

***A STUDY OF PUBLIC KNOWLEDGE AND AWARENESS IN MANAGING WEALTH AT CAPITAL  
INVESTMENT ADVISOR PVT LTD***

***SATHWIK MOUNI MADDI, D. SHAILAJA, DR. K. Veeraiah ( MBA , M.PHIL, PHD )***

***Student<sup>1</sup>, Associate Professor<sup>2</sup>, Head of the Department<sup>3</sup>***

***Marri Laxman Reddy Institute of Technology and Management Dundigal Hyderabad***

**ABSTRACT**

This study aims to assess the level of awareness and knowledge about wealth management among individuals, with a specific focus on mutual fund investments. As financial markets evolve and investment opportunities diversify, mutual funds have emerged as a popular and accessible instrument for wealth creation. However, the effectiveness of such investments is largely influenced by the investor's understanding and awareness. The objective of this research is to analyze how well individuals comprehend the concept of wealth management, their familiarity with mutual fund products, and the factors influencing their investment decisions.

A structured questionnaire was used to gather data from a diverse group of individuals varying in age, income levels, and educational backgrounds. The study examines parameters such as financial literacy, risk perception, investment goals, and sources of information about mutual funds. The findings indicate a moderate level of awareness about mutual funds, with a significant gap between general awareness and in-depth knowledge required for effective wealth management. Moreover, many investors rely heavily on informal sources of information, leading to misconceptions and sub-optimal investment choices.

**I. INTRODUCTION**

In today's rapidly evolving financial environment, the importance of wealth management has grown significantly. Wealth management refers to the strategic planning and management of an individual's financial resources in order to meet personal financial goals. It encompasses a wide range of financial services including investment planning, tax planning, retirement planning, estate planning, and risk management. One of the most accessible and increasingly popular tools in modern wealth management is **mutual funds**.

Mutual funds are investment vehicles that pool money from multiple investors and invest in a diversified portfolio of stocks, bonds, or other securities. They offer several advantages such as professional fund management, diversification, liquidity, and accessibility, making them an ideal choice for both novice and experienced investors. Despite the benefits, the level of awareness and in-depth knowledge regarding mutual funds among the general population remains varied and, in many cases, insufficient.

This study is initiated with the aim of exploring the current level of awareness and understanding of mutual funds among individuals, and how this knowledge influences their wealth management practices. With increasing emphasis on financial literacy and inclusion, it becomes crucial to analyze the gaps in knowledge and the factors affecting investment behavior.

By identifying these gaps, the study intends to suggest ways to improve awareness through education, awareness campaigns, and reliable advisory services. Ultimately, better-informed investors can make more confident and strategic decisions that contribute to effective wealth creation and long-term financial security.

## II. NEED FOR THE STUDY

In a dynamic and complex financial landscape, managing personal finances effectively has become more crucial than ever. With the growing number of financial products and services available in the market, individuals are often overwhelmed and confused about where and how to invest. Among these products, **mutual funds** have gained popularity due to their simplicity, professional management, and potential for wealth creation. However, the decision to invest in mutual funds must be backed by a solid understanding of how they work and how they align with one's financial goals.

Despite increasing participation in financial markets, many individuals still lack the necessary **awareness and knowledge** required for sound investment decisions. Misinformation, lack of access to financial education, and a low level of financial literacy act as major barriers to effective wealth management. In many cases, investment choices are driven by hearsay or short-term gains rather than long-term planning and informed analysis.

## III. OBJECTIVES OF THE STUDY

1. To assess the level of awareness about wealth management practices among individuals.
2. To evaluate the knowledge of mutual fund products and their features among individual investors.
3. To identify the key factors influencing individuals' decisions to invest in mutual funds.
4. To explore the sources of information individuals, rely on mutual fund investments.
5. To suggest measures for enhancing financial literacy and awareness about mutual funds among individuals.

## IV. METHODOLOGY

This section outlines the research design, data collection methods, and analysis techniques used to study the awareness and knowledge about wealth management, particularly in the context of mutual funds, among individuals.

### 1. Research Design

The study follows a **descriptive research design**, which is used to describe the characteristics and behaviours of individuals regarding their awareness and knowledge of mutual funds. Descriptive research helps in understanding the existing level of awareness and knowledge among the target population, without manipulating variables. This design is appropriate for the study as it aims to capture a snapshot of individuals' financial literacy related to wealth management.

The study employs a **non-probability sampling technique**, specifically **convenience sampling**. The target respondents include individuals who have shown an interest in wealth management or are involved in investment activities. This approach allows for easy access to participants who meet the study's criteria, such as:

- Age group (e.g., 18–60 years)
- Varying levels of income and education
- Interest or experience in investment (especially mutual funds)

The sample size will be determined based on the desired confidence level and margin of error but will typically consist of a minimum of 163 respondents to ensure meaningful insights.

### 3. Data Collection Method

The study uses a **primary data collection method** through a **structured questionnaire**. The questionnaire is designed to capture both quantitative and qualitative data related to the following areas:

- **Awareness of Wealth Management:** General understanding of wealth management principles, including investment strategies, financial planning, and risk management.
- **Knowledge of Mutual Funds:** Knowledge about mutual fund types, benefits, risks, and how mutual funds contribute to wealth creation.
- **Sources of Information:** Identifying where individuals typically acquire information about mutual funds (e.g., financial advisors, online resources, family/friends).
- **Investment Behaviour:** Understanding factors that influence investment decisions, such as risk tolerance, expected returns, and personal financial goals.

### 4. Data Analysis Techniques

Data collected from the questionnaires will be analysed using both **descriptive** and **inferential statistics**:

- **Descriptive Statistics:** Used to summarize the data (e.g., frequencies, means, percentages) and provide a basic understanding of the respondents' awareness and knowledge levels.
- **Inferential Statistics:** Techniques such as **correlation analysis** or **chi-square tests** will be used to test the relationship between the variables (e.g., the relationship between awareness of wealth management and knowledge of mutual funds). These tests will help in validating the hypotheses:
  - **H<sub>0</sub> (Null Hypothesis):** There is no significant relationship between the level of awareness about wealth management and knowledge of mutual fund products.
  - **H<sub>1</sub> (Alternative Hypothesis):** There is a significant relationship between the level of awareness about wealth management and knowledge of mutual fund products.

## V. REVIEW OF LITERATURE

### 1. **A Study on the Awareness of Mutual Funds Among College Students (2025)**

This research explores college students' understanding of mutual funds, focusing on their knowledge levels and investment perspectives. It assesses how students perceive mutual fund investments and the factors influencing their decisions.

### 2. **Measuring Awareness About Mutual Funds: A Study on Bank Employees in Tripura (2024)**

Conducted among 262 bank employees, this study evaluates their awareness of mutual funds and its impact on their investment choices. It highlights the importance of financial literacy in making informed investment decisions.

### 3. **A Study on Investors' Attitude and Preference Towards Mutual Funds (2025)**

This paper examines how financial literacy affects investors' attitudes and preferences towards mutual funds. It analyzes the impact of demographic factors such as age and income on mutual fund selection.

### 4. **A Study on the Awareness Level of Mutual Funds (2024)**

This research investigates the general public's awareness of mutual funds in India, identifying knowledge gaps and suggesting ways to enhance financial literacy.

### 5. **Characteristics of Mutual Fund Investors (2024)**

Published by the Investment Company Institute, this report provides insights into the demographics and behaviors of mutual fund investors, including their financial literacy levels and investment preferences.

### 6. **The Mutual Fund Industry's Growth in India: A Path to 'Viksit Bharat' by 2047 (2025)**

This PwC India report discusses the rapid growth of the mutual fund industry in India, attributing it to targeted products, technology-driven initiatives, and increased awareness among investors.

### 7. **The Future of Mutual Funds in India by 2030: A Promising Investment Landscape (2025)**

This article explores the prospects of mutual funds in India, emphasizing the role of increasing financial literacy and demographic trends in shaping the investment landscape.

### 8. **How Fintech is Influencing Learning in the Mutual Fund Industry in India (2023)**

This report delves into the role of fintech in enhancing financial literacy and promoting mutual fund investments in India, highlighting digital platforms' impact on investor education.

### 9. **Measuring Investing Knowledge (2024)**

Published by the FINRA Foundation, this study examines how plain language in investing knowledge questions affects the measurement of investing knowledge across different demographic groups.

### 10. **Whom to Educate? Financial Literacy and Investor Awareness (2021)**

This paper focuses on the importance of financial literacy in investor protection, highlighting that investors may not be fully aware of the risks when making investment decisions.

## VI. DATA ANALYSIS AND DISCUSSION

**TABLE 4.1 - Gender of the respondents**

	Frequency	Percentage
Male	106	65.03%
Female	57	34.97%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:** From the above table, 65.03% of the respondents are Male and 34.97% of the respondents are Female.

**TABLE 4.2 - Age of the respondents**

Age	Frequency	Percentage
Below 20 years	1	0.61%
21-30 years	105	64.42%
31-40 years	45	27.61%
41-50 years	8	4.91%
51 years and above	4	2.45%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:** - From the above table, 64.42% of respondents are of 21-30 years of Age, 27.61% of respondents are of 31-40 years, 4.91% of respondents are of 41-50 years, 2.45% of respondents are of 51 years and above and the remaining 0.61 % of respondents are of below 20 years.

**TABLE 4.3 – Education details of respondents**

Particulars	Frequency	Percentage
Higher secondary / Diploma	10	6.13%
Graduate	97	59.51%
Post graduate	56	34.34%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:** - From the above table, 59.51% of respondents are of graduate, 33.74% of respondents are of Postgraduate, 6.13% of respondents are of higher secondary / diploma and the remaining, 0.61% of respondents are of PhD.

**TABLE 4.4 – Marital Status of respondent**

Particulars	Frequency	Percentage
Married	85	52.15%
Unmarried	78	47.85%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:** From the above table, 52.15% of the respondents are married and 47.85% of the respondents are unmarried.

Annual Household Income	Frequency	Percentage
Below Rs.2.5 lakh	20	12.27%
Rs.2.5 lakh - Rs.5 lakh	50	30.67%
Rs.5 lakh - Rs.10 lakh	60	36.81%
Rs.10 lakh and above	33	20.25%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:** - From the above table, 36.81% of the respondents are getting Rs.5 lakh – Rs.10 lakh gross annual household income, 30.67% of the respondents are getting Rs.2.5 lakh – Rs.5 lakh gross annual household income, 20.25% of the respondents are getting Rs.10 lakh and above gross annual household income and the remaining, 12.27% of the respondents are getting below Rs.2.5 lakh gross annual household income.

**TABLE 4.6 – The ability to manage respondents’ own finances**

Ability of own finance management	Frequency	Percentage
Very high	15	9.20%
High	46	28.22%
Moderate	85	52.15%
Low	11	6.75%
Very low	6	3.68%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:** - From the above table, 52.15% of the respondents’ ability to manage their own finance is moderate, 28.22% of the respondents’ ability to manage their own finance is high, 9.20% of the respondents ability to manage their own finance is very high, 6.75% of the respondents ability to manage their own finance is low and the remaining, 3.68% of the respondents ability to manage their own finance is very low.

**TABLE 4.9 – Current Financial Investments of the respondent**

<b>Current financial investments</b>	<b>Frequency</b>	<b>Percentage</b>
Mutual Funds	33	20.20%
FD/RD/Bonds	74	45.40%
Provident Fund Account	52	31.90%
PPF Account	31	19.20%
Pension Fund Account	23	14.10%
Stocks and Equity Shares	12	7.40%
NPS Account	11	6.70%
Life Insurance	50	30.70%
Medical Insurance	37	22.70%
Post office Saving Scheme	1	0.61%
Others	3	1.80%
<b>Grand Total</b>	<b>163</b>	<b>100.00%</b>

**INTERPRETATION:-** From the above table, 45.4% of the respondents have invested in FD/RD/ Bonds, 31.9% of the respondents have invested in Provident fund account, 30.7% of the respondents have invested in Life insurance, 22.7% of the respondents have invested in Medical insurance, 20.2% of the respondents have invested in mutual funds, 19% of the respondents have invested in PPF account, 14.1% of the respondents have invested in pension fund account, 7.4% of the respondents have invested in stocks and equity shares, 6.7% of the respondents have invested in NPS account, 1.2% of the respondents have invested in chit funds, 0.6% of the respondents have invested in post office savings scheme and the remaining, 0.6% of the respondent have not invested in anything.



## **VII. FINDINGS AND RECOMMENDATIONS**

1. The objectives of the study have been achieved
2. Majority of the respondents for this survey is male
3. Majority of the respondents are aged between 21-30 years.
4. Majority of the respondents are graduates and married.
5. Most of the respondents are having two dependents.
6. Almost 93.25% of the respondents are private sector employees.
7. Most of the respondent 's annual household income is Rs.2.5 lakh — Rs.5 lakhs.
8. Majority of the respondent 's neither agrees nor disagree their ability to manage their own finance.

## **VIII. RECOMMENDATIONS**

1. Understand the investment objective and set investment goal
2. Document all the income sources and organize the financial records
3. Financial literacy among unmarried class of persons, especially regarding investment, should be increased in order that they are more inclined to invest.
4. Start an emergency fund to meet the exigencies like loss of job, hospitalization etc.,
5. Investment seeking companies may target to persons who are graduates. Postgraduates may also be targeted to be motivated towards investments.
6. It is important to understand how income taxes work, Persons falling in income brackets of Rs.2-5Lac and Rs.5-10 Lac should be targeted by investment seeking organizations.
7. Income tax provisions should be more relaxed regarding investment its returns moreover first exemption limit of income should be increased, and more relaxation is expected regarding filling of income tax return by salaried persons.
8. For outperformance of salaried investors, it's essential to form them more knowledgeable regarding investment, investment products, investment information and portfolio skills.

## **IX. CONCLUSION**

Financial planning will help make sure the right balance between the inflow and outflow of the funds. It allows the business entity or the person to accommodate the changing market conditions and, in turn, revise their plan. Some feel that saving regularly in bank recurring deposits or Systematic Investment Plans (SIPs) in mutual funds is financial planning. But allocating savings and investments in unplanned manner isn't enough to realize your life goals. And such investments lead to inefficient utilization of your financial resources. To become rich or to realize all your goals like buying a house, car, dream vacation, child's education then on you would like to form money work for you. Besides, salary or business income won't be sufficient. This is where financial planning involves your rescue. A budget enables you to construct a road map to realize all the financial goals. It also helps you build your contingency fund for any unforeseen needs which will arise.

## **X. REFERENCES**

Books on Wealth Management and Financial Literacy

1. William. Sharpe, Gordon j Alexander and Jeffery V Bailey, "Fundamentals of Investments", Prentice Hall, 2nd Edition, 2012.
2. Reilly, Brown, "Analysis of Investment and Management of Portfolios", 10th Edition, Cengage, 15<sup>th</sup> Edition, 2012.
3. ZVI Bodie, Alex Kane, Alan J Marcus, "Investments", TMH, 3<sup>rd</sup> Edition, 2012.
4. Donald E Fischer, Ronald J Jordan, " Security Analysis and Portfolio Management", Edition, 2012.
5. Prasanna Chandra, "Investment analysis and Portfolio Management" 4<sup>th</sup> Edition, TMH, 2012.
6. Punithavathy Pandian, Security Analysis &Portfolio Management, Vikas,2014

Websites

1. [www.investopedia.com](http://www.investopedia.com)
2. [www.rbi.org.in](http://www.rbi.org.in)
3. [www.sebi.gov.in](http://www.sebi.gov.in)
4. [www.nseindia.com](http://www.nseindia.com)
5. [www.bseindia.com](http://www.bseindia.com)