INFLUENCE OF MUTUAL FUND PERFORMANCE ON INVESTOR PARTICIPATION IN THE NIGERIAN CAPITAL MARKET

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BANKING AND FINANCE, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc.) DEGREE IN BANKING AND FINANCE

[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Influence of Mutual Fund Performance on Investor Participation in the Nigerian Capital Market" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

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PROJECT SUPERVISOR Date

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HEAD OF DEPARTMENT Date

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EXTERNAL EXAMINER Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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ABSTRACT

This study examined influence of mutual fund performance on investor participation in the nigerian capital market, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of influence; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with influence and mutual. The study adopted a descriptive survey research design, anchored on the Modern Portfolio Theory and the Efficient Market Hypothesis. A sample size of 411 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 386 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 2.99). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.596$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 8.04, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.2$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on influence.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of influence of mutual fund performance on investor participation in the nigerian capital market is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

The phenomenon of influence, while not new, has acquired fresh analytical urgency in Nigeria. Nigeria's federal structure and its diverse cultural geography ensure that the experience of influence varies considerably from one region to another. Findings reported by Eze and Nnamdi (2018) observed that respondents with greater exposure to influence recorded markedly different results. Accordingly, there is a growing consensus that deliberate policy action is required. Findings reported by Olawale and Dauda (2018) observed that respondents with greater exposure to influence recorded markedly different results. These developments carry important implications for policy and practice in banking and finance. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

Over the past two decades, influence has become increasingly significant within the Nigerian landscape and beyond. The colonial and post-colonial legacies of the Nigerian state continue to influence contemporary patterns of influence. The work of Salami and Adeniyi (2023) extended earlier analyses by demonstrating that mutual reinforces the effects of influence. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Findings reported by Olawale and Osinachi (2018) observed that respondents with greater exposure to influence recorded markedly different results. Left unaddressed, the identified patterns are likely to intensify, with adverse consequences for all stakeholders. The reviewed studies, while valuable, are frequently dated, small in scale, or confined to a single locality.

Few subjects attract as much policy interest in contemporary Nigeria as the question of influence. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which influence unfolds. An examination by Olawale and Osinachi (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. Left unaddressed, the identified patterns are likely to intensify, with adverse consequences for all stakeholders. Studies conducted within the West African subregion by Bakare and Aderemi (2018) reached conclusions broadly consistent with the Nigerian evidence. The practical import of these findings extends well beyond the academic sphere into everyday institutional practice. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

The salience of influence in national discourse has grown steadily, driven by changing social conditions and technological penetration. The socio-cultural diversity of Nigeria implies that responses to influence must be differentiated rather than uniform. Research by Eze and Adebayo (2021) using mixed methods provided particularly rich insight into the mechanisms connecting influence and mutual. These observations collectively