



# M-Portfolio

Financial services

## CERTIFICATE

This is to certify that **Ms. KARUNA MURALI (USN – 1AY16MBA32)** Student of 4<sup>th</sup> semester **Acharya Institute of technology** has successfully completed her project on **“ A Study of perfection of Investors towards equity mutual fund”** among our customers from 15<sup>th</sup> Jan 2018 to 24<sup>th</sup> March 2018.

She submitted her project on time and found satisfactory

During this tenure we have found her sincere and aptitude to gain knowledge.

We wish her good luck in her career

Manjunatha Prasad N A

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# ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 16/05/2018

## CERTIFICATE

This is to certify that **Ms. Karuna Muruli** bearing USN **1AY16MBA32** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on **“A Study on Perception of Investors towards Equity Mutual Fund of M-Portfolio Customers in Bangalore”** is prepared by her under the guidance of **Dr. Ramanaiah G**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Signature of Internal Guide

Signature of HOD

**Head of the Department**  
**Department of MBA**  
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Signature of Principal

**PRINCIPAL**  
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**Soldevanahalli, Bangalore-560 107**

## DECLARATION

I **Ms. KARUNA MURALI**. Baring the USN: 1AY16MBA32 hereby declare that this project work on “**A study on perception of investors towards equity mutual funds among M-Portfolio customers in Bangalore**” prepared by me under the guidance of **Dr. Ramanaiah. G.** Faculty of MBA Department, Acharya Institution of Technology and external assistance of **Mr.Manjunath Prasad** , sole proprietor of M-Portfolio financial services,

I also declare that this project work towards practical fulfilment of university regulation for the award of Degree of Masters of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone project work for a period of 10 weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any other any degree/diploma from any other university/institution

Place Bengaluru

Date 19/05/2018

  
Karuna Murali

USN 1AY16MBA32

# Acknowledgement

I would like to thank many people who have helped and supported me while doing my project report and work.

There is not enough word to offer my vote of thanks to Prof.**Dr.Nijaguna**, Head of Department of MBA, AIT Bangalore for his help in initiating the project report in advance for the regular motivation, my guides **Mr.Manjunath Prasad** , sole proprietor M-Portfolio financial services, Bangalore and **Dr.Ramanaiah. G**, Faculty of MBA Department, AIT Bangalore for their admirable help, suggestions and opinions on the contribution during and after the project work period.

Thanks a lot and appreciation to helping nature of employees at Malleswaram co-operative bank for their supports.

Place Bengaluru

Date 19/05/2018

Karuna Murali

USN 1AY16MBA32

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## **Executive summary**

This report is a detailed study of “The perception of investors towards equity mutual funds among the M-portfolio customers in Bangalore “. The study was made at M-Portfolio for a period of 3 months the study explains a sample of 100 were taken for the study with an objective of understanding purpose of their investment & preferences towards mutual funds and their pattern of investments. This study is basically survey oriented descriptive study it was found that a good percentage of investors made long term investments, majority have invested in equity and few made investment in debenture. Majority of the investors prefer mutual funds & have taken systematic investment plan route for their investment.

# **CHAPTER I**

## **Introduction**

## Chapter-I

### Introduction

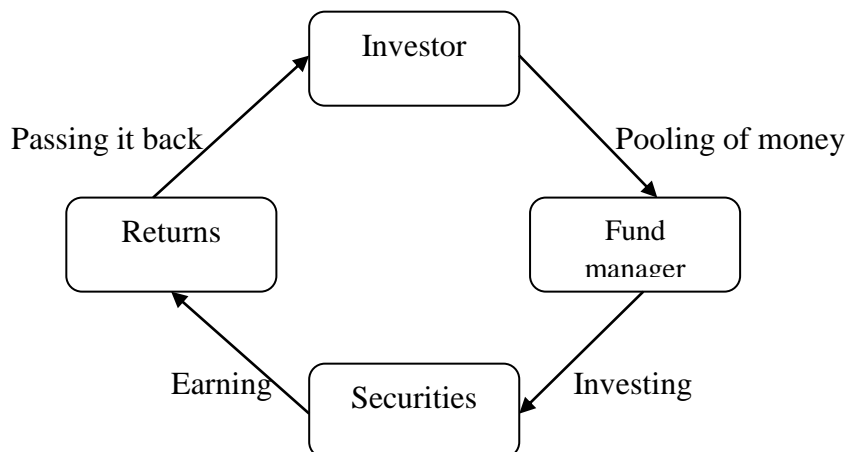
#### 1.1-Introduction

##### Mutual Funds

Mutual funds are the professionally managed investment that pools the money from different investor for purchasing of security. The company uses the public's money to invest in different fields to earn profit & also certain percentage profit will be given to the investor based on the field & ratio of their investment .i.e. debt, equity, no of shares etc. In this way mutual funds are benefitted to both the parties.

Mutual fund is the pooling of investment of different type of investor who has a same financial goal. This money collected is then invested in capital market in the forms of shares, debenture & other forms of securities, later the income earned from these securities are distributed to the unit holders in the proportion of their investment, henceforth mutual fund is considered as the suitable investment for common man as it offers a diversified bunch of investment

Chart no: 1.1 – working of mutual fund

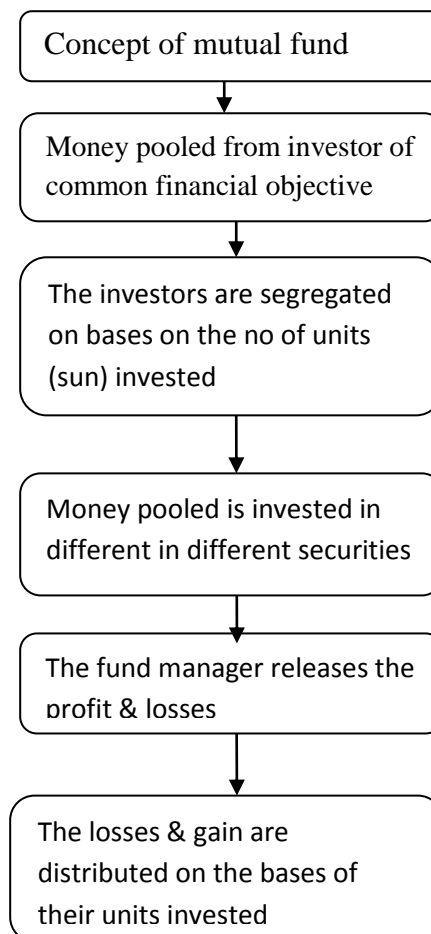


The mutual funds are professionally managed investment scheme that pools money from investors & invest it in shares, bond, debenture & other securities. Then the fund manager will trade the invested money on a regular basis, as on 2016 the mutual fund value worldwide is 40.4 trillion

The organization earns profit by using the investor's money and also certain percentage of profit will be earned by investors without any initiatives & analysis. The work of analysis & research is done by the mutual fund manager on behalf of the investor and the organization

The investors investing in mutual fund are generally exposed to lower risk compared to direct investors it does not mean that mutual fund is low risky product it surely involves risk in it , the investment are diversified in mutual fund to reduce the level of risk.

Chart no: 1.2- concept of mutual fund



The mutual funds have both advantage & dis-advantage compared to direct investment

The primary advantage is it provide economic of scale, they provide liquidity & they are managed by professional & the dis-advantage is various fees and expense charges

The primary structure of mutual funds include open end funds, UTI, closed ended funds .they are also classified as money market fund, hybrid fund, index fund etc.

## **History**

The first modern investment was done in Dutch republic in responses to the financial crisis 1772-1773, it was introduced to US in 1890's and were generally closed ended funds the first open ended funds were introduced in 1920

## **Mutual funds today**

Though the market is down, there is no much downside in blue chip companies and mutual funds comprising of these companies. The government is clear about manufacturing and is providing faster clearances for factories to be set up, production to start, and energy to be given to the industry.

"This may take a few months to operationalize, but the trend is clear. The projects that were in limbo for the last couple of years have started getting approved. This will create signific...

## **Advantages & Dis-Advantages**

### **Advantages**

- Increased diversification:
- Daily liquidity:
- Professional investment management:
- Ability:
- Service and convenience:
- Government oversight:
- Transparency and ease of comparison:

### **Dis-Advantages**

- Fees
- Less control over timing of recognition of gains
- Less predictable income
- No opportunity to customize

## **Types of Mutual Funds**

The primary structures of mutual funds

- I. Open end funds :**They are the share which can be bought back from the investor at net asset value computed on the day based on the price of the security, they are even sold to public at NAV
  
- II. Closed-end funds:** They are generally issued to public only once through initial public offering , later when the investor wants to sell these share they have to sell them to another investor in the market as they cannot be bought back .The price of the share may be different from NAV it may be at premium/ at discount
  
- III. UIT[ Unit Investment Trust ]:** They are issued to the general public, it usually contains a limited life span , it can be redeemed by the investors or can be redeemed at maturity, the UIT is not professional investment
  
- IV. Exchange Traded Fund:** They are the combination of both open ended & close ended fund these share are traded throughout the day

Based on underlying investment

- I. Money market funds:** they are the fixed income security which has short term maturity & high credit quality; they are used as substitute of bank's savings account. The money market funds are not secured by govt as bank account.
  
- II. Bond funds:** they are the funds invested in bonds which pays them dividend which is usually higher than cash deposit & money market funds.  
The different types bonds are High yield bonds, Municipal bond/Corporate Bonds, Maturity Bonds etc
  
- III. Equity mutual fund/Stock funds:** they are the funds invested in common stock, stock funds focus on the particular area of the stock market like stocks of particular company, country, high dividend paying stock etc.

**IV. Hybrid funds:** they are the funds invested in both bonds & stock/ in convertible securities, they may be structured as funds of funds

### **Equity Mutual Funds (Stock funds)**

#### **Equity funds/ Equity Mutual Funds (Stock funds)**

The equity mutual funds are the funds invested in stocks they are also called as equity security& stock funds they can be constructed with bond funds & money funds with small amount of cash. This may be a mutual fund/ exchange traded fund, the objective of this funds is to attain long term growth through capital gain.

The equity mutual fund are distinguish by several prosperities

- Value/ growth,
- Small cap
- Mid cap
- Large cap
- Etc

### **Types of equity funds**

- I. Index fund:** it is the funds that buys and sell securities in a manner that mirrors the composition of selected index, the performance of the funds are tracked by the underlying index performance. The turnover of the securities are minimal, they have low management cost compared to other type of funds
- II. Growth funds:** they are the funds invested in the stock of rapidly growing company; the company invest them to make profit. The growth funds are mainly focused on making profit than income.
- III. Value fund:** these are the funds invested in value stock, the company rated as value stock are the older and established company
- IV. Sector fund:** the funds that are invested one area of the industries is called as sector funds, in sector funds there will be at least 25% of the asset invested in its specifically, these funds usually offer high appreciation potential & will also pose high risk  
e.g.:Gold, Mining, Technology etc



- V. **Income fund:** in the fund which stress on the current income over growth, the objective of these fund is to invest in established company like preferred stock, blue chip stock
- VI. **Balanced fund:** they are the funds invested in stock for appreciation and bonds for income. The goal of these funds is to provide regular income to the fund holder while increasing its principal
- VII. **Asset allocation funds:** they are the funds that own stock & also assets other than stock, these funds split income between growth stock, income stock & money market instrument. The fund which switches the assets based on prediction is called tactical allocation fund. Others maintain constant allocation due to the belief that prediction is not reliable.
- VIII. **Hedge funds:** they are the legal stricture funds that often trade stocks and also will trade in anything depending on the fund , this is done to reduce the risk of investment in stocks
- IX. **Arbitrage funds:** they are mutual fund which makes profit by buying & selling securities from different exchanges, instead of waiting for rise of price of a particular stock arbitrage funds buys the stock in cash market & sells them in future market. As the future is uncertain the arbitrage fund takes the advantage of this, if the market is bullish then same no of shares are sold simultaneously & if the market is bearish then the stocks are sold at little higher price than the current price.
- X. **Focus funds:** they are the mutual funds which rather than holding a diversified mix of equity focus on limited no of stocks of a limited sector, the focus fund will hold less than 20-30 types of stocks.

### **Marketing strategy used by mutual funds**

The marketing strategy can be divided into 3 categories

- Direct marketing
- Intermediaries
- Joint call

**Direct marketing:** This is one of the important tools of marketing mutual fund. This contributed 20% of total sales of mutual funds

Some of the important tools under this selling are

- ❖ **Personal selling:** In this case the customer relationship manager meets the investors/ clients and then discuss all the details about various scheme that is been offered by the mutual funds, in this mode 30%-40% of selling is done
- ❖ **Telling market:** In this case the name, phone no of the public is collected from different sources & from existing data base and the customer relationship manager will try to contact them through phone and sell them the units of mutual funds. Generally in this marketing the conversion rate is 15%-20%.
- ❖ **Direct mail:** This is one of the common methods of marketing used by mutual funds. The address of few people are taken randomly & then the mail with schemes are offered by the funds are sent to them, and then the follow up starts after 3-4 days.
- ❖ **Advertisement in news paper& magazines:** The funds are regularly advertised in business newspaper & magazines with the intention to keep the investor aware of the schemes and its performance of its past

**Intermediaries:**In this tool the marketing is done with the help of intermediates /distributors who are in direct touch with investors who help in attracting new customer. The intermediaries are also involved in selling shares & other instruments. The customers prefer to work with those investors who give them right information about the funds & latest change taking place in the market.

**Joint call:** This tool is used when the prospect is high net worth investor. The business development associate & the agent will meet the prospect and brief him about the fund. the rate of conversation is high in this situation, the important trend in mutual fund is aggressive explosion of foreign owned mutual fund and decline of company floated by nationalized bank & PVT sector , the nationalized entered the mutual fund in early nineteen as there was a boom in the market but as they did not understand the business & they viewed it in another form of business the performance of most of the scheme offered was not good, the parent company had to pay a large amount to bail out the AMC, even the PVT sector company in India faced the same situation, some of them sold them to the foreign company & some have merged with others,the foreign owned company pocked it with the expectation of huge haul, they have forced the industries to upgrade itself & its service level of organization.

**Challenges faced by marketing of fund** The marketing of mutual funds is not very easy as any other marketing as a book cannot be judged by its cover we need to go through it totally, the marketing of mutual funds include the following aspect:

- Investors need
- Market research
- Designing of product
- Study of environment
- Timing the product launch
- Distribution network
- Strategy for publicity & advertisement
- Documents & other literature work
- Study of performance indicator like NAV
- Honouring the commitments made for redemption & re-purchase
- Payments of dividend & entitlements
- Widening, broadening & deepening the markets

### **Market segments of mutual fund**

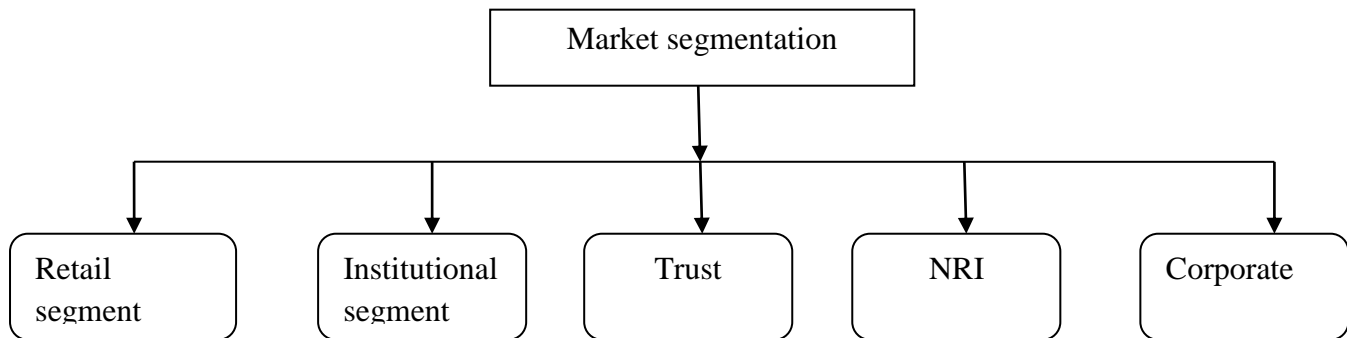
**Market segmentation:** the different segments of the market will have different risk-return criteria, on which the investment decisions are made; there might be different sub-segment in a particular segment with different risk return criteria

The various investment attribute of financial product are:-

- Liquidity
- Capital appreciation
- Safety
- Tax benefit
- Dividend/ interest income
- Regulatory restriction
- Time period

On the basis of these attribute the market segmentation is divided into 5 types

Chart no: 1.3-market segmentation of mutual fund



**1. Retail segment:** It is the segment which has large no of participant but with low individual volume, as it consist of individual, HUF & firms, this can also be sub divided into

- Salaried class
- Retired people
- Business men

These can be further classified on the basis of their income level as the preference of investment differs as per the level of income, it also differ from region to region as there will be different life style, ethic, social environment. This class require security of principle, liquidity & regular income more than capital appreciation. In this segment the marketing strategy of indirect selling through agencies & appropriate media is more effective.

**2. Institutional segment:** this segment capture less participant but large individual volumes, it consists of banks, public sector units, financial institution, foreign institution etc. This segment normally looks for more specialised & professional investment skills of managing the fund & a readymade product is expected, there is a vital consideration of tax features & regulatory restriction, the participant provide a niche to the fund manager of this segment, a more professionalised marketing is required to sustain & increase the volumes.

**3. Trust:** This is a highly regulated & a high volume segment which consist of different types of trust like charitable trusts, regional trusts, educational trusts, family trusts, social trusts, etc. Each of the trust has different objective with a basic need is safety of principal, regular income & hedging against inflection than liquidity & capita

inflection, there is a vast potential of fund management in this class as the trusts are freely allowed to invest in mutual funds.

4. **NRI( Non-Resident Indian):** It is the segment which consists of highly risky & sensitive participants as there is a need of high cover against political & exchange risk. They normally prefer easy exit investment for reinvestment as they bring in a crucial income for the development of the country, these segments require special products depending on the previous tax treatment
5. **Corporate:** The investment scheme of this segment is to pool the surplus income which earns more than the account of holding them usually both short term & long term investments are planned to them, the fund manager has to analyze in detail the intrinsic need & design the required suitable product & it has to be marketed in an appropriate manner.

## **SEBI GUIDELINES**

The Securities Exchange Board of India has issued a set of regulations & code of conduct on 20<sup>th</sup> Jan 1993 for smooth functioning & regulation of mutual funds

The salient features of SEBI guidelines are as follows:

- ❖ Mutual funds cannot trade in option trading, short selling or carry forward transactions of securities.
- ❖ Mutual funds must be formed as trusts & should be managed by AMC.
- ❖ Investment in all schemes should not exceed 15% of the funds in the shares & debentures of a single company.
- ❖ SEBI will grant registration only to that mutual fund which can prove efficient & orderly business.
- ❖ The custodian of the mutual fund should not be associated in any way with the AMC & registered with the board.
- ❖ The minimum amount that has to be raised by the mutual fund with a closed ended scheme is 20 crore, & open ended scheme is 50 crore.
- ❖ Mutual funds are obliged to maintain the books of account.
- ❖ The minimum net worth of the AMC should be 5 crore & the sponsor's contribution should be 40%.
- ❖ Mutual funds should ensure that there is adequate disclosure to its investors.
- ❖ SEBI can impose suspension of registration in case of violation of provisions.

- ❖ There is a restriction that the investment by an individual should not exceed 5% of the corpus of any company's share & the investment under the entire scheme should not exceed 10% of funds in the share debenture/ security of a single company.

## **1.2-Organisation profile**

### **Organisation profile of M-Portfolio**

#### **Background**

The M-Portfolio financial service was started in the year 2006 by Mr. Manjunatha Prasad as a sole proprietor at Vidyanapura with initial investment of ₹ 2,00,000. The M-Portfolio financial service also does shares trading & it also has insurance agency of health, life, etc.

The M-Portfolio financial services had only 5-6 active agents where as overall of 12 agents with annual income of around ₹ 4-6 lakhs

#### **Nature of business**

The M-Portfolio financial services helps us guiding our investment for future, tax saving, health, children education, retirement etc through different investment scheme and insurance policy like Equity share, debenture of the company, NSC,PPF, Bit coins, Life insurance, bonds, Health insurance etc.& they also provide accident insurance & vehicle insurance.

#### **Present status**

Today the M-Portfolio financial services is earning an annual income ₹ 27 lakhs with annual clients of 1,706 providing 3,600 policy services annually, at present there are 13 active agent with overall of 25 agents

#### **Product profile**

The product/scheme offered by M-Portfolio financial services are

- **Equity scheme:** the M-Portfolio company will offer open ended scheme to its clients for generating wealth for long term with potential combination strategy, it is a patient process in M-Portfolio company with the identification of basket of ideas by investing in them at early stage and the convection to hold them for a long period  
The sector like telephone, software aviation where we envisage such growth. The premium equity will indulge in this wealth creation process and hence seek the provider of long term investor with the opinion of creating wealth
- **Enterprise equity fund:** It is the 3years closed ended equity fund that will invest in IPO's & that are to be launched in the next 3years. This scheme will help you take the benefit of increasing IPO's

- **Arbitrage equity fund:** This fund makes the most difference in the market by investing in cash & future market. With 35% debt & money market instrument, this scheme suits a low risk profile. this scheme help you to make more from this option
- **Tax savers fund:** The M-Portfolio has also provided the tax savers scheme (ELSS) to its clients specially to provide tax benefits under 80C of IT ACT.
- **Debt scheme:**This scheme is to generate optimal return with high liquidity by active management of the portfolio, by investing in debt mutual fund scheme.

There is no assurance of the investment objective

- Scheme to be released
- Ideal investment horizon

### Competitors

- **ICICI Prudential Mutual funds:** It is one of the leading asset management company in India, its assets as on 31<sup>st</sup> march 2016 was 175881 Crores, bridging gap between savings & investments & creating long term wealth for investors by ranges of sample & investment solutions
- **HDFC securities:** it is one of the leading securities & stock broking company in India from 15years
- **IFILL (India Infoline India Ltd) :** it is the company which deals with both BSE& NSE, it is also registered under NSDL & CDSL, it is the first company to hold membership Colombo stock exchange & in-principle approval of the Singapore stock exchange
- **Karvy stock broking ltd:** it is one of the leading financial service organization, KSBL have combined account facility that provides equity, derivatives', IPO, Mutual funds& other options as well



## SWOT Analysis

**Table no 1.1 SWOT analyses of M-Portfolio financial services**

<b>Strength</b> <ul style="list-style-type: none"><li>• Salaried class customer</li><li>• Different investment opportunity</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>• Technology</li><li>• Risk appetite of customers</li></ul>
<b>Opportunity</b> <ul style="list-style-type: none"><li>• Different class of society</li><li>• Customers who are running the business</li></ul>	<b>Threat</b> <ul style="list-style-type: none"><li>• New investment company</li><li>• Existing portfolio company</li></ul>

### **I. Strength**

- Salaried class customers: The main strength of M-Portfolio financial services are the salaried class customer, most of the customers of M-Portfolio financial services are of salaried class, & they provide the most business to them
- Different investment opportunity: the different investment opportunity provided by them is also its strength as new customers are attracted to them

### **II. Weakness**

- Technology: The upgrading to the change in technology is a bit tough for the M-Portfolio financial services as it just a growing company.
- Risk Appetite: The risk appetite of the customer is also one of the weaknesses as the customers prefer to take less risk and hence they will not be open to invest in such investment having high risk.

### **III. Opportunity**

- Different class of customers: they other different class of society untouched by M-Portfolio financial services, where it has to concentrate and focus
- Customers who are running the business: As the most of the customers are salaried employee so they should concentrate on business people & people with other professions

#### **IV. Threat**

- The investment company are the threat to the M-Portfolio financial services as they try to attract the customers by different marketing strategy
- Existing portfolio company is also the threat to the M-Portfolio financial services as they withhold their existing clients & attract new customers

This scheme is designed for those investors regular & sustained return over a long period of time

#### **Achievements**

- Continuous MDRT from 2003 onwards
- 3 times COT
- The sole proprietor of the company was 4 times corporate club member
- The sole proprietor of the company is Chairmen club member
- They are the creators of history in Karnataka

## Financial statement

**Table no 1.2 Balance sheet of M-Portfolio as on 31<sup>st</sup> March 2017**

<b>Manjunath Prasad.N.A</b>			
<b>Balance Sheet</b>			
1-Apr-2016 to 31-Mar-2017			
<b>Liabilities</b>	as at 31-Mar-2017	<b>Assets</b>	as at 31-Mar-2017
<b>Capital Account</b>	<b>1,45,90,176.40</b>	<b>Fixed Assets</b>	<b>68,55,119.75</b>
Income	6,35,259.95	Devanahalli Site Purchase	25,74,955.00
Withdrawals	(-)21,05,931.55	New Flat 50% Share	42,66,798.50
Capital Account	1,32,30,905.79	Smasung TV	13,366.25
Income During the Year	28,27,472.21		
Income Tax Refund	2,470.00	<b>Investments</b>	<b>99,95,066.24</b>
		Bonds	5,00,000.00
<b>Loans (Liability)</b>	<b>16,26,118.00</b>	Fixed Deposit	61,00,884.87
Housing Loan	16,26,118.00	Inv In Shares	2,000.00
		RD	3,53,154.00
<b>Current Liabilities</b>	<b>1,25,000.00</b>	Cruise Travel	2,00,000.00
Sundry Creditors	1,25,000.00	Investment in M Portfolio	22,05,027.37
		KVP-11-12	50,000.00
<b>Suspense A/c</b>		PO MIS-	1,05,000.00
		PO MIS 82688	1,50,000.00
<b>Profit &amp; Loss A/c</b>	<b>30,67,157.68</b>	PO Misc Deposit	70,000.00
Opening Balance	30,67,157.68	PO Mis New	2,49,000.00
Current Period		Sundaram Rural India Fund	10,000.00
Difference in opening balances	2,17,939.50	<b>Current Assets</b>	<b>27,76,205.59</b>
		Bank Accounts	1,19,169.70
		TDS and Advance Tax	39,437.00
		B.C Nagalakshmi	19,56,086.50
		BCN PO Share	25,390.50
		Int Accrued on NSC	29,596.00
		MF Withdrawl	(-)67,999.11
		M.S Anantharamaiah	5,74,525.00
		Ramesh Pethkar	1,00,000.00
<b>Total</b>	<b>1,96,26,391.58</b>	<b>Total</b>	<b>1,96,26,391.58</b>

### Financial analysis of M-Portfolio financial services

As per the balance sheet of 31<sup>st</sup> march 2017 the M-Portfolio financial services is having asset worth of ₹1,96,26,397.58 & liability worth of ₹1,94,08,452.08 which leads to a profit of ₹2,17,939.50 for the financial year,

The debt ratio of the company is .98:1.

The company is have a good current ration as the liability is too less compared to asset of the company the current ratio is 22:1 with current asset worth of ₹27,76,205.59 & liability worth of ₹1,25,000.00.

The net working capital of the M-Portfolio financial services is ₹26,51,205.59.

**CHAPTER II**

**Conceptual background &  
Literature review**

## Chapter-II

### Conceptual background & literature review

#### 2.1- theoretical background of the study

Perception: A conscious or unconscious state of awareness or understanding of one's surroundings that exists within the mind and formed through sensory signals stimulated by current conditions, expectations and past memories. The confluence of complex sensory inputs often times creates a perception that is unreliable or unverifiable. In other words, it may not be based in reality.

#### Perception

Perception is the organization, identification & interpretation of information in order to understand the present information

It is a market concept that encompasses the customer's impressions & awareness consequences of a company & its offering, the perception of the customer is affected by advertisement, social media, personal experiences etc.

The perception of the consumer is approximate to the reality the business organizations try to manipulate the customers by representing them in the possible way.

#### Levels of perception

The level of perception can be sum up as

- Serpent
- Jaguar
- Humming Bird
- Condor

**Serpent** It is the most commonly known level of perception they are usually known as literal physical or casual level of perception

E.g. If the clients face looks pink then pink is just a colour

**Jaguar** In this level of perception we perceive the feelings, emotions, Socio dynamic & the story line accompanying it

E.g. If the clients face is pink then he/she is blushing

**Humming Bird** In this level of perception the myths operating in our life

**Condor** This level of perception can be known but cannot be described. It works when perceiving at all level

## **Types of Perception**

- Vision
- Sound
- Touch
- Taste
- Smell
- Social
- Speech
- Other senses

## **Mutual Funds**

Mutual funds are the professionally managed investment that pools the money from different investor for purchasing of security. The company uses the public's money to invest in different fields to earn profit & also certain percentage profit will be given to the investor based on the field & ratio of their investment .i.e. debt, equity, no of shares etc. In this way mutual funds are benefitted to both the parties.

Mutual fund is the pooling of investment of different type of investor who has a same financial goal. This money collected is then invested in capital market in the forms of shares, debenture & other forms of securities, later the income earned from these securities are distributed to the unit holders in the propitiation of their investment, henceforth mutual fund is considered as the suitable investment for common man as it offers a diversified bunch of investment

## **Types of mutual funds**

- Open ended mutual funds
- Closed ended mutual funds
- Growth funds
- Index funds value funds
- Arbitrage funds
- Focus funds

## Marketing strategy used by mutual funds

The marketing strategy can be divided into 3 categories

- Direct marketing
- Intermediaries
- Joint call

### 2.2- literature review

1. **Dr. Ravi Vyas** conducted a study on perception of investors towards Mutual funds in Indore city & found that mutual funds were not well known to the investors and they use to invest in it for short term and the Equity & SIP were the most opted one by the investors, & the risk analysis was also not done properly.
2. **Dr. Binod Kumar Singh** explained in his papers the structure of mutual funds compression Between mutual funds & banks etc in this paper he explains various methods of analyzing& collecting data, it has also absorbed that there is lack awareness about mutual funds, the demography factors include gender, income level, education etc. The mutual funds include return potential & liquidity. There is a wide scope for mutual funds in India.
3. **Prof. Gauri Prabhu.** The mutual funds have provided a platform to the investors to invest in the market. The mutual funds is rapidly growing industry in India, they are the less riskier investment compared to direct investment thy offered mouthy investment plan for monthly income & debt orient instrument for less exposure to equity, it has also absorbed that there is lack of awareness about mutual funds in India. This paper tries to explain the perception of investors Mutual funds in India.
4. **Dr Shantanu Mehta&Charmishah.** This study was conduct by him to know the major factors that influence the buyer's behaviour of mutual funds investors, it was done in the city of Ahmedabad & Board, this study is useful to the AMC'S, Brokers. Distributors & Academician
5. **Dr. Gaurav Agrawal &Dr. Mini Singh.** In the investment market there are different types of investment available, there is advantage & dis advantage of the modes of investment, beyond this the Mutual funds are the most preferable investment mode. In this study the Dr. Gaurav Agrawal &Dr. Mini Singh has tried to identify the most preferred option of investors in the city of Mathura, as there are different options available

6. **K. Ranganathan** In this study they have made an attempt to examine the study of individual investors towards mutual funds in Mumbai, this study will help in expanding & developing the knowledge in this field.
7. **Das Bhagaban Mohanty Chandra Shil Chandra Nikhil** this study has brought light on the behaviour of investors of mutual funds & life insurance, this paper has made an attempt to study the behaviour of investors in these 2 investment vehicles by making a comprehensive study.
8. **N.Sharma** This paper tries to make an attempt of identifying the less reorganization of mutual funds, it makes a comparative study of Mutual funds of the investors preference with the schemes provided by the Mutual funds company.
9. **NCRCA** this study makes an attempt to know the attitude of individuals towards saving.
10. **Ippolito** it conclude that the investment scheme selected by the investors are based on the past performance of the funds & money flow into the funds.
11. **Gupta**In his study he did the analysis of the inventors preferences and interest to help the mutual funds policy makers to design the future financial product
12. **Kulshreshta**In this study he tries to explain the guidelines to the investors in opting the investment.
13. **Madhusudhan V Jambodekar**This study helps to identify the factors that influences the investors to invest in mutual funds & select a particular mutual fund & the source of available of this option.
14. **Sujit Sikidar& Amrit pal Singh** this study was conducted to understand the behaviour of investors in middle east region, it states that the salaried class employee are the major players in the investment market , at the time of this survey UTI & SBI were the popular investment options
15. **Shankar (1996)**in this study he stated that mutual funds are viewed as a commodity product by the investors in India , the consumer product distribution model should be followed by the investors to capture the market
16. **Shyamsunder(1998)**this study was conducted to know the awareness of mutual fund in small cities, as the awareness of mutual funds were less at that time period, the agents played an important role in speeding awareness of mutual funds
17. **Dr. N M Vechalekar**according to the study done Mutual funds is the platform provided for the investment irrespective of the amount invested



- 18. Rajeshwari T R, Moorthy Rama V.E, Srinivasan Ajay** this study is conducted on the investors in Urban & Semi Urban area & the factors influencing them to invest in it
- 19. SEBI** This study was conducted to know the individual investors and their demographic, economic & portfolio size of their investment preferences & other instrument
- 20. Bodla B** This study concludes that investment option for investors in India is of wide varieties such as interest income, monthly income, growth, dividend etc. The popular investment option in India Portfolio wise investment & UTI's.

CHAPTER III

**Research Methodology**

## **Chapter -III**

### **Research Methodology**

#### **3.1-Statement of problem**

Investors in the current scenario, have a lot of investment avenues like shares, debenture insures plans, deposits, bonds, real estate Mutual funds etc. The majority of Indian public have little? No know Knowledge of characteristics of different securities, financial planning, time& expertise in the investment plan. In this background the intermarries in the stock markets, the govt agencies or any other investment companies have to educate the prospective investors , ensure purpose channelization of savings into appropriate investment avenues to help the investors in getting good

#### **3.2-Objective of the study**

- ❖ To find out the purpose of investment made by the investors.
- ❖ To understand the types of investment made.
- ❖ To know the preferences of investors invested in mutual funds.
- ❖ To analyze the risk appetite of investors.
- ❖ To examine investment pattern
- ❖ To offer suggestions to the investors for better investment based on finding of study.

#### **3.3-Scope of the study:**

The study was made at M-Portfolio with an intention of understanding the preferences of investors, types of equity mutual funds invested purpose of investment, pattern of investment & risk appetite of investment. The study covered 100 samples from Bangalore who were selected using convenient sampling it was done Between Jan & Mar 2018.

#### **3.4- significance of the study**

- ❖ This study will help us in understanding the growth of mutual funds in India, with fast changing nature of mutual funds.
- ❖ This study helps in understand the functioning of mutual fund Company in the present market condition.
- ❖ This study will help to understand the investment pattern of equity mutual fund& its benefits to the customer.
- ❖ This study will help in understanding the changing needs of the customers & will the organization able to track to the future needs of the customers

### 3.5-Research Methodology

The research methodology is defined as the systematic planning, designing, collection, analysis & reporting of data relating to the marketing situation faced by the company.

**Research design:** the research needs most effective plan for collecting the required information. That is selecting the proper data source, research approach, instrument & sampling method

There are 3 types of research design

- **Exploratory research:** This is an un-structured research, where its prime goal is to know the unknown factors. This research is carried out to know the occurrence of unknown phenomenon in the market.
- **Descriptive research:** This research is carried out to understand the buyers behaviour & understand the characteristics of the target market, it is the study done for the evolution of customers preference.
- **Causative research:** This research is conducted to effect & cause of relationship.

The type of research design used in this study is **descriptive research** design.

### 3.6-Hypothesis Framework

**Null hypothesis( $H_0$ ):**-Investors perception likely to differ based on the risk involved in the investment option.

**Alternative Hypothesis ( $H_1$ ):**-Investors perception unlikely to differ based on the risk involved in the investment option.

**Null hypothesis ( $H_0$ ):**-Adult age investors likely to take more risk than the mid and old age people.

**Alternative Hypothesis  $H_1$ :** Adult age investors unlikely to take more risk than the mid and old age people.

### 3.7-Limitation of the study:

- ✚ The study was limited to the clients of M-Portfolio financial services.
- ✚ The sample size is limited to 100
- ✚ The time constrains was limited to 10 weeks
- ✚ The customers were not providing right information to us
- ✚ Non availability of the past data

- ✚ Limitation of cost factor
- ✚ The information collected is based on the data given by M-Portfolio financial services; the accuracy is dependent on the quality of responses.

### 3.8-Data sources

**Primary data:** It is the data collected directly by the researcher, these data are highly accurate & original in character, and this type of data is collected govt, individuals & research bodies.

#### Methods of collecting primary data

- Personal interview
- Indirect oral test
- Information from correspondent
- Questionnaire

**Secondary data:** The data collected indirectly through published & un-published source by the researchers for the study is called secondary data

#### The methods of collecting secondary data

- Published sources
- Un-published source

### 3.9-Sample

Sample is a part of the whole taken randomly/by homogeneity, the sample is considered when the availability of data is very vast, and the sample is said as a sub-set of the population

#### Sampling methods

##### Non –probability sampling

- ✚ **Judgement sampling:** Under this method the samples are chosen on the judgement of the investigator. In other words the investigator exercises his judgement in the choice of selecting the sample from the population
- ✚ **Quota sampling:** Under this sampling the quotas are setup according to specified characterises such as income group, age etc.
- ✚ **Convenience sampling:** this sampling is collected by set of convenient population, they are also called chunk.

## Probability sampling

- ✚ **Un-restricted random sampling:** It refers to the sampling under which all the units of the population have the chance of getting selected in the sample.
- ✚ **Restricted random sampling:**
  - **Stratified sampling:** This sampling method is one of the sampling methods which by using the available data try to design a more efficient sample.
  - **Systematic sampling:** Under this sampling the sample are selected at a regular interval e.g. 1, 5, 10, 15, etc.
  - **Multi stage sampling/ cluster sampling:** Under this sampling the samples are collected randomly at primary, intermediate & final units give from the population.

## Sample size -100

The convenient sampling was used to select 100 samples

## Type of sampling- convenient sampling

### Statistical tools used for data analysis

- Percentage method
- Average method

## 3.10-Research methodology used

- **Information sources:** The information for this study is collected from books, newspaper, magazines, search engine data base
- **Analysis method:** The different analysis uses in this study is ratio analysis, historical trend analysis, judgemental forecasting, causes & effect of the analysis.

# **CHAPTER IV**

## **Data analysis & interpretation**

## Chapter-IV

### Data analysis & Interpretation

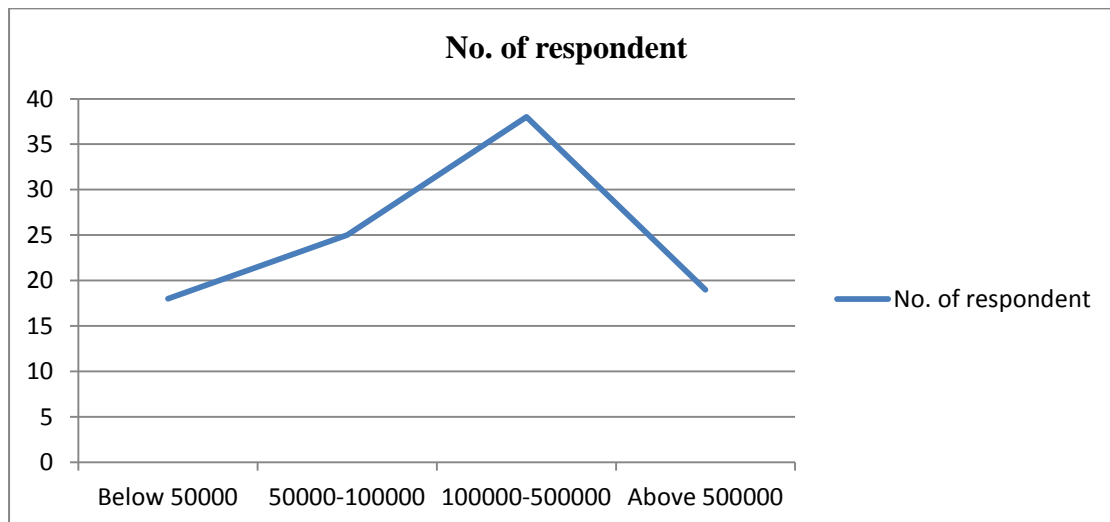
#### 4.1-Data analysis

The respondent from which the data is collected .i.e. the clients of M-portfolio financial services most of them belong to working class, with the age range of 29-50, certain details were not disclosed by them & the M-Portfolio financial services for maintains of secrecy of their clients details.

**Table no 4.1 level of income of respondents**

Level of income	No. of respondent	Percentage
Below 50000	18	18%
50000-100000	25	25%
100000-500000	38	38%
Above 500000	19	19%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.1 level of income of respondents**



#### Interpretation:

- The highest no of responses lie in the income level of 1,00,000-5,00,000.
- The lowest no of responses lie in the income level of below 50,000.

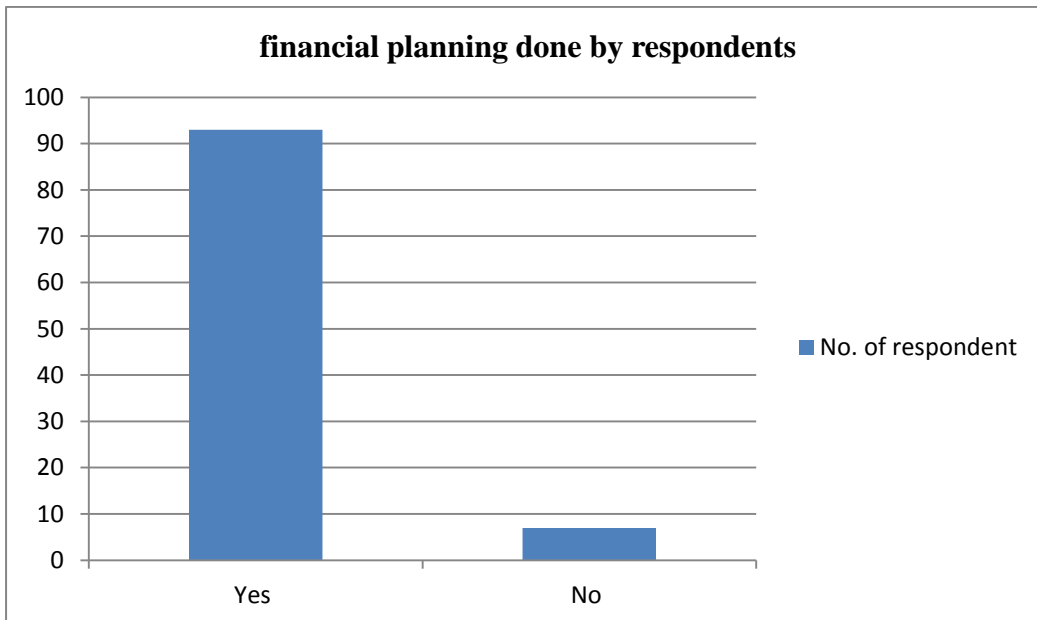
According to the above chart we can get to know that the highest numbers of investors are laying in the income range of 1,00,000-5,00,000 & lowest lays in the range of below 50,000



**Table no 4.2 financial planning of customers of M-Portfolio financial services**

Attributes	No. of respondent	Percentage
Yes	93	93%
No	7	7%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.2 financial planning done by respondents**



**Interpretation:**

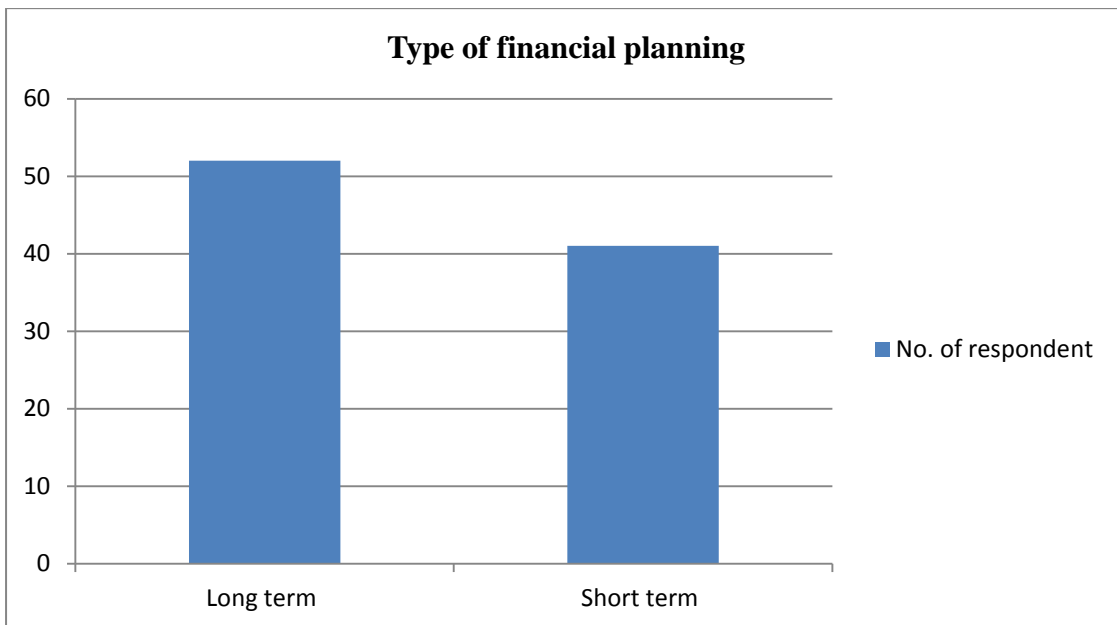
- **93%** of the respondents have done their financial planning
- **7%** of the respondents have not done their financial planning

The respondents are more concern about their investment & return so most of them have done their financial planning. This indicates investors who exposed to equity investments are more educated to the financial planning.

**Table no 4.3 Type of financial planning done by respondents**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Long term	52	56 %
Short term	41	44%
<b>Total</b>	<b>93</b>	<b>100%</b>

**Chart no 4.3 Types of financial planning done by respondents**



**Interpretation:**

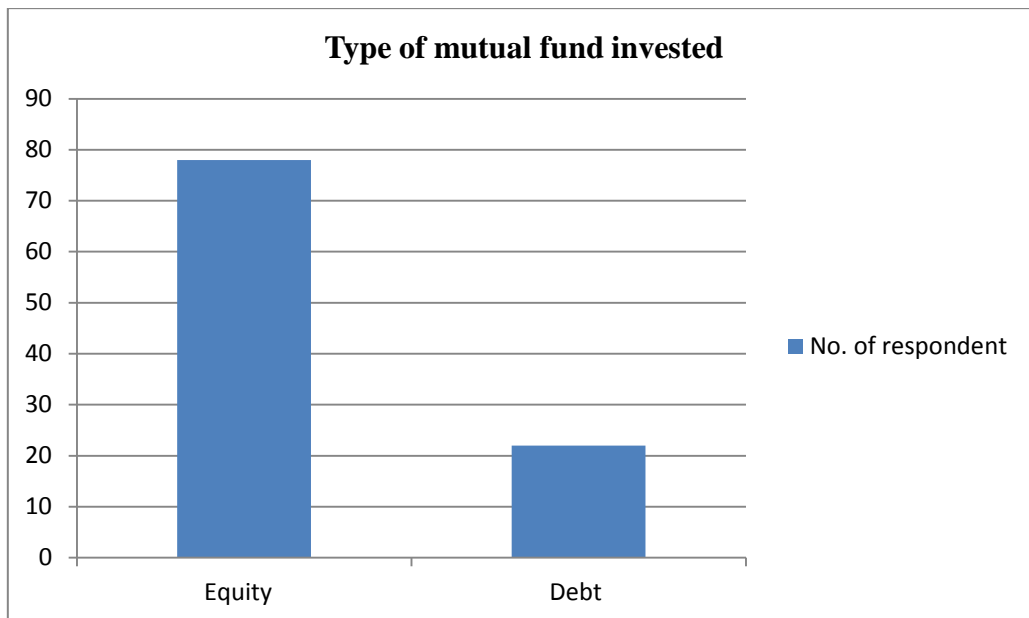
- From the **93%** of respondents who has done there financial planning
- **56%** of them have done long term financial planning
- **44%** of them have done the short term planning

Above chart indicates, more of the customers are long term oriented than the short term oriented plans

**Table no 4.4 Mutual Fund in which respondents have invested**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Equity	78	78 %
Debt	22	22%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.4 Mutual Fund in which respondents have invested**



**Interpretation:**

- **78%** respondents have invested in Equity
- **22%** of the respondents have invested in Debenture

From the above chart we can get to know that the investors in equity are more compared to debenture, the investors are interested to invest equity more than investing in debenture

### Hypothesis

**H<sub>0</sub>**-Investors perception likely to differ based on the risk involved in the investment option.

**H<sub>1</sub>**-Investors perception unlikely to differ based on the risk involved in the investment option

**Table no 4.5 compression of respondent's age & investment done in debt & equity**

Age	No. of respondent invested in equity	No. of respondent invested in debt	Total
20-30	20	1	21
30-40	27	2	29
40-50	20	1	21
Above 50	17	2	19
Total	84	6	90

#### Chi square test

$$\chi^2 = \sum (O - E)^2 / E \quad O = 90$$

$$E = \frac{\text{rowtotal} * \text{columntotal}}{\text{sample size}}$$

**Table no 4.6 expected counts**

Age	No. of respondent invested in equity	No. of respondent invested in debt	Total
20-30	19.60	1.40	21
30-40	27.06	1.93	29
40-50	19.60	1.40	21
Above 50	17.73	1.27	19
Total	84	6	90

$$\chi^2 = ((20-19.60)^2/19.60) + ((27-27.06)^2/27.06) + ((20-19.60)^2/19.60) + ((17-17.73)^2/17.73) + ((1-1.40)^2/1.40) + ((2-1.93)^2/1.93) + ((1-1.40)^2/1.40) + ((2-1.27)^2/1.27) = \mathbf{0.6972}$$

Significance level 5%

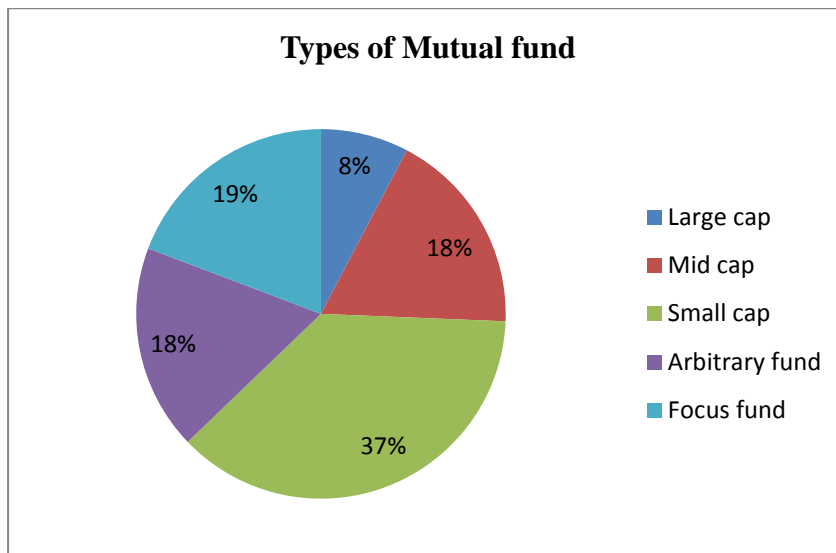
Critical value= 3 degree of freedom= **7.815**

Since **0.6972 < 7.815**, therefore we accept the null hypothesis & conclude that there is relationship between age & investment in equity.

**Table no 4.7 No of respondents invested in Equity funds**

<b>Types of equity available for investment</b>	<b>No of respondent</b>	<b>Percentage</b>
Large cap	6	8%
Mid cap	14	18%
Small cap	29	37%
Arbitrary fund	14	18%
Focus fund	15	19%
<b>Total</b>	<b>78</b>	<b>100%</b>

**Chart no 4.5 No of respondent invested in Equity funds**



**Interpretation:**

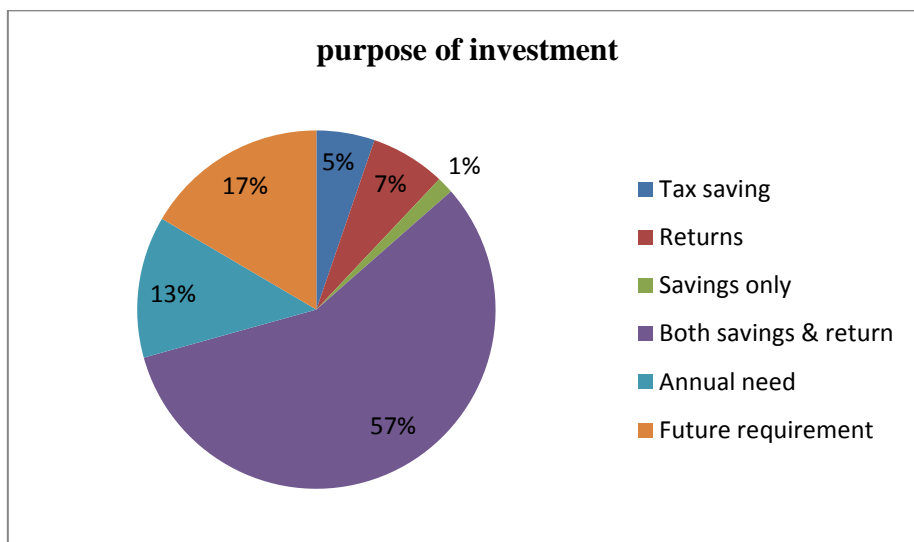
- The respondents have highly invested in **small cap with 37%**
- The investment is low in **large cap 8%**
- There is a equal investment in **Mid cap & Arbitrary fund 18%**
- The **Focus funds** are **19%**

The investors investing in small caps are more compared to other type of equity option, investing in large cap are low in number & equal in Arbitrage & Mid cap.

**Table no 4.8 Purpose of investment**

Purpose of investment	No of respondent	Percentage
Tax saving	7	5%
Returns	9	7%
Savings only	2	1%
Both savings & return	79	57%
Annual need	17	13%
Future requirement	22	17%
<b>Total</b>	<b>133</b>	<b>100%</b>

**Chart no 4.6 purpose of investment**



**Interpretation:**

The no of responses are more in this as one can select more than one option

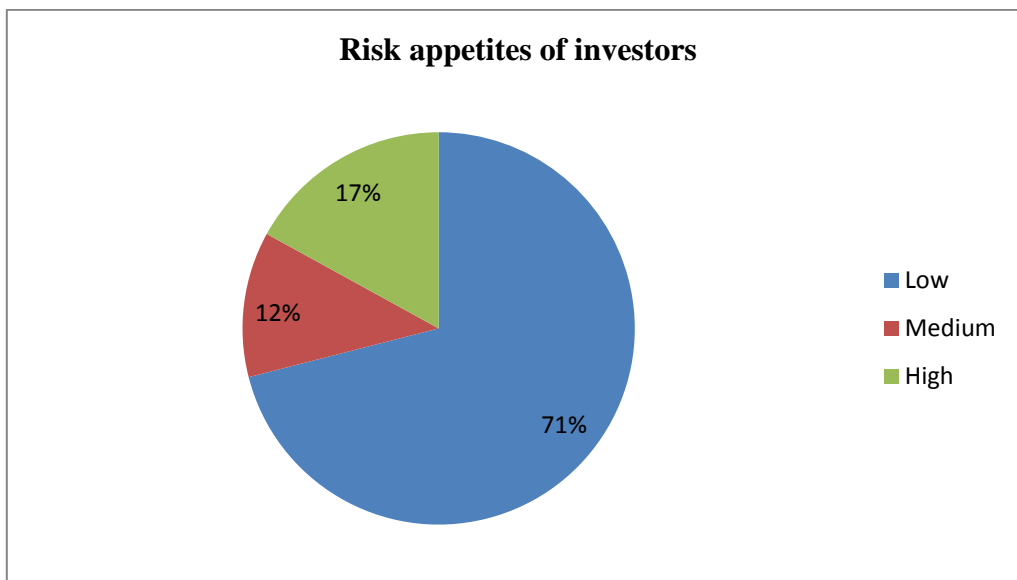
- The highest investment is done for both **tax saving & return** purpose **57%**
- The least for savings only purpose **1%**
- There is an investment of
- **5% for Tax saving, 7% for Return, 13% for Annual needs&17% for future requirements.**

According to the above chart the investment done by the investors are done mostly for the purpose of tax saving & returns compared to other purpose of investment where is the least is for only savings purpose.

**Table no 4.9 Risk appetites of investors**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Low	71	71%
Medium	12	12%
High	17	17%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.7 Risk appetites of investors**



**Interpretation:**

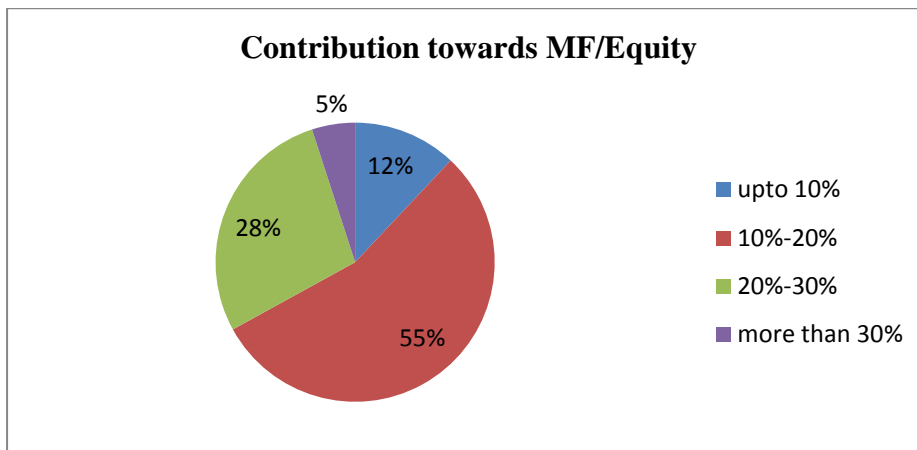
- The risk appetites of investors is more in **low 71%**, where as less in **Medium 12% & high is 17%**
- The highest no of clients of M-Portfolio financial services are low risk takers & hence the schemes to be marketed by them should contain less risk with possible high return

From the above chart we can get to know that investors prefer to take less risk on their investment/ money invested also by knowing that high risk will give high return

**Table no 4.10 Contribution of investment towards Mutual Funds/Equity**

<b>Contribution towards Equity</b>	<b>No. of respondent</b>	<b>Percentage</b>
Up to-10%	12	12%
10%-20%	55	55%
20%-30%	28	28%
More than 30%	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.8 Contribution of investment towards Mutual Funds/Equity**



**Interpretation:**

The investors would have not invested wholly in mutual funds but a part of investment will be invested in Mutual funds/Equity, from the above chart we can get to know that highest number of investors invest 20-30% of their savings in M.F

- The investors who have invested **10%-20%** of investment in Mutual funds are more **55%** ,compared to others ranges
- The least is **5%** where the investors have invested **more than 30%** of their investment
- **28%** of the investors have invested **20%-30%** of their investment &**12%** of them have invested **up to 10%** of their investment



### Hypothesis

**H<sub>0</sub>**-the contribution towards investment depends on the level of income

**H<sub>1</sub>**-the contribution towards investment does not depend on the level of income

**Table no 4.11**compression of income level & contribution towards investment of the investors

% of contribution	Below 50000 income	50000-100000 income	100000-500000 income	Above 500000 income	Total
Up to 10%	5	3	3	1	12
10-20%	9	14	30	2	55
20-30%	4	11	11	2	28
More than 30%	1	0	4	0	5
Total	19	28	48	5	100

#### Chi square test

$$\chi^2 = \sum (O - E)^2 / E \quad O = 100$$

$$E = \frac{\text{rowtotal} * \text{columntotal}}{\text{sample size}}$$

**Table no 4.12** expected counts (E)

% of contribution	Below 50000 income	50000-100000 income	100000-500000 income	Above 500000 income	Total
Up to 10%	2.28	3.36	5.76	0.60	12
10-20%	10.45	15.40	26.40	2.75	55
20-30%	5.32	7.84	13.44	1.40	28
More than 30%	0.95	1.40	2.40	0.25	5
Total	19	28	48	5	100

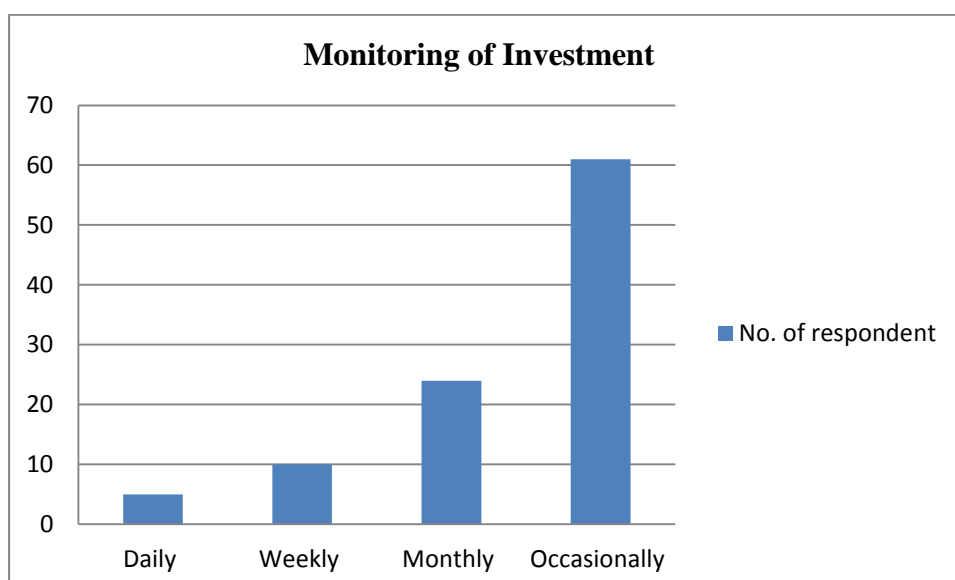
$\chi^2 = 10.34$ , critical value = 16.92, significance level 5%

Since  $16.92 < 10.34$ , therefore we accept the null hypothesis & conclude that the contribution towards investment depends on the level of income.

**Table no 4.13 Monitoring of investment**

Monitoring of investment	No. of respondent	Percentage
Daily	5	5%
Weekly	10	10%
Monthly	24	24%
Occasionally	61	61%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.9 Monitoring of investment**



**Interpretation:**

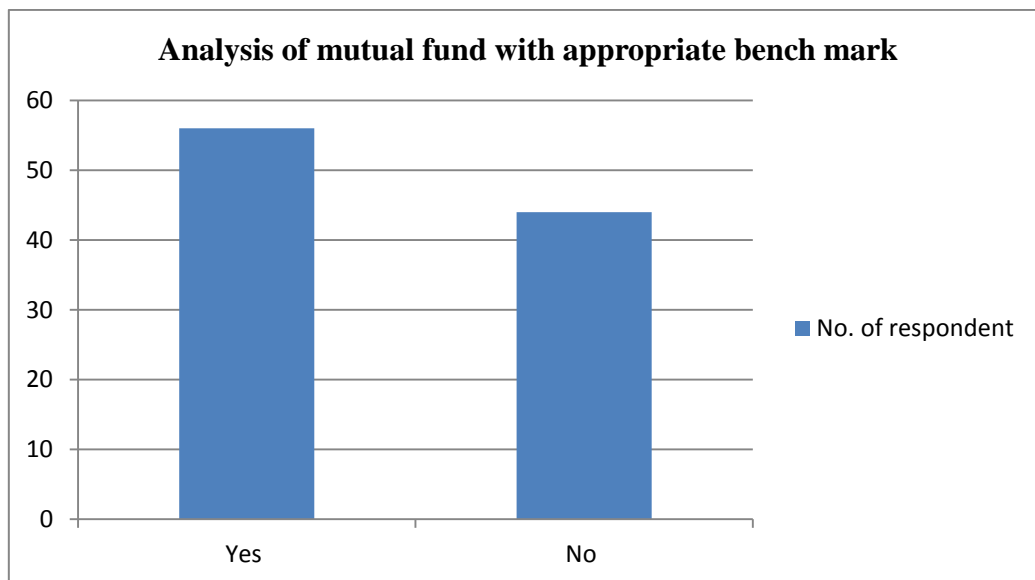
It is also important to monitor our investment to know the flow of the investment (i.e. is it earning profit/loss) & observing its movement to the change in the market. from the above chart the highest number of investors monitor their investment occasionally

- The no of investors monitor their investment **occasionally 61%**,
- **Monthly is 24%, weekly is 10% & daily is 10%**
- The investors who occasionally monitors their investment is more compared to other & daily is less

**Table no 4.14 analysis of mutual fund with appropriate bench mark**

Attributes	No. of respondent	Percentage
Yes	56	56%
No	44	44%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.10 analysis of mutual fund with appropriate bench mark**



**Interpretation:**

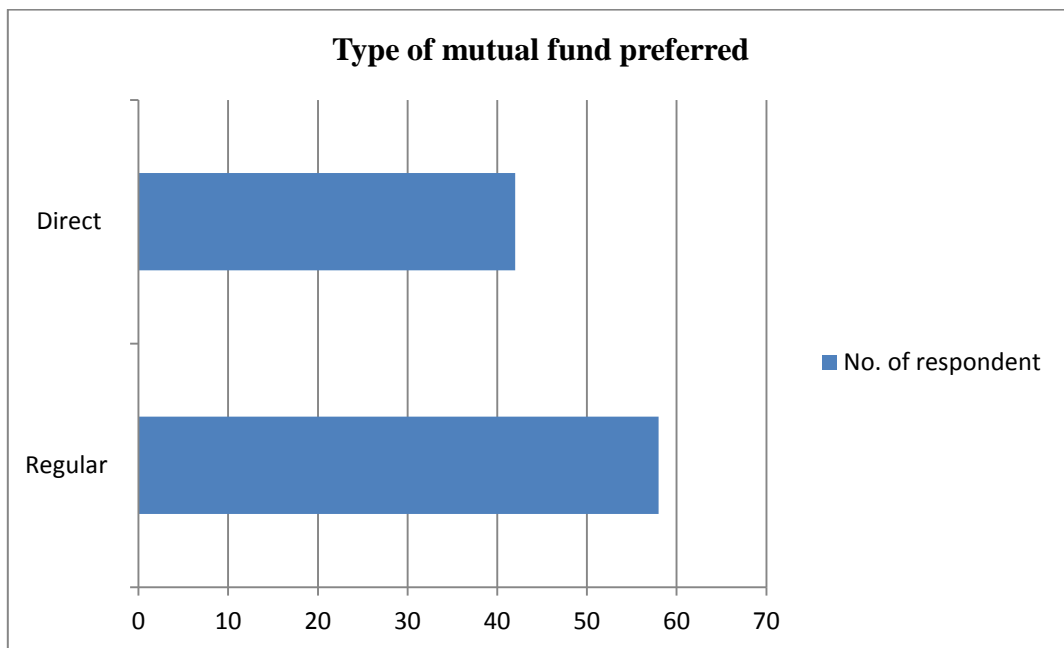
- The investor who compare & analyse their investment with the appropriate bench marking is **56%**,
- Whereas those who don't analyse their investment is **44%**

From the above chart we can get to know that more that 50%of investors compare & analyse the mutual funds with appropriate bench mark

**Table no 4.15 type of mutual fund preferred by investors**

Type of mutual fund preferred	No. of respondent	Percentage
Regular	58	58%
Direct	42	42%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.11 type of mutual fund preferred by investors**



**Interpretation:**

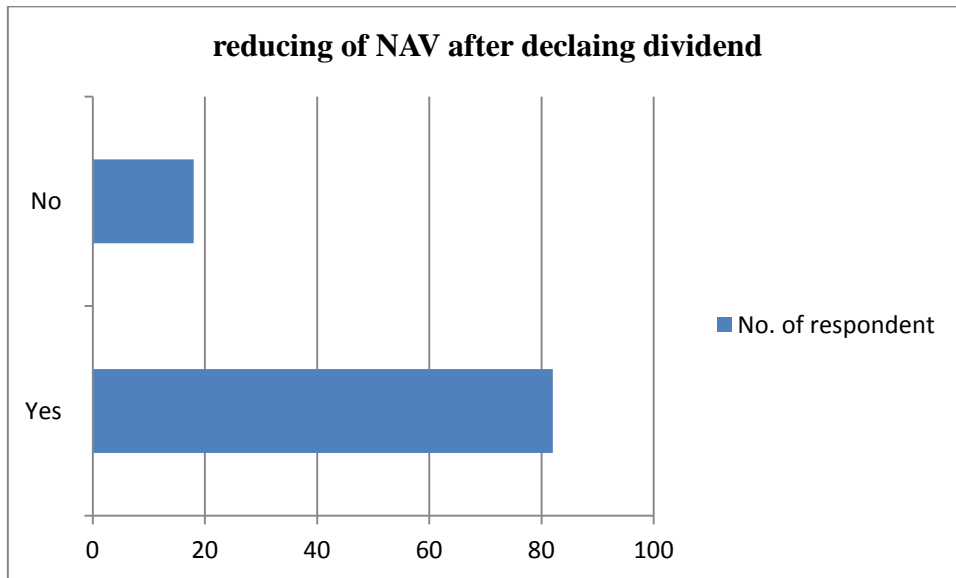
- 58% of the investors prefer investing in regular mutual fund
- 42% of the investors prefer direct mutual fund for investment

Most number of investors prefer to take up regular mutual funds rather than direct mutual funds

**Table no 4.16 knowledge reducing of NAV after declaring of dividend**

Attributes	No. of respondent	Percentage
Yes	82	82%
No	18	18%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.12 reducing of NAV after declaring of dividend**



**Interpretation:**

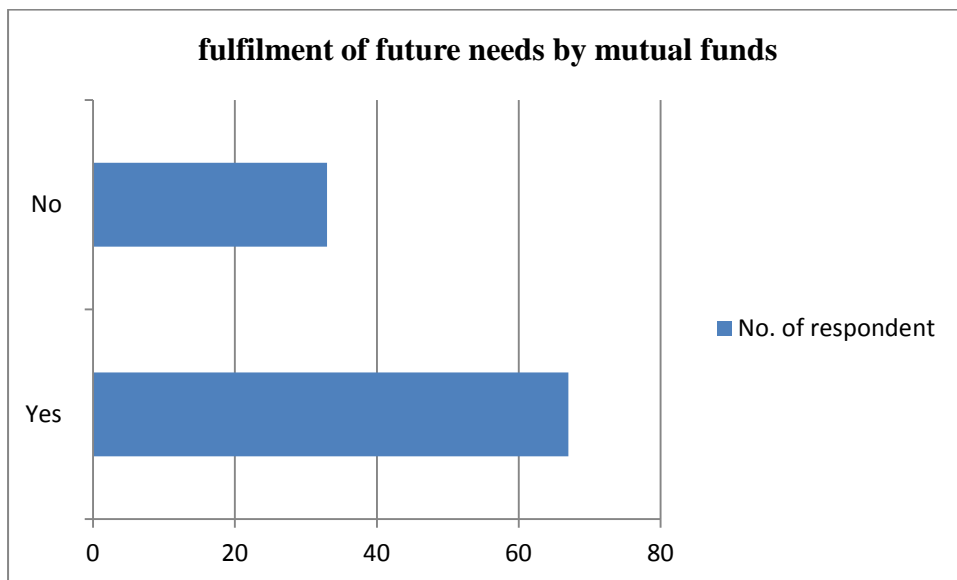
- **82%** of the investors do know that the NAV will reduce after the dividend is declared by the company
- **Only 18%** of investors are lacking with this knowledge

According to the above chart we can get to know that highest number of investor have the knowledge that the NAV is reduced after the company declares dividend

**Table no 4.17 fulfilment of future needs by mutual funds**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Yes	67	67%
No	33	33%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.13 fulfilment of future needs by mutual funds**



**Interpretation:**

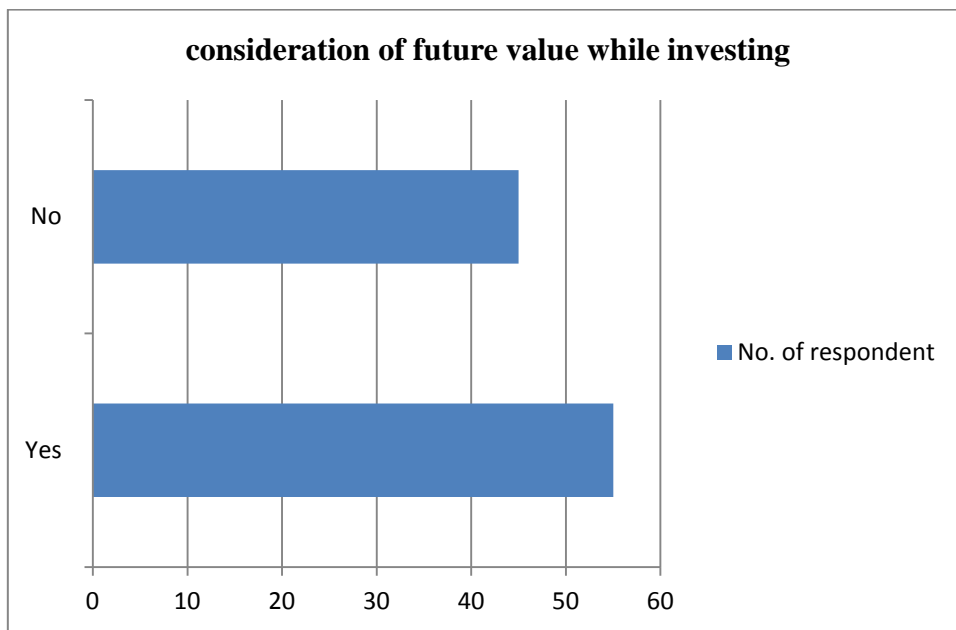
The investment done by the investors for the future needs or any other purpose so what is the investor's opinion will mutual fund fulfil their future needs

- **67%**of the investors say that Mutual funds will fulfil their future needs
- **33%** of investors say that mutual funds will not fulfil their future needs

**Table no 4.18 consideration of future value while investing**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Yes	55	55%
No	45	45%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Table no 4.14 consideration of future value while investing**



**Interpretation:**

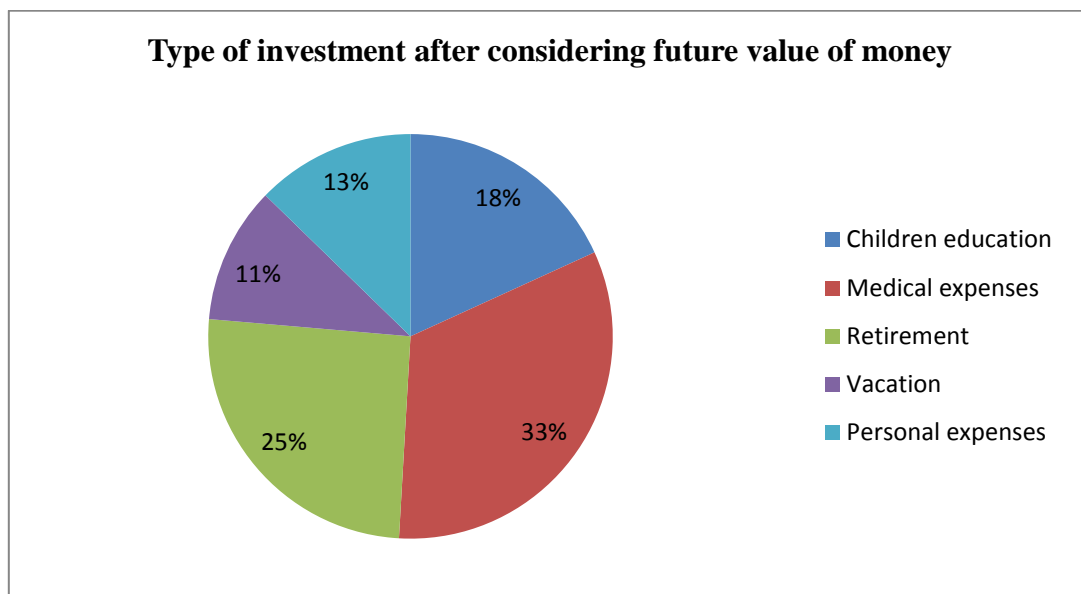
- 55% of the investors do consider future value while investing in mutual funds
- 45% of investors do not consider future value while investing

According to the chart above the highest number of investors consider future value while investing in mutual funds.

**Table no 4.19 type of investment done after considering future value of money**

<b>type of investment after considering future value of money</b>	<b>No. of respondent</b>	<b>Percentage</b>
Children education	10	18%
Medical expenses	18	33%
Retirement	17	25%
Vacation	6	11%
Personal expenses	8	13%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.15 type of investment done after considering future value of money**



**Interpretation:**

- The investment is more in **medical expenses 33% &**
- Least investment is done in **vacation 11%**
- **18%** in children education, **25%** in retirement & **13%** for **personal expenses**

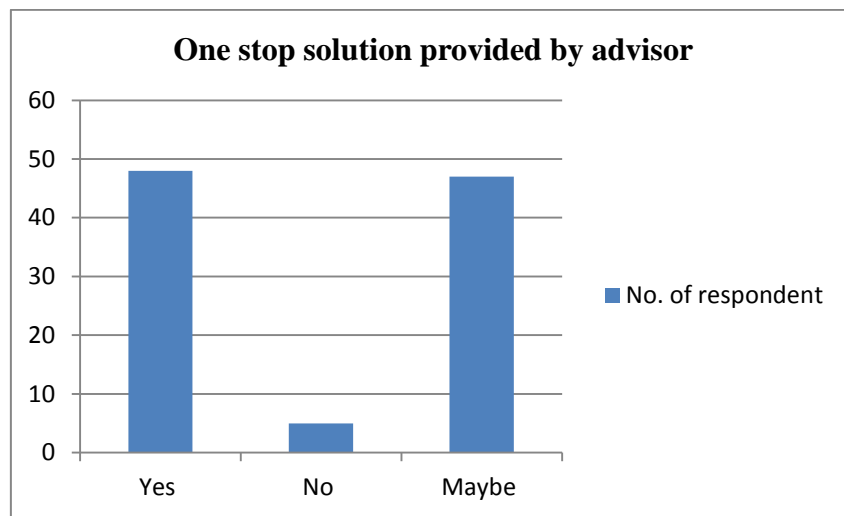
The investors after considering the future value prefer to invest for the medical expenses arising in future rather than any other option



**Table no 4.20 one stop solution provided by advisor**

Attributes	No. of respondent	Percentage
Yes	48	48%
No	5	5%
Maybe	47	47%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.16 one stop solution provided by advisor**



**Interpretation:**

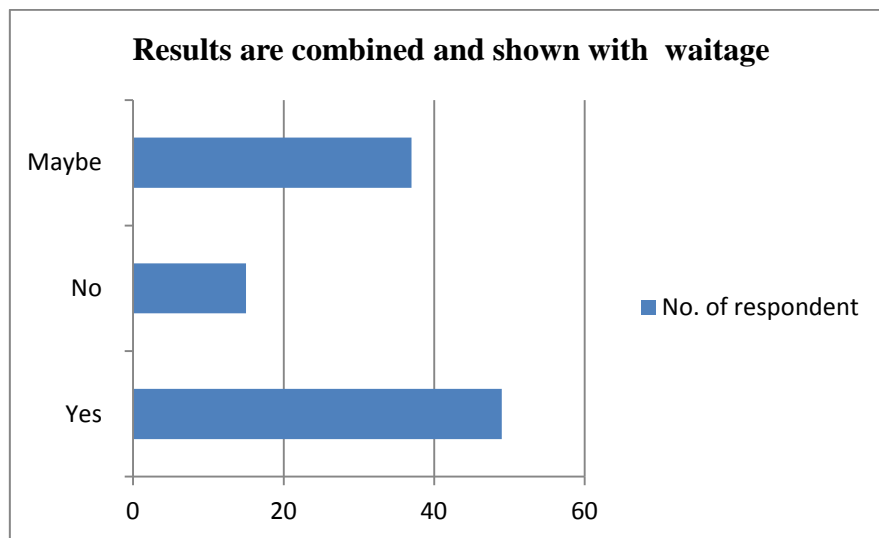
The above says that more number of investors say that they get one stop solution for tyhere investment quarries at M-Portfolio financial services

- **48%** of investor do say that they receive one stop solution from their financial advisor i.e. M-Portfolio financial services
- **47%** of investor are still not sure of receiving one stop solution fromfinancial advisor i.e. M-Portfolio financial services &
- **5%** of investors say that they do not receive one stop solution for their problem from M-Portfolio financial services.

**Table no 4.21 technology where results are combined shown with waitage**

Attributes	No. of respondent	Percentage
Yes	49	49%
No	15	15%
Maybe	37	37%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.17 technology where results are combined shown with waitage**



**Interpretation:**

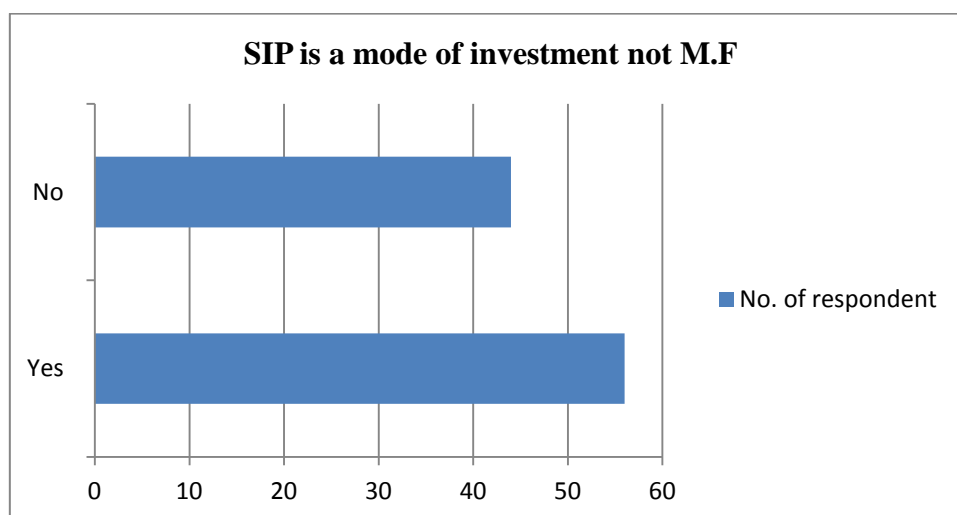
According to the above chart the investors say that the M-Portfolio financial service has technology that provides them results which are combined & shown with waitage

- **49%** of investor say that they have the technology where the investment are combined & results are shown with waitage
- **37%** of investors are not sure of having the technology, whereas
- **15%** of investors are not having the updated technology

**Table no 4.22 SIP is mode of investment not M.F**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Yes	56	56%
No	44	44%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.18 SIP is mode of investment not M.F**



**Interpretation:**

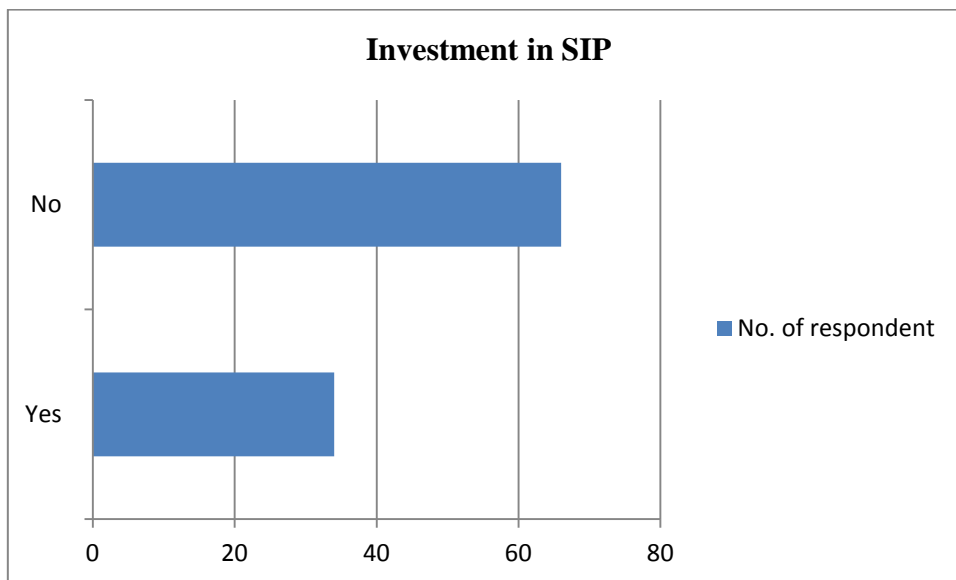
- **56%** of investors know that SIP is mode of investment not mutual fund
- **44%** do not know that SIP is not mutual fund

According to the above chart we can get to know that highest number of investors do have the knowledge that SIP is mode of investment not a part of mutual funds

**Table no 4.23 investment in SIP**

<b>Attributes</b>	<b>No. of respondent</b>	<b>Percentage</b>
Yes	34	34%
No	66	66%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.19 investment in SIP**



**Interpretation:**

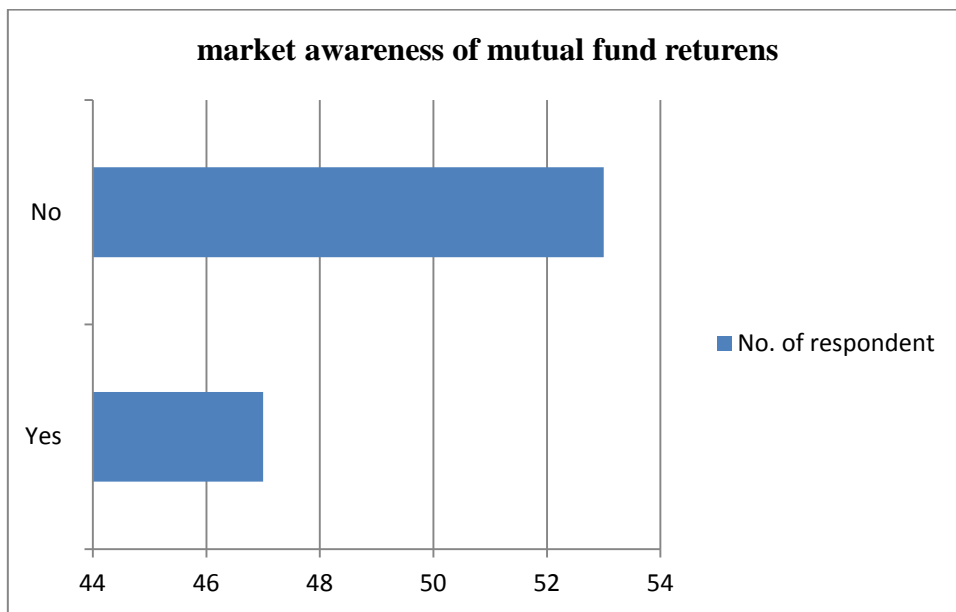
- **66%** of investors do not prefer investing in SIP whereas
- **34%** of investors are interested in investing in SIP

According to the above information we can get to know that more number of investors do not prefer to invest in SIP & prefer the mutual funds

**Table no 4.24 market return were high in Dec 2007 than in Sep-2017**

Attributes	No. of respondent	Percentage
Yes	47	47%
No	53	53%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Chart no 4.20 market return were high in Dec 2007 than in Sep-2017**



**Interpretation:**

It is important for an investor to be aware of the returns in the market and be updated about it, in this survey

- **53%** of investors were not aware that the returns from M.F were high in 2007 Dec than in 2017 Sep
- But **47%** of investors knew about the returns of mutual funds was high in 2007

**CHAPTER V**

**Findings Observations &  
suggestions**

## Chapter-V

### Findings, observation & suggestions

#### 5.1-Findings

- **38%** of respondents belong to the income level of **1,00,000-5,00,000**.(refer table no 3.1)
- **93%** of respondents have done their financial planning.(refer table no 3.2)
- **53%** of investors have done in long term invested, **44%** have done short term investment.(refer table no 3.3)
- **78%** of investors have invested in equity & **22%** have invested in debenture. (refer table no 3.4)
- **37%** of equity investment is done in small cap.(refer table no 3.5)
- **57%** of investment is done for the purpose of tax saving.(refer table no 3.6)
- **71%** of investors are low risk avenues.(refer table no 3.7)
- **55%** of investors contribute **10-20%** of investment in equity. (refer table no 3.8)
- **61%** of investors monitor their investment occasionally.(refer table no 3.9)
- **56%** of investors analyze their investment with appropriate bench marking.(refer table no 3.10)
- **58%** of investors prefer regular mutual funds.(refer table no 3.11)
- **82%** of investors know that NAV will be reduced after declaring dividend.(refer table no 3.12)
- **67%** of investors think that mutual funds will fulfil their future needs.(refer table no 3.13)
- **55%** of investors consider future value while investing.(refer table no 3.14)
- After considering the future value **33%** of investment is done for medical expenses.(refer table no 3.15)
- **48%** of investors say that M-Portfolio financial services provide one stop solutions for their problems & investment.(refer table no 3.16)
- **49%** of investors have Up to date technology which combines the investments & shows the results with waitage.(refer table no 3.17)
- **56%** of investors know that SIP is a mode of investment not a Mutual fund.(refer table no 3.18)
- **66%** of investors are not interested in investing in SIP.(refer table no 3.19)

- **47%** of investors are aware that the returns were high in 2007 rather than 2017.(refer table no 3.20)
- **100%** i.e. all the investors are satisfied with the services provided by M-Portfolio financial services & are happy to recommend M-Portfolio financial services to others.

## **5.2-Personal observation**

The personal observation done by me in the study is as follows

- ♣ In this study i learnt about the different types of schemes & how these schemes are designed for different types of customers based on their level of income, interest & capacity of taking risk.
- ♣ I also learnt the behaviour of investors, how do they choose the mutual funds
- ♣ I also learnt the preference of investors towards equity mutual funds
- ♣ What were there criteria while selecting the mutual funds
- ♣ While doing observation of customers of a particular organization, i learnt that they are more interested in gaining/ capital appreciation hence most of them have preferred equity mutual funds
- ♣ The investors didn't want to take more risk in their investment so they prefer mutual funds, but mutual funds are also subjected to market risk.
- ♣ But the risk level in mutual funds is comparatively less so new investors are would be interested to invest in mutual funds.
- ♣ A wide market is expected for mutual funds in future.

## **5.3-Suggestions**

- ♣ The is a small growing company which is just 7 years old & it has very less no of customers who has a income level of more than 5,00,000 P.M & also below 50,000 P.M so they can target these customers & also new customers who are interested in investing in mutual funds
- ♣ They should also ensure that the problems are solved in time.
- ♣ The M-Portfolio financial services should expand their market to even Mysore, Hassan & other regions of Karnataka in the next few years so that they can target other state investors
- ♣ The competitors for M-Portfolio financial services are Anand Rathi brokers, Edelweiss, Sharekhan, Angel,



- ♣ In equity the premium or the regular equity scheme are chosen by the investors more compared to other equity scheme so the M-Portfolio financial services have to promote them
- ♣ It the responsibility of the financial services company to guide the investors about different type of scheme, right & useful one the investors, with its users & benefits as it helps the investors in choosing the right one
- ♣ The M-Portfolio financial services have a good image in the customers mind in the market it has to be maintained by them.

#### **5.4-Statical suggestion**

The FAB concept is the best option for the company to sell the mutual funds to its customers; this is very help full for the company in increasing its sales & attracting new customers.

The FAB includes Futures, Advantages & Benefits. The product should have extra features to attain success in the market that extra feature should be advantageous to the customers & it should be also beneficial to the customers

The FAB concepts focuses on the quality & the new feature that attract the buyers to buy it, hence the product should consist more advantages feature to benefit the customers, henceforth the company should target on

- Adding new features in the policies
- Focusing on the advantage of the policies
- Providing sales benefits to the customer

# CHAPTER VI

## Conclusion

## **Chapter-VI**

### **Conclusion**

After this study I (karuna murali) finally conclude that M-Portfolio financial services is a growing financial advisory company in Bangalore

Mutual fund is an investment option which is a growing fast from the past few decades & it is expected to be the powerful investment tool in the future. It is one of the best alternative options for the investors to invest in it

The mutual funds is one of the safest investment alternative which has limited yield & limited risk, the equity mutual fund is the most preferred fund by the investors as it yield more gains compared to other mutual funds & the equity fund itself has a variety of option to invest on it.

From the responses of the questionnaire i conclude that

- The investors are still not aware much about mutual funds
- The equity funds is the highly preferred investment among investors
- Small caps is the preferred among the equity funds
- The M-Portfolio financial services should concentrate in attracting customer with more income level
- The M-Portfolio financial services should also promote other type of mutual funds as the small cap is highly preferred.
- The M-Portfolio financial services should concentrate on the performance of the fund
- The investors are more concerned about tax benefit & saving, henceforth the companies should plan such scheme which provides the investors tax benefits & savings.
- The companies should introduce new schemes that attract new investors

**Annexure**

**A Study on Perception of investors towards equity mutual funds among M-Portfolio customers in Bangalore**

Survey done under the guidance of M-Portfolio financial services

**Name** \_\_\_\_\_

**Mobile Number** \_\_\_\_\_

**Age** \_\_\_\_\_

**E-Mail ID** \_\_\_\_\_

**What is your level of income?**

- Below 50,000
- 50,000-1,00,000
- 1,00,000-5,00,000
- Above 5,00,000

**Have you done your financial planning?**

- Yes
- No

**If yes**

- Short term
- Long term

**In which mutual funds have you invested?**

Equity

Debt

**In case of equity**

Large cap

Mid cap

Small cap

Arbitrary fund

Focus fund

**What is your purpose of investment**

Tax saving

Return

Only saving

Both savings & return

Annual needs

Future requirements

**What is your risk appetite**

Low

Medium

High

**What proportion of investment is contributed to equity/ M.F**

Up to-10%

10%-20%

20%-30%

More than 30%

**How often do you monitor your investment**

Daily

Weekly

Monthly

Occasionally

**Have you done the analysis of M.F actual return with appropriate bench mark**

Yes

No

**What type of mutual fund do you prefer**

Regular

Direct

**Do you know that dividend returns reduces NAV after declaring the dividend**

Yes

No

**Do you know that market returns was high in Dec-2007 than in Sep-2017**

Yes

No

**Have you considered future value of money while investing**

Yes

No

**If yes in which have you invested**

Children education

Medical expenses

Retirement

Vacation

**Does your advisor provide you one stop solution**

Yes

No

Maybe

**Do you have technology where all your investment are combined & shown results with waitage of your investment &return**

Yes

No

Maybe

**Would you prefer SIP/Lumpsum investment**

Yes

No

**Do you know that SIP is a mode of investment not mutual fund**

Yes

No

**Would you like to recommend M-Portfolio others**

Yes

No

Maybe

**Do you have any suggestion for M-Portfolio financial services**

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ACHARYA INSTITUTE OF TECHNOLOGY  
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INTERNSHIP WEEKLY REPORT (16MBAPR407)

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**Specialization:** Finance

**Title of the Project:** A Study on perception of investors towards equity mutual funds among M-Portfolio customers in Bangalore

**Company Name:** M-Portfolio Financial Services

**Company Address:** #184, Kanakapura road, Next to temple tree apartment,  
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Week	Work undertaken	External Guide Signature	Internal Guide Signature
15-01-18 to 20-01-18	Introduction about M-Portfolio and its operations	Sujatha. A	
21-01-18 to 27-01-18	Learning about different operations and products of M-Portfolio	Sujatha. A	
28-01-18 to 03-02-18	Gathering information about M-Portfolio	Sujatha. A	
04-02-18 to 10-02-18	Analysing the position of the Company in the Market	Sujatha. A	

11-02-18 to 17-02-18	Research problem Identification	Sujatha.A	<u>B</u>
18-02-18 to 24-02-18	Preparation of the Research Instrument for Data Collection	Sujatha.A	<u>B</u>
25-02-18 to 03-03-18	Theoretical background of the Study	Sujatha.A	<u>B</u>
04-03-18 to 10-03-18	Data Collection and Data Analysis	Sujatha.A	<u>B</u>
11-03-18 to 17-03-18	Interpretation of the Data collected during the survey	Sujatha.A	<u>B</u>
18-03-18 to 24-03-18	Final Report preparation and Submission	Sujatha.A	<u>B</u>

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