

Investors' Perception towards ETFs and IFs in India

PRASHANTA ATHMA*
B. MAMATHA **

Abstract

Financial System consist of the Financial Institutions, Services, Markets and the Instruments which are of financial nature. The Institutions in addition to mobilizing the resources also purchase and sell various financial instruments and render the financial services. Exchange Traded Fund (ETF) is like a Mutual Fund but it has the features of a stock as far as trading are concerned. Low costs, stock like features and tax efficiency make ETFs an attractive investment. ETFs are listed, like stock, on a recognized stock Exchange and usually they track an Index. The present study analyses the socio-economic conditions of the investors of Mutual Fund, their perceptions and to compare their satisfaction towards the services of ETFs and IFs in India. Percentages, Factor Analysis and Chi-square Test are the Statistical Tools which are used for the analysis of data.

JEL Code : G1, G11, G12, G20, G23

Keywords : Asset Price, Equity, Portfolio, Investor's Fixed Income, Securities, Valuation, Behaviour, KMO, Perception, FTF, IFs, India

I. Introduction

MUTUAL FUND ACTS as a trust and collects cash from the gathering of speculators (who shares regular monetary objectives) and puts the cash along these lines gathered into resource classes to match the expressed venture destinations of the plan.

It is the Fund Manager who deals with the Mutual Fund and with his speculative behavior, the executive's abilities and vital research works, guarantees much preferred return over what a speculator can oversee alone. The capital thankfulness and different livelihoods earned from these

* Dean & Professor, Osmania University, Faculty of Commerce, Osmania University Main Road, Amberpet, Hyderabad, Telangana 500007, INDIA

** Assistant Professor, University College for Women, Koti Main Road, Esamiya Bazaar, Essamiya Bazaar, Kachiguda, Hyderabad, Telangana 500095, INDIA

5.1 Suggestions

- A thorough knowledge relating to the funds is a key to success before any investment decision is taken up by the investors.
- Many a time, investors take a decision to invest in Mutual Funds schemes that are popular and yielded good returns. But, the past record alone should not become the base for choosing the scheme. It is suggested that an investor should align his objectives with the schemes objectives and also try to match other factors like risks, returns and time horizon before making an investment decision.

5.2. Conclusion

Equity funds are very popular among the investors compared to the other Funds. It is the performance record and the scheme portfolios of Investment which are the qualities of the schemes that are looked into before making an investment. The investors are well satisfied with the services of Equity Index Funds and Equity Exchange Traded Funds.

References

- Anitha, D. and Bhargavi Phani , (2014), "Investors' Perception Towards Investment", *Global Journal of Finance and Management*, Vol. 6, No. 2, pp. 185-190
- Bilas, Bajracharya, Rajan and Bhakta Mathema, Rushil, (2018), "A Study of Investors' Preference towards Mutual Funds in Kathmandu Metropolitan City, Nepal", *Journal of Advanced Academic Research*, Vol. 4, No. 2, pp. 130-138
- Goel, S, (2013), "*Performance of Mutual Funds and Investors' Behaviour*", Unpublished Thesis, Jaypee Institute of Information Technology, India
- Kaur, Sukhwinder, G.S.Batra and Anjum Bimal, (2013), "Investor's Perception towards Selection of Mutual Funds Rather than Stock Market", *International Research Journal of Business and Management*, Vol. 5, pp. 53-63
- Khan, A.H. and S.K. Agarwal, (2017), "A Study of Investors Perception towards Mutual Funds in the City of Delhi and Meerut", *Journal of Business and Financial Affairs an Open access Journal*, Vol. 6, No. 4
- Meena, Ram Singh, (2011), "Mutual Funds: An Empirical Analysis of Perceptions of Investors in Western Rajasthan", *International Journal of Management and Technology*, Vol. 19, No. 2, July - December 2011, pp. 68-83
- Mehru, K.D., (2004), "Problems of Mutual Funds in India", *Finance India*, Vol. 18, No. 1, pp. 220-224
- Parihar, BBS, Rajeev Sharma and Deepika Singh, (2012), "Analyzing Investors' Attitude towards Mutual Funds as an Investment Option", the *IUP Journal of Management Research*, Vol. VIII, No. 7, pp. 56-64
- Saini, Simran, Anjum Bimal and Ramandeep Saini, (2011), "Investors' Awareness and Perception about Mutual Funds", *International Journal of Multidisciplinary Research*, Vol. 1, No. 1, pp. 14-29
- Singh, Binod Kumar, (2012), "A Study on Investors Attitude towards Mutual Funds as an Investment Option", *International Journal of Research in Management*, Vol. 2, No. 2, pp. 61-70
- Trivedi, Rajesh, Prafulla Swain and Dash Manoranjan, (2017), "A Study of Investor's Perception towards Mutual Fund Decision: An Indian Perspective", *International Journal of Economic Research*. Vol. 14, No. 9, pp. 209-219