

## Chapter Name

# FINANCIAL PRODUCTS, PLANNING & RESEARCH

## Chapter Submitted By:

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## PRODUCT PROFILE

- Transaction oriented products (Equity products/Mutual Funds)
- Direct equity/Derivatives
- Credit products (Loans)
- Life insurance products
- Small Savings – PPF,FD
- Debt related products (Corporate and Government Bonds)
- Structured products (Capital Guaranteed funds)
- Alternative investments (Art, Wine, Private Equity)
- Real Estate Purchase

## MUTUAL FUNDS

### Close Ended Funds

- Fixed number of shares outstanding
- Perform additional like stock than open ended funds Issue a fixed number of shares to the public in an initial public offering, after which time shares in the fund are subscribed and sold on a stock exchange
- not obligated to issue new shares or redeem outstanding shares as open-end funds are

- Closed-end fund shares trade continually at whatever price the market will support.
- **Example: 1. Morgan Stanley Growth Fund one of the oldest funds being traded on the exchange 2. Franklin India Smaller Companies Fund**

### **Open Ended Funds**

- Is a mutual fund that issues new shares when investors put in money and redeems shares when investors withdraw money
- Vast majority of mutual funds are of the open-end variety
- Existing shareholders can continue to purchase and redeem shares, but no new investors may participate in the fund.
- **Example: 1. HSBC Equity Fund 2. HDFC Top 200**

### **Systematic Investment Plans (SIP)**

- SIP's allow you to invest a prefixed amount for a prefixed interval in the mutual fund scheme of your choice
- Powerful tool to build a investment corpus over a period of time
- Regular investment negates the volatile effect of the market (*Rupee Cost Averaging phenomenon as illustrated*)

(Rs 10000/- invested over 10 months give 520 units Vs 500 units it would have given if invested upfront.

RCA allows you to buy more when NAV is down and less when NAV is up)

# Equity Investment

Why invest in Equity?

- Have the potential to increase value over time.
- Considered the most rewarding compared to most other form of investments in long run.
- Provides the portfolio with the development required to grasp your long term investments goals.

Factors that influence the price of the stock

## Stock Specific

It is related to people's expectations about the company, its future earning capacity, financial health & management, level of technology & marketing skills.

## Market Specific

This depends on economic, social & political environment.

## Time Specific

This relates to time value of money. A 100 rupees today must be a lot lesser worth than it was 10 years back.

Two types of Stock

### Growth Stock

- Budding for growth in sales & earnings are brilliant.
- Rising faster than companies in the market or other stocks in the similar industry.

### Value Stock

- A stock that tends to trade at lower price relative to its fundamentals (i.e., dividends, sales, earnings etc.)
- Common features of such stocks includes a high dividend yield, low price to book ratio or low price to earnings ratio.

# Derivatives

- **Defining Derivatives**
  - Derivative is a product whose value is derived from the value of one or more basic variables, called underlying. The underlying asset can be equity, index, foreign exchange (forex), commodity or any other asset
  
- **Types of derivatives**
  - **Forwards**
    - A tailored pact between two entities, where disbursement takes place on a explicit date in the future at today's pre-agreed price
  - **Futures** (special type of forward contract)
    - An agreement between two parties to buy or sell an asset at a certain time in the future at a certain price
  - **Options**
    - A contract which gives the right, but not an obligation, to buy or sell the underlying at a stated date and at a stated price
    - Two types
      - **Call:**
        - » Gives the buyer the right but not the obligation to buy a given quantity of the underlying asset, at a given price on or before a given future date.
      - **Put:**
        - » Gives the buyer the right, but not the obligation to sell a given quantity of underlying asset at a given price on or before a given future date.

# Corporate Fixed Deposits

Fixed deposit (FD) is an investment option that allows you to invest a sum of money for a fixed time period and at a fixed rate of interest. During the course of the FD, even if the prevailing interest rates go up or down, you will be entitled to the rate of interest that was committed to you.

## Two types:

- 1. Bank and NBFC FDs:** Offered by banks or non-banking finance companies; the Reserve Bank of India (RBI) regulates these institutions.
- 2. Corporate FDs:** These are offered by companies those are looking to raise money from the open market.
  - CRISIL or ICRA rated as compared to Bank FDs which have no rating
  - Corporate FDs typically pay a higher rate of interest
  - Also carry a relatively higher risk than bank FDs.



## **What is investing?**

Investing broadly means making your money grow or appreciate to fulfill long term financial goals. It is a way of saving your money for something you would like to achieve in the future – children's education, retirement, purchase your own home. In simple words, investing means making your money work for you.

There are different ways of making an investment. It includes placing money into stocks, bonds, mutual funds, real estate or even starting an enterprise. These options are referred to as 'investment vehicles'.

Investments have a risk-reward spectrum. As a general rule of thumb, higher the risk an investor takes on an investment, the greater potential returns he/she stands to make and vice versa. The focus is on returns and the spectrum, in terms of risk, runs from conservative to very aggressive. One way to measure results is by weighing expected returns against anticipated risks.

Along the risk-reward spectrum, investments can be classified into three basic categories: cash, bonds and stocks. Each category has its own set of characteristics and plays an important role in structuring a sound investment portfolio.

## **Time in the market**

Investing in the stock market does not depend on timing the market, but time in the market. Stock prices fluctuate on a day-to-day basis, sometimes drastically.

That's the nature of the stock market. While past performance does not guarantee future results, history has shown that, over a longer term, stock market investing has been rewarding.

Long-term investing does not have to span a period of 50 years. Even five years can make a big difference. Long-term investing in the stock market pays off quite generously too.

It is known that trying to time the market is next to impossible. Timing the market is basically the strategy of buying and selling financial instruments (most often stocks) by attempting to predict future market price movements. It's better to stay fully invested during all market cycles. This has, historically, given investors the greatest average return by comparison. Hence, it's time in the market that's important, not timing the market.

## **Basic Investment Principles**

Establishing realistic financial goals is an essential first step towards successful investing. Understanding investments that are best suited to help achieve your goals is equally important. Investment principles guide you in your investment choices. Following these time-tested investment principles enable you to build a strong foundation of financial security.

### **Top Principles:**

#### **Rupee-Cost Averaging**

A systematic approach to long-term investing is called rupee-cost averaging. This refers to the practice of investing the same amount of money in the same investment vehicle at regular intervals, regardless of market conditions. If the investor takes the rupee-cost averaging approach, the amount invested is always the same. Thus, the investor automatically buys more shares when the price is low and fewer when the price is high.

The investor's natural instinct might be to stop investing if the price starts to drop but history suggests that the best time to invest may be when you are getting good value. Rupee-cost averaging can be an effective strategy with funds or stocks that can have sharp ups and downs, because it gives more opportunities to purchase shares less expensively.

The benefit of this approach is that, over time, you may reduce the risk of having shares with the highest cost price. Instead, as the example below demonstrates, the average cost of your shares will be lower. However, rupee-cost averaging does not assure a profit and it does not protect against investment losses in declining markets

## **Compounding**

Compounding is the ability of an asset to generate earnings, which are then reinvested in order to generate their own earnings. In other words, compounding refers to generating earnings from previous earnings.

Through compounding, a small amount of money over time can grow into a substantial sum. Investments can increase in value over time - and the longer the time frame, the greater the value. This is achieved through returns that are earned, but not spent. When the return is reinvested, investor earns a return on the return and a return on that return and so on. Therefore it is important to start saving early in order to benefit from the power of compounding returns.

## **Diversification**

Diversification is a strategy that can be neatly summed up by the timeless adage "Don't put all your eggs in one basket." In other words, your funds are spread over a variety of investment instruments. It is a risk-management technique that mixes a wide variety of investments within a portfolio. The rationale behind this technique contends that a portfolio of different kinds of investments will, on average, yield higher returns and pose a lower risk than any individual investment found within the portfolio.

For example, diversification could mean that you own several stocks, but they all come from various types of industries or different parts of the world. By having a variety of different stocks, your funds are more protected. If a certain company is badly hit, you will have other stocks that may be able to "take up the slack."

## **Asset Allocation**

Asset allocation involves dividing an investment portfolio among different asset categories, such as stocks, bonds, and cash. These asset categories have different risk-return characteristics, so if you have them in your portfolio, their different patterns of behavior offset each other. For instance,



while one asset category increases in value, another may be decreasing or not increasing as much.

Asset allocation aims to balance risk and reward by apportioning a portfolio's assets according to your investment objectives, your risk tolerance and your investment horizon.

Asset allocation is generally the most important factor in determining the return on your investments. In fact, according to many researches and studies, asset allocation determines approximately 90% of the return. The remaining 10% of the return is determined by which particular investments (stock, bond, mutual fund, etc.) you select and when you decide to buy them.

## **Rebalancing**

Rebalancing your mutual fund portfolio on a regular basis maintains the desired asset allocation in your investment strategy. Basically, rebalancing is bringing portfolio back to original asset allocation mix. This is necessary because over time some of the investments may become out of alignment with the investment goals, as investments don't all move the same way at the same time. Some will grow faster than others. By rebalancing your portfolio, you will ensure that you stick to original plans and have the kind of discipline that leads to long-term success.

For example, let's say it is determined that stock investments should represent 60% of portfolio. But after a recent stock market increase, stock investments represent 80% of portfolio. You will need to either sell some of stock investments or purchase investments from an under-weighted asset category in order to reestablish original asset allocation mix.

Rebalancing can be based either on the calendar or on the investments. Many financial experts recommend that investors rebalance their portfolios on a regular time interval, such as every six or twelve months. The advantage of this method is that the

calendar is a reminder of when investor should consider rebalancing.



### **Get started with our Equity Trading**

We believe in ease-of-use and convenience. You have the choice of trading through our website & our call center (call and trade).

The choice of trading channel is yours, but you can be sure that whichever channel you choose, the Financial Institutions commitment to service remains the same.

Along with our world class customer service we will provide you with the adequate tools to further your knowledge and beat the market –

- Relationship Management
- Investment Specialist support
- Easy access to Call Centre
- Daily & weekly Market updates
- Investment Ideas & Sector /Industry Reports
- Online Trading Demo
- Lightning fast trading interface
- Customized trading interfaces for beginners & investors

### **What makes Financial Institutions so complete?**

Experience a host of features, services & benefits. Much more than a 3-in-1 account with our conventional or prepaid equity broking account.

- Suitability & Appropriateness Study – Assessing your experience and risks

- Goal/Need Analysis – Mapping your long term & short term requirements
- Risk Profiling, Asset Allocation & Creating Model portfolio
- Multi Channel Trade Execution – Trade online or offline without limitations
- Proactive 'Opportunity' Calling – Alerting you each time on your opportunity wish list
- Relationship Manager – To service all your requirements
- Availability of Investment Specialists – To help understand and decipher 'technical' details
- Multi-Lingual Call Centre – For you to speak in a language which comes easiest to you
- Timely Margin Calls – Calling you in advance and keeping you informed whenever margins are required
- Access to high-quality Investment Products under one roof – Built on principles and insights used by largest, most successful institutional investors
- These critical differentiators are feature-led and attuned to you, making it a win-win situation for you to open an account with us. What matters most is a company that knows you and offers you better choices, ease of managing investments, great personal relationships



Mutual Funds offer a wide range of advantages, unsurpassed by most other investment avenues Following are some of the primary benefits.

- Professional investment management
- Diversification
- Convenience and Flexibility
- Liquidity
- Transparency
- Variety
- Affordability

- + Tax benefits
- + Low costs
- + Regulated for investor protection

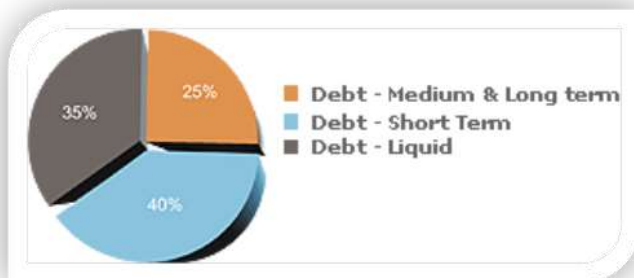
## Types of Mutual Funds

- Equity Fund
- Hybrid Fund
- Income Fund
- Money Market Fund
- Fund of Funds
- Equity Linked Saving Scheme
- Systematic Investment Plan



Asset Allocation is the most important factor affecting the long term performance of an investment portfolio. Asset allocation in line with your time horizon and risk tolerance ensures that your money grows in line with your expectations. Through Financial Planning we bring you unbiased, need-based & honest investment advice based on insights and processes.

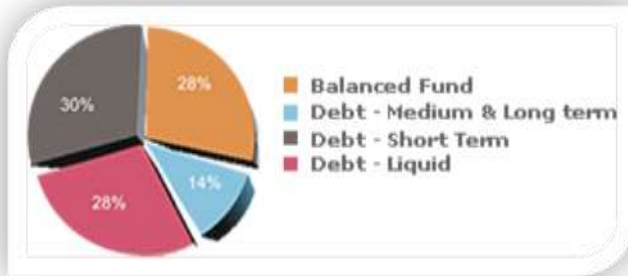
### R1 - Model Portfolio



- **Profile Code -R1**
- **Risk Profile -Conservative**
- **Time Horizon -1 - 2 years**

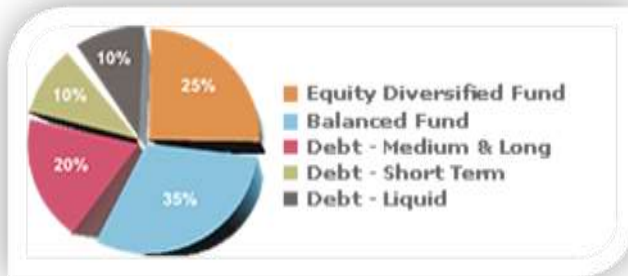
- **Asset Allocation -Equity - 0.00%**  
Debt - 60.00%  
Liquid - 40.00%

**R2 - Model Portfolio**



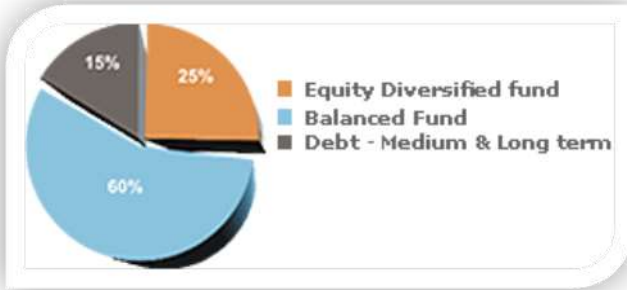
- **Profile Code -R2**
- **Risk Profile -Income Seeking**
- **Time Horizon -2 - 3 years**
- **Asset Allocation -Equity - 18.20%**  
Debt - 51.80%  
Liquid - 30.00%

**R3 - Model Portfolio**



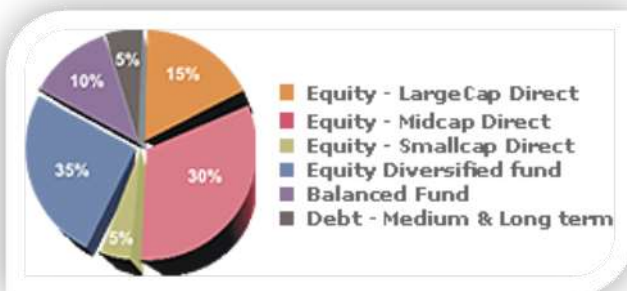
- **Profile Code -R3**
- **Risk Profile -Balanced Investor**
- **Time Horizon -3 - 5 years**
- **Asset Allocation -Equity - 47.75%**  
Debt - 42.25%  
Liquid - 10.00%

**R4 - Model Portfolio**



- **Profile Code -R4**
- **Risk Profile -Growth**
- **Time Horizon -5 - 7 years**
- **Asset Allocation -Equity - 65.50%**  
Debt - 34.50%  
Liquid - 0.00%

#### R5 - Model Portfolio



- **Profile Code -R5**
- **Risk Profile -Enhanced Growth**
- **Time Horizon -7 years +**
- **Asset Allocation -Equity - 77.75%**  
Debt - 22.25%  
Liquid - 0.00%

## Financial Planning

Financial planning is the procedure of achieving life goals through a proper planning and management of finances. Financial planning assist us to translate our imaginations and goals in to reality. It also helps us to afford meaning and direction to our financial conclusions.

Financial planning has to be done in a proper way, so that it can be applied successfully. The important steps to be followed while planning our finances are:

- Analyze the dreams and ambitions
- Launch the goals
- Analyze your financial position
- Analyze your expressive status
- Develop a plan for attaining the goals
- Applying the plan
- Observing the plan

### **Why Investments?**

**“Investments are an essential tool to meet long term financial needs, beat inflation and plan for uncertainty and retirement”**

- To meet long term financial needs such as
  - ❖ Children’s education, Marriage
  - ❖ Buying assets: Home, Car
  - ❖ Retirement
  - ❖ Medical expenses
- Inflation is a factor that erodes the value of money; Sound investments help beat the pressure of inflation
- Typical earning period is limited and less than life span: Investments help plan for retirement
- Returns are a key indicator of performance of investment and growth

### **Who Can Invest?**

- Resident individuals

- Indian companies
- Indian trusts / Charitable institutions
- Banks
- Non-banking finance companies
- Insurance companies
- Provident funds
- Non-resident Indians (Reparable and non-reparable)
- Foreign Institutional Investors

## When to Invest?

### Typical Financial Life Cycle

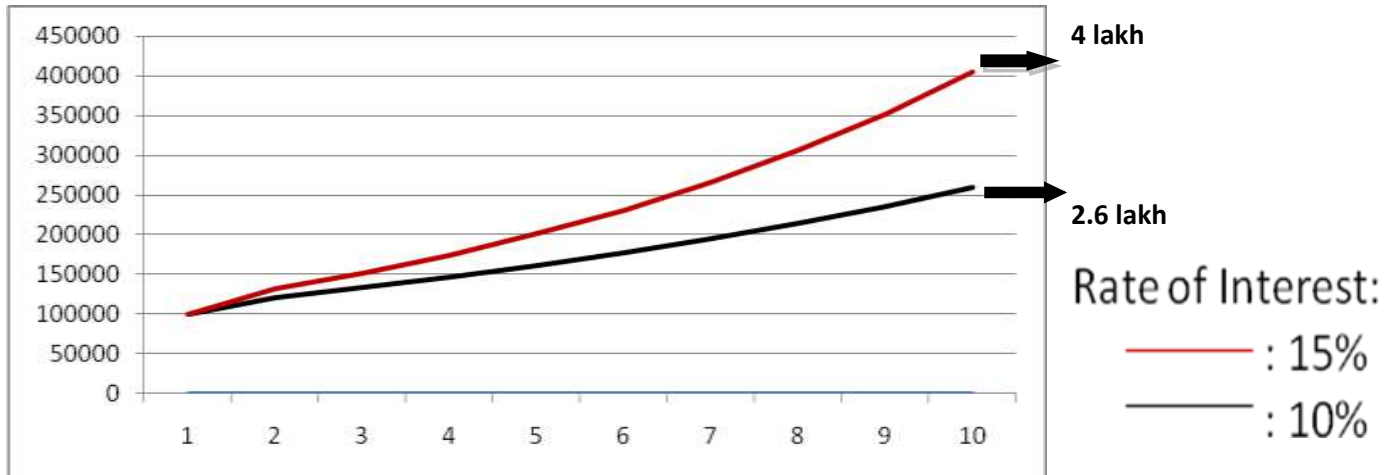


## When to Invest?

### Power of Compounding

The growth of an investment of Rs 1 Lakh over a time period of 10 years:





### Investment Options

There are multiple investment options depending on parameters such as:

- Risk
- Tenor
- Reward (Returns)
- Liquidity
- Volume

These could be:

- *Transaction oriented products (Equity products/Mutual Funds)*
- *Direct equity/Derivatives*
- *Credit products (Loans)*
- *Life insurance products*
- *Small Savings – PPF, Kisan Vikas Patra, Post Office*
- *Debt related products (Corporate and Govt. Bonds)*

- Structured products (Capital Guaranteed funds)
- Alternative investments (Art, Wine, Private Equity)
- Real Estate Purchase.

## Main Text

### WHAT IS MARKETING RESEARCH?

Marketing research is the function which links the consumers, customers & public to the marketer through information which is used to identify and define marketing opportunities & problems, generate, refine & evaluate marketing action; monitor marketing performances & improve understanding of marketing as a process.

#### About the Project

The Project that I have done at Kolkata was basically a market survey work based on the financial planning approach of the people from the LAF/MAF segment.

#### **What is LAF/MAF?**

LAF (lower affluent) means a person whose annual household Income is between 20-60 lacs p.a.

Similarly, MAF (mass affluent) means a person whose annual household income is between 4-20 lacs p.a.

<b>Mass Marketing</b>	<b>&lt;</b>	<b>4 lacs(Annual Household Income)</b>
<b>MAF</b>	<b>&lt;</b>	<b>4-20 lacs(Annual Household Income)</b>
<b>LAF</b>	<b>&lt;</b>	<b>20-60 lacs(Annual Household Income)</b>

#### **Methods of collecting data & their sources:**

The Data is collected through approaching people from different segments of our society & asking them to fill questionnaire & handling certain queries.

## OBJECTIVE OF THE STUDY

- ✓ **Survey of lower affluent and mass affluent segment in Kolkata vis-a-vis financial planning approach of the people.**
- ✓ To study the concept of **Equity, Mutual Funds, Life insurance, General insurance etc.**
- ✓ To study **individual financial planning approach.**

## Scope & Limitation of the Study

Financial Planning is necessary for the identification of goals and targets beyond baseline (services, tax policy, other economic/capital investment, and reserves).

The present study was conducted under certain constraints. Though every effort was made to collect factual and reliable data and information related to this study yet during personal interaction, it was observed that some of the respondents were not found in a position to explain the whole things about their financial planning approach. They generally thought that the information I was asking them to give was confidential to them as well as company. Not only this some of the employees were curious to know the purpose of this study but were hesitant to give correct information of the questions asked from them. However, some of them extended their cooperation in providing correct information after being assured that I was conducting this study only for Summer Internship Program and there was no concern of it with anything else.

Besides the above, some data are also restricted to availability of some concern segment only, because we couldn't cover up the Mass segment. We can only cover the segment whose **income is from 4-60 lakhs.**

In spite of all these limitations a successful effort has been made to design the present study and to give an analytical detailed account on the different aspects of the study i.e. **Survey of MAF/LAF segment in Kolkata vis-à-vis financial Planning Approach of XYZ Securities.** In the present study full efforts were made that the above constraints could not leave any adverse effect on the results of this study and the true picture may be drawn so that the objective of the study might be achieved to the satisfactory level.

# Data Analysis with Graphs

## Frequency

### Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	150	75.0	75.0	75.0
	Unmarried	50	25.0	25.0	100.0
	Total	200	100.0	100.0	

1. In the total survey LAF/MAF segment in Kolkata Marital status are.

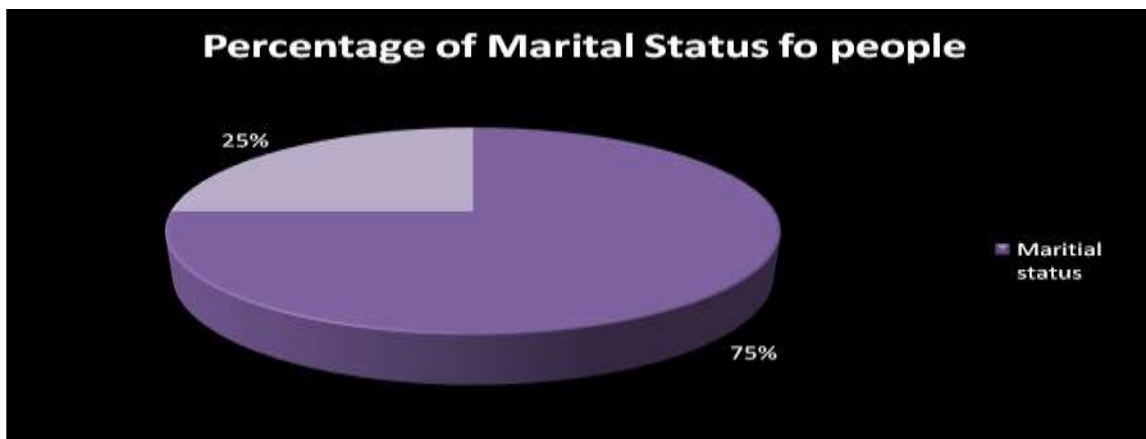


Figure 1

2. Survey LAF/MAF segment in Kolkata number of people are identify in gender wise

### GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	182	91.0	91.0	91.0

Female	18	9.0	9.0	100.0
Total	200	100.0	100.0	

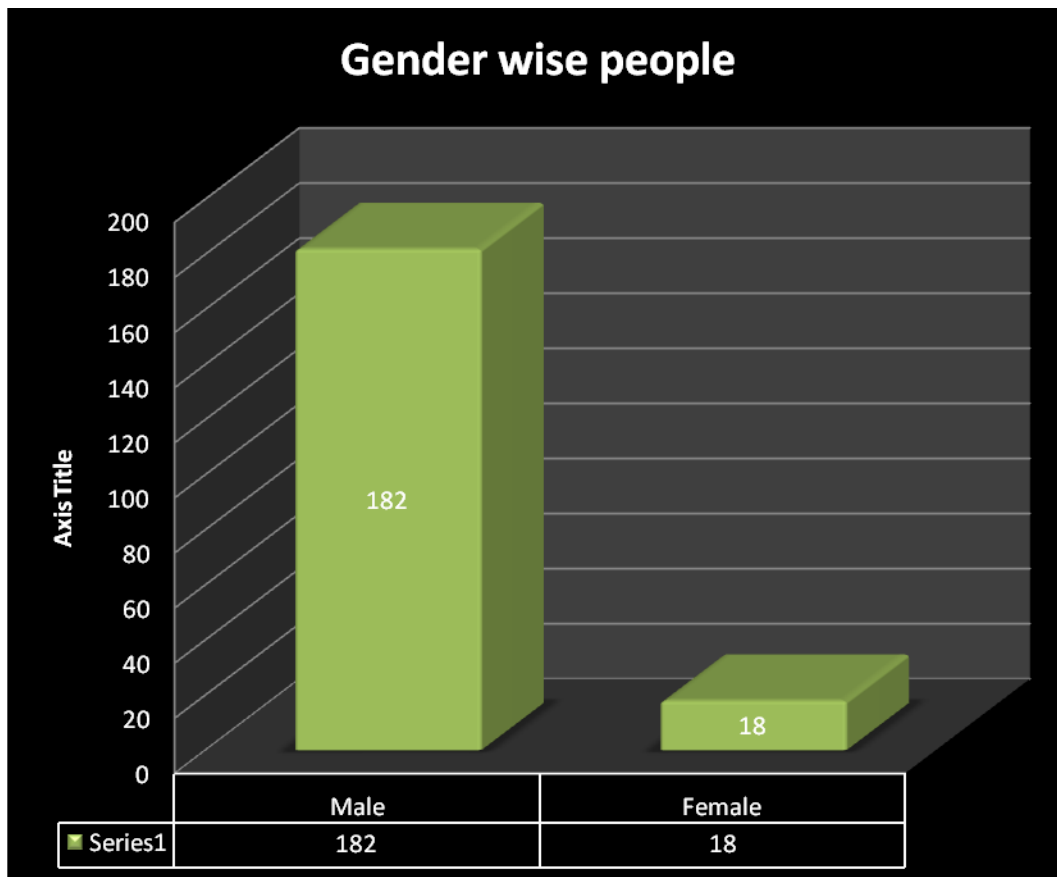


Figure 2

3. In the survey report the number of dependent are identify

No. of dependents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0 dependent	22	11.0	11.0	11.0
1 dependent	27	13.5	13.5	24.5
2 dependent	104	52.0	52.0	76.5
3 dependent	29	14.5	14.5	91.0
4 dependent	11	5.5	5.5	96.5
5 dependent	5	2.5	2.5	99.0
7 dependent	2	1.0	1.0	100.0
Total	200	100.0	100.0	

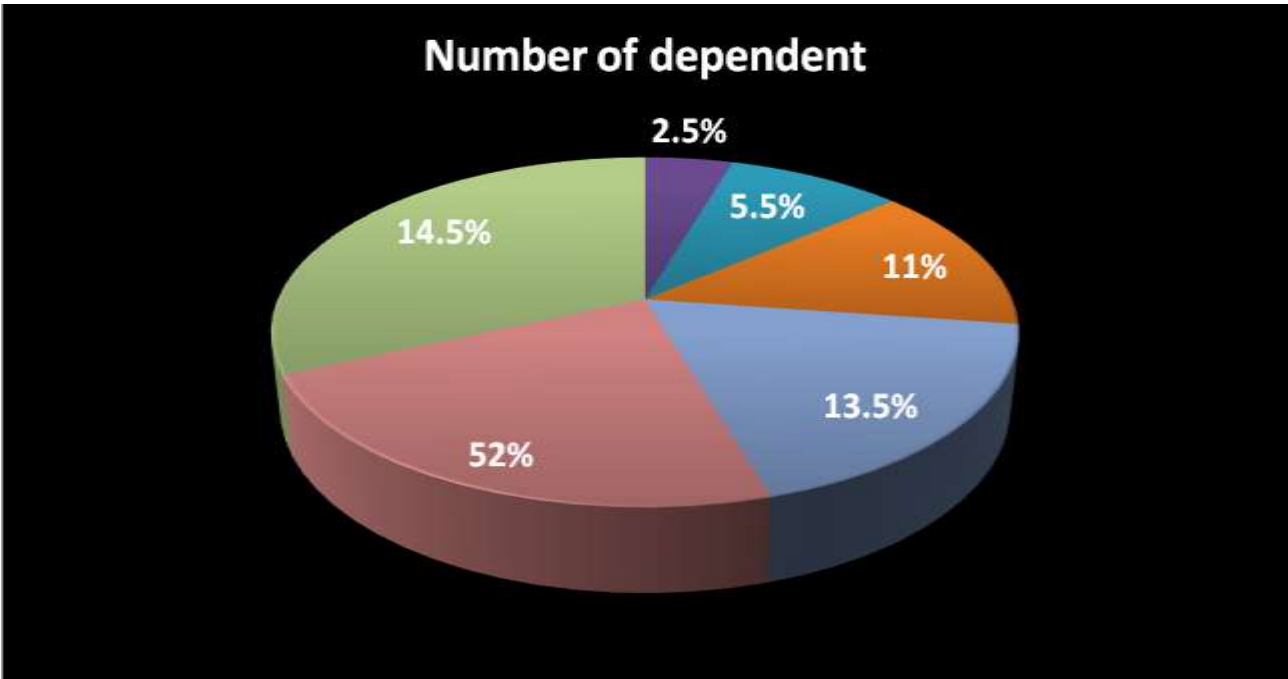


Figure 3

4. Two types of profession are identify Business and service

Profession

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	94	47.0	47.0	47.0
	Service	106	53.0	53.0	100.0
	Total	200	100.0	100.0	

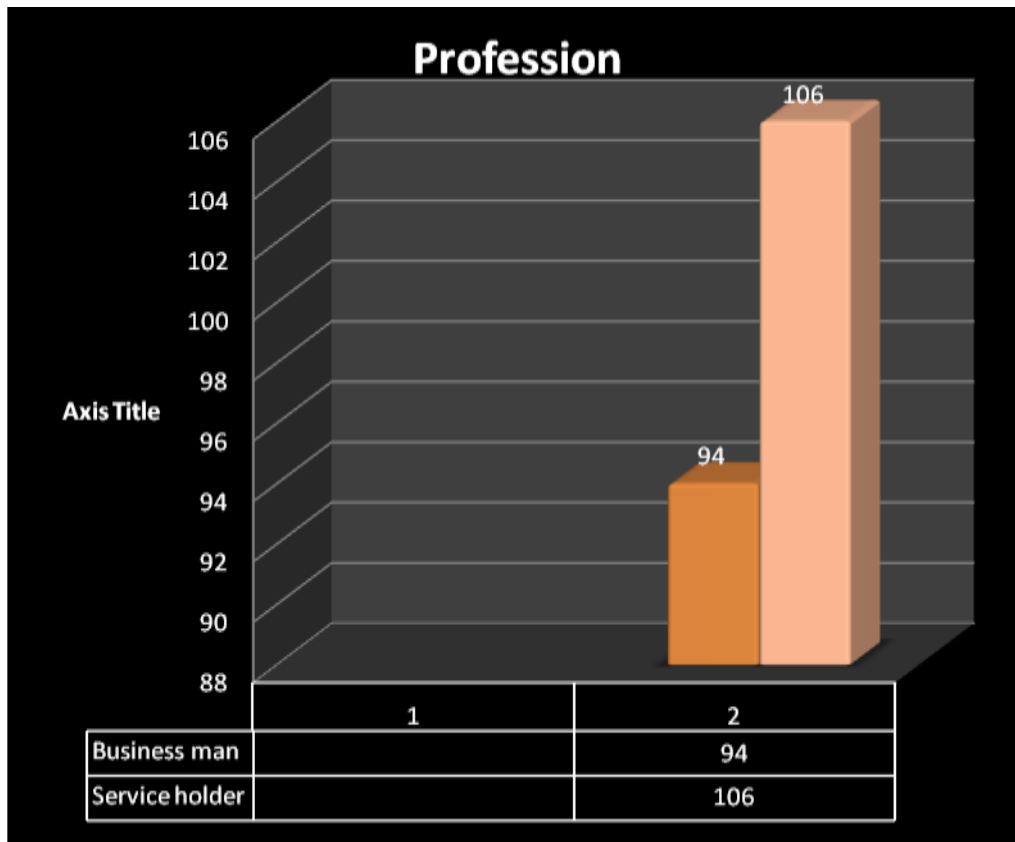


Figure 4

**5. Specifically identify MAF & LAF segment people in this whole survey**

**Annual household income**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MAF	141	70.5	70.5	70.5
	LAF	59	29.5	29.5	100.0
	Total	200	100.0	100.0	

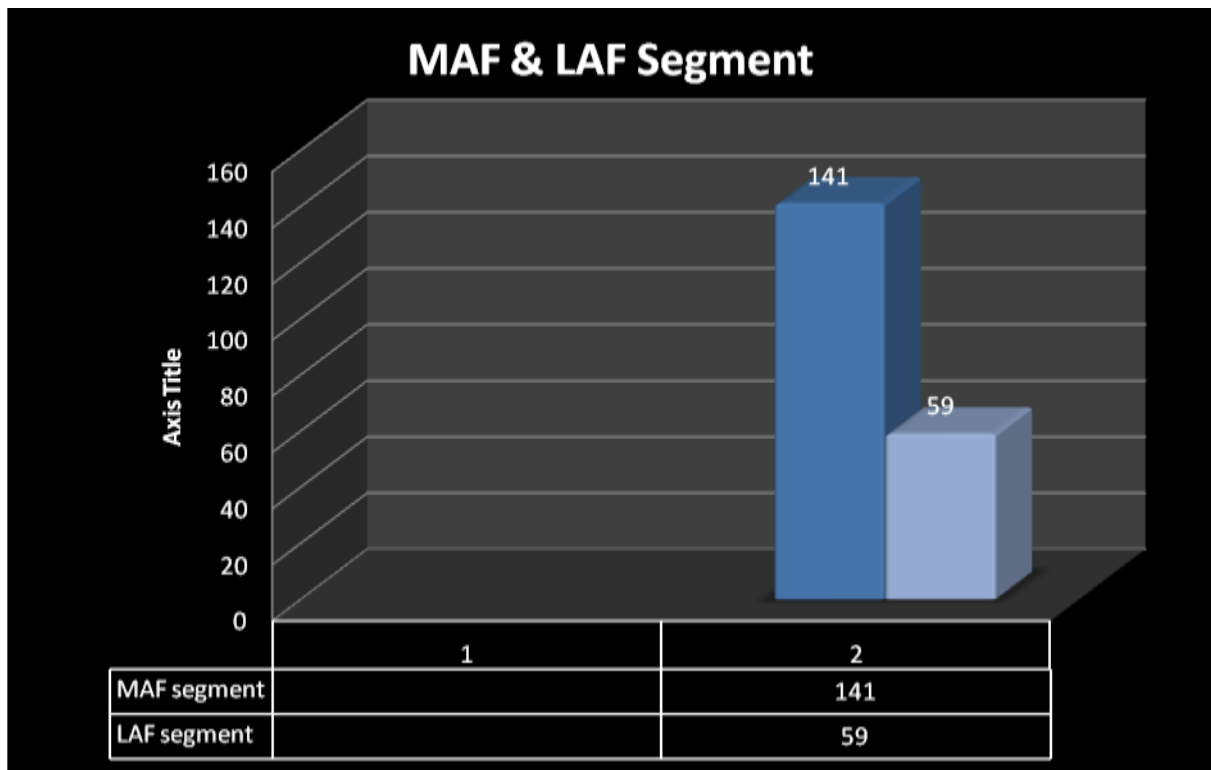


Figure 5

6. From the survey Investment choice in product basis are identify

#### EQUITY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Preferred	64	32.0	32.0	32.0
	Not preferred	136	68.0	68.0	100.0
	Total	200	100.0	100.0	

#### Mutual fund

		Frequency	Percent	Valid Percent	Cumulative Percent
Preferred		77	38.5	38.5	38.5
Not preferred		123	61.5	61.5	100.0
Total		200	100.0	100.0	

#### LIC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Preferred	200	100.0	100.0	100.0

#### General insurance



	Frequency	Percent	Valid Percent	Cumulative Percent
Preferred	102	51.0	51.0	51.0
Not preferred	98	49.0	49.0	100.0
Total	200	100.0	100.0	

### Real Estate

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Preferred	33	16.5	16.5	16.5
Valid Not preferred	167	83.5	83.5	100.0
Total	200	100.0	100.0	

### PPF/GOVT BOND/I6

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Preferred	185	92.5	92.5	92.5
Valid Not preferred	15	7.5	7.5	100.0
Total	200	100.0	100.0	

### OTHERS

	Frequency	Percent	Valid Percent	Cumulative Percent
Preferred	85	42.5	42.5	42.5
Not preferred	115	57.5	57.5	100.0
Total	200	100.0	100.0	

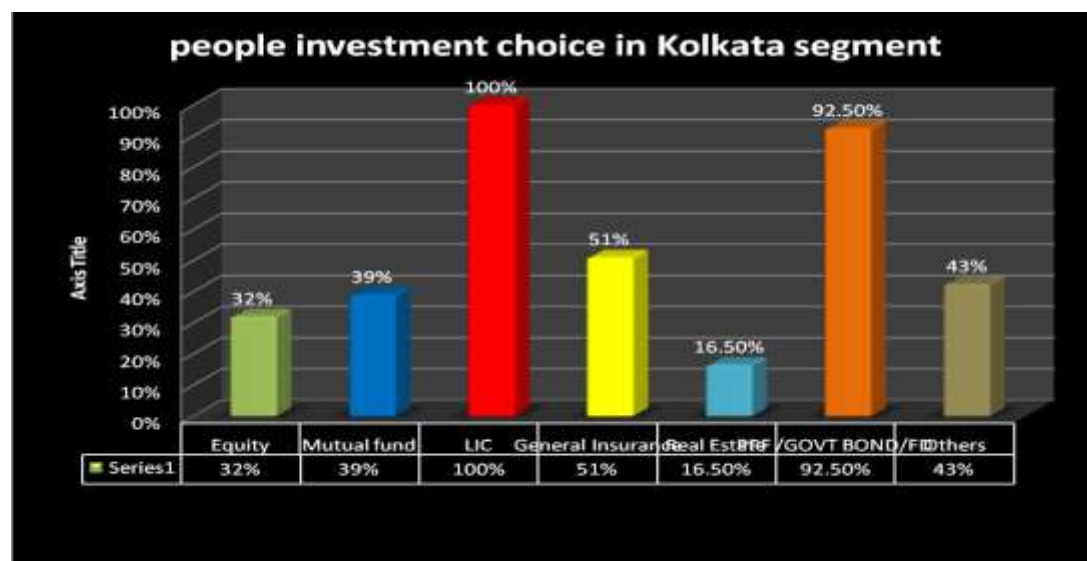


Figure 6

7. Vehicle owner are separately identify in this survey.

## VECHILE

	Frequency	Percent	Valid Percent	Cumulative Percent
Two wheeler	69	34.5	34.5	34.5
Four wheeler	78	39.0	39.0	73.5
None	53	26.5	26.5	100.0
<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	

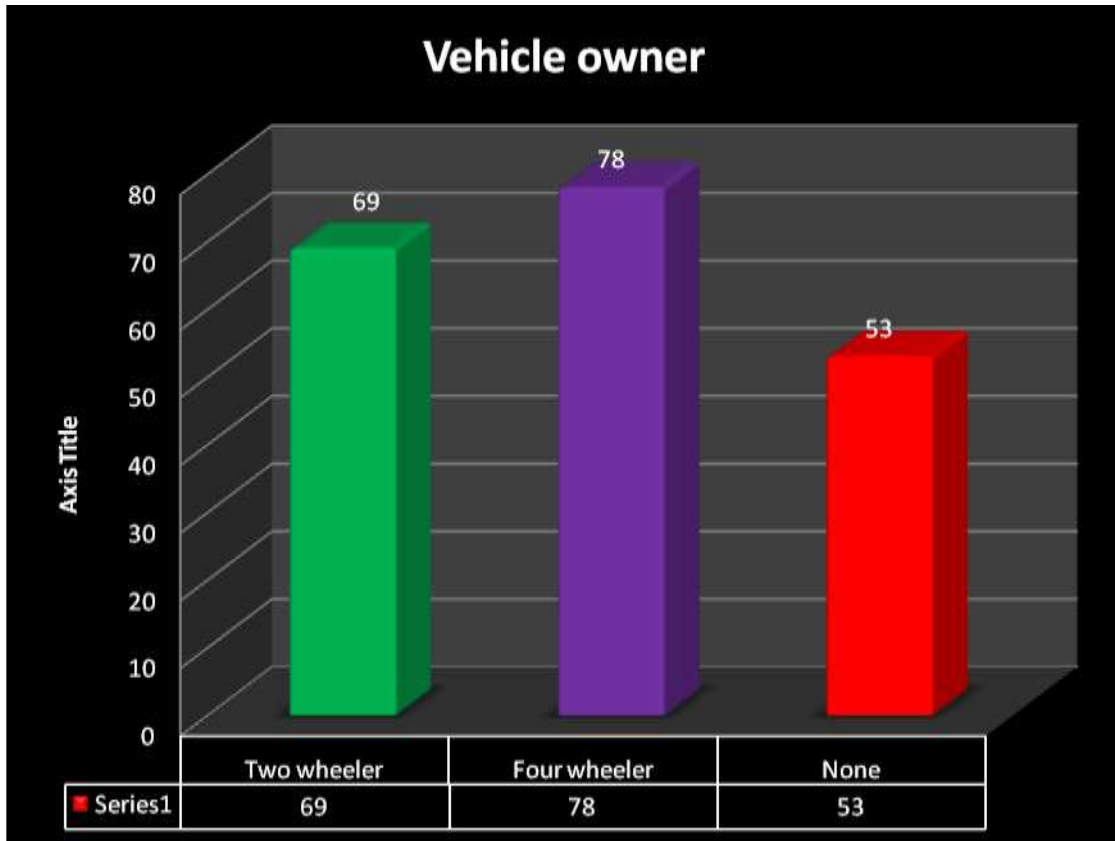


Figure 7

**8. In the above analysis identify Medclaim & none Medclaim person.**

## Mediclaime

	Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b> Mediclaime	127	63.5	63.5	63.5
none Mediclaime	73	36.5	36.5	100.0
<b>Total</b>	<b>200</b>	<b>100.0</b>	<b>100.0</b>	

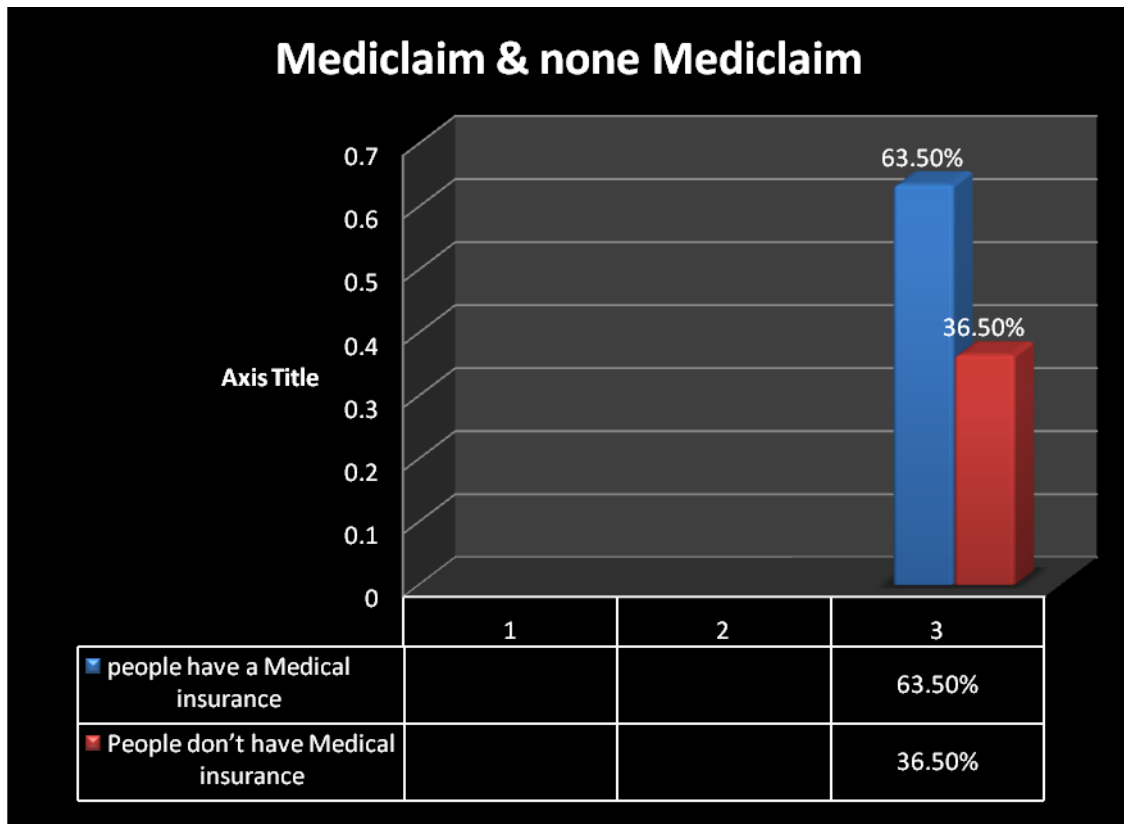
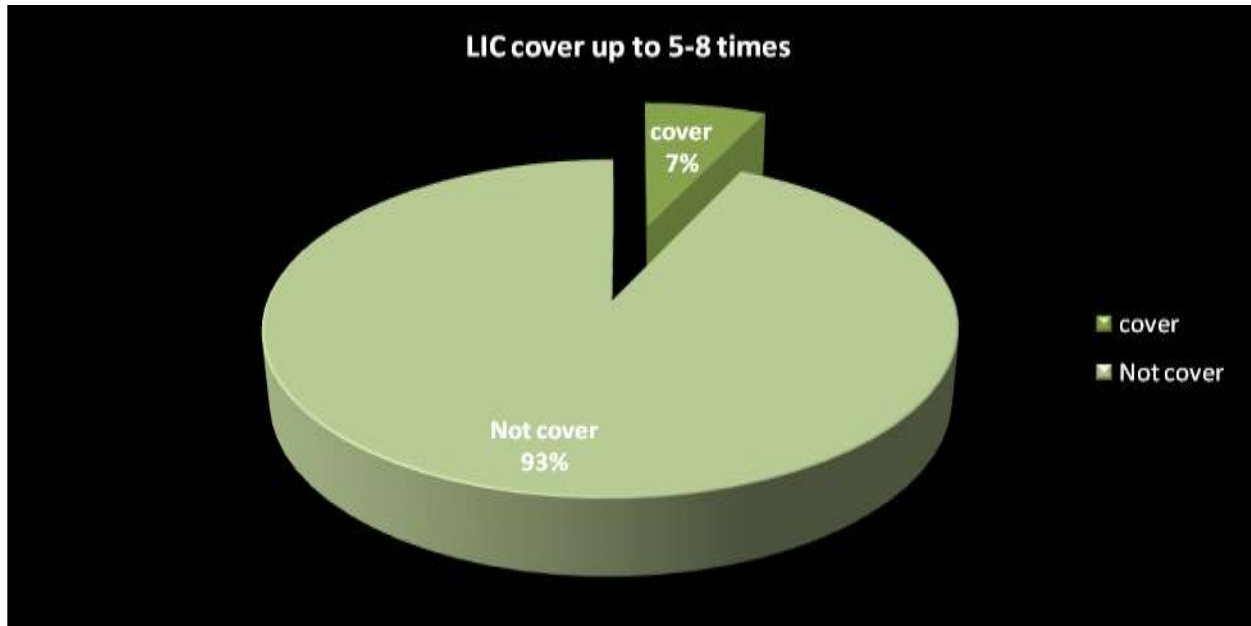


Figure 8

9. Identify people Life insurance cover up to 5-8 times in his annual income are below

5-8 times I3 cover

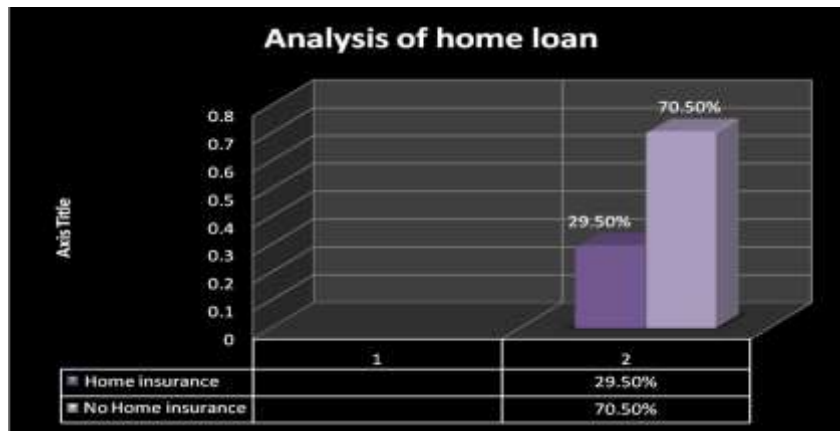
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	cover	14	7.0	7.0	7.0
	Not cover	186	93.0	93.0	100.0
	Total	200	100.0	100.0	



**10. Find out the people who have Home insurance & who haven't**

**Home insurance**

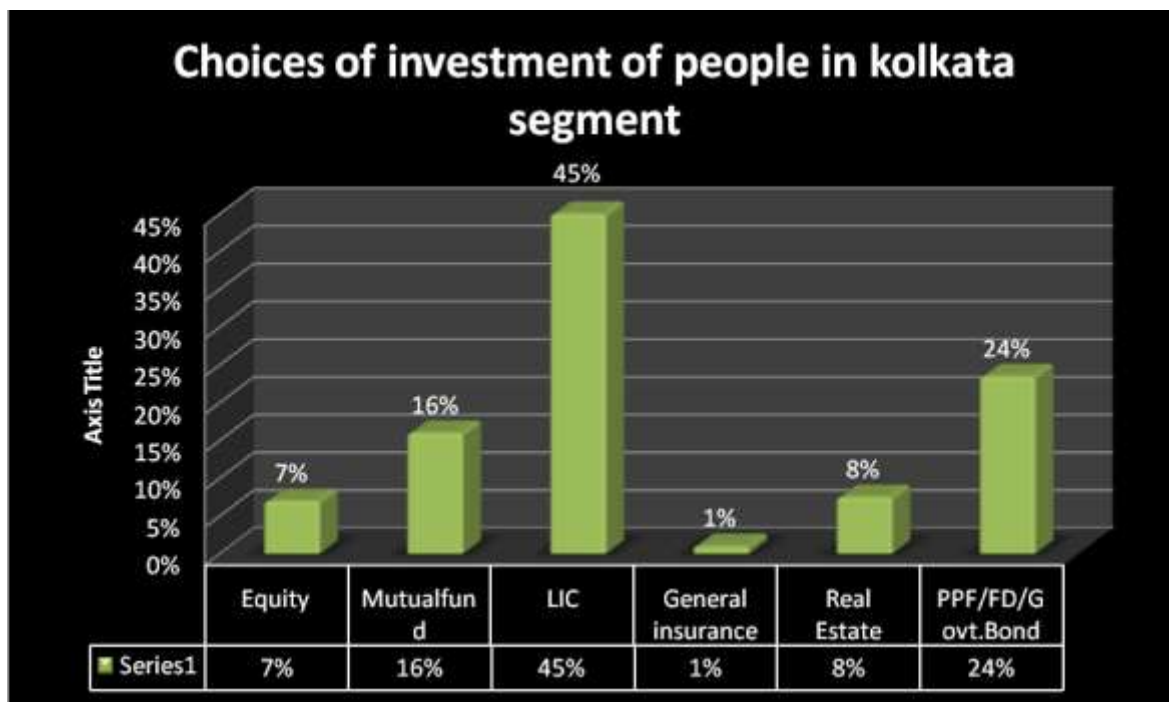
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Home insurance	59	29.5	29.5	29.5
	No H.insurance	141	70.5	70.5	100.0
Total		200	100.0	100.0	



**11. Preferred choices for long term investment of people in Kolkata segment.**

Preferred choice in long term

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Equity	14	7.0	7.0	7.0
Mutual fund	32	16.0	16.0	23.0
LIC	90	45.0	45.0	68.0
General insurance	2	1.0	1.0	69.0
Real Estate	15	7.5	7.5	76.5
PPF/FD/Govt. Bond	47	23.5	23.5	100.0
Total	200	100.0	100.0	

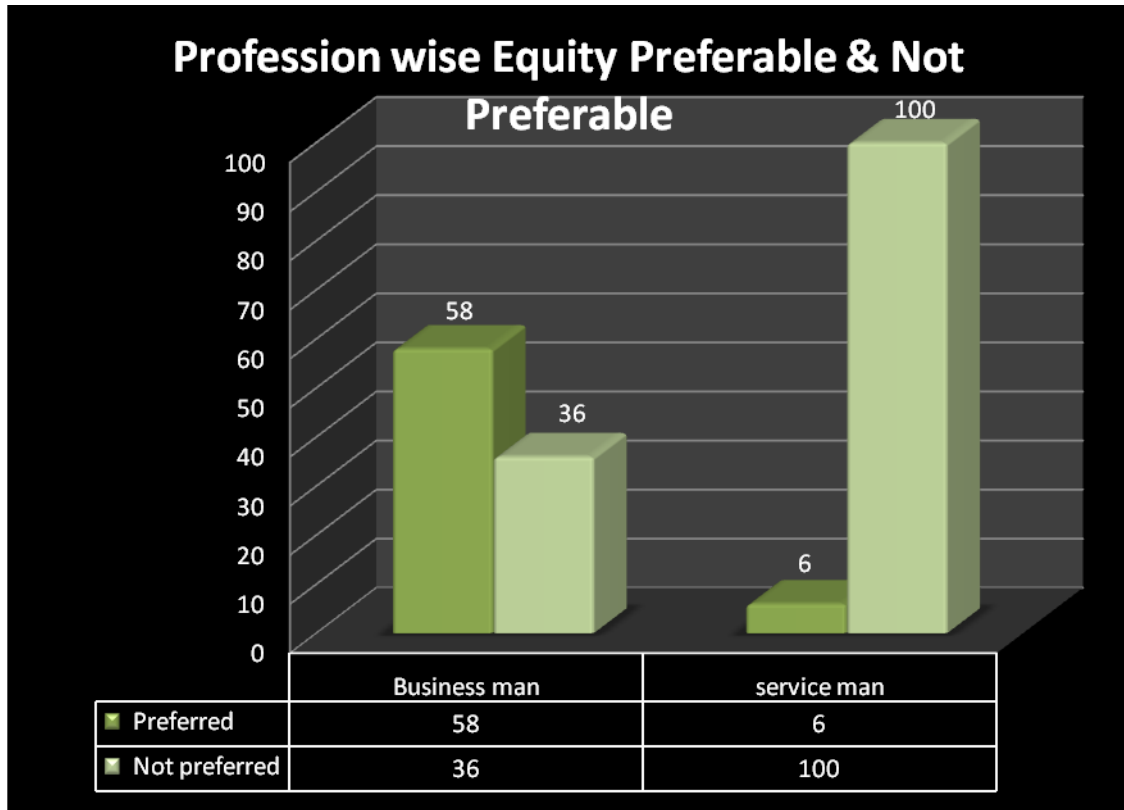


**Cross tabulation**

1. Here identify profession wise Equity Preferable & Not Preferable from the whole survey.

Profession \* EQUITY Cross tabulation

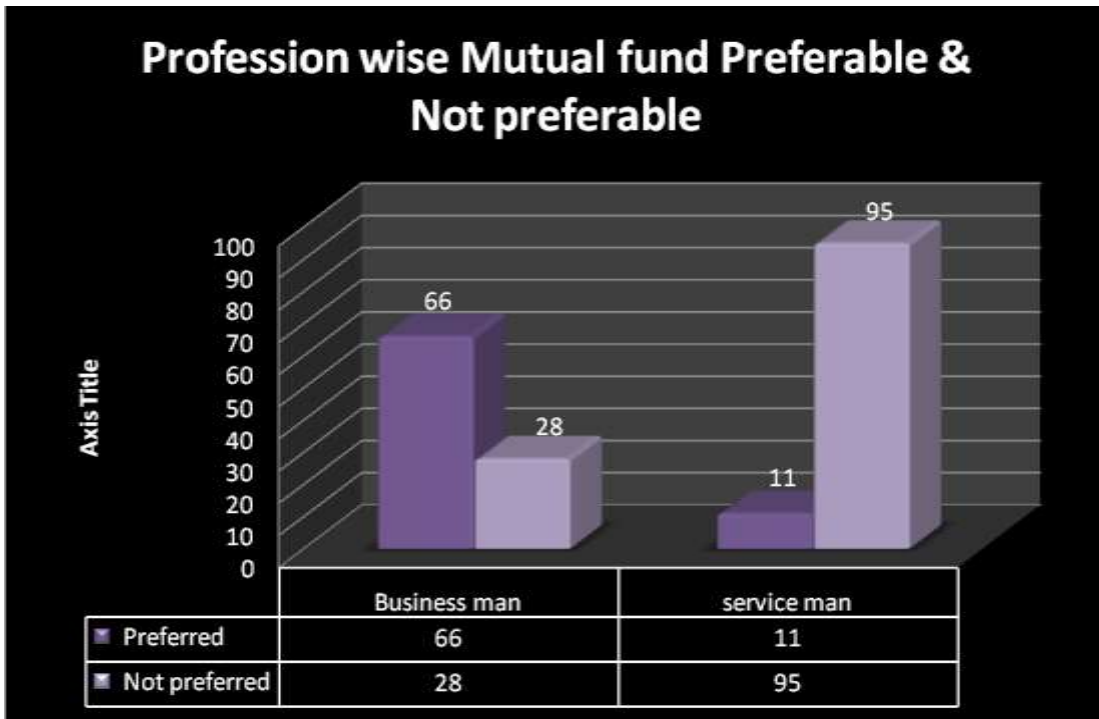
		Count		
		EQUITY		Total
		Preferred	Not Preferred	
Profession	Business	58	36	94
	Service	6	100	106
Total		64	136	200



2. Here identify profession wise Mutual fund Preferable & Not Preferable from the whole survey

Profession \* Mutual fund Cross tabulation

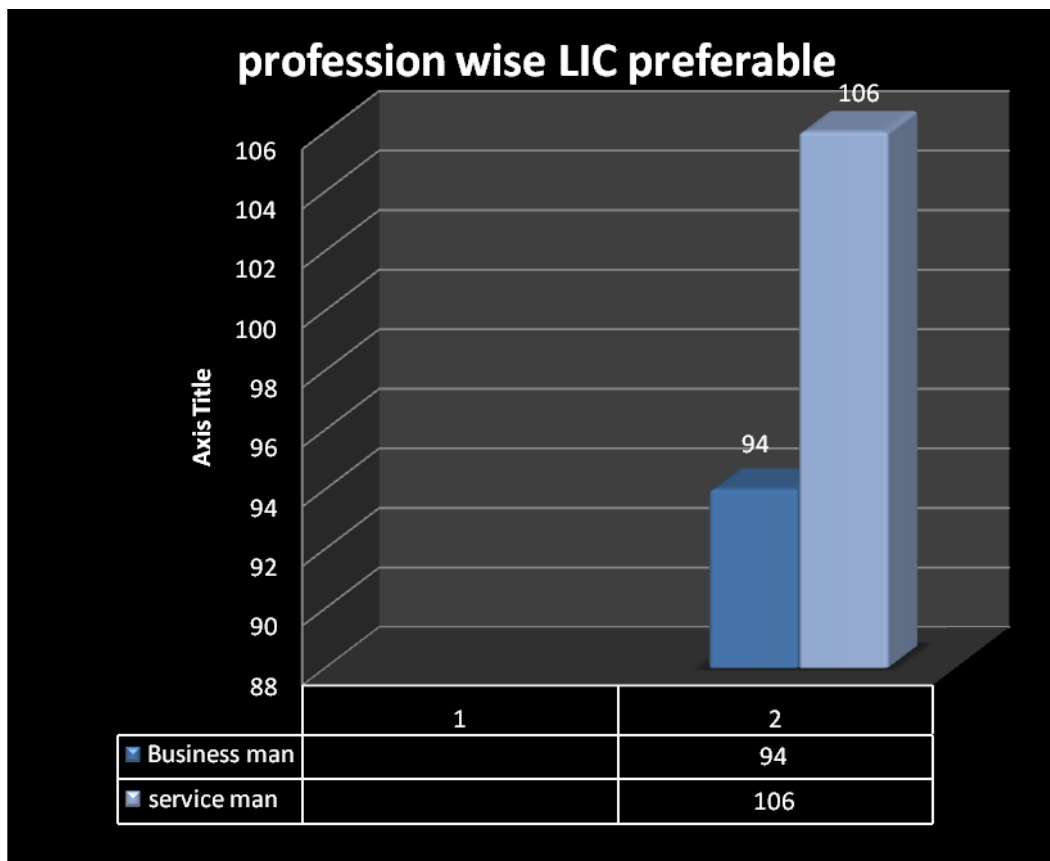
		Mutual fund		Total
		Preferred	Not Preferred	
Profession	Business	66	28	94
	Service	11	95	106
Total		77	123	200



3. Identify profession wise LIC Preferable i.e. Business man & Service holder from the whole survey

Profession \* LIC Cross tabulation

Count		
	LIC	Total
	Preferred	
Business	94	94
Service	106	106
<b>Total</b>	<b>200</b>	<b>200</b>

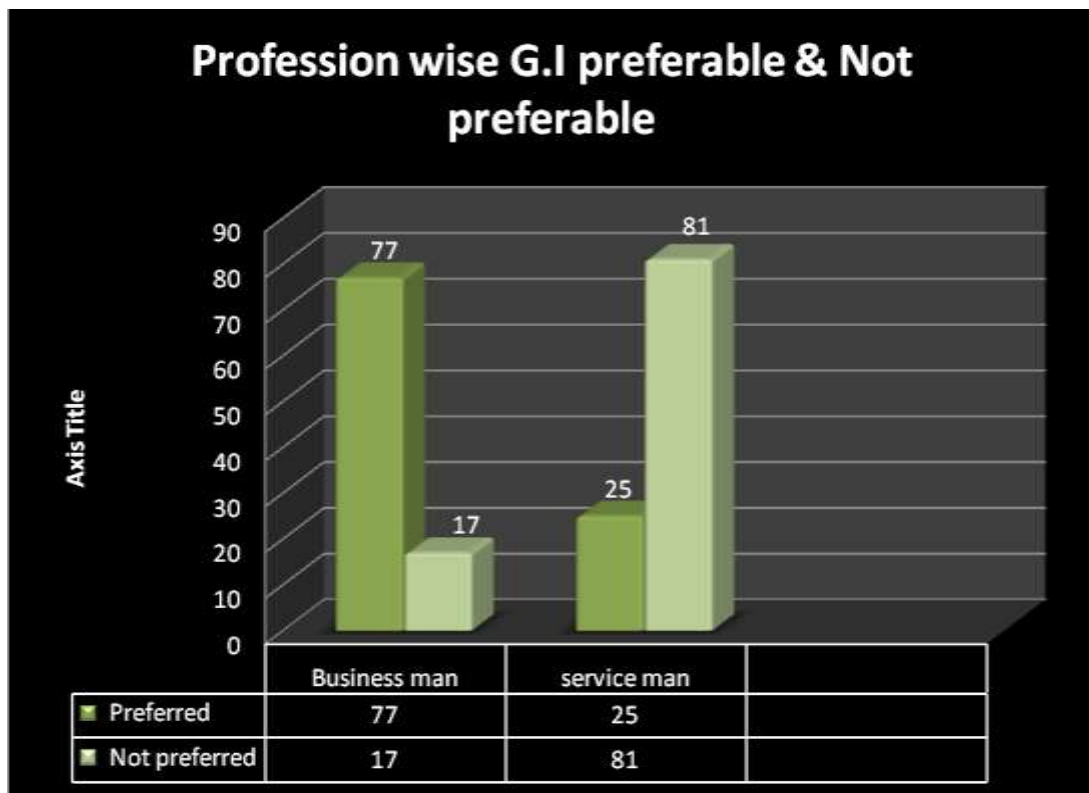


**4. Identify profession wise G.I Preferable i.e. Business man & Service holder from the whole survey**

Profession \* General insurance Cross tabulation

		Count		Total
		General insurance		
		Preferred	Not Preferred	
Profession	Business	77	17	94
	Service	25	81	106
Total		102	98	200





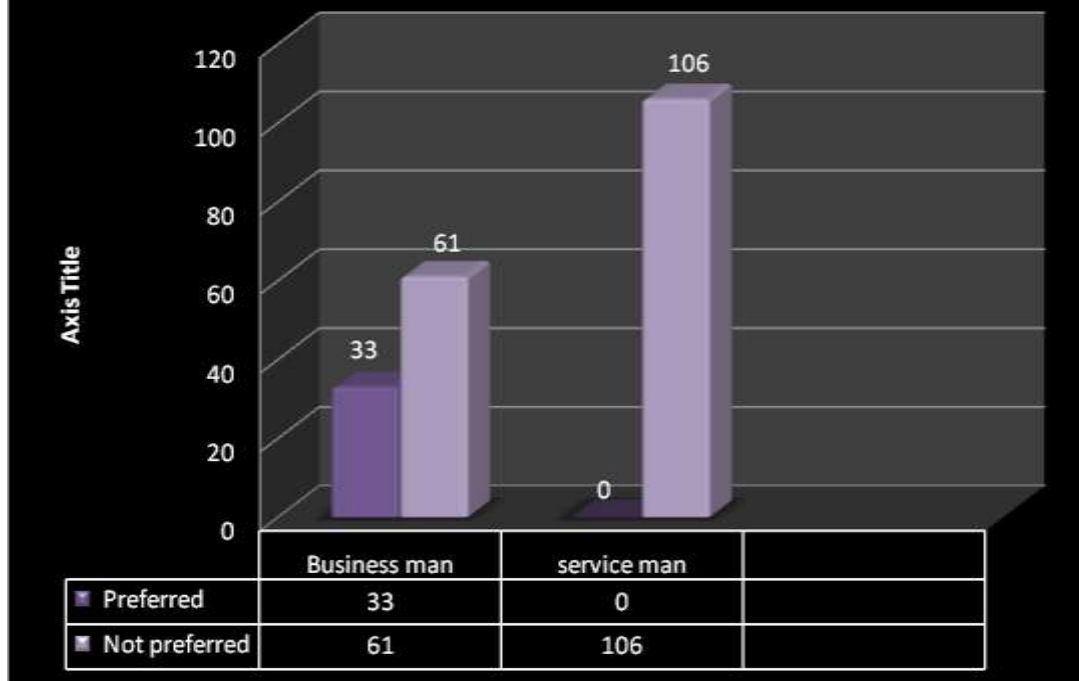
5. Identify profession wise R.E Preferable i.e. Business man & Service holder from the whole survey

Profession \* RE Cross tabulation

Count

	RE		Total
	Preferred	Not Preferred	
Business	33	61	94
Service	0	106	106
<b>Total</b>	<b>33</b>	<b>167</b>	<b>200</b>

## Profession wise R.E preferable & not preferable

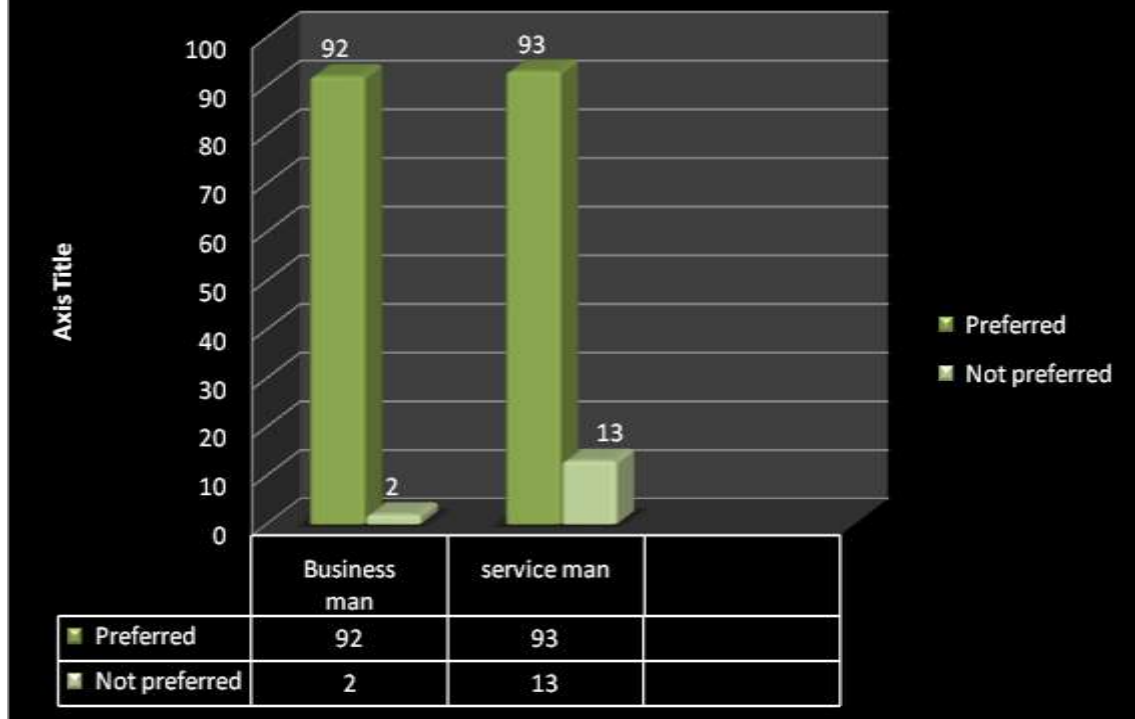


### 6. Identify profession wise PPF/GOVT BOND Preferable i.e. Business man & Service holder from the whole survey

Profession \* PPF/GOVT BOND/I6 Cross tabulation

		Count		Total
		PPF/GOVT BOND/I6		
		Preferred	Not Preferred	
	Business	92	2	94
	Service	93	13	106
Total		185	15	200

## profession wise ppf/govt.bond preferable & not preferable

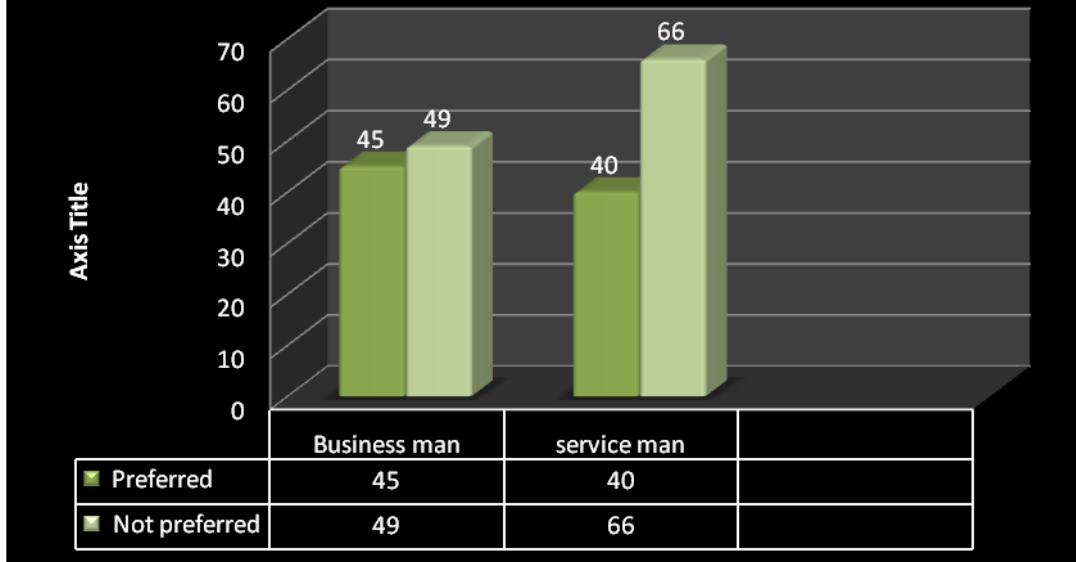


7. Identify profession wise OTHERS Preferable i.e. Business man & Service holder from the whole survey

### Profession \* OTHERS Cross tabulation

		Count		Total
		OTHERS		
		Preferred	Not Preferred	
	Business	45	49	94
	Service	40	66	106
Total		85	115	200

## profession wise others preferable choices

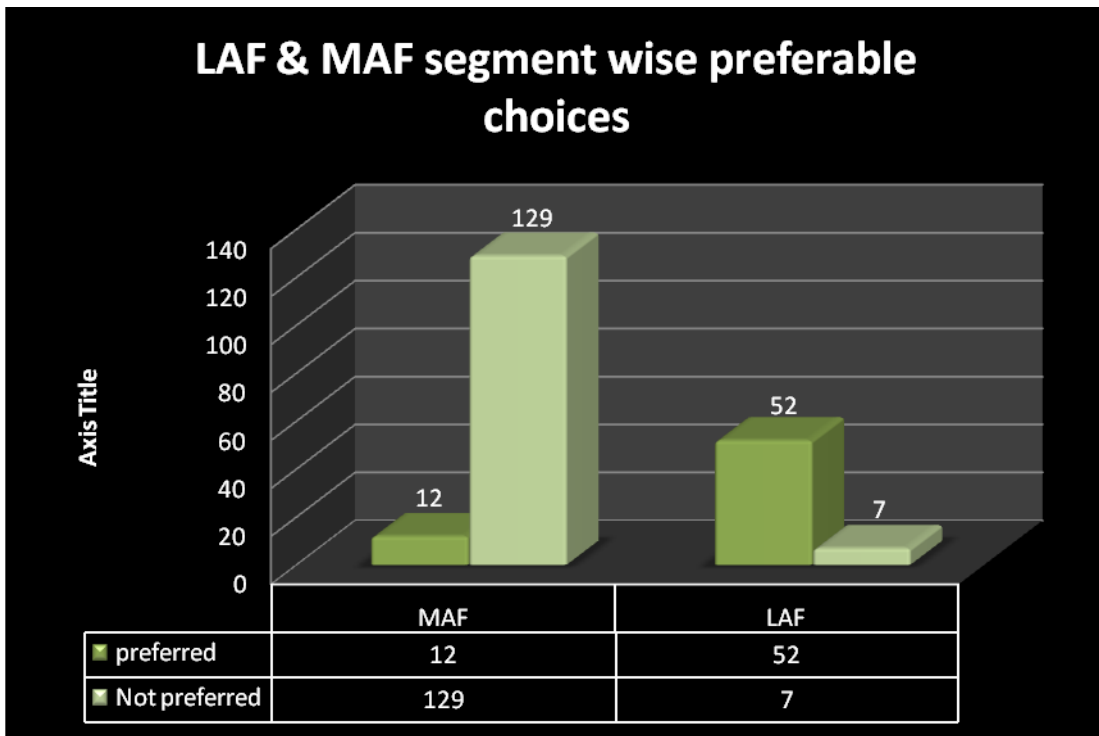


## Cross tabulation

1. Here identify MAF & LAF Segment wise Equity Preferable & Not Preferable from the whole survey.

### Annual household income \* EQUITY Cross tabulation

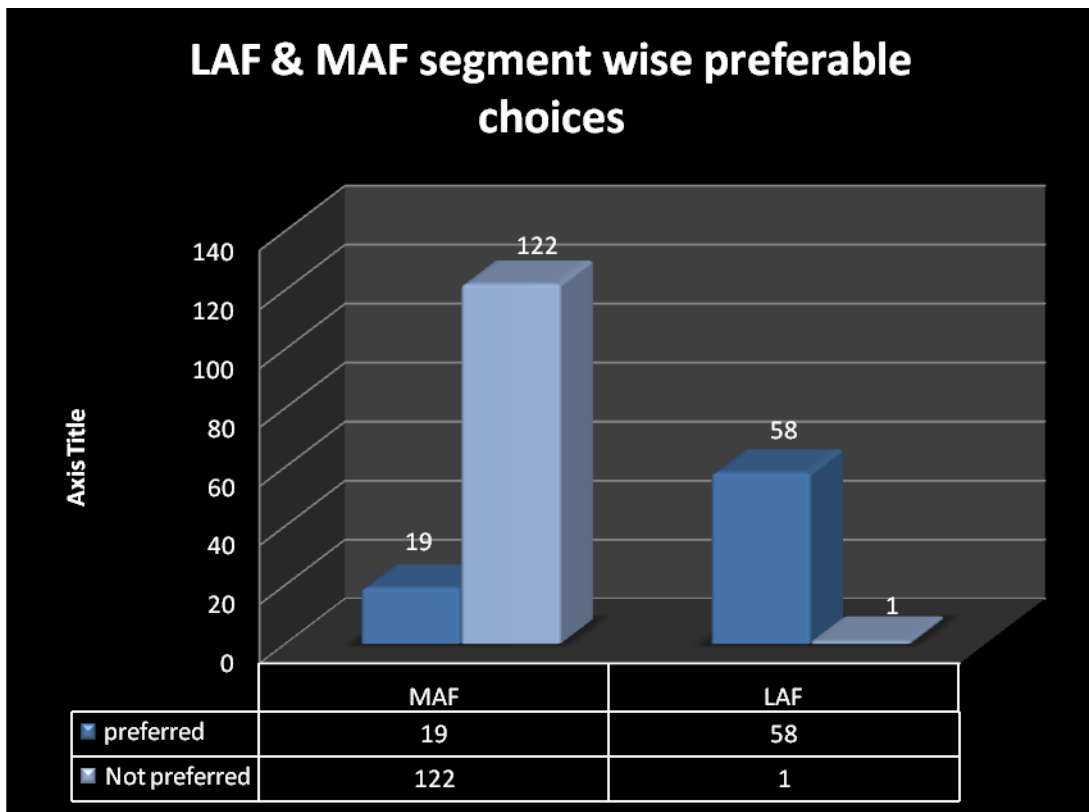
		Count		Total
		EQUITY		
		1	2	
Annual household income	1	12	129	141
	2	52	7	59
Total		64	136	200



2. Here identify MAF & LAF Segment wise Mutual fund Preferable & Not Preferable from the whole survey

#### Annual household income \* Mutual fund Cross tabulation

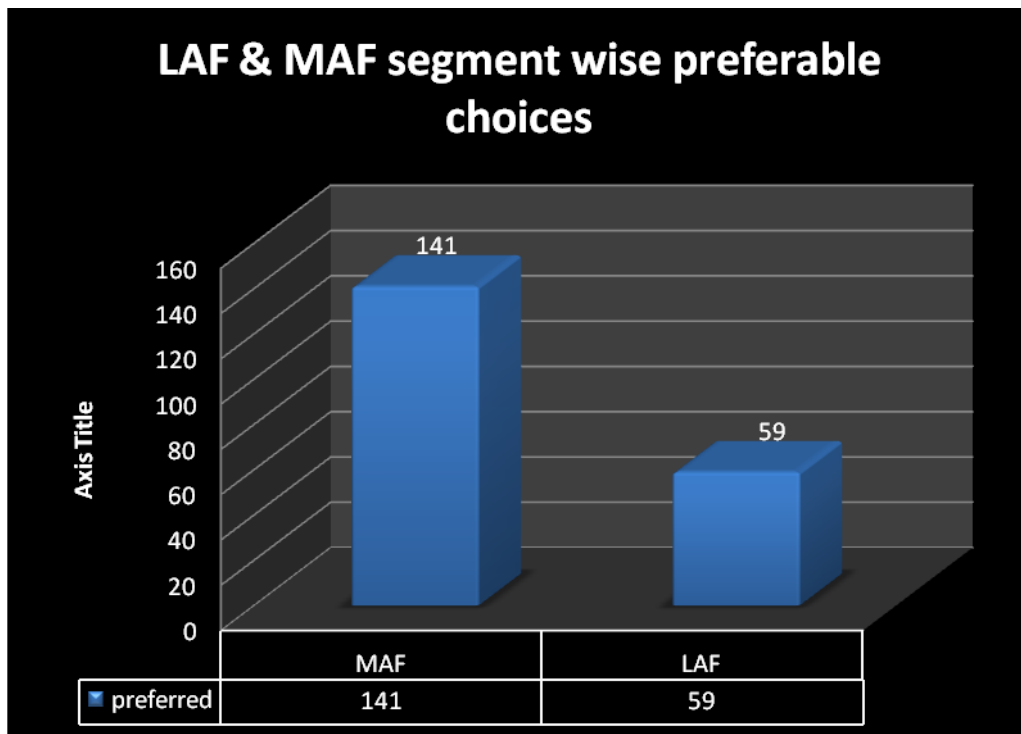
		Mutual fund		Total
		1	2	
Annual household income	1	19	122	141
	2	58	1	59
Total		77	123	200



3. Here identify MAF & LAF Segment wise LIC Preferable & Not Preferable from the whole survey

Annual household income \* LIC Cross tabulation

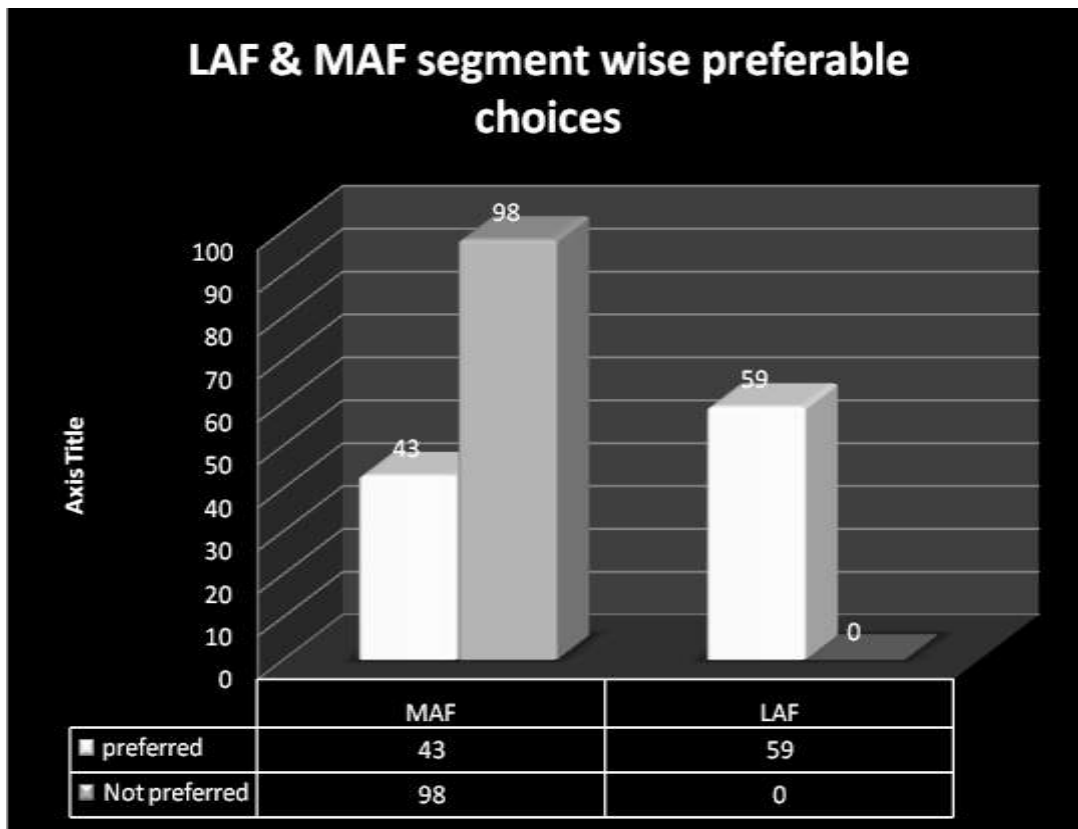
		Count	
		LIC	Total
		1	
Annual household income	1	141	141
	2	59	59
Total		200	200



**4. Identify MAF & LAF Segment wise G.I Preferable & Not Preferable from the whole survey**

**Annual household income \* General insurance Cross tabulation**

		Count		Total
		General insurance		
		1	2	
Annual household income	1	43	98	141
	2	59	0	59
Total		102	98	200

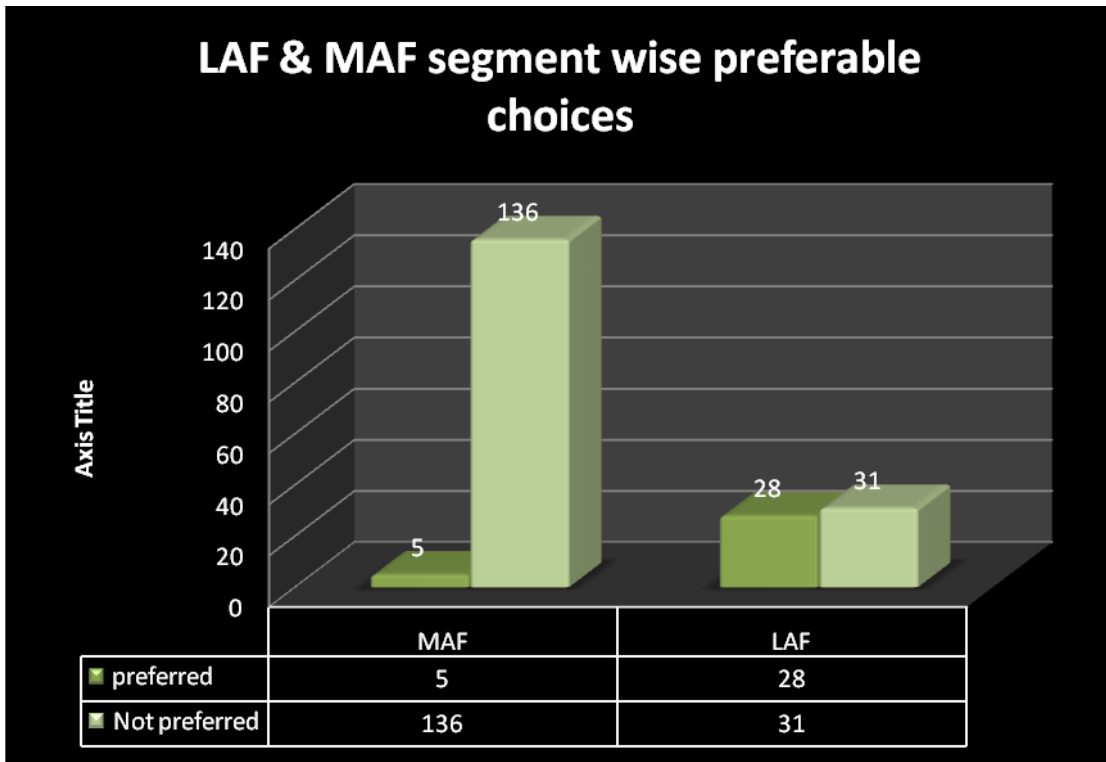


**5. Identify MAF & LAF Segment wiser R.E Preferable & Not Preferable from the whole survey**

Annual household income \* RE Cross tabulation

		Count		
		RE		
		1	2	Total
Annual household income	1	5	136	141
	2	28	31	59
<b>Total</b>		<b>33</b>	<b>167</b>	<b>200</b>

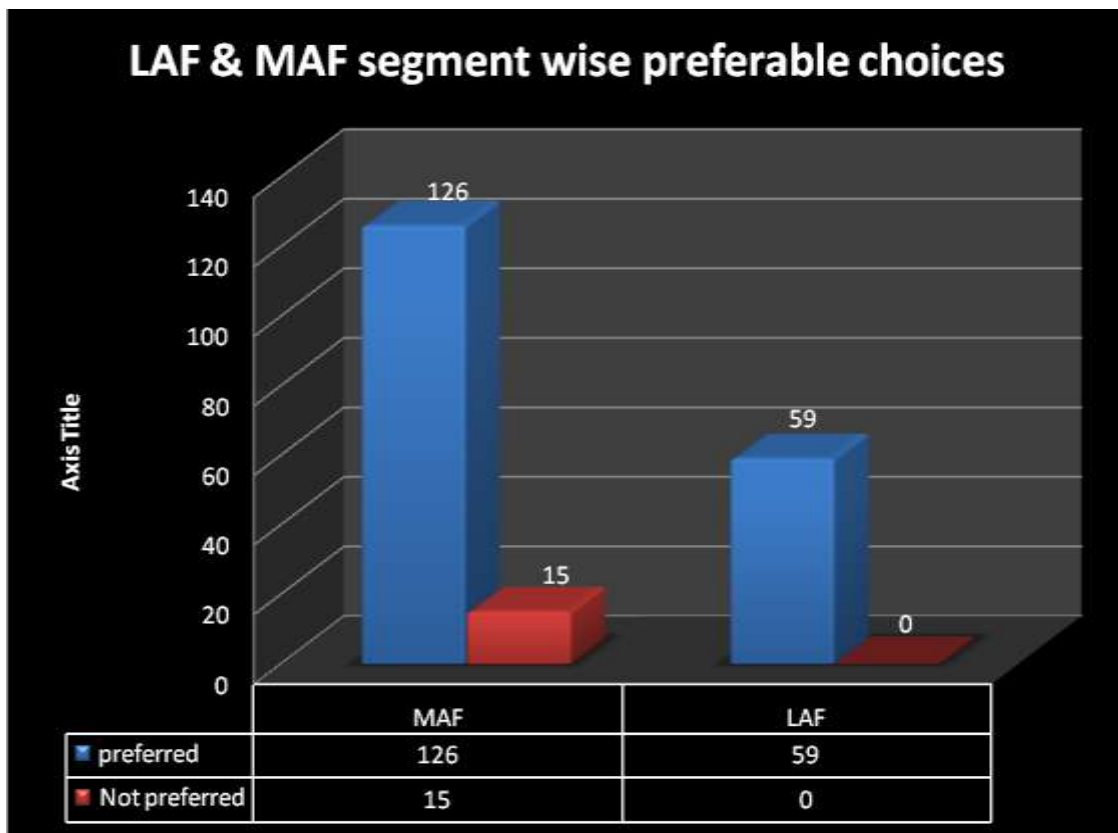




**6. Identify MAF & LAF Segment wise PPF/GOVT.BOND Preferable & Not Preferable from the whole survey**

Annual household income \* PPF/GOVT BOND/I6 Cross tabulation

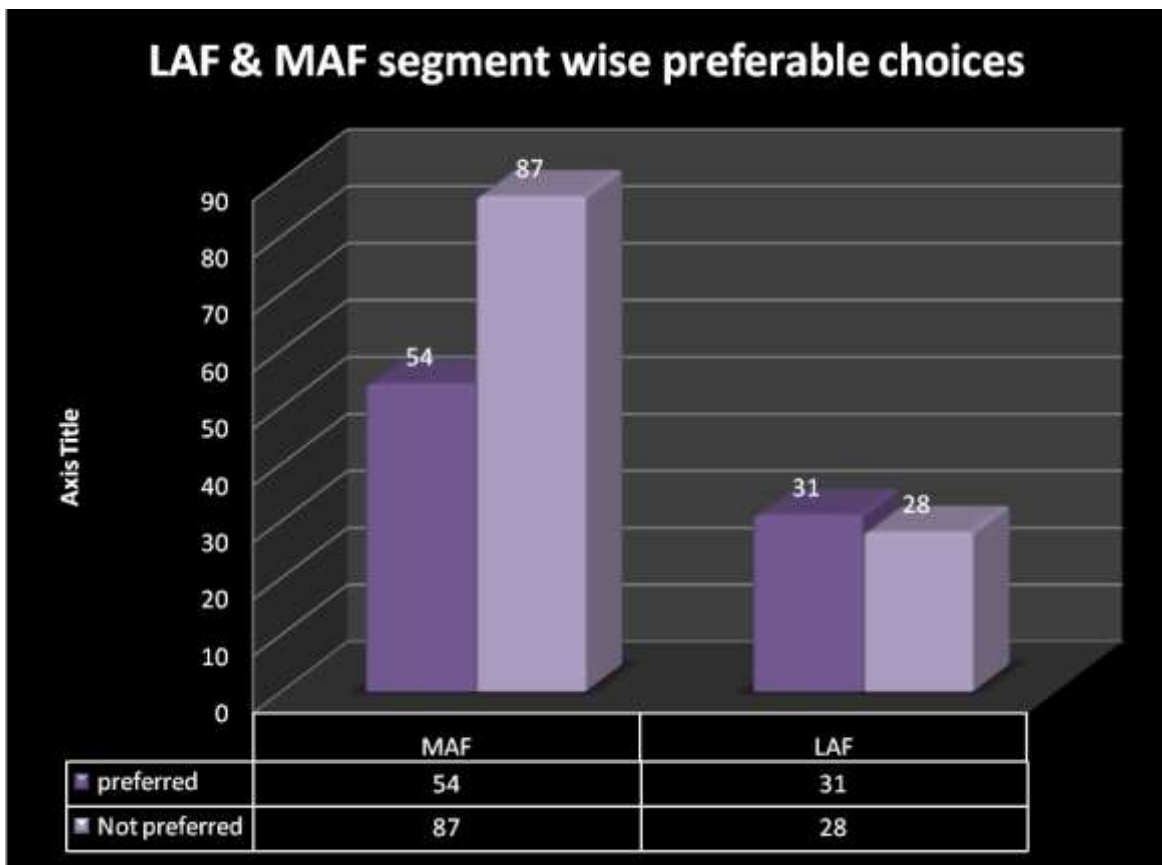
		Count		
		PPF/GOVT BOND/I6		Total
		1	2	
Annual household income	1	126	15	141
	2	59	0	59
Total		185	15	200



**7. Identify MAF & LAF Segment wise OTHERS Preferable & Not Preferable from the whole survey**

Annual household income \* OTHERS Cross tabulation

		Count		
		OTHERS		
		1	2	Total
Annual household income	1	54	87	141
	2	31	28	59
	Total	85	115	200



## FINDINGS OF THE STUDY

The study done was a tool to analyze the present setup and to know the investors perception regarding investment in Financial Markets. The study proved fruitful and many facts came to the light. The following were the findings of the study:

- People with less experience were inclined towards investment in the LIC/Govt. Bond. It attracted as a safer avenue as compared to share market.
- People are not willing to take much risk and bear loss.
- People are also thinking that brokers are not providing correct information about the market.
- According to my survey report in Kolkata 32% people having investment in Equity, 39% in Mutual Funds, 100% in LIC, 51% in General Insurance, 16.5% in Real Estate, 92.5% in FD/Govt. Bonds and 43% in Others.

- Kolkata market is potential market for Art Funds & Collectability as very few people know about these products but investment is negligible.
- In Kolkata near about 36% market is still uncovered for medical insurance.
- As **XYZ Securities** follows Machengy model for financial planning. It says that the person must cover 5-8 times of his annual household income but in Kolkata only 7% people is covered 5-8 times. So, there is huge scope of selling of such LIC products.
- About 71% market is still uncovered in case of home insurance in Kolkata which is a great opportunity for the company to become market leader in General Insurance business.
- In future 7% people want to invest in Equity, 16% in Mutual Funds, 45% in LIC, 1% in General Insurance, 8% in Real Estate and 24% in FD and Govt. Bonds.

### Competitive overview –Key players of Kolkata segment

	<i>ABC Ltd</i>	<i>CDE Securities</i>	<i>PXE Sec</i>	<i>ADRN Securities</i>	<i>Africa Money</i>	<i>Doller Bulls</i>	<i>Ar Sec</i>	<i>PT Ltd</i>
<b>No. of Branches</b>	6	2	1	3	7	6	3	1
<b>Product Offering</b>	-	-	-	-	-	-	-	-
<b>Equity</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Futures &amp; Options</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>IPO</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<b>Mutual Funds</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>
<b>PMS</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>
<b>NRE/NRO Accounts</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>Life Insurance</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Non Life Insurance</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Fixed Deposits</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Bonds</b>		<b>No</b>	<b>No</b>	<b>No</b>		<b>No</b>	<b>No</b>	<b>Yes</b>
<b>Free Research on SMS</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

## **Recommendations:**

**[1] First Aid Kit for New Entrant into Securities Market** this will be a new step towards a good service provider in this field. After all, this market depends on the after sales service. After seeing such a boost in the share market, not only our Adult generation but also the young generation is also so much excited to enter the share market. Now the actual problem starts especially with the young ones in excitement initially they invests the

money & due to lack of experience they lose big block of money in one go & later they blames the company about the loss. So, to make them train in the field we should provide them the initial precautions that they should take while enter into the market.

***“The More You Care For Your Customer More the Faith Will Get Develop From Customer Side”***

**[2] Provision for Class Room training for the new investors** for the above reason same thing to boost their moral and to give them something related to the market will help them. Also some tips can also be given to this investor during the session as precautions.

**[3] Toll Free Number** customers generally want to call to the respective branch for asking some problems or give orders, a customer can save the money by dialing on the toll free number. It gives a feeling to the customer that company care for them.

**[4] Customer Care for general query handles** initially customer want to solve his or her problem at the moment as it arises. Our relationship manager many times don't have that much time to discuss all that details on phone, they may sometime get busy with the meeting with client. So for general query handle we can have a separate section.

**(5) More Appointments of Relationship managers there should be more appointments for RM so that every customer get equalized attention.**

**(6)** People awareness program has to increase more because most of the people are unaware about the company name and also its product and services.

**(7)** Since the internet and web base communication is getting popular **XYZ Securities** should update web site frequently and provide information up to date

**(8)** As investor's investment decision is based on the study of different sources, **XYZ Securities** should start giving advertisement in business newspaper and in business magazine.

**(9) XYZ Securities** should expand its business by setting up of new branches in various places in Kolkata.

**(10)** Regular advertisement of the company should be given TV and Newspaper.

**RECODING for SPSS**

Male: 1

Female: 2

Married: 1

Unmarried: 2

Business: 1

Service: 2

MAF: 1

LAF: 2

Equity: I1

Mutual Fund: I2

LIC: I3

GI: I4

Real Estate: I5

Govt. Bond: I6

Art Fund: I7

Others: I8

Two Wheeler: 1

Four Wheeler: 2

No Vehicles: 3

Yes: 1

No: 2

