



MBA-FT (2020-2022)

Final Summer Project Report

On

Investment awareness in Financial Assets

Company - Capital Box

Sector – Financial Service

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SECTION – A

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Shubham Bafna

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EXECUTIVE SUMMARY

The purpose of this project is to understand the awareness level of people in terms of financial assets. This is mainly due to the fact, that people today not only have wider choice of investing in different savings instruments, but are also more educated and aware about their choices. People are now moving beyond the traditional savings options of FD, Post Office Savings, to wider investments options in the form of insurance, mutual funds, bonds, equities, property and even cryptocurrency. This report starts with discussing about the financial service sector of India and its market along with all the different variety of options for the people to invest and earn money. The report reflects public knowledge and factors influencing risk-taking abilities among diverse groups of people. This research focuses on identifying the elements that people evaluate before investing, their level of understanding of various investment avenues based on their career, and the risk of investing in a given avenue. The goal is to determine the taste and preferences of a group of people chosen through conveyance and snowball sampling. A sample of about 100 people was taken and results of which are shown through graphs and figures in this report. After analyzing and interpreting the data, it has been determined that investors are well-informed about the various investing and savings options accessible in the market. People are increasingly turning to insurance, mutual funds, bonds, equities, and real estate as alternatives to traditional savings choices such as fixed deposits and post office savings.

PART - A

About the Company -

The Company was incorporated on July 14, 2016. The Capital Box designs personal solution to the client's unique lifestyle and offer lasting peace of mind. The company strive to build long lasting relationship with clients through attention to detail and commitment to superior service. The company provide unparalleled consulting services, financial products and risk management strategies to individuals, families and businesses, specializing in niche markets and portfolios with complex needs. The company helps address things like – Investing principles and strategies, Retirement investing and distribution strategies, Estate conservation issues, Risk management analysis, etc.

Business Sector of the Organization –

The Capital Box is providing its service in consultation services, financial product and risk management Strategies to individuals. Thus, the company is operating in two sectors which are Consultancy and Financial Sector mainly in equity and insurance sector.

Services by Capital Box –

The Company Provides the service as follows

A. Tax Solutions:

- Direct Tax
- Indirect Tax
- Transfer Pricing

B. Retirement Solutions

]

C. Risk Management:

- Risk Management Planning
- Risk Identification

- Risk Analysis
- Risk Handling
- Management of Residual Risk
- Trade Risk Management
- Collateral Management

Mission

The company's mission is to help individuals, families, and small businesses embrace the responsibilities of living their goals and dreams by designing, implementing, and monitoring financial strategies consistent with their core values.

Vision

The company's vision is to be trusted and respected by families, clients, and professionals as the model financial advisory firm that helps others as they transition through life's financial cycles.

Values

Live life on PURPOSE

PEOPLE are more important than things

Act with INTEGRITY

Project Description –

Investors have a wide range of investment opportunities to choose from. Investors are always conscious of it, but there are moments when they are not. Finally, the most significant factor for an individual investor is capital appreciation. If they receive capital appreciation from only one or two investment options and are happy with it, they may not consider other investment avenues that will provide them with a higher return than the others.

It has been observed that the aggregate demand for interest on government securities, bank deposits, and other fixed deposits has been gradually declining year after year due to a variety of factors affecting investor interest and interest rate. The investor's interest, on the other hand, is increasingly shifting toward mutual funds, stocks, and other company securities. Mutual funds have a high return as compared to bank deposits. Similarly, as compared to mutual funds, the stock market provides a very high return. These securities, however, come with a high level of risk. As a result, it's important to understand how well investors understand financial assets and how well they understand stock market operations, processes, and financial intermediaries.

Financial Service Sector -

The financial services sector provides financial services to people and corporations. This segment of the economy is made up of a variety of financial firms including banks, investment houses, lenders, finance companies, real estate brokers, and insurance companies. As noted above, the financial services industry is probably the most important sector of the economy, leading the world in terms of earnings and equity market capitalization. Large conglomerates dominate this sector, but it also includes a diverse range of smaller companies.

The financial services industry is in charge of money management. A financial planner, for example, handles a client's assets and provides advice. The advisor does not have portfolios or any other products directly; rather, they help savers and issuers of securities and other instruments transfer money around. This service is more of a one-time mission than a tangible commodity.

The financial services sector is the primary driver of a nation's economy. It provides the free-flow of capital and liquidity in the marketplace. When the sector is strong, the economy grows, and companies in this industry are better able to manage risk.

The strength of the financial services sector is also important to the prosperity of a country's population. When the sector and economy are strong, consumers generally earn more. This boosts their confidence and purchasing power. When they need access to credit for large purchases, they turn to the financial services sector to borrow.

The Indian government has implemented a number of reforms to liberalize, control, and develop this sector. The government and the Reserve Bank of India (RBI) have taken a number of steps to make it easier for Micro, Small, and Medium Enterprises (MSMEs) to obtain financing (MSMEs). These initiatives include establishing a Micro Units Development and Refinance Agency, establishing a Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks about collateral requirements, and establishing a Credit Guarantee Fund Scheme for MSMEs (MUDRA). India is unquestionably one of the world's most dynamic capital markets, thanks to a joint drive from the government and the private sector.

10 Types of Financial Services:

- Banking
- Professional Advisory
- Wealth Management
- Mutual Funds
- Insurance
- Stock Market
- Treasury/Debt Instruments
- Tax/Audit Consulting
- Capital Restructuring
- Portfolio Management

These Financial Services are explained below –

1. Banking - The banking industry is the backbone of India's financial services industry. The country has several public sector (27), private sector (21), foreign (49), regional rural (56) and urban/rural cooperative (95,000+) banks. The financial services offered in this segment include:

- Individual Banking (checking accounts, savings accounts, debit/credit cards, etc.)
- Business Banking (merchant services, checking accounts and savings accounts for businesses, treasury services, etc.)
- Loans (business loans, personal loans, home loans, automobile loans, working-capital loans, etc.)

2. Professional Advisory - India has a strong presence of professional financial advisory service providers, which offer individuals and businesses a wide portfolio of services, including investment due diligence, M&A advisory, valuation, real-estate consulting, risk consulting, taxation consulting. These offerings are made by a range of providers, including individual domestic consultants to large multi-national organizations.

3. Wealth Management - Financial services offered within this segment include managing and investing customers' wealth across various financial instruments- including debt, equity, mutual funds, insurance products, derivatives, structured products, commodities, and real estate, based on the clients' financial goals, risk profile and time horizons.

4. Mutual Funds - Mutual fund service providers offer professional investment services across funds that are composed of different asset classes, primarily debt and equity-linked assets. These products are very popular in India as they generally have lower risks, tax benefits, stable returns and properties of diversification. The mutual funds segment has witnessed double-digit growth in assets under management over the last five years, owing to its popularity as a low-risk wealth multiplier.

5. Insurance - Insurance solutions enable individuals and organizations to safeguard against unforeseen circumstances and accidents. Payouts for these products vary across the nature of the product, time horizons, customer risk assessment, premiums, and several other key qualitative and quantitative aspects. In India, there is a strong presence of insurance providers across life insurance (24) and general insurance (39) categories. The insurance market is regulated by the Insurance Regulatory and Development Authority of India (IRDAI).

6. Stock Market - The stock market segment includes investment solutions for customers in Indian stock markets (National Stock Exchange and Bombay Stock Exchange), across various equity-linked products. The returns for customers are based on capital appreciation – growth in the value of the equity solution and/or dividends – and payouts made by companies to its investors.

7. Treasury/Debt Instruments - Investments in government and private-sector bonds are among the services provided in this section (debt). The bond issuer (borrower) promises the lender fixed payments (interest) and principal redemption at the end of the investment period. Listed bonds,

non-convertible debentures, capital-gain bonds, GoI savings bonds, tax-free bonds, and other instruments fall under this category.

8. Tax/Audit Consulting - This segment includes a large portfolio of financial services within the tax and auditing domain. This services domain can be segmented based on individual and business clients. They include:

- Tax – Individual (determining tax liability, filing tax-returns, tax-savings advisory, etc.)
- Tax – Business (determining tax liability, transfer pricing analysis and structuring, GST registrations, tax compliance advisory, etc.)

In the auditing segment, service providers offer solutions including statutory audits, internal audits, service tax audits, tax audits, process/transaction audits, risk audits, stock audits, etc.

9. Capital Restructuring - These services are mainly provided to businesses, and they include reorganizing capital structure (debt and equity) to improve profitability or respond to crises such as bankruptcy, volatile markets, liquidity shortages, or hostile takeovers. Structured transactions, lender agreements, accelerated M&A, and capital raising are common financial solutions in this segment.

10. Portfolio Management - This segment includes a highly specialized and customized range of solutions that enables clients to reach their financial goals through portfolio managers who analyze and optimize investments for clients across a wide range of assets (debt, equity, insurance, real estate, etc.).

PART - B

Company – The Capital Box

Sector – Financial Service

Type of Project – Research Based Project

Project Assigned – Investment awareness in Financial Assets.

Nature of Project:

The nature of financial market has changed drastically. Investing money has become a very complex task because of huge number of savings and investment companies and products offered by them, terms and conditions of investment and prevalent complex rules and regulations.

The project provided by The Capital Box is to understand the awareness level in the common people about the various investment options in the financial assets. The study attempted to find out the awareness of investors about various investment avenues, their preferences and considerations for investing money. It also aims to study the risk preference of the investors and their goals in the short term and long term.

What is Investment

An investment is simply a financial instrument formed with the goal of allowing money to grow. The money gained can be used for a variety of purposes, including bridging income gaps, saving for retirement, and satisfying specific commitments such as debt repayment, tuition fees, or the acquisition of other assets. There are various investment avenues such as equity, bonds, insurance and bank deposit, etc. A portfolio is a combination of different assets mixed and matched for the purpose of achieving goal. There are various factors which affect investors portfolio such as annual income, government policy, natural calamities, economical changes, etc.

Features of an Investment Program:

In choosing a specific investment investor will need definitely ideas regarding features which their avenues should possess. These features should be consistent with the investor general objectives and in addition should affirm them all the incidental convenience and advantages. The following are the suggested features as the ingredients from which many successful investors compound their selection process –

- 1. Safety of Principle** – The investor to be certain of the safety of principle should carefully review the economics and industry trends before choosing the types of investment. Errors are avoidable and therefore to ensure safety of principle, the investor should consider diversification of assets.
- 2. Liquidity** – Investors require a minimum liquidity in his investment to meet emergency. Liquidity will be ensured if the investor buys a proposition of readily saleable securities out of his total portfolio.
- 3. Income Stability** – Regularity of income consistent rate is necessary in any investment pattern. Not only stability, it is also important to see that income is adequate in after tax. It is possible to find outcome good securities, which pay particularly all their earnings in dividends.
- 4. Appreciation and Purchasing power stability** – Investors should balance their portfolio to fight against any purchasing power stability. Investor should judge price level inflation, explore their possibility of gain and loss in the investments available to them.
- 5. Legally and freedom from care** – All investments should be approved by law. Law relating to minors, trusts, shares and insurance be studied will bring out many problems for the investor.

Objectives:

- To know the mode of investments of the people in various investment avenues.
- To study the factors influencing the investment behavior of the people.
- To analyze the pattern of investment and saving among the investors.

- To find the problems that are faced by the investors.
- To study the factors influencing enquiries into the profile, portfolio practices, experiences & risk, perceptions, and intention of the people.

Utility of the Study:

The present research has enormous relevance and utility. It offers an opportunity to analyze the individual investors behavior and characteristics so as to know their preference with respect to their investment. The study also tries to unveil the influence of demographic factors like age on risk, tolerance level of the investor, etc.

METHODOLOGY

This analysis is based on the investor's behavior for savings and investment preference, awareness, during the period. The data analysis tool used were simple percentage, Diagram, Chart and Table.

Type of Research and Research Design

- **Quantitative Research** – Quantitative research generates numerical data or information that can be converted into numbers. Only measurable data are being gathered and analyzed in this type of research.
- **Qualitative Research** – Qualitative research on the other hand generates non-numerical data. It focusses on gathering of mainly verbal data rather than measurements. Gathered information is then analyzed in an interpretative manner, subjective, impressionistic or even diagnostic.

Approach – Due to its nature, the approach for this project would be between qualitative and quantitative. Because some part of it lays on qualitative method of data collection while some data is quantitative in nature.

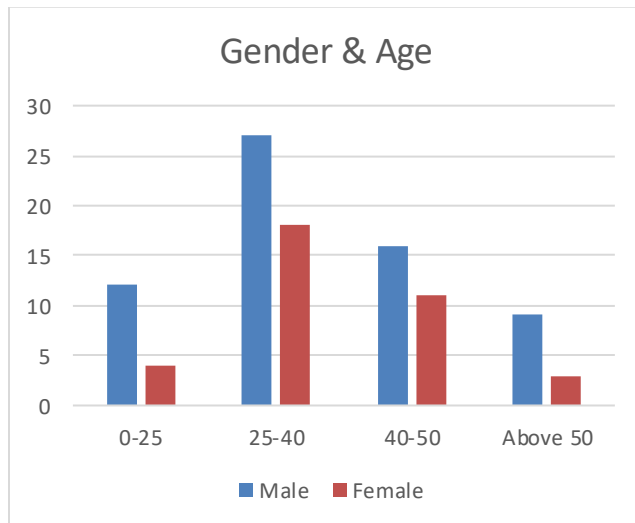
Source of Data - The study is based on primary as well as secondary data. The primary data were collected with the help of well-structured questionnaire. Secondary data were tapped from books, journals, newspapers, and study reports related to the topic.

Method of Data Collection – The method of data collection was by distributing a questionnaire through Google form to almost 100 people. These 100 people are from different age group, different occupation, different income level and different qualification.

Size and Method of Sampling – The size of the sample was of 100 people and method used for sampling is Convenience Sampling Method.

DATA PRESENTATION

- Gender & Age



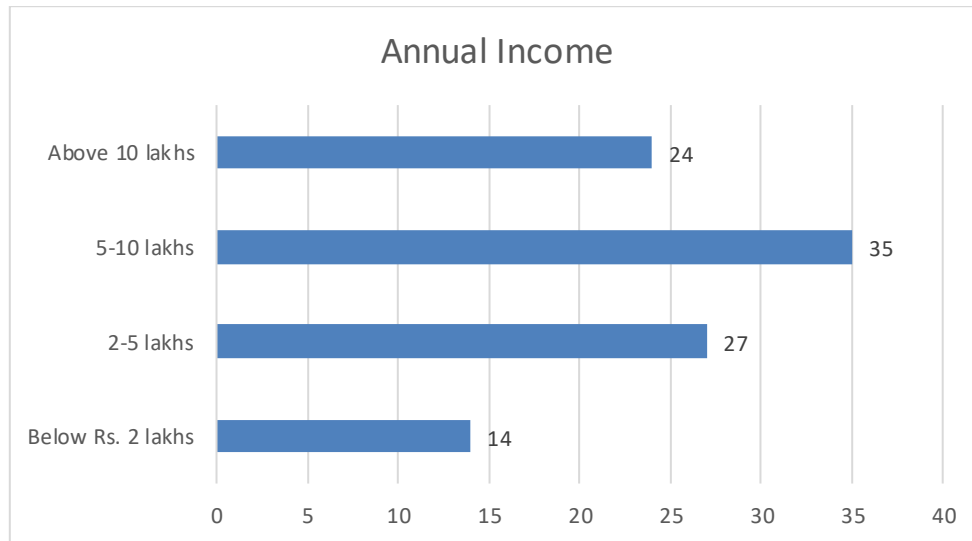
Age	Male	Female	Total
0-25	12	4	16
25-40	27	18	45
40-50	16	11	27
Above 50	9	3	12

- Education & Occupation

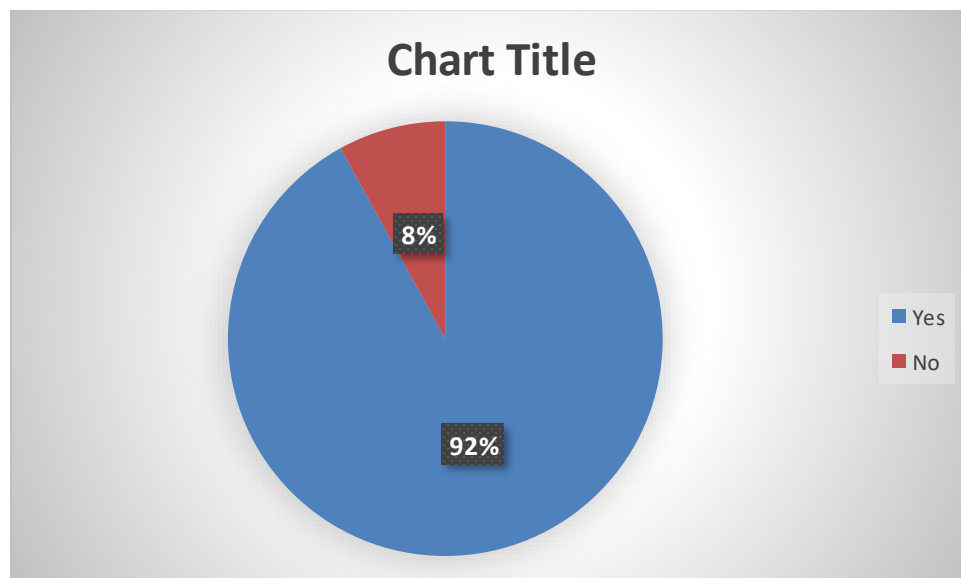
Education	Count
Illiterate	5
Primary	8
Secondary	7
Graduation	46
Post-Graduation	34

Occupation	Count
Business	24
Profession	17
Service	38
Student	14
Other	7

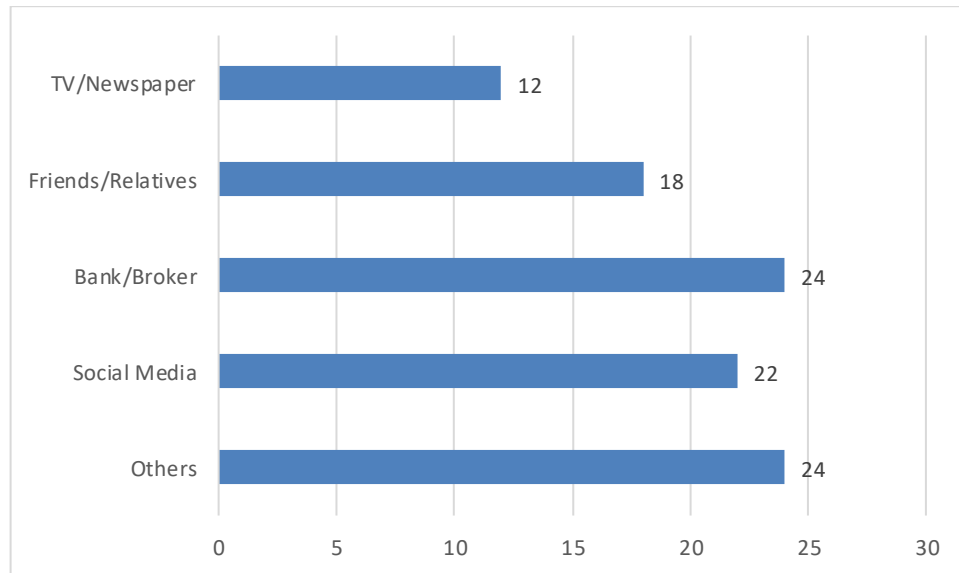
- Annual income



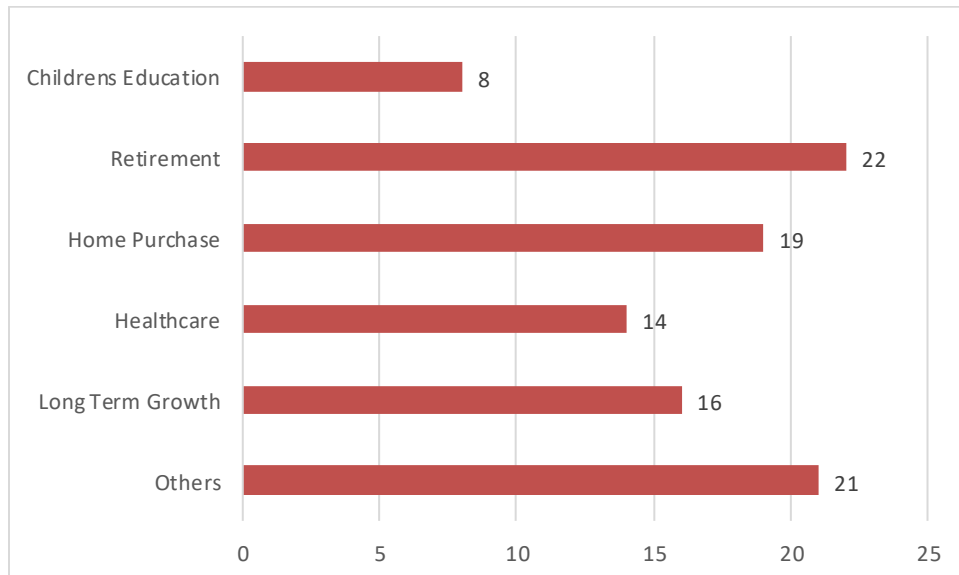
- Are you aware of saving and investment concept?



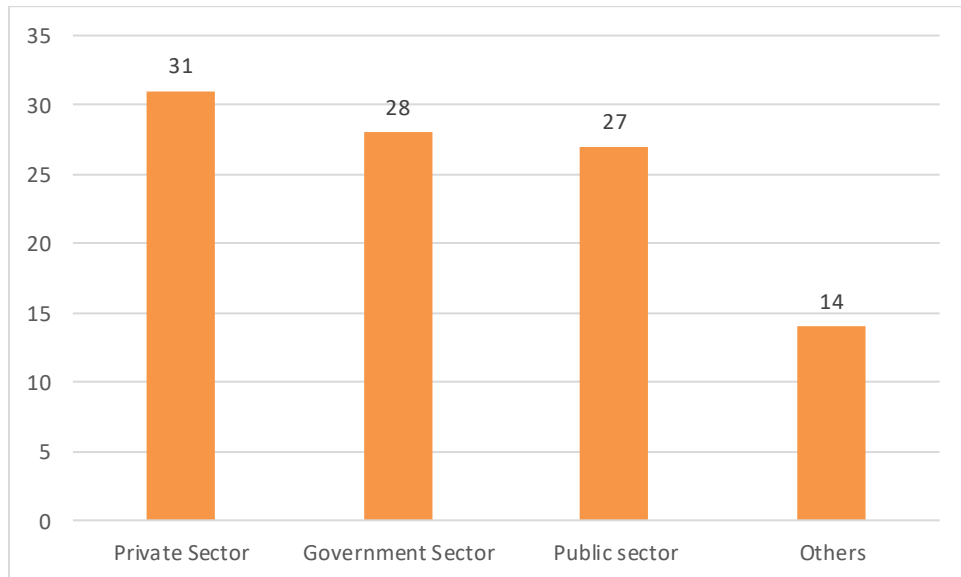
- From which source you came to know about various investment options?



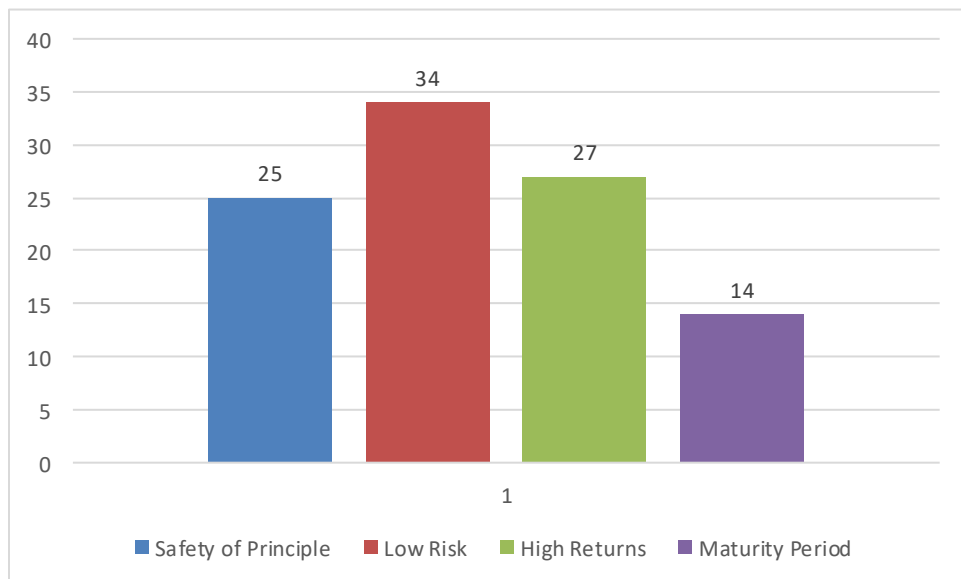
- What is your saving objective?



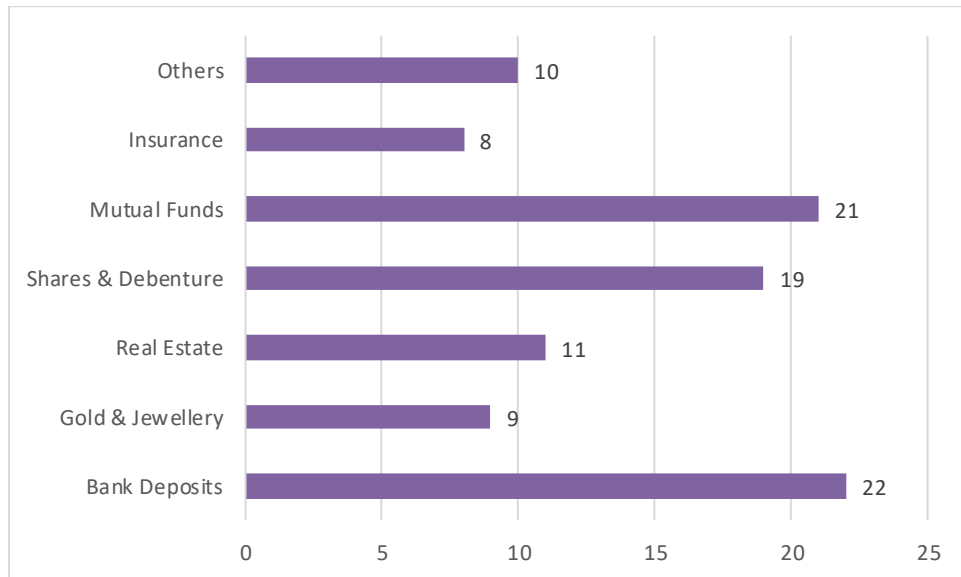
- In which sector do you prefer to invest your money?



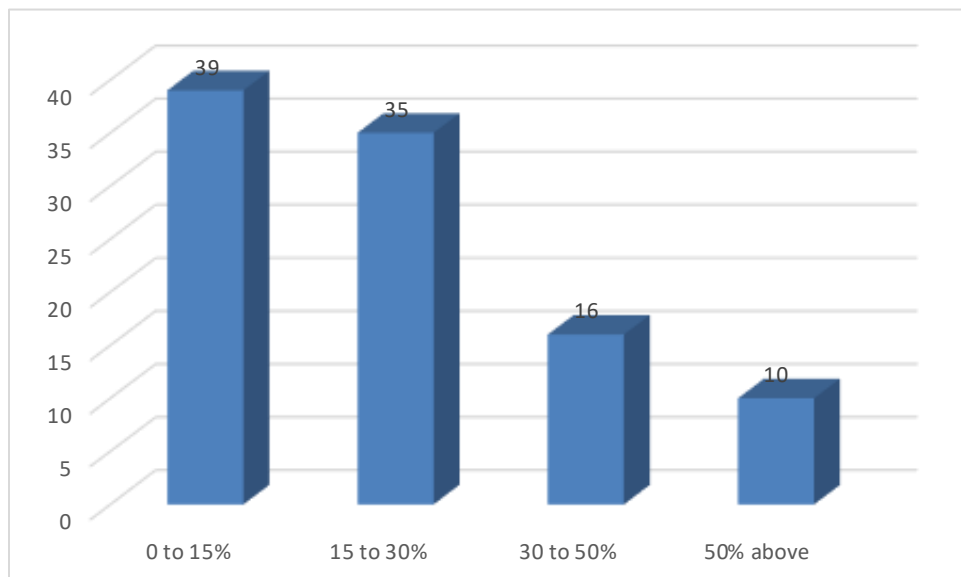
- Which factor do you consider before investing?



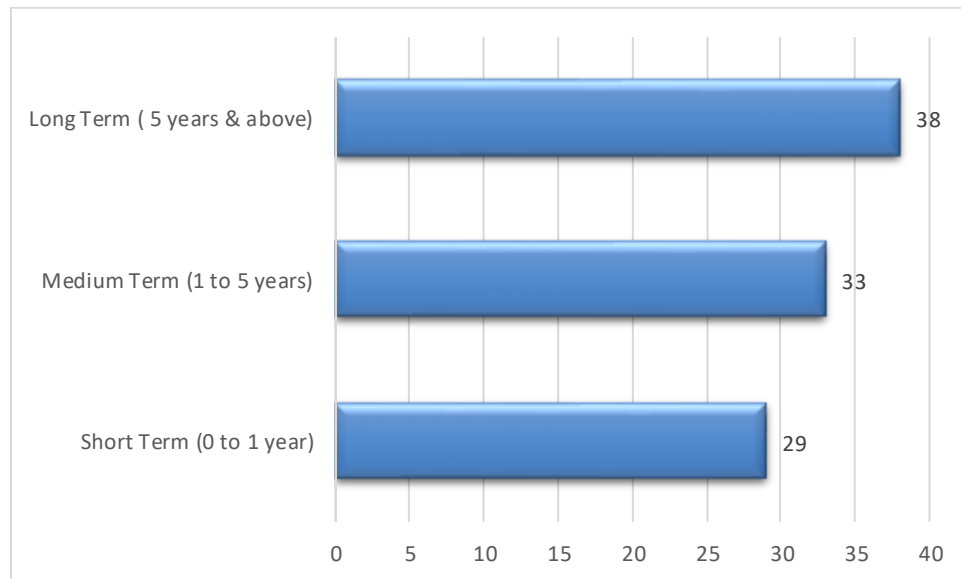
- Which option you prefer for investment?



- What percentage of your income do you invest?



- What is the time period you prefer to invest?



ANALYSIS & DISCUSSION

Findings:

- Most of the people are aware about the saving and investment concept.
- Study reveals that major information sources for investment options are from Bank/Broker and Social media.
- Most of the investors saving objective is to save for retirement purpose.
- Most of the investors prefer to invest in the private sector.
- Study reveals that majority of investors consider low risk while investing and to some extent higher returns.
- Majority of the investors prefer Long Term to invest.
- Majority of the investors prefer to invest their money in banks, Mutual Funds, and Stock market.

Conclusion:

The report is a reflection of the awareness and factor considering risk taking ability of the various category of the people. Selection of the perfect investment avenue is a difficult task to an average investor. An effort is made to identify the taste and preference of a sample of individuals selected by conveyance and snowball sampling. This report concentrated in identifying the factors considered individuals before investing, awareness level of people towards various investment avenues are identified based on their occupation, investment risk in selecting a particular avenue. After the analysis and interpretation of data it is concluded that investors are very well aware about investment and savings option available in the market through bank/broker and social media and this investment and savings is made with the purpose of getting retirement ready and long term growth. Most of the investors are preferring to invest their money in private sector and mostly in banks, mutual funds and stock market. In this research study data analysis of research reveals that the low risk and high returns is concerned as important factor while doing investment.

Inference:

Investments generate income and assets. People invest their money in hope of getting good returns, enough liquidity and safety. Indians have habits of savings but majority of them are averse to invest their funds and hold hard cash with them. Socioeconomic status of an investor is one of the significant factors in selecting and investing in particular financial product. Investor's perceptions and attitudes towards savings and investment avenues are deeply influenced by socio-economic environment. Education, income level, values, customs and beliefs and accessibility to financial services determine the investor's behavior. In India the socio-economic profile of the people changes dramatically. Today people are not only purchasing products and services, but also looking at smarter ways to invest their money. This is mainly due to the fact, that people today not only have wider choice of investing in different saving instruments, but are also more educated and aware about their choices. People are now moving beyond the traditional savings options of fixed deposit, post office savings to wider investment options in the form of insurance, mutual funds, bonds, equities, and real estate.

PART - C

LEARNINGS:

Summer internship is a great chance to see what it really be like to work in a particular industry and whether I am a great fit. Summer Internship provided me with experiences, lessons, and tools that will be needed to get a full-time gig in the future.

As an intern of The Capital box, I got the list of tasks to complete every day. I had to understand the financial process and procedure of the company under the supervision of the senior finance personnel. I was given the training and adequate knowledge about the financial products of the company which I had to offer to clients. To get the initiative started I had to meet with potential clients on almost a daily basis. Sometimes I met around 8 to 10 clients per day and had to persuade them to consider various insurance policies. Additionally, I made lists of potential clients to interact or contact for insurance policy pitch.

Here are the few take away from this internship -

Team Work – The first thing I need to mention is definitely team work. A lot of teamwork goes behind achieving big goals. You depend on your team members to execute certain tasks and vice-versa. This internship helped me understand the importance of working with the team and helped me learn leadership skills while working in a team.

New and Improved Skills – One of the most important things that I learned from this internship is the new found knowledge, which includes how to fulfill tasks relevant to my desired career path. Not only that, but I also got the time in sharpening and honing the skills I already possessed.

New Connections – During this internship I was able to make new connections from different MBA institutes from all over India and also with senior employees, clients, etc. This will be very much beneficial for me in future as these people can provide me guidance and advice.

A greater sense of professionalism – Walking in an office environment or any kind of professional setting can be difficult to get used to – and the best way to learn how to navigate the

working world is through real life, hands-on experience. I was able to observe workplace culture and see how professionals interact with one another and conduct themselves.

More confident in my career direction – An internship is an opportunity to test out a career field of interest and taking this internship I was able to understand more about finance domain and career path.

Time Management – It is always better to reach an hour early than being 5 minutes late as nothing speaks more about your professional etiquette than your ability to manage your time well. This internship opportunity helped me understand the importance of time and made me more disciplined in terms of time management.

From my internship at The Capital Box, I was able to get a better understanding of how the finance industry works and how effective it is. I enjoyed working with The Capital Box Finance team to device and implement financial strategies. However, I still have a long way to go in understanding the different and more complex aspects of finance and need to build up my career in this domain.

Overall, I found the finance internship experience to be positive, and I am sure I will be able to use the skills I learned in my career later.

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