Major: FINANCE

Sr. No. ()

FACTORS THAT LEAD TO INVESTMENT IN MUTUAL FUNDS



By:

Muhammad Nauman Arshad

01-222172-065

Supervisor:

SEHAR ZEAST

Department of Management Sciences

Bahria University Islamabad Spring 2019

ACKNOWLEDEMENTS

From the deepest of my heart, I would like to thank Almighty ALLAH for the unconditional love He has shown me throughout my life and strength He has provided me to cope with any challenges that come across in my life. I would like to thank and appreciate the effort of my supervisor Mr. Sehar Zeast who has shown her devotional commitment towards the accomplishment of this dissertation. Her professional guidance, overwhelming attitude and irresistible support has made this dissertation a possibility within limited span of time allowed. I would like to thank my family as I am very grateful for their love and support through every thick and thin phase of my life. My family has been the prime reason behind the success and achievements that I have in my master's degree. I owe a great debt of gratitude to my parents for their continuous support and for being my motivation throughout my life. I would like to appreciate the supporting effort of my graduate friends who has helped me a lot throughout my graduate degree.

ABSTRACT

This study is focused mainly on identifying the impact of factors that lead to investment within mutual funds of Pakistan. This study has selected mutual funds sector of Pakistan and targeted the people who have the experience of making an investment within mutual funds of Pakistan to collect the data to be used within this study. It has been found that consistent returns, higher gains, effective marketing, and management risk (independent variables) have significant impact on the investor satisfaction (dependent variable). Research instrument used within this study for the collection of data from respondents has been the structured questionnaire. Various statistical instruments that are used primarily to analyze the relationship between these variables includes descriptive frequencies, reliability, correlation, regression, ANOVA, coefficient etc. The results interpreted through correlation and regression by the help of SPSS software have shown the significant impact that factors (consistent returns, higher gains, effective marketing, and management risk) has on influencing the investor satisfaction. The findings have explained that factors such as consistent returns, higher gains, effective marketing, and management risk prove highly significant in influencing satisfaction level of investors within mutual funds of Pakistan.

Key Words: Consistent Returns, Higher Gains, Effective Marketing, Management Risk, Investor Satisfaction, etc.

Table of Contents

ACKNOWLEDEMENTS	2
ABSTRACT	3
CHAPTER 1: INTRODUCTION	7
1.1 Background of the Study	7
1.2 Research Gap	9
1.3 Problem Statement	10
1.4 Research Questions	10
1.5 Research Objectives	10
1.6 Research Significance	11
1.7 Definition of Key Terms	11
1.8 Structure of Thesis	12
Summary of the Chapter	13
CHAPTER 2: LITERATURE REVIEW	14
Introduction	14
2.1 Streams of Research	14
2.2 Consistent Returns	14
2.3 Higher Gains	17
2.4 Effective Marketing	21
2.5 Management Risk	23
2.6 Investor Satisfaction	26
2.7 Theoretical Framework Model	31

2.8 Hypothesis	32
Summary of the Chapter	32
CHAPTER 3: METHODOLOGY	33
3.1 Variables of the Study	33
3.2 Type of Investigation	33
3.3 Unit of Analysis	33
3.4 Role of Researcher	33
3.5 Data Collection Technique	34
3.5.1 Sampling Technique	34
3.5.2 Pilot Study	34
3.6 Data Analysis	35
3.7 Reliability and Validity	35
3.7.1 Variables	35
3.7.2 Sampling	35
3.7.3 Instrumentation	35
3.7.4 Procedure	35
CHAPTER 4: ANALYSIS AND FINDINGS	36
4.1 Data Analysis	36
4.1.1 Descriptive Analysis	36
4.1.2 Reliability	37
4.1.3 Correlation	37
4.1.4 Regression Analysis	39

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS	41
5.1 Discussion	41
5.2 Conclusions	42
5.3 Recommendations and Future Research	43
5.4 Limitations	44
BIBLOGRAPHY	45
APPENDIX	48