CONTENTS

Chapter 1	Page No.
INTRODUCTION	01-28
1.1 Introduction	1
1.1.1 Mutual Funds	2
1.1.2 Growth of the Mutual Fund Industry in India	3
1.1.3 Structure of Mutual Funds in India	5
1.1.4 Advantages of Mutual Fund Investment	6
1.1.5 Categorisation of Mutual Fund Schemes by SEBI	8
1.1.6 Net Asset Value (NAV)	9
1.1.7 Behavioural Finance	10
1.1.8 History and Growth of Behavioural Finance	10
1.1.9 Important Contributors	13
1.1.10 Standard Finance versus Behavioural Finance	14
1.1.11 Behavioural Theories	15
1.1.12 Behavioural Bias	16
1.1.13 Investment Decisions	20
1.1.14 Investment Performance	21
1.2 Statement of the Problem	21
1.3 Research questions	23
1.4 Objectives of the Study	23
1.5 Hypotheses of the Study	23
1.6 Scope of the Study	24
1.7 Significance of the Study	24
1.8 Operational Definitions	25
1.9 Limitations of the Study	26
1.10 Structure of the Thesis	27
Chapter 2	
REVIEW OF LITERATURE	29-51
2.1 Introduction	29
2.2 Review of Literature	29
2.2.1 Relationship between the Stock Market and Mutual	29
Funds	
2.2.2 Trend of the Performance of Mutual Funds	35
2.2.3 Behavioural Finance	39
2.2.4 Influence of Behavioural Bias on Investment	47
Performance	
2.3 Research Gap	50
Chapter 3	
RESEARCH METHODOLOGY	52-63

3.1 Introduction	52
3.2 Research Design	52
3.2.1 Source of Data	53
3.2.1.1 Secondary Data	53
3.2.1.2 Primary Data	53
3.2.2 Sampling Design	53
3.2.2.1 Selection of Equity Mutual Funds	53
3.2.2.2 Selection of Equity Mutual Fund Investors	54
3.2.3 Research Instrument	56
3.2.4 Variables used for the study	56
3.2.5 Reliability Analysis	57
3.2.6 Normality Analysis	58
3.3 Data Analysis	60
3.3.1 Secondary Data Analysis	60
3.3.2 Primary Data Analysis	62
Chapter 4	
RELATIONSHIP BETWEEN EQUITY MUTUAL FUNDS AND	64-86
THE STOCK MARKET IN INDIA	
4.1 Introduction	64
4.2 Data and Methodology	65
4.3 Analysis, Results and Discussion	66
4.3.1 Unit Root Test	66
4.3.2 Selection of Optimal Lag Length	67
4.3.3 Johansen's Co-Integration Test	70
4.3.4 Vector Error Correction Model	73
4.3.5 Granger-Causality Test	78
4.3.6 Variance Decomposition Analysis	79
4.3.7 Impulse Response Analysis	81
4.4 Conclusion	86
Chapter 5	
TREND OF THE PERFORMANCE OF EQUITY MUTUAL	87-120
FUNDS IN INDIA	0.7
5.1 Introduction	87
5.2 Data and Methodology	89
5.3 Analysis, Results and Discussion	90
5.3.1 Trend Analysis	90
5.3.2 Application of Auto Regressive Integrated Moving	92
Average (ARIMA) Modelling in the Performance of	
Equity Mutual Funds in India	6.2
5.3.2.1 Unit Root Test	93

5.3.2.2 ARMA Model Specification	94
5.3.2.3 Analysis of Actual, Fitted and Residual Values	
of ARIMA Models	
5.3.2.4 Forecasting of NAVs of Equity Mutual Funds	116
using ARIMA Model	
5.4 Conclusion	120
Chapter 6	
NATURE AND EXTENT OF BEHAVIOURAL BIAS OF	121-202
EQUITY MUTUAL FUND INVESTORS	
6.1 Introduction	121
6.2 Profile of Sample Investors	122
6.2.1 Gender-wise Classification of Sample Investors	123
6.2.2 Age-wise Classification of Sample Investors	123
6.2.3 Place of Domicile-wise Classification of the Sample	124
Investors	
6.2.4 Marital Status-wise Classification of Sample Investors	124
6.2.5 Education-wise Classification of Sample Investors	125
6.2.6 Occupation-wise Classification of Sample Investors	125
6.2.7 Income-wise Classification of Sample Investors	126
6.2.8 Mutual fund Investment-wise Classification of Sample	126
Investors	
6.2.9 Mutual Fund Investment Mode-wise Classification of	127
Sample Investors	
6.2.10 Investment Experience-wise Classification of Sample	127
Investors	
6.3 Influence of Socio-Economic factors on different types of	131
Behavioural Bias	
6.3.1 Gender-wise Analysis of Behavioural Bias	131
6.3.2 Age-wise Analysis of Behavioural Bias	133
6.3.3 Education-wise Analysis of Behavioural Bias	135
6.3.4 Occupation-wise Analysis of Behavioural Bias	142
6.3.5 Marital Status-wise Analysis of Behavioural Bias	148
6.3.6 Income-wise Analysis of Behavioural Bias	149
6.3.7 Investment Experience-wise Analysis of Behavioural	154
Bias	
6.4 Influence of Socio-Economic factors on different sub-types of	160
Behavioural Bias	
6.4.1 Gender-wise Analysis of Different Sub-Types of	164
Behavioural Bias	
6.4.2 Age-wise Analysis of Different Sub-Types of	167
Behavioural Bias	

6.4.3 Education-wise Analysis of Different Sub-Types of Behavioural Bias	170
6.4.4 Occupation-wise Analysis of Different Sub-Types of	175
Behavioural Bias	170
6.4.5 Marital Status-wise Analysis of Different Sub-Types of	180
Behavioural Bias	
6.4.6 Income-wise Analysis of Different Sub-Types of	184
Behavioural Bias	
6.4.7 Investment Experience-wise Analysis of Different Sub-	188
Types Behavioural Bias	
6.5 Conclusion	192
Chapter 7	
BEHAVIOURAL BIAS AND INVESTMENT PERFORMANCE	203-214
AMONG EQUITY MUTUAL FUND INVESTORS	
7.1 Introduction	203
7.2 Influence of Socio-Economic factors on Investment Performance	205
7.2.1 Gender-wise Analysis of Investment Performance	205
7.2.2 Age-wise Analysis of Investment Performance	206
7.2.3 Education-wise Analysis of Investment Performance	207
7.2.4 Occupation-wise Analysis of Investment Performance	208
7.2.5 Marital Status-wise Analysis of Investment Performance	209
7.2.6 Income-wise Analysis of Investment Performance	209
7.2.7 Investment Experience-wise Analysis of Investment	210
Performance	
7.3 Influence of Behavioural Bias on Investment Performance	211
7.3.1 Influence of Behavioural Bias on Investment	212
Performance	
7.4 Conclusion	213
Chapter 8	
FINDINGS AND CONCLUSION	215-226
8.1 Introduction	215
8.2 Findings of the study	215
8.2.1 Relationship between the stock market and equity mutual	215
funds in India	
8.2.2 Trend of the Performance of Equity Mutual funds in	216
India	
8.2.3 Descriptive Statistics of the Respondents	216
8.2.4 Influence of Socio-Economic factors on different	218
Behavioural Biases	
8.2.5 Influence of behavioural bias of Equity Mutual Fund	224
Investors on their Investment Performance	

8.3 Conclusion	225
Chapter 9	
RECOMMENDATIONS, IMPLICATIONS AND SCOPE FOR	227-230
FURTHER RESEARCH	
9.1 Introduction	227
9.2 Recommendations of the study	227
9.2.1 To the Investors	227
9.2.2 To the Asset Management Companies	228
9.3 Research Implications	229
9.4 Scope for Further Research	230
REFERENCES	231-247
APPENDICES	i-xv