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Determinants of Indian Investment behavior towards Mutual Funds and ULIPs

Pardeep Kumar [1], Dr. Rasna Sharma [2], Dr. Rakhi Arora [3]

[1,2,3]Assistant Professor, University School of Business, Chandigarh University, Mohali

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Abstract

Mutual funds (MFs) and Unit Linked Insurance Plans (ULIPs) are believed to be the saviors of the lakhs of investors in India, who either don't have the time or expertise to invest directly into the vibrant equity markets. The advent of behavioral finance concepts has added many new dimensions to the field of study of investor behavior. The present study focuses on exploring the determinants of investor behavior towards Indian MFs and ULIPs by surveying the perception of 800 investors of selected four districts of the state of Punjab. The findings of the study confirm the investor age and the investors' capital market investment experience as the two significantly influencing determinants of investment perception, whereas the impact of other selected determinants i.e. profession, gender, residential locality, qualification, equity-investment experience, marital status, family income, family savings; on the investor perception is found to be non-significant.

Keywords—*mutual-funds; ULIPs; equity, investor behavior; investor perception*

I. INTRODUCTION

"Investment is putting money into something upon thorough analysis, with the expectation of gain that has a high degree of security for the principal amount, as well as security of return, within an expected period of time." The success of an investment hinges on the understanding and competence of the investor to undertake a sensible decision while investing. He needs to identify the optimal choice in terms of selection, timing, amount, horizon, portfolio-management strategy, etc. for investments based upon risk-return profile and investment objectives. But, a common investor seldom has the resources, time, awareness, and investment proficiency to invest directly in volatile-markets by foreseeing the conditions, changes, and fluctuations happening in there. These numerous variations also cause various types of risks to the investments which necessitate a regular reviewing and revising of the investment portfolios. The commitment of time and ability to take the right decision of choosing the best investment alternative on every point of time is not possible for the majority of investors. So, MFs and ULIPs fit in as the most suitable resort for the investors. Professional management, diversification, transparency, flexibility, choice of schemes, convenience, liquidity, insurance protection, lower costs, tax benefits, and a strong regulatory mechanism, etc. are some of the other reasons for the wider acceptance of these investment vehicles by the general investors. The amount invested in these investment vehicles in India is still very low despite the continuous efforts in terms of regular investor-awareness programs, incessant advertisement campaigns, and never-ending regulatory and transparency improvements. This poses a case to study the different determinants of Investment behavior of the investors towards MFs and ULIPs.

II. REVIEW OF LITERATURE

The concept of investors' behavior towards investments may be considered to be originated in the classical economics era when the concept of utility emerged which focused on the satisfaction

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and value perceived from the use of anything (Barnaulie, 1738). A rational economic man was thought of as an individual with absolute rationality, self-interest and information, and who strives for making the most of his economic assets in the prevailing circumstances and confinements (Mill, 1844). Later, Markowitz (1952) introduced the Modern Portfolio Theory for constructing optimal portfolios by selecting the assets with the best risk-return tradeoff. The CAPM model described the valuation of an asset through the extent of risk involved and the return expected from the investment. A path-breaking revelation in the form of the efficient market hypothesis (EMH) stated that investors cannot expect to outperform the market and any security analysis is futile in generating any extraordinary returns. Later, these traditional models got challenged and behavioral factors got introduced to explain the equity market functioning in a better way. Some of the prominent empirical studies in this field are discussed in the next session.

Ippolito (1992), observes that fund choice by investors is based upon the historical performance of the funds. Saha& Murthy (1993), identify return, capital appreciation, and safety as important determinants of investor preferences. Jambodekar (1996), reveals that the investors watched generally for the safety of principal, liquidity, value appreciation and investors' services while investing. Singh and Chander (2003), identify past records, growth prospects, age, profession; etc. having a minor influence on investment. Namasivayam et al. (2006), scrutinizes the factors accountable for insurance policies' purchasing and concludes that factors such as level of education, age, and gender of the investors are not that important, but occupation, income, size of family, etc. are major factors influencing insurance. Another study establishes that income, age, language, and education have a remarkable part in determining the investment style of an investor (Kaleem et al., 2009). Parihar et al. (2009), finds that the respondent's income, age, and gender, are considerably related to their MF investment outlook, whereas occupation, education, etc. are irrelevant. Kabra, Mishra, & Dash (2010) find that gender, age, etc. are important factors for investment decision making. Gautam& Kumar (2012), demonstrate that general social-economic determinants including profession, sex, age, income, level of learning, etc. are having an extensive influence on the attitude of insurance investors. In another study on 400 retail investors, it is discovered that the investors' demographic profile influences their perception of investment. Investors' marital status, occupation, age directly affect their investment selection (Vipparthi&Margam, 2013). Vitor (2015), studied investments in MFs and declares additional income, marital status, financial literacy, family size, etc. as critical factors influencing the investment decision. Bhatnagar (2015), studies users of ULIPs within the Gwalior region and reveals no difference in the opinion of respondents of different genders towards ULIPs investing. Bahekar&Sudame (2015), establish a noteworthy relationship between age, occupation, and education with ULIP investments. In the opinion of Ul-Hameedet. al(2018); gender, age and marital status of investors do have a significant bearing on the MFs investment decision, whereas Metawa(2018) believes gender, age, experience and education-level affect the choices made by investors. Chatterjee and Chattopadhyay (2019) confirm that the high returns and liquidity are the most favored determinant of investment behavior.

So, in spite of the plethora of research on investor behavior for MFs, there are not many studies focusing on ULIP investments. Again, the influence of determinants such as age, gender, qualification, occupation, income, residential locality, etc. on the investment behavior of MFs and ULips has not been fully addressed. To fulfill this research gap the research-work aims to study the investors' behavior towards investments in the MFs and ULIPs with the objectives as given under:

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i) To study the relationship between the investors' present and future investment preferences

ii) To study effect of the selected determinants on investors' investment behavior towards MFs and ULIPs

III RESEARCH METHODOLOGY

3.1. Questionnaire Design:

Investors' perception and behavior towards MFs and ULIPs are studied with the help of a questionnaire designed and pre-tested for the purpose.

3.2. Sampling Design:

A multi-stage sampling method is employed for collecting the responses of the investors. All the investors of Punjab are included in the sampling frame. At the first stage, 4 districts are chosen for sampling on the basis of their population. The selected districts are Jalandhar, Ludhiana, Patiala, and Amritsar. Next, non-random convenience sampling is used for selecting 200 general investors as sampling respondents (100 each for ULIPs and MFs) from each designated district, making a total of 800 investors, as revealed in the fig.1.

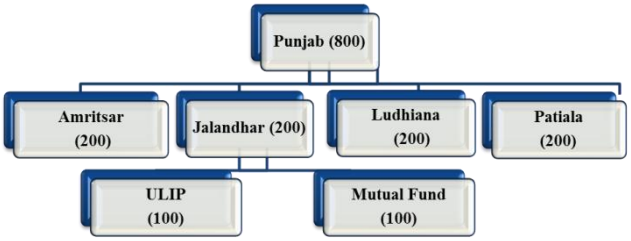

Figure 1: Selection of survey respondents

The selected performance determinants are education, occupation, gender, marital status, age, residance, family-income/savings, investment experience, etc. as given in the fig. 2; and the perception responses are received based upon these parameters.

3.3. Research Hypotheses:

To achieve the first research objective the following research hypotheses are set:

H0 = There is no significant relationship amongst the existing and future investment preferences

H1= There is a significant relationship between the existing and future investment preferences

Similarly, to achieve the second research objective, the nine determinants are selected as given below in the figure-2:

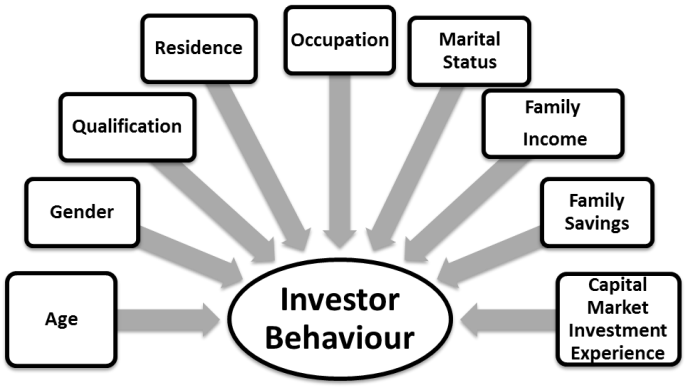

Figure 2: Determinants of Investor Behavior

The corresponding null-hypotheses related to above investor behavior determinants are as given below:

i. H10 (M) = MF Investor Preference is independent of the Age groups

ii. H10 (U) = ULIP Investor Preference is independent of the Age groups

iii. H20 (M) = MF Investor Preference is independent of the Gender

iv. H20 (U) = ULIP Investor Preference is independent of the Gender

v. H30 (M) = MF Investor Preference is independent of the Qualification

vi. H30 (U) = ULIP Investor Preference is independent of the Qualification

vii. H40 (M) = MF Investor Preference is independent of the Residence

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viii. H40 (U) = ULIP Investor Preference is independent of the Residence

ix. H50 (M) = MF Investor Preference is independent of the Profession

x. H50 (U) = ULIP Investor Preference is independent of the Profession

xi. H60 (M) = MF Investor Preference is independent of the Marital Status

xii. H60 (U) = ULIP Investor Preference is independent of the Marital Status

xiii. H70 (M) = MF Investor Preference is independent of the Family Income Groups

xiv. H70 (U) = ULIP Investor Preference is independent of the Family Income Groups

xv. H80 (M) = MF Investor Preference is independent of the Family Savings Groups

xvi. H80 (U) = ULIP Investor Preference is independent of the Family Savings Groups

xvii. H90 (M) = MF Investor Preference is independent of the Capital Market Experience

xviii. H90 (U) = ULIP Investor Preference is independent of the Capital Market Experience

IV EMPIRICAL FINDINGS AND DISCUSSION

4.1 Relationship between investors' present and future preferences:

First of all the relationship (if any) is explored amongst current and upcoming investment inclinations towards MFs and ULIPs.

Table 4.1 reveals that the forthcoming preferences of the selected respondents are slightly dissimilar to their present asset allocation and preferences. It is clearly comprehended that the traditionally trusted and considered to be the safe havens for investments; deposits in banks and bullion-gold are the most favored selections for the present and future investments. Currently, ULIPs and MFs stand at the 6th and 7th position respectively. This reconfirms the low inclination of the Indian investors towards the unconventional investment vehicles and their low commitment towards the equity-linked investments. But, the future income boosts for the investors will considerably change the shape of their investment portfolios, as MFs and ULIPs will be the subsequent favored investment opportunities after the bank-deposits and gold. This will be followed by investments in equity, post office savings, PF and real-estate. Further, unorganized-investments, and derivatives persist to be the least favored asset selections, both presently and in the future. Moreover, the Spearman's rho i.e. rank correlation co-efficient is having a significantly high value equal to 0.77. So the null hypothesis H0 i.e. no significant relationship amongst the current and future investment preferences is outrightly rejected. This validates a high affiliation amongst the existing and upcoming investment preference rankings by the investors.

Table 4.1: Investment preference rankings

S. No.	Investment	Current Rank	Future Rank
I.	FDs	I	I
II.	G-Secs.	V	IX
III.	Commodities	X	X
IV.	Derivatives	XI	XII
V.	Shares	VI	V
VI.	Gold	II	II
VII.	ULIPs	III	IV
VIII.	Mutual Fund	*IX*	III
IX.	Post Offices Schemes	VIII	VIII
X.	PF	VII	VI
XI.	Real Estate	IV	VII
XII.	Unorganized Inv.	XII	XI
i.	SR	0.77*	

*Significant at .01

4.2 EFFECT OF INVESTMENT DETERMINANTS ON INVESTOR BEHAVIOR

This section is centered on discovering the presence of the reliance on the investment preference

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rankings for MFs and ULIPs on the various investment determinants by means of the Cross-tabulation.

4.2. Effect of Age Categories:

The effect of 'age' on MFs/ULIP Investment choices of the selected investors is as shown below in table 4.2

Table 4.2 depicts 13.81% respondents in age-category 2 i.e. '30-40 Y' prefer rank-IV to the mutual fund. 6.89 % of respondents of this age give rank-V to the MFs. Further, 'Below 30 Y,' respondents give the highest preference to rank-IV and rank-V. Further, for age '40-50Y', '50-60Y' and '60Y or More' more respondents select rank-IV for the MF investments. To scrutinize the significance of the effect of different age categories, the $\chi 2$ test is utilized. The outputs χ^2=58.371 with a p-value of 0.03 which is clearly less than 0.05. So, the hypothesis$H1_0$ (M), is rejected. This means Investor Preference for MFs is dependent on the Age groups

Table 4.2: Effect of Age-groups

Age-Category	Ranks: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	3.49	1.51	3.01	7.49	4.59	2.79	1.11	0.59	0.11	0.00	0.06	0.00	24.75
2	2.31	2.89	3.29	13.81	6.89	2.51	1.31	0.79	1.09	0.11	0.29	0.00	35.29
3	2.38	0.98	1.82	4.99	3.82	2.11	0.28	0.32	0.42	0.00	0.08	0.00	17.20
4	0.89	0.32	1.22	5.57	2.89	1.82	0.56	0.31	0.08	0.00	0.80	0.00	14.46
5	0.40	0.29	1.39	2.41	1.91	0.59	0.60	0.61	0.10	0.00	0.00	0.00	8.30
T	9.47	5.99	10.73	34.27	20.10	9.82	3.86	2.62	1.80	0.11	1.23	0.00	100.00
χ^2	58.29		**DF**					40	p			0.0299	
Age-Category	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	0.89	0.00	10.51	5.78	1.51	1.42	1.12	2.12	0.76	0.42	0.29	0.12	24.94
2	1.31	0.32	16.78	9.28	1.52	1.01	2.11	1.01	0.41	1.10	0.43	0.00	35.28
3	1.02	0.00	7.01	4.31	0.80	0.39	1.01	0.46	0.89	0.10	0.00	0.11	16.10
4	1.02	0.00	6.01	3.41	1.41	0.48	0.51	1.00	0.89	0.29	0.11	0.00	15.13
5	0.91	0.39	2.79	1.62	0.37	0.32	1.03	0.31	0.42	0.28	0.11	0.00	8.55
T	5.15	0.71	43.10	24.40	5.61	3.62	5.78	4.90	3.37	2.19	0.94	0.23	100.00
χ^2	71.4		**DF**					44	p			0.006	

1=below 30Y, 2=30-40Y, 3=40-50Y, 4=50-60Y & 5=60Y or more

In the case of ULIPs, 16.78 % of respondents of age category-2 i.e. '30-40 Y' choose the rank-III for ULIPs whereas about 9% of this age has IV preference rank. Further, for 'Below 30 Y,' the most preferred rank given to ULIPs is III. Further, $\chi 2$ = 71.4 with a significant p-value of 0.006, leads to rejecting the null hypothesis H10 (U), that investor fondness for ULIPs is independent of the Age groups. This means the investment preference is significantly different for the different age groups.

From the above analysis, it can be concluded that investment preferences by both the MF and ULIP investors are not the same for investors of all the age groups. The young investors being more aggressive and having a larger time horizon for investments as compared to the aged and retired investors might be more inclined towards equity investments through MFs and ULIPs. The results are in line with the outcomes of several relevant studies (Vipparthi and Margam, 2013; Bahekar and Sudame, 2015, Metawa, 2018; Ul-Hameed et. al, 2018).

4.2.2 Effect of Gender Categories:

The effect of 'gender' on MFs/ULIP Investment choices of the selected investors is as revealed below in table 4.3.

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Table 4.3: Effect of Gender

Gender	Ranks: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	1.11	1.50	2.50	6.31	3.50	2.29	0.11	0.59	0.25	0.11	0.11	0.00	18.38
2	8.31	4.31	9.50	28.00	16.50	7.50	3.80	1.90	1.40	0.00	0.40	0.00	81.62
T	9.42	5.81	12.00	34.31	20.00	9.79	3.91	2.49	1.65	0.11	0.51	0.00	100.00
χ^2	15.86			**DF**				10	p		0.13		
Gender	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	0.60	0.12	7.91	4.01	1.11	0.90	1.10	1.60	0.41	0.38	0.30	0.01	18.45
2	4.40	0.52	36.00	20.30	4.39	2.61	4.61	3.31	3.00	1.50	0.60	0.31	81.55
T	5.00	0.64	43.91	24.31	5.50	3.51	5.71	4.91	3.41	1.88	0.90	0.32	100.00
χ^2	11.351			**DF**				11	p		0.414		

1=female & 2=male

Table 4.3 clearly depicts 6.3% 'female' respondents prefer rank-IV to MFs, whereas 28 % of male respondents give rank-IV to the MFs. So in total 34%, respondents prefer rank IV to MFs. Further, to examine the significance of the effect of different gender categories, the χ^2 test is engaged. The results are χ^2=15.86 with 'p' = 0.13 which is clearly more than 0.05. So, the hypothesis$H2_0$ (M) is accepted. This means Investor inclination towards MFs is independent of the different categories of gender.

In the case of ULIPs, 7.91 % of female respondents prefer the rank-III for ULIPs investments, whereas about 36% of the selected males have 3rd preference ranking for the ULIPs. Further, χ^2 = 11.351 with a non-significant p-value of 0.414, and leads to accepting the null hypothesis $H2_0$ (U), that investment selection for ULIPs is independent of the gender categories.

In light of the above analysis, it can be established that investment preferences by both the MF and ULIP investors are not different for the investors of different genders. The male and female investors both behave alike. The results are in line with the outcomes of several other relevant studies (Namasivayam et al. 2006; Bhatnagar 2015) but are contrary to findings of some other studies (Metawa, 2018; Ul-Hameed et. al, 2018).

4.2.3 Effect of Qualification Categories:

The effect of 'Qualification' on investment choices of the chosen investors is as presented below in table 4.4

Table 4.4: Effect of Qualification

Qualification Category	Ranks: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	3.60	2.31	4.01	12.40	7.91	3.90	1.41	0.40	0.10	0.00	0.30	0.00	36.34
2	2.90	2.60	5.01	15.40	7.61	3.90	1.51	1.31	0.81	0.11	0.10	0.00	41.26
3	1.90	0.50	2.49	4.00	2.59	1.40	0.79	0.80	0.10	0.00	0.00	0.00	14.57
4	0.90	0.30	0.31	1.60	1.31	0.40	0.09	0.00	0.31	0.00	0.11	0.00	5.33
5	0.10	0.10	0.30	0.90	0.61	0.30	0.08	0.10	0.00	0.01	0.00	0.00	2.50
T	9.40	5.81	12.12	34.30	20.03	9.90	3.88	2.61	1.32	0.12	0.51	0.00	100.00
χ^2	25.83			**DF**				40	p			0.130	
Qualification Category	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	2.00	0.31	15.89	9.10	2.60	0.51	1.92	2.10	1.10	0.44	0.21	0.10	36.28
2	1.80	0.41	18.91	9.10	2.00	1.81	2.80	1.90	1.50	0.59	0.51	0.00	41.33

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3	0.81	0.00	5.61	4.40	0.80	0.88	1.00	0.41	0.40	0.11	0.11	0.10	14.63
4	0.41	0.00	2.51	1.10	0.00	0.08	0.10	0.40	0.31	0.30	0.00	0.01	5.22
5	0.11	0.00	1.01	0.50	0.10	0.31	0.00	0.10	0.11	0.29	0.00	0.01	2.54
T	5.13	0.72	43.93	24.20	5.50	3.59	5.82	4.91	3.42	1.73	0.83	0.22	100.00
χ^2	38.120		**DF**					44	p		0.7292		

1= Sen. Sec. or lower, 2= Undergraduate, 3= Graduate, 4= Post Graduate or more & 5= Professional

It can be substantiated from the table. 15.4 % of selected 'graduate' respondents are preferring the rank IV to MFs. Further, for the 'Senior Secondary or Lower' category of education, the majority of selected investors favor rank-IV to MFs. $\chi 2$ of 25.83 with 'p' 0.130 leads to accepting the null hypothesis H30(M), and it can be determined that there is no relationship amongst investors' selection for MFs and their level of education.

Similarly, 18.91 % of respondents being 'Graduate' preferred rank-III to ULIPs. Further, 'Senior Secondary or Lower' qualification investors give maximum preference to rank-III for ULIPs. The Chi-square of 38.120 and 'p' 0.721, being statistically substantial validates the nonexistence of any association between investors' preference for MFs and their level of education.

The above analysis signifies that investment preferences by MF/ULIP investors are not dissimilar for investors with varied educational qualifications. Both the higher educated investors and the not so highly educated investors are having the same preferences. This may be due to the fact that the maximum investment choices made by the Indian investors are primarily dependent upon the pieces of advice received by them from others including the investment advisors or friends and relatives. Even highly educated investors seldom use their own discretion while investing and tend to rely on the recommendations of others. The results are in accordance with the results of Bahekar&Sudame(2015) but contrary to the findings of Metawa (2018).

4.2.4 Effect of Residential Locality Categories:

The effect of 'Residential Locality' on investment choices of the chosen investors is as publicized below in table 4.5

Table 4.5: Effect of Residential Locality

Residential Locality	**Ranks: MFs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	6.01	3.91	7.50	23.40	12.78	6.00	2.42	2.01	1.01	0.00	0.29	0.00	65.33
2	1.61	1.11	3.08	7.30	4.50	2.42	1.00	0.41	0.41	0.00	0.00	0.00	21.84
3	1.78	0.78	1.41	3.60	2.82	0.91	0.52	0.11	0.48	0.11	0.31	0.00	12.83
T	9.40	5.80	11.99	34.30	20.10	9.33	3.94	2.53	1.90	0.11	0.60	0.00	100.00
χ^2	24.031		**DF**					20	p			0.241	
Residential Locality	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	2.61	0.50	29.30	15.91	2.90	2.51	4.50	3.02	2.01	1.30	0.80	0.10	65.46
2	1.81	0.10	9.40	4.51	1.78	0.81	1.11	1.10	0.91	0.20	0.00	0.10	21.83
3	0.58	0.00	5.30	3.88	0.91	0.31	0.11	0.81	0.51	0.20	0.10	0.00	12.71
T	5.00	0.60	44.00	24.30	5.59	3.63	5.72	4.93	3.43	1.70	0.90	0.20	100.00
χ^2	22.5		**DF**					22	p		0.43		

1= Urban, 2= Semi-urban, & 3=Rural

It can be observed from table 4.5 that about. 23.4 % of urban respondents preferred the rank IV to MFs. Further, 7.3% of semi-urban investors prefer rank-IV for MFs. $\chi 2$=24.03 with 'p' 0.241 points to

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accepting the null hypothesis H30 (U), and it can be established that the residential locality of the investors does not affect their investment preference for MFs.

Similarly, 29.3 % of urban respondents preferred rank-III to ULIPs. Further, a maximum of 9.4% 'semi-urban' investors gives maximum preference to rank-III for ULIPs. The Chi-square of 22.5 with p-value= 0.43, being statistically non-significant validates the absence of any association between the residential-locality and ULIP preferences.

From the above investigation, it can be put forward that investment preferences by MF/ULIP investors are similar for the investors with varied residential localities. Both urban and rural investors are displaying the same sort of preferences for investments. This may also be due to the fact that the maximum investment choices made by the Indian investors are primarily dependent upon the discretion of the investment. The urban ones despite having higher investment knowledge, but due to paucity of time rely on the experts.

4.2.5 Effect of Profession/Occupation Categories:

The effect of 'profession' on Mutual-Fund/ULIP Investment Preference of investors is as displayed below in table 4.6

From table 4.6, it can be witnessed that 20.63 % of the 'salaried' chosen investors prefer the rank-IV for the MFs. Further, for the different other chosen categories of occupations, the majority of people prefer rank-IV for MFs. Furthermore, $\chi 2 = 68.138$ with a p-value of 0.541, concludes that there is no statistically remarkable relationship amongst the investors' profession and their preferences for investments in MFs.

Table 4.6: Effect of Profession

Profession-Category	Ranks: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	0.13	0.13	0.38	0.75	0.38	0.25	0.00	0.25	0.00	0.00	0.00	0.00	2.25
2	5.50	2.88	6.25	20.63	13.00	4.75	1.38	1.25	0.88	0.00	0.13	0.00	56.63
3	0.88	0.50	1.00	3.13	0.88	0.75	0.38	0.13	0.25	0.00	0.00	0.00	7.88
4	1.63	1.25	2.63	5.13	2.88	2.25	1.25	0.50	0.50	0.13	0.25	0.00	18.38
5	0.25	0.25	0.13	1.63	0.88	0.63	0.50	0.00	0.13	0.00	0.00	0.00	4.38
6	0.38	0.25	0.75	1.25	1.13	0.25	0.38	0.13	0.00	0.00	0.00	0.00	4.50
7	0.38	0.50	0.75	1.25	0.88	0.50	0.00	0.25	0.13	0.00	0.13	0.00	4.75
8	0.25	0.00	0.13	0.50	0.00	0.38	0.00	0.00	0.00	0.00	0.00	0.00	1.25
T	9.38	5.75	12.00	34.25	20.00	9.75	3.88	2.50	1.88	0.13	0.50	0.00	100.00
χ^2	68.138			**DF**				70	p		0.541		
Profession - Category	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	0.13	0.00	1.00	0.50	0.13	0.00	0.00	0.25	0.13	0.00	0.13	0.00	2.25
2	2.50	0.38	27.00	14.13	2.13	1.88	3.25	2.25	2.00	0.75	0.25	0.13	56.63
3	0.38	0.13	3.38	1.75	0.50	0.25	0.38	0.38	0.25	0.38	0.00	0.13	7.88
4	0.75	0.13	6.50	5.13	1.38	0.63	1.38	1.13	0.63	0.63	0.13	0.00	18.38
5	0.00	0.00	1.88	0.75	0.50	0.25	0.25	0.50	0.13	0.13	0.00	0.00	4.38
6	0.63	0.00	1.38	1.13	0.25	0.13	0.25	0.13	0.25	0.13	0.25	0.00	4.50
7	0.50	0.00	2.13	0.63	0.50	0.25	0.25	0.25	0.00	0.13	0.13	0.00	4.75
8	0.13	0.00	0.63	0.25	0.13	0.13	0.00	0.00	0.00	0.00	0.00	0.00	1.25
T	5.00	0.63	43.88	24.25	5.50	3.50	5.75	4.88	3.38	2.13	0.88	0.25	100.00
χ^2	71.642			**DF**				77	p		0.651		

1= Student, 2= Salaried, 3= Professional, 4= Business Person, 5=Agriculturist, 6= Retired, 7=Homemaker & 8=Unemployed

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Similarly, 27 % of the selected investors who are 'salaried' favor the rank-III for the ULIPs. Further, for other categories of occupations, the majority choose rank-III for the ULIPs. Furthermore, The $\chi 2$ of 71.6 with statistically non-significant p-value signifies no relationship between the professions and the investment preferences.

From the above discussion, it can vividly be established that investment preferences by MF/ULIP investors are similar for the investors with varied professions and occupations.

4.2.6 Effect of Marital Status Categories:

The effect of 'marital-status' on investment choices of the chosen investors is as revealed below in table 4.7

From table 4.7, it can be detected that 28.8 % of 'married' investors prefer rank-IV for MFs. Further, for the other marital statuses, maximum investors prefer rank-IV for the MFs. Furthermore, χ^2 is 27.50 with a p-value of 0.122, so the null hypothesis H60 (M) i.e. 'MF investor preference is independent of the marital status' is agreed. It can be concluded that there is no evidence of the effect of marital status on the preferences of investors towards MFs.

Again, from table 4.7, it can be witnessed that about 36 % of selected married people favor the rank-III for the ULIPs. Further, for the various other chosen categories, the same rank is preferred for ULIPs. Furthermore, the

Chi-square value 13.481 with p-value equaling 0.919, signifies, that there is no indication of the effect of marital status on preferences of investors' towards ULIPs.

Table 4.7: Effect of Marital Status

Marital-Status	Ranks: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	7.38	5.13	10.25	28.75	16.50	7.75	3.13	2.00	1.63	0.00	0.50	0.00	83.00
2	2.00	0.63	1.63	5.25	3.38	2.00	0.50	0.38	0.25	0.13	0.00	0.00	16.13
3	0.00	0.00	0.13	0.25	0.13	0.00	0.25	0.13	0.00	0.00	0.00	0.00	0.88
T	9.38	5.75	12.00	34.25	20.00	9.75	3.88	2.50	1.88	0.13	0.50	0.00	100.00
χ^2	27.503		DF					20	p			0.122	
Marital-Status	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	4.25	0.63	36.38	20.38	4.13	2.88	4.75	4.13	0.26	2.00	0.63	0.25	83.00
2	0.63	0.00	7.25	3.63	1.38	0.50	0.88	0.75	0.75	0.13	0.25	0.00	16.13
3	0.13	0.00	0.25	0.25	0.00	0.13	0.13	0.00	0.00	0.00	0.00	0.00	0.88
T	5.00	0.63	43.88	24.25	5.50	3.50	5.75	4.88	3.38	2.13	0.88	0.25	100.00
χ^2	13.481		DF					22	p		0.919		

1= Married, 2= Un-married & 3= Widow(er)/Divorcee

From the above opinions, it is established that investors with varied marital statuses are having similar preferences for the investments in both the MFs and ULIPs.

The effect of 'household-income' categories of the investors on their investment choices is as shown under in table 4.8

4.2.7 Effect of Household Income Categories:

Table 4.8: Effect of Household Income

Household Income - Category	Ranks: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	3.00	2.13	3.75	12.63	6.13	2.75	0.75	1.25	0.75	0.00	0.25	0.00	33.38

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2	3.25	2.13	3.63	11.00	6.63	3.13	1.38	0.75	0.88	0.13	0.13	0.00	33.00
3	1.38	0.25	1.88	5.13	3.63	2.13	0.88	0.13	0.13	0.00	0.00	0.00	15.50
4	1.50	0.88	1.38	3.50	2.38	1.63	0.63	0.13	0.13	0.00	0.13	0.00	12.25
5	0.25	0.38	1.38	2.00	1.25	0.13	0.25	0.25	0.00	0.00	0.00	0.00	5.88
T		9.38	5.75	12.00	34.25	20.00	9.75	3.88	2.50	1.88	0.13	0.50	0.00
χ^2	36.860			**DF**				40	p			0.612	
Household Income - Category	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	1.88	0.25	14.13	9.13	2.00	1.00	1.25	1.63	1.00	0.50	0.50	0.13	33.38
2	1.25	0.00	15.75	7.25	1.75	1.13	1.75	1.88	1.13	0.75	0.25	0.13	33.00
3	0.63	0.25	6.13	4.25	0.88	0.38	1.38	0.75	0.50	0.25	0.13	0.00	15.50
4	0.75	0.13	5.38	2.75	0.63	0.50	0.63	0.38	0.50	0.63	0.00	0.00	12.25
5	0.50	0.00	2.50	0.88	0.25	0.50	0.75	0.25	0.25	0.00	0.00	0.00	5.88
T	5.00	0.63	43.88	24.25	5.50	3.50	5.75	4.88	3.38	2.13	0.88	0.25	100.00
χ^2	35.600			**DF**				44	p			0.813	

1=below Rs. 25000 p/m, 2=25000-50000, 3=50000-75000, 4=75000-100000& 5=100000 or more

From table 4.8, 12.6 % of the selected investors with lowest family incomes prefer the rank-IV for MFs. Further, the majority of the selected investors of other 'family income' groups also choose rank-IV to MFs. Furthermore, $\chi 2$ of 36.860 with 'p' 0.612 (larger than 0.05) results in accepting the null hypothesis. It can be determined that the investors' preferences do not get affected by the varied household income categories.

From table 4.8, about 16% of the selected people having household income 'Rs. 25000-50000' select the rank-III for the ULIPs. Further, for the other household income categories, the majority of the respondents prefer rank-III for the ULIPs. Additionally, The $\chi 2$ of 35.6 and 'p' 0.813, lead to the acceptance of the null-hypothesis and it may be validated that investors' preferences for ULIPs do not get affected by the varied household income categories they belong to.

4.2.8 Effect of Household Savings Categories:

The effect of 'household-savings' on investment choices of the chosen investors for the survey is as presented under in table 4.9:

Table 4.9: Effect of Household Savings

Household Savings - Category	**Ranks: MFs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	1.75	1.25	2.38	7.38	3.13	1.13	0.25	0.38	0.75	0.13	0.13	0.00	18.63
2	2.88	1.38	2.63	8.88	5.38	2.50	1.38	0.88	0.63	0.00	0.25	0.00	26.75
3	1.25	1.13	1.75	5.63	3.63	2.50	0.75	0.50	0.00	0.00	0.00	0.00	17.13
4	1.25	0.50	2.25	4.50	3.25	1.38	0.63	0.25	0.13	0.00	0.00	0.00	14.13
5	2.25	1.50	3.00	7.88	4.63	2.25	0.88	0.50	0.38	0.00	0.13	0.00	23.38
T	9.38	5.75	12.00	34.25	20.00	9.75	3.88	2.50	1.88	0.13	0.50	0.00	100.00
χ^2	32.321			**DF**				40	p			0.801	
Household Savings - Category	**Ranks: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	0.50	0.00	8.63	4.38	1.25	0.50	0.50	1.25	0.63	0.50	0.38	0.13	18.63
2	1.50	0.13	13.25	6.25	1.75	0.50	1.00	1.25	0.50	0.38	0.13	0.13	26.75
3	0.50	0.00	6.00	5.38	0.63	1.00	1.63	1.00	0.38	0.38	0.25	0.00	17.13
4	0.63	0.25	6.13	3.38	0.63	0.50	0.88	0.38	1.00	0.25	0.13	0.00	14.13
5	1.88	0.25	9.88	4.88	1.25	1.00	1.75	1.00	0.88	0.63	0.00	0.00	23.38
T	5.00	0.63	43.88	24.25	5.50	3.50	5.75	4.88	3.38	2.13	0.88	0.25	100.00
χ^2	51.736			**DF**				44	p			0.197	

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1=below Rs.5000 p/m, 2=5000-10000, 3=10000-15000, 4=15000-20000& 5=20000 or more

The family savings wise distribution of the selected investors about their outlook on MFs/ULIPs investment ranking is as revealed in table 4.9. It can be concluded that 7.9 % of people with savings 'Rs. 20000 or more' choose the rank-IV for MFs. Further, for the other savings categories, the same rank is preferred for MFs. Furthermore, the Chi-square values 32.32 and a non-significant p-value of 0.801, which leads to accepting the null hypothesis H80 (M), which is 'Investment Preference for the MFs is not dependent on the level of savings of their families. Therefore, it may be established that family-savings levels do not get different attitudes by MF investors.

From table 4.9, 13.25 % of respondents having savings in the range 'Rs. 5000-10000' prefer the rank-III for ULIPs. Further, for the various other chosen categories of household savings, the majority of the selected people favor rank-III for the ULIPs investments. Furthermore, $\chi 2$ of 51.73 and p-value of 0.197, lead to accepting the null hypothesis H80 (U), that is 'Investment Preference for the mutual funds is independent of the Household Savings. So, it validates that there is no relationship between the level of household savings and investors' preference for ULIPs.

In light of the above findings, it may be established that both the MF and ULIP investors are having similar preferences, for all the investors despite having the different levels of savings.

4.2.9 Effect of Capital Market Investment Experience Categories:

The Effect of 'capital market investment experience' categories on investment choices of the chosen investors is as shown under in table 4.10:

Table 4.10: Effect of Capital Market Investment Experience

Capital Market Experience - Category	Rank: MFs												T
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
1	4.38	2.50	4.75	15.00	9.25	4.50	1.00	0.88	1.00	0.00	0.25	0.00	43.50
2	3.00	1.38	2.38	9.50	4.75	1.75	1.38	0.63	0.25	0.13	0.13	0.00	25.25
3	0.63	1.13	2.88	5.25	3.00	1.88	0.50	0.63	0.38	0.00	0.13	0.00	16.38
4	0.38	0.38	0.88	2.38	1.50	1.00	0.38	0.25	0.25	0.00	0.00	0.00	7.38
5	1.00	0.38	1.13	2.13	1.50	0.63	0.63	0.13	0.00	0.00	0.00	0.00	7.50
T	9.38	5.75	12.00	34.25	20.00	9.75	3.88	2.50	1.88	0.13	0.50	0.00	100.0
χ^2	34.599		DF					40	p			0.012	
Capital Market Experience - Category	**RANKS: ULIPs**												**T**
	I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	
1	1.75	0.00	20.63	9.63	2.38	1.38	2.50	2.25	1.25	1.25	0.50	0.00	43.50
2	1.13	0.13	11.38	5.63	1.75	0.63	1.50	1.63	0.88	0.50	0.00	0.13	25.25
3	1.00	0.00	6.63	5.00	0.75	1.00	1.00	0.38	0.25	0.13	0.25	0.00	16.38
4	0.63	0.38	2.50	1.88	0.50	0.38	0.38	0.13	0.50	0.13	0.00	0.00	7.38
5	0.50	0.13	2.75	2.13	0.13	0.13	0.38	0.50	0.50	0.13	0.13	0.13	7.50
T	5.00	0.63	43.88	24.25	5.50	3.50	5.75	4.88	3.38	2.13	0.88	0.25	100.00
χ^2	51.736		DF					44	p		0.035		

1=below 2Y, 2=2-4Y, 3=4-6Y, 4=6-8Y & 5=8Y or more

From table 4.10, it can be witnessed that 15.0% of the chosen persons with a capital-market investment experience of fewer than 2 years desire for the rank-IV to MFs. Further, for the various other chosen categories of experiences, the majority of the investors favor rank-IV for MFs. Furthermore, the

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$\chi 2$ is 34.599 with 'p' 0.012, and it can be concluded that different capital market investment experience categories are given the same preferences by the MF investors.

From table 4.10, it can be also be understood that 20.6% of the total chosen investors with the capital market investment experience category of less than 'Under 2 Years' favor the rank-III for the ULIPs. Further, for the other categories, the majority of the investors also select rank-III for the ULIPs. Additionally, The Chi-square of 62.393 with 'p' 0.035, leads to rejection of the null hypothesis H90 (U), that and it may be put forward that different capital market investment experience categories are preferred alike by the ULIPs investors.

Therefore, relevant investment experience got a bearing on the investment decisions towards MFs and ULIPs; the same was discovered by Metawa (2018).

From the above analysis, it may be concluded that there is a significant relationship between the present and future investment preferences by the investors. Moreover, it is found that the investment preference for MFs and ULIPs is dependent on the 'age' and 'capital market investment experience' of the investors, which means that the investors with different age-groups or investors with varied capital market experiences do not behave the same, and they have different investment preferences. Further, the investment preference for MFs and ULIPs is independent of the other determinants of investments i.e. residence, gender, qualification, residence, occupation, marital status, family-income, and family-savings.

CONCLUSION

This paper addresses investor behavior in the MFs and ULIPs by surveying 800 investors of Punjab. Results conclude that the present investment inclinations of the investors have a substantial bearing on their future investment preferences. It is also observed that the investor age and the investors' capital market investment experience are the two significantly influencing determinants of investment perception for both the selected categories of investments, i.e. MFs and ULIPs. Further, the impact of other determinants i.e. gender, qualification, residential locality, profession, marital status, household income, and household saving; on the investor perception is found to be non-significant.

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