

## **A study on investors awareness towards mutual funds investment among tribal youths in odisha**

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### **Abstract**

Researchers aimed to assess "Investors Awareness towards different sorts of Mutual Funds of tribal youths of Odisha" when they conducted the review. The potential results of gauging the wants and satisfaction level of more shared reserve products are the primary focus. It also plans to suggest ways to raise the current level of recognition. As a result of the evaluation, the AMC will have a better grasp of the wants, requirements, and concerns of the buyers. The primary focus of the assessment was on the tribal areas of some tribal districts of Odisha and how to improve products and services there. During the review process, the descriptive research strategy is used. Using a well-structured questionnaire, the analyst conducted primary research for his evaluation. In her review, the researcher used a helpful type of inspection method. The expert interprets the case as 204. A one-way Anova, a chi-square test, a simple percentage analysis, and Karl Pearson's correlation were the particular measuring tools used by the expert in order to complete the analysis and interpretation. Investors may achieve wealth increase based on the researcher's recommendations, which are based on analysis and interpretation, which he used to ground her evaluation in actual findings.

**Keywords:** Investors, Awareness, Mutual Fund, Socio Economic Factors, Tribal,

### **I. Introduction**

Prior to 1991, the Indian economy was closed. There were restrictions on private companies entering the Indian market. Political institutions were ill-prepared to handle the lucrative assets, despite the fact that it was the administrative arm in charge of the whole retail network dealing with the production, distribution, and appropriation of various goods and businesses. Before 1991, the largest features of the Indian economy were a high unemployment rate, low gross domestic product (GDP), and a lack of capital. Among the components of a budget are the wage expenditure and winning exercises. Massive capital development is facilitated by it using the investment dollars of millions of consumers. Securities exchange, bank F.D., insurance (ULIPS), mutual assets, PPF, NSC, KVP, and a plethora of other options are available to consumers seeking investment opportunities today. Economic budgetary assets are amassed by means of all these monetary tools. Regular shop is also doing the same thing, but it has certain distinct advantages over the other venture routes. Shared assets have been increasingly popular compared to other investment options because to their comparable risk-return profile, straight forwardness, liquidity, and so on, and the development of India's monetary environment. In addition, many plans, including as commitment, advancement, crossbreed, changed, gold, etc, have had a significant impact on consumers' awareness of risk and return profiles, and they may access master information.

Investment awareness plays a pivotal role in shaping the financial behavior of individuals, particularly in a rapidly evolving economic environment. Among the various investment avenues available in India, mutual funds have emerged as a popular choice due to their diversified portfolio, professional management, and potential for long-term wealth creation. However, the penetration of mutual funds remains uneven, especially among marginalized communities such as tribal youths, who often face socio-economic, educational, and infrastructural barriers.

Odisha, a state rich in tribal diversity, is home to a significant population of Scheduled Tribes, primarily residing in rural and remote areas. These tribal communities are often excluded from mainstream financial education and services, limiting their access to modern investment instruments like mutual funds. Despite government initiatives and efforts by financial institutions to enhance financial inclusion, a large gap persists in investment literacy and participation among tribal youths.

This study aims to explore the level of awareness, perceptions, and challenges faced by tribal youths in Odisha regarding mutual fund investments. It seeks to identify the factors influencing their investment decisions, the sources of financial information they rely on, and the extent to

which they are engaged in formal investment practices. Understanding these dimensions is crucial

for designing targeted financial literacy programs and policy interventions that promote inclusive

growth and empower tribal communities to make informed investment decisions.

By focusing on the tribal youth segment, the study contributes to the broader discourse on financial inclusion and investor education in India, offering insights that can help bridge the gap between financial markets and underserved populations.

District	ST Population (%)
Mayurbhanj	58.7%
Malkangiri	57.8%
Rayagada	56.0%
Nabarangpur	55.8%
Gajapati	54.3%
Koraput	50.6%
Keonjhar	45.5%
Kandhamal	Tribal Sub Plan District (TSP)
Others (Coastal and Non-TSP districts)	Less than 20%
Puri	0.4%

### About mutual fund

An investment vehicle known as a mutual fund pools the money from millions of individual savers into a massive pool of wealth. The main reason tribal people invest in mutual funds is to get a fair return on their money with little risk. Asset Management Company (AMC) is a

platform where consumers may invest in mutual funds. As a fund manager, you may hire professionals who are up-to-date on all the latest micro and macro economic data, such as the stock market, consumer tastes, trends, and fashion. Investors put their money into a mutual fund, and the amount they invest is turned into units at the current market price of the fund, which is announced every working day and is sometimes referred to as NAV, or Net Asset Value. Appreciation of the invested money occurs when the value of units, or NAV, rises, while depreciation occurs when it falls.

## II. Mutual fund – an indian perspective

Ideal monetary and statistical factors, for example, developing compensation, increasing reserve funds rate, rising pay gaining spending action, and so on, have impelled gigantic development in the Indian shared store sector in the last couple of years. In July 1964, UTI spearheaded shared finances in India with the aim of transforming individual savings into massive capital growth through the capital market. Additionally, there was a strong need to facilitate the flow of family unit reserve funds and make them available to corporations for profitable use. Meanwhile, UTI was considered a possible substitute that may help break down obstructions between individual saving and capital development. UTI partook in the amazing industry system for around twenty years. The accompanying players entered the market in the mid-1990s. The following are examples of such banks: SBI (1987), Can Bank (1987), LIC (1989), Indian Bank (1990), Bank of India (1990), PNB (1990), GIC (1991), and more.

## III. Literature review

- ❖ K. Lashmana Rao (2017) found that investors should be more knowledgeable about mutual fund schemes, and he concluded that SEBI, AMFI, and IRDA should do what is needed to help consumers make better judgments.
- ❖ Women's awareness of investment choices was the subject of a research by Desigan et al. (2006). In light of this, women shoppers tend to stay away from mutual funds for a variety of reasons, including a general lack of knowledge about them, investing processes, entrance and departure moves, etc.
- ❖ To stay afloat and make a profit, financial businesses need to innovate in creating and providing financial services, according to research by Anand and Murugalah (2004).
- ❖ Most consumers base their mutual fund investments on expectations for the near future and utilize information relevant to each fund when making their selections, according to Lu Zheng (1999).
- ❖ Age, gender, wealth, and other demographic factors were discovered to have an effect on a number of consumers surveyed by Raja (1998).

## IV. Need for study

The study focuses only on investors' general knowledge of mutual funds and their investing strategies by the tribals of Rayagada District. Findings from this study would provide light on the level of knowledge that different types of investors have about mutual funds, which would allow the company to better target its advertising to these demographics.

## V. Obectives

Determine the extent to which people are knowledgeable about mutual fund investing

- ❖ To determine which types of mutual funds are most closely linked to tribal youths' yearly family income.

- ❖ To determine the correlation between age and investment preference of tribal youth in Odisha.
- ❖ To determine investment schemes in mutual fund of Tribal youths of Odisha .

## VI. Hypotheses

- ❖ Null Hypothesis: ( $H_0$ ): When looking at the respondents' annual household income and the sort of mutual funds they invest in, there is no association.
- ❖ Null hypothesis ( $H_0$ ): When looking at investing preferences by age group, there is no discernible difference.
- ❖ Null Hypothesis ( $H_0$ ) : Investment schemes in Mutual Fund by tribal youths of Odisha.

## VII. Methodology and result analysis

Data is gathered from 140 randomly selected respondents, and the research methodology is based on descriptive research.

### Analysis: Demographic Variables

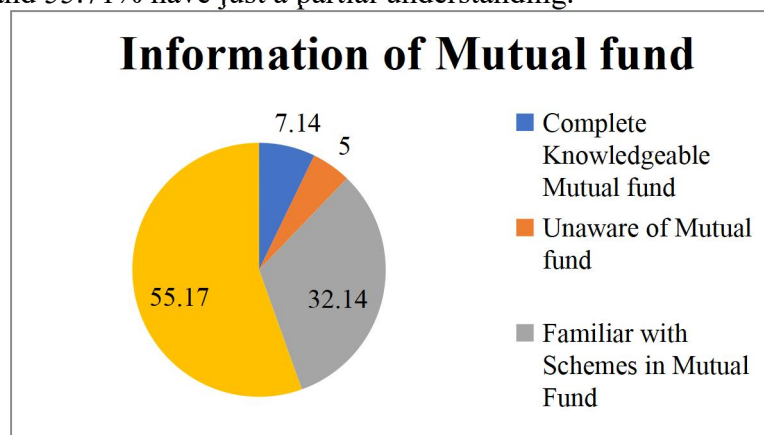
#### A straightforward percentage analysis

Variables	Factors	Frequency
Age	Below 30 Years	25
	31-40 Years	52
	41-50 Years	45
	50 above	18
	Total	140
Gender	Male	75
	Female	65
	Total	140
Annual Household Income	Less than 1.5 Lakhs	15
	Between 1.5 to 3 Lakhs	52
	Between 3 to 5 Lakhs	33
	Above 5 Lakhs	40
	Total	140
Qualification	Below Graduate	18
	Graduate	32
	Post Graduate	65
	Professional	25
	Total	140
Customers' interest towards the types of Mutual funds	UTI	30
	Reliance	25
	SBI	20
	ICICI	65
	Others	10
	Total	140
Benefits from mutual funds	Yes	110
	No	30

		Total	140
Purpose of Investment	Return		85
	Safety		25
	Principal		20
	Diversification		10
	Total		140
Preference investment of	Fixed deposit		49
	Property		36
	Mutual Fund		22
	Insurance		23
	Shares		10
	Total		140
Expected Return	Less Than 10%		34
	Less Than 10-30%		76
	Above 30%Total		30
	Total		140
Satisfaction in Mutual Fund Investment	Very Good		38
	Good		64
	Neutral		24
	Poor		10
	Very Poor		4
	Total		140
Awareness	Totally Ignorant		7
	Partial Knowledge of Mutual Funds		78
	Aware only for any specific scheme in which you invested		45
	Fully aware		10
	Total		140

**Interpretation:**

The following pie chart shows that although 7.14% of the population is completely knowledgeable with mutual funds, 5% are completely unaware, 32.14% are familiar with some schemes, and 55.71% have just a partial understanding.



### Comparison of Investment Preferences with Annual Household Income using a Chi-Square Test

Null Hypothesis: ( $H_0$ ): No correlation exists between the respondents' yearly household income and the type of mutual funds in which they invest.

Alternative Hypothesis: ( $H_1$ ): The respondents' yearly household income is correlated with the type of mutual funds in which they invest.

Alternative Hypothesis: ( $H_1$ ): The respondents' answers is correlate with the expectation of mutual fund and their return

#### hi-Square Tests

Particulars	Value	Df	Asymp. Sided)	Sig.(2-
Pearson Chi-Square	195.470 <sup>a</sup>	12	0.000	
Likelihood ratio	227.817	12	.000	
Linear by Linear	110.544	1	.000	
Association No. Of valid casses	140			

a. 7. A total of 7 cells, or 35.0%, had an anticipated count below 5. The count is predicted to be at least 1.07.

**Interpretation:** Since 0.000 is less than 0.05, we may say that there is statistical significance. It follows that the alternative hypothesis is correct and the null hypothesis is wrong. Accordingly, the kind of mutual fund investment is related to the respondents' yearly family income.

#### One Way Anova

##### Classification according to age vs. investment preference

**Null hypothesis ( $H_0$ ):** When looking at investing preferences by age group, there is no discernible difference.

**Alternate hypothesis ( $H_1$ ):** If it comes to investing preferences, there is a clear divide based on age.

ANOVA					
	Sum of squares	Df	Mean Square	F	sig
Between Groups	106.447	3	35.482	200.324	.000
Within Groups	24.089	136	0.177		
Total	130.536	139			

**Interpretation:** It is less than 0.05 since the significance (p) value is 0.000. It follows that the alternative hypothesis is correct and the null hypothesis is wrong. Accordingly, investment preference differs significantly from age-based categorization.

#### VIII. Findings and conclusions

- ❖ While 69% of people are aware of the many tax breaks available for depositing money into a common store, 46% of people are busy with bank shared reserves.
- ❖ Roughly 54% of those who took the survey agreed that it's important to put money into a shared store, and 33% said they knew what their bets are.
- ❖ Approximately 63% of people who took the survey have access to the facts they need to make informed investments in common stock, and 88% of those people think that common stock can provide them with excellent returns.
- ❖ Roughly three quarters of respondents are aware of their typical return and almost three quarters are aware of the degree of risk they assume.
- ❖ Sixty-four percent of people are investing a single amount, and almost all of those people are pleased with our business initiative.
- ❖ Nearly half of those who took the survey are seeing the kind of profit returns they were hoping for, and nearly two-thirds are satisfied with the shared reserve's performance.
- ❖ Within the shared reserve venture, 64% of respondents are satisfied, whereas 42% have a strong preference for speculating.
- ❖ From a financial standpoint, almost 80% of respondents are generally satisfied with their lives.
- ❖ 55.7% of those who took the survey are aware of the total investment amount.

### Suggestions

- ❖ The common store items, the sort of normal save plans, and the hazards associated with them were unfamiliar concepts to several of the respondents. Therefore, financial experts should have access to comprehensive data on various products from mutual reserve organizations.
- ❖ The number of speculators should be increased by lowering the costs for customers, i.e., financial professionals.
- ❖ The common store organizations should broaden their market valuation by establishing more distribution centres in various metropolitan and semi-urban areas.
- ❖ Customers are more likely to be eager to donate additional money if the company improves the types of projects.

### Conclusions

Speculators benefit from common store groups because they provide them with a competent reserve director. In order to stay up-to-date with the latest knowledge in the financial scene, more and more finance supervisors in India are obtaining global certifications like CFA and MBA. Common store organizations are able to achieve economies of scale because they collect funds from a large number of investors. Common assets may provide speculators with a more cost-effective means of managing their assets, since the operating costs of a shared store are divided across larger pools of capital. As a comfort to the speculators, the Securities and Exchange Board of India controls shared assets in India. Shared assets are required by SEBI to disclose their holdings at least once every six months. This allows financial experts to monitor the store's alignment of resources with its objectives.

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