BROKERS' AND DEALERS' PERCEPTION IN BEAR AND BULL MARKET CONDITIONS : A Case of Mutual Funds

Dr. Sunita Bishnoi*
Associate Professor,
DAV Institute of Management
NH-3, NIT Faridabad, Affiliated with
M D University, Rohtak

Rashmi Bhargava**
Research Scholar, Institute of Management studies and research, MDU Rohtak

ABSTRACT

A Mutual Fund is a financial intermediary that pools the savings of investors for collective investment in a diversified portfolio of securities. Mutual fund invests in a number of companies across various industries, sectors and securities to diversify the risk of the investments. Mutual Funds offer the benefits of increased liquidity, flexibility, tax benefits, transparency and stability to the stock market. In this paper an attempt has been made to know the investors perception through brokers and dealers in general and specifically during different market sentiments. Market sentiment is a subjective measure of how investors are feeling about a security or market. Generally speaking, market sentiments are positive when stock prices are expected to go up and negative when they are expected to go down. Like other investments, Mutual fund investments are also effected by Market sentiments. The present study focuses on the perception of brokers during different market sentiments i.e. bull and bear market conditions. It also attempts to gauge the factors that brokers take into consideration before making any investment in mutual fund as well as the awareness level among individual investors regarding mutual fund investment. The survey has been conducted during April to September 2014. A sample of 100 individual mutual fund brokers and dealers from Delhi and NCR has been surveyed through a pre-tested questionnaire. The collected data was analyzed with the help of the tools such as percentages, frequencies, t test and ANOVA and it was found that the investors behave differently during different market conditions. This study will add value to the body of knowledge in the field of Mutual fund from the point of view of researchers and academicians.

Keywords: Mutual funds , Market sentiments , bull and bear Markets, Primary data, t test and ANOVA

1.0 Introduction

During 1990 a new field known as behavioral finance began to emerge in management science. The foundation of behavioral finance is an area based on an interdisciplinary approach including scholars from social sciences and business schools (Victor Ricciardi and Helen K. Simon, 2000). A Mutual Fund is a financial intermediary that pools the savings of investors for collective investment in a diversified portfolio of securities. Mutual fund invests in a number of companies across various industries, sectors and securities to diversify the risk of the investments. Mutual Funds offer the benefits of increased liquidity, flexibility, tax benefits, transparency and stability to the investors (www.amfiindia.com). Like other investments, Mutual fund investments are also effected by Market sentiments in India. Market sentiment is a subjective measure of how investors are feeling about a security or market. Generally speaking, market sentiments are positive when stock prices are expected to go up and negative when they are expected to go down. Because feelings sometimes change more slowly than a market's underlying fundamentals, market sentiment helps explain why securities have a tendency to become either overvalued or undervalued (www.investorsworld.com). Some investors plan to make investment decisions in a way that disregards market sentiment, while others attempt to profit from it. Number of investment avenues are available for the investors .Some of them are marketable and liquid and others are non marketable, some of them are highly risky while others are almost riskless. The investors have to choose proper avenue among them depending upon his specific need, risk preference and return expected on investment (Geeta and Ramesh, 2011).

"Intermediaries such as broker-dealers, fund supermarkets, and financial advisers are integral to the distribution of mutual funds. Most funds distribute their shares through intermediaries, and most investors' buy and sell fund shares through intermediaries. From intermediaries, investors also receive ongoing fund shareholder services, such as investment advice, investment information, and account information. Some broker-dealers support all of the functions necessary to maintain the most comprehensive relationship with their shareholder client. Under this arrangement, the shareholder has no interaction with the fund complex. The shareholder only interacts with the broker-dealer, and the registered representative of the broker/dealer serves as the primary point of contact with the shareholder" (www.ici.org/pdf/ppr_09_nav_ relationships.pdf).

Mutual funds have seen a tremendous growth in the last few years. This is the result of combined efforts of the brokerage houses and the fund managers who come to one's rescue by educating the investors and making them aware of the mutual fund schemes by different modes of promotion. In the present paper an attempt has been made to know the perception of brokers and dealers in regard to investment option available and specifically during different market sentiments because Brokers and Dealers are always in touch with investors of Mutual Funds. Whereas, some broker-dealer support all the functions necessary to maintain the most comprehensive relationship with their shareholder client. Under this arrangement, the shareholder has no interaction with the fund complex. This study is very important in order to judge the perception of Brokers and Dealers in market, where the competition increases day by day due to the entry of large number of players with different financial strengths and strategies.

2.0 Literature Review

Shanmugam (2000) studied a group of 201 investors to examine the factors influencing investment decisions. The objective of the study is to find out sources of information used by investors and factors influencing share investment decisions. This study revealed that financial newspaper comments are relied upon by most of the investors. Further, the analysis also leads to the conclusion that psychological and sociological factors dominate the economic factors in investment decision making.

Muthupandi (2000) study revealed the various characteristics of an investor and the study revealed that marital status, nature of occupation and the income of the investors affect the investment decision to the greater extent.

Singh and Vanita (2002) in their article "Mutual Fund Investors' Perception and Preferences" concluded that the investors do not perceive the risk inherent in mutual fund investment and use it as a tax saving instrument. Among various financial instruments available to the investors , mutual funds are ranked below NSCs, PPF and LIC policies. Among the various mutual funds and schemes available for investment, private mutual funds, open-ended schemes and balanced funds are most preferred by the investors.

Kaushal and Arora (2009) made an attempt to examine the related aspects of investors' behavior to understand the attitude and perception of investors towards mutual funds in India. They collected primary data from a sample of 225 respondents .The results concluded that mutual funds have gained popularity among large section of investors in India. Most of the investors invest for capital appreciation and were interested in open ended equity schemes.

Radhika and Srinivasan (2012) analyzed the preference of investor towards various investment avenues and their objective of investment. The study also found the different aspects regarding Mutual funds such as the public awareness on mutual funds, the most preferred mutual fund schemes and the factors considered while making a mutual fund investment. The study was conducted in Chennai city where the responses of 250 respondents were collected using cluster simple random sampling. The statistical tools used for analysis were Simple Percentage Analysis, Chi-Square Test and Ranking Method .In the conclusion Better annual dividends, Capital Appreciation, High return compared to other investment ,Better portfolio management and previous year performance were the factors affecting the choice of Mutual fund house.

Vyas (2012) through his study focused attention on number of factors that highlighted the investors' perception about mutual funds. The survey was conducted through structured questionnaire where the sample size was 363 respondents. It was found that mutual funds were not that much known to investors. Still investors rely upon bank and post office deposits. Most of the investors invest in mutual fund for not more than 3 years and they quit from the fund, which were not giving desired results. Equity option and SIP mode of investment were on top priority in investors' list. It was also found that maximum number of investors did not analyze risk in their investment and they were dependent upon their broker and agent for this work.

Saaha Soumya and Dey Munmun (2011) made an attempt to identify the factors perceived to be important by the investors before investing in any mutual fund. The sample survey has been conducted in Kolkata city during the period

November 2008-January 2009. A sample of 100 individual mutual fund investors has been surveyed through a pre-tested the questionnaire, information of mutual funds, market sentiments and various other related aspects have been discussed with some financial experts dealing with Mutual Funds. The final questionnaire was distributed to 175 brokers and dealers both personally as well as through e mail. However, only 100 respondents (brokers and dealers) were considered for final analysis in this study. This survey was carried out from March 2014 to September 2014. First of all, we identified the offices of Brokers and dealers, which were operating in Faridabad and Delhi. For the purpose of selecting representative sample, initially some active investors, share brokers, financial companies, insurance companies and investment consultants were contacted so as to collect addresses of brokers and dealer.

The collected primary data was analysed with the help of frequency distribution, weighted average score and mean values. Further to test the hypothesis, ANOVA and t test have been applied. The data was analysed with the help of SPSS software version 19.

4.0 Results and Interpretations

4.1 Frequency Distribution: Table 1 presents the frequency distribution of brokers and Dealers classified in various categories of Gender, Years of Experience and Number of firms dealing.

Table 1 : Survey's Frequency Distribution (Brokers And Dealers)

Demographic Variables	Categories	Frequency
Gender of the Broker/Dealer	Male	61
	Female	39
Years of Experience	0 – 1 year	6
	1 – 5 year	40
	5 - 10 year	37
	Above 10 years	17
No of firms	Single	53
	Multiple	47

4.2 Degree of Safety (Objective 1): Keeping in the view the first objective 'degree of safety' associated with various investment options, a question was asked in this regard during the survey. Various investment options such as Bank Deposits, Saving schemes, Bonds and debentures, Equity shares, Mutual funds and Insurance companies were included in the list. The responses obtained from the brokers and dealers surveyed are presented in Table 2.

Table 2: Degree of Safety Associated with Investment options

S.No	Investment options	Absolutely Safe (1)	Reasonably Safe (2)	Somewhat Safe (3)	Not Safe (4)	Not at all Safe (5)	WAS	Rank
1	Bank Deposits	74	23	3	0	0	1.29	1
2	Savings Scheme	50	47	3	0	0	1.53	2
3	Bonds & Debentures	17	56	27	0	0	2.1	3
4	Equity Shares	2	8	34	56	0	3.44	6
5	Mutual Funds	7	31	58	4	0	2.59	5
6	Insurance Policies	5	50	35	10	0	2.50	4

From table 2, it can be observed that the frequency distribution of observations related to Bank deposits reflected that 74 respondents (Brokers and Dealers) are considering it as absolutely safe. As high as 97 respondents have shown admirable safety in case of saving schemes. On contrary 56 respondents have shown their responses that Equity schemes are not safe to invest. The responses related to Mutual fund have shown that 58 respondents have considered it somewhat safe whereas 31 respondents tells that it is reasonably safe. Insurance policies are considered reasonably safe by 50 respondents and somewhat safe by 35 respondents as far as degree of safety is associated.

It is also clear from the mean values that bank deposits (1.29) are considered the safest investment option among the all listed investment avenues presented in table 2, followed by saving scheme (1.53) and Bonds and Debentures (2.1). It is obvious from the Table that investment in Mutual fund is considered as the moderate risk bearing Investment avenue as mean value is 2.59. As far as the investment in equity share (3.44) is considered, it is clear that it is the risky investment avenue listed in table.

4.3 Investment Preference under Bear and Bull Market Sentiments by Brokers and Dealers (Objective 2): To achieve the objective of the paper, question was asked from the brokers and dealers related to their investment options preference during different Market i.e. Bull and Bear market conditions. The brokers and dealers were asked to give ranks to their preference (1 for highest and 6 for least preference).

Table 3: Ranking of Investment Options in Bull Market Sentiments

Sr. No.	Investment Options	(RANK) BULL MARKET						
		1	2	3	4	5	6	Mean
1	Bank Deposits	1	1	4	49	37	8	4.44
2	Saving Schemes	2	0	10	38	38	12	4.46
3	Bond & Debentures	3	0	52	26	9	10	3.71
4	Equity Shares	77	14	5	2	2	0	1.38
5	Mutual Funds	11	78	9	0	0	2	2.06
6	Insurance Policies	2	2	23	3	31	39	4.76

It is clear from table 3 that out of total 77 respondents have given first rank to equity shares. The mean value scored is 1.38, which reflects that equity shares are the best Investment option under Bull market Sentiments. As far as Mutual Fund is considered 78 respondents have given it second highest rank where as 11 respondents have marked first rank. As a result the mean value calculated is 2.06. As a result mutual funds are the second best investment option in bull market sentiments. Bank Deposits, Saving Schemes and insurance policies are the least preferred investment option as resulted from the survey in ascending order. All the options have associated a good degree of safety as depicted in table 2.It can be interpreted that under bull market conditions Equity shares and Mutual funds are more preferred by Brokers and dealers as compared to other Investment avenues.

Table 4: Ranking of Investment Options in Bear Market Sentiments

Sr. No.	Investment Options	(RANK) BULL MARKET						
		1	2	3	4	5	6	Mean
1	Bank Deposits	55	34	7	2	1	1	1.63
2	Saving Schemes	15	43	40	1	1	0	2.30
3	Bond & Debentures	4	44	44	6	1	1	2.59
4	Equity Shares	1	1	1	30	21	46	5.07
5	Mutual Funds	32	10	12	16	25	5	3.07
6	Insurance Policies	1	2	8	23	39	27	4.78

From table 4 it can be viewed that out of total 55 respondents have given Rank 1 to bank deposits, where as 34 respondents have given this option rank 2. Out of total 46 Brokers and Dealers have given rank 6 to Equity shares and 21 Brokers and Dealers have given 5th rank to this option. Out of the total 39 Brokers and Dealers have given 5th Rank to Insurance Policies and 27 have given it 6th rank making Equity shares and Insurance Policies the least preferred options during Bear Market conditions.

It is depicted through the table that under bear market condition, equity shares (5.07), Insurance Policies (4.78) and Mutual funds (3.07) are considered as the least preferable investment options in a descending order. Whereas Bank deposits (1.63), Saving schemes (2.3) and bonds and debenture (2.59) are considered preferable investment options in an ascending order. Therefore it can be concluded from the table that bank deposits and saving schemes are preferred more by Brokers and Dealers in comparison to others under bear market conditions. It can be interpreted that since Bank Deposits ,Saving schemes and Bonds and Debentures carry fixed rate of return, therefore they are considerably safe during Bear Market condition where the other investment options seems risky.

Here from the table 3 and 4 it can be concluded that mutual funds are the best option available in both the market condition (bear and bull market). In bull market conditions it is the safest option available to the investors which provide a better return with admirable degree of safety. In contrast to bull market conditions, in bear market mutual funds provides higher returns than bank deposits and saving schemes. Although mutual funds have degree of safety as equal as the other options such as bank deposits, saving schemes and bonds and debenture. Here it is worthy to mention that mutual fund industry have different kind of products available which are suitable and best fitted in both the market sentiments.

4.4 Choice of Strategies in Bullish and Bearish Market (Objective 3):

In today's competitive financial era, Investment consultants suggest strategies to opt in order to make the best results during bull and bear phase. In the Bullish Market Sentiment, the brokers and dealers are opportunistic and they try to make the best from the market. In contrast to it when the sentiments are bearish, the brokers and dealers have to find ways to protect the investors from the probable losses that the investment can give. The following section presents the choice of strategies by the Brokers and Dealers during Different Market sentiments.

A. Bullish Market

To achieve the objective 3 (Strategies in bullish and bearish market conditions) of the study various conceptual literatures has been read. Further unstructured and informal interviews and discussions were conducted to list the bullish and bearish strategies in the questionnaire, which are opted, by brokers and dealers during bullish and bearish market conditions. The best way out to make money in a bull market is to recognize the trend in advance and behave according to the trends. The brokers and dealers reveals that in bullish market they advice the investors to Buy at a low price and sell it at high price with in short duration. From the above-mentioned efforts the following strategies were included in the questionnaire related to the Bullish market conditions:-

- Short Position**:** A short sell is a trade that consists of borrowing stock you don't own, selling it, waiting for the price to fall, and then buying it back at a lower price, thus obtaining a profit.
- Put Option**:** Put option is the option wherein the trader buys an option to sell the securities at a future date by the payment of some premium money.
- Short ETFs: Short ETFs means investment which is done in short term Exchange Traded Funds.

(http://money.howstuffworks.com/personal-finance/financial-planning/stock-market-trends2.htm)

In regard to Preference of Investment strategy suggested during Bull Market to get high returns, a question (three strategies) was asked from Brokers/Dealers. They were asked to give ranks to the investment strategies opted by them to manage to bullish market conditions. Here rank 1 means most preferable strategy whereas rank 3 means least preferable strategy. The results of the survey are presented in table 5.

Table 5: Preferred Strategies in Bullish Market

Sr.No	Strategies	RANK 1	RANK 2	RANK 3	MEAM
1	Short Position	31	25	44	2.13
2	Put Option	30	57	13	1.79
3	Short ETFs	39	18	39	2.02

It is clear from the table that 39 respondents have given rank 1 to short option, where as 31 have given rank 1 to the short position option. As far as put option is concerned 30 respondents have given it rank 1 and 57 respondents have given it rank 2. As far as the overall mean values are concerned table 4 reveals that Put option (1.79) and Short ETFs (2.02) are preferred more by Brokers and Dealers in comparison to Short Position (2.13) during Bull Market phase. The reason behind this way is to reduce the risk as Short position involves borrowing stock and selling it, which signifies there is a risk if the prices do not fall as anticipated.

Different type of Brokers/Dealers may have difference in opinion regarding different aspects of Mutual Funds. Further the study presents the results of t-test and ANOVA applied to examine the effect of (i) gender, (ii) no of firms the broker/Dealer is dealing with and (iii) the Number of years of experience of the Broker/Dealer over the results of the Questionnaire. The t -test and ANOVA are applied to know whether there is any significant difference in the opinion of the Male or Female, number of firms dealing with and number of year of experience over the opinion of the Brokers and Dealers. It is worthwhile to mention that only those values are presented in this section where the values have found to be significant. The dimensions having insignificant values have not been included in this section.

5.0 Results of t test and ANOVA

(A) Comparison of the Reponses based on Gender (t test)

The results of t test regarding gender and strategies opted in bullish market concluded that there is no difference in the mean values of male and female brokers and dealers.

(B) Comparison of Responses based on Dealing with Single or multiple firms (t test)

The mean value (strategies opted) of the dealer dealing with single firm and the mean value of the dealers dealing with multiple firms does not differ significantly. The results of t test found that there was no significant difference between the strategies opted in bullish market trend by the dealers who deals with single firms and the dealers who deals with multiple firms.

(C) Comparison of Responses based on Numbers of Years of Experience (ANOVA)

After the analysis of F values it can be observed that the choice of strategies stated to protect from Bearish trend are not affected by the experience of Brokers and Dealers as none of the strategies have given significant values. Hence it is clear that the strategies used to tackle the bullish market conditions all the brokers and dealers use same strategies irrespective of their experience.

B. Bearish Market

In regard to the strategies to protect from Bearish trend, the following strategies have been included in the questionnaire which are opted by the Brokers and Dealers:

- Invest in bonds: Bond interest rates tend to rise during bear markets, which makes for an attractive opportunity during a time of uncertainty
- Buy defensive stocks: This is a low-risk way for investors to keep their money in the stock market. A defensive stock is so named because its value doesn't fluctuate much. Utility stocks (energy, water, etc.) are popular defensive stocks.
- Play Dead: Play dead means there is no transaction of buying and selling. The appropriate time is awaited.
- Buy Value Stocks: Value stocks are the one which are undervalued .Investment in value stock is preferred.
- Systematic Investment Plan: Systematic Investment plans are the plans where one time investment is not done. Risk is diversified in time as investment is done after regular intervals.

To know the strategies which are opted in Bearish trend, the brokers/dealers were provided a list of 5 strategies in the form of a question, in which they had to give ranking (1 most preferred 5 least preferred) as per their preference which protect the investment in Bearish Market sentiments. The results are shown in table 6.

Table 6: Preferred Strategies in Bearish trend

Sr.No	Strategies	RANK 1	RANK 2	RANK 3	RANK 3	RANK 3	MEAM
1	Play Dead	10	3	8	29	50	4.06
2	Buy Value Stocks	8	8	9	42	33	3.84
3	Buy Defensive Stocks	24	47	18	6	5	2.21
4	Invest in Bonds	41	29	24	5	1	1.96
5	Systematic Investment Plan	19	17	40	15	9	2.78

It can be seen from table that Rank 1 is given to "Invest in Bonds" by 41 Brokers and Dealers whereas 24 respondents given rank 1 to "Buy Defensive stock" where as 47 Brokers and Dealers have given it rank 2. One interesting outcome of the table is that "Play Dead" strategy is given rank 5 by 50 Brokers and Dealers where as rank 4 is given by 29 brokers and dealers. Out of total 42 and 33 brokers and Dealers have given rank 4 and rank 5 respectively to "Buy Value stocks".

To have a more precise result mean values of the listed strategies have been calculated and the same are presented in table 6. It can be analyzed that Brokers and Dealers feel that Strategies such as 'Investment in Bonds' (1.96) and 'Buy Defensive stock' (2.21) are the two strategies which can protect the investors from the bearish market conditions and Systematic Investment Plans (2.78) are better strategies in comparison to Buying Value Stocks (3.84) and Play dead (4.06) to protect the investors from Bearish trend.

6.0 Results of t test and ANOVA

6.1 Comparison of the Reponses based on Gender (t test)

It is worthy to find out the difference of opinion between male and female brokers and dealers regarding the strategies, which are followed to guard the ill fruits of Bear Market Sentiments. As shown in Table 7, it was found that out of five strategies only 'Play Dead' (.047 significance level) strategy was found significantly associated with gender of the brokers and dealers. The mean values of male brokers and dealers were found significantly less than their counterparts.

Table 7 : Results of t test

Strategy	Gender	Mean	t-values	Sig. values
Play Dead	Male	3.86	-1.904	.047*
	Female	4.35		

6.2 Comparison of Responses based on Dealing with Single or multiple firms (t test)

Regarding the strategies to protect from Bear Market, only one dimension i.e. 'Buy Defensive Stocks' (.05 level of significance) is found to have a significant value as shown in table no 8. it reflects that the difference of perception of Single firm Dealers and Multiple firm Dealers differ significantly. The mean value of multiple firm dealer is higher than their counterparts.

Table 8 : Results of t test

Strategy	No. of Firms Dealing with	t-values	Mean	Sig. values
Buy Defensive Stocks	SINGLE	2.01	-1.985	.05*
	Multiple	2.42		

6.3 Comparison of Responses based on Numbers of Years of Experience (ANOVA)

After the analysis of F values it can be observed that the choice of strategies stated to protect from Bearish trend are not affected by the experience of Brokers and Dealers as none of the strategies have reached to significant F values.

C. Perception Regarding Market Sentiments and Mutual Funds:

The current section brings out the view point of Brokers and Dealers regarding various statements related to Market Sentiments and Mutual Funds. In total 12 statements have been drafted after reviewing various research articles. The Brokers and Dealers were asked about their level of agreement or disagreement at a five point likert scale (Ranging between 1 to 5).

Table 9: Perception of Brokers and Dealers related to Market Sentiments and Mutual Funds

Sr. No	Statements	SA (1)	A (2)	N (3)	D (4)	SD (5)	Mean
1	Equity Mutual Fund follow the Index During a bull Market phase.	12	64	18	6	0	2.18
2	Mutual Funds are suitable for Investments in the bear and bull market.	9	68	22	1	0	2.15
3	Mutual funds trend can be anticipated in advance.	2	52	30	16	0	2.6
4	Anticipation of MF market trend is generally accurate.	0	7	49	39	5	3.42
5	Investors react accordingly when the market trend is anticipated.	5	24	39	26	6	3.04
6	Mutual fund outperforms the equity market.	6	8	30	45	11	3.47
7	Mutual Fund managers revise the portfolio by looking at the stock market scenario/ business cycle.	7	60	23	9	1	2.37
8	Mutual fund provides good options for bear market and outperform than bank deposits and saving schemes.	3	16	32	46	3	3.3
9	Beta (denomination of systematic risk) changes with the market sentiments.	2	67	24	5	2	2.38
10	MF SIP is preferred in a volatile market.	33	51	13	3	0	1.86
11	Mutual funds are safest in a situation of fluctuating market.	7	16	40	36	1	3.08
12	Equity Mutual funds schemes always provide good returns.	2	10	39	44	5	3.4

Table 9 reveals the viewpoints of Brokers and Dealers regarding Market Sentiments and their effect on the performance and behavior of Mutual fund Investors. It can be viewed that 84 Brokers and Dealers are agreeing to the Statement “MF SIP is preferred in a volatile market”. Out of total 77 brokers and dealers agreeing to the statement “Mutual Funds are suitable for Investments in the bear and bull market”. Further agreement by 76 brokers and dealers can be viewed for the statement “ Equity Mutual funds follow the index during bull Market phase”. In contrast to it 56 Brokers and dealers are disagreeing with the statement “Mutual funds outperforms the Equity Market” followed by 49 Brokers and Dealers who disagreeing with the statement “Mutual fund provides good options for bear market and outperform than bank deposits and saving schemes.”. In the rest of the statements”, the concentration is at Neutral level of agreement.

To get a precise result the mean values of each statement have also been calculated. By looking at the mean values it can be analysed that statements “ Systematic Investment Plans are preferred in a volatile market”, “Mutual Funds are suitable for Investments in the bear and bull market” and “ Equity Mutual fund follow the index during a Bull Market phase” have scored mean value 1.86, 2.15 and 2.18. The mean values reflect that brokers and dealers have good level of agreement to the mentioned statements. The statements “ Mutual fund outperforms the Equity markets (3.47) “, “Anticipation of Market trend is generally accurate (3.42) “ and “ Mutual funds always provide good returns (3.40)” have got the lowest mean value, hence concluded that comparatively less level of agreement by the Brokers and Dealers. It can be summarized by looking at the responses that Mutual funds are destination in a Bullish and Bearish market but during a Bear Market phase the brokers and Dealers are preferring systematic Investment plans rather than one time plan of Mutual fund as Systematic Investment plans diversifies the risk. Also light is thrown upon the fact that income plans are preferred during Bear Market phase since it is analysed that Equity mutual fund follow the index.

7.0 Results of t test and ANOVA

7.1 Comparison of the Reponses based on Gender (t test)

The results of t-test reflected the level agreement and disagreement of responses regarding the mentioned 12 statements does not differ significantly between male and female brokers and dealers.

7.2 Comparison of Responses based on Dealing with Single or multiple firms (t test)

The results of t-test reflected the agreement and disagreement of responses regarding the mentioned 12 statements does not differ significantly between the brokers and dealers who are dealing with single firm and who dealing with multiple firms.

7.3 Comparison of Responses based on Numbers of Years of Experience (ANOVA)

Table 10 presents the statements bearing significant association between years of experience and two statements i.e. 'mutual fund outperforms equity markets and 'mutual funds are safest in fluctuating market'. The group with less than 1 year of experience has higher level of agreement than their counterparts. The F value regarding this is 3.229, which is significant at 5 percent level of significance.

There is a variation of responses among the Brokers/ Dealers having different level of Experience and the statement 'Mutual Funds are Safest in the situation of Fluctuating Market'. Regarding this statement the level of agreement increases as the years of experience increases. Here it can be concluded that more experienced brokers and dealers think that mutual funds are safest in the fluctuating markets.

Table 10: Results of ANOVA

Statements	Experience	Mean	F-value	Sig.
Mutual Funds outperforms Equity Markets	0-1 yr	2.33	3.229	.026*
	1-5 yr	3.45		
	5-10 yr	3.56		
	Above 10 yr	3.70		
Mutual Funds are Safest in Fluctuating Market	0-1 yr	3.50	2.719	.049*
	1-5 yr	3.27		
	5-10 yr	3.23		
	Above 10 yr	2.77		

Note: *Significant at 5 percent level of Confidence

8.0 Major Findings of the study:

- The study revealed that Bank deposits, saving scheme and Bonds and Debentures are considered the safest options among the all listed avenues. It is observed that investment in Mutual fund is considered as the moderate risk bearing Investment avenue. As far as the Investment in Equity Share was considered, as the most risky investment avenue.

- It is revealed that under Bull Market conditions, Equity shares and Mutual funds are more preferred by Brokers and dealers as compared to other Investment avenues such as Bonds and Debentures, saving schemes and Bank Deposits.

- Further the study concluded that under Bear Market conditions, Bank Deposits and Saving schemes are preferred more by Brokers and Dealers in comparison to others investment options such as Equity shares and Mutual Funds. It can be interpreted that since Bank Deposits, Saving schemes and Bonds and Debentures carry fixed rate of return, therefore they are considerably safe during Bear Market condition where the other investment options seems risky.

- It is revealed that strategies such as Put option and Short ETFs are preferred more by brokers and dealers in comparison to Short Position during bull market phase. The reason behind this way is to reduce the risk as Short position involves borrowing stock and selling it which signifies there is a risk if the prices do not fall as anticipated.

- As far as the strategies to protect from bear are concerned, it can be analyzed that brokers and dealers feel that strategies such as “Investment in Bonds”, “Defensive stock” and “Systematic Investment Plans” are better strategies in comparison to buying Value Stocks and Play Dead to protect the investors from bearish trend as they are least affected by the ups and downs of the market.

- It can be summarized by looking at the responses of the statements that Mutual Funds are destination in a bull and bear market but during a bear market phase the brokers and dealers are preferring systematic Investment plans rather than one time plan of Mutual Fund as Systematic Investment plans diversifies the risk. Also light is thrown upon the fact that income plans are preferred during bear market phase since it is analysed that Equity mutual fund follow the index.

- It is the most interesting fact of the study that gender and experience of brokers and dealers did not effect the strategies opted by brokers and dealers in different market condition that is bull and bear.

- The more experienced brokers and dealers were agreed to the statement that mutual funds are the safest option available during fluctuating market conditions. Further the less experienced brokers and dealers were agreeing to the statement that Mutual funds outperform equity market where as their counterparts were not agreeing to the statement.

9.0 Future Research Directions and Implications of the study

The present study is based on 100 brokers and dealers with some specific objectives. The future researchers can increase the sample size as well as they can add some more aspects such as choice of Mutual Fund schemes, sector performance, return and risk analysis. There is lack of these kinds of study in the present literature and research gap is very wide and clearly visible. The present study has its implication in the field of behavioral finance as the investors' can have an introductory interface with the help of the study. The study can benefit them to know the various issues, which are related to bear and bull market condition. The Mutual Fund industry can take the study to develop some attractive products to cater the investors' need in different market condition.

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