



Investment in Mutual Fund Scheme: An Empirical Analysis

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Abstract: The mutual fund markets are growing day by day, the investors are investing their fund in the mutual fund markets without proper knowledge, and it may happen huge loss in the future. In India, different asset management companies (AMCs) issues different mutual fund schemes but investors are not well known about the investment strategy for their investment in the mutual fund scheme. In this paper, three AMCs are chosen and nine mutual fund schemes from three AMCs are taken for the analysis with the help of one way ANOVA and ten years return. This paper shows that investors will invest their fund in the mutual fund scheme considering the long-term track record of mutual fund scheme of a particular AMC and risk bearing capacity of the investor for the long term investment planning to achieve the long term goal.

Keywords: Asset Management Company, Equity, Hybrid, Debt, One Way ANOVA.

I. INTRODUCTION

The return on the investment is the main issue for the investment in the mutual fund scheme in different asset management companies (AMCs) and investors take the risk to invest their hard earned amount to appreciate the invested amount to fulfil their particular objectives in the long term investment horizon. In this paper, nine mutual fund schemes, NIPPON-India-large-cap-fund-direct-plan-growth (NIPPON_Equity), NIPPON-India-equity-hybrid-fund-direct-plan-growth (NIPPON_Hybrid), NIPPON-India-low-duration-fund-direct-plan-growth (NIPPON_Debt), SBI-blue-chip-fund-direct-plan-growth (SBI_Equity), SBI-equity-hybrid-fund-direct-plan-growth (SBI_Hybrid) and SBI-magnum-low-duration-fund-direct-plan-growth (SBI_Debt) and ICICI-prudential-bluechip-fund-direct-plan-growth (ICICI_Equity), ICICI-prudential-equity-debt-fund-direct-plan-growth (ICICI_Hybrid), ICICI-prudential-savings-fund-direct-plan-growth (ICICI_Debt) of three AMCs, NIPPON India mutual Fund, SBI Mutual Fund and ICICI Prudential Mutual Fund, are chosen to analyse the return of three different types of mutual fund schemes and significant difference among the equity funds, Hybrid funds and Debt funds of each three AMCs and among three equity fund schemes, hybrid fund schemes and debt fund schemes of three AMCs. One Way ANOVA and ten year return in percentage are used to justify the objectives of this paper.

II. METHODOLOGY OF THE STUDY

This paper is descriptive in nature to analyse the secondary data collected from website, moneycontrol.com, nine mutual fund schemes of each three asset management companies are selected randomly. The returns of 1st year, 2nd year, 3rd year, 5th year and 10th year are analysed using the One Way ANOVA and ten year return in percentage with the help of SPSS 20.0.

III. OBJECTIVES OF THE STUDY

The principal objectives of this paper are as mentioned here:

- To compare the return of NIPPON_Equity, NIPPON_Hybrid, NIPPON_Debt of NIPPON India Mutual Fund, SBI_Equity, SBI_Hybrid, SBI_Debt of SBI Mutual Fund and ICICI_Equity, ICICI_Hybrid, ICICI_Debt of ICICI Prudential Mutual Fund,

- To find the significant difference among the three equity funds, hybrid funds and debt funds of three AMCs,
- To justify the significant difference among the equity fund, hybrid fund and debt fund of each AMC.

IV. RESULT AND DISCUSSION

Here, nine mutual fund schemes of three AMCs are analysed in three subheadings in the following way:

- *To compare the return of NIPPON_Equity, NIPPON_Hybrid, NIPPON_Debt of NIPPON India Mutual Fund, SBI_Equity, SBI_Hybrid, SBI_Debt of SBI Mutual Fund and ICICI_Equity, ICICI_Hybrid, ICICI_Debt of ICICI Prudential Mutual Fund*

In this part, the return of three mutual fund schemes of three AMCs are analysed to find the better return on the invested amount. It is discussed in the Table-I, II & III:

Table-I :NIPPON India Mutual Fund			
Return	NIPPON_Equity	NIPPON_Hybrid	NIPPON_Debt
1 Year	40.39	30.89	7.82
2 Year	36.67	27.30	8.96
3 Year	25.35	17.56	6.32
5 Year	20.17	13.35	7.12
10 Year	17.02	12.60	8.34
https://www.moneycontrol.com/mutual-funds/performance-tracker/returns/equity---etfindex.html			

Table-II :SBI Mutual Fund			
Return	SBI_Equity	SBI_Hybrid	SBI_Debt
1 Year	26.43	26.06	7.46
2 Year	26.61	21.06	7.17
3 Year	17.35	14.35	5.91
5 Year	17.49	15.29	6.26
10 Year	15.70	14.66	7.15
https://www.moneycontrol.com/mutual-funds/performance-tracker/returns/low-duration-fund.html			

Table-III :ICICI Prudential Mutual Fund			
Return	ICICI_Equity	ICICI_Hybrid	ICICI_Debt
1 Year	38.61	38.49	7.89
2 Year	31.19	30.41	7.82
3 Year	21.47	24.65	6.13
5 Year	19.48	21.77	6.67
10 Year	15.95	17.36	7.52
https://www.moneycontrol.com/mutual-funds/performance-tracker/returns/low-duration-fund.html			

Findings:

In the above Table-I, II & III, return on the equity fund of NIPPON-India-large-cap-fund-direct-plan-growth is more in the 10 year historical return. The return on hybrid fund of ICICI-prudential-blue-chip-fund-direct-plan-growth is more than the return of other mutual fund schemes. In the debt fund, return on debt fund of NIPPON-India-large-cap-fund-direct-plan-growth is more in the 10 year historical return than the return of other mutual fund schemes.

- *To find the significant difference among the three equity funds, Hybrid funds and Debt funds of three AMCs*

In this division, significant difference among NIPPON_Equity, NIPPON_Hybrid, NIPPON_Debt of NIPPON India Mutual Fund, SBI_Equity, SBI_Hybrid, SBI_Debt of SBI Mutual Fund and ICICI_Equity , ICICI_Hybrid, ICICI_Debt of ICICI Prudential Mutual Fund are analysed using the One Way ANOVA , in this regard the the assumptions of the One Way ANOVA have been fulfilled. The result are discussed below:

Hypothesis	Parameter	Statistic	P-Value	Decision Rule	Decision on H₀
H ₀ : Three Equity funds are not significantly different	NIPPON_Equity, SBI_Equity ICICI_Equity ,	0.909	0.429	P-Value<0.05	Accepted
H ₀ : Three Hybrid funds are not significantly different	SBI_Hybrid, SBI_Hybrid, ICICI_Hybrid,	1.702	0.223	P-Value<0.05	Accepted
H ₀ : Three Debt funds are not significantly different	NIPPON_Debt ICICI_Debt SBI_Debt	1.520	0.258	P-Value<0.05	Accepted

Source: Computed on the Basis of Table-I, II & III

Findings:

The above Table-IV shows that three equity funds, hybrid funds and debts funds of different AMCs are not significantly different, they are in same nature for the total investment of their investment pattern in the stock market.

- *To justify the significant difference among the equity fund, Hybrid fund and Debt fund of each AMC*

In this section, the equity fund, hybrid fund and debt fund of each AMC are analysed using One Way ANOVA and here, all the assumptions regarding One Way ANOVA have been fulfilled. The result is given in the Table-V:

Hypothesis	Parameter	Statistic	P-Value	Decision Rule	Decision on H₀
H ₀ : Three Equity fund, Hybrid Fund and Debt fund are not significantly different	NIPPON_Equity, NIPPON_Hybrid, NIPPON_Debt	8.958	0.004	P-Value<0.05	Rejected
H ₀ : Three Equity fund, Hybrid Fund and Debt fund are not	SBI_Equity, SBI_Hybrid, SBI_Debt	14.966	0.001	P-Value<0.05	Rejected

significantly different					
H ₀ : Three Equity fund, Hybrid Fund and Debt fund are not significantly different	ICICI_Equity , ICICI_Hybrid, ICICI_Debt	11.380	0.002	P-Value<0.05	Rejected
Source: Computed on the Basis of Table-I, II & III					

Findings:

In the Table-V, null hypothesis is rejected, it means that equity fund, and hybrid fund and debt fund of each AMC are different for their different nature of investment portfolio in the stock market.

V. CONCLUSION

The study shows that investment of mutual fund scheme for different equity mutual fund schemes, different hybrid mutual fund schemes and different debt mutual fund schemes of different AMCs are in same nature for their same portfolio investment in the stock market and investment pattern of equity fund, Hybrid fund and Debt fund of each AMC are not in the same nature of the investment portfolio for their different investment portfolio. Investors will invest their fund in different mutual fund schemes on the basis of the long term investment return of the particular mutual fund scheme of the particular AMC and risk taking capacity of the investor to fulfil their particular objective in the long term investment life of mutual fund scheme.

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