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E-mail  
[editor@ijmrbs.org](mailto:editor@ijmrbs.org)  
[editor.ijmrbs@gmail.com](mailto:editor.ijmrbs@gmail.com)

## **Mutual Fund Investment analysis and Investment decisions in public and Private sector Banks: Issues and Challenges**

**P. NAZEER AHMED, Research Scholar, School of Commerce and Management, YBN University, Ranchi, Jharkhand**

**\*Dr. DEVENDRA KUMAR OJHA, Asst. Professor, School of Commerce & Management, YBN University, Ranchi, Jharkhand**

### **Abstract:**

Financial market's main function is to facilitate transfer of funds from surplus sectors to deficit sectors. A financial market consists of investor or buyers, sellers, dealers and does not refer to physical location. Indian financial system consists of two markets, viz. money and capital market. The core of money market is the inter-bank call money market. It has two components - organized and unorganized.

Capital market provides the framework in which savings and investments take place. On one hand it enables companies to raise resources from the investing community and on the other, it facilitates households to invest their savings in industrial or commercial activities. The capital market consists of primary and secondary segments. In primary market it deals with the issue of new instruments by the corporate sector such as equity shares, preference shares, and debentures. The secondary market or stock exchanges where existing Securities are traded. Capital market plays a major role in Indian financial system.

So, Equities & mutual fund is the part of capital market. Mutual fund industry in India began with setting up of Unit Trust of India (UTI) in 1964 by the government of India. Now a day mutual fund is playing very important role in the industry. Investors will get the benefit of return, capital appreciation, tax benefits and safety to their investment and companies will get the capital for their growth. Recently they have also started Systematic Investment Plan(SIP) with the help of this even small investors (minimum of Rs. 100) can start investing, by this even student can also invest in this fund. So, we came to know how

this mutual fund works.

**Key words:** Financial market's- Equities & mutual fund- capital appreciation, tax benefits and safety to their investment

### **Introduction:**

The saving of an individual is spread through different means of investment one of them is mutual fund which is a growing investment now a day because of diversified risk and lack of time to look after their money. Finance is regarded as „life blood of enterprise“. This is because in the Modern Money-Oriented Economy, Finance is one of the basic foundations for all kinds of economic activities; it is the master key which provides access to all the sources for being employed in Manufacturing and Merchandising activities.” Finance is also called the “wheel, marrow of bones and spirit of trade, commerce and industry.” The word finance comes from the Latin word “finis”, under Roman law contracts was not completed until there was a binding contract for monetary/ credit agreements.

Financial management Emerged as a distinct field of study at the time of 20<sup>th</sup> century. When one goes through history of financial management it is clear that in the past the scope of financial management has limited to certain activities, with a focus mainly on certain episodic events like formation instance of capital, major expansion, merger, recognition and liquidation in the life cycle of firm. Financial management is descriptive and institutional in nature. In the past, greater emphasis was given on day – to-day problems faced by financial managers were responsible only for maintaining financial records, preparing reports on the company's status, performance and arranging funds needed by the company. Their special services were utilized only when required via, problem with dearth of funds and to procurement of additional funds.

Driven by growing trend of globalization, the revolutionary developments in information technology and emergence of the digital era, one can witness phenomenal changes in the world of finance. Today modern corporate finance is changing from domestic funding to multi-currency funding. Financial control is changing from simple accounting to integrated control systems based on enterprise resource planning.

Investment management is shifting from simple equity and debt products to complex derivatives products like options, futures, and swaps. Financial services like banking & insurance are getting geared up for virtual delivery in a seamless digital world. These far reaching developments in the world of finance have redefined the role of financial manager. The financial manager's, therefore concerned with all financial activities of planning of fund raising, allocation and controlling but not with just any one of them besides, he has handle such financial problems that are encountered by a firm at the time of incorporation, liquidation, consolidation, recognition and the like situations that occur frequently. The finance managers of today are called upon to evolve financial strategies that dovetail with the firm's competitive business strategies.

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

The project has been undertaken with the aim of Analysing the Mutual funds of the. And also to analyse how the operation has been undertaken to communicate with the client & how these services is offered by the company.

### ***5.2 Best mutual funds in India:***

Before knowing about the best mutual fund in India. It is important to know the factors that actually decide their fate in the market. In order to get an actual ideal of the best performing mutual funds in the market, one need to track its current Net Asset Value or NAV. NAV stands for the latest market value of the holdings of a fund that brings down the fund's liabilities, which are generally indicated in terms of per share amount. On a daily basis, most of the funds' NAV is decided. This is determined after the trade closes on certain financial exchanges. The net asset value of the mutual funds is ascertained at the end of the

trading day. An increase in NAV signifies rise in the holdings of the shareholder. The Fund Firm will then do the transaction on the shares along with the sales fees. While open-ended net asset value of the mutual funds is issued daily, the close-ended NAV of the mutual fund is released on a weekly basis. You can calculate net asset value of the mutual fund easily. Track the latest market value of the net assets of the fund and then subtract that by the number of outstanding shares.

The analysis and interpretation of data covers an overview of the Mutual fund segment, other related data with percentage and narrative data, supported by charts and tables from the information collected during the project study.

H0: There is no significant impact on investment objectives undertaken by investors while investing in mutual funds of selected private and public sectors banks

Table 5.1 Do you regularly invest in mutual funds?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	360	72.0	72.0	72.0
	No	140	28.0	28.0	100.0
	Total	500	100.0	100.0	

Source: Data compiled from the field survey

The table 5.1 indicates that Out of 500 respondents 360 respondents are regularly invest in mutual fund and 140 respondents are not regular to invest in mutual fund. Investing in mutual funds is an excellent way to diversify investments across various assets and securities like debt, equity, gold, etc. The strategy spreads the risk to minimize the loss. In case the value of one investment decreases, other assets may perform well to compensate for the loss.

Table 5.2 Which way of investment in mutual fund you select?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lump-sum	212	42.4	42.4	42.4
	Systematic investment plan	288	57.6	57.6	100.0
	Total	500	100.0	100.0	

Source: Data compiled from the field survey

Table 5.2 indicates that Out of 500 respondents 212 respondent are invest in lump-sum payment and 288 respondents are investing in systematic investment plan. Majority respondents are choosing systematic investment plan for invest money. Depending upon why you are investing, you will know how to choose the best mutual funds to select the mutual fund type. It can be a debt mutual fund, equity mutual fund, or hybrid mutual fund. For example, for some investors, the main investment objective is to gain capital appreciation on their investments.

Table 5.3 Which are the primary sources of your knowledge about mutual funds as an investment option?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Television	54	10.8	10.8	10.8
	Internet	186	37.2	37.2	48.0
	Newspaper/journals	124	24.8	24.8	72.8
	Friends/relatives	102	20.4	20.4	93.2

	Sales representatives	34	6.8	6.8	100.0
	Total	500	100.0	100.0	

Source: Data compiled from the field survey

Table 5.3 indicates that Out of 500 respondents 54 respondent primary source of knowledge are television, 186 respondents primary source of knowledge are internet, 124 respondents primary source of knowledge are newspaper/journals, 102 respondents primary source of knowledge are friends/relatives, 34 respondents primary source of knowledge are sales representatives. Majority respondents are primary source is internet. he main sources of funding are retained earnings, debt capital, and equity capital. Companies use retained earnings from business operations to expand or distribute dividends to their shareholders. Businesses raise funds by borrowing debt privately from a bank or by going public (issuing debt securities).

Table 5.4 Where do you find yourself as a mutual fund investor?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	partial knowledge of mutual funds	146	29.2	29.2	29.2
	aware only of any specific scheme in which you invested	260	52.0	52.0	81.2
	fully aware	94	18.8	18.8	100.0
	Total	500	100.0	100.0	

Source: Data compiled from the field survey

Table 5.4 indicates that out of 250 respondents 73 respondents are find yourself as a partial knowledge of mutual fund, 130 respondents are find yourself as a aware only of any specific scheme and 47 respondents are fully aware. A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds.

Table 5.5 By structure in which type of scheme did you invested?

Frequency		Percent	Valid Percent	Cumulative Percent
Valid	open-ended fund	156	31.2	31.2
	close-ended fund	236	47.2	78.4
	interval schemes	108	21.6	100.0
	Total	500	100.0	100.0

Source: Data compiled from the field survey

Table 5.5 indicates that out of total 250 respondents 78 respondent are invest in open- ended fund, 118 respondents are investing in close-ended fund, and 54 respondents are investing in interval scheme. Majority respondent are investing in close ended fund. here are several types of mutual funds available for investment, though most mutual funds fall into one of four main categories which include stock funds, money market funds, bond funds, and target-date funds.

Table 5.6 By investment objective in which type of schemes have you invested?



Frequency		Percent	Valid Percent	Cumulative Percent
Valid	growth schemes	132	26.4	26.4
	income schemes	256	51.2	77.6
	Balanced schemes	112	22.4	100.0
	Total	500	100.0	100.0

Source: Data compiled from the field survey

Table 5.6 indicates that out of total 250 respondents 66 respondent are invest in growth scheme, 128 respondents are investing in income scheme, and 56 respondents are investing in balanced scheme. Majority respondent are investing in income scheme. Is SIP safe for investment? SIP is one of the safest investment methods in mutual funds, and investing the lump sum amount instead of SIP may lead to paying higher based on market conditions. It depends but comparing with all the investment schemes, SIP is one of the high-returning and low-risk investments.

Table 5.7 What percentage of your earnings do you invest in mutual funds?

Frequency		Percent	Valid Percent	Cumulative Percent
Valid	Upto 10%	96	19.2	19.2
	Upto 25%	224	44.8	64.0
	Upto 50%	130	26.0	90.0

	Above 50%	50	10.0	10.0	100.0
	Total	500	100.0	100.0	

Source: Data compiled from the field survey

Table 5.7 indicates that out of total 250 respondents, 48 respondents are investing upto 10% of his income, 112 respondents are investing upto 25% of his income, 65 respondent are invest upto 50% of his income, and 25 respondents are invest above 50% of his income. Although that percentage can vary depending on your income, savings, and debts. “Ideally, you'll invest somewhere around 15%–25% of your post-tax income,” says Mark Henry, founder and CEO at Alloy Wealth Management. “If you need to start smaller and work your way up to that goal, that's fine.

Table 5.8 According to you what is the average return from mutual fund?

Frequency		Percent	Valid Percent	Cumulative Percent
Valid	10-20%	78	15.6	15.6
	20-30%	106	21.2	36.8
	30-40%	176	35.2	72.0
	40-50%	92	18.4	90.4
	more than 50%	48	9.6	100.0
	Total	500	100.0	100.0

Source: Data compiled from the field survey

Table 5.8 indicates that out of total 250 respondents, 39 respondent are get 10-20% of average return from mutual fund investment, 53 respondent are get 20-30% of average return, 88 respondent are get 30-40% of average return, 46 respondent are get 40-50% of average return, 24 respondent are get more than 50% of average return. The large-cap category of funds have given an average annualized return of 12.5% over the last 5 years. Large cap mutual funds invest in stocks having a large market share.

Table 5.9 What is your investment horizon?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 year	58	11.6	11.6	11.6
	2 year	124	24.8	24.8	36.4
	3 year	178	35.6	35.6	72.0
	4 year	56	11.2	11.2	83.2
	more than 4	84	16.8	16.8	100.0
	Total	500	100.0	100.0	

Source: Data compiled from the field survey

Table 5.9 indicates that out of total 250 respondents, 29 respondent time horizon of investment is 1 year, 62 respondent time horizon of investment is 2 year, 89 respondent time horizon of investment is 3 year, 28 respondent time horizon of investment is 4 year, 42 respondent time horizon of investment is more than 4 year.

Table 5.10 showing on what kind of investment options respondents prefer

INVESTMENT AVENUES	NUMBER OF RESPONDENT	PERCENTAGES %
Fixed Deposits	80	16%
Mutual Fund	275	55%
Insurance	100	20%
Others	45	09%
TOTAL	500	100

Source: Data compiled from the field survey

The above table 5.10 shows that out of 500 respondents 16% of respondents are interested to invest in Deposits, 55% of the respondents are interested in Mutual Funds, only 20% of the respondents are interested in Insurance and 09% of people are interested in other schemes.

The above graph shows that higher percentage of respondents are interested in investing mutual fund schemes because, which give less return hence few respondents concentrate on deposits and insurance. And more respondents are concentrating on Mutual fund, very few respondents willing to invest in other schemes due to high level of risk hence it shows a significant growth in the Mutual fund.

Table:5.11 Showing on why respondents prefer the investment avenue

Reason for the above investment Avenue	NUMBER OF RESPONDENT	PERCENTAGE %
Less risk	225	45%
Good returns	175	35%
Liquidity	25	05%
Assured returns	75	15%
Total	500	100%

Source: Data compiled from the field survey

The above table 5.11 shows that out of 500 respondents 45% of respondents are investing

because of less risk, 35% of the respondents are investing for the sake of good returns, only 05 % of the respondents are investing because of liquidity and 15% of peoples are investing due to assured returns in their particular avenues.

From the above chart in be interpreted that higher percentage of respondents are interested in investing less risky mutual fund schemes because of less risk, and minor percentage of the respondents are interested in investing liquidity mutual fund schemes for the sake of safety.

Table:5.12 showing current investment portfolio:

Current portfolio	NUMBER OF RESPONDENTS	PERCENTAGE'S %
Govt. securities and Bonds	150	30%
Mutual funds & fixed deposits	260	52%
Equity	065	13%
Other options	025	05%
Total	500	100%

Source: Data compiled from the field survey

The above table5.12 shows that 52% of mutual fund & fixed deposits respondents received good return in equity and 30% of Govt securities and bonds respondents are not received good return in equity 13%. So the opinion of the customers relating to the company is good. The company as to give more importance to satisfaction of the customers.

From the above chart shows that higher percentage of respondents are interested in investing in less risky mutual fund schemes because of mutual fund fixed deposits, and minor percentage of the respondents are interested in investing other options mutual fund schemes for the sake of safety.

Table:5.13 Showing on the awareness of mutual funds.

AWARENES OF MUTUAL FUND	NUMBEROF RESPONDENT	PERCENTAGES %
Yes	425	85%
No	075	15%
Total	500	100

Source: Data compiled from the field survey

From the above table 5.13 showing mutual fund awareness of the respondents out of 100%. Most of them are known about the mutual Fund, 85% of the respondents are having knowledge about mutual fund only few people are not aware of mutual Fund i.e. only 15%.

From the above chart showing Mutual Fund awareness of the respondents while conducting survey was choosing most of the post graduate and graduate since all those people having good knowledge of mutual fund. Hence chart shows majority of the respondents are having aware of mutual fund and remaining respondents are not aware of mutual funds.

Table:5.14 Showing on investor ready to proportion of amount invest in mutualfund.

PROPORTION	OF	NUMBER OF RESPONDENT	PERCENTAGE“S %
CASH			
5000- 10000		350	70%
10001-15000		115	23%
15001-20000		025	5%
20000-21000		010	2%
TOTAL		500	100

Source: Data compiled from the field survey

The above table5.14 shows that out of 500 respondents 70% of the respondents are interested to invest amount ranging from 5000-10000 of their income. 23% of respondent interested to invest amount ranging from 10001-15000, 5% of the respondents are interested to invest ranging from 15001-20000, and finally only 2% of the respondents are interest to invest above 20001/-.

From the above chart showing a graph shows maximum that is 70 respondents are interested to invest the amount ranging from 5000-10000, And some others are interested ranging from 10001-15000, and very few i.e. 5 the respondents are interest to invest ranging from 15001-20000, and finally 2 the respondents are interest to invest above 20001/-.

Table:5.15 showing respondent’s interest to the area investor in mutual fund.

INVESTMENT	NUMBER OF RESPONDENT	PERCENTAGES %
Yes	340	68%
No	160	32%
Total	500	100

Source: Data compiled from the field survey

The above table 5.15 shows that out of 500 respondents 68% of the respondents are invested in various mutual fund schemes, only 32% of the respondents have not made their investment in mutual funds.

From the above graph shows maximum that is majority of respondents are interested to invest the amount interest to the area investor in mutual fund and some others are interested in mutual fund, and very higher of the respondents are interest to invest. Very few of the respondents are interest to invest in mutual fund.

Table:5.16 Showing on Investors opinion of open ended and close ended scheme.

SCHEME	NUMBER OF RESPONDENT	PERCENTAGES %
Open ended	240	48%
Close ended	020	4%
Both	240	48%
TOTAL	500	100

Source: Data compiled from the field survey

The above table 5.16 shows that out of 500 respondents 48% of the respondents prefer open-ended type of Mutual Fund scheme, 4% of the respondents are prefer close-ended Mutual Fund scheme and 48% of respondents are prefer both open-ended and close-ended scheme.

From the above graph shows maximum that is majority of respondents are interested to Investors opinion of open ended and close ended scheme and some others are interested in mutual fund, very higher of the respondents are interest to invest. But very few people are concentrating on only close-ended scheme. It shows open-ended scheme of investment is liquidity and it helps to the investor to invest easily.

Table:5.17 showing on schemes preferred by the investors:

SCHEME	NUMBER OF RESPONDENT	PERCENTAGES %
Equity	180	36%
Debt	120	24%
Balanced	200	40%
TOTAL	500	100

Source: Data compiled from the field survey

The above table 5.17 shows that out of 500 respondents 36% of the respondents prefer Equity type of scheme, 24% of the respondents are prefer Debt scheme and 40% of respondents are prefer Balanced scheme.

From the above chart showing It is clear from the out of 500 respondents 36 the respondents prefer Equity type of scheme, 24 the respondents are preferring Debt scheme and 40 of respondents are prefer Balanced scheme.

Table:5.18 showing on while buying a mutual fund.

SCHEME	NUMBER OF RESPONDENT	PERCENTAGES %
YES	450	90%
NO	050	10%
TOTAL	500	100

Source: Data compiled from the field survey

The above table5.18 shows that out of 500 respondents for making an investment 90% of the respondents prefer the brand name to invest, only 10% of the respondents do not prefer brand name for making an investment.

From the above chart showing high 90 by respondents prefer brand name by denoted buying decision mutual fund and equity share prefer more and more brand it is level 10 of the respondent’s mutual funds I have to discuss about mutual currier growth. Brand which is acquired good brand investor.



Table:5.19 showing on Number of investor contact while investing.

PARTICULAR	NUMBER OF RESPONDENT	PERCENTAGES %
Personal Banker	90	18%
Online Trader	165	33%
Stock Broker	110	22%
Deals directly	135	27%
TOTAL	500	100

Source: Data compiled from the field survey

From the above table5.19 showing investors response for while deals with Mutual Fund out of 500 people 18% of the respondent are deals through personal banker, 33% of the respondents are deals through online trading, 22% are deals through stock brokers and 27% people are deals directly.

From the above showing investors response for dealings with Mutual Funds chart showing 33 the respondents are deals through stock brokers, 27 of respondents are deals through personal banker, 22 of the investors are deals directly and 18 people choose online trading. It shows most of the respondents are choose stock brokers because more secure and stock broker are keep providing the information about present market conditions it helps to investors.

H0: There is no significant impact of demographic factors on selection of mutual fund investment options of private and public sectors banks

Table:5.20 showing on Number of investor deals with different scheme.

SCHEMES	NUMBER OF RESPONDENT	PERCENTAGES %
SBI	180	36%
HDFC	055	11%
RELIANCE	165	33%
Others	100	20%
TOTAL	500	100

Source: Data compiled from the field survey

Table 5.20 showing the different scheme of Mutual Fund out 500 respondents 36% of the investor choose SBI Mutual Fund, and 33% are choose Reliance mutual funds, 20% of the respondents are choose Others MF, and 11% of the investors are choose HDFC.

From the above chart clearly showing most of the investors are preferred to invested in SBI Mutual Fund i.e. 36, And 33 of the investor are prefer to invest in RELIANCE Mutual Fund. 20 of the respondents prefer other Mutual Fund. And finally 11 of the respondents are concentrate on HDFC Mutual Funds when we analyze these data it shows more number of investor are preferring to invest SBI and RELIANCE because it shows Brand Name as well as good returns and liquidity.

Table:5.21 showing on Trade Option Preferred by investor

Trade option	No. of Respondents	Percentage
Short term	80	16%
Medium term	190	38%
Long term	230	46%
TOTAL	500	100

Source: Data compiled from the field survey

Table 5.21 it is provide that out of 100 respondents. 46% of respondents are long term investor, 38% of the respondent is medium term investor, and finally 16% of respondent are short term investor.

From the above chart shows that most of the respondents are long term investor i.e. 46, and 38th respondents are medium term investors and only few i.e. 16 are short term investor.

Table:5.22 showing on Objective behind trading in Mutual Fund.

OBJECTIVE	NUMBER OF RESPONDENT	PERCENTAGE %
For diversified the portfolio	140	28%
For Higher return	180	36%

Monthly Income	080	16%
Tax Benefit	100	20%
TOTAL	500	100

Source: Data compiled from the field survey

Table 5.22 shows why investors are trade or choose mutual fund as a best scheme of investment out of respondents. 36% respondents are preferring to mutual fund for high return, 28% of the respondents are prefer mutual fund for diversified the income, and 20% of the respondents are prefer for tax benefit and finally 16% of the respondents are prefer for monthly Income.

The investor is choosing mutual fund as a good option of investment. It is clearly showing more number of investor is interested to invest in Mutual Fund because of high return i.e.36. and of investor are prefer to invest in Mutual Fund for diversified the portfolio of their income, 20 of the respondents prefer for tax benefit. And finally 16 of the respondents are choosing Mutual fund because of monthly income.

**Findings and Suggestions:**

It can be concluding that the mutual fund is still in infant stage. The growth is still vast. Since Indian investors are very sensitive towards investing in high risk funds. Investment in mutual funds is still not reached into the hands of all investors. Most of the investors are not having a clear picture of the mutual fund’s benefits. But this trend is slowing down in a gradual process.

More and more investors are showing much interest towards the mutual funds the coming year are going to be ruled by the mutual funds.

While investing your money, how this factors affect your decision? (strongly disagree, disagree, neutral, agree, strongly agree).

Liquidity
High return
Professional management
Diversification
Brand image
Risk
Safety

The investor can specify which of the investment strategies fits his/her personality, circumstances and investment goals. One of these strategies might, for example, include a method that focuses on acquiring growth stocks (shares with growing capital). He/she might also adopt another strategy that aims to preserve the capital by focusing on low risk investments. No matter what strategy the investor chooses, it should be consistent with his/her investment objectives such as retirement, buying a house, paying tuition, etc... a good example is if the investor is twenty years old and invests for retirement, he/ she would prefer a more open strategy with higher risks compared to an investor in his/her fifties investing for retirement where his/her strategy would be more conservative.

Individual investments behaviour is concerned with choices about purchases of small amounts of securities for his or her own account. Investment decisions are often supported by decision tools. It is assumed that information structure and the factors in the market systematically influence individuals' investment decisions as well as market outcomes. The researcher confirmed that there seems to be a certain degree of correlation between the factors that behavioral finance theory and previous empirical evidence identify as the for the average equity investor. The researcher found out that the most important factors that influence individual investment decisions were: reputation of the firm, firm's status in industry, expected corporate earnings, profit and condition of statement, past performance firms stock, price per share, feeling on the economy and expected dividend by investors.

To determine whether the factors related to self-image/firm image coin-incident have an effect on the behaviour of the individual investor.

To determine whether the factors related to accounting information have an effect on the behaviour of the individual investor.

To determine whether the factors related to neutral information have an effect on the behaviour of the individual investor.

To determine whether the factors related to advocate recommendation have an effect on the behaviour of the individual investor.

To determine whether the factors related to personal financial needs have an effect on the behaviour of the individual investor.

This study used survey research design and made attempts to collect data from randomly selected

respondents by asking individuals about their opinion, attitudes, behavior. This design was suitable for this kind of study because the researcher intended to collect data meant to ascertain facts investment decisions. This kind of research methodology makes use of surveys to solicit investors informed opinion.

**Conclusion:**

Diversification helps to eliminate guessing from the investment decisions. It is known that the increased demand for any shares cannot be predicted which makes asset allocation important. Usually investors cannot identify the companies with good management from the ones with weak management or pinpoint the companies that could have good performance in specific circumstances from those who have poor performance in the same circumstances. By having a diversified investment portfolio, the investment in a good company would overcome the bad consequences for the other weak companies.

Some investors prefer to diversify their investments based on specific indicator such as choosing secondary shares which represent smaller categories within a specific category. For example: to measure the company's size, the shares can be split into smaller groups depending on the total market values. In general, variations in the market values reflect the differences in the expected growth, the price volatility and the possibility of surviving the economic setback. Usually the performance of small, medium and large shares vary periodically were the performance of each category is good in a period and weak in another. Apart from the size of the market values, there are other ways to sort the secondary shares categories including: type of activity, sector, and evaluation.

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