portfolio selection and NAV were important criteria's for mutual fund appraisal. The ANOVA results indicated that, occupational status; age had insignificant influence on the choice of scheme. Salaried and retired categories had priority for past record and safety in their mutual fund investment decisions.

Saha, Tapas Rajan (2003) identified that Prudential ICICI Balanced Fund, Zurich (I) Equity Fund were the best among the equity funds while Pioneer ITI Treasury scheme was the best among debt schemes. He concluded that, the efficiency of the fund managers was the key in the success of mutual funds and so the AMCs had to ensure more professional outlook for better results.

Satish, D. (2004) opined that investors from seven major cities in India had a preference for mutual funds compared to banking and insurance products. Investors expected moderate return and accepted moderate risk. 60 percent of investors preferred growth schemes. The image of AMC acted as a major factor in the choice of schemes. Investors had the same level of confidence towards shares and mutual funds.

Sharath, Jutur (2004) studied 58 schemes during the bear period (September 1998 to April 2002). He identified that the risk was low for 37 schemes, below average risk for 11 and of average risk for 10 schemes. Risk-return analysis revealed that, average mutual funds were found to be with low unsystematic and high total risk. The return was positive in the case of 46 schemes, with 30 schemes yielding above 5 percent. 32 schemes had positive Treynor ratio, 30 schemes had positive Sharpe ratio, 35 schemes had positive Jensen measure due to the bearish market with low CAPM returns.

Elango's (2004) analytical results indicate that, private funds had a high positive association between the past and current year NAV compared to public sector. The private sector schemes outperformed public sector in terms of NAV range value, innovative products and in deployment of funds. Public sector funds showed low volatility as against greater

variability for private sector indicating low consistency. Student't' test indicated the existence of a high significant difference between the mean NAV of private sector funds and public sector with a high statistical significance of (-) 5.95.

Venkateshwarlu, M. (2004) had analyzed investors from the twin cities of Hyderabad and Secunderabad. Investors preferred to invest in open-end schemes with growth objectives. Chi-squared value revealed that, the size of income class is independent of preference pattern, and dependent on the choice of fund floating institution. Reasonable returns and long-term strategy adopted by the scheme were the criteria of scheme selection. Investors perceived that too many restrictions led to the average performance of mutual funds in India.

Sondhi, H.J. and Jain, P.K. (2005) examined 17 public and 19 private sector mutual fund equity schemes. The mean and median returns for the aggregate period (1993-2002) were lower than the returns on 364 days treasury bills, and higher than the BSE 100 index. Alliance Equity fund was the top performer and Canbonus and LIC Dhanvikas (I) were the worst performers. They hypothesized that majority of the sample schemes earned returns better than the market. Private equity schemes had superior performance due to its popularity; fund management practices, well-researched stock selection and timing skills. More than three-fourth of public sector schemes were unable to achieve better returns in spite of higher investor confidence associated with high safety. The funds did not show consistency in performance.

Muthappan, P.K and Damodharan (2006) evaluated 40 schemes for the period April 1995 to March 2000. The study identified that majority of the schemes earned returns higher than the market but lower than 91 days treasury bill rate. The average risk of the schemes was higher than the market. 15 schemes had an above average monthly return. Growth schemes earned average monthly return. The risk and return of the schemes were not always in conformity with their stated

investment objectives. The sample schemes were not adequately diversified, as the average unique risk was 7.45 percent with an average diversification of 35.01 percent. 23 schemes outperformed both in terms of total risk and systematic risk. 19 schemes with positive alpha values indicated superior performance. The study concludes that, the Indian Mutual Funds were not properly diversified.

Sanjay Kant Khare (2007) opined that investors could purchase stocks or bonds with much lower trading costs through mutual funds and enjoy the advantages of diversification and lower risk. The researcher identified that, with a higher savings rate of 23 percent, channelling savings into mutual funds sector has been growing rapidly as investors were gradually keeping out of the primary and secondary market. Mutual funds have to penetrate into rural areas with diversified products, better corporate governance and through introduction of financial planners. The present work is based on the review of 27 foreign and 46 Indian studies relating to mutual funds. The review of foreign studies ensures that, mutual funds have a significant impact on the price movement in the stock market, the average return from the schemes were below that of their benchmark, all the three models provided identical results, good performance were associated with low expense ratio and not with the size.

Sharad Panwar and R. Madhumathi in their study used sample of public-sector institutions sponsored mutual funds and of varied net assets to investigate the differences in characteristics of assets held, Portfolio diversification, on investment performance for the period from May 2002 to May 2005. The study found that public-sector sponsored funds did not differ significantly from private-sector funds in terms of growth in percentage, market capitalization and holding.

Ajay Pandey studied the relationship between embedded options of mutual fund and assured return. The minimum assured return schemes launched by mutual fund raise issues about the investment and risk management policy for the

sponsor of the fund. In the study he examines the issues related to optimal investment and risk management policies appropriate to such schemes. The structure of such schemes requires an alternatives regulatory framework and warrants a close examination by the sponsors, industry and the regulator (SEBI).

Nalini, Prava Tripathy and Promd K. Sahu studied the performance of selected growth oriented mutual fund in India. The study evaluates the ten major growth oriented mutual funds by applying the methodology which was developed by Jenson (1968), Treynor (1965), Sharpe (1966), and Fama (1972) on the basis of CAOM to describe the risk return relationship of the mutual fund in the Indian capital market.

K.A. Wangal in his thesis, 'The Functions of Unit Trust of India and its Contribution in Indian Economy: 1985 to 1995', unpublished Ph.D. Thesis, Nagpur: RTM Nagpur University, 1999, concluded that UTI played very active role in capital formation and investment in the Indian Industries. UTI promoted and mobilised saving at national level and achieved significant growth. UTI earned significant earning through the various schemes. UTI distributed its earning to unit-holder consistently. Number of unit-holders grew substantially. UTI worked successfully in the country as well as abroad.

To sum up, the above mentioned studies indicate that the evaluation of mutual funds has been a matter of concern in India for the researchers, academicians, fund managers and financial analysts to a great extent. The reviews focused light on the importance of mutual funds in the Indian financial scenario highlighting the need for adequate investor protection, single regulatory authority, higher return for a risk as per investors' expectation, greater convenience and liquidity, and the expectations that mutual funds should act as a important agent of economic growth and foster investors' interest. The studies on mutual fund investment performances have long sought to draw the distinction between the ability to time the market and the ability to forecast the returns of individual

assets. Thus, superior performances are due to either timing or selection ability or some combination of the two. Indeed portfolio managers often characterize themselves as market timers or stock pickers. The subject of mutual fund performance has received a great deal of attention in the literature of financial economics.