



FIELD PROJECT REPORT

ON

**“A COMPARATIVE STUDY OF INVESTOR PREFERENCE BETWEEN MUTUAL FUND
AND EQUITY INVESTMENT IN DELHI AND NCR REGION”**

**FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD
OF MASTER OF BUSINESS ADMINISTRATION**

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All praise to the almighty with whose auspicious blessings I have been able to accomplish my research project report successfully. Equal credit goes to my parents and teachers who made me what I am today by their hard labor, devotion, support & prayer.

My special thanks to my parents for generic cooperation coordination and valuable support. I pay my gratitude towards my other faculty members. I must not forget to render my deep feelings of gratitude and thanks to all the respondents whom I visited during the survey for valuable information, cooperation, advice and suggestion to make this endeavor a great success.

I am grateful to my guide Asst. Prof. Girish Garg for his efforts during my project work. My sincere thanks to all other who were associated with the project directly or indirectly for providing me the excellent guidance during the project.

DECLARATION

I, **ANKIT SEMWAL**, Enrollment No.**18032020072** student of School of finance and commerce, Galgotias University, Greater Noida, hereby declare that the project report on **“A COMPARATIVE STUDY OF INVESTOR PREFERENCE BETWEEN MUTUAL FUND AND EQUITY INVESTMENT IN DELHI AND NCR REGION”** is an original and authenticated work done by me.

I further declare that it has not been submitted elsewhere by any other person in any of the institutes for the award of any degree or diploma.

Name

ANKIT SEMWAL

Signature of Student

CERTIFICATE

This is to certify that the project report **“A COMPARATIVE STUDY OF INVESTOR PREFERENCE BETWEEN MUTUAL FUND AND EQUITY INVESTMENT IN DELHI AND NCR REGION”** has been prepared by ANKIT SEMWAL under my supervision and guidance. The project report is submitted towards the partial fulfillment of MASTER OF BUSINESS ADMINISTRATION.

Name

Asst. Prof. Girish Garg

Signature of Faculty

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ABSTRACT

Capital market plays a very important and significant role for the development of the country and its economy. Capital market provides various benefits like high economic growth, high employment, infrastructural development and development of the financial sectors. Developed market also offers various opportunities to retail investors for wealth generation and maximization. Most of the savings in India are in physical assets like gold, real estate but now the inclination is increasing towards equity and it has grown substantially. Retail investors, who are investing in small stocks to make a quick gain, are changing their approach and now placing their money in quality stocks. It is always interesting to know the most common avenues in which people like to invest. "In Delhi and NCR Region also, we tried to find out which is the most popular mode of investment. The objective is to find out which age groups of investors are actively participating in the stock market, people's perception and preference towards equity market and mutual funds in Delhi and NCR Region. The investors also differ in risk taking ability. The objective is to find out in Delhi and NCR Region investors are having aggressive approach or conservative approach. In order to get higher returns people, prefer to invest in the equity market. However, they are risk takers but their major investment is not in Equity".

INTRODUCTION

MUTUAL FUNDS

'A mutual fund is one of the major financial instrument made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments, and other assets'. Professional money managers operates mutual funds by allocating the funds and produce capital gains or income for the fund's investors.

Mutual funds provides small and individual investors to manage portfolios of equities, bonds, and other securities. Each shareholder participates proportionally in the gains or losses of the fund. Mutual funds are invest in a various number of securities and the performance are usually tracked, as the change in the total market cap of the fund—derived by the aggregating performance of the underlying investments.

History of mutual funds-

The mutual fund in India commenced in 1963 with the formation of Unit Trust of India(UTI) at the initiative of the Government of India and Reserve Bank. The history of mutual funds in India can be divided into four different phases.

First Phase – 1964-87: Unit Trust of India (UTI) was established in 1963 by the Act of Parliament. It was set up by Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control.

Second Phase – 1987-1993 (Entry of Public Sector Funds): Secondary phase started in 1987 which marked the entry of non- UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non-UTI Mutual Fund established in June 1987.

By the end of 1993, the mutual fund industry had assets management of Rs.47,004 crores.

Third Phase – 1993-2003 (Entry of Private Sector Funds): In 1993, a new era started in the Indian mutual fund industry, giving the Indian investors a wider choice of funds with the entry of private sector funds. In 1993, the first Mutual Fund Regulations came into existence, under which all mutual funds, except UTI

were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993

The mutual fund houses in India increased by the help of many foreign mutual funds setting up in India and the industry has witnessed several mergers and acquisitions. As at the end of January 2003, there were 33 mutual funds with total assets of Rs. 1,21,805 crores.

Fourth Phase – since February 2003: In February 2003, UTI (Unit Trust of India Act 1963), was bifurcated into two separate entities.

- One is the Specified Undertaking of the Unit Trust of India with assets under management of Rs.29,835 crores as at the end of January 2003, representing broadly, the assets of US 64 scheme, assured return and certain other schemes. The Specified Undertaking of Unit Trust of India, functioning under an administrator and under the rules framed by Government of India and does not come under the purview of the Mutual Fund Regulations.
- The second is the UTI Mutual Fund Ltd, sponsored by SBI, PNB, BOB and LIC. It is registered with SEBI and functions under the Mutual Fund Regulations. With the bifurcation of the erstwhile UTI which had in March 2000 more than Rs.76,000 crores of assets under management and with the setting up of a UTI Mutual Fund, conforming to the SEBI Mutual Fund Regulations, and with recent mergers taking place among different private sector funds, the mutual fund industry has entered its current phase of consolidation and growth. As at the end of September, 2004, there were 29 funds, which manage assets of Rs.153108 crores under 421 schemes.

❖ ADVANTAGES OF MUTUAL FUNDS

The benefits of mutual funds are broadly classified into different categories. These are:

Universal Benefits

Affordability: A mutual fund invests in a portfolio of assets, i.e. Bonds, shares, etc. Depending upon the investment objective of the scheme, an investor can buy into a portfolio of equities but it would be extremely expensive. Each unit holder thus gets an exposure to such portfolios with an investment as modest as Rs.500/-. This amount today would get you less than quarter of an Infosys share! Thus it would be affordable for an investor to build a portfolio of investments through a mutual fund rather than investing directly in the stock market.

Diversification is the nuclear weapon for fight against the Risk. It means that you have to spread your investment across different securities (stocks, bonds, money market instruments, real estate, fixed deposits etc.) And different sectors (auto, textile, information technology etc.). This kind of a diversification may add to the stability of your returns, for example during one period of time equities might underperform but bonds and money market instruments might do well enough to offset the effect of a slump in the equity markets. Similarly the information technology sector might be faring poorly but the auto and textile sectors might do well and may protect your principal investment as well as help you meet your return objectives.

Professional Management: Qualified investment professionals who mainly work to maximize returns and minimize risk monitor investor's money. When you buy mutual fund security, you are handing your money to an investment professional who has experience in making investment decisions. It is the Fund Manager's job to find the best securities for the fund and keep track on investments and changes in market conditions and adjust the mix of the portfolio, as and when required.

Tax Benefits: Mutual fund schemes also provides various tax benefits. Any income distributed after March 31, 2002 will be subject to tax in the assessment of all Unit holders. However, as a measure of concession to Unit holders of open-ended equity-oriented funds, income distributions for the year ending March 31, 2003, will be taxed at a concessional rate of 10.5%.

In case of Individuals and Hindu Undivided Families a deduction upto Rs. 9,000 from the Total Income will be admissible in respect of income from investments specified in Section 80L, including income from Units of the Mutual Fund. Units of the schemes are not subject to Wealth-Tax and Gift-Tax.

Regulations: Securities Exchange Board of India (SEBI) that govern mutual funds defined the rules and regulations. These rules relate to the formation, administration and management of mutual funds and prescribe disclosure and accounting requirements. All these regulation seeks to protect the interest of investors.

❖ **Benefits of Open-ended Schemes:**

Liquidity: In open-ended mutual funds, you can redeem all or part of your units at any time. Some schemes do have a lock-in period where an investor cannot return the units until the completion of lock-in period.

Convenience: An investor can purchase or sell fund units directly from a fund, through a broker or a financial planner. The investor may opt for a Systematic Investment Plan (SIP) or a Systematic Withdrawal Advantage Plan (SWAP). In addition to this an investor receives account statements and portfolios of the schemes.

Flexibility: mutual fund schemes are flexible in nature. Mutual Funds schemes allow investors to switch easily between various schemes. This flexibility gives the investor a convenient way to change the mix of his portfolio over time.

Transparency: Open-ended mutual funds disclose their Net Asset Value (NAV) daily and the entire portfolio monthly. This level of transparency, where the investor himself sees the underlying assets bought with his money, is unmatched by any other financial instrument.

❖ RISK FACTORS OF MUTUAL FUNDS

The Risk-Return Trade-off: The risk-return trade-off is the most important relationship to understand while investing in the financial securities. Higher the risk higher the returns/loss and lower the risk lesser the returns/loss. It is up to you to decide how much risk you are willing to take. In order to do this you must first be aware of the different types of risks involved with your investment decision.

Market Risk: Market risk is another risk factor involved in mutual funds. Sometimes prices and yields of all securities rise and fall. Broad outside influences affecting the market in general lead to this. This is true, may it be big corporations or smaller mid-sized companies. This is known as Market Risk. A Systematic Investment Plan (SIP) that works on the concept of Rupee Cost Averaging (RCA) might help in mitigate the risk.

Credit Risk: The debt servicing ability of a company through its cashflows determines the Credit Risk faced by the investors. This credit risk is measure by independent rating agencies like CRISIL who rate companies. An 'AAA' rating is considered the safest whereas a 'D' rating is considered poor credit quality. A well-diversified portfolio might help mitigate the risk.

Inflation Risk: Inflation is another factor that can affect mutual funds. Inflation is the loss of purchasing power over time. A lot of times people make conservative investment decisions to protect their capital but end up with a sum of money that can buy less than what the principal could at the time of the investment. This happens when inflation grows faster than the return on your investment. A

well-diversified portfolio with some investment in equities might help mitigate this risk.

Interest Rate Risk: In a free market economy, interest rates are difficult to predict. Changes in interest rates affect the prices of bonds as well as equities. If interest rates rise the prices of bonds fall and vice versa. Equity might be negatively affected as well in a rising interest rate environment. A well-diversified portfolio might help mitigate this risk.

Political/Government Policy Risk: Changes in government policy and political decision also change the investment environment. They can create a favorable environment for investment or vice versa.

Liquidity Risk: Liquidity risk arises when it becomes difficult to sell the securities that one has purchased. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

Various investment options in Mutual Funds offer to cater to different investment needs, Mutual Funds offer various investment options. Some of the important investment options include:

Growth Option: Dividend is not paid-out under a Growth Option and the investor realises only the capital appreciation on the investment (by an increase in NAV).

Dividend Payout Option: Dividends are paid-out to investors under the Dividend Payout Option. However, the NAV of the mutual fund scheme falls to the extent of the dividend payout.

Dividend Re-investment Option: Here the dividend accrued on mutual funds is automatically re-invested in purchasing additional units in open-ended funds. In most cases mutual funds offer the investor an option of collecting dividends or re-investing the same.

Retirement Pension Option: Some schemes are linked with retirement pension. Individuals participate in these options for themselves, and corporates participate for their employees.

Insurance Option: Certain Mutual Funds offer schemes that provide insurance cover to investors as an added benefit.

Systematic Investment Plan (SIP): Here the investor is given the option of preparing a pre-determined number of post-dated cheques in favour of the

fund. The investor is allotted units on a predetermined date specified in the offer document at the applicable NAV.

Systematic Withdrawal Plan (SWP):As opposed to the Systematic Investment Plan, the Systematic Withdrawal Plan allows the investor the facility to withdraw a pre-determined amount / units from his fund at a pre-determined interval. The investor's units will be redeemable at the applicable NAV as on that day.

❖ GROWTH OF MUTUAL FUNDS IN INDIA

The Indian Mutual Fund has passed through three phases. The first phase was between 1964 and 1987 and the only player was the Unit Trust of India, which had a total asset of Rs. 6,700 crores at the end of 1988. The second phase is between 1987 and 1993 during which period 8 Funds were established (6 by banks and one each by LIC and GIC). The total assets under management had grown to 61,028 crores at the end of 1994 and the number of schemes was 167.

The third phase began with the entry of private and foreign sectors in the Mutual Fund industry in 1993. Kothari Pioneer Mutual Fund was the first Fund to be established by the private sector in association with a foreign Fund.

As at the end of financial year 2000(31st march) 32 Funds were functioning with Rs. 1, 13,005 crores as total assets under management. As on august end 2000, there were 33 Funds with 391 schemes and assets under management with Rs 1, 02,849 crores.

The securities and Exchange Board of India (SEBI) came out with comprehensive regulation in 1993 which defined the structure of Mutual Fund and Asset Management Companies for the first time.

Several private sectors Mutual Funds were launched in 1993 and 1994. The share of the private players has risen rapidly since then.

Currently there are 34 Mutual Fund organizations in India managing 1,02,000 crores.

❖ VALUATION OF MUTUAL FUND

The net asset value of the Fund is the cumulative market value of the assets Fund net of its liabilities. In other words, if the Fund is dissolved or liquidated, by selling off all the assets in the Fund, this is the amount that the shareholders would collectively own. This gives rise to the concept of net asset value per unit, which is the value, represented by the ownership of one unit in the Fund. It is calculated simply by dividing the net asset value of the Fund by the number of

units. However, most people refer loosely to the NAV per unit as NAV, ignoring the “per unit”. We also abide by the same convention.

Calculation of NAV

The most important part of the calculation is the valuation of the assets owned by the Fund. Once it is calculated, the NAV is simply the net value of assets divided by the number of units outstanding. The detailed methodology for the calculation of the net asset value is given below. The net asset value is the actual value of a unit on any business day. NAV is the barometer of the performance of the scheme.

The net asset value is the market value of the assets of the scheme minus its liabilities and expenses. The per unit NAV is the net asset value of the scheme divided by the number of the units outstanding on the valuation date.

Equity or Growth Scheme

These schemes, also commonly called Growth Schemes, seek to invest a majority of their funds in equities and a small portion in money market instruments. Such schemes have the potential to deliver superior returns over the long term. However, because they invest in equities, these schemes are exposed to fluctuations in value especially in the short term.

In this equity or growth scheme segment I selected the following schemes in the selected AMC's:

Balanced Scheme

The aim of Balanced Funds is to provide both growth and regular income. Such schemes periodically distribute a part of their earning and invest both in equities and fixed income securities in the proportion indicated in their offer documents. This proportion affects the risks and the returns associated with the balanced fund - in case equities are allocated a higher proportion, investors would be exposed to risks similar to that of the equity market. Balanced funds with equal allocation to equities and fixed income securities are ideal for investors looking for a combination of income and moderate growth.

EQUITY INVESTMENT

An equity investment refers to the money invested in a company by purchasing shares of that company in the stock market. These shares are typically traded on a stock exchange.

❖ Equity Market

Equity market is a place where stocks and shares of companies are traded. The equities that are traded in an equity market are either over the counter or at stock exchanges. Often called as stock market or share market, an equity market allows sellers and buyers to deal in equity or shares in the same platform.

First things first, it is important to begin with a good understanding of what is equity market in the Indian context. Equity market, often called as stock market or share market, is a place where shares of companies or entities are traded. The market allows sellers and buyers to deal in equity or shares in the same platform.

In the global context, equities are traded either over the counter or at stock exchanges. There are multiple buyers and sellers of the same equity/share. Hence, you stand a good chance to strike a nice deal at the equity market. If you want to begin online equity trading in India, you have to get a Demat account.

❖ Equity Market in India

Equities are mostly traded on the stock exchanges in India. In the Indian stock market, equities are available for trading at the **National Stock Exchange (NSE)**, the **Bombay Stock Exchange (BSE)** and the latest entrant, Metropolitan Stock Exchange of India (MSE). Shares of stock market listed companies are bought/sold.

Equity share trading is roughly in two forms – ‘spot/cash market and futures market’. These are the different types of equity market in India. The spot market or cash market is a public financial market in which stocks are traded for immediate delivery. The futures market is a place where the shares are delivered at a later date.

❖ 'Growth' in Equity Market

Shares/stocks traded in the equity market belong to companies that show growth. Investors typically invest in 'growth' stocks, which belong to small companies showing potential for high growth rates. The 'growth stocks' are those where investors are ready to make big bids in the live equity market, be it in India or global equity market. With the help of online equity trading, investors aim to accumulate growth stocks today so that they can them off after incredibly low prices.

❖ Timings of Equity Market

There is no 24 hour stock trading system yet. The normal trading time for equity market is between 9:15 am to 03:30 pm, Monday to Friday. On Saturday and Sunday, trading does not happen unless there are special circumstances.

❖ Equity Trading Holidays

Apart from weekends and non-business days, trading does not stop. You can check equity trading holidays 2020 on NSE or BSE website.

❖ Difference Between Stock And Equity

There is virtually no difference between stock and equity. These two words are commonly used to mean shares. Stock and equity are just synonyms. Equity share trading is done via online equity trading systems.

❖ Equity in NSE

Equity in NSE refers to 'stock market'. The securities market has two segments, the new issues (primary) market and the stock (secondary) market. Currently more than 1300 securities or stocks are available for trading on the NSE.

The stock exchange's automated screen based trading allows investors across the length and breadth of India to trade and invest. The NSE trading system is called 'National Exchange for Automated Trading' (NEAT). The equity space in NSE comprises of cash/spot trading and also trading in equity derivatives.

❖ How to Trade in Equity?

To trade in equity share market, you will need to have the proper tools - open a Demat and trading account, have funds to buy stocks and a good broker platform to execute the trades. Thanks to technological advancements, you can do online equity trading, at your home, office or even while on the move.

To begin trading, you need to select the right stocks. Follow the live equity market to some worthy stock ideas and do some research. This will help you fine-tune equity market growth & investment strategies.

❖ Online Equity Trading

Today, carrying out online equity trading in India is an easy process. Every user with an online account has a user/customer ID and password. These credentials will help you do equity share trading on the equity market live.

Do always remember that brokers take professional-grade IT security, thus ensuring high quality online equity trading that is completely safe. Here is a step by step process. Don't forget to open a free demat account to begin investing.

- Login to the **online broker platform.**
- Enter the ID and password to access your account.
- Your customized page opens and thus the opportunity to trade is open. Ensure you access the online platform during market/trading hours.
- Select the stock to trade and buy/sell them on the stock exchange at your preferred rate. Once the order goes through, your trade is completed.
- In the evening, you will get an SMS notification of the trade order specifics, along with confirmation of the ledger balance.

❖ The Pros & Cons of Trading In Equity Market

There are advantages and disadvantages to trading equity market. The outcome of any situation is dependent on the way we behave. Let us look at the benefits first.

Pros of Equity Market

- The biggest benefit of the equity market is the opportunity to make huge

profit. Many investors have experienced big returns that can never be given by any other financial investment.

- In case of equity market, you can easily enter and exit a stock. This should be compared to when you want to sell a house, where you cannot sell it on your own will always.
- When an equity is sold for profit after holding for more than 1 year, the profit attracts 10% tax. In case of fixed deposits, the tax rate is as per the individual's tax rate i.e up to 30%.

Cons of Equity Market

- If you do not properly do research or invest in bad stocks, your chances of making losses are high in an equity market live type situation. So, be careful.
- Equity investment return does not move in a straight line. There are upswings and downswings in the live equity market.
- Equity share trading involves a chance of capital erosion.

❖ Why should I consider equities?

“Equity investors purchase shares of a company with the expectation that they’ll rise in value in the form of capital gains, and/or generate capital dividends. If an equity investment rises in value, the investor would receive the monetary difference if they sold their shares, or if the company's assets are liquidated and all its obligations are met. Equities can strengthen a portfolio’s asset allocation by adding diversification”.

OBJECTIVES OF THE STUDY

- 1) To compare the Investor's perception towards investment in mutual funds and equity investment.
- 2) To study the investor's preference towards mutual funds and equity investment.
- 3) To determine the factors influencing the selection of mutual funds and equity as an investment option.
- 4) To study the investors perceptions towards mutual funds and equity with demographics of investors.

RESEARCH METHODOLOGY

RESEARCH DESIGN:

- A **research design** is an arrangement for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.
- A **sample design** is design for obtaining a sample from a given population.
- For my research, I would follow Exploratory cum Descriptive research design.
- I will also take the help of 'google forms'.
- **Sample Size**- The sample size is small and limited to Delhi and NCR Region only.

Methods of Data Collection

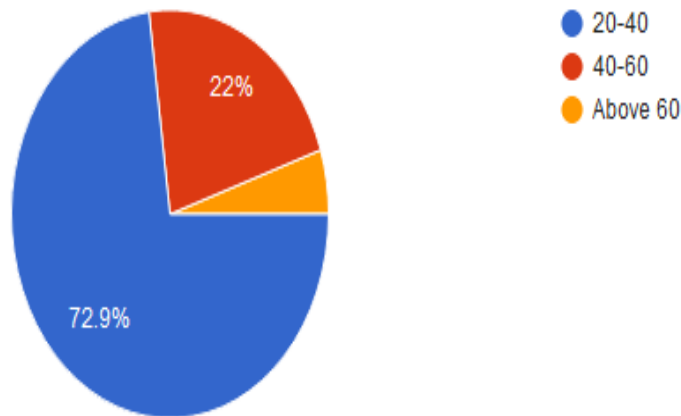
Primary Data-Primary data usually consists of the data that are collected for the first time and thus is original in character. Primary Data that used in the study

- Questionnaire

ANALYSIS AND INTERPRETATION

Q1- Age Group of investors?

59 responses

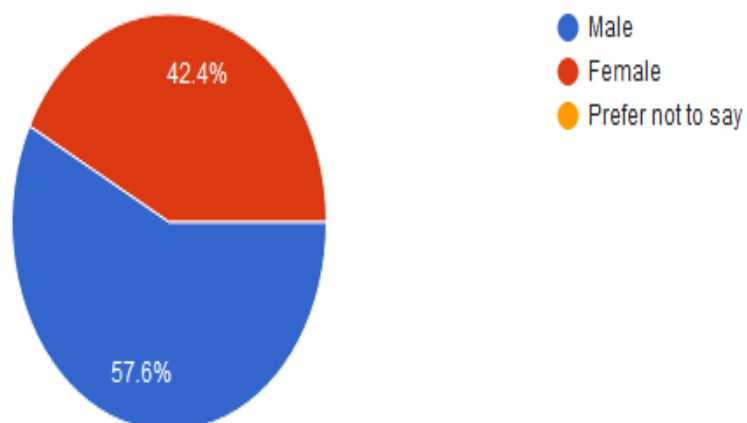


INTERPRETATION

Out of total respondent, 72.9% were of 20-40 age group, 22% were of 40-60 age group and 5.1% were above 60

Q2- Gender of investors?

59 responses

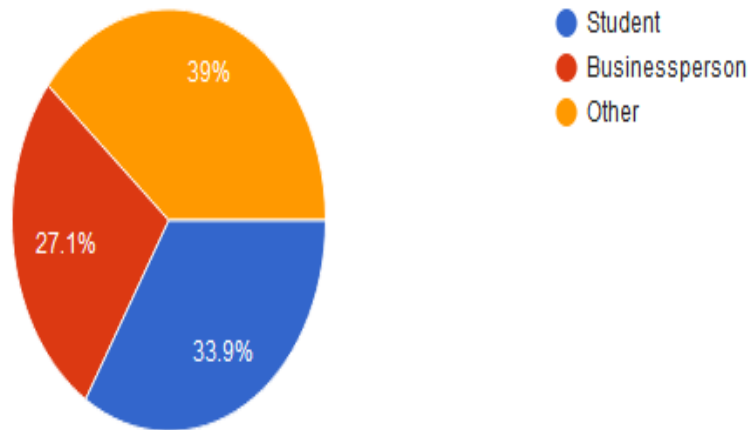


INTERPRETATION

Out of total respondents, 57.6% were male and 42.4% were female investors.

Q3- Occupation of investors?

59 responses

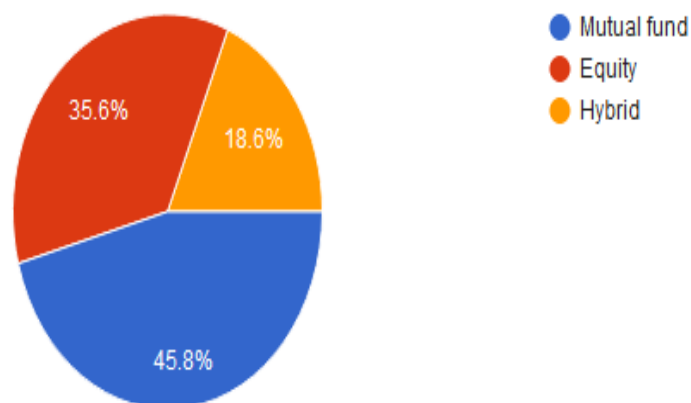


INTERPRETATION

Out of total respondents, 33% investors were students, 27.1% were businessperson and the remaining were other than both of these.

Q4- What kind of investment do you prefer?

59 responses

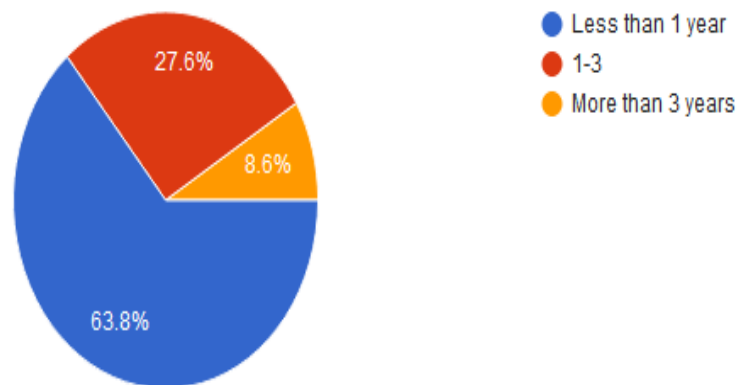


INTERPRETATION

Out of total respondents, 45.8% investors prefer mutual fund, 35.6% prefer equity and the remaining prefer hybrid.

Q5- How many years of trading experience do you have?

58 responses

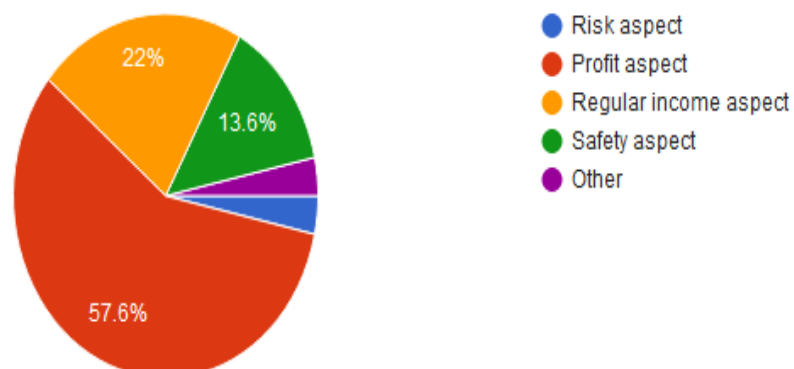


INTERPRETATION

From the above chart, it is clearly shown that the maximum number of investors(63.8%) have trading experience of less than one year.

Q6- What are the aspects behind making investment?

59 responses

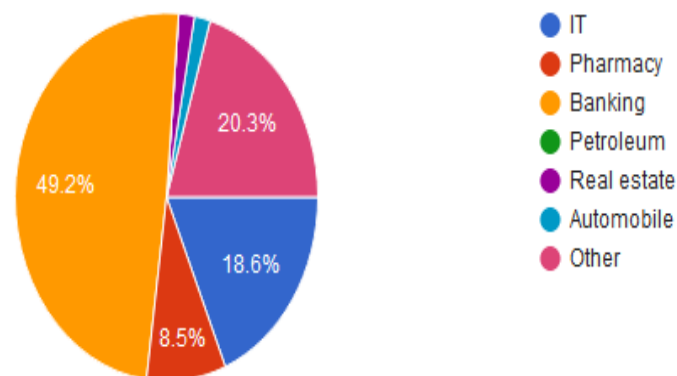


INTERPRETATION

Respondents are ready to take risk as their investment decisions are guided by the profit aspect. The respondents are interested in regular income and that is why they invest in different schemes of mutual funds and equity. Mainly respondents are risk takers in Delhi and NCR Region.

Q7- Type of sector preferred?

59 responses

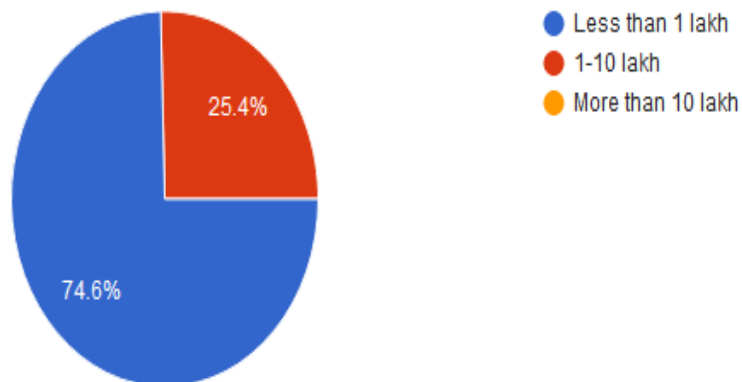


INTERPRETATION

It can be concluded from the following data that people tend to invest more in the banking sector, the reason behind this may be because it is regulated by the RBI and the health of the economy is closely related to the soundness of its banking system. Hence it is less subject to the market risk and induces people to invest in it. While there is also a good proportion of people who do invest in the IT Sector and the petroleum sector mainly because there is high level of speculation in these sectors. Investors are risk takers and want to invest in the companies that give returns in short time period.

Q8- What amount of investment invested yearly?

59 responses

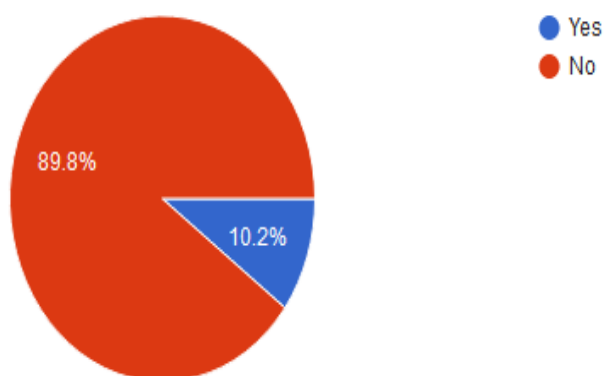


INTERPRETATION

Out of total respondents, 74.6% investors invest less than one lakh of amount in the investment schemes and 25.4% invest between one lakh to ten lakh rupees.

Q9- Loss incurred during past year?

59 responses

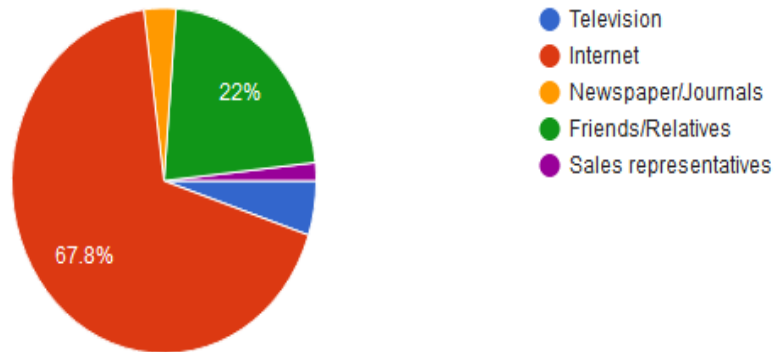


INTERPRETATION

From the above chart, it is shown that the maximum number of investors did not incur any loss during the past years.

Q10- What are the primary sources of your knowledge about Mutual Fund or Equity as an investment option?

59 responses

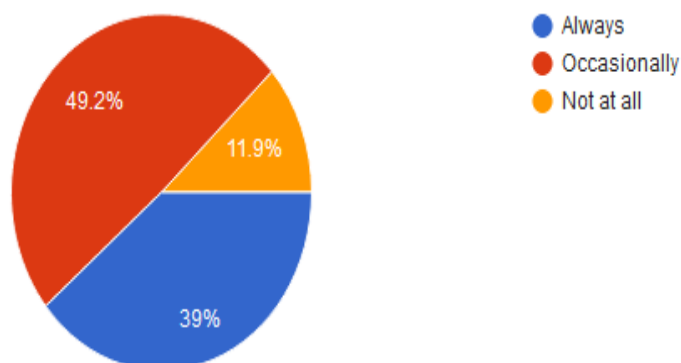


INTERPRETATION

From the above chart it is clearly shown that the maximum number of respondent get to know about mutual fund or equity investment from the internet(67.8%) followed by friends and relatives (22%).

Q11- While investing in Equity do you go through company prospectus?

59 responses

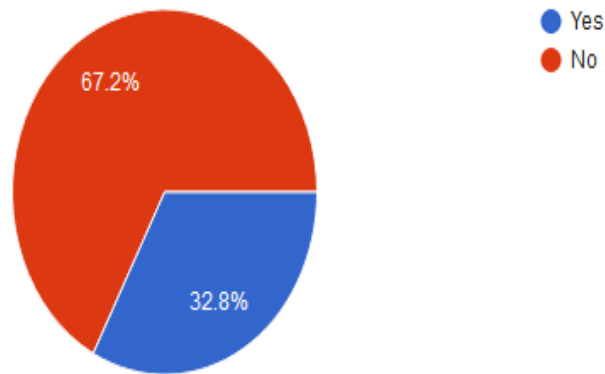


INTERPRETATION

From the above chart, it is clearly shown that maximum number of investors go through company prospectus before investment.

Q12- Taking advice of stock brokers?

58 responses

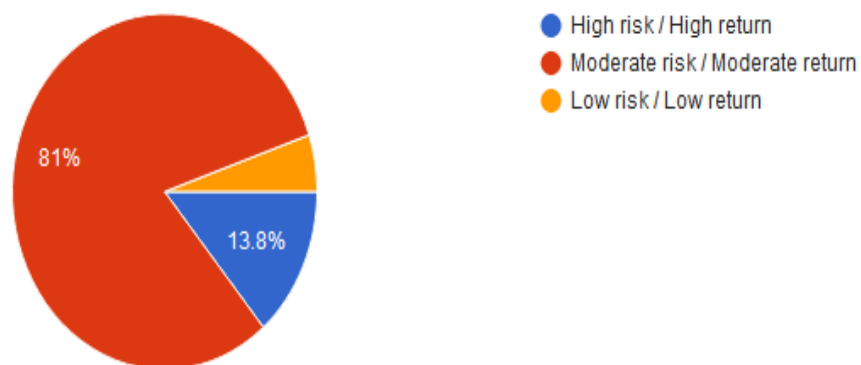


INTERPRETATION

Maximum number of investors(67.2%) do not take the advice of stock brokers as shown in the above chart.

Q13- You invest in financial instruments / securities which give?

58 responses

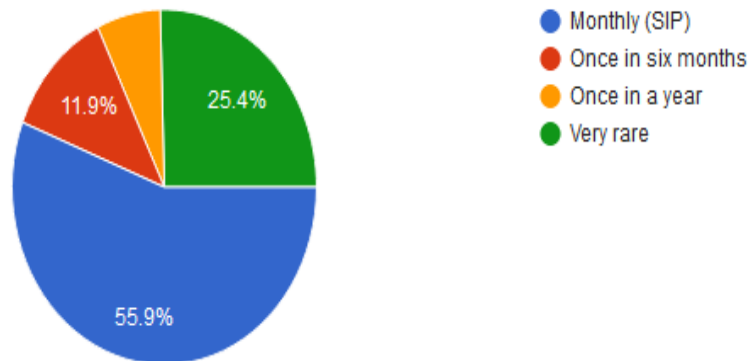


INTERPRETATION

As the investors in Delhi and NCR Region are risk takers, so they invested in the securities that give good return in the future.

Q14- How is your investment pattern?

59 responses

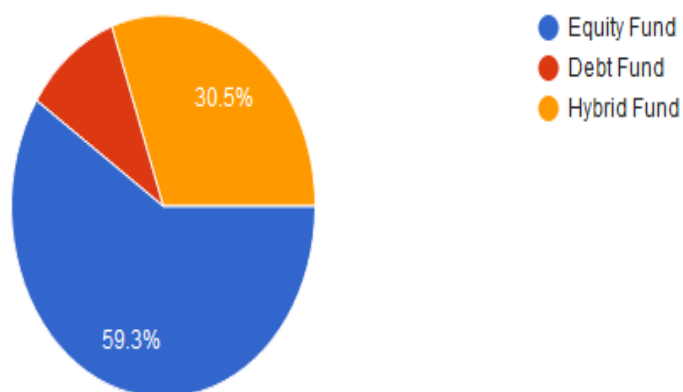


INTERPRETATION

As maximum number of respondents invested in mutual fund schemes, so they invest mainly in SIP's(55.9%).

Q15- Which Mutual Fund scheme do you preferred the most?

59 responses



INTERPRETATION

From the above data, it is concluded that the maximum number of investors(59.3%) preferred to invest in equity fund because it can give investors higher return in future.

OVERALL FINDINGS

After a thorough study of the questionnaires and interviews conducted, we have come up with the following findings: -

1. It has been found from the data that Mutual Fund as well as Equity both are the preferable area of investment.
2. It has been found that the maximum number of investors are young investors in Delhi and NCR Region.
3. It can be concluded that investors invest in both investment avenue.
4. Although the stock market is highly volatile, people still prefer to invest in sectors such as petroleum and real estate sector while the investment in banking sector remains the highest 49.2%, followed by IT sector with 18.6%.
5. It has been found that the profit aspect is the major aspect that is considered at the time of investment, followed by regular income and safety aspect.
6. It has been found that the investors came to know the primary sources of knowledge for investment from internet followed by friends/relatives and television.
7. Another fruitful finding from the survey is that the small investors are mostly willing to trade for less than 3 years as they are more interested in the short-term gains.
8. It has been found that the maximum number of investors hold the investment for more than 3 years.
9. From the survey, the maximum number of investors invested in equity funds which is 59.3%.

Recommendations

1. For the small investors having capital less than Rs.1,00,000 should chose the option to transact some of their investment in delivery mode as relying entirely on intraday mode could prove destructive.
2. For the large investors, who clearly chose to transact in the delivery mode should also consider the option to transact in intraday as their huge capital may generate huge number of sums in shorter period of time.
3. It is recommended for the individual investor to be in contact with a good broker and be upgraded with latest news about the stock market before investing into it.
4. The investors should rely on fundamentals and take the decision of investment in equity after a detailed study of various accounting as well as non-accounting variables.
5. Small investors should not be indulging into speculative activities.

CONCLUSION

After the survey, it is found that investor in Delhi and NCR Region are risk takers and their investment decisions are guided by the profit motive.

Investors are investing in various avenues but the most preferred is hybrid investment (both Mutual Fund and Equity) and the respondents consider banking sector as the most preferable sector for investment.

The amount of investment is associated with the kind of investment and type of transaction.

Investors invest mostly in Mutual Fund or in Hybrid because the investors prefer safety as well as regular income.

Investors invest mostly in Hybrid or Equity because investor in Delhi and NCR Region are risk takers.

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ANNEXURE

QUESTIONNAIRE

Hello Sir/Madam,

I Ankit Semwal, here to conduct a research on the topic “**A COMPARATIVE STUDY OF INVESTOR PREFERENCE BETWEEN MUTUAL FUND AND EQUITY INVESTMENT IN DELHI AND NCR REGION**”. Please give your honest opinion and be understood that this information collected will be purely confidential and not to be shared for any purpose other than research.

Respondent's Profile-

Name:

Q1- Age group of investors?

- 20-40**
- 40-60**
- Above 60**

Q2- Gender of investors?

- Male**
- Female**
- Prefer not to say**

Q3- Occupation of investors?

- Student**
- Businessperson**
- Other**

Q4- What kind of investment do you prefer?

- Mutual fund**
- Equity**
- Hybrid**

Q5- How many years of trading experience do you have?

- Less than 1 year**
- 1-3**
- More than 3 years**

Q6- What are the aspects behind making investment?

- Risk aspect**
- Profit aspect**
- Regular income aspect**
- Safety aspect**
- Other**

Q7- Type of sector preferred?

- IT**
- Pharmacy**
- Banking**
- Petroleum**
- Real estate**
- Automobile**
- Other**

Q8- What amount of investment invested yearly?

- Less than 1 lakh**
- 1-10 lakh**
- More than 10 lakh**

Q9- Loss incurred during past year?

- Yes**
- No**

Q10- What are the primary sources of your knowledge about Mutual Fund or Equity as an investment option?

- Television**
- Internet**
- Newspaper/Journals**
- Friends/Relatives**

- Sales representatives**

Q11- While investing in Equity do you go through company prospectus?

- Always**
- Occasionally**
- Not at all**

Q12- Taking advice of stock brokers?

- Yes**
- No**

Q13- You invest in financial instruments / securities which give?

- High risk / High return**
- Moderate risk / Moderate return**
- Low risk / Low return**

Q14- How is your investment pattern?

- Monthly (SIP)**
- Once in six months**
- Once in a year**
- Very rare**

Q15- Which Mutual Fund scheme do you preferred the most?

- Equity Fund**
- Debt Fund**
- Hybrid Fund**