RESEARCH METHODOLOGY

Research area
The study is to deal with individual investor’s investment behavior towards various investments modes available in the NCR of Delhi with special preference towards mutual fund schemes.

Research design
The purpose of the survey will be to understand the behavioral aspects of individual investors, mainly their investment mode selection behavior; factors influencing their behavior and their conceptual awareness level with special preference to mutual funds. Since it is a descriptive and exploratory study, no specific hypothesis is formulated. The study may get affected by the upward and downward movements of financial markets and other related factors which may have significant influence on the individual investor’s selection behavior.

Sources of data
This study will be based on – literature review, collection of primary data through observations, discussions, filled in questionnaires, interviews, etc.
Initially a pilot survey will be conducted and questionnaire will be improved in response to feedbacks from pilot survey.
Secondary data will be collected through published and unpublished research papers, periodicals, magazines, newspapers, websites of various Mutual funds Companies, periodical reports of various Mutual fund Companies, published books, published research papers and articles, etc.

Sample size and sampling techniques
The required data will be collected through a questionnaire using simple random and judgmental methods of sample selection of at least 100 individual investors (this depends upon response likely to be fully generated to be able to qualify to fall into research category, personally will like to obtain as much possible higher numbers of respondents as possible).
Judgment sample selection will be to save time and financials as both will be under constrains. Respondents will be screened and their inclusion will be purely on their basis of knowledge about financial markets and instruments available for investment with special preference to mutual funds. In particular respondent’s knowledge in instruments of second tier of investments like derivatives, Islamic banking, reverse mortgage, banking schemes, insurance schemes, etc. will also be appreciated.

**Analysis of data**

The analysis of the data will be done through use of various statistical tools like tabulation of data, diagrammatic presentation of data, measures of averages, weighted means, measures of dispersions, principal component analysis, factor analysis, etc.

**Limitations of the study**

Since it is a descriptive and exploratory study, no specific hypothesis is formulated. The study may get affected by the upward and downward movements of financial markets and other related factors which may have significant influence on the individual investor’s selection behavior. This study has not been conducted over an extended period of time having both market ups and downs. The market state has a significant influence on the buying patterns and preferences of investors. For example, the July 2001 UTI fall has sent violent shock waves across the MF investor community and is bound to influence the scheme preference/selection of the investors. The study has not captured such situations.

Simple random analysis and Judgmental sample selection techniques had been adopted in order to save both time and financials and of them both especially finance is under severe constraints as the whole research is self financed.

Respondents will be screened and their inclusion will be purely on their basis of knowledge about financial markets and instruments available for investment with special preference to mutual funds. The whole process will be completely affected by the personal judgment of the interviewer as to how he ranks the respondent. Besides data will be affected by how the respondents react to the each personal question. Respondents will not be asked to verify what they say or answer and document their opinion with documentary evidences and accounting records including income tax submissions.
As it is well known that people are hesitant to answer any query in relation to their financial strength and weaknesses hence it will be difficult to make people jot done the opinions. Hence we intended to keep at least 100 serious qualified respondents as an ideal figure to carry out research. Data collection will be more but out of them only 100 (at least) best seriously filled questionnaire will be selected to keep data result unbiased. If suitable numbers are obtained more than 100 than it shall be a welcome approach and the highest number found suitable will be accepted and considered for the research.

The study may be affected by the condition that the respondents may largely belong to middle income groups as to obtain the correct information from business men will not be possible and similarly lower income group people may not respond well to the questionnaire. It shall be the middle income group whose income is taxed and transparent who may provide unbiased results.

The study may get affected by the upward and downward movements of financial markets and other related factors which may have significant influence on the individual investor's selection behavior. Selecting of fair market days in between the period of research will again be affected by personal bias of the interviewer.

In this analysis the unit of observations and analysis is an individual investor. For the purpose of study individual investor is one who has invested in mutual funds along with other modes of investments. He is one whose average annual income does not exceeds rupees six lakhs per annum. Big and high net worth individuals, corporate houses, organizations, legal bodies, government institutions, etc. had not been included in the study.

**Chapter plan**

The proposed study is divided into following chapters as under:

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