

# A Study on Mutual Funds at State Bank of India, Anantapuram, A.P

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## ABSTRACT

The mutual fund is pool of money managed by a professional money manager. The money such collected has invested in capital market instruments such as shares, debentures, and other securities.

**KEYWORDS:** MEAN, STANDARD DEVIATION, SHARP RATIO

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## INTRODUCTION

A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds and short –term debt .

- The combined holdings of the mutual fund are known as its portfolio Investors buy shares in mutual funds.
- Mutual fund is an open end investment company that invests money of its shareholders in a usually diversified group of securities of other corporation.
- A mutual fund is also called an investment company.

## BROAD CLASSIFICATION OF BANKING INDIA

The RBI is the supreme monetary and banking authority in the country and has the responsibility to control the banking system in the country it keeps the reserves of all scheduled banks and hence is known as the Reserve Bank.

## Public Sector Banks:

public sector banks are a major type of banks in India, where a majority stake is held by the government.

Ex. State Bank in India, Bank of Baroda etc...

## Private Sector Banks:

In these banks, most of the equity is owned by private bodies, corporations, institutions or individuals rather than government.

## NEED OF THE STUDY

Mutual funds help investors to take right decisions on investment as they involve risk and to find out the better alternative which yields moderate return at low risk.

The understand the conceptual knowledge about mutual funds

## SCOPE OF THE STUDY

- This study is confined to SBI BANK ananthapur for a period of Five Years (2015-16 to 2019-2020).

- The study is confined to behavior of the investor towards mutual funds, risk and returns of mutual funds of SBI BANK only.

### OBJECTIVES OF THE STUDY

- To Identify the risk and return of SBI mutual fund.
- To Study the performance level of SBI mutual funds schemes.
- To evaluate the performance of SBI mutual funds in terms of schemes.

### RESEARCH METHODOLOGY

secondary data: secondary data:

The study is based on secondary data which is collected through websites, journals, articles.

Websites: [www.sbi.com](http://www.sbi.com)

[www.moneycontrol.com](http://www.moneycontrol.com)

### HYPOTHESIS TESTING

H0: There is no significance difference between returns of the selected schemes of SBI mutual fund.

H1: There is a significant difference between returns of the selected schemes of SBI mutual funds.

### STATISTICAL TOOLS AND TECHNIQUES

- Mean.
- Standard Deviation.
- Sharp ratio.

Software:

- ANOVA-ONE WAY.

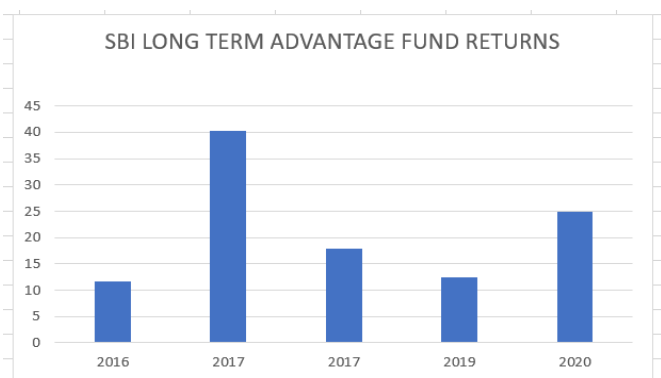
### LIMITATION OF THE STUDY

- The study is restricted for only the five financial years 2015-16 to 2019-20.
- The study is based on secondary data and the accuracy of the analysis done is limited to the availability of data.

### DATA ANALYSIS

**Table:1**  
Return of SBI Long term advantage fund:

Year	Rate of Return	(X- $\bar{X}$ )	(X- $\bar{X}$ ) <sup>2</sup>
2016	11.62	-9.78	95.64
2017	40.24	18.84	354.94
2018	17.86	3.54	12.53
2019	12.46	-8.58	73.61
2020	24.86	3.46	95.64
TOTAL 107.74			632.36



### AND

**Table: 2** return of sbi growth opportunities fund

Table:5

Return of SBI small cap fund :

YEAR	Rate of return(%)	(X- $\bar{X}$ )	(X- $\bar{X}$ ) <sup>2</sup>
2016	19.84	-3.91	15.28
2017	27.52	3.77	14.21
2018	16.48	-7.25	52.56
2019	30.28	6.53	42.64
2020	24.66	-0.91	0.82
TOTAL:	118.78		125.51

Graph showing the return of SBI Small cap fund over a period of 5 years i.e., from 2016-2021:

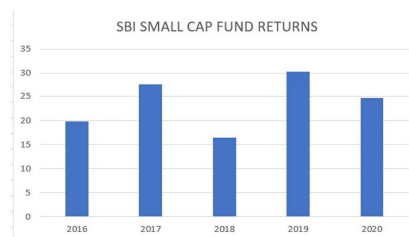


Table showing the average returns risk & sharp ratio:

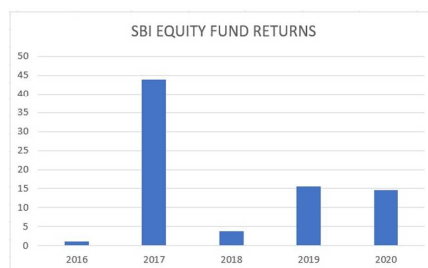
NAME OF THE SCHEME	AVERAGE RETURN	RISK	SHARP RATIO
SBI Long term advantage fund	21.40	11.24	1.36
SBI Growth opportunities fund	14.22	6.34	1.29
SBI Equity fund	15.83	9.47	0.64
SBI Blue chip fund	23.75	5.02	1.04
SBI Small cap fund	15.54	9.06	2.40

Table:2

Return of SBI Growth opportunities fund:

Year	Rate of return(%)	(X- $\bar{X}$ )	(X- $\bar{X}$ ) <sup>2</sup>
2016	14.50	0.28	0.07
2017	2.78	-11.44	130.8
2018	13.51	-0.71	0.50
2019	20.44	6.22	38.68
2020	19.8	5.58	31.13
TOTAL	71.1		201.25

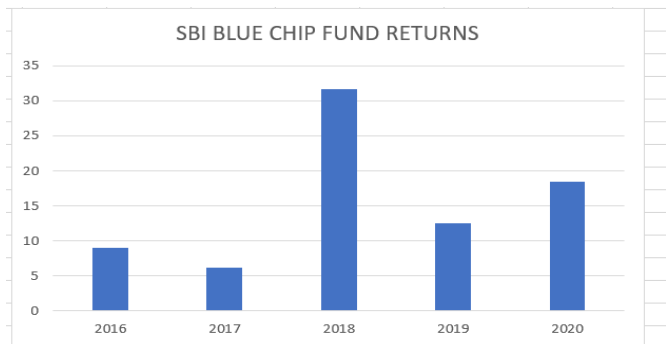
Graph showing the return of SBI equity fund over a period of 5 years i.e., from 2016-2021:



**TABLE: 3 return of equity fund**

**Table:4  
Return of SBI Blue chip fund:**

Year	Rate of return %	(X- $\bar{X}$ )	(X- $\bar{X}$ ) <sup>2</sup>
2016	18.82	2.88	8.29
2017	12.47	-3.07	9.42
2018	31.71	16.17	261.4
2019	6.12	9.42	88.73
2020	8.99	6.55	42.90
Total:	77.71		410.8



**Interpretation:**

- From the table we can observed that the average returns of SBI blue chip fund has the highest return when compared to other schemes of SBI mutual fund. And the SBI Growth opportunities fund has the Lowest average returns.
- The investors who want to take more risk for getting the more returns they can invest in the SBI

blue chip cap fund because the average return are very high in these period when compared to other schemes.

- The performance of long term advantage fund is high because they average returns and the risk these scheme is moderate.
- The investors who want less risk and high return can invest their money in SBI small cap fund and these scheme performance also good.
- When compared o the other scheme performance the SBI long term advantage fund has less performance because the risk of this scheme is very high.

**TESTING HYPOTHESIS:**

**RETURNS**

YEAR/ SCHEMES	LONG TERM ADVANTAGE FUND	SBI GROWTH OPPORTUNITIES FUND	SBI EQUITY FUND	SBI BLUE CHIP FUND	SBI SMALL CAP FUND
2016	11.62	14.50	1.08	8.99	19.84
2017	40.24	2.78	43.95	6.12	27.52
2018	17.86	13.51	3.88	31.71	16.48
2019	12.46	20.44	15.67	12.47	30.28
2020	24.86	19.18	14.57	18.42	24.66

ANOVA	SS	df	MS	F	P-value	F crit
Between Groups	348.3538	4	87.08845	0.711932	0.593411	2.866083
Within Groups	2446.535	20	122.327			
Total	2794.893	24				

**Interpretation:**

- The test statistic F value of 0.71
- Using an alpha of 0.05, we have F 0.05; 4,20= 2.86. Since the test statistic is smaller than critical value, we accept null hypothesis (no significant difference between return of 5 funds)and reject alternate hypothesis

**Findings**

- SBI blue chip fund has the high average return (23.75)when compared to other schemes .like SBI long term advantage fund ( 21.4), SBI Growth opportunities fund (14.22),SBI Equity fund (15.83),SBI small cap fund(15.54).
- SBI small cap fund has generated average returns of 15.54 with risk 9.06 and the sharp ratio is 2.40.according to the sharp ratio it stood in first place.

- SBI Long term advantage fund has generated average returns of 21.40 with risk 10.90 and the sharp ratio (1.36).according to the sharp ratio it stood in second place.
- The risk of the SBI Long term advantage fund 10.90 is higher than other schemes, and the risk of the SBI Blue chip fund 5.02 is low when compared other schem

**CONCLUSION:**

Concluded that the average return SBI Blue chi fund is high and the Growth opportunities fund is return is low. the risk of the long term advantage fund is high and blue chip fund is low. The performance level of the small cap fund high and equity fund is low.

The study will guide the investors who want to invest in mutual fund schemes by providing the information about how to returns and performance level of mutual to invest in best schemes.