Major Project Report

ON

"TO STUDY THE IMPORTANCE OF PORTFOLIO ANALYSIS AND INVESTING CHOICES IN DELHI NCR "

SUBMITTED IN THE PARTIAL FULFILLMENT FOR THE AWARD OF

THE DEGREE OF BACHELORS IN BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF:

Ms. Sunakshi Mahajan

Assistant Professor, RDIAS

SUBMITTED BY:

Abhishek Pandey

Enrolment No. 00580301720

BBA-VI Semester

Batch 2020-23

RUKMINI DEVI INSTITUTE OF ADVANCED STUDIES

An ISO 9001:2015 Certified Institute

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Affiliated to Guru Gobind Singh Indraprastha University, Delhi

2A & 2B, Madhuban Chowk, Outer Ring Road, Phase-1, Delhi-110085

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Student Declaration

This is to certify that I have completed the project titled "to study the importance of portfolio analysis and investing choices in Delhi NCR" under the guidance of Sunakshi Mahajan in the partial fulfilment of the requirement for the award of the degree of Bachelors in Business Administration from Rukmini Devi Institute of Advanced Studies, New Delhi.

It is also certified that the project of mine is an original work and the same has not been submitted earlier elsewhere.

Name of the Student: Abhishek Pandey

Enrolment Number: 00580301720

Class & Section: Evening- B

Certificate from Faculty Guide

This is to certify that the project titled "to study the importance of portfolio analysis and investing choices in Delhi NCR" is an academic work done by Abhishek Pandey submitted in the partial fulfilment of the requirement for the award of the degree of Bachelors in Business Administration from Rukmini Devi Institute of Advanced Studies, New Delhi, under my guidance and direction.

To the best of my knowledge and belief the data and information presented by him/ her in the project has not been submitted earlier elsewhere.

Name of the Faculty: Sunakshi Mahajan

Designation of the Faculty: Assistant Professor, RDIAS

ACKNOWLEDGEMENT

I would like to express my special thanks to our mentor Mrs. Sunakshi Mahajan for her time and efforts he/she provided throughout the year t, and Mr. Raman Garg (Dean) of Rukmini Devi Institute of Advance Studies, for their contributions to the completion of my project titled ― To study the importance of portfolio analysis and investing choices in Delhi NCR. Your useful advice and suggestions were really helpful to me during the project‘s completion. In this aspect, I am eternally grateful to you. I would like to acknowledge that this project was completed entirely by me and not by someone else.

Name of the Student: Abhishek Pandey

Enrolment Number: 00580301720

Class & Section: Evening-B

Executive Summary

This executive summary provides an overview of the key points and recommendations for to study the importance of portfolio analysis and investing choices in Delhi NCR. The research paper explores various factors and strategies that investors should consider when evaluating their investment portfolios and making informed decisions to maximize returns while managing risk.

1. Portfolio Evaluation:

- Importance of portfolio evaluation: Regularly assessing the performance and composition of investment portfolios is crucial to identify strengths, weaknesses, and potential opportunities.

- Performance metrics: Key performance indicators such as return on investment (ROI), risk-adjusted return measures (Sharpe ratio, Treynor ratio), and portfolio diversification should be considered.

- Asset allocation: Evaluating the allocation of assets across different classes (stocks, bonds, real estate, etc.) and assessing their alignment with investment goals, risk tolerance, and market conditions.

- Portfolio rebalancing: Periodic review and rebalancing of portfolios to maintain the desired asset allocation and risk-return profile.

2. Investment Decision-Making:

- Research and analysis: Thorough research and analysis of potential investment opportunities, including fundamental analysis (financial statements, competitive analysis) and technical analysis (price trends, trading volumes).

- Risk assessment: Evaluating the risk factors associated with each investment, including market risks, industry-specific risks, and company-specific risks, to determine their potential impact on the portfolio.

- Diversification: Spreading investments across various assets, industries, and geographic regions to reduce exposure to individual risks and enhance the potential for overall portfolio growth.

- Long-term perspective: Emphasizing a long-term investment approach and avoiding short-term market fluctuations to benefit from compounding returns and capitalize on the power of time in the market.

- Risk management strategies: Implementing risk management techniques such as stop-loss orders, options strategies, and position sizing to mitigate potential losses and protect the portfolio.

3. Recommendations:

- Regular monitoring: Continuously monitoring the portfolio's performance and market trends to identify the need for adjustments and capitalize on emerging opportunities.

- Diversification: Ensuring a well-diversified portfolio that spreads risk across different asset classes, sectors, and geographies.

- Professional advice: Seeking guidance from financial advisors or investment professionals to leverage their expertise and gain insights into market dynamics.

- Education and research: Engaging in ongoing learning and staying informed about investment strategies, trends, and economic indicators to make well-informed decisions.

In conclusion, to study the importance of portfolio analysis and investing choices in Delhi NCR require a comprehensive analysis of portfolio performance, asset allocation, risk assessment, and consideration of long-term goals. By regularly reviewing and adjusting portfolios, diversifying investments, and staying informed, investors can enhance their chances of achieving their financial objectives while effectively managing risk.

Chapter 1

Introduction

1.1 Title of the project

"To study the importance of portfolio analysis and investing choices in Delhi NCR"

The title of my project is "To study the importance of portfolio analysis and investing choices in Delhi NCR". The purpose of this research paper is to explore the process of evaluating a portfolio and making investment decisions. The paper will examine the importance of defining investment goals, conducting regular portfolio reviews, diversifying investments, conducting fundamental and technical analysis, and considering macroeconomic factors in the investment decision-making process. The paper will also highlight the benefits of taking a systematic approach to evaluating a portfolio and making investment decisions, including maximizing returns, managing risk, and achieving investment goals.

The paper will draw on existing research and literature on portfolio evaluation and investment decision-making, including academic studies, industry reports, and expert opinions. The research will also include practical examples and case studies to illustrate the key concepts and strategies for evaluating a portfolio and making investment decisions.

The research paper is intended for investors, financial professionals, and anyone interested in learning more about portfolio evaluation and investment decision-making. The paper aims to provide a comprehensive overview of the investment decision-making process, highlighting best practices and strategies for maximizing returns and managing risk in a dynamic and ever-changing market environment.

1.2 Introduction

Investing is a critical aspect of financial planning, and investors are always looking for ways to maximize their returns while minimizing their risk. One of the key ways to achieve this is by evaluating a portfolio regularly and making informed investment decisions based on that evaluation.

Evaluation of portfolio and making investment decisions are essential components of successful investing. The process of evaluating a portfolio involves examining the performance of the investments, determining their alignment with investment goals, and making necessary adjustments to optimize returns and manage risk. The goal of making investment decisions is to identify and acquire investments that align with investment goals and contribute to portfolio diversification.

This research paper aims to provide a comprehensive understanding of evaluating portfolio and making investment decisions, including the importance of defining investment goals, regular portfolio review, diversification, fundamental and technical analysis, and considering macroeconomic factors.

Portfolio Evaluation:

A portfolio is a collection of investments held by an individual or institution. Portfolios can include Equity Shares, Bonds, Mutual funds, Debt fund, Exchange-traded funds (ETFs), Real estate, Commodities, Government securities and other alternative investments, some are explained below :-

1. Equity Shares:- Equity shares, also known as common stock, represent ownership in a company. When a person buys equity shares of a company, they become a part-owner of that company and are entitled to a portion of the company's profits and assets. They are traded on stock exchanges, where their value can fluctuate based on the demand and supply of the shares in the market. The value of the shares can also be affected by factors such as the company's financial performance, industry trends, and general market conditions. Investing in equity shares can potentially provide higher returns than other investment options, but also carries a higher risk.

2. Bonds:- Bonds are a type of fixed-income investment that represents a loan made by an investor to a company or government entity. When an investor buys a bond, they are essentially lending money to the issuer of the bond for a set period of time, in exchange for regular interest payments and the return of the principal amount at the end of the bond's term. It can be issued by a variety of entities, including corporations, municipalities, and governments. The interest rate offered by a bond is determined by various factors, such as the creditworthiness of the issuer, the length of the bond's term, and current market conditions. Bonds are considered a relatively low-risk investment compared to equities because the issuer is obligated to pay interest and principal payments as per the bond's terms.

3. Mutual Funds:- A mutual fund is a type of investment vehicle that pools money from multiple investors to invest in a diversified portfolio of stocks, bonds, or other securities. The fund is managed by a professional fund manager who makes investment decisions on behalf of the investors.When an investor buys shares of a mutual fund, they become a part-owner of the fund and their investment is proportionate to the number of shares they own. They are a popular investment option because they offer investors the benefits of diversification, professional management, and liquidity. By investing in a mutual fund, investors can gain exposure to a diverse range of assets with a relatively small investment, which can help to reduce risk.

4. Debt Fund:- Debt funds are a type of mutual fund that primarily invests in fixed-income securities such as government bonds, corporate bonds, debentures, and other money market instruments. The objective of a debt fund is to generate regular income for investors while preserving capital. They are typically considered a relatively low-risk investment option compared to equity funds, as they invest in fixed-income securities that offer a regular income stream and have lower volatility than equities. The returns on debt funds are primarily generated from the interest earned on the fixed-income securities held in the fund's portfolio. The fund manager selects the securities for the portfolio based on various factors such as credit rating, interest rate outlook, and liquidity, among others.

5. Exchange-traded funds (ETFs):- Exchange-traded funds (ETFs) are a type of investment vehicle that are traded on stock exchanges, similar to equities. ETFs are designed to track the performance of a specific index, such as a stock market index or a bond index, and provide investors with exposure to a diversified portfolio of securities. ETFs can be bought and sold throughout the trading day, like stocks, and their prices fluctuate based on the demand and supply of the ETF shares in the market. ETFs can provide investors with several advantages over traditional mutual funds, such as lower costs, greater transparency, and flexibility. ETFs generally have lower management fees than mutual funds.

6. Real Estate:- Real estate investment involves the purchase, ownership, management, rental, or sale of property, such as land, residential or commercial buildings, or other real estate assets, with the goal of generating income or appreciation over time. Real estate investments can provide investors with several benefits, such as regular income from rental income, potential appreciation of property values over time, and tax advantages such as depreciation deductions and capital gains tax exemptions. Real estate investments can also come with certain risks, such as changes in local real estate markets, interest rate fluctuations, and potential vacancies or tenant default. As with any investment, it is important for investors to carefully evaluate their investment objectives and risk tolerance before investing in real estate.

7. Commodities:- Evaluating a portfolio is crucial for determining whether it is performing well and aligned with an individual's investment goals and risk tolerance. Evaluating a portfolio involves analyzing its composition, performance, and risk profile. Examples of commodities include oil, gold, wheat, and coffee. Commodities can be traded in different forms, such as futures contracts, options, exchange-traded funds (ETFs), and mutual funds.

8. Government securities:- Investing in government securities in India can be a relatively low-risk and stable way to earn a steady return on investment. These bonds are considered to be the safest type of investment as they are backed by the government, which is considered to be the most creditworthy borrower in the country. There are different types of G-Secs, such as treasury bills (T-bills), which have a maturity of up to one year, and dated securities, which have a longer maturity period of up to 40 years. The interest on these securities is paid at a fixed rate, known as the coupon rate, which is decided at the time of issuance. One advantage of investing in G-Secs is that they are relatively low-risk and provide a fixed income stream, making them a suitable investment option for those looking for stable returns.

Portfolio composition refers to the assets included in the portfolio. Investors should ensure that their portfolio is well-diversified, meaning it includes a variety of assets from different asset classes, sectors, and geographic regions. Diversification helps manage risk by reducing exposure to any one asset or market. Investors should also ensure that their portfolio aligns with their investment goals and risk tolerance. For example, if an investor is nearing retirement, they may want to reduce their exposure to stocks and increase their exposure to bonds to reduce risk.

Portfolio performance refers to the returns generated by the portfolio. Investors should regularly evaluate their portfolio's performance to ensure it is meeting their investment goals. Investors can evaluate their portfolio's performance by comparing it to a benchmark, such as the Nifty 50 index for stocks and mutual funds.

Portfolio risk profile refers to the level of risk associated with the portfolio. Investors should ensure that their portfolio's risk profile aligns with their risk tolerance. Investors can evaluate their portfolio's risk profile by analyzing its volatility, maximum drawdown, and other risk metrics.

Investment Analysis:

Investment analysis is the process of evaluating investments to determine their potential return and risk. There are two types of investment analysis: fundamental analysis and technical analysis.

Fundamental analysis involves analyzing a company's financial statements and economic indicators to determine its intrinsic value. Fundamental analysts look at a company's revenue, earnings, assets, and liabilities to determine whether it is undervalued or overvalued. They also consider macroeconomic factors, such as interest rates, inflation, and geopolitical events, that can impact a company's performance.

Technical analysis involves analyzing price charts and market trends to identify patterns and predict future price movements. Technical analysts use tools such as moving averages, trend lines, and support and resistance levels to identify potential buying and selling opportunities.

Both fundamental and technical analysis are important for making informed investment decisions. Fundamental analysis helps investors identify undervalued assets and potential investment opportunities, while technical analysis helps investors time their trades and manage risk.

Finally, considering **macroeconomic factors** is also important for making informed investment decisions. Macroeconomic factors, such as interest rates, inflation, and geopolitical events, can have a significant impact on the performance of assets and the broader market. By considering these factors, investors can make more informed investment decisions and adjust their portfolio as needed to manage risk.

1.3 Need of the study

The study to study the importance of portfolio analysis and investing choices in Delhi NCR is important for several reasons:

1. Maximizing returns: The primary goal of investing is to maximize returns. By evaluating a portfolio and making informed investment decisions, investors can increase the likelihood of achieving their investment goals and maximizing returns.

2. Managing risk: Investing always carries some level of risk. By evaluating a portfolio and managing risk through diversification and other strategies, investors can reduce the risk of significant losses and protect their investments.

3. Adapting to changing market conditions: Markets are dynamic and constantly changing. By evaluating a portfolio regularly and making adjustments as necessary, investors can adapt to changing market conditions and take advantage of new investment opportunities.

4. Avoiding emotional decision making: Investing can be emotional, and emotions can cloud judgment. By following a systematic approach to evaluating a portfolio and making investment decisions, investors can avoid making decisions based on emotions and make informed decisions based on data and analysis.

5. Meeting investment goals: Every investor has different investment goals, whether it's saving for retirement, buying a house, or funding a child's education. By evaluating a portfolio and making investment decisions that align with their investment goals, investors can increase the likelihood of achieving those goals.

Overall, the study on to study the importance of portfolio analysis and investing choices in Delhi NCR is essential for anyone looking to invest their money wisely and achieve their investment goals while managing risk.

Chapter 2

Literature Review

1. Brown et al(2022)- This study looks at how employees' ability to choose from a variety of investments under defined contribution plans affects their portfolio decisions. First, we demonstrate that aggregate participant portfolio allocations across various asset classes are significantly influenced by the proportion of investment options available in a given asset class (i.e., company stock, stocks, fixed income, and balanced funds). Second, we provide evidence that high-cost actively managed equities funds, rather than equity index funds with lower costs, make up the great majority of new funds added to 401(k) plans. Third, average portfolio expenses rise and average portfolio performance is therefore decreased as the average share of assets invested in low-cost stock index funds decreases as the number of options increases.

2. Arouri and Nguyen(2022):- The relationship between the oil market and the stock market over the past volatile ten years is expanded upon in this essay. We analyse short-term links in the aggregate as well as sector, in contrast to prior empirical studies that have mostly focused on broad-based market indices. Using various econometric methodologies, by sector levels in Europe. Our key findings indicate that, depending on the activity sector, stock returns' responses to fluctuations in the price of oil vary significantly. In the out-of-sample analysis, we demonstrate how adding an oil asset can dramatically enhance the risk-return characteristics of a diversified stock portfolio.

3. Palomino and Sadrieh(2021):- We investigate how overconfidence affects financial institutions' investment choices. Portfolio managers are given discretion over investment decisions in these entities, and contracts are created with the intention of coordinating managers' incentives with those of the organisation. Our findings are in line with recent empirical evidence about the patterns of portfolio rebalancing and changes in advising contracts for mutual funds by mutual fund managers, which is based on psychological research that self-attribution biases cause overconfidence.

4. Maji et al (2021):- Interest in the offer market creates more profit than the other financial instruments yet has the danger of market risk that could prompt a high misfortune. This chance component avoids numerous potential financial backers putting resources into the offer market straightforwardly. All things being equal, they put resources into different shared reserves that are being overseen by experienced portfolio directors. To stay away from the gamble factors and increment the addition, they put the collected capital in numerous stocks.

5. Pavolova et al(2021)- When investing money, everyone's primary objective is to make a profit. The research in this work are intended to study various models and help investors reach their aims of maximising investment and minimising risk. A systematic, long-term practise called investing involves the investor giving up some of his free money in exchange for the potential to enhance that money's worth and earn a return. Only when certain guidelines are followed can investing be beneficial.

6. Kester et al(2021):- A company can choose, create, and commercialise a pipeline of new goods that are in line with its strategy and will help it grow financially over time by using a series of actions called portfolio management. To effectively manage the company's new product portfolio, choices must be taken regarding which projects to support, to what extent, and for what levels, and when they were reached. Portfolio management choices have been studied in the past as separate individual choices. The results of these studies show that efficient portfolio decision-making procedures foster a portfolio attitude, concentrate effort on the right projects, and enable agile decision-making throughout the portfolio's collection of projects. Three different decision-making processes that managers use interact to produce effective portfolio decisions.

7. Adil et al(2020)- The study's goal is to investigate how gender differences in investment decisions are influenced by cognitive biases, such as overconfidence, risk aversion, herding, and inclination. The authors also look at how financial literacy affects the relationship between gender-based investment decisions and behavioural biases.

8. Brandstetter and Lehner(2020):- impact on society and the environment Both investing as a practise and as an idea have gained popularity on a genuinely global scale. However, aside from sporadic instances of some specialised kinds, such social-impact bonds, little is understood about the subject and the intricate interactions between actors, tools, and rules. The justifications of the various players in the area and the evaluation standards for some of its instruments haven't been thoroughly examined yet.

9. Michalski(2020):- This article discusses the possible effects of operating risk associated to customers employing payment deferral for goods and/or services. The strategy presented in this article makes advantage of portfolio management. theory to calculate a company's level of accounts receivable. Net working capital as well as the expenses associated with keeping and managing accounts receivables rise when an organization's amount of accounts receivables rises. Additionally, efforts were made to assign strategies for managing these risks, with a focus on adjusting portfolio theory assumptions and assessing the potential impact on business value.

10. Jappelli and Padula(2020):- We provide a consumer investment in financial literacy intertemporal consumption model. Because they may raise the returns on their wealth thanks to their stock of financial literacy, consumers gain from such investments. Since literacy costs money and deteriorates over time, The methodology calculates the best investment in literacy based on current spending. The model demonstrates a positive life-cycle correlation between financial literacy and wealth that is determined jointly.

11. Howard(2019):- The second fundamental tenet is that investors who use behavioural data see better returns. I provide proof in favour of the first two premises. The possibility of underperformance in an investment constitutes the third fundamental concept. It's critical to understand the difference between feelings and involvement. risk in order to make wise decisions. Investment professionals should control their own emotions, take advantage of behavioural price distortions, and lessen the portfolio impact of client cognitive errors in order to get the best returns from BPM.

12. Korniotis and Kumar(2019):- This study investigates older individual investors' investment choices. We discover that older and more seasoned investors are more inclined to adhere to "rules of thumb" that are indicative of more in-depth financial expertise. However, older investors have trouble applying their understanding of investing, and demonstrate poorer investment skills, particularly if they have lower incomes, less educational degrees, or are members of underrepresented racial or ethnic groups. Overall, the negative impacts of ageing outweigh the advantages of experience. These findings show that although older investors have a greater understanding of investing, their investment competence declines as they age due to the negative impacts of cognitive ageing.

13. Guiso and Jappeli(2019):- In this essay, we emphasise the lack of financial knowledge as one possible explanation for the lack of portfolio diversification. We make use of the 2007 Unicredit Customers' Survey, which contains data on investor demographics, financial literacy, and markers of portfolio choice. We first provide test-based measures of financial literacy and quantify the degree of under-diversification in portfolios.

14. . Aren and hamamci(2019)- This study intends to evaluate how risk aversion, risky investment intention, and investment choices are affected by subjective and financial literacy, the big five personality traits, and emotions (fear, anger, hope, and sadness). These three variables—risk aversion, desire to make hazardous investments, and investment preferences—and their interactions were also looked at.

15. Alexandrovich et al(2019)- In order to solve the issues of making portfolio decisions, the use of an econometric model with a discrete dependent variable is examined. A diagonal portfolio investment model is built using the Wiener regression as a foundation, and it was through its calculations that the interpretation of the yield-risk relationship could be made clear. As a result, the yield of any financial asset traded on the market is influenced by the market's investment potential. In conclusion, the predicted degree of profitability will deviate more from the amount promised by the market's investment potential the higher the risk

16. Khan(2018)- This study investigates an investor perception about investment decision. I used to describe a cognitive heuristic called availability bias. Under loss aversion (prospect theory) can occur in risky and riskless choices. Both biases effect the decision of investor. The investor risk perception as analysis brings logic reason that how investor selects when they faced with multiple option of investment. I used questionnaire based survey method to collect data from randomly selected sample of 207 individuals. Correlation analysis has been used to estimate the models under study. The limitations include. Some recommendations have been made that could help researchers in their future works.

17. Lyandres et al(2018)- We investigate whether market players are accurately pricing investment possibilities. In order to achieve this, we construct and estimate a real options model of the best investing strategy under uncertainty. Based on the discrepancy between model-implied and observed firm values, we then categorise equities as undervalued or overpriced. Major asset pricing models predict annualised alphas from long-short strategies that invest in the most undervalued and most overvalued companies, respectively, to range between 10% and 17% for value-weighted portfolios. Only within subsamples of enterprises with comparatively high fractions of investment alternatives to existing assets is this relationship between estimated misvaluation and future returns present.

18. Adner and feiler(2018)- We investigate how risk perception and assessment are done by decision-makers in interdependent environments. We investigate how individuals create expectations for their personal project investments in a set of five trials when their success is dependent on the performance of numerous independent partners. We use a wide range of participant samples for our study, including undergrads and senior executives. Our research's overall conclusions have significant repercussions for how people, companies, and politicians should approach and evaluate their innovation decisions in ecosystem contexts.

19. Qing et al(2018)- How to invest their limited resources in the best prospects is the main issue of decision-makers at oil companies. A novel management approach called "Beyond NPV" has recently drawn increasing amounts of attention on a global scale. Senior executives and economists are looking for efficient substitutes for conventional technical and economic evaluation methodologies. The enhanced portfolio optimisation model described in this article offers a capital budgeting method that is useful beyond NPV.

20. Aouni et al(2018)- This is a genuine issue because there are several issues with extra criteria that now exist and are only going to grow in relevance as investment decision-making has become more complicated. In this study, we evaluate the published papers that address issues in portfolio selection using criteria other than mean and variance by applying methodologies and procedures in an accurate (as opposed to evolutionary) manner. We also examine the approaches that enable the problem to be solved in a context with numerous criteria, expanding the advantages of the mean-variance approach that have contributed to portfolio theory's influence.

Chapter 2

Research Methodology

The term "research methodology" refers to a set of methodical and scientific procedures that will be used to solve research challenges. Methodology is an important phase in any research because it has a direct impact on the entire study and its findings. A research methodology is a set of strategies used to acquire, assemble, and evaluate data during the research process. The most frequent research platforms include surveys, questionnaires, and interviews. A Research Methodology is a method for solving research problems in a methodical fashion. It specifies the research's goal, how it will be carried out, how progress will be measured, and what constitutes success in terms of the research study's objectives.

1. Objectives

- To explore the investment choices of individuals in Delhi NCR.
- To study the portfolio evaluation and related investment decisions.

2. Research Design

The study is solely descriptive in nature, with the goal of understanding how to evaluate portfolio and make investment decisions. This is a purely theoretical study approach in which the researcher gets data, analyses it, prepares it, and then delivers it in an understandable manner.

3. Sources of data

The primary data for this study will be collected through semi-structured interviews with investment professionals and individuals with experience in managing investment portfolios. The interviews will be conducted using a predetermined set of open-ended questions designed to gather insights into the process of evaluating a portfolio and making investment decisions.

4. Sample of study

I am taking sample of investment professionals and individuals with experience in managing investment portfolios in Delhi NCR.

5. Time period of study

The research is conducted between the time period of February to June.

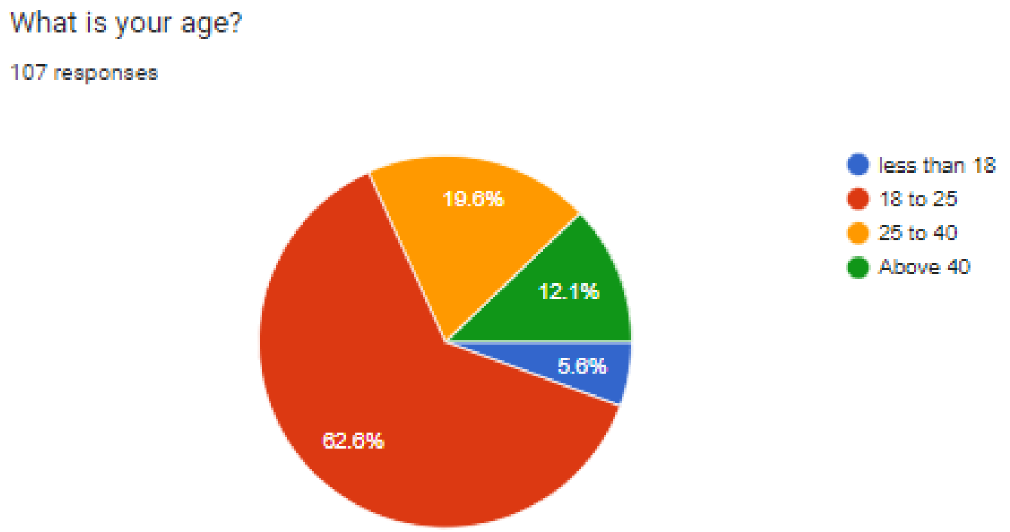
6. Tools and Techniques

Descriptive statistics tool will be employed.

Chapter 4

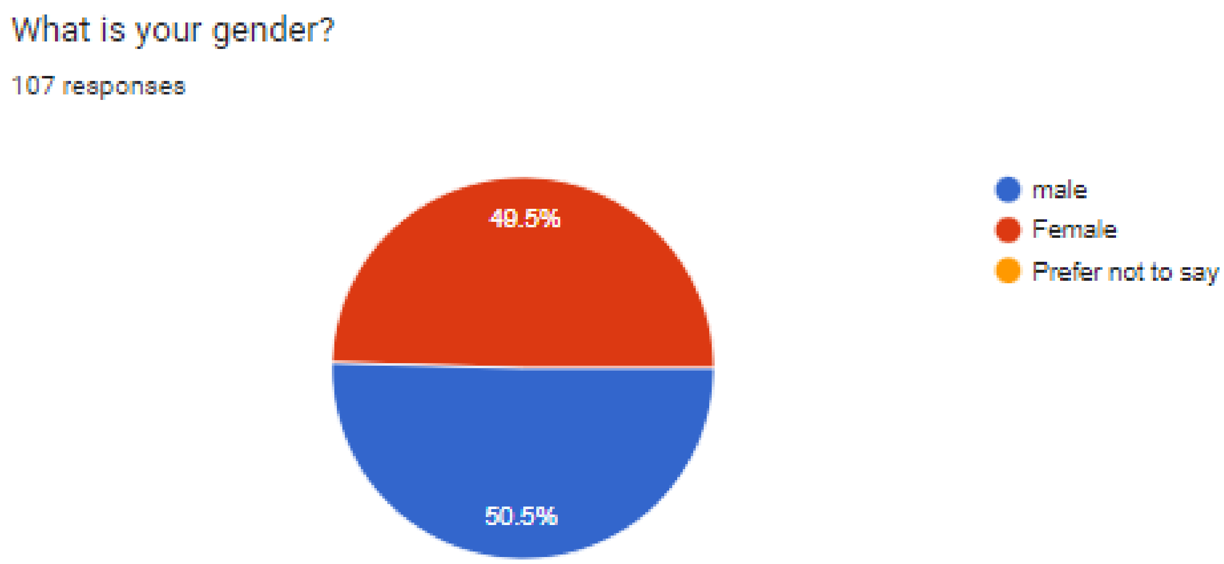
Data Analysis

Q1.



Interpretation: As per the results we have 62% respondents between the age of 18-25, 19% respondents between the age of 25-40, 12% respondents above the age of 40 and 5.6% are minors.

Q2.

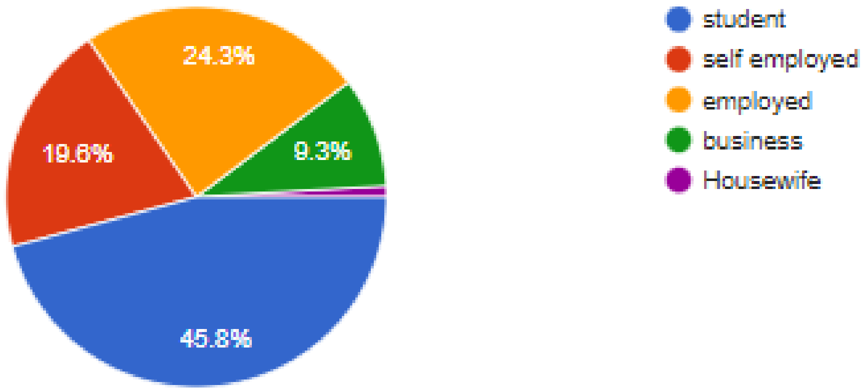


Interpretation: As per the above data 49.5% respondents are female and rest are male.

Q3.

What is your occupation?

107 responses

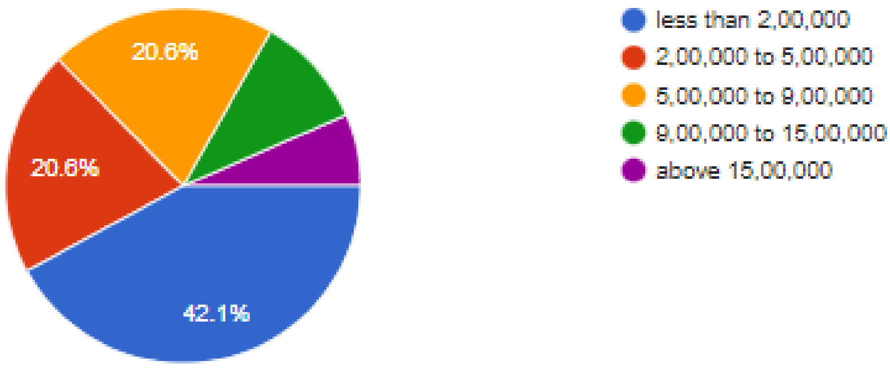


Interpretation: So as per the data majority of respondents are student and rest are occupied as self-employed (19.6%), employed (24.3%), business (9.3%) and the remaining 1% are occupied as housewife.

Q4.

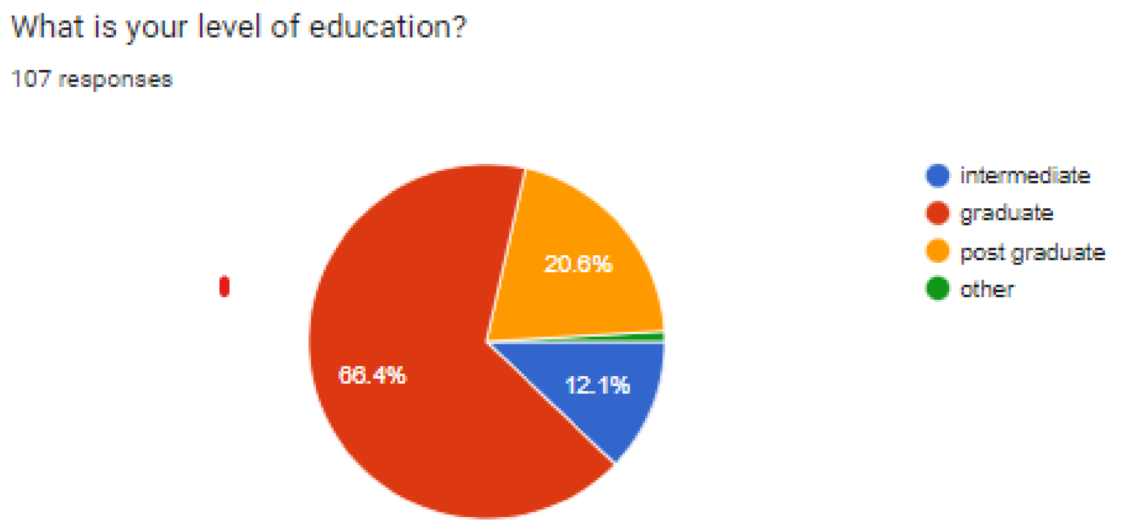
What is your annual income?

107 responses



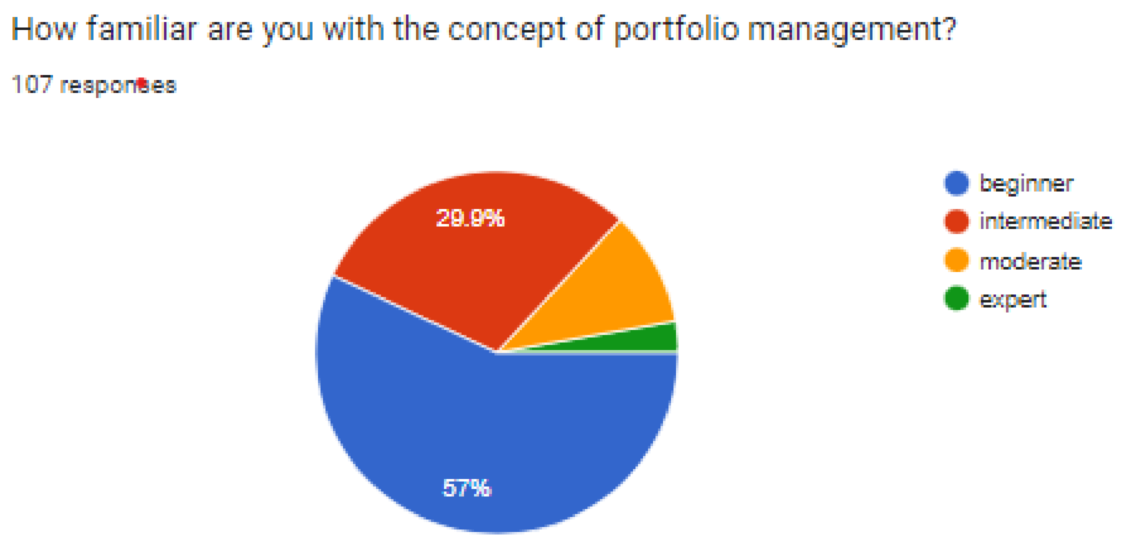
Interpretation: As per the above data, majority of the respondents are earning below 2 lakhs, followed by 20.6% respondents earning between 2 lakhs- 5 lakhs and 5 lakhs - 9lakhs, 9% respondents are earning between 9lakhs to 15 lakhs and rest are earning above 15 lakhs.

Q5.



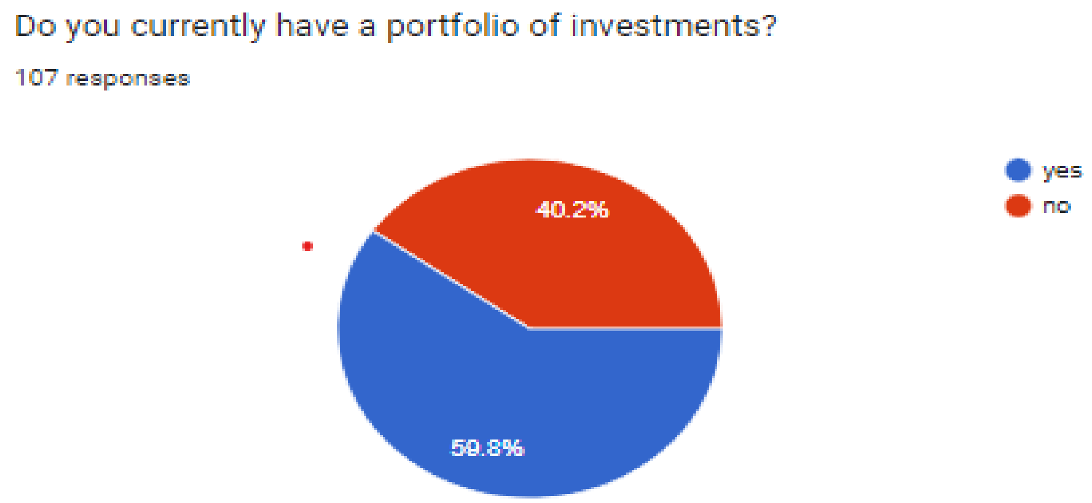
Interpretation: As per the above data, majority of respondents are graduates and followed by 20.6% post graduates, 12.1% intermediates and rest 0.9% opted as other as the response.

Q6.



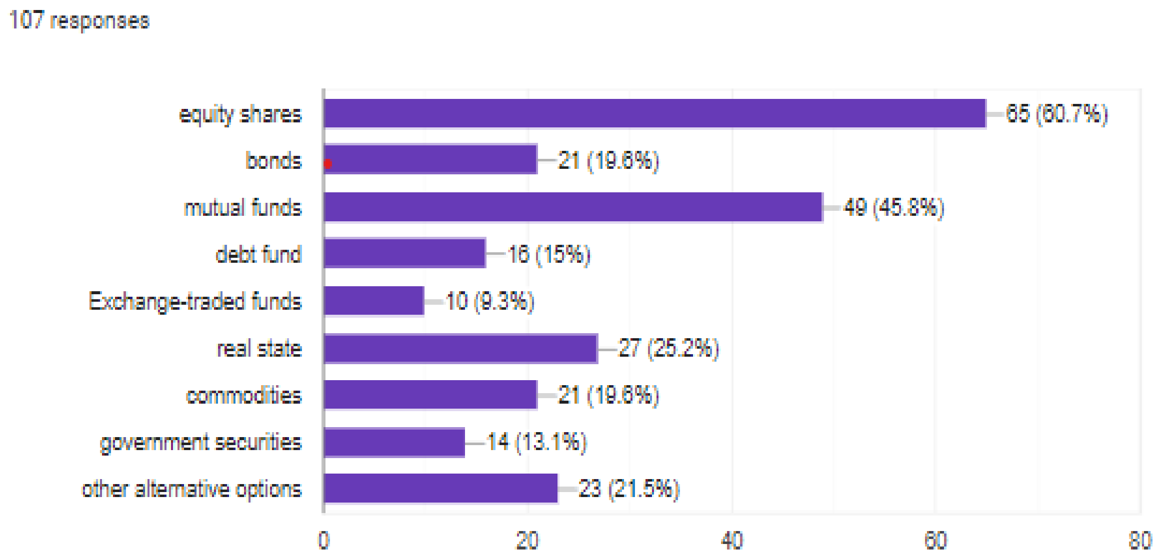
Interpretation: As per the above data, majority of respondents are just beginners as they have just started investing and followed by 29.9% intermediate, 10.3% are modern and remaining 2.8% are expert in concepts of portfolio management and investing.

Q7.



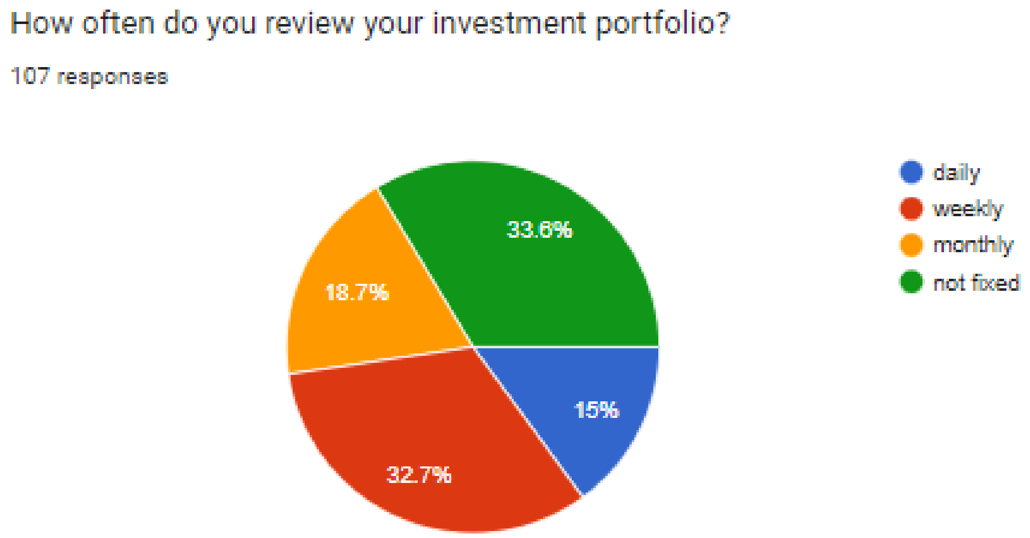
Interpretation: As per the above data, 59.8% respondents have portfolio of investing and 40.2% don't have.

Q8. If yes, what types of investments are in your portfolio?



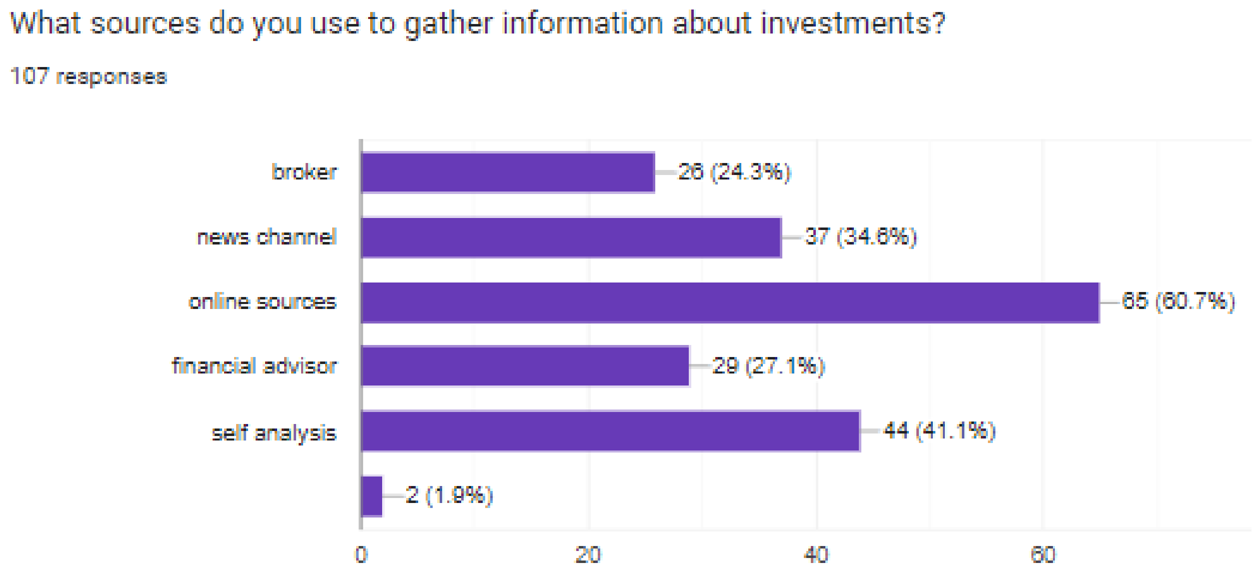
Interpretation: As per the above data our of 107 people - 65 people invest in equity shares,49 invest in mutual funds,27 invest in real estate,23 in other alternative options,21 invest in commodities,21 invest in bonds,16 invest in debt bonds,14 invest in govt securities and 10 invest in ETFs.

Q 9.



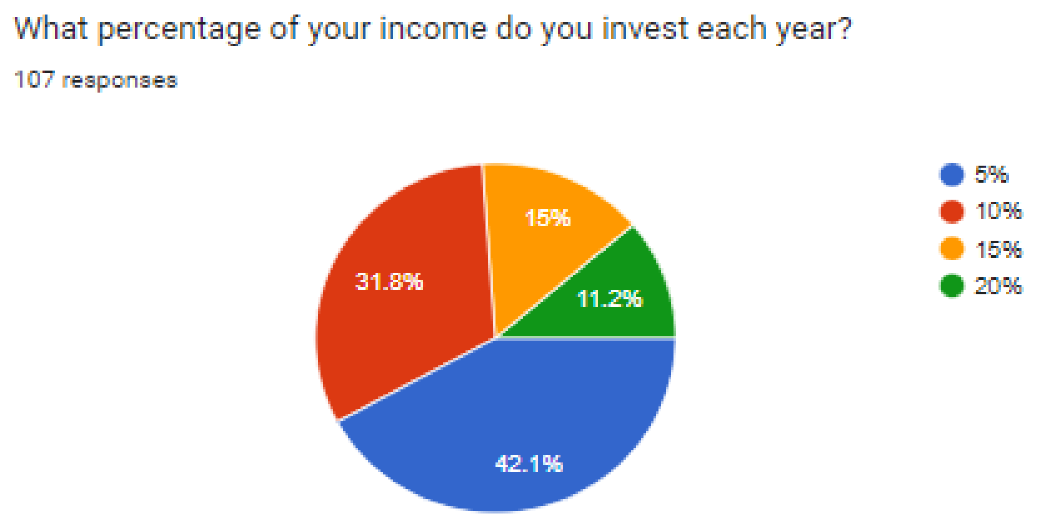
Interpretation :-As per the above data 15% people reviewed their investment daily,19 % people reviewed monthly,33 % people reviewed weekly and 33% people were not fixed.

Q-10



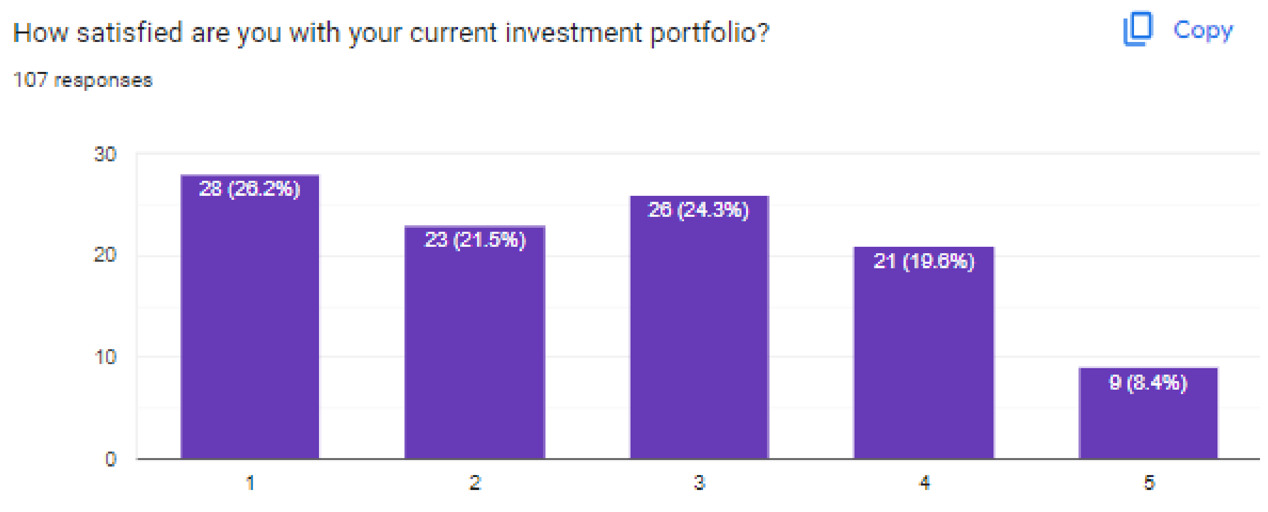
Interpretation ;- As per the above data out of 107 people collect information ,65 people from online sources, 44 from self analysis, 37 from news channel, 29 from financial advisor, 26 people from broker and 2 people from other sources.

Q-11



Interpretation:- As per the above data 42 % of people invest 5% of their total income, 32 % of people invest 10% of their total income, 15 % of people invest 15% of their total income and 11 % of people invest 20% of their total income.

Q- 12

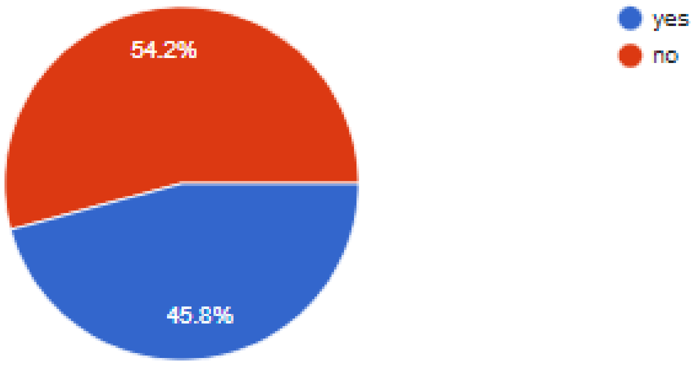


Interpretation :- As per the above data people rate their current investment portfolio as 26% rated 1, 24% rated 3, 21% rated 2 and 20% rated 4 and 8% rated 5.

Q-13

Have you ever consulted with a financial advisor about your investment choices?

107 responses

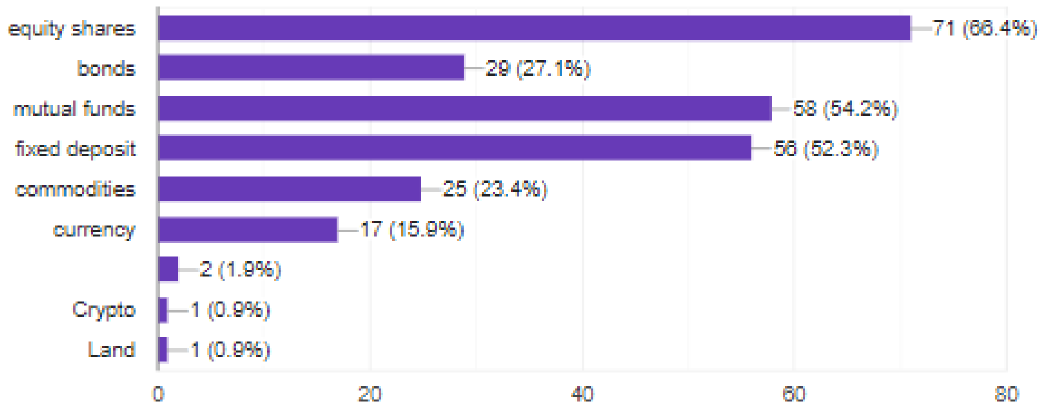


Interpretation:- As per the above data 54 % of people says yes that they have consulted with financial advisor about their investment and 46% people says not.

Q- 14

According to you which is the best form of investment

107 responses



Interpretation :- As per the above out of 107 people 71 people invest in equity shares, 58 people in mutual funds, 56 people in FDs, 29 people in bonds, 25 people in commodities, 17 people in currency,1 in crypto-currency, 1 in land and 2 people in other.

Chapter 5

Findings and Conclusion

Findings

1. As from the results people participated in the survey was 62% between the age 18-25, 19% were 25-40, 12% were above 40 and 5.6% were below 18

2. Gender diversification was 49.5% female and rest male.

3. As per the analysis respondents occupation was 45.8% student, 19.6% self-employed, 9.3% business and rest 1% housewife.

4. Annual income of the respondents was 42.1% were earning below 2 lakhs, followed by 20.6% between 2-5 lakhs, 20.6% between 5-9 lakhs, 9% between 9-15 lakhs and 8% above 15 lakhs.

5. Qualification of the respondents are as follows, 66.4% graduates, 20.6% post graduates, 12.1% intermediates and 0.9% opted as others for their qualification status.

6. Respondents knowledge about the concept portfolio management is 57% beginners who have just started investing, 29.9% intermediates who have some experience in the domain, 10.3% are modern as per their response and 2.8% are experts in the domain.

7. About 59.8% respondents have portfolio of investment and rest don’t.

8. Respondents who have portfolio of investment have investment of 60.7% in equity shares, 19.6% in bonds, 45.6% in mutual funds, 15% in debt funds, 9.3% in exchange-traded funds, 25.2% in real states, 19.6% in commodities, 13.1% in government securities and 21.5% have invested in others like forex, crypto, etc.

9. The portfolio review rate of the people is 15% review daily, 19% monthly, 33% weekly and 33% have not fixed.

10. Source of information for making investment decisions for the respondents are, 24.3% broker, 34.6% news channels, 65% online sources, 27.1% financial advisors, 41.1% self-analysis and 1.9% from other sources.

11. Percent of their income respondents invest are as follows, 42.1% invests 5% of their income, 31.8% invests 10% of their income, 15% invests 15% of their income, 11.2% invests 20% of their income.

12. Satisfaction rate of the portfolio of respondents are 26% rated 1, 24% rated 3, 21% rated 2, 20% rated 4 and 8% rated 5.

13. Here 54% of respondents have consulted financial advisors rent don’ t.

14. According to respondents best investment options are, 66.4% equity shares, 27.1% bonds, 54.2% mutual funds, 52.3% fixed deposit, 23.4% commodities, 17% currency, 1.9% in currency, 0.9% in crypto, 0.9% in land.

So, as per result following can be outcomes-

1. Risk tolerance: Investors should assess their risk tolerance, which is the level of uncertainty they are willing to accept in their investments. This evaluation helps determine the appropriate asset allocation and investment strategy.

2. Diversification: Diversifying a portfolio across different asset classes (e.g., stocks, bonds, real estate) can help reduce risk. By spreading investments across various sectors and industries, the impact of a single investment's performance is minimized.

3. Investment goals: Clearly defining investment goals is crucial. Whether the objective is long-term wealth accumulation, income generation, or capital preservation, investment decisions should align with these goals.

4. Fundamental analysis: Conducting fundamental analysis involves assessing the financial health, performance, and prospects of individual securities. Factors such as earnings growth, valuation, competitive positioning, and industry trends are considered to evaluate the investment potential of a company.

5. Technical analysis: Technical analysis involves studying past price and volume patterns to identify trends and make predictions about future price movements. Technical indicators and chart patterns are used to assist in investment decision-making.

6. Market research: Staying informed about the market conditions, economic trends, and regulatory environment is essential. Monitoring news, industry reports, and economic indicators can provide valuable insights for investment decisions.

7. Performance evaluation: Regularly reviewing the performance of investments is crucial. This assessment involves comparing portfolio returns against benchmarks, analyzing risk-adjusted returns, and identifying underperforming assets for potential adjustments.

Conclusion

To study the importance of portfolio analysis and investing choices in Delhi NCR requires a comprehensive understanding of various factors and considerations. The findings suggest that investors in the region should carefully assess their risk tolerance and investment goals to determine an appropriate asset allocation strategy.

Diversification emerges as a crucial element in portfolio evaluation, as spreading investments across different asset classes and sectors can help mitigate risk and enhance potential returns. By avoiding overexposure to a single security or industry, investors can reduce the impact of market fluctuations on their portfolio performance.

Fundamental analysis plays a significant role in evaluating individual securities. By assessing the financial health, performance, and prospects of companies operating in Delhi NCR, investors can make informed decisions about their inclusion in the portfolio. Factors such as earnings growth, valuation, competitive positioning, and industry trends should be thoroughly examined.

Additionally, incorporating technical analysis techniques can provide further insights into price trends and potential entry or exit points. Monitoring market conditions, economic indicators, and regulatory developments specific to Delhi NCR is essential for making informed investment decisions.

Regular performance evaluation is crucial to track the progress of the portfolio and identify areas for adjustments or rebalancing. Comparing portfolio returns against relevant benchmarks and considering risk-adjusted returns helps investors gauge the effectiveness of their investment strategies.

In conclusion, to study the importance of portfolio analysis and investing choices in Delhi NCR necessitates a well-rounded approach that encompasses risk assessment, diversification, fundamental and technical analysis, market research, and performance evaluation. By employing a systematic and informed investment approach, investors can enhance their chances of achieving their financial goals in the context of the Delhi NCR region.

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Annexures

Portfolio Management And Investing Choices In Delhi NCR

This questionnaire aims to gather information about portfolio management and investment choices. Your responses will help us understand your investment preferences, strategies, and decision-making process. Please answer the questions to the best of your knowledge and experience. The questionnaire consists of multiple-choice questions and a few open-ended questions for you to provide additional comments or insights.

name *

Short answer text

What is your age? *

- less than 18
- 18 to 25
- 25 to 40
- Above 40

What is your gender? *

- male
- Female
- Prefer not to say

What is your occupation? *

- student
- self employed
- employed
- business
- Other...

What is your annual income? *

- ◯ less than 2,00,000
- ◯ 2,00,000 to 5,00,000
- ◯ 5,00,000 to 9,00,000
- ◯ 9,00,000 to 15,00,000
- ◯ above 15,00,000

What is your level of education? *

- ◯ intermediate
- ◯ graduate
- ◯ post graduate
- ◯ other

How familiar are you with the concept of portfolio management? *

- ◯ beginner
- ◯ intermediate
- ◯ moderate
- ◯ expert

Do you currently have a portfolio of investments? *

- ◯ yes
- ◯ no

If yes, what types of investments are in your portfolio? *

- ☐ equity shares
- ☐ bonds
- ☐ mutual funds
- ☐ debt fund
- ☐ Exchange-traded funds
- ☐ real state
- ☐ commodities
- ☐ government securities
- ☐ other alternative options

How often do you review your investment portfolio? *

- ◯ daily
- ◯ weekly
- ◯ monthly
- ◯ not fixed

What sources do you use to gather information about investments? *

- [ ] broker
- [ ] news channel
- [ ] online sources
- [ ] financial advisor
- [ ] self analysis
- [ ] Other...

What percentage of your income do you invest each year? *

- ( ) 5%
- ( ) 10%
- ( ) 15%
- ( ) 20%

How satisfied are you with your current investment portfolio? *

	1	2	3	4	5	
satisfied	( )	( )	( )	( )	( )	unsatisfied

Have you ever consulted with a financial advisor about your investment choices? *

- ( ) yes
- ( ) no

According to you which is the best form of investment *

- [ ] equity shares
- [ ] bonds
- [ ] mutual funds
- [ ] fixed deposit
- [ ] commodities
- [ ] currency
- [ ] Other...

Plagiarism Report

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PLAGIARISM SCAN REPORT

9%
Plagiarised

91%
Unique

Date	2023-06-06
Words	998
Characters	7040

Content Checked For Plagiarism

1.1 Title of the project

"To study the importance of portfolio analysis and investing choices in Delhi NCR"

The title of my project is "To study the importance of portfolio analysis and investing choices in Delhi NCR". The purpose of this research paper is to explore the process of evaluating a portfolio and making investment decisions. The paper will examine the importance of defining investment goals, conducting regular portfolio reviews, diversifying investments, conducting fundamental and technical analysis, and considering macroeconomic factors in the investment decision-making process. The paper will also highlight the benefits of taking a systematic approach to evaluating a portfolio and making investment decisions, including maximizing returns, managing risk, and achieving investment goals.

The paper will draw on existing research and literature on portfolio evaluation and investment decision-making, including academic studies, industry reports, and expert opinions. The research will also include practical examples and case studies to illustrate the key concepts and strategies for evaluating a portfolio and making investment decisions.

The research paper is intended for investors, financial professionals, and anyone interested in learning more about portfolio evaluation and investment decision-making. The paper aims to provide a comprehensive overview of the investment decision-making process, highlighting best practices and strategies for maximizing returns and managing risk in a dynamic and ever-changing market environment.

1.2 Introduction

Investing is a critical aspect of financial planning, and investors are always looking for ways to maximize their returns while minimizing their risk. One of the key ways to achieve this is by evaluating a portfolio regularly and making informed investment decisions based on that evaluation.

Evaluation of portfolio and making investment decisions are essential components of successful investing. The process of evaluating a portfolio involves examining the performance of the investments, determining their alignment with investment goals, and making necessary adjustments to optimize returns and manage risk. The goal of making investment decisions is to identify and acquire investments that align with investment goals and contribute to portfolio diversification. This research paper aims to provide a comprehensive understanding of evaluating portfolio and making investment decisions, including the importance of defining investment goals, regular portfolio review, diversification, fundamental and technical analysis, and considering macroeconomic factors.

Portfolio Evaluation:

A portfolio is a collection of investments held by an individual or institution. Portfolios can include Equity Shares, Bonds, Dupli Checker

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		Words	946
		Characters	6649

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1. Brown et al(2022)- This study looks at how employees' ability to choose from a variety of investments under defined contribution plans affects their portfolio decisions. First, we demonstrate that aggregate participant portfolio allocations across various asset classes are significantly influenced by the proportion of investment options available in a given asset class (i.e., company stock, stocks, fixed income, and balanced funds). Second, we provide evidence that high-cost actively managed equities funds, rather than equity index funds with lower costs, make up the great majority of new funds added to 401(k) plans. Third, average portfolio expenses rise and average portfolio performance is therefore decreased as the average share of assets invested in low-cost stock index funds decreases as the number of options increases.
2. Arouri and Nguyen(2022):- The relationship between the oil market and the stock market over the past volatile ten years is expanded upon in this essay. We analyse short-term links in the aggregate as well as sector, in contrast to prior empirical studies that have mostly focused on broad-based market indices. Using various econometric methodologies, by sector levels in Europe. Our key findings indicate that, depending on the activity sector, stock returns' responses to fluctuations in the price of oil vary significantly. In the out-of-sample analysis, we demonstrate how adding an oil asset can dramatically enhance the risk-return characteristics of a diversified stock portfolio.
3. Palomino and Sadrieh(2021):- We investigate how overconfidence affects financial institutions' investment choices. Portfolio managers are given discretion over investment decisions in these entities, and contracts are created with the intention of coordinating managers' incentives with those of the organisation. Our findings are in line with recent empirical evidence about the patterns of portfolio rebalancing and changes in advising contracts for mutual funds by mutual fund managers, which is based on psychological research that self-attribution biases cause overconfidence.
4. Maji et al (2021):- Interest in the offer market creates more profit than the other financial instruments yet has the danger of market risk that could prompt a high misfortune. This chance component avoids numerous potential financial backers putting resources into the offer market straightforwardly. All things being equal, they put resources into different shared reserves that are being overseen by experienced portfolio directors.

To stay away from the gamble factors and increment the addition, they put the collected capital in numerous stocks.

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0% Plagiarised	100% Unique	Date	2023-06-06
		Words	286
		Characters	1948

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The term "research methodology" refers to a set of methodical and scientific procedures that will be used to solve research challenges. Methodology is an important phase in any research because it has a direct impact on the entire study and its findings. A research methodology is a set of strategies used to acquire, assemble, and evaluate data during the research process. The most frequent research platforms include surveys, questionnaires, and interviews. A Research Methodology is a method for solving research problems in a methodical fashion. It specifies the research's goal, how it will be carried out, how progress will be measured, and what constitutes success in terms of the research study's objectives.

1. Objectives

- To study the role and impact of securities in Delhi NCR.
- To study the importance of regular portfolio evaluations.

2. Research Design

The study is solely descriptive in nature, with the goal of understanding how to evaluate portfolio and make investment decisions. This is a purely theoretical study approach in which the researcher gets data, analyses it, prepares it, and then delivers it in an understandable manner.

3. Sources of data

The primary data for this study will be collected through semi-structured interviews with investment professionals and individuals with experience in managing investment portfolios. The interviews will be conducted using a predetermined set of open-ended questions designed to gather insights into the process of evaluating a portfolio and making investment decisions.

4. Sample of study

I am taking sample of investment professionals and individuals with experience in managing investment portfolios in Delhi NCR.

5. Time period of study

The research is conducted between the time period of February to June.

6. Tools and Techniques

Descriptive statistics tool will be employed.

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		Words	950
		Characters	6801

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Interpretation: As per the results we have 62% respondents between the age of 18-25, 19% respondents between the age of 25-40, 12% respondents above the age of 40 and 5.6% are minors.

Q2.

Interpretation: As per the above data 49.5% respondents are female and rest are male.

Q3.

Interpretation: So as per the data majority of respondents are student and rest are occupied as self-employed (19.6%), employed (24.3%), business (9.3%) and the remaining 1% are occupied as housewife.

Q4.

Interpretation: As per the above data, majority of the respondents are earning below 2 lakhs, followed by 20.6% respondents earning between 2 lakhs- 5 lakhs and 5 lakhs - 9lakhs, 9% respondents are earning between 9lakhs to 15 lakhs and rest are earning above 15 lakhs.

Q5.

Interpretation: As per the above data, majority of respondents are graduates and followed by 20.6% post graduates, 12.1% intermediates and rest 0.9% opted as other as the response.