

STUDY ON COMPARITIVE ANALYSIS OF DIRECT EQUITY INVESTMENT AND MUTUAL FUND INVESTMENT

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ABSTRACT

To create a plan that gives you a competitive advantage, competitive analysis involves assessing the strengths and weaknesses of your rivals. A competitive analysis can shed light on the benefits and drawbacks of each investment option in the context of direct equity investments and equity mutual fund schemes, assisting investors in making wise resource allocation decisions. Investing in individual companies' stocks directly on a stock exchange is known as direct equity. Due to the volatility of individual equities, this style of investment has a larger risk but also has a bigger potential return. A solid understanding of the stock market and specific companies is necessary for direct equity participation, which also involves continual monitoring and management of the investment.

KEY WORDS: Mutual fund performance, direct equity investment and return.

I. INTRODUCTION

The financial sector offers investors a variety of investing opportunities nowadays. He may make bank deposit investments, Bonds and corporate debt securities with minimal risk but low return. He might purchase shares of businesses where the risk is high and the returns are correspondingly great. Recent stock market trends have demonstrated that regular bearish movements always resulted in losses for the ordinary retail investor. The individual investors receive the investment earnings after that. The calculation used to determine a mutual fund's share price is known as the net asset value per share (NAV). Depending each day on the fund's overall value divided by the quantity of issued and outstanding shares. The standard deviation of each of these mutual funds is calculated using the Net Asset Value (NAV) of the fund's one-year data. These are considered while calculating the returns on those investments.

STATEMENT OF THE PROBLEM

In the Indian financial market, the mutual fund sector is one that is expanding quickly. Despite the fact that there are other investment options, investing in mutual funds through competent fund management enables investors to do so in the capital markets with minimal risk and high rates of return because there is funding diversification Investors have a variety of investment options at their disposal. The investors must be well-versed in the risks and potential returns of the money they are investing. Thus, this study aids in the analysis of the investment-related performance of the chosen mutual fund schemes.

OBJECTIVE OF THE STUDY

1. To study the performance of different types of equity and mutual fund investment.
2. To compare equity investment and mutual fund schemes with respect to return and risk.
3. To evaluate the performance of particular mutual fund schemes over the course of the study.

II. REVIEW OF LITERATURE

1 .(Nikin Rohit & Dr.Taral Patel, 2021) "A Comparative Study on One Time Investment and Systematic Investment Plans of Selected Mutual Fund Schemes at Gurukrupa Investments, Bardoli. "Mutual funds are the most suitable investment for the typical person since they offer the opportunity to participate in a varied, expertly managed portfolio. managed securities portfolio available for a fair price. This is especially true for the mutual fund industry, as a new strategy for investing in mutual funds called a systematic investment plan entails making regular payments of a certain amount of money (SIP).

2 .(S. B. Hapase and D. Surwade,2021) in their paper “**A COMPARATIVE STUDY OF INVESTMENT BEHAVIOR OF RETAIL AND HIGH NET WORTH MUTUAL FUND INVESTORS OF THE INDIA**” The focus of this study is on Indian high net worth individuals (HNIs) and regular investors in mutual funds. The main goal is to contrast these two investors' preferences for equities mutual funds, asset under management, and folio numbers. This research study takes the most recent ten fiscal years into account. This study is of the descriptive research style and is supported by secondary data. The information came from the Association of Mutual Funds of India's research papers (AMFI).

3. (Aniruddh Sahai and Prof. (Dr.) Ravinder Kumar,2020) in their paper “**Variation in Mutual Fund Performance: A Comparative Study of Selected Equity Schemes in India for the Period 1995-2020**” deals about the Mutual Fund schemes have offered varying returns over the decades. While some funds have outperformed the benchmark stock market indices (Nifty, Sensex, Midcap Index, Small Cap Index, etc.), others have only delivered tepid returns & have underperformed these Indices. Similarly, the first half (of the period 1995-2020) delivered superior returns for equity mutual funds when compared to the latter half. Thus, investors must recognize the cross-sectional & longitudinal variation in the performance to be able to effectively deploy their resources & multiply wealth.

4. (SHARMA, 2020) “**PERFORMANCE ANALYSIS OF MUTUAL FUND: A COMPARATIVE STUDY OF THE SELECTED DEBT MUTUAL FUND SCHEME IN INDIA**” A corporation that collects money from numerous investors and invests it in stocks, bonds, or other assets is known as a mutual fund. A portfolio is the total holdings of stocks, bonds, or other assets that the funds own. Shares in the funds, which each reflect a portion of these holdings, are owned by each investor. India has 44 mutual funds in total . The asset classes of today have also evolved from merely equities and debt to gold funds, inflation, and more avant-garde funds like arbitrage funds, thanks to this good development. To assess the performance of particular Indian debt mutual fund programmes and to study these mutual funds' risk and return components.

5. (Dr. P. Venkatesh, Dr.V. Selvakumar , Dr. D. ShanthiRevathi and Dr. K. Maran,2020) in their paper “**A Study on Performance Analysis of Selected Mutual Fund Schemes in India**” in this paper there are numerous investment opportunities in India that allow investors to make money. Investments in mutual funds, as compared to other financial products, guarantee investors the lowest risks and highest returns. The purpose and reach of mutual funds operation has expanded as a result of the focus on domestic savings growth and improved investment diversification. As a result, researching the mutual fund sector and its performance became crucial. This study intends to assess the performance of a few chosen Indian mutual fund schemes based on their daily net asset value (NAV) during the five-year period between 2015 and 2019. Ten open-ended, growth-oriented equity funds have been chosen as a sample.

III. DATA AND METHODOLOGY

3.1 ANALYTICAL RESEARCH: Analytical research is a particular kind of research that calls for the use of critical thinking abilities and the assessment of data and information pertinent to the project at hand. Analytical research is used by a range of professionals, including psychologists, doctors, and students, to identify the most pertinent material during investigations. Generally, the researcher doing research in finance domain come under analytical research.

3.2 SAMPLING SIZE:

- 10 Equity investment
- 10 Equity based mutual fund schemes

3.3 TOOLS USED:

For this study the analysis and interpretation have been made with the help of graphs and percentage of return with the help of excel software.

3.4 LIMITATIONS:

- **NO CONTROL OVER COST:** In a plan, all of the investor's money is combined. All unit holders must contribute to the costs of administering the plan in proportion to the number of units they own. As a result, each individual investor has little influence over a scheme's costs.
- **MANAGEMENT RISK:** The probability that the fund manager would perform worse than the benchmark is known as management risk. One way to reduce management risk is to invest in index funds. But in terms of returns, the index fund will never outperform the market.
- **NO GUARANTEES:** These factors include the activity of the particular market in which the money is invested, the performance of specific assets owned, and the team's expertise in managing investments. The fund makes no promise of any return to the unitholders because returns generated by the markets cannot be guaranteed.

IV. DATA ANALYSIS

AVERAGE PRICE OF ALL COMPANY

Year	ICICI NIFTY EQUITY	JSW STEEL EQUITY	KOTAK NIFTY EQUITY	MOTILAL OSWAL M50 EQUITY	QUNATUM NIFTY 50 EQUITY	TATA STEEL EQUITY	UTI NIFTY 50 EQUITY	ADITYA BSL NIFTY 50 EQUITY	EDELWEIS S NIFTY 50 EQUITY	NIPPON INDIA NIFTY 50 BEES
2017-18	102.811	245.4744	377.3373	95.6068	1077.095	619.8189	1033.553	105.9678	11104.76	1031.828
2018-19	112.608	322.603	110.9175	105.2514	1097.113	548.9083	1134.205	112.7844	12401.5	1132.447
2019-20	120.811	251.4202	118.8357	112.2178	1168.438	248.2591	1218.413	125.0445	14777.22	899.6833
2020-21	127.286	292.704	125.0524	117.6765	1248.014	470.2669	1277.97	133.0305	15828.64	128.0872
2021-22	178.589	676.3097	175.3494	165.1017	1738.928	1215.33	1751.561	123.4195	20870.63	179.6518

PERCENTAGE RETURNS OF ALL COMPANY

Year	ICICI NIFTY EQUITY	JSW STEEL EQUITY	KOTAK NIFTY EQUITY	MOTILAL OSWAL M50	QUNATUM NIFTY 50	TATA STEEL EQUITY	UTI NIFTY 50 EQUITY	ADITYA BSL NIFTY 50 EQUITY	EDELWEIS S NIFTY 50 EQUITY	NIPPON INDIA NIFTY 50
2017-18	4.26	18.94	-32.11	3.55	2.73	8.32	5.21	6.37	18.39	4.47
2018-19	5.87	1.45	5.89	7.06	9.51	-2.31	6.58	6.41	26.12	6.04
2019-20	-10.37	-23.54	-11.1	-10.71	-13.83	-23.01	-9.87	-4.65	-8.68	-47.07
2020-21	24.09	51.02	7.34	24.17	27.3	48.31	22.32	20.16	36.31	23.51
2021-22	7.41	17.55	7.34	7.58	7.78	19.94	7.65	-29.39	33.31	7.41

PERCENTAGE RETURNS (YEAR ON YEAR) OF ALL COMPANY

Year	ICICI NIFTY EQUITY	JSW STEEL EQUITY	KOTAK NIFTY EQUITY	MOTILAL OSWAL M50	QUNATUM NIFTY 50	TATA STEEL EQUITY	UTI NIFTY 50 EQUITY	ADITYA BSL NIFTY 50 EQUITY	EDELWEIS S NIFTY 50 EQUITY	NIPPON INDIA NIFTY 50
2017-18	0	0	0	0	0	0	0	0	0	0
2018-19	9.53	31.42	-70.61	10.09	1.86	-11.44	9.74	6.43	11.68	9.75
2019-20	7.28	-22.07	7.14	6.62	6.5	-54.77	7.42	10.87	19.16	-20.55
2020-21	5.36	16.42	5.23	4.86	6.81	89.43	4.89	6.39	7.12	-85.76
2021-22	40.3	131.06	40.22	40.3	39.34	158.43	37.06	-7.22	31.85	40.26

AVERAGE PRICE OF ALL COMPANY

Year	CANARA ROBEKO BLUE CHIP	HDFC INDEX NIFTY 50	IDBI NIFTY INDEX	IDFC NIFTY 50 INDEX FUND	KOTAK BLUE CHIP	MIRAE ASSET LARGE CAP	NIPPON INDIA EIE NIFTY 100	SBI BLUE CHIP	TATA NIFTY 50 INDEX FUND	UTI CORE EQUITY
2017-18	22.6433	90.43128	18.5785	20.37672	213.9578	46.8584	106.2563	38.20422	59.79458	62.65053
2018-19	24.6768	99.12432	20.0052	456.12	221.9464	50.076	113.8833	39.54651	65.22391	62.81498
2019-20	27.26347	105.9374	21.1917	480.4881	235.8129	54.1889	119.2422	41.83413	69.53822	61.29448
2020-21	31.40718	111.3257	22.1312	465.2105	254.5611	57.8652	124.6664	44.45541	72.80303	63.40503
2021-22	43.80502	155.6926	30.5183	657.2137	358.0602	81.3835	174.0012	62.8143	101.1626	97.88023

PERCENTAGE RETURN OF ALL COMPANY

Year	CANARA ROBEKO BLUE	HDFC INDEX NIFTY 50	IDBI NIFTY INDEX	IDFC NIFTY 50 INDEX	KOTAK BLUE CHIP	MIRAE ASSET LARGE	NIPPON INDIA EIE NIFTY 100	SBI BLUE CHIP	TATA NIFTY 50 INDEX	UTI CORE EQUITY
2017-18	4.69	4.37	3.53	4.31	3.55	5.04	4.23	4.71	4.07	4.37
2018-19	5.09	5.98	5.49	6.52	3.55	5.54	4.71	2.3	5.87	0.78
2019-20	-4.12	-10.64	-12.48	-14.03	-8.63	-9.52	-10.89	-9.78	-10.44	-15.07
2020-21	22.57	24.48	24.15	23.05	23.95	23.81	23.79	25.18	23.85	27.41
2021-22	6.56	7.36	6.84	7.64	6.54	7.31	7.39	6.44	7.21	8.26

PERCENTAGE RETURN (YEAR ON YEAR) OF ALL COMPANY

Year	CANARA ROBEKO BLUE	HDFC INDEX NIFTY 50	IDBI NIFTY INDEX	IDFC NIFTY 50 INDEX	KOTAK BLUE CHIP	MIRAE ASSET LARGE	NIPPON INDIA EIE NIFTY 100	SBI BLUE CHIP	TATA NIFTY 50 INDEX	UTI CORE EQUITY
2017-18	0	0	0	0	0	0	0	0	0	0
2018-19	8.98	9.61	7.68	2138.44	3.73	6.87	7.18	3.51	9.08	0.26
2019-20	10.48	6.87	5.93	5.34	6.25	8.21	4.71	5.78	6.61	-2.42
2020-21	15.2	5.09	4.43	-3.18	7.95	6.78	4.55	6.27	4.69	3.44
2021-22	39.47	39.85	37.9	41.27	40.66	40.64	39.57	41.3	38.95	54.37

CONCLUSION

The many questions before direct investment in equities and mutual fund investments are answered by a comparison of ten direct equity and mutual fund investments. Direct equity investments require greater business, financial market, and budget knowledge than indirect equity investments, which can also yield enormous returns but come with variable risk and return. In contrast, the risk is minimal and the return is predetermined for new investors and stockholders. "In comparison to other choices, mutual funds are thought to be one of the greatest investing options because of their typical cheap cost. Investors are recommended to take the statistical parameter into account in order to guarantee the mutual fund's constant performance. They can use this study's insights into mutual fund performance to make informed investment choices and allocate their funds to the best mutual fund schemes ". They primarily serve the interests of the individual investor by offering prospects for growth, safety, liquidity, and regular income. Therefore, before making an investment decision, mutual fund investors must assess the performance of the schemes. Investors can utilise the research findings to better understand the financial performance of mutual fund schemes.

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