Research Methodology

Research Design and Area of Study

This study is a Descriptive Study and is undertaken to understand the financial behavior of Indian investors in the city of Mumbai. Decision making behavior is finally reflected in the investor’s expectation for returns from the financial products and their portfolio configuration.

This study will be based on:

i. Literature Review

ii. Collection of primary data through questionnaire, interviews and discussion: Mode of Primary data collection would be through sample survey. The unit of observation and analysis of the survey would be individual retail investor. In order to achieve the objective of developing an understanding about investors’ preferences towards mutual funds / insurance policies, a well structured questionnaire would be designed. The questionnaire would contain various aspects of savings attitude, aptitude, income level, habits etc. Initially a pilot survey would be conducted and the questionnaire would be improved in the light of the answers received from the pilot survey.

iii. Secondary data: would include data collected from various sources, published as well as unpublished research papers, company websites, company factsheets, magazines, brochures, journals, periodicals, research papers presented in various conferences, books, internet websites etc.

Sampling Size and Sampling Technique

A sample size of 200 would be collected for the purpose of the study. The samples would represent a cross section of investors in Mutual Funds, Insurance, Share Market etc.

Therefore a Stratified Random sampling method would be adopted to administer the questionnaire to the respondents. Respondents selected would be the ones who have knowledge about financial markets, Mutual Funds and Life insurance policies.

Analysis of Data

Various statistical tools like Percentages, Chi-square test, Likert scales, etc would be used to analyse the data. Tables and diagrams would be used to highlight the observation
Limitations of the study

The sample size may not adequately represent the national market as the study proposes to select sample size from western regions of Mumbai. This study concentrates only on two financial products namely mutual fund and life insurance policies.