

**FACTORS INFLUENCING INVESTMENT DECISIONS IN
MUTUAL FUNDS IN NEPAL**

A Dissertation submitted to the Office of the Dean, Faculty of
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Masters of Business Studies

by

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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 Decisions in Mutual Funds in Nepal”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

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

Rakshya Manandhar

January, 2023

Report of Research Committee

Ms. Rakshya Manandhar has defended research proposal entitled “Factors Influencing Investment Decisions in Mutual Funds in 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. Bikash Shrestha and submit the dissertation for evaluation and viva voce examination.

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This study entitled “Factors Influencing Investment Decisions in Mutual Funds in Nepal” has been prepared for the partial fulfillment of requirements for the degree of Masters of Business Studies. The research is focused towards determining the factors that influence the investment decisions in mutual funds in Nepal by the mutual fund investors.

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Abbreviations

A	Agree
D	Disagree
FS	Financial Status
GDP	Gross Domestic Product
IBM	International Business Machine
ID	Investment Decisions
IR	Investment Revenue
MPT	Modern Portfolio Theory
N	Neutral
PP	Past Performance
PT	Prospect Theory
RTB	Risk Taking Behavior
SA	Strongly Agree
SD	Strongly Disagree
SII	Sources of Investment Information
SLC	School Leaving Certificate
SPSS	Statistical Package for the Social Sciences

Abstract

Mutual funds have been an emerging financial investment alternative among the investors over the past few years. As the proverb says "Do not put all the eggs in the same basket", investors have been diversifying their investment by investing in mutual funds that utilize the investment of the investors in various sectors like shares and debentures, fixed assets, bank savings and deposits and various other areas. Hence, this study aims to study the factors that influence investment decisions in mutual funds. Modern Portfolio Theory and Prospect Theory have been used in this study. The independent variables under this study are financial status, risk taking behavior, investment revenue, past performance of the fund and sources of investment revenue. Investment decisions in mutual fund is taken as dependent variable. The primary data for the research has been collected through a structured questionnaire survey which was distributed among 384 samples which represents the sample size of the study. The study used descriptive, correlational and causal research design for the study. Various statistical tools like mean, median, mode, standard deviation, variance, correlation, regression analysis was used in the study. The findings revealed that financial status, risk taking behavior, investment revenue, past performance and sources of investment revenue had a positive relationship with investment decisions in mutual funds and financial status, risk taking behavior, past performance of fund and sources of investment revenue had a significant effect on investment decisions in mutual funds.

Keywords: Mutual funds, financial status, risk taking behavior, investment revenue, past performance, sources of investment revenue, investment decisions

CHAPTER I

INTRODUCTION

1.1 Background of the study

An investor has various alternative avenues to invest his savings in. Hence, savings are productively invested in assets depending on their risk and return characteristics (Ramanujam & Selvaveerakumar, 2014). Individual invest their surplus money in any of the investment avenue depending on their risk- taking capacity. Thus, individual's financial decision making depends on their attitude and behavior. Demographic profile also plays a vital role in investment decision of the individual. "No pain, no gain" is the general belief in the investment management. More risk lead to more profits. Investors invest in safe investment in order to reduce the risk in investment. But in such case investors can expect only moderate profit (Hemalatha, 2019).

Reilly and Brown (2016) defined investments as committing money in a given venture for a given duration in a bid to get a good return that would be a good compensation for the period the person chose to commit the funds and for the risk that he or she took. As a result, investment decisions typically involve forgoing current consumption while deferring the use of financial resources for greater future gains. Investors frequently base their decisions on a variety of investment analysis methods, such as technical analysis, fundamental analysis, and judgment. Another assumption is that market factors, investment outcomes of other investors, and the nature of information available influence investor decision making. Psychological factors influence market behavior and explain why individuals choose to sell, hold, or buy their investments.

According to the findings, predicted bonus issues, the company's profitability, upcoming dividends, the firm's potential for expansion, and prior success were the elements seen to affect investors' judgments. The five criteria were determined by factor analysis in the study, and the analysis also revealed that the highest discrepancy was found between the firm's growth potential and accounting data. The findings demonstrated that many investors based their investment choices on both wealth maximization and economic variables that can be found in financial literature. Lack of investment capital and high share prices were among the issues that were found to restrict people's ability to invest. This indicates that investors' low-income levels may

be one of the factors limiting their capacity to invest in the capital market, which ultimately limits the ability of manufacturing companies to operate.

Very few studies related to investors' behavior on stock market investment decision have been conducted on Nepalese stock market. Adhikari (2010) conducted a study to analyze the investment behavior of Nepalese investors. He observed that, when it comes to their self-reported levels of knowledge, experience, and stock-picking ability, investors are generally overconfident. They showed wishful thinking by believing that the value of the shares they own will increase. Depending on the respondents' age and gender, there was a discernible difference in their level of confidence in several investing-related factors. The study also revealed that the respondents' level of comprehension and the information that is available to them both have an impact on how they decide which investments to make. Most of the studies show that majority of Nepalese investors lack the knowledge necessary to examine the financial data of the companies they are considering investing in, which lowers the quality of their investments.

Thapa (2013) conducted a study on investment behavior of individual investors in Nepalese stock market. The study found that investors have no preference in the types of market for investment but they are motivated for short term profit. The result indicated that increase in the size of investment leads to decrease in the confidence level of investors, and size of investment has positive impact on the level of involvement and negative effect on investors' optimism. In risk taking attitude of investors, the researcher found that professional experience is positively related while size of investment is negatively related. Size of investment has significantly positive impact on the level of involvement and negative effect on investors' optimism; higher professional experience of investors tends to increase risk taking capacity while investors with large investment have lower tendency to take risk. Similarly, investors having higher level of confidence, involvement, optimism and risk-taking attitude tend to trade more frequently in the stock market. Thus, investment behavior of investors is highly influenced by their personal characteristics and psychology.

Wagle (2020) conducted a study to find out the investors' eagerness towards mutual funds in Nepal. The result of the study showed that Nepalese market is mostly male-dominated and most of the investors are interested to trade in the capital market for investment. Investors spend in mutual funds without sufficient knowledge of mutual

funds and investors prefer to invest in common stock rather than mutual funds. Mutual funds provide an opportunity for the risk-averse investors to share their risk into high return securities in the capital market (Paudel, 2010). Moreover, mutual funds are often popular among the investors due to its low transaction cost and safety for liquidity (Rathnamani, 2013).

Karki and Adhikari (2014) conducted a study on investment motive of individual investor in the stock of market of Nepal. They observed that the majority of investors invested for speculative purposes, while gambling was the least common investment motivation. The study also found a correlation between information and analysis, investment horizon, age, and stock market experience and investing purpose that was positive. Further findings from this study included a reasonable correlation between academic achievement and investment motivation, as well as a favorable correlation between knowledge and analysis and investment score. The study's findings also indicated that rumors and tips are crucial factors in Nepalese stock markets.

Bajracharya (2017) conducted a study related to investor's attitude toward mutual fund. According to the study, there is no correlation between investors' attitudes regarding mutual funds and their demographic and socioeconomic status. Investors give brokers and agents the highest priority as a source of information, while giving magazines the lowest preference. According to the study, the attitude of investors toward mutual funds is not reliant on demographic and socioeconomic factors only. Investors give top priority to brokers and agents as well, while choosing sources for their investments.

Currently there are 29 mutual funds in Nepal; out of which 25 are closed-end mutual funds and 4 are open-end mutual funds. Closed-end funds issue a certain number of shares for a particular period of time. They cannot increase or decrease the number of shares after the issue and such funds will mature over a predefined period. Its price is determined by supply and demand. Open-end mutual funds can increase or decrease the number of shares according to the requirement and they don't have a maturity period. Mutual funds are comparatively safer investment option compared to investment in stock market as the Nepalese stock market is characterized by low liquidity, high concentration and volatility. The investors too are not well-informed and demonstrate herd mentality, and trade on noise rather than on fundamentals. Therefore, mutual funds may prove to be a profitable investment for beginners who want to reap the benefits of the stock market without putting in the required effort. However, the investors need to

understand that even mutual funds are not 100% safe but they certainly hedge the inevitable risks in the securities market.

1.2 Problem statement

Research problem refers to a situation where a gap exists between actual and desired state (Sekaran & Bougie, 2013). A research problem is a requirement that a researcher has and for which the researcher is looking for a solution. It is an initial step in research that helps to specify the issue or motive of the study. The research is directed towards answering the following questions:

1. What is the relationship of financial status, risk behavior, investment revenue, past performance of funds and sources of investment information with investment decisions of individual investors in mutual funds?
2. What is the impact of financial status, risk behavior, investment revenue, past performance of funds and sources of investment information on investment decisions of individual investors in mutual funds?

1.3 Objectives of the study

The major objective of the study is to determine the factors influencing investment decisions in mutual funds in Nepal from the perspective of individual investor.

1. To examine the relationship of financial status, risk behavior, investment revenue, past performance of funds and sources of investment information with investment decisions of individual investors in mutual funds, and
2. To assess the impact of financial status, risk behavior, investment revenue, past performance of funds and sources of investment information on investment decisions of individual investors in mutual funds.

1.4 Hypothesis of the study

The hypothesis of the study to identify factors influencing investment decisions of individual investors in mutual funds are:

H₀₁: There is no significant relationship of financial status with investment decisions of individual investors in mutual funds.

H₀₂: There is no significant relationship of risk behavior with investment decisions in mutual funds.

H₀₃: There is no significant relationship of investment revenue with investment decisions of individual investors in mutual funds.

H₀₄: There is no significant relationship of past performance with investment decisions of individual investors in mutual funds.

H₀₅: There is no significant relationship of sources of investment information with investment decisions of individual investors in mutual funds.

H₀₆: There is no significant impact of financial status on investment decisions of individual investors in mutual funds.

H₀₇: There is no significant impact of risk behavior on investment decisions of individual investors in mutual funds.

H₀₈: There is no significant impact of investment revenue on investment decisions of individual investors in mutual funds.

H₀₉: There is no significant impact of past performance of mutual funds on investment decisions of individual investors in mutual funds.

H₀₁₀: There is no significant impact of sources of investment information on investment decisions of individual investors in mutual funds.

1.5 Rationale of the study

This study intends to examine the factors influencing an individual investor's decisions to invest in mutual funds of Nepal. There are number of researches that have been done regarding investment decision in mutual funds or unit investment trust throughout the world but limited research has been done in Nepal. This research makes a significant contribution for further research in the area of finding the factors influencing mutual fund investment from the perspective of an individual investor. Further, this research will aid academicians, practitioners and researchers in their study and aid them to focus on the most prevalent factors that influence the individual investors decision to invest in mutual funds to ensure their profitability and security of investment in the future. The significances of the study are as follows:

1. The study will assist investment banks to design, innovate products to educate investors about mutual funds and its benefits.

2. The study will help identify key areas, factors and elements for improving mutual fund industry in Nepal.

3. The study will be a useful reference for researchers planning to make similar studies.

1.6 Limitations of the study

The study has potential limitations. They are the constraints on generalizability, applications to practice or utility of findings. The following are the major limitations of the study.

1. The study has been conducted among limited number of mutual fund investors only.

2. Only five independent variables viz. financial status, risk taking behavior, investment revenue, past performance and sources of investment have been considered in this study.

3. The study has been carried out within a limited period of time.

4. The data has been collected through a self-administered questionnaire. Therefore, validity of the study depends upon accuracy of the data provided by the respondents.

5. The study is based on convenience sampling. Therefore, sampling bias may occur resulting to generalizing the findings of study to the group of mutual fund investors.

1.7 Chapter plan

The study has been divided into five chapters namely introduction, literature review, research methodology, analysis and discussion and summary and conclusion.

The first chapter is introduction which includes introduction of the study as an overview of the area of study. Along with brief background of the study, the study consists of problem statement, objective of the study, hypotheses of the study, rationale of the study, limitations of the study and chapter plan of the study.

The second chapter includes theoretical review and empirical review of the study that are relevant to the problem being explored. It presents the summary of major findings of previous studies that is relevant to the current study.

The third chapter includes research framework, definition of the variables, research design, population and sample, sampling design, nature and sources of data and methods of analysis of the present study.

The fourth chapter deals with analysis and discussion. This chapter analyzes the data gathered from the study and attempts to identify the relationship between the dependent and independent variable of the study and presents the analysis in the form of tables and figures.

The fifth chapter summarizes the research findings and appropriate recommendations are forwarded as the conclusion of the study.

Lastly, extensive references and annexures are presented at the end of study.

CHAPTER II

LITERATURE REVIEW

2.1 Theoretical review

The theories that are reviewed in this study are modern portfolio theory and prospect theory.

2.1.1 Modern portfolio theory

Modern portfolio theory was developed by Harry Markowitz in 1952. The theory aims to explain the need of diversification while making an investment. The modern portfolio theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Markowitz demonstrated that instead of focusing on the risk of each individual asset, an investor can invest in a diversified portfolio as the diversified portfolio is less volatile than the total sum of its individual parts. While each asset itself may be quite volatile, the volatility of the entire portfolio can actually be quite low. The theory is based on two major concepts; every investor's goal is to maximize return for any level of risk and risk can be reduced by diversifying a portfolio through individual, unrelated securities. Modern portfolio theory works under the assumption that investors are risk-averse who prefer a portfolio with less risk for a given level of return. Under this assumption, investors will only take on high-risk investments if they can expect a larger reward. The fundamental concept behind the theory is that assets in an investment portfolio should not be selected individually, each on their own merits but it is important to consider how each asset changes in price relative to how every other asset in the portfolio changes in price. According to modern portfolio theory, there are two components of risk for individual stock returns: systematic risk and unsystematic risk. Systematic risk refers to market risks that cannot be reduced through diversification. Modern portfolio theory does not claim to be able to moderate systematic risk as it is inherent to an entire market or market segment. Unsystematic risk is specific to individual stocks which can be diversified as the investors increase the number of stocks in portfolio.

This theory states that given a desired level of risk, an investor can optimize the expected returns of a portfolio through diversification. This can be done by investing

in less correlated assets and grouping correlated assets together with those that move in opposite directions to each another, so as to reduce risk for a given return. Modern portfolio theory requires an expected return to be specified for each asset but this can be difficult. While expected returns can be estimated using historical data, the past is not necessarily indicative of the future. An alternative is to replicate a market capitalization portfolio and combine it with a portfolio made up of the same assets but weighted according to the investor's views on expected returns for these assets and taking account of the investor's confidence in those views.

2.1.2 Prospect theory

Prospect theory was developed by Kahnemann and Tversky in 1979. It is a behavioral theory that explains how individuals choose between risky and uncertain options. It shows that people consider predicted utility about a reference point rather than absolute outcomes. Thus, according to prospect theory, people are loss-averse, which was established by framing uncertain options. Since people fear losses rather than equal gains, they are more likely to take risks to prevent a loss. This hypothesis corresponds to the following trend with risk due to biased weighting of probabilities (see certainty/possibility effects) and failure aversion

The investing behavior of individual investors is very different from that of institutional investors. Individuals prefer to spend comparatively more in terms of non-tradable properties, such as real estate, hedge funds, or structured goods. The term institutional investor is commonly used to describe an entity, such as a mutual fund, a hedge fund, or a charitable organization, that invests on behalf of others. According to this theory, investor behavior is one that an investor demonstrates in the quest for the acquisition, use, assessment, and disposal of products, resources, concepts, or experience to fulfill their needs and wishes. Environmental conditions largely impact the behavior of investors. While these variables are uncontrollable by the markets, they are quite significant in deciding the behavior of an investor. Investor actions suggest that investors modify their behaviors by purchasing and selling shares/commodities in different conditions. People's preferences will differ depending on whether the domain of outcomes is gain or loss and decision alternatives with outcomes above the reference point are viewed as gains, while outcomes below that point are viewed as losses. It is expected that decision makers tend to avoid risk when choosing between alternatives above the reference point, and take risk when choosing between alternatives below that

2.2 Empirical review

The study is carried out to identify the factors affecting investing decisions of investors in mutual funds. All these studies supported the various factors which effect on investment decisions on mutual fund. The study has reviewed some of the articles on related subject matter. The summary of the major articles on this subject is presented in *Table 1*.

Table 1

Review of empirical studies

Study	Major Findings
Arathy, Aswathy, Anju, & Pravitha (2015)	<ul style="list-style-type: none"> • Identified significant factors influencing investment decisions of retail investors in mutual funds • Observed investors perception and preference towards mutual funds • Identified various factors that prevent investors from investing in mutual funds • Found out motivating factors that encourages investors to invest in mutual fund
Velmurugan & Anand (2015)	<ul style="list-style-type: none"> • Identified various factors that influence investors in taking investment decisions in mutual funds
Begun & Rahman (2016)	<ul style="list-style-type: none"> • Found no association between the age of respondent and their preference towards mutual funds • Found a positive association between gender of respondent and their preference towards mutual funds • Found no association between the educational level of the respondent and their association towards mutual funds • Found positive association between the income level of respondent and their preference towards mutual funds • Found positive association between the savings of respondent and their preference towards mutual funds • Found no association between the occupation of the respondent and their preference towards mutual funds.
Gupta & Sharma (2016)	<ul style="list-style-type: none"> • Observed males to be interested to invest in mutual funds and females towards fixed income securities • Found investors with high income likely to invest more in mutual funds according to their risk capacity
Kaur & Kaushik (2016)	<ul style="list-style-type: none"> • Discovered significant links between mutual fund investing choices and different economic traits, investor knowledge levels, and investor views
Anjaneyelu, Rao, & Ramakrishna (2017)	<ul style="list-style-type: none"> • Found investors priority towards equity funds over mutual funds • Identified issue of lack of information on markets the major problem faced by the investors • Found positive correlation between factors influencing investment in mutual funds and motivating factors of investors
Bajracharya & Mathema (2017)	<ul style="list-style-type: none"> • Found no significant difference in preferences for investment given by investors • Found no significant difference in Asset Management Company preferences given by investors

- Singal & Mnarai (2018)
- Found significant relationship between investment behavior of an investor and investor perception about the fund
 - Identified the role of fundamental factors and investor perception in the investment decision making process
- Sarbabidya & Saha (2018)
- Found positive relationship between the factors which affect investment decision in the stock market of Bangladesh other variables being constant
- Sharma & Bhatia (2018)
- Found the perception of investors regarding non-conventional investment avenues have changed in a positive and progressive direction
 - Found fund characteristics, creditability, convenience, success factors and fund families to have higher impact on perception of investors
- Ul-Hameed, Imran, Maqbool, Ahmed, & Azeem (2018)
- Found positive relationship between risk and return and investment in mutual funds
 - Found positive relationship between demographic factors and investment in mutual funds
 - Found positive relationship between convenience and investment in mutual funds
 - Found positive relationship between reduction in transaction costs and investment in mutual funds
 - Found positive relationship between tax benefit and investment in mutual funds
 - Found positive relationship between transparency factors and investment in mutual funds
- Annamalah, Raman, Marthandan, & Logeswaran (2019)
- Observed that financial status is important in determining investment behavior
 - Identified risk taking behavior as an important aspect for investment behavior to purchase mutual funds
 - Identified investment revenues as key criteria for selecting stocks and instruments for investments
 - Observed external factors and forces to influence the behavior of investors
- Shrestha & Shrestha (2020)
- Found positive significant relationship between perception towards mutual fund and investment in mutual fund
 - Found a positive impact of ease of investment towards investment in mutual fund
 - Observed performance of mutual fund has a significant impact on investment in mutual fund
 - Observed corporate governance and transparency in mutual fund to have a significant relationship with investment in mutual fund
 - Found significant relationship between qualities of a fund manager and investment in mutual fund
- Patel & Trivedi (2020)
- Found that the portfolio scheme, prior fund performance, and fund liquidity are the main factors influencing investors' investment decisions in the Anand district
- Kumar, Kansal, & Jain (2020)
- Observed significant impact of dividend on investment decision of investment by urban, semi urban and rural respondents
 - Observed significant impact of capital appreciation on investment decision of investment by urban, semi urban and rural respondents
 - Found significant relationship between annual income and annual investment of the respondents

- Bagade (2021)
- Found significant difference between impact of safety on decision of investment by urban, semi urban and rural respondents
 - Found significant difference between impact of liquidity on decision of investors by urban, semi urban and rural respondents
 - Observed significant difference between impacts of liquidity on decision of investment by urban, semi urban and rural respondents
 - Observed significant difference between occupational status and preference of mutual fund investors based on type of ownership
 - Observed no significant difference between occupational status and mode of investment
-

Arathy, Aswathy, Anju, and Pravitha (2015) aimed at finding out the factors affecting investment decision on mutual funds and its preference over retail investors and factors that prevent the people to invest in mutual funds. Mutual fund is a retail item intended to target little financial investors, salaried individuals and other people who are threatened by the stock market but prefer to benefits of the stock market. Numerous offers are available in the mutual fund industry. The study found that driving force of mutual fund was the safety of principal guaranteed, plus the added advantage of capital appreciation together with the income earned in the form of interest or dividend people prefer mutual funds to bank deposits, life insurance, chit funds and even bonds, because with little money they can get into the investment game. In financial markets, “expectations” of the investors play a vital role. They influence the price of the securities; the volume traded and determines quite a lot of things in actual practice. These “expectations” of the investors are influenced by their “perception” and humans generally relate perception to action. The researchers have found ample proof for the wide prevalence of such a psychological state among mutual fund investors in India. It was widely believed that mutual fund is a retail product designed to target small investors, salaried people and others who are intimidated by the stock market but, nevertheless, like to reap the benefits of investors. The results explained that they are economical, sociological and psychological factors which control investment decisions. Thus, mutual funds act as a gateway to enter into big companies previously inaccessible to an ordinary investor with the small investment.

This study aimed to analyze the factors that influence the investment decisions with regards to mutual funds and retail investors perception and awareness towards mutual funds. The secondary objectives of the study was to identify the factors that prevent the investors from investing in mutual funds, to find out the motivating factors that

encourages the investors to invest in mutual funds industry and to analyze the performance of various mutual fund industries and suggest the best one. A survey of 200 mutual fund investors from two cities had been conducted to identify the factors influencing the fund selection behavior of the retail investors. Primary data were collected through structured questionnaires and personal interview method.

The study found that the investors look into the factors like tax benefits, return the investment, diversification of the investment, brand image and risk. Therefore, mutual fund companies should properly design strategies to improve the scope of mutual funds market. The study suggested to divide various groups of investors so that right product could be served to the right customer and proper information and knowledge should be provided to the investors to increase their loyalty and trust towards the mutual fund schemes. It was also proposed financial companies or institutions to ensure transparency and be capable of serving the needs of the retail customers as well as marketing the mutual funds products.

Velmurugan and Anand (2015) conducted the study to study the factors influencing mutual fund investment. The research was conducted with special reference to investor in pharmaceutical sector at Chennai metro city. Mutual fund companies collect money from savers and invest them in equities, bonds, government securities, money market instruments, etc. the fund managers want to give good returns to the investment so that they construct a diversifiable portfolio of investment. The objectives of the study were to identify the factors influencing mutual fund investment decision and to prioritize the various factors and analyze the major factors which influence investment decision in mutual fund. Investors aim to maximize their wealth and mutual fund is one of the options to investors. Mutual funds mobilize funds received from various sectors to invest in equity and non-equity linked sectors. As the fund managers seek for higher return from their investment, they invest in diversified portfolio of investment. Investors invest in mutual funds to gain higher return and less risk.

The study used primary data confined to Chennai metro city. Primary data was collected through structured questionnaire from the respondent of doctors, engineers, IT Professional of Chennai metro city. The methods used to analyze the data are Cronbach's alpha, factor analysis and regression analysis. Cronbach's alpha was calculated to measure the reliability of the questionnaire and results that had been obtained. Factor analysis was utilized for determining major factors influencing

investor perception towards making investment decision. Regression analysis was used to measure the impact of independent variables on the dependent variable. The dependent variable in this study was mutual fund investment and independent variables were type of fund, fund size, schemes portfolio, reputation of fund manager, past performance of fund, dividend history, prompt settlement, brand name of the fund, liquidity factors of fund, current market condition of fund, rating by rating agency of funds, redemption facility of funds, grievance redresses, risk taking ability of the investor, sustainability of the fund. The study concluded that the most important factors that played crucial role in investors were fund size, rating by rating agency, redemption facility of funds, prompt settlement and fund sustainability.

Begum and Rahman (2016) conducted an analytical study on investors' preference towards mutual fund investment with reference to target population of Dhaka city, Bangladesh. Retail investors were found to take their investing needs, aims, ambitions, and limits into consideration when making investment decisions, but it was not always convenient to do so. Diverse elements, including dividends, get-rich-quick strategies, success stories of successful investors, online trading, investor awareness initiatives, and other successful investors' experiences had an impact on investor attitudes. This study aimed to determine whether certain characteristics and investors' attitudes about mutual funds were related. A mutual fund is a type of investment vehicle that pools the savings of numerous small and retail investors to create significant amounts of capital. Earning a fair return with very little risk is the primary goal of investing in mutual funds. For average investors, mutual funds provided a significant alternative to traditional investments. Investment corporation of Bangladesh launched the first mutual fund in Bangladesh in 1980. The analysis of investors' preferences for mutual funds and the factors influencing those preferences is the major goal of this research. Researchers have examined the elements influencing investors' attitudes about mutual funds by using a five-point Likert scale in a structured questionnaire. The data was analyzed using descriptive statistical tools like the chi square test and factor analysis.

Gender, income, and savings were proven to be demographic factors that significantly affected an investor's attitude about investing in mutual funds. Mutual funds were preferred by investors for safety of principal and good amount of return. It was concluded that the majority of investors are not happy with their investments. The report had recommended certain crucial regulatory changes, raising investor

knowledge, and encouraging private enterprises to seek money through mutual funds, among other significant policy considerations.

Gupta and Sharma (2016) examined the factors effecting the satisfaction level of mutual funds investors in Jaipur City. A mutual fund is defined as a pool of money from numerous investors who want to save or make money. Putting resources into a shared asset could be more straightforward than trading individual stocks and bonds independently and putting resources into shared reserves permitted the financial backers to expand their portfolio across large number of securities to limit risk. Mutual fund was a popular investment avenue among the financial professionals due to several reasons like minimization of risks, selecting mutual funds on the basis of its past performance, availability of switching facilities, convenience, better return on minimum investment.

This study aimed to identify the satisfaction level of the investors with respect to their significant mutual fund companies and to identify the risk minimization level by mutual fund companies as per the investor's perception. The study was conducted among 90 individuals by using a research technique of simple random sampling who worked at financial institutions. Data were collected through primary sources and secondary sources. Primary data were collected through structured five-point Likert scale questionnaire and magazines, research papers, journals and books were used for secondary data. The results were analyzed by using descriptive analysis. The result obtained from the study agreed that risk can be minimized by investing in mutual funds. However, most of the investors faced the problem of conceptual understanding of mutual funds, problem solving issues, up to date information of the performance of mutual funds. To ensure better performance of mutual funds, companies needed to try to address the issues faced by the investors during investment, make convenient and easy to understand policies of mutual funds and provide regular update of net asset value of the mutual fund and regular update of the performance of mutual funds in layman's term so that people could better understand the performance of the fund.

Kaur and Kaushik (2016) aimed to study the objective to study the effect of selected determinants, such as the attitude, subjective norms and awareness on the investor's behavior towards mutual funds. The study established relationship between dependent and independent variables where the dependent variable was investment decision in mutual funds and the independent variables were socio-economic characteristics,

awareness levels and perception of an investor. Structured questionnaires were used to gather the main information about the socioeconomic traits, attitudes, and awareness of the respondents. Through the use of direct questions, information on numerous socioeconomic factors, including gender, age, marital status, education, investment criteria, income, and level of savings, has been gathered. The perceptions about mutual funds was measured on a five-point Likert Scale and the awareness about various aspects of mutual funds like net asset value, returns from mutual funds and risk associated with mutual funds has been measured with a three-point scale. Information was gathered by the researcher using a primary source of data. The questionnaires were sent by email, internet surveys, and face-to-face interactions. Out of 500 responses, 450 were deemed valid because some had non-responses on one or more items. The canvassing period for the first round was from August 2014 to October 2014, while the second round was from December 2014 to January 2015. The data was analyzed by using Cronbach's alpha, Barlett's test of Sphericity and the Kaiser-Meyer-Olkin test, regression method and Wilcoxon-Mann-Whitney test.

The result obtained from the study discovered significant links between mutual fund investing choices and different economic traits, investor knowledge levels, and investor views. The result obtained from the study showed that older people, females, private sector employees, entrepreneurs who have not studied the benefits of mutual funds didn't prefer to invest in mutual funds. In addition, the study showed links between respondents' economic status and demographic traits and their knowledge of mutual funds. In addition, the study recommended that mutual funds needed to raise awareness about mutual funds regarding their advantages, their hazards, and their myths. Further, the study recommended that mutual funds needed to increase their investment base and needed to aid in the financial development of an economy by raising mutual fund knowledge among particular groups in society.

A study conducted by Bajracharya and Mathema (2017) aimed at identifying investors preference towards mutual fund in Kathmandu Metropolitan City. A mutual fund is an investment vehicle that pools funds from various investors and invests the funds in stocks, bonds, short-term money-market instruments, other securities or assets or some combination of these investments. The study found that investment decisions were carefully taken by the fund managers after sound research and the decisions were in the significance of the unit holders. Mutual funds had emerged in term of flexibility,

variety, diversification, liquidity and benefits of tax. Investors with limited knowledge and resources that would otherwise be engaged to them due to inadequate resources and knowledge. In Nepal, mutual funds had emerged in term of flexibility, variety, diversification, liquidity and benefits of tax. Due to lack of resources and information, investors had to limit the knowledge and resources that would otherwise be available to them. Mutual funds had the potential to meet investors' needs; nevertheless, the key was to make the right decision and have a monitoring and control structure in place.

The study was based on primary data that was collected using a questionnaire method. A total of 220 investors had been considered for the study but due to lack of data, the result obtained from 207 respondents have been used for analysis of results. Data analysis had been done using SPSS 20 Software package. The researcher had used statistical techniques of Chi-square test for the result. The result showed that investors hesitated to invest in mutual funds as they are subject to market risk and preferred bank deposits as they were more secure than the mutual funds. Since the stock market of Nepal was volatile, people hesitated to invest their savings on the mutual funds.

A wide variety of problems were faced by investors while selecting mutual fund as an investment option as the share market uncertainties and risk associated with it so investors avoided the investing in mutual fund.

Anjaneyulu, Rao, and Ramakrishna (2017) aimed to analyze the investor's perception towards mutual fund and the performance of mutual funds in previous years. This study also examined investor's knowledge of various mutual fund schemes, factors that influence investor choice of mutual fund schemes, and issues specific to Mahabubnagar town that affected the mutual fund investors. Additionally, the study also focused on the variables that affect retail investors' decisions to invest in MF schemes. The purpose of the study was to establish a link between the motivating elements for investors that increased their levels of satisfaction and the factors influencing mutual fund investments. The factors taken into account include the monthly income of the investors, informational sources, the kind of fund in which an investor is interested, problems experienced by mutual fund investors, awareness among investors of the risks connected to mutual funds, and the method of mutual fund purchase. The study was carried out using self-administered questionnaires. The study's sample population was the town of Mahabubnagar, and data from the investors were gathered using a convenience sampling method. For the data analysis, 100 people were selected as a

sample and the study aimed to examine whether a positive or a negative correlation exists between factors influencing investment in mutual funds and motivating factors of investors which increase the satisfaction level.

The result from the study showed a correlation between factors influencing investment in mutual funds and motivating factors of investors which increases satisfaction level. The researcher conducted the survey in order to identify the numerous factors that investors who invest in mutual funds consider. Using Carl Pearson's Correlation Coefficient, the researcher discovered the following key variables: capital growth, high returns, tax savings, liquidity, safety and security, regular income, regular savings, risk, diversification, and ease of payment. Based on the results, it was profusely evident that financial institutions had to take these key factors into account when creating mutual fund products in order to draw investors from underserved places like Mahabubnagar town.

Singal and Manrai (2018) aimed at identifying the variables influencing mutual fund investing decisions and the effects of behavioral variables on investors. The researchers also sought to learn about the contributing factors that discourage individuals from investing in mutual funds. The study helped to benefit mutual fund businesses to determine the areas that needed improvement and also enhanced marketing tactics. Also, it would aid mutual fund firms to develop fresh and unique products in line with the orientation of investors. Investment in mutual funds was the dependent variable for this study, and the fundamental variables and investor perception were the independent variables. The study was based on the hypothesis regarding significant relationship between investment behavior of an investors and fundamental factors affecting mutual funds. The second hypothesis of the study was to identify whether there was a significant relationship between investment behavior of an investor and investors perception about the fund. Both primary and secondary data were used in the study; where literature review, interview and focus group discussion were used for secondary data and self-administered structured questionnaire were used for primary data collection and results were obtained from 226 respondents. The data obtained from the respondents were analyzed using Kaiser-Meyer Olkin measure of sampling adequacy and Bartlett's test of sphericity, chi-square test, correlation test and multiple regression analysis.

The result of the study showed that fundamental factors and investor perception plays a vital role in the investment decision making process of the investors. Fundamental factors like past performance, experience of the fund manager, risk, return and diversification were important aspects that determined the decision-making process of an investor. Before making any type of investment, investors must think about the security of their mutual fund investments and conduct proper research regarding the performance of the funds. In order to expand the mutual fund market's reach, the study advised mutual fund product designers to develop strategies for introducing novel products. It was also advised that investors should be properly informed in order to foster trust and loyalty among the investors, and mutual fund providers had to prioritize conducting financial literacy programs and increasing investors education.

Sarbabidya and Saha (2018) examined the factors affecting investment decisions in the stock market from the perspective of Bangladesh Stock Market. Investors invested in both primary and secondary market for earning profit. However, several issues such as insider trading, syndication, sudden changes in policies, rumors, volatile market conditions had an adverse effect on the investors. Such factors impacted the natural growth of the investment in the market.

The study was conducted by collection of both primary and secondary data. Sample of 100 respondents were taken using random sampling method from among the investors of brokerage houses in Chittagong and Comilla. Primary data was collected through self-administered questionnaire using five-point Likert scale measurement. Secondary data had been collected through literature review of articles, research papers, journals, survey reports, annual reports, websites relevant to the subject matter that was studied. The results obtained from the study were analyzed by using reliability analysis, validity analysis and multiple regression analysis. Various factors had been undertaken for the purpose of this study; some of which were risk tolerance of the investors, accounting information, personal financial needs, advocate recommendation, neutral information, stakeholders attitude towards company, human mindset expectations, sentiments, excitement, past and present stock performance, earnings per share, real dividend growth, higher income countries, inflation and interest rate, interest rate and foreign exchange risks, macroeconomic factors, consumer price index, financial literacy, political stability, use of internet, language and transaction costs.

The result indicated that risk tolerance, true accounting information, past and present stock performance, earning per share, GDP, other macroeconomic issues of the country, political stability were the major factors affecting investment decision. Negative influence of such factors was found demotivating the investors in Bangladesh and effective measures were required to be taken for the same.

Sharma and Bhatia (2018) aimed to identify the factors influencing investors perception towards investment in mutual funds. The study aimed to ascertain how investors viewed mutual funds as a form of investment, analyze the investors awareness and perception regarding investment in mutual funds and identified the factors affecting the perception of investors towards mutual funds. The population of this study were a group of investors in Delhi and the sample of 100 respondents were collected through structured questionnaire by using purposive sampling technique for sample selection. Primary data were collected from the respondents on various factors of the study such as characteristics of fund, credibility, convenience of the process, success factors and fund family. The methods used for analysis of data are Kaiser-Meyer-Olkin test, chi-square test, Barlett's test of Sphericity, Varimax rotation matrix.

The study's findings discovered that the majority of respondents with limited investing ability choose mutual funds, and that investors' perceptions of mutual funds were positive and moving in the right way. Tax advantages, high returns, pricing, capital appreciation, liquidity, and minimal beginning mutual fund investment were the main elements that affect fund characteristics. The result showed that the investor's perception regarding non-conventional investment avenues had changed in a positive and progressive direction. Credibility of the fund was affected by brand image, chosen information source, prior results, and transparency. Convenience was influenced by switching options, prompt grievance procedures, and prompt service. Quality of service, research, and offer document simplicity were the success criteria, and management structure, huge funds, and outsourcing were the elements impacting fund families. The study revealed that the investors' perception depended on various demographic factors like gender as the demographic composition revealed that female segment was not fully tapped and also there was low target on higher income group people. Therefore, the study recommended fund managers to take steps to tap the female segment and higher income group segment to enhance more investment in this investment avenue in the mutual fund industry. The research's conclusions showed that

fund qualities, credibility, convenience, success factors, and fund family had a greater influence on investors' perceptions. Those elements provided them with the necessary boost during the investment process. Thus, it became crucial for the fund managers to improve these aspects in order to draw in more investors and maintain the confidence those investors have in them.

Hameed, Imran, Maqbool, Ahmed, and Azeem (2018) conducted a study to investigate the various factors influencing people to invest in mutual funds and examined the mediating role of investor's perception. According to the study there were a number of magazines, newspapers available to support the investors in making decision about their investment but the investors did not have sufficient expertise to understand the information provided in the magazines or newspapers and make right decision. Investors were also exposed to a number of broadcasting tools like websites and financial software packages to broadcast the variables properly and make decision about asset allocation. However, due to lack of information at the investors' end, the investors could not make appropriate decisions. The study suggested to make investment decision by hiring brokerage firms that would invest according to the investors' preference, objectives and constraints.

In this study, investment in mutual fund was taken as a dependent variable and the independent variables were risk and return, liquidity of assets, demographic factors, convenience, reduction in transaction costs, tax benefits and transparency and the moderating variable of this study was the investors' perception towards mutual fund. The population for the study was the individual investors from Pakistan and the sample from the population was drawn by using convenience sampling. The data was collected by using a quantitative research approach and cross-sectional design was elected. The data collected from 244 questionnaires were used to analyze the data and the study used SmartPLS 3 as a statistical tool to analyze the data.

The analysis of the study was divided into two parts: the first part being examination of reliability and validity and the second part was assessed to test the hypotheses by using structural equational model. Factors loading, Cronbach's alpha, composite reliability, discriminant validity and average variance extracted were examined to analyze the data. This study was done to examine the many variables that affect investors' mutual fund investment choices. The survey's findings showed that risk, return, and asset liquidity all benefited investments in mutual funds. Investors who took part in the study thought there was little risk associated with returns and liquidity in mutual funds. Age, financial

status, and demographic variables like gender continued to have a big impact on mutual fund investment choices. When compared to female individual investors, male investors were more likely to make mutual fund investments. The desire to invest in mutual funds intensified as one got older. More so than other types of investment plans, married persons also had a higher likelihood of investing in mutual funds. Since, investing in mutual funds had become convenient, more people had expressed interest of investing in mutual funds. In addition, other elements including low transaction costs, low tax rates, and mutual fund transparency appeared to lure investors to make mutual fund investments.

Annamalah, Raman, Marthandan, and Logeswaran (2019) investigated the determinants of an investor's decision in unit trust investment. The study aimed to examine the variables that affected an investor's choice to invest in a unit trust. In this study, four factors were looked at to see how they influenced the investment behavior in unit trusts. The results obtained from the study showed that there was no statistical association between the investors' investment behaviors and the return and revenue on investments. It was discovered that the investors' decisions about unit trust investments were significantly influenced by their financial situation, risk-taking tendencies, and information sources. Among them, the availability of information had a significant impact on investors' behaviors, followed by risk-taking behavior and personal financial situation. The overall relevance of the influencing factors identified in this study, however, was shown to be quite modest when it came to the modification of investment. The study was conducted using a quantitative research methodology and survey data from 202 participants were drawn using a practical sampling procedure. This cross-sectional study analyzed the primary data. The measurement scale used in this research study were five- point Likert scale and SPSS software was used to analyze the results obtained from the data. Multiple regression analysis, Cronbach's alpha test, correlation analysis had been used for data analysis. According to empirical study, an investor's financial situation, risk-taking tendencies, and informational sources all had a big impact on how they chose to invest in unit trusts.

According to the findings of this study, investors' investment behaviors for unit trust investments were influenced by their financial situation. Sensible investors followed the conventional pattern and used their financial situation to influence their investment behavior. However due to change in economic pattern, there were more investors who

do not follow these conventional patterns. To assist to improve in profits and incomes, investors were willing to invest and treat investments like a type of gambling. The ability of risk-taking behavior to affect an investor's investment behavior was discovered. As a result, the relationship differed for different people. Investors from higher socioeconomic classes or financial backgrounds were able to tolerate more risks because of their financial resources, in contrast to investors from lower socioeconomic classes who have limited financial resources in order to be effective. The results supported earlier studies' findings that information accessibility had a significant impact on how investors behave when making investments.

Shrestha and Shrestha (2020) aimed to identify the critical factors influencing investment in mutual fund schemes of Nepal. The most popular and favored financial security among Nepalese investors continued to be fixed deposit. Investors chose to invest in shares although investing in mutual funds offered advantages like reservations in public offerings and avoiding double taxation in addition to dividends paid to investors. The objectives of the study was 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. The dependent variable of this study was investment in mutual funds and the independent variables were performance of mutual fund, fund management qualities, corporate governance and transparency, ease of investment and perception towards mutual funds. Descriptive research design was used to describe the characteristics of mutual fund investors and their perception towards mutual fund and explanatory research design was used to explain the relationship between performance, perception, fund managers qualities, ease of investment, corporate governance factors and ease of investment in mutual fund schemes. The primary data was collected from 237 mutual fund investors by developing a well-structured questionnaire. The questionnaire was developed in the form of multiple choice options and five-point likert scale. The data derived from the study was analyzed by using mean, median, standard deviation, skewness, kurtosis, correlation and regression to describe and analyze the relationship between dependent and independent variables. The reliability and consistency of the data was also measured using Cronbach's alpha.

The perception of mutual funds, the simplicity of investing in them, and their performance had a significant impact on investments in mutual funds; therefore, fund

managers had to take these factors into account when designing mutual fund schemes and needed to make sure that the financial objectives of the target investor group were properly addressed. The fund management needed to act professionally and uphold good governance because corporate governance and the fund manager's reputation were crucial requirements for the investment. Despite being the owners of the funds, investors in mutual funds do not hold any key positions or power of decision. Therefore, protecting the financial interests of unit holders required a considerable contribution from regulators and policymakers. This decision made it possible to encourage and raise general investors' involvement in Nepal's capital market and mutual funds.

Patel and Trivedi (2020) aimed to identify the variables that affect other people's preferences and investing decisions. The study examined the various aspects that investors consider while choosing mutual funds.

This study was conducted using a descriptive research design. Sample size of 200 investors were taken which was determined using a structured questionnaire and the survey was conducted in Gujarat's Anand district. The researcher used a structured questionnaire to gather the study's main source of data and secondary data was gathered from a variety of sources, including annual reports of banks, websites, research papers, publications, and books. SPSS was used to analyze the data and find out the results.

Since the purpose of the study was to identify the variables that affect other people's preferences and investing decisions, the findings could help mutual fund companies identify areas for improvement and can boost marketing plans. The study examined the various aspects that investors consider while choosing mutual funds. The study found that the portfolio scheme, prior fund performance, and fund liquidity are the main factors influencing investors' investment decisions in the Anand district. Before purchasing shares, investors needed to conduct a fundamental, technical, and financial study. The study also suggested the companies to aware customers about the company they can invest in, provide expert advice regarding market conditions. Furthermore, the study also found that customers relied on those experts who helped and gave advice on market conditions and development of their funds as some investors lack confidence and knowledge regarding the market conditions and investment.

Kumar, Kansal, and Jain (2020) conducted a comprehensive study of factors influencing investor's perception investing in mutual funds. Trustees were considered

the best option for investing in this uncertain market. People invested in investment funds in different ways for different reasons. It had become important to study the factors that influenced the decision of investors to invest in investment funds. Investing in mutual funds included risk, but this industry was growing rapidly. In this research paper, researchers encouraged potential investors to invest in mutual funds in order to develop appropriate strategies for such investment schemes providers to attract more investment from the market.

Researchers investigated various motivating factors that drove potential investors to invest in investment trusts in order to develop appropriate strategies for mutual funds to attract more investment from the market. The purpose of this study was to analyze the factors that influence individual investors in investment decisions related to mutual funds, and to investigate the opinions and trends of investors regarding mutual funds. This research paper attempted to analyze the factors that influenced mutual fund investment decisions in relation to urban, semi-urban and rural investors, and also provided insights into investor perceptions and awareness towards mutual funds.

The data was randomly collected among the investors who had invested at least once in any of the investment options from the three segments rural, semi-urban and urban areas. Total of 300 samples were received and the result obtained from them were further used for analysis. The study identified that various factors like dividend, capital appreciation, safety, liquidity and tax benefits had significant effect on the investors' decision of investing in mutual funds. The study suggested that the mutual fund product required to be planned and created in such a way to improve the scope of mutual funds market. The need and inclinations of each section of investor were different so the mutual fund should be intended to cater the need of each fragment of investor. For expanding the trust and faithfulness among different kinds of investors, complete and appropriate data should be conveyed to them.

Bagade (2021) conducted a study on an analysis of selection behavior of retail investors towards mutual funds with reference to Ahmedabad district, Gujarat. The behavior of retail investors toward mutual funds is examined in this study, along with the various factors that influence mutual fund selection, as well as what investors consider when they invest in various mutual fund categories. Despite the rapid expansion of investors in the mutual fund sector, little is known about personal preferences and decision-making. Individual individuals make various choices when it comes to mutual fund

investments. When investing in mutual funds, investors take a lot of aspects into account. This study presented research based on many variables that influence mutual fund selection and help understand the actions of retail investors.

The objectives of the study were to study the selection criterion adopted by retail investors when making investment in mutual funds, to analyze the risk-return perception of mutual fund for retail investors, to know various factors that may affect selection in mutual funds directly or indirectly. The primary data was collected from 220 mutual fund investors by developing a well-structured questionnaire. The questionnaire was developed in the form of multiple choice options and five-point likert scale. The data derived from the study was analyzed by using mean, median, standard deviation, correlation and chi-square test to describe and analyze the relationship between dependent and independent variables.

The findings from the study revealed that most of the respondents invest in mutual funds because of better return and safety assured by mutual funds and the other attractions are diversification of investment and regular income from mutual funds. When making purchase decisions of mutual funds, the investors prioritize funds performance record and reputation of the scheme and majority of the investors assume comfortable levels of risk in mutual fund investment and expect good and steady return from their investment in mutual funds.

2.3 Research gap

A research gap identifies the questions that have not been addressed or resolved in earlier research that has been published as journal articles, books, or reports. "Past Performance" as a factor affecting investment decisions in mutual funds has been considered by only a few researchers. Thus, this study tries to show the effect of past performance in investment decision making by possible investors in mutual funds. There have been numerous studies on the factors that influence investment decisions in mutual funds. However, only a limited number of studies have been made regarding the determinants of investment decisions in mutual funds in Nepal. Thus, this study aims to build a foundation for further study in mutual funds sectors in context of Nepal.

CHAPTER III

RESEARCH METHODOLOGY

The research methods section describes procedures that are used to identify and analyze information regarding a specific research problem. It is a set of procedures that is used to identify, select, process and analyze information about a topic to evaluate the study's overall reliability and validity. This section of the research paper aims to justify the methods used for the study based on the research objectives of the study. This section of the research paper answers how the data was collected and how it was analyzed. It consists of six different sections. The first section includes description of research design. The second section is about the population and sample of the study and the third section is about the nature and sources of data collection. The fourth section is about definition of variables, the fifth section is about methods of analysis and the sixth section is about the limitations of the study. This section explains the data collection procedure and methodology used by researcher for analyzing the given data.

3.1 Research framework and definition of the variables

A research framework has been used to focus on the variables of the study. Investment decision has been identified as dependent variable and financial status, risk behavior, investment revenue, past performance, sources of investment information. The research framework of the study is shown in Figure 1.

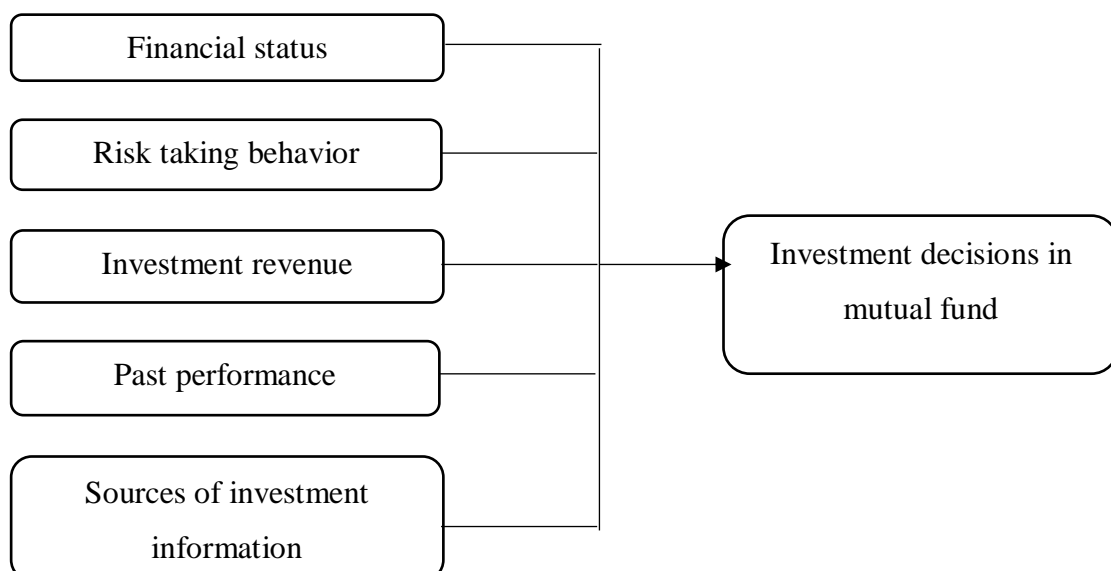


Figure 1: Research framework of the study (Annamalah, Raman, Marthandan, & Logeswaran, 2019)

The research framework depicts that the study aims at studying the factors that affects investment decision of investors while investing in mutual funds. The variables namely financial status, risk taking behavior, investment revenue, past performance and sources of investment information are the independent variables of the study and investment decision in mutual fund is the dependent variable.

3.1.1 Financial status

Financial status of an individual is the most important aspect in influencing their behavior for the purpose of investment. It is critical to understand that an individual's financial situation indicates the amount of savings that the investor has, as well as their fixed income, such as wages and salaries that the investor receives on a monthly basis, and that these financial resources are the most important when it comes to supporting one's investments. The better an individual investor's financial situation, the more likely they are to exhibit positive behavior when investing in an investment stock or instrument, and they also tend to invest large sums of money. Gongalez and Carrascal (2017) stated that the investors' financial situation influences their investment decisions. Most rational investors will base their investment decisions on their financial situation, but current trends show that the number of investors who invest in larger amounts has increased, despite the fact that they are middle-income earners. They are willing to invest to increase their earnings and income. A study undertaken by Waweru, Munyoki, and Uliana (2008) concluded that financial status influences investor behavior in terms of making investments and treating investments as a form of financial planning to increase their wealth. As a result, an individual's financial situation influences the investor's desire to invest their money, as well as the amounts that they invest in stocks and shares. A study by Tan, Chiang, Mason, and Nelling (2008) have also investigated investment behaviors for mutual fund investment, and the findings revealed that an individual's financial situation has a significant influence on the investors' behavior. Furthermore, they stated that the investors' financial situation will most likely influence their investment amounts as well as the level of risk that they are willing to take. Investors with low financial status take little risk, and a unit trust is their preferred investment instrument, as opposed to investors with higher financial status who are willing to take risk in order to invest in risky instruments that generate higher returns.

3.1.2 Risk taking behavior

In layman's term, risk is the possibility of something bad happening. In finance, risk is defined as the possibility that the actual gains from an outcome or investment will differ from the expected outcome or return. The possibility of losing some or all of an initial investment is included in risk. Therefore, there is a need to identify the risk in order to ensure accomplishment of goals. Individuals' risk-taking behavior refers to their ability to take risks in their investments or other actions. A risk-taking attitude or behavior is necessary when making investments, and risk-taking behavior is also used by individuals when selecting stocks. The investment instrument carries a different level of risk to investors. An investment in ordinary share or stock carries a higher level of risk while also providing higher level of returns and earnings. However, investment in mutual funds entails lower risk and the return from mutual funds is also low as compared to investment in stocks and high-risk investments. Atkinson (1957) identified three factors that have an impact on the level of risk-taking ability of the investors which are motive, expectancy and incentive. Generally, there is a positive relationship between risk and return from investment. Higher the risk, higher would be the return from that investment.

Weber and Hsee (1998) defined preference for an asset or risky option affected by risk perception and expected return to be within each expected value group the willingness to pay or risk preference increase with the option probability of loss which is positively correlated with the magnitude of gains.

Investors are usually classified on the basis of their risk-taking ability or their tolerance level of risk. They include aggressive, moderate and conservative. Aggressive risk investors take huge risks. They prefer investments with dynamic price movement and are used to the fluctuations in the investment market. Due to their level of risk-taking agility, they earn a huge amount of return when the market is doing well and face huge loss when the market is not performing well. However, they do not panic at the times of crisis in the market. Moderate investors are relevantly less risk tolerant compared to aggressive investors. They balance their investments according to the moderate approach as they prefer investing in between risky and safe investments. The investors earn less as compared to the aggressive investors and also suffer minimal amount of risk compared to aggressive investors. Conservative investors take the least risk in the

market. They do not involve in risky investments and prefer the options they prefer to be safe like investing in fixed deposits and depositing in savings account.

Understanding risk-taking behavior is critical for both investors and investment brokers. The risk-taking attitude will assist investors in selecting investment instruments that are within their affordability and risk range. This helps to avoid overreaction when investors lose money. Risk-taking behavior, on the other hand, assists investment brokers in introducing more affordable investment options to customers and making their desired investment profitable.

3.1.3 Investment revenue

Investment revenue is the amount that an investor earns from investing in certain investments like dividend income from investment in stocks, capital gains derived from sale of stocks or other investments or interest earned by investing in fixed deposit and savings account. Investment revenue is the possible earnings that investors are estimated to earn from investing in specific investment options (Lusardi and Mitchell 2017). It is the financial gain that exceeds the investors' amount of investment. Khan, Tan, and Chong (2017) discovered that it has been used as a key criterion for selecting stocks and instruments for investments and has a significant relationship with investor's investment behavior. It is due to the expected return that investors filter and select instruments that meet their needs. To make an investment decision, investors will carefully consider the options of past returns or options that meet their expected return (Aregbeyen & Ogochukwu, 2011). Investors are mostly attracted to the investors that deliver high amount of return. The investors of mutual funds can earn revenue in three ways: first from the interest and dividend payoffs from the fund's holdings, second if the fund gains profit from the trade which would be passed on to the investors or shareholders of the fund and third from the price appreciation of the mutual fund or if the value of mutual fund rises in the market.

3.1.4 Past performance

Past performance means how something has performed in the past. It provides an insight on how an investment will perform in the future and is one of the most relevant factors that an investor will consider while making an investment. Fund managers' experience had a significant impact on the performance of the mutual fund as older mutual fund schemes performed better in comparison to new schemes (Upadhyaya &

Chhetri, 2019). Mutual fund investors consider past performance as one of the metrics to consider while investing in mutual funds. However, returns or past performance is not the only factor that should be considered as the stock market is subject to market risk and the market may not always follow a bullish trend. Even mutual funds not able to constantly provide returns higher than the market. At such times perception regarding their performance varies according to the investors. Investors expect higher returns with lower investment risks from fund managers even though such expectations are in contradiction with the widely accepted concept of risk-return trade-off (Chawla, 2014). Returns represent past performance of the funds. However, past performance does not guarantee of future performance, and are not indicative of any specific investment. Investors would prefer investing in funds that are consistent with their performance as it sheds light on the skill of the fund manager.

3.1.6 Sources of investment information

Information is important for individuals to decide on different aspects, especially for investment decisions, whereby investors make their investment decisions based on the information of the instruments, such as the company's past financial performance, the distributed dividends, and the past market share price movements (Abul, 2019). There exists a critical relationship existed between the availability of information of the stock and investors' investment decisions as investment options offered with a wide range of information that will help the investor to better analyze the performance of the stock, in which the decision is more likely to be made (Lubis & Sudarisman, 2017). However, stocks with less information provided, negative feelings are generated in investors, feelings which suggest that the stock contains higher risk in investment. This is due to the fact that investors will not be able to exploit the information available to make informed investment decisions. As for the mutual fund purchase decisions, information includes formal and informal and the information sources are available for investors as a guide for investments (Annamalah, Raman, & Logeswaran, 2019).

Mutual funds can be more appealing, useful and helpful to the investors if they are aware about the cost and risk associated with investment in mutual funds. Information from valid source would help the investors in identifying the type of investment that would be suitable according to their risk-taking capacity.

3.2 Research design

The research design adopted in this study is quantitative research design. The study was undertaken to study the factors influencing investment decisions in mutual funds. With the aim to study the objective, the study has adopted descriptive, relational, causal and analytical research design. The main purpose of descriptive research design was to describe the characteristics of respondents on the basis of their demographic, educational, and economic characteristics. The major purpose of using descriptive research was to describe, explain and validate findings. This research design was carried out to describe the variables being studied and it was used to study the profile of respondents, their investment options, their perception towards mutual funds and the factors that influence the investors to invest in mutual funds.

Relational research design was selected to determine the relationship between dependent and independent variables of the study. It involved measuring two variables and assessing relationship between the variables, whether the dependent and independent variable had a positive relationship or negative relationship.

Likewise, causal research design was selected to determine cause and effect relationship between the variables. It determined how dependent variable is influenced by changes in independent variables. Similarly, analytical research design was used to examine various factors that influenced investment decision of investors while investing in mutual funds. It examined how financial status, risk taking behavior, investment revenue, past performance of mutual funds affected the investment decisions of the possible investors. The study also employed survey research design to collect the related data on the study administered by using structured questionnaire based on previous literatures.

3.3 Population and sample and sampling design

Population refers to the entire group from which samples are drawn. A sample is the specific group from which data has been gathered. The population selected for this study was the entire individual investors investing in mutual funds. Since the population of the investors is large and diverse, the study has undertaken convenience sampling method to select the samples and collect data from the samples and analyze the results. Convenience sampling method was used to select the participants due to easy accessibility and proximity.

The sample size has been determined for calculating representative sample size when the population is unknown, with the following formula (Cochran, 1977):

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

Where, n_o =Sample size for infinite population

Z =Critical value of desired confidence interval

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

e =Desired level of precision/ margin of error

With Confidence Interval of 95% and 5% margin of error:

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

Then,

$$n_o = \frac{(1.96)^2 * 0.5 * 0.5}{(0.05)^2} = 384, \text{ which is the optimal sample size for this study.}$$

3.4 Nature and sources of data and the instrument of data collection

The nature of the study is quantitative research. The study is based on survey method using the primary source of data and secondary data. The structured questionnaire was used to conduct a survey among the samples. And the pilot testing was conducted done to make questionnaire more reliable and valid.

3.4.1 Primary data and secondary data

Primary data was collected through a survey, using a structured questionnaire that was administered online. The questionnaire was intended to collect the personal information of the respondents such as age group, gender, education level, occupation, income range, individual's perception towards mutual funds. Research questions related to the variables under study were also included in the questionnaire. The questionnaire included questions to be responded in form of short answer question, single choice questions, multiple choice questions and Likert scale questions. The questions included were collected and based on the findings from the prior researches incorporated in the literature review. The questionnaire used is illustrated in *Annex 1*.

The secondary sources of data have been collected through journals, articles, magazines, websites and books to examine the factors influencing investment decisions to invest in mutual funds.

3.5 Methods of analysis

Different statistical technique was used to analyze the result obtained from questionnaire. Statistical software SPSS 20 was used to analyze the reliability and validity of the variables, demographic statistics, descriptive statistics, correlation analysis, and multiple regression analysis.

3.5.1 Reliability

Reliability is the degree to which research method produces stable and consistent result. To check the reliability, effectiveness and internal consistency of the items used in the questionnaire Cronbach's alpha test was be conducted. The accepted level of Cronbach's alpha is 0.7 or above (Nunnally, 1978). From the pilot test, the reliability test of the dependent and independent variable was carried out. The data showed Cronbach's alpha value of financial status construct as 0.817, risk taking behavior construct as 0.911, investment revenue construct as 0.800, sources of investment information construct as 0.946 and investment decision construct as 0.858 which indicated an acceptable degree of reliability.

3.5.2 Demographic statistics

Demographic analysis is the study of a population-based on factors such as age, gender, marital status, occupation, income, and more. The demographic statistics measured the population based on age, gender, occupation, income and others.

3.5.3 Descriptive statistics

Descriptive statistics is used to attain the wider picture of data and describe the data in user friendly and more orderly manner. The demographic statistics of described the measure of data central tendency like mean, median, mode and standard deviation.

Mean is the arithmetic average of the range of values computed by dividing total of all values divided by number of values. In this study mean is calculated to find the average of responses given by respondents to different variables that were tested.

$$Mean = \frac{\sum fx}{N}$$

where, x = value of responses of each dependent and independent variable

N= number of statements

Median is calculated to find out the mid value of the responses provided by the respondents in Likert scale questions. Median can be calculated by using

$$\text{Median} = \frac{(N + 1)}{2} \text{th term}$$

where, N= Number of statements

Mode is a value that occurs often in a set of data. It is used to calculate the most repeated response in likert scale question.

Standard deviation is a statistical measure that measures the dispersion of data set relative to its mean. It is calculated by using

$$\text{Standard deviation} = \frac{\sum(x - \bar{x})^2}{N}$$

3.5.4 Correlation analysis

Correlation analysis is used to evaluate the strength of relationship between variables. It indicates how or to what extent variables are associated with each other. The scale model suggested by Davies (1971) has been used to describe the relationship between the independent variables and the dependent variable, are as shown below:

0.7 and above	very strong relationship
0.50 to 0.69	strong relationship
0.30 to 0.49	moderate relationship
0.10 to 0.29	low relationship
0.01 to 0.09	very low relationship

Correlation analysis is used for responses provided in Likert scale to find out the extent of relationship between the variables.

3.5.5 Multiple regression analysis

Regression analysis is used to measure the relationship between the single dependent and several independent variables. Multiple regression analysis will be used to measure the relationship between dependent variable and its independent variables. Multiple regression analysis is used for responses provided in Likert scale to find out the

relationship between independent and dependent variables. Multiple regression analysis can be computed by using the equation formulated below:

$$Y=a+b_1x_1+b_2x_2+b_3x_3+b_4x_4+b_5x_5+e$$

where, Y= Factors influencing investment in mutual funds

a = Intercept

x₁ = Financial status

x₂ = Risk taking behavior

x₃ = Investment revenue

x₄ = Past performance

x₅ = Sources of investment information

b₁ = Coefficient of financial status

b₂ = Coefficient of risk taking behavior

b₃ = Coefficient of investment revenue

b₄ = Coefficient of past performance

b₅ = Coefficient of sources of investment information

e = Standard error of estimate

CHAPTER IV

RESULTS AND DISCUSSIONS

The study tries to measure various determinants influencing investment decisions in mutual funds. This chapter presents the analysis of data, interpretation of results and findings of the study. It intends to analyze the data collected from questionnaire by employing various statistical tools and techniques and presents the findings of the study based on descriptive analysis and inferential analysis.

4.1 Analysis of the study

The study is based on the primary data collected from a survey conducted by using a structured questionnaire that was distributed to the sample selected to derive the empirical findings. Questionnaire was conducted and distributed to 384 sample respondents to study their investment decisions in mutual funds.

The respondents were requested to respond in various ways: Yes or No option, multiple choice options, and Likert scale option. A five-point Likert scale option has been used, where one is considered as strongly agree and five is considered as strongly disagree to the statement. The responses received from the respondents have been arranged, tabulated and examined in order to facilitate the descriptive analysis of the study. The data were analyzed using correlation and regression analysis. The data was calculated by application of statistical software- IBM SPSS Statistics 20.

4.1.1 Gender of respondents

Table 2

Gender of the respondents

Gender	Frequency	Percentage	Cumulative %
Female	198	51.60%	51.60%
Male	180	46.90%	98.40%
Other	6	1.60%	100.00%
Total	384	100.00%	

Note. Primary data based on researcher's study, 2022

The composition of respondents on the basis of gender is presented in *Table 2*. Out of 348 respondents, 198 were female, 180 were male and 6 identified themselves as others. Females represent 51.6% of the population, males represent 46.9% of the population

and others represent 1.6% of the population. The result showed that there was higher number of females in the sample.

4.1.2 Age group of the respondents

The composition of respondents is based on age group. Table 3 shows that 1.3% belong to age group below 20, 35.7% belong to the age group 20 to 30 years, 39.6% belong to age group 30 to 40 years, 15.4% belong to age group 40 to 50 age group and 8.1% belong to the age group 50 and above.

Table 3

Age group of the respondents

Age group	Frequency	Percentage	Cumulative%
20-30	137	35.70%	35.70%
30-40	152	39.60%	75.30%
40-50	59	15.40%	90.60%
50 and above	31	8.10%	98.70%
Below 20	5	1.30%	100.00%
Total	384	100.00%	

Note. Primary data based on researcher's study, 2022

4.1.3 Occupation of respondents

Table 4

Occupation of respondents

Occupation	Frequency	Percentage	Cumulative Percent
Broker	6	1.60%	1.60%
Business	41	10.70%	12.20%
Cinematographer	2	0.50%	12.80%
Freelancer	6	1.60%	14.30%
Government Employee	68	17.70%	32.00%
Housewife	5	1.30%	33.30%
Intern	2	0.50%	33.90%
Others	6	1.60%	35.40%
Photographer	2	.50%	35.90%
Private Sector Employee	233	60.70%	96.60%
Shopkeeper	2	0.50%	97.10%
Student	11	2.90%	100.00%
Total	384	100.00%	

Note. Primary data based on researcher's study, 2022

The composition of respondents based on their occupation is shown in Table 4. Table 4 shows various occupation of the respondents such as broker, business, cinematographer, freelancer, government employee, housewife, intern, photographer, private sector employee, shopkeeper, student and others. Amongst the various groups of respondents, private sector employees represent the highest population with 60.70% among the total population of the respondents.

4.1.4 Education level of the respondents

Table 5 indicates the respondents profile based on their level of education. Out of 384 respondents, 138 respondents have completed their Masters or above, 220 respondents have completed their Bachelors and 26 respondents have completed their Intermediate level of education.

Table 5

Education level of respondents

Education level of respondents	Frequency	Percentage	Cumulative%
Bachelors	220	57.30%	57.30%
Intermediate	26	6.80%	64.10%
Masters or above	138	35.90%	100.00%
Total	384	100.00%	

Note. Primary data based on researcher's study, 2022

4.1.5 Income level of the respondents

Table 6

Income level of the respondents

Income level of the respondents	Frequency	Percentage	Cumulative %
Below Rs. 20,000	9	2.3	2.3
Rs. 20,000 - Rs. 40,000	54	14.1	16.4
Rs. 40,000 - Rs. 60,000	120	31.3	47.7
Rs. 60,000 - Rs. 80,000	102	26.6	74.2
Rs. 80,000 and above	99	25.8	100.0
Total	384	100.0	

Note. Primary data based on researcher's study, 2022

Table 6 indicates the profile of respondents based on their income level. Out of the sample size of 384 respondents, 9 respondents income range below 20,000, i.e. 2.3% of the sample size have a monthly earning below 20,000. 54 respondents or 14.1% of

the respondents have an income level of Rs. 20,000-Rs. 40,000, 120 respondents or 31.3% of the respondents have an income level of Rs. 40,000-Rs. 60,000, 102 respondents or 31.3% of the respondents have an income level of Rs. 60,000 to Rs. 80,000 and 99 respondents or 25.8% of the respondents have an income level of Rs. 80,000 and above.

4.1.6 Investment options of investors

Table 7

Investment options of investors

Investment options of investors	Frequency	Percentage
Mutual funds	384	100.00%
Share and debentures	379	98.70%
Bank saving account	377	98.18%
Bank fixed deposits	299	77.86%
Life insurance	218	56.77%
Gold/silver/metals	135	35.16%
Real estate	122	31.77%
Others	4	0.01%
Total	384	

Note. Primary data based on researcher's study, 2022

Table 7 shows various factors that influence investment in mutual funds. 100% of the respondents invest in mutual funds depending upon past performance of the fund, dividend history of the fund, minimum investment amount in mutual funds and market condition followed by 98.70% in shares and debentures, 98.18% in bank saving account. 77.86% of the respondents invest in bank fixed deposits, 56.77% of the respondents invest in life insurance policies, 35.16% of the respondents invest in gold/silver/metals followed by 31.77% of the respondents invest in real estate and 0.01% in other sectors like Systematic Investment Plan (SIP), recurring fixed deposits, photography equipment and others.

4.1.7 Opinion of holding stocks for long duration

Table 8 shows what respondents thought about holding stocks for a long or short period of time. 72.10% of the respondents preferred holding stocks for a long tenure and only 27.9% of the respondents preferred holding stocks for a short duration of time.

Table 8

Opinion of holding stocks for long duration

Response on holding stocks for long duration	Frequency	Percentage	Cumulative%
Yes	277	72.10%	72.10%
No	107	27.90%	100.00%
Total	384	100.00%	

Note. Primary data based on researcher's study, 2022

4.1.8 Recommendation of respondents to invest in mutual funds

Table 9 shows the recommendation of the respondents regarding investment in mutual funds. 90.4% of the respondents recommended to invest in mutual funds and only 12.8% of the respondents did not prefer recommending the potential investors to invest in mutual funds.

Table 9

Recommendation of respondents to invest in mutual funds

Response	Frequency	Percentage	Cumulative%
Yes	347	90.40%	90.40%
No	37	9.60%	100.00%
Total	384	100.00%	

Note. Primary data based on researcher's study, 2022

4.1.9 Respondents perception towards riskiness of mutual funds

Table 10

Perception of respondents regarding riskiness of mutual fund

Investing in mutual funds less risky	Frequency	Percentage	Cumulative%
Yes	335	87.2	87.2
No	49	12.8	100.0
Total	384	100.0	

Note. Primary data based on researcher's study, 2022

Table 10 shows the perception of respondents towards riskiness of mutual funds, i.e. whether the respondents considered mutual funds as a risky investment or less risky compared to other investment options. 87.2% of the respondents considered investing in mutual funds as less risky and 12.8% of the respondents considered investing in mutual funds as a risky investment.

4.1.10 Factors influencing investment in mutual funds

Table 11

Factors influencing investment in mutual funds

Factors influencing investment in mutual funds	Frequency	Percentage	Cumulative %
Dividend history of the fund	5	1.3	1.3
Dividend history of the fund, market condition	7	1.8	3.1
Dividend history of the fund, minimum investment amount	30	7.8	10.9
Dividend history of the fund, minimum investment amount, market condition	36	9.4	20.3
Market condition	50	13.0	33.3
Minimum investment amount	29	7.6	40.9
Minimum Investment Amount, Market Condition	85	22.1	63.0
Minimum Investment Amount, Others	1	.3	63.3
Others	4	1.0	64.3
Past Performance of the fund	5	1.3	65.6
Past Performance of the fund, Dividend history of the fund	6	1.6	67.2
Past Performance of the fund, Dividend history of the fund, Market Condition	8	2.1	69.3
Past Performance of the fund, Dividend history of the fund, Minimum Investment Amount	15	3.9	73.2
Past Performance of the fund, Dividend history of the fund, Minimum Investment Amount, Market Condition	87	22.7	95.8
Past Performance of the fund, Dividend history of the fund, Minimum Investment Amount, Market Condition, Fees	1	.3	96.1
Past Performance of the fund, Dividend history of the fund, Minimum Investment Amount, Market Condition, Fund supervisors	2	.5	96.6
Past Performance of the fund, Dividend history of the fund, Minimum Investment Amount, Market Condition, Net assets value	2	.5	97.1
Past Performance of the fund, Dividend history of the fund, Minimum Investment Amount, Market Condition, Others	1	.3	97.4
Past Performance of the fund, Market Condition	1	.3	97.7
Past Performance of the fund, Minimum Investment Amount	7	1.8	99.5

Past Performance of the fund, Minimum Investment Amount, Market Condition	2	.5	100.0
Total	384	100.0	

Note. Primary data based on researcher's study, 2022

Table 11 shows various factors that influence investment in mutual funds. 22.7% of the investors invest in mutual funds based on past performance of mutual funds, dividend history, minimum investment amount and based on the market condition. The other factors that influence investment decision in mutual funds are fees charged by mutual funds, fund supervisors of the funds, net asset value of the fund and others.

4.1.11 Survey on financial status

Table 12

Survey on financial status

Statements	Ratings					Total responses	Weighted value	Weighted mean
	SA	A	N	D	SD			
My investment amount is based on my current financial status and income	144	226	8	3	3	384	647	1.80
I make investments that is within my affordability	157	216	7	2	2	384	628	1.70
I have monthly portion contributed from my income for the purpose of investment	133	157	36	47	11	384	798	2.42
My investment amount varies according to my income	172	166	9	34	3	384	682	2.25
Grand weighted mean								2.04

Note. Primary data based on researcher's study, 2022

The impact of financial status on investment decisions in mutual funds was collected from the respondents to provide their views regarding given statements on financial status. The study used five-point Likert scale to collect the stated information. *Table 12* shows that maximum respondents agreed with the statement that respondents' investment amount is based on their current financial status and income with the weighted mean value of 1.80. The respondents also agreed that they make investments within their affordability with the weighted mean score of 1.70. Majority respondents with a weighted mean value of 2.42 agreed that they have contributed monthly portion of their income for the purpose of investment. Further, respondents strongly agree to

the statement: My investment amount varies according to my income with a weighted mean score of 2.25. The grand weighted mean associated with financial status is 2.04.

4.1.12 Survey on risk taking behavior of investors

The risk-taking behavior of investors was analyzed from the respondents who invest in mutual funds. Respondents provided their views regarding the given statements on risk taking behavior of investors. The study used five-point Likert scale to measure the stated information. *Table 13* depicts that investment decisions of the investors was impacted was the risk of any instrument, that is the decision making of investment was related with the risk level of the instruments with a weighted mean value of 1.95. Likewise, majority of the respondents also agree with the statement that the investors assess or consider the risk of each type of instrument before investing with a weighted mean of 1.83. Respondents also agree to another statement with a weighted mean 1.87 that says that investors invest in mutual funds as it carries a lower level of risk. The other statement which implies the level of risk determines return from investment was also agreed by majority of the respondents with a weighted mean value of 1.71. The grand weighted mean associated with risk taking behavior is 1.80.

Table 13

Survey on risk taking behavior

Statements	Ratings					Total responses	Weighted value	Weighted mean
	SA	A	N	D	SD			
I consider the risk of each type of instrument before investing	121	223	26	10	4	384	705	1.83
I invest in mutual funds because it carries a lower level of risk	143	182	27	29	3	384	719	1.87
I think the level of risk determines return from the investment	132	216	24	10	2	384	686	1.79
The risk of any instrument determines my investment decision	160	194	18	7	5	384	655	1.71
Grand weighted mean								1.80

Note. Primary data based on researcher's study, 2022 .

4.1.13 Survey on investment revenue

The perceived impact of investment revenue on investment decisions in mutual funds was collected by asking the respondents to provide their views on impact of investment revenue in factors influencing investment decisions in mutual funds. The study used five-point Likert scale to collect the stated information. The information collected from the respondents have been shown in *Table 14*.

Table 14 exhibits that higher number of respondents with weighted mean of 1.87 expect certain rate of return from the investment as every investor who makes an investment anticipates receiving a certain level of return in the form of earnings or profit. Similarly, majority of investors with weighted mean of 1.61 agree to the statement that states I will invest in a project that gives a higher return. Respondents also agree that they use an expected rate of return as a benchmark for choosing investment sector from various options. The grand weighted mean for the independent variable investment revenue is found to be 1.80 from which we can conclude that respondents consider investment revenue as an important factor that influence investment decisions in mutual funds.

Table 14

Survey on investment revenue

Statements	Ratings					Total responses	Weighted value	Weighted mean
	SA	A	N	D	SD			
I have my own expected rate of return from the investment	108	239	20	14	3	384	717	1.87
I will invest in a project that gives a higher return	175	195	8	2	4	384	617	1.61
I use my expected rate of return as a benchmark for choosing investment option	140	168	51	20	5	384	734	1.91
Grand weighted mean								1.80

Note. Primary data based on researcher's study, 2022

4.1.14 Survey on past performance

The impact of past performance on investment decision in mutual funds was collected by collecting data from respondents regarding their view on importance of past performance of a fund for making investment decision.

Table 15

Survey on past performance

Statements	Ratings					Total responses	Weighted value	Weighted mean
	SA	A	N	D	SD			
My decision of investing in mutual fund is based on the past performance of the fund	161	180	30	8	5	384	668	1.74
Grand weighted mean								1.74

Note. Primary data based on researcher's study, 2022

Table 15 attempts to explain the impact of investment decisions on mutual funds due to the independent variable past performance of mutual funds. There are various factors such as historical performance of funds in the past years, fee structure of the funds, percentage returns to the stockholders of the funds, investment performance of the funds in the past years and many more. Among 384 respondents, 180 respondents with a weighted mean agreed to the statement that states the decision of investing in mutual funds is based on the past performance of the fund. The grand weighted mean for this independent variable is 1.74. The result shows that past performance of the fund is also an important indicator that influences investors in investing in mutual funds.

4.1.15 Survey on sources of investment information

Table 16 shows that majority of the respondents agreed to their preference to use information for investment that are published by investment banks which means that the investors rely on the data published by investment banks for investment decision in mutual funds. 180 respondents with a weighted mean of 1.71 agree to the use of information that are published and analyzed by others to assist in investment decision making of the investors. The investors rely on the analysis of peer investors in making investment decision. A total of 174 respondents agree to the statement that states my prior focus for determining the potential of instrument is past revenue and prices of the instrument which implies that majority of the investors invest in mutual funds based on the past revenue earned by mutual funds and based on the pricing of the mutual funds. Further, 196 respondents agree that the respondents' selection of mutual fund investment is based on availability of information. The grand weighted mean of the independent variable sources of investment information is 1.74.

Table 16

Survey on sources of investment information

Statements	Ratings					Total responses	Weighted value	Weighted mean
	SA	A	N	D	SD			
I prefer to use information for investment that are published by investment banks	162	183	24	13	2	384	662	1.72
I use information that are published and analyzed by others to assist my investment decision making	167	180	22	13	2	384	655	1.71
My prior focus for determining the potential of instrument is past revenue and prices of the instrument	163	174	34	10	3	384	668	1.74
My selection of investment in mutual fund is based on the availability of information	148	196	26	10	4	384	678	1.77
Grand weighted mean								1.74

Note. Primary data based on researcher's study, 2022

4.1.16 Survey on investment decisions in mutual funds

Table 17

Survey on investment decisions in mutual funds

Statements	Ratings					Total responses	Weighted value	Weighted mean
	SA	A	N	D	SD			
I invest in mutual funds because it provides stable returns and revenue.	91	244	27	20	2	384	662	1.95
I will invest in mutual funds as my long term personal financial planning.	151	179	29	22	3	384	655	1.82
I will bear lower risk but earn higher return by investing in mutual funds than earning interest provided by banks.	126	160	45	44	9	384	668	2.09
I will continue to invest in mutual funds in future.	175	160	31	11	7	384	678	1.74
Grand weighted mean								1.90

Note. Primary data based on researcher's study, 2022

The result from investment decisions in mutual funds was obtained by collecting data from the respondents of the study. A five-point Likert scale has been used to collect this data. *Table 17* exhibits that majority of respondents agreed that they invest in mutual funds because mutual funds provide stable returns and revenue with a weighted mean value of 1.95. Similarly, the other statement regarding mutual fund as a long-term financial planning was also supported by the respondents with a weighted mean value of 1.82. The statement I will bear lower risk but earn higher return by investing in mutual funds than earning interest provided by banks is also agreed by 160 respondents with a weighted mean of 2.09. Majority of the respondents, i.e. 175 respondents strongly agreed to continue investing in mutual funds in the future with a weighted mean of 1.74. The grand weighted mean for the dependent value investment decisions in mutual funds is 1.90.

4.1.17 Descriptive statistics for all samples

Table 18 summarizes the result of descriptive statistics of the variables under study. The table depicts the descriptive statistics mean, median, mode, standard deviation and variation of the variables under study of all sample respondents.

Table 18

Descriptive statistics for all samples

Variables	N	Mean	Median	Mode	SD	Variance
Financial status	384	1.79	1.75	1.50	0.59	0.35
Risk taking behavior	384	1.80	1.75	1.50	0.58	0.34
Investment revenue	384	1.79	1.67	1.67	0.58	0.33
Past performance	384	1.74	2.00	2.00	0.79	0.63
Sources of investment information	384	1.73	1.50	1.50	0.60	0.36
Investment decision	384	1.90	1.75	1.50	0.69	0.47

Note. Primary data based on researcher's study, 2022

The above table depicts the descriptive status for the whole sample. The variables listed are: Financial status, Risk taking behavior, Investment revenue, Past performance, Sources of investment information, and Investment decision. The mean, median and mode are summary statistics that indicate the central tendency of the data, while the standard deviation and variance indicate the spread of the data. It is found that mean value of the independent variable, investment decision is highest among other variables with the mean of 1.90 followed by risk taking behavior with mean value of 1.80,

financial status and investment revenue with mean value of 1.79 each, past performance 1.74 and sources of investment information with mean value of 1.73. Mid value for past performance is found to be highest among the variables with the value of 2.00 followed by financial status, risk taking behavior and investment decision with mid value of 1.75, investment revenue with mid value of 1.67 and sources of investment revenue of 1.50. Mode is found to be highest for past performance with 2.00 followed by investment revenue of 1.67 and financial status, risk taking behavior, sources of investment revenue and investment decision of 1.50. Standard deviation and variation are also found to be highest for past performance with the value of 0.79 and 0.63 followed by investment decision with the standard deviation of 0.69 and variance of 0.47.

4.1.18 Correlation analysis

Table 19

Relationship between variables for all samples

Variables		FS	RTB	IR	PP	SII	ID
FS	Pearson Correlation	1					
	Sig. (2-tailed)						
RTB	Pearson Correlation	.516**	1				
	Sig. (2-tailed)	(.000)					
IR	Pearson Correlation	.579**	.536**	1			
	Sig. (2-tailed)	(.000)	(.000)				
PP	Pearson Correlation	.379**	.473**	.392**	1		
	Sig. (2-tailed)	(.000)	(.000)	(.000)			
SII	Pearson Correlation	.452**	.648**	.631**	.472**	1	
	Sig. (2-tailed)	(.000)	(.000)	(.000)	(.000)		
ID	Pearson Correlation	.528**	.630**	.462**	.505**	.573**	1
	Sig. (2-tailed)	(.000)	(.000)	(.000)	(.000)	(.000)	

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

Note. Primary data based on researcher's study, 2022

Table 19 depicts the correlation analysis of the variables under study, showing relationship between dependent and independent variables. The correlation analysis is

conducted for the whole sample, i.e. 384 respondents. Correlation analysis is done between different determining factors and investment decisions in mutual funds. The independent factors influencing investing decisions in mutual funds are financial status, risk taking behavior, investment revenue, past performance of the funds, sources of investment information and investment decisions in mutual funds.

Table 19 indicates correlation analysis of all the variables under study conducted for the whole sample. As depicted in the table, the correlation between investment decisions and financial is found to be positive and significant at 99 percent confidence level with a correlation of 0.528 which indicates a strong relationship between the dependent and independent variable. Likewise, the relationship between investment decisions and risk-taking behavior is also found to be positive and significant at 99 percent confidence level with a correlation of 0.630 which indicates that risk taking behavior of the investors strongly influences the investment decisions in mutual funds. Similarly, the relationship between investment decisions and investment revenue is also found to be positive and significant at 99 percent confidence level with a correlation of 0.462 indicating moderate relationship between the dependent variable investment decisions and independent variable investment revenue. The correlation between investment decisions and past performance is found to be positive and significant at 99 percent confidence level with a correlation of 0.505 and the correlation between investment decisions and sources of investment information is also positive and significant at 99 percent confidence level with a correlation of 0.573. The correlation analysis depicts that all the independent variables financial status, risk taking behavior, investment revenue, past performance and sources of investment information have positive and significant relationship with the dependent variable, investment decisions in mutual funds.

4.1.19 Regression analysis

Regression analysis helps to analyze the relationship between dependent and independent variable. It is used to measure the impact of independent variables on the dependent variable. In this study, regression analysis is done for different determining factors influencing investment decisions in mutual funds. As shown in table 20, investment decisions in mutual funds is used as dependent variable and financial status, risk taking behavior, investment revenue, past performance and sources of investment information have been taken as independent variables. The impact of financial status is

found to be positive and significant at 99 percent confidence level. The coefficient of 0.263 of financial status shows that increase in financial status of the investors encourages the investors to invest in mutual funds. The impact of risk-taking behavior is found to be positive and significant at 99 percent confidence level with coefficient of 0.262. The investors with high risk-taking agility are more confident to take investment decision. The impact of investment revenue is found to be negative with coefficient of -0.047 which means that when investment revenue increases the dependent variable, investment decision decreases. The impact of past performance on investment decision is found to be positive with regression coefficient of 0.165 at 99 percent confidence interval. The impact of sources of investment information is also found to be positive at 99 percent confidence level with regression coefficient of 0.234. The results show risk taking behavior has significant impact on investment decisions in mutual funds.

Table 20

Impact of variables for all samples

Coefficients ^a	Unstandardized		Standardized	t	Sig.	F	Sig.	Adjusted R ²
	Coefficients		Coefficients					
	B	Std. Error	Beta					
(Constant)	.152	.096		1.580	.115			
FS	.263	.055	.225	4.823	.000			
RTB	.370	.061	.312	6.092	.000	78.756	0.000	0.714
IR	-.047	.061	-.039	-.761	.447			
PP	.165	.037	.191	4.481	.000			
SII	.234	.062	.204	3.804	.000			

a. Dependent Variable: ID

Note. Primary data based on researcher's study, 2022

The adjusted R-squared value indicates the proportion of variation in the dependent variable that is explained by the independent variables. The adjusted R-squared value of 0.714 means that about 71.40% of the variation in the dependent variable, investment decisions in mutual funds is explained by the independent variables' financial status, risk taking behavior, investment revenue, past performance of the fund and sources of investment information in the model.

4.2 Discussion

The purpose of the study was to identify the factors influencing investment decisions in mutual funds. In this respect, independent variables financial status, risk taking behavior, investment revenue, past performance and sources of investment revenue were identified as factors influencing investment decisions in mutual funds.

The results obtained from the data analysis for financial status has positive and statistically significant relationship with investment decisions in mutual funds and also has positive impact on investment decisions in mutual funds. The investors invest in mutual funds based on their financial capability. The result is consistent with Hameed, Imran, Maqbool, Ahmed, and Azeem (2018) which observed significant impact of financial status on mutual fund investment options. Kaur and Kauhisk (2016) also revealed that there is significant link between mutual fund investment decisions and respondents' economic status.

The study discovered that risk taking behavior has the strongest relationship to influence the investors decisions to invest in mutual funds. The findings of the study were consistent with the previous studies. Risk taking behavior of investors is found to have positive and significant relationship with investors investment decisions in mutual funds. The impact is also found to be positive and significant. The study also supports the past research findings that there is relationship between risk taking behavior and investment decisions of mutual fund investors. The study conducted by Velmurugan and Anand (2015) found that risk taking ability of the investors had significant impact in mutual fund investment. Sarbabidya and Saha (2018) identified risk tolerance of the investors as one of the major factors affecting investment decision. Negative influence of the factor was found demotivating among the investors in Bangladesh and effective measures were required to be taken for the same. Annamalah et al., (2019) discovered investors decision about mutual fund investment was significantly influenced by risk-taking behavior of the investors.

The study shows that there is significant relationship of investment revenue with investors' investment decisions in mutual funds. Investors have certain expected return based on their investment and will choose suitable stocks that generate higher amount of return that matches the expectation of investors. However, the study conducted by

Annamalah et al., (2019) showed that there was no statistical association between the investors' investment behavior and revenue on investment.

The study has discovered that there is a positive relationship between past performance of the fund and investors' decision in investing in mutual funds and also shows positive impact of past performance in investors' decision to invest in mutual funds. The result obtained from the study conducted by Gupta and Sharma (2016) showed that the investment companies needed to update the performance of mutual funds timely so that people could better understand the performance of the funds and should also try to address the issues faced by the investors during investment and should try to make investment as easy and convenient as possible. Similarly, the study conducted by Singal and Manrai (2018) was also consistent with the result obtained from the study. Past performance of the fund was found to be an important aspect that determined the decision-making process of the investors. Since, investors conduct proper research against the security of their investment, the investment companies need to provide proper information regarding their investment in order to foster trust and loyalty among the investors. The result obtained from the study conducted by Sarbabidya and Saha (2018) was also found to be consistent with the result of the study. The result indicated that past stock performance was one of the major factors affecting investment decision of the investors. Negative influence of such factors demotivated the investors to invest in mutual funds and effective measures are required to be taken for the same.

The result from the study shows that there is a positive relationship between sources of investment information and investment decision in mutual funds and also shows positive impact of sources of investment information in investment decision in mutual funds. The wide availability of information is an added advantage to the investors to make inclusive decision and analyze the market. Sharma and Bhatia (2018) found that credibility of the funds was affected by chosen information source. The investors preferred to invest in those funds that had sufficient information to back up their investment decision. The result of the study is also consistent with the study conducted by Hameed et.al, (2018). The investors who were exposed to a number of magazines, newspapers, websites and financial software packages with proper exposure of mutual fund information could make appropriate decisions by analyzing the risk and possible return from the investment. The study by Annamalah et al., (2019) discovered that availability of information had a significant impact on how investors behave when

making investments. Informational sources have a big impact on how the investors choose to invest in mutual funds. The investment companies and fund managers need to provide sufficient information to the investors and possible investors and update information from occasionally which will help the investors to make better decisions and also helps to attract possible investors to invest in mutual funds.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

The purpose of this study is to determine various factors influencing investment decisions in mutual funds. The study aims to examine the relationship between dependent and independent variables and also aims to identify the impact of independent variables on dependent variables. The dependent variable of the study is investment decisions in mutual funds and independent variables of the study are financial status, risk taking behavior, investment revenue, past performance and sources of investment information. The study employs various statistical tools and techniques such as descriptive analysis, correlational analysis, regression analysis to determine the investment decisions in mutual funds. The study is based on primary data collected through systematic and structured questionnaire and the data was further analyzed using mean, median, mode, standard deviation, variation, correlation and regression. The major findings of the study based on data analysis are as follows:

1. The relationship between investment decisions in mutual funds and financial status of the investors is found to be positive with a correlation coefficient of 0.528 which indicates that a positive change in financial status of the investors results to increase in investment decisions in mutual funds of the investors. Similarly, the relationship between investment decisions in mutual funds and risk-taking behavior of the investors is also found to be positive with a correlation coefficient of 0.630. Investors with high risk-taking attitude or behavior are more likely to invest in mutual funds. The correlation analysis between investment decisions in mutual funds and investment revenue is 0.462. This indicates a positive relationship between the dependent variable, investment decisions in mutual funds and independent variable, investment revenue. Also, the correlation analysis between investment decisions in mutual funds and past performance of the funds is also found to be positive with correlation coefficient of 0.505. Likewise, the relationship between investment decisions in mutual funds and sources of investment information is positive with a correlation coefficient of 0.573. The correlation analysis shows that the dependent variable, investment decisions in mutual funds has a positive relationship with all the independent variables; financial

status, risk taking ability, investment revenue, past performance of the funds and sources of investment revenue.

2. The impact of financial status is found to be positive and significant at 99 percent confidence level. The coefficient of 0.263 of financial status shows that increase in financial status of the investors encourages the investors to invest in mutual funds. Similarly, the impact of risk-taking behavior is found to be positive and significant at 99 percent confidence level with coefficient of 0.262. The investors with high risk-taking agility are more confident to take investment decision. The impact of investment revenue is found to be negative with coefficient of -0.047 which means that when investment revenue increases the dependent variable, investment decision decreases. The impact of past performance on investment decisions is found to be positive with regression coefficient of 0.165 at 99 percent confidence interval. Similarly, the impact of sources of investment information is also found to be positive at 99 percent confidence level with regression coefficient of 0.234.

5.2 Conclusion

With an objective to assess the relationship, examine the impact of independent variables on dependent variable, the study has applied descriptive, correlational and causal research design by using primary data for analysis. The dependent variable of the study was investment decisions in mutual funds and the independent variables are financial status, risk taking behavior, investment revenue, past performance and sources of investment information. The data were collected through a survey using systematic and structured questionnaire by using snowball sampling method. The study was conducted on 384 samples of which the data obtained from the samples were evaluated and analyzed using mean, median, mode, standard deviation, variance, correlation and regression analysis.

The data collected from the sample showed that that most of the investors preferred investing in mutual funds, shares and debentures followed by bank saving account, bank fixed deposit, life insurance, gold/silver/metals, real estates and others. 72.10% of the sample respondents held stocks for longer duration and traded in the market and 90.40% of the sample respondents recommended other investors to invest in mutual funds. The analysis of the data using the statistical techniques showed the relationship between investment decisions in mutual funds and various factors influencing

investment decisions in mutual funds. The result obtained from the study indicates that financial status, risk taking behavior, investment revenue, past performance, sources of investment information have positive and significant relationship with investment decisions in mutual funds. The result of linear regression model indicates that the factors- financial status, risk taking behavior, past performance and sources of investment information have a positive impact on investment decisions in mutual funds. Based on significant scale, it has been found that risk taking behavior (0.370) were the most influencing factors towards investment decisions in mutual funds followed by financial status (0.263) further followed by sources of investment information (0.234) and then past performance of the funds (0.165). It is found that risk taking behavior is the highest influencing factors to making investment decisions in mutual funds whereas past performance of the funds is perceived to be the least influencing factor towards making investment decisions in mutual funds. The study tried to validate the modern portfolio theory while assessing the factors influencing the investors investment decisions in mutual funds. All the variables are confirmed in accordance with the model.

5.3 Implications

There are numerous factors that influence an investor to make an investment decision to invest in mutual funds. The study focuses on some of the major aspects that influence the investors investment decisions in mutual funds. The results obtained from the study are believed to have an important and beneficial implication in investment banking sector. The investment banking sector should ensure transparency of their mutual funds and should provide timely data with proper briefing so that normal people can also get a hold of the information published by the mutual funds. The fund managers should also make convenient and easy to understand policies of mutual funds so that investors with little knowledge are also encouraged to invest in mutual funds. The findings of the study will guide the fund managers of mutual funds and investment banks in improving the policies, providing financial literacy classes to interested investors and providing timely financial reports of the performance of mutual funds. Lastly, this study will help identify key areas, factors and elements for improving the mutual fund sector in Nepal.

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ANNEXURE

Annex 1

Questionnaire on "Factors influencing investment decision in mutual funds"

I am conducting this survey for an academic research as required by the MBS program. This questionnaire serves as an important data collection tool for the analysis of the constructs in consideration for this research. I would like to request you to fill the questionnaire with honest and relevant information. The information obtained is for research purpose and will be kept confidential.

Thank you for your cooperation.

Rakshya Manandhar

People's Campus

General Background

1. Gender
 - a. Male
 - b. Female
 - c. Others
2. Age
 - a. below 20
 - b. 20-30
 - c. 30-40
 - d. 40-50
 - e. 50 and above
3. Education Level
 - a. SLC
 - b. Intermediate
 - c. Bachelors
 - d. Masters or above
4. Occupation
 - a. Government employees
 - b. Private sector employees

- c. Business
 - d. Others
5. Monthly Income
- a. Below Rs. 20,000
 - b. Rs. 20,000 – Rs. 40,000
 - c. Rs. 40,000 – Rs. 60,000
 - d. Rs. 60,000 – Rs. 80,000
 - e. Rs. 80,000 and above
6. What are your investment options? (Multiple options can be preferred)
- a. Bank Fixed Deposits
 - b. Savings
 - c. Real Estate
 - d. Gold/Silver/Metals
 - e. Life Insurance
 - f. Shares and Debentures
 - g. Mutual Funds
 - h. Others

Basic and variables related information

S.No.	Questions	Responses	
		Yes	No
7.	Do you invest to hold stocks for long term?		
8.	Do you recommend investing in mutual funds?		
9.	Do you consider mutual fund as a less risky investment?		

10. Which of the following factors influence you to invest in mutual funds?
(Multiple answers are accepted)

- a. Past performance of the fund
- b. Dividend history of the fund
- c. Fund Size
- d. Minimum investment amount
- e. Current market conditions

Following are the factors influencing investment decision in mutual funds. Please select your option that shows a level of agreement or disagreement to each of the statements. The answers will be measured on a five-point Likert Scale. The five-point measurement is as explained below:

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

S.No.	Statement	Responses				
		5	4	3	2	1
11	Financial status	5	4	3	2	1
11.1	My investment amount is based on my current financial status and income					
11.2	I make investment that is within my affordability					
11.3	I have monthly portion contributed from my incomes for the purpose of investment					
11.4	My investment amount varies according to my income					
12	Risk taking behavior	5	4	3	2	1
12.1.	I consider the risk of each type of instrument to make selection for investment instrument					
12.2	I invest in mutual funds because it carries a lower level of risk compared to others					
12.3	I think the level of risk determines return from the investment					
12.4	The risk of the instrument determines my investment decisions					
13	Investment revenue	5	4	3	2	1
13.1	I have my own expected rate of return from the investment					
13.2	I will invest in a project that gives higher return					

13.3	I use my expected rate of return as a benchmark for choosing investment options					
14	Past performance	5	4	3	2	1
14.1	My decision of investing in mutual fund is based on the past performance of the fund					
15	Sources of investment information	5	4	3	2	1
15.1	I prefer to use information for investment that are published by investment banks					
15.2	I use information that are published and analyzed by others to assist my investment decision making					
15.3	My prior focus for determining the potential of instrument is past revenue and prices of the instrument					
15.4	My selection of investment in mutual fund is based on the availability of information					
16	Investment decision in mutual funds	5	4	3	2	1
16.1	I invest in mutual funds because it provides stable returns and revenue					
16.2	I will invest in mutual funds as my long term personal financial planning					
16.3	I will bear lower risk but earn higher return by investing in mutual funds than earning interest provided by banks.					
16.4	I will continue to invest in mutual funds in future					

Annex 2

Result of hypotheses test

Hypotheses	Results	Tools	Significance level
H ₀₁ : There is no significant relationship of financial status with investment decision of individual investors in mutual funds.	Rejected	Correlation analysis	0.000
H ₀₂ : There is no significant relationship of risk behavior with investment decision in mutual funds.	Rejected	Correlation analysis	0.000
H ₀₃ : There is no significant relationship of investment revenue with investment decision of individual investors in mutual funds.	Rejected	Correlation analysis	0.000
H ₀₄ : There is no significant relationship of past performance with investment decision of individual investors in mutual funds.	Rejected	Correlation analysis	0.000
H ₀₅ : There is no significant relationship of sources of investment information with investment decision of individual investors in mutual funds.	Rejected	Correlation analysis	0.000
H ₀₆ : There is no significant impact of financial status on investment decision of individual investors in mutual funds.	Rejected	Regression analysis	0.000
H ₀₇ : There is no significant impact of risk behavior on investment decision of individual investors in mutual funds.	Rejected	Regression analysis	0.000
H ₀₈ : There is no significant impact of investment revenue on investment decision of individual investors in mutual funds.	Rejected	Regression analysis	0.447
H ₀₉ : There is no significant impact of past performance of mutual funds on investment decision of individual investors in mutual funds.	Rejected	Regression analysis	0.000
H ₀₁₀ : There is no significant impact of sources of investment information on investment decision of individual investors in mutual funds.	Rejected	Regression analysis	0.000