

Name	<b>HOW GOOD ARE MUTUAL FUNDS</b>
Authors	L. C. Gupta, Utpal K Choudhury
Year	2001

## **CONTENTS**

1.       **OBJECTIVE OF STUDY AND METHODOLOGY**  
           Objectives of study  
           Method used  
           The sample  
           Chapter scheme
  
2.       **COMPETITION IN THE INDIAN  
           MUTUAL FUND INDUSTRY**  
           Introduction  
           Actual working of competition  
           The findings  
           Pervasive and vibrant competition  
           Number of schemes held  
           Concluding comments
  
3.       **INVESTORS' PREFERENCES AMONG  
           MUTUAL FUND ORGANISATIONS AND SCHEMES**  
           Introduction  
           Objectives  
           Investors' preferences  
           Limitations of performance measures  
           Subjective judgements  
           Methods used  
           The findings  
           1<sup>st</sup> method: ranking by investors  
           Top ten MF organisations  
           The UTI's big lead  
           2<sup>nd</sup> method: allocation of sum  
           Developments during 1997-2000
  
4.       **A FINER VIEW OF INVESTORS' PREFERENCES  
           AMONG INVESTMENTS**  
           Introduction  
           Need for finer understanding  
           Differences in investors' perceptions

- Explanation of our method
- The findings
  - Safety angle
  - Return angle
  - Equity schemes of MFs
  - Income schemes of MFs
  - US-64
  - Over-all suitability angle
- Concluding comments

5. **A PORTFOLIO GAME: INVESTMENT CHOICES TELL A TALE**

- Object of the game
- Details of the game
- “Popularity ranking” of choices
- Effect of portfolio size restriction
- Important features of portfolio choices
- The choices of shares
- Tailpiece

6. **AN OVERVIEW OF THE MUTUAL FUND INDUSTRY’S DEVELOPMENT**

- Role in savings mobilization
- Rapid growth in early 1990s
- Market penetration
- Slowdown
- The crisis of 1998 in US-64
- More recent situation
- MF industry’s share in financial savings
- The UTI’s position and MF industry structure
- Investors’ reaction to the US-64 crisis
- The come-back of US-64
- Emergence of competitive structure
- Some unhealthy tendencies
  - Implications of high repurchases
  - Malpractices
  - Unitholders take to trading/speculation
- Mutual funds should create value
  - How mutual funds can add value
  - The flexibility of mutual funds