

Chapter 6

Assessing relative weight of determinants investment in different schemes of mutual funds

Introduction

Mutual funds presently offer a variety of options to the investors such as income, balanced, liquid, growth and index funds. Mutual funds provide the benefit of the diversified portfolio to the investors (Kumar, 2011). Diversification of portfolio, minimization of risk, greater tax benefits are the top most factors that influence an investor to prefer in mutual funds (Saibaba and Vipparthi, 2012). Mutual funds are the most preferred investment instruments for middle-income individuals (Kumar and Bansal, 2014). Different schemes of the mutual fund have been introduced in market based on the preference of investors.

The study shows that income schemes and open-ended schemes are more preferred than growth schemes and close-ended schemes during the prevalent market conditions (Jambodekar, 1996). Venkateshwarlu (2004) had analyzed that investors from the twin cities of Hyderabad and Secunderabad, preferred to invest in open-end schemes with growth objectives. Anagol and Kim (2012) concluded that demand for closed-end funds diminishes due to cost associated with issuing. Preferences of investor are playing a vital role in achieving a better understanding of financial market participants' choices and behaviour (Heckman, 2001).

Increasing number of players from public and private sectors has entered into the market with innovative schemes of the mutual fund to cater to the needs of the investors (Mehta and Shah, 2012). Bodla and Bishnoi (2008) has concluded in their study that the mutual fund offers at present in India about 609 schemes with a variety of features for meeting investor's needs.

Kulshreshta (1994) offers certain guidelines to the investors in selecting the mutual fund schemes. Indian investors even if they are of high income, well-educated, salaried, independent prefer to invest in financial products which give risk-free returns(Sultana, 2010). Singh (2009) found that employees prefer to invest in the mutual fund than direct investment in equity shares. Gupta and Jain (2008) on the basis of an all-India survey of 1463 households found the preferences of investors among the major categories of financial assets, such as investment in shares, indirect investment through various types of mutual fund schemes. Singh and Vanita (2002) in their investigation found that investors' preferred to invest in public sector mutual funds with an investment objective of getting tax exemptions. Saini, et al. (2011) studied investor's view and perception relating to various issues like different types of mutual fund schemes, its objective, a role of financial advisors brokers, sources of information, deficiencies in the provision of services, investors' opinion relating to challenges before the Indian mutual fund industry.

Plenty of mutual fund schemes is available for the investors. There are a number of factors which influence the people to make their investment decisions. Salaried individuals have different preferences of investment decisions according to their demographic and socioeconomic variables (Bashir et al., 2013). The investment

preference of an investor is influenced by their demographic and socio-economic variables (Shinde and Zanvar, 2015). Psychological factors, demographic and socio-economic factors of investors have been identified in the chapter4 to have a much significant impact in the investment in mutual fund. It is important to know which factors are relatively important in determining the preference for different schemes of the mutual fund. In this situation, in the present chapter is an attempt to examine the relative weight of identified determinants of investing bank employee's choice of different schemes of the mutual fund.

Preference of different schemes of mutual fund and its determinants

Mutual funds offer a large variety of schemes in the market according to needs of the investors (Geetha and Ramesh, 2011). Bodla and Sunita (2008) concluded in their study that the mutual fund offers 609 schemes with a variety of features and income schemes have an edge overgrowth schemes in terms of assets under management. Sadhak (2007) wrote in his book that mutual funds had experienced incredible growth when they penetrated India's financial service sector and it is also observed that the growth of mutual funds market was not accelerated as Indian investors were still unable to understand the complexity of investing in sophisticated investment options. Gupta, et al. (2011) found that most preferred scheme was balanced fund. The study found that income schemes and open-ended schemes are more preferred than growth schemes (Jambodekar, 1996). Goetzman (1997) states that investor psychology has influenced fund scheme selection. Gupta, Chawla, and Harkawat (2011) revealed that most preferred scheme was balanced fund.

Saini, et al. (2011) found that majority of respondents believe that awareness of the schemes is considered as an important element while choosing the right type of mutual fund scheme. Employees have a positive attitude towards the preference of mutual funds (Murugan, 2012).

While choosing the investment avenues and especially equity share related investment decisions, not only conscious or explicit information plays a role, but also implicit or unconscious components like psychological, sociological, economical, psychological factors are considered to be important (Shiller, 2005). The risk is a common feature of all types of financial investments. The risk is playing the key role in influencing investors' preference (Yang and Qiu, 2005). Sahi, Dhameja, and Arora, (2012) conducted a study considering various demographic, socioeconomic and psychographic variables influence the investor's preferences. It is found that psychographic variables were better predictors than demographic and socio-economic variables for understanding an individual investor's preference for the investment alternatives. The demographic information such as age, educational qualification, income and marital status have a significant impact on investors' investment preference (Mittal and Vyas, 2008).

Objective

The objective of the present chapter is as follows:

- To assess the relative weight of different determinants of investing bank employees choice of different schemes of mutual funds.

Hypothesis

The null hypothesis formulated for the chapter is given below.

- H_{07} : There is no significant association between select determinants and their preference for investments in different schemes of the mutual fund.

Research questions

- What are the preference levels of bank employees in Tripura towards different schemes of the mutual fund?
- What are the relative weights of different determinants of investing bank employee's preference towards different schemes of the mutual fund?

Analysis and Findings

Analysis and findings of the chapter are given under the following paragraphs:

The overall preference level of six schemes of mutual fund

Table 6.1: Overall preference of six schemes

Level of preference	Growth schemes		Tax saving schemes		Income schemes		Money market schemes		Index schemes		Balanced schemes	
	No. of employees	Percent	No. of employees	Percent	No. of employees	Percent	No. of employees	Percent	No. of employees	Percent	No. of employees	Percent
Very High preference	59	22.5	62	23.7	34	13.0	22	8.4	15	5.7	30	11.5
High preference	102	38.9	93	35.5	71	27.1	58	22.1	62	23.7	59	22.5
Moderate preference	43	16.4	45	17.2	72	27.5	71	27.1	66	25.2	66	25.2
Low preference	7	2.7	10	3.8	19	7.3	36	13.7	36	13.7	25	9.5
Very low preference	37	14.1	36	13.7	50	19.1	59	22.5	67	25.6	66	25.2
Not applicable	14	5.3	16	6.1	16	6.1	16	6.1	16	6.1	16	6.1
Total	262	100	262	100	262	100	262	100	262	100	262	100

Source: Compiled from questionnaire

Table 6.1 shows that majority of bank employees in Tripura are having high preference level towards growth schemes and income schemes and moderate preference level toward income schemes and money market schemes. Majority of them, have very low level preference towards index schemes and balanced schemes.

Relative weight of selected determinants on preference of different schemes in mutual fund

To ascertain the impact of select determinants on preference in different schemes of the mutual fund, ordinal logistic regression is used. Preference in mutual fund schemes considered as a dependent variable and selected determinants are the predictor variables.

The dependent variable is the preference for different schemes at present where $Y = 1$ (Very highly preference), $Y = 2$ (Highly preference), $Y = 3$ (Moderate preference), $Y = 4$ (Least preference) and $Y = 5$ (Not at all preference). Predictor variables are the select determinants of bank employees.

Six separate ordinal models have been used for six schemes of the mutual fund. Preference levels of mutual fund schemes are considered as depended variables. The different schemes are growth schemes, tax saving schemes, income schemes, money market schemes, index schemes and balanced schemes. Predictor variables are same for all the cases. Predictor variables such as factor1 and factor2 have derived from factor analysis in the fourth chapter and other predictors variables are gender, marital status and education level which are not considered in factor analysis due to their nominal scale measurement.

In this analysis the following coding is used: Gender = 1(Male), Gender = 2 (female), Education = 1(Graduate), Education = 2 (Post graduate), Marital status = 1(Married), Marital status = 2 (Unmarried).

Table 6.2: Model Fitting Information

Growth scheme	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
	Intercept Only	788.074			
	Final	735.843	52.231	7	.000
Tax saving schemes	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
	Intercept Only	810.150			
	Final	753.504	56.646	8	.000
Income schemes	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
	Intercept Only	845.422			
	Final	779.858	65.564	10	.000
Money market schemes	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
	Intercept Only	855.193			
	Final	790.683	64.510	11	.000
Index schemes	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
	Intercept Only	840.577			
	Final	770.152	70.425	10	.000
Balanced schemes	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
	Intercept Only	857.212			
	Final	773.700	83.512	10	.000

Source: Compiled from the questionnaire

In order to explain the effects of each explanatory variable (selected determinants) in the model for all six schemes, it is needed to determine whether the model improves the ability to predict the outcome. It has been done by comparing a model without any explanatory variables ('Intercept only' model) against the model with the explanatory variables (selected determinants) (the 'Final' model). It compared the final model against the intercept only model to see whether it has significantly improved the fit to the data. In the table 6.2, chi-square statistic p- values are less than 0.05 for all six models which indicate that the final model gives a significant improvement over the intercept-only model. This tells that the models give better predictions.

Table 6.3: Goodness-of-fit

		Chi-Square	Df	Sig.
Growth scheme	Pearson	1443.272	1208	.541
	Deviance	723.130	1208	1.000
Tax saving schemes	Pearson	1409.791	1207	.623
	Deviance	736.633	1207	1.000
Income schemes	Pearson	1385.628	1205	.551
	Deviance	761.365	1205	1.000
Money market schemes	Pearson	1320.796	1204	.464
	Deviance	769.418	1204	1.000
Index schemes	Pearson	1350.434	1205	.392
	Deviance	750.272	1205	1.000
Balanced schemes	Pearson	1406.705	1205	.623
	Deviance	755.207	1205	1.000

Source: Compiled from the questionnaire

Table 6.3 contains Pearson's chi-square statistic for the model (as well as another chi-square statistic based on the deviance). These statistics are used to test whether the observed data are consistent with the fitted model. The results indicate that the model does fit very well for the all models as p values are more than 0.05.

Table 6.4: Pseudo R-Square

Growth scheme	Cox and Snell	.581
Tax saving schemes	Cox and Snell	.494
Income schemes	Cox and Snell	.521
Money market schemes	Cox and Snell	.618
Index schemes	Cox and Snell	.536
Balanced schemes	Cox and Snell	.473

Source: Compiled from the questionnaire

In table 6.4, it is found that the Cox and Snell R^2 value for the fitted ordinal logistic regression are considered satisfactory. A Higher value of it, the model will produce better outcomes.

Table 6.5: Parameter Estimates (Growth scheme)

		Parameter Estimates				
		Estimate	Std. Error	Wald	Df	Sig.
Preference level in mutual fund(Threshold)	Very Highly preferable = 1.00	-1.138	.372	9.342	1	.002
	[Highly preferable = 2.00]	.719	.370	3.770	1	.052
	Moderate preferable = 3.00]	1.800	.385	21.854	1	.000
	[Least preferable = 4.00]	2.051	.391	27.531	1	.000
Determinants	[Gender=1.00(Male)]	-.448	.296	2.297	1	.130
	[Gender=2.00(Female)]	0 ^a	.	.	0	.
	[Marital Status=1.00(Married)]	.054	.283	.036	1	.850
	[Marital Status=2.00(Unmarried)]	0 ^a	.	.	0	.
	[Education=1.00(Graduate)]	.581	.254	5.260	1	.022
	[Education=2.00(Post graduate)]	0 ^a	.	.	0	.
	Factor1	.065	.144	.205	1	.651
Factor2	.924	.137	45.146	1	.000	
Interaction effect	Factor1 * Factor2	-.964	.253	14.468	1	.000
	[Gender=1.00] * Factor1 * Factor2	-.878	.273	10.363	1	.001
	[Gender=2.00]* Factor1 * Factor2	0 ^a	.	.	0	.

Source: Compiled from the questionnaire

Table 6.5 investigates the estimated parameters. These are the ordered log-odds (logit) regression coefficients. It indicates that one unit increase in the predictor (selected determinant), the dependent variable (preference level) is expected to change by its respective regression coefficient in the ordered log-odds scale while the other variables in the model are held constant. 0^a is shown in the different tables as a reference point. From this reference point change of independent variables and its impact on the preference, level have been estimated. Negative beta coefficients, which indicate a higher level of

preference for one unit change of independent variables from the reference point. Positive beta coefficients imply a lower level of preference level. The threshold coefficients just represent intercept. Intercepts are tested whether they are zero or not. It is found from the above table that intercepts are statistically significant at 5% level of significance. It indicates that intercepts are not equal to zero.

Among beta coefficients of selected determinants, factor2(Psychological factors) and education level are found significant at 5% level of significance as p-value is less than 0.05. Other determinants such as gender, marital status and factor 1 (Demographic and socio-economic variables) are not significant at 5% level of significant for the growth schemes as p values are more than 0.05.

It is concluded that physiological factors such as risk perception, attitude and awareness level are important determinants for preferring growth scheme of the mutual fund. Apart from psychological factors, education is found to be an important determinant for selecting the mutual fund.

In this scheme, two interaction effects also have been found to have an impact towards the preference of growth scheme. Psychological factors and demographic factors together influence the preference for the above scheme. Same level of a combination of psychological and demographic factors with a change in the gender (female to male), leads to increasing in the preference for investment in mutual fund scheme.

Table 6. 6: Parameter Estimates (Tax Saving scheme)

		Parameter Estimates				
		Estimate	Std. Error	Wald	Df	Sig.
Preference level in mutual fund(Threshold)	Very Highly preferable = 1.00	-1.706	.473	13.027	1	.000
	[Highly preferable = 2.00]	.009	.464	.000	1	.984
	Moderate preferable = 3.00]	1.094	.470	5.422	1	.020
	[Least preferable = 4.00]	1.439	.475	9.190	1	.002
Determinants	[Gender=1.00(Male)]	-.242	.474	.260	1	.610
	[Gender=2.00(Female)]	0 ^a	.	.	0	.
	[Marital Status=1.00(Married)]	.051	.283	.033	1	.857
	[Marital Status=2.00(Unmarried)]	0 ^a	.	.	0	.
	[Education=1.00(Graduate)]	1.853	.556	11.113	1	.001
	[Education=2.00(Post graduate)]	0 ^a	.	.	0	.
	Factor1	.143	.144	.993	1	.319
	Factor2	.887	.137	42.131	1	.000
Interaction effect	[Gender=1.00] * [Education=1.00]	1.338	.607	4.864	1	.027
	[Gender=1.00] * [Education=2.00]	0 ^a	.	.	0	.
	Factor1 * Factor2	-1.017	.256	15.798	1	.000
	[Gender=1.00] * Factor1 * Factor2	-.928	.275	11.410	1	.001
	[Gender=2.00] * Factor1 * Factor2	0 ^a	.	.	0	.

Source: Compiled from the questionnaire

Beta coefficient of selected determinants, factor2 (Psychological factors) and education of employees are found significant at 5% level of significance as p-value is less than 0.05. Other determinants of gender, marital status and factor1 (Demographic and socio-economic factor) have no direct impact for preferring tax saving schemes of the mutual fund. It is concluded that psychological factors like risk perception, attitude and awareness level are important determinants for preferring tax saving scheme of the mutual fund. Apart from psychological factor, education level is found to be an important determinant for selecting the mutual fund. In this scheme, two interaction effects also have been found to have an impact on preference on tax saving schemes.

Psychological and demographic combination influences preference for the mutual fund. Gender has no direct impact on preference but it has the interaction effect with the combination of psychological and demographic factors. The Same combination of psychological and demographic factors but a change in the gender (female to male) leads to increase in preference level. Postgraduate male employees are found higher preference

level than graduate male employees. Marital status should not be given any weight for preference of this scheme.

Table 6. 7: Parameter Estimates (Income schemes)

		Parameter Estimates				
		Estimate	Std. Error	Wald	Df	Sig.
Preference level in mutual fund (Threshold)	Very Highly preferable = 1.00	-2.219	.413	28.902	1	.000
	[Highly preferable = 2.00]	-.769	.395	3.799	1	.051
	Moderate preferable = 3.00]	.643	.394	2.666	1	.103
	[Least preferable = 4.00]	1.164	.399	8.503	1	.004
Determinants	[Gender=1.00(Male)]	.028	.322	.008	1	.930
	[Gender=2.00(Female)]	0 ^a	.	.	0	.
	[Marital Status=1.00(Married)]	-.073	.284	.066	1	.797
	[Marital Status=2.00(Unmarried)]	0 ^a	.	.	0	.
	[Education=1.00(Graduate)]	.814	.265	9.397	1	.002
	[Education=2.00(Post graduate)]	0 ^a	.	.	0	.
	Factor1	.028	.143	.038	1	.845
	Factor2	1.761	.459	14.740	1	.000
Interaction effect	[Education=1.00] * Factor2	1.188	.600	3.918	1	.048
	[Education=2.00] * Factor2	0 ^a	.	.	0	.
	Factor1 * Factor2	-1.219	.308	15.649	1	.000
	[Gender=1.00] * Factor2	-1.153	.504	5.234	1	.022
	[Gender=2.00] * Factor2	0 ^a	.	.	0	.
	[Gender=1.00] * [Education=1.00] * Factor2	1.568	.675	5.401	1	.020
	[Gender=1.00] * [Education=2.00] * Factor2	0 ^a	.	.	0	.
	[Gender=1.00] * Factor1 * Factor2	-1.014	.327	9.623	1	.002
	[Gender=2.00] * Factor1 * Factor2	0 ^a	.	.	0	.

Source: Compiled from the questionnaire

In the income scheme, factor1 (Demographic and socio-economic factor), gender and marital status have no direct impact on the preference of this scheme as p-value is more than 0.05. Factor2 and education have a direct impact on a preference of this schemes.

In this scheme, some significant interaction effects are shown in table 6.7. With the same level of psychological variables, change of education level and change of gender, preference level is changing. The Same combination of psychological and demographic variables but a change of gender (female to male) leads to increase in the preference level. Postgraduate male employees are found to have a higher level of

preference than graduate male employees for the same level of the psychological variable.

Table 6. 8: Parameter Estimates (Money market scheme)

		Parameter Estimates				
		Estimate	Std. Error	Wald	Df	Sig.
Preference level in mutual fund (Threshold)	Very Highly preferable = 1.00	-2.581	.528	23.909	1	.000
	[Highly preferable = 2.00]	-1.171	.510	5.285	1	.022
	Moderate preferable = 3.00]	.142	.505	.079	1	.779
	[Least preferable = 4.00]	.940	.509	3.413	1	.065
Determinants	[Gender=1.00(Male)]	-.462	.495	.870	1	.351
	[Gender=2.00(Female)]	0 ^a	.	.	0	.
	[Marital Status=1.00(Married)]	.274	.340	.646	1	.422
	[Marital Status=2.00(Unmarried)]	0 ^a	.	.	0	.
	[Education=1.00(Graduate)]	1.855	.593	9.778	1	.002
	[Education=2.00(Post graduate)]	0 ^a	.	.	0	.
	Factor1	-.550	.486	1.281	1	.258
	Factor2	.828	.138	35.982	1	.000
Interaction effect	[Gender=1.00] * [Education=1.00]	1.372	.646	4.507	1	.034
	[Gender=1.00] * [Education=2.00]	0 ^a	.	.	0	.
	Factor1 * Factor2	-.998	.277	13.003	1	.000
	[Gender=1.00] * Factor1	-.239	.343	.488	1	.012
	[Gender=2.00] * Factor1	0 ^a	.	.	0	.
	[Marital Status=1.00] * Factor1	.759	.373	4.139	1	.042
	[Marital Status=2.00] * Factor1	0 ^a	.	.	0	.
	[Gender=1.00] * Factor1 * Factor2	-.922	.301	9.356	1	.002
[Gender=2.00] * Factor1 * Factor2	0 ^a	.	.	0	.	

Source: Compiled from the questionnaire

From the beta coefficient of selected determinants, it is observed that factor2 (Psychological factors) and education are found significant at 5% level of significance as p-value is less than 0.05. Other determinants of gender, marital status and factor1 (Demographic and socio-economic factor) have no direct impact on the preference for the mutual fund. It is concluded that physiological factor like risk perception, attitude and awareness level are important determinants for preferring money market schemes of the mutual fund. Apart from psychological factor, education of employees is found important determinant for selecting the mutual fund.

In this scheme, interaction effects of factor1 and factor2; gender and factor2; and gender, factor1, and factor2 are playing a significant role in preference for money market

scheme as p values are less than 0.05. With the same level of factor1, change of marital status (married to unmarried) leads to increase in preference level. With the same level of factor1, male employees are having higher preference level than female employees. With the same combination of psychological and demographic variables, change of gender(female to male) leads to increase in preference level.

Table 6. 9: Parameter Estimates (Index scheme)

		Parameter Estimates				
		Estimate	Std. Error	Wald	Df	Sig.
Preference level in mutual fund (Threshold)	Very Highly preferable = 1.00	-3.103	.447	48.098	1	.000
	[Highly preferable = 2.00]	-1.498	.416	12.962	1	.000
	Moderate preferable = 3.00]	-.266	.407	.425	1	.514
	[Least preferable = 4.00]	.510	.409	1.558	1	.212
Determinants	[Gender=1.00(Male)]	-.315	.333	.894	1	.344
	[Gender=2.00(Female)]	0 ^a	.	.	0	.
	[Marital Status=1.00(Married)]	-.346	.287	1.453	1	.228
	[Marital Status=2.00(Unmarried)]	0 ^a	.	.	0	.
	[Education=1.00(Graduate)]	.383	.266	2.070	1	.041
	[Education=2.00(Post graduate)]	0 ^a	.	.	0	.
	Factor1	.076	.144	.276	1	.599
	Factor2	2.062	.507	16.536	1	.000
Interaction effect	[Education=1.00] * Factor2	1.649	.655	6.326	1	.012
	[Education=2.00] * Factor2	0 ^a	.	.	0	.
	Factor1 * Factor2	-1.168	.332	12.400	1	.000
	[Gender=1.00] * [Education=2.00] * Factor2	.515	.479	1.157	1	.282
	[Gender=1.00] * [Education=2.00] * Factor2	-1.189	.543	4.795	1	.029
	[Gender=2.00] * [Education=1.00] * Factor2	0 ^a	.	.	0	.
	[Gender=1.00] * Factor1 * Factor2	-.915	.350	6.834	1	.009
	[Gender=2.00] * Factor1 * Factor2	0 ^a	.	.	0	.

Source: Compiled from the questionnaire

Beta coefficient of selected determinants shows that factor 2 (Psychological factors) and education level are only determinants of preference for index scheme as it is found significant at 5% level of significance. Other determinants like gender, education level and factor 1 (Demographic and socio-economic factor) and marital status have no direct impact on the preference for mutual funds scheme but they have interaction effects with the factor 2.

It is concluded that physiological factor such as risk perception, attitude and awareness level are important determinants of preference for investment in index schemes.

Apart from psychological factor, interaction effects that are mentioned in table 6.9 are considered to be important determinants for preference of the above-mentioned scheme. In this respect, for the same level of factor1 and factor2, change of gender influence the variation of preference level of the index scheme. Interaction effects of factor1, factor2 has a significant impact on preference for index scheme of the mutual fund. For the same level of the psychological factor, change of education level and gender leads to change in preference level of the scheme.

Table 6. 10: Parameter Estimates (Balanced scheme)

		Parameter Estimates				
		Estimate	Std. Error	Wald	Df	Sig.
Preference level in mutual fund (Threshold)	Very Highly preferable = 1.00	-2.645	.440	36.155	1	.000
	[Highly preferable = 2.00]	-1.267	.419	9.157	1	.002
	Moderate preferable = 3.00]	.039	.412	.009	1	.925
	[Least preferable = 4.00]	.617	.414	2.223	1	.136
Determinants	[Gender=1.00(Male)]	-.273	.336	.661	1	.416
	[Gender=2.00(Female)]	0 ^a	.	.	0	.
	[Marital Status=1.00(Married)]	-.194	.287	.457	1	.499
	[Marital Status=2.00(Unmarried)]	0 ^a	.	.	0	.
	[Education=1.00(Graduate)]	-.506	.268	4.568	1	.049
	[Education=2.00(Post graduate)]	0 ^a	.	.	0	.
	Factor1	.003	.144	.000	1	.986
	Factor2	2.253	.521	18.730	1	.000
Interaction effect	[Education=1.00] * Factor2	-1.855	.663	7.831	1	.005
	[Education=2.00] * Factor2	0 ^a	.	.	0	.
	Factor1 * Factor2	-1.352	.340	15.794	1	.000
	[Gender=1.00] * Factor2	-1.299	.553	5.517	1	.019
	[Gender=2.00] * Factor2	0 ^a	.	.	0	.
	[Gender=1.00] * [Education=1.00] * Factor2	1.908	.728	6.866	1	.009
	[Gender=1.00] * [Education=2.00] * Factor2	0 ^a	.	.	0	.
	[Gender=1.00] * Factor1 * Factor2	-1.195	.359	11.093	1	.001
[Gender=2.00] * Factor1 * Factor2	0 ^a	.	.	0	.	

Source: Compiled from the questionnaire

From the beta coefficient of selected determinants, it is observed that factor2 (Psychological factors) and education level are significant at 5% level of significance. Other determinants such as gender, and factor1 (Demographic and socioeconomic variables) and marital status have no direct impact on preference for the balanced funds but they have interaction effects with the psychological variables. It is concluded that physiological factor such as risk perception, attitude and awareness level are important determinants in the preference for balanced funds.

Apart from psychological factor, interaction effect with psychological factor is found important determinant for selecting the mutual fund. In this scheme, for the same level of factor1 and factor2 change of gender influence the preference level of a balanced scheme; for the same level of factor2, change of education level and gender level are changing preference level. For the same level of psychological factors of a male respondent, change of education level changes the preference level.

Measuring relative weight of determinants through correlation

In order to find relative weight of individual determinants of investment in different schemes, Kendall's tau correlation has been considered. In table 6.11, correlations among selected determinants and preference level of all the schemes of mutual fund and their significance level have been measured. Nine variables have been identified from the review of literature mentioned in the fourth chapter. They are age, gender, marital status, family income, education, experience, attitude, risk perception and awareness level. Out of nine variables, four variables such as attitude, risk perception, awareness level and education are found to have a direct impact on the preference of all

the six schemes by as found by using ordinal logistic regression analysis in the above tables.

Table 6.11: Correlation among preference level and determinant

Sl.no	Selected determinants on Mutual fund schemes	Pearson Correlation(Kendall's tau_b)	Growth schemes	Tax saving schemes	Income Schemes	Money market	Index schemes	Balanced Schemes
1	Education	Pearson Correlation(Kendall's tau_b)	-.120	-.098	-.145	-.182	-.191	-.184
		Sig. (2-tailed)	.020	.057	.005	.000	.000	.000
2	Risk perception	Pearson Correlation(Kendall's tau_b)	-.189	-.212	-.212	-.195	-.265	-.278
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
3	Awareness level	Pearson Correlation(Kendall's tau_b)	.215	.154	.181	.214	.191	.222
		Sig. (2-tailed)	.000	.003	.000	.000	.000	.000
4	Attitude	Pearson Correlation(Kendall's tau_b)	.277	.263	.233	.266	.292	.292
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000

Source: Compiled from the questionnaire

In order to find out relative weight of four determinants of investment preference in different schemes of mutual funds, Kendall's tau correlation is done. A higher value of Kendall's tau_b indicates a higher degree of relation between preference of different schemes and the selected determinants and it is given more weight. In the table 6.11, it is seen that psychological variables such as attitude, risk perception, and awareness level are significant for all the schemes. Apart from psychological variables, education is seen significant for all the schemes. Based on the correlation value of statistically significant

determinants, relative weight is given rank wise in the following table. Rank 1 is given highest weight and rank4 is the least weight.

Table 6.12: Relative weight of determinants rank wise

Sl no	Selected determinants on Mutual fund schemes	Growth schemes	Tax saving schemes	Income schemes	Money market schemes	Index schemes	Balanced Schemes
1	Attitude	Rank1	Rank1	Rank1	Rank1	Rank1	Rank1
2	Awareness level	Rank2	Rank3	Rank3	Rank2	Rank3	Rank3
3	Risk perception	Rank3	Rank2	Rank2	Rank3	Rank2	Rank2
4	Education	Rank4	Rank4	Rank4	Rank4	Rank4	Rank4

Source: Compiled from the questionnaire

In the table 6.12, it is observed that psychological factors are playing the most significant role for investment preference towards different schemes of mutual fund followed by demographic variables. Among the psychological factors, the attitude of the employees got the highest weight in influencing the investment preference of the employees for investment in all the schemes mentioned above. Awareness level is considered second most important factor for growth and money market schemes whereas risk perception is a third most important factor for these schemes. Risk perception and awareness level have been placed at the second and third position respectively for tax saving schemes, income scheme, index scheme and balanced scheme in influencing the investment preference of the employees towards investment in these schemes of mutual funds. Education has got the fourth position in influencing investment preference towards all the six schemes of the mutual fund.

Conclusion

The objective of this chapter was to assess the relative weight of different determinants of investing bank employees' choice of six schemes of the mutual fund. Nine determinants have been identified which have an impact towards investment. The study has found that all determinants have no equal impact towards a preference of different mutual fund schemes. It is concluded from the findings that psychological variables like attitude, risk perception, and awareness levels are highly determinant factors as compared to demographic and socio-economic variables for preferring different schemes of the mutual fund. Among the demographic variables, all variables have no direct impact on preference for the mutual fund but it has interaction effects with a psychological factor to choose different schemes of a mutual fund. The attitude of the employee should be given utmost priority. In order to increase preference level of bank employees towards the mutual fund, it is need of the hour to mold their attitude towards mutual fund so that it can be made favourable. There is also need for spreading awareness about the mutual fund in order to improve the mutual fund investment scenario. Attitude and awareness of bank employees have a positive relation with the preference level for mutual fund whereas risk perception is having a negative correlation with the preference for the mutual fund. So, bank employees need to be offered proper training /orientation/ counselling programmes for modifying their psychological factors to the desired level which in turn improves their level of preference for the mutual fund.