A Project Report on

"Study On Comparison Between Different Investment Instruments For Long Term Basis"

Submitted to:

DMSR

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by:

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Under the Guidance of:

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NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

Department of Management Sciences and Research,
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NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

CERTIFICATE

This is to certify that **Bhagyashri Padole** has submitted the project report titled, "**Study On Comparison Between Different Investment Instruments For Long Term Basis"** towards the partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.It is further certified that She has ingeniously completed her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr.Afsar sheikh	**Dr.Sonali Gadekar**
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Place: Nagpur

Date:

Department of Management Sciences and Research,
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NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

DECLARATION

I here-by declare that the project with title **"Study On Comparison Between Different Investment InstrumentsFor Long Term Basis"** has been completed by me in partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course under taken by me.

Bhagyashri Padole

Place: Nagpur
Date:

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I would like to thank all those who helped me in making this project complete and successful.

Bhagyashri Padole

Place: Nagpur

Date:

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Introduction

A **mutual fund** is an investment fund that pools money from many investors to purchase securities.The term is typically used in the United States, Canada, and India, while similar structures across the globe include the SICAV in Europe ('investment company with variable capital') and open- ended investment company (OEIC) in the UK.

Mutual funds are often classified by their principal investments: money market funds, bond or fixedincome funds, stock or equity funds, or hybrid funds. Funds may also be categorized as index funds, which are passively managed funds that track the performance of an index, such as a stock market index or bond market index, or actively managed funds, which seek to outperform stock market indices but generally charge higher fees. Primary structures of mutual funds are open-end funds, closed-end funds, unit investment trusts.

Open-end funds are purchased from or sold to the issuer at the net asset value of each share as of the close of the trading day in which the order was placed, as long as the order was placed within a specified period before the close of trading. They can be traded directly with the issuer.

FEATURES

Like other types of investment funds, mutual funds have advantages and disadvantages compared toalternative structures or investing directly in individual securities. According to Robert Pozen and Theresa Hamacher, these are:

Advantages

- Increased opportunity for diversification: A fund diversifies by holding many securities. This diversification decreases risk.
- Daily liquidity: In the United States, mutual fund shares can be redeemed for their net asset value within seven days, but in practice the redemption is often much quicker. This liquidity can create asset–liability mismatch which poses challenges, which in part motivated an SEC liquidity management rule in 2016.
- Professional investment management: Open-and closed-end funds hire portfolio managers tosupervise the fund's investments.

- Ability to participate in investments that may be available only to larger investors. For example,individual investors often find it difficult to invest directly in foreign markets.
- Service and convenience: Funds often provide services such as check writing.
- Government oversight: Mutual funds are regulated by a governmental body
- Transparency and ease of comparison: All mutual funds are required to report the sameinformation to investors, which makes them easier to compare to each other.

Disadvantages

Mutual funds have disadvantages as well, which include:

- Fees
- Less control over the timing of recognition of gains
- Less predictable income
- No opportunity to customize

FUND STRUCTURES

There are three primary structures of mutual funds: open-end funds, unit investment trusts, and closed-end funds. Exchange-traded funds (ETFs) are open-end funds or unit investment trusts that trade on an exchange.

Open-end funds

Open-end mutual funds must be willing to buy back ("redeem") their shares from their investors at the net asset value (NAV) computed that day based upon the prices of the securities owned by the fund. In the United States, open-end funds must be willing to buy back shares at the end of every business day. In other jurisdictions, open-end funds may only be required to buy back shares at longer intervals. For example, UCITS funds in Europe are only required to accept redemptions twice each month (though most UCITS accept redemptions daily).

Most open-end funds also sell shares to the public every business day; these shares are priced at NAV.

Open-end funds are often referred to simply as "mutual funds".

In the United States at the end of 2019, there were 7,945 open-end mutual funds with combined assets of $21.3 trillion, accounting for 83% of the U.S. industry.

Unit investment trusts

Unit investment trusts (UITs) are issued to the public only once when they are created. UITs generally have a limited life span, established at creation. Investors can redeem shares directly with the fund at any time (similar to an open-end fund) or wait to redeem them upon the trust's termination. Less commonly, they can sell their shares in the open market.

Unlike other types of mutual funds, unit investment trusts do not have a professional investment manager. Their portfolio of securities is established at the creation of the UIT.

In the United States, at the end of 2019, there were 4,571 UITs with combined assets of less than
$0.1 trillion.

Closed-end funds

Closed-end funds generally issue shares to the public only once, when they are created throughan initial public offering. Their shares are then listed for trading on a stock exchange. Investors whowant to sell their shares must sell their shares to another investor in the market; they cannot sell their shares back to the fund. The price that investors receive for their shares may be significantly different from NAV; it may be at a "premium" to NAV (i.e., higher than NAV) or, more commonly, at a "discount" to NAV (i.e., lower than NAV).

In the United States, at the end of 2019, there were 500 closed-end mutual funds with combined assets of $0.28 trillion.

Classification of funds by types of underlying investments

Mutual funds may be classified by their principal investments, as described in the prospectus and investment objective. The four main categories of funds are money market funds, bond or fixed- income funds, stock or equity funds, and hybrid funds. Within these categories, funds may be sub- classified by investment objective, investment approach, or specific focus.

The types of securities that a particular fund may invest in are set forth in the fund's prospectus, a legal document that describes the fund's investment objective, investment approach and permitted investments. The investment objective describes the type of income that the fund seeks. Forexample, a capital appreciation fund generally looks to earn most of its returns from increases in theprices of the securities it holds, rather than from dividend or interest income. The investment approach describes the criteria that the fund manager uses to select investments for the fund.

Bond, stock, and hybrid funds may be classified as either index (or passively-managed) funds or actively managed funds.

Alternative investments which incorporate advanced techniques such as hedging known as "liquid alternatives".

Money market funds

Money market funds invest in money market instruments, which are fixed income securities with a very short time to maturity and high credit quality. Investors often use money market funds as a substitute for bank savings accounts, though money market funds are not insured by the government, unlike bank savings accounts.

In the United States, money market funds sold to retail investors and those investing in government securities may maintain a stable net asset value of $1 per share, when they comply with certain conditions. Money market funds sold to institutional investors that invest in non-government securities must compute a net asset value based on the value of the securities held in the funds.

In the United States, at the end of 2019, assets in money market funds were $3.6 trillion, representing 14% of the industry.

Bond funds

Bond funds invest in fixed income or debt securities. Bond funds can be sub-classified accordingto:

- The specific types of bonds owned (such as high-yield or junk bonds, investment-grade corporate bonds, government bonds or municipal bonds)
- The maturity of the bonds held (i.e., short-, intermediate- or long-term)
- The country of issuance of the bonds (such as the U.S., emerging market or global)

- The tax treatment of the interest received (taxable or tax-exempt)

In the United States, at the end of 2019, assets in bond funds (of all types) were $5.7 trillion,representing 22% of the industry.

Stock funds

Stock or equity funds invest in common stocks. Stock funds may focus on a particular area of thestock market, such as

- Stocks from only a certain industry
- Stocks from a specified country or region
- Stocks of companies experiencing strong *growth*
- Stocks that the portfolio managers deem to be a good *value* relative to the value of thecompany's business
- Stocks paying high dividends that provide *income*
- Stocks within a certain market capitalization range

In the United States, at the end of 2019, assets in stock funds (of all types) were $15.0 trillion,representing 58% of the industry.

Funds which invest in a relatively small number of stocks are known as "focus funds".

Hybrid funds

Hybrid funds invest in both bonds and stocks or in convertible securities. Balanced funds, asset allocation funds, convertible bond funds,[24] target date or target-risk funds, and lifecycle or lifestyle funds are all types of hybrid funds. The performance of hybrid funds can be explained by a combination of stock factors (e.g., Fama–French three-factor model), bond factors (e.g., excess returns of a Government bond index), option factors (e.g., implied stock-market volatility), and fund factors (e.g., the net supply of convertible bonds).

Hybrid funds may be structured as fund of funds, meaning that they invest by buying shares in other mutual funds that invest in securities. Many funds of funds invest in affiliated funds (meaning mutual funds managed by the same fund sponsor), although some invest in unaffiliated funds (i.e., managed by other fund sponsors) or some combination of the two.

In the United States, at the end of 2019, assets in hybrid funds were $1.6 trillion, representing 6% of the industry.

Other funds

Funds may invest in commodities or other investments.

A **fixed deposit** (**FD**) is a specific deposit instrument provided by banks or other financial institutions which provides investors a higher rate of interest than a regular savings account, until the given maturity date. It may or may not require the creation of a separate account. The term fixed deposit is most commonly used in India and the United States. It is known as a term deposit or time deposit in Canada, Australia, New Zealand, and as a bond in the United Kingdom.

FIXED DEPOSITS

A fixed deposit means that the money cannot be withdrawn before maturity unlike a recurring deposit or a demand deposit. Due to this limitation, some banks offer additional services to FD holders such as loans against FD certificates at competitive interest rates. Banks may offer lesser interest rates under uncertain economic conditions. The tenure of an FD can vary from 7, 15 or 45 days to 1.5 years and can be as high as 10 years.

In India these investments can be safer than Post Office Schemes as they are covered by the Indian Deposit Insurance and Credit Guarantee Corporation (DICGC). However, DICGC guarantees amount up to ₹ 500000 per depositor per bank. In India they also offer income tax and wealth tax benefits.

FUNCTIONING

Fixed deposits are high-interest-yielding term deposits and are offered by banks. The most popular form of term deposits are fixed deposits, while other forms of term deposits are recurring deposit and Flexi Fixed deposits (the latter is actually a combination of demand deposit and fixed deposit).

To compensate for the low liquidity, FDs offer higher rates of interest than saving accounts. The longest permissible term for FDs is 10 years. Generally, the longer the term of deposit, the higher isthe rate of interest but a bank may offer a lower rate of interest for a longer period if it expects interest rates, at which the Central Bank of a nation lends to banks ("repo rates"), will dip in the future.

Usually the interest on FDs is paid every three months from the date of the deposit (e.g. if FD a/c was opened on 15 Feb, the first interest installment would be paid on 15 May). The interest is credited to the customers' Savings bank account or sent to them by cheque. This is a *Simple FD.* The customer may choose to have the interest reinvested in the FD account. In this case, the deposit is called the *Cumulative FD* or compound interest FD. For such deposits, the interest is paidwith the invested amount on maturity of the deposit at the end of the term.

Although banks can refuse to repay FDs before the expiry of the deposit, they generally don't. This is known as a premature withdrawal. In such cases, interest is paid at the rate applicable at the time

of withdrawal. For example, a deposit is made for 5 years at 8% but is withdrawn after 2 years. If the rate applicable on the date of deposit for 2 years is 5 percent, the interest will be paid at 5 percent. Banks can charge a penalty for premature withdrawal.[5]

Banks issue a separate receipt for every FD because each deposit is treated as a distinct contract. This receipt is known as the Fixed Deposit Receipt (FDR), which has to be surrendered to the bank at the time of renewal or encashment.[7]

Many banks offer the facility of automatic renewal of FDs where the customers do give new instructions for the matured deposit. On the date of maturity, such deposits are renewed for a similar term as that of the original deposit at the rate prevailing on the date of renewal.

Income tax regulations require that FD maturity proceeds exceeding Rs 20,000 not to be paid in cash. Repayment of such and larger deposits has to be either by "A/c payee" crossed cheque in the name of the customer or by credit to the saving bank a/c or current a/c of the customer.

Nowadays, banks give the facility of Flexi or sweep in FD, where in customers can withdraw their money through ATM, through cheque or through funds transfer from their FD account. In such cases, whatever interest is accrued on the amount they have withdrawn will be credited to their savings account (the account that has been linked to their FD) and the balance amount will automatically be converted in their new FD. This system helps them in getting their funds from their FD account at the times of emergency in a timely manner.

BENEFITS

- Customers can avail loans against FDs up to 80 to 90 percent of the value of deposits. The rateof interest on the loan could be 1 to 2 percent over the rate offered on the deposit.[8]
- Residents of India can open these accounts for a minimum of seven days.
- Investing in a fixed deposit earns customers a higher interest rate than depositing money in asaving account.
- Tax saving fixed deposits is a type of fixed deposits that allow the investor to save tax underSection 80C of the Income Tax Act.

TAXABILITY

In India, tax is deducted at source by the banks on FDs if interest paid to a customer at any bank exceeds ₹ 10,000 in a financial year. This is applicable to both interest payable or reinvested per customer. This is called Tax deducted at Source and is presently fixed at 10% of the interest. With CBS banks can tally FD holding of a customer across various branches and TDS is applied if interest exceeds ₹ 10,000. Banks issue Form 16 A every quarter to the customer, as a receipt for Tax Deducted at Source.

However, tax on interest from fixed deposits is not 10%; it is applicable at the rate of tax slab of thedeposit holder. If any tax on Fixed Deposit interest is due after TDS, the holder is expected to declare it in Income Tax returns and pay it by himself.

If the total income for a year does not fall within the overall taxable limits, customers can submit a Form 15 G (below 60 years of age) or Form 15 H (above 60 years of age) to the bank when startingthe FD and at the start of every financial year to avoid TDS.

GOLD

Gold has been used throughout history as money and has been a relative standard for currency equivalents specific to economic regions or countries, until recent times. Many European countries implemented gold standards in the latter part of the 19th century until these were temporarily suspended in the financial crises involving World War I. After World War II, the Bretton Woods system pegged the United States dollar to gold at a rate of US$35 per troy ounce. The system existed until the 1971 Nixon Shock, when the US unilaterally suspended the direct convertibility of the United States dollar to gold and made the transition to a fiat currency system. The last major currency to be divorced from gold was the Swiss Franc in 2000.

Influencing factors

Like most commodities, the price of gold is driven by supply and demand, including speculative demand. However, unlike most other commodities, saving and disposal play larger roles in affecting its price than its consumption. Most of the gold ever mined still exists in accessible form, such as bullion and mass-produced jewelry, with little value over its fine weight—so it is nearly as liquid as bullion, and can come back onto the gold market. At the end of 2006, it was estimated thatall the gold ever mined totalled 158,000 tonnes (156,000 long tons; 174,000 short tons).

Given the huge quantity of gold stored above ground compared to the annual production, the price of gold is mainly affected by changes in sentiment, which affects market supply and demand equally, rather than on changes in annual production. According to the World Gold Council, annualmine production of gold over the last few years has been close to 2,500 tonnes. About 2,000 tonnes goes into jewelry, industrial and dental production, and around 500 tonnes goes to retail investors and exchange-traded gold funds.

Central banks

Central banks and the International Monetary Fund play an important role in the gold price. At the end of 2004, central banks and official organizations held 19% of all above-ground gold as official gold reserves. The ten-year Washington Agreement on Gold (WAG), which dates from September 1999, limited gold sales by its members (Europe, United States, Japan, Australia, the Bank for

International Settlements and the International Monetary Fund) to less than 400 tonnes a year. In 2009, this agreement was extended for five years, with a limit of 500 tonnes. European central banks, such as the Bank of England and the Swiss National Bank, have been key sellers of goldover this period. In 2014, the agreement was extended another five years at 400 tonnes per year. In 2019 the agreement was not extended again.

Although central banks do not generally announce gold purchases in advance, some, such as Russia, have expressed interest in growing their gold reserves again as of late 2005. In early 2006, China, which only holds 1.3% of its reserves in gold, announced that it was looking for ways to improve the returns on its official reserves. Some bulls hope that this signals that China might reposition more of its holdings into gold, in line with other central banks. Chinese investors began pursuing investment in gold as an alternative to investment in the Euro after the beginning of the Eurozone crisis in 2011. China has since become the world's top gold consumer as of 2013.

The price of gold can be influenced by a number of macroeconomic variables. Such variables include the price of oil, the use of quantitative easing, currency exchange rate movements and returns on equity markets.

Hedge against financial stress

Gold, like all precious metals, may be used as a hedge against inflation, deflation or currency devaluation, though its efficacy as such has been questioned; historically, it has not provenitself reliable as a hedging instrument. A unique feature of gold is that it has no default risk.

Gold versus stocks

The performance of gold bullion is often compared to stocks as different investment vehicles. Gold is regarded by some as a store of value (without growth) whereas stocks are regarded as a return on value (i.e., growth from anticipated real price increase plus dividends). Stocks and bonds perform best in a stable political climate with strong property rights and little turmoil. The attached graph shows the value of Dow Jones Industrial Average divided by the price of an ounce of gold. Since 1800, stocks have consistently gained value in comparison to gold in part because of the stability ofthe American political system. This appreciation has been cyclical with long periods of stock outperformance followed by long periods of gold outperformance. The Dow Industrials bottomed out a ratio of 1:1 with gold during 1980 (the end of the 1970s bear market) and proceeded to post gains throughout the 1980s and 1990s. The gold price peak of 1980 also coincided with the Soviet Union's invasion of Afghanistan and the threat of the global expansion of communism. The ratio peaked on January 14, 2000, a value of 41.3 and has fallen sharply since.

One argument follows that in the long-term, gold's high volatility when compared to stocks and bonds, means that gold does not hold its value compared to stocks and bonds

TAXATION

Gold maintains a special position in the market with many tax regimes. For example, in the European Union the trading of recognised gold coins and bullion products are free of VAT. Silver and other precious metals or commodities do not have the same allowance. Other taxes such as capital gains tax may also apply for individuals depending on their tax residency. U.S.citizens may be taxed on their gold profits at collectibles or capital gains rates, depending on the investment vehicle used.

SCAMS AND FRAUD

Gold attracts a fair share of fraudulent activity. Some of the most common are:

- Cash for gold – With the rise in the value of gold due to the financial crisis of 2007–2010, therehas been a surge in companies that will buy personal gold in exchange for cash, or sell investments in gold bullion and coins. Several of these have prolific marketing plans and high- value spokesmen, such as prior vice presidents. Many of these companies are under investigation for a variety of securities fraud claims, as well as laundering money for terrorist organizations. Also, given that ownership is often not verified, many companies are considered to be receiving stolen property, and multiple laws are under consideration as methods to curtail this.

- High-yield investment programs – HYIPs are usually just dressed up pyramid schemes, withno real value underneath. Using gold in their prospectus makes them seem more solid and trustworthy.
- Advance fee fraud – Various emails circulate on the Internet for buyers or sellers of up to 10,000 metric tonnes of gold (an amount greater than US Federal Reserve holdings). Through the use of fake legalistic phrases, such as "Swiss Procedure" or "FCO" (Full Corporate Offer), naive middlemen are drafted as hopeful brokers. The end-game of these scams varies, with some attempting to extract a small "validation" amount from the innocent buyer/seller (in hopesof hitting the big deal), and others focused on draining the bank accounts of their targeted dupes.
- Gold dust sellers – This scam persuades an investor to purchase a trial quantity of real gold, then eventually delivers brass filings or similar.
- Counterfeit gold coins.
- Shares in fraudulent mining companies with no gold reserves, or potential of finding gold. For example, the Bre-X scandal in 1997.
- There have been instances of fraud when the seller keeps possession of the gold. In the early 1980s, when gold prices were high, two major frauds were International Gold Bullion Exchange and Bullion Reserve of North America. More recently, the fraud at e-Bullion resultedin a loss for investors.

Literature Review

The relationship between financial security and individual investment preferences has been widely studied in the field of finance. Financial security pertains to the sense of stability or confidence one feels regarding their current and future financial situation. The aim of this literature review is to examine the existing literature on the impact of financial security on individual investment preferences.

Financial Security:

Financial security, or the sense of stability or confidence one feels regarding their current and futurefinancial situation, has been found to have a significant impact on investment preferences. Individuals who feel financially secure tend to have a higher preference for low-risk investments, while those who feel financially insecure are more likely to prefer high-risk investments (Chen et al., 2019; Kim & Lee, 2019).

Furthermore, a study conducted by Lusardi et al. (2010) found that individuals who had experienced financial shocks, such as job loss or a significant medical expense, were more likely to exhibit riskier investment behavior. This highlights the importance of financial security in shaping investment preferences and the impact of unexpected events on investment behavior.(Gold price up90% in 5 years. What long term bullion investors should do in 2023)

Financial behavior and investment preference:

Financial behavior is a crucial factor that influences the investment preference of an individual. Several studies have examined the relationship between financial behavior and investment preference. According to a study by (Gudmunson, Beutler, Israelsen, McCoy, & Hill, 2010), financial behavior is a significant predictor of investment preference. The study found that individuals with positive financial behaviors, such as budgeting, saving, and investing, are more likely to invest in riskier assets such as stocks and mutual funds.

Similarly, another study by Ranyard et al. (2008) found that financial behavior, such as budgeting and saving, is positively associated with investment preference for risky assets. The study also found that financial behavior mediates the relationship between financial literacy and investment preference.

Furthermore, a study by (Campbell & Stango, 2001) found that financial behavior affects investment preference differently based on the individual's income level. The study found that individuals with higher incomes tend to invest more in risky assets, while those with lower incomesprefer safer assets.

Financial security and investment preference:

Financial security is another crucial factor that affects the investment preference of individuals. Several studies have examined the relationship between financial security and investment preference. According to a study by Lu et al. (2014), financial security is positively associated \withinvestment preference. The study found that individuals with high financial security are more likelyto invest in risky assets such as stocks and mutual funds than those with low financial security.

Similarly, a study by (Grable & Lytton, 1998) found that financial security is positively associated with investment preference, regardless of the individual's income level. The study found that individuals with high financial security tend to invest in riskier assets, indicating that financial security plays a vital role in determining investment preference.

Moreover, a study by Merton and Bodie (2005) found that financial security affects investment preference through the individual's risk tolerance level. The study found that individuals with higher financial security have higher risk tolerance levels, which leads to a preference for riskier assets.

Rationale of Study

A study on the impact of financial behavior and financial security on individual investment preference is crucial for understanding investor behavior, mitigating investment risks, enhancing financial literacy, and promoting economic growth.

Mitigating investment risks

Investment preferences are influenced by a variety of factors, and a study on the impact of financialbehavior and financial security can help identify which factors contribute to increased risk in investment decision-making. By understanding these risks, financial advisors and institutions can help their clients make more informed investment decisions and mitigate potential losses.

Enhancing financial literacy

Studying the impact of financial behavior and financial security on individual investment preference can help enhance financial literacy. By learning about the factors that influence investment decision-making, individuals can become more aware of their own investment biases and make more informed decisions about their financial future.

Objectives of study

Objectives of the study areas as below:

1. To understand various long term investment options available to investors.
2. To understand risk factors associated with selected investment options.
3. To evaluate returns of selected investment options.
4. To identify the preferred investment options by investors.

Research Methodology

Research is "creative and systematic work undertaken to increase the stock of knowledge". It involves the collection, organization and analysis of evidence to increase understanding of a topic, characterized by a particular attentiveness to controlling sources of bias and error. These activities are characterized by accounting and controlling for biases. A research project may be an expansion on past work in the field. To test the validity of instruments, procedures, or experiments, research may replicate elements of prior projects or the project as a whole.

The primary purposes of basic research (as opposed to applied research) are documentation, discovery, interpretation, and the research and development (R&D) of methods and systems for the advancement of human knowledge. Approaches to research depend on epistemologies, which vary considerably both within and between humanities and sciences. There are several forms of research: scientific, humanities, artistic, economic, social, business, marketing, practitioner research, life, technological, etc. The scientific study of research practices is known as meta-research.

Research methodology is a way of explaining how a researcher intends to carry out their research. It's a logical, systematic plan to resolve a research problem. A methodology details a researcher's approach to the research to ensure reliable, valid results that address their aims and objectives. It encompasses what data they're going to collect and where from, as well as how it's being collected and analyzed.

Why is a research methodology important?

A research methodology gives research legitimacy and provides scientifically sound findings. It also provides a detailed plan that helps to keep researchers on track, making the process smooth, effective and manageable. A researcher's methodology allows the reader to understand the approachand methods used to reach conclusions.

Having a sound research methodology in place provides the following benefits:

- Other researchers who want to replicate the research have enough information to do so.
- Researchers who receive criticism can refer to the methodology and explain their approach.
- It can help provide researchers with a specific plan to follow throughout their research.
- The methodology design process helps researchers select the correct methods for theobjectives.
- It allows researchers to document what they intend to achieve with the research from theoutset.

1. **Type of research**: This study used the descriptive research design by using quantitativeapproach. This study is primary research.

2. **Types of data used**: To conduct this research secondary data is used.
   a. **Methods of data collection:** The secondary data will be collected from libraries, digitallibraries, online weblogs, articles, journals, books, etc.

3. **Tools of analysis**: The data collected for the purpose of the study is analyzed through various graphs and charts; also for the data related to mutual funds, NAV of the selected funds. Have been collected through secondary sources.

Data Analysis and Interpretation

LETS TAKE AN EXAMPLE BY ASSUMING THAT WE INVEST 1,00,000 IN EACHINVESTMENT INSTRUMENT (GOLD, FIXED DEPOSITS, MUTUAL FUND).

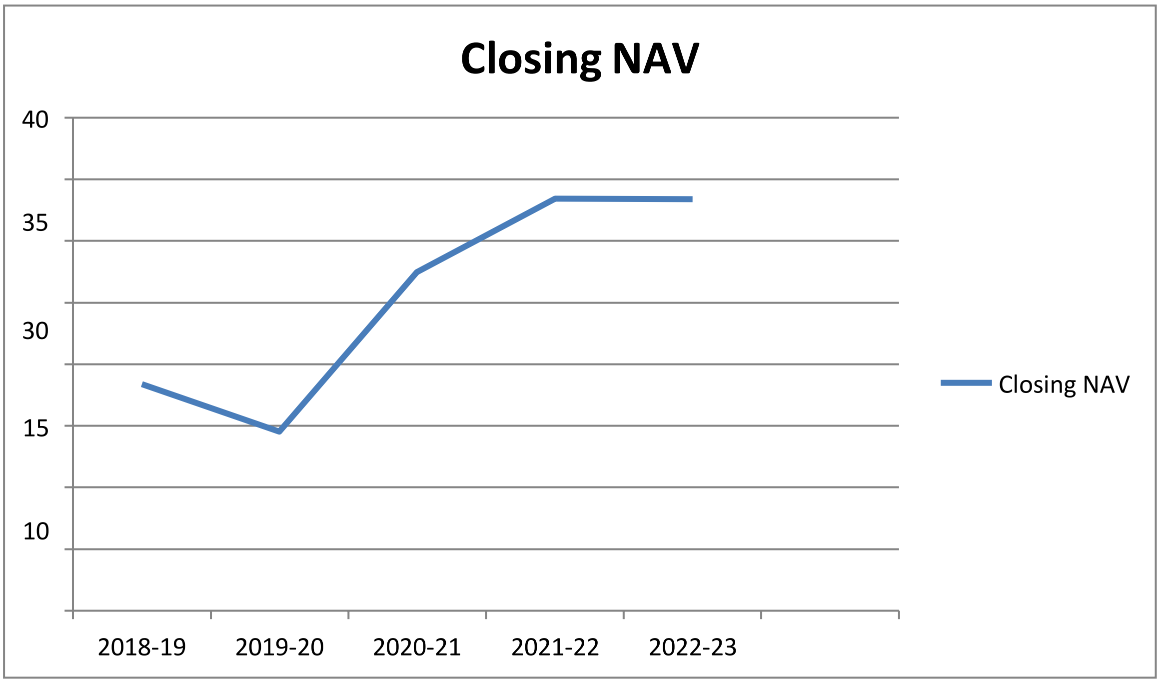
1. MUTUAL FUND

- **RETURN OF DIFFERENT FUNDS**

1. Mirae Asset Tax Saver Fund Direct-Growth

The Mirae Asset Tax Saver Fund provides a zero exit load, zero expense ratio, and greater returns than the category average. As an open-ended ELSS, the fund has a 3-year lock-in period and permits investments across a range of market capitalizations. Its adaptable strategy delivers a diversified portfolio of reliable, well-established businesses and exhibits strong development potential. The Mirae Asset Tax Saver fund is ideal for those wishing to invest for 3 years because it has a 5-year CAGR of 22.4 percent. The fund works to both reduce taxes and build long-term wealth.

Year	Opening NAV	Closing NAV
2018-19	16.348	18.393
2019-20	18.393	14.528
2020-21	14.528	27.4440
2021-22	27.4440	33.432
2022-23	33.432	33.409



Units purchased =

100000/16.348 = 6116.9562

Closing value =

6116.9562*33.409 = 204361

Interpretation of Graph

a) There was slight downfall in year 2019-20 because pandemic.

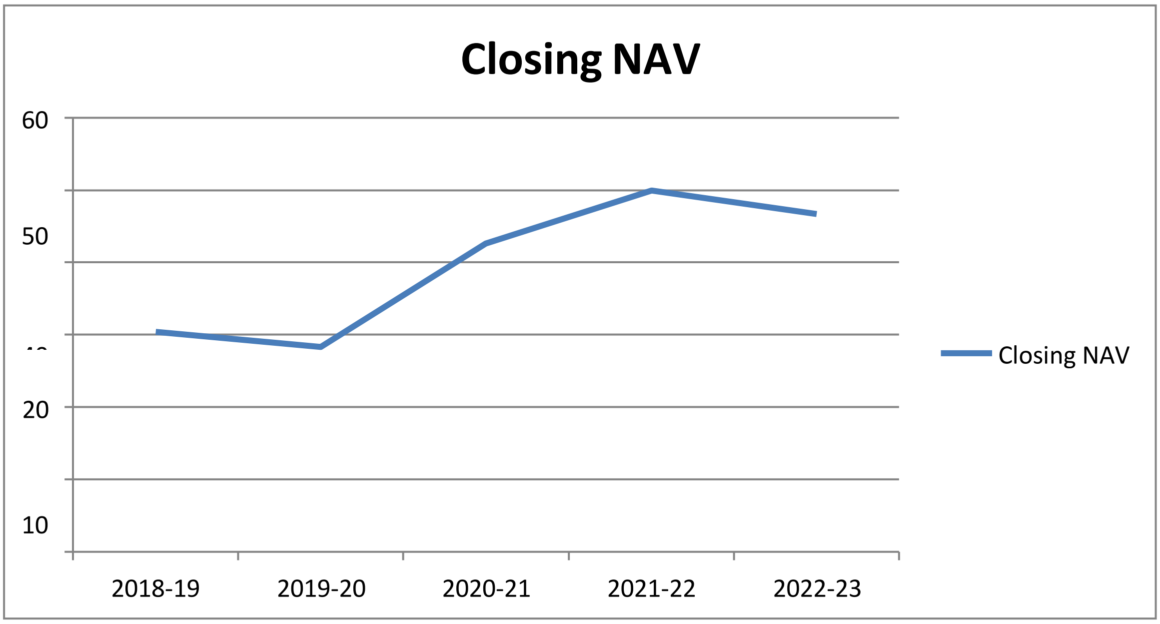
b) There was jump in NAV after pandemic.

c) The return percentage = $\frac{204361-100000}{100000}$ = 104.3%

2. Axis Bluechip Fund Direct-Growth

The Axis Bluechip Fund, launched by Axis Mutual Fund, invests in blue-chip equities or stocks of sizable, well-established companies, and it currently has an AUM of INR 29,160.6 crore. Although theyare classified high risk and have sufficient liquidity and are less volatile than mid-cap or small-cap stocks,the minimum SIP investment is set at INR 500 and the minimum lump sum investment is set at INR 5000. The Axis Bluechip Fund is appropriate for investors looking for long-term capital appreciation and attempts to achieve long-term capital growth through investments in a varied portfolio. The fund's CAGRover five years is 18.50%.

Year	**Opening NAV**	**Closing NAV**
2018-19	26.61	30.42
2019-20	30.42	28.30
2020-21	28.30	42.65
2021-22	42.65	49.93
2022-23	49.93	46.70



Units purchased =

100000/26.61= 3757.99

Closing value =

3757.99*46.7 = 175497.93

Interpretation of Graph

a) There was slight downfall in year 2019-20 because pandemic.

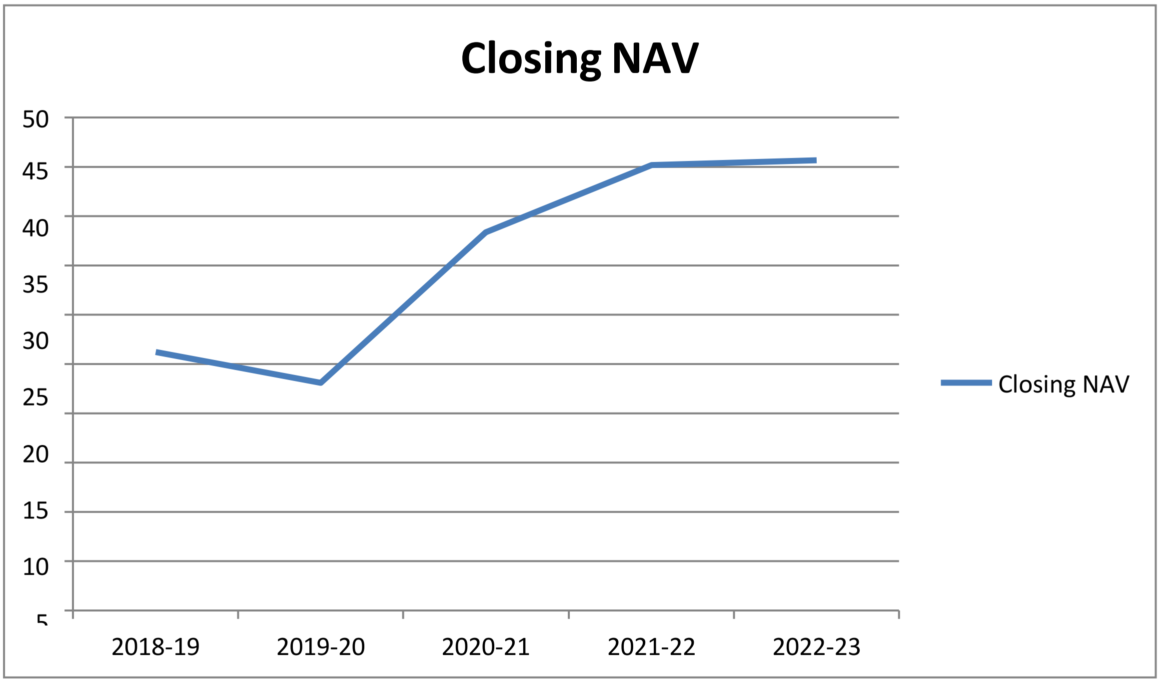
b) There was jump in NAV after pandemic.

c) The return percentage = $\frac{175497.93-100000}{100000}$ = 75.5%

3. Canara Robeco BlueChip Equity Fund Direct-Growth

Since its introduction in 2013, Canara Robeco Mutual Fund has offered an equity mutual fund strategy that aims to promote capital appreciation by principally investing in businesses with high market capitalizations. The fund has an extremely high risk rating with a current Asset Under Management (AUM) of INR 3,691.25 Cr. The minimum SIP (Systematic Investment Plan) is set at 1000. If the fund is redeemed before one year, the returns are taxed at 15%; otherwise, consumers must pay 10% in addition to an LTCG tax on returns of INR 1 lakh or more in a financial year. The fund offers a CAGR of 18.08% over five years.

Year	**Opening NAV**	**Closing NAV**
2018-19	23.31	26.25
2019-20	26.25	23.09
2020-21	23.09	38.38
2021-22	38.38	45.19
2022-23	45.19	45.66



Units purchased =

100000/26.25= 3809.53

Closing value = 3809.53*45.66

= 173942.857

Interpretation of Graph

a) There was slight downfall in year 2019-20 because pandemic.

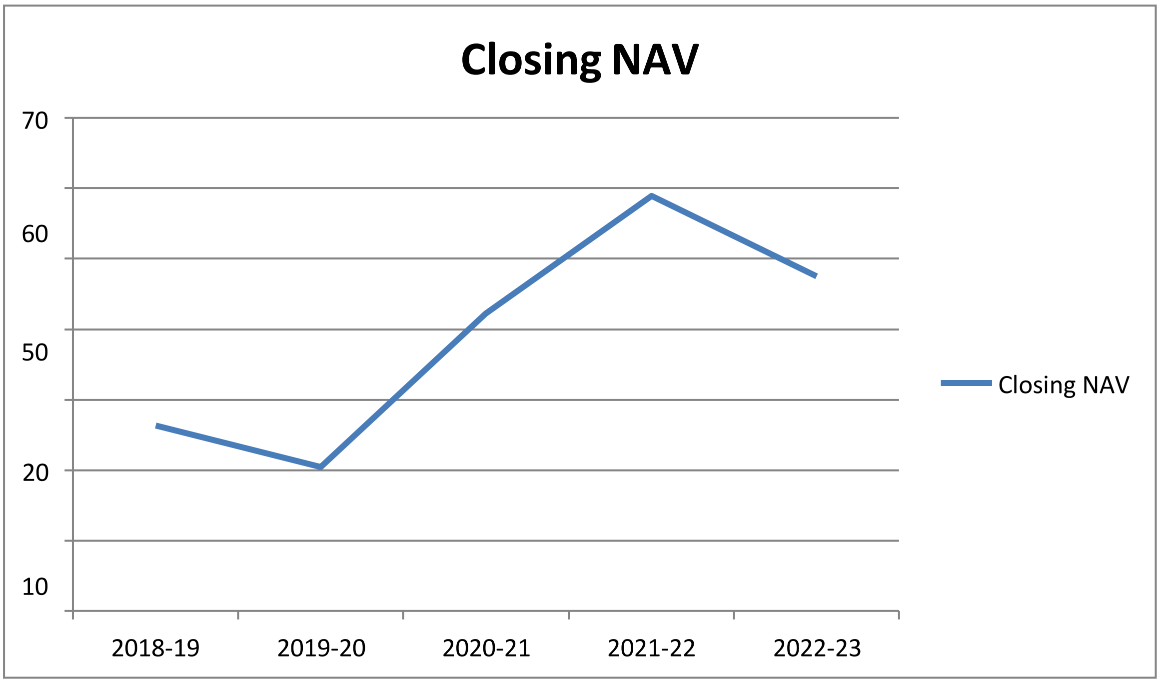
b) There was jump in NAV after pandemic.

c) The return percentage = $\frac{173942.857-100000}{100000}$ = 73.94%

4. Aditya Birla Sun Life Digital India Fund

It is an equity-sectoral fund that debuted on January 15th, 2000. It is a high-risk investment vehicle that has generated a CAGR/annualized return of 11.4% since its inception. 2021's return was 70.5%, 2022's was -21.6%, and 2020's was 59%. A multi-sector open-ended growth strategy that focuses on investing in technology and technology dependant companies, hardware, peripherals, and components, software, telecom, media, internet, and e-commerce, as well as other technology enabled businesses, with the goal of long-term capital growth. Income generation and dividend distribution are the secondary goals.

Year	Opening NAV	Closing NAV
2018-19	25.09	26.32
2019-20	26.32	20.43
2020-21	20.43	42.27
2021-22	42.27	58.92
2022-23	58.92	47.51



Units purchased =

100000/25.09 = 3985.65

Closing value =

3985.65*47.51 = 189358.31

Interpretation of Graph

a) There was slight downfall in year 2019-20 because pandemic.

b) There was jump in NAV after pandemic.

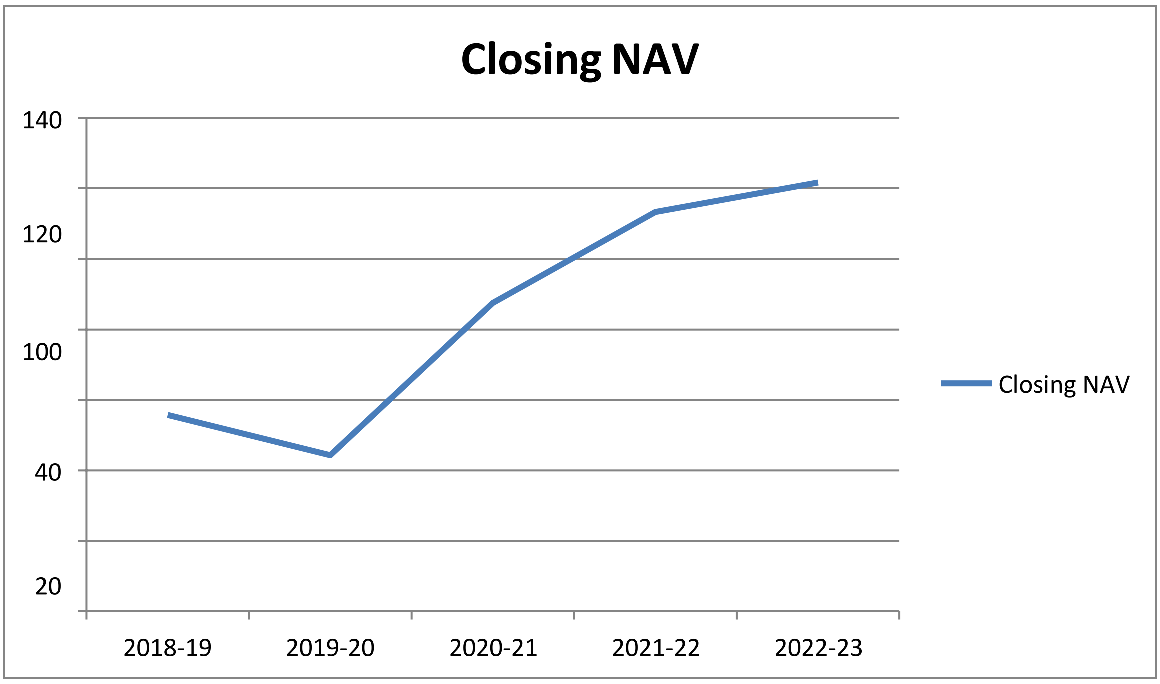
c) The return percentage = $\frac{189358.65-100000}{100000}$ = 89.36%

d) The return or NAV of mutual fund was down in 2022-23 because of market conditions.

5. SBI Small Cap Fund Direct-Growth

The SBI small-cap fund has an AUM of INR 9,620.21 cr and an expense ratio of 0.84% asof the 16th of August 2021, with a Net Asset Value (NAV) of INR 102.68. Due to the fund's exceptionally high risk, the minimum SIP is INR 500. Growth and value investing are both incorporated into the stock picking method. The fund seeks to give investors possibilities for long-term wealth creation by offering a 5-year CAGR of 23.31%.

Year	**Opening NAV**	**Closing NAV**
2018-19	59.6897	55.6630
2019-20	55.6630	44.2998
2020-21	44.2998	87.4737
2021-22	87.4737	113.3881
2022-23	113.3881	121.7144



Units purchased = 100000/55.6630 =
1796.5255 Closing value =
1796.5255*121.7144 = 218663.023

Interpretation of Graph

a) There was slight downfall in year 2019-20 because pandemic.
b) There was jump in NAV after pandemic.
c) The return percentage = $\frac{218663.023-100000}{100000}$ = 118.62%

2. GOLD PRICES

CALCULATION ON RETURN ON INVESTMENT

- FOR THE FIRST YEAR (2018) THE RETURN AMOUNT WOULD BE NIL AS IT WAS INVESTED IN THAT YEAR. (BASE YEAR FOR CALCULATION)

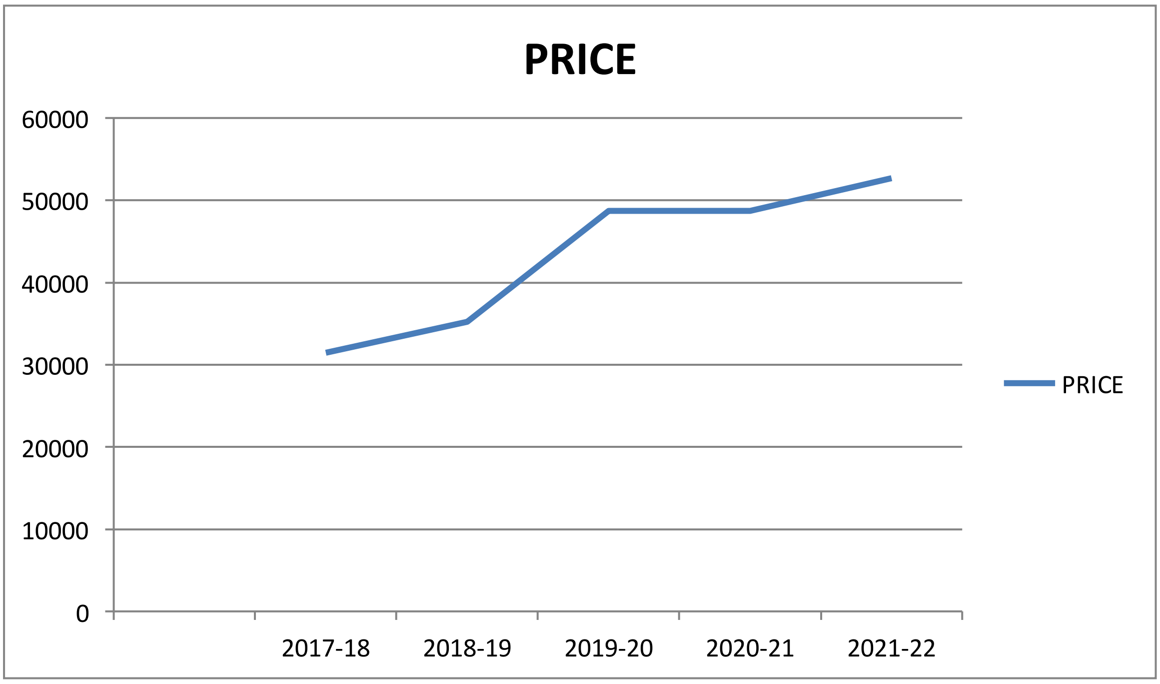
- FOR THE SECOND YEAR (2019) $\frac{35,220-31,438}{31,438} = 12.03\%$

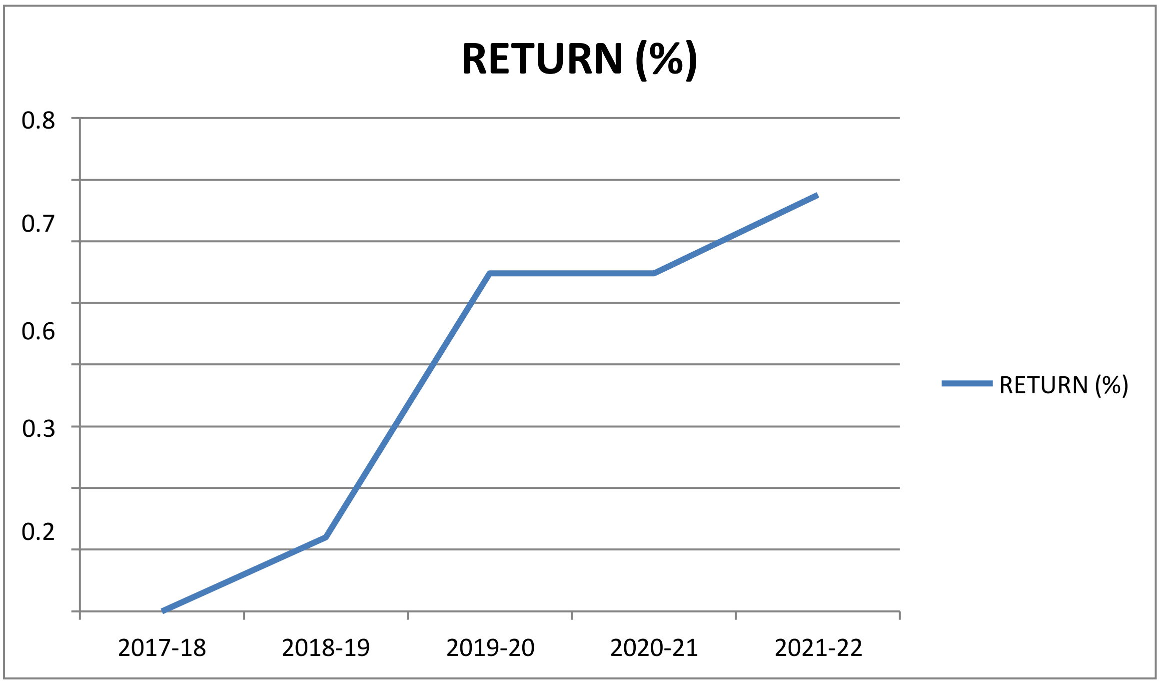
- FOR THE THIRD YEAR (2020) $\frac{48,651-31,438}{31,438} = 54.79\%$

- FOR THE FOURTH YEAR (2021) $\frac{48,720-31,438}{31,438} = 54.79\%$

- FOR THE FIFTH YEAR $\frac{52,670-31,438}{31,438} = 67.53\%$

YEAR	PRICE	RETURN (%)
2017-18	Rs.31,438.00	INVESTMENT YEAR
2018-19	Rs.35,220.00	12.03%
2019-20	Rs.48,651.00	54.75%
2020-21	Rs.48,720.00	54.79%
2021-22	Rs.52,670.00	67.53%





INTERPRETATION OF CHANGE IN PRICES OF GOLD

1. The major change in price of gold was seen in 2020.
2. The rate of return in gold is positive.
3. Price of gold changes at different percentage.
4. The major change or increase in return was seen in year 2018-19.

3. Fixed deposits prices (CONSIDERING COMPOUND INTEREST)

CALCULATION ON RETURN ON INVESTMENT

M= P + P {(1 + i/100) t – 1}, where –

P is the principal amount

i is the rate of

interest per

periodt is the

tenure

- FOR THE FIRST YEAR
  (2018) M=1,00,000 +
  1,00,000 {(1+5.20/100) 5-
  1}M= 1,15,200
- FOR THE SECOND YEAR (2019)
  M= 1,00,000 +1,00,000 {(1+5.30/100)4-1}
  M= 1,18,900
- FOR THE THIRD YEAR
  (2020) M=1,00,000 +
  1,00,000 {(1+6.05/100)3-
  1}M= 1,14,100
- FOR THE FOURTH
  YEAR (2021) M=1,00,000
  + 1,00,000
  {(1+6.75/100)2-1}M=
  1,07,750

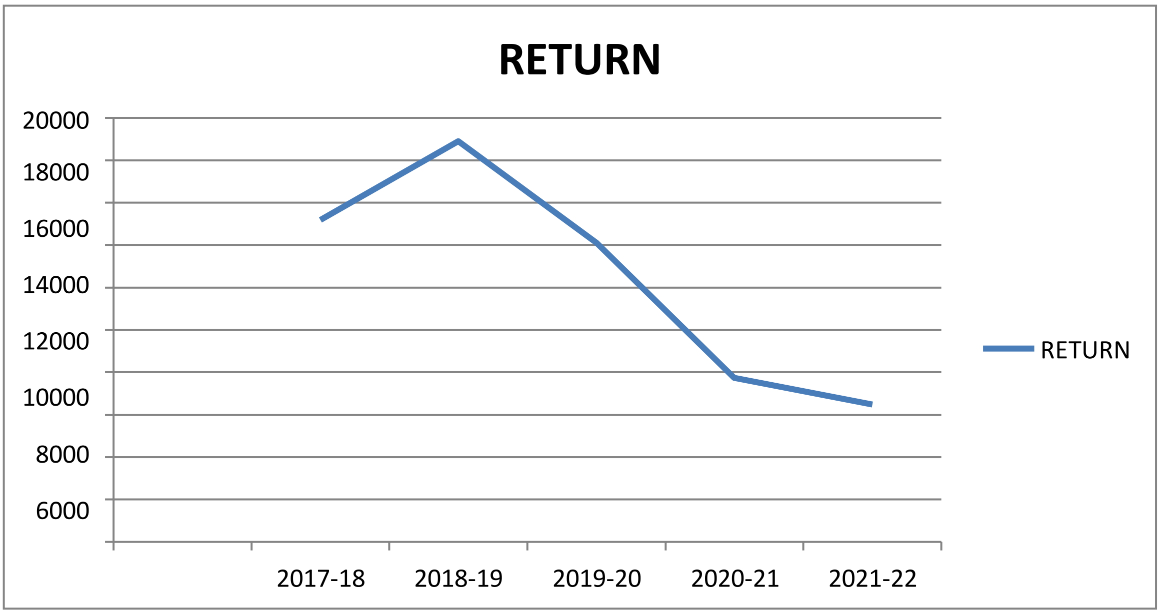
- FOR THE FIFTH YEAR(2022)

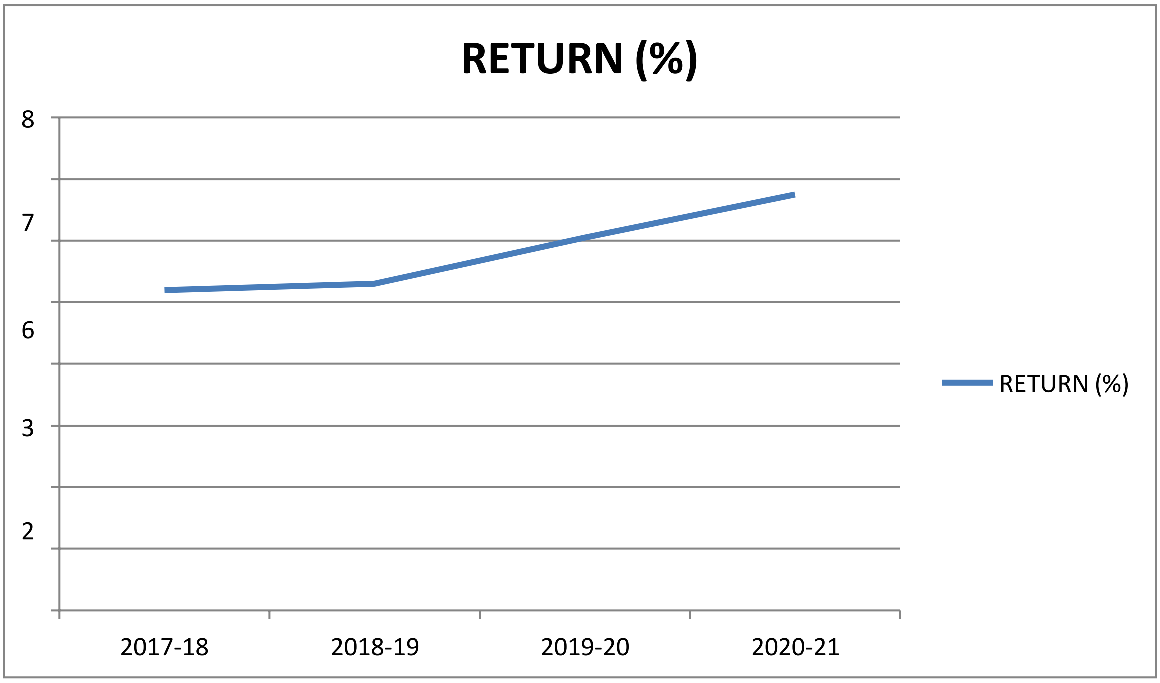
  AS THIS IS THE LAST YEAR COMPOUND INTEREST WILL NOT BEAPPLICABLE. THEREFORE,

  M=1,00,000*6.48%

  M=1,06,480

YEAR	RETURN	RETURN (%)
2017-18	15200	5.20
2018-19	18900	5.30
2019-20	14100	6.05
2020-21	7750	6.75
2021-22	6480	6.48




RETURN (%)
8
7
6
3
2
2017-18
2018-19
2019-20
2020-21
RETURN (%)

Findings & Conclusion

By interpretation and analyzing the data of gold, mutual fund and fixed deposit, the conclusion can be as follow :-

1 . By seeing the pattern of market for five years we can see that the price of gold and the market condition is inversely co-related. In other words if the market is going down then the price of gold will increase.

2 . Fixed deposit rates almost cover the inflation rate of the country or in other words we can say that through investing in fixed deposit our return amount will be same as invested amount in fixed deposit.

3 . Mutual fund is directly related to market conditions. During corona the market was down therefore the return on mutual fund was down but as after corona the market was recovering the return on mutual fund was also increasing.

4 . As return on gold is around 60% and on mutual fund is around 70-120 %. We can say that thehighest return is on mutual fund.

5 . We can say that for long term investment the best option is **mutual fund** and then **gold.**

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