

During the online e-learning session following queries raised by the students and the answers provided by me are mentioned:

1.) What are mutual funds?

Answer: Mutual fund is a financial service that receives money, invests the same, earns return on it, attempts to make it grow and agrees to pay the shareholders cash on demand for the current value of his investment. Mutual funds do not invest only in shares they also invest in debt securities. Mutual funds aim to strike a balance between risk and return and give the best of both to the investors. In India the first mutual fund was issued by Unit Trust of India in 1964.

2.) State the types of mutual funds?

Answer: In popular culture following are the types of mutual funds available in a financial market:

1.) According to Ownership:

- (a) Public Sector Mutual Funds.
- (b) Private Sector Mutual Funds.

2.) According to Scheme of Operation:

- (a) Open-ended schemes.
- (b) Close-ended schemes.
- (c) Interval Schemes.

3.) According to Portfolio:

- (a) Income funds
- (b) Growth funds
- (c) Balanced funds
- (d) Stock/Equity funds
- (e) Bond funds
- (f) Specialized funds
- (g) Leverage funds
- (h) Taxation funds
- (i) Money Market mutual funds

4.) According to Location:

- (a) Domestic funds

(b) Off-Shore funds

5.) Other types:

(a) Loan funds

(b) Non-Loan funds

(c) Hub & Spoke funds

3.) Who are the parties involved in Mutual Funds?

Answer: In today's world following are the parties involved in mutual funds given under:

(a) Sponsor

(b) Trustee

(c) Asset Management Company

(d) Custodian

(e) Depository

4.) State the problems of mutual funds in India?

Answer: The most prominent types of problems relating to mutual funds in India are given under:

(a) Liquidity Crisis

(b) Lack of Innovation

(c) Conventional Pattern of Investment

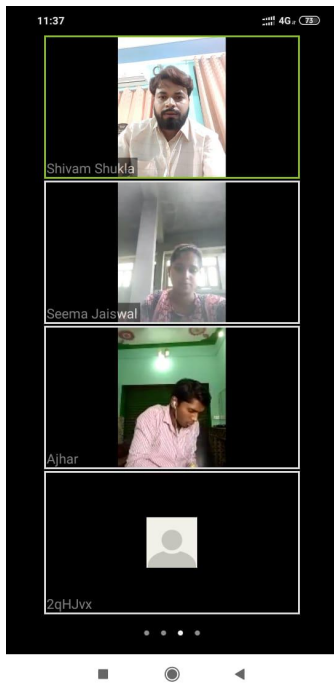
(d) No provision of performance guarantee

(e) Inadequate Disclosures

(f) No rural sector investment base

(g) Poor risk management

Screenshots:



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