



SNS COLLEGE OF ENGINEERING

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An Autonomous Institution

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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



Characteristics of Investment

An investor generally prefers liquidity for his investments, safety of his fund, a good return with minimum risk, or minimization of risk and maximization of return. Alternatively, all investments are characterized by (i) return, (ii) risk, (iii) safety (iv) liquidity.

Return: Investment are made with the primary objective of deriving a return. The return may be received in the form of yield plus capital appreciation.

Risk: Risk is inherent in any investment. The risk may relate to loss of capital, delay in repayment of capital, non-payment of interest or variability of returns.



Characteristics of Investment



Safety: Safety is another feature which an investor desire for his investments. Every investor expects to get back his capital on maturity without loss and without delay.

Liquidity: An investment which is easily saleable or marketable without loss of money and without loss of time is said to possess liquidity. An investor generally prefers liquidity for his investment. Some investment instruments, like debentures and preference shares, are easily liquid able, and others are not, such as bank deposits or post office deposits.

Marketability: It is another feature of investment that they are marketable. It means buying and selling or transferability of securities in the market.

Stability Of Income: Investors invest their capital with high expectation of income. So, return on their investment should be adequate and stable.



Objective of Investment

The objectives of an investor can be stated as follows: Safety Growth and Income

(1) Maximization of return

(2) Maximization of risk

(3) Hedge against inflation





IMPORTANCE OF INVESTMENT

- 1 GENERATES INCOME**
- 2 WEALTH CREATION**
- 3 TAX BENEFITS**
- 4 ECONOMIC DEVELOPMENT**
- 5 MEET FINANCIAL GOALS**



FEATURES OF INVESTMENT

- 1 Safety of Principal**
- 2 Capital Appreciation**
- 3 Expectation of Return**
- 4 Marketability**
- 5 Purchasing Power Stability**
- 6 Tax benefits**
- 7 Legality**



THANK YOU