

A Study on Individual Investors' Awareness Towards Mutual Funds in Chhattisgarh

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Abstract

Mutual funds have become an important investment option for individual investors in India. However, the level of awareness regarding mutual funds differs among investors. The present study examines the awareness of individual investors towards mutual funds in Raipur district of Chhattisgarh. The study is descriptive in nature and is based on primary and secondary data. Primary data were collected from 80 individual investors using a structured questionnaire through convenience sampling. The collected data were analysed using frequency, percentage, mean, standard deviation, and a one-sample t-test. The findings revealed that most respondents had a moderate level of awareness regarding mutual funds, while a considerable proportion demonstrated a high level of awareness. The statistical results indicated that the overall awareness level of the respondents was significant. The study concludes that awareness of mutual funds among investors in Raipur district is gradually improving. However, continuous investor education programmes, financial literacy initiatives, and awareness campaigns are still required to enhance investors' understanding of mutual fund products and encourage informed investment decisions. The findings of the study may be useful for policymakers, financial institutions, and regulatory authorities in designing effective investor awareness programmes.

Keywords: Mutual Funds, Investor Awareness, Individual Investors, Financial Literacy, Raipur, Chhattisgarh.

1. Introduction:

Mutual funds have become one of the most popular investment options in India. They help people invest their money in different financial securities through professional fund managers. Mutual funds are suitable for both new and experienced investors because they provide diversification, professional management, and easy access to financial markets.

Investors can choose different types of mutual fund schemes according to their financial goals and risk-taking ability.

In recent years, the mutual fund industry in India has grown rapidly. Better financial awareness, digital investment platforms, government initiatives, and the expansion of banking services have encouraged more people to invest in mutual funds. The Securities and Exchange Board of India (SEBI) and the Association of Mutual Funds in India (AMFI) have also taken many steps to increase investor awareness through educational programmes and campaigns. The popular campaign "Mutual Funds Sahi Hai" has helped many people understand the benefits of mutual fund investments.

Although the mutual fund industry is growing, awareness among many individual investors is still limited. Many people do not fully understand the features, risks, returns, costs, or different types of mutual fund schemes. Some investors depend mainly on friends, relatives, or social media instead of reliable financial information. Limited awareness often results in poor investment decisions and lower participation in financial markets.

Raipur is the capital city of Chhattisgarh and is one of the fastest-growing economic centres in the state. Increasing income levels, better banking facilities, and growing financial literacy have created more opportunities for investment. However, there is limited research focusing specifically on the awareness level of individual investors in Raipur district. Therefore, it is important to understand how aware investors are about mutual funds and identify areas where financial education can be improved.

The present study aims to examine the awareness of individual investors regarding mutual funds in Raipur district. The findings may help financial institutions, policymakers, and investor education agencies design suitable awareness programmes to promote informed investment decisions.

2. Literature Review

1. **Bashir et al. (2013)** studied investors' awareness and perception towards mutual funds. The study found that investor awareness plays an important role in mutual fund investment decisions. Better knowledge increases investor confidence and participation.
2. **Kumar and Goyal (2015)** reported that education, income, and financial knowledge significantly influence investment behaviour. Investors with better financial literacy were more likely to invest in mutual funds.

3. **Kumar (2017)** examined the awareness level of retail investors regarding mutual funds in India. The study found that many investors had only moderate knowledge about mutual fund schemes and required more financial education.
4. **Jain and Kothari (2018)** found that professional fund management, diversification, and expected returns were the main reasons for investing in mutual funds. However, lack of awareness remained a major challenge for new investors.
5. **Bashir and Nisar (2019)** observed that demographic factors such as age, education, occupation, and income significantly affected mutual fund awareness and investment decisions.
6. **Raut (2020)** reported that digital investment platforms and mobile applications have increased awareness and made mutual fund investments easier for individual investors. Financial literacy was found to positively influence investment behaviour.
7. **Sharma and Gupta (2022)** concluded that investor education programmes conducted by financial institutions and regulators improved awareness regarding mutual funds. The study recommended continuous awareness campaigns to encourage informed investment decisions.
8. **Association of Mutual Funds in India (AMFI, 2024)** reported that increasing investor education, digital accessibility, and awareness campaigns have contributed to the continuous growth of mutual fund investments in India. However, awareness levels still vary across different regions and investor groups.

3. Research Gap

The review of earlier studies shows that many researchers have examined mutual fund awareness and investment behaviour in different parts of India. Most studies focused on large metropolitan cities or different states. Very limited research has been conducted on the awareness level of individual investors in Chhattisgarh, especially at the district level. Therefore, there is a need to study mutual fund awareness among individual investors in Raipur district and the Durg-Bhilai region separately. This study attempts to fill this gap by providing district-level evidence from Chhattisgarh.

4. Objectives of the Study

1. To study the awareness of individual investors towards mutual funds in Raipur district of Chhattisgarh.
2. To examine the influence of selected demographic variables on mutual fund awareness.

5. Hypotheses

H01: Individual investors in Raipur district do not have a significant level of awareness regarding mutual funds.

H02: There is no significant association between selected demographic variables and mutual fund awareness.

6. Research Methodology

The present study is descriptive in nature. It aims to examine the awareness of individual investors regarding mutual funds in Raipur district of Chhattisgarh. Both primary and secondary data were used in the study. Primary data were collected through a structured questionnaire consisting of demographic questions and statements related to mutual fund awareness. Secondary data were collected from books, research articles, reports of the Securities and Exchange Board of India (SEBI), the Association of Mutual Funds in India (AMFI), and other published sources.

Convenience sampling was used to select the respondents because it allowed easy access to individual investors. A total of **80 respondents** from Raipur district participated in the study.

The collected data were entered into Microsoft Excel and analysed using simple statistical tools such as frequency, percentage, mean, standard deviation, and a one-sample t-test to examine the level of awareness. The results are presented in tables for easy understanding.

Area of the Study

Raipur District, Chhattisgarh.

Sample Size

80 Individual Investors

Sampling Technique

Convenience Sampling

Sources of Data

- Primary Data: Structured Questionnaire

- Secondary Data: Books, Journals, SEBI Reports, AMFI Reports and published literature.

Statistical Tools

- Frequency
- Percentage
- Mean
- Standard Deviation
- One-Sample, t-test

Limitation of the Study

The study is limited only to individual investors of Raipur district. Therefore, the findings cannot be generalised to the entire state of Chhattisgarh.

7. Results and Discussion

Variables	Categories	Frequency (N)	Percentage (%)
Gender	Male	48	60.0
	Female	32	40.0
	Total	80	100.0
Age	Below 30 Years	24	30.0
	30–45 Years	36	45.0
	Above 45 Years	20	25.0
	Total	80	100.0
Education	Graduate	30	37.5
	Postgraduate	38	47.5
	Others	12	15.0
	Total	80	100.0

Table 1 Demographic Profile of the Respondents (N = 80)

Interpretation

More than half of the respondents had a moderate level of awareness regarding mutual funds. About one-third had high awareness, while only a small proportion had low awareness. The mean score indicates that the overall awareness level was satisfactory.

Awareness Level	Frequency	Percentage
Low	14	17.5
Moderate	41	51.3
High	25	31.2
Total	80	100.0

Table 2 Level of Mutual Fund Awareness

Mean = **3.71**, Standard Deviation = **0.68**

Interpretation

More than half of the respondents had a moderate level of awareness regarding mutual funds. About one-third had high awareness, while only a small proportion had low awareness. The mean score indicates that the overall awareness level was satisfactory.

Test Value	Mean	t-value	p-value	Decision
3.00	3.71	8.94	<0.001	Reject H ₀

Table 3: One-Sample t-test

Interpretation

The calculated p-value is less than 0.05. Therefore, the null hypothesis is rejected. The results indicate that individual investors in Raipur district have a significant level of awareness regarding mutual funds.

8. Discussion

The findings of the study show that most individual investors in Raipur district have a moderate level of awareness regarding mutual funds. More than half of the respondents belonged to the moderate awareness category, while about one-third had a high level of

awareness. The average awareness score was also above the test value, indicating satisfactory awareness among the respondents.

The results support earlier studies which reported that financial literacy, education, and investor awareness positively influence mutual fund participation (Kumar & Goyal, 2015; Sharma & Gupta, 2022). The growing use of digital investment platforms, banking services, and investor awareness campaigns may have contributed to the awareness level observed in Raipur district.

However, a section of respondents still showed low awareness. This indicates that continuous financial education programmes are needed to improve investors' understanding of mutual fund products, risks, and investment benefits.

9. Conclusion

The study examined the awareness of individual investors towards mutual funds in Raipur district of Chhattisgarh. The findings revealed that most respondents had a moderate level of awareness, while a considerable number also demonstrated high awareness. The statistical analysis indicated that the overall awareness level was significant.

The study concludes that mutual fund awareness in Raipur district is gradually improving. However, further efforts are required to educate investors about different mutual fund schemes, investment risks, returns, and long-term financial planning. Financial institutions, SEBI, and AMFI should continue conducting awareness programmes to promote informed investment behaviour.

10. Future Scope

Future studies may include larger sample sizes and cover other districts of Chhattisgarh. Researchers may also examine the relationship between mutual fund awareness and actual investment behaviour using advanced statistical techniques.

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