



SNS COLLEGE OF ENGINEERING

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Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**

DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA307 - INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

II YEAR / III SEMESTER

UNIT 1 - INVESTMENT MANAGEMENT

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT



Meaning of Investment

- ✓ An investment is an asset or item that is purchased with the hope that it will generate income or appreciate in value at some point in the future.
- ✓ An investment can refer to any mechanism used for generating future income, including bonds, stocks, real estate property, or a business





Financial Meaning of Investment

- ✓ A financial investment is an asset that you put money into with the hope that it will grow or appreciate into a larger sum of money. The idea is that you can later sell it at a higher price or earn money on it while you own it.
- ✓ Financial investment refers to putting aside a fixed amount of money and expecting some kind of gain out of it within a stipulated time frame like Appreciation, Dividends or Interest





Economic Meaning of Investment

- ✓ The concept of economic investment means addition to the capital stock of the society. The capital stock of the society is the goods which are used in the production of other goods.
- ✓ The term investment implies the formation of new and productive capital in the form of new construction and producers durable instrument such as plant and machinery.
- ✓ Thus, an investment, in economic terms, means an increase in building, equipment, and inventory.





Accounting Meaning of Investment

- ✓ An investment is a payment made to acquire the securities of other entities, with the objective of earning a return.
- ✓ Examples are bonds, common stock, and preferred stock.
- ✓ The concept can also mean the acquisition of fixed assets for internal use, also with the objective of earning a return.





Define Investment

- ✓ Investment is an asset acquired or invested in to build wealth and save money from the hard earned income or appreciation.
- ✓ Investment is primarily made to obtain an additional source of income or gain profit from the investment over a specific period of time..





Difference between Financial and Economic of Investment

Financial Meaning: Investment is the employment of a person's funds to derive future income in the form of interests, profit, dividend, premium, pension benefits or appreciation in the value of their capital.

For example: purchasing of shares, debentures, post office saving certificates are all investments in the financial sense.

Economic Meaning: Investment means the net addition to the economy's capital stock which consists of goods and services that are used in the production of other goods and services.

For example: formation of new and productive capital in the form of constructions, plant and machinery, inventories etc.



THANK YOU