A

Corporate Internship Project Report

On

'Performance of Mutual Funds and its awareness among patrons in the present market '

Submitted in partial completion of BBA 2017-20 at

ARKA JAIN UNIVERSITY, JAMSHEDPUR.

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AJU\00279\17

BBA(2017-20)

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ACKNOWLEDGEMENT

The internship opportunity I had with **NARNOLIA FINANCIAL ADVISORS LTD.** was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me though this internship period.

Bearing in mind previous I am using this opportunity to express my deepest gratitude and special thanks to the ZONE HEAD of NARNOLIA FINANCIAL ADVISORS , Mr . RAJESH KUMAR SINGH , who in spite of being extraordinarily busy with his duties, took time out to hear, guide and keep me on the correct path and allowing me to carry out my project at their esteemed organization and extending during the training.

I express my deepest thanks to Mr. KAMESHWAR CHOUDHARY , SENIOR RELATIONSHIP MANAGER , for taking part in useful decision & giving necessary advices and guidance and arranged all facilities to make life easier. I choose this moment to acknowledge his contribution gratefully.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on their improvement, in order to attain desired career objectives. Hope to continue cooperation with all of you in the future,

Sincerely,

Sudip Guha

Arka Jain University , Jamshedpur .

Certificate by the Faculty Mentor

This is to certify that **Mr. SUDIP GUHA , AJU/00279/17 , Roll.No- 92** a student of **BBA(2017-20)**, has undertaken the Summer Internship Project titled **"PERORMANCE OF MUTUAL FUNDS AND ITS AWARENESS AMONG PATRONS IN YHE PRESENT MARKET"**, from the Organization **"NARNOLIA FINANCIAL ADVISORS LTD. ",** Jamshedpur. The Project report is hereby submitted by the student for the partial fulfillment of requirement for the award of *Bachelor of Business administration* , under my supervision. To the best of my knowledge, this project is the record of authentic work carried out during the academic year (2019-20) and has not been submitted anywhere else for the award of any Certificate/Degree/Diploma, etc.

Signature with date

Name of the Faculty Mentor – Mrs. POONAM RANJAN

Declaration by the Student

I **SUDIP GUHA** , hereby declare that the Project titled, **“PERORMANCE OF MUTUAL FUNDS AND ITS AWARENESS AMONG PATRONS IN YHE PRESENT MARKET”,** has been carried out by me during my ‘Summer Internship Programme’ at **“NARNOLIA FINANCIAL ADVISORS LTD. ”,** during 18^{th} June 2019 to 18^{th} august 2019 and is hereby submitted for the partial fulfilment of the requirement for the award of degree of BBA(2017-20). To the best of my knowledge, the project undertaken, has been carried out by me, and is my own work. The contents of this report are original and this report has been submitted to the said organization and to the **‘ARKA JAIN University’**, Jamshedpur and it has not been submitted elsewhere, for the award of any Certificate/Diploma/Degree etc.

Signature with date

SUDIP GUHA

AJU/00279/17

BBA (2017-20)

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Chapter 1:

INTRODUCTION

What is a MUTUAL FUND ?

A **mutual fund** is a professionally managed investment fund that pools money from many investors to purchase securities. These investors may be retail or institutional in nature.Mutual funds have advantages and disadvantages compared to direct investing in individual securities. The primary advantages of mutual funds are that they provide economies of scale, a higher level of diversification, they provide liquidity, and they are managed by professional investors. On the negative side, investors in a mutual fund must pay various fees and expenses.

Primary structures of mutual funds include open-end funds, unit investment trusts, and closed-end funds. Exchange-traded funds (ETFs) are open-end funds or unit investment trusts that trade on an exchange. Some close- ended funds also resemble exchange traded funds as they are traded on stock exchanges to improve their liquidity. Mutual funds are also classified by their principal investments as money market funds, bond or fixed income funds, stock or equity funds, hybrid funds or other. Funds may also be categorized as index funds, which are passively managed funds that match the performance of an index, or actively managed funds. Hedge funds are not mutual funds; hedge funds cannot be sold to the general public as they require huge investments. They are more risky than mutual funds and are subject to different government regulations.

Early history

The first modern investment funds (the precursor of today's mutual funds) were established in the Dutch Republic. In response to the financial crisis of 1772–1773, Amsterdam-based businessman Abraham (or Adriaan) van Ketwich formed a trust named Eendragt Maakt Magt ("unity creates strength"). His aim was to provide small investors with an opportunity to diversify.

Mutual funds were introduced to the United States in the 1890s. Early U.S. funds were generally closed-end funds with a fixed number of shares that often traded at prices above the portfolio net asset value. The first open-end mutual fund with redeemable shares was established on March 21, 1924 as the Massachusetts Investors Trust (it is still in existence today and is now managed by MFS Investment Management).

In the United States, closed-end funds remained more popular than open-end funds throughout the 1920s. In 1929, open-end funds accounted for only 5% of the industry's $27 billion in total assets.

After the Wall Street Crash of 1929, the United States Congress passed a series of acts regulating the securities markets in general and mutual funds in particular.

- The Securities Act of 1933 requires that all investments sold to the public, including mutual funds, be registered with the SEC and that they provide prospective investors with a prospectus that discloses essential facts about the investment.
- The Securities and Exchange Act of 1934 requires that issuers of securities, including mutual funds, report regularly to their investors. This act also created the Securities and Exchange Commission, which is the principal regulator of mutual funds.
- The Revenue Act of 1936 established guidelines for the taxation of mutual funds.
- The Investment Company Act of 1940 established rules specifically governing mutual funds.

These new regulations encouraged the development of open-end mutual funds (as opposed to closed-end funds).

Growth in the U.S. mutual fund industry remained limited until the 1950s, when confidence in the stock market returned. By 1970, there were approximately 360 funds with $48 billion in.

The introduction of money market funds in the high interest rate environment of the late 1970s boosted industry growth dramatically. The first retail index fund, First Index Investment Trust, was formed in 1976 by The Vanguard Group, headed by John Bogle; it is now called the "Vanguard 500 Index Fund" and is one of the world's largest mutual funds. Fund industry growth continued into the 1980s and 1990s.

According to Robert Pozen and Theresa Hamacher, growth was the result of three factors:

1. A bull market for both stocks and bonds,
2. New product introductions (including funds based on municipal bonds, various industry sectors, international funds, and target date funds) and
3. Wider distribution of fund shares. Among the new distribution channels were retirement plans. Mutual funds are now the preferred investment option in certain types of fast-growing retirement plans, specifically in 401(k), other defined contribution plans and in individual retirement accounts (IRAs), all of which surged in popularity in the 1980s.

In 2003, the mutual fund industry was involved in a scandal involving unequal treatment of fund shareholders. Some fund management companies allowed favored investors to engage in late trading, which is illegal, or market timing, which is a practice prohibited by fund policy. The scandal was initially discovered by former New York Attorney General Eliot Spitzer and led to a significant increase in regulation. In a study about German mutual funds Gomolka (2007) found statistical evidence of illegal time zone arbitrage in trading of German mutual funds. Though reported to regulators BaFin never commented on these results.

Total mutual fund assets fell in 2008 as a result of the financial crisis of 2007–2008.

Mutual funds today

At the end of 2018, mutual fund assets worldwide were $46.7 trillion, according to the Investment Company InInstitute The countries with the largest mutual fund industries are:

1. United States: $21.0 trillion
2. Luxembourg: $4.7 trillion
3. Ireland: $2.8 trillion
4. Germany: $2.2 trillion
5. France: $2.1 trillion
6. Australia: $1.9 trillion
7. Japan: $1.8 trillion
8. China: $1.8 trillion
9. United Kingdom: $1.7 trillion
10. Brazil: $1.2 trillion

In the United States, mutual funds play an important role in U.S. household finances. At the end of 2018, 21% of household financial assets were held in mutual funds. Their role in retirement savings was even more significant, since mutual funds accounted for roughly half of the assets in individual retirement accounts, 401(k)s and other similar retirement plans.[6] In total, mutual funds are large investors in stocks and bonds.

Luxembourg and Ireland are the primary jurisdictions for the registration of UCITS funds. These funds may be sold throughout the European Union and in other countries that have adopted mutual recognition regimes.

Advantages and disadvantages to investors

Mutual funds have advantages and disadvantages compared to investing directly in individual securities. According to Robert Pozen and Theresa Hamacher, these are:

Advantages

- Increased diversification: A fund diversifies holding many securities. This diversification decreases risk.
- Daily liquidity: Shareholders of open-end funds and unit investment trusts may sell their holdings back to the fund at regular intervals at a price equal to the net asset value of the fund's holdings. Most funds allow investors to redeem in this way at the close of every trading day.
- Professional investment management: Open-and closed-end funds hire portfolio managers to supervise the fund's investments.

- Ability to participate in investments that may be available only to larger investors. For example, individual investors often find it difficult to invest directly in foreign markets.
- Service and convenience: Funds often provide services such as check writing.
- Government oversight: Mutual funds are regulated by a governmental body.
- Transparency and ease of comparison: All mutual funds are required to report the same information to investors, which makes them easier to compare to each other.[4]

Disadvantages

Mutual funds have disadvantages as well, which include:

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

Fund structures

There are three primary structures of mutual funds: open-end funds, unit investment trusts, and closed-end funds. Exchange-traded funds (ETFs) are open-end funds or unit investment trusts that trade on an exchange.

Open-end funds

Open-end mutual funds must be willing to buy back ("redeem") their shares from their investors at the net asset value (NAV) computed that day based upon the prices of the securities owned by the fund. In the United States, open-end funds must be willing to buy back shares at the end of every business day. In other jurisdictions, open-funds may only be required to buy back shares at longer intervals. For example, UCITS funds in Europe are only required to accept redemptions twice each month (though most UCITS accept redemptions daily).

Most open-end funds also sell shares to the public every business day; these shares are priced at NAV.

Open-end funds are often referred to simply as "mutual funds."

Most mutual funds are open-end funds. In the United States at the end of 2018, there were 8,078 open-end mutual funds with combined assets of $17.7 trillion, accounting for 84% of the U.S. industry.

Closed-end funds

Closed-end funds generally issue shares to the public only once, when they are created through an initial public offering. Their shares are then listed for trading on a stock exchange. Investors who want to sell their shares must sell their shares to another investor in the market; they cannot sell their shares back to the fund. The price that investors receive for their shares may be significantly different from NAV; it may be at a "premium" to NAV (i.e., higher than NAV) or, more commonly, at a "discount" to NAV (i.e., lower than NAV).

In the United States, at the end of 2018, there were 506 closed-end mutual funds with combined assets of $0.25 trillion, accounting for 1% of the U.S.

Unit investment trusts

Unit investment trusts (UITs) are issued to the public only once when they are created. UITs generally have a limited life span, established at creation. Investors can redeem shares directly with the fund at any time (similar to an open-end fund) or wait to redeem them upon the trust's termination. Less commonly, they can sell their shares in the open market.

Unlike other types of mutual funds, unit investment trusts do not have a professional investment manager. Their portfolio of securities is established at the creation of the UIT.

In the United States, at the end of 2018, there were 4,917 UITs with combined assets of less than $0.1 trillion.

Exchange-traded funds

Exchange-traded funds (ETFs) combine characteristics of both closed-end funds and open-end funds. They are structured as open-end investment companies or UITs. ETFs are traded throughout the day on a stock exchange. An arbitrage mechanism is used to keep the trading price close to net asset value of the ETF holdings.

In the United States, at the end of 2018, there were 1,988 ETFs in the United States with combined assets of $3.3 trillion, accounting for 16% of the U.S.

Classification of funds by types of underlying investments

Mutual funds are normally classified by their principal investments, as described in the prospectus and investment objective. The four main categories of funds are money market funds, bond or fixed income funds, stock or equity funds, and hybrid funds.

Within these categories, funds may be sub-classified by investment objective, investment approach or specific focus.

The types of securities that a particular fund may invest in are set forth in the fund's prospectus, a legal document which describes the fund's investment objective, investment approach and permitted investments. The investment objective describes the type of income that the fund seeks. For example, a capital appreciation fund generally looks to earn most of its returns from increases in the prices of the securities it holds, rather than from dividend or interest income. The investment approach describes the criteria that the fund manager uses to select investments for the fund.

Bond, stock, and hybrid funds may be classified as either index (or passively-managed) funds or actively managed funds.

Money market funds

Money market funds invest in money market instruments, which are fixed income securities with a very short time to maturity and high credit quality. Investors often use money market funds as a substitute for bank savings accounts, though money market funds are not insured by the government, unlike bank savings accounts.

In the United States, money market funds sold to retail investors and those investing in government securities may maintain a stable net asset value of $1 per share, when they comply with certain conditions. Money market funds sold to institutional investors that invest in non-government securities must compute a net asset value based on the value of the securities held in the funds.

In the United States, at the end of 2018, assets in money market funds were $3.0 trillion, representing 14% of the industry.

Bond funds

Bond funds invest in fixed income or debt securities. Bond funds can be sub-classified according to:

- The specific types of bonds owned (such as high-yield or junk bonds, investment-grade corporate bonds, government bonds or municipal bonds)
- The maturity of the bonds held (i.e., short-, intermediate- or long-term)
- The country of issuance of the bonds (such as U.S., emerging market or global)
- The tax treatment of the interest received (taxable or tax-exempt)

In the United States, at the end of 2018, assets in bond funds (of all types) were $4.7 trillion, representing 22% of the.

Stock funds

Stock or equity funds invest in common stocks. Stock funds may focus on a particular area of the stock market, such as

- Stocks from only a certain industry
- Stocks from a specified country or region
- Stocks of companies experiencing strong *growth*
- Stocks that the portfolio managers deem to be a good *value* relative to the value of the company's business
- Stocks paying high dividends that provide *income*
- Stocks within a certain market capitalization range

In the United States, at the end of 2018, assets in stock funds (of all types) were $11.9 trillion, representing 56% of the industry.

Hybrid funds

Hybrid funds invest in both bonds and stocks or in convertible securities. Balanced funds, asset allocation funds, target date or target risk funds, and lifecycle or lifestyle funds are all types of hybrid funds.

Hybrid funds may be structured as funds of funds, meaning that they invest by buying shares in other mutual funds that invest in securities. Many funds of funds invest in affiliated funds (meaning mutual funds managed by the same fund sponsor), although some invest in unaffiliated funds (i.e., managed by other fund sponsors) or some combination of the two.

In the United States, at the end of 2018, assets in hybrid funds were $1.4 trillion, representing 7% of the industry .

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Expenses

Investors in a mutual fund pay the fund's expenses. Some of these expenses reduce the value of an investor's account; others are paid by the fund and reduce net asset value.

These expenses fall into five categories:

Management fee

The management fee is paid by the fund to the management company or sponsor that organizes the fund, provides the portfolio management or investment advisory services and normally lends its brand to the fund. The fund manager may also provide other administrative services. The management fee often has breakpoints, which means that it declines as assets (in either the specific fund or in the fund family as a whole) increase. The fund's board reviews the management fee annually. Fund shareholders must vote on any proposed increase, but the fund manager or sponsor can agree to waive some or all of the management fee in order to lower the fund's expense ratio.

Index funds generally charge a lower management fee than actively-managed funds.

Distribution charges

Distribution charges pay for marketing, distribution of the fund's shares as well as services to investors. There are three types of distribution charges.

- Front-end load or sales charge. A front-end load or sales charge is a commission paid to a broker by a mutual fund when shares are purchased. It is expressed as a percentage of the total amount invested or the "public offering price", which equals the net asset value plus the front-end load per share. The front-end load often declines as the amount invested increases, through breakpoints. The front-end load is paid by the investor; it is deducted from the amount invested.
- Back-end load. Some funds have a back-end load, which is paid by the investor when shares are redeemed. If the back-end load declines the longer the investor holds shares, it is called a contingent deferred sales charges (CDSC). Like the front-end load, the back-end load is paid by the investor; it is deducted from the redemption proceeds.
- Distribution and services fee. Some funds charge an annual fee to compensate the distributor of fund shares for providing ongoing services to fund shareholders. In the United States, this fee is sometimes called a 12b-1 fee, after the SEC rule authorizing it. The distribution and services fee is paid by the fund and reduces net asset value.

Distribution charges generally vary for each share class.

Securities transaction fees incurred by the fund

A mutual fund pays expenses related to buying or selling the securities in its portfolio. These expenses may include brokerage commissions. These costs are normally positively correlated with turnover.

Shareholder transaction fees

Shareholders may be required to pay fees for certain transactions, such as buying or selling shares of the fund. A fund may charge a fee for maintaining an individual retirement account for an investor.

Some funds charge redemption fees when an investor sells fund shares shortly after buying them (usually defined as within 30, 60 or 90 days of purchase). Redemption fees are computed as a percentage of the sale amount. Shareholder transaction fees are not part of the expense ratio.

Fund services charges

A mutual fund may pay for other services including:

- Board of directors or trustees fees and expenses
- Custody fee: paid to a custodian bank for holding the fund's portfolio in safekeeping and collecting income owed on the securities
- Fund administration fee: for overseeing all administrative affairs such as preparing financial statements and shareholder reports, SEC filings, monitoring compliance, computing total returns and other performance information, preparing/filing tax returns and all expenses of maintaining compliance with state blue sky laws
- Fund accounting fee: for performing investment or securities accounting services and computing the net asset value (usually every day the New York Stock Exchange is open)
- Professional services fees: legal and auditing fees
- Registration fees: paid to the SEC and state securities regulators
- Shareholder communications expenses: printing and mailing required documents to shareholders such as shareholder reports and prospectuses
- Transfer agent service fees and expenses: for keeping shareholder records, providing statements and tax forms to investors and providing telephone, internet and or other investor support and servicing
- Other/miscellaneous fees

The fund manager or sponsor may agree to subsidize some of these charges.

Expense ratio

The expense ratio equals recurring fees and expenses charged to the fund during the year divided by average net assets. The management fee and fund services charges are ordinarily included in the expense ratio. Front-end and back-end loads, securities transaction fees and shareholder transaction fees are normally excluded.

To facilitate comparisons of expenses, regulators generally require that funds use the same formula to compute the expense ratio and publish the results.

No-load fund

In the United States, a fund that calls itself "no-load" cannot charge a front-end load or back-end load under any circumstances and cannot charge a distribution and services fee greater than 0.25% of fund assets

Chapter 2 :

COMPANY PROFILE

NARNOLIA FINANCIAL ADVISORS LTD.

Narnolia Financial Advisors Limited is a Non-govt company, incorporated on 14 Jul, 1995. It's a public unlisted company and is classified as 'company limited by shares'.Company's authorized capital stands at Rs 400.0 lakhs and has 86.08902% paid-up capital which is Rs 344.36 lakhs. Narnolia Financial Advisors Limited last annual general meet (AGM) happened on 07 Aug, 2017. The company last updated its financials on 31 Mar, 2017 as per Ministry of Corporate Affairs(MCA).

Narnolia Financial Advisors Limited is majorly in Trading business from last 24 years and currently, company operations are active. Current board members & directors are RAVI KANT SHARMA, BANWARI LAL MITTAL, PARIMAL KUMAR CHATTARAJ, PANKAJ HARLALKA, SANDIP AGARWAL, VIKASH RANJAN SAHAY and VIKRAM VILAS WADEKAR .

Company is registered in Kolkata (West Bengal) Registrar Office. Narnolia Financial Advisors Limited registered address is 201, 2nd Floor, Marble Arch 236B A.J.C. Bose Road, Kolkata Kolkata WB 700020 IN.

Narnolia Financial Advisors Limited Details

CIN	U51909WB1995PLC072876
Date of Incorporation	14 Jul, 1995
Status	Active
Company Category	Company limited by Shares
Company Sub-category	Non-govt company
Company Class	Public
Business Activity	Trading
Authorized Capital	400.0 lakhs
Paid-up Capital	344.36 lakhs
Paid-up Capital %	86.08902
Registrar Office City	Kolkata
Registered State	West Bengal
Registration Number	72876
Registration Date	14 Jul, 1995
Listing Status	Unlisted
AGM last held on	07 Aug, 2017
Balance Sheet last updated on	31 Mar, 2017

Chapter 3 :

LITERATURE REVIEW

Mattapan P K and Damodharan E(2006)evaluated 40 schemes for the period April 1995 to March 2000.The study identified that majority of the schemes earned returns higher than the market but lower than 91 days treasury bill rate. The average risk of the schemes was higher than the market.15 schemes had an above average monthly return.Growth schemes earned average monthly return. The risk and return of the schemes were not always in conformity with their stated investment objectives.23 schemes outperformed in terms risk. 19 schemes with positive alpha values indicated superior performance.

Debasish(2009)studied the performance of selected schemes of mutual funds based on risk and return models and measure. The study covered the period from April 1996 to March 2005(nine years). The study revealed that Franklin Templeton and UTI were the best performance and Birla Sun Life,HDFC and LIC mutual funds showed poor performance.

Mehta Sushilkumar(2010)analyze the performance of mutual fund schemes of SBI and UTl and found out that SBI schemes have performed better than the UTI in the year.

Zhi Da,Pengjie GAO,and Ravi Jagannathan(2011)in the article"Impatient Trading,Liquidity Provision,and Stock Selection by Mutual Funds"showed that a mutual fund's stock selection skill can be decomposed into additional components that include liquidity-absorbing impatient trading and liquidity provision. The study proved that past performance predicts future performance better among funds trading in stocks affected more by information events Past winners earn a risk-adjusted after-fee excess return of 35 basis points per month in the future. Most of that superior performance comes from impatient trading. The paper also states that impatient trading is more important for growth-oriented funds,and liquidity provision is more important for younger income funds.

Prabakaran and Jayabal(2010)evaluated the performance of mutual fund schemes.The study conducted is on a sample of 23 schemes which were chosen basing on the priority given by the respondents in Dharmapuri district in a survey and covers the study from April 2002 to March 2007.The study used the methodology of Sharpe and Jensen for the performance evaluation of mutual funds.The results of the study found that 13 schemes out of 23 schemes selected had superior performance than the benchmark portfolio in terms of Sharpe ratio,13 schemes had superior performance of Treynor ratio and 14 schemes had superior performance according to Jensen measure.

Sondhi and Jain(2010)examined the market risk and investment performance of equity mutual funds in India.The study used a sample of 36 equity fund for a period of 3 years.The study examined whether high beta of funds have actually produced high returns over the study period.The study also examined that open-ended or close ended categories, size of fund and the ownership pattern significantly affect risk-adjusted investment performance of equity fund.The results of the study confirmed with the empirical evidence producedby fama(1992)that high beta funds(market risks)may not necessarily produced high returns.The study revealed that the category,size and ownership have been significantly determined the performance of mutual funds during the study period.

Garg(2011)examined the performance of top ten mutual fiunds that was selected on the basis of previous years return.The study analyzed the performance on the basis of return,standard deviation,beta as well as Treynor,Jensen and Sharpe indexes.The study also used Carhart's four-factor model for analyze the performance of mutual funds.The results revealed that Reliance Regular Saving Scheme Fund had achieved the highest final score and Canara Robeco Infra had achieved the lowest final score in the one year category.

Chapter 4 :

OBJECTIVES

- To get the insight knowledge about mutual funds of India .
- To measure the satisfaction level of investors regarding mutual funds .
- To analyse the awareness level of mutual funds among people .

- To understand the various terms and methodology used in mutual funds .

- To find out ways by which NARNOLIA FINANCIAL ADVISOR LTD. improves its services .

Chapter 5 :

LIMITATIONS OF THE STUDY

- The sample size consists of only 50 respondents , which is less to practically measure the awareness level and jump to conclusions .

- A large number of people were not willing to submit their responses due to lack of proper knowledge about the topic.

- There was a time constraint to complete the study and and analyse the results.

Chapter 6 :

RESEARCH METHODOLOGY

My reseach project has a specified framework for collecting the data in effective manner . Such manner is called “RESEARCH DESIGN” . The research process followed by me consisted of following steps .

1) PROBLEM :
The problem in hand was to measure and study the awareness level of people regarding mutual funds .

2) DEVELOPING THE RESEARCH PLAN :
Development of research plan consists of following steps :

a. Data sources : Primary data was used by me in the complete project report .

b. Research instrument : A close ended and structured questionnaire was designed and used for the survey. Questionaire was filled by various respondents.

c. Sampling plan : It consists of following –
   i) Sampling unit: The reseach was carried out in 4 cities (Jamshedpur , Bangalore , Kolkata , Mumbai , Bhuwaneshwar)
   ii) Sample size :Sample consisted of 50 respondents. The selection of respondents was done by convenience sampling method of non probability sampling.

3) COLLECTING THE INFORMATION :
After this I have collected the information using questionnaire using Google documents.

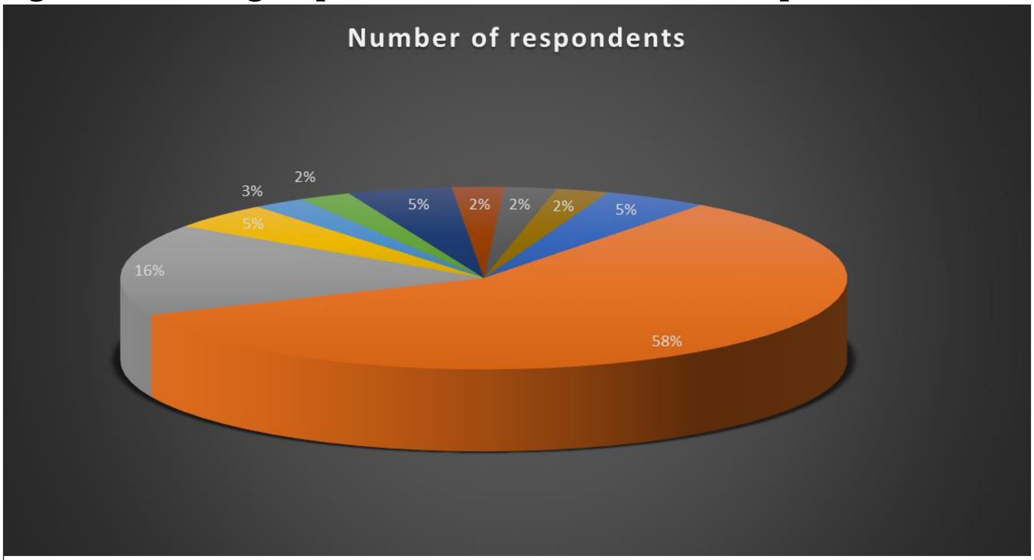
4) ANALYSE THE INFORMATION :
The next step was to extract the data from the responses collected and I have furtherly developed various charts and graphs for representing the analysed data using Microsoft excel .

5) REPRESENTING THE FINDINGS : It was the last step of the survey .

Chapter 7 :

DATA ANALYSIS

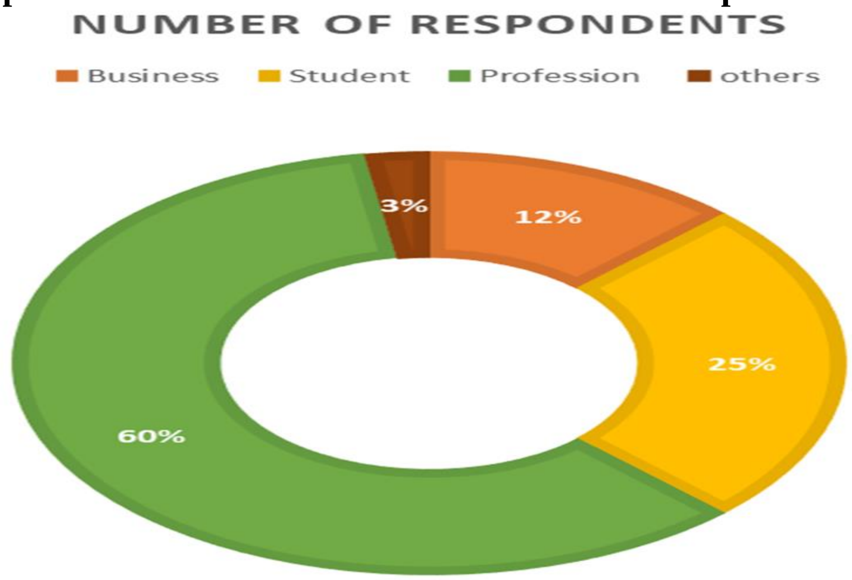
a. Age group of respondents :



This chart shows the age group of the respondents who filled the questionnaire.

The maximum share of respondents belonged to the age group 20-25 (58%).

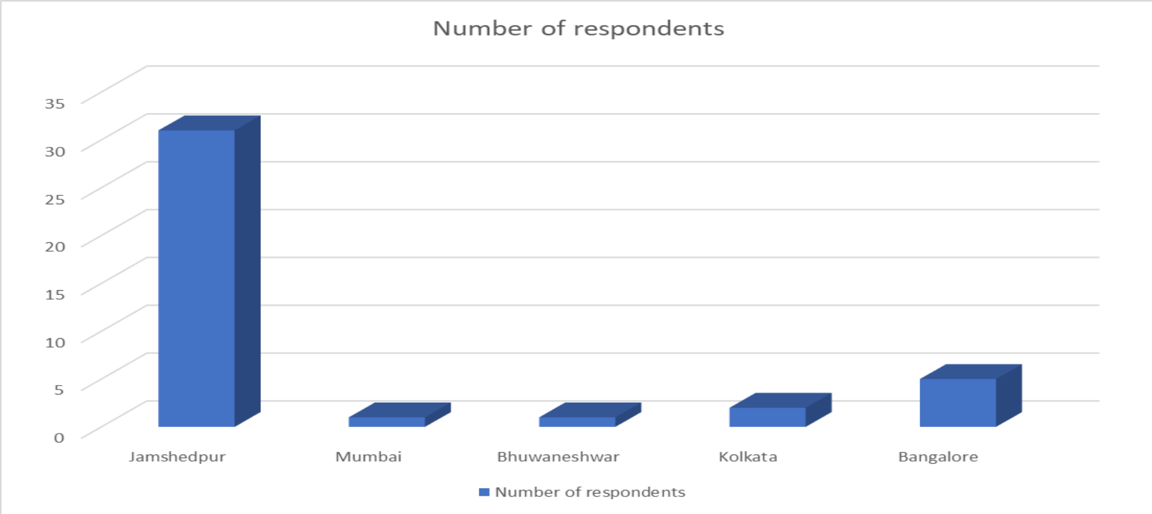
b. **Occupation of the respondents :**



This chart shows the occupation of the respondents. The maximum number of respondents belong to the occupation of Profession.

This survey includes all types of Participants who could contribute to the findings of the study.

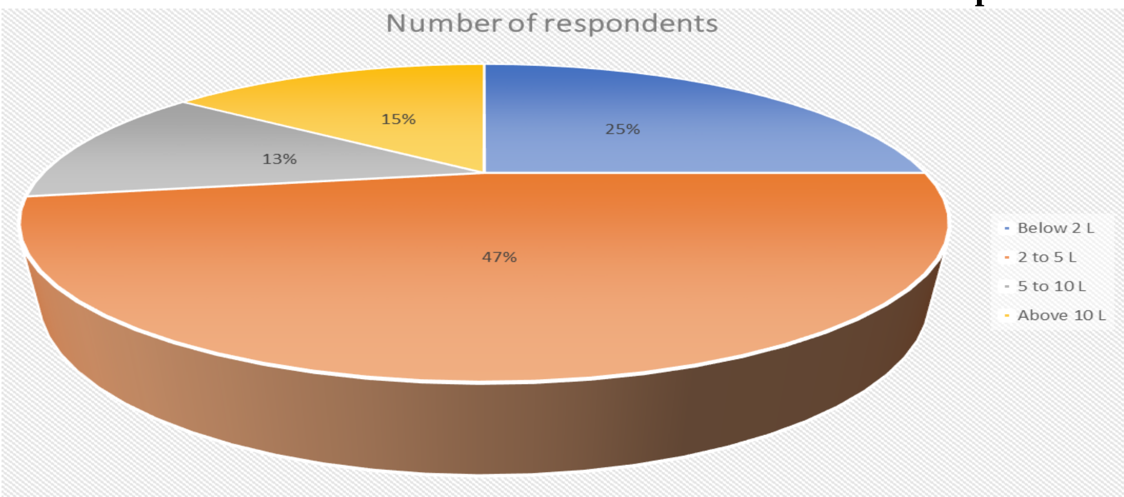
c. **Location of the respondents :**



This chart shows the location of the respondents .

The survey was carried out mostly in Jamshedpur (30/50 respondents) and in parts of various other cities named Mumbai (2/50) , Kolkata (4/50) , Bhubaneswar (3/50) , and Bengaluru (11/50) .

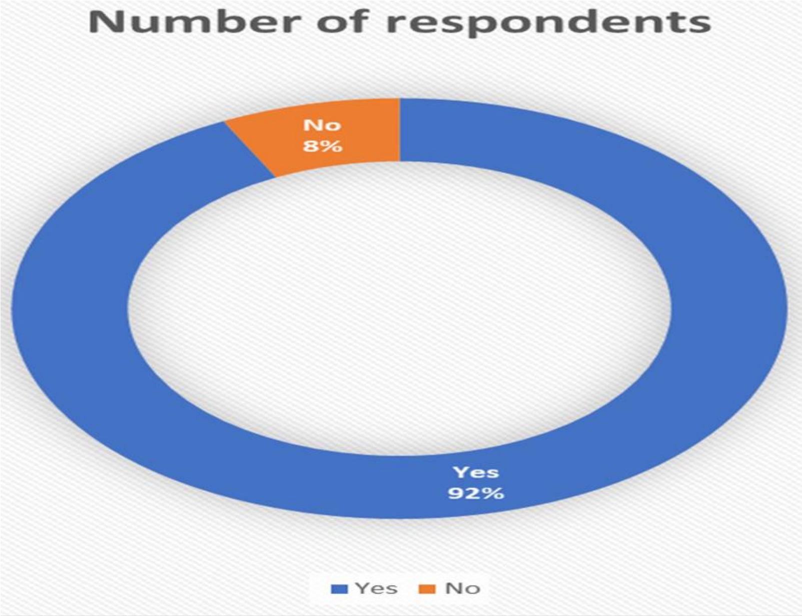
d. **Annual income of the respondents**



This chart shows the annual income of the repondents.

In this we could see that a major portion of the respondents (47%) belong to the incone range of 2-5 Lacs . and the minimum number of respondents belong to below 2 lac category.

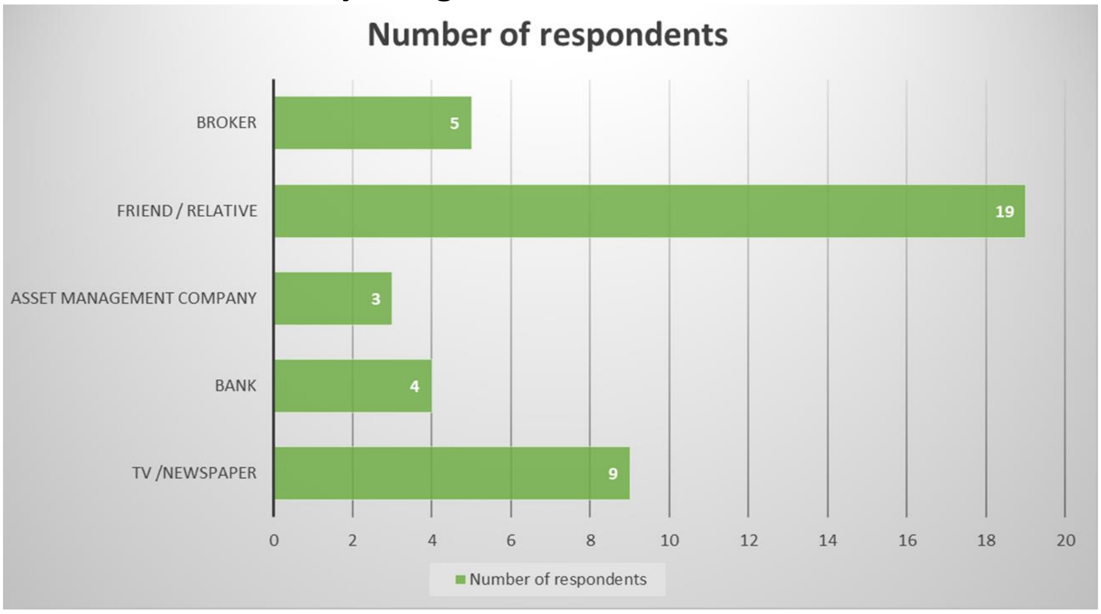
e. Are you aware of mutual funds



This chart shows the awareness of mutual funds among the respondents .

Out of all 46 respondents (92%) were aware of mutual funds and whereas 4 respondents (8%) were unaware of mutual funds.

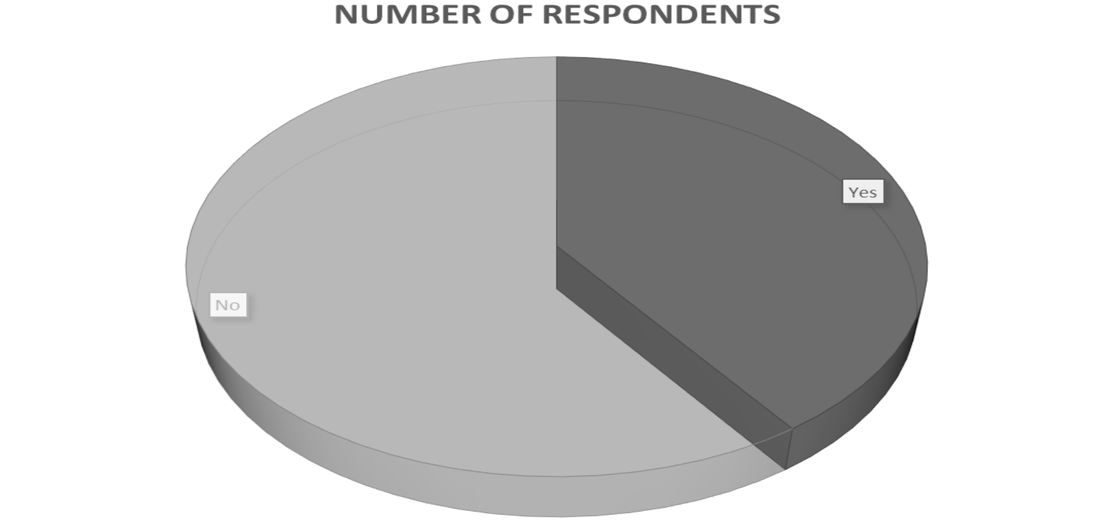
f. **From where did you get to know about mutual funds :**



From this we could see that most people (19/50 respondents) got to know about mutual funds from their friends and relatives and a very few of them got information from actual Asset management company and brokers (8/50 respondents) .

This shows that the companys need to increase the awareness regarding mutual funds.

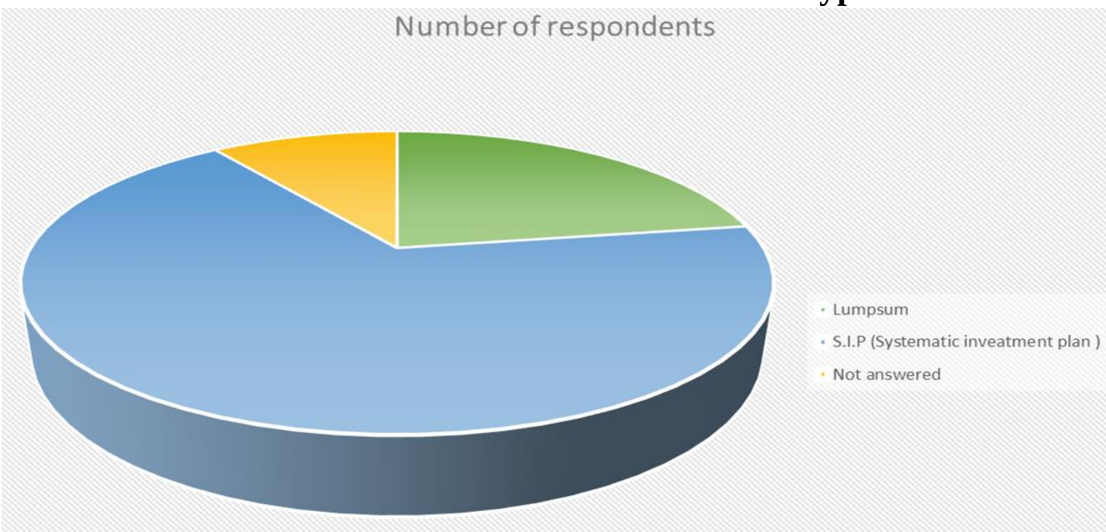
g. Have you ever invested in mutual funds :



40% of the respondents invested in mutual funds according to the study. Though more than 90% of the people were aware of mutual funds, not more than 40% of the respondents invest in mutual funds actually.

This shows that people are aware but fear the risk of loss. This somehow states that there is lack of full knowledge about working of mutual funds.

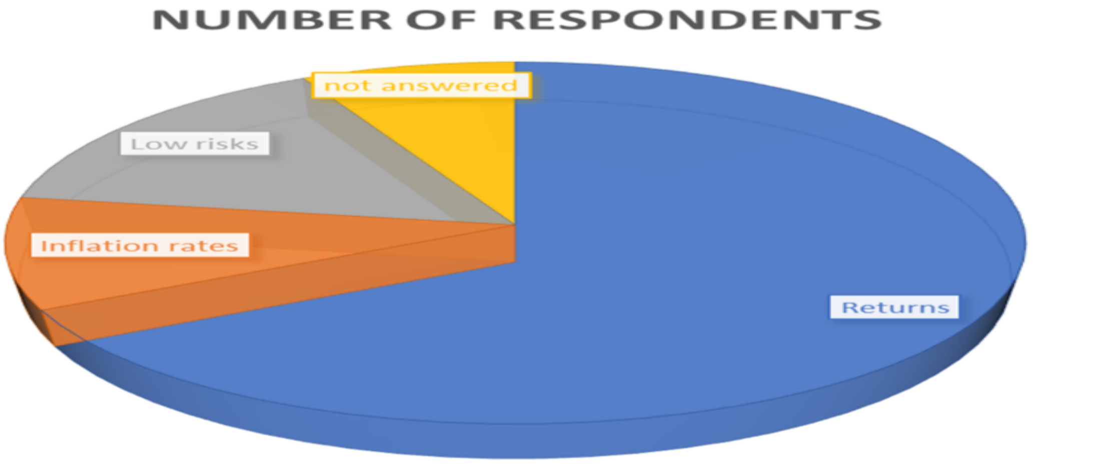
h. Investment done in which type :



75% of the respondents stated that they prefer investing in mutual funds through S.I.P.

They furtherly stated that it's considered a comparatively safe way of investing in mutual funds.

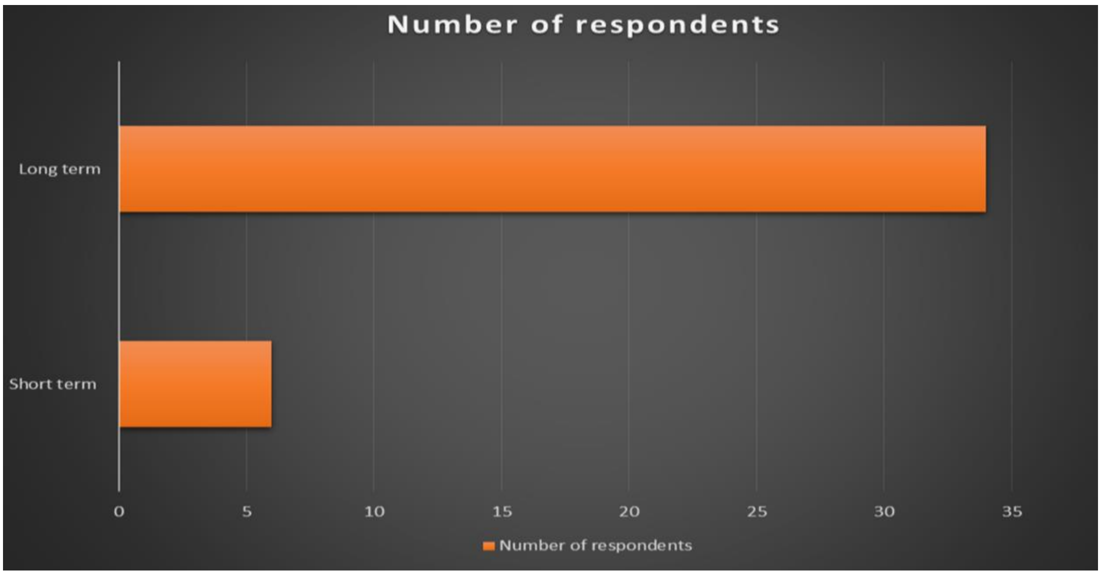
i. **Factors kept in mind while investing :**



About 60% of the respondents invest in mutual funds focusing on returns. Returns prove to be the most attractive aspect of the mutual funds.

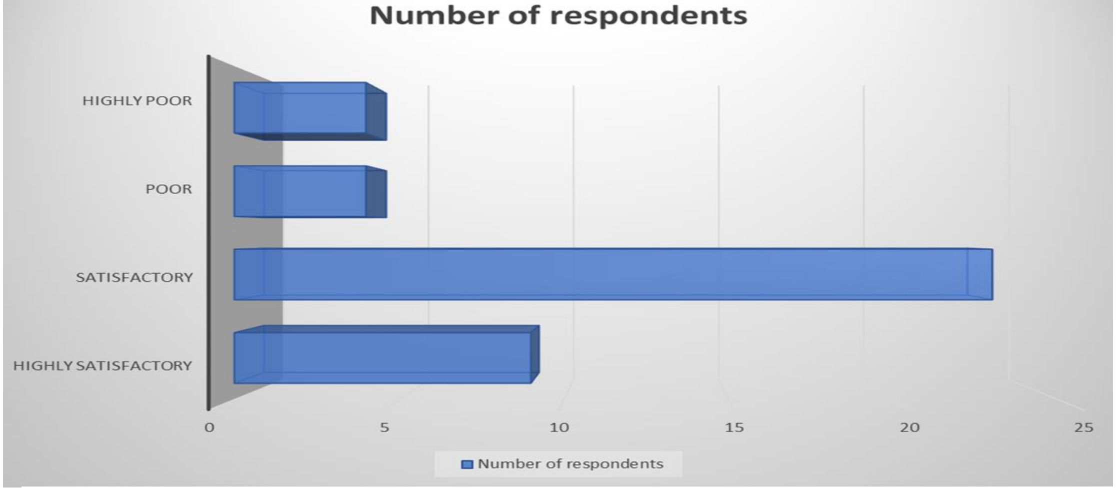
The second most attractive aspect is that low risks . low risk mutual funds are the second most attractive aspect respondents keep in mind while investing .

j. **Term of investment :**



Out of 50 respondents, 37 respondents stated that they would prefer investing in mutual funds for a long term. 7 out of 50 respondents prefer to invest for a short period of time and mainly try to achieve short term gains. 6 out of 50 respondents refused to answer the question.

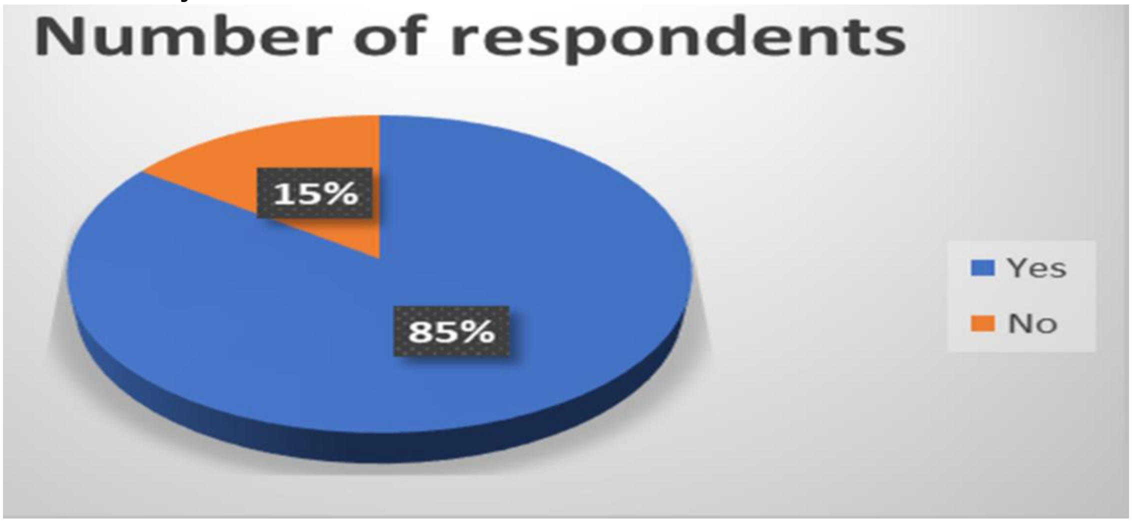
k. **Overall experience with mutual funds :**



8 out of 50 respondents stated that they were highly satisfied with the mutual funds . 7 out of 50 respondents had a very poor level of satisfaction towards mutual funds. 24 out of 50 respondents were stated the mutual funds as satisfactory.

However poor level of satisfaction can be due to peoples notions of getting short term gains while investing in mutual funds.

l. **Would you recommend mutual funds to others**



44 out of 50 respondents stated that they would surely recommend investment in mutual funds because of their own experiences or because they know the functioning of mutual funds.

The remaining 6 respondents stated that they would never recommend anyone because it involves a large amount of risk and fear of loss always prevails in the mind of the investor.

Chapter 8 :

FINDINGS OF THE STUDY :

The findings of the study were as follows:

- Though a large portion of the respondents 92% (46 respondents) were aware of mutual funds , only 40% respondents (20 respondents) actually have invested in mutual funds. As there is lack of proper awareness about mutual funds , people avoid investing in mutual funds.

- 80% of the investors prefer to invest for a long term, which is generally practical in case of mutual fund investments. However 20% of the respondents tried short term investments.

- 60% of the investors directly invest in mutual funds offering better returns as their primary objective is gaining returns.

- 48% of the investors were satisfied with the performance of mutual funds in which they have invested. However 10% of the respondents were highly dissatisfied with the performance of mutual funds.

- 52% of respondents were aware of the working of mutual funds. Rest 48% of the respondents were not fully aware how the mutual funds work and hence they fear the risk of loss and various other fears related to mutual funds.

Chapter 9 :

SUGGESTION & RECOMMENDATIONS

- Customer education of the salaried class individuals is far below standard. Thus Asset Management Company's need to create awareness so that the salaried class people become the prospective customer of the future.

- Early and mid earners bring most of the business for the Asset Management Company's. Asset Management Company's thus needed to educate and develop schemes for the person's who are at the late earning or retirement stage to gain the market share.

- Return's record must be focused by the sales executives while explaining the schemes to the customer. Pointing out the brand name of the com pany repeatedly may not too fruitful.

- The target market of salaried class individual has a lot of scope to gain business, as they are m ore fascinated to Mutual Funds than the self employed.

- Schemes with high equity level need to be targeted towards self employed and professionals as they require high returns and are ready to bear risk.

- The resolution of the queries should be fast enough to satisfy the distributors.Time to time presentation/training classes about the products should be there.

- There should be more number of Relationship Managers in different Regions because one RM can handle a maximum of 125 distributors efficiently and also to cover untapped market.

- Regular activities like canopy should be done so as to get more interaction with the distributors.

Chapter 10 :

CONCLUSION :

Working on this report was very beneficial for me on a personal level. In order to fulfil the following objectives as stated below, a number of steps was carried out by me.

The objectives of the report were:

- To get the insight knowledge about mutual funds of India .
- To measure the satisfaction level of investors regarding mutual funds .
- To analyse the awareness level of mutual funds among people .
- To understand the various terms and methodology used in mutual funds .
- To find out ways by which NARNOLIA FINANCIAL ADVISOR LTD. improves its services .

Insight knowledge about mutual funds was mentioned by me in the project. In order to gain knowledge about the satisfaction level and awareness of mutual funds , a questionnaire was made to be filled by 50 respondents from a various number of cities which showed us exactly the level of satisfaction towards mutual funds. The main problem that popped out from the study was the lack of proper awareness and knowledge regarding mutual funds .

In order to solve this, various suggestions and recommendations were stated by me previously which would definitely benefit ‘ NARNOLIA FINANCIAL ADVISORS’ and various other companies in the same business.

Chapter 11 :

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<u>ANNEXURE :</u>

INTERNSHIP REPORT FORM

Measuring the awareness and performance of mutual funds in india

* Required

1. **Name** *

2. **Age** *

3. **OCCUPATION** *

Mark only one oval.

- Student
- Business
- Profession
- Others

4. **Address / Location (City)** *

5. **Family Income** *

Mark only one oval.

- Below 2 lakh
- 2 to 5 lakh
- 5 to 10 lakh
- Above 10 lakh

6. **Are you aware of ' Mutual Funds' ?** *

Mark only one oval.

- Yes
- No

7. **From which source you came to know about Mutual Funds ? ***

Mark only one oval.

- Broker
- Friend/Relative
- Bank
- Tv/Newspaper
- AMC
- Other: ____________________

8. **Have you ever invested in Mutual Funds of any company ? ***

Mark only one oval.

- Yes
- No

9. **Are you aware about various ways you can invest in mutual funds ? ***

Mark only one oval.

- Yes
- No

10. **If yes , which way you like the most ?**

Mark only one oval.

- Lumpsum
- S.I.P

11. **Are you aware of different tax benefits of investing in mutual funds ? ***

Mark only one oval.

- Yes
- No

12. **Out of this , in which company's mutual fund have you invested ?**

Mark only one oval.

- SBI
- Franklin
- DSP
- Tata
- Icici
- Other: ____________________

13. **What do you consider the most important while investing ?**
Mark only one oval.

- ( ) Returns
- ( ) inflation
- ( ) Lower risk factor
- ( ) Other: ____________________

14. **If invested , the time period for which it is invested is**
Mark only one oval.

- ( ) Long term
- ( ) Short term

15. **Do you know the different options of mutual funds in which you can invest your money?** *
Mark only one oval.

- ( ) Yes
- ( ) No

16. **Your overall experience related to investing in mutual funds ?**
Mark only one oval.

- ( ) Highly satisfactory
- ( ) Satisfactory
- ( ) Poor
- ( ) Highly poor

17. **In what type of mutual funds have you invested ?**
Mark only one oval.

- ( ) Debt
- ( ) Equity

18. **Will you recommend someone to invest in mutual fund based on your experience ?** *
Mark only one oval.

- ( ) Yes
- ( ) No