

# ROLE OF MULTIDIMENSIONAL FACTORS IN INVESTING DECISION-MAKING – A STUDY OF KARNAL DIVISION

**Girish Kumar**

Research Scholar,

Department of Economics, Shaheed Mangal Pandey Government Girls Post Graduate College Madhavpuram,  
Meerut Uttar Pradesh

E-mail: [girishagg117@gmail.com](mailto:girishagg117@gmail.com)

**Prof. Rajiv Pandey, Principal (Retd.)**

Govt. Girls Degree College, Kharkhauda (Meerut) U.P.

E-mail: [rajeevp02@gmail.com](mailto:rajeevp02@gmail.com)

---

**Abstract:** In 2020, despite the economic uncertainty after COVID-19, shares, mutual funds, and life insurance investments are significantly increasing. Due to the financial meltdown, businesses and income were heavily affected. Hence, the sudden change in personal financial conditions and favourable working conditions made investors, especially women, seek highly rewarding investment options such as life insurance, mutual funds, and shares with different investment objectives. Further, investors consider different investment objectives while preferring an investment avenue.

A middle-class individual can invest through alternatives such as Post-Office schemes, Shares, Debentures, Bank FDs, Gold, Mutual Funds etc. The present study tried to examine the impact of socio-demographic factors on retail investors' perception towards mutual funds. The study is descriptive research about studying the perception of retail investors about mutual funds. The primary data are collected for the study. The primary data was collected from the Karnal division of Haryana. The purposive sampling was used to collect the data. The data for the study is collected from a sample of 528 persons. Chi-square and crosstab are used to analyse the data. The study presents the results of a Chi-square analysis examining the influence of demographic factors— gender and residential status— on risk appetite and perception of retail investors about mutual funds. Significant *p-values* highlight key areas of agreement or behaviour trends, which are critical for understanding investor sentiment and satisfaction levels.

**Keywords:** Mutual Funds, Finance, Investors, Decisions.

---

## 1.0 Introduction

The prime aim of all economic activities is earning money. The sub aim is to ensure the money earned is safe and growing. It has become more pertinent to ensure the fulfilment of both objectives with the increased level of education and urbanisation. Earlier, only earning money was considered essential, but increased materialism, high inflation, and insecurity about unemployment have forced individuals to think more cautiously about the safety and growth of capital. Individuals, especially the middle class, look for ways to safeguard and grow their hard-earned money. The resources of the middle class are limited. A slight jerk (e.g., hospitalisation, loss of employment, salary cuts, plot enhancements, school fee enhancements, failure of electronic items at home, etc.) may spoil the whole financial structure in their everyday circumstances. It is hard to earn money but once lost; it is tough to re-earn.

Diversification reduces the risk because all stocks may not move in the same direction in the same proportion simultaneously. Mutual fund issues units to the investors by the quantum of money invested. Investors of mutual funds are known as unitholders. These are known as sectoral funds. Despite being available in the market, less than 6% of Indian households have invested in mutual funds.

## 2.0 Objective

The objective of the present study is to examine the role of multidimensional factors in investing decision-making.

### 3.0 Research Design

The study is descriptive research about studying the perception of retail investors about mutual funds. The primary data was collected from the Karnal division of Haryana. Purposive sampling was used to collect the data for the present study. The data for the study is collected from a sample of 528 persons. The questionnaire is divided into parts focusing on risk aversion, satisfaction with the performance of MF investment, satisfaction with services provided by MF companies etc.

### 4.0 Literature Review

A review of literature is a must to examine the relevant literary works of the past. It works as a guiding force in further research. Keeping in mind the research topic, relevant research studies are examined. The researchers in the Indian context have explored the significance of a wide range of investment factors affecting investor preferences.

**Balamani P. (2014)** in the study explained various types of mutual funds with their various features, the pros and cons of different schemes and the evaluation of mutual fund investments. This helped the investors in many ways like the selection process to determine long and short-term investment tools. This study was mainly based on secondary data, various statistical tools such as mean, standard deviation, coefficient of variation, compound annual growth rate, regression and f-test were used for the analysis. The study concluded that investors should compare the risks and expect yields after the adjustment of tax on various instruments while making investment decisions.

**Subbalakshmi A.V.V.S. and Balachandar R. (2017)** focused their attention on several factors that highlighted investors' perceptions and also the reasons for their discontentment with investing in Mutual Funds. They also examined why equity options and SIP mode of investment are not on the top priority in investors' lists. A sampling size of 100 individual investors of Vellore District was used by adopting Random Sampling. The study suggested that Mutual Fund Asset Management Companies must guide the investor properly and diligently by being middleman-like advisors to raise awareness. The study concluded that there were still more people who lacked awareness of the Mutual Fund schemes so the investors needed to be educated and motivated about the MFs and investing in them.

**Mishra (2019)** concluded that gender is not an investment criterion while investing in mutual funds; people aged between 25-50 years of age are more likely to invest in mutual funds; people who are educated are more likely to invest in mutual funds as they have more knowledge about it. He also observed that print and electronic media are the most popular medium for the promotion of mutual funds. One of the major findings indicated that people who have invested in mutual funds are satisfied but a large section of investors are still dissatisfied. The reason for their dissatisfaction is poor after-sales service.

**Bharadwaj and Saxena (2020)** have undertaken a study of Investors' choices for investment Avenues supported by their Risk and Come Profile. The study has been conducted among sixty investors in Uttar Pradesh, revealed in the International Journal of Advanced Science and Technology. The sampling technique adopted was convenient sampling. The info was analyzed mistreatment Chi-square take a look at. The study concludes that the urban centre folks choose to make their investment choices by themselves. While creating the investment choices they area unit considering the associated approach of risk and come. The study provides associate insight that there is still a lot to do in terms of money and investment attainment and awareness among capitalists.

The literature shows that investment objectives vary significantly from investor to investor, depending on demographic factors. There is no study in the previous which is related to the Karnal division of Haryana. So, the present study is conducted.

### 5.0 Methodology

Chi-square is the most frequently used test developed by Karl Pearson in 1900. It is used to evaluate the significance of population variance in the case of categorical data. It is used to assess the significance of association between two attributes and to test the homogeneity. But it does not show its positivity or negativity association. Symbolically, chi-square is denoted as  $\chi^2$  (chi-square). The Chi-square test compares the observed frequencies in the data table with expected frequencies under the assumption that the null hypothesis is true. By using SPSS, chi-square values are calculated and data is arranged in tabulated form.

### 6.0 Results

After calculating and arranging the data, the results are interpreted which are given below:

**Table 1: Are You Risk-Averse When It Comes To Investments?**

Residential Status				Are you risk-averse when it comes to investments?		
				Yes	No	Total
Rural	Gender	Male	Count	108	33	141
			% of Total	40.0%	12.2%	52.2%
	Female	Count	102	27	129	
		% of Total	37.8%	10.0%	47.8%	
	Total		Count	210	60	270
			% of Total	77.8%	22.2%	100.0%
Urban	Gender	Male	Count	114	18	132
			% of Total	44.2%	7.0%	51.2%
	Female	Count	87	39	126	
		% of Total	33.7%	15.1%	48.8%	
	Total		Count	201	57	258
			% of Total	77.9%	22.1%	100.0%
Total	Gender	Male	Count	222	51	273
			% of Total	42.0%	9.7%	51.7%
	Female	Count	189	66	255	
		% of Total	35.8%	12.5%	48.3%	
	Total		Count	411	117	528
			% of Total	77.8%	22.2%	100.0%

In Table 1, the analysis examines investment risk aversion based on residential status (rural vs. urban) and gender. Overall, 77.8% of respondents are risk-averse, with nearly identical proportions in rural (77.8%) and urban (77.9%) areas, suggesting that residential status has little impact on risk preferences. Gender-wise, males (42.0%) exhibit higher risk aversion than females (35.8%). In rural areas, risk aversion is slightly higher among males (40.0%) than females (37.8%), whereas in urban areas, males (44.2%) are more risk-averse than females (33.7%). The data indicates a statistically significant relationship between residential status and risk aversion, as the p-value is below 0.05. This suggests that although the difference is small, residential status does have an impact on investment risk attitudes. Overall, while gender differences are apparent, the influence of residential status on risk aversion is statistically significant but not substantially large.

**Table 2: Are You Able To Read Mutual Fund Scheme-Related Documents?**

Residential Status				Are you able to read mutual fund scheme-related documents?			
				Yes	No	Can't say	Total
Total	Gender	Male	Count	8	90	175	273
			% of Total	1.5%	17.0%	33.1%	51.7%
	Female	Count	6	69	180	255	
		% of Total	1.1%	13.1%	34.1%	48.3%	
	Total		Count	14	159	355	528
			% of Total	2.7%	30.1%	67.2%	100.0%

In Table 2, the data examines individuals' ability to read mutual fund scheme-related documents based on residential status (rural vs. urban) and gender. Overall, only 2.7% of respondents can read such documents, while 30.1% cannot, and 67.2% are unsure. In rural areas, a higher percentage of males (10.0%) report being able to read these documents compared to females (3.3%), whereas urban respondents show lower overall readability, with 5.4% stating they can read the documents. The majority of respondents, both rural and urban, fall into the

"Can't say" category, indicating a lack of financial literacy or uncertainty about their ability to comprehend such documents. The chi-square test ( $\chi^2 = 2.519$ ,  $p = 0.284$ ) suggests that the relationship between residential status and document readability is not statistically significant ( $p > 0.05$ ), implying that financial literacy challenges persist regardless of rural or urban residency. Financial awareness programs can help address this gap.

**Table 3: Which mode do you use for investing in mutual funds?**

Residential Status				Which mode do you use for investing in mutual funds?				Total
				Financial Advisor	Direct/online	Both	NA	
Total	Gender	Male	Count	21	3	0	249	273
			% of Total	4.0%	.6%	0.0%	47.2%	51.7%
	Female	Count	0	6	6	243	255	
		% of Total	0.0%	1.1%	1.1%	46.0%	48.3%	
	Total		Count	21	9	6	492	528
			% of Total	4.0%	1.7%	1.1%	93.2%	100.0%

In Table 3, the data explores the mode of investment in mutual funds based on residential status (rural vs. urban) and gender. A vast majority (93.2%) of respondents do not invest in mutual funds (NA category), highlighting a low investment participation rate. Among those who invest, 4.0% rely on financial advisors, 1.7% invest directly/online, and 1.1% use both methods. In rural areas, investment participation is extremely low, with only 1.1% consulting financial advisors and no one using online platforms. Urban males show a higher preference for financial advisors (7.0%), while some urban females use direct/online methods (2.3%) or both (2.3%). The chi-square test ( $\chi^2 = 27.491$ ,  $p = 0.000$ ) indicates a statistically significant relationship between residential status and mode of investment. This suggests that urban individuals have higher investment participation and prefer diverse investment channels, whereas rural populations lack awareness or access to mutual fund investments.

**Table 4: Are you satisfied with the performance of your mutual funds' investments?**

Residential Status				Are you satisfied with the performance of your mutual funds' investments?		Total
				Yes	NA	
Rural	Gender	Male	Count	3	138	141
			% of Total	1.1%	51.1%	52.2%
	Female	Count	0	129	129	
		% of Total	0.0%	47.8%	47.8%	
	Total		Count	3	267	270
			% of Total	1.1%	98.9%	100.0%
Urban	Gender	Male	Count	21	111	132
			% of Total	8.1%	43.0%	51.2%
	Female	Count	12	114	126	
		% of Total	4.7%	44.2%	48.8%	
	Total		Count	33	225	258
			% of Total	12.8%	87.2%	100.0%
Total	Gender	Male	Count	24	249	273
			% of Total	4.5%	47.2%	51.7%
	Female	Count	12	243	255	
		% of Total	2.3%	46.0%	48.3%	
	Total		Count	36	492	528

		% of Total	6.8%	93.2%	100.0%
--	--	------------	------	-------	--------

In Table 4, the data examines satisfaction with mutual fund performance based on residential status and gender. A significant 93.2% of respondents did not invest in mutual funds (NA category), reinforcing the low penetration of mutual fund investments. Among those who invested, only 6.8% expressed satisfaction, with urban males (8.1%) and urban females (4.7%) showing relatively higher satisfaction rates than their rural counterparts. In rural areas, almost no respondents reported satisfaction, indicating either a lack of awareness or lower access to financial markets. The chi-square test does not report a significance value, but the trends suggest that urban residents are more engaged in mutual fund investments and more likely to report satisfaction. The findings highlight a need for financial literacy programs in rural areas, as well as initiatives to improve trust and accessibility in mutual fund investments. The overall low satisfaction levels indicate that even among investors, performance expectations may not be fully met.

**Table 5: Digital payment system made the MF investment process easy (OPINION)**

Residential Status				[Digital payment system made MF investment process easy]						Total
				Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Don't know	
Total	Gender	Male	Count	23	43	6	5	0	196	273
			% of Total	4.4%	8.1%	1.1%	.9%	0.0%	37.1%	51.7%
	Female	Count	20	30	18	3	7	177	255	
		% of Total	3.8%	5.7%	3.4%	.6%	1.3%	33.5%	48.3%	
Total		Count	43	73	24	8	7	373	528	
		% of Total	8.1%	13.8%	4.5%	1.5%	1.3%	70.6%	100.0%	

In Table 5, the data examines perceptions of whether the digital payment system has made mutual fund (MF) investment easier, segmented by residential status and gender. A large proportion (70.6%) of respondents selected 'Don't Know', indicating limited awareness or experience with digital MF investments. This trend is more pronounced in rural areas, where 86.7% of respondents selected 'Don't Know,' compared to 53.9% in urban areas. Positive perceptions (Strongly Agree + Agree) are significantly higher in urban areas (38%) than in rural areas (6.6%), reflecting greater exposure and accessibility to digital financial tools. The chi-square test ( $p = 0.006$ ) indicates a statistically significant association between residential status and perception of digital payments, suggesting that urban respondents are more likely to find digital payments beneficial. This highlights the need for digital financial literacy programs in rural areas to enhance MF participation and confidence in online investment platforms, ultimately improving financial inclusion.

**Table 6: Money is safe while making digital payments (OPINION)**

Residential Status				[Money is safe while making digital payments]						Total
				Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Don't know	
Total	Gender	Male	Count	12	7	24	6	16	208	273
			% of Total	2.3%	1.3%	4.5%	1.1%	3.0%	39.4%	51.7%
	Female	Count	8	16	27	6	41	157	255	
		% of Total	1.5%	3.0%	5.1%	1.1%	7.8%	29.7%	48.3%	
Total		Count	20	23	51	12	57	365	528	
		% of Total	3.8%	4.4%	9.7%	2.3%	10.8%	69.1%	100.0%	

In Table 6, the data assesses perceptions of safety in digital payments based on residential status and gender. A majority (69.1%) of respondents selected 'Don't Know', indicating uncertainty or lack of experience with digital

payment security. This uncertainty is higher in rural areas (80.4%) than in urban areas (57.4%), suggesting limited exposure to digital transactions in rural populations. Security concerns are more pronounced in urban females, where 13.6% strongly disagree that digital payments are safe, compared to 5.2% in rural areas. However, positive perceptions (Strongly Agree + Agree) are more prevalent in urban areas (12%) compared to rural areas (4.4%), reflecting greater digital familiarity. The chi-square test ( $p = 0.001$ ) indicates a statistically significant relationship between residential status and perceptions of digital payment security, emphasizing the need for awareness programs to improve digital financial confidence, particularly among rural and female users, to enhance financial inclusion and trust in digital transactions.

**Table 7: E-Kyc Has Been Simplified With The Use Of Digitalization (OPINION)**

Residential Status				[e-KYC has been simplified with the use of digitalization]						Total
				Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Don't know	
Gender	Male	Count	12	5	15	4	2	235	273	
		% of Total	2.3%	.9%	2.8%	.8%	.4%	44.5%	51.7%	
	Female	Count	5	10	15	5	0	220	255	
		% of Total	.9%	1.9%	2.8%	.9%	0.0%	41.7%	48.3%	
	Total		Count	17	15	30	9	2	455	528
			% of Total	3.2%	2.8%	5.7%	1.7%	.4%	86.2%	100.0%

In Table 7, the data evaluates perceptions of e-KYC simplification through digitalization based on residential status and gender. A majority (86.2%) of respondents selected 'Don't Know', indicating low awareness or experience with digital KYC processes. This percentage is higher in rural areas (91.9%) compared to urban areas (80.2%), suggesting that rural populations are less exposed to digital identity verification methods. Positive perceptions (Strongly Agree + Agree) are more common in urban areas (10.8%) compared to rural areas (1.5%), reflecting greater digital adoption and familiarity among urban respondents. The chi-square test ( $p = 0.256$ ) shows no significant association between residential status and perceptions of e-KYC simplification, implying that awareness gaps exist across both rural and urban respondents. These findings highlight the need for financial literacy initiatives to enhance understanding of digital KYC processes, especially in rural areas, to increase confidence and participation in digital financial services.

**Table 8: Do you feel that the services provided by mutual fund companies are satisfactory?**

Residential Status				Do you feel that the services provided by mutual fund companies are satisfactory?			Total
				Yes	No	Can't say	
Gender	Male	Count	9	58	206	273	
		% of Total	1.7%	11.0%	39.0%	51.7%	
	Female	Count	11	47	197	255	
		% of Total	2.1%	8.9%	37.3%	48.3%	
	Total		Count	20	105	403	528
			% of Total	3.8%	19.9%	76.3%	100.0%

In Table 8, the Chi-Square test was performed to assess whether there is a significant relationship between residential status (rural vs. urban) and satisfaction with the services provided by mutual fund companies. The test produced a Pearson Chi-Square value of 0.941 with 2 degrees of freedom, yielding an asymptotic significance ( $p$ -

value) of 0.625. Since the p-value is much greater than the 0.05 threshold, we fail to reject the null hypothesis. This indicates that there is no statistically significant difference between rural and urban respondents in terms of their satisfaction with mutual fund services. Both groups show a high percentage of respondents who answered "Can't say," which might suggest uncertainty or lack of sufficient information about the services. The lack of a significant association implies that residential status does not play a crucial role in shaping opinions about mutual fund services.

### **7.0 Suggestions**

Financial awareness programs can help address the rural and urban gap. The findings highlight a need for financial literacy programs in rural areas, as well as initiatives to improve trust and accessibility in mutual fund investments. This highlights the need for digital financial literacy programs in rural areas to enhance MF participation and confidence in online investment platforms, ultimately improving financial inclusion. There is a need for awareness programs to improve digital financial confidence, particularly among rural and female users, to enhance financial inclusion and trust in digital transactions.

### **8.0 Conclusion**

It can be concluded that while gender differences are apparent, the influence of residential status on risk aversion is statistically significant but not substantially large. It suggests that the relationship between residential status and document readability is not statistically significant ( $p > 0.05$ ), implying that financial literacy challenges persist regardless of rural or urban residency. The study suggests that urban individuals have higher investment participation and prefer diverse investment channels, whereas rural populations lack awareness or access to mutual fund investments. The study does not report a significant value, but the trends suggest that urban residents are more engaged in mutual fund investments and more likely to report satisfaction. The study further indicates a statistically significant association between residential status and perception of digital payments, suggesting that urban respondents are more likely to find digital payments beneficial. The study indicates a statistically significant relationship between residential status and perceptions of digital payment security. These findings highlight the need for financial literacy initiatives to enhance understanding of digital KYC processes. The study indicates that there is no statistically significant difference between rural and urban respondents in terms of their satisfaction with mutual fund services. This suggests that urban residents may have greater access to information or resources that increase awareness about financial regulators. The difference in awareness is likely influenced by factors such as education, access to financial literacy programs, or exposure to financial media.

### **9.0 References**

- i. Balamani, P. (2014) "Mutual Funds - An Avenue to Investors", *International Research Journal of Agriculture and Rural Development*, Vol. 3(1), 148-161.
- ii. Bhardwaj, S. and Saxena, A. (2020) "Study of Investors Decisions for Investment Avenues based on Their Risk and Return Profile: A Select Study Conducted at Uttar Pradesh". *International Journal of Advanced Science and Technology*, Vol. 29(5).
- iii. Mishra, S. J. (2019) "A study on investor's perception towards mutual funds in the city of Bhubaneswar". *International Journal of Economics and Management Studies*, 61-68.
- iv. Subbalakshmi, A.V.V.S. and Balachandar, R. (2017) "Investors' Attitude Towards Mutual Funds as An Investment Option". Department of Commerce, VIT University, Vellore, India.