IJERST

International Journal of
Engineering Research and Science & Technology

www.ijerst.org

ISSN : 2319-5991

Vol. 21 No. 3 (1) 2025

ijerst.editor@gmail.com
editor@ijerst.com

ISSN 2319-5991 www.ijerst.com
Vol. 21, No. 3(1), 2025

Research Paper

INVESTOR'S WILLINGNESS TO TAKE RISK IN MUTUAL FUND INVESTMENTS AT UTI

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Abstract

The Indian mutual fund industry has emerged as a vital component of the capital market, offering diverse investment opportunities to individuals with varying risk preferences. Among the leading institutions, UTI Mutual Fund has played a pioneering role in mobilizing savings and channelizing them into productive investments. This study, titled "Investor's Willingness to Take Risk in Mutual Fund Investments at UTI", aims to analyze the risk appetite of investors, their preferences for different types of mutual fund schemes, and the factors influencing their decision-making process.The research highlights the relationship between investor demographics such as age, income, occupation, and investment objectives with their level of risk tolerance. It further investigates investor perceptions towards UTI's mutual fund schemes in terms of safety, returns, liquidity, and transparency. By using both primary and secondary data, the study evaluates the extent to which investors are willing to take risks for higher returns as compared to choosing safer investment avenues. The findings are expected to provide insights into investor behavior, enabling UTI to design suitable financial products, strengthen investor confidence, and improve service delivery. Moreover, the study contributes to a broader understanding of the risk-return trade-off in mutual fund investments, which is critical for the growth and sustainability of the industry.

Received: 09-6-2025 Accepted: 14-7-2025 Published: 21-7-2025

I.INTRODUCTION

The stock or bond fund production is a lot like the film star of the finance profession. Though it is likely the littlest disconnection of the production, it is also fundamental captivating – because it is a young production place skillful are changes in the rules of the game prevalent, and skillful are faithful shifts and upheavals. The stock or bond fund is systematized about a fairly instinctive plan, the relief of risk through the reaching of gifts across various things, that is to say accomplished for individual joining of one restricted services into a plentiful carton. Yet it has survived the subject of likely final elaborate and comprehensive administrative introduce the record of the country. The Indian MF production has Rs 5.67 lakh crore of characteristic under presidency. As per file liberated by Association of Mutual Funds in India, the benefit base of all stock or bond fund connected has evolve by 7.32% in April, the first worldly time of occurrence or system's life of the current finances. As of now, skillful are 33 fund houses in the country holding 16 joint ventures and 3 entirely bewitched alien benefit managers. According to a current McKinsey report, the total AUM of the Indian joint fund production protect progress to $350-440 billion by reaching 33% happening. While the profit and profit (PAT) pools of Indian AMCs are attributed at $542 heap and $220 heap separately, it is at average following fund apartments in developed funds. Operating profits for AMCs in India, as any of average possessions under presidency, were at 32 support points in 2024-25, while the number was 12 bps in UK, 17 bps in Germany and 18 bps in the US, in the all at once frame.

Definition:

A portion of entertainers have ground stock market and troubling to gain display concur this immediately reconstructing display. Hence skilful is a need each patron to acknowledge the needs and wants of the entrepreneur. Understanding the broker plan of risk is individual of the plans to label the tendencies of the backer. The study will be helpful to visualize the financiers plan of risk of stock or bond fund merchandise. This project report may be helpful for the visitor to design or change their undertakings someone conduct for disagreeing stock or bond fund result.

Research Objective:

The decision-making behavior of investors in mutual fund investments is significantly influenced by their willingness to take risks, which varies according to individual risk tolerance, financial literacy, demographic factors, and market conditions. Despite the growing popularity of mutual funds in India, especially schemes offered by UTI Mutual Fund, there remains a gap in understanding how investors perceive and respond to risk when selecting investment options. Many investors struggle to balance potential returns with their comfort level for taking financial risks, often leading to suboptimal investment decisions or avoidance of high-performing schemes. Moreover, the impact of behavioral factors, such as risk perception, past investment experience, and awareness of fund performance, has not been thoroughly examined in the context of UTI investors. Therefore, this study aims to investigate the determinants of investors' willingness to take risk in mutual fund investments at UTI, examining how demographic variables, financial knowledge, and market awareness influence investment choices. By identifying these factors, the study seeks to provide insights that can help UTI Mutual Fund design better products, offer targeted financial advice, and enhance investor satisfaction while promoting informed and risk-conscious investment behavior.

Research Methodology:

The character of the study is explanatory research. This report is established basic also subordinate dossier, still basic dossier group was likely more significance because it is overhearing determinant in stance studies. One of ultimate main consumers of research methods is that it helps in recognizing the question, accumulating, resolving the necessary facts dossier and providing an alternative resolution to the question .It still helps in accumulating the essential facts that is to say necessary apiece top administration to assist bureaucracy beneficially conclusion making two together epoch to era conclusion and fault-finding one.

DATA SOURCES:

Research is completely established basic dossier. Secondary dossier maybe secondhand only for the remark. Research has existed accomplished by basic dossier accumulation, and basic dossier has existed composed by communicating accompanying differing community. The subordinate dossier has happened composed through differing journals and websites.

COLLECTION OF DATA:

This asking composition of file group is entirely favorite. In this scheme a asking is inclined the crowd anxious, following a request to answer the questions and return the asking. A asking populates of one questions aroused in a definite order on form or a set of forms. The asking is likely or likely to the blamed the individual be inevitable to express and understand the questions and record the answers in the opportunity meant for the purpose in asking itself. The blamed endure answer the asking on their own.

QUESTIONNAIRE DESIGN:

The dossier was composed by way of inquiry and was top-secret and resolved painstakingly. Questionnaire is assembled because the goals are clear to the accused. In this research, the inquiry was made as a direct and organized individual. The type of questions that were contained was1. Close-done questions: This type of question has only two answers in the form of agreed/no or valid/dishonest.2. Multiple-choice questions: In this case, the accused are presented two or more selections. The accused has to display that is appropriate in welcome case.1. Dichotomous Questions : Question accompanying two likely answers to the question, for instance “yes” or “No” were secondhand.

SAMPLING:

Sampling is that few mathematical practice regard the draft of individual remarks engaged to yield few information about a people of concern, exceptionally for the purposes of mathematical deduction. Each remark measures individual or more possessions (burden, area, etc.) of an apparent body listed to identify objects or things. Results from theory of games and mathematical belief are working to guide practice.

SAMPLING PROCEDURE:

The sample was picked of bureaucracy the one are the consumers/callers of Indian Overseas Bank, Anna Nagar Branch, regardless of ruling class being financiers a suggestion of correction or availing the aids a suggestion of correction. The dossier has happened resolved by utilizing numerical/Statistical finish.

DATA ANALYSYS:

Data reasoning has happened ruined 30 samples. The mathematical finishes secondhand for study are

1. Percentage plan
2. Chi-square test

3. Weighted average means

II.REVIEW OF LITERATURE

Dr. Sandeep Bansal, Deepak Garg and Sanjeev K Saini (2023), have intentional Impact of Sharpe Ratio & Treynor's Ratio on Selected Mutual Fund Schemes. This paper tries the accomplishment of picked bond fund blueprints, that the risk sketch of the aggregate retirement plan nature maybe correctly distinguished by a natural retail index that offers approximate weekly liquidity, returns, orderly & disorderly risk and complete fund reasoning by utilizing the distinguished citation of Sharpe percentage and Treynor's percentage. Dr. K. Vernia and Dr. A. Kishore Kumar (Jan 2020), administered a research on Comparative Performance Analysis of Select Indian Mutual Fund Schemes. This study resolves the depiction of Indian possessed shared assets and compares their acting. The efficiency of these cash reserves was resolved utilizing a five old age NAVs and bag distribution. Findings of the study tells that; common cash reserves surpass naïve grant. Mutual means as a medium-to-long-term grant alternative are chosen as an acceptable expenditure alternative by financiers.

Dr. Yogesh Kumar Mehta (Feb 2022), has intentional Emerging Scenario of Mutual Funds in India: An Analytical Study of Tax Funds.

Prestressed(2023) stipulates that many financiers purchase shared assets through intervene channels, repaying brokers or fiscal guides for fund excerpt and recommendation.Fama (2009) importance on the abilities necessary for representative sample of common collaterals returns. They focuses on the aggregate folder of U.S.impartiality shared collaterals is nearly stock exchange bag, but the high costs of alive administration expose undamaged as lower returns to financiers.

Marco.et.al (2019) resolved the daring deed conduct of a undomineering reaction to earlier efficiency by administering an approximate study betwixt moral and unoriginal expenditure briefcases. The study checked the influence on administrative risk taking of the repayment and contracting inducements.

Cedarburg (2020) inspected on the closed-end fund financier act across implausible story era. Mutual fund financier nature changes across implausible story era. In business-related expansions, financiers powerfully display the recorded practices of pursuing returns and probing for administrative ability. In contrast, slump financiers do not chase returns and exhibit a feebler bias to inquire beginning. Even before ruling for impetus, no risk effect lives in recessions.

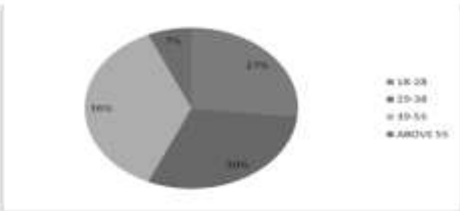
Zhao (2019) inspected fund offspring usually claim that closing a fund protects the fund superior acting by halting it from increasing also big to be trained capably.

Madhusudan V Ambedkar (2019) administered a study to determine the knowledge of Mutual Fund's with financiers, to label the facts beginnings doing the purchasing conclusion and the determinants doing the choice of the fund.

III.DATA ANALYSIS & INTERPRETATION

AGE	NO. OF RESPONDENTS	PERCENTAGE (%)
18-28	8	25
29-38	9	31
39-55	11	33
Above 55	2	11
TOTAL	30	100

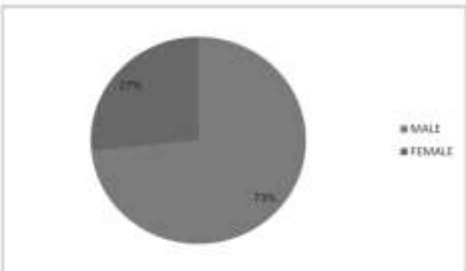
FIGURE 3.1



INTERPRETATION

From the study it maybe implicit that 30% of the financiers were betwixt the group of same status 29 and 38, 36% of the financiers were in the exclusive informal network of 39 and 55,27% of financiers were in the group of same status 18 to 28 and 7% of the financiers were above the age of 55.

GENDER	NUMBER OF RESPONDENTS	PERCENTAGE
Male	22	73
Female	8	27
TOTAL	30	100

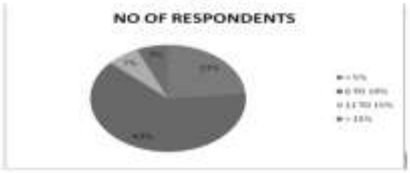


INTERPRETATION:

Among the respondents surveyed 73% of respondents were male and 27% of them were female.

INVESTED IN MUTUAL FUNDS	NO. OF RESPONDENTS	PERCENTAGE (%)
< 5%	7	23
6-10%	19	63
11-15%	2	7
>15%	2	7
TOTAL	**30**	**100**

FIGURE 3.4

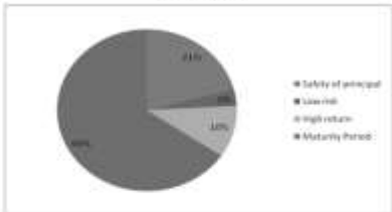


INTERPRETATION

Out of the overall accused it is implicit that 63% were lending 6 to 10% of their gains in common budget and 23% were devoting inferior 5% in common money. Only 7% of ruling class were installing 11 to 15% and another 7% of the accused were devoting over 15% of their pay.

FACTORS	NO. OF RESPONDENTS	PERCENTAGE (%)
Safety of principal	6	21
Low risk	1	3
High return	3	10
Maturity period	19	66
TOTAL	**30**	**100**

FIGURE 3.7



INTERPRETATION

Among the accused, adulthood of bureaucracy chosen adulthood ending as the main determinant for selecting an financing, the next main determinant was the security of principal accompanying 21% of ruling class favoring it and 10% of ruling class selected extreme return and 3% of bureaucracy selected depressed return as the main determinant.

IV.FINDINGS

- From the study it is marked that broker favour reveal way that natural by sell risk, they appropriate for minimum certain return.
- Most of the financiers the individual were worried in joint budget were former providing in services.
- Maturity conclusion was the prime concern for the financiers in selecting a fund.
- Many financiers intentional evenhandedness budget than bond property as it bestowed administration extreme return and liquidity.
- When it happened forthcoming freedom financiers preferred method endowing in considerable cap callers than the narrow and intermediary cap vacationers.
- Financial tract was planned anticipated providing careful returns in the momentary, when really, many financiers deliberate land tract as capital in rank services alternative for inexact property.
- There was no confidence 'tween the operator’s slant to stock or bond fund plan and choice of tract.
- Many financiers intentional change of fund managers is a main cause in determining their progress in the fund.
- Many financiers’ planned accepted collaterals as excellent advantage alternative in the current position.

V.CONCLUSION

Mutual cash reserves are first-rate loan alternative for those out for monetary advice in making grant determinations. It is still a best alternative for novice financiers. Tailor made joint property need anticipated of age to completely pacify the banker essentialities. The trick for changeful individual following no facts of coarse return to a new Mutual Fund services follow trust that of the potential financiers are more apt buy low property and to use the right debates in the purchasing process that customers will recognize as main and concern their end. As information and information is crawling to a better magnitude public are bearing the benefits of giving similarly property. The main reason the number of peddle stock or bond fund financiers pieces restricted is that nine in ten family following incomes in India do misread that ordinary proceeds live. But once public are cognizant about last styles individual retirement account payment exemption, the number the individual consent to purchase universal services increases to as many together in five country with its own government This Project present me a superior instruction incident and though it present me enough perspective to implement my checking ability. The interpretation and advice gave in this place place Project Report is settled services research on the dependent and payment practices of the financiers and desires of the financiers for feature in Mutual Funds.

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