

Comparative analysis of mutual fund with reference to SBI & ICICI with its benchmark

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Abstract: A mutual fund is a trust that pools the savings of a numbers of investors, who shares common financial goals. The most preferable investments for this common man as its offer to opportunities to invest in diversified professionally managed securities of baskets at relatively low costs. The results indicate that a majority of the selected mutual fund scheme managers are not seriously engaged in any market timing activities and are relying mainly on stock selection skills.

Key Words: Mutual Fund, SBI, ICICI and Benchmark.

1. INTRODUCTION:

Mutual fund is great for those who needed to invest their money for future requirements. It is a pools of money that are managed by an investment company, they offers investors a variety of goals on the funds and investments. They professionally managed investments schemes, usually run by an assets management company that brings together a group of people and investing their money in bonds stocks and other securities. A mutual fund is a trust that pools the savings of a numbers of investors, who shares common financial goals. This money was collected then invested in capital markets instruments such as shares, debentures and other securities. The most preferable investments for this common man as its offer to opportunities to invest in diversified professionally managed securities of baskets at relatively low costs. The Mutual Fund Industry in India was started in the year 1963, with the formation of the UTI (unit trust of India). At that time the initiative of the reserve bank of India and government of India. UTI was established on 1963 by an act of parliament.

2. LITERATURE REVIEW:

SATHISHA , K. SAKTHI SRINIVASANB, IN THE YEAR 2016:- Mutual fund is one of the fastest growing sectors in India and it plays significant role in the Indian capital market. The common investors are facing the problem in choosing the suitable product among the multiple institutions offering variety of products and multiple options attached with each product. This research paper is an attempt to evaluate the performance of selected schemes of different mutual funds in India. The sample consists of 20 schemes from the selected asset management companies over a study period of 5 years spanning from January 2010 to December 2014. The performance of selected funds is evaluated by using statistical tools like average rate of return of funds, standard deviation, beta, correlation, regression analysis and risk adjusted techniques are used by using Sharpe ratio, Treynor ratio and Jensen ratio. Benchmark index has also done for the purpose of analysis.

SHEFALI GUPTA, YEAR 2015:- In this paper the performance evaluation of Indian mutual funds is carried out through relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure, and Fama's measure. The data used is daily closing NAVs. The source of data is website of Association of Mutual Funds in India.

B PHANISWARA RAJU AND K MALLIKARJUNA RAO, IN THE YEAR 2009:- The objective of this paper is to explore the market timing ability of selected Indian mutual fund managers, which is a vital aspect in the success of a mutual fund. In order to measure the market timing ability of the fund managers, two important models, namely Treynor and Mazuy and Henriksson and Merton, have been used with the BSE Sensex and NSE Nifty as market proxies. The results indicate that a majority of the selected mutual fund scheme managers are not seriously engaged in any market timing activities and are relying mainly on stock selection skills.

3. RESEARCH OBJECTIVES:

- To know which plans gives better return within 1 year.
- To compare the performance of selected sectors mutual fund scheme with their benchmark.
- To know the effectiveness of the fund in selected for this bench mark.
- To study change in investment pattern

4. DATA COLLECTION:

Types of Research	Exploratory research
Data Collections Method	Secondary data
Statistical Tools	T – test.
Data Collection Instruments	Moneycontrol.com, NSE.in, BSC.in
Sample Techniques	Convenient sampling
Time Duration For this Research	5 year
Sample Units	A. SBI small cap fund B. SBI banking and PSU fund C. SBI large and mid cap fund D. SBI bank and PSU fund growth E. SBI small cap fund A. ICICI prudential liquid fund B. ICICI prudential multi asset fund C. ICICI prudential large and mid cap fund D. ICICI FMCG fund E. ICICI prudential passive strategy return

Statement of Hypothesis:

H0: There Is No Significance Difference between The Mutual Fund Return scheme And Its Benchmark Return.

H1: There Is Significance Difference Between The Mutual Fund Scheme And Its Benchmark Return.

RESULT OF T-TEST CALCULATION OF SELECTED MUTUAL FUND SCHEMES:

Mutual fund scheme	Benchmark	t-Calculated value	t- Tabulated value	Result
SBI small cap fund	S&P,BSE small cap	1.610097	2.306004	Null accepted
SBI banking and PSU fund	CRICIL 10 year gilt fund-	1.050548	2.306004	Null accepted
SBI large & midcap fund	NIFTY 50	0.910205	2.306004	Null accepted
SBI banking & PSU fund-growth	CRICIL 10 year gilt fund	0.749433	2.306004	Null accepted
SBI small cap fund	BSE small cap S&P	1.861367	2.306004	Null accepted
ICICI prudential liquid fund	10 years guilt index	1.833489	2.306004	Null accepted
ICICI prudential multi asset fund-dividend	NIFTY 50	5.121143944	2.306004133	Alternative accepted
ICICI prudential large and mid cap fund – growth	NIFTY 50	-1.61746	2.306004	Null accepted
ICICI prudential FMCG fund – growth	NIFTY 50	0.335935	2.306004	Null accepted
ICICI prudential long term bond fund – growth	CRICIL 10 year gilt fund	0.991544	2.306004	Null accepted

5. LIMITATIONS:

- This research only 5 selected scheme under this benchmark return.
- This research can be done inside restricted determine time term so this isn't prudent time for this research.
- This research will be constrained to the learning of the analyst.
- All the parameters may not been taken.

6. FINDINGS:

- We have find SBI & ICICI scheme we are compared also with this benchmark.

- From each company we have taken 5 schemes and its bench marks.
- Every scheme is having a different price and different benefits with compared to other schemes.

7. CONCLUSION:

To conclude, we can say that mutual fund industry now represents perhaps most appropriate opportunities for most of the investors, it is very much profitable tool for investment. Investor needs to require knowledge to invest in mutual fund industry; they also give good return if the market are high likewise if the markets are going down than investor suffer a loss. We can conclude that mutual fund is the best investment tool for investor, as well as to those who wants regular income from their investments. A mutual fund is also better and preferable for those who want their capital appreciation. Both companies are doing considerable achievement in this industry.

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