

Investor Selection Process in Portfolio Management

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1. INTRODUCTION

Nowadays, organizations face challenges in their environment and organization are changing need efficient strategy processes in this changing world. A part of this strategy process is a company strategy implementation. The effective company strategy implementation has addressed the increasing importance of project portfolio management. Stock exchange operation are peculiar in nature and most of the Investor feel insecure in managing their investment on the stock market because it is difficult for an individual to identify companies which have growth prospects for investment Further due to volatile nature of the markets, it requires constant reshuffling of portfolios to captive on the growth on the growth opportunities Even after identifying thru growth oriented companies and their securities, the trading practices are also complicated, making it is difficult task for investor to trade in all the exchange and follow up on post trading formalities. Investor chooses to hold groups of securities rather than single security that offer the greater expect return. They believe that a combination of securities held together will give a beneficial result they are grouped in a manner to secure higher return after taking into consideration the risk elements. That is why professional investment advice through portfolio management service can help the investor to make an intelligent and informed choice between alternative investments opportunities without the worry of post

trading hassles. As per definition of SEBI Portfolio means a collection of securities owned by an investor. It Represents the total holdings of securities belonging to any person. It comprises of different types of assets and securities .

2. OBJECTIVES OF THE STUDY:

- To provide basic idea of different stock market investment instruments to investor.
- To provide knowledge to investor about various type of risk associated with various investment instruments.
- To provide investor knowledge about P/E, P/B/V and Beta that would help them in selection of script and creation of portfolio.
- To help investor in learning about derivate instruments future for the purpose of speculation and hedging.
- To known investor about portfolio management.
- To understand the concept of portfolio management and the role of the Asset Management Companies in capturing maximum share of investor's markets..

SCOPE OF THE STUDY

- The present study will evaluate problems and prospects of portfolio management

- The study mainly attempts to access growth, performance, working, regulatory framework, problems and challenges
- It also attempts to throw light on the portfolio management services offered by asset management companies along with a comparative analysis of the Portfolio Management of different fund houses and their available fund schemes.

NEED OF THE STUDY

1. The important reason for the situation is owing to the rapid growth of the Asset Management IN the portfolio services rendered by them.
2. The developments in the field of portfolio management are continuing apace. In fact, the phases of portfolio management namely professionalism and scientific analysis are currently advancing simultaneously.
3. Surprisingly the research studies dealing with portfolio management aspects of Asset Management Companies (AMC's) are rarely conducted in India
4. Against this background it is felt that there is a need for the study of portfolio management to examine the scope application of the Asset Management Companies in enhancing the growth of financial investments

LIMITATIONS OF THE STUDY:

- The time duration given to complete the report was not sufficient.

- The report is basically is made between the horizon of two months and the situation of market is
- Very dynamic so the conclusion or the return might not reflect the true picture.

3. RESEARCH METHODOLOGY:

RESEARCH PROBLEM:

To identified the stock market investment Avenue and methods to help investor in selection of script to create portfolio. And the measures of hedging the portfolio with the use of derivative instrument future.

RESEARCH DESIGN:

Research design is exploratory as the basic objective is to identified the stock and methods to create and protect portfolio. Research methodology is a way to systematically solve the research problem. The logic behind the method used, in context of research, is explained, so that research results are capable to being evaluated either by the researcher himself or by others. People undertake research in order to find things in a systematic way, thereby increasing their knowledge. The research project involves an explanation of the methods to collect information, argue why the results are meaningful and explain any limitations that are associated with them.

DATA COLLECTION

While deciding about the method of data collection to be used for the study, the researcher should keep in mind two techniques of Data Collection. Data collection is an integral part of the marketing research. There are several ways of collecting the

appropriate data, which differ considerably in context of money costs, time and other resources at the disposal of the researcher. The researcher should keep in mind two types of data viz. Primary and secondary.

Primary data: Primary data are collected by my regularly tracking the stock price of various script selected.- Primary data are those, which are collected afresh and for the first time, and thus happen to be original character. Primary data for the study is collected through Structured Questionnaires with close ended questions.

Secondary Data: Secondary data are collected from various journals, websites and financial news paper. The secondary data are those, which have already been collected by someone else like various journals and publications of the company and that are used for quick compilation of the report

4 .REVIEW OF LITERATURE

Conceptual frame work

Nevertheless, investor as well as distributor understanding of the item category is very minimal and one should comprehend the advantages of running this particular setting for committing. Generally, the least program color in PMS items is quite high? With all the bare minimum actually being Rs ten lakhs and even a few flat experiencing ticket measurements operating into crore. Many equity PMS solutions might entail a somewhat greater level of danger as they're available to investors that wish that additional little bit of substitution.

Equity profile management systems (PMS) are nowadays very appealing coming from the viewpoint of higher total really worth people (Ultra HNIs or hnis). Yellow of wellness for a week today. The steep autumn in the worldwide indices and also teetering economies are weighing on the Indian stop promote, in turn, which, has dented the importance of equity portfolios. It is in times like these the advantages of the primary as well as satellite program towards committing get apparent. The way it functions the center as well as satellite profile management is a favorite kind of funding program with money managers as well as their clients. * ET Bureau, (2011), How you can decide on a profile construction RBI, SEBI along with a sub committee of the Financial Stability and Development Council are focusing on the recommended standards for profile management, stated the individual requiring anonymity. "RBI is apt to question banks to prevent discretionary profile management," stated the individual. RaghavanR. S, (2011) Core as well as satellite profile construction& analysis a preferred financial investment method; the sensx hasn't been in the

This information (Portfolio Construction) was printed in the July 2009 edition of Dock stroll magazine * Anita Choir, (2011) Portfolio construction& solutions provided by brokerages and banks to experience heatMUMBAI: Regulators might install an end to discretionary profile management solutions offered by banks and brokerages after a number of frauds, incorporating high profile blades at City along with Standard Chartered, stated an individual acquainted with the believing.

What this means is it's really simple as well as affordable to put numerous money collectively and also have a really wide spread. Right now there are a few really good' multi asset' money that offer coverage to all these various courses in a person expertly handled location. These multi advantage administrators might additionally have the ability to get into some cash that are still unavailable on the list investor, like private equity. Peter Brooke is an economic planner on the English speaking expatriate society.

Ananth N Madhavan (2003) when a relatively esoteric issue, measurement and risk evaluation have turned out to be a crucial feature for equally profile supervisors as well as traders. Still correct evaluation and measurement of danger presents a lot of sensible difficulties, like the option of chance version, profile seo hurdles, horizon mismatches, along with out-of-sample tests. This particular comprehensive introduction to latest advancements in modeling as well as risk evaluation concentrates on functional applications. While risk management tools are able to offer priceless insights as to portfolio danger, they should be used with extensive hygiene. Risk evaluation, as it appears today, is just as much an art form as being a science. * Peter Brooke (2009) proposed the simplest way to construct an extremely different profile is via investment money. The option of finances has become overwhelming and virtually every asset type is protected by them. services.

India, the world's third biggest engine oil importer, is checking out keeping crude oil of the US along with other commercially practical places to hedge the source consequences of its, Oil Minister Dharmendra Pradhan mentioned on Tuesday.

Furthermore, the nation has linked up long-lasting crude oil supplies out of the US, Angola and Russian federation to diversify the import bin of its outside of the conventional vendors of its in the volatile Middle East.

Talking in a conference on the ' Energy Security Towards Atmanirbhar Bharat', he stated India has become importing crude oil from more than thirty nations, which includes from Africa, South and north Americas and Southeast Asia.

"We also are visiting offshore crude storage services in the US along with other commercially practical locations," he stated.

The country presently retailers 5.33 million tonnes (aproximately thirty eight million barrels) of crude oil of underground storages from 3 places on the west and east coast, barely adequate to supply its 9.5 times requirements.

The International Energy Agency (IEA) prescribes the users of its to get a minimum of ninety times of inventory in the strategic reserves.

India is trying to grow the storage capability by a different 6.5 million tonnes Chandikol in Padur and Odisha in Karnataka and it is likewise checking out the potential for getting storage space in the US to inventory a little gas which could be utilized in times of severe cost volatility or maybe resources interruption.

The country is almost as eighty five a dollar determined by imports to encounter the petroleum must have of its. It purchased 101.4 million tonnes of crude oil from overseas during April 2019 to March 2020 - two third of these approaching out of the Middle East nations like Iraq and Saudi Arabia.

"New long-range contracts are entered into by the businesses of ours with the counterparts of theirs in the US, Angola," as well as Russian federation he stated.

Furthermore, the import of gasoline (in the liquid form of its or maybe LNG) is diversified from conventional provider Qatar to the US, Russian federation and Australia, he stated.

"With the substantial need contraction worldwide, the hydrocarbon items are quite much less of a concern," he stated.

Pradhan stated filling present subterranean strategic storages applying poor priced crude oil of April and May really helped save more than Rs 5,000 crore.

"To more boost power protection in the hydrocarbons sphere, we're slowly boosting crude and oil products storage space capability from current seventy four times of national usage to ninety days," he stated.

India, he said, has improved the engagement of its with key global power players, and also firmed up of comprehensive and strategic power engagements with creating countries such Russian federation, the US, Uae and saudi Arabia on a single hand, along with good engagement with eating places like South Korea and Japan on the other person.

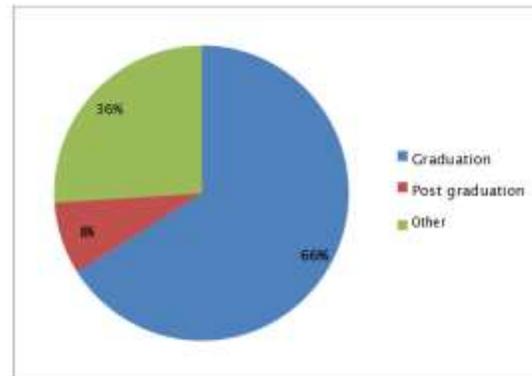
Pradhan stated the country had adequate resources of crude oil and liquefied natural gas (LNG) in the level of geopolitical tensions previous 12 months.

On the rates of crude oil, he stated India is advocating an affordable and responsible rates mechanism.

5 .DATA ANALYSIS

1. TABLE SHOWING QUALIFICATION OF INVESTOR

Sir No.	Qualification	No of Respondents	Percentage(%)
1	Graduation	33	66%
3	Post Graduation	5	8%
3	Other	13	36%
	Total	50	100

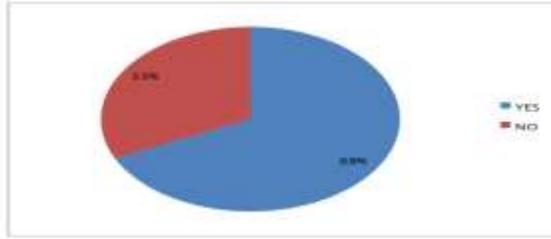


INTERPRETATION:

The table showing qualification of the investor . In this figure graduation completed is 33 people there percentage ratio is 66%. Post graduation is completed is 5 people there percentage ratio is 8%. And remaining is in other categories there percentage is 36%

2.ARE YOU HEARD ABOUT PORTFOLIO?

Sir No.	HEARD ABOUT PORTFOLIO	No of Respondents	Percentage(%)
1	Yes	35	68%
3	No	16	33%
	Total	50	100



INTERPRETATION:

Above figure mentioning how many people know about portfolio In this figure 35 people response yes. They know about portfolio And 16 people not know about portfolio management.

6.FINDINGS

- Two Stage Selection Process
- Choosing that typically projects to follow is difficult. It's a recognized occurrence that individuals wrestle with making choices which involve several options. Think about just how much more difficult it's selecting an entree at a restaurant with web pages of choices compared to an one page selection.
- The selection example is true when choosing tasks. When there are plenty of tasks to assess, choosing the "right" types might be tough.
- A two stage procedure is a good method to streamline this particular decision making procedure. It lets us quickly eliminate a lot of options and also concentrate the focus of ours on probably the most practical applicants. Research indicate that by removing selections we increase our brain's cognitive capability to assess additional choices.
- One particular business began its yearly project financing cycle in early August and

didn't eat it until Thanksgiving. Submitted undertaking requests have been a minimum of 3 times bigger compared to the accessible spending budget. Countless hours have been expended examining, reviewing, justifying, and talking about tasks which had absolutely no possibility of actually getting funded. It absolutely was a bad misuse of endeavour and sapped control emphasis.

- The initial step in the task is a fast, scoring of the tasks. The scoring sheets can be distributed and also handled across a lot of stakeholders. The stakeholders rate the tasks by themselves. Next, the profile manager consolidates plus aggregates the effects.
- The next move is making a prioritized profile backlog of tasks by all those tasks with the top scores. Once the tasks are scored, the profile manager operates together with the stakeholders to construct the prioritized backlog of prospect tasks. It's an ordinal position of upcoming tasks..

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7.SUGGESTIONS

ALots of businesses wrestle with task profile management (PPM). On the facial skin of it, profile management must be simple. We would like to arrange our financing choices to the organization's strategic goals. Since budgets are restricted, that turns into a constrained seo issue, that many readily done in the classroom.

Investment profile management is usually utilized as an example for PPM. We're acquainted with the idea of controlling go back as well as danger. From the retirement portfolios of ours, we hold a blend of

stocks for bonds as well as development for stability. Conceptually, investment management is simple. In truth, it's tough. Traditionally, PPM leverages corresponding monetary steps to recognize tasks with the best potential substitution. Regrettably, the example turns into complex easily. We do not usually have constant steps to evaluate anticipated functionality how can you appreciate the gain associated with a regulatory necessity? Rather than committed teams of funding managers, we're fortunate to get a couple of individuals controlling the portfolios along with the various other duties of theirs. Numerous businesses attempt to handle the task portfolios of theirs applying monetary steps and complicated procedures. From the past experience simplicity of mine as well as convenience would be the secrets of establishing a good profile management process. On this page I show a few methods to streamline the task selection process.

8.CONCLUSION:

Out of the above mentioned conversation it's apparent that profile performance is grounded on industry risk, so a single is able to buy the assist from the pro profile manager or maybe the Merchant banker if needed prior to expenditure because applicability of pragmatic information through complex evaluation will help an investor to lessen risk. Put simply Security costs are discovered by cash supervisor as well as home managers, strikers and students, physicians as well as dog catchers, landscapers and lawyers, the prosperous as well as the desiring. This particular breadth of market individuals assures a part of exhilaration as well as unpredictability. If perhaps we have been almost all completely rational and also can sort the feelings of ours through our investment choices well then, the dedication of cost based upon

coming earnings would move magnificently. Plus since we'd all possess the exact same totally rational anticipations, cost would just change when related information or maybe quarterly accounts was published. When cost are derived from investors' expectations, then being aware of what a security need to promote for become much less valuable compared to understanding what some other investors anticipate it to promote for.

I can easily determine through this particular task which profile control is now important program for the investors to determine the businesses with development opportunity. Profile supervisors are able to offer the specialized guidance on the investors to produce an informed and intelligent investment decision.

Profile management function continues to be not determined in the latest period but thanks it development of increasing complexities and investors market place of the investors the products of the portfolio supervisors is in need that is great in the future. Nowadays the individual investors don't show curiosity in shooting expert assistance but surely with all the increasing value as well as understanding concerning portfolio's manager's individuals will definitely like to have expert help.

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