

# A Comparative Analysis on Systematic Investment Plan of M-Commerce with special Reference to Mutual Fund

---

**Mr. Basudev Singh<sup>1</sup>**

<sup>1</sup> Research Scholar, Department of Management and Commerce, Bijupatnaik University, Technology, Rourkela. Odisha

**Prof. (Dr.) Pritiranjana Majhi<sup>2</sup>**

<sup>2</sup>. Professor –Cum-Principal. Regional College of Management, Bhubaneswar

**Dr. S. V. Sukthankar<sup>3</sup>**

<sup>3</sup>Associate Professor in Commerce, Govt. College of Arts, Science and Commerce Khandola, Marcela- Goa,

**Prof.(Dr).Ramesh Chandra Rath<sup>4</sup>**

<sup>4</sup>Principal Swami Vivekananda Institute of Management, Bhubaneswar, affiliated to Bijupatnaik University Technology, Rourkela. Odisha and approved by AICTE Govt. of India, New Delhi

**E-mail:basudevsingh1984@gmail.com<sup>1</sup>svsukh@yahoo.co.in<sup>3</sup>drramesh.rrc@gmail.com<sup>4</sup>**

## **Abstract:**

Now -a-days at each and every aspects of human life there are lots of options available in front of all of us whether that is a case of purchasing something or investing your money in share market or mutual fund. As a shareholder or an Investor a wide number of investment avenues are available to select one or more out of them depending upon the individual objective and they all range with characteristics of providing low return to high return with less risky to more risky. For example one can invest in Banks, Post office, Public provident fund, Insurance products as well as equity share market, Bonds, Mutual Funds etc. in which all of these investment options are available with very wide range of schemes depending on the purpose of investment and different time horizon of various investors. All of these investment options have their own advantages and among various available investment options, Mutual Funds are the most suitable investment mode for a common man, as it offers an opportunity to invest in a diversified and professionally managed portfolio at a relatively low cost. From past few years this Mutual Fund industry come up with many changes in terms of convenience to the investors making it easy to select and invest with the advantage of providing higher returns. Not only Indian many multinational companies come up with various schemes to meet out the investment objective of the investors bringing in their professional expertise in managing funds worldwide because of this investors have a broad range of schemes available of mutual funds to select depending on their Systematic Investment Plan (SIP) and the financial Planning which helps them economic wealthy and makes their individual profile as more recognized in the present society.

**Key words:** Mutual Fund (MF), Systematic Investment Plan (SIP) Financial planning (FP), Economic Wealthy (EC)

## 1. Introduction

At present scenario of human being's economic life is not secure because of their financial investment and it's security. Hence, they needs to invest their money in such a place or agency for not only growth but also secure. Thus, a Systematic Investment Plan (SIP) is a smart financial planning tool that helps you to create wealth, by investing small sums of money every month, over a period of time. Systematic Investment Plan (SIP) is a planned approach to investments and an investment technique that allows you to provide for the future by investing small amounts of money in Mutual Fund schemes of your choice. Mutual Fund SIP is a monthly based investment plan through which an investor could invest a fixed sum into mutual funds every month at pre-decided dates. This hedges the investor from market instability and derives maximum benefit as the investment is done at regular basis irrespective of market conditions. SIP is a feature especially designed for investors who wish to invest small amounts on a regular basis to build wealth over a long term. A mutual fund is a trust that pools the saving of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instrument such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit holders in proportion to the number of units owned by them.

Therefore, a mutual fund is the most suitable investment for the common man as of it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. Mutual fund is a concept of mutual help of subscribers for portfolio investment and management of these investments by experts in the field. These funds are setup under Indian Trust act. In India only mutual fund operating for a long time since 1964 was UTI. It is an open-ended mutual fund, whose units can be sold and repurchased at any time. The public sector bank have setup mutual fund since 1987. Following an amendment to their banking regulation Act in 1983, Mutual funds have served investors well, and their rapid growth reflects their popularity. They might continue to be as popular as ever in future. But the situation appears to be changing. The change to date has gone almost unnoticed, and the impact is as yet small. Like a snowball rolling downhill, however this change appears to be gaining both speed and strength.

## 2 Literature Review:

In this section, the researcher has followed the following methods of research work as taken as previously researcher but she trying to their level best to do her research work as related in area of research which entitled "**A Comparative Analysis on Systematic Investment Plan with special Reference to Mutual Fund**". In this research paper , the researcher has taken her the area of research work as a comparative study and a systematic analysis about the investment in various sector with special reference to mutual fund. In connection with, , the researcher has taken the Null hypothesis ( $H_{01}$ ) in order to testing different variables such as firstly, Independent Variable ( $V_1$ ) related to investment on Mutual funds' expecting for high return on Customer Investment. Secondly Investment of money on Mutual funds' related on the basis of transparency in investment as relates with Depended Variable ( $V_2$ ) Thirdly, investment on Mutual funds' investments are depends upon the money inflation in

liquidity in investment as related with Controlled Variable ( $V_3$ ) . Thus, the researcher has taken a research design containing with number of expected hypothesis (please see the research design) for examining it's authenticity of significance.

Besides that , the researcher has taken number of research objectives as related with the research design for taking number of investors in various categories such as business men (150) service person,(150)Professionals (150) (Doctors/lawyers/Chartered Accountant etc) and (50) others as related with the sex ratio of 250 (Male ) and 250 (female) for a fruitful observation and study. Here, the following hypothesis are developed by the researcher that

### **3 Research Methodology:**

#### **3.1 Research design:**

#### **3.2 Development of Hypothesis:**

**Ho<sub>1a</sub>:** There is no significant difference between Non-Risky investment and Mutual funds' investments on the basis of high return on Customer Investment.

**Ho<sub>1b</sub>:** There is no significant difference between Non-Risky investment and Mutual funds' investments on the basis of transparency in investment.

**Ho<sub>1c</sub>:** There is no significant difference between Non-Risky investment and Mutual funds' investments on the basis of liquidity in investment.

**Ho<sub>1d</sub>:** There is no significant difference between Non-Risky investment and Mutual funds' investments on the basis of tax benefits in investment.

**Ho<sub>1e</sub>:** There is no significant difference between Non-Risky investment and Mutual funds' investments on the basis of professional management in investment

### **4 .Objective of Study**

- ❖ To understand the concept of systematic investment plan (SIP) as the investment tool prevalent in the Mutual Fund Industry in India.
- ❖ The study also does comparative analysis of different types of Mutual Fund and different SIP schemes offered by them.
- ❖ To study about the risk factors involved in the SIP and lump sum investment and how to analyse it.
- ❖ To compare mutual funds of selected asset management companies on the basis of their types and nature.

In addition to the above objectives, the researcher has also taken the following research objectives as related with the aforesaid research work for more examining more scientifically (Please see table:01)

**4.1 Data Table: 1**

<b>SL No</b>	<b>Research Objectives</b>	<b>Authors Name</b>	<b>Findings</b>
01	i)Investment plan of e-Commerce in Mutual fund. Compare to one time To study the nature of mutual funds investment Plan. and analyse their returns. To evaluate the performance of the The comparison of the portfolio using sharp index.	i)Dr. Ch. Bala Nageswara A comparative study on one time Systematic investment Rao , Dr Ram Babu , investments and systematic plan gives high return Sravani (2018)	i)Two plans the systematic investment plant gives high return in compare to one time investment
02	ii) With benchmark i.e. BSE 100. scheme studied, all To compare schemes return and risk schemes showed an with benchmark i.e. SENSEX average return higher To appraise the performance of than in comparison to mutual funds with regard to risk-return the market return. adjustment, the model suggested by mutual funds are Sharpe, Treynor and Jenson.	ii)Dr. Vikas Kumar , Ankit To compare schemes return and risk Out of the total Srivastava (2017)	iii)supposed to protect small investors against vagaries of stock market and the fund manager of these scheme have done well to protect them , based on both benchmarks.
03	a) To find out the factors that influence while buying mutual funds. b) To know the level of satisfaction among investors regarding mutual fund.	Akhil Sebstanti 2017	a) Investment in mutual Funds yields good returns and majority percentage of respondents agree that they are aware of the Mutual Fund mechanism. b)The mode of investment followed by the majority of the respondents is Systematic Investment Plan and the rest follows one time Investment

## 5. Scope of the Study:

In this section, the scope of study will understand the nature and growth of different type of investments in mutual funds. This analysis will be help to identifying best mutual fund in market. Mutual funds offer various services to investors. First of all provides the investor convenience in investing. Mutual funds are very transparent in portfolio and net asset value discloser of various schemes on a daily basis. They provide good returns and liquidity along with the service of a professional fund manager. The various advantages available to an investor to invest in a mutual fund will help overall mutual fund industry to grow in the coming years. Investors are increasingly looking to mutual funds to plan in the financial life cycle and fine tune their risk return app Helped buy the secular decline in interest rates and a basket of innovative offerings, mutual funds managed to deliver returns that were substantially higher than what was available from alternative savings avenues such as fixed deposits. This led to the large scale migration of debt oriented mutual funds. Investors have to contend with two factors while framing an investment as desired by the investors.

## 6. Significance of the Study:

- This study also facilitates the general people who can understand the importance and explore the new option for investment in Mutual Funds.
- The understanding of the perception and preference of investors towards investment in mutual funds which may also help the mutual funds companies to formulate strategies for further expansion in their field.
- This study will help in gaining a better understanding of what an investor looks for in an investment avenue.
- This study can be used by the financial sector in designing better financial instrument customized to suit the needs of the investor.
- This study will also help the agents and brokers in marketing the existing financial instruments in a better way strategy. The first is that their returns should not enter negative territory.

## 7 Sampling Methods

### 7.1 Sampling Techniques

In the present study for the data collection non probability Judgemental sampling was used.

### 7.2 Sample Size :

The large number of the sample size was taken approximately 500 investors (from various categories such as Business Men, Professional, Service Person and others) as related with four areas of Ahmadabad district , Gujurat, India (City East,City, West Bavia, Daskorai Detroj -Rampura and Dholera Dholka ) with their demographic details like age, income, gender, etc so that the relevant conclusion can draw on the study.

7.3 Sampling Unit Retail Investors who have invested in Mutual Funds and Other Non-Risky Investment options. Investment avenues covered Banks, PPF, Bonds, Insurance, Mutual Funds and instruments of Post Office like NSC, MIS.

## **8 Collection of Data**

The data collection is an important task of research study; the data collection is to be done in two ways i.e. primary data and secondary data. The researcher has also adopted both the methods in order to collect the most reliable data but most of data's are related to field that's why primary mode of data collection is more important for the researcher. The concepts of validity and reliability are most important in determining the quality of survey information. In the present study researchers evaluated the specific questionnaire with respect to various segmentation.

### **8.0 Tools for Data Analysis:**

#### **8.1 Validity and Reliability.**

In the present study content validity was built by careful selection of which items to be included each and every item is selected in a manner that they act in accordance with the survey specifications which is drawn up by a systematic and careful examination of the subject domain. A Knowledge of panel of experts of the concerned domain was used for selection of items. The experts reviewed each items and have given their comments and rank them for whether the item is important and is a representative sample of the area and in this way the content validity of the questionnaire was improved. To be reliable means measurement must be consistent from individual to individual surveyed, across settings and at different times. The reliability of undertaken research is calculated with the help of SPSS software and all the items were found highly correlated and consistent by examining the value of Cronbach's Alpha. The result of reliability test is shown in the table which is greater than .7 and acceptable. In this way it shows the high degree of internal consistency and reliability of data.

After collection of data the next step which begins is simplification and analysis of the data. Therefore the next task of the researcher is to tabulate the data which means to arrange the data in logical order. In the present study with the use of computer the data is tabulated. The collected data was entered into MS Excel and SPSS 22.0 software and also required coding is done and then further analysis part is done. The descriptive statistics provides frequencies and measures of central tendency of this research analysis. So, frequencies of this analysis can be refer to histograms, Pie Charts or bar charts of various subcategories, such as gender, level of occupations and level of educations. It also would be useful to know at the mean of the variables, which indicates a measure of central tendency that offers a general picture of the research. Following test were applied to analyse the data to draw the meaningful interpretation T Test/ ANNOVA, Factor Analysis, Regression, Chi Square Test, MANOVA etc are taken by the researcher for testing its authenticity.

### **9.0 Data Analysis & Interpretation**

#### **9.1 Gender Table .1: Gender Figure**

The Sample has taken 500 with equal 50% of sex ratio 250 Male and 250 Female

#### **9.2 Sex Ratio: (500):**

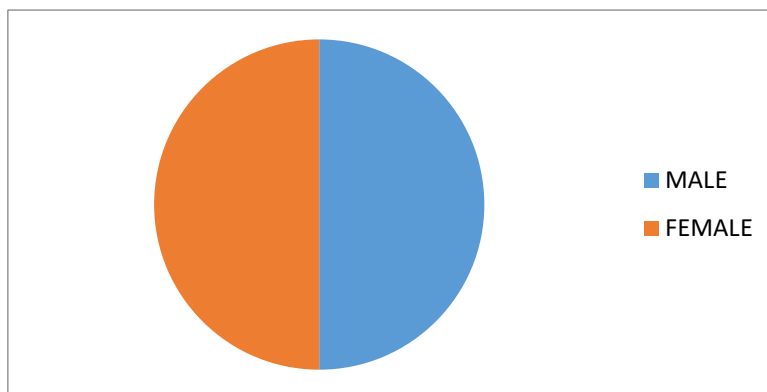
The respondents are taken as equal 50% male and 50% female due to make equal balance in sex ratio (Gender) in order to justifying a reliable and authentic research work . Here, the

researcher has taken 500 respondents as related to various segmentation i.e Business men, professional, servicemen and others like

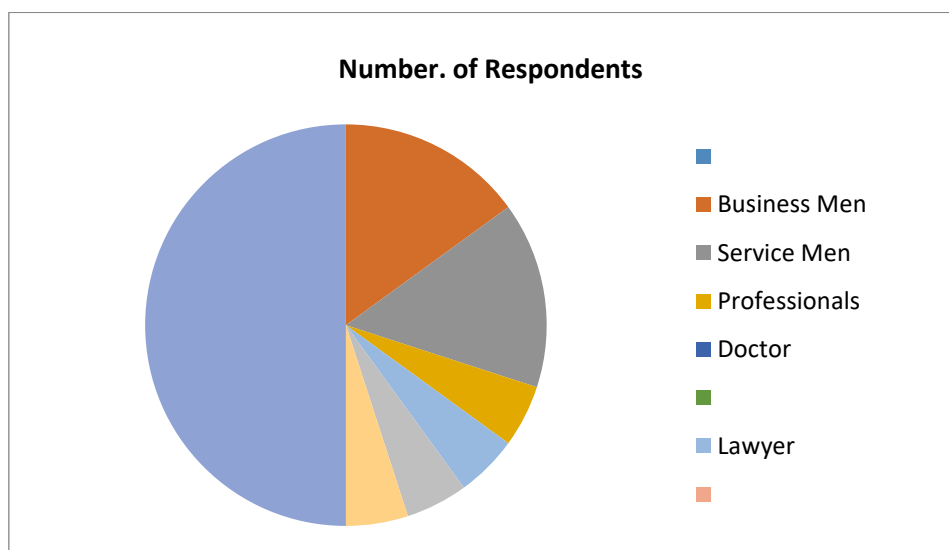
**9.3 Gender Table: I**

<b>Male 250</b>	<b>=</b>	<b>Female=250</b>
---------------------	----------	-------------------

**9.4 Graphical Represents of Gender Ratio in Pie Chart**



**9.5 Graphical Represents of Respondent’s in Pie Chart**



**9.6 Respondent’s Table: I**

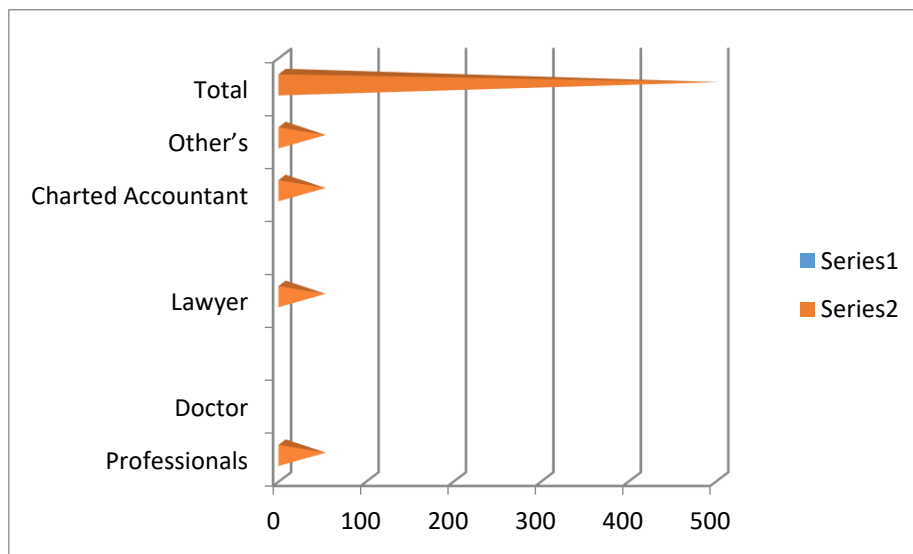
Category of Respondents	Sex Category (50% of Each)	Name of the Agency (Investment)	Number. of Respondents	Remarks
<b>Business Men</b>	Male / Female	Banks/Insurance Agency/Mutual fund	150	Risk full Investment in Mutual fund
<b>Service Men</b>	Male /	Bank/GPF/EPF/PPF/NPS/Insurance	150	Less Risk

	Female	Agency/Post-Office (NSC, MIS.)		and safety
<b>Professionals</b>	Male / Female	Bank/GPF/EPF/PPF/Insurance Agency/ Mutual fund	50	Risk full as related with Mutual fund /Insurance only
<b>Doctor</b>	Male / Female	Bank/ NSC/EPF/PPF/Insurance Agency/Mutual fund	50	Risk- full
<b>Chartered Accountant</b>	Male / Female	Bank/GPF/EPF/PPF/Insurance Agency Mutual fund	50	Risk- full
<b>Other's</b>	Male / Female	Bank/Post-office Agency /EPF/PPF/Insurance /Mutual fund etc	50	Risk- full
<b>Total</b>			500	

**10 Graphical Representation of Respondents on the basis of Gender Interpretation:**

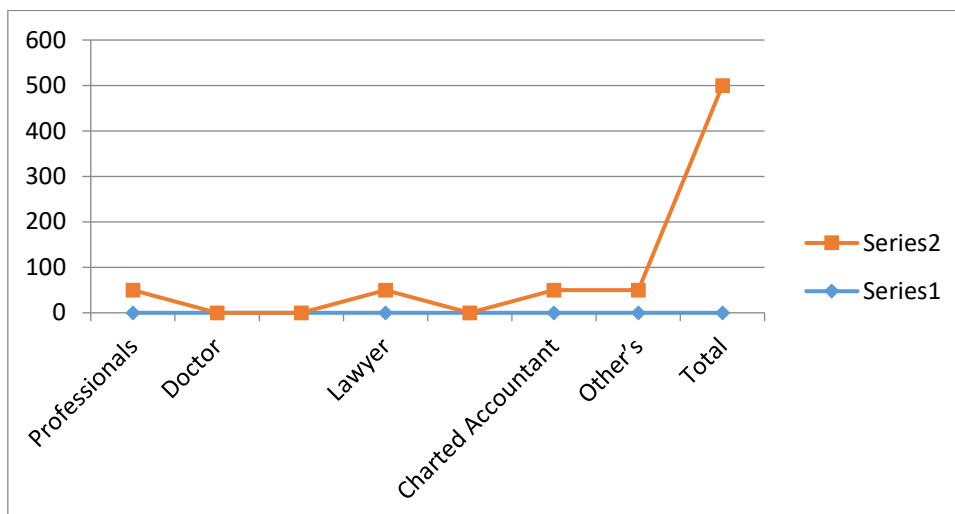
From the responses received among 50% Investors were Male and rest 50% were Female. It shows simply that Males were same as compared to Females. Generally, in the investment of mutual fund male persons are taking decision for investment. Now-a-days , this attitude has changed female are more interested for saving in different banks and mutual funds . But the researcher found more male in the study was that Investment decisions are in majority taken by Males as compared to Females in their respective gender, age groups , percentage of response in investment , the details of data table , and its result with graphical representation are given bellow :

**10.1 Semiotic Model of Bar chart:**





### 10.2 Semiotic Model of Line chart:



### 10.3 Age Table: 2

Category of Respondents	Sex Category of Each (50% of Each)	Age Group of Investor (Respondent's)	Number. of Respondents	Remarks
<b>Business Men</b>	Male / Female	18 years to 38 Years	50	Investment with high expectation
		39years 59 Years	50	Positive and expectation
		60 Years and above	50	Expectation with highly Risk
<b>Service Men</b>	Male / Female	18 years to 38 Years	50	Investment with high expectation
		39years 59 Years	50	Positive and expectation
		60 Years and above	50	Expectation with highly Risk
<b>Professionals Doctor</b>	Male / Female	18 years to 38 Years	20	Investment with high expectation
		39years 59 Years	20	Positive and expectation
		60 Years and above	10	Expectation with highly Risk

<b>Lawyer</b>	Male / Female	18 years to 38 Years	20	Investment with high expectation
		39years 59 Years	20	Positive and expectation
		60 Years and above	10	Expectation with highly Risk
<b>Chartered Accountant</b>	Male / Female	18 years to 38 Years	20	Investment with high expectation
		39years 59 Years	20	Positive and expectation
		60 Years and above	10	Expectation with highly Risk
<b>Other's</b>	Male / Female	18 years to 38 Years	20	Investment with high expectation
		39years 59 Years	20	Positive and expectation
		60 Years and above	10	Expectation with highly Risk
<b>Total</b>			500	

**10.4 Final Result Table**

Respondents	Number of	Risk Full Investment		% in Chi-Square	Level (0.1<05)	Level (0.5 > above)	Significance
		Yes	No				
<b>Business Men</b>	150	yes		30%	3.0	15.00	No significance
<b>Service Person</b>	150		No	30%	3.0	15.00	No significance
<b>Professional</b>	150	Yes		30%	3.0	15.00	significance
<b>Others</b>	50	Yes		10%	1.0	05.00	No significance
<b>Total</b>	500			100%	10.0	50.00	Highly no significant

## 11 Hypothesis Testing

In this section, the researcher has trying to their level best to justify the taken hypothesis whether reliable and significance or not. After careful experiment by taking SPSS method of calculation, with Chi-square, ANOVA, etc. the obtained result is so high than the significance level in both levels such as 0.1 level (0.3) and value is (15.00) and 0.5 level is (7.00) but obtained value is so high than the obtained value, Therefore, the investment in all field of mutual fund is risk-full. So that the investment is not significant even different agencies of mutual fund, therefore the taken null hypothesis ( $H_{01} - H_{05}$ ) is accepted due to its no significance

## 12 .Recommendations & Suggestions

There is a tremendous scope for the growth of mutual funds. Mutual funds can prove the best investment option for all investors in the near future, provided proper education and awareness is provided to the investors.

- Some of the investors are still unclear about the functioning and benefits of investing in mutual funds. So proper information must be provided to the investors in order to increase the confidence among the investors for investing in mutual funds.
- Most of the investors still go with the perspective of savings rather than taking risk and investing in high ended equity markets to earn high profits. People are interested in investing into the investment option where there is low risk involved, so mutual fund companies should make aware the investors about their funds which are fulfilling the respective investor's investment objective.
- Mutual fund information should be published in investor friendly language, proper steps to educate investors should be developed by mutual fund companies.
- Companies should make aware investor about online mode of investments which will further save their time and cost both as past data has revealed that direct plans of mutual fund schemes have provided better returns.
- Many research has been done which shows the benefit of investing in mutual funds in long run, this has to be get published or presented by companies in newspaper and also on their websites in a investor friendly language so to give investors a handsome exposure.

### Conclusion:

In concluding , at the present time investors are getting confidence day by day by acquiring knowledge through various sources and there pattern of investment are also shifting from traditional, low risk investment avenues to modern and risky investment avenues like equity and mutual funds. There has been a remarkable increase in the mutual fund investors in last year's but still it is very low as compared to other countries and majority of the market is still untapped. The main reasons for less growth and risk-full of mutual fund industry in India are the lack of awareness of the benefits of mutual funds. Also Investors facing various problems in selecting mutual fund as an investment option because of the very large number of schemes are there and investors get confused in selection, so mutual fund industry should expertise their staff who will be able to help investor's in selection of a scheme which is in accordance with their investment objectives. Mutual fund companies should also come

forward with full support for the investors in terms of advisory services, help involvement of investor in portfolio design, ensure full disclosure of related information to investor, proper consultancy should be given by mutual fund companies to the investors in understanding terms and conditions of different mutual fund schemes, such type of fund designing should be promoted that will ensure to satisfy needs of investors. It is found that there are various benefits of investing through mutual funds which may not necessarily be available if one invests directly in equities and this should be communicated to investors through various ways to make them confident to take entry or increase their investment in mutual funds. In present time interest rate on traditional investment avenues is shrinking day by day whether it is banks or post office or any other investment options and as market is going towards uptrend which is helping in booming the return in mutual funds investments, so this makes mutual fund a better source of investments as it helps in fulfilling the financial goals of investments. At last but not the least Indian economy is strong and further possess lots of opportunities to grow there is a further scope for our market to grow which makes mutual fund investment attractive today's to invest in with a view to keep investment for long run.

### References:

- [1] Agarwal, G.D. (1992) "Mutual Funds and Investors Interest", Chartered Secretary, Vol. 22, No. 1, pp 23-24.
- [2] Apparao, E., & Babu, N.K. (2015). A survey on Investors Perception towards Investment Avenues in Godavari Districts of Andhra Pradesh. *Acme Intellects International Journal of Research in Management, Social Sciences & Technology*, 9(9), pp. 1-88.
- [3] Baby, A. (2012). A study of investment preference in Mutual Funds. pp. 1-88.
- [4] Bahl, S., & Rani, M. (2012). A comparative analysis of mutual fund schemes in India. *International Journal of Marketing, Financial Services & Management Research*, 1(7), 67-79.
- [5] Bodla, B. S., Bishnoi, S. (2008) "Emerging trends of mutual funds in India: A study across category and type of schemes", *The Journal of Indian Management & Strategy*, Vol. 13, No. 1.
- [6] Capon, N., Fitzsimons, G.J., & Prince, R. A. (1996). An Individual Level Analysis of the Mutual Fund Investment Decision. *Journal of Financial Services Research*, 59-83.
- [7], A. and Rungta, H. (2000) "Mutual Funds Industry in India: An in-depth look into the problems of credibility, risk and brand", *The ICFAI Journal of Applied Finance*, Vol. 6, No. 2, pp 27-45.
- [8] Das, S. (2013). Small investor's perceptions on mutual funds in Assam: an empirical analysis. *Abhinav National monthly refereed journal of reasearch in Commerce & Management*, 1(8), 11-27. [9] Das, B., Mohanty, S., Shil C. N. (2008) "Mutual fund vs. life insurance: Behavioral analysis of retail investors" *International Journal of Business and Management*, Vol. 3, No. 10. Dunna, M. (2012). Mutual
- [10] Jani, D.J., Patel, B.A., & Jain, R.V. (2012). Consumer's perception towards mutual funds as an investment option specially focused on valsad city located in Gujarat, *International Journal of Business Management & Research (IJBMR)*, 2(4), 59-66.

\*\*\*\*\*