



RAJEEV SINGH

SCOPE OF MUTUAL FUNDS IN GLOBAL SCENARIO

AN INDIAN PERSPECTIVE



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**Scope
Of
Mutual Funds
In
Global Scenario:
An Indian Perspective**

**Dr.Rajeev Singh
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Assistant Professor
(Business Management)**

**Dedicated
To
My parents
&
My Wife
&
My Son
&
Expected
Baby**

PREFACE

Mutual fund is a growing and dynamic term. As a profession, mutual fund has gained importance in India and other developing countries in few years. It is increasingly being realized that the financial efficiency of the enterprise, largely depends upon the quality of mutual funds allotted to public and institutional investors.

“Scope of Mutual funds in Global Scenario: An Indian perspective” has been designed as an aid to understanding of future prospects of mutual funds and skills required for investing in mutual funds. The fundamental and major topics of mutual fund have been carefully selected for inclusion in this book. The arrangement of these topics follows a logical pattern. Therefore it keeps the reader active in the learning process and increases their efficiency to utilize money.

Since mutual fund is a specialized field requiring a thorough understanding of various complex concepts and techniques. The aim of this book is to motivate the reader towards mutual fund concepts and techniques. The book has been developed for use in undergraduate and postgraduate courses like Portfolio Management, Financial Management, Capital Market. With coverage of the basic concepts and technique in an effective self instructional manner, the book prepares the student for more meaningful class participation, directed towards the application of mutual fund concepts.

The book has been divided into eight parts. Part-I deals with the mutual fund – its origin and history; concept and definition; detailed discussion on global mutual fund industry; mutual fund industry in US (largest mutual fund market) and mutual fund industry in other regions. The mutual fund industry in India – history, structure and growth is also suitably discussed. Relevant discussions regarding classification of mutual fund schemes, distribution and marketing of mutual funds in India and future prospects of mutual funds in India have been made. In the end rationale of the study and specific objectives of the study have been mentioned.

Part-II deals with the discussion of relevant literature on mutual fund performance- development of measures of performance; out or under performance; mutual fund performance persistence and factors affecting mutual fund performance. Literature concerning mutual fund managers’ stock selection and market timing ability has also been suitably discussed. Comprehensive studies on mutual fund selection behavior and isolated studies linking mutual fund flows with selected determinants have been discussed in thorough detail. The mutual fund selection frameworks of behavioral decision framework and consumer decision framework have also been covered in detail. A separate section in the part has been devoted to the coverage of Indian studies regarding all the aspects listed above. The last section deals with the discussion on research gaps.

Part-III deals with the detailed discussion on research methodology for the achievement of specific objectives of the study. The first section deals with the listing of hypotheses of the study followed by extensive discussion on sampling design. Discussion on data collection; questionnaire structure and content have been appropriately incorporated. The procedure for carrying out entire analysis of the data has been discussed in detail under the two heads of preliminary data analysis and factor analysis. Last section of the study deals with limitation of the study

Part-IV concerns with the discussion of investors' profile (demographic, economic, purchase) and purchase behavior with respect to both retail and non retail investors. Objectives and advantages of investing in mutual funds have also been suitably discussed. Last section extensively deals with the observations, analysis and discussion of sources of information for both retail and non retail investors followed by observations of factor analysis of the sources of information construct and its interpretation.

Part-V deals with the extensive discussion on investor's fund selection criteria constructs (mutual fund schemes, mutual fund companies, investor services and behavioral biasness) – variable wise importance and factor analysis thereof. Part also incorporates observations and discussion on differences between various subsets of investors, subdivided according to various criteria, regarding importance to the constructs of mutual fund selection behavior.

Part-VI deals with discussion on profile of intermediaries, perception of intermediaries regarding investor's purchase behavior, purchase profile, investor's attitude towards importance of objectives and advantages of investing in mutual funds and importance of fund selection criteria constructs as assigned by the investors and perceived by intermediaries. The Part also includes discussion on comparison among different types of intermediaries regarding their perception of investor's fund selection behavior.

Part-VII deals with implications and recommendations of the study on asset management companies and intermediaries. Specifically implications of comparison between retail and non retail mutual fund investor regarding their fund selection behavior have been included. This Part also discusses about implications of intermediaries perception; implication of investors' demographic and economic characteristics and implications of investors' purchase behavior and purchase profile on asset management companies. Part-VIII deals with the summary of the entire study.

I must express my gratitude to all my learned teachers and friends for providing valuable guidance and motivation. My parents give me constant encouragement for research and publication. I am grateful to all of them. The book would not have been completed but for the patience, understanding and encouragement of my wife, Pratima my son, Aviral deserve appreciation for cheerfully bearing with my preoccupation. Finally, my publisher deserves a special word of thanks for the care and enlightenment of book.

C.S.A.University of Engg.&Technology,Kanpur

Rajeev Singh

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