A
Research Project
On

"A FUNDAMENTAL STUDY OF VARIOUS INVESTMENT OPTIONS WITH REFERENCE TO INDIVIDUAL"

Submitted to

G.S. College of Commerce and Economics (Autonomous), Nagpur

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In partial fulfilment for the award of the Degree of

Bachelor of Business Administration

Submitted by

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Under the Guidance of

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G.S. College of Commerce And Economics, Nagpur

Academic Year 2023-24

CERTIFICATE

This is to certify that “Atharva Choudhari” has submitted the project report titled “A Fundamental study of various investment options with reference to individual, towards partial fulfillment of BACHELOR 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 he has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

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Place: Nagpur

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G.S. College of Commerce And Economics, Nagpur

Academic Year 2023-24

DECLARATION

I here-by declare that the project with title "A Fundamental study of various investment options with reference to individual'' has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by 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 undertaken by me.

Place: Nagpur   Atharva Choudhari

Date:

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Academic Year 2023-24

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Place: Nagpur Atharva Choudhari

Date:

CONTENTS

CHAPTER 1

INTRODUCTION

INVESTMENT

MEANING OF INVESTMENT

Investment encompasses a broad spectrum of financial activities aimed at generating income or profit by allocating resources in assets that have the potential to appreciate in value over time or generate returns. It involves committing resources such as money, time, or effort with the expectation of receiving a future benefit

CONCEPT OF INVESTMENT

Investment is the allocation of resources, typically money, with the expectation of generating future income or profit. It involves sacrificing present consumption in the hope of achieving greater benefits in the future. The core concept of investment revolves around the idea of using resources to acquire assets that have the potential to appreciate in value over time or generate income, such as stocks, bonds, real estate, or businesses.

Investing involves assessing risks and potential returns, balancing them according to individual goals, risk tolerance, and time horizon. Different investment vehicles offer varying levels of risk and potential reward. Diversification, spreading investments across different assets, is a common strategy to manage risk.

The primary objectives of investment include wealth accumulation, capital preservation, and financial security. Investors may pursue short-term gains through trading or speculation, or they may adopt a long-term approach, focusing on consistent growth and income generation.

Ultimately, the goal of investment is to optimize returns while managing risk to achieve financial goals and secure future prosperity.

FEATURES OF INVESTMENT

1. **Return Potential**: Investments offer the potential to generate returns in the form of income (such as dividends or interest) or capital appreciation (increase in the value of the investment over time). The return potential varies depending on the type of investment and prevailing market conditions.

2. **Risk**: All investments carry some level of risk, which refers to the uncertainty of achieving expected returns. Risk can manifest in different forms, including market risk (fluctuations in asset prices), credit risk (default by issuers of bonds or loans), liquidity risk (difficulty in selling assets), and geopolitical risk (political instability affecting investments).

3. **Liquidity**: Liquidity refers to the ease with which an investment can be bought or sold without significantly affecting its price. Investments like publicly traded stocks and bonds typically have high liquidity because they can be easily bought or sold on exchanges. On the other hand, real estate or private equity investments may have lower liquidity as they require more time and effort to sell.

4. **Time Horizon**: The time horizon refers to the duration over which an investor expects to hold an investment before liquidating it. Investments can be classified as short-term (typically less than one year), medium-term (one to five years), or long-term (more than five years).

5. **Volatility**: Volatility measures the degree of fluctuation in the value of an investment over time. Investments with higher volatility tend to experience more significant price swings, while those with lower volatility are more stable. Volatility can affect investor emotions and investment decisions.

6. **Diversification**: Diversification involves spreading investments across different asset classes, sectors, regions, or investment strategies to reduce risk. By diversifying, investors can mitigate the impact of adverse events affecting any single investment or asset class on their overall portfolio.

7. **Tax Implications**: Investments may have tax implications that affect overall returns. Income generated from investments, such as dividends, interest, or capital gains, may be subject to taxation at different rates depending on the investment vehicle and the investor's tax jurisdiction. Tax-efficient investing strategies aim to minimize tax liabilities while maximizing after-tax returns.

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Investment Options Available:

There are a large number of investments available today. In India, numbers of investment avenues are available for the investors. Some of them marketable and liquid able while others are non-marketable and some of them also highly risky while others are almost risk less. A number of investment in India depend on the size investment and financial objective. These avenues of investments should be wisely selected by an investor as we all know that saving and investing are the sole pillars of financial stability.

TYPES OF INVESTMENT OPTIONS –

1. Equity Share Market: A stock market, equity market or share market is the aggregation of buyers and sellers of stocks (also called shares). The securities traded in the equity market can be either be public stocks, which are those listed on the stock exchange, or privately traded stocks. Equity market is one of the most likely areas but at the same time is also a place where an investor can earn high rates of return that will push up the return of the entire portfolio. Investment in equities can be made directly by the purchase of share from market

2. Bonds - Bonds are debt securities where investors lend money to governments or corporations in exchange for periodic interest payments and the return of the principal amount at maturity. They offer fixed or variable interest rates and vary in maturity lengths, from short-term (e.g., Treasury bills) to long-term (e.g., government or corporate bonds). Bonds are generally considered less risky than stocks and provide a steady income stream. Their value fluctuates with changes in interest rates, credit ratings, and economic conditions. Bonds are integral components of diversified investment portfolios, offering stability and income generation to investors.

3. Real Estate: In real estate, money is used to purchase property for the purpose of holding, reselling or leasing for income and there is an element of capital risk. Residential real estate includes undeveloped land, houses, condominiums, and townhouses. The structures may be single family or multi-family dwellings and may be owner-occupied or rental properties. Commercial real estate includes non-residential structures such as office buildings, warehouses, and retail buildings. These buildings may be free standing or in shopping malls. Industrial real estate includes factories, business parks, mines, and farms. These properties are usually larger in size and locations may include access to transportation hubs such as rail lines.

4. Gold and silver: Investing in gold and silver involves purchasing physical metals or investing in financial instruments like exchange-traded funds (ETFs) or mutual funds that track the prices of these metals. Gold and silver are considered precious metals and are often used as a hedge against inflation and economic uncertainty. They have intrinsic value and historically retain their worth over time. Factors influencing their prices include supply and demand dynamics, currency fluctuations, geopolitical tensions, and central bank policies.

SIGNIFICANCE OF INVESTMENT IN AN ECONMY

Investment plays a crucial role in driving economic growth and development by stimulating productivity, innovation, employment, and overall prosperity. Here's a detailed explanation of the significance of investment for an economy:

1. **Capital Formation**: Investment contributes to the accumulation of physical capital (such as machinery, equipment, infrastructure) and human capital (education, skills, training), which are essential for increasing productivity and expanding the economy's production capacity. Capital formation leads to higher levels of output, income, and standards of living over time.

2. **Stimulating Economic Activity**: Investment expenditure creates demand for goods and services in the economy, leading to increased production, sales, and employment across various sectors. It drives economic activity by generating income and spending throughout the supply chain, from raw material suppliers to manufacturers to retailers.

3. **Innovation and Technological Advancement**: Investment in research and development (R&D), technology, and innovation fosters advancements in products, processes, and services. It drives productivity growth by introducing new technologies, methods, and ideas that enhance efficiency, competitiveness, and quality standards, leading to sustainable economic progress.

4. **Job Creation**: Investment in new businesses, expansion projects, and infrastructure development creates employment opportunities, reduces unemployment, and enhances labor market participation. Job creation stimulates consumer spending, boosts consumer confidence, and supports inclusive economic growth by reducing poverty and income inequality.

DISADVANTAGES OF INVESTMENT

1. **Risk of Loss:** All investments carry some level of risk, including the potential loss of principal. Market fluctuations, economic downturns, and unforeseen events can lead to investment losses.

2. **Volatility:** Investment values can be volatile, meaning they can fluctuate widely in the short term. This volatility can cause anxiety and uncertainty for investors, especially if they have short-term financial goals.

3. **Lack of Liquidity:** Some investments may lack liquidity, making it difficult to buy or sell them quickly without significantly affecting their market prices. This illiquidity can tie up capital and limit flexibility.

4. **Complexity and Knowledge Requirement:** Some investment options, such as derivatives or complex financial products, require a deep understanding of financial markets and instruments. Lack of knowledge can lead to poor investment decisions.

5. **Regulatory and Tax Considerations:** Investments may be subject to regulatory restrictions and tax implications, which can impact overall returns and require ongoing compliance efforts.

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CHAPTER 2 –

TYPES OF INVESTMENT OPTIONS

1. SHARES

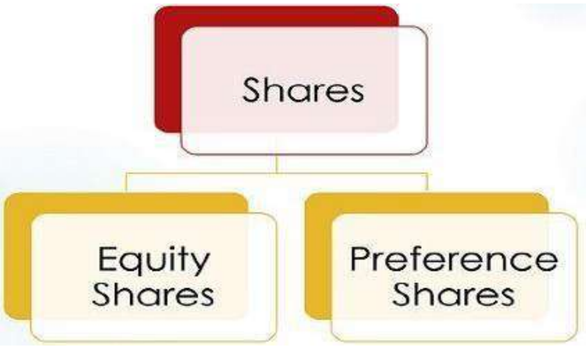
Shares are units of ownership in a company. The terms "shares" and "stocks" are often used interchangeably, but they represent a company differently. While this may seem confusing, it is a matter of how you're talking about a company and how much ownership you have in it. For example, say XYZ company issued stock and you purchased 10 shares of it. If each share represents 1% of ownership, you own 10% of the company. The company issued stock, and you bought shares of it.

Another way to think of it is that you purchase shares of a stock, you don't buy stock. Stock is a more general term, used to refer to the financial instruments company issues, while shares are what you actually buy.

UNDERSTANDING SHARE INVESTMENT

When establishing a corporation, owners may choose to issue stock to raise capital. Companies then divide their stock into shares, which are sold to investors. These investors are generally investment banks or brokers that, in turn, sell the shares to other investors individually or through instruments like a mutual fund or exchange-traded fund.

Shares are the equivalent of ownership in a corporation. Because they represent ownership, not debt, there is no legal obligation for the company to reimburse the shareholders if something happens to the business.



I **Equity shares**: Equity shares are also referred to as ordinary shares. They are one of the most common kinds of shares. These stocks are documents that give investors ownership rights of the company. Equity shareholders bear the highest risk. Owners of these shares have the right to vote on various company matters. Equity shares are also transferable and the dividend paid is a proportion of profit. One thing to note, equity shareholders are not entitled to a fixed dividend. The liability of an equity shareholder is limited to the amount of their investment. However, there are no preferential rights in holding.

Types of equity shares based on share capital are :-

a) **Authorized share capital:** This is the maximum amount of capital a company can issue. It can be increased from time to time. For this, a company needs to conform to some formalities and also pay required fees to legal entities.

b) **Issued share capital:** This is the portion of authorised capital which a company offers to its investors.

c) **Subscribed share capital:** This refers to the portion of issued capital upon which investors accept and agree.

d) **Paid-up capital:** This refers to the portion of the subscribed capital for which the investors pay. Since most companies accept the entire subscription amount at one goes, issued, subscribed, and paid capital are the same thing.

II **Preference shares**: In our discussion on what are types of shares, we will now we will look at preference shares. When a company is liquidated, the shareholders who hold preference shares are paid off first. They also have the right to receive profits of the company before the ordinary shareholders.

Types of preference shares are :-

a) **Cumulative and non-cumulative preference shares:** In the case of cumulative preference share, when the company does not declare dividends for a particular year, it is carried forward and accumulated. When the company makes profits in the future, these accumulated dividends are paid first. In case of non-cumulative preference shares, dividends do not get accumulated, which means when there are no future profits, no dividends are paid.

b) **Participating and non-participating preference shares**: Participating shareholders have the right to participate in remaining profits after the dividend has been paid out to equity shareholders. So in years where the company has made more profits, these shareholders are entitled to get dividends over and above the fixed dividend. Holders of non-participating preference shares, do not have a right to participate in the profits after the equity shareholders have been paid. So in case a company makes any surplus profit, they will not get any additional dividends. They will only receive their fixed share of dividends every year.

c) **Convertible and non- convertible preference shares:** Here, the shareholders have an option or right to convert these shares into ordinary equity shares. For this, specific terms and conditions need to be met. Non-convertible preference shares do not have a right to be converted into equity shares.

d) **Redeemable and Irredeemable preference shares**: Redeemable preference shares can be claimed or repurchased by the issuing company. This can happen at a predetermined price and at a predetermined time. These do not have a maturity date which means these types of shares are perpetual. So companies are not bound to pay any amount after a fixed period.

PROCESS OF INVESTING IN SHARES

Share Market Investment for Beginners

To invest in stocks publicly listed on the market, you need to fulfil the following requirements:

1. Personal documents

- PAN Card
- Aadhaar Card
- Name on a cancelled cheque from your active bank account
- Proof of residence based on a list of documents that have been accepted by your stock broker, depository participant, or bank
- Account statements
- Passport-size photographs

2. Demat Account

A Demat account serves as an electronic house for your shares. Opening a Demat account is a hassle-free process conducted online or offline with the help of a depository participant. Many banks also offer Demat account services to their investors.

3. Trading Account

A Demat account and trading account go hand in hand. A trading account is used to buy and sell securities that you wish to trade on the stock market. Both Demat and trading account are mandatory for investing in the share market.

The Bombay Stock Exchange and the National Stock Exchange are primary exchanges where stocks are listed. However, some stocks may only be available on either one of these two exchanges. Hence, it is advisable to open your trading account with a depository participant who offers trading on both BSE and NSE.

4. Linked Bank Account

Linking a bank account to your trading account ensures a seamless flow of money in and out of your account as you trade. This is mandated by most brokers with whom you will choose to open a Demat and trading account.

Currently, you can find two-in-one accounts that serve as both a Demat account and a trading account. Some brokers also offer a three-in-one account where one can trade directly from their bank account and store their securities in the same location.

The Investment Process

The investment process differs when choosing to invest in the primary share market as compared to the secondary share market.

1. Investing In The Primary Share Market

A primary market is a marketplace where corporations imbibe a fresh issue of shares for being contributed by the public for soliciting capital to meet their necessary long-term funds like extending the current trade or buying a unique entity. A primary share market investment is made through an initial public offering (IPO). Once all applications for the IPO are received and counted by the company in consideration, the shares are allotted to investors based on demand and availability.

IPO application is made simple through your net banking account via Application Supported by Blocked Amount (ASBA). As an example of this process, if you have applied for shares that are worth ₹1 lakh, this amount will be blocked into your bank account instead of being sent directly to the company.

Once your shares are allotted, the exact amount is then debited with the balance being released. All IPO applications have to compulsorily follow this procedure.

Once shares are allotted, they are listed on the stock exchange, and you can begin trading them within one week.

2. Investing In The Secondary Share Market

The secondary share market is where stock buying and selling action occurs between investors. Follow these steps to invest in the secondary share market:

- Open a Demat and trading account using your linked banking account.
- Log into that trading account.
- Select the shares that you wish to buy or sell.
- Ensure that you have the requisite amount of funds in your account to buy the shares.
- Next, decide the price at which you want to buy or sell a particular share.
- Wait for the buyer or seller to reciprocate that request.
- Complete your stock market transaction by paying for and receiving the shares or transferring the shares and receiving the money.

Advantages of Investing In Shares

1. **Potential for High Returns**: Historically, investing in shares has provided higher returns compared to other asset classes over the long term. As companies grow and generate profits, the value of their shares can increase, leading to capital appreciation for investors.
2. **Ownership Stake in Companies**: Buying shares means owning a portion of the company. Shareholders may benefit from voting rights in corporate decisions, receive dividends (if the company pays them), and participate in the company's growth.
3. **Liquidity**: Shares are typically traded on public stock exchanges, providing investors with liquidity. They can easily buy or sell shares according to their

investment goals, unlike some other investments that may have restrictions on liquidity.

4. **Diversification**: Investing in shares allows investors to diversify their investment portfolio. By spreading investments across different sectors, industries, and regions, investors can reduce the risk associated with individual companies or sectors.

Disadvantages of Investing In Shares:

1. **Market Volatility**: Share prices can be highly volatile, fluctuating in response to various factors such as economic conditions, company performance, geopolitical events, and market sentiment. This volatility can lead to significant short-term fluctuations in the value of investments.
2. **Lack of Control**: Shareholders have limited control over company decisions, even if they own a significant stake. Management decisions, corporate governance practices, and external factors can impact the value of shares, sometimes adversely affecting investors' interests.
3. **Dividend Uncertainty**: While dividend-paying stocks can provide a steady income stream, there is no guarantee that companies will continue to pay dividends at the same level or at all. Dividend payments depend on the company's profitability and management's decisions.
4. **Information Asymmetry**: Retail investors may not have access to the same level of information as institutional investors or company insiders. This information asymmetry can put individual investors at a disadvantage when making investment decisions.

2. BONDS

A bond is a debt investment where an investor loans money to an entity, typically a corporation or government, for a defined period at a fixed or variable interest rate. Bonds are issued with a promise to repay the principal amount (the initial investment) at a specified maturity date, along with periodic interest payments over the bond's term. They are used by organizations to raise capital for various purposes, such as funding projects, expanding operations, or covering expenses. Bonds are generally considered lower-risk investments compared to stocks, offering a more predictable income stream and capital preservation. However, they still carry some level of risk, including credit risk (the risk of default by the issuer) and interest rate risk (the risk of fluctuations in interest rates affecting bond prices).

Bond Investing Terms

In order to understand how bonds work, a handy glossary of terms used are :

1. **Bond:** A small loan, made by an individual, to a corporate or government entity.
2. **Bondholder:** The individual who is loaning money to a corporate or government entity.
3. **Bond Duration:** This measures the sensitivity of a bond’s value to a change in interest rates. High duration equals high sensitivity and high risk. Low duration equals low sensitivity and low risk.
4. **Bond Issuer:** The corporate or government entity to whom the bondholder is loaning money.
5. **Bond Yield:** The profit, or return, the bondholder receives annually on their bond. Yield on any bond will reflect the interest rates at the time the bond is issued.

6. **Coupon Rate:** The annual income the bondholder will receive on their bond. The annual coupon rate is calculated by interest rates. The coupon rate is set in the bond agreement, but it can vary depending on current interest rates.
7. **Face Value/Par Value:** This is the set value of the bond, and the amount the bondholder will be reimbursed at maturity. Oftentimes, with bonds, the face value is set to an easy-to-remember $100 or $1,000 value. The face value will never change. Try thinking of it as a bond's wholesale price.
8. **Market Value:** This is the price a bondholder actually pays for a bond when they purchase it. Why is this different from the face value of your bond? It's different because the market value of the bond fluctuates. It will rise and fall in correlation to interest rates and other factors.
9. **Maturity Date:** This is the date a bond matures and the bondholder gets paid back the principal bond amount (or original investment).

Understanding Bond Investment With An Example -

John decides to invest in a government bond issued by the Indian government. He invests ₹100,000 in a 10-year bond with a face value of ₹100,000 and an annual fixed interest rate of 5%. The bond pays interest semi-annually.

Here are the details:

- Investor: John
- Investment Amount: ₹100,000
- Bond Type: Government Bond
- Face Value of the Bond: ₹100,000
- Interest Rate: 5% per annum (fixed)
- Coupon Payment Frequency: Semi-annual
- Maturity Period: 10 years

With these details, John will receive semi-annual interest payments calculated at 5% per annum on the face value of ₹100,000, which amounts to ₹5,000 per annum or ₹2,500 every six months. At the end of the 10-year period, John will also receive the principal amount of ₹100,000.

TYPES OF BONDS

There are several types of bonds, each with its own characteristics and features. Here are some common types:

1. **Government Bonds**: Issued by governments to raise funds for public projects or to finance deficits. They are generally considered low-risk because they are backed by the government's taxing power. Examples include Treasury bonds in the United States and Government Savings Bonds in India.

2. **Corporate Bonds**: Issued by corporations to raise capital for various purposes such as expansion, acquisitions, or operations. Corporate bonds typically offer higher yields than government bonds but also carry higher credit risk. They can be classified based on credit ratings (investment-grade or high-yield) and maturity.

3. **Municipal Bonds**: Issued by state or local governments to finance public projects such as schools, highways, or utilities. Interest income from municipal bonds is often exempt from federal and sometimes state income taxes, making them attractive to investors in high tax brackets.

4. **Asset-backed Securities (ABS)**: These bonds are backed by pools of assets such as mortgages, auto loans, or credit card receivables. Payments to investors are made from the cash flows generated by the underlying assets.

5. **Convertible Bonds**: These bonds allow bondholders to convert their bonds into a predetermined number of shares of the issuer's common stock during a specified period. They offer the potential for capital appreciation if the stock

price rises but typically pay lower interest rates compared to non-convertible bonds.

6. **Zero-Coupon Bonds**: These bonds do not pay periodic interest payments. Instead, they are sold at a discount to their face value and redeemed for the full face value at maturity, providing investors with a return through capital appreciation.

7. **Foreign Bonds**: Issued by foreign governments or corporations in a currency other than the investor's domestic currency. They can provide diversification benefits but also expose investors to currency exchange rate risk.

8. **Green Bonds**: Issued to finance projects with environmental benefits such as renewable energy, energy efficiency, or climate adaptation. They are aimed at attracting investors interested in socially responsible investments.

PROCESS OF INVESTING IN BONDS

There is different process to invest in different types of bond. Here we will understand the process of investing in one of the safest bond i.e. government bond.

How To Buy Government Bonds in India?

The Government, too from time to time, issues bonds to the public to raise capital. Some ways to buy Government bonds in India are:

- **Direct Investment**

Direct investment is another option to buy government bonds. All you need to do is have a demat account and a trading account with a brokerage house. Once you have them, you can buy and sell bonds as per your choice.

- **RBI Retail Direct**

RBI Retail Direct, launched last year in November, provides another opportunity for investors to invest in bonds. If you are looking forward to investing directly in government bonds, RBI Retail Direct can help facilitate the same. If you wish to invest, you need to have a direct gilt account. To open an account:

● Visit RBI Retail Direct website

● Keep the following documents handy: PAN card, bank account details, email and a valid mobile number

● Once you have these things ready, click “Open RBI Retail Direct Account”

● Select “Register Here”

● Enter details including your name, PAN card, date of birth and mobile number

● Verify with the OTP sent to your mobile number

● Once you verify, a preview page will appear, where after double-checking the information, you need to click on submit

● Next you need to complete the KYC procedure. Once done, you need to fill additional personal details and make a declaration under PMLA and FATCA. Additionally, you need to confirm your address

● Select your bank and upload a copy of blank cheque

● Once you do so, an amount is credited into your account which you need to input to complete bank verification. Post it, you need to fill in the nominee information.

● Next, you will be redirected to the application summary page where upon clicking “Submit”, the registration process is done

Investing in bonds via RBI Retail Direct has some benefits. You need not pay any fee for opening and maintaining the account.

Advantages of Investing In Bonds

1. **Steady Income**: Bonds typically provide regular interest payments, offering investors a steady income stream. This can be attractive for those seeking a reliable source of income, such as retirees or conservative investors.

2. **Preservation of Capital**: Bonds are generally considered less risky than stocks, providing investors with a more stable investment option. They offer the potential for capital preservation, particularly if held until maturity.

3. **Diversification**: Bonds can serve as a diversification tool within an investment portfolio. They often have low or negative correlations with stocks, meaning they may perform differently under various market conditions, helping to reduce overall portfolio risk.

4. **Fixed Returns**: Many bonds offer fixed interest rates, providing investors with certainty about the future income they will receive. This predictability can be beneficial for financial planning and budgeting purposes.

5. **Safety of Principal**: When investing in high-quality bonds issued by reputable entities, such as governments or blue-chip corporations, investors have a lower risk of losing their principal investment compared to riskier assets like stocks or commodities.

Disadvantages of Investing In Bonds:

1. **Low Returns**: While bonds offer stability and income, they often have lower potential returns compared to other asset classes such as stocks. In periods of low-interest rates, bond yields may not keep pace with inflation, leading to reduced purchasing power over time.

2. **Interest Rate Risk**: Bonds are sensitive to changes in interest rates. When interest rates rise, bond prices typically fall, and vice versa. This interest rate risk can lead to fluctuations in the value of bond investments, potentially

resulting in capital losses for investors who need to sell their bonds before maturity.

3. **Credit Risk**: Bonds issued by less creditworthy entities or those with lower credit ratings may be subject to default risk. If the issuer fails to meet its debt obligations, investors may incur losses or receive lower-than-expected returns.

4. **Lack of Liquidity**: Some bonds, particularly those issued by smaller corporations or municipalities, may have limited liquidity in the secondary market. Selling these bonds before maturity may be challenging, and investors may need to accept lower prices to exit their positions.

3. REAL ESTATE

Real estate refers to land, buildings, and natural resources like minerals, crops, or water. Investing in real estate involves purchasing, owning, managing, renting, or selling properties for profit. Real estate investment can take various forms, including residential, commercial, industrial, or agricultural properties.

Investing in real estate offers several potential benefits, including rental income, property appreciation, tax advantages such as depreciation deductions, and portfolio diversification. However, it also comes with risks such as market fluctuations, vacancies, maintenance costs, and regulatory challenges. Investors can choose from different strategies such as buy-and-hold, fix-and-flip, or real estate investment trusts (REITs) to suit their financial goals, risk tolerance, and expertise.

Understanding Real Estate Investment With An Example

John decides to invest in a residential property to generate rental income and potential capital appreciation. He purchases a condominium in a popular urban area for ₹1,000,000. John plans to rent out the condo to tenants, generating monthly rental income.

Here are the details of John's real estate investment:

- **Investor**: John
- **Property Type**: Residential Condominium
- **Purchase Price**: ₹1,000,000
- **Location**: Urban Area
- **Investment Goal**: Rental Income and Potential Capital Appreciation

After purchasing the condominium, John finds tenants willing to rent the property for ₹10,000 per month. This rental income provides John with a steady cash flow to cover expenses such as mortgage payments, property taxes, maintenance, and property management fees.

Over time, John monitors the real estate market in the area and observes that property prices are appreciating due to factors such as population growth, urban development, and increased demand for housing. After a few years, he decides to sell the condominium for ₹1,500,000, realizing a capital gain of ₹500,000.

TYPES OF REAL ESTATE INVESTMENTS

There are several types of real estate investments, each offering different opportunities and potential returns. Here are some common types:

1. **Residential Real Estate**: This includes single-family homes, condominiums, townhouses, and multi-family properties (such as duplexes, triplexes, and apartment buildings) that are intended for residential use. Residential real estate investment can involve renting out properties to tenants for recurring rental income or flipping properties for capital gains.

2. **Retail Real Estate**: This type of real estate involves properties used for retail purposes, such as shopping malls, strip malls, standalone retail stores, and restaurants. Retail real estate investors can earn rental income from retail tenants or participate in retail property development projects.

3. **Industrial Real Estate**: Industrial properties include warehouses, distribution centers, manufacturing facilities, and industrial parks. Industrial real estate investment can provide stable rental income from tenants in logistics, manufacturing, or distribution sectors.

4. **Mixed-Use Real Estate**: Mixed-use developments combine residential, commercial, and/or retail components within a single property or complex. Mixed-use real estate offers diversification and can cater to different market segments, such as live-work-play communities.

5. **Real Estate Investment Trusts (REITs)**: REITs are publicly traded companies that own, operate, or finance income-producing real estate across various sectors. Investors can buy shares of REITs on stock exchanges, providing liquidity and portfolio diversification.

6. **Real Estate Syndication**: This involves pooling funds from multiple investors to acquire and manage real estate properties. Syndication allows investors to participate in larger real estate projects that may require substantial capital or expertise.

7. **Real Estate Development**: This involves acquiring land, obtaining permits, and constructing or renovating properties for sale or lease. Real estate developers may specialize in residential, commercial, or mixed-use projects, taking on various roles in the development process.

PROCESS OF INVESTING IN REAL ESTATE –

There are various methods through which one can enter into real-estate investment. Some of those are discussed below-

1. REITs

A real estate investment trust (REIT) is created when a corporation (or trust) is formed to use investors' money to purchase, operate, and sell income-producing properties. REITs are bought and sold on major exchanges, just like stocks and exchange-traded funds (ETFs).

To qualify as a REIT, the entity must pay out 90% of its taxable profits in the form of dividends to shareholders. By doing this, REITs avoid paying corporate income tax, whereas a regular company would be taxed on its profits, thus eating into the returns it could distribute to its shareholders.

Much like regular dividend-paying stock, REITs are appropriate for investors who want regular income, though they offer the opportunity for appreciation, too. REITs invest in a variety of properties such as malls (about a quarter of all REITs specialize in these), healthcare facilities, mortgages, and office buildings

2. Flipping Houses

Like the day traders who are leagues away from buy-and-hold investors, real estate flippers are an entirely different breed from buy-and-rent landlords. Flippers buy properties with the intention of holding them for a short period—often no more than three to four months—and quickly selling them for a profit.

There are two primary approaches to flipping a property:

i. **Repair and update.** With this approach, you buy a property that you think will increase in value with certain repairs and updates. Ideally, you complete the work as quickly as possible and then sell at a price that exceeds your total investment (including the renovations).

ii. **Hold and resell.** This type of flipping works differently. Instead of buying a property and fixing it up, you buy in a rapidly rising market, hold for a few months, and then sell at a profit.

3. Real Estate Investment Groups

Real estate investment groups (REIGs) are sort of like small mutual funds for rental properties. If you want to own a rental property but don't want the hassle of being a landlord, a real estate investment group may be the solution for you.

A company will buy or build a set of buildings, often apartments, then allow investors to buy them through the company, thus joining the group. A single investor can own one or multiple units of self-contained living space. But the company that operates the investment group manages all the units and takes care of maintenance, advertising, and finding tenants. In exchange for this management, the company takes a percentage of the monthly rent.

There are several versions of investment groups. In the standard version, the lease is in the investor's name, and all of the units pool a portion of the rent to guard against occasional vacancies. This means you will receive enough to pay the mortgage even if your unit is empty.

4. Rental Properties

Owning rental properties can be a great opportunity for individuals who have do-it-yourself (DIY) renovation skills and the patience to manage tenants. Properties can be local, or there may be good out-of-state opportunities. This investing strategy does require substantial capital to finance upfront maintenance costs and to cover periods when the property is empty or when tenants do not pay their rent.

Advantages of Real-estate investment:

1. **Steady Income**: Rental properties generate regular rental income, providing investors with a reliable source of cash flow. Rental income can help cover mortgage payments, operating expenses, and provide passive income for investors.

2. **Portfolio Diversification**: Real estate investments offer diversification benefits, helping investors reduce overall portfolio risk by spreading investments across different asset classes. Real estate values often have low correlations with stocks and bonds, providing stability during market downturns.

3. **Tax Advantages**: Real estate investors may benefit from various tax deductions and incentives, including mortgage interest deductions, depreciation allowances, property tax deductions, and 1031 exchanges for deferring capital gains taxes on property sales.

4. **Control over Investment**: Real estate investors have control over their investment decisions, including property selection, financing options, management strategies, and exit timing. This control allows investors to actively manage their investments to optimize returns and mitigate risks.

Disadvantages of Real-estate investment:

1. **Illiquidity**: Real estate investments are relatively illiquid compared to stocks, bonds, or mutual funds. Selling a property can take time and may involve transaction costs, market fluctuations, and uncertainties about finding a buyer at the desired price.

2. **High Initial Costs**: Real estate investments often require substantial upfront capital for down payments, closing costs, financing fees, and

property improvements. High initial costs can be a barrier to entry for some investors and may limit investment opportunities.

3. **Property Management**: Managing rental properties requires time, effort, and expertise to handle tenant relations, maintenance, repairs, rent collection, and legal compliance. Property management responsibilities can be burdensome for investors without the resources or experience to effectively manage properties.

4. **Market Risk**: Real estate values are subject to market fluctuations, economic cycles, and regional factors that can impact property prices, rental demand, and investment returns. Market risk can affect property values, rental income, and overall investment performance.

5. **Leverage Risk**: Using leverage to finance real estate investments can amplify returns but also increase risk. High levels of debt exposure may lead to financial strain, liquidity problems, and potential default if rental income fails to cover mortgage payments or property expenses.

4. GOLD AND SILVER

Investing in gold and silver involves purchasing physical precious metals or investing in financial instruments backed by gold and silver, such as exchange-traded funds (ETFs), futures contracts, or mining stocks. Investors buy gold and silver for various reasons, including wealth preservation, portfolio diversification, inflation protection, and hedging against economic uncertainty. These precious metals are considered safe-haven assets that tend to retain their value over time, especially during periods of market volatility or currency devaluation.

Gold and silver investments offer potential capital appreciation and serve as a store of value in times of financial instability. However, they also come with risks such as price volatility, storage costs, and counterparty risks associated with financial instruments.

METHODS OF INVESTING IN GOLD & SILVER

Method 1 - Investing in Physical Forms of Gold and Silver

Physical gold and silver are, of course, the original ways people invested in these popular precious metals. Wearable wealth like jewelry was followed by coins and more standardized forms of physical gold and silver. Today, investors have two categories of precious metals to choose from: bullion and jewelry.

Buying physical gold and silver in either of these forms generally involves going through a dealer. This can either be done online or in person, with reputation being the key factor in choosing, followed by markup and fees.

Method 2 - Investing in Gold and Silver Bullion

Bullion is a term that encompasses physical bars and coins, but we'll deal with the bars first. Bars are formed rectangles of gold or silver that are 99.5% or higher in terms of purity. Bars vary in size from under an ounce all the way up to 400 ounces. Bars have a stamp that is the equivalent of the manufacturer's label indicating the weight and purity.

Gold bullion was once considered to be strategically important to national governments because some currencies followed a gold standard, where the currency was backed by a physical equivalent of gold and could, in theory, be traded in for gold. Since the 1970s, however, we have been operating in a fiat currency system. Therefore, when people are turning to gold as the last store of value in fear of a financial crisis, they are usually looking at gold bars as a way to protect against fiat currencies.

Regardless of individual reasons for wanting to invest in gold and silver bullion, bullion bars come with some of the highest barriers. For instance, they have to be stored securely, should have insurance, and must be physically sold to realize gains. A major risk with gold bars is that they can be stolen. They can also be hard to liquidate in larger sizes. This means investors have to think about the size of the bar—10 one-once bars are easier to parcel and sell than one 10-ounce bar—and where it is kept. Outsourcing this to a service provider is a natural solution, but it becomes an ongoing cost and a drag on eventual returns.

Method 3 - Gold and Silver ETFs and Options

The easiest way to invest in gold and silver is to buy one or more exchange-traded funds (ETFs).

The key advantage is that they are extremely liquid, and you can buy or sell them within your brokerage account. This allows for easy portfolio rebalancing and an inexpensive and hassle-free buying/selling process.

Historically, these were kind of expensive, but they are getting cheaper. Here are the main options:

Gold:

- SPDR Gold Trust (GLD), Expense Ratio: 0.40%
- iShares Gold Trust (IAU), Expense Ratio: 0.25%
- SPDR Gold MiniShares Trust (GLDM), Expense Ratio: 0.18%
- Aberdeen Physical Gold Shares ETF (SGOL), expense Ratio 0.17%
- Sprott Physical Gold Trust (PHYS), Expense Ratio 0.46%
- Perth Mint Physical Gold ETF (AAAU), Expense Ratio 0.18%

Silver:

- iShares Silver Trust (SLV), Expense Ratio: 0.50%
- Aberdeen Physical Silver Shares ETF (SIVR), Expense Ratio: 0.30%
- Sprott Physical Silver Trust (PSLV), Expense Ratio 0.67%

As ETFs become more and more common, the general trend is for them to become cheaper.

Here's the short version of how to do that:

1. Identify an ETF that holds your desired metal, such as the iShares Silver Trust (SLV) or the SPDR Gold Trust (GLD), that also has a liquid options market.
2. Sell cash-secured put options for shares of that ETF at a strike price that is below the current market price.
3. If the put options expire without being exercised, keep the profits from the option premiums and sell the puts again.
4. If the put options are exercised and you now own shares of the ETF, sell covered call options at a higher strike price than what you paid for the shares, and above the current market price.

5. Continue selling covered calls, until eventually the options are exercised and the shares are sold.

6. Start over, and sell cash-secured put options at a strike price below the current market price again.

Method 4 - Investing in Gold and Silver Jewelry

As the last category for investing in physical silver and gold, jewelry sits the furthest from traditional investing. While the markup from melt price for a gold coin can be 50% or more, the markup for jewelry can be many times the actual market value of the metals making up a particular piece. Jewelry has more in common with art than bullion bars, and an authenticated piece with a famous former owner can trade at whatever value the market will bear.

Jewelry containing some amount of precious metals is more widely traded than bullion, but this can actually make it more challenging to find reputable dealers in the secondhand market. Authenticity and confirmed purity is critical in pricing jewelry, but the aesthetics or history of a piece can completely change the market value. This doesn't completely erase the inflation hedge and store of value aspects, but it does weaken these benefits.

Advantages of Investing in Gold & Silver:

1. **Safe-Haven Assets**: Gold and silver are considered safe-haven assets that tend to retain their value during times of economic uncertainty, geopolitical tensions, or market volatility. They can provide a hedge against inflation, currency depreciation, and financial instability.

2. **Portfolio Diversification**: Gold and silver investments offer diversification benefits, helping investors reduce overall portfolio risk by spreading investments across different asset classes. They often have low or negative

correlations with stocks, bonds, and other financial assets, providing stability during market downturns.

3. **Store of Value**: Gold and silver have been used as stores of value and mediums of exchange for centuries. They have intrinsic value and can preserve purchasing power over time, serving as a long-term store of wealth for investors.

4. **Tangible Assets**: Physical gold and silver provide tangible assets that investors can hold directly, offering a sense of security and control over their investments. They are not subject to counterparty risk associated with financial instruments or paper assets.

Disadvantages of Investing in Gold & Silver :

1. **Price Volatility**: Gold and silver prices can be highly volatile, fluctuating in response to changes in economic conditions, investor sentiment, geopolitical events, and central bank policies. Price volatility can lead to short-term fluctuations in the value of gold and silver investments.

2. **No Income Generation**: Unlike stocks, bonds, or real estate, gold and silver do not generate income such as dividends or interest payments. Investors rely solely on capital appreciation or selling at a higher price than the purchase price to realize returns on their investments.

3. **Storage and Insurance Costs**: Investing in physical gold and silver requires secure storage and insurance to protect against theft, loss, or damage. Storage costs can erode investment returns, especially for large holdings or long-term investments.

4. **No Yield or Interest**: Gold and silver do not provide any yield or interest income to investors. In a low-interest-rate environment, the opportunity cost of holding gold and silver may be higher compared to interest-bearing assets that generate income.

LITERATURE REVIEW

The fundamental analysis of investment options is a critical aspect of investment decision-making, aiming to assess the intrinsic value of assets based on underlying factors such as financial statements, economic indicators, and market conditions. This literature review examines existing research and scholarship on the fundamental analysis of various investment options to elucidate key concepts, methodologies, and findings in the field.

Numerous studies have explored the application of fundamental analysis techniques across a wide range of investment vehicles, including stocks, bonds, mutual funds, real estate, and alternative assets. Researchers have investigated the effectiveness of fundamental analysis in predicting asset prices, identifying undervalued securities, and generating superior investment returns. For instance, studies by Graham and Dodd (1934) laid the foundation for value investing, emphasizing the importance of analyzing companies' financial statements and intrinsic value.

However, the literature also highlights several challenges and limitations associated with fundamental analysis, including data availability, model assumptions, behavioral biases, and market inefficiencies. Despite its theoretical appeal, empirical evidence suggests that fundamental analysis may not consistently outperform other investment strategies, leading to ongoing debates among academics and practitioners regarding its efficacy and relevance in modern financial markets .

In summary, the literature on fundamental analysis provides valuable insights into the theoretical foundations, practical applications, and empirical findings related to investment decision-making. Further research is needed to address remaining questions and refine analytical tools for navigating complex investment landscapes effectively.

CHAPTER –3

- Need
- Objectives
- Limitations of study

NEED OF STUDY

- Studying various investment options enables diversification, spreading risk across different assets and reducing the impact of poor performance in one area.
- Knowledge of various investment options aids in selecting assets that help preserve and grow wealth over the long term.
- Studying diverse options helps investors identify assets that generate income, such as dividends, interest, or rental payments.

OBJECTIVES OF STUDY

- To help individuals assess their risk tolerance and choose investment option that aligns with their comfort level.
- To match specific financial objectives, such as retirement planning, education funding, or wealth accumulation, through suitable investment choices.
- Knowledge of different investment options enables you to identify opportunities for maximizing returns

LIMITATIONS OF STUDY

- Analyzing past performance to predict future outcomes assumes that historical trends will continue, which may not always hold true. Market conditions, regulations, and other factors can change, leading to deviations from historical patterns and making investment projections less reliable

- Quantifying and comparing risks across different investment options can be challenging due to varying risk factors, time horizons, and correlation structures. Traditional risk metrics may not capture the full spectrum of risks, such as tail risks or behavioral biases, leading to incomplete risk assessments.

- Investors' behavioral biases, such as loss aversion, herd mentality, or overconfidence, can influence investment decisions and outcomes in ways that traditional financial models may not fully account for. Moreover, individual preferences, goals, and risk tolerances vary, making it challenging to identify universally applicable investment strategies.

- Lastly, there was time constraint for collection of data, conducting research and analysis and presenting the information.

- The study is only for those who is willing to invest their money.

CHAPTER – 4

HYPOTHESIS

Hypothesis 1

H0 - Different investment options exhibit distinct risk and return profiles.

H1 - Different investment options exhibit same risk and return profiles

Hypothesis 2

H0 - By understanding the strengths and weaknesses of each option, investors can make informed decisions to achieve their financial goals.

H1 - By understanding the strengths and weaknesses of each option, investors cannot make informed decisions to achieve their financial goals.

CHAPTER – 5

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

Research methodology refers to the systematic process and set of techniques or procedures used to conduct a study or investigation. It is the blueprint that guides the entire research process, from the formulation of research questions or hypotheses to the analysis and interpretation of results. A well-designed research methodology is essential for ensuring the reliability and validity of the research findings.

Effective Research will involve –

1. Collection of data from primary and secondary sources
2. Data Presentation
3. Review historical performance

DATA SOURCES:

Primary data – A research design is purely and simply the framework of plan for a study that guides the collection and analysis of data. Primary data will be collected from -

- Observation
- Case studies

Analysis tool will be used:

• Percentage

• Pie & charts

• Table forms

Secondary Data – Secondary Data will be collected from –

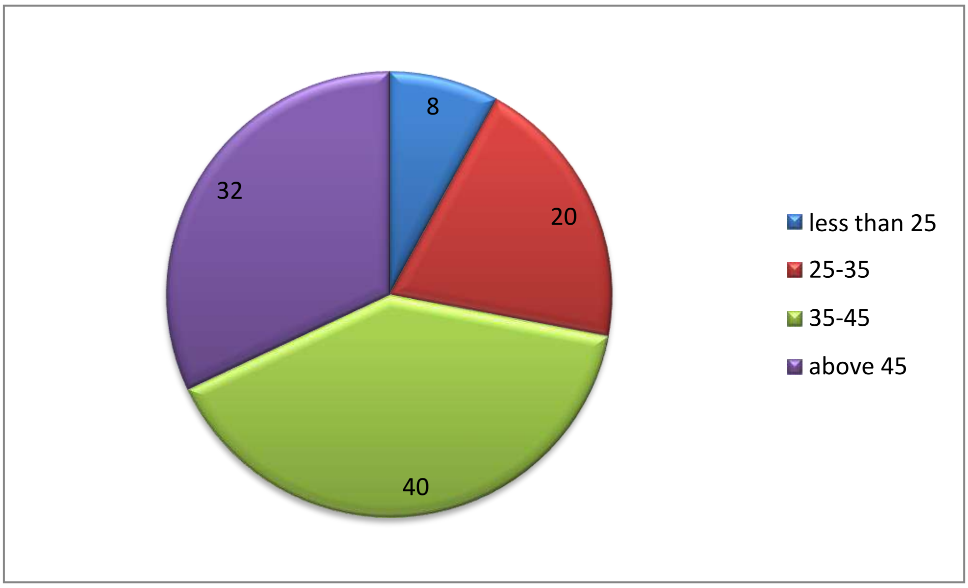
- Market research reports
- News and Media sources
- Credit rating agencies reports
- Company Websites

CHAPTER **6** –

DATA ANALYSIS AND INTERPRETATION

Q1. Age of respondents?

Particulars	No. of respondents	Percentage of respondents
less than 25	4	8
25-35	10	20
35-45	20	40
above 45	16	32
total	50	100



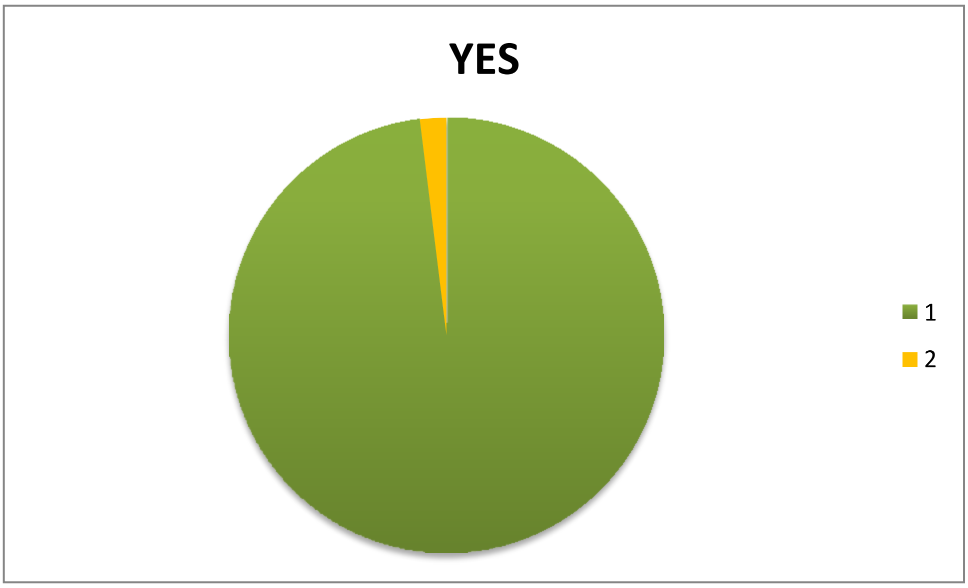
ANALYSIS -

As per the above pie chart, the majority of respondents can be analyzed to be in the 35-45 years age group, i.e. 40%. The Second most common investors are the age group of above 45 years, i.e. 32% and the lowest investors 8% is less than 25 years of age group.

As per the Above Chart, it can be interpreted the most of the respondents are correspond to the age group of 35-45 and least of the falling under the age group of less than 25, which means that working class.

2. Do you think of doing investment?

Particulars	No of respondents	Percentage of respondants
YES	45	90%
NO	5	10%
Total	50	100%

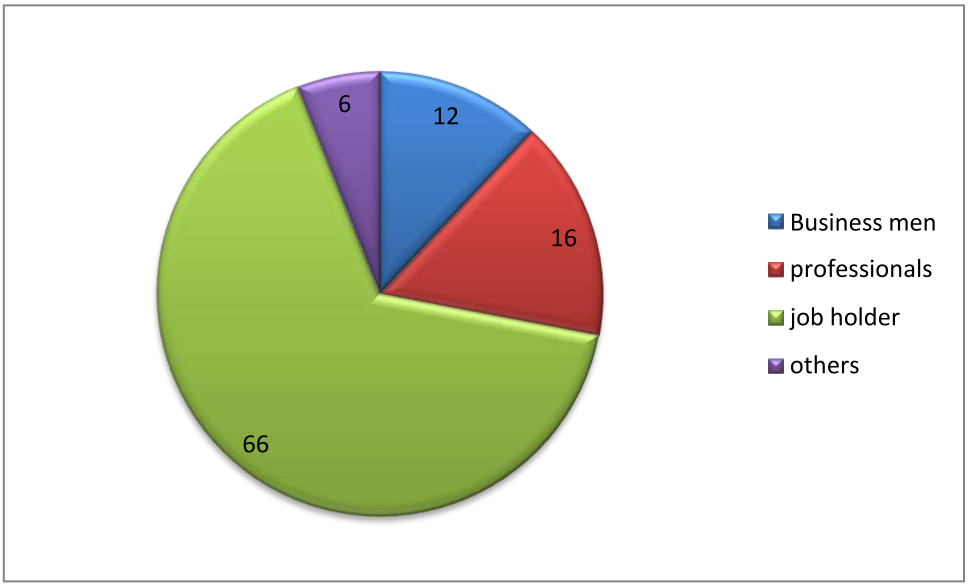


ANALYSIS -

As per the above data, majority of people i.e. 90% think of doing investment whereas very few people have this opinion of not doing investment which are only 5% of total respondents.

3. What is your profession?

Particulars	No of respondents	Percentage of respondents
Business men	6	12
professionals	8	16
job holder	33	66
others	3	6
total	50	100

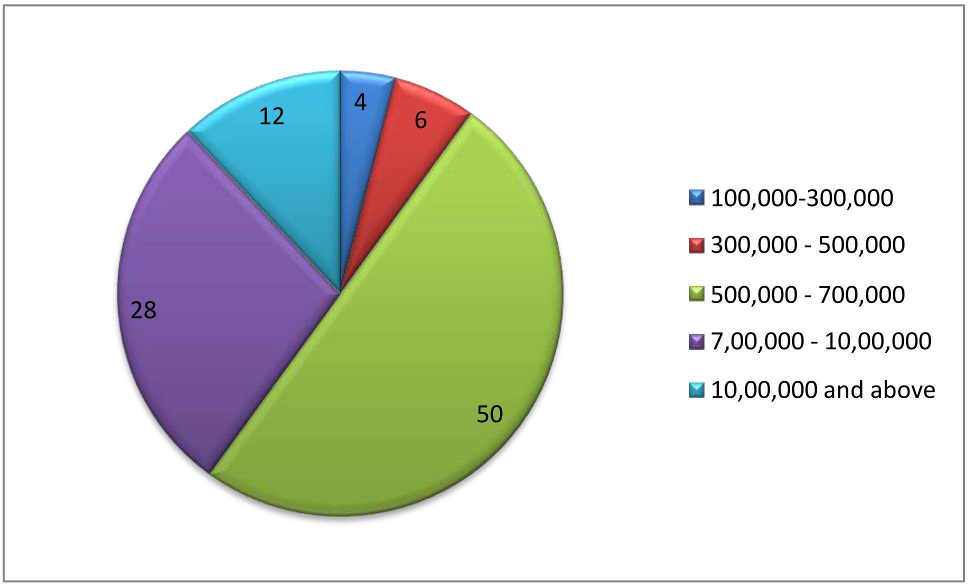


ANALYSIS -

From the analysis , out of 50 respondents majority of respondents are job holders these are 66% then comes professionals 16% , Business men which are 12 % and lastly 6% respondents belongs to other activities

4. Average annual income of respondents?

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDANTS
100,000-300,000	2	4
300,000 - 500,000	3	6
500,000 - 700,000	25	50
7,00,000 - 10,00,000	14	28
10,00,000 and above	6	12
Total	50	100

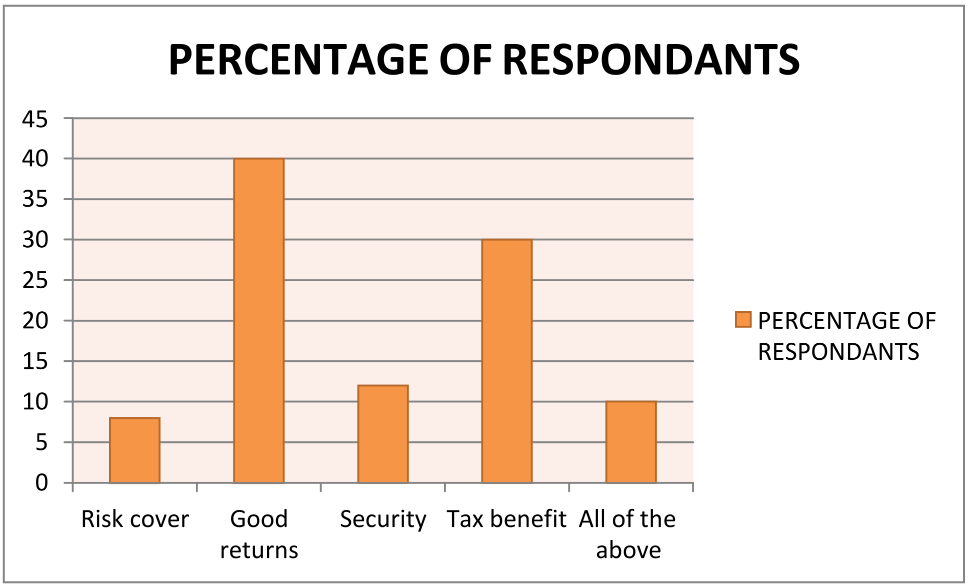


ANALYSIS -

From the analysis it was found that majority of respondents i.e. 50% belongs to the income group of 5,00,000 – 7,00,000 lakhs per annum , 28% respondents belongs to the income group of 7,00,000 – 10,00,000 lakhs per annum and least number of respondents belongs to the income group of 100,000 to 300,000 lakh per annum.

5. According to you Investment is for?

Particulars	No of respondents	Percentage of respondents
Risk cover	4	8
Good returns	20	40
Security	6	12
Tax benefit	15	30
All of the above	5	10
Total	50	100

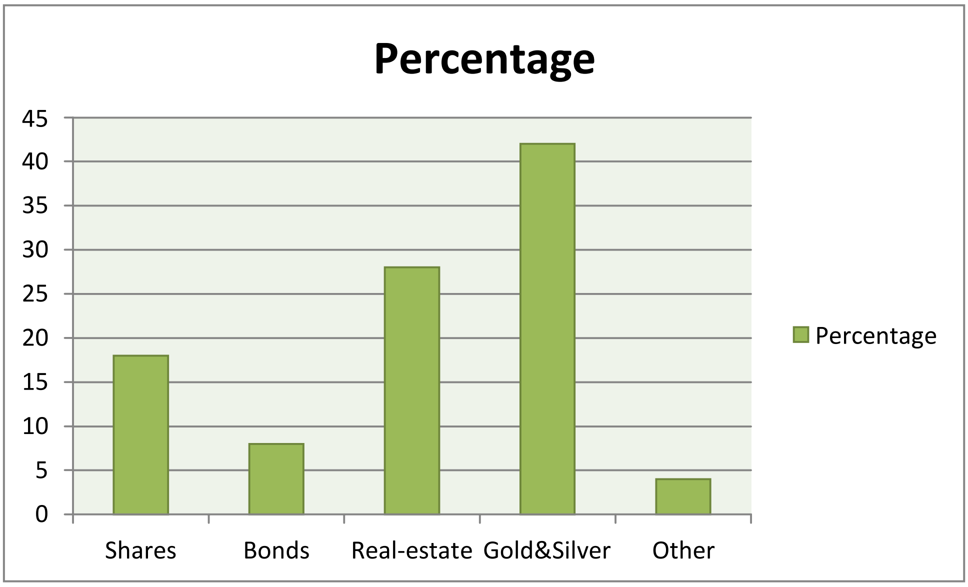


ANALYSIS -

After observing the above bar chart we can find that majority of people which 40 % think of doing investment just for getting good returns, and then 30 % think of doing investment for getting tax benefit and very few just 8 % have the opinion of doing investment for risk coverage.

6. Which of the following investment you have taken?

Particulars	No. of respondents	Percentage
Shares	9	18
Bonds	4	8
Real-estate	14	28
Gold & Silver	21	42
Others	2	4
Total	50	100

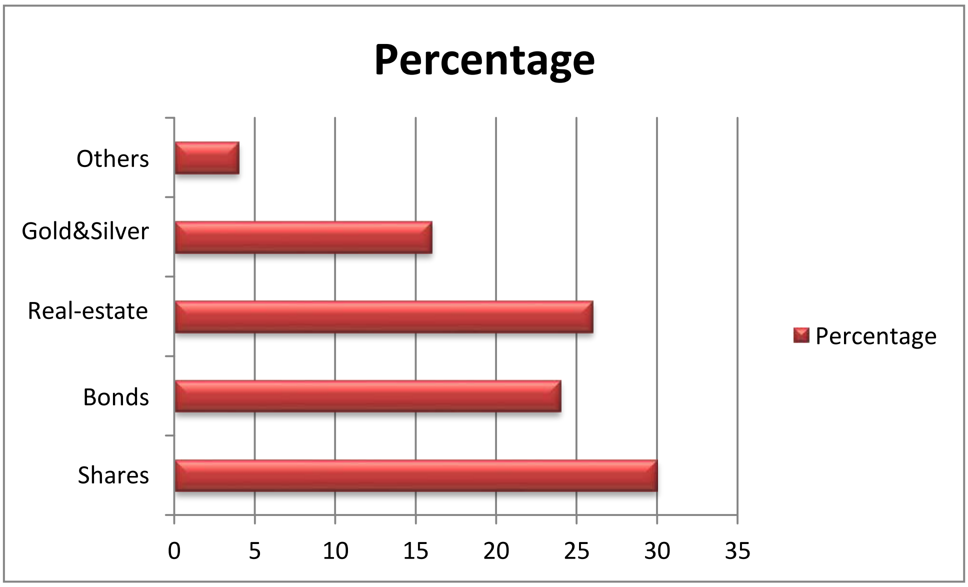


ANALYSIS -

From the above bar graph we can draw the inference that people majorly invests in gold and silver and they are total 42 % of respondents and on second place people prefer to invest in real-estate which comprises of 28% of total respondents. Also we can draw a conclusion that very less people invests in bonds these are only 8% of total respondents.

Q7. Which investment option gives higher return?

Particulars	No. of respondents	Percentage
Shares	15	30
Bonds	12	24
Real-estate	13	26
Gold & Silver	8	16
Others	2	4
Total	50	100

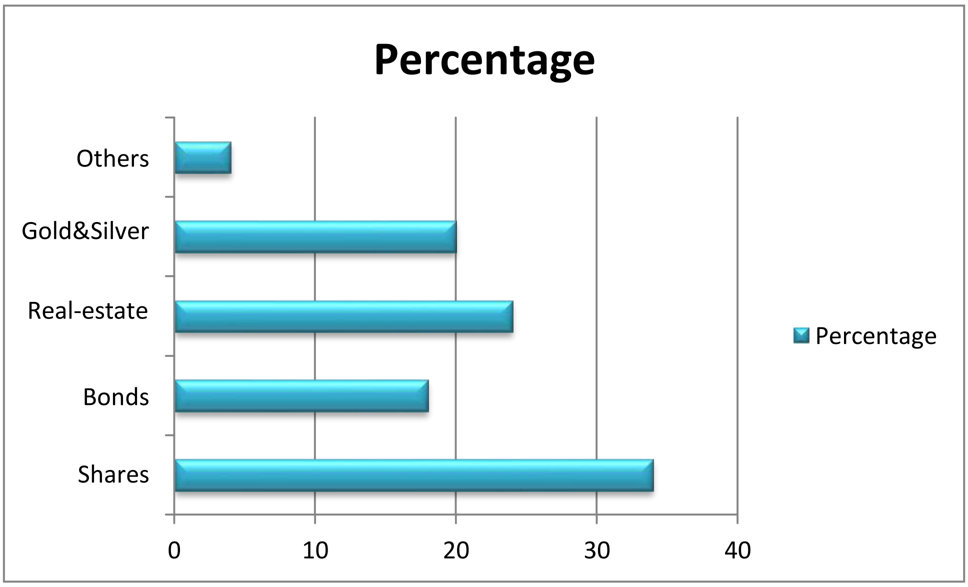


ANALYSIS –

From the above bar graph we find that majority of people i.e. 30 % find that highest return giving investment is shares. Then on second number real estate with 26% and only 8 % people consider gold and silver gives highest return.

Q8. Which is the riskiest investment?

Particulars	No. of respondents	Percentage
Shares	17	34
Bonds	9	18
Real-estate	12	24
Gold & Silver	10	20
Others	2	4
	50	100

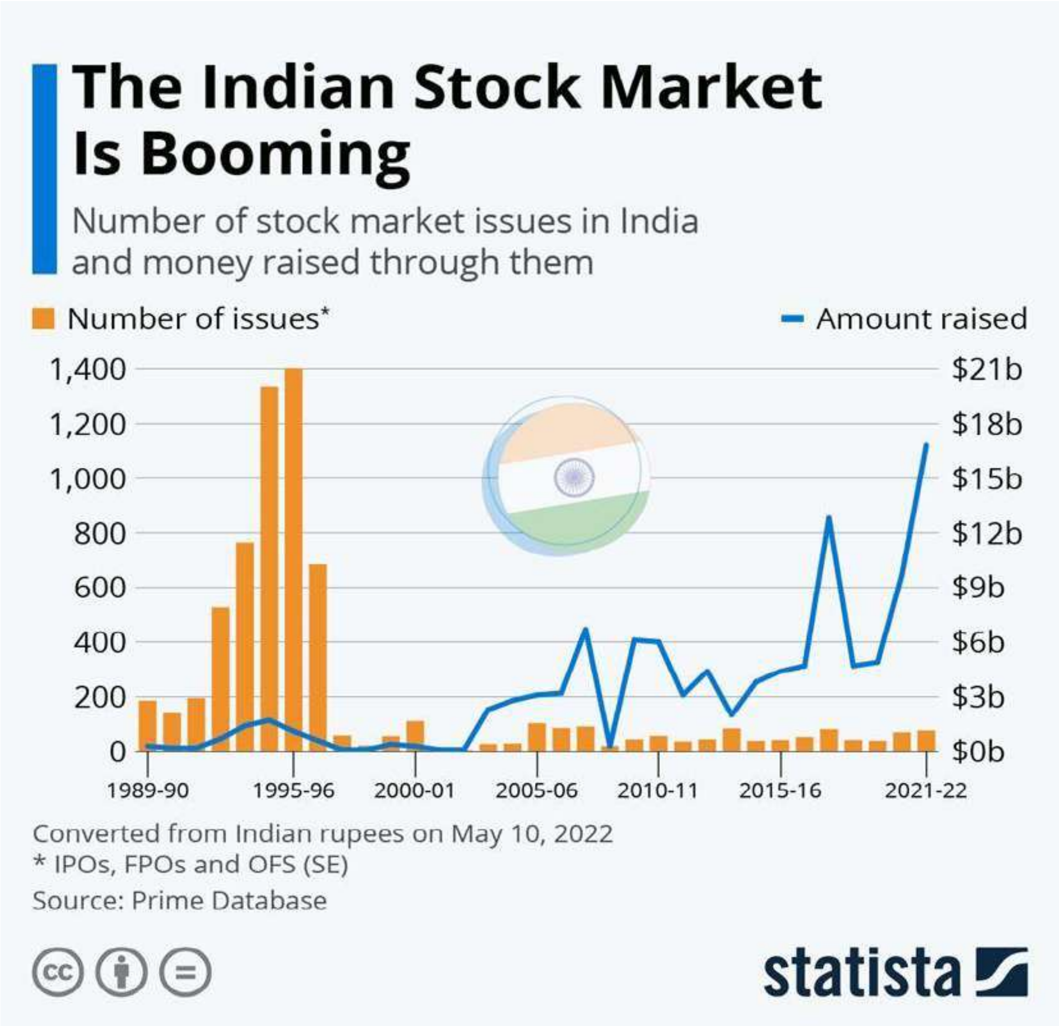


ANALYSIS –

From the above data it is found that shares are the riskiest investment considered by 34% of total respondents. Second most risky investment that people consider is real-estate and there is very similarity between Bonds and Gold & Silver regarding the investment risk.

SECONDARY DATA –

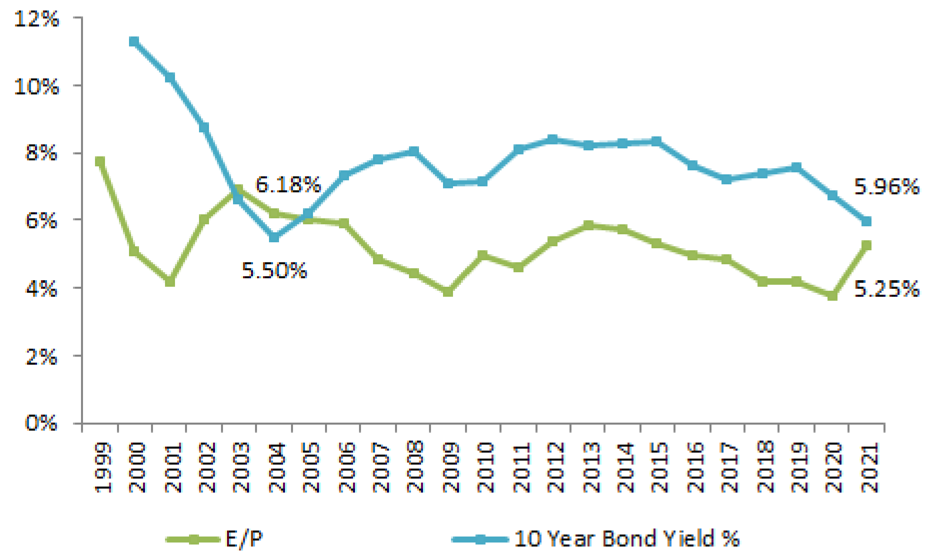
- **Equity investment scenario in India**



ANALYSIS –

The above graph shows the investments made in Indian stock market from the year 1989-90 to 2021-22. Here , we can observe that in the beginning the amount raised from stock market was less were close to $1b but subsequently the amount raised goes on increasing with current status of raising close to $16b.The graph clearly indicates that stock market fluctuates highly where sometimes huge investments are made and otherwise very less.

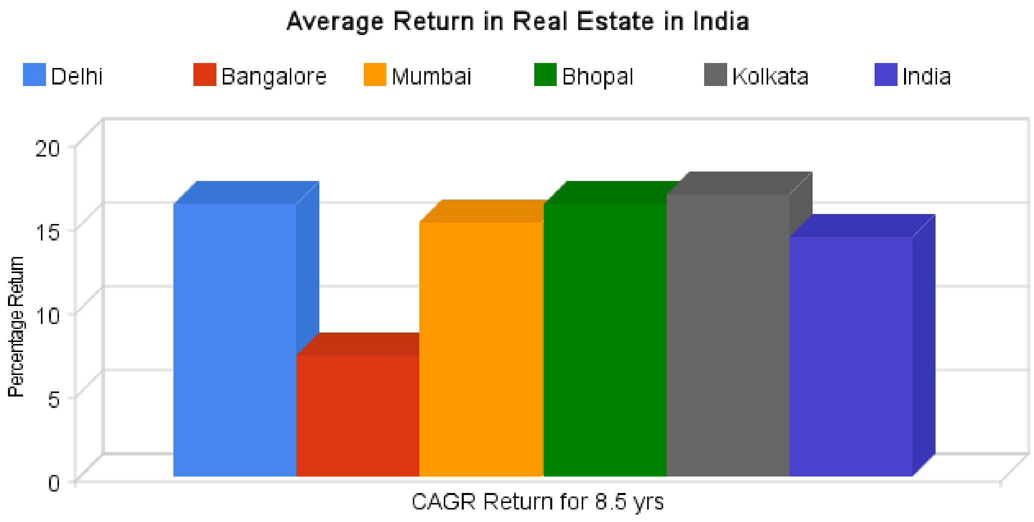
- **Bond investment scenario in India :**



ANALYSIS -

In the above graphical representation we can observe the yield rates of 10-year bond which shown in blue color line. Here, we observe that in the year 1999 the yield rates were high as close to 11.5% then it went on decreasing each year and reached the lowest value of 5.50% in year 2004. Then afterwards the graph shows steady increase in yield percentage and at recent the rate is close to 6%.

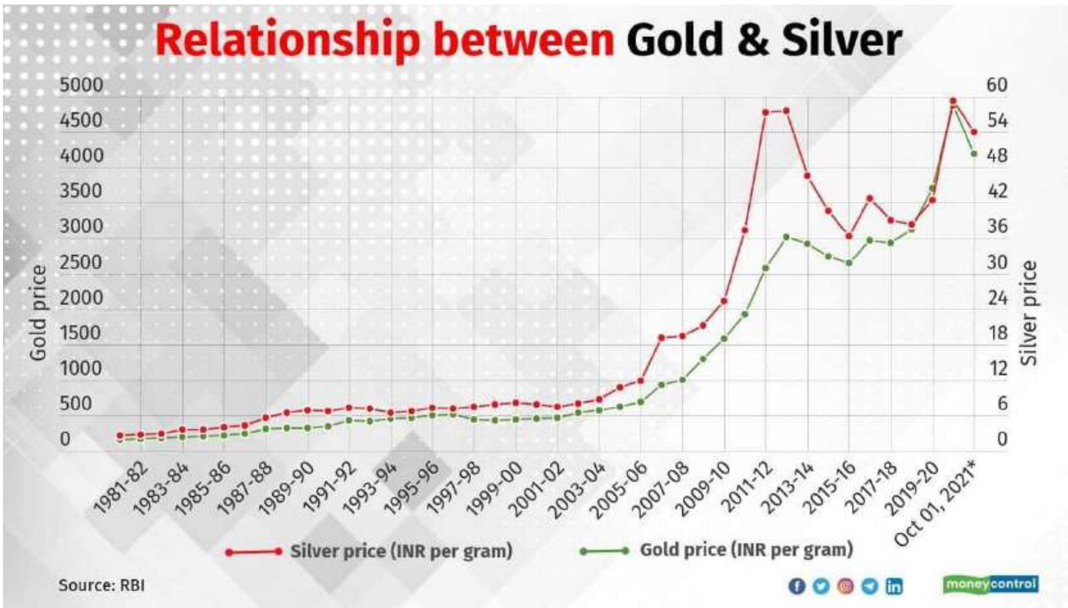
- **Real-estate investment scenario in India**



ANALYSIS-

The above bar graph shows real estate average returns in 5 states of India and also average real estate return in India. We observe Kolkata and Delhi are amongst those cities which offer highest returns above 15% and Bangalore is the city which offers lowest return of around 7%. As per the graph the average real-estate return in India is close to around 13%.

- **<u>Gold & Silver investment scenario in India</u>**



ANALYSIS -

The above graph shows pricing trends in gold and silver . If we observe in year 1981-82 both Gold & Silver per gram of prices were nearly equal but subsequently it increased. from the year 2005-06 the prices of silver hiked rapidly as compared to gold and went up to nearly Rs 4,600 in year 2013-14. After that again in the year 2019-2020 gold and silver prices became equal standing at around Rs 3,600 per gram and later on we see the current prices are more or less similar in year 2021.

HYPOTHESIS TESTING –

Hypothesis 1

H0 - Different investment options exhibit distinct risk and return profiles.

H1 - Different investment options exhibit same risk and return profiles

From the above research it is found that alternative hypothesis i.e. H0 "Different investment options exhibit distinct risk and return profiles" is found to be true and accepted. Whereas NULL hypothesis H1 "Different investment options exhibit same risk and return profiles" is rejected.

Hypothesis 2

H0 - By understanding the strengths and weaknesses of each option, investors can make informed decisions to achieve their financial goals.

H1 - By understanding the strengths and weaknesses of each option, investors cannot make informed decisions to achieve their financial goals.

From the above research it is found that alternative hypothesis i.e. H0 "By understanding the strengths and weaknesses of each option, investors can make informed decisions to achieve their financial goals" is found to be true and accepted. Whereas NULL hypothesis H1 "By understanding the strengths and weaknesses of each option, investors cannot make informed decisions to achieve their financial goals" is rejected.

CHAPTER-7 –

FINDINGS AND RECOMMENDATIONS

FINDINGS –

1. It is found that the majority of respondents who take investment can be analyzed to be in the 35-45 years age group, i.e. 40%. The Second most common investors are the age group of above 45 years, i.e. 32% and the lowest investors 8% is less than 25 years of age group.

2. As per the above data, majority of people i.e. 90% think of doing investment whereas very few people have this opinion of not doing investment which are only 5% of total respondents.

3. From the analysis , out of 50 respondents majority of respondents are job holders these are 66% then comes professionals 16% , Business men which are 12 % and lastly 6% respondents belongs to other activities

4. From the analysis it was found that majority of respondents i.e. 50% belongs to the income group of 5,00,000 – 7,00,000 lakhs per annum , 28% respondents belongs to the income group of 7,00,000 – 10,00,000 lakhs per annum and least number of respondents belongs to the income group of 100,000 to 300,000 lakh per annum.

5. After observing, we can find that majority of people which 40 % think of doing investment just for getting good returns, and then 30 % think of doing investment for getting tax benefit and very few just 8 % have the opinion of doing investment for risk coverage.

6. From the above data we can draw the inference that people majorly invests in gold and silver and they are total 42 % of respondents and on second place people prefer to invest in real-estate which comprises of 28% of total respondents. Also we can draw a conclusion that very less people invests in bonds these are only 8% of total respondents.

7. From the above data we find that majority of people i.e. 30 % find that highest return giving investment is shares. Then on second number real estate with 26% and only 8 % people consider gold and silver gives highest return.

8. From the above data it is found that shares are the riskiest investment considered by 34% of total respondents. Second most risky investment that people consider is real-estate and there is very similarity between Bonds and Gold & Silver regarding the investment risk. Hence the principle of "higher the risk higher will be the return" is applied here.

RECOMMENDATIONS-

- The people should be imparted with knowledge of various investment options as majority people still focuses on traditional investment options.
- Young population invests very less than aged ones , hence there is a need to encourage young population to invest
- Lower income population must be motivated for doing investment to get additional income

CONCLUSION-

The fundamental study of various investment options provides invaluable insights into the diverse landscape of financial markets, offering investors a comprehensive toolkit to navigate their wealth management strategies effectively. Through diligent analysis and research, individuals can make informed decisions tailored to their risk tolerance, financial goals, and time horizon.

One key takeaway from this study is the importance of diversification. By spreading investments across different asset classes such as stocks, bonds, real estate, and commodities, investors can mitigate risks associated with market volatility and enhance long-term returns. Understanding the characteristics, risks, and potential returns of each investment option empowers investors to construct well-balanced portfolios that align with their investment objectives

While higher returns often accompany higher levels of risk, it is essential for investors to assess and manage risk appropriately based on their individual circumstances and preferences. Utilizing risk management tools such as asset allocation, diversification, and hedging strategies can help safeguard portfolios against unforeseen events and market downturns.

In conclusion, the fundamental study of various investment options serves as a cornerstone for building wealth, achieving financial objectives, and securing long-term prosperity. By leveraging insights gleaned from this research, investors can cultivate robust investment strategies that withstand the test of time and contribute to their financial well-being.

CHAPTER 8 - BIBLOGRAPHY

BIBLIOGRAPHY-

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CHAPTER 9 –

APPENDICES

Questionnaire -

1. Age of Respondents

a. less than 25
b. 25-35
c. 35-45
d. above 45

2. Do you think of doing investment?

a. Yes
b. No

3. What is your profession?

a. Business men
b. professionals
c. job holder
d. other

4. Average annual income of respondents

a. 100,000-300,000
b. 300,000 - 500,000
c. 500,000 - 700,000
d. 7,00,000 - 10,00,000
e. 10,00,000 and above

5. According to you investment is for?

a. Risk cover
b. Good returns
c. Security
d. Tax benefit
e. All of the above

6. Which of the following investment you have taken?

a. Shares
b. Bonds
c. Real-estate
d. Gold & Silver
e. Other

7. Which investment option gives higher investment?

a. Shares
b. Bonds
c. Real-estate
d. Gold & Silver
e. Other

8. Which is the riskiest investment?

a. Shares
b. Bonds
c. Real-estate
d. Gold & Silver
e. Others