funds invest in the short-term securities sold in the money market. These are generally the safest, most stable securities available including Treasury bills, certificate of deposit of large banks and commercial paper.

ii. Equity funds

These funds invest primarily in stocks and hold the fixed income or other type of securities. Funds Company will hold at least some money market securities to provide liquidity necessary to meet potential redemption of shares.

iii. Hybrid fund

A mutual fund that invests the fund in a mix of stocks and bonds is known as hybrid fund. These funds often referred to as balanced fund are attractive to investors who want to allocate their assets in one investment vehicle. Risk and returns typically are moderate and expense can be high. Investors can achieve similar results by buying separate stocks and bonds.

iv. Bond fund

Bond fund, also known as fixed income fund invest in corporate and government bond. Their aim is to get lower risk with fixed rate. Risk averter investors like to invest in bond funds. They can range in risk from low such as treasury bond to very risky such as junk bonds.

Organization structure of mutual fund

There may be different organizational structures of mutual funds in different jurisdictions. The mutual fund regulation, 2067, has defined the mutual fund structures in Nepal, incorporating a fund sponsor, fund supervisor, fund manager and depository of the fund. The functions of each of these mutual fund components have also been outlined in this regulation.

A) Fund sponsor

Any individual who creates a mutual fund, either by themselves or in collaboration with another corporate entity, is considered a sponsor. A fund sponsor and a company promotor are similar. According to section 3 of the mutual fund regulations, (2067 B.S.) a body corporate must be a fund sponsor. Commercial bank of A class is the fund sponsor.

B) Fund manager

The fund manager is chosen by the fund sponsor with approval from the fund supervisor. Creating the mutual fund scheme and efficient managing and investing its assets are the main responsibilities of the fund manager.

C) Depository of the fund

The fund supervisor gives permission for the fund manager to designate the depository. The depository's key responsibilities include keeping track of the units, completing the transfer deeds for them and ensuring the securities under the plan are kept safe.

D) Fund supervisor

With full confidence and trust of public, the fund sponsor designates as fund supervisor a minimum of five individuals with suitable backgrounds from various sectors. Aside from overseeing the fund, the main duty of the fund supervisor is to safeguard the interests of the unit holders, a group of individuals designated in accordance with regulation 6 to oversee the mutual fund is known as the fund supervisor.

2.2 Theoretical review

This section presents some theories of mutual fund. The theories are efficient market hypothesis, modern portfolio theory, capital asset pricing model theory, behavioral finance theory and agency theory.

Efficient market hypothesis

This theory describe efficient market hypothesis is that firm's value which is completely reflected in current stock prices, there is no way to use this information to make excess gains over the whole market and the reason behind mechanisms of price fluctuation in security markets (Clarke et al., 2001). If the price "fully reflects" the information set, meaning that the price would remain unchanged if the information set were made available

to all market participants, then the market is considered efficient with regard to that information set. On the next side, the definitional "fully" implies that no genuine market could ever be efficient, which is a strong indication that the EMH is probably certainly incorrect. Although the EMH is untrue in letter, it is incredibly true in spirit (Sewell, 2011).

Modern portfolio theory

An investment strategy that maximizes predicted portfolio returns while concurrently minimizing investment risk is used to choose and build investment portfolio (Mangram, 2013). The theory established a logical relationship between return rate distribution and investment risk by assuming that investors make logical decisions about their investments, are risk averse, and that return rate distribution follows a normal distribution (Geambasu et al., 2013).

Capital asset pricing model theory

Since the systematic risk will be removed in a well-diversified portfolio, the capital asset pricing model is used to determine the needed rate of return for investors in hazardous securities given the non-diversifiable firm-specific risk (Elbannan, 2015). despite being widely utilized because it calculates a security's expected rate of return and links it to expected risk, empirical data indicates that the CAPM is poor enough to invalidate the way it is used in applications (Fama & French, 2004).

Behavioral finance theory

The foundation of behavioral finance is the identification and comprehension of impending economic decisions through studies of emotional tolerance, human and social awareness. Behavior finance looks at how human rationality is limited and how emotions play a role in it. It also explains how psychology affects financial activities and makes the case that the limited decision-making and lack of rationality of financial market participants better explains financial phenomena (Bikas et al., 2013).

Agency theory

The goal of agency is to evaluate the effect of the action of different agent like shareholder, managers and debt holder on the financial structure and to explain their action as they relate to the company's fund. the agency theory states that the best possible financial structure for capital comes from balancing different funding options like debt, equity and hybrid

securities in order to resolve conflicts of interest between managers and capital suppliers (Grigore et al., 1976) .

2.3 Empirical review

Prajapati and Swongamikha (2024) analyzed the factors influencing mutual fund investment decisions: insight from women investors. the main objectives are to identify mutual fund decisions from the perspective of women investors in Nepal. the sources of data are based on primary data using questionnaire method, 200 investors were respondents of this study. this study uses a descriptive research design to describe and measure the data, while a causal comparative research design is used to analyze the effect of certain factors on the investment decisions of women investors. Separate variables like financial and accounting information, investors consultation with advisors and the image of mutual fund issuing companies has significant influence in the investment decision, whereas, there is insignificant effect of investment knowledge of investors and general economic condition on the investment decision. This study can serve as a foundation for successful legislative and educational initiatives that empower female investors to make financial decisions and advance fair practices in the financial investing industry. The findings indicate that women investors are seeking professional assistance to weigh risk and return, making well-informed judgements based on accounting and financial data and valuing a good reputation.

Neeraja et al. (2023) examined a study about factor those influence mutual fund investing in recent times. Both descriptive and exploratory research design was used in the study. the survey was conducted in Hyderabad, GHMC area where 300 people are used for sample along with proportionate quota sampling technique. This study investigate factor influencing mutual fund investing decisions, behavioral variables and barriers to investment. It aims to identify areas for improvement and enhance marketing strategies, helping mutual fund providers develop innovative products. Understanding investor perception and factors like knowledge and fund creation is crucial. the results of the study shows that it helps to identify barriers that stop people from investing in mutual funds.

Ghimire and Adhikari (2023) carried out impact assessment of investment motivation toward mutual funds. The research design like descriptive and causal-comparative Research were used. Structured questionnaire survey was used as sample size consisted of 384 participants and judgmental Sampling Technique was adopted. while growing interest

in mutual fund Investment among Nepalese investment, there was also lack of awareness and understanding about these investment vehicles. investors awareness level, fund manager qualities, risk perception and fund performance play positive impact on mutual fund Investment decision in Nepal. Socio-economic factor such as education, income and saving levels. It is essential to design Investment Strategies that cater to a diverse range of Investors. the study findings revealed that independent variable plays positive role in determining investors preference and choice.

Gaurav et al. (2023) assessed investment behavior of corporate professionals towards mutual fund in India. The competitive market offers a wide range of investment opportunities, with mutual funds being the best option for average individuals. These funds provide a diversified portfolio managed by professionals at a modest fee. data was gathered from 175 respondents using a structured questionnaire with exploratory factor analysis, convenience sampling technique was used to obtain responses from corporate professionals in Hyderabad, India. the study finds attempt to elucidate the various factors that influence the investment behavior of corporate professionals with regard to mutual fund investments.

Mythili et al. (2023) carried out factors determining mutual fund investment in Coimbatore city. The main objectives are to determine the elements that influence mutual fund schemes. The sources of data are based on questionnaire method, 100 participants were selected through snowball sampling method and independent variables like logical factors, private sectors, development factors play vital roles in determining the mutual fund investment. this research explores factors influencing investors decisions to invest in mutual funds, highlighting the appeal of investing in these financial products over other options. The paper finds that the determinants may vary depending on the period of the sector's growth.

Ramraj and Selvan (2023) studied investor's perception of mutual fund investment in Tamil Nadu. The purpose of research is to learn investor opinions regarding mutual fund investing. The research used 100 individuals from Tamil Nadu was chosen at random and given a structured questionnaire to complete in order to gather data. Tests of hypotheses and analyses of the different factors affecting investors to invest in mutual funds are conducted using a number of statistical techniques, including the Garrett ranking approach and chi-square tests. the results indicate that males make up the majority of investors, that they are generally quite young, and that they have very little knowledge of mutual funds.

Investors who prioritize safety and high returns in their investments are those who use the ranking approach. Additionally, it conveys the reciprocal relationship between investor perception and demographics. Academics, market researchers, institutional investors, dealers, distributors and other possible investors would all profit from the study. The major findings indicate expecting high returns and capital appreciation, irrational expectations are harmful.

KN (2023) analyzed a study on investors' perception towards mutual fund with reference to DK district, Karnataka. This study aims to assess the level of mutual fund knowledge held by Indian investors and provide recommendations for better ways to raise that knowledge. To fulfill the stated objectives, a total of 50 potential respondents from the area of Mangalore district were selected through convenience sampling through questionnaire. The collected data are analyzed with the help of Mean, percentage chi-square and ANOVA. A large number of Indians have begun transferring a portion of their wealth from tangible assets (gold, land) to financial instruments (bonds, stocks, exchange-traded funds, etc.). The research indicates that individuals in the older age group possess strong educational backgrounds and are well-informed about mutual fund investments. The result of the study shows that return is an important parameter while investing in mutual fund.

Ramesh and Devi (2022) studied investors' perception towards mutual fund investment (A study with reference to Rajamahendravaram, East Godavari, District). The primary goal of the research is to ascertain how investors see investing in mutual funds. Convenience sampling was used in the research to identify 150 respondents from Rajamahendravaram for the sample size. Numerous statistical techniques, primarily the chi-square test for hypothesis testing, have been used to measure various phenomena and analyze the collected data effectively and efficiently to draw sound conclusions. These techniques have also been used to analyze the various factors responsible for investment in mutual funds. It is likely to show a remarkable progress in the coming years. The study suggests that in order to disperse the concentration of mutual funds from urban to semi-urban and rural areas, additional mutual funds must be established in India.

Bharucha et al. (2022) examined a study on investor's perception towards mutual fund investment in Gujarat. The primary goal of this study is to comprehend Gujarati investor's attitudes toward mutual fund investments. Descriptive research design was used in order to

get accurate data and structured questionnaire where send to 300 respondents by circulation of google form in different cities in Gujarat. The analysis of investors favorite asset classes and perception of their various income is the main subject of this study. In addition, the study looks at investor goal and the mutual fund type they wants to help them achieve those goals in the future.it was discovered that most investors view mutual funds as a methodical way to invest in the stock market. for long term investments, they view mutual funds as a viable alternative, most investors use the SIP/STP approach.

Sharma and Kumar (2022) analyzed investor's perception towards mutual fund; a study of Shimla city. this study attempted to assess mutual fund investor perceptions and investigate the variables influencing their investing choices. Data has been gathered for this purpose from 110 respondents who live in the Himachal Pradesh city of Shimla. The convenience sampling methodology was used to determine the sample size. Numerous statistical and mathematical tools have been used to examine the gathered data. the empirical analysis clearly shows that investors viewed mutual funds as a moderately hazardous investment option and that they valued bigger returns above all else when making an investment. Overall, the study findings show that majority of the investors perceived mutual fund as moderately risky investment options. Additionally, it is implied that most of investors choose SIPs.

Sumathy and Jisha (2022) investigated awareness and perception of investors towards mutual fund investment. with particular reference to the Palakkad district, the current study examines the relationship between investor awareness and perception of mutual funds and information sources, income, educational attainment and other factors that investors take into account when making mutual fund investments. For primary data collection, the researcher employed a structured questionnaire and the purposive sampling method.50 samples were chosen from each of the district of Palakkad's six thaluks. In the study, the data are analyzed using Chi-Square testing and percentage analysis. According to the survey, there is a correlation between the length of investment and income level and the result indicates that most of the investors prefer growth income fund and regular return fund. According to the report, new initiatives should be launched and publicized to the public through advertising.

Rani and Jora (2022) evaluated study of customer perception toward mutual fund. the study looks at the investment goals that investors have when they purchase financial instruments and identifies the most popular source of information for different investment possibilities that allow investors to purchase their favorite financial instrument. 105 respondents were taken as sample and data analysis makes use of descriptive statistics such as factor analysis, frequency tables, cross tabs, bar charts and rank order. It is discovered that the main element influencing how customers view mutual funds is "Benefits & Transparency." the study shows that the majority of the investors examined in this investigation are moderate risk-takers who are drawn to balanced funds since they offer higher returns at lower risk. Indians still view the world in terms of savings rather than taking chances and making investments in the equities markets. Even investors who purchase mutual funds are unsure about how to operate and maintain them. Therefore, in order to promote investor loyalty to mutual funds, relevant information must be given to investors. The finding shows that an inadequacy of awareness of mutual funds as a reason for the failure of mutual funds among certain sectors of society.

Gangani and Patel (2022) examined a study on comparing investor behavior toward traditional investment plan & mutual fund in Surat. The study goal was to determine investor preferences for different mutual fund asset schemes and the elements they take into account when making an investment, considering safety, high return, tax advantages and low risk while making investments in mutual funds or conventional investment plans. To conduct the research, a sample size of 141 respondents was selected. The study primary data collection method and descriptive research design were employed to achieve the study purpose to obtain validated results. The researcher employed Chi-square, frequency and cross-tabulation. Through this research project, employees are encouraged to set up a sizeable sum of money for their future needs. Mutual funds are the finest choice for the employees. Workers think that there are numerous benefits to saving money. the results of the study showed that investors make investment based on recommendations from their friends, family, media, agents and brokers. investors also prefer insurance plans the most.

Gidde and Gaikwad (2022) assessed a study of investment awareness and preference of individuals toward various mutual fund schemes with reference to Islampur city. primary data was used in this investigation by distributing a Google Form to 157 respondents and collected responses from them. Subsequently, the gathered information was categorized

and examined using statistical instruments. mutual funds are a wise choice for investors because they carry little risk and ensure investment returns. The study discovered a favorable correlation between preferences for mutual fund and awareness of mutual funds. The large quantities of funds are bought by investors from asset management firms and brokers. The conclusion and suggestion of this article is the majority of respondents desire to buy fund from asset management firms as well as through brokers.

Gondaliya and Yagnik (2021) analyzed study on factor influencing mutual fund investment. The study aims to assess the investor's mindset toward mutual fund in Surat district, India. Data collection method was structured questionnaire with Likert scale and multiple Choice question where applied. The main objective is to find out the savings and buying behavior along Factor Influencing the satisfaction level of customers. Due to high returns and diversified risks people are becoming more and more welcoming for mutual funds as Investment opportunities. It provides the Investor with low Risk- high return plans. Age, Gender and Marital status are some of the socio-demographic factors that share the Investor's decision and preference in making Investments. people are more positive towards Investment in mutual fund because of regular return, less risk, large diversification of options, available for Investment and easily accessibility. The findings suggest that it aims is to meet children education and majority investor is interested in investing in insurance share and provident fund.

Chaudhary et al. (2021) examined an investors interest towards mutual funds: A study of Kathmandu valley, Nepal. In order to meet the stated goals, 230 potential respondents in total were purposively chosen through a questionnaire. Descriptive and correlation analysis are used to analyze the data gathered. Regarding investor familiarity with the various financial securities that are currently offered in the Nepalese financial market, the majority of investors are familiar with fixed deposits, while investors are only moderately familiar with shares and very little with bonds, debentures and money market instruments. According to the results of the investigation, investors were drawn to mutual funds because of their flexibility, secure investing mechanism and professional management services offered in Nepal. it also keens in finding the relationship among independent variable with dependent variable. It is also advised that regulatory bodies, issue managers and other relevant authorities hold training sessions and awareness campaigns emphasizing the value of mutual funds.

Bajrachrya and Samdani (2021) examined socially responsible investment (SRI) attitude of mutual fund investors in Nepal. The sample rural household's primary data was gathered using a standardized questionnaire. 109 mutual fund investors make up the sample size which is drawn from Kathmandu Districts. convenient sampling was the method used for sampling in this investigation and the descriptive research design is used. the study reveals a significant correlation between the respondent's age and the elements taken into account when making an investing decision. However, there is no correlation between the investor's monthly income, educational background or gender and the criteria they use to make investment decisions. The findings indicate that every variable appears to have a strong correlation with the choice to invest.

Dhall et al. (2021) assessed investor's awareness and perception towards mutual fund investment: an exploratory study. Examining investor's awareness and perception of mutual funds as an investment vehicle is the goal of the current study. The study of primary data came from 105 respondents who lived in Delhi-NCR. It was collected through questionnaire. chi-square, bar graphs and percentage were used as methodology tools. tax benefits, security, liquidity return and dependability were shown to be the main factors influencing investors preference for mutual fund investments. According to research findings, investors perception of mutual fund returns is significantly influenced by their gender and the majority of respondents think that investing in mutual funds in the public sector is safer than doing so in the private sector. Additionally, there is a strong correlation between investor perceptions of the higher tax shield offered by mutual funds and age.

Wagle (2020) investigated research on investor's attentiveness towards mutual fund in Nepal. The Nepali capital market is concerned about the rising enthusiasm for mutual funds among the Investment options. The purpose was to determine Investor's Involvement in mutual fund in Nepal. This Research is descriptive in Survey and based on the structured survey of 125 (out of 140) respondents from the broker office in the Chitwan, district. the Respondents socio-demographic characteristics, level of preparation, area of factor determination is divided into Four strata (Business person, University lecturer, University student, Institutional and local Investor). The finding show investors were investing in mutual funds without sufficient knowledge although most investors were aware of political instability. people choose to Invest in the capital market over a bank in the bank deposit, which is likely the new trend in Nepal, differs from past studies.

Mittal (2020) examined investor's behavior towards Indian mutual funds investment. the present study centered on several elements that underscore the conduct of investors towards mutual funds and their preferences. Numerous behavioral and demographic characteristics effects on investors have been researched. the study uses a survey approach and is analytical and empirical in nature. This study is based on primary data. Structured questionnaires are used to gather data where 100 respondents were selected through convenience sampling in Delhi and NCR area. the following techniques are frequency distribution, percentages, ANOVA, chi square test, average score analysis and Kruskal Wallis test. Moreover, Cronbach's Alpha (CFA) is used to gauge the variables internal consistency. The results show that investors investing decisions are influenced by demographic considerations. It is also shown that educated and elderly individuals favored investments that were safe and had a high rate of return, as They stays away from danger. Researchers and academicians will find the study useful for their future work as would brokers, dealers, investors and share market officials.

Shrestha and Shrestha (2020) assessed factors influencing investment in mutual fund schemes of Nepal. this study's main goal was to determine the variables that affect mutual fund investments. Five elements that could have a big impact on investors investing decisions were evaluated. As a result, a questionnaire was utilized to gather the responses of 237 respondents, using convenience sampling. The traits of mutual fund investors and their attitudes toward mutual funds will be described using a descriptive research design. The relationship between investment in mutual fund schemes and corporate governance characteristics, as well as aspects related to performance, perception and ease of investment will also be explained by means of an explanatory study methodology. this research endeavors to ascertain the pivotal elements impacting investment in Nepali mutual fund schemes. The findings show that investors have a moderate level of aversion to mutual fund schemes. The findings also demonstrate that investors analyze the investment patterns of Nepalese mutual fund investors based on various parameter. Furthermore, even if the results are not statistically significant, fund managers attributes and corporate governance components are thought to be crucial.

Raja and Jagadeeswaran (2020) investigated investor's perceptions towards mutual fund schemes investment- A study with special reference to Chennai city. The current study on investors opinions of mutual fund schemes exclusively looks at investments made in

different part of Chennai and the data were taken from 200 respondents and tools like KMO and Bartlett's are used to analysis the result. The current study findings indicate that investor services related factors are important for taking investment decision and that most mutual fund scheme participants are interested in learning crucial details about mutual funds, mutual fund companies and investor services. as a result, mutual fund companies work hard to give investors access to all of this information in a transparent manner. the efficient management and utilization of the mobilized fund is critical to the success of any mutual fund scheme. The sponsor of the mutual fund firm should choose a reputable asset management company in order to draw in more investors, as they play a crucial role in fund management. The mutual fund providers should offer more investor services in order to draw in more investors to their schemes.

Meena and Sankar (2020) examined a study on factors affecting investment on mutual funds and its preference of rural investors. this initiative seeks to identify the variables influencing mutual fund investing decisions and their inclination towards retail investors. this initiative also seeks to identify the barriers that keep people from investing in mutual funds. the choice of descriptive research is made in order to collect comprehensive and accurate information. the study employed a questionnaire and the personal interview approach as its research instruments. There are both closed-ended and open-ended questions on the form. primary data are those gathered by taking samples in order to do research. Using a standardized questionnaire and a personal interview, the primary data was gathered from 200 investors of Bangalore and Tumkur. the results can also be used by mutual fund businesses to enhance their marketing strategy and identify areas that require development. Among the significant class of financial intermediaries that serve the demands of ordinary investors are mutual funds. The major findings are retail investors are mostly influenced by tax benefits, high returns, price and capital appreciation when making investment decisions.

Tripathi (2020) assessed an empirical study of mutual fund awareness among the people of Ahmedabad. It aims to investigate how citizens view awareness particularly as it relates to mutual funds. Primary data is collected from Ahmedabad city of Gujarat, 100 respondents is used in the study. A carefully designed questionnaire was used to get the respondent's opinions. The researcher came at conclusions through data analysis and interpretation. even while most individuals are aware of mutual funds, very few actually invest in them. The

respondent's preferences are for debt, hybrid and equity accordingly. Additionally, respondents are knowledgeable of how share markets operate. The respondents are aware that their money is invested in the stock market by the Asset Management Company. Mutual funds offer a number of benefits to investors, including cheap costs, tax advantages, expert management, diversification, liquidity and potential for return. Even though mutual fund schemes are riskier than other investing options, many nonetheless choose to participate in them. The conclusion of this study is 75% of respondents are preferring a systematic investment plan (SIP).

Sahoo (2020) investigated investor's behavior and mutual fund-A study in Cuttack city. the 100 respondents are taken as sample for the study from Cuttack and descriptive research design is adopted for analysis. Investments and mutual funds continue to receive relatively little preference. People are undoubtedly aware that mutual funds have a high rate of return and can present them with beneficial investment alternatives. However, they continue to make traditional investments like gold and bank accounts. The main indicator of this is a fear of the unknown, danger and volatility of the market. Instead of choosing a profitable investing strategy, city dwellers favor safer investment options. They only think that safe investments can yield a steady return. On the other hand, mutual fund investments require education. Even while investing carries a high risk, it can be reduced to optimize return by careful planning, analysis and diversification. The result shows that people are more likely to make traditional investments than mutual fund investments.

Table 1*Summary of Empirical Review*

SN	Authors	Objectives	Variables	Methodology	Findings
1.	Prajapati and Swonga mikha (2024)	To examine mutual fund investment decisions from the perspective of women investors in Nepal.	<p>Dependent variable- Investment decision and Mutual fund</p> <p>Independent variable- Investment knowledge of investors, financial and accounting information, investors consultation with advisors, reputation mutual fund issuing companies, general economic condition</p>	Descriptive research design and Causal-Comparative research design	The findings indicate that women investors are seeking professional assistance to weigh risk and return, making well-informed judgments based on accounting and financial data, and valuing a good reputation.
2.	Neeraja et al. (2023)	To examine an investor's investing behavior and the basic variables that influence mutual fund investments and to examine an investor's investing behavior and their overall opinion of the fund.	<p>Dependent variable-Investor's investing behavior</p> <p>Independent variable-Basic variable that influence mutual fund, overall opinion of the fund</p>	Exploratory and Descriptive research design	The results of the study show that it helps to Identify barriers that stop people from investing in mutual funds.

3.	Ghimire and Adhikari (2023)	To identify the key drivers that influence Nepalese investors' decision.	<p>Dependent variable- Investment decision</p> <p>Independent variable- Investor awareness level, fund manager's qualities, investors risk perception, fund performance</p>	Descriptive statistics, Correlation and Regression	The study finding revealed that the independent variables play positive role in determining investor's preference and choice.
4.	Gaurav et al. (2023)	To examine the factors that influence the investment behavior of corporate professionals, particularly with regard to mutual funds.	<p>Dependent variable- Investment decision</p> <p>Independent variable- FG and SOI, IC, MC, reliability of the company, schemes features and market circumstances, company performance and industry expansion</p>	Varimax rotation techniques and Cronbach's alpha and KMO	The study finding attempts to elucidate the various factors that influence the investors behavior of corporate professional.
5.	Mythili et al. (2023)	To determine the elements that influence mutual fund schemes.	<p>Dependent variable- investment decision</p> <p>Independent variable-logical factors, private sectors and development factors</p>	KMO & Bartlett's test	The papers find that determinants may vary depending on the period of the sector's growth.
6.	Ramraj and Selvan (2023)	To Identify the motivational factors influencing investors' perception of mutual funds.	<p>Dependent variable-Investor's perception</p> <p>Independent variable-Motivational factors, Demographic factors</p>	Simple random sampling and Garret's ranking and chi-square	The majors finding indicate Expecting high returns and capital appreciation, Irrational expectations are harmful.

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| 7. | KN (2023) | To study the parameters influencing investment decision in Mutual Fund. | Dependent variable- Level of awareness
Independent variable- Education, Income safety and return | Mean, percentage chi-square and ANOVA | The result of the study shows that Return is an important parameter while investing in mutual fund. |
| 8. | Ramesh and Devi (2022) | To give a brief data about benefits which are available for mutual funds. | Dependent variable- Investment decision
Independent variables- investment avenues, different schemes, motivational factors, practical problem, expectation of mutual investors | Descriptive as well as analytical research design | The study suggests that in order to disperse the concentration of mutual funds from urban to semi-urban and rural areas, additional mutual funds must be established in India. |
| 9. | Bharucha et al. (2022) | To know the perception of investors towards mutual fund and to identify the investment objectives of mutual fund investors. | Dependent variable- mutual fund
Independent variable- Income class, investment objectives and knowledge base of investors | Descriptive research design and Inferential analysis | The result shows that After obtaining accurate information from their preferred sources, such as online service providers, mutual fund distributors, and stock brokers, the majority of investors prefer to invest in mutual funds via SIP/STP. |
| 10. | Sharma and Kumar (2022) | To evaluate the perception of investors toward mutual fund, to examined the factors affecting investment decision of mutual funds investors. | Dependent variable- mutual fund
Independent variable- investment decision, perception of investor, factor affecting mutual fund | Arithmetic mean and Standard deviation | The study findings show that majority of the investors perceived mutual funds as moderately risky investment option. |

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| 11. | Sumathy and Jisha (2022) | To measure the level of awareness of investors on mutual fund investment. | Dependent variable- Mutual fund
Independent variable- level of awareness and factor influencing investment decision | Descriptive research design and percentage analysis and tabulation | The result indicated that Most of the investors prefer growth income fund and regular return fund. |
| 12. | Rani and Jora (2022) | To study the factors responsible for the preference for mutual funds as an investment option. | Dependent variable- Mutual fund investment behavior
Independent variable- risk perception, investment criteria, mutual fund awareness, financial literacy | Descriptive Statistics | The finding shows that an inadequacy of awareness of mutual funds as a reason for the failure of mutual funds among certain sectors of society. |
| 13. | Gangani and Patel (2022) | To know various factors of investment considered by the investors while selecting to invest in the mutual fund and to find out demographical factors of investors affecting investment decision in traditional investment plan and Mutual fund. | Dependent variable- Investment decision
Independent variable- Demographic factors, various factor of investment | Exploratory and Descriptive research design | The results of the study showed that Investors make investments based on recommendations from their friends, family, media, agents, and brokers also Investors prefer insurance plans the most. |
| 14. | Gidde and Gaikwad (2022) | To examine the awareness of individuals towards mutual fund and preferences toward it. | Dependent variable- mutual fund schemes
Independent variable- awareness of level and preference of mutual fund | Descriptive in nature | The conclusion and suggestion of this article is majority of respondents desire to buy money directly from asset management firms as well as through brokers. |

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|-----|--------------------------------|--|---|--|--|
| 15. | Gondaliya and Yagnik (2021) | To examine the factors influencing the mutual fund buying behavior of individual investor. | Dependent variable- Investment in mutual fund
Independent variable- saving objectives, buying behavior and satisfaction level of customer with mutual fund | Quota sampling according to their job and tools-frequency analysis, t-test, cross tab analysis | The findings suggest that it aims to meet children education and majority investor is interested in investing in insurance share, provident fund. |
| 16. | Chaudhary et al. (2021) | To assess the investor's Mind-set towards mutual funds in Kathmandu valley. | Dependent variable- Investment decision
Independent variable- Demographic, influencing factor, investment objectives and return on investment | Microsoft excel, SPSS Frequency, correlation | Finding the relationship among independent variable with dependent variable. |
| 17. | Bajracharya and Samdani (2021) | To examine the association between various demographic factors and criteria adopted by investors in their investment decisions. | Dependent variable- investment decision
Independent variable- Gender, age, education, monthly income | Chi-square test | the findings indicate Every variable appears to have a strong correlation with the choice to invest. |
| 18. | Dhall et al. (2021) | To examine the investor's awareness and perception towards mutual fund investment and to identify reasons for investor's preference for mutual fund investment | Dependent variable- Mutual fund investment
Independent variable- Investor's awareness and perception, investors preference and demographic variable | Chi-square test, bar graphs and percentages | The finding shows that majority of respondents think that investing in mutual funds in the public sector is safer than doing so in the private sector. |

19.	Wagle (2020)	To examine investor attentiveness towards mutual funds in Nepal.	Dependent variable- Mutual fund Independent variable- Investors attentiveness	Frequency, mean, median, and S.D, Correlation and Cronbach's	The finding show Investors were investing in mutual funds without sufficient knowledge although most investors were aware of political instability.
20.	Mittal (2020)	To analyze the impact of various demographic attitude towards factors on investors' mutual fund.	Dependent variable- amount of investment in mutual fund, knowledge about mutual fund, factor preferred in investment decision Independent variable- Annual income of the investors, qualification of investors, age of investors	Frequency distribution, percentage, chi-square, ANOVA And Average score analysis, CFA, Kruskal Wallis test	The results show that Demographic factors have impact on the investment decision taken by the investors.
21.	Shrestha and Shrestha (2020)	To analyze the demographic characteristics of individuals investing in mutual fund schemes of Nepal and to assess the perception level of individual investors towards mutual fund schemes of Nepal.	Dependent variable- Investment in mutual fund Independent variable- performance of mutual fund, fund manage qualities, corporate government and transparency, ease of investment, perception toward mutual fund	Mean, median, SD., skewness, kurtosis, correlation and regression.	The finding demonstrate that investor analyze the investment patterns of Nepalese mutual fund investors based on various parameter.
22.	Raja and Jagadees waran (2020)	To examine the investors' perceptions towards mutual fund schemes investment.	Dependent variable – investors perception Independent variable- MFS, MFCS	KMO and Bartlett's test And Cronbach alpha	The finding indicate Investors services related factors are important for taking investment decision.

23.	Meena and Sankar (2020)	To analyze the factor influencing investments decisions of retail investors in Mutual funds and to find out the motivating factors which encourages the investors to invest in mutual fund industry.	Dependent variable- Mutual fund and preference of retail investors Independent variable- Motivational factors and factors influences investment	Descriptive research design	The major findings Retail investors are mostly influenced by tax benefits, high returns, price, and capital appreciation when making investment decisions.
24.	Tripathi (2020)	To evaluate the outlook of customers towards investment with special reference to Mutual Funds and To examine the relationship between the risk and return activities of the investor.	Dependent variable- mutual fund Independent variable- risk and return	Descriptive research design	The conclusion of this study is 75% of respondents are preferring Systematic Investment Plan (SIP).
25.	Sahoo (2020)	To know the investor's preference towards different investment avenues.	Dependent variable- Mutual fund Independent variable- Investment avenues and mode of investment	Descriptive research design	The results shows that People are more likely to make traditional investments than mutual fund investments.

2.4 Research gap

While there have been several types of research related to investors responses covering various aspects of the mutual fund and securities market in the context of the Nepali financial sector. This study demonstrates how investor response, pace of mutual funds, public awareness and other factors affect investors investment in mutual fund schemes and

their degree of awareness regarding mutual fund investments. Independent variable like performance of mutual fund, fund manager qualities, corporate governance and transparency, ease of investment and perception towards mutual fund plays vital role in influencing investment in mutual fund. Research has been done by primary data in this study in 2024 is new because most of researcher's had done in secondary data. Some of studies focus variable like financial and accounting knowledge, investors consultations, reputation of mutual fund issuing companies, motivational factors and financial literacy which is new in research (Prajapati & Swongamikha, 2024). this research is based in causal-comparative research design whereas (Shrestha & Shrestha, 2020) had done exploratory research design. Data collection from respondents of 400 people has been done whereas (Chaudhary et al., 2021) has done from only 230 respondents. This research has created more effective in forecasting future trends and providing trustworthy information. investment perspectives in mutual funds to interested parties, academics, students, businesspeople and the corporation.

CHAPTER – III

RESEARCH METHODOLOGY

The research methods, methodologies and strategies employed in this study are all covered in this chapter. The population and sample, kind and source of data, model and research aim are discussed first, then the research strategy.

3.1 Research design

The study used a descriptive and causal-comparative research design in order to investigate the objective. The primary goal of the descriptive study approach was to characterize the respondent's characteristics based on their economic, educational and demographic traits. Descriptive research was primarily used to describe, explain and validate findings. This research approach was used to characterize the variables under investigation, as well as to examine the characteristics of respondents, their available investment options, how they felt about mutual funds and the factors that persuaded them to do so. In order to ascertain the cause-effect relationship between the variables, a causal-comparative study design was chosen. It established the relationship between changes in independent factors and dependent variables.

3.2 Population and sample, and sampling design

The total group from whom samples are taken is referred to as the population. The particular group from which data has been collected is called a sample. All individual mutual fund investors were the demographic chosen for this investigation. Convenience sampling was used in the study to choose samples, gather data from the samples and analyze the findings because the population of investors is broad and diverse. The participants were chosen using the convenience sample approach because of their close proximity and ease of access. The study's population consisted of all mutual fund investors in the Kathmandu valley. Investors were defined as any individual who now had mutual fund investments. Data collection from investors in mutual funds was the goal of this study. The sample size has been determined for calculating representative sample size when the population is unknown, with the following Cochran's 1977 formula (Kotrlík et al., 2001).

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where, n_0 = Sample size for infinite population

Z = Critical value of desired confidence interval

p = Estimated proportion of an attribute that's present in population

e = Level of significance

With Confidence Interval of 95% and 5% level of significance

Here,

Z = 1.96, p = 0.5, q = 0.5, e = 0.05

Then, $n_0 = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05)^2} = 384$ which is the optimal sample size.

The respondents fall into a variety of categories, including retirees, working adults, business peoples and students. questionnaire data was collected from 400 respondents.

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

The study used both primary data and secondary data as source of information. the use of an online survey with a structured questionnaire, primary data was gathered. The purpose of the questionnaire was to gather personal data from the respondents, including their age, gender, degree of education, type of work, range of income and opinion on mutual funds. The questionnaire also contained research questions about the variables being investigated. There were three different types of questions on the questionnaire: multiple choice, Likert scale and single option. Journals, papers, periodicals, websites, books and other secondary sources of information have been gathered in order to study the variables impacting mutual fund investment decisions.

3.4 Method of analysis

The results of the questionnaire were analyzed using several statistical techniques. The reliability test of the variables, demographic data, descriptive statistics, correlation analysis and multiple regression analysis were all examined using the statistical program SPSS 29.

Reliability test

The degree to which a research approach yields consistent and steady results is known as reliability. Cronbach's alpha test was used to evaluate the internal consistency, efficacy and dependability of the questionnaire's items. The standard for Cronbach's alpha is 0.7 or above.

Table 2

Reliability Test

Variables	Number of Items	Cronbach's Alpha
Performance of mutual fund	5	0.767
Fund manage qualities	5	0.751
Corporate governance and transparency	5	0.755
Ease of investment	5	0.751
Perception towards mutual fund	5	0.775

(Source: SPSS Version 29)

The acceptable level of alpha should be more than 0.7 so, all variables show satisfactory results.

Demographic statistics

The study of a population based on variables including age, gender, education, occupation and income is known as demographic analysis. The population was quantified by the demographic statistics using variables such as age, gender, income and occupation.

Descriptive statistics

In order to obtain a more comprehensive view of the data and present it in an organized and user-friendly manner, descriptive statistics are utilized. The mean, median and standard deviation measures of data central tendency were specified by the demographic statistics.

Mean which is calculated by dividing the total number of values by the number of values, is the arithmetic average of the range of values. The mean is computed in this study to determine the average of the answers provided by participants to the many factors that were examined.

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

Where;

$\sum X$ = value of responses of each dependent and independent variable

N = Total number of statements

Standard deviation is a statistical tool used to measure data dispersion in relation to mean. it is computed using

$$\text{Standard Deviation } (\sigma) = \sqrt{\frac{\sum x^2}{n} - \left[\frac{\sum x}{n}\right]^2}$$

Where;

σ = standard deviation

n = number of statements

$\sum x^2$ = sum of square of value of responses of each independent and dependent variable.

Correlation analysis

The correlation is tools used measures the relationship between two or more variable and it determine whether there is a positive or negative correlation between two variables.

It can be denoted by formula.

$$r = \frac{N\sum XY - \sum X \cdot \sum Y}{\sqrt{N\sum X^2 - (\sum X)^2} \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

Where;

N = number of statements

$\sum X$ = sum of statement in series X.

$\sum Y$ = sum of statement in series Y.

Multiple regression analysis

Regression analysis is a statistical method used in statistical modeling to estimate the relationship between variables. A statistical measure of the average association between two or more variables expressed in terms of the original data unit is called regression analysis.

$$Y = \beta + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + U$$

Where;

X_1 = Performance of mutual fund

X_2 = Fund Manage qualities

X_3 = Corporate governance and transparency

X_4 = Ease of investment

X_5 = Perception towards mutual fund

β = Constant term

β_n = Coefficient

U = Error terms

3.5 Research framework and definition of variables

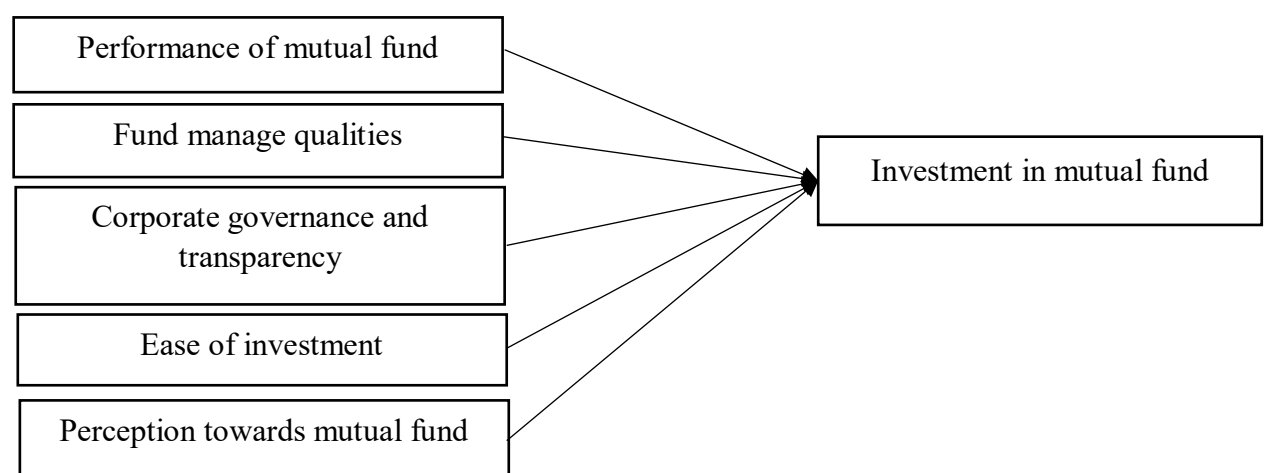
This study has five independent variables and one dependent variable. the dependent variable is influenced by the independent variable. the value of dependent variable is derived from the value of other variable, where as independent variable can increase or decrease the probability of making investment in mutual fund.

Figure 1

Research Framework

Independent Variables

Dependent Variable



(Source: Shrestha & Shrestha, 2020)

Performance of mutual fund

Making a distinction between the mutual fund's perceived and actual performance is crucial. The actual monthly return of mutual funds in Nepal was comparatively lower than the returns of NEPSE.

Fund manage qualities

It demonstrates how the attributes of the fund management affect whether or not investors invest in mutual funds. Fund managers are in charge of the actions and results that investors

take. The selection of the fund is significantly influenced by the attributes, experience, reputation and credit rating of the fund management.

Corporate governance and transparency

There is an agency issue involving the investor and fund manager. Due to the inherent differences in goals between investors and fund managers, investors look for professionalism and sound corporate governance from their fund managers. Investors are reassured that their financial interests are prioritized over the fund manager by virtue of the high caliber of professionalism and sound corporate governance.

Ease of investment

The term "ease of investment" describes how simple it is to invest in mutual funds. such as low beginning cost, great liquidity, wide range of products, etc.

Perception towards mutual fund

Due to their prior experiences and perceptions of every given object or event, people are prone to prejudice. an investor is not immune to these biases and misconceptions. An appropriate illustration would be investors propensity to make investments based more on perceived than real performance.

Investment in mutual fund as dependent variable

The values of the other variables are used to calculate the value of the dependent variable. The investigator endeavors to forecast, characterize or elucidate its fluctuations. The current study's dependent variable is investment in mutual fund. There is a possibility of both increases and decreases in the dependent variables. This study will employ regression and correlation to determine the effect of the independent variable on the dependent variable.

CHAPTER – IV

RESULTS AND DISCUSSION

This chapter focus on the results and discussion of primary data collected through questionnaire. Results and discussion involve analyzing and interpreting data using figure to answer questions and highlight key results. The analytic process involves recognizing issues, gathering data, selecting relevant methods, implementing them, then assessing and reporting the results. The chapter contains four sub-sections. The first part deals with respondent's profile through demographic data like Gender, Age group, Education, Occupation and Income status. The second part deals with descriptive statistics of independent variables such as POM, FMQ, CGT, EOI and PTMF along with dependent variable with IMF. third parts deals with inferential statistics where correlation, regression are calculated through SPSS software. This chapter aims to explore how to effectively extract meaning and consequences from research data to answer questions or test hypotheses. The last part analyzed the discussion obtained through analysis.

4.1 Results

In this section of results, the study examines the factors influencing investment in mutual fund schemes of Nepal using qualitative data analysis with respondent's profile and statistical tools like descriptive statistics and inferential statistics. Descriptive statistics encompass measures such as arithmetic mean and standard deviation offering an overview of the dataset. Inferential statistics involve analyses like Karl Pearson's correlation analysis and multiple regression analysis to explore variable relationships and determine the impact of different factors on mutual fund performance.

Respondent's demographic profile

This section discusses the respondent's demographic profile, as well as the analysis and interpretation of primary data acquired through questionnaires. This will provide information about demographic features of the respondents being studied. The respondents profile contains the Gender, Age Group, Education, Occupation and Income status of the respondents.

Table 3*Respondent's Demographic Profile*

Variable	Classification of variables	Frequency (N)	Percentage (%)
Gender	Male	192	48.0
	Female	208	52.0
	Others	0	0.0
Age Group	Below 20	17	4.3
	20-30	210	52.5
	30-40	92	23.0
	40-50	55	13.8
	50 and above	26	6.5
Education	SLC/SEE	12	3.0
	High school level	28	7.0
	Bachelors	215	53.8
	Masters	145	36.3
Occupation	Government Employee	36	9.0
	Private Employee	156	39.0
	Business Owners	72	18.0
	Retired	24	6.0
	Student	112	28.0
Income Status	Below 15000	86	21.5
	15000-30000	59	14.8
	30000-50000	121	30.3
	50000-100000	78	19.5
	100000 and above	56	14.0

(Source: SPSS Version 29), Frequency (N) =400 and Percentage (%) =100

Table 3 shows the respondent's profile contains 22 items and response collected from 400 MF Investor. The female respondents were 52% are higher than male respondents 48% and others is 0%. The respondents age group consisted of adults 20 to 30 represent higher 52.5% whereas, below 20 represent lower 4.3%. Respondents having education of bachelors are highest 53.8% and respondents having SLC/SEE 3% is lowest. The highest involvements are from respondents working as private employee 39.9% and lowest involvement is from retired 6%. The respondents belonging to highest income status of 30000 to 50000 was 30.3% along with the lowest income status of 100000 and above is 14%.

Descriptive statistics

This part is concerned with the descriptive statistics of the data obtained through the questionnaires during the research procedure. Descriptive statistics includes the calculation of statistical metrics such as mean, standard deviation, maximum and minimum values.

Table 4

Descriptive Statistics of POM

Performance of mutual fund	Mean	Std. Deviation
When it comes to investment opportunities, mutual funds provide superior returns.	2.3125	0.99364
Stability of past performance of mutual fund increase confidence to invest.	2.1350	1.04858
Investigated in portfolio diversification and risk reduction is important.	2.3800	0.96848
I evaluated the capital gain and return from the mutual fund investment.	2.3050	1.09314
The historical performance of mutual funds before investing is important.	2.2000	0.97333
Grand mean and SD	2.2665	1.01543

(Source: SPSS Version 29)

The Table 4 shows mean value and SD of POM, where mean value lies (highest) 2.3800 of investigated in portfolio diversification and risk reduction is important and (lowest) mean value 2.1350 of stability of past performance of mutual fund increase confidence to invest. Similarly, SD of investigated in portfolio diversification and risk reduction is important is (lowest) 0.96848, SD of stability of past performance of mutual fund increase confidence to invest is (highest) 1.04858. the mean value of When it comes to investment opportunities, mutual funds provide superior returns is 2.3125 and SD is 0.99364. the mean value of I evaluated the capital gain and return from the mutual fund investment is 2.3050 and SD is 1.09314. the mean value of the historical performance of mutual funds before investing is important is 2.2000 and SD of 0.97333.

Table 5*Descriptive Statistics of FMQ*

Fund manage qualities	Mean	Std. Deviation
Investment choices is influenced by fund managers experience.	2.1175	1.02289
I have faith that fund managers will make wise investment decisions.	2.3600	0.95008
When selecting a mutual fund, fund managers reputations are essential.	2.2425	1.00808
Before investing, I take the fund manager's track record and experience.	2.4275	1.02096
I examined the rating provided by an external rating agency, prior to making a mutual fund investment.	2.5200	1.19716
Grand mean and SD	2.3335	1.03983

(Source: SPSS Version 29)

The table 5 show the mean and SD of FMQ. The mean value of Investment choices is influenced by fund managers experience is 2.1175 and SD is 1.02289, likewise the mean value of I have faith that fund managers will make wise investment decisions is 2.3600 having relatively high mean and SD is 0.95008 lowest variability. the mean value of When selecting a mutual fund, fund managers reputations are essential is 2.2425 and SD is 1.00808. the mean value of Before investing, I take the fund manager's track record and experience is 2.4275 and SD is 1.02096 and mean value of I examined the rating provided by an external rating agency, prior to making a mutual fund investment is 2.5200 is highest mean and SD of 1.19716 is highest variability.

Table 6*Descriptive Statistics of CGT*

Corporate governance and transparency	Mean	Std. Deviation
I put my money into mutual funds that follow sound corporate governance guidelines.	2.1375	1.03502
It's significant that mutual fund activities be transparent.	2.2525	0.98802
My faith is strengthened by mutual fund's regular updates and reports.	2.4050	1.12211
Mutual funds that are open and honest about their costs and fees are my preference.	2.3425	1.01131
It's important to implement investing strategies in accordance with scheme prospectuses.	2.4075	1.09519
Grand mean and SD	2.3090	1.05033

(Source: SPSS Version 29)

The table 6 show the mean and SD of CGT where the average mean varies from 2.1375 to 2.4075 falls within similar range of approximately and SD of 0.98802 to 1.12211 shows moderate variability within the statements. I put my money into mutual funds that follow sound corporate governance guidelines has mean 2.1375 and SD of 1.03502. It's significant that mutual fund activities be transparent has mean of 2.2525 and SD of 0.98802. My faith is strengthened by mutual fund's regular updates and reports has mean 2.4050 and SD of 1.12211. Mutual funds that are open and honest about their costs and fees are my preference has mean of 2.3425 and SD of 1.01131. the most significant is It's important to implement investing strategies in accordance with scheme prospectuses has mean of 2.4075 and SD of 1.09519.

Table 7*Descriptive Statistics of EOI*

Ease of investment	Mean	Std. Deviation
Importance of growth prospects of mutual funds is mandatory.	2.1825	0.99834
Investing in mutual funds is an easy and straightforward process.	2.3675	0.99997
Having access to mutual funds via a variety of avenues facilitates investing.	2.2575	1.00185
It is simple to monitor and take care of my online mutual fund investment.	2.4150	1.05857
liquidity is crucial in mutual funds.	2.3400	1.04984
Grand mean and SD	2.3125	1.02171

(Source: SPSS Version 29)

The table 7 show the mean and SD of EOI. The mean value of Importance of growth prospects of mutual funds is mandatory is 2.1825 with lowest mean and its SD is 0.99834 with moderate variability. the mean value of Investing in mutual funds is an easy and straightforward process is 2.3675 and its SD is 0.99997. the mean value of Having access to mutual funds via a variety of avenues facilitates investing is 2.2575 and its SD is 1.00185. the mean value of It is simple to monitor and take care of my online mutual fund investment is 2.4150 having highest mean and its SD is 1.05857 is also high variability. lastly the mean value of liquidity is crucial in mutual funds is 2.3400 and its SD is 1.04984.

Table 8*Descriptive Statistics of PTMF*

Perception towards mutual fund	Mean	Std. Deviation
Mutual fund is to be a secure form of investing.	2.1550	0.99672
I have a favorable opinion on mutual funds overall.	2.5775	1.04245
My first preference for long-term investments is mutual funds.	2.3200	1.08884
Information from social media has an impact on how I perceive investments.	2.5125	1.10358
Mutual funds will help me reach my financial objectives.	2.3725	1.09624
Grand mean and SD	2.3875	1.06557

(Source: SPSS Version 29)

The table 8 show mean and SD of PTMF. Where average mean lies from 2.1550 to 2.5775 and SD lies from 0.99672 to 1.10358. the mean value of Mutual fund is to be a secure form of investing is 2.1550 and its SD is 0.99672. the mean value of I have a favorable opinion on mutual funds overall is 2.5775 and its SD is 1.04245. the mean value of My first preference for long-term investments is mutual funds is 2.3200 and its SD is 1.08884. the mean value of Information from social media has an impact on how I perceive investments is 2.5125 and its SD is 1.10358. the mean value of Mutual funds will help me reach my financial objectives is 2.3725 and its SD is 1.09624.

Table 9*Descriptive Statistics of IMF*

Investment in mutual fund	Mean	Std. Deviation
As part of my long-term personal financial planning, I will invest in mutual funds.	2.2400	1.09104
Investing in mutual funds will yield a higher return on investment with less risk than bank interest.	2.4025	1.05036
I will continue to invest in mutual funds in future.	2.2575	1.00684
I will suggest other people to invest in mutual fund.	2.2900	0.98403
I invested in mutual funds because they generate consistent income and returns.	2.4275	1.02585
Grand mean and SD	2.3235	1.03162

(Source: SPSS Version 29)

The table 9 show the mean and SD of IMF. The mean range lies from 2.2400 to 2.4275 and SD lies from 0.98403 to 1.09104. investment in mutual fund because they generate consistent income and returns is high, as part of long term personal financial planning invested in mutual fund is low.

Table 10*Descriptive Statistics of All Variables*

Variables	Minimum	Maximum	Mean	Std. Deviation
POM	1.00	5.00	2.2665	1.01543
FMQ	1.00	5.00	2.3335	1.03983
CGT	1.00	5.00	2.3090	1.05033
EOI	1.00	5.00	2.3125	1.02171
PTMF	1.00	5.00	2.3875	1.06557
IMF	1.00	5.00	2.3235	1.03162

(Source: SPSS Version 29)

Table 10 presents overall outcomes of independent variables (POM, FMQ, CGT, EOI, PTMF) and dependent variable of IMF. the mean varies from 2.2665 to 2.3875 and SD range from 1.01543 to 1.06557. PTMF has highest mean and SD and POM has lowest mean and SD. Additionally the outcomes are moderate.

Inferential statistics

Inferential analysis tests hypotheses to discover whether observed differences between groups or variables are real or coincide with chance. It generates new knowledge by making predictions and generalizations based on samples. The goal of this section is to present the process for examining empirical results and testing the hypothesis set developed in the previous chapter. This section has various analytical tool, which are as follows:

Correlation analysis

Correlation is a reality that assesses how much two things move in tandem with one another. A positive correlation occurs when two variables move in the same direction. The negative correlation occurs when one variable increase while another variable decreases. The term correlation is defined and stated as Pearson's product-moment correlation.

Table 11

Karl Pearson's Correlation Analysis of Study Variables

Variables	POM	FMQ	CGT	EOI	PTMF	IMF
POM	1					
FMQ	0.450**	1				
CGT	0.467**	0.495**	1			
EOI	0.440**	0.474**	0.454**	1		
PTMF	0.354**	0.423**	0.395**	0.471**	1	
IMF	0.384**	0.422**	0.404**	0.458**	0.452**	1

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

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

(Source: SPSS Version 29)

The table 11 deliberate the results of the Pearson's correlation between dependent variable IMF with independent variables POM, FMQ, CGT, EOI and PTMF. The correlation coefficient between IMF and POM was determined to be 0.384, It suggests they have a low positive relationship. Similarly, the correlation coefficient between FMQ and IMF was found to be 0.422, which indicate moderate positive relationship between them. Furthermore, the correlation coefficient between CGT and the IMF was determined to be 0.404, indicating a moderate positive association between them. The correlation coefficient between EOI and the IMF was determined to be 0.458 with strong positive relationship with IMF. lastly the correlation coefficient between IMF and PTMF has 0.452, which has

moderate positive relationship between them. Since, all the coefficient are less than 0.01 they are significant.

Multiple regression analysis

Regression analysis assesses the relationship between dependent and independent variables. It assesses the impact of independent variables on the dependent variable. This study uses regression analysis to identify factors that impact mutual fund investment decisions. Multiple regressions were utilized to investigate the relationship between independent variables like POM, FMQ, CGT, EOI and PTMF and dependent variable like investment in mutual fund.

$$Y = \beta + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + U$$

Where;

X_1 = Performance of mutual fund

X_2 = Fund Manage qualities

X_3 = Corporate governance and transparency

X_4 = Ease of investment

X_5 = Perception towards mutual fund

β = Constant term

β_n = Coefficients

U = Error terms

Table 12

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.576 ^a	0.332	0.330	0.84643

a. Dependent Variable: IMF

b. Predictors: (Constant), PTMF, POM, CGT, EOI, FMQ

(Source: SPSS Version 29)

As indicates in the table 12, we can see that R Square value is 0.332 which means that our independent variable causes 33.2% change in the dependent variable. However, remaining

66.8% is still unexplained in this research. Similarly, the std. error of the estimate 0.84643 shows the variability of observed value of investment in mutual fund.

Table 13

Analysis of Variance (ANOVA)

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	709.107	5	141.821	197.952	<.001 ^b
	Residual	1428.588	1994	0.716		
	Total	2137.696	1999			

a. Dependent variable: IMF

b. Predictors: (Constant), PTMF, POM, CGT, EOI, FMQ

(Source: SPSS Version 29)

As indicated in the table no 13, ANOVA results show the F value is 197.952 and the p-value is less than value of alpha 0.01. hence there is significant relationship between independent variables like POM, FMQ, CGT, EOI, PTMF and dependent variable is IMF. This implies that the research model is good fit in explaining the IMF.

Table 14

Regression Analysis for Dependent Variable IMF

		Coefficients ^a				
		Unstandardized		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig
1	(CONSTANT)	0.556	0.060		9.312	<0.001
	POM	0.110	0.023	0.109	4.903	<0.001
	FMQ	0.130	0.023	0.133	5.734	<0.001
	CGT	0.111	0.022	0.113	4.935	<0.001
	EOI	0.194	0.023	0.192	8.307	<0.001
	PTMF	0.213	0.021	0.222	10.174	<0.001

a. Dependent variable: IMF

(Source: SPSS Version 29)

$$Y = 0.556 + 0.110X_1 + 0.130X_2 + 0.111X_3 + 0.194X_4 + 0.213X_5 + U$$

The table 14 shows the regression coefficients results. As indicated that Beta coefficients in regression analysis describe how independent variables (POM, FMQ, CGT, EOI and PTMF) contribute to the variance of the dependent variable (IMF). The beta coefficient of POM, FMQ, CGT, EOI and PTMF are 0.110, 0.130, 0.111, 0.194 and 0.213 respectively which shows IMF are positively associated with POM, FMQ, CGT, EOI and PTMF. Since p-value is less than 1 percent level of significance, all independent variables (POM, FMQ, CGT, EOI and PTMF) coefficient are significant at 1 percent. As results shows all independent variables have significant impact on dependent variable.

Table 15

Test of Hypothesis

S.N.	Alternative hypothesis	Results
H1	There is relationship between performance of mutual fund and investment in mutual fund.	0.000<0.001, H1 is accepted.
H2	There is relationship between fund manage qualities and investment in mutual fund.	0.000<0.001, H2 is accepted.
H3	There is relationship between corporate governance and transparency and investment in mutual fund.	0.000<0.001, H3 is accepted.
H4	There is relationship between ease of investment and investment in mutual fund.	0.000<0.001, H4 is accepted.
H5	There is relationship between perception towards mutual fund and investment in mutual fund.	0.000<0.001, H5 is accepted.

(Source: SPSS Version 29)

Above table 15 shows there is exists of relationship between independent variables and dependent variable. the correlation is significant at 1% of level and p value < 0.001. Hence, all hypothesis is accepted.

4.2 Discussion

The main objective of this study is to analyze the factors influencing investment in mutual fund schemes of Nepal. Demographic components like Gender, Age group, Education, Occupation and Income status along independent variables like POM, FMQ, CGT, EOI and PTMF with dependent variable IMF are taken. Structured Questionnaire was distributed among the individual investors of mutual fund and collection of data were calculated through descriptive statistics and inferential statistics.

The descriptive statistics shows PTMF has high variability of mean with 2.3875 and high SD of 1.06557. POM has relatively low variability of mean with 2.2665 and low SD of 1.01543. FMQ has medium variability of mean with 2.3335 and SD of 1.03983. CGT has moderate variability of mean 2.3090 and SD of 1.05033. EOI has average mean of 2.3125 and SD of 1.02171. whereas IMF has moderate variability of mean 2.3235 with SD of 1.03162.

The correlation coefficients show the relationship between IMF and POM, FMQ, CGT, EOI, PTMF are 0.384, 0.422, 0.404, 0.458, and 0.452 respectively which are low degree positive correlation. It indicates that coefficients are less than 0.01 level they are significant to each other. multiple regression coefficient shows PTMF ($\beta_5=0.213$, $p=0.001$) which is less than 1 percent. POM ($\beta_1=0.110$, $p=0.001$) which is less than 1 percent. FMQ($\beta_2=0.130$, $p=0.001$) which is less than 1 percent. CGT($\beta_3=0.111$, $p=0.001$) which is less than 1 percent. EOI($\beta_4=0.194$, $p=0.001$) which is less than 1 percent. This shows there is positive effect between dependent variable with independent variable.

The correlation between IMF with POM shows low positive significant which is consistent with Shrestha and Shrestha (2020); Ghimire and Adhikari (2023) but contrasting with Meena and Sankar (2020). The correlation between IMF with FMQ is positive significant which is consistent with Ghimire and Adhikari (2023); Neerja et al. (2023); Prajapati and Swongamikha (2024) but contrasting with Bajrachrya and Samdani (2021). The correlation between IMF with CGT which is consistent with Shrestha and Shrestha (2020); Wagle (2020) but contradicts with Ramesh and Devi (2022). The correlation between IMF with EOI which is positive consistent with Shrestha and Shrestha (2020). The IMF has negative

correlation with PTMF which is consistent to Dhall et al. (2021). But contradict with Chaudhary et al. (2021).

The regression results show FMQ is negative insignificant consistent to Shrestha and Shrestha (2020) but contracts with Ghimire and Adhikari (2023) which shows positive effects. POM is positive significant with consistent to Ghimire and Adhikari (2023); Shrestha and Shrestha (2020) but contradict to which is insignificant to Meena and Sankar (2020). CGT is negative insignificant to Shrestha and Shrestha (2020). EOI is positive significant with consistent to Shrestha and Shrestha (2020) and PTMF is positive significant with Shrestha and Shrestha (2020) but contradict with KN (2023) which shows negative effect.

CHAPTER – V

SUMMARY AND CONCLUSION

This chapter has three sections. The first section is summary of the study, second section is conclusion and third section is implications. It interprets the facts, results and findings presented in the previous chapter. It develops assumptions and conclusions based on the findings. The conclusion outlines potential study implications and suggests additional investigation.

5.1 Summary

This study examined factors influencing investment in mutual fund schemes of Nepal. The literature analysis identified numerous elements that influence investment in mutual fund. There are several elements that influence investors to invest in mutual funds along the survey identified key factors performance of mutual fund, fund manage qualities, corporate governance and transparency, perception towards mutual fund and ease of investment. this study collects data from 400 respondent through online structured questionnaire who are living inside Kathmandu valley. The collection of primary data where to understand variables 30 items are used with corresponding under each item are tested through Likert Scale which was then analyzed using metrics such as mean and standard deviation. it also uses statistical tools like descriptive analysis, correlational analysis and regression analysis to determine investment in mutual funds and SPSS version 29 software was used to find the result.

The descriptive statistics show PTMF has highest mean with 2.3875 and S.D. of moderate which is 1.06557 whereas FMQ, EOI, CGT and POM are consistent respectively. The correlation analysis shows the relationship between independent variables (POM, FMQ, CGT, EOI, PTMF) and the dependent variable (IMF). All five independent variables have a positive correlation with the dependent variable. the multiple regression also shows the positive effect between independent variables with the dependent variable.

5.2 Conclusion

The first objective is to assess the current scenario of mutual fund performance in Nepal. This objective has been successfully assessed by demographic study of individual investing in mutual fund. Among 400 respondents living in Kathmandu valley. The female respondents were 52 % higher than male respondents 48 % and others is 0%. The respondent's age group consisted of adults 20 to 30 represent higher 52.5% whereas, below 20 represent lower 4.3% and 30 to 40, 40 to 50, 50 and above represents 23.0%, 13.8%, 6.5 % respectively. Respondents having education of bachelors are highest 53.8% and respondents having SLC/SEE 3% is lowest whereas high school level is 7% and masters is 36.3%. The highest involvement was from respondents working as private employee 39.9% and lowest involvement was from retired respondents 6% and government employee 9%, business owners 18%, students 28% respectively. The respondent's belonging to highest income status of 30000 to 50000 was 30.3% along with the lowest income status of 100000 and above is 14%. Whereas Below 15000 was 21.5%, 15000 to 30000 was 14.8% and 50000 to 100000 was 19.5% respectively. Finally, the respondent's response there are better position of mutual fund in Nepal.

The second objective of this research is to examine the relationship between the factors influencing mutual fund with the investment in mutual fund. the descriptive statistics show the different variable like POM, CGT, FMQ, PTMF, EOI have moderate Mean and SD with consistent to dependent variable which is IMF. The correlation analysis shows the relationship between IMF and other variable. The correlation coefficient between IMF and POM was determined to be 0.384, which is significant at the 0.01 level with a p-value of 0.000, It suggests they have a low positive relationship. Similarly, the correlation coefficient between FMQ and IMF was found to be 0.422, with a p-value of 0.000 indicating significance at the 0.01 level which indicate moderate relationship between them. Furthermore, the correlation coefficient between CGT and the IMF was determined to be 0.404, while the p-value was 0.000 which is significant at the 0.01 level, indicating a moderate positive association between them. The correlation coefficient between EOI and the IMF was determined to be 0.458, it indicates significant at 0.01 level with a p-value of 0.000 with strong relationship with IMF. lastly the correlation coefficient between IMF and PTMF has 0.452, which is significant to 0.01 level with p-value of 0.000 and has moderate relationship between them.

Third objective is to analyze the impact of factors influencing investment in investment in mutual fund. The multiple regression coefficient shows PTMF carries highest weight ($\beta_5=0.213$, $p=0.001$) which means one unit increase in PTMF leads to 0.213 increase in IMF remaining other variables constant. POM Carries lowest weight ($\beta_1=0.110$, $p=0.001$) which means one unit increase in POM leads to 0.110 increase in IMF remaining other variables constant. FMQ ($\beta_2=0.130$, $p=0.001$) which means one unit increase in FMQ leads to 0.130 increase in IMF remaining other variables constant. CGT ($\beta_3=0.111$, $p=0.001$) which means on unit increase in CGT leads to 0.111 increase in IMF remaining other variables constant. EOI ($\beta_4=0.194$, $p=0.001$) which means one unit increase in EOI leads to 0.194 increase IMF remaining other variables constant.

In conclusion since all independent variables are positive and significant. The multiple regression accepts the alternative hypothesis. there is positive relationship between independent variables and dependent variable.

5.3 Implications

Based on the summary and conclusions of this study the following implications have been conducted by researcher:

Economic stability: Stability in the economy often increases investor confidence, which encourages more money to be invested in mutual funds. On the other hand, lower investment and market volatility might result from economic instability. Interest rate affect borrowing costs and consumer expenditure, central bank interest rate policies have an immediate effect on bond mutual funds and an indirect one on equity funds. The purchasing ability of investment profits can be diminished by inflation. In high inflation conditions, mutual funds that have exposure to securities that are insured against inflation may do better.

Political environment: The laws and regulations of the government can have a big impact on mutual funds. Fund performance and investor returns may be impacted by modifications to tax laws, investment restrictions or financial policies. The worth of mutual fund investments may be impacted by price swings and uncertainty brought on by political unrest or geopolitical conflicts. Tax and spending decisions made by the government have an

impact on economic expansion, which in turn has an impact on mutual fund returns. Markets may benefit from aggressive fiscal policies, whilst restrictions on spending may have the reverse effect.

Market performance: The movements in the stock market have a direct impact on how well equities mutual funds perform. Markets that are bearish can result in losses, whereas bull markets usually yield larger profits. credit risk in the bond market and changes in interest rates have an impact on bond mutual funds. Bond prices typically decline in response to increasing interest rate. The condition of the economy has an impact on market performance. Mutual funds frequently perform well during economic booms, but return can be adversely affected by recessions.

Fund performance: The success of the fund is greatly influenced by the abilities and choices made by the fund management. Whereas passive management tries to mimic market indexes, active management tries to exceed the market. the general success of a fund is influenced by its asset allocation strategy, which determines how investments are distributed among various asset classes. Investing in diversified funds helps lower volatility and risk. higher net profit for investors is typically correlated with lower expense ratios. Exorbitant fees may reduce the advantages of strong performance.

Investor awareness: Knowledgeable investors are better able to make educated selections in economic downturns by having a solid understanding of mutual funds and market dynamics. Investor can make well-informed decisions by using the comprehensive information and explanations offered by mutual funds. Increased transparency promotes investment. Investment result can be enhanced through awareness of behavioral finance ideas such as recognizing risk tolerance and refraining from making rash decisions.

Mutual funds are subject to the influence of both internal and external factors, including investor awareness and fund performance, as well as external ones including market performance, political stability and economic stability. Every one of these components has a major impact on how well mutual funds perform and how appealing they are as an investing vehicle. Investors can negotiate the complexity of mutual fund investments and make more informed selections by being aware of these potentials impact.

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APPENDIX

Questionnaire

Dear, Respondents

I am Basanta Singh Dhimi, MBS student of Shanker Dev Campus, Putalisadak, Kathmandu. As part of my research project report, I am conducting a survey on “Factors Influencing Investment in Mutual Fund Schemes of Nepal”. This information collected shall be used solely for academic purposes only and strict confidentiality is assured. you are requested to fill up the following questionnaire and help me in collecting the information. thank you for your co-operation.

Section A: Demographic Information

Name of respondents:

Gender:

- a) Male
- b) female
- c) others

Age Group

- a) below 20
- b) 20-30
- c) 30-40
- d) 40-50
- e) 50 and above

Education

- a) SLC/SEE
- b) High school level
- c) bachelors

d) masters

Occupation

a) Government Employee

b) Private Employee

c) Business Owners

d) Retired

e) Student

Income Status

a) below 15000

b) 15000-30000

c) 30000-50000

d) 50000-100000

e) 100000 and above

Section: B following are the Factors influencing investment in mutual fund. Please select your option that shows a level of agreement or disagreement. The answer will be measured on a five-point Likert Scale. The five points measurement is explained below.

5- Strongly Disagree 4- Disagree 3-Neutral 2- Agree 1- Strongly Agree

Performance of mutual fund

S.N.	Statement	Response				
		5	4	3	2	1
6	Performance of mutual fund					
6.1	When it comes to investment opportunities, mutual funds provide superior returns.					
6.2	Stability of past performance of mutual fund increase confidence to invest.					
6.3	Investigated in portfolio diversification and risk reduction is important.					

6.4	I evaluated the capital gain and return from the mutual fund investment.					
6.5	The historical performance of mutual funds before investing is important.					

(Source: Field Survey, 2024)

Fund manage qualities

S.N.	Statement	Response				
		5	4	3	2	1
7	Fund manage qualities					
7.1	Investment choices are influenced by fund managers experience.					
7.2	I have faith that fund managers will make wise investment decisions.					
7.3	When selecting a mutual fund, fund managers reputations are essential.					
7.4	Before investing, I take the fund manager's track record and experience.					
7.5	I examined the rating provided by an external rating agency, prior to making a mutual fund investment.					

(Source: Field Survey, 2024)

Corporate governance and transparency

S.N.	Statement	Response				
		5	4	3	2	1
8	Corporate governance and transparency					
8.1	I put my money into mutual funds that follow sound corporate governance guidelines.					
8.2	It's significant that mutual fund activities be transparent.					
8.3	My faith is strengthened by mutual fund's regular updates and reports.					
8.4	Mutual funds that are open and honest about their costs and fees are my preference.					

8.5	It's important to implement investing strategies in accordance with scheme prospectuses.					
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(Source: Field Survey, 2024)

Ease of investment

S.N.	Statement	Response				
9	Ease of investment	5	4	3	2	1
9.1	Importance of growth prospects of mutual funds is mandatory.					
9.2	Investing in mutual funds is an easy and straightforward process.					
9.3	Having access to mutual funds via a variety of avenues facilitates investing.					
9.4	It is simple to monitor and take care of my online mutual fund investment.					
9.5	liquidity is crucial in mutual funds.					

(Source: Field Survey, 2024)

Perception towards mutual fund

S.N.	Statement	Response				
10	Perception towards mutual fund	5	4	3	2	1
10.1	Mutual fund is to be a secure form of investing.					
10.2	I have a favorable opinion on mutual funds overall.					
10.3	My first preference for long-term investments is mutual funds.					
10.4	Information from social media has an impact on how I perceive investments.					
10.5	Mutual funds will help me reach my financial objectives.					

(Source: Field Survey, 2024)

Please select your option that shows a level of agreement or disagreement. The answer will be measured on a five-point Likert Scale. The five points measurement is explained below.
 5- Strongly Disagree 4- Disagree 3-Neutral 2- Agree 1- Strongly Agree

Investment in mutual fund

S.N.	Statement	Response				
		5	4	3	2	1
11	Investment in mutual fund					
11.1	As part of my long-term personal financial planning, I will invest in mutual funds.					
11.2	Investing in mutual funds will yield a higher return on investment with less risk than bank interest.					
11.3	I will continue to invest in mutual funds in future.					
11.4	I will suggest other people to invest in mutual fund.					
11.5	I invested in mutual funds because they generate consistent income and returns.					

(Source: Field Survey, 2024)

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