© July 2025 | IJIRT | Volume 12 Issue 2 | ISSN: 2349-6002

# A Study on Investors Awareness of Systematic Investment Plan (Sip) In Mutual Fund Industry in Idukki

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***Abstract*—SIPs have become a popular investment option, offering high earnings with minimized risk through instalment payments. The research aims to identify the reasons for investing in SIPs and their potential drawbacks, surveying 100 SIP holders from Idukki. Findings indicate that investors are motivated by the prospect of better returns with lower risk, although they face challenges related to information and practical platform usage.**

***Index Terms*—Investment, Mutual fund, Portfolio, Systematic investment plans**

## 1. INTRODUCTION

Domestic savings are often invested in traditional options like bank deposits, but many small investors need to be made aware of inflation-adjusted returns. Shared assets offer people an opportunity to participate in equity-based common asset plans. SIPs enable people to create financial stability by contributing a small amount of cash consistently.

This investment strategy promotes the fund's regular commitment to a selected investment fund system, eliminating the need for investors to congested the market or make large investments. SIP is said to allow people with a variety of financial abilities, including people, to participate in the capital markets. The unique concept of average rupee in SIP allows investors to benefit from market fluctuations by purchasing more units when prices are high and low. This reduces the impact of short-term market volatility and promotes a more stable growth structure. SIP is particularly suitable for people with long-term investment periods, as the combined effects gradually increased the capital invested. Because investments are distributed across many financial instruments, the inherent diversification of investment funds associated with SIPS provides a risk mechanism. The flexibility to adapt the SIP amount allows investors to adapt to changes in their financial situation and use market opportunities.

### 1.1 STATEMENT OF THE PROBLEM

Investment is very important activity for anyone as it secures the future from the uncertainties. In this context "A study on investors awareness of systematic investment plan (sip) in mutual fund industry in Idukki" this study is conducted to analyse the investor awareness in Idukki.

### 1.2 SCOPE OF THE STUDY

### 1.3.1PERIODICAL SCOPE

The periodical scope of this research will be for 5 years i.e. 2019 to 2024.

### 1.3.1 GEOGRAPHICAL AREA

The geographical scope of the study will covering only limited area in Idukki.

### 1.3.2 OPERATIONAL SCOPE

The study is confined to the factors considered by investors by selecting mutual funds for their various investments. The level of awareness about SIP, Source of information, factors influencing decision making are studied. The above said factors are compared with demographic factors such as age, marital status, Occupation and gross annual income of the respondents to analyze "the awareness of investment opportunities in mutual funds- special Significance on SIP".

### 1.4 NEED OF THE STUDY

The study basically focusing on Systematic Investment Plan which is a popular method of investing in mutual funds, the conceptual framework and SIP offered by different companies. The studies help the company to understand the behaviour of individual while investing in Systematic Investment Plan schemes. The systematic investment plan to make strategies to improve their services to meet their investor's perception.

### 1.5 OBJECTIVES OF THE STUDY

- To study the attitude of the investors towards SIP in Idukki.
- To find out factors affecting selection of SIP plan by investors in Idukki.
- To analysis different SIP plan offer by mutual fund Company for investors in Idukki.
- To identify investors demographic factors, influence selection of SIP plan in Idukki.
- To examine the awareness of investors about the Mutual fund SIP in Idukki.

1.6 RESEARCH METHODOLOGY

In view of considerable data from primary sources collected and presented in the research simple random sampling method is considered the most appropriate for the primary study. Hence the study has been convenience sampling. Sampling method and analytical. The research design and questionnaire have been formulation and farmed to study about investors awareness of systematic investment plan (sip) in mutual fund industry in idukki. Finding of the study emerge from the samplesurvey of investors.

1.6.1 PRIMARY DATA

The primary data will be collected from a sample survey, interview and

Questioners etc. A sample of 100 respondents will be collected from research area.

1.6.2 SECONDARY DATA

The secondary data will be collected from internal sources. It will be

collected through the factsheet of different mutual fund houses by using various websites

and also, from the various publications of government of India, RBI, SEBI and AMFI and

also from relevant reports, periodicals, and newspapers.

1.6.3 SAMPLE SELECTION

A sample of 100 respondents will be collected from research area.

1.6.4 TOOLS FOR THE DATA COLLECTION

Various statistical tools such as percentage table diagram chart andfigures used to analyse the collected data.

1.6.5 STUDY PERIOD

The study take tenure for Research work 2019-2024.

1.7 MEASUREMENTAL DESIGN

The tools used for data analysis and interpretation in the study are

1.Percentage analysis

2.Chi-square test

1.7.1 SIMPLE PERCENTAGE METHOD OR PERCENTAGE ANALYSIS

Simple percentage is a special kind of ratio. It will be difficult to interpret the proper meaning from absolute figures but Percentage analysis helps to assess the relative difference between two or more attributes.

Percentage of Respondents = $Nu$m------------- $x$ 100

1.7.2 CHI-SQUARE TEST

Chi-Square test is an important test of significance. Chi-Square is symbolically written as Ki².It is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance. Chi-Square test enables to explain whether or not two attributes are associated.

Ho = Null Hypothesis

The hypothesis to be tested is usually referred to as Null hypothesis.

H1 = Alternative Hypothesis

If Ho is rejected, it means that the data available is not compatible with the null hypothesis, Ho rather it is comparable with some other hypothesis which is known as the Alternative Hypothesis.

Chi-Square is calculated as: = $\sum\sum(Oij-Eij)^2 / Eij$

Oij= Observed frequency of the cell in the i th row and j th column.

Eij = Expected frequency of the cell in the i th row and j th column.

It is used to make comparison between theoretical population and actual data. Degree of freedom is a crucial aspect in Chi-Square test. The degree of freedom is worked out as follows:

Degree of Freedom = (R-1) × (C-1)

Where, R= Number of rows

C= Number of columns

1.7.3 LIMITATION

The following are the major limitation of the study;

- The time limit allowed for conducting the study is very short period.
- The collected information contains errors.
- The study only covered with short area.
- It is expensive.

## 2. REVIEW OF LITERATURE

Aashka Thakkae, Meshwa Parmar, Aachal Patel (2023) A study titled "Appreciation Systematic Investment Plan for Retail Investors" was conducted with goals to know that SIP is a good investment vehicle for retail investors to participate in the capital market. The study was conductedamong 100 respondents with analytical tools such as district maps and line graphs. According to 84 respondents, the survey results show that SIP is a good investment area for retail investors.

Lunar Hardik Tejendrankumar, Vijay Gondaliya (2022) title work "Investigating the recognition time of systematic investment plans for Chikhli region" was transferred along with targets with investors of Chikhli region investors. This study was conducted among 120 respondents with analytical tools such as Cross-Bellung. The survey results show that the majority of respondents still prefer to invest in SIP. The best of respondents believes SIP is a safe investment for them.

**Tanya Gour (2021)** research title "Review of Systematic Investment Plans" was carried out with the goals on systematic investment plans; amounts invested in SIP sector preferences. This study is conducted under 100 respondents, and then the analysis is carried out by statistical instruments such as bivariate and univariate analysis. The results show that small investors can invest in multiples of 500.1500 2000 monthly or quarterly.

Rajinder and Aurora (2020) The paper titled "A study on investor perception about SIP in the city of Mumbai "has been with the objectives the purpose of the investment mutual funds through SIP. The study was conducted by 200 respondents with analytical tools such as bivariate and univariate testing. The results show that 66% of investors feel motivated to invest in the SIP of their investment funds, as investment funds provide investors with significant long-term returns and costs of the average procedure.

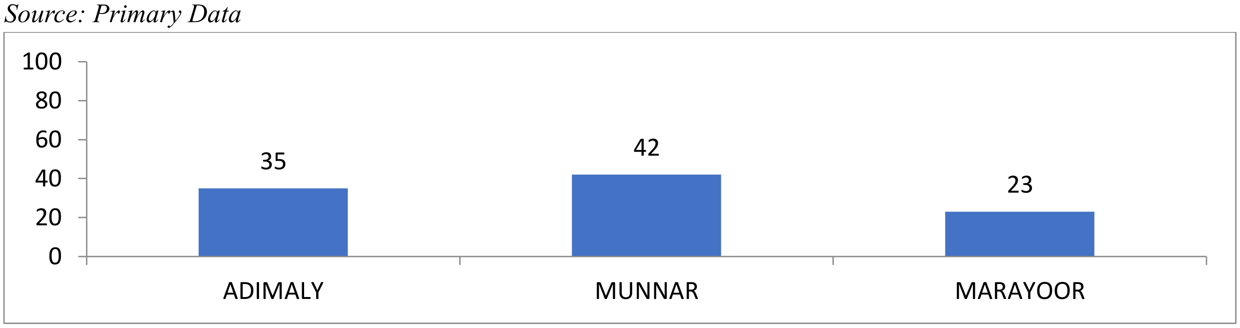
## 3. DATA ANALYSIS AND INTERPRETATION

Any research is validated through its analysis and interpretation. The sample respondent is presented in this chapter. The sample selected for the study comprises of 100 respondents. The researcher collected the questionnaire personally using in the simple random sampling method. The data is represented shows the distribution of respondents on the basis of their gender, age, experience, all information is presented in the table. Data interpretation means application of statistical procedure to analyze specific observed or assured facts from a particular study. Its aims find out possible casual reason for a particular event to occur. Interpretation validates the findings of the research to make it more valid the reference to objectives of the study and the major findings.

CLASSIFICATION ON THE BASIS OF DEMOGRAPHIC PROFILE

| Particulars | No Of Respondents | Percentage (%) |
|---|---|---|
| ADIMALY | 35 | 35% |
| MUNNAR | 42 | 42% |
| MARAYOOR | 23 | 23% |
| Total | 100 | 100% |

*Source: Primary Data*



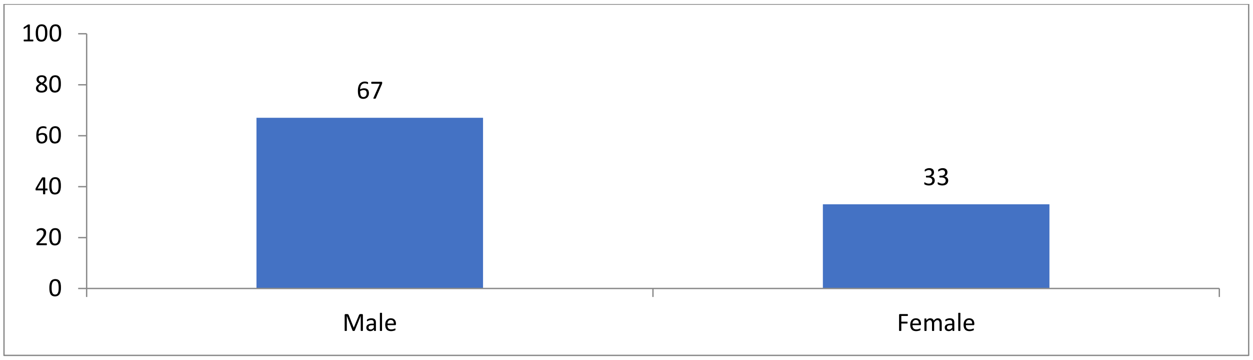

Interpretation

The above figure represents a survey conducted across three cities in Idukki. Adimaly, Munnar, and Marayoor, comparing the investment awareness of the mutual fund investors. The survey collected responses from 100 individuals in the mutual fund investors. participants from these cities. Adimaly 35 employees, Munnar 42 employees, Marayoor 23 employees from total 100 respondents. This distribution analysis of the investment awareness mutual fund investors. The research seeks to understand how demographic factors such as income level, job security, and financial literacy influence investment decisions.

CLASSIFICATION ON THE BASIS OF GENDER

| Particulars | No Of Respondents | Percentage (%) |
|---|---|---|
| Male | 67 | 67% |
| Female | 33 | 33% |
| Total | 100 | 100% |

*Source: Primary Data*




Interpretation

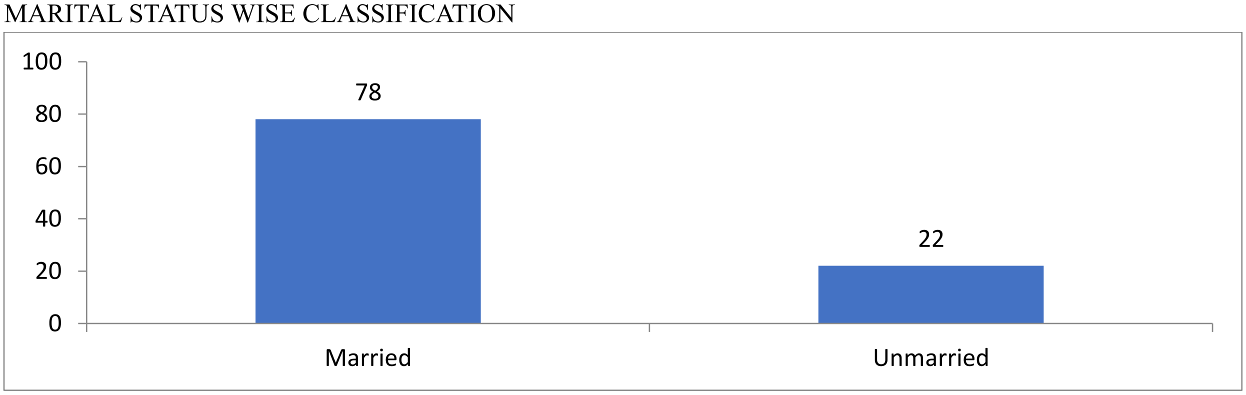
The above figure shows 67% of respondents are male, 33% of respondents are female

MARITAL STATUS WISE CLASSIFICATION

| Particulars | No Of Respondents | Percentage (%) |
|---|---|---|
| Married | 78 | 78% |
| Unmarried | 22 | 22% |
| Total | 100 | 100% |

*Source: Primary Data*

MARITAL STATUS WISE CLASSIFICATION



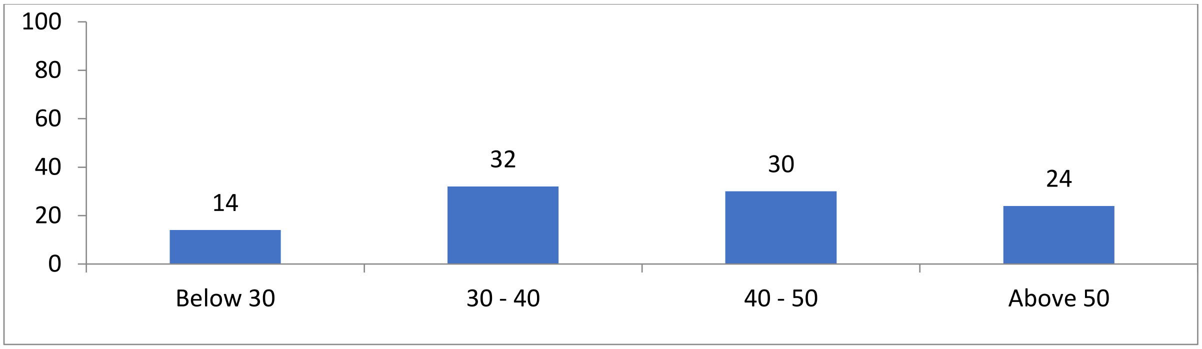

Interpretation

The above figure shows 78% of respondents are married, 22%of respondents are unmarried. CLASSIFICATION ON THE BASIS OF AGE

| Particulars | No Of Respondents | Percentage (%) |
|---|---|---|
| Below 30 | 14 | 14% |
| 30 - 40 | 32 | 32% |
| 40 - 50 | 30 | 30% |

| | | |
|---|---|---|
| Above 50 | 24 | 24% |
| Total | 100 | 100% |

*Source: Primary Data*



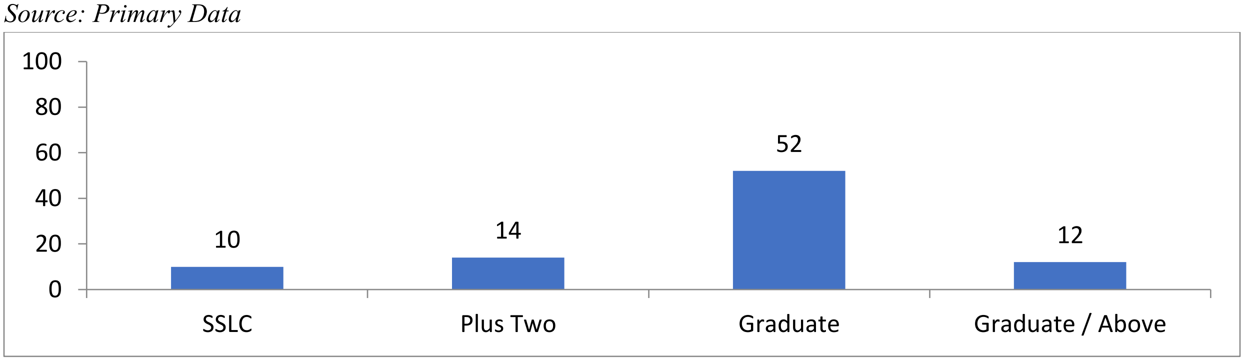

Interpretation

The above figure shows 14% of respondents are below 30 age old 32% of respondents are between 30 to 40 age old, 30% of respondents are between 40 to 50 age old, 24% of respondents are above 50 age old,

CLASSIFICATION ON THE BASIS OF QUALIFICATION

| Particulars | No Of Respondents | Percentage (%) |
|---|---|---|
| SSLC | 10 | 10% |
| Plus two | 14 | 14% |
| Graduate | 52 | 52% |
| Graduate / Above | 24 | 24% |
| Total | 100 | 100% |

*Source: Primary Data*



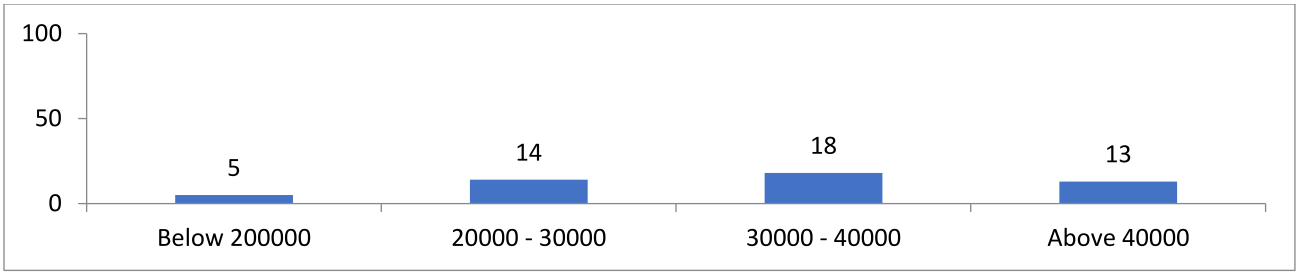

Interpretation

The above figure shows 10% of respondents are have SSLC only,14% of respondents are have plus two, 52% of respondents are have graduation, 24% of respondents are have graduation and above.

CLASSIFICATION ON THE BASIS OF INCOME

| Particulars | No Of Respondents | Percentage (%) |
|---|---|---|
| Below 20000 | 10 | 10% |
| 20000 – 30000 | 28 | 28% |
| 30000 – 40000 | 36 | 36% |
| Above 40000 | 26 | 26% |
| Total | 100 | 100% |

*Source: Primary Data*




Interpretation

The above figure shows 10% of respondent monthly income below 200000,28% of respondent's monthly income between 20000 - 30000, 36% of respondent's monthly incomebetween 30000 - 40000, 26% of respondent's monthly income above 400000.

STEP 1: SETTING UP OF HYPOTHESIS:

- $H_0$: There is significant different in the respondent's satisfaction while investing your money in SIP among different age category
- $H_1$: There is no significant different in the respondent's satisfaction while investing your money in SIP among different age category

STEP 2: CALCULATION OF TEST STATISTICS

- DISTRIBUTION OF RESPONDENT BASED ON THEIR SAVINGS AND INVESTMENTS
- Source: Primary data

$$\text{Chi – Square Test } (X^2) = \frac{\sum (Oi - Ei)^2}{Ei}$$

O – Observed value

| Response | High | Very high | Average | Low | |
|---|---|---|---|---|---|
| Level of satisfaction about Risk tolerance and perception | 20 | 18 | 42 | 20 | 100 |
| Level of satisfaction about Exit load | 22 | 16 | 40 | 22 | 100 |
| Level of satisfaction about flexibility in contribution | 28 | 22 | 26 | 24 | 100 |
| Level of satisfaction about long term benefits | 28 | 18 | 26 | 28 | 100 |
| | 98 | 74 | 134 | 94 | 400 |
| | 24.50 | 18.50 | 33.50 | 23.50 | |

E – Expected value

CALCULATION OF CHI SQUARE

| 0 | E | O - E | $(O-E)^2$ | $\frac{(O - E)^2}{E}$ |
|---|---|---|---|---|
| 20 | 24.50 | -4.50 | 20.25 | 0.826 |
| 18 | 18.50 | -0.50 | 0.25 | 0.013 |
| 42 | 33.50 | 8.50 | 72.25 | 2.156 |
| 20 | 23.50 | -3.50 | 12.25 | 0.521 |
| 22 | 24.50 | 2.50 | 6.25 | 0.255 |
| 16 | 18.50 | -2.50 | 6.25 | 0.337 |
| 40 | 33.50 | 6.50 | 42.25 | 1.261 |
| 22 | 23.50 | -1.50 | 2.25 | 0.095 |

| | | | | |
|---|---|---|---|---|
| 28 | 24.50 | 3.50 | 12.25 | 0.500 |
| 22 | 18.50 | 3.50 | 12.25 | 0.662 |
| 26 | 33.50 | -7.50 | 56.25 | 1.679 |
| 24 | 23.50 | 0.50 | 0.25 | 0.010 |
| 28 | 24.50 | 3.50 | 12.25 | 0.50 |
| 18 | 18.50 | -0.50 | 0.25 | 0.013 |
| 26 | 33.50 | -7.50 | 56.25 | 1.679 |
| 28 | 23.50 | 4.50 | 20.25 | 0.861 |
| | | | | 11.368 |

Chi – Square Test = 11.368
STEP 3: CRITICAL VALUE
Level of significance 5% (0.05)
Degree of freedom v = (r - 1) × (c – 1)

(4 – 1) × (4 - 1)

(3 × 3)

V = 9

Table value $X^2$ = 16.919

Conclusion:
Calculated Value < Table Value5.607 < 16.919
Since calculated value is less than the table value, we accept the null hypothesis ($H_0$) and hence we reject the alternative hypothesis ($H_1$).
Inference:
There is significant different in the respondent's satisfaction while investing your money in SIP among different age category

## 4 FINDING SUGGESTION AND CONCLUSION

This chapter include finding and suggestion the obtained from the primary and conclusion and elaborate its analyses.

## 5. FINDINGS

- From the study of found 36% of responded are male and 64% are female.
- From the study of found 32% of responded are between 30 to 40 ages.
- From the study of found 78% of responded are married.
- From the study of found 52% of responded are have graduation.
- From the study of found 36% of responded are income between 30000 – 40000.

## 6. SUGGESTION

- Governments should encourage their people to invest in different sectors by giving some incentives.
- Steps should be taken by the banks and financial institutions to make the investors aware of the benefits of compound interest that they are likely to receive if the investments are kept for a longer period of time
- To provide awareness to the peoples for the mutual fund and SIP.
- To provides special classes to increase awareness of the mutual funds and SIP process by organizing some seminar, discussions other investing awareness program.
- The government try to reduced complexity of mutual fund investment process that attracted the investor to invest more money.

## 7 CONCLUSIONS

The study has made an attempt to find the mutual fund and systematic investment plans (SIP) awareness of peoples in Idukki . The study on investment awareness of investors to identifying the source of investment, preference, level of awareness about mutual fund, SIP, flexibility process, exit load ratio and level of satisfaction on returns of investment of investors in Idukki.
Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Idukki investors prefer long term investment.
The survey also concludes that the investors most preferred long-term investment, followed by the large and mid-cap fund, index fund, arbitrage fund, for reducing the losses and protect our investment in volatility and get stabled return.