

Chapter Name

FINANCIAL PRODUCT, PLANNING & RESEARCH

Chapter Submitted By:

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PRODUCT:

- ✓ Need based Financial Planning & Advisory Services.
- ✓ Wide and unbiased (3rd party & proprietary) product range offered as an integrated offering vs. One-off product push
- ✓ *Value for repeat business or upgrade.*

PRICE:

- ✓ Relationship pricing; value based; competitive; not necessarily the lowest
- ✓ Better pricing for well-performing segments; based on vintage or recognition of customer profile.
- ✓ Flexible payment options
- ✓ Deliver returns better than deposit benchmark

CONVENIENCE:

- ✓ One-stop access to all asset classes; Single point interface for all products
- ✓ Convenience of online view of entire relationship with performance measurement tools
- ✓ Advisory (Research) and execution capability

SERVICE:

- ✓ Personal RM and support team of specialists to ensure continuity
- ✓ Ongoing monitoring and advice for rebalancing
- ✓ Fast and accurate processing

EXPERIENCE:

- ✓ Regular access to Research / Information
- ✓ Full relationship access across all customer touch-points; 360° customer view

- ✓ Access to international investment options for diversification

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
- Behave more 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 bought 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 your portfolio with the growth necessary to reach 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

- Potential for growth in sales & earnings are excellent.
- Growing faster than companies in the market or other stocks in the same 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 customized contract between two entities, where settlement takes place on a specific 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 FDs

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.

Corporate Governance



At financial institutions, we have chosen a framework, which incorporates guidelines recommended by leading international and regional regulators as well as the practices adopted by leading financial institutions. This comprises of a two-tier system of committees comprising of members drawn from Executive Management for the first tier and the Board of Directors for the second.

This framework ensures that whilst accountability for decision-making at an operational level remains with functional specialists, Executive Management will engage in cross functional sharing of knowledge and expertise via these committees in a structured manner. This helps ensure that synergies are identified and efficiencies are optimized when decisions impacting the organization are taken. The Executive Management Committees are:

- Product Approval Committee
- Business Risk & Compliance Committee
- Executive Operating Committee
- IT Steering Committee
- Human Resources Committee
- Vendor Management Committee

Board Committees provide strategic oversight and guiding principles for the company with respect to key business matters. The deliberations and recommendations by the management team are carefully considered as the Directors draw on their collective experience and expertise to discuss and opine on key policies and critical corporate decisions. The Board Committees are:

- Board of Directors
- Audit Committee
- Risk Management Committee
- Employee Remuneration Committee



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.

Financial Institutions

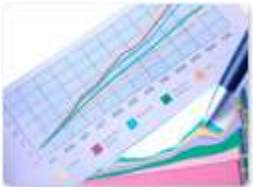
Broking services are designed keeping the requirements of investors in mind. With us you will find unmatched features to make your experience complete:

Value pricing



Rather than based on the size of your account and volume of trading, we offer transparent, fair pricing so that everyone enjoys same benefits.

Research



We help you make informed investment decisions with powerful market research, advanced screening and charting tools, and track progress efficiently. Our Investment Specialists are available to help you understand and decipher "fundamental & technical" details offered through our partners Epitome Global Services & Chart Advice.

Planning Towards Your Goals



Because different people need different financial planning, we partner you exclusively: right from assessing your experience and risk, mapping your long term & short term requirements, to asset allocation & portfolio analysis.

Support



We ensure your convenience through top-of-the-notch customer multi-lingual call service – 7 days a week. Plus conveniently located customer Centers. A Relationship Manager to service all your requirements provides you customized and timely support including alerting you in advance of opportunities from your wish list or when you may have to sell.

Easy-to-use tools



Our state-of-the-art online trading tools help monitor markets and seize potential market opportunities. Plus get real time-market information.



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

Investing in MFs



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

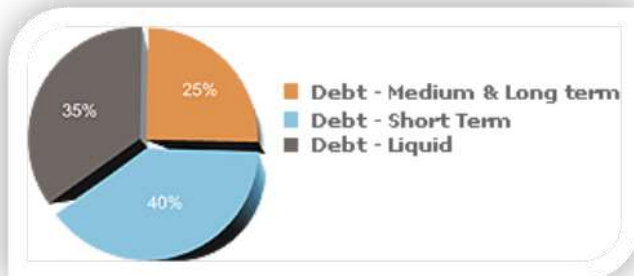
- Equity Fund
- Hybrid Fund
- Income Fund
- Money Market Fund
- Fund of Funds
- Equity Linked Saving Scheme
- Systematic Investment Plan

Asset Allocation



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

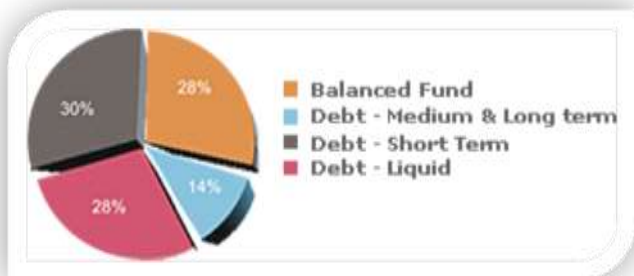


- **Profile Code -R1**
- **Risk Profile -Conservative**
- **Time Horizon -1 - 2 years**
- **Asset Allocation -Equity - 0.00%**

Debt - 60.00%

Liquid - 40.00%

R2 - Model Portfolio

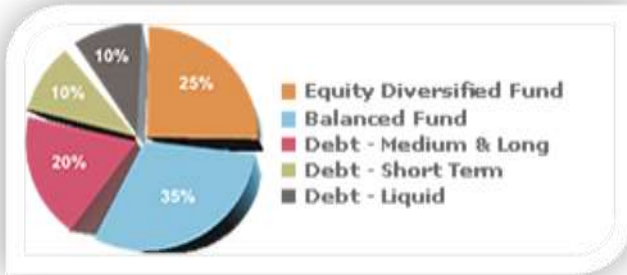


- **Profile Code -R2**
- **Risk Profile -Income Seeking**
- **Time Horizon -2 - 3 years**
- **Asset Allocation -Equity - 18.20%**

Debt - 51.80%

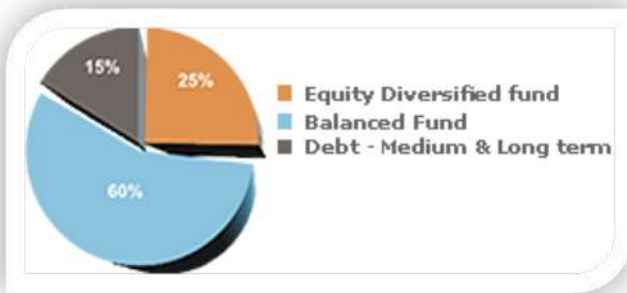
Liquid - 30.00%

R3 - Model Portfolio



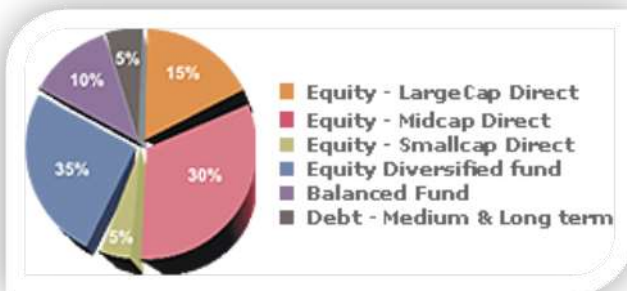
- **Profile Code -R3**
- **Risk Profile -Balanced Investor**
- **Time Horizon -3 - 5 years**
- **Asset Allocation -Equity - 47.75%**
 Debt - 42.25%
 Liquid - 10.00%

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 process of meeting life goals through a proper planning and management of finances. Financial planning helps us to translate our dreams and aspirations in to reality.

It also helps us to provide meaning and direction to our financial decisions. Financial planning has to be done in a proper way, so that it can be implemented effectively. The important steps to be followed while planning our finances are:

- Analyze your dreams and aspirations
- Establish the goals
- Analyze your financial status
- Analyze your emotional status
- Develop a plan for achieving the goals
- Implementing the plan
- Monitoring the plan

Analyze your dreams and aspirations

All of us have got lot many things to do in life, Moreover we are all dreaming of doing the same at the earliest .But normally we do not realize the possibilities of these dreams. In India most of the people have not analyzed these dreams and the ways of realizing the same.

Establish the goals

Now you have to translate your dreams and aspirations in to money. Define the time frame within which you should be able to realize your dreams. The time frame may depend on your personal goals or family goals or both together. If you think, it is difficult to meet all your goals within the specified time frame, prioritize your goals based on urgency and importance. All goals need not necessarily relate to wealth accumulation only. There could be protection goals as well.

Analyze your financial status

Analyzing financial status includes,

- An inventory of assets and liabilities (including securities holding, debts, insurance, etc)
- A description of the present arrangement for distribution of assets at death
- Estimates of your income and expenditure
- Details of your insurance coverage

Once you analyze all these relevant information of your own, you will come to know where you do stand and what your needs are.

Analyze your emotional status

Emotional status is very important, while designing a financial plan for you. It will decide your strength to take risk or not. It will throw light on your hopes, fears, values, attitudes, preferences, biases and non-financial goals.

Develop a plan for achieving your goals

The plan, which you design, should take your present financial situation to the achievement of the objectives. A comprehensive financial plan

should contain an analysis of all pertinent factors relating to your financial status.

Components of a good financial plan

- your personal data
- your goals and objectives
- identification of issues and problems
- assumptions
- your balance sheet/net worth for the financial year
- cash flow management
- income tax planning
- risk management/insurance planning

A well drawn plan must be tailored to you specific goals, situation and circumstances. If additional expertise is required, you should consult with a specialist in that field to help you design the overall plan. There is more than one more way for your financial goals to be achieved. If you want to try with other ways, you can first analyze the advantages and disadvantages of each strategy. The plan should be specific. It should list what you have to do? When and with what resources? The plan format should be such that you can easily understand and evaluate. Only once you decide that the plan well suits to your needs, you can go to the next step.

Implementing the plan

Merely designing a plan, no matter how sound, does not constitute financial planning. A financial plan is useful to you only if it is put in to action. You have to ensure that the implementation is carried out in the manner and in accordance with the plan designed.

Monitoring the plan

Periodic reviews is the best form of monitoring. Of course, you should keep flexibility for a review if circumstances warrant. Following are three aspects to look at in a review:-

- the performance of what has been implemented,
 - changes in the personal and financial situation and objectives,
 - changes in the environment (regulations, financial, economic)
- If you are on track to meet your financial goals nothing else needs to be done. If that is not the case, a revision is necessary. Revision process

will involve the same above discussed steps but will take lesser time.

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?

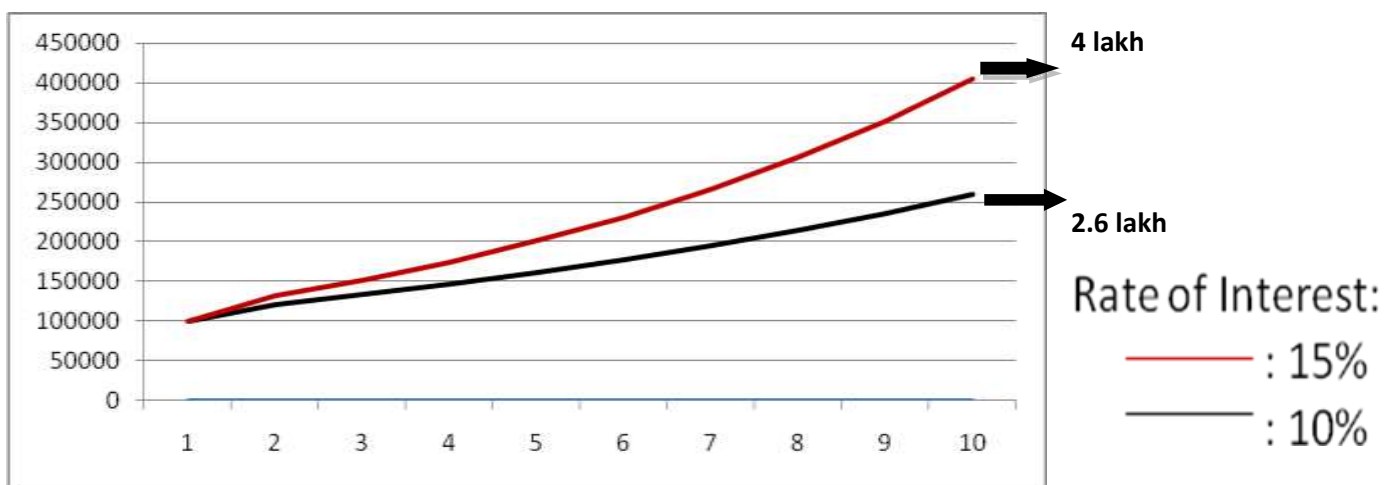
Typical Financial Life Cycle



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.

RESEARCH METHODOLOGY

I decided to do the project in two parts. The first part of the project is comprised of the study of various financial products as a whole and the second part deals with the investor's perception regarding their investment preferences about investment in financial products.

The first part of the project i.e. descriptive study is comprising an overall study of financial products as what it is ,why to invest and where to invest, risk factor associated with it i.e., an overview of whole financial services industry.

The second part of the project that is related to investor's perception about investment in various financial products available in market. Indian Stock market has undergone tremendous changes over the years. Investment in financial products has become a major alternative among Investors. The project has been carried out to understand investor's perception about financial products in the context of their trading preference and explore investor's risk perception.

The first part of the project relating the study of financial products is collected through secondary data obtained from internet & materials provided by the organization whereas the second part relating the Investors perception about investment in financial products is covered through market survey of my natural, referral and open market in Kolkata.

For market survey we prepare questionnaire & visit people in open market & get the questionnaire filled by them.

The source of data collection is mentioned below:

Primary Data: - It is collected by conducting new research called primary data.

- Personal Interview.
- Close Observation.
- Survey Conduction.

Secondary Data:- Already existing data is called secondary data. I collected them by following method.

- Internet.
- Materials provided by Organization.

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.

Mass Marketing	<	4 lacs(Annual Household Income)
MAF	<	4-20 lacs(Annual Household Income)
LAF	<	20-60 lacs(Annual Household Income)

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

“I know at last what distinguishes man from animal: financial worries”

Romain Rolland. Financial planning is important because it assures that you have a financial plan for your future. As our age, expenses tend to increase...from kids who want toys, to teens who want to support the party lifestyle to being an adult, buying a home, a car, getting married....up until the day we die by planning our funerals. Unexpected things happen all the time - so being financially ready for it makes like much easier.

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.

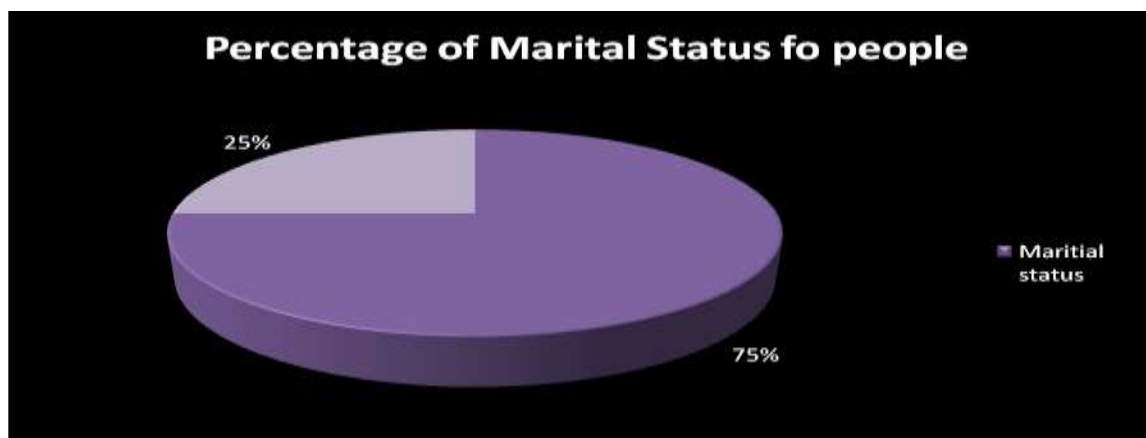


Figure 1

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	

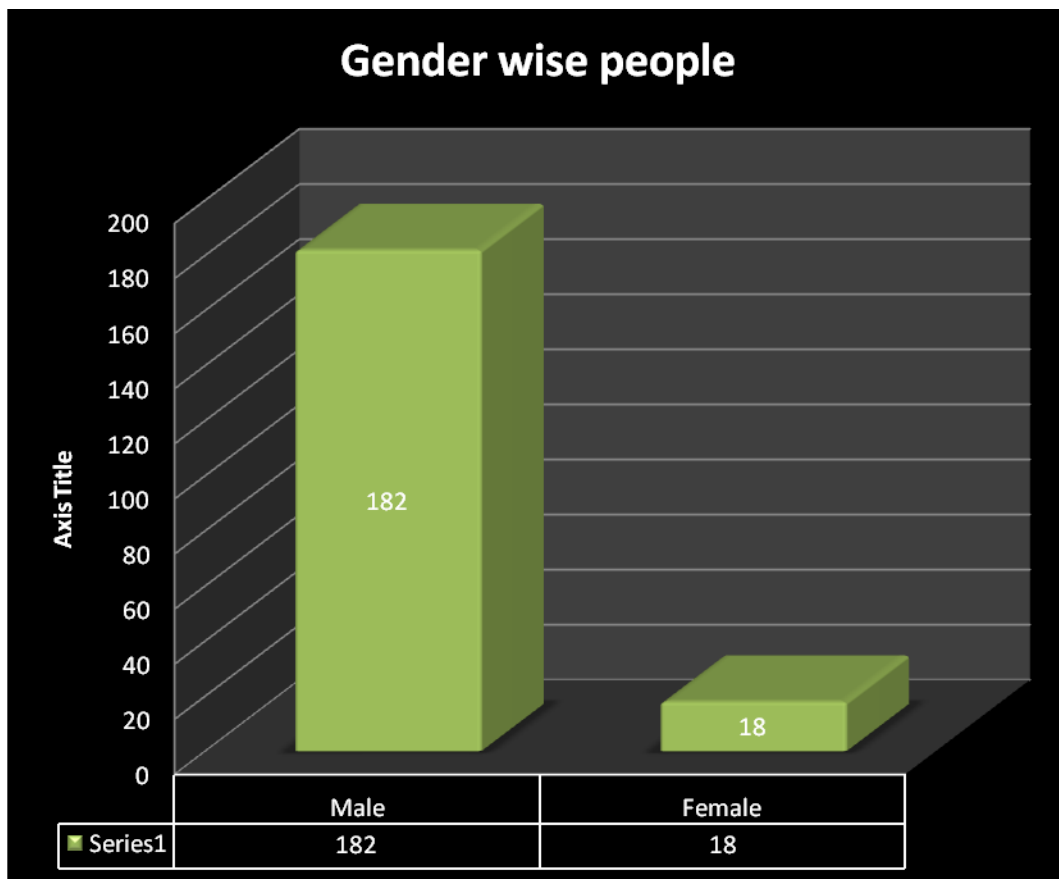


Figure 2

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

No. of dependents

		Freque ncy	Percent	Valid Percent	Cumulativ e 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	

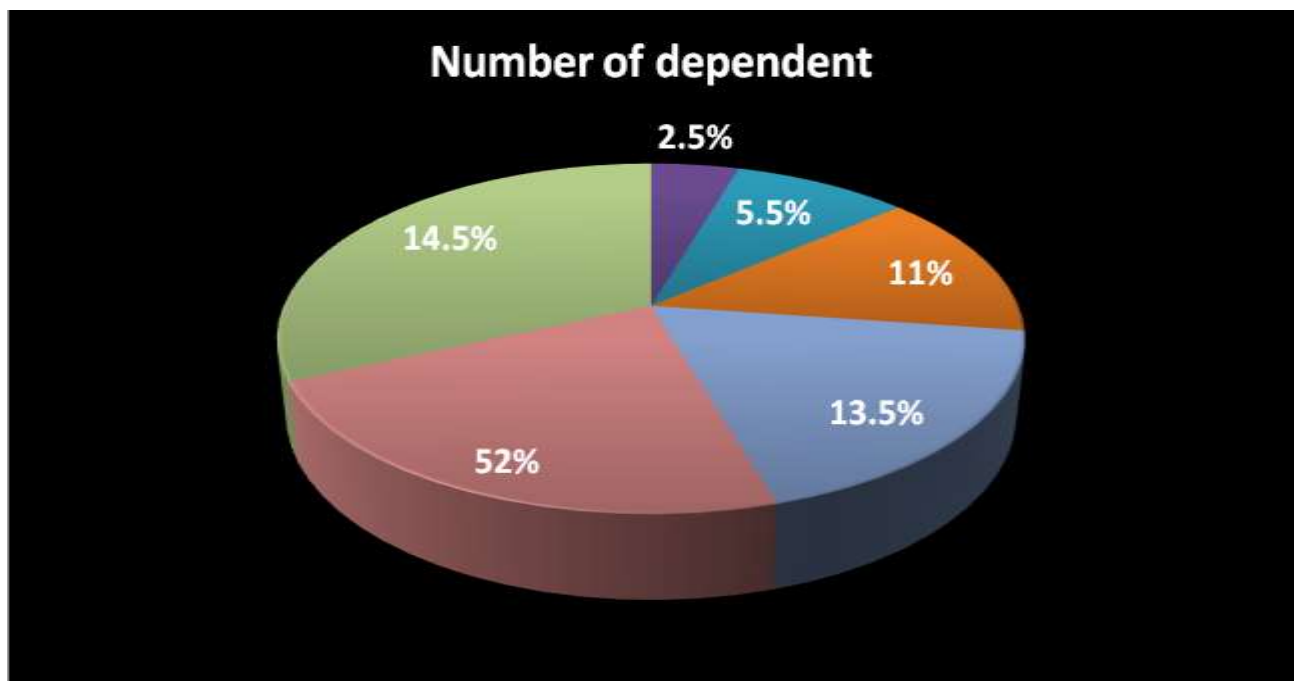


Figure 3

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	

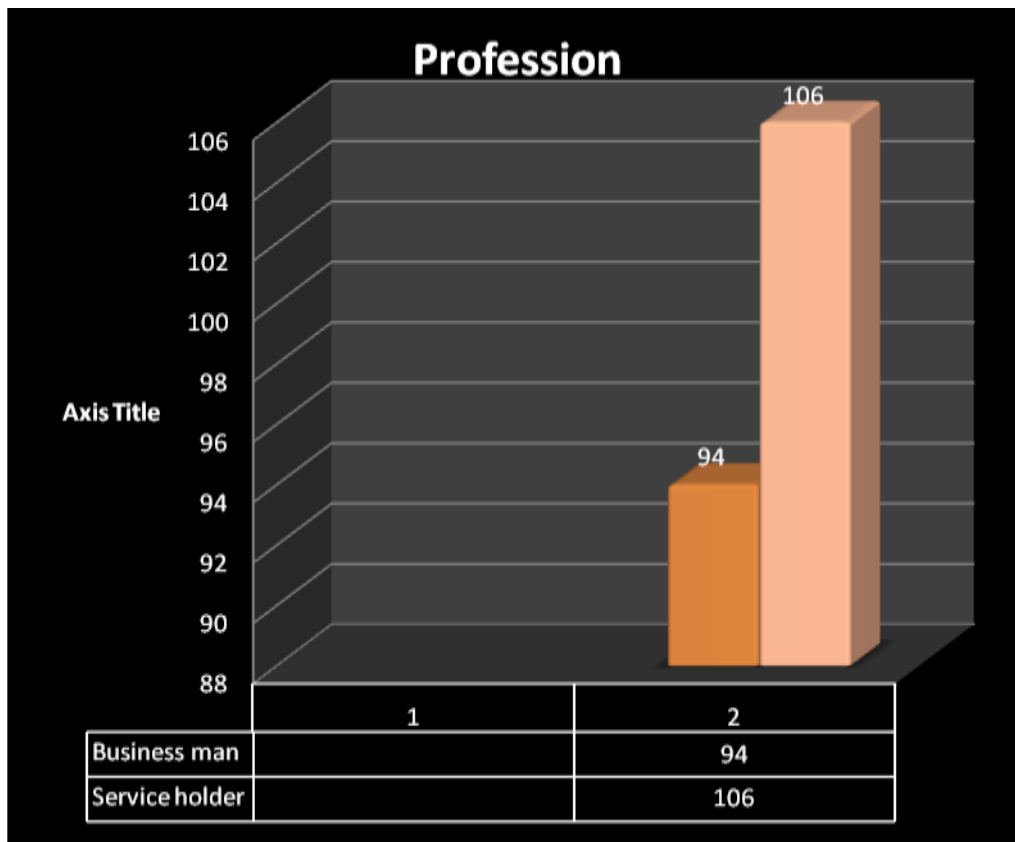


Figure 4

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	

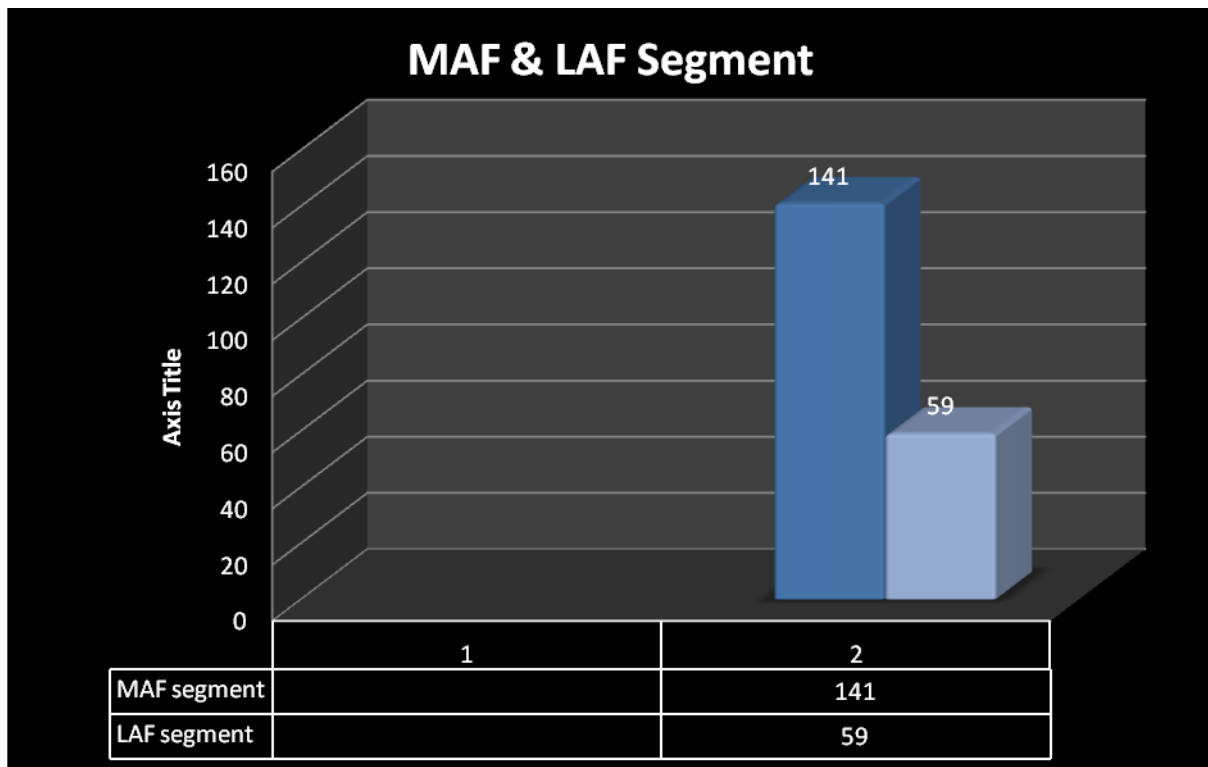


Figure 5

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
	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
	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	

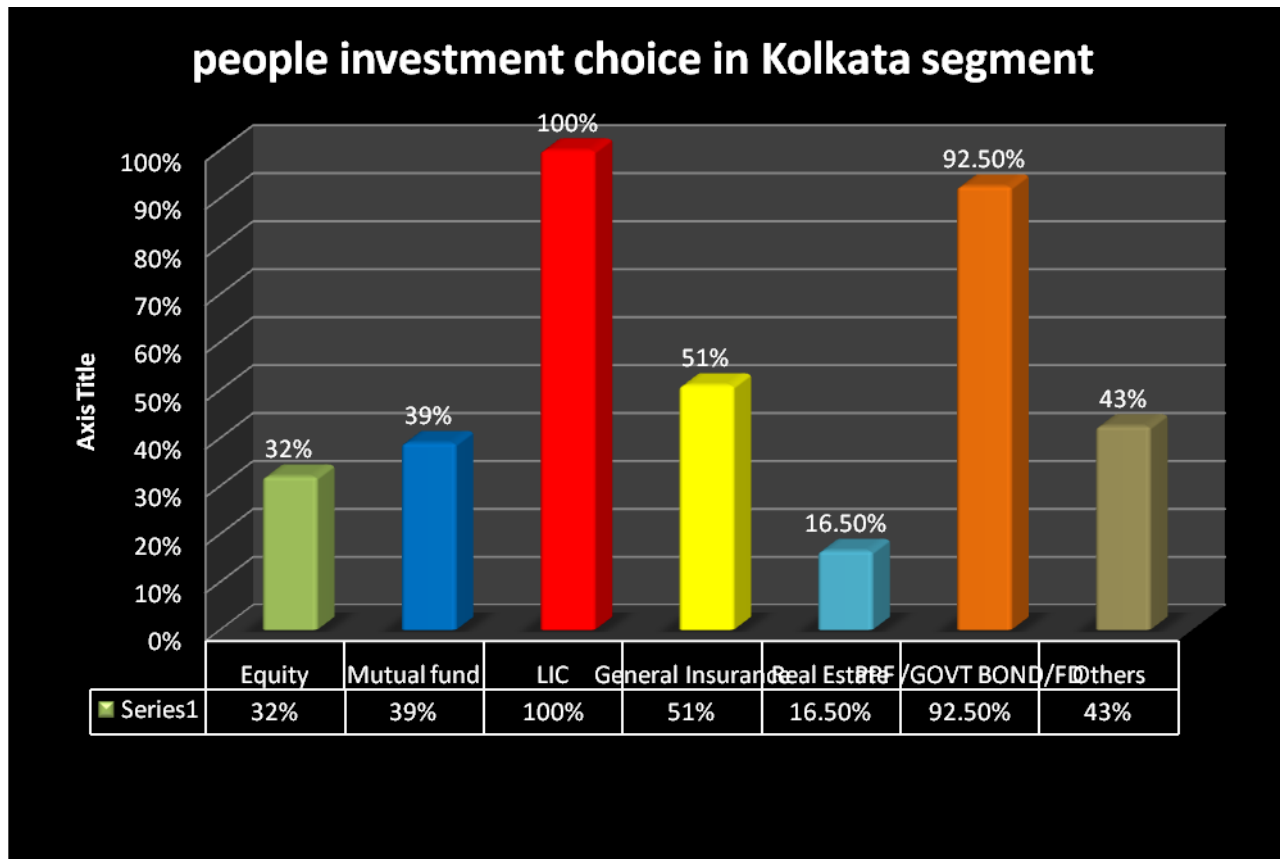


Figure 6

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
Total	200	100.0	100.0	

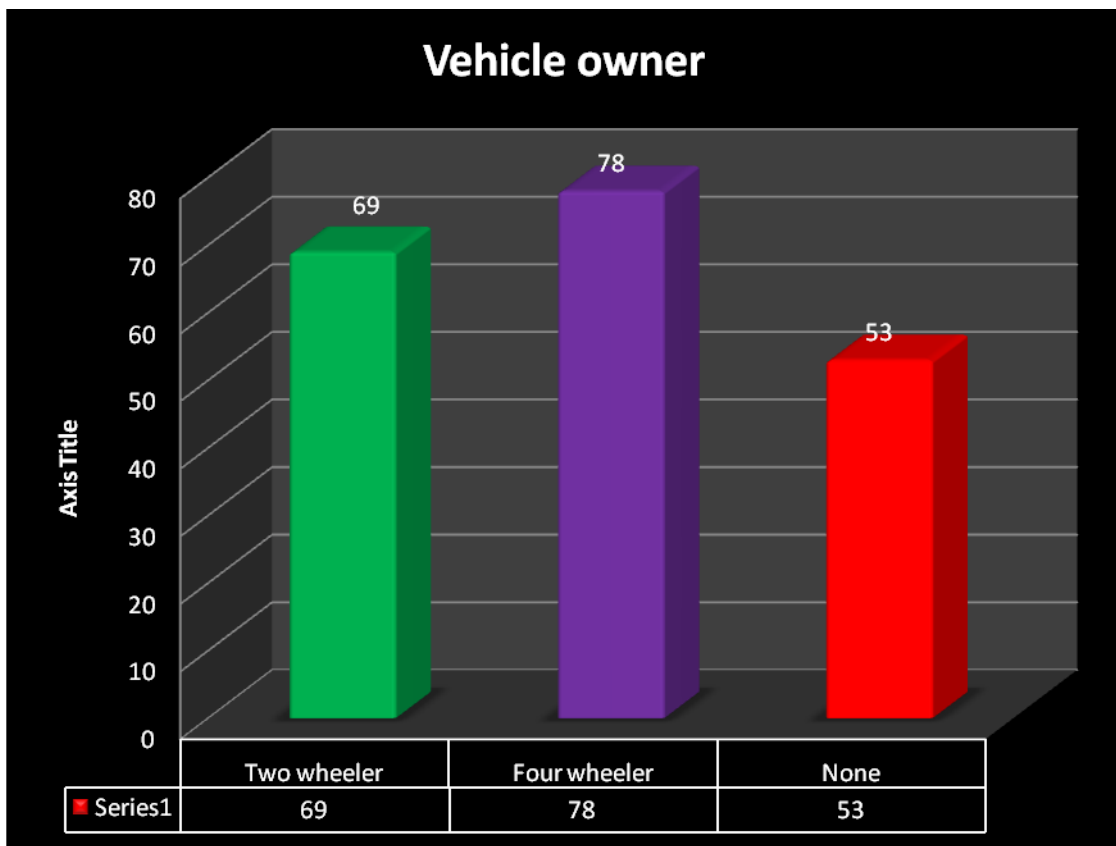


Figure 7

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

Medclaim

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Medclaim	127	63.5	63.5	63.5
	none Medclaim	73	36.5	36.5	100.0
Total		200	100.0	100.0	

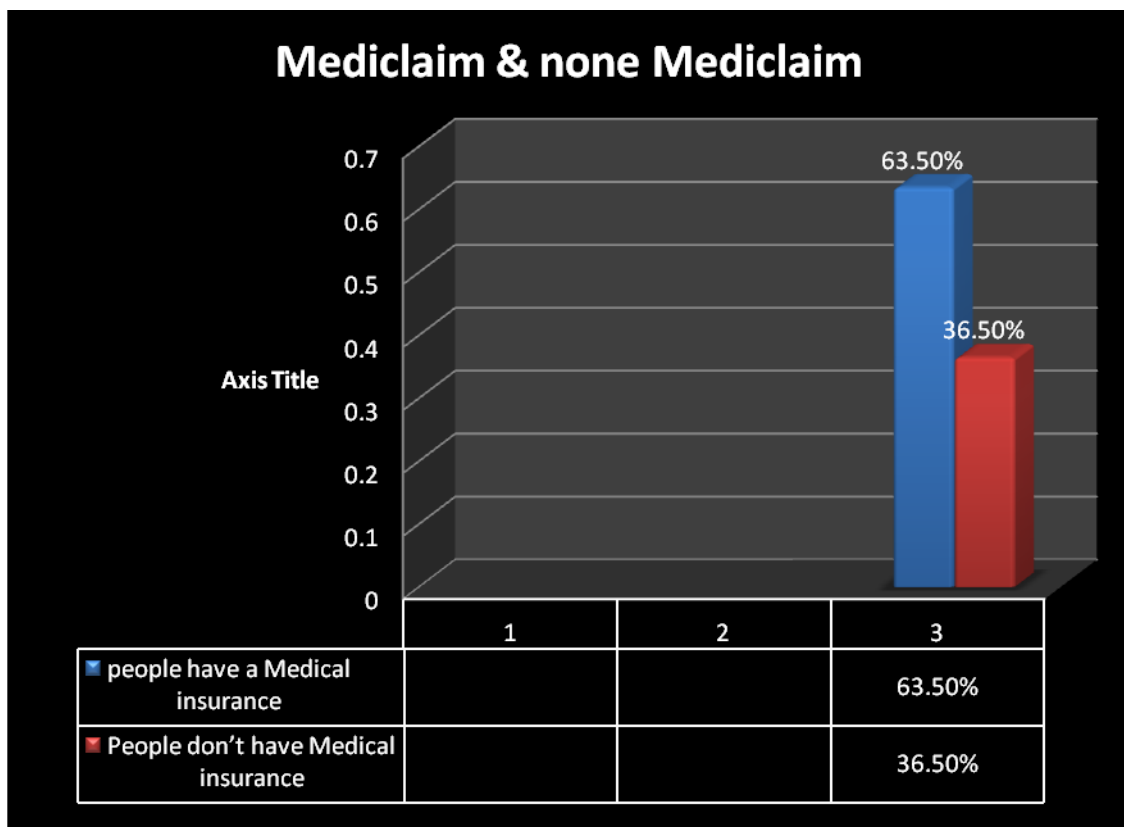
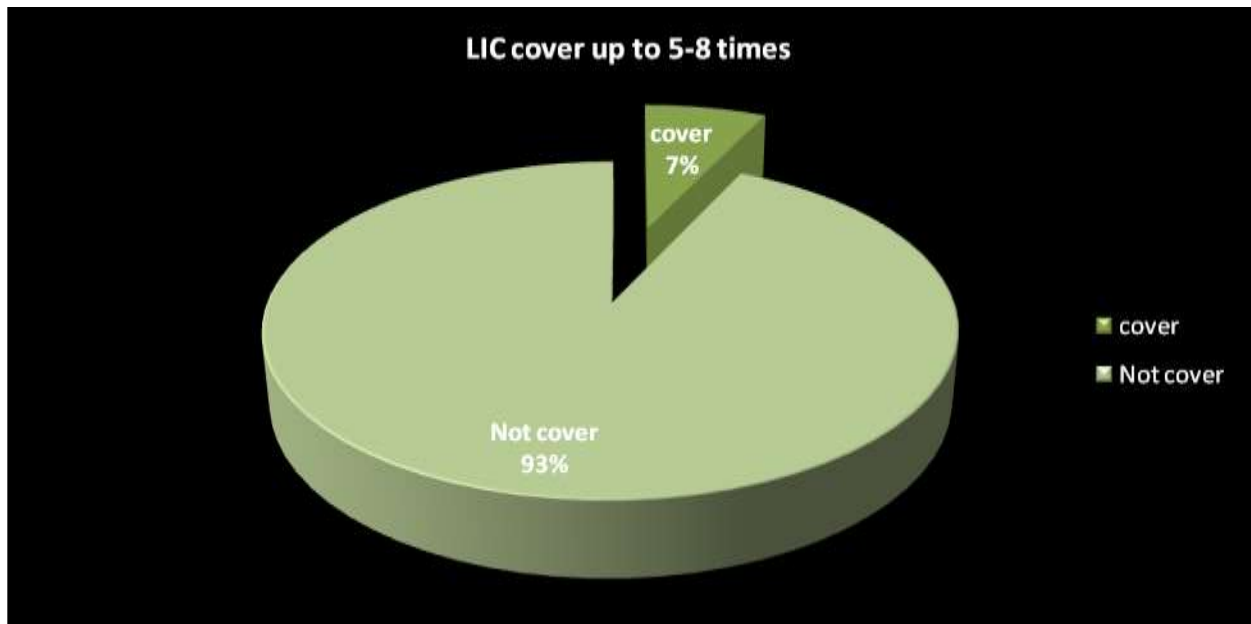


Figure 8

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

5-8 times I3 cover

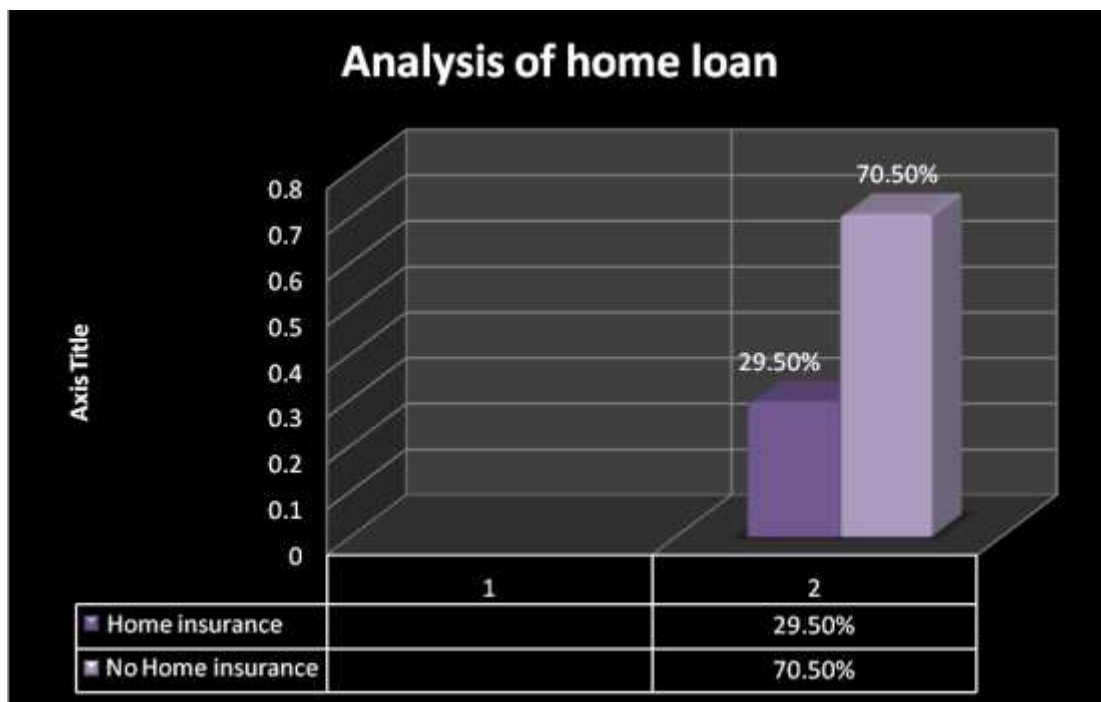
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	cover	14	7.0	7.0	7.0
	Not cover	186	93.0	93.0	100.0
	Total	200	100.0	100.0	



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

Home insurance

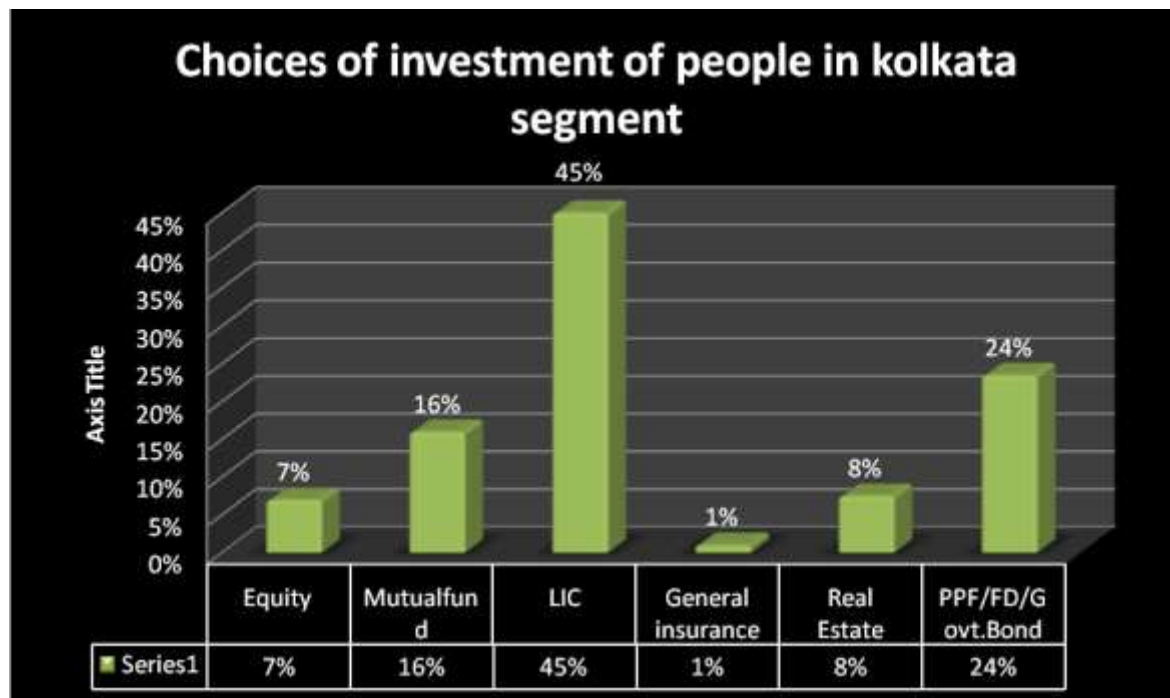
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Home insurance	59	29.5	29.5	29.5
No H.insurance	141	70.5	70.5	100.0
Total	200	100.0	100.0	



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	

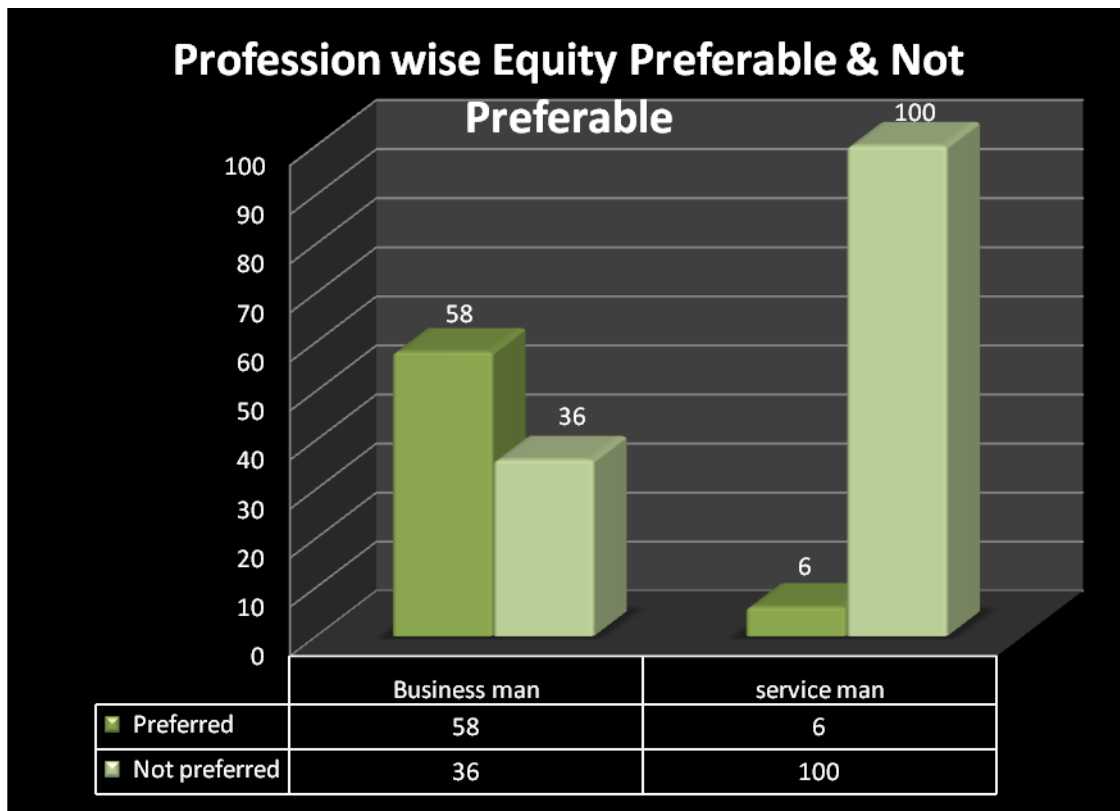


Cross tabulation

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

Profession * EQUITY Cross tabulation

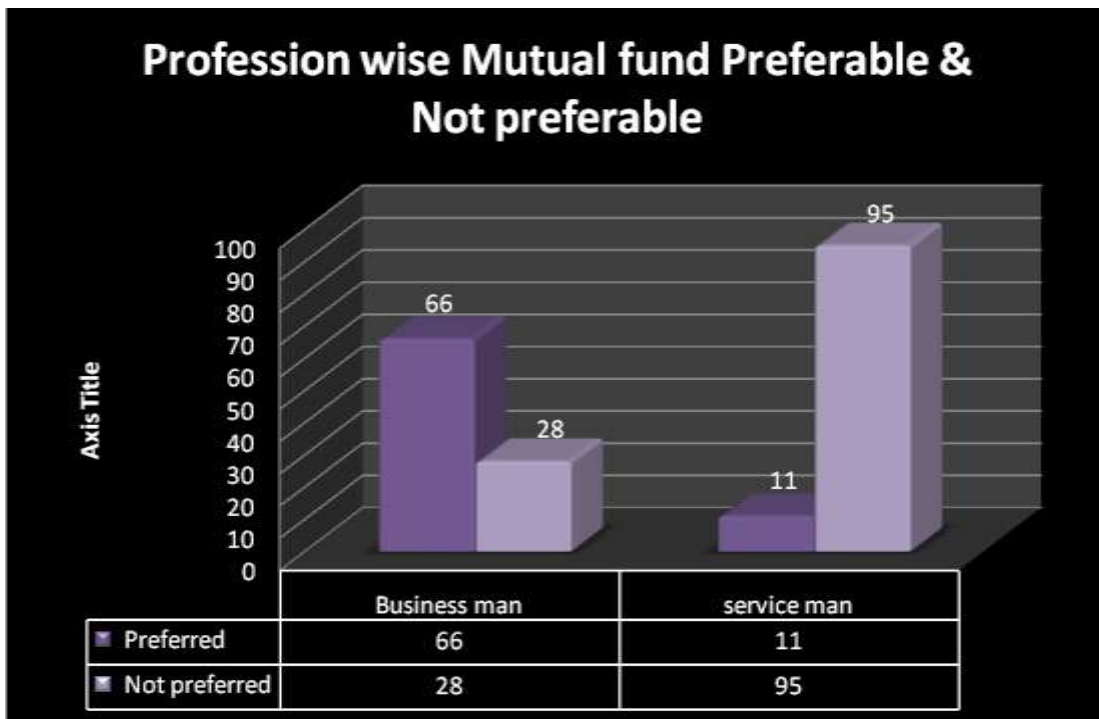
		Count		Total
		EQUITY		
		Preferred	Not Preferred	
Profession	Business	58	36	94
	Service	6	100	106
Total		64	136	200



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

Profession * Mutual fund Cross tabulation

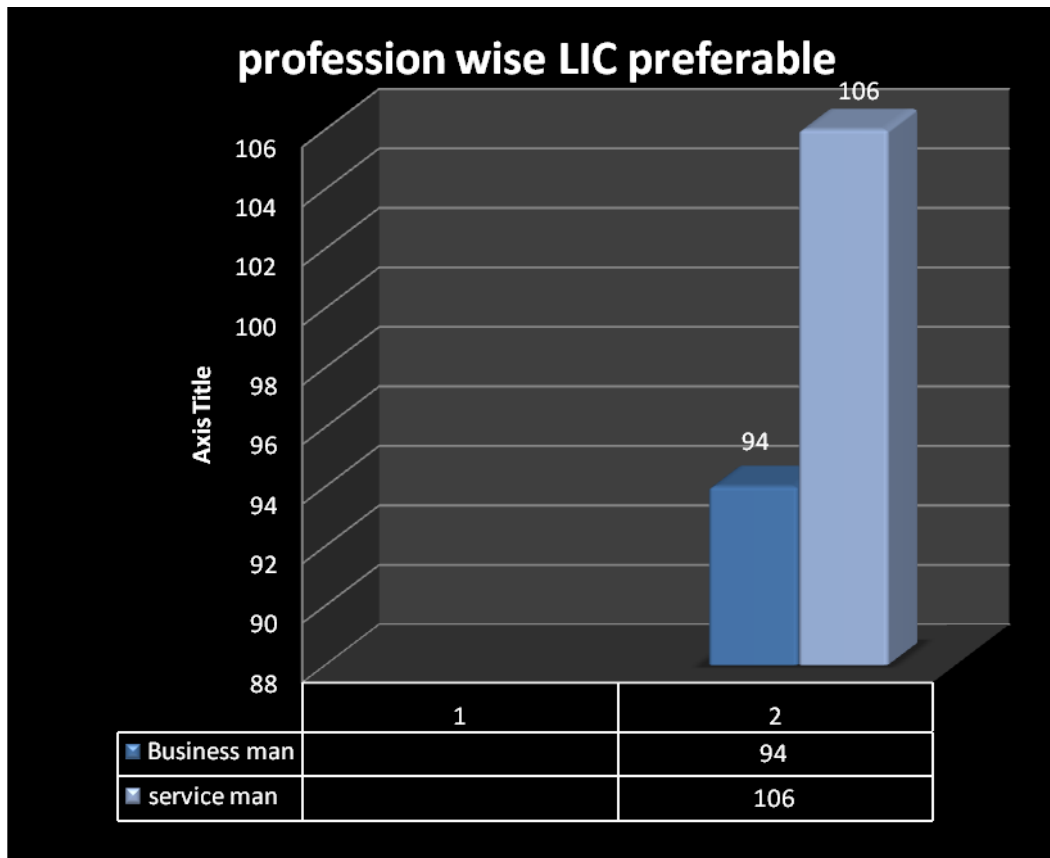
		Mutual fund		Total
		Preferred	Not Preferred	
Profession	Business	66	28	94
	Service	11	95	106
Total		77	123	200



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

Profession * LIC Cross tabulation

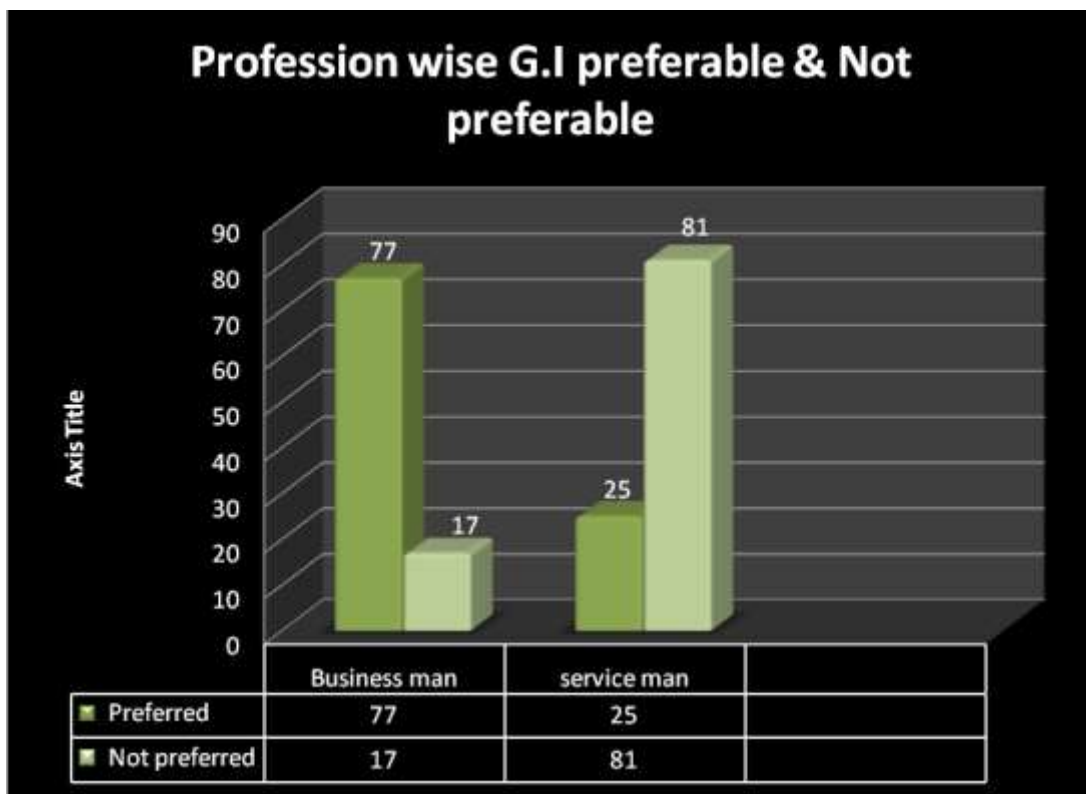
		Count	
		LIC	Total
		Preferred	
	Business	94	94
	Service	106	106
Total		200	200



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

Profession * General insurance Cross tabulation

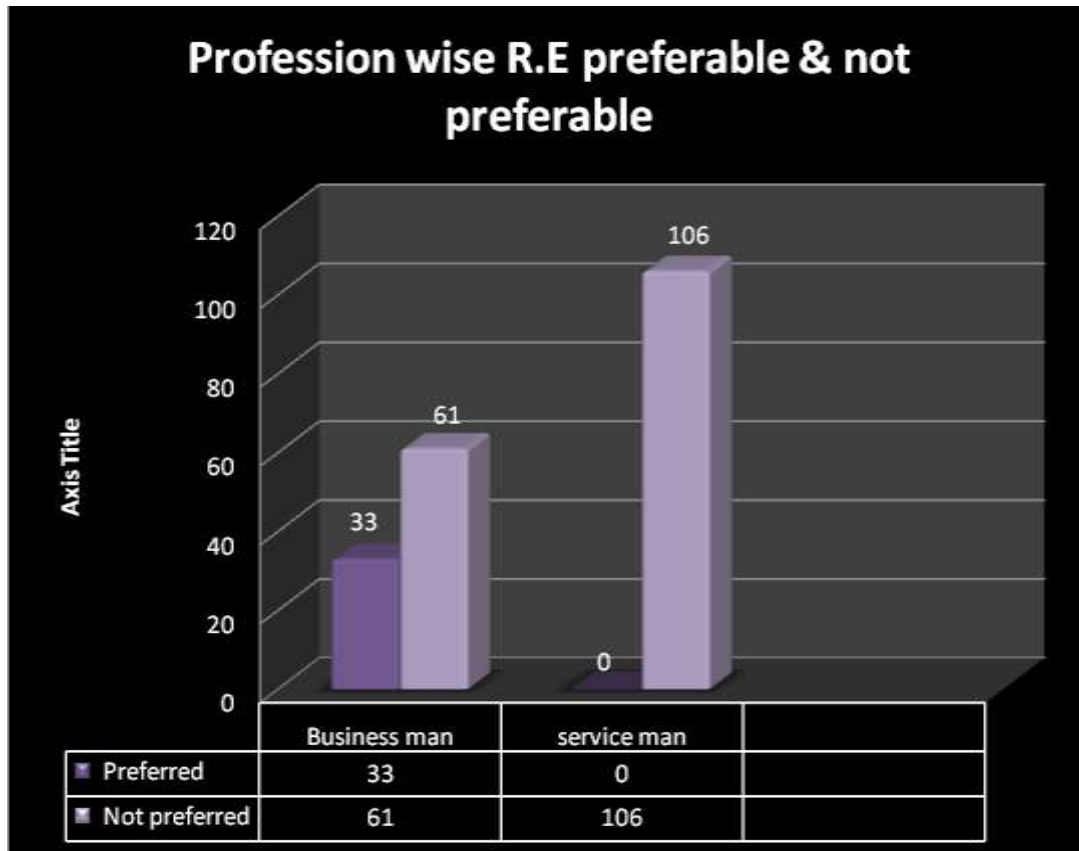
		Count		Total
		Preferred	Not Preferred	
Profession	Business	77	17	94
	Service	25	81	106
Total		102	98	200



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

Profession * RE Cross tabulation

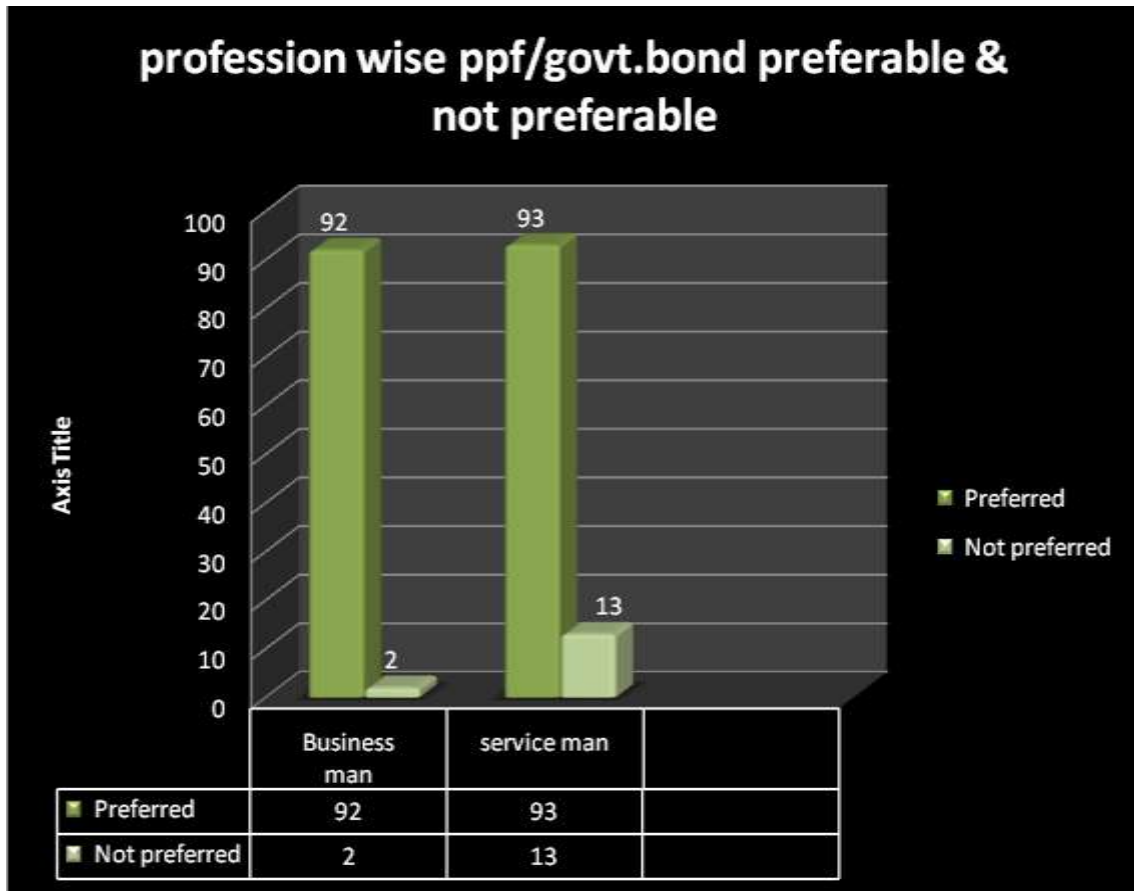
		Count		Total
		RE		
		Preferred	Not Preferred	
Business		33	61	94
Service		0	106	106
Total		33	167	200



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

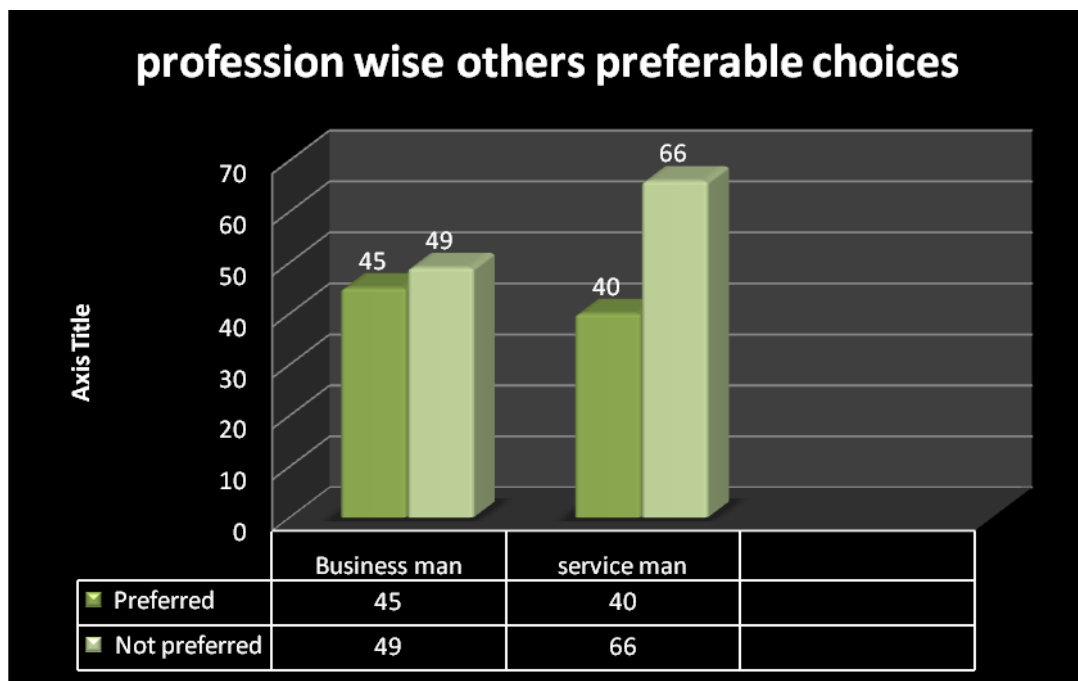
		Count		Total
		PPF/GOVT BOND/I6 Preferred	Not Preferred	
	Business	92	2	94
	Service	93	13	106
Total		185	15	200



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

Profession * OTHERS Cross tabulation

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

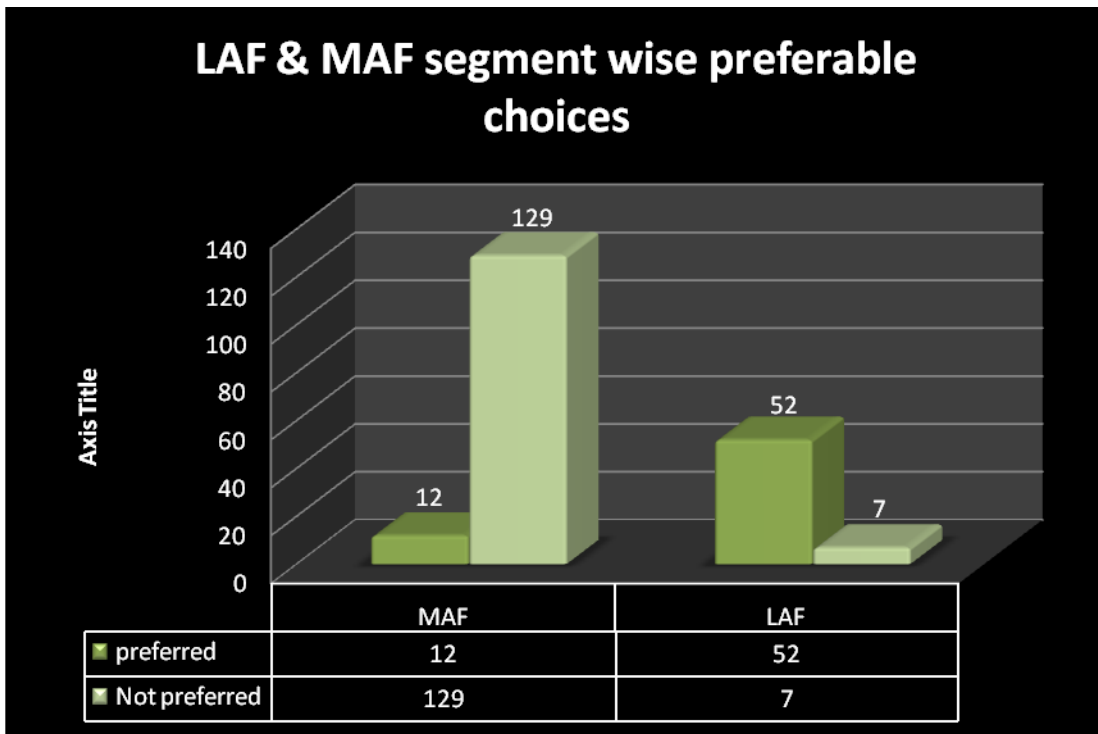


Cross tabulation

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

Annual household income * EQUITY Cross tabulation

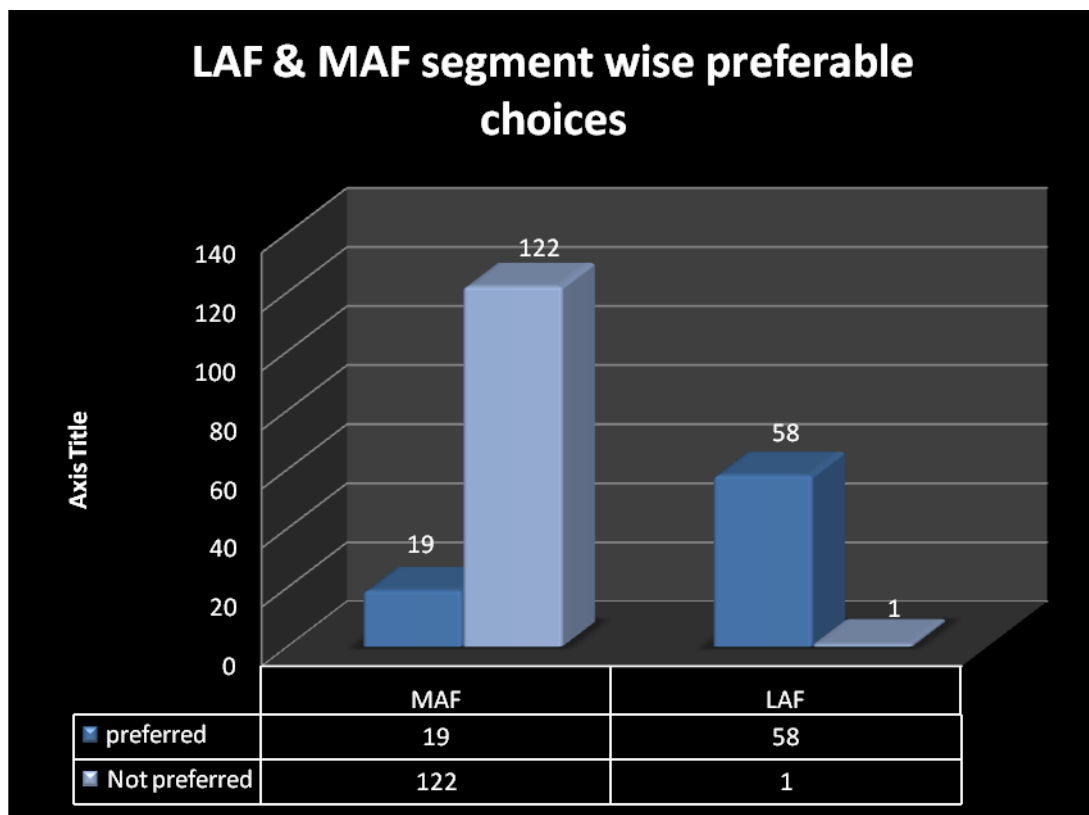
		Count		
		EQUITY		Total
		1	2	
Annual household income	1	12	129	141
	2	52	7	59
Total		64	136	200



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

Annual household income * Mutual fund Cross tabulation

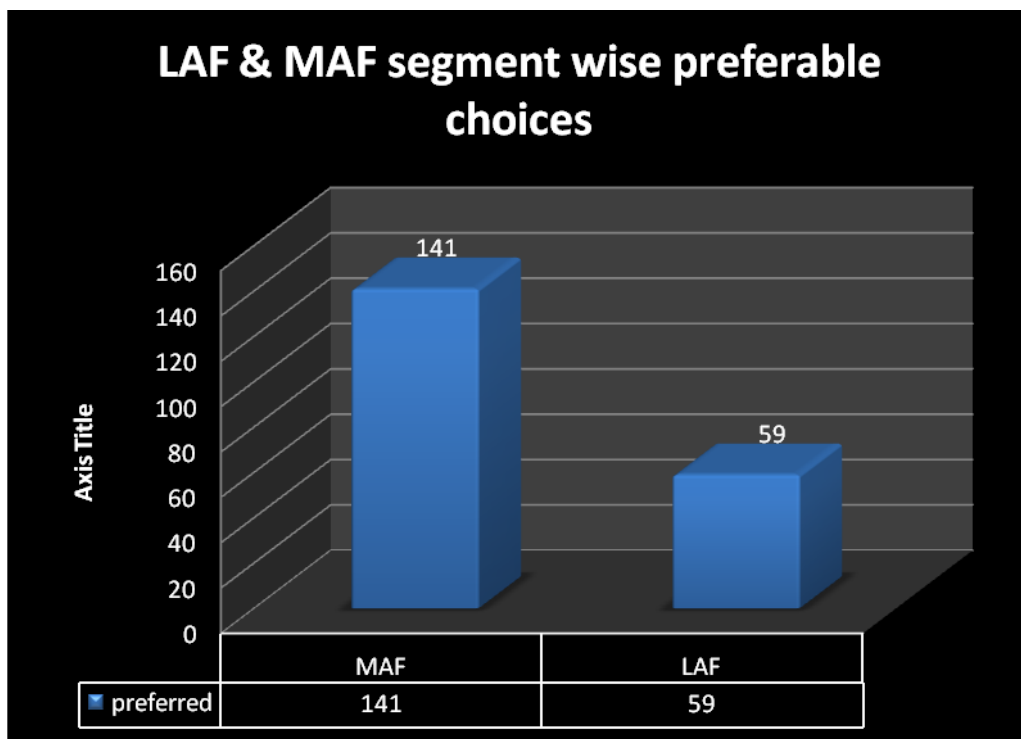
		Mutual fund		Total
		1	2	
Annual household income	1	19	122	141
	2	58	1	59
Total		77	123	200



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

Annual household income * LIC Cross tabulation

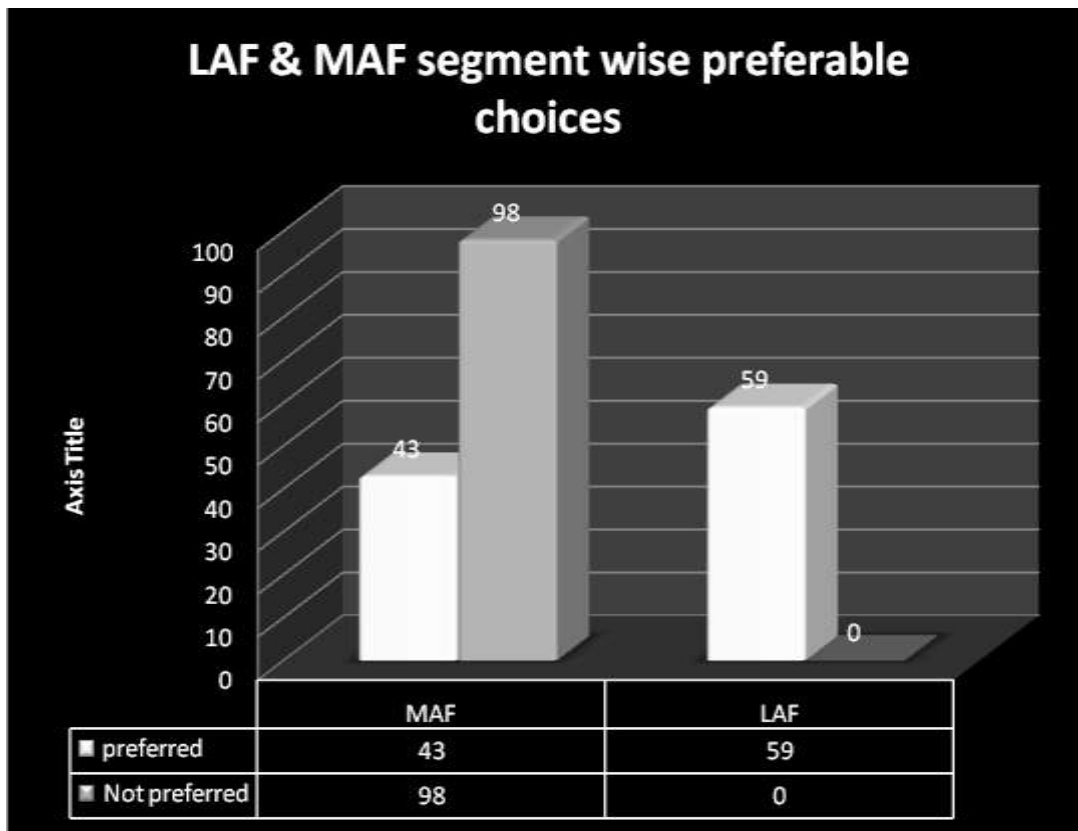
		Count	
		LIC	Total
Annual household income	1	141	141
	2	59	59
Total		200	200



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

Annual household income * General insurance Cross tabulation

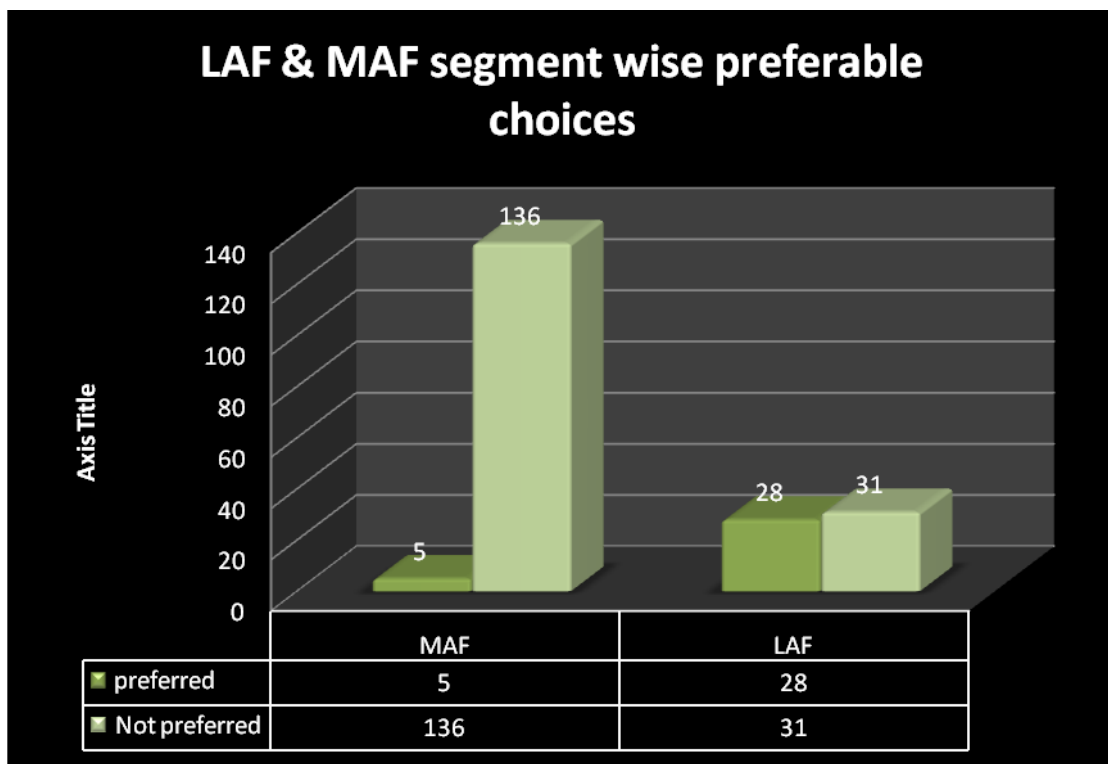
		Count		
		General insurance		Total
		1	2	
Annual household income	1	43	98	141
	2	59	0	59
Total		102	98	200



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

Annual household income * RE Cross tabulation

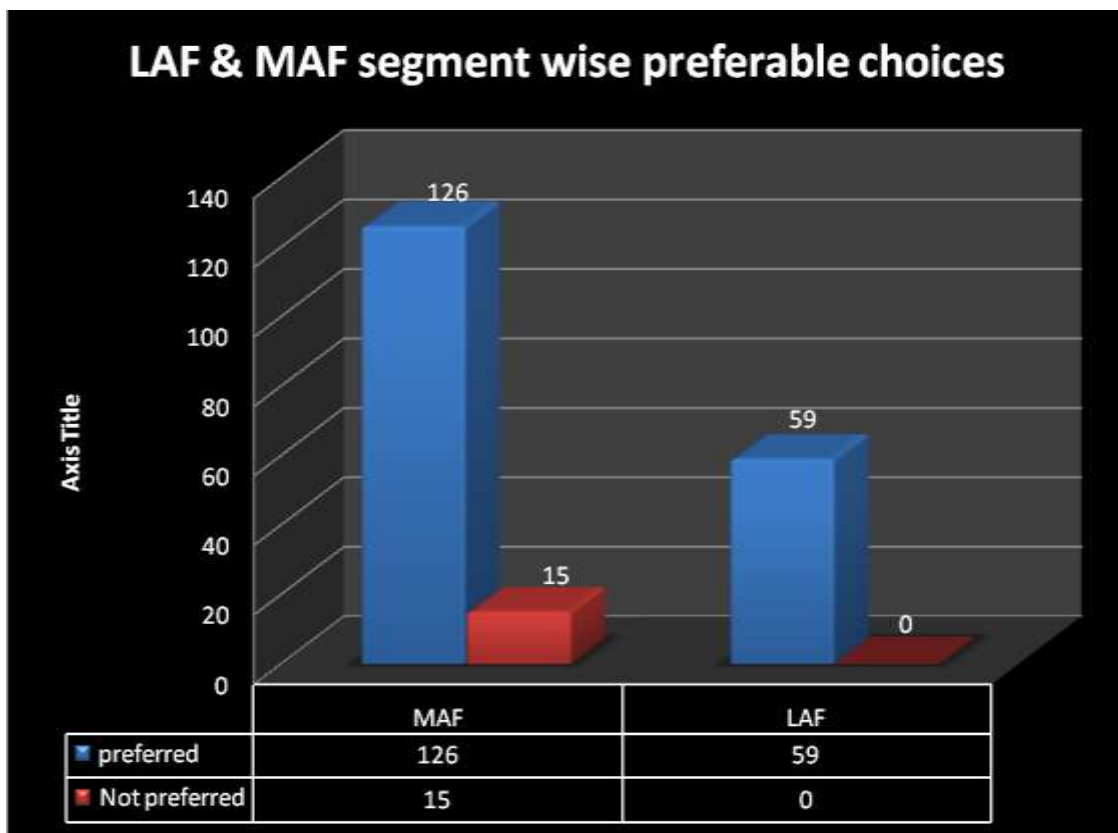
		Count		Total
		1	2	
Annual household income	1	5	136	141
	2	28	31	59
Total		33	167	200



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

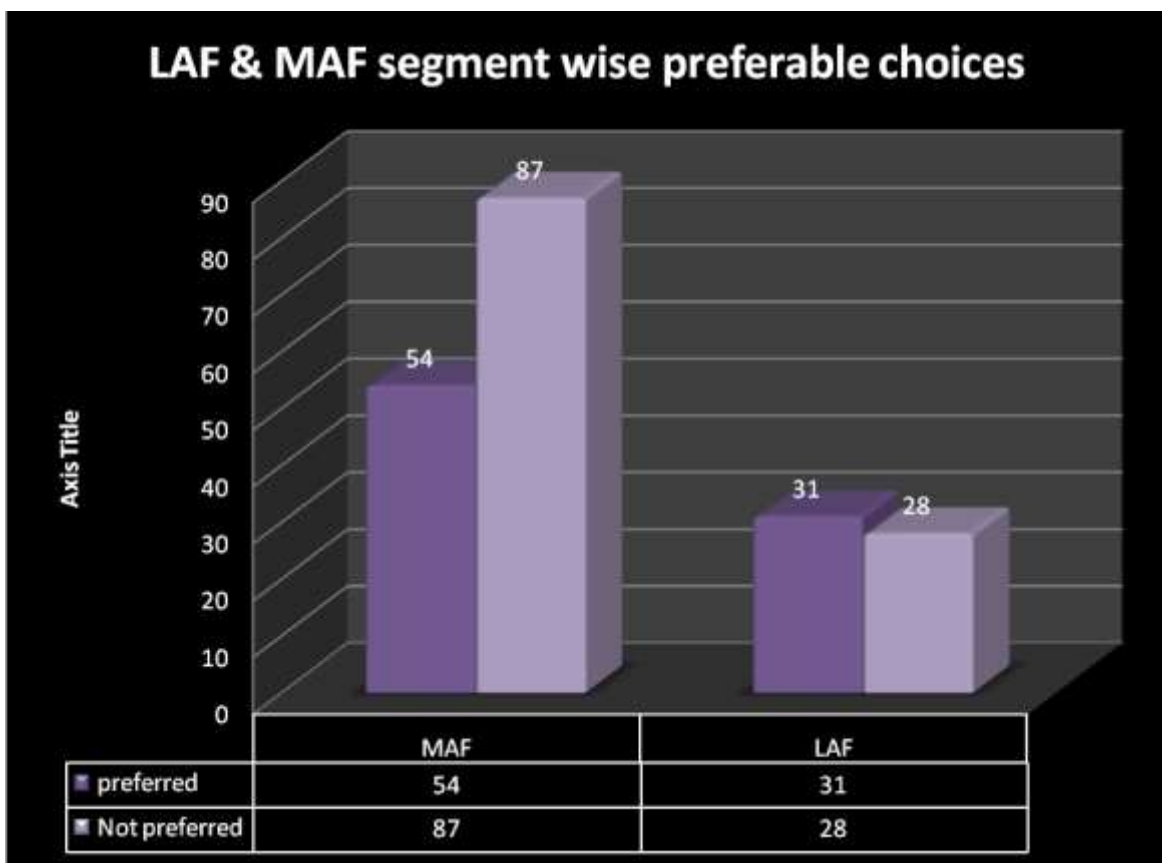
		Count		
		PPF/GOVT BOND/I6		Total
		1	2	
Annual household income	1	126	15	141
	2	59	0	59
Total		185	15	200



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

Annual household income * OTHERS Cross tabulation

		Count		
		OTHERS		Total
		1	2	
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>
No. of Branches	6	2	1	3	7	6	3	1
Product Offering	-	-	-	-	-	-	-	-
Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Futures & Options	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
IPO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mutual Funds	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
PMS	No	Yes	Yes	Yes	Yes	No	Yes	Yes
NRE/NRO Accounts	Yes	No	Yes	Yes	Yes	Yes	Yes	No

Life Insurance	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Non Life Insurance	Yes	Yes	Yes	No	Yes	No	No	No
Fixed Deposits	No	No	No	No	No	No	No	No
Bonds		No	No	No		No	No	Yes
Free Research on SMS	No	No	No	No	No	Yes	Yes	Yes

CONCLUSIONS:

- In a nutshell, I have learned various practical aspects of trading in the stock market.
- I have made about 50-60 calls per day in the initial days of training of General Insurance.
- In addition, I did personal meetings with clients in order to close the deals.
- I also did personal interaction with the client and collect data for market analysis to know about financial planning approach of MAF/LAF segment in Kolkata.

CORPORATE LEARNINGS:

To be a part of XYZ Securities was the best opportunity for me to have:

- ✓ A practical exposure of financial world.
- ✓ Independently handling of clients.
- ✓ Came to know the practical problems of clients.
- ✓ Learnt the technical procedures and analysis of research systems, such as marketing research.
- ✓ Learnt corporate culture.

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

