

A Study on Individual Investors' Awareness Towards Mutual Funds in Chhattisgarh

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Abstract

Mutual funds are becoming increasingly popular among individual investors because they provide professional fund management and diversified investment opportunities. Despite this growth, awareness regarding mutual funds is not uniform across different regions. The present study examines the awareness of individual investors towards mutual funds in the Durg-Bhilai region of Chhattisgarh. The study follows a descriptive research design and uses both primary and secondary data. Primary data were collected from 80 individual investors through a structured questionnaire using convenience sampling. The collected data were analysed using frequency, percentage, mean, standard deviation, and a one-sample t-test. The results showed that most respondents possessed a moderate level of awareness regarding mutual funds, while a smaller proportion had a high level of awareness. The statistical findings indicated that the respondents had a significant level of awareness regarding mutual funds. The study concludes that although awareness has improved, there is still a need to strengthen financial literacy and investor education programmes. The findings may assist financial institutions, policymakers, and regulatory agencies in promoting informed investment behaviour and increasing participation in mutual fund investments.

Keywords: Mutual Funds, Investor Awareness, Individual Investors, Durg-Bhilai, Financial Literacy, Chhattisgarh.

1. Introduction

Mutual funds have become an important investment option for individual investors in India. They allow investors to invest in a diversified portfolio that is managed by professional fund managers. Mutual funds offer flexibility, affordability, and different investment choices based

on the financial needs of investors. They have become popular among salaried employees, business people, and young investors.

The Indian mutual fund industry has shown significant growth during the last few years. Increasing internet access, digital investment platforms, financial inclusion, and awareness campaigns have encouraged more people to participate in mutual fund investments.

Organisations such as SEBI and AMFI regularly conduct investor education programmes to improve financial knowledge among the public.

Despite this growth, many people still have only basic knowledge about mutual funds. Some investors are unaware of important concepts such as risk, return, diversification, expense ratio, and systematic investment plans (SIPs). Lack of awareness may reduce investor confidence and affect long-term wealth creation.

The Durg-Bhilai region is one of the major industrial and educational centres of Chhattisgarh. The region has a large number of salaried employees, business owners, professionals, and students who have access to banking and financial services. However, very few studies have examined the level of mutual fund awareness among individual investors in this region.

Understanding their awareness level can help financial institutions and policymakers improve investor education and encourage informed investment decisions.

Therefore, the present study examines the awareness of mutual funds among individual investors in the Durg-Bhilai region of Chhattisgarh. The findings may provide useful information for improving financial literacy and increasing participation in mutual fund investments.

2. Literature Review

1. **Bashir et al. (2013)** studied investors' awareness and perception towards mutual funds. The study found that investor awareness plays an important role in mutual fund investment decisions. Better knowledge increases investor confidence and participation.
2. **Kumar and Goyal (2015)** reported that education, income, and financial knowledge significantly influence investment behaviour. Investors with better financial literacy were more likely to invest in mutual funds.

3. **Kumar (2017)** examined the awareness level of retail investors regarding mutual funds in India. The study found that many investors had only moderate knowledge about mutual fund schemes and required more financial education.
4. **Jain and Kothari (2018)** found that professional fund management, diversification, and expected returns were the main reasons for investing in mutual funds. However, lack of awareness remained a major challenge for new investors.
5. **Bashir and Nisar (2019)** observed that demographic factors such as age, education, occupation, and income significantly affected mutual fund awareness and investment decisions.
6. **Raut (2020)** reported that digital investment platforms and mobile applications have increased awareness and made mutual fund investments easier for individual investors. Financial literacy was found to positively influence investment behaviour.
7. **Sharma and Gupta (2022)** concluded that investor education programmes conducted by financial institutions and regulators improved awareness regarding mutual funds. The study recommended continuous awareness campaigns to encourage informed investment decisions.
8. **Association of Mutual Funds in India (AMFI, 2024)** reported that increasing investor education, digital accessibility, and awareness campaigns have contributed to the continuous growth of mutual fund investments in India. However, awareness levels still vary across different regions and investor groups.

3. Research Gap

The review of earlier studies shows that many researchers have examined mutual fund awareness and investment behaviour in different parts of India. Most studies focused on large metropolitan cities or different states. Very limited research has been conducted on the awareness level of individual investors in Chhattisgarh, especially at the district level. Therefore, there is a need to study mutual fund awareness among individual investors in Raipur district and the Durg-Bhilai region separately. This study attempts to fill this gap by providing district-level evidence from Chhattisgarh.

4. Objectives of the Study

1. To study the awareness of individual investors towards mutual funds in Raipur district of Chhattisgarh.
2. To examine the influence of selected demographic variables on mutual fund awareness.

5. Hypotheses

H01: Individual investors in Raipur district do not have a significant level of awareness regarding mutual funds.

H02: There is no significant association between selected demographic variables and mutual fund awareness.

4. Objectives of the Study

1. To study the awareness of individual investors towards mutual funds in the Durg-Bhilai region of Chhattisgarh.
2. To identify the major sources of awareness regarding mutual funds among investors.

5. Hypotheses

H01: Individual investors in the Durg-Bhilai region do not have a significant level of awareness regarding mutual funds.

H02: Sources of information do not have a significant influence on mutual fund awareness.

6. research methodology

The present study is descriptive in nature and examines the awareness of individual investors regarding mutual funds in the Durg-Bhilai region of Chhattisgarh. The study uses both primary and secondary sources of data. Primary data were collected using a structured questionnaire, while secondary information was obtained from books, research papers, SEBI publications, AMFI reports, and other published documents.

Convenience sampling was adopted for selecting respondents. A total of 80 individual investors from the Durg-Bhilai region participated in the study.

The collected responses were analysed using Microsoft Excel. Simple statistical techniques such as frequency, percentage, mean, standard deviation, and a one-sample t-test were used to analyse the awareness level of investors. The findings are presented in tabular form.

Area of the Study

Durg-Bhilai Region, Chhattisgarh.

Sample Size

80 Individual Investors

Sampling Technique

Convenience Sampling

Sources of Data

Primary Data: Structured Questionnaire

Secondary Data: Books, Journals, SEBI Reports, AMFI Reports and published literature.

Statistical Tools

Frequency

Percentage

Mean

Standard Deviation

One-Sample t-test

Limitation of the Study

The study is limited only to individual investors of the Durg-Bhilai region. Hence, the findings may not represent investors from other districts of Chhattisgarh.

7. Results and Discussion

Variable	Category	Frequency	Percentage
Gender	Male	44	55.0
	Female	36	45.0
Age	Below 30 Years	28	35.0
	30–45 Years	34	42.5
	Above 45 Years	18	22.5
Education	Graduate	34	42.5
	Postgraduate	32	40.0
	Others	14	17.5

Table 1 Demographic Profile of the Respondents (N = 80)

Interpretation

Male respondents accounted for 55% of the sample. Most respondents belonged to the age group of 30–45 years. Graduates and postgraduates together represented more than 80% of the respondents.

Awareness Level	Frequency	Percentage
Low	18	22.5
Moderate	43	53.8
High	19	23.7
Total	80	100.0

Table 2 Level of Mutual Fund Awareness

Mean = 3.49, Standard Deviation = 0.73

Interpretation

The majority of respondents showed a moderate level of awareness regarding mutual funds. A smaller proportion had high awareness, while about one-fifth had low awareness. Overall awareness was moderate.

Test Value	Mean	t-value	p-value	Decision
3.00	3.49	5.87	<0.001	Reject H ₀

Table 3 One-Sample t-test

Interpretation

Since the p-value is less than 0.05, the null hypothesis is rejected. The findings indicate that investors in the Durg-Bhilai region possess a statistically significant level of mutual fund awareness, although the awareness level is comparatively lower than that observed in Raipur.

8. Discussion

The findings indicate that individual investors in the Durg-Bhilai region also possess a moderate level of mutual fund awareness. More than half of the respondents belonged to the moderate awareness category, while only a limited number demonstrated a high level of awareness. The average awareness score suggests that investors have basic knowledge but still require better understanding of mutual fund concepts.

These findings are consistent with previous studies that reported moderate awareness among retail investors in India (Jain & Kothari, 2018; Raut, 2020). Increasing digital access and awareness campaigns have improved investor knowledge, but many investors still depend on informal sources of information before making investment decisions.

The study suggests that financial institutions and regulatory agencies should continue organising investor education programmes to improve financial literacy and encourage informed investment decisions.

9. Conclusion

The study assessed the awareness of individual investors regarding mutual funds in the Durg-Bhilai region of Chhattisgarh. The results showed that most respondents had a moderate level

of awareness regarding mutual fund investments. Although awareness has improved, there is still scope for increasing financial literacy among investors.

The study concludes that regular investor education programmes and easy access to reliable financial information can improve awareness and encourage greater participation in mutual fund investments. Better financial knowledge may help investors make informed investment decisions and achieve their long-term financial goals.

10. Future Scope

Future research may compare awareness levels between urban and rural investors or examine the impact of financial literacy programmes on mutual fund investment decisions in different regions of Chhattisgarh.

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